

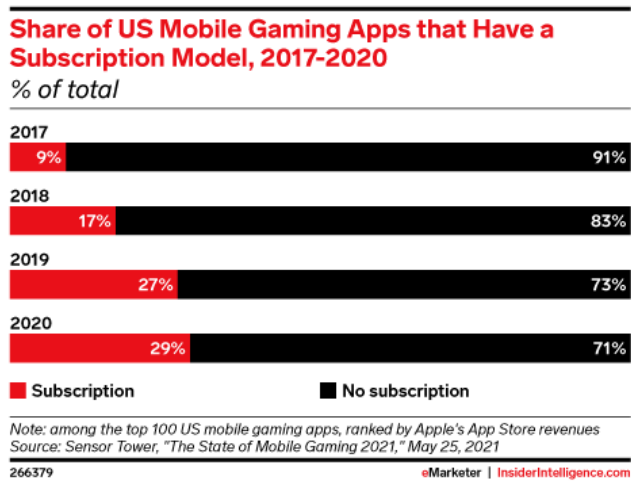
Apps are shifting away from ad dependency in 2022

Article

Making money through ads has gotten harder, so many developers will place bets that consumers are ready to sign up for even more subscriptions and to buy things directly through their apps.

Subscriptions will spread to new areas. The early 2021 arrival of Apple's AppTrackingTransparency (ATT) framework limited the collection of iOS user data, effectively

making the personalized advertising that has driven app economies much less cost-effective. Some app developers—particularly those in the gaming category—have banked on consumers’ increased comfort with subscriptions as a result. Sensor Tower estimates that **29%** of the top 100 games by US App Store revenue monetized via subscriptions in 2020, up from **17%** in 2018. Expect to see this trend continue in the coming year with more subscription-based apps in gaming, media, fitness/wellness, and perhaps even social media, where Twitter Blue represents an early tentative effort. Even so, consumers may be nearing a limit on how many subscriptions they’re willing to buy.



Social media apps will double down on ecommerce. Most have already introduced some payment options, with Facebook also expanding Facebook Pay for use outside its platform. Facebook, TikTok, Snap, and YouTube are also exploring new ecommerce media that can be accessed via mobile—such as livestream video, clickable images, and influencer stores—many of which can produce direct revenue streams. We expect US social commerce sales to increase 24.9% in 2022 to nearly \$46 billion.

Financial companies will attempt to build super apps. These firms will try to integrate elements of commerce into their financial services portfolio apps. Klarna and PayPal both revamped their apps in fall 2021 with additional shopping features, but Square, Affirm, Revolut, and others are also making noise about becoming super apps. In the future, these apps will likely add additional shopping, travel, and health marketplace features.

Predictions

- **Consumers will hit a limit on how many subscriptions they're willing to join.** More apps will try subscription models and many will succeed—but consumers can only buy so many subscriptions, and app publishers that embrace the model will see their churn rates climb.
- **In the battle to become new ecommerce platforms, financial super app wannabes will likely be outmaneuvered,** at least in the short term, by social media companies with established user bases and increasingly sophisticated commerce and payment options.

Read the full report.

Report by Yoram Wurmser Dec 02, 2021

Insider Intelligence's Mobile Trends to Watch in 2022

