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Writing 4498G

Assignment B

<div style="text-align:center">Developers and the App Store</div>

When the App Store, Apple's platform for selling apps to it's customers, launched in July 2008, there was a gold rush for the early app developers. The small number of apps and large number of curious iPhone owners meant that a developer only had to put out an app with a hint of functionality to get users to tap buy. Now, thousands of apps add to the pile of over two million already on the App Store each week and users constantly question the value of these apps. This has left many developers wondering how to market and monetize their apps, so they can keep their business alive.

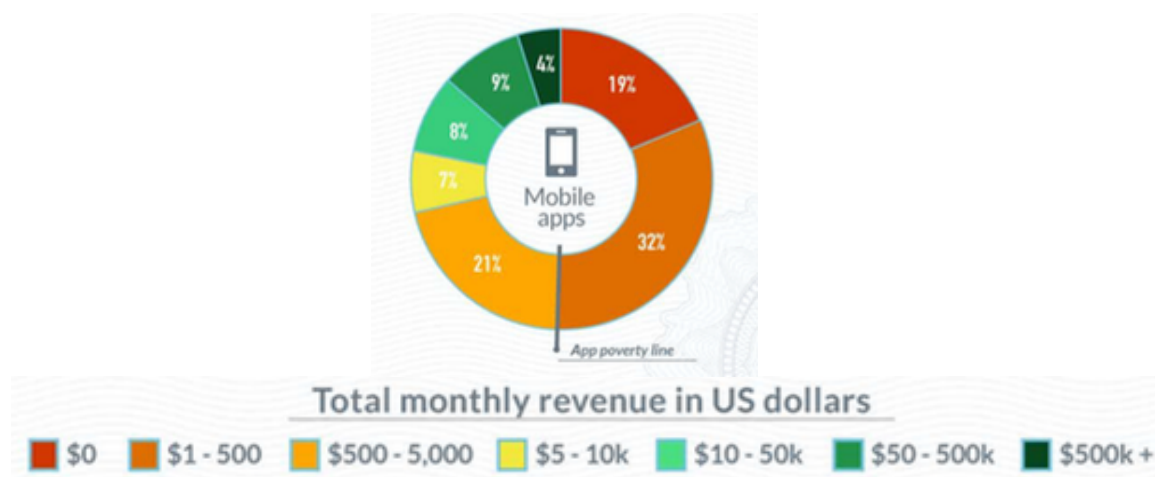A survey from "Developer Economics" shows that just over half of mobile developers

Figure 1 – iOS App Developer Revenue - Source Developer Economics – State of the Developer Nation Q3 2015

make less than $500 a month from their apps, which means that of the half a million plus

iOS developers, more than a quarter million of them can not sustain themselves or their

businesses from their apps. Developer Economics believes this is largely due to "most of

them still [persisting] in trying to make money via the simplest revenue models to

implement - paid downloads and advertising." When three quarters of the available iOS

apps are free, it's difficult to continuously convince people to pay for your app, especially

when there are other developers with similar apps all targeting the same group of

customers.

This is the problem that Pixite faces. Between 2009 and 2014 they have been releasing paid

applications. In the past year however, they have switched to free apps with either a

subscription or an in-app purchases because "the one-time purchase business model,

which led to a perpetual cycle of boom and bust as each launch generated a single revenue

spike followed by a rapid decline" was no longer sustaining them (Newton). For the first

few years on the App Store Pixite was able to succeed by simply releasing paid apps and

waiting for the money to come in. They didn't invest in advertising; they just kept making

new paid apps and surviving off the spike in revenue. With fewer and fewer people buying

their apps, the spikes in revenue was no longer sustainable enough to keep Pixite

financially stable between releases. Now, they are trying marketing, subscriptions and in-

app purchases for the first time.

However, it's likely they could have avoided this. Case Newton, from the Verge wrote in

"Life and Death in the App Store" that the developer Lightricks, who makes photo-editing

