App Market

trends, sales and cost
You’ve got an idea!
Is there a market?
Global Mobile Device Sales

Historic Data from Gartner - Forecast from Insight Media

<table>
<thead>
<tr>
<th>Year</th>
<th>PC</th>
<th>Tablet</th>
<th>Phablet</th>
<th>Smartphone</th>
<th>Feature Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1,200</td>
<td>300</td>
<td>50</td>
<td>150</td>
<td>200</td>
</tr>
<tr>
<td>2011</td>
<td>1,300</td>
<td>200</td>
<td>100</td>
<td>200</td>
<td>300</td>
</tr>
<tr>
<td>2012</td>
<td>1,400</td>
<td>150</td>
<td>150</td>
<td>250</td>
<td>400</td>
</tr>
<tr>
<td>2013</td>
<td>1,500</td>
<td>100</td>
<td>200</td>
<td>300</td>
<td>500</td>
</tr>
<tr>
<td>2014</td>
<td>1,600</td>
<td>50</td>
<td>250</td>
<td>350</td>
<td>600</td>
</tr>
</tbody>
</table>

©Insight Media, 2014

CSE 190: Mobile Application Development & Entrepreneurship
The 10 Most Popular Apps in the U.S.
Average monthly users (18+) of the most popular smartphone apps in the United States in 2013

<table>
<thead>
<tr>
<th>App Name</th>
<th>Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>86.1m</td>
</tr>
<tr>
<td>Google Play</td>
<td>60.9m</td>
</tr>
<tr>
<td>Google Search</td>
<td>59.7m</td>
</tr>
<tr>
<td>YouTube</td>
<td>55.7m</td>
</tr>
<tr>
<td>Pandora Radio</td>
<td>51.6m</td>
</tr>
<tr>
<td>Gmail</td>
<td>51.3m</td>
</tr>
<tr>
<td>Google Maps</td>
<td>50.5m</td>
</tr>
<tr>
<td>Apple App Suite*</td>
<td>49.3m</td>
</tr>
<tr>
<td>Yahoo Stocks</td>
<td>34.1m</td>
</tr>
<tr>
<td>Apple Maps</td>
<td>29.5m</td>
</tr>
</tbody>
</table>

* includes iTunes, App Store and Game Center

Source: comScore
Global App Downloads to Pass 100 Billion This Year

Estimated mobile app downloads worldwide (in billions)

Source: Gartner
Are there paying customers?
Increasingly the Price of Apps is Free

Source: Flurry Analytics and the Apple App Store.
Data is for iOS apps using Flurry Analytics in April of each year, and is weighted by monthly average users.
Paid Apps Don't Stand a Chance on Google Play

Breakdown of the 100 highest-grossing apps in the United States, by monetization model

- 77% Free (App Store (iPhone))
- 23% Paid (App Store (iPhone))
- 69% Free (App Store (iPad))
- 31% Paid (App Store (iPad))
- 96% Paid (Google Play)

as of August 23, 2013

Source: App Annie
Average App Prices as of April 2013

- **Android**
  - $0.06
  - 5c, 1c

- **iPhone**
  - $0.19
  - 1c, 10c, 5c, 1c

- **iPad**
  - $0.50
  - 25c, 25c

Source: Flurry Analytics, Google Play, the Apple App Store.

Data is for apps using Flurry Analytics in April 2013, and is weighted by monthly average users.
How Much Apple And Google Pay Out To App Developers
Quarterly payments to app developers made by Apple and Google (in million U.S. dollars)
Is there competition?
Apps

Android apps on Google Play

Current number of Android apps in the market: **1,191,193**
Percentage of low quality apps: **21%**
Where do I start?
Technology choices

Performance increase of 200% from HTML5 to Native
App Store vs Play

- 45% more downloads on Play
App Store vs Play

- 45% more downloads on Play
- 85% more revenue on App Store
Cost to build?
What is your average cost of initial development for a typical mobile application?

<table>
<thead>
<tr>
<th>Avg Cost per Mobile App</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not sure / Don't know</td>
<td>10.8%</td>
</tr>
<tr>
<td>$100,000 - $500,000+</td>
<td>24.3%</td>
</tr>
<tr>
<td>$50,000 - $100,000</td>
<td>27.0%</td>
</tr>
<tr>
<td>$25,000 - $50,000</td>
<td>27.0%</td>
</tr>
<tr>
<td>Less than $25,000</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

Source: AnyPresence Mobile Readiness Report 2013
1\textsuperscript{st} Round

- Creation cost
  - Lots of websites to estimate

- Typical costs
  - $35k to develop simple app
  - $125k+ to develop game
2\textsuperscript{nd}, 3\textsuperscript{rd}, 4\textsuperscript{th} ... Rounds

How frequently, on average, are your mobile apps updated or enhanced?

- 52.8%: Not sure / Don't know
- 29.6%: Once every 6 months
- 12.0%: Once a year
- 3.7%: Once a month or more
- 1.9%: Less than once a year
Ongoing Costs

• Technology cost: infrastructure / IT
• Licensing
• Marketing
• Support
CSE 190: Mobile Application Development & Entrepreneurship
Measuring ROI

- User acquisition cost
- New leads
- Mobile influence
- User retention
- Session length
What does it take to succeed?

- By 2018, less than 0.01% of consumer mobile apps will be a financial success - Gartner
- Be unique / different
- Focus on the experience
  - Visually appealing
  - Usable
- Create a brand / image
- Don’t skimp on marketing