

4/25 Prof Kesler's title+abstract:

title:

“Existence, Antecedents and Consequences of Non-Compliance in Mobile App Markets”

Joint with Lennart Kraft (DZ Bank & Goethe University Frankfurt), Bernd Skiera (Goethe University Frankfurt), and Tim Koschella (Kayzen - Realtime Technologies GmbH)

abstract:

Digital platforms, now ubiquitous intermediaries in the modern economy, claim to uphold governance rules aimed at ensuring a level playing field for their participants. However, there is limited research exploring the extent to which these platforms fulfill this objective. Furthermore, the antecedents and consequences of any non-compliance remain largely unexamined. This paper addresses this research gap by examining the mobile app market. The study analyzes 852 apps available on both Apple and Google platforms across nineteen countries. It assesses these apps' disclosed versus actual behavior concerning device ID transfer for advertising purposes, aiming to pinpoint instances of non-compliance. The findings reveal that about 21% of the apps do not comply. Compliance rates are higher among apps catering to Apple users compared to those for Google users, with negligible variations across countries. Notably, older apps, presumably with more experience, demonstrate greater compliance. However, factors like popularity and reputation do not significantly affect compliance levels. Intriguingly, non-compliant apps earn at least 10% more in advertising revenue than they would if compliant, thus gaining a significant economic edge.