

207-1425 Marine Dr.
Vancouver, BC V7T 1B9
604.379.1514



125 S Jefferson St.2010
Chicago, Illinois 60661
773.305.0885

Mobile App Development Survey





Introduction

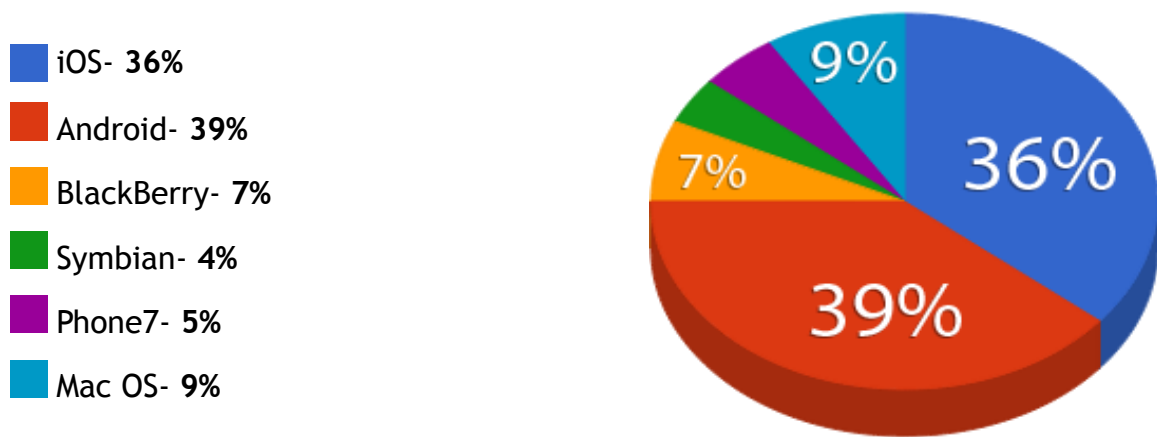
This survey covers multiple mobile app platforms' development aspects. The major idea behind this extensive questionnaire was to make sure it presents all major mobile app platform developer's concerns, highlights their biggest challenges, and provides a meta-picture of what the mobile app development ecosystem consists of nowadays. With such a large and ever-changing market environment, direct information is essential for new and revolutionary business practices.

Quick facts:

- Total number of participants in this survey - 3237
- Total number of companies whose top management personnel who took part in this survey - 85
 - Total number of companies whose middle management personnel who took part in this survey - 82
 - Total number of app developers who took part in this survey - 3070

To provide the most accurate results from this survey, ComboApp worked in collaboration with various businesses actively dealing within different areas of the mobile marketplace. These collaborators include iPhone Life magazine, Telus Mobility, and Blackberry.

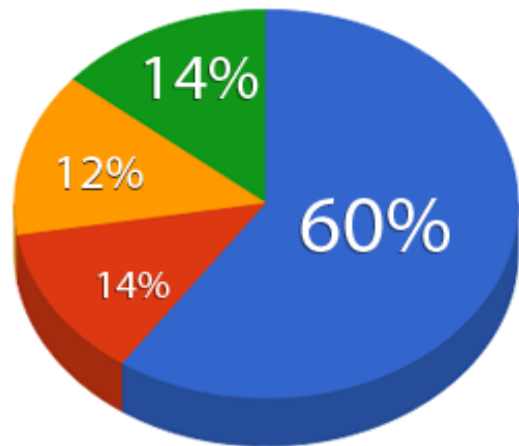
1. Which markets does your company/organization operate in?



The percentage of participants operating in specific platform's markets is presented in Fig.1 The majority of developer's responses add further weight to an already widely known fact; a large majority of today's app developers' operations center on the iOS and Android platforms.

2. What is your primary motivation for app development?

- Profit- 60%
- Extension of Company portfolio to attract more external clients/requests- 14%
- Brand recognition- 12%
- Other- 14%



Among polled responses profit is clearly the central factor motivating app developers. One of the most important implications of this is that business motivators such as point brand recognition and company portfolio extension are all significantly less pronounced among individuals or organizations who seek to develop mobile apps. The rapid explosion of mobile hardware brings high demand for mobile apps, and as a consequence app development has become viewed as a new viable profit generator rather than simply a new media avenue by which companies could hope only to raise their product and brand awareness.

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Among “Other” responses it’s important to mention the following:

- ✓ *“making games kids are playing educational, not just junk”*
- ✓ *“philanthropy”*
- ✓ *“Playing around with new technology. Testing my Java skills on the Android platform for fun.”*

3. What services do you perform in house, and which ones you outsource to other companies?

	In House	Outsource	In House but want to Outsource
Origins of initial product/application concept	95%	1%	4%
Product/application content	90%	4%	6%
Product/application design/graphics	75%	12%	13%
Product/application music/ sound effects	66%	22%	12%
Product/application marketing & promotional services	68%	6%	26%

a. Origins of initial product/application concept

The fact that almost 100% of responders attributed in-house origins for their app concepts can be explained by: the high levels of creativity within the app development community, the fact that many new apps either present a new service from a certain company or individual, or the fact that they fill an existing gap in demand for services or functions with innovative new apps - regardless of which mobile platform they're focusing their development efforts on.

