DISTIMO

Distimo Publication Full Year 2011

By Hendrik Koekkoek, Analyst at Distimo

- Amazon Appstore
- Apple App Store for iPad
- Apple App Store for iPhone
- BlackBerry App World
- Google Android Market
- Nokia Ovi Store
- Windows Phone 7 Marketplace

Distimo was founded to solve the challenges created by a widely fragmented app store marketplace filled with equally fragmented information and statistics.

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Distimo is a privately held company based in Utrecht, The Netherlands. Learn more: www.distimo.com

NEW AND NOTEWORTHY

This report will give an overview of the most important developments in the mobile app stores in 2011. How did the store sizes develop over the last year? Which store generates most revenue nowadays? What are the most downloaded apps of 2011? These questions will be answered in Distimo's yearly publication. All data covers the stores during the period January - November 2011 in the United States, unless otherwise noted.

The major findings are:

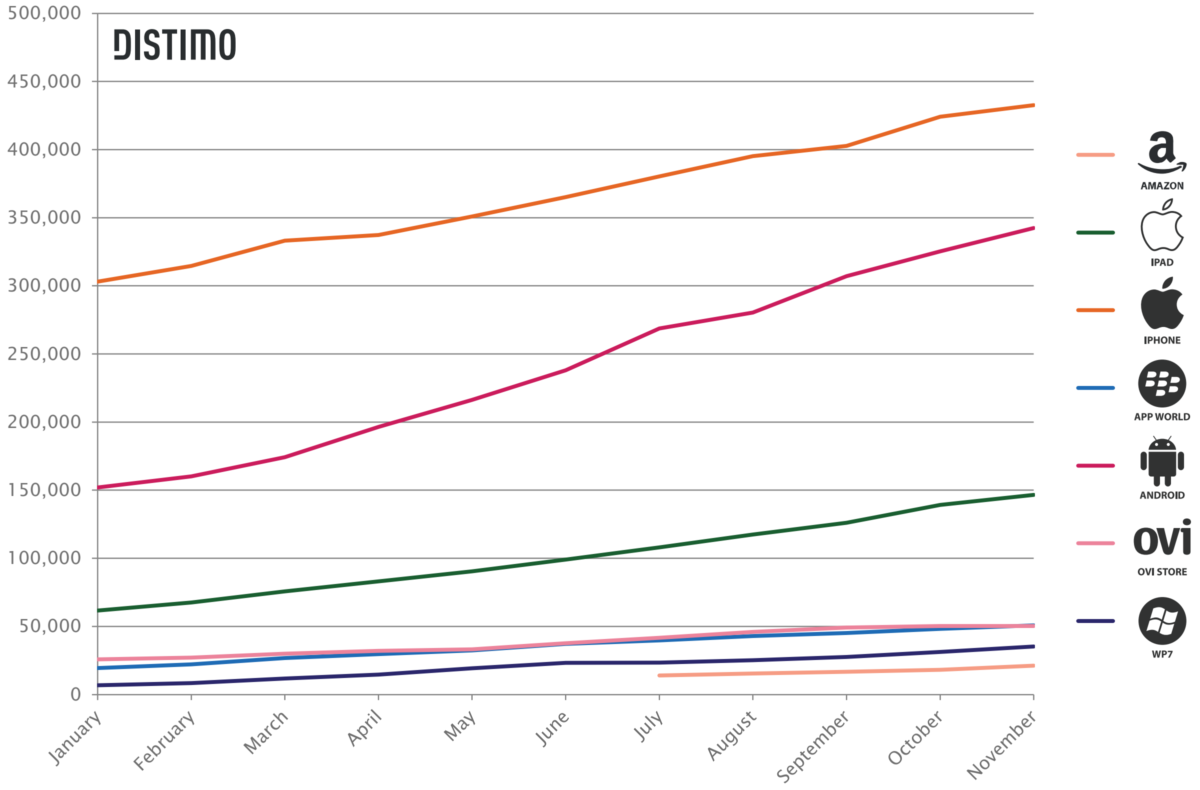
- Both the Apple App Store for iPad and the Apple App Store for iPhone still beat the Google Android Market in terms of the total revenue generated by the 200 highest grossing apps. The Apple App store for iPhone generates about four times the revenue that is generated in the Google Android Market.
- 2011 was the year where in-app purchases and the freemium business model became one of the most important monetization strategies for developers. Half of the revenue of the 200 top grossing apps in the Apple App Store for iPhone is now generated by freemium apps. This proportion is even higher in the Google Android Market where 65% of the revenue from the top grossing apps is generated by freemium apps.
- The number of downloads in the Apple App Store for iPhone in China increased drastically during 2011. Comparing the number of Apple App Store downloads in the US with the number of Apple App Store downloads in China, we see that China now generates 30% of the total downloads of these two countries in the Apple App Store for iPhone. The number of downloads generated in the Apple App Store for iPad in China are even closer to those generated in the US: China generates 44% of the iPad downloads of these two countries.
- A dip can be observed in the number of downloads generated in the respective Apple App Stores just prior to the release of a new Apple device, e.g. iPhone or iPad. The number of iPad downloads was at a yearly low in February just before the launch of the new iPad, but they immediately increased again in March. The same happened with the launch of the latest iPhone in October.
- Nearly all of the app stores more than doubled their number of available apps in 2011. Windows Phone 7 Marketplace showed the largest relative growth of all stores with more than 400% year-on-year growth. Combined, the seven major app stores now offer more than one million apps.
- The Windows Phone 7 Marketplace is now the fourth largest app store when looking at the total number of available games, having surpassed both the Nokia Ovi Store and BlackBerry App World. The Amazon Appstore – larger than both the Nokia Ovi Store and BlackBerry App World as well in terms of available games – is now the fifth largest app store for games.

