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CONTACT: Nat Wood, 410-507-7898, media@networkadvertising.org

NAI: Requiring app-by-app opt-in for personalized ads will confuse consumers, harm developers, and benefit Apple

WASHINGTON, DC (June 23, 2020) - The Network Advertising Initiative released the following statement by NAI President & CEO Leigh Freund regarding Apple's announcement that it will require consumers to opt in on an app-by-app basis to use an anonymized identifier for personalized advertising.

"The NAI supports, and shares, Apple's objective of enhancing transparency and choice around the use of consumer data in mobile apps. However, we are concerned that this proposal, which requires consumers to opt in to advertising individually for every app, will create unnecessary confusion and lead to economic hardship for app developers. This will likely cause a dramatic decrease in the availability of apps.

Consumers have continually demonstrated their preference for ad-supported digital content, particularly free and low-cost apps, which dominate the app marketplace and enable a thriving mobile economy. When implemented effectively, notice and choice enables consumers to make an informed decision about the use of their data. However, Apple's new requirement that consumers opt in to the use of an anonymized identifier to enable tailored advertising in each and every app that they use invites confusion and frustration without the context that consumers need to understand the impact of their choice.

Apple's announcement upends the ad-supported revenue model that has led to a robust supply of free apps. If fewer consumers opt in to the use of anonymous data to support advertising, app developers will be forced to charge consumers for their apps, as well as in-app content, to offset lost advertising revenue. Apple will benefit substantially from fewer free ad-supported apps because it receives a significant share of revenue from apps that charge consumers through its App Store.

The NAI supports additional transparency and control around the use of consumer data and has long advocated for these to be provided in a way that is clear and easy to use. We believe that an opt-out mechanism that offers vital information, such as the use of data for advertising and non-advertising uses as outlined in our Code of Conduct and Best Practices, is both privacy protective and beneficial for consumers and the mobile economy."

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About the NAI

The NAI is a non-profit organization and the leading self-regulatory association dedicated to responsible data collection and its use for third-party digital advertising. Since 2000, we have been working with the leaders in online advertising to craft industry standards and policies



to promote consumer privacy and trust in across the digital advertising ecosystem. Almost every Internet ad served in the United States involves the technology of one or more of the NAI's over 100 member companies. Together, these companies form the backbone of the thriving and diverse market of ad-supported free content and services. Additional information can be found at networkadvertising.org.