b. Product/application content

This question's responses ought to be taken in direct conjunction with our preceding question and simply emphasize the industry implications drawn from it. It appears that application content outsourcing can't be applied to the mobile app development industry, at least at this point. These results reaffirm the reality that most app developers own their app's content, and re-illustrate for us developer's pervasive intent to cut all possible costs associated with the app development process as a whole.

c. Product/application design/graphics

When it comes to graphics the situation is different - developers are more willing to outsource the creation of app graphics due to a recurring lack of design skills on the developers parts given the young nature of the industry and the time needed to master such skill sets. This said though, 75% of developers still indicated that they don't outsource graphics development, something that can be explained by their general focus on streamlining the app development process, saving time and money in the process.

d.Product/application music/ sound effects

Clearly music and sound effects are quite specific materials and require a professional approach if creating complex sound schemes. Proper sound execution is an important facet of developing high quality apps that will be competitive upon their release to various app marketplaces. As a result, only 66% of developers indicated that they use in-house music and sound effects designers.

e.Product/application marketing & promotional

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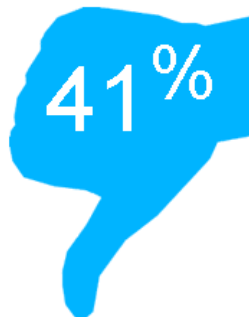
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services

68% of developers have indicated that they haven't approached app marketing agencies or marketing service freelancers for their app marketing needs, instead preferring to utilize an in-house marketing team. This may help explain problems some developers experience with their app's performance(s) in the mobile marketplace, as relying on personal app marketing efforts many times proves ineffective due to a lack of sound marketing experiences and knowledge of needed promotional efforts needed to be taken.



4. Are you currently, or are you considering in the near future, adopting HTML-5 as a platform for building cross-platform applications?



other: 7%

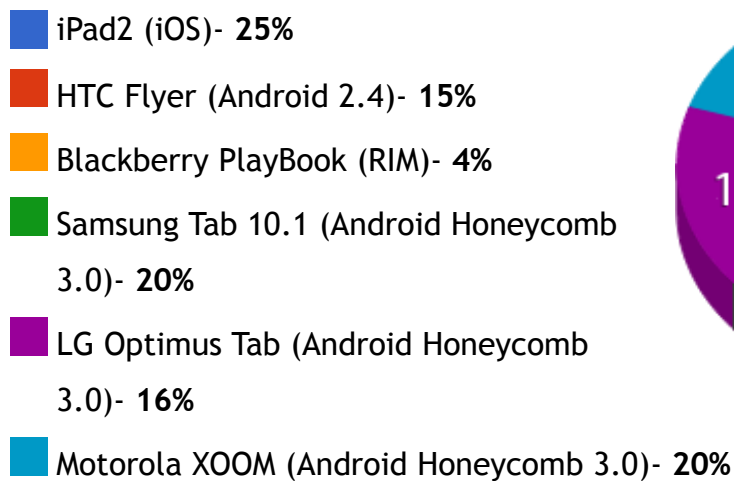
Among "Other" responses it's important to mention the following:

- ✓ "Would prefer to develop web apps. The challenge is the apps we consider worthy cannot access the phone functionality in a meaningful way as a web app. It still needs to be native."

It seems like the app development community is divided almost equally between a faction of people who believe in developing native apps for different platforms and others who consider investing resources in cross-platform apps the better approach.

Both points of view have their respective pros and cons individual developer's choice can be dictated by their experience with HTML-5 development as well as either a strong belief or skepticism regarding the maximum advantages of the native app development approach.

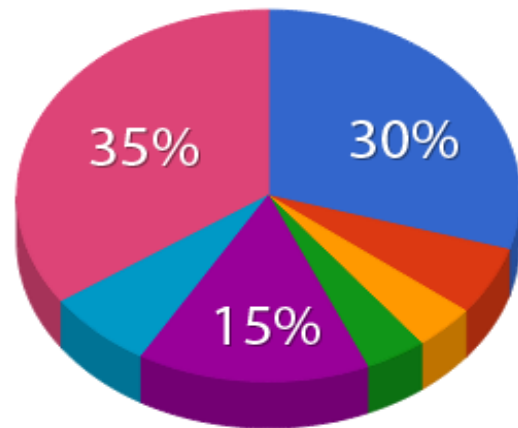
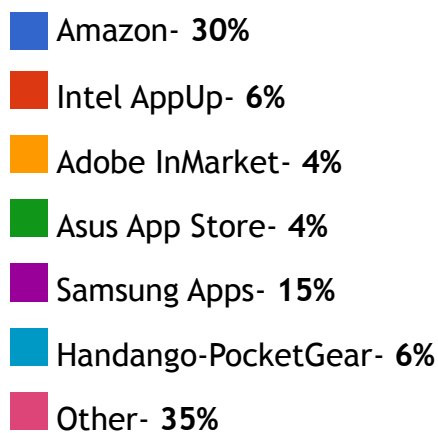
5. Given the announcements made at the Mobile World Congress, what tablet devices do you plan to support this year?