APP STORE SIZES

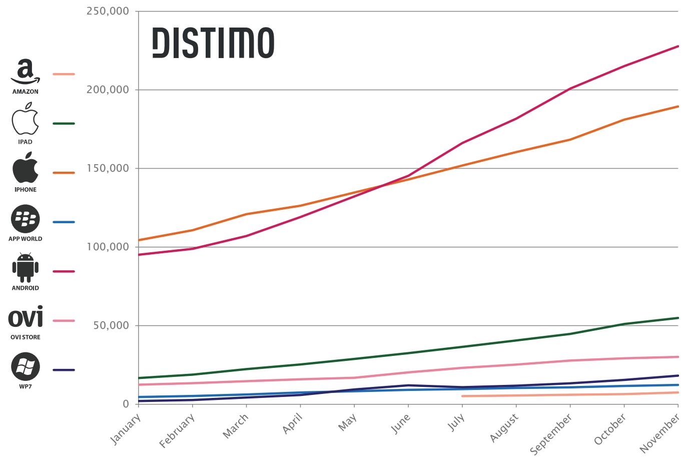
2011 has been a turbulent year for mobile app stores. Nearly all stores showed impressive growth, and all stores (with the exception of the Apple App Store for iPhone) have at least doubled in size over the course of 2011. Combined, the stores in this publication have over one million apps (not necessarily unique) currently available – when the Apple App Store for iPad and the Apple App Store for iPhone are viewed as two separate stores, which we do throughout this publication. The developments are quite interesting in particular for Microsoft who ran two stores this year: one store for the old Windows Mobile 6.x devices, and a new store for Windows Phone 7 devices that launched in November 2010. The old store for Windows Mobile 6.x devices never saw more than 2,500 available apps, and it was not possible to add any new apps after July 15, 2011. The new store for Windows Phone 7 devices grew by more than 400% during 2011 to 35,269 total apps available for download by the end of November 2011.

The order of the stores in terms of available apps remained the same across all stores, with the exception of BlackBerry App World which is now slightly larger than the Nokia Ovi Store in the US.

