



Demystifying Mobile Application Stores

“Where did they come from and what do they mean?”



Mobile Application Stores are in the limelight at the moment and for good reason, there is a lot of money to be made for the right applications. However, knowing which application store to develop for, which languages to use and the size of the market you're targeting is confusing and complex. In this paper we introduce you to the Mobile Application Store market and give you the basics to make the right decision for your brief.

App Stores are not a new business phenomenon, they have been around since 2001 with early players such as Handango.com and getjar.com. However, there have been significant problems associated with selling applications during this time. Mobile Operators such as Vodafone or O2 control how a handset will look and what's on it when a consumer buys it. These operators put up 'walled gardens' preventing many 3rd party application developers from deploying apps on to the handset.

The second major barrier has been the inability to perform microbilling transactions. Most apps required either credit card details (something the general public had no appetite for giving in the early noughties) or prohibitively expensive premium SMS (PSMS) solutions.

Apple stomps onto the scene...

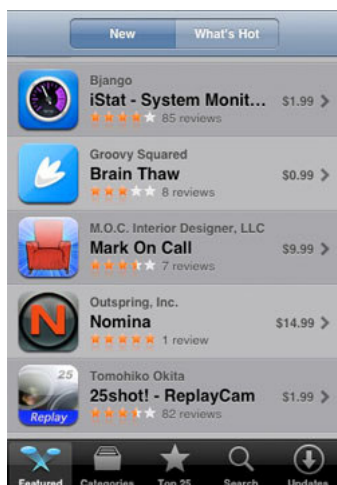


App Store

Early 2007 Steve Jobs presented the iPhone to the world. It took a new approach to mobile design having learned much from watching the likes of Nokia, Palm and Sony Ericsson. It carried with it important new functionality and an ecosystem around it that made it seamless to buy, download and pay for songs and applications. The simplicity caught the public imagination and the application store took off.

The Rise of the Application Store

On April 24th 2009, Apple sold its 1 billionth application to a 13 year old in Western Connecticut, a truly remarkable achievement in just 9 months. Even more impressive is 500million of the downloads occurred in just 3 months!



Apple still leads the market sector with:

- 37 million iPhones & iPod Touches
- 50,000 Application Developers
- 35,000 Applications
- Expected revenues of \$600m for 2009 from the App Store alone
- Facebook has been the most downloaded free App with
- Crash Bandicoot Nitro Kart 3D is the most downloaded paid for App at £3.49

It is these credentials that have attracted other players into the market, however, they have a lot to do to match the simplicity and good looks of Apple's App Store.

New Pretenders to the throne

Late last year Google introduced its own Mobile Operating System called **Android** which had its own built in **App Market**. However, with only **1 million handsets** in circulation it has yet to prove itself as the 'next big thing'. However, Google has done deals with handset manufacturers such as HTC and Samsung to extend the range and number of handsets that Android and its App Store will sit on.



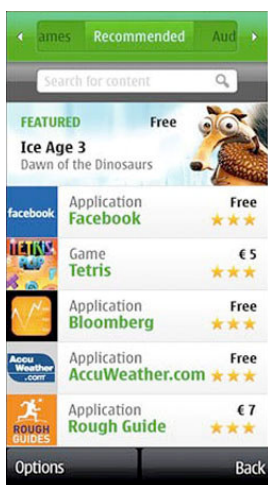
BlackBerry's App World was released in April this year across 20 million handsets. While it was stated to work across all Blackberrys, RAM and CPU constraints mean the Bold, Storm and latest Pearl handsets are the only real choices. It targets a different audience to the iPhone and Android stores with either free or paid for apps starting at £2.99. This is to entice companies to build for its Prosumer customer base which it believes will be willing to pay for feature rich business applications. It is too early to tell whether this approach will work.

The 800 pound Gorilla Enters the Market

Nokia ships over 400 million handsets a year, over 1 million a day! It has approximately 1.4 billion handsets in circulation. It is the industries behemoth.



Nokia soft launched its app store called **Ovi** (meaning 'doorway' in Finnish) on 26th May 09. After the Apple App Store, this is the most exciting store to watch. Much anticipation surrounds Ovi as it is beta tested with this soft launch across **40 million handsets**, twice as many as Apples 21 million iPhones.