The sheer number of positive responses to this question is significantly higher than for other questions in this questionnaire. Clearly, this shows a great interest in developing apps for tablet platforms. The clear leader among these devices is the iPad's successor, the iPad 2. The phenomenal number of iPad units sold both last year as well as this year has created great expectations for the iPad 2's sales, and as a consequence has also created a high demand for dedicated iPad apps.

The second set of highest performing tablets are the Samsung Tab 10.1 and the Motorola Xoom, which both run on the Android OS. Evidently Android developers see the potential these particular tablets have as major rivals for the iPad 2 in the future.

6. Which additional mobile App Stores do you plan on operating in?



35% of respondents didn't choose any of the given additional mobile App Stores as an alternative to the app store they market their apps on currently. These respondents clearly indicated that they don't consider any additional app marketplaces in addition to the one they currently use to be necessary.

This means that a large faction of mobile developers don't see enough value in third party app stores to spend time marketing their apps and making them available on these stores. This further suggests that the mobile development community as a whole is still focused on having one major app distribution channel per application per platform. These high profile marketplaces include Apple's iTunes App Store, and the Android Market Place among others.

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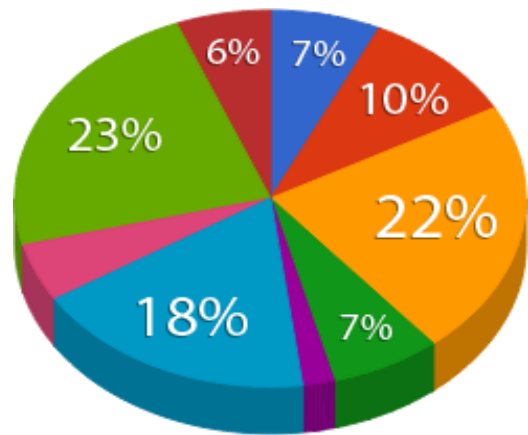
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Among "Other" responses it's important to mention the following:

- ✓ SlideMe
- ✓ Apps-Lib
- ✓ AppBrain
- ✓ GetJar
- ✓ NEXVA
- ✓ Pocket Apps

7. Which of the following promotional methods/ techniques have you found to be most effective in publicizing your products/ applications?

- Banner ads on third party websites- 7%
- Banner ads inside applications/games- 10%
- Promotion via Social Networking channels- 22%
- Media Public Relations/ Connections with major resources- 7%
- TV, Radio advertisement- 2%
- Articles by/on Review Sites- 18%
- Local Promo Campaigns- 5%
- Direct promotion via friends and app fans- 23%
- Other- 6%



According to developer feedback, two leading promotional methods for mobile apps have emerged - banner ads inside existing apps / games and promotion via Social Networking channels. Our collected data proves that banner ad cross promotion is an effective and affordable tool for marketing a majority of apps and games. Likewise, Social Media channels such as Facebook, Twitter, and YouTube also represent highly effective marketing tools. Furthermore, these channels allow developers to reach a broad audience without employing a big budget.

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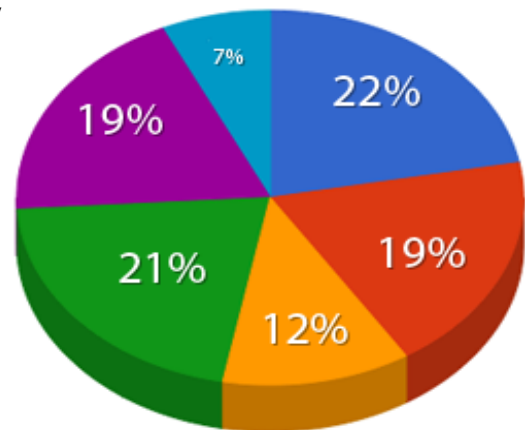
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Among "Other" responses it's important to mention the following:

- ✓ Our own web site SEO and SEM
- ✓ Nothing, and still irritated about this
- ✓ Word of mouth; existing customers
- ✓ YouTube, Facebook, Myspace, site www.la-boite.it/ moffee

8. Which of the following promotional methods/techniques have you found to be most effective in publicizing your products/applications?

- Providing an automatic discount to an already existing client that bought my other product/application- **22%**
- Setting a different price for different regions, geographic locations- **19%**
- Setting a price outside of \$1.00 increments- **12%**
- Having the ability to offer the product/application as a trial/free version for a certain limited period of time- **21%**
- Having the ability to build your own payment system inside the product/application- **19%**
- Other- **7%**



According to our data pool of responses, two promotional techniques stand out. The first is providing an existing customer with discounts, with the second being the offer of free trial versions of otherwise paid apps. Clearly building customer loyalty is something that works in the sphere of mobile app development just as well as it works in other retail industry sectors.

