## Meta wants small brands to circumvent Apple's 'boosted post' fees

Article





**The news: Meta** is encouraging advertisers to take measures to circumvent Apple's 30% charge for "boosted" social media posts.

 In a blog post unsubtly titled "<u>New Ways for Small Businesses to Boost and Avoid Apple</u> <u>Service Charges</u>," Meta told advertisers to purchase ad space via Facebook and Instagram





browser apps rather than directly on iOS to avoid extra fees.

 To further disincentivize advertisers from buying on iOS, Meta said it will charge its own, additional 30% fee on top of Apple's to cover the latter's fee, effectively increasing the price of purchasing boosted posts via iOS on Instagram and Facebook.

**The boosted post battle:** Apple has long charged a (controversial) 30% charge on in-app purchases on iOS. But in late 2022, the company <u>extended that charge</u> to "boosted" or "promoted" posts on social media sites, effectively taxing one of the cheapest digital advertising options and a major revenue driver for companies like Meta.

- Those changes kick in this month, and Meta's blog post highlights the two tech giants' ongoing feud. It also shows that Meta is trying to differentiate itself from Apple by appearing to be on the side of smaller advertisers.
- It's those smaller advertisers who are most affected by Apple's change. Meta has said it's required to "either comply with Apple's guidelines or remove boosted posts from our apps," which it says would unfairly harm small businesses to whom the format provides a cheap and effective way to reach users without hefty spending on extended campaigns.
- The Apple-Meta feud <u>extends beyond boosted posts</u>. In 2022, Meta said that Apple's AppTrackingTransparency policy, which gave users the ability to opt out of personalized tracking, cost the company \$10 billion and created a major point of conflict.

**For the little guy:** By allowing a workaround to Apple's charges, Meta can continue to benefit from smaller brands spending on its platforms and position itself as an ad giant that is on the side of small companies.

- Many of Meta's products over the last year have been developed with smaller advertisers in mind. The company has put a significant focus on artificial intelligence and is launching AIpowered creative tools that can cheaply generate copy and other creative materials.
- Providing access to cheap creative advertising materials can allow Meta to tap into a much broader well of spending from brands that typically could not afford to outsource creative; the tech has <u>driven significant business</u> for Meta.

**Our take:** Meta's escalating feud with Apple could lead to the latter loosening up its widely criticized fees, especially with legal pressure against the practice mounting.

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% of respondents



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