

Apple's Monopolistic App Store and its Effect on Less Powerful Entities

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On my honor as a University Student, I have neither given nor received
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STS Thesis

Introduction

With the modernization of mobile computing, everyone is opening and utilizing applications instinctually. Something not taken into account by many is whether or not they are the beneficiary of someone else's demise. Realistically, the average user of mobile software would not take this into account, yet the factors surrounding the software they use are ethically cloudy. This phenomenon is especially prevalent within Apple's App Store, for the people involved in the system face differences in benefit, resulting in ethical concern.

Literature Review

Apple has been known to implement strict restrictions that, if bypassed, cause hassle for the user or, if followed, result in profit for themselves. Google only enforces a similar restriction for games on their Play Store, refuting Apple's choice to obtain profits on all mobile software (Bohn, 2020). The ability of Apple to limit iOS app distribution to the App Store and set their own regulations is viewed by developers as stifling innovation. iOS Developers face annual fees and 30% cuts on their application's profits with no other option to vend their work, whereas Android ones can choose to offer their application anywhere on the internet (Kastrenakes, 2019).

Apple's reasons for restrictions on iOS app distribution emphasize certifications of safety, privacy, and ease of use (App Store, 2020). This increased user experience comes at the expense of decreased satisfaction of developers, but Apple CEO Tim Cook says that developers are not forced to build apps for iOS in particular. Cook implies that app developers can go develop for another platform like Android or Windows if they are not satisfied with Apple's regulatory

standards. Additionally, Cook says Apple is always welcoming of new apps for the App Store, given that they follow their guidelines (Cao, 2020).

United States Congressional Democrats have dubbed Apple as “abusing market power to maintain market dominance, crush competitors, exclude from their platform, and charge monopoly rents” (Elmer-DeWitt, 2020). These congresspeople, after examining the App Store, have suggested that Apple transfer their App Store operations in another company to inhibit the growth of a potential monopoly (Bonifacic, 2020).

iOS developers view Apple’s restrictions as discouraging functionalities and limiting the pool of available applications. Consequently, users are unable to obtain certain functionalities on their iOS devices (Testut, 2019). In a survey conducted by TidBITS, 65% of 197 iOS users stated that they were bothered by the App Store’s restrictions but were not in favor of government regulation. 77% said that Apple does not treat developers fairly, with 87% saying that the tax on application profit is too high (Centers, 2020).

Apple has repeatedly seen confrontation in the form of lawsuits from developers. Epic Games, a billion dollar game-development company, filed a lawsuit against Apple after they pulled their game out of the App Store for evading the App Store tax through a software update (Takahashi, 2020). A pair of independent developers also sued Apple for monopolizing app distribution on iOS, claiming that Apple “stifles innovation” by restricting the source to download apps and flexibility for promotional reach (Kastrenakes, 2019).

STS Framework & Research Method

The ethics surrounding the App Store were researched through document analysis of points of view of parties involved in the system. In particular, the documents analyzed were

primarily news stories and e-journals, as the App Store situation is ever-evolving. Information characterizing the system as well as beliefs of those involved were extracted for ethical analysis.

Since the App Store is constantly evolving alongside people, median theory is employed. The emergence of the App Store as a marketplace for mobile software has not only been shaped by its users, developers, and owner, but these parties' values have been influenced as a consequence of what the App Store is. The App Store has been made by its creator, Apple, and their designers to be the easiest and safest source for software because they believe this is what attracts users and developers. As a result, users and developers have flocked to the App Store as their main outlet for mobile software, displaying how their values have been shaped by the App Store's strengths. This illustrates how the growth of a technological, non-human system can shape the beliefs of humans. Additionally, the restrictions on the App Store that Apple implements shape the beliefs of users and developers. Users and developers face various roadblocks in their usage, whether it be unavailable apps or too high of a tax, that cause them to desire more freedom in an effort to shape the App Store according to their desires. They subsequently respond in numerous methods such as creating alternative application sources or filing lawsuits against Apple. Ultimately, the input from and output to parties involved is what causes a constant feedback loop within the existence of the App Store, ensuing constant ethical debates, as there is no universally agreed upon regulation standards for the system.

