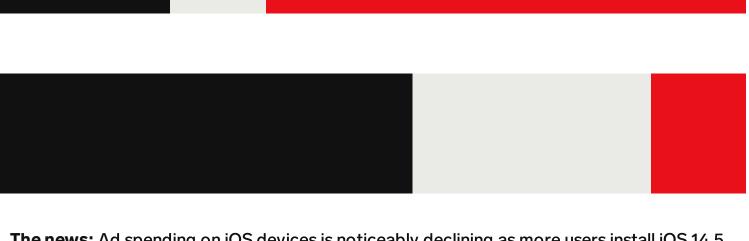# iOS ad spend drops as AppTrackingTransparency takes off

Article

The news: Ad spending on iOS devices is noticeably declining as more users install iOS 14.5 and above, which features Apple's anti-tracking AppTrackingTransparency (ATT) framework. The framework allows users to decide whether to give a certain app permission to track them across other apps and websites.

Deeper into the numbers:

- At the 2021 peak of ad spend on iOS, during the week of February 2 to 7, marketer budgets were split relatively evenly between operating systems: **43.84%** went to iOS app install campaigns, and **56.16%** went to Android, according to mobile analytics firm Singular. (However, Singular notes that spending may have been artificially high as advertisers scrambled before ATT went into effect.)

- By the week of June 14 to 20, **Apple's share dropped to just 29.71%** while **Android claimed 70.29%** of budgets.

- And it's not just Apple's share that's declining—total spend on iOS has fallen. iOS spending for the week of June 14 was just **59.8%** of that of the week of February 2.

How we got here:

- iOS 14.5 rolled out in April 2021, but adoption has been slow because Apple didn't begin pushing users to upgrade until iOS 14.6 was released in late May.

- **As of last week, iOS 14.5+ adoption could be as high as 70%**, per more recent estimates by mobile attribution firm Branch cited by Digiday. According to AppsFlyer, global adoption of iOS 14.5+ was only 16% by the week of May 25, but it rose to 45% by the week of June 7.

- And so far, more than three-quarters of those who have installed iOS 14.5 or above have chosen not to share their data. The ATT opt-in rate was **23.64%** last week, according to Singular—higher than the industry's original expectations of between 2% and 20%, but still far lower than marketers are used to.

What's next: We're beginning to see the fallout of Apple's privacy changes, but it remains to be seen whether this shift in ad spend will be permanent.

- **On one hand, marketers may return to Apple if its alternatives to the Identifier for Advertisers (IDFA) prove useful.** "App developers might spend more on iOS ads if they become convinced they can still drive results without one-to-one targeting or reporting on most users," said Nicole Perrin, eMarketer principal analyst at Insider Intelligence.

- Apple has recently been pushing marketers to use its privacy-friendly framework, **SKAdNetwork**—but the feature has been limited in the past, and marketers didn't have a lot of incentive to use it while the IDFA was still around. The company recently improved SKAdNetwork's data-sharing capabilities, but it'll be a while before marketers can test it out to see if it's a viable alternative for measuring campaigns' success.

- **On the other hand, the shift to Android may stick as Google actively courts marketers with advertiser-friendly policies.** For example, Google is making tracking opt-out rather than opt-in, and it recently began introducing ways to expand mobile app campaigns to desktops. And last week's announcement that it's delaying the deprecation of third-party cookies until 2023 has undoubtedly won the company points in marketers' eyes.