

*App Annie*



# The State of the App Economy

## Retrospective 2016 & Insights 2017

**Thierry Guiot**  
Southern Europe Territory Director

**Baptiste Carrère**  
Business Development Manager Southern Europe



# We help build better app businesses

App Annie delivers data and insights to succeed in the app economy

*App Annie*

# Global Reach and Local Understanding



460+ Employees  
15 Locations  
200+ R&D & Data Scientists

Financing \$157M across 5 rounds

3 Acquisitions



IDG Capital Partners



GREENSPRING  
ASSOCIATES

SEQUOIA CAPITAL e.ventures

Infinity Venture Partners



# The Cockpit for Business App Analytics + Intelligence



# The Most Trusted Partner in the App Economy

Games	       
Social	     
Investors	    
Platforms/ Mobile	     
Entertainment/ Media	     
Other	     

700 000+ users

1 000 000+  
Connected Apps

50%+ of Google  
Play and iOS  
revenue  
combined is  
generated by  
App Annie  
customers.\*

\*As per January 2016  
App Annie estimates

94 out of 100 Top WW Publishers are our clients

App Annie

# A nice footprint & a great traction in Spain!

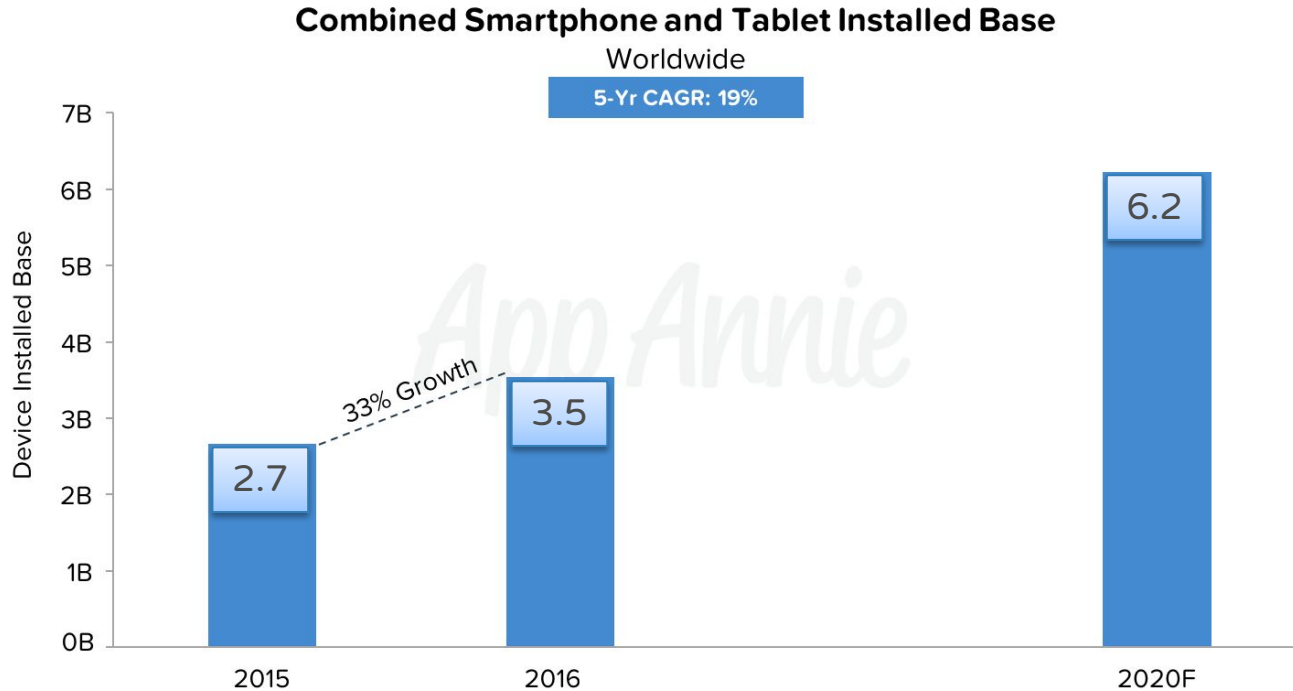


*App Annie*

# The State of the App Economy

- What's Driving The App Revolution?
- Adapt or be Disrupted
- How to Get Ahead
- ...and How the App Annie Platform can help?

