

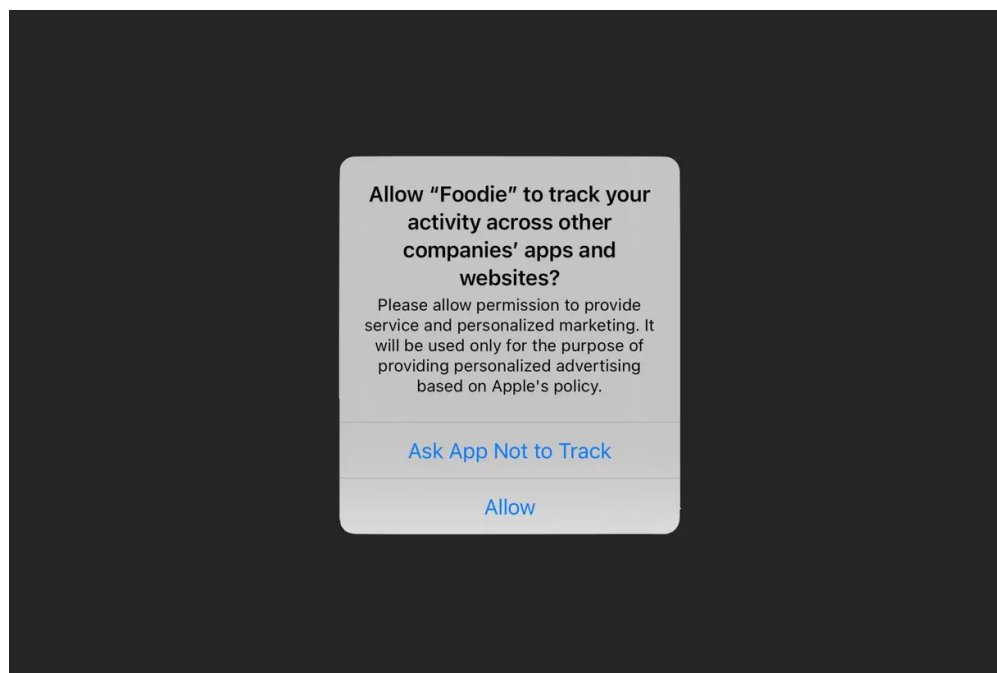
APPLE MOBILE TECH

Why Apple's new privacy feature is such a big deal

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What does App Tracking Transparency actually mean?

By [Chaim Gartenberg](#) | [@cgartenberg](#) | Apr 27, 2021, 10:30am EDT



Apple's latest iPhone update, [iOS 14.5](#), brings a host of new features that customers will likely see and enjoy — better Face ID unlocking when wearing a mask (for Apple Watch users only), new emoji, support for PS5 and Xbox Series X controllers, and more. But the new update also adds a much more important and controversial new feature: App Tracking Transparency. That's Apple's name for a privacy feature that's shaping up to be the company's next big fight.

The change has been a contentious one. Apple originally announced the feature alongside the rest of iOS 14 last June [but has delayed the release until now](#) to give developers more time to adapt to the changes. It's finally live, though, setting the stage for what could be a massive fight between the Cupertino tech giant and competitors like Facebook.

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How did ad tracking work on iOS before?

Before iOS 14.5, developers could use a host of tools to track user data from within an app. Advertisers could then use it in conjunction with similar data from around the rest of the web to broadly identify information about a user and use that profile to better target them with advertisements (and sell those advertisement opportunities to other companies and businesses that want to focus on their specific marketing segments).

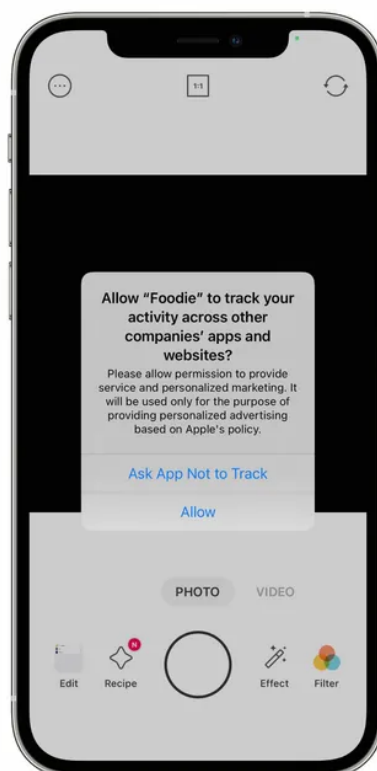
The main tool that's been available to developers until now has been an Apple-controlled system that's been around for almost a decade, Identifier for Advertisers (IDFA), but developers could also use other third-party tools and methods to cobble together user data.

What does App Tracking Transparency change?

Technically, App Tracking Transparency alone doesn't make any seismic changes to how iOS handles ad tracking. Users have been able to opt out of IDFA-based

tracking before, but the new update puts the choice front and center.