Additionally, the appropriate technology framework is used to discuss the qualities of the App Store while contextualizing implications of such qualities. As touched upon earlier, Apple's designers have a focus on ease of use and safety when making design decisions about the App Store. Although these are appropriate qualities to have, the context surrounding these qualities is what raises ethical concern. The implications of having an easy to use, safe, private, and

centralized system for software distribution involve high restrictiveness and monopolization. Such implications of seemingly benevolent design decisions make the innovation of the App Store entangled with ethical concerns like favoring the desires of a corporation over less-powerful entities like users and developers. Nonetheless, Apple maintains a sound macroethical approach when creating the App Store, as they focus on the overall privacy, safety, and easy user experience to justify the characteristics of their system. This helps them be viewed as institutionally legitimate, for they seem to maintain moral values. Though, on the microethical level, users and developers raise concerns about restrictiveness and parasitic taxes. Coupled with no easy alternative option of software distribution on iOS devices, the perspective of the individuals involved in the system contrast the positive experience Apple boasts at a higher level. This creates a dilemma in which the system is seemingly justified by its overall high-level corporate design decisions but is refuted by lower-level individual desires.

Data Analysis

The App Store is a seemingly benevolent system for app distribution on one of the most popular mobile computing platforms: iOS. Though, behind this system are multiple polarized stakeholding parties, each having opinions on what makes the App Store a justified system or not. Such stakeholders include Apple, developers, users, and governmental authorities. Because each group has distinct motivating factors when interacting with the App Store, the ethicality is rather controversial, as it depends on numerous viewpoints.

Apple, being the main profiler and owner of the App Store, claims the App Store to be more morally sound than preceding analogous systems and supportive of the end user. Apple's emphasis on being a trusted source for mobile software instills confidence in their users, as even

the least technologically adept ones are at ease when using an Apple device. Apple's focus is to give its users a single source for safe and useful applications, proven by their strict guidelines for apps. Many of their decisions surrounding why the App Store can be deemed restrictive are sourced back to making it easy for users to trust App Store apps, as applications are admitted for distribution based on factors such as security and privacy. This depiction of a major corporation working hard to ensure users are safe and satisfied is used by Apple to claim their system is not built solely for their benefit but for regular individuals'.

When Apple gets to profit, that implies another stakeholder must pay; in this case, developers are the ones at an expense. Because the App Store is the only outlet Apple allows for iOS apps, developers think that Apple conducts an unfair monopoly on app distribution. Developers, especially those whose applications may not strictly adhere to Apple's guidelines, desire an alternative method to publicize their software but cannot due to Apple's desire for a single source of software. Numerous developers claim that Apple stifles innovation and that users are unable to get certain software they desire because of Apple's restrictions. Such a problem is not present on Apple's biggest competitor Google's analogous system Android. Android users can choose to use Google's Play Store or any other online source to download apps, meaning Android developers have multiple choices on where to distribute their work. Another detriment to iOS developers is the 30% profit tax that Apple imposes on all applications. Developers have constantly expressed that this amount is too high based on the fact that they cannot put their iOS apps anywhere else. Overall, developers think the price they pay based on Apple's restrictions on iOS app distribution is unjust due to the lack of options and flexibility.

As Apple maintains their emphasis on user trust, App Store users do receive a beneficially tailored experience. Because apps must go through an extensive review process, any

iOS apps that users interact with are free of malware, ridden of privacy exploits, and certified to be functional by Apple. Users do not have to worry about potential issues that they may face and not knowing how to deal with them because of Apple's assurance. This helps justify Apple's restrictiveness because the users are worry-free as a result. However, certain restrictions like subscription-service-based apps not being able to charge users in the app force users extra hassle if the developer chooses to avoid the restriction. In a situation like this, Apple either profits or the user must face some extra work. Instances like this refute Apple's stance that they are truly pro-user, as they profit at the expense of developers when user experience is enhanced. Additionally, many users do not appreciate that apps with certain functionality are not able to be on the App Store due to Apple's guidelines. Although Apple ensures user safety, they simultaneously and implicitly condemn true consumer freedom.

Throughout the past year, congressional democrats have been questioning Apple's App Store legality and ethicality through hearings and legislation suggestions. Governmental authorities like US congressional subcommittees view Apple's market dominance in software distribution as an abuse of power. The constant suggestions from governmental authorities and disapproval of Apple's regulations imply that the App Store is not truly ethically sound like Apple claims it to be and that its imperfections will not be recognized and fixed by Apple themselves.

Conclusion

When breaking down the App Store, there are various pros and cons that have viewpoints attached to them. Each stakeholding side involved may view a characteristic of the App Store a different way because of how they benefit or suffer from such a factor. For example, Apple

limiting the source for iOS apps solely to the App Store can be depicted several ways. Apple views it as making the user experience simple, whereas developers view it as monopolizing software distribution. These depictions are influenced by what a stakeholder desires or is lacking. In the previous example, Apple wants to be known as owning the go-to platform for simple and effective technology, but developers want to not have to pay Apple's profit tax by publicizing their app somewhere else. Such a constant back-and-forth causes the ethicality of the App Store to be swayed based on what perspective is used to view the system. This creates a long-lasting ethical debate surrounding this wicked system in this technologically-advancing society.

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