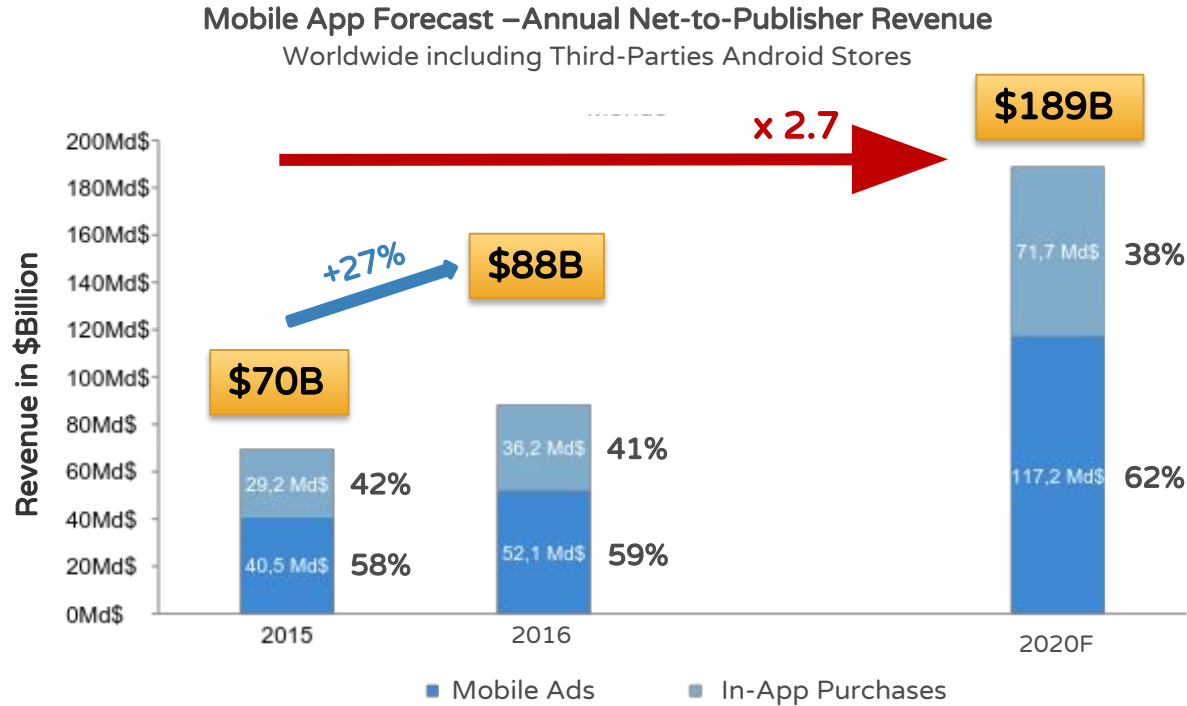
# 6.2 Billion Smartphones in 2020



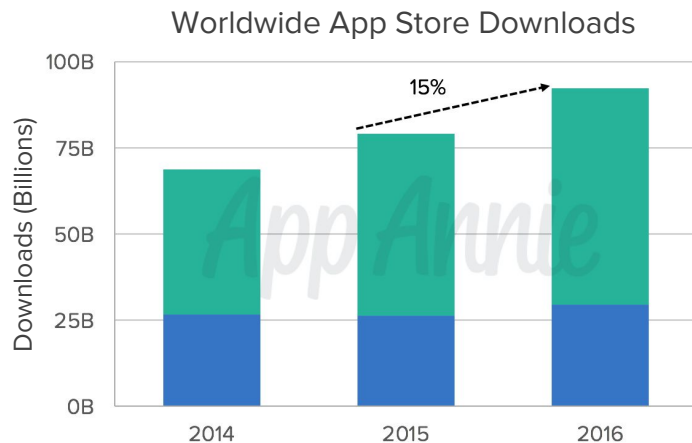
« In 2020,  
there will be  
more  
smartphones  
users than  
people having  
access to  
electricity »



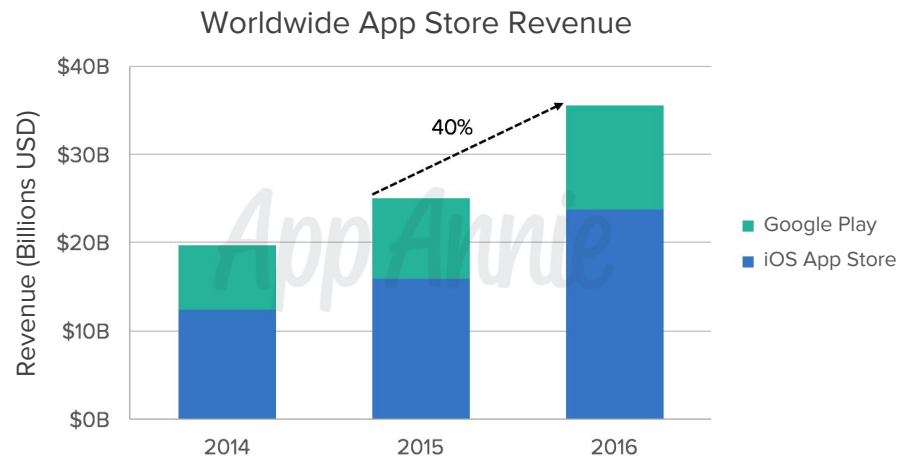
# Publishers to earn \$189 Billion from Stores & Ads in 2020



# 2016 Was Yet Another Incredible Year for the App Markets

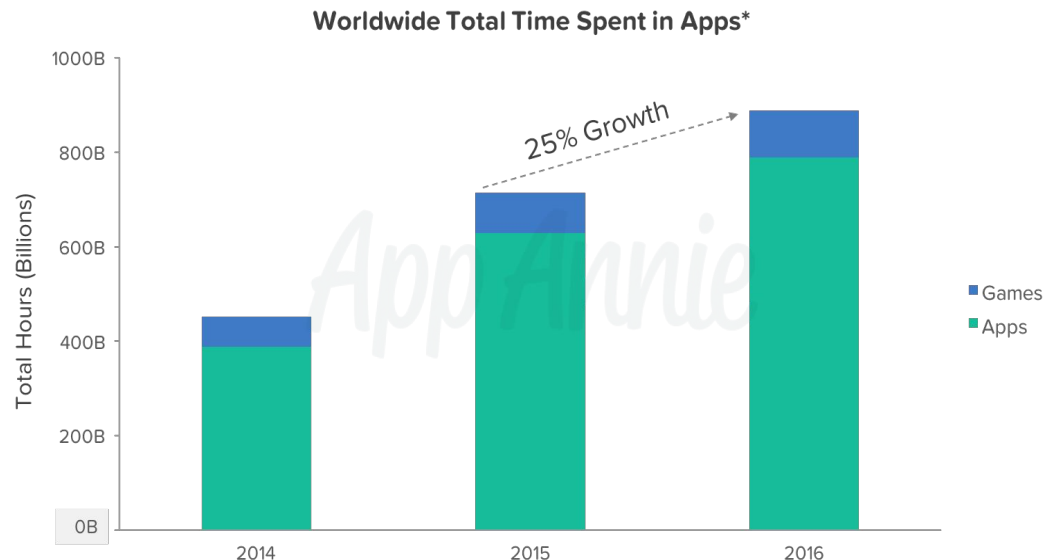


**90 billion downloads in 2016**  
**+13 billion / 2015**



**\$35 billion for the stores**  
**+ 40% / 2015**

# Globally, Consumers Are Spending More Time in Apps Than Ever Before



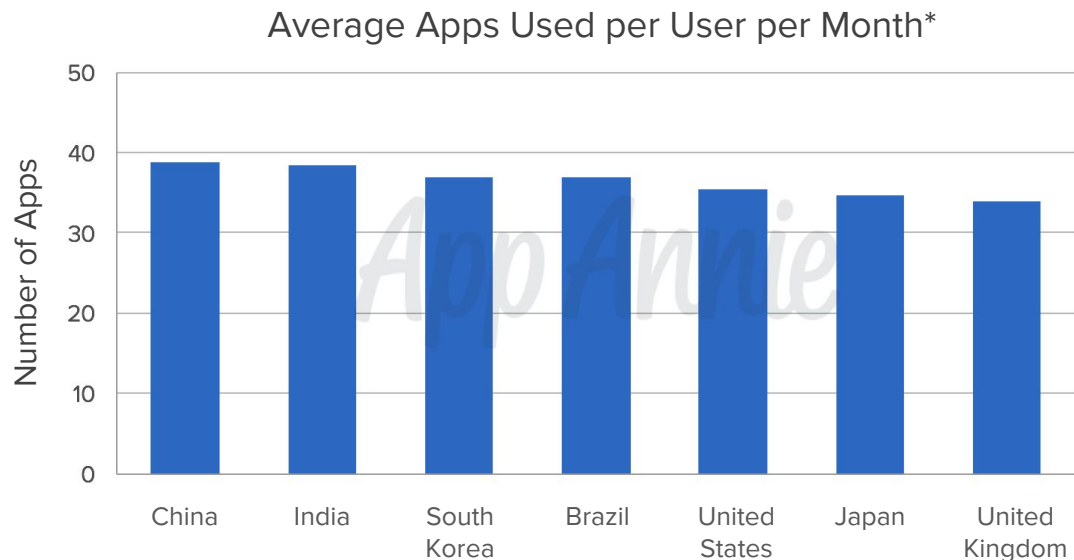
\*Android phone total time, excluding China

