

Apple looks to boost App Store ads with AI-powered buying tools

Article

The news: Apple is testing an AI-powered ad buying tool for the **App Store** that would automatically determine where to place ads, according to [Business Insider](#) reporting.

- The tool, which is being tested with a small group of advertisers, would allow them to input a budget and desired cost-per-acquisition target to inform the AI's decision.

App Store ads: Apple has spent the last few years [focusing heavily on its advertising business](#) by launching new ad formats across its suite of apps, as well as developing a video ad business for [Apple TV+](#).

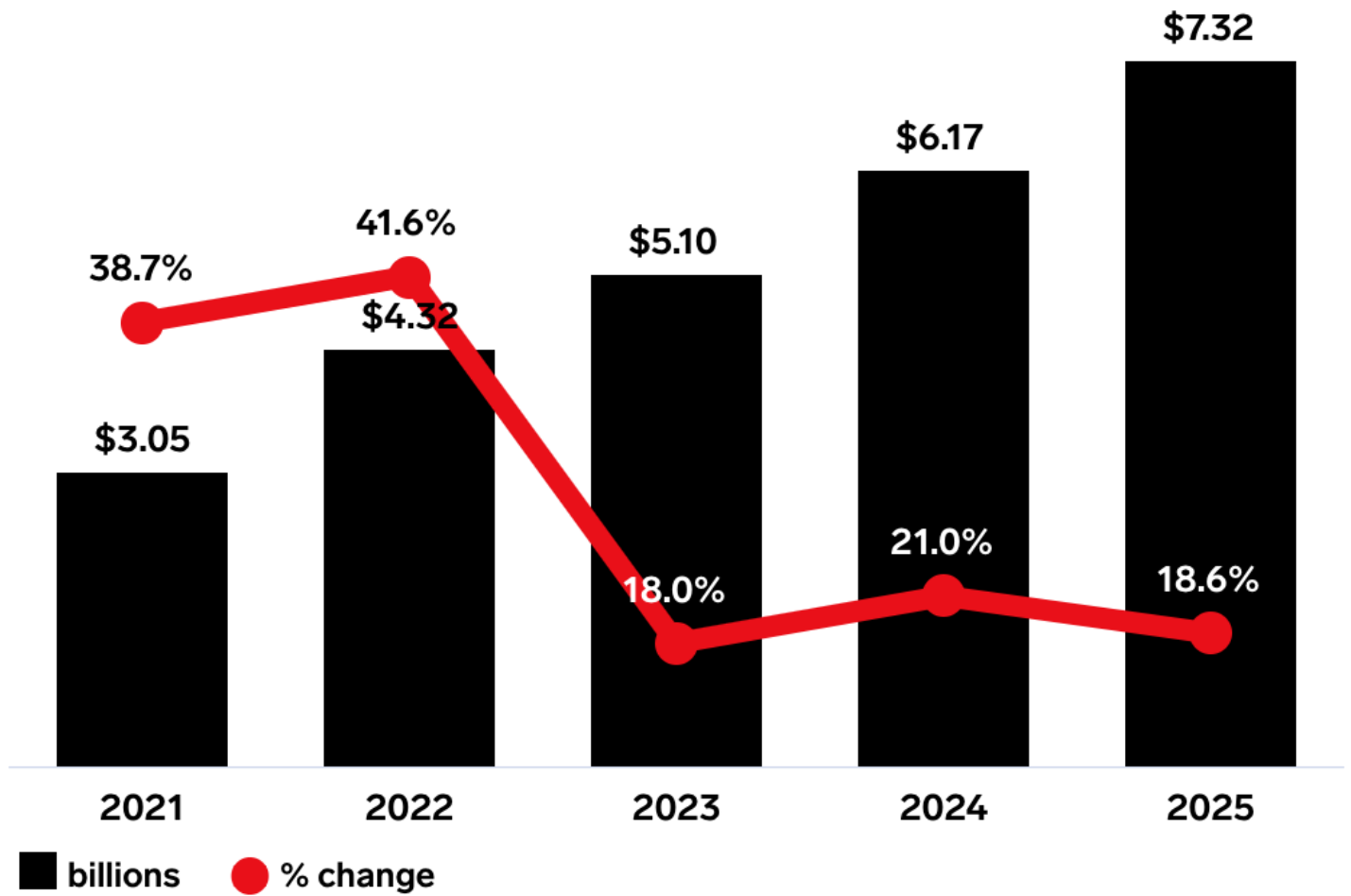
- That push has seen Apple invest in podcast ads, [bring ads to its maps service](#), and more, but one of its largest initiatives is bringing ad formats to the App Store—an effort that was kicked into gear after it introduced **AppTrackingTransparency** changes in 2021, altering the mobile advertising landscape.
- There are currently four ad formats available: placements in the search tab and in search results; “You might also like” ads on apps’ download pages; and featured apps on the store’s homepage. The AI tool would not introduce new ad formats but rather help advertisers maximize efficiency and ROI.

Apple and AI: The news comes as Apple is facing [investor pressure to invest in generative AI](#) and announce its strategy for the technology as other Big Tech competitors like **Google** and **Microsoft** race ahead—even if that race means products hit the market [before they’re fully baked](#).

- While the company is still relatively silent about consumer-facing AI products, the Business Insider report reveals that Apple is trying to use its ad business as a testing ground for the technology.
- Given the issues with consumer-facing generative AI, using the tech for behind-the-scenes operations is a way to satisfy investor demand while also minimizing risk. While there’s hesitancy around the use of AI in brand marketing, a large number of advertisers [already use the tech](#) for data analysis and buying recommendations.

Apple Ad Revenues

US, 2021-2025



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites

Source: Insider Intelligence | eMarketer, October 2023