Sensor Tower

2021-2025

Mobile Market Forecast

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Executive Summary: Highlights

Global spending in mobile apps will reach $270 billion by 2025. The App Store will account for $185 billion at an annual growth rate of 20.7 percent, while Google Play will reach $85 billion with 16.9 percent annual growth over the next five years.

App downloads surged in the first few months following the spread COVID-19, and a spike in revenue followed soon after. While growth rates are expected to return towards pre-COVID-19 levels in the next few years, some of the lift will persist.

By 2024, user spending in non-games will surpass that of games on Apple's App Store. Non-game app growth will also outpace that from games on Google Play. Across both stores, 49 percent of revenue will be from non-games by 2025.

Europe will see higher revenue growth than Asia and North America over the next five years, reaching $42 billion in 2025. 11 different European countries are projected to surpass $1 billion that year, compared to just four in 2020.

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Methodology:
About the Data

Sensor Tower's Mobile Insights team created the revenue and download forecasts featured in this report using the ***Sensor Tower Store Intelligence*** *platform.*

- Figures cited in this report reflect App Store and Google Play consumer spending and download estimates for January 1, 2016 through December 31, 2020.
- The market forecast for 2021 to 2025 is based on past spending and download trends, macroeconomic projections, and additional factors.
- All revenue figures in this report capture consumer spending (gross revenue). This includes the revenue earned by the app developer as well as the portion earned by Apple or Google.
- Android estimates represent revenue and downloads from the Google Play Store only. Sensor Tower does not provide spending or download estimates for third-party Android stores.

Market Overview

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Global Mobile App Spending Forecast

Five-year gross revenue forecast for the App Store and Google Play

Note Regarding Revenue Estimates
We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

Global App Store and Google Play User Spending

$270 Billion

App Store + Google Play Revenue
By 2025

Global App Store User Spending

$185 Billion

App Store Revenue
By 2025

Global Google Play User Spending

$85 Billion

Google Play Revenue
By 2025

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Global Mobile App Download Forecast

Five-year download forecast for the App Store and Google Play

Global App Store and Google Play Downloads

230 Billion

App Store + Google Play Downloads
By 2025

Global App Store Downloads

43 Billion

App Store Downloads
By 2025

Global Google Play Downloads

187 Billion

Google Play Downloads
By 2025

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U.S. Mobile App Spending Forecast

Five-year gross revenue forecast for the App Store and Google Play

Note Regarding Revenue Estimates
We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

U.S. App Store and Google Play User Spending

$74 Billion

App Store + Google Play Revenue
By 2025

U.S. App Store User Spending

$51 Billion

App Store Revenue
By 2025

U.S. Google Play User Spending

$23 Billion

Google Play Revenue
By 2025

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U.S. Mobile App Download Forecast

Five-year download forecast for the App Store and Google Play

U.S. App Store and Google Play Downloads

16.9 Billion

App Store + Google Play Downloads
By 2025

U.S. App Store Downloads

10.6 Billion

App Store Downloads
By 2025

U.S. Google Play Downloads

6.3 Billion

Google Play Downloads
By 2025

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Key Takeaways:
Market Overview

1. **Global consumer spending in mobile apps is projected to reach $270 billion by 2025, nearly 2.5 times the $111 billion from 2020.** Growth is expected to be strong on both stores, with a compound annual growth rate (CAGR) of 21 percent on the App Store and 17 percent on Google Play over the next five years.

2. **The spread of COVID-19 in 2020 did little to dampen mobile user spending. Growth accelerated in 2020, with user spending surging 30 percent year-over-year to $111 billion in 2020 (compared to 21 percent Y/Y growth in 2019).** The mobile app space has proven itself to be resistant to many major market shifts, and we project continued stable growth as a result.

3. **Adjustments to changes in daily life during COVID-19 propelled Y/Y download growth in 2020 to its highest total since at least 2016, with worldwide downloads surging 24 percent to 143 billion.** Global downloads will reach 230 billion by 2025. While download growth is expected to slow as countries start to re-open, a portion of this lift will persist for years to come.