**900 billion of hours in 2016**  
**+150 billion / 2015**

**Every Android user spends**  
**2 hours/day in average on his**  
**smartphone**

Of every hour spent on our smartphones, **51 minutes** is in apps

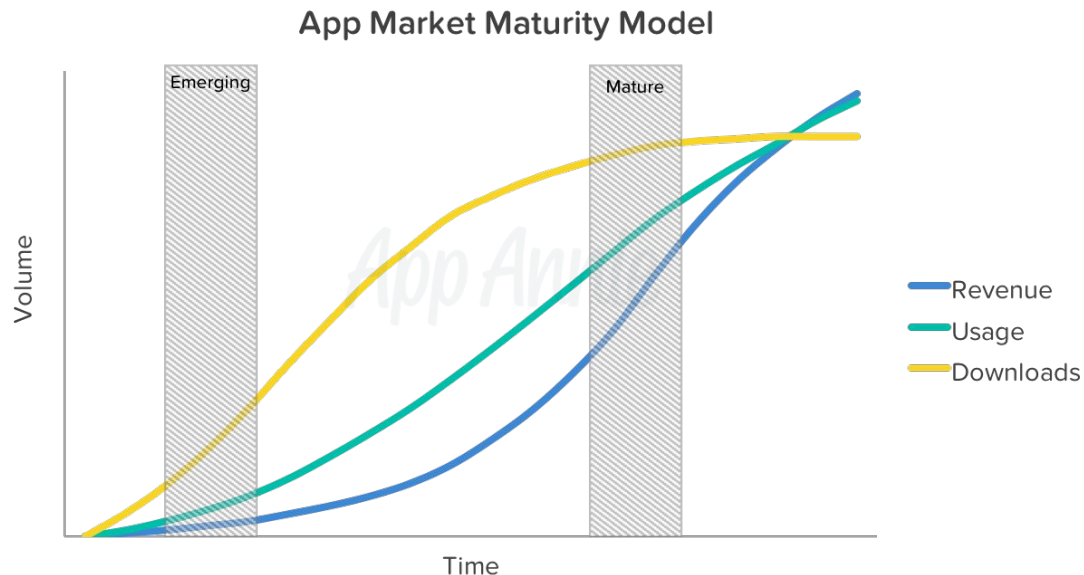
# Apps Are Firmly On Our Smartphones



\*iPhone, 2016

Consumers use more than 30 apps per month in mature markets

# App Markets Continue to Mature



DOWNLOADS continue  
to grow in emerging  
markets

+

Growth in USAGE and  
REVENUE accelerates in  
mature markets

=

Huge MONETIZATION  
OPPORTUNITIES for new  
services



# The State of the App Economy

- What's Driving The App Revolution?
- Adapt or be Disrupted
- How to Get Ahead
- ...and How the App Annie Platform can help?

# Apps Are Now an Integral Part of Our Lives

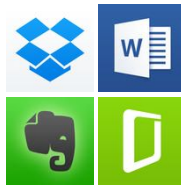
## Eat & Drink



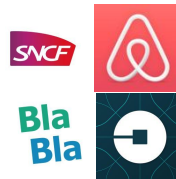
## Connect



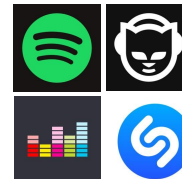
## Work



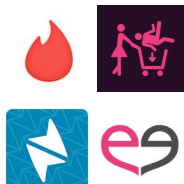
## Travel



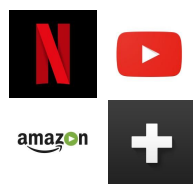
## Listen



## Date



## Watch



## Learn



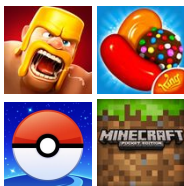
## Shop



## Bank



## Play



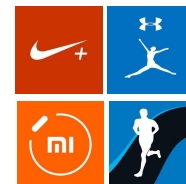
## Pay



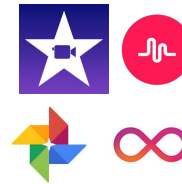
## News



## Health



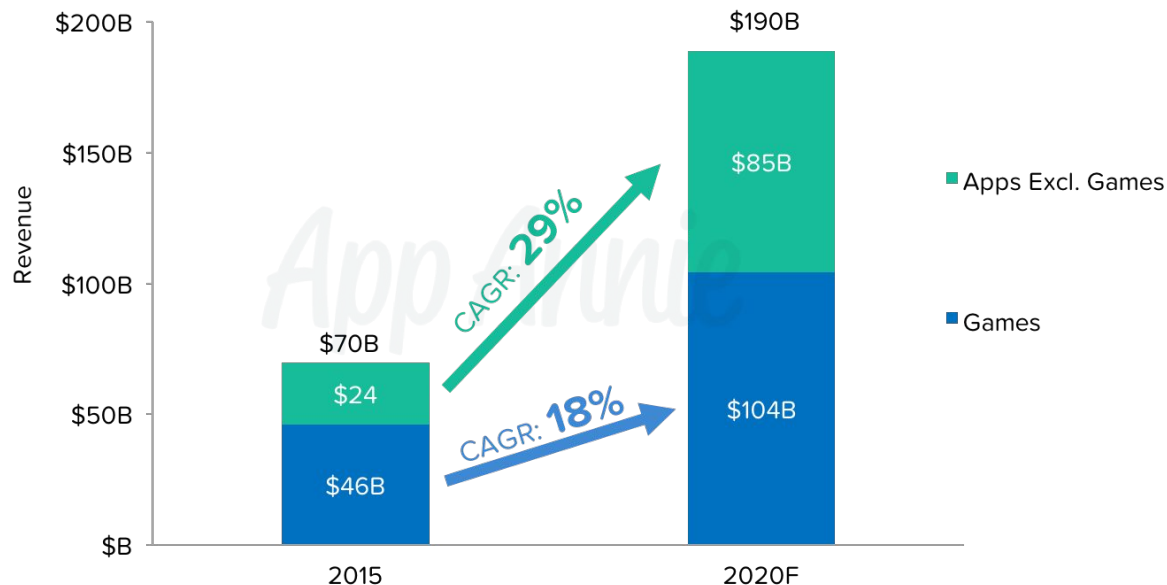
## Create



# Non-Gaming Apps Are Experiencing the Fastest Revenue Growth

## Mobile App Forecast – Annual Net-to-Publisher Revenue\*

Worldwide, 2015 vs. 2020F



...and this is before  
we consider  
m-Commerce,  
revenue generated  
outside of the store

