

# THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

## Departmental Research Seminar

### Does Consumer Privacy Protection Really Hurt Companies? Evidence from the Apple's App Tracking Transparency Policy

By

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**Date : 20 Sep 2024 (FRI)**

**Time : 10:30 am – 12:00 noon**

**Venue : M802, PolyU**

#### Abstract

It is common practice for brands to collect personal data through their mobile apps to enhance targeting capabilities. However, privacy regulations increasingly restrict such data collection. This paper examines the impact of privacy regulations on consumer purchasing behavior, using Apple's App Tracking Transparency (ATT) policy as an exogenous shock and data from a leading coffee chain in China. Because the ATT feature affects only iPhone users, we regard the iPhone users as the treatment group and Android users as the control group, and estimate a causal forest model within a difference-in-differences framework. Our findings reveal that, following the implementation of ATT, iPhone users became more responsive to coupons and increased their spending. Moreover, the effects are particularly pronounced among female customers, those who are more privacy-sensitive, and those who used fewer coupons in the pre-treatment period. These results imply that when individuals have greater control over their privacy, consumer trust is enhanced, leading to higher responsiveness to promotions. We further validate the trust-enhancing mechanism through an online randomized experiment. Our results suggest that privacy regulations that provide users with control over their personal data can potentially benefit both consumers and businesses.

**Dr Yiting Deng** is an Associate Professor of Marketing & Analytics at the UCL School of Management, University College London. Prior to joining UCL, she was an Assistant Professor at the University of Notre Dame's Mendoza College of Business. She received her PhD in Marketing and MS in Statistics from Duke University. She also holds Bachelor's degrees in Economics and Statistics and a Master's degree in Economics from Peking University.

Dr Deng research focuses on digital platforms and advertising. Her research has been published in leading academic journals such as *Marketing Science*, *Management Science*, *Journal of Marketing Research*, *Production and Operations Management*, etc. Her work on advertising targeting was a finalist for the Weitz-Winer-O'Dell award, the Don Lehmann Award, and the Robert D. Buzzell MSI Best Paper Award. Prof. Deng was named one of Poets & Quants World's Best 40-under-40 Business School Professors of 2022.



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