It forces developers to give users a choice: once updated to iOS 14.5, every single company that wants to track users and their data across different apps and websites now have to ask permission first using a standardized prompt created by Apple, which looks like this:



If users say that they're cool with being tracked (by clicking the "Allow" button) everything works just like it did before.

If they click "Ask app not to track," though, then that developer can't track customers using their data in that app, or sell that data to other companies. Not with Apple's IDFA system, and not with their own systems.

Are there any exceptions or alternatives?

There are a few exceptions to Apple's new app tracking rules. First, companies that

own multiple apps can track users across those different apps — for example, Facebook can use data it gathers from Instagram to target ads in its main app.

And Apple is offering new, in-house tools for developers to use instead. One tool, SKAdNetwork, can tell a company how many times its app was installed after an ad was seen. Another, Private Click Measurement, can tell them how many times users clicked on an ad for a product within an app. Apple says that both of those methods are designed to prevent companies from getting information about a specific user, though.

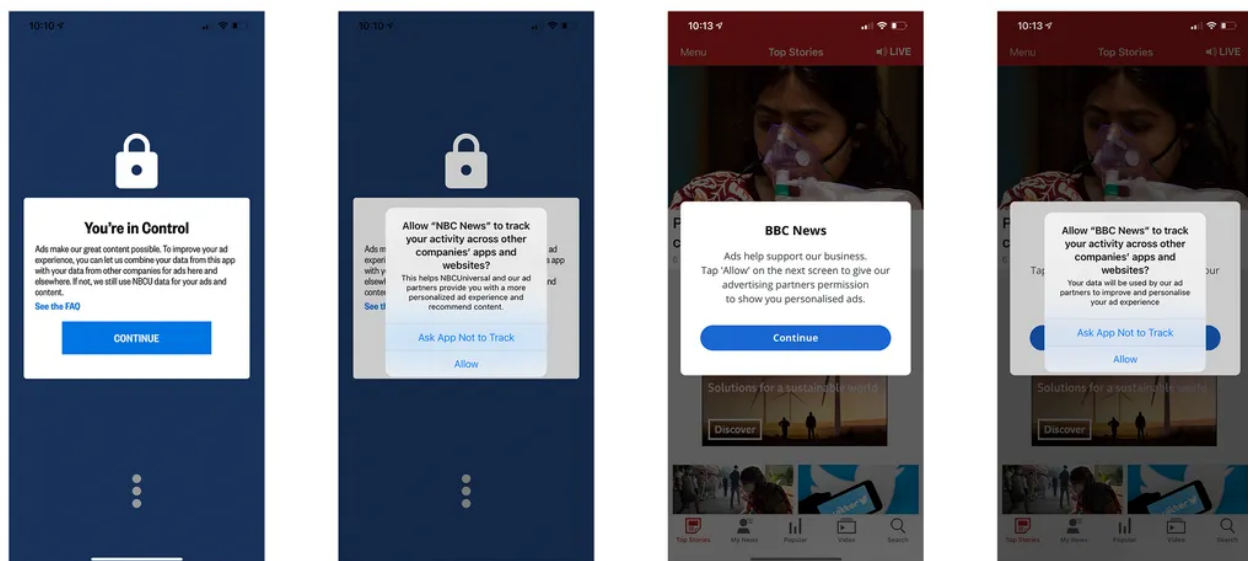
Why are people annoyed about this?

App Tracking Transparency has been praised by groups like the Electronic Frontier Foundation, [which called the concept](#) of making companies ask before they track users on the internet an “obvious baseline.”

But not everyone likes the system, and the strongest objections to App Tracking Transparency have been from Facebook. It says Apple's new system will make it harder and more expensive for ad networks to easily target customers, which in turn will hurt small businesses that rely on highly targeted ad campaigns.

Facebook has [taken out full-page newspaper ads](#) contesting the changes and argued that Apple's changes could also hurt websites that rely on lucrative targeted ads to make ends meet, forcing them to subscription services or paywalls for content that used to be free.

While Facebook's main arguments appear altruistic, it's also important to note that Facebook itself stands to lose out here. [As The Information explains](#), the kinds of ads that Apple's new rule impacts aren't a huge part of Facebook's business model — less than 5 percent of Facebook's \$84 billion annual ad revenue — but it's still a noticeable chunk of change, especially considering that Facebook's internal estimates reportedly expect around 80 percent of iOS users to opt out.



Apple is also giving companies a chance to make their case for allowing ad tracking. Developers will have control over *when* to show Apple's prompt, specifically to give apps like Facebook, NBC News, or BBC a chance to make their case to users about why they should allow tracking. And Facebook is doing just that, with a [letter to users](#) that tries to sell them on the idea of getting more relevant advertisements and supporting small businesses.

Can companies just track me anyway?