# Apps Are Now Integral To Many Industries

## It's Become a Case of Adapt or be Disrupted

Percentage Growth in 2016 Total Time Spent in Apps in Store Categories\* vs. 2015

Travel & Local, Maps & Navigation

**+50%**



Shopping

**+50%**



Finance

**+10%**



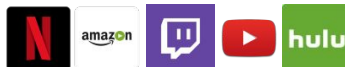
Dating, Lifestyle

**+15%**



Entertainment, Video Players

**+50%**



Communication

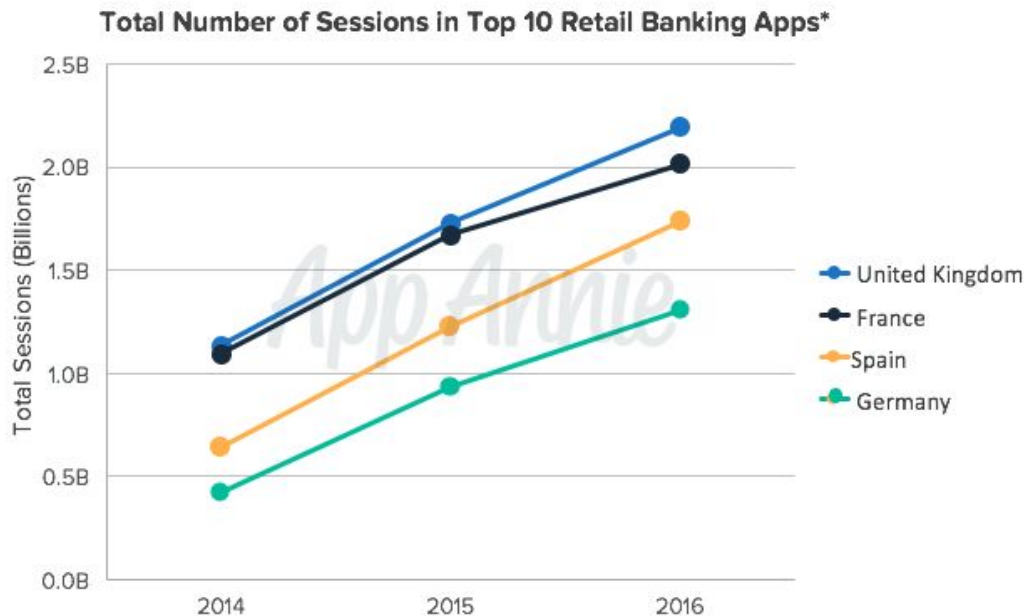
**+15%**



\*Android phone worldwide total time, excluding China

*App Annie*

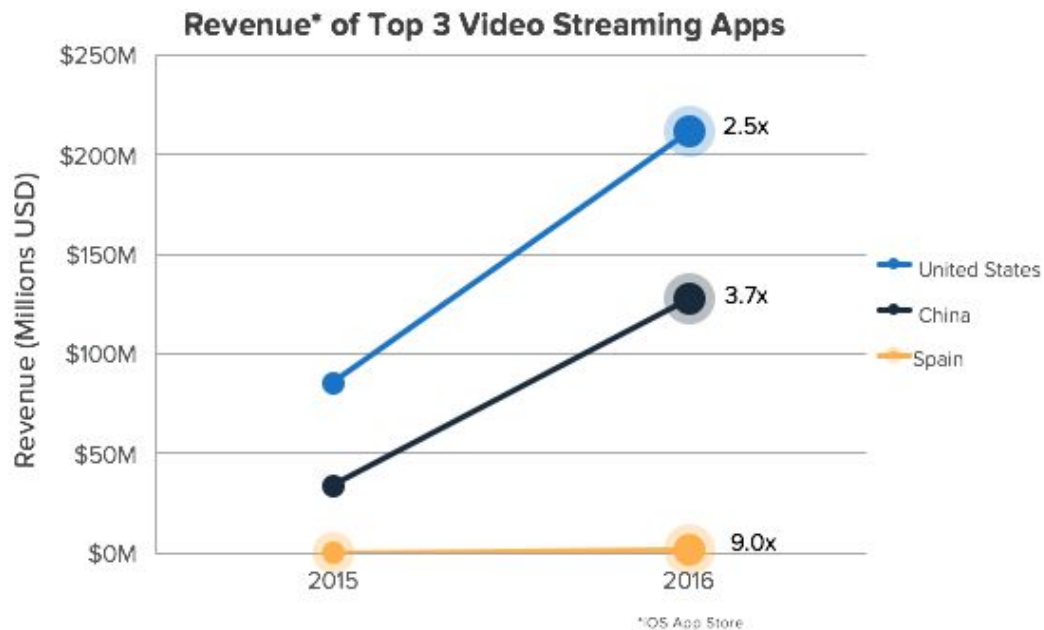
# Retail Banking: Innovate or Get Left Behind



