

How platforms with first-party data stand to benefit from AppTrackingTransparency

Article

The rollout of AppTrackingTransparency (ATT) in iOS 14.5 effectively deprecated the primary way publishers and advertisers track users on iOS and changed how the mobile ad industry

approaches monetization and measurement.

Larger platforms' core businesses are less affected—and some even benefit from the changes. Google and Amazon have treasure troves of first-party data and incredible reach. Because they don't rely on tracking users across apps, they can largely guarantee the same level of granularity as before Apple's Identifier for Advertisers (IDFA), which is raising costs on those platforms.

It's a bit more complicated for platforms like **Meta**. On one hand, it did rely heavily on the IDFA for its off-platform Meta Audience Network, and the ATT changes are hurting that segment's revenues. On the other hand, its core business benefits from the same wealth of first-party data as Google and Amazon. CPMs—the cost of a thousand impressions—on core Facebook grew a whopping **66%** from Q4 2020 to Q4 2021, even as impressions decreased **22%** over the same period, according to data provided by performance marketing agency Tinuiti.

US Facebook Ad Growth Metrics, Q4 2021

% change vs. same period of prior year



Note: represents activity on the Tinuiti platform, broader industry metrics may vary; excluding Instagram, Messenger, and Audience Network
Source: Tinuiti, "Facebook Ads Benchmark Report: Q4 2021," Jan 2022

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Apple itself is a beneficiary. Apple offers sponsored search ads in its App Store, and since it only uses Apple's own data, it's unaffected by the changes—raising the value of App Store ads for mobile app install campaigns.

- As of October 2021, Apple drove **58%** of all iPhone app downloads resulting from an ad, compared with just **17%** a year prior, according to data from mobile attribution platform Branch provided to the Financial Times. This has raised concerns about the anti-competitive nature of ATT.
- Overall, Apple's services business (which encompasses subscriptions and advertisements) grew **24%** year over year in the quarter ending December 25, 2021.

Retailers have kicked off their own media networks. Though retail ad networks have existed for years, the trend kicked into high gear when retailers realized their first-party purchase data is especially valuable in this landscape. Amazon, **Instacart**, **CVS**, **Walmart**, **Kroger**, and **Best Buy** are just some of the many retailers with in-house ad networks.

- Between 2020 and 2021, the number of CPG brands working with retail media networks to gain access to first-party data nearly doubled from **33%** to **62%**, according to an October 2021 survey by Merkle.

Read the full report.

Report by Nina Goetzen Feb 22, 2022

The Shakeout From Apple's Privacy Update

