



Monetizing iPhone Apps

Buzzcity Developer Garage
26 March 2010

Erwan Macé
Bitsmedia Pte Ltd

Apple video removed from PDF

View online at

<http://www.apple.com/iphone/developing-apps-video/>

The Mobile Industry

4.3 bn mobile phones (1)

1.9 bn in Asia (1)

The mobile phone has become the main device
to access the internet

41 million smartphones sold in Q3 2009 (2)

Mobile Apps

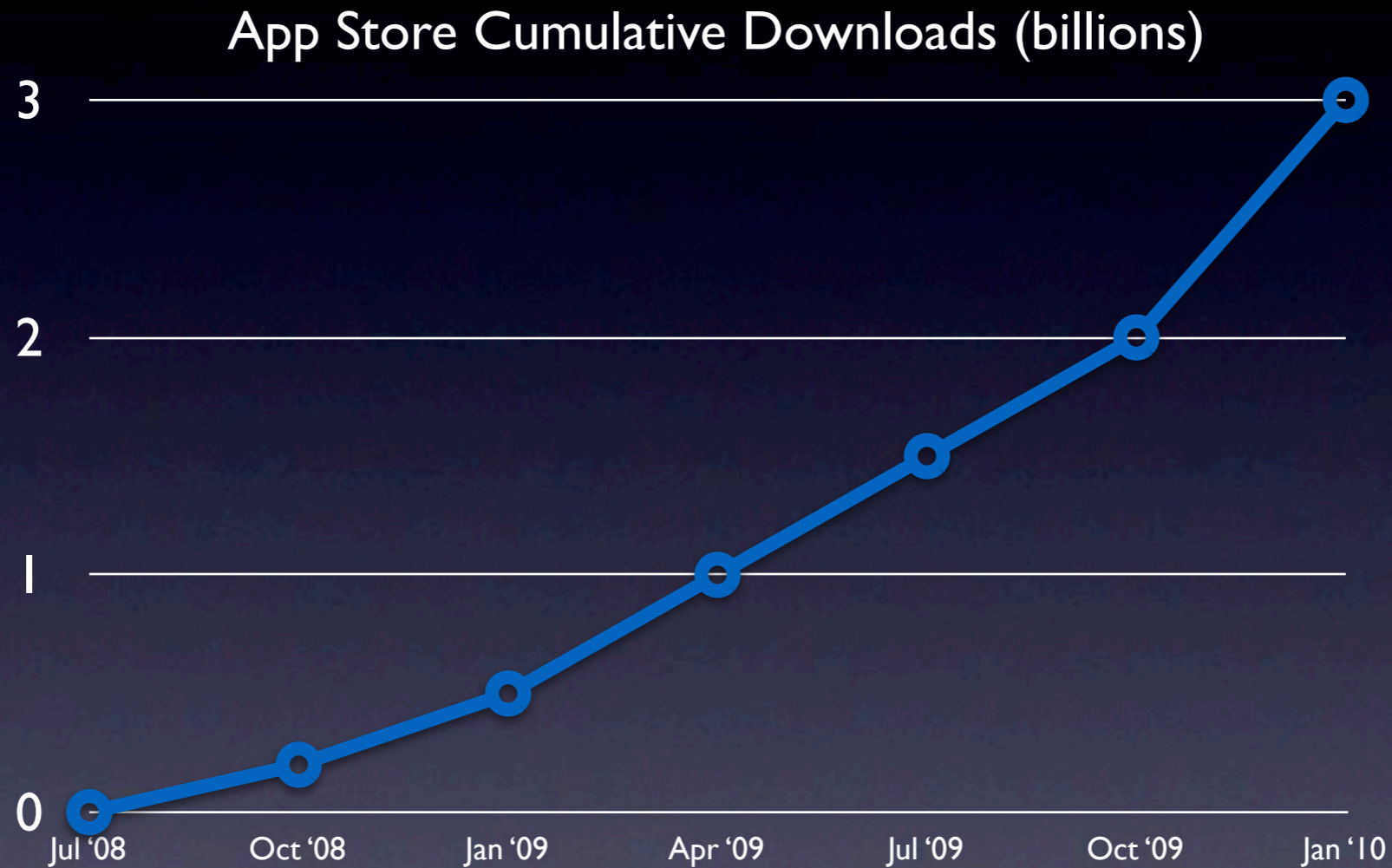
7 billion apps downloaded in 2009

50 billion downloads in 2012 ⁽¹⁾

USD 17.5 billion in 2012 ⁽¹⁾

USD 25 billion in 2014 ⁽²⁾

Dominance & Success of the iPhone OS



Dominance & Success of the iPhone OS

58 million iPhones and iPod Touch

4-8 downloads per month per iPhone

280m downloads - \$250m (1)

130k apps - 30k developers (1)

Dominance & Success of the iPhone OS

58 million iPhones and iPod Touch

4-8 \$1,900 per app in a month !!