Number of available apps in the US per month



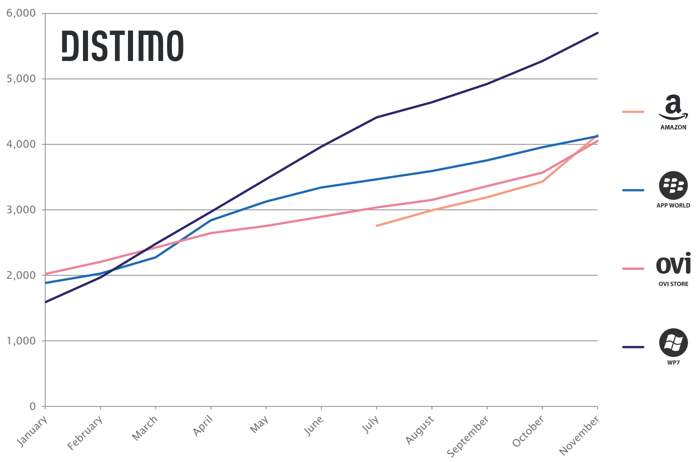
Number of available free apps in the US per month



Things are different when we zoom in on just the free apps. There have been some major changes during the past year. The Google Android Market is now the largest store for free apps, surpassing the Apple App Store for iPhone in June 2011. Windows Phone 7 Marketplace passed BlackBerry App World in terms of free apps just a month prior to that in May.

Per our July publication, we revealed that games category for apps is the most robust, and thus the most important. The games category is the single largest app category in most stores, and also generates the most downloads as well. Therefore, we look specifically at the changes in store sizes in terms of only the games category. Currently, the three largest stores for games are the Apple App Store for iPhone (79,077 games), the Google Android Market (46,045 games), and the Apple App Store for iPad (28,683 games). The ranking order of these three stores in terms of size has remained the same during 2011. However, looking at the smaller stores, we see some interesting shifts in store sizes. Windows Phone 7 Marketplace has shown impressive growth in terms of the number of available games. Launched in a limited number of countries in November 2010, it has since surpassed both the Nokia Ovi Store and BlackBerry App World in the number of available games. The Windows Phone 7 Marketplace is now the fourth largest platform for mobile games. Another interesting shift can be seen when looking at the Amazon Appstore: just five months since its launch, it already features more mobile games than the Nokia Ovi Store and BlackBerry App World. Having had a few exclusive game releases (Angry Birds Rio, Plants vs. Zombies, etc.), the Amazon Appstore will be an interesting store to watch in 2012.

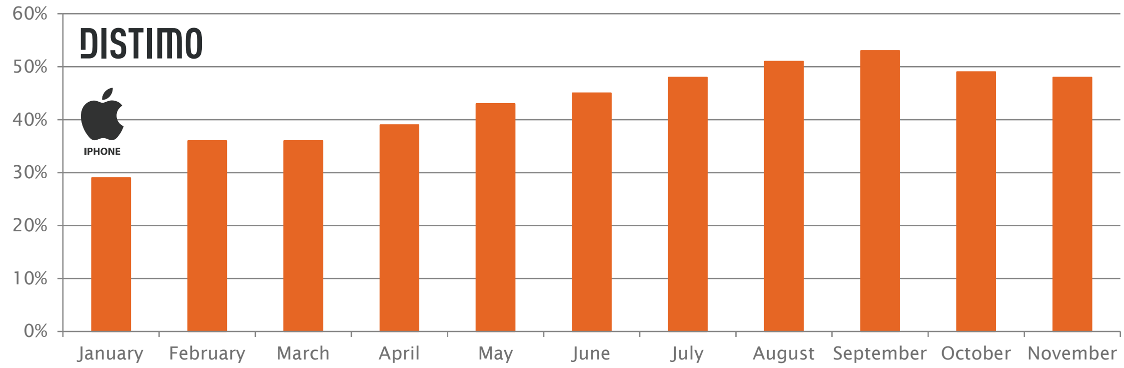
Number of available games in the US per month