apps like Pixite, has been able to sell over 3 million copies of its FaceTune app at $3.99 US, because they spent a lot of time and money on advertising. Other successful developers like Supercell, who made Clash of Clans and King, who made Candy Crush Saga spend millions of dollars advertising on TV and the Internet in order to make people aware of their apps. Simply sending an app to the App Store isn't enough anymore to get people to notice it, because Apple only has so much room on the front page of their store each week to showcase apps.
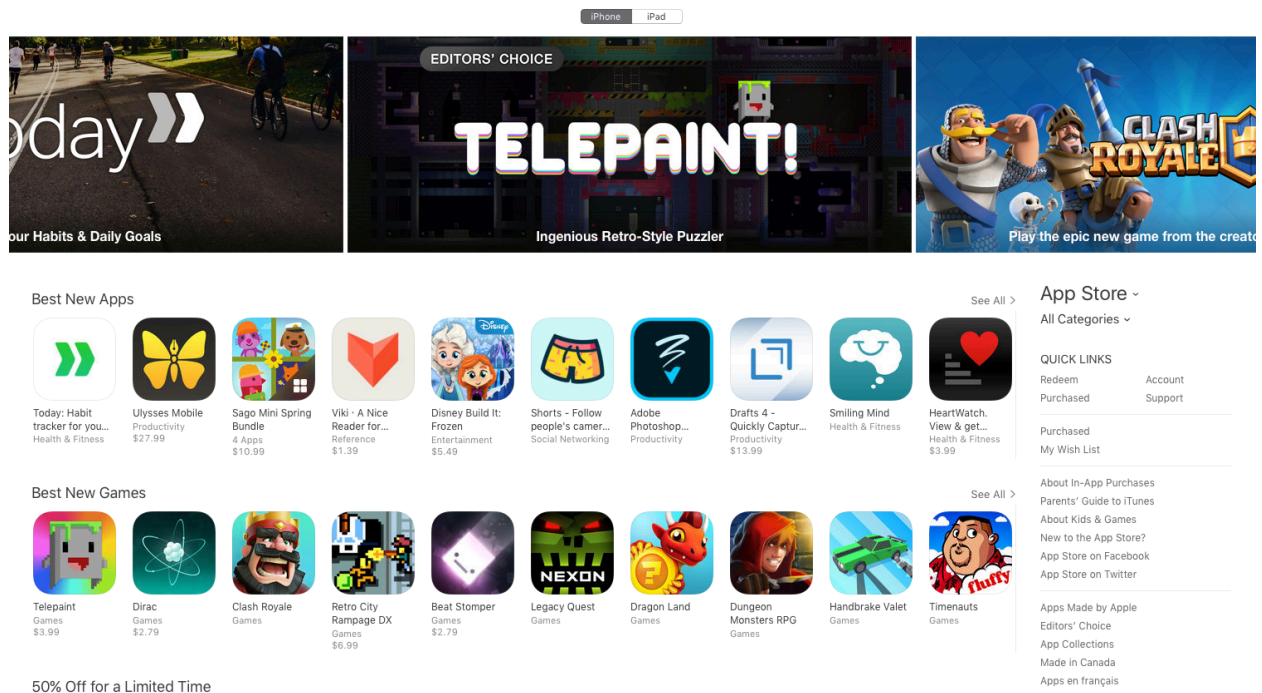

Figure 2 - The App Store front page

Getting one of the coveted weekly "Editors' Choice" or "Best New Apps" spots is very unlikely, largely because of the amount of apps that are released or updated each week, but also because the vast majority of the apps Apple choose are by established developers. Though one or two new developers' apps do get one of these spots almost every week, the top spots are regularly filled by developers who have already launched one or more

successful apps on the App Store or are established in another market. When Bethesda, the developer/publisher behind the Fallout and Elder Scrolls video games, launched Fallout Shelter, Apple made an unprecedented move and changed the Editors' Choice game to Fallout Shelter on a Sunday. Up until then (and since), the only changes occurred on Thursdays.

New developers will have just as much trouble getting noticed by the media. As Torulf Jernstrom, the CEO of Tribeflame, wrote for "Pocket Gamer" "you should probably do PR, but don't expect much from it unless you are one of the top games companies around and people have been waiting for news about what you're about to do next." Just like Apple and the App Store, media websites only have so much space each day to cover apps. Smaller websites or YouTube channels are a good bet for smaller developers. Even though the audience is usually smaller than mainstream media, there are so many of them that the odds of getting coverage by someone are high. Also, YouTube channels tend to have very passionate audiences, so if the channel promotes a developer's app many of the channel's followers will check out the app.

Even with an app that is well known and used by hundreds of thousands of people, if it is not monetized right, it can still fail. This is what happened to Just Land, a travel app that helped you pick people up at the airport on time. One of the developers, Jon Grall explained in his post "Just Landed Is Shutting Down" that:

> developers have resorted to giving their apps away…. Consequently, the willingness
> of users to pay for apps… has declined sharply, while expectations of what an app

should deliver have never been higher. Developers have been forced to get absurdly

creative with their business models and marketing strategies just to make any

income at all, rather than making the best product for their users. Just Landed, being

a paid app with high running costs, has been on the wrong side of these trends, and

what worked in 2012 no longer works in 2016.

A lot of people like and use Just Landed, but not enough new users were buying it to keep it

alive. $3.99 per download wasn't enough to sustain the app, but it was also too high to get

enough people to buy it.

There is no sure-fire recipe for success on the App Store. But developers can certainly

increase their chances for success by making a useful or entertaining app, researching their

competition and target market, marketing as directly as possible to that market and finding

the right revenue model.

For More Information

Pocket Gamer – App Store Metrics - http://www.pocketgamer.biz/metrics/app-store/

-Up-to-date metrics of the number of apps and games available on the App Store, submissions to the App Store and the prices of apps.

Medium – Just Land Is Shutting Down by Jon Grall - https://medium.com/@jongrall/just-landed-is-shutting-down-629765cbe1d7#.cxfpn6jyy

-Jon Grall, one of the developers of the Just Landed app, tells us why he's shuttering the popular iOS app.

Pocket Gamer - Everything you ever wanted to know about paid UA in 2,000 words by Troulf Jerstrom - http://www.pocketgamer.biz/comment-and-opinion/62716/paid-ua-overview/

-Troulf Jerstrom, the CEO of Tribleflame, gives us a lot of information about where you can spend money to gain users.

The Verge - Life and Death in the App Store by Casey Newton - http://www.theverge.com/2016/3/2/11140928/app-store-economy-apple-android-pixite-bankruptcy

-Casey Newton, a writer for The Verge, tells us the history and current stress of Pixite a iOS app development company

Developer Economics – State of the Developer Nation Q3 2015 - https://www.developereconomics.com/reports/developer-economics-state-of-the-developer-nation-q3-2015/

-This report by Developer Economics comes out every Q1 and Q3, and it covers the trends and revenues on several development platforms. The information is found through a survey completed by thousands of developers around the world.