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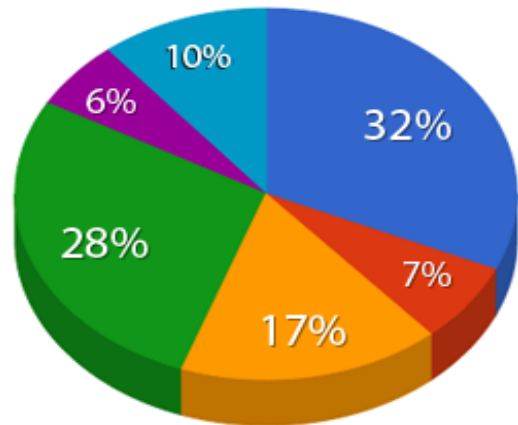
Among "Other" responses it's important to mention the following:

- ✓ We have developed and deployed our own in-app eCommerce solution that is working well
- ✓ Major update not for free, but cheaper for existing owners of product
- ✓ We don't miss any of this
- ✓ In app purchasing



9. Which of the following do you believe true about print media

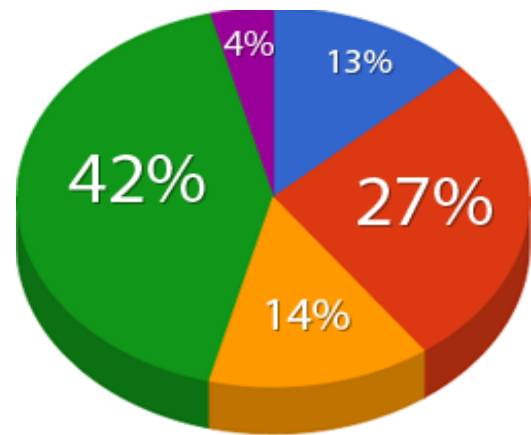
- Reviews and other editorial coverage in print definitely help sales- **32%**
- Advertising in print definitely helps sales- **7%**
- Editorial coverage and advertising are more effective in digital versions than in print versions- **17%**
- Print media is too old school- **28%**
- In general print media tends to be less biased and unfair than what can be found on the web- **6%**
- There are some editorial and advertising advantages of print media over web sites- **10%**



In the era of digital media it's important to note that print media still gets credit from mobile app developers. 32% of respondents voiced the notion that print media still has the power to influence positive effects on app sales levels. Though, it's also worth noting that the most popular notion remains a view that conventional print media represents a dated promotional method today. Indeed, it seems that the app development community is strongly divided between these two contradicting perspectives.

10. Is it profitable for you to place ad banners within your applications?

- Yes, this is my primary business model- 13%
- A small portion of my applications bring in profits through this business model- 27%
- I have abandoned this business model due to low profits after unsuccessful attempts- 14%
- I have not attempted to utilize this business model- 42%
- Other- 4%



Despite the existing prevalence of numerous extremely popular banner ad systems such as AdMob and Apple's rising iAd, it's evident that a majority of app developers either don't use the banner ad revenue model or are only able to see a very limited outcome from this model.

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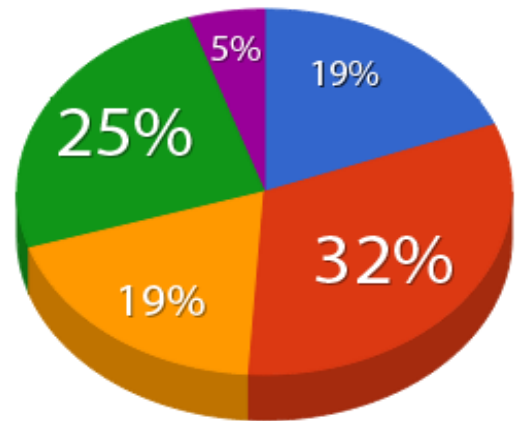
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Among "Other" responses it's important to mention the following:

- ✓ We have not abandoned this business model but the responses to this platform are weak.
- ✓ Admob stinks. Looking for replacement to generate revenue and advertise our apps. Needs keyword targeting and location based ads.
- ✓ Add banners in applications can be seen by the users as a nuisance, unless the application is such where the user is seeking information about products or services, like travel enquiries, or product directories, etc.

11. Which specific tools for implementing successful sales controls are you currently not using, but would like to explore?

- An option for paid advertisement inside the App Store-example Google AdWords- **19%**
- Statistics not only about sales, but how the customer found you-by what key words etc- **32%**
- Promotional instruments like a customizable page, ability to create demo video and post in the description etc- **19%**
- Inclusion on various TOP Lists or Categories- **25%**
- Other- **5%**



Our data reveals that one of the biggest problems app developers are currently facing is the lack of sophisticated sales tracking tools.

Furthermore, they express they are lacking the ability to track sale-keyword connections.

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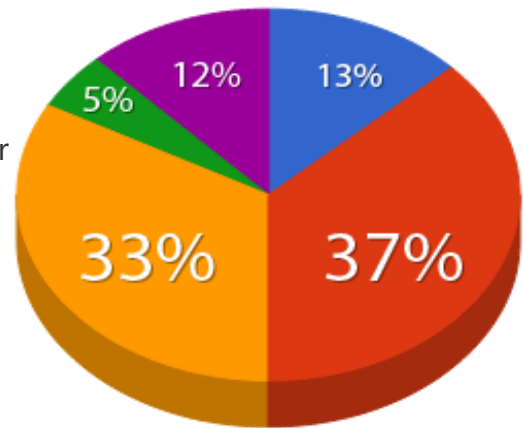
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Among "Other" responses it's important to mention the following:

- ✓ We are doing our own in-app advertising resulting directly in new sales.
- ✓ When new updates are released we would like to be put back on top of what's new.

