

# Economic Impact of Apple's App Tracking Transparency Framework (ATT)

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## Abstract

Amid the expansion of international privacy regulations, major firms are rolling out their own user privacy initiatives, with significant ramifications for the advertising ecosystem. This study evaluates how app publishers' advertising revenue was affected by one such initiative: Apple's App Tracking Transparency (ATT) framework, introduced with iOS 14.5 in April 2021. ATT requires each app to obtain explicit consent to track users across other publishers' apps; before ATT, such tracking was permitted unless users opted out. We analyze proprietary daily-level data corresponding to billions of ad impressions ("traffic") over 11 months and across 8 countries. We find that, in the USA, ATT reduced the share of trackable (vs. non-trackable) Apple traffic by 70%, from 73.05% to 22.15%. Most of this decline occurred within three months after ATT's introduction, as most users updated their operating systems. This decline corresponds to a 19.41% decrease in publishers' daily advertising revenue from Apple users, representing a 9.82% decrease in daily advertising revenue overall (considering both Apple and Android users). For the remaining countries, ATT's effects on advertising revenue varied substantially (decreases of 1.23%–11.79%); an analysis of the drivers underlying ATT's effects attributes this finding to cross-country variation in users' explicit consent rates (18.18%–44.65%).

**Subject Areas:** *Advertising, Electronic Commerce and Internet Marketing*

**Track:** Digital Marketing & Social Media