# Article information:

The Impact of Apple's App Tracking Transparency on App Monetization by Reinhold Kesler :: SSRN
<https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4090786>

# Article summary:

1. Apple's App Tracking Transparency (ATT) requires explicit consent for tracking users outside of an app, potentially undermining advertisement revenues.

2. This paper studies whether and how app developers turn to payments as an alternative revenue source in response to a more privacy-preserving environment.

3. The results suggest that the ATT brings back paid apps and reinforces the industry trend toward more in-app payments, but did not shift the relative benefits much between payments and ads in the short run.

# Article rating:

Appears moderately imbalanced: The article provides some useful information, but is missing several important points or pieces of evidence that would be required to present the discussed topics in a balanced and reliable way. You are encouraged to seek a more balanced perspective on the presented issues by exploring the provided research topics and looking at different information sources.

# Article analysis:

The article titled "The Impact of Apple's App Tracking Transparency on App Monetization" by Reinhold Kesler provides an analysis of the impact of Apple's App Tracking Transparency (ATT) on app monetization. The paper aims to investigate whether and how app developers turn to payments as an alternative revenue source in response to a more privacy-preserving environment.

The article presents a well-structured abstract that summarizes the research question, methodology, and findings. The author uses rich web-scraped data to compare the monetization of more than 580 thousand apps on Apple before and after the privacy change and across platforms with apps on Google in a difference-in-difference setting. The results suggest that the ATT brings back paid apps and reinforces the industry trend toward more in-app payments.

However, there are some potential biases and limitations in this study that need to be considered. Firstly, the author only focuses on Apple's ATT policy without considering other privacy regulations or policies implemented by other companies or governments. This narrow focus may limit the generalizability of the findings.

Secondly, while the author claims that ATT potentially undermines advertisement revenues, there is no evidence presented to support this claim. It is possible that users may still consent to tracking outside of an app, which would not significantly impact advertisement revenues.

Thirdly, while the study suggests that ATT reinforces the industry trend toward more in-app payments, it does not explore why this trend exists or whether it is beneficial for consumers or developers. In-app payments can be seen as a form of microtransactions that can lead to increased spending by users and higher profits for developers but can also be seen as exploitative or manipulative.

Fourthly, while the study suggests that ATT did not shift the relative benefits much between payments and ads in the short run, it does not explore potential long-term effects or counterarguments against this claim.

Finally, there is no discussion of potential risks associated with in-app payments such as fraud or security breaches. Additionally, there is no consideration given to how these payment models may disproportionately affect low-income users who may not have access to credit cards or other payment methods.

In conclusion, while "The Impact of Apple's App Tracking Transparency on App Monetization" provides valuable insights into how app developers are responding to privacy regulations through changes in monetization strategies, it has some limitations and potential biases that need to be considered when interpreting its findings. Further research is needed to fully understand how privacy regulations impact app monetization and their broader implications for consumers and society as a whole.

# Topics for further research:

* Privacy regulations in the tech industry beyond Apple's App Tracking Transparency policy
* Impact of in-app payments on user spending behavior and developer profits
* Ethical considerations of in-app payments as a monetization strategy
* Long-term effects of privacy regulations on app monetization
* Risks associated with in-app payments
* such as fraud and security breaches
* Disproportionate impact of in-app payments on low-income users and alternative payment methods.

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