12. What type of collaboration would you like to see in the different platform's stores to help developers with marketing?

- Enhanced features on the app description page (Please specify)- **13%**
- An affiliate program developers could apply for to get more exposure- **37%**
- A personalized list of featured apps depending on user history and location- **33%**
- I don't think app store marketing would work for my type of application (Please specify):- **5%**
- Other- **12%**



37% of respondents indicated an affiliate program as their primary tool for effective mutually beneficial cooperation between developers.

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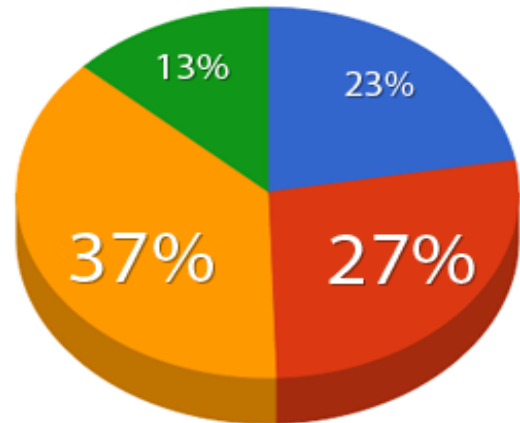
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Among "Other" responses it's important to mention the following:

- ✓ More tags and keywords * a rich xml-based meta data scannable, parsable description of our apps in computer and human readable format
- ✓ I am happy with the current model
- ✓ The ability to respond to negative reviews in the store

13. What do you think is the purpose of having the lowest price tier for paid mobile apps on the Apple App Store be \$0.99 instead of \$0.01, \$0.49, etc.?

- This price point is most convenient for mobile providers- **23%**
- This quantity is connected to the price of the transaction as a whole- **27%**
- This is just an arbitrary price point- **37%**
- Other- **13%**



Despite various discussions regarding if the lowest app pricing tier ought to be \$0.99 or not, it seems that the majority of developers don't complain and consider it as either an adequate yet arbitrary price or one that's somehow connected to the price of the average app transaction.

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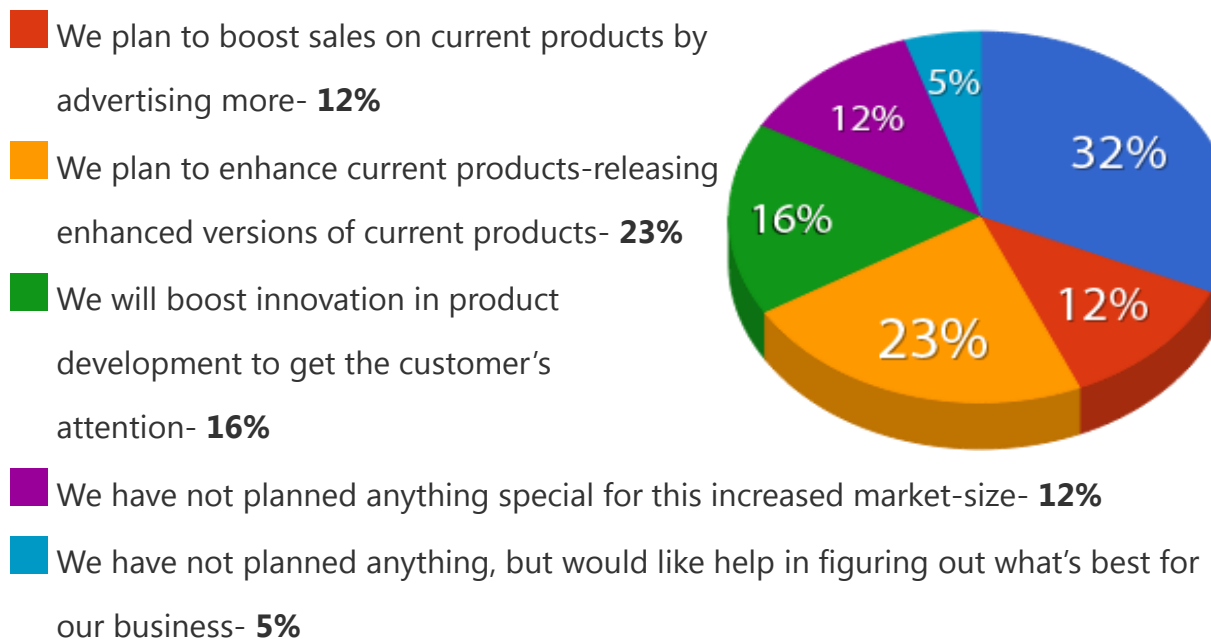
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Among “Other” responses it’s important to mention the following:

- ✓ People are cheap. they would gamble on throwing a Loonie away (\$1) but not much more
- ✓ Greed
- ✓ After split with apple and transaction costs, not much left if price was lower

14. How do you plan to capitalize on the upcoming increase of Apple App Store market size-planned at 60mil+ new users in 2011?