$270 Billion

App Store + Google Play Revenue
By 2025

230 Billion

App Store + Google Play Downloads
By 2025

Top Regions

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App Store Consumer Spending by Region

Gross Revenue by Region
2020

Gross Revenue by Region
Projected 2025

Note Regarding Revenue Estimates
We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

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Google Play Consumer Spending by Region

Gross Revenue by Region
2020

Gross Revenue by Region
Projected 2025

Note Regarding Revenue Estimates
We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

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App Store Downloads by Region

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Google Play Downloads by Region

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Europe Mobile App Spending Forecast

Five-year gross revenue forecast for the App Store and Google Play

Note Regarding Revenue Estimates
We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

European App Store and Google Play User Spending

$42 Billion

App Store + Google Play Revenue
By 2025

European App Store User Spending

$24 Billion

App Store Revenue
By 2025

European Google Play User Spending

$18 Billion

Google Play Revenue
By 2025

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Europe Mobile App Download Forecast

Five-year download forecast for the App Store and Google Play

Europe App Store and Google Play Downloads

36.9 Billion

App Store + Google Play Downloads
By 2025

Europe App Store Downloads

9.4 Billion

App Store Downloads
By 2025

Europe Google Play Downloads

27.5 Billion

Google Play Downloads
By 2025

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Top Countries in Europe by Consumer Spending

Projected consumer spending for top European countries, App Store and Google Play

In 2020, only four European countries reached the $1 billion milestone for consumer spending. **The top 10 European countries in 2025 are all expected to surpass that mark in 2025, with six countries projected to reach $2 billion.**

The Netherlands has the highest projected growth among the top 10. Its revenue surged 42 percent Y/Y in 2020, and we project a CAGR of 25 percent over the next five years. The country has a fairly even split between the two stores, with 60 percent of revenue from the App Store and 40 percent from Google Play in 2020.

Note Regarding Revenue Estimates
We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

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Top Countries in Europe by Downloads

Projected downloads for top European countries, App Store and Google Play

Some well-established European markets have modest growth projections. The U.K. and France's downloads are only expected to increase 5 percent over the next five years, and Germany's downloads are projected to decline slightly.

Ukraine is a rising market in Europe, expected to pass France, Germany, Italy, and Spain by 2025. Much of this growth is expected to come from Google Play, which accounted for 86 percent of Ukraine's downloads in 2020.

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Asia Mobile App Spending Forecast

Five-year gross revenue forecast for the App Store and Google Play

Note Regarding Revenue Estimates
We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

Asia App Store and Google Play User Spending

$130 Billion

App Store + Google Play Revenue
By 2025

Asia App Store User Spending

$96 Billion

App Store Revenue
By 2025

Asia Google Play User Spending

$34 Billion

Google Play Revenue
By 2025

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Asia Mobile App Download Forecast

Five-year download forecast for the App Store and Google Play

Asia App Store and Google Play Downloads

119 Billion

App Store + Google Play Downloads
By 2025

Asia App Store Downloads

16 Billion

App Store Downloads
By 2025

Asia Google Play Downloads

103 Billion

Google Play Downloads
By 2025

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Top Countries in Asia by Consumer Spending

Projected consumer spending for top Asian countries, App Store and Google Play

China is projected to be the top country in Asia by consumer spending in 2025, all the more impressive considering this only includes App Store revenue in the country. Japan's revenue is expected to reach $46 billion across the App Store and Google Play by 2025.

The Philippines will be a market of interest over the next several years. Its revenue grew by more than 65 percent Y/Y in 2020. While games still accounted for 72 percent of the country's revenue in 2020, non-games had the higher growth of 110 percent Y/Y.

Note Regarding Revenue Estimates

We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

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Top Countries in Asia by Downloads

Projected downloads for top Asian countries, App Store and Google Play

After download growth in India stalled in 2019, app adoption increased following the spread of COVID-19 in 2020. While growth is expected to decline again over the next few years, India is projected to surpass 60 billion downloads in 2025, growing more than 15x over the 10 years between 2015 and 2025.