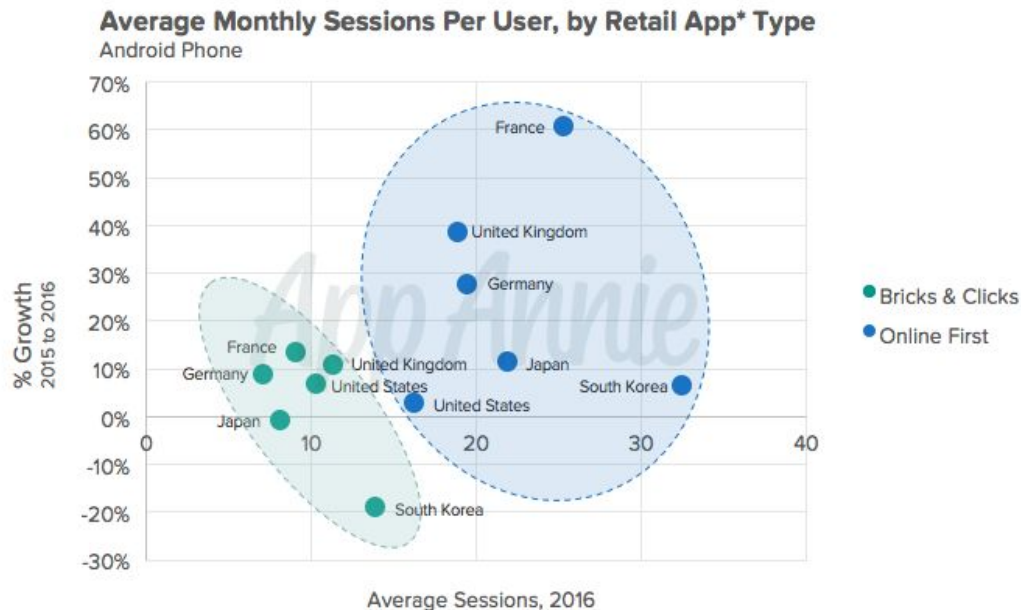
\* Android Phone. Top apps by MAU



# Video Streaming App Revenue Continues to Climb



# Online First Retailers Are Pulling Ahead



\* Top apps by monthly active users in time period

**USA « Black Friday » 2016**  
**\$1 billion sales**  
**on mobile in one day**

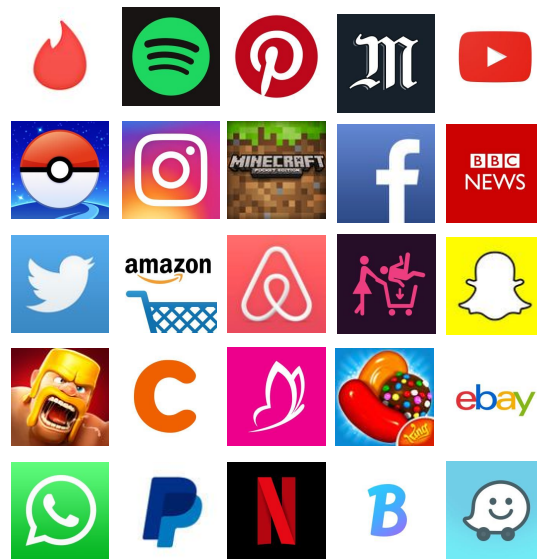
**130 million hours spent on**  
**shopping apps in 2016**  
**+ 30% / 2015**

# The State of the App Economy

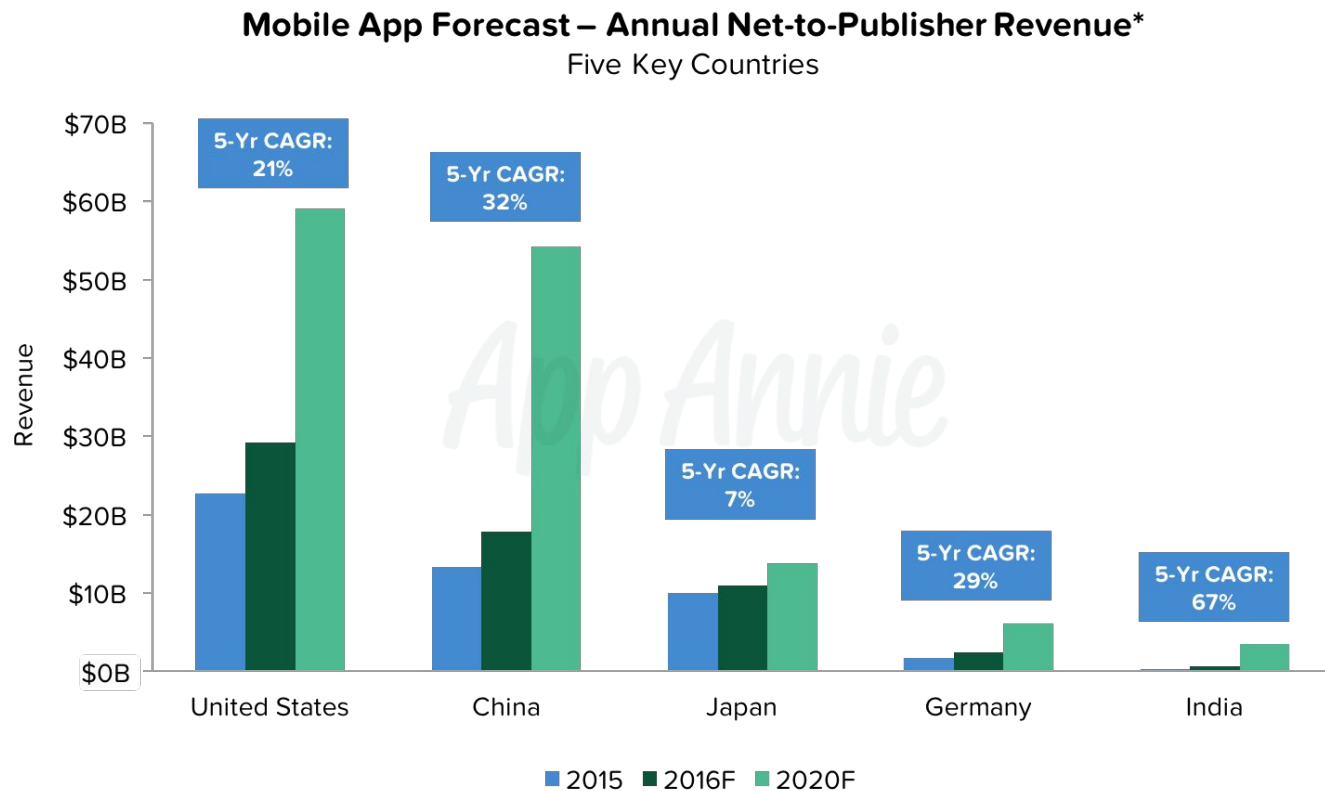
- What's Driving the App Revolution?
- Adapt or be Disrupted
- How to Get Ahead?
- ...and How the App Annie Platform can help?

