## AppTrackingTransparency draws the ire of German regulators

## Article

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**The news: Germany's** competition watchdog recently announced a probe into **Apple**'s controversial **AppTrackingTransparency** (ATT) policy, marking one of the first major legal inquiries into the privacy change.

**A recap:** Rolled out last year, ATT makes apps ask users to opt-in or out of tracking and has <u>fundamentally changed</u> mobile advertising, severely affecting revenues for other Big Tech



giants.

- Opt-in rates have not been as low as initially expected—approximately 46% across categories compared with a possible low of 2%—but even that hurts substantially.
- Meta has said it expects to lose \$10 billion in ad revenue thanks to ATT, and recently <u>filed a</u> <u>request for comment</u> with the FTC criticizing the policy. Snapchat complained about ATT in October after a difficult earnings report, and it still <u>isn't doing too well</u>.
- Meanwhile, Apple's own advertising platforms have soared. Its search ad revenues rose a whopping 237% to \$3.7 billion last year, and Apple is <u>looking for other ways</u> to introduce advertising to its existing services.

What this means: The complaints from rival tech companies have grown louder, and antitrust bodies are starting to turn a wary eye to Apple's ad policies.

- Germany's probe could be followed by more investigations into ATT that could ultimately result in a change to the policy.
- Still, a total reversal of ATT probably isn't in the cards. ATT falls in line with American and European regulators' recent fervor for <u>data privacy regulations</u> and penalties, so it's unlikely to be fully rolled back.
- Any changes to ATT that do get proposed will likely prompt intense resistance from Apple,
  which has made the privacy changes that launched with iOS 14 a key part of its brand image.

**The big takeaway:** ATT isn't going anywhere anytime soon. Mounting legal pressure will lead to years-long investigations and court battles that will eventually produce an ATT with some degree of compromise that either holds Apple accountable to its own third-party rules, or gives back to platforms at least a sliver of their old tracking capabilities.





## AppTrackingTransparency (ATT) Consent Rate Among iOS Apps Worldwide, by Category, March 2022

% of total users

Finance	53%
Utilities	53%
Photography	50%
Lifestyle	49%
Food and drink	47%
Travel	47%
Gaming	46%
Entertainment	46%
Shopping	45%
Social	44%
Health and fitness	42%
Education	41%
Total	46%

Note: represents activity tracked by AppsFlyer, broader industry metrics may vary; among users who have seen the ATT prompt Source: AppsFlyer, "ATT 1 Year On: Examining the Impact of Privacy on the Mobile Marketing Space," April 28, 2022 275550 eMarketer | InsiderIntelligence.com

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