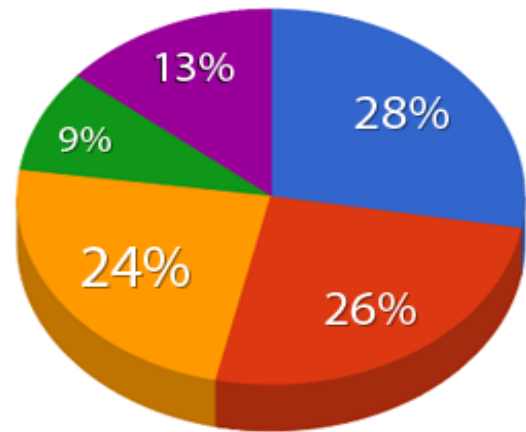
We plan to release more new products- **32%**



Releasing new products and enhancing their current product lines are the lead responses among surveyed developers, which leads us to believe that 2011 will decisively be the year of the Apple App Store market boom. With this in mind its fair to expect a consistently greater and greater amount of apps to appear on the mobile marketplace as a whole.

15. *What are your expectations for the second generation iPad in terms of application capabilities?*

- New style of applications using the second camera- **28%**
- Multitasking apps- **26%**
- More social networking apps & augmented reality apps- **24%**
- More text content- **9%**
- Other- **13%**



The most anticipated hardware advance seems to be the propagation and inclusion of front and rear facing cameras on newly released mobile devices. Full support for multi-tasking apps also number at the top of developers anticipated expectations for the near future. These expectations are likely to trigger the development of many more social networking and productivity based apps.

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Among “Other” responses it’s important to mention the following:

- ✓ Faster apps

- ✓ Simple apps which gives more kick to play around

- ✓ The faster CPU will allow for more impressive graphics

- ✓ More gaming action

- ✓ Game center. social gaming



16. Prior to this survey, had you heard of the BlackBerry WebWorks SDK enabling Blackberry apps to be built entirely in HTML, Javascript and CSS?



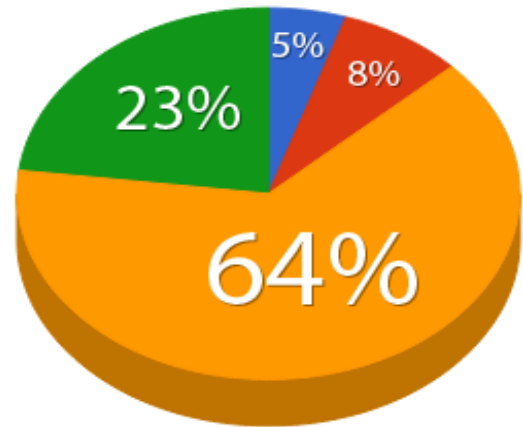
other: 1%

Right now BlackBerry doesn't deliver important information about developing for its mobile platform to developers efficiently and fast enough to make a development process as easy as iOS and Android do and this particular issue effectively demonstrates it.

Right now BlackBerry doesn't release important information relevant to app development geared towards its mobile platform efficiently and quickly enough to app developers. This reality makes the development process for BlackBerry much more difficult than it is for the iOS and Android platforms. This issue effectively demonstrates this fact.

17. What do you think of the newly announced Samsung Bada OS and the Nokia Symbian OS?

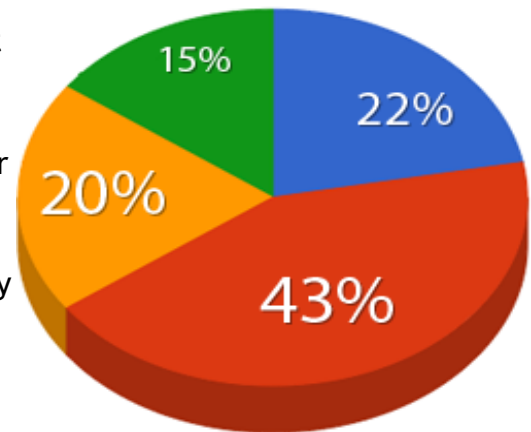
- These are platforms I am currently working with- 5%
- We plan on looking at these platforms as they are a great opportunity to expand our market- 8%
- These platforms` market is too small at the moment to invest on development- 64%
- If there was more incentive from these platforms, I would consider developing for their operating systems- 23%



An astounding 64% of respondents' answers highlight the scarce amount of app developers who believe in the validity of Nokia and Samsung's recent purported OS successes. Consequently they are not willing to invest their time and resources developing apps for these new platforms.

18. What are your thoughts on RIM`s new product line, including their PlayBook?

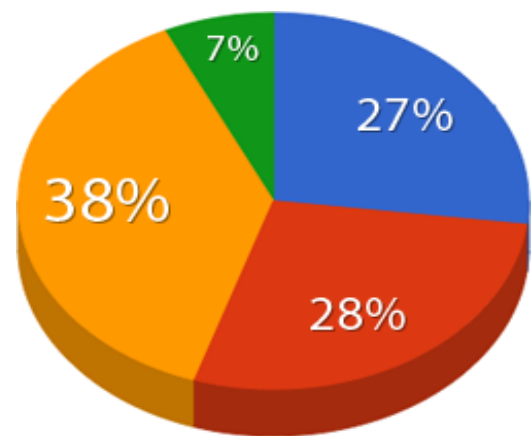
- Blackberry presents a platform that is difficult to develop for- 22%
- The market size is too small for me to consider developing RIM apps- 43%
- The new PlayBook presents a great opportunity to start-or continue-developing RIM applications- 20%
- Blackberry`s target market does not coincide with my application type (Please specify)- 15%



Despite RIM`s promising new PlayBook tablet being recently released, the app development community does not seem overly forthcoming when it comes to developing apps specifically for this new BlackBerry platform. Their chief rationale for this hesitancy lies in RIM`s relatively small market share, as well as the difficulties associated with developing apps for these platforms.