# Continued Growth Has Created a Lucrative, and Hyper-Competitive Market

- o There are currently more than **2 million apps on the iOS App Store**, and more than **2.5 million on Google Play**
- o The sheer number of apps and the skyrocketing costs of advertising, makes **acquiring and retaining** users **more challenging than ever**
- o Savvy app marketers need to **cut through the clutter** and get in front of the right audience



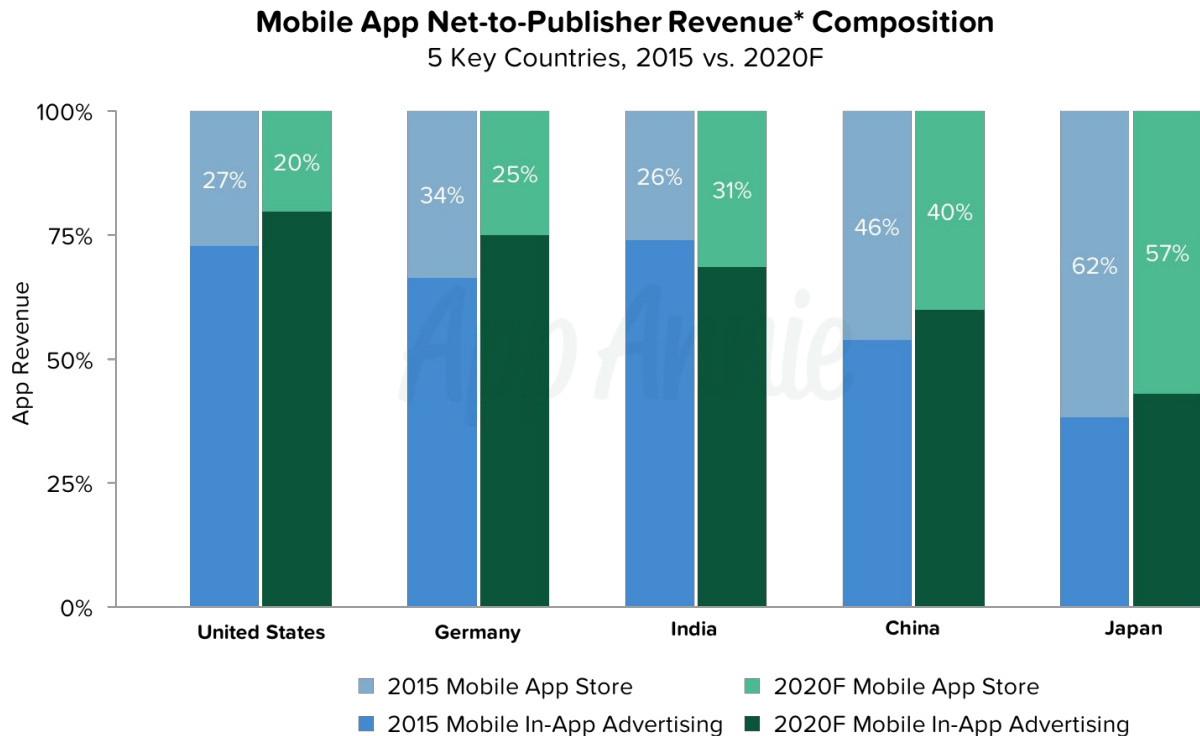
# When Considering a Market, Understand Its Potential...



\*App store and in-app advertising revenue estimates are net-to-publisher and inclusive of all mobile app stores, including third-party Android stores. This forecast does not include gross spend by advertisers and consumers.



## ...And Know Which Strategies Are Generating Revenue



\*App store and in-app advertising revenue estimates are net-to-publisher and inclusive of all mobile app stores, including third-party Android stores. This forecast does not include gross spend by advertisers and consumers.