DOWNLOADS, REVENUE AND BUSINESS MODELS

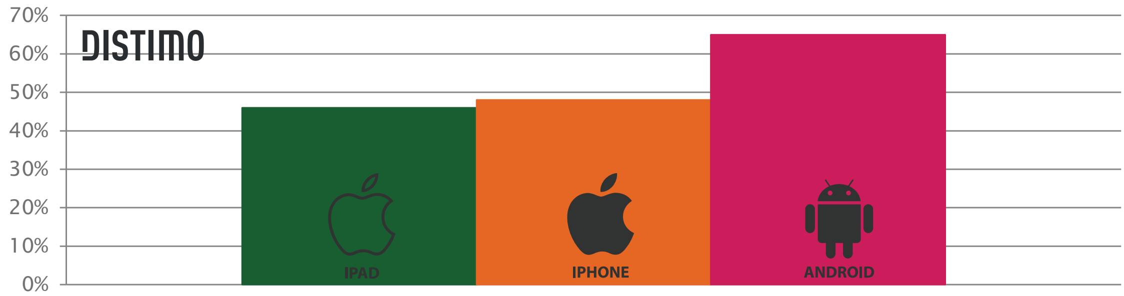
The number of available apps is not the only interesting trend in the app stores during 2011. Another development that stands out is in how developers make money: there has been a significant rise of in-app purchases (IAP) being utilized as a successful business model. The graph below depicts the share of revenue of the 200 highest grossing iPhone apps that are generated by free apps with IAP (freemium apps). This number was just 29% in January, however it rose to its peak height of 53% in September, and grew steadily month-on-month in the months in between. There was a slight decline during October and November, and the freemium model now generates slightly less than half of all revenue again at 48%.

Proportion of revenue generated by freemium apps in the Apple App Store for iPhone in the US per month (top grossing 200)



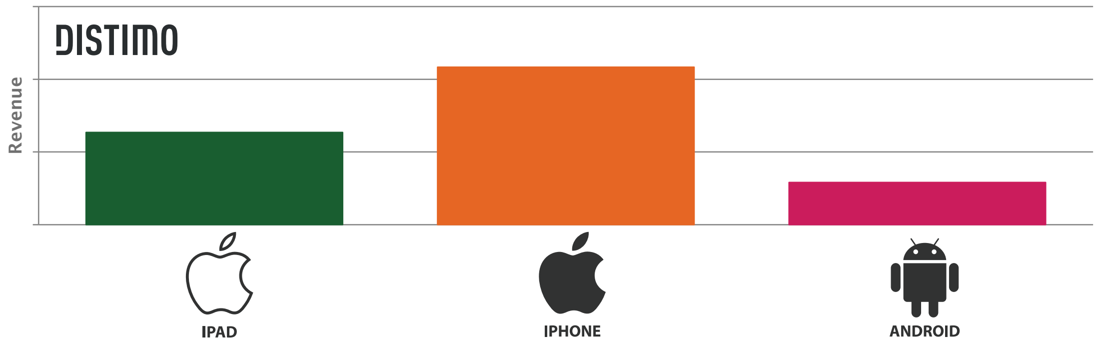
The success of the freemium model isn't unique to the Apple App Store for iPhone. Performing the same analysis on the Apple App Store for iPad and the Google Android Market reveals that the freemium model is even more successful on the Google Android Market than it is in the Apple App Store. 65% of the revenue from the highest grossing apps is generated by free apps featuring IAP. As noted in our May publication, it is quite hard for Android developers to monetize using the one-off fee paid monetization model. This graph shows that it might be wise to switch to a freemium model if you are a developer for the US market. Our 2011 year end featured paid report contains more data on the revenue share of freemium apps in other regions.

