Apple wants a cut of social media's 'boosted' post revenues

Article



The news: Apple has dealt yet another high-profile blow to social media platforms on iOS. New **App Store** guidelines require "promoted" or "boosted" social media posts to be treated as in-app purchases, which entitles Apple to a **30% cut of all revenues generated**.

The policy specifically targets promoted posts from individual users or accounts, and has caveats for traditional advertisements that may also appear as promoted posts.



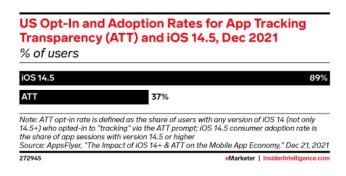


A not-so-subtle target: The rules around promoted posts have been unclear and inconsistent for some time. Platforms like **Twitter** already use in-app payments for promoted posts, but there's one notable company that doesn't and has been at odds with Apple for some time: **Meta**.

- This change didn't come from nowhere. In August, The Wall Street Journal reported that debate between Apple and Meta over the categorization of "boosted" posts was just one issue that led to a breakdown in communication. Apple claimed they were like any in-app purchase, but Meta argued that they qualified as advertisements.
- The new policy will raise tensions between the two giants even higher than they already are. Meta has been struggling for over a year now, facing major advertising revenue losses at the hands of Apple's AppTrackingTransparency (ATT) policy. But while Meta flounders and deals with heavy losses, Apple's ad business is doing better than ever.
- Apple's thriving ad business has been the subject of legal complaints from Meta. Facebook's
 parent has filed complaints with the FTC citing ATT as an anticompetitive policy that tanked
 social media ad revenues and propelled Apple to the top.

The big takeaway: Apple's policy change is an aggressive shove to take up even more space in the mobile advertising world, but it may not go unchallenged.

- Meta's criticisms could end in a court battle, where the privacy-first messaging of ATT could be put to a serious test. Regulators have been acting in favor of digital privacy recently, which could help Apple should this go to court.
- But on the other hand, Apple's massive 30% cut has also been the subject of legal conflict.
 Epic Games famously sued Apple over the fee, calling it anticompetitive and stifling to growth. Abroad, Apple's fee is also facing class-action challenges in France and Portugal.







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