19. Given the newly announced iPad 2 and the expected market size of the iOS platform as well as the current market size of Android and its expected growth, what do you expect will happen with other operating systems?

- Smaller market-size operating systems will never take off- 27%
- Other operating systems will start to support apps made for iOS or Android- 28%
- Some platforms will merge and use the same operating system- 38%
- Other- 7%



This question's respondents have shown an almost exact division between our 3 proposed answers, a discovery that speaks to the fact that at this point there is no clear singular vision on the part of the app development community regarding what will happen with rival operating systems. Importantly, our results show that this division appears even when speaking of these operating system's prospects in the near future.

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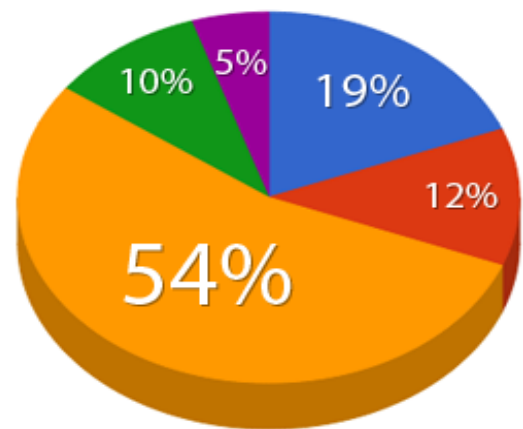
Among “Other” responses it’s important to mention the following:

✓ They will exist. Will be a geek thing. Not mainstream. Not worth the dev effort to support. Fragmentation is the untold story. So what if Android has X number of sales, I still have to choose what device to build for and cut many many others out. Not a problem on IOS.

✓ Each OS will try to maintain their individuality and there will be a healthy competition in future.

20. In the future, if applications/games become or continue to be successful, they will:

- Increase in price- 19%
- Decrease in price- 12%
- Will remain at their current price level- 54%
- Will be offered for free- 10%
- Other- 5%



54% of developers do not consider the popularity of given apps and mobile games currently or in the near future as important influences for instating price increases. We believe the prevalence of this viewpoint originates on the success of current app pricing models, at least in the case of those responders who took part in this survey.

The current state of the global economy - in its tumultuous state - may also factor into this perspective. Given this information there aren't many reasons to believe that app users will be willing to spend more when shopping throughout the mobile marketplace currently or in the near future.



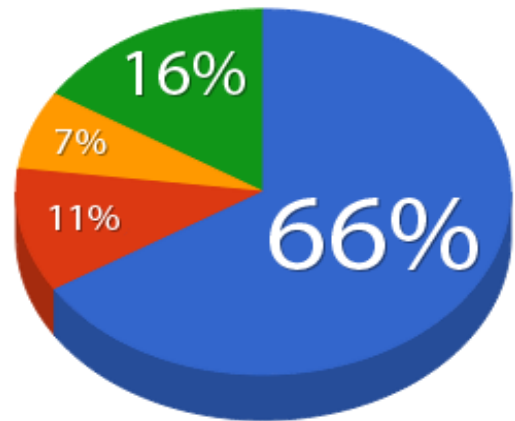
Among “Other” responses it’s important to mention the following:

✓ The more sophisticated games and other types of apps should be more, and trivial ones should be less. No game should be priced more than a Playstation 3 title, for example, and no software package should exceed \$500 in my humble opinion. Besides those rough guidelines, pricing should be set fairly, between \$0.00 and those upper ranges mentioned. If the need and quality are worthy of the sale, people will buy.

✓ I think more Apps will be offered for free supported by ingame ads, the some games will remain paid. But the prices will go down to around 0.50-1.50 USD. The time of Apps and Games who charge 4-6 USD will be gone then, as the market have more competition

21. What changes do you expect to experience in the App Store?

- Revenue increase- 66%
- Decreased list of restrictions - 11%
- Acquisition of a private Account Manager- 7%
- Other- 16%



66% of app developers relayed an expectation that their revenue would increase. This gives more weight to our illustration of current app markets as being extremely dynamic yet competitive retail environments.



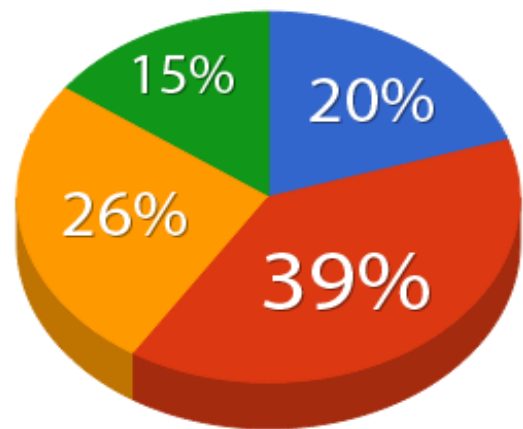
Among “Other” responses it’s important to mention the following:

- ✓ Validation is too strict and too long. There should be a way, if we change a simple info on a binary file, not to start the all process again.
- ✓ Better management of apps. Removal of old apps that developers have abandoned but continue to be in app store by legacy. General clean up is needed.
- ✓ Shorter time for releasing updates to apps. Currently waiting more than 3 days is too long especially when you need to correct a bug issue. Also allow reviewers to “ok” response from developers and allow developers to make contact to help expedite bug reporting and correcting.