There is quite a bit variance between the forecasts for top Asian markets. China, Japan, and South Korea are projected for growth between 0 and 15 percent between 2020 and 2025, while other markets such as Indonesia, Vietnam, Pakistan, and the Philippines will see downloads approximately double over the same period.

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Key Takeaways:
Top Regions

1. **Europe is key region to watch over the next five years.** Europe's projected revenue growth is higher than that in North America and Asia, with an expected CAGR of 23 percent over the next five years in Europe compared to 20 percent in Asia and 18 percent in North America. User spend in Europe will reach $42 billion by 2025 as a result.
2. **Meanwhile, download growth over the next five years will be driven by Asia.** The region will surpass 100 billion downloads on Google Play by 2025, with India accounting for more than half of these downloads. Other top markets like Indonesia, Vietnam, and Pakistan will also contribute to the region's success.
3. **Mobile spending continues to rise even as app adoption has slowed in some matured markets.** While installs are only projected for a 3.6 percent CAGR in North America over the next five years, the revenue forecast has a CAGR of nearly 18 percent.

Top Countries

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App Store Countries by Consumer Spending

Top 10 countries by App Store consumer spending

	2020	2021F		2025F	
1	United States	United States	-	China	+1
2	China	China	-	United States	-1
3	Japan	Japan	-	Japan	-
4	United Kingdom	United Kingdom	-	United Kingdom	-
5	Taiwan	Canada	+1	Canada	-
6	Canada	South Korea	+1	Germany	+1
7	South Korea	Germany	+1	South Korea	-1
8	Germany	Taiwan	-3	Australia	+1
9	Australia	Australia	-	Taiwan	-1
10	France	France	-	France	-

China, the U.S., and Japan are all projected to surpass $28 billion in consumer spending by 2025. China is expected to edge out the U.S. that year, but the two countries will have similar trajectories over the next five years.

While there's expected to be some change to the order of countries ranked between five and 10, the group will remain closely matched. Canada is projected to be the No. 5 country in 2025 at $3.7 billion, while France will rank No. 10 at $2.5 billion.

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App Store Spending by Country

Projected consumer spending for the top five countries

The U.S. surpassed China in App Store revenue in Q2 2020, the first time it ranked ahead of China since Q4 2018. U.S. revenue surged following the spread of COVID-19 in early 2020, particularly driven by mobile games. The two countries are projected for similar growth over the next five years.

Growth rates from other top countries are similar, with Japan lagging slightly behind the rest. The top three countries on the App Store will remain well ahead of the rest for the foreseeable future.

Note Regarding Revenue Estimates

We report gross revenue (including the cut for Apple or Google).
Android estimates do not include third-party stores.

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Google Play Countries by Consumer Spending

Top 10 countries by Google Play consumer spending

2020		2021F			2025F		
1	United States	1	United States	-	1	United States	-
2	Japan	2	Japan	-	2	Japan	-
3	South Korea	3	South Korea	-	3	South Korea	-
4	Germany	4	Germany	-	4	Germany	-
5	Taiwan	5	United Kingdom	+1	5	United Kingdom	-
6	United Kingdom	6	Taiwan	-1	6	France	+1
7	France	7	France	-	7	Taiwan	-1
8	Canada	8	Canada	-	8	Canada	-
9	Australia	9	Australia	-	9	Australia	-
10	Brazil	10	Thailand	NEW	10	Philippines	NEW

The only expected movement among the top five Google Play countries is the U.K. passing Taiwan to rank No. 5. South Korea, No. 7 on the App Store, ranks No. 3 on Google Play.

Three different countries are expected to rank at No. 10 in 2020, 2021, and 2025. All are forecast to have approximately $1.2 billion in consumer spending on Google Play in 2025.

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Google Play Spending by Country

Projected consumer spending for the top five countries

Google Play revenue growth in the U.S. and Japan accelerated in 2020. In the U.S., growth increased following the spread of COVID-19, particularly among games. Spending in mobile games is expected to remain high in 2021 as consumers continue to spend more time at home during COVID-19.

