

# STATE OF THE APPS

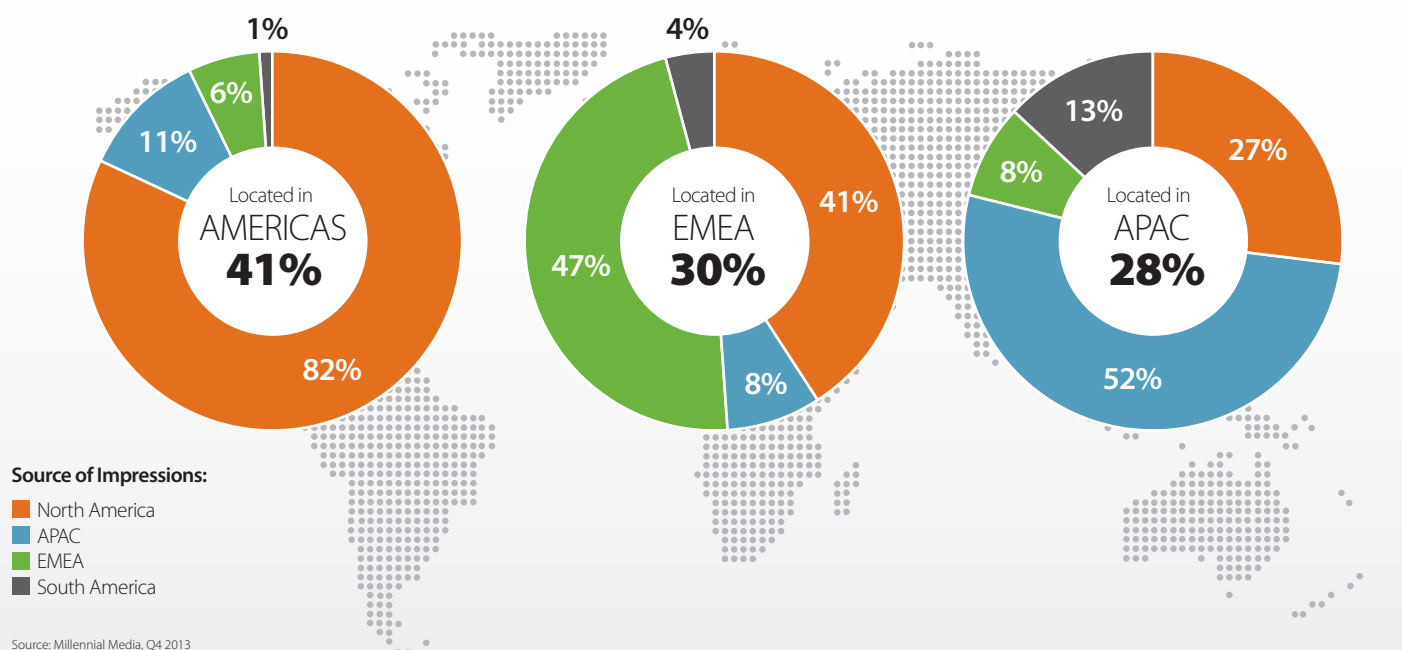
INDUSTRY SNAPSHOT  
2014

# MOBILE DEVELOPER SNAPSHOT

In Q4 2013, we ran a global survey of application developers and publishers in order to get a pulse on the app economy. A summary of the results from the survey are analyzed in the following report, including characteristics, practices, goals, priorities, and intended plans of developers for 2014.

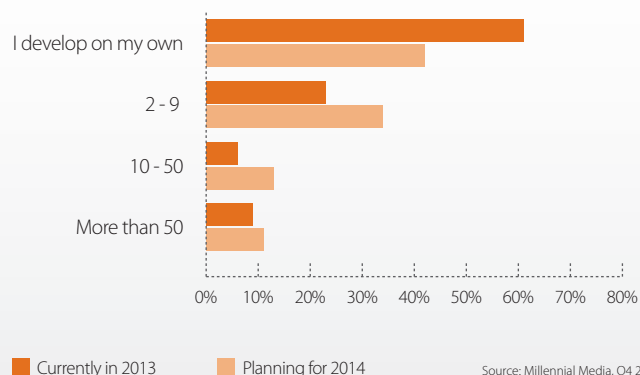
## Global Developer Locations

A geographically diverse mix of publishers and developers responded to our survey, most of which see impressions from all over the world. 41% of developers are located in either North or South America, followed by 30% in EMEA and 28% in Asia. The breakout of where each region sees impressions is shown in the charts below.