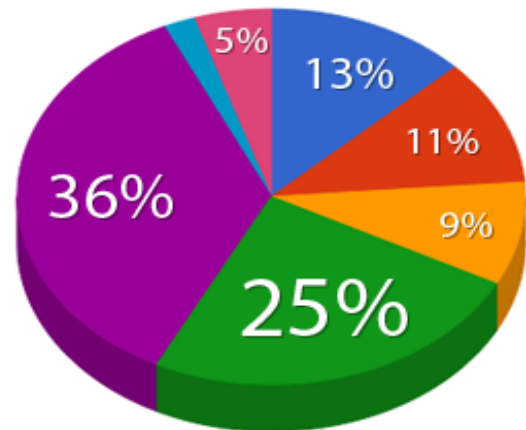
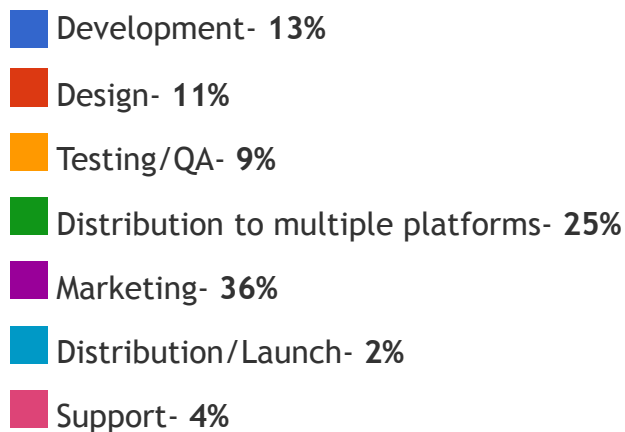
22. As part of the mobile development community, how important do you consider video as an application to be within the tablet platform space?

- Very important, I plan to, or currently develop video applications for tablet platforms- 20%
- Important- 39%
- Neutral- 26%
- Not important, I do not plan to develop video applications for tablet platforms- 15%



At this point it's clear that the iPad has set the par for tablet platforms. With this in mind, the ability to view videos is one of the iPad's core functionalities. Furthermore, both the first and second generations of this tablet platform have been extremely popular with consumers. App developers have quickly responded to this demand and have been extremely forthcoming about developing apps for the iPad which are based on video functions.

23. What is most challenging in the Mobile Application process?

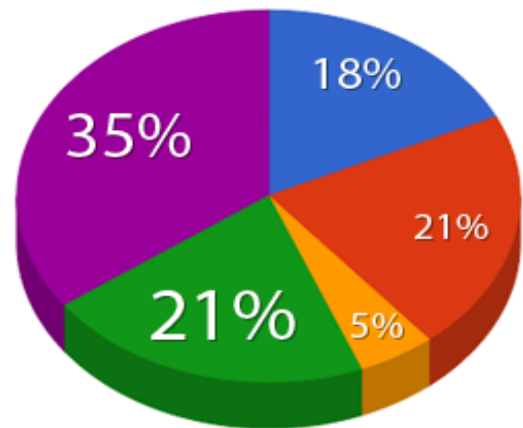


The challenges associated with effective app marketing and distribution across multiple platforms has emerged as a primary obstacle facing app developers today. It is clear that at this point app developers are equipped with professional SDK tools and as a whole the app development process itself doesn't present a significant challenge.

On the other hand app marketing is consistently a source of serious concern. A further implication of this reality is that it marks a great opportunity for app marketing agencies to offer developers viable and easily implemented solutions to these problems.

24. Are there any industry-relevant events you anticipate participating in the following years?

- MacWorld- 18%
- Game Developers Conference (GDC)- 21%
- Mobile Ecosystem Conference (MEC)- 5%
- App World- 21%
- Mobile World Congress (MWC)- 35%



By voting for the Mobile World Congress as being the most industry-relevant event for app developers to attend clearly demonstrates that closely following global mobile trends and engaging in open communication with different mobile providers who are shaping the current and future state of mobile industry is of the utmost importance.

207-1425 Marine Dr.
Vancouver, BC V7T 1B9
604.379.1514



125 S Jefferson St.2010
Chicago, Illinois 60661
773.305.0885

About ComboApp

ComboApp is a boutique Marketing Agency that delivers uniquely customized full-cycle brand development solutions for products and businesses active in the mobile arena. ComboApp Marketing & PR Agency created a first-of-its-kind service to provide strategic, customized mobile and web-based app marketing plans designed specifically for mobile and web-based app developers. We utilize iPhone, iPad, and Mac app promotion tactics that work!