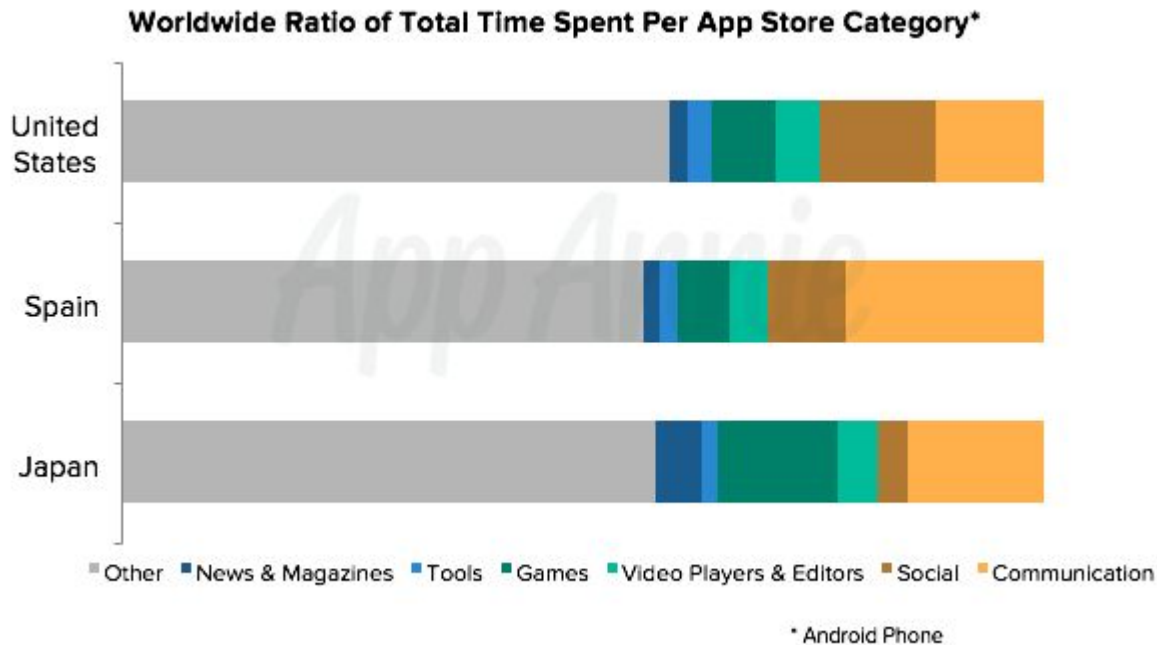
# Be Aware of Local Preferences

**Worldwide Ratio of Total Time Spent Per App Store Category\***



\* Android Phone

## ...What Works in One Country, May Not be Appropriate Elsewhere



# The State of the App Economy

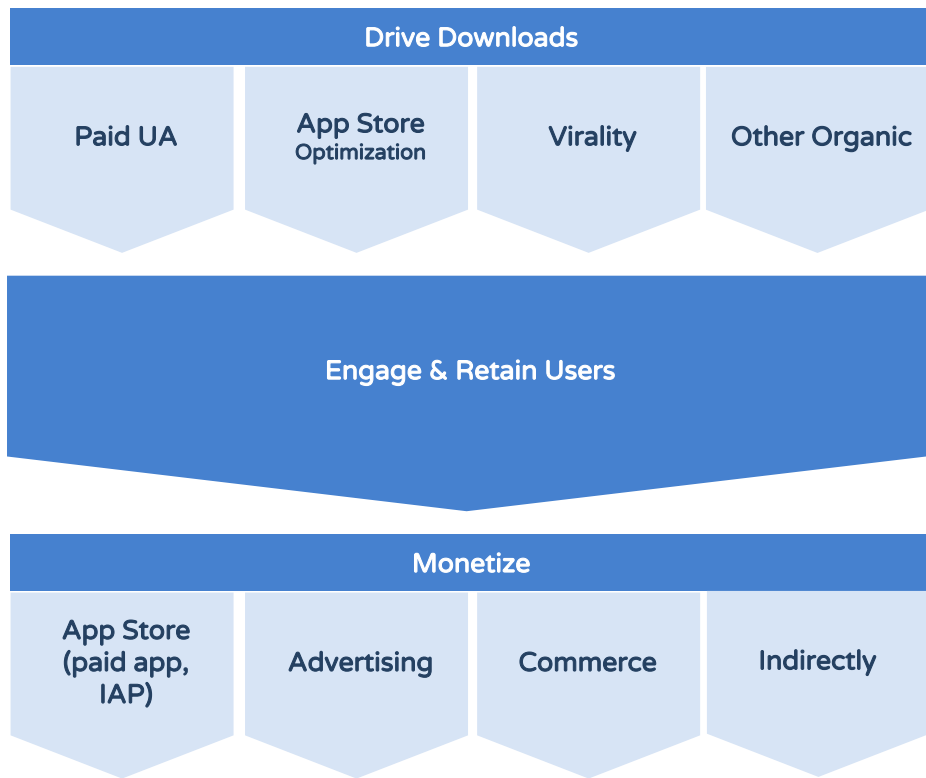
- What's Driving the App Revolution?
- Adapt or be Disrupted
- How to Get Ahead?
- ...and How the App Annie Platform can help?

# The Cockpit for Business App Analytics + Intelligence





# App Publisher Business Objectives



# App Annie Platform



Reach



Retention



Revenue






# The App Annie Intelligence Suite



# Monitor App Performance and Respond Quickly to New Trends in the App Stores

## Top Ranked Shopping Apps on February 14th

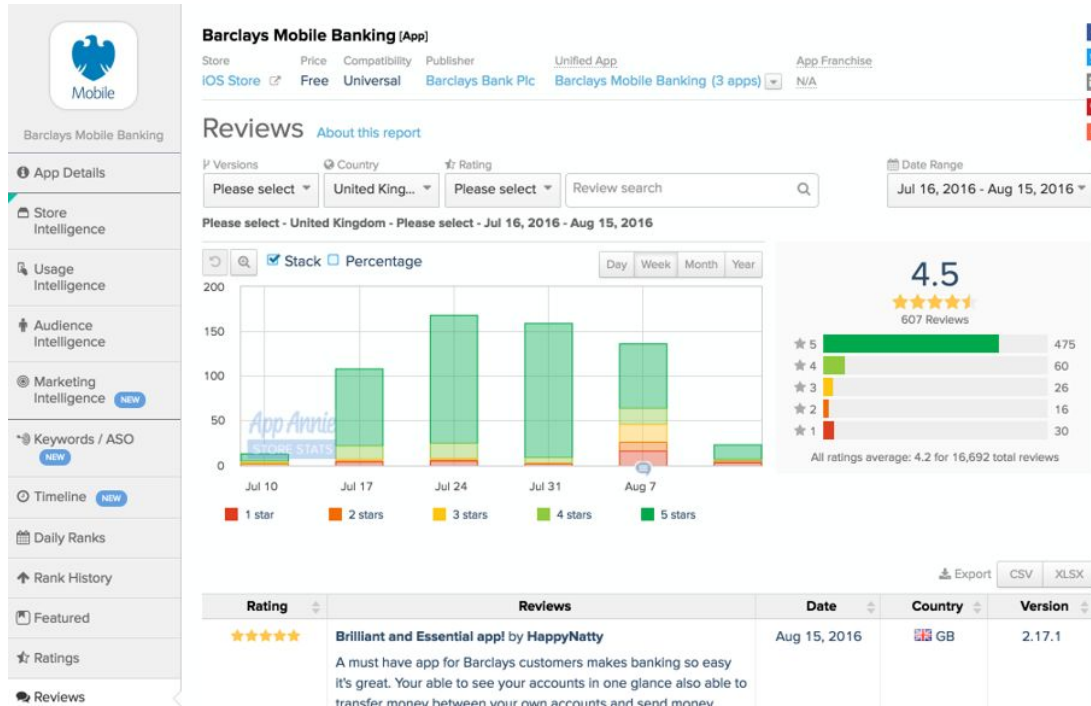
By Downloads, Spain, iOS App Store Shopping Category

Rank	App	Company
1	 Wallapop	Wallapop
2	 Amazon	Amazon
3	 AliExpress	Alibaba Group
4	 Milanuncios	Schibsted
5	 Zara Home	Inditex

Source – App Annie Store Intelligence

App Annie

# Use Reviews and Ratings to Optimize Your App



Source – App Annie Store Stats

# Be Aware of Which Apps Your Users Are Engaging With

## ZARA and other Shopping Apps Spain iPhone, July 2016

Cross-App Usage

## ZARA and other Shopping Apps Spain iPhone, July 2016

Users of	
...are more likely than average to use	  

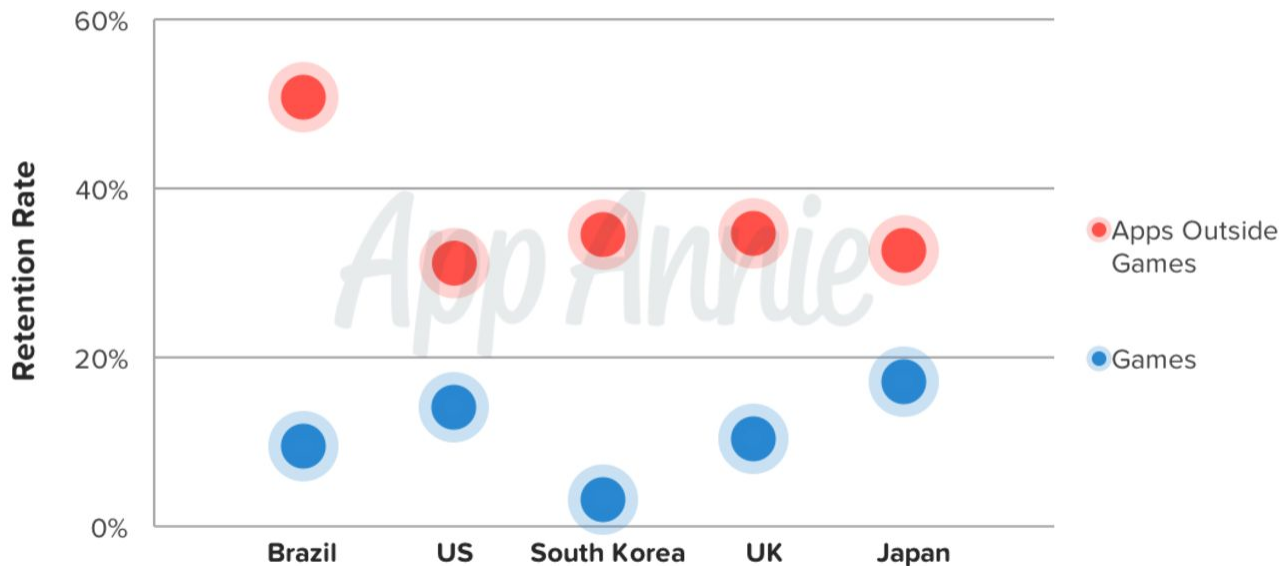
Source – App Annie Audience Intelligence

