

Facebook versus Apple, February 2021

This is a can of worms that you may have heard about. What I'd liked to do this evening is to give you sense of the argument on both sides, and then conclude with what it means to you.

War against Apple by Facebook has officially begun, with the social media giant spending some of its user data-targeted ad revenue on a series of print media ads against the computer company. And they are also threatening to sue and take Apple to court.

At issue is an update to iOS coming this Spring that requires developers to secure user permission before they can track them across apps or web sites owned by other companies. Apple claims that this improvement helps you maintain your security and will have minimal impact on the sale of targeted advertising that exploits Facebook's existing user data.

Both sides are each claiming the moral, ethical high ground but when you dig a bit deeper, it's all about money

Facebook Argument

Facebook is making the claim that they are "standing up for small business" and "making sure the internet stays free."

Facebook already collects a lot of data. If you go to the Facebook app listing on Apple's App Store you'll find a privacy policy that is pages long. As Neil has repeatedly told us, if the service is "free" in quotation marks, you are the product.

Here is a sample of a Facebook print ad.

<https://www.cnbc.com/2020/12/16/facebook-blasts-apple-in-new-ads-over-iphone-privacy-change-.html>

Apple Argument

Apple's argument is much simpler: Users have a right to know if their data is being extracted by an app or service that they use, and why. "We believe that this is a simple matter of standing up for our users," Apple said in response to Facebook's press ads.

Here are examples of Apple's counter advertising.

<https://www.youtube.com/watch?v=-l61NE0eqkw>

https://www.apple.com/privacy/docs/A_Day_in_the_Life_of_Your_Data.pdf

Follow The Money

An amazing fact that iPhones running iOS 13 or iOS 14 are now in use by over 10% of the planet's human population, which is close to a billion iPhones.

With mobile devices spanning both the personal and professional space, Facebook is surely grabbing enterprise-specific data just as much as it does personal, which provides with a huge leg up for targeted advertising, which is now in the order of \$86 billion per year.

App providers will be allowed to make their pitch on when the data should be collected. But it is likely than given a choice, many will opt out and this will have a negative impact on Facebook's revenue stream.

At the same time, formerly "free apps" which have benefited from targeted advertising may now have to implement subscription fees or in app purchases of which Apple gets a cut. Until recently, this has been 30% but due to negative press as of January 1st developers earning less than one million per year now only pay 15%.

Nonetheless, the change will result in more money for Apple and less money for Facebook.

What Does it Mean for Me?

As Neil would say, don't use Facebook period. However, if you are using Facebook do it would be a bit more private through a web browser and not the Facebook app.

I won't be allowing services to track me between apps, and recommend that any user, including enterprise users, do exactly the same.

Given choice, users will avoid using services that ask for too much personal data and will choose alternative services that ask for less. With luck, this will generate new competition in the social media marketplace, which should raise all boats and help create an environment that stimulates further innovation in the space.