\$5,800 per developer in a month !!

130k apps - 30k developers (1)

Success Stories all over the Press

Nicholas (iShoot, Oct 2009)

\$1,000 on first day - \$800,000 in 5 months

Steve Demeter (Trism)

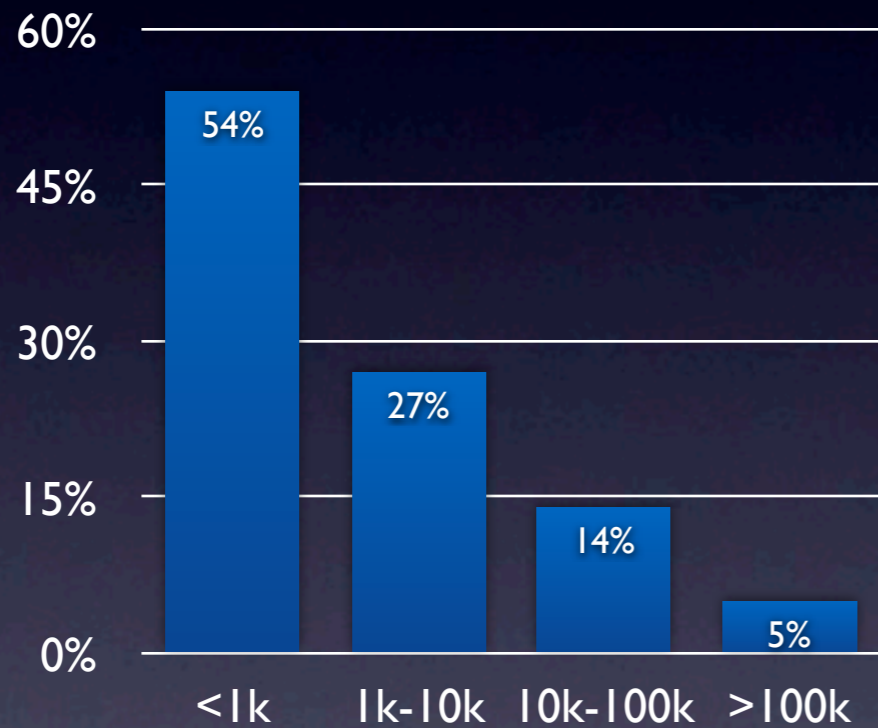
\$250,000 in 5 months

Elisa Block (2 Across)

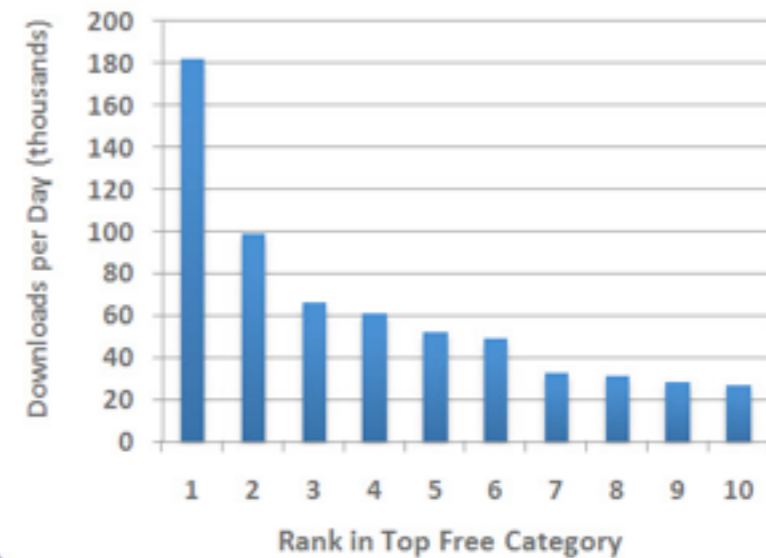
\$2,000 per day

The Long Tail !!

Active Users



Downloads by App Store Rank



Why isn't it that easy ?

75%-80% of Free Apps

Volume : 50% of paid apps selling at 99cts

Difficult to gain visibility on the App Store

Crowded : 170k apps / 35k developers

Pre-dominance of Games and e-Books

31% of titles are games or books

Pre-dominance of the US market

58% of iPhone & iPod Touch sold in the US

77% of smartphone sold in South-East Asia are Symbian devices

Established Brands

60% of the top 25 games are published by EA, Gameloft, Namco

Various Monetization Options

Paid Apps

Freemium (in-app purchase)

Advertising

Subscription services

So ? How to make money ?