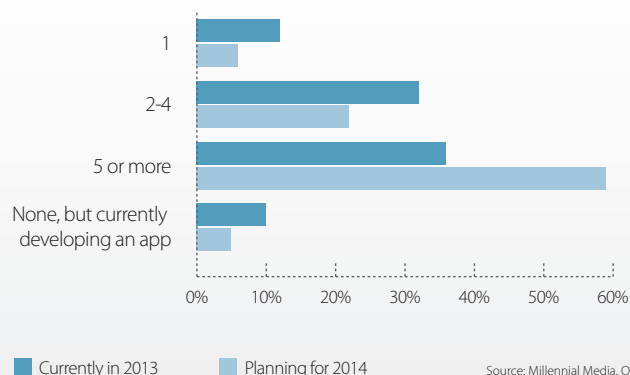
## Company Sizes

Over 80% of developers currently develop on their own or for a smaller organization (one to nine employees). The overall sizes of these companies are expected to increase next year as more of these long-tail developers plan to hire onto their teams and grow in size.



## Number of Applications

In 2014, developers expect to increase the number of applications they publish. In fact, 60% expect to have five or more apps in an app store next year, up from 36% this year.



# DEVELOPER CHARACTERISTICS

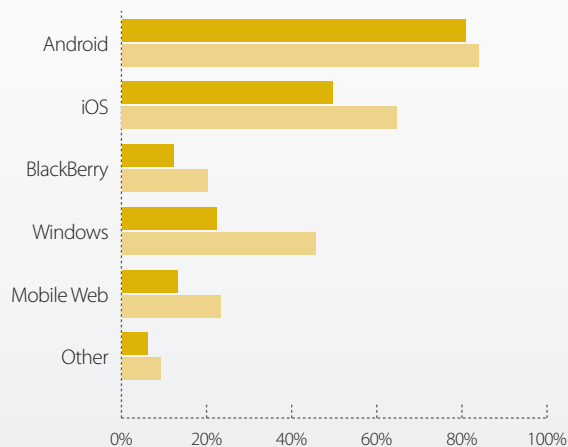
Looking back... in our 2010 State of the Apps survey, the operating systems developers and publishers designed for looked very different than the results of our 2013 survey. In 2010, only 23% of developers said they were publishing for Android, compared to now 80% in 2013.

## OS Mix

When looking at the major operating systems developers publish for, developers often design for more than one platform. Their apps are not mutually exclusive to one device or operating system. Some other trends we see are that:

- Android is the most common operating system developed for, with 80% of developers publishing on Android last year. **41% of those that develop for Android also do so for iOS.**
- iOS is the second most common operating system, with 64% of developers planning to develop for iOS in 2014. **67% of those that develop for iOS also do so for Android, growing to 78% in 2014.**

Growth on all of these operating systems suggests that developers are planning to take their apps to as many platforms as possible to be accessible to the largest amount of mobile users.



■ Currently in 2013

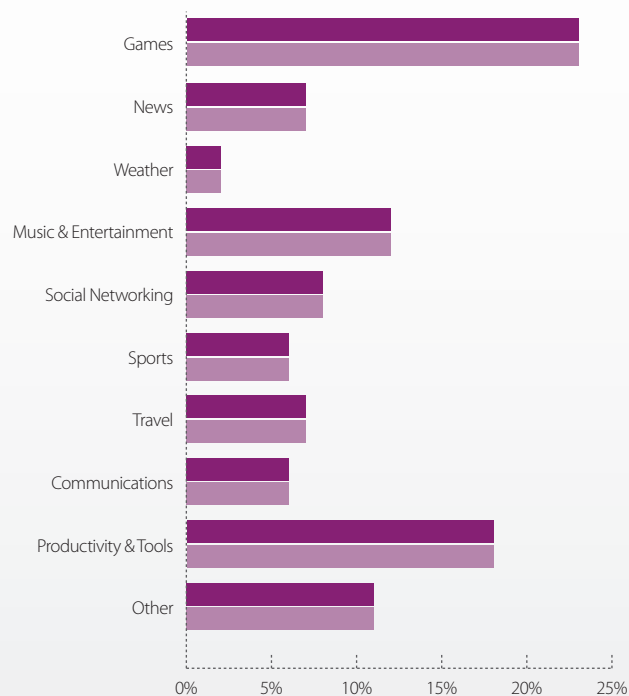
■ Planning for 2014

Source: Millennial Media, Q4 2013

## Application Category Mix

Games are currently, and will continue to be, the most popular category of application, followed by Productivity & Tools and Music & Entertainment apps. While developers expect to increase the **number** of apps they publish in 2014, there is not as much expected change in the **category** of future app development. Developers are sticking to what they know.