Proportion of revenue generated by freemium apps in the US in November (top grossing 200)



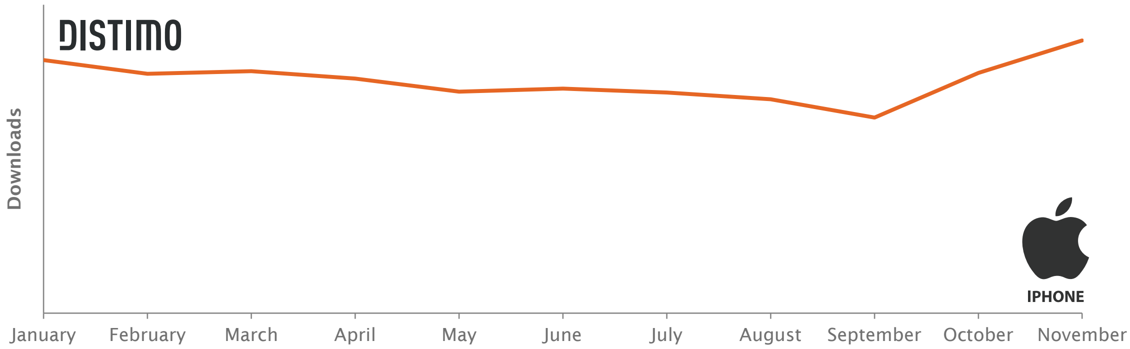
The previous figures noted above don't reveal anything about the total amount of money that is being made per platform, so we analyzed the total revenue (including one-off fees and in-app purchases) that is being generated by the 200 highest grossing applications for the largest three stores. Our research revealed that, despite Android's growing market share, the revenue generated in its app store still lags far behind the revenue generated in the Apple App Store. The Apple App Store for iPad generates more than double the revenue of Google Android Market, while the Apple App Store for iPhone generates nearly four times the revenue of Google Android Market.

Total revenue generated by the three largest stores in the US in November (top grossing 200)



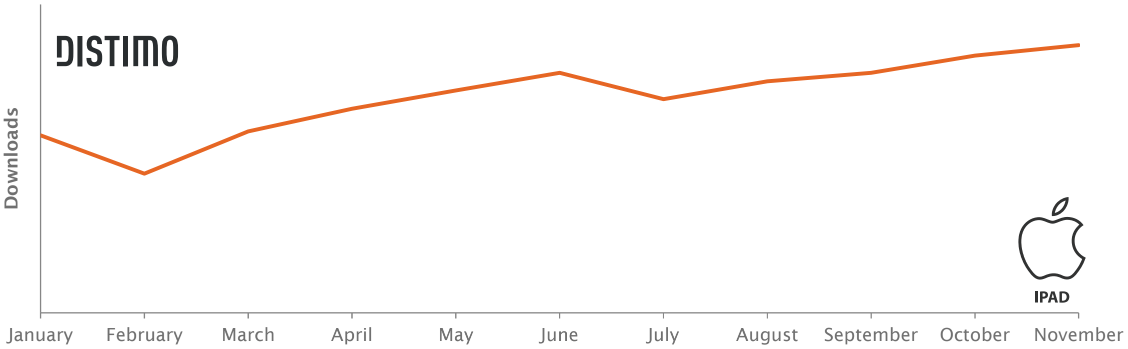
The Apple App Store for iPhone is the largest store in terms of revenue, and it remained that way over the course of 2011. Our research revealed an interesting development this year when looking at the download volumes of the iPhone: the number of downloads in the Apple App Store in the US has been declining for nearly the entire year. The lowest point coincided with the moment when the anticipation for the new iPhone was at its height in September. A rise in downloads occurred immediately following the release of iPhone 4S in October, and the number of downloads in the Apple App Store for iPhone reached its highest peak this year in November 2011.

Number of downloads generated in the Apple App Store for iPhone in the US per month (top 300 free and top 300 paid)



We saw the same “anticipation effect” prior to the launch of the new iPad. The download volumes declined from January to February, however since the launch of the iPad 2 in March the number of downloads increased quite steadily. The exception to this is a dip in July.