Excellent Concept

+

Excellent User Interface

+

Appropriate Pricing Model

+

Marketing Efforts

+

Customer support and fixes

+

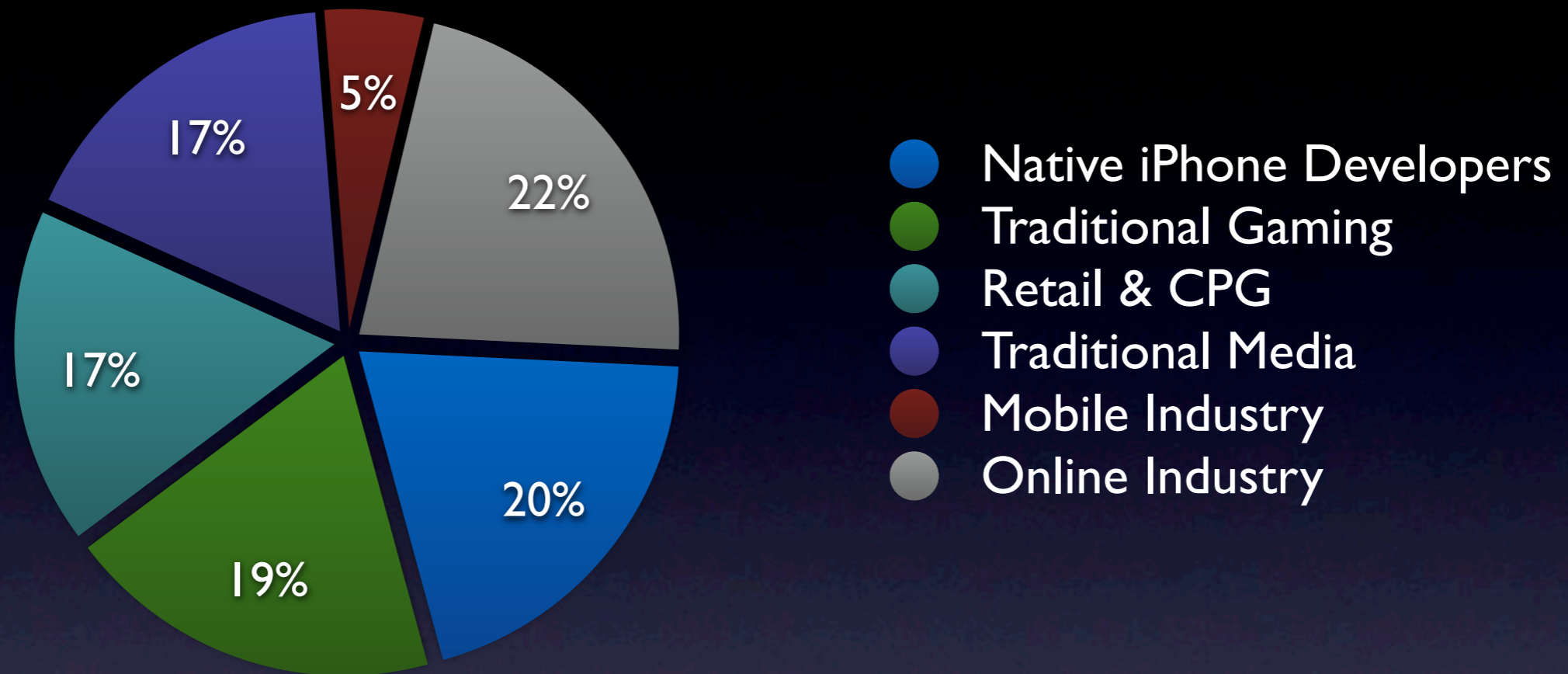
Constant evolutions and upgrades

So ? How to make money ?

+

LUCK, LUCK and some more LUCK

Who's on the App Store ?



Only 20% are Native iPhone Developers

The remaining 80% could need your services

Going B2B: a huge market

Early adopters had websites in the late 90's

Most businesses have a web page in 2010

The M&E industry was the first to build iPhone apps

Most industries now want an App

Most restaurants have a website

None have web developers on their payroll.

Most companies won't recruit Objective C developers!

Going B2B: a huge market

Early adopters had websites in the late 90's

Most businesses have a web page in 2010

The M&E industry was the first to build iPhone apps

They'll outsource it to you

Most industries now want an App

Most restaurants have a website

None have web developers on their payroll.

Most companies won't recruit Objective C developers!

Product vs Service

develop then sell...
... or try to sell

VS

sell then develop

Product vs Service

provide free support for ever

VS

sell every single upgrade

Going B2B: little competition

20,000 developers registered with Apple (April 2009)

Only 200 in South-East Asia, 100 in Singapore (1)

Contacts



erwan@bitsmedia.com



www.bitsmedia.com



[@bitsmedia](https://twitter.com/bitsmedia)



www.erwanmace.com