Nokia intends to spend a huge proportion of its yearly advertising budget on the full launch of Ovi in late June (along with its flagship N97 handset). It has suggested that as many as 240 million handsets will have the Ovi store downloaded by the end of 2009.

More to come...

Later this year we'll see offerings from the rest of the worlds top handset manufacturers such as Windows Mobile, Palm and Samsung as well as the first Mobile Network Operators (MNOs) such as Vodafone's Betavine and O2 Litmus.

We should bear in mind that there are particular difficulties for the MNOs as the breadth of phones across multiple handset manufacturers that an app might be expected to work on means significant costs for a developer and potential confusion for customers.

However, there is a billing advantage as MNOs can use their own billing systems to add the cost of applications to their prepaid or post paid plans.

The Programming Language Minefield¹

Java ME

Ideal for a portable solution, if the Java ME platform provides the needed functionality. Device-specific libraries exist for many devices and are commonly used for games, making them non-portable. Applications (including their data) cannot be larger than around 1 MB if they are to run on most phones.

¹ Source: http://en.wikipedia.org/wiki/Mobile_development

symbian

Symbian

Very powerful for general purpose development. The Symbian based S60 platform is strongly supported by Nokia with some support from other device manufacturers. In Japan NTT DoCoMo's Symbian based MOAP platform is also well supported by a number of manufacturers (Fujitsu, Sony Ericsson Japan, Mitsubishi and Sharp amongst others). Another Symbian based platform, UIQ, is less well supported (principally by Sony Ericsson and Motorola). Currently large device deployments in Europe and Japan, with little penetration in the US market.



Android

Recently announced by the Open Handset Alliance, whose 34 members include Google, HTC, Motorola, Qualcomm, and T-Mobile. Android is support by 34 major software, hardware and telecoms companies makes it likely that it will be rapidly adopted from 2008. Application programming is exclusively done in Java. You need the Android specific Java SDK. Besides the Android Java Libraries it is possible to use normal Java IDEs.



iPhone

The iPhone and iPod Touch SDK uses Objective C – specifically Cocoa, based on the C programming language. Currently, is only available on Mac OS X 10.5 and is the only way to write an iPhone application. All applications must be cleared by Apple before being hosted on the AppStore, the sole distribution channel for iPhone and iPod touch applications. However, non-Apple approved applications can be released to for jailbroken iPhones via Cydia or Installer.

Technical and Developer Cost Comparison Table²

Feature	iPhone App Store	Android App Market	Blackberry App World	Windows Mobile Market	Palm App Catalog	Nokia Ovi Store
Paid Apps	Yes	Yes	Yes	Yes	Yes	Yes
Free Apps	Yes	Yes	Yes	Yes	Yes	Yes
Phone Client	Yes	Yes	Yes	Yes	Yes	Yes
Desktop Client	Yes	No	No	TBD	TBD	No
Multiple Device Support	No	Yes	Yes	Yes	No	Yes
Non-App Content	No	No	No	TBD	No	Yes (ringtones, wallpapers etc)
Billing System	iTunes	Google Checkout	Paypal	Credit Card, Mobile Carrier	TBD	Credit Card, Carrier
Returns Policy	No	24hrs	No	24hrs	TBD	No
Carrier-Specific Stores	No	Yes	No	Yes	TBD	Yes
Cost To Developer						
Developer Share %	70*	70*	80*	70*	TBD	70**
Developer Fee	\$99 One time	\$25 One time	\$200 One time	\$99 Annual	TBD	Free
App Listings	Unlimited	Unlimited	10 for every \$200	5, then \$99 per app	TBD	Unlimited
Minimum Non-free price	\$0.99	\$0.99	\$2.99	TBD	TBD	TBD
Notable Restrictions	Stock App Duplication, Carrier Demands	Carrier Demands	None	None	Non-native SDK	None



putITout is well placed to offer advice on how a mobile offering can help a brief and what platforms should be targeted to achieve maximum ROI. Call Charlie for a friendly chat on 020 7837 5200 or charlie@putitout.co.uk

² Source: www.gizmodo.com