Apple's new ad placements immediately caused a brand safety crisis

Article

The news: Apple unveiled <u>new ad placements</u> in the **App Store** last Tuesday as part of its goal to expand revenues, but the new ad space created immediate controversy. Gambling ads

rapidly took over the slots, sometimes appearing under apps designed to help [overcome gambling addiction](#).

The influx of gambling ads led to an outcry from developers, who didn't want their apps associated with such services, and prompted Apple to indefinitely pause ads in the gambling category.

How did it come to this? Since the implementation of **AppTrackingTransparency**, Apple has been looking to [expand its ad revenues](#). So far, those efforts have been focused on the App Store.

- Apple is expected to gain around $4 billion in ad revenues in 2022, but Bloomberg reports that it's looking to expand those revenues into "the double digits." To that end, it's launched a [bevy of new ad placements](#).

- The primary target is the App Store, as its search ads have been a major driver of revenue. Apple has spent the year opening more ad slots on the store's home page, search tab, and **even at the bottom of an app's download page** under a "You Might Also Like" category. That means you might see an ad for **Facebook** on the bottom of **Twitter**'s page.

- Apple is also bringing ads to **[Apple Maps, Books, and Podcasts](#)**, and exploring launching ads on **[Apple TV+](#)**.

What happened to the old Apple? From its tech products to its interfaces, Apple has historically prided itself on user experience above all else. But if it wants a slice of the ad pie, it's going to come at the cost of its reputation.

- Consumers don't like ads—full stop. It's why there's concern about **Netflix** [launching ads](#), about **Google** serving pages full of promoted results, and about ads coming to [free-to-play video games](#).

- But aside from consumers, Apple has developers and brands to contend with. For one of Apple's first ad ventures to immediately end up this way doesn't speak highly of brand safety on its platforms.

- Developers who are already angry about shoveling over an aggressive 30% of in-app purchases to Apple will likely become even more resentful that they can't control what's promoted on their download pages.

- But even if this wasn't Apple's first foray into ads, it should have been ready for this inevitability. Plenty of platforms have had issues with unsavory advertisements running where
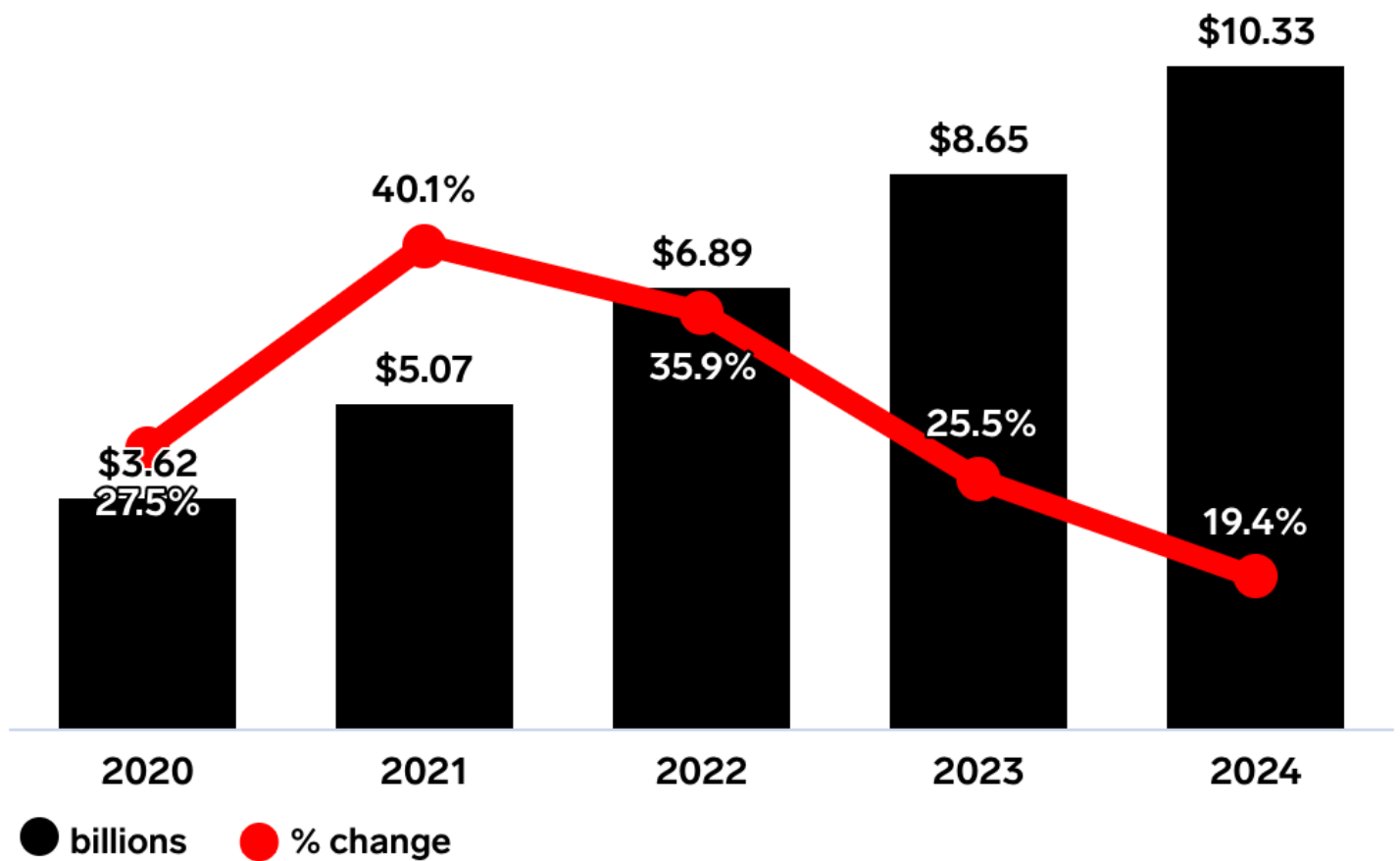
they don't belong, and increasing ad load always boosts the risk of such incidents.

Our take: As Apple tries to claim more ad revenues, both the user and advertiser experiences will deteriorate—the same can be said for any platform trying to <u>dramatically increase</u> its <u>ad load</u>.

- The gambling example speaks to Apple's lack of experience managing an ad platform. But as AppTrackingTransparency continues to wreak havoc on mobile apps' advertising capabilities, marketers have little choice but to work with Apple if they want to put their mobile ad dollars to good use.

Apple Ad Revenues

Worldwide, 2020-2024

Year	billions	% change
2020	$3.62	27.5%
2021	$5.07	40.1%
2022	$6.89	35.9%
2023	$8.65	25.5%
2024	$10.33	19.4%

Source: eMarketer, March 2022

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