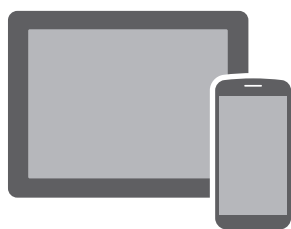
Looking deeper, trends suggest that 65% of Games developers develop on their own, while Sports developers are nearly twice as likely to be part of a larger company.



■ Currently in 2013

■ Planning for 2014

Source: Millennial Media, Q4 2013

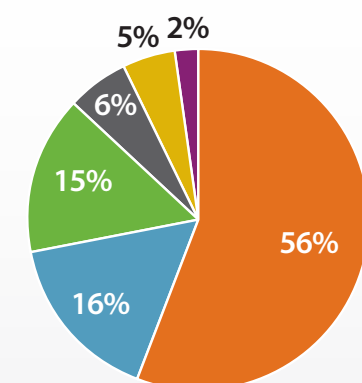


Across all of the types of applications and operating systems, **74% OF DEVELOPERS BUILD UNIVERSAL APPS**, those that can run on either a smartphone or a tablet. The remainder are designing platform-specific (tablet and/or smartphone only) apps.

# MOBILE DEVELOPER MONETIZATION TRENDS

## 2014 Goals

The primary goal in 2014 for 56% of developers will be to develop new applications. This, along with maximizing revenue and improving discovery/downloads of their current apps, were chosen as the top three goals for developers in 2014.

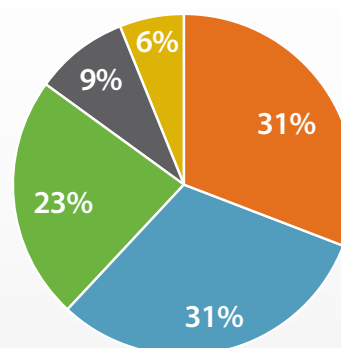


- Developing new applications
- Maximizing revenue
- Improving discovery/downloads
- Finding new distribution channels
- Marketing and/or advertising
- Learning a new programming language

Source: Millennial Media, Q4 2013

## 2014 Strategies

Developers indicated that revenue, user feedback and ratings, and the number of app downloads are their most important strategies heading into 2014. For companies with less than 10 employees, revenue was the biggest focus area for 2014, while for larger companies, the focus will be on gaining user feedback and app store ratings.

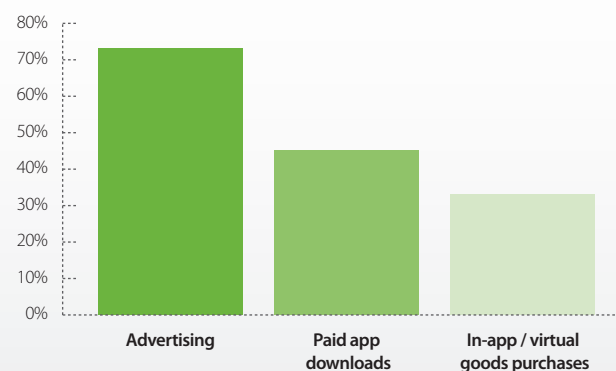


- Driving revenue
- Gaining user feedback/ratings
- Increasing number of app downloads/shares
- Increasing monthly average users
- Increasing rank in app store

Source: Millennial Media, Q4 2013

## Monetization Mix

Currently, 83% of developers are monetizing their apps. Of this 83%, most make their money from advertising (73%), followed by paid app downloads (45%). Of the 17% of developers who don't currently monetize their apps, 46% expect to do so in 2014.



Source: Millennial Media, Q4 2013

# 90%

of developers say more than half of their apps are supported by ads.

# 56%

expect the percentage of revenue from in-app advertising to go up in 2014.

# 88%

of in-app ads can accommodate rich media and/or video.

# SUMMARY & REPORTING METHODOLOGY

## Report Methodology

The insights here are based on a survey run by Millennial Media of application developers and publishers. The survey ran from November 1, 2013, through November 30, 2013. N=351.

## About Millennial Media

Millennial Media is the leading independent mobile advertising platform. The Company's unique data asset and full technology stack enable its demand and supply-side clients to garner meaningful results to drive their business. Based on its mobile-first approach to data, technology, and audience targeting, Millennial Media is leading the market by connecting consumers with relevant messages across screens. For advertisers looking to reach and engage with consumers in powerful ways, Millennial Media offers a broad array of solutions, delivered through brand, performance, and programmatic approaches. For developers and publishers, the Company offers a comprehensive set of managed and automated services to maximize revenue.

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