The larger % of Zara users during the period...	
...are found in these apps	  

Source – App Annie Audience Intelligence

# Benchmark Your User Retention Against the Competition

Weighted Average 30-Day Retention Rate for Top 10 Downloaded Apps  
in April 2016 by Country



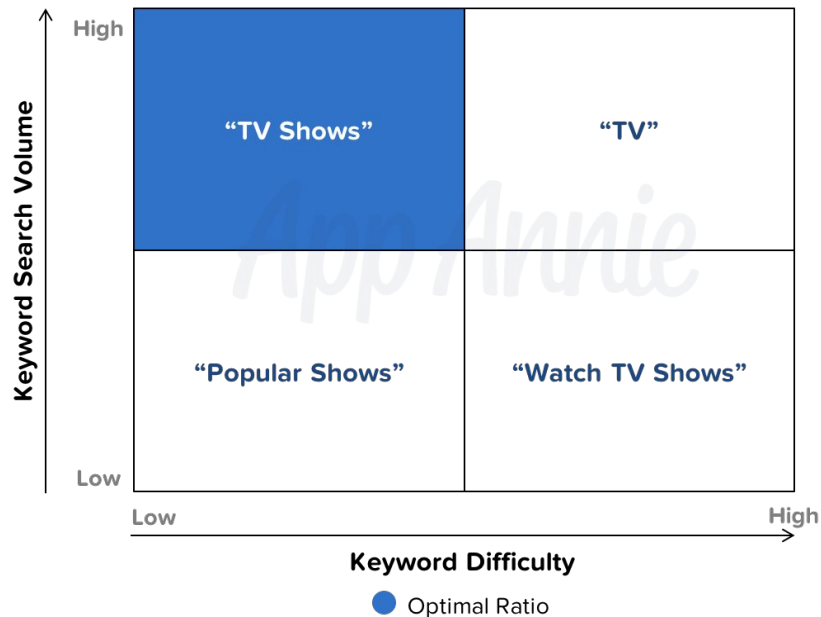
Source – App Annie User Retention

# Review and Refine Your Keyword Strategy



## Video Streaming Selected Keyword Search Volume to Difficulty Ratio

iPhone, US, July 2016











Source – App Annie Keyword Explorer

# Monitor and Adapt to Competitor Advertising Strategies



## Top Advertisers by Share of Network Ad Impressions

Android Phone, Chartboost, France, June 19–25, 2016

Rank	App	Rank Change vs. June 5–11, 2016
1	 Last Empire–War Z	–
2	 Taichi Panda: Heroes	▲
3	 Cooking Fever	–
4	 YAHTZEE® With Buddies – Dice!	▲ 2
5	 Soul Hunters	–
6	 Heroes Tactics: War & Strategy	▼ 2
7	 Block! Hexa Puzzle	–
8	 Juice Jam	▲
9	 Jungle Animal Hair Salon	▲ 19
10	 Sweet Baby Girl Cleanup 4	▲ 29

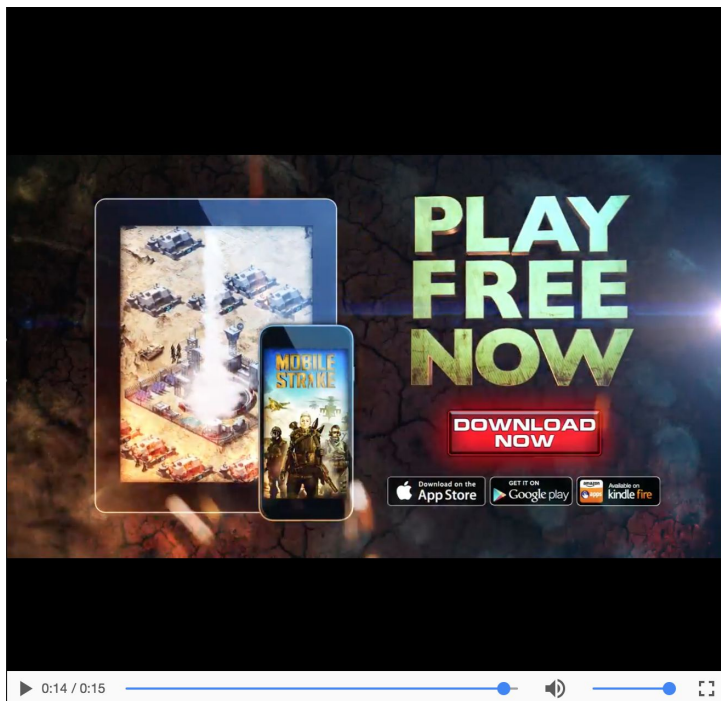
▲ Indicates app did not rank in the top 100 for June 5–11, 2016


Source – App Annie Marketing Intelligence


App Annie



# Observe and Learn From Competitor Ads










**Mobile Strike** 

United Kingdom 

Share of Network \*0.01%

Share of Advertiser \*1.34%

Seen In        +2 more

Format Video (mp4)

Dimensions 1134 x 638

First Seen Aug 12, 2016

Last Seen Aug 15, 2016

Active 4 Days

Campaign 5642aae533d862b00f000103

0:14 / 0:15

Source – App Annie Marketing Intelligence

*App Annie*



# Conclusion

- o The global app market **continues to grow rapidly**
- o Emerging markets are experiencing **explosive growth in new users**
- o Engagement is on the rise in mature markets, leading to **more effective monetization**
- o The app market is lucrative but hyper-competitive. Effective strategies fueled by **solid market intelligence** are needed to stand out.

*App Annie*

# Thanks!

**Thierry Guiot**

**South Europe Territory Director**

[www.appannie.com](http://www.appannie.com) | [tguiot@appannie.com](mailto:tguiot@appannie.com)

+ 33 6 32 14 59 30 | Skype: [thierry.guiot](#)

26/28 rue de Londres 75009 Paris