Number of downloads generated in the Apple App Store for iPad in the US per month (top 300 free and top 300 paid)



The figures above cover the Apple App Stores in the United States. The US however is no longer the single most important country for apps. Another interesting development this year is the rise of the app market in Asia as we initially covered in our June 2011 publication. When comparing the Apple App Store for iPhone in the US with the Apple App Store for iPhone in China, China generated only 18% of the downloads of these two countries in January 2011. However, the number of downloads in the Apple App Store for iPhone in China increased drastically during 2011. By November of this year China generated 30% of the combined total downloads of these two countries. Perhaps even more compelling is the fact that the US and China are almost equal in size when looking at the number of downloads in the Apple App Store for iPad.

The share of revenue from China is still behind the share of downloads from this country, however. Perhaps the added possibility for Chinese consumers to pay in their own currency will change this, and the first signs that this happening are now beginning to show. You can find more information on regions and free versus paid downloads in our 2011 year end featured paid report.

Proportion of downloads generated in the US and China (top 300 free and top 300 paid)

DISTIMO 2011 APP OF THE YEAR AWARD

We conclude this publication with the apps that generated the most downloads world wide across all stores. We matched apps together across all platforms, and also matched the free and paid versions of one app together for this analysis. The most downloaded app of 2011 – when looking at the total free and paid download volumes of these matched apps combined – is Angry Birds.

Available in all stores except BlackBerry App World, this is the app that generated by far the most downloads in 2011. Facebook is the runner up, with a native app available for all of the major operating systems.

Top 10 apps of 2011

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Rank	Application	Available in:						
1	Angry Birds by Rovio Mobile Ltd.	AMAZON	IPAD	IPHONE		ANDROID	OVI STORE	WP7
2	Facebook by Facebook, Inc.		IPAD	IPHONE	APP WORLD	ANDROID	OVI STORE	WP7
3	Skype by Skype Software S.a.r.l	AMAZON	IPAD	IPHONE		ANDROID	OVI STORE	
4	Angry Birds Rio by Rovio Mobile Ltd.	AMAZON	IPAD	IPHONE		ANDROID	OVI STORE	
5	Google Maps by Google, Inc.					ANDROID		
6	iBooks by Apple		IPAD	IPHONE				
7	Angry Birds Seasons by Rovio Mobile Ltd.	AMAZON	IPAD	IPHONE		ANDROID	OVI STORE	
8	Fruit Ninja by Halfbrick Studios	AMAZON	IPAD	IPHONE		ANDROID	OVI STORE	WP7
9	Talking Tom Cat by Outfit7	AMAZON	IPAD	IPHONE		ANDROID		
10	Twitter by Twitter, Inc.	AMAZON	IPAD	IPHONE	APP WORLD	ANDROID		WP7

Note that in some stores, some of these applicatiations are published by a different publisher.

DISTIMO'S PAID FEATURED 2011 REPORT FOR ASIA, NORTH AMERICA AND EUROPE STARTING AT €699

Distimo's Paid Featured Reports are built to provide insight in trends and developments of all major app stores in the Asian, North American and European app store markets. The reports allow you to:

- Analyze growth of the application store ecosystem during 2011, in terms of application availability as well as download/revenue volume.
- Identify the most successful regional applications and their publishers in each store individually.
- Analyze the growth of in-app purchase revenues in each region individually.

VISIT REPORT.DISTIMO.COM FOR MORE INFO

DISTIMO CUSTOM REPORTS

Aside from this free monthly publication, Distimo produces custom reports capable of providing specific mobile application store analytics that are relevant to your company. Custom reports are currently available for any country worldwide for the Amazon Appstore, Apple App Store for iPhone, Apple App Store for iPad, Apple Mac App Store, BlackBerry App World, GetJar, Google Android Market, Nokia Ovi Store, Palm App Catalog, Windows Phone 7 Marketplace. Additional application stores will be available in the coming months. To get a better idea of the type of data and metrics that Distimo can provide, please visit our Report product page.

CONTACT US

For sales enquiries, please contact Remco van den Elzen, VP Business Development at remco@distimo.com or call +31 30 82 00 567. For press enquiries please contact Mindy M. Hull at mindy@mercuryglobalpartners.com or call +31 62 504 7680 (EU) or +1 415 889 9977 (USA).

ABOUT DISTIMO

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