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| **Subject:** | [REVISED] Developer Survey Presentation for Phil |
| **From:** | "Kim Martinsen" < ███████████ |
| **Received(Date):** | Thu, 28 Jul 2016 20:58:39 +0000 |
| **To:** | "Matt Fischer" < ████████████ Steve McGuigan" < ████████████ |
| **Attachment:** | 2016.07 Developer Survey for Phil v3.key |
| **Date:** | Thu, 28 Jul 2016 20:58:39 +0000 |

Hi Matt and Steve,

The revised survey presentation for tomorrow's Phil meeting is attached. This incorporates revisions discussed this morning. Please let me know if this is approved to send to Dan to incorporate in the broader deck.

Thanks,
Kim

Kim Martinsen | App Store Developer Marketing | + ███████████ | 16 Results Way, MS 16-2APP, Cupertino, CA 95014

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The revised survey presentation for tomorrow 's Phil meeting is attached. This incorporates revisions discussed this morning. Please let me know if this is approved to send to Dan to incorporate in the broader deck.

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Kim

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PX-2284.1

PX-2284.2

## US App Store Developer

Hi Phil. Thank you for your time. I'm here to share highlights of the US App Store Developer Survey, the results of which Art shared with you a few weeks ago.

We also had emailed our takeaways and actions from the survey. You had provided feedback that some of the actions were good and some were very bad. So, with this, I'm not going to present the entire survey, since you've already seen it. Rather, I will discuss sections for tied to the recommendations we emailed, as we'd love to hear your perspective on what actions you think are viable, so we can proceed accordingly.

PX-2284.3

# US App Store Developer Survey

Conducted in December 2015

At least one app published in the last two years

Three thousand respondents

UK survey results were directionally aligned with US results

2971 respondents, 1.8% response rate
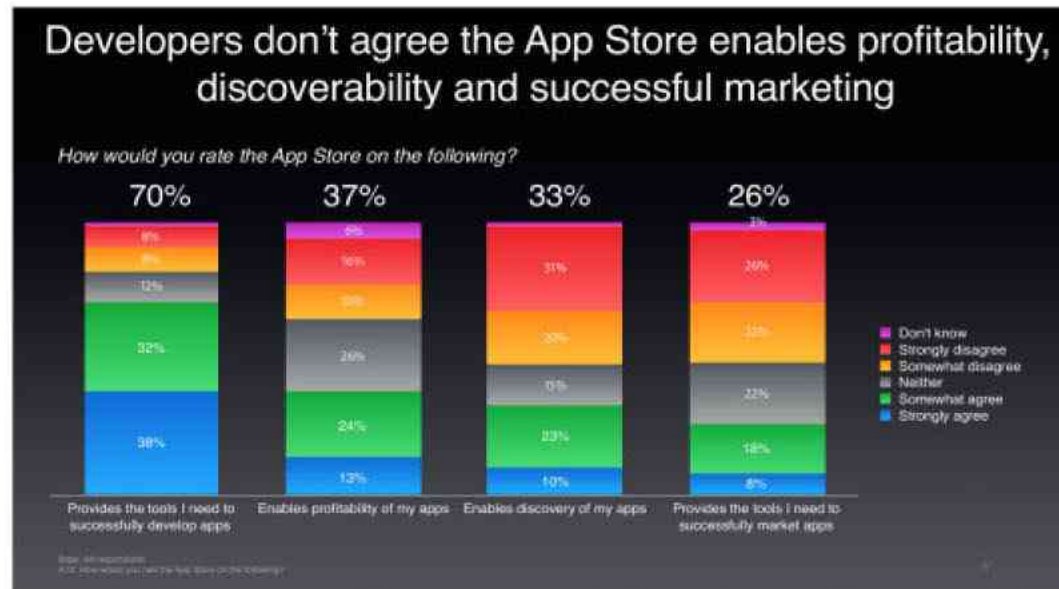
PX-2284.4

# Respondent Profile

76% below 90th percentile of downloads

61% work for companies with 5 or less employees

99% develop for iOS

48% have an annual marketing budget less than $10K

20% watchOS, 18% tvOS, 17% macOS

PX-2284.5

APL-APPSTORE_09797059

Developers don't agree the App Store enables profitability, discoverability and successful marketing

Developers don't believe that the App Store enables profitability of their apps, enables app discovery, or provides the tools to successfully market their apps.

70%, 37%, 33%, 26%

We believe that this perception will be positively impacted with the rollout of Subscriptions 2.0 and Search Ads this fall.

We know that Kenobi will help with this, as well as developer responses to reviews.

Beyond this, we are looking at additional ways to help developers in these areas.

## App Store optimization is a top area of interest

*What business and marketing disciplines or practices are you interested in learning more about from Apple? (select that apply)*

| | Total | Large | Mid | Small |
|---|---|---|---|---|
| App Store promotion | 64% | 68% | 74% | 62% |
| App Store optimization | 63% | 77% | 72% | 60% |
| User acquisition | 55% | 66% | 65% | 52% |
| Engagement and retention | 46% | 60% | 49% | 44% |
| Launch strategies | 44% | 49% | 42% | 44% |
| Pricing/monetization strategies | 37% | 35% | 38% | 37% |
| Identifying user segments | 30% | 42% | 33% | 29% |
| Business models | 29% | 22% | 26% | 30% |
| Competitive benchmarking | 24% | 39% | 27% | 22% |
| International expansion strategies | 22% | 32% | 23% | 21% |
| Other | 7% | 3% | 6% | 7% |
| (n) | 2971 | 198 | 687 | 2086 |

This table provides developers' responses to what they'd like to learn more from the App Store.

App Store Optimization is a top area of interest for developers. This involves carefully crafting App Store product page metadata to help maximize visibility and downloads.

PX-2284.7

APL-APPSTORE_09797061

# Recommendations

Explore metadata only submission

Explore product page AB testing

We would like to explore new policies and tools to further help with this. Such as the Metadata Only Submission proposal that will be shared today. We will also discuss a proposal for App Store Product Page AB testing with you in August.

PX-2284.8

## Capacity to translate apps is the top barrier to geo expansion

*Are their any barriers you face to enter new markets? (select all that apply)*

| | Total | Large | Mid | Small |
|---|---|---|---|---|
| Capacity to translate apps | 55% | 39% | 57% | 55% |
| No expertise of market | 47% | 35% | 44% | 49% |
| High cost