

# Worldwide Smartphone Application Market: Revenues and Downloads

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## Executive Summary

The mobile application market has been significantly disrupted by the launch of the iPhone, which sparked a Gold Rush mentality in the mobile application market. However, some of the novelty of the mobile application has diminished and the market is becoming more organized. A number of important trends are having a significant impact on the market:

- Mobile developers are experiencing a squeeze on margins as prices fall and developers struggle to serve multiple platforms.
- The growth of the mobile advertising and in-application transactions will be key to a healthy application market.
- Much of the future growth of applications will come from *feature* phones driven by new web technologies and increasing participation of carriers.
- Users of devices with more contemporary operating systems are downloading significantly more applications.
- Productivity applications generate the most revenues but news and entertainment apps are downloaded the most. XX% of application revenue is from productivity apps and XX% of application downloads are news and entertainment.

### HIGHLIGHTS

- Mobile application market is growing at a XX% CAGR from 2010 to 2014.
- XX% of smartphone application downloads will be on Android devices in 2014.

Table 1. Global Mobile Application Market Size (Units and Revenue in Millions)

XX

## Report Summary

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Currently, the mobile application market is being driven by a Gold Rush mentality and the number of applications available has exploded as users embrace the utility of mobile applications.

This report addresses the smartphone mobile application market and provides market analysis including market drivers, and growth barriers, and challenges. Technology trends including Mobile AJAX, Mobile Widgets, Adobe Flash and Flash Lite, and HTML5 are addressed followed by the diversity of technology options. We then address mobile application marketing strategies including application business models, revenue share opportunities, pricing, and creating competitive advantages. Finally, we will provide our market analysis and forecasts including:

- Market estimates segmented by device type
- Market estimates segmented by distribution channel
- Market estimates segmented by smartphone platform
- Market estimates segmented by region
- Free and paid applications
- Entertainment and news
- Games
- Music and video
- Productivity
- Mapping and directions
- Internet browsers
- Social networking and messaging
- General social networking
- VoIP applications
- Hybrid applications and integration

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## Methodology

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This report was assembled using a combination of primary and secondary sources. Primary sources included industry interviews with handset OEMs, application store operators, and mobile developers. The In-Stat Technology Adoption Panel was also surveyed to gauge demand. The survey was conducted in March 2010 and included 596 respondents.

Secondary sources included a number of known and reliable sources including some existing In-Stat research. In-Stat research that was used as sources include:

#IN1004598WH *4Q Cellular Subscriptions and Handsets Database*, January 2010

#IN0904440WH *Worldwide Smartphones*, November 2009

For the purpose of this analysis, the mobile application is defined as a piece of software that is deployed on the phone after it has been sold by the operator. Not included in this analysis are applications preloaded in the device by the carrier. The mobile application projections also do not include services where no software is deployed on the mobile device.

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## Related In-Stat Reports

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- #IN1004598WH     *4Q Cellular Subscriptions and Handsets Database*, January 2010  
<http://www.instat.com/catalog/wcatalogue.asp?id=66#IN1004598WH>
- #IN0904440WH     *Worldwide Smartphones*, November 2009  
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