Among the top five countries, the U.K. has the highest projected revenue CAGR at 22 percent, followed by Germany at 19 percent. The top Asian countries, Japan and South Korea, are projected for lower growth.

Note Regarding Revenue Estimates

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Android estimates do not include third-party stores.

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App Store Countries by Downloads

Top 10 countries by App Store downloads

	2020	2021F		2025F	
1	United States	United States	-	United States	-
2	China	China	-	China	-
3	Japan	Japan	-	Japan	-
4	United Kingdom	United Kingdom	-	Russia	+1
5	Russia	Russia	-	United Kingdom	-1
6	Brazil	France	+1	Brazil	+1
7	France	Brazil	-1	Vietnam	+2
8	Saudi Arabia	Germany	+1	France	-2
9	Germany	Vietnam	+1	India	NEW
10	Vietnam	Saudi Arabia	-2	Germany	-2

The top three countries by App Store downloads match those by revenue, and the U.K. is also among the top five by both downloads and revenue. Russia, the No. 5 country by downloads in 2020, was outside the top 10 by revenue.

Vietnam is expected to climb three positions between 2020 and 2025, while India will enter the top 10 at No. 9. Saudi Arabia's ascent in 2020 appears to be driven by COVID-19 and it is expected to fall out of the top 10 by 2025.

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App Store Downloads by Country

Projected downloads for the top five countries

China's downloads declined from 9.1 billion in 2018 to 8.2 billion in 2020. The influence of government regulation makes it a difficult market to predict and, as a result, some domestic publishers have been shifting their focus to other markets.

Meanwhile, the U.S. has seen steady growth and is expected to surpass 10 billion downloads by 2024. The U.S saw double-digit Y/Y growth for three consecutive years between 2018 and 2020.

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Google Play Countries by Downloads

Top 10 countries by Google Play downloads

2020		2021F			2025F		
1	India	1	India	-	1	India	-
2	Brazil	2	Brazil	-	2	Brazil	-
3	Indonesia	3	Indonesia	-	3	Indonesia	-
4	United States	4	United States	-	4	Russia	+1
5	Russia	5	Russia	-	5	Pakistan	+4
6	Mexico	6	Mexico	-	6	United States	-2
7	Turkey	7	Turkey	-	7	Vietnam	+1
8	Vietnam	8	Vietnam	-	8	Mexico	-2
9	Philippines	9	Pakistan	NEW	9	Egypt	+1
10	Egypt	10	Egypt	-	10	Philippines	+1

After U.S. downloads on Google Play peaked at nearly 5.8 billion in 2016, installs decreased year-over-year for three consecutive years. Buoyed by COVID-19, downloads bounced back in 2020 to nearly reach the peak seen in 2016. A modest CAGR of 2 percent is projected for the next five years.

Pakistan, Vietnam, and Mexico are projected for strong growth over the next five years. These countries will join the U.S. at approximately 6 billion downloads in 2025.

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Google Play Downloads by Country

Projected downloads for the top five countries

India will continue to dominate the Google Play market, approaching 60 billion annual downloads by 2025. The forecast of 18 percent CAGR for the next five years is substantially lower than the 49 percent CAGR India achieved over the previous five years, but the growth rate had shown signs of slowing even before the arrival of COVID-19.

Indonesia surpassed the U.S. in 2019 and expanded its lead to more than 1 billion by 2020. Indonesia is expected to have more than twice as many installs than the U.S. in 2025.

Key Takeaways:
Top Countries

1. **While government regulation has had an impact on China's app downloads, revenue growth has remained strong.** China's user spend on the App Store is expected to approach $55 billion by 2025, a CAGR of 22 percent.
2. **India will remain the dominant market for downloads, with a forecasted 18 percent CAGR to reach 60 billion downloads across the App Store and Google Play.** This is well ahead of the next two countries, the U.S. and Brazil, at 17 billion and 16 billion, respectively.
3. **The U.S. will remain a top market on both platforms, with a projected revenue CAGR of 20 percent on the App Store and 14 percent on Google Play.** It will continue to be a top market on the App Store in particular, with app adoption growing at a CAGR of 7 percent on that platform. Between 2020 and 2025, the App Store's share of U.S. downloads will climb from 59 percent to 63 percent, with Google Play's share dropping from 41 percent to 37 percent.

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Top Categories

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App Store Spending Growth for Games vs. Apps

Projected consumer spending in mobile games versus apps

Mobile app revenue will surpass that from mobile games by 2024, and apps will surpass $100 billion by 2025. Driven by the significant success of the in-app subscription model, app revenue increased 4.7x between 2016 and 2020, compared to an increase of 2x for games.

App Store game revenue is projected to grow 64 percent by 2025, or a CAGR of 10.3 percent. This is a considerable slowdown from the 19.4 CAGR over the previous four years as mobile gaming markets have become increasingly competitive.

Note Regarding Revenue Estimates

We report gross revenue (including the cut for Apple or Google). Android estimates do not include third-party stores.

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App Store Revenue Share by Category

Projected consumer spending for top categories

By 2025, 58 percent of revenue is projected to come from non-game apps. This is a substantial increase from the 34 percent taken by non-games in 2020. Games are expected to exhibit solid growth over the next five years, but it will be dwarfed by that seen from many non-game categories.

Photo & Video apps have flourished in recent years, led by the likes of TikTok and YouTube. Photo & Video app revenue is projected to surpass $23 billion in 2025.

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Google Play Spending Growth for Games vs. Apps

Projected consumer spending in mobile games versus apps

Consumer spending on Google Play will reach $85 billion in 2025, comprised of $60 billion from mobile games and $25 billion from non-games. Games will have a CAGR of 13.3 percent between 2020 and 2025, and non-games will have a CAGR of 29.8 percent.

Non-game revenue climbed from $1.2 billion in 2016 to $6.7 billion in 2020. Expect strong growth among non-games to continue over the next five years to nearly $25 billion, or 3.7x the 2020 total.

Note Regarding Revenue Estimates

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Google Play Revenue Share by Category

Projected consumer spending for top categories

Games will continue to take a comparatively higher share on Google Play than the App Store, with a projected 71 percent share from games in 2025 compared to just 42 percent on the App Store. Mobile gaming's share of revenue on Google Play has also fallen due to quickly increasing revenue for non-game apps.

Social was the only category outside of games to surpass $1 billion in 2020. Seven different non-game categories are projected to surpass that total in 2025, led by Social at $4 billion and Entertainment at $3.5 billion.

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App Store Download Growth for Games vs. Apps

Projected downloads of mobile games versus apps

Download growth for apps and games alike increased in 2020, with adjustments due to COVID-19 a contributing factor. Trends are expected to return towards the pre-2020 average as countries gradually re-open and shift back towards pre-COVID-19 behavior.

Unlike the trends seen for revenue, mobile games are projected for slightly higher growth than non-games. Games have a projected CAGR of 5.2 percent, compared to 4.3 percent for apps.

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App Store Download Share by Category

Projected downloads for top categories

Category market share is much more stable for App Store downloads than for revenue. Games will take approximately 30 percent of the market, and the top five non-game categories will take another 30 percent.

The order among the top categories will shift slightly by 2025. Finance, Shopping, and Lifestyle will move up, while Entertainment and Utilities will drop out of the top five.

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Google Play Download Growth for Games vs. Apps

Projected downloads for mobile games versus apps

Google Play download growth in 2020 also shows the impact of COVID-19. App install climbed 19 percent to 62 billion, while games had 35 percent growth to 46 billion.

Unlike the App Store, games are projected for lower growth than non-games on Google Play. Non-games have a CAGR forecast of 14.1 percent between 2020 and 2025 compared to 7.5 percent for games.

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Google Play Download Share by Category

Projected downloads for top categories

Google Play game downloads share is expected to return to 39 percent in 2021 after jumping to 43 percent in 2020. Adventure, Role Playing, and Trivia were the top growing game categories in 2020.

Video Players are projected to be the the biggest non-game category by 2025, followed by Entertainment and Social. Tools are expected to fall from No. 2 in 2020 to No. 6 in 2025.

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Impact of COVID-19 on App Store Downloads

Estimated change in download growth from COVID-19

The outbreak of COVID-19 caused a massive surge of app adoption as consumers adjusted to stay-at-home life. Business, Education, Medical, and Health & Fitness downloads all spiked in the spring of 2020. Games also saw an initial spike in downloads, but a dip in hyper-casual game adoption offset this by later in the year.

Meanwhile, Travel and Navigation both saw substantial declines while consumers remained at home. Sports installs also fell as games were cancelled or postponed, but downloads returned when play resumed during the summer and fall.

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Impact of COVID-19 on Business App Adoption

Monthly App Store downloads

Business app downloads spiked at the start of 2020 in the wake of lockdowns due to COVID-19. These apps saw increased adoption throughout the rest of 2020 as many offices remained closed.

Installs were still high entering 2021. While downloads will decline as offices reopen and in-person work returns, expect some of the lift to persist into 2022 and beyond.

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Impact of COVID-19 on Travel App Adoption

Monthly App Store downloads

COVID-19 had an opposite effect on Travel apps compared to Business apps. Travel downloads plummeted during lockdowns and stay-at-home orders in spring 2020.

Travel downloads recovered slightly during summer 2020 but still were down 42 percent Y/Y in December. Installs should rise steadily over the next few years, although it may be after 2021 when they return to 2019 levels.

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Key Takeaways:
Top Categories

1. **Spending in non-game apps continued to climb rapidly on both the App Store and Google Play.** App Store revenue from non-games is expected to surpass that from games in 2024 off of 34.3 percent annual growth. Google Play non-game revenue lags behind that on the App Store but it is still projected nearly 30 percent growth annually.

2. **COVID-19 affected each category differently in 2020. Business app adoption surged in the spring as workers turned to apps to assist their transition to working from home.** While downloads are expected to fall back towards pre-COVID-19 levels over the next few years, expect some of these changes to be persistent into 2025 and beyond.

3. **The category market share for downloads will be much more stable than it is for revenue.** Games are projected to account for around 30 percent of the downloads on the App Store and 35 to 40 percent of the downloads on Google Play for the next five years.

Conclusion

Conclusion

- **Mobile app spending and downloads surged in 2020 following the spread of COVID-19, and strong growth is projected over the next five years. By 2025, apps will reach $270 billion in global user spend and 230 billion downloads.** The mobile space has shown that it can not just endure, but thrive following major market shifts.

- **App revenue growth from non-games will continue to outpace that from games.** Revenue outside of gaming on the App Store will increase 34.3 percent annually over the next five years and will surpass that from games by 2024. Non-game apps on Google Play will see a CAGR of 29.8 percent, compared to 13.3 percent from games.

- **Top markets will continue to see substantial growth.** Strong projected revenue growth in the U.S., China, and Japan will keep these markets well ahead of any other countries. Meanwhile, a resurgence in India's downloads puts it on track to reach 60 billion annual installs by 2025.

- **Europe will be a key market over the next five years.** Revenue growth in Europe is excepted to outpace that in Asia and North America. Europe is also a region that is not dominated by any single country—the region's forecast is boosted by solid growth across top countries.

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Solutions

Store Intelligence

Make strategic decisions with the industry's most accurate estimates.

App Intelligence

Drive organic growth with the leading App Store Optimization platform.

Ad Intelligence

Develop winning User acquisition campaigns with crucial mobile advertising insights.

Usage Intelligence

Benchmark app usage, engagement, and demographics.

App Teardown

Evaluate which SDKs apps are using and measure SDK adoption across market segments.

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About Us

Sensor Tower is the leading solution for mobile marketers, app developers, and industry analysts who demand competitive insights on the mobile economy. Sensor Tower's product suite includes: Top Charts, App Intelligence, Store Intelligence, Ad Intelligence, and Usage Intelligence.

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