Apple's prompt disables its own IFDA system on a system level, so if users turn down apps, developers can't access it. [Apple says that companies](#) are also "required to respect your choice beyond the advertising identifier" when it comes to other means of tracking user data, and companies that do try to sneak around the rules could be subject to the same consequences as any other developer violating App Store terms of service, up to and including having their app removed.

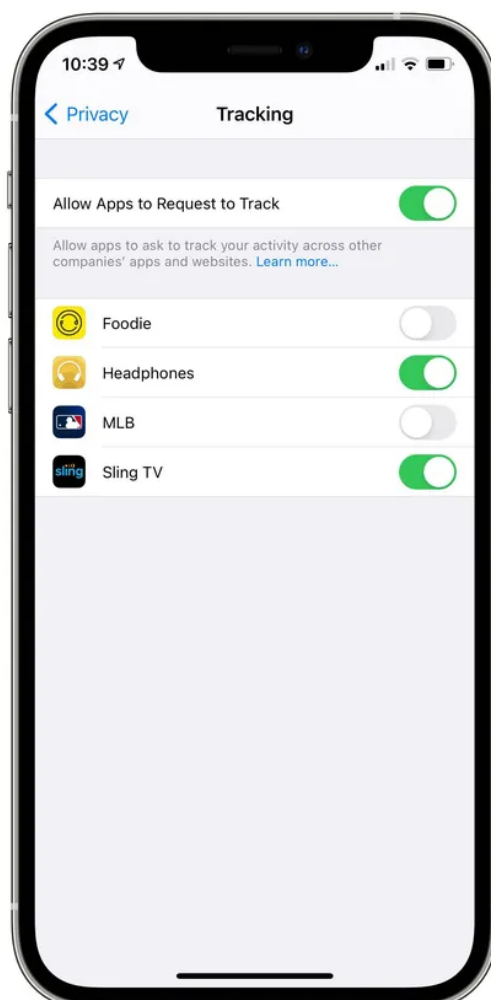
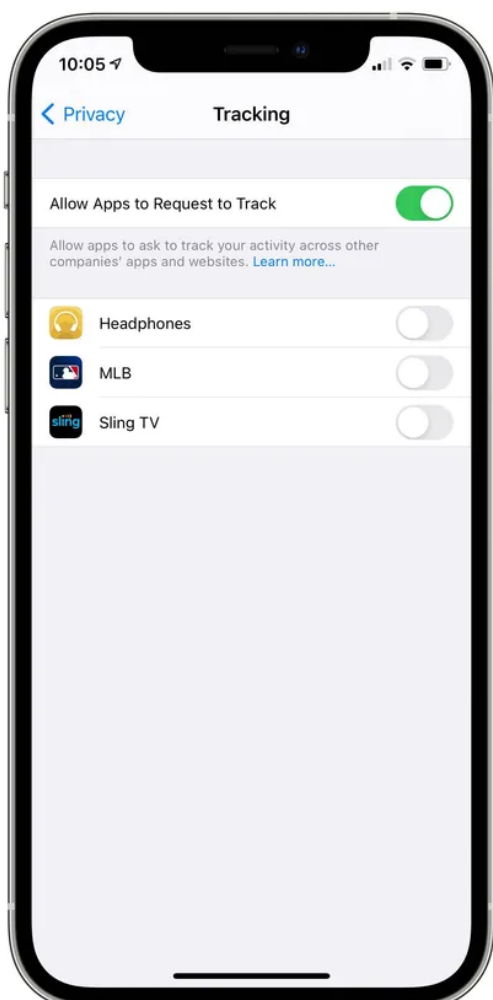
What about Apple's apps?

Apple says that its apps will abide by the new rules, too — as a matter of policy, the company claims that its first-party apps already don't track users across other apps

and websites, which is why you won't see it appear on Apple's apps.

That said, Apple *does* still have some tracking that it uses to serve personalized ads within the App Store, Stocks, and Apple News apps. [As detailed here](#), Apple uses information like location, keyboard language settings, device type, OS version, mobile carrier, and more to serve customers more relevant ads within its apps. It also uses account information and past purchases to lump customers into market segments to better target ads within those apps.

The difference is that Apple only uses that information within its own apps, doesn't link it to additional profiles from third-party sources, and doesn't sell that data. Apple also has an [additional toggle](#), located in "Settings > Privacy > Apple Advertising," to disable that tracking.



Are there antitrust concerns?

It's a major tech story in 2021; of course there are antitrust concerns. A group of German advertisers have [already filed a complaint](#) about the new system, and [French regulators](#) shot down an initial antitrust complaint in March, noting that the system "doesn't appear to be abusive" on Apple's part.

Will I be spammed by these toggles forever?

Nope. Apps can only request once, when you first open them after the update. Developers who don't want to track you don't have to show the prompt at all. There's also a global setting switch that lets users just opt out of all apps by default in Settings > Privacy > Tracking, and toggling off "Allow Apps to Request to Track." That menu also allows users to grant (or revoke) permission from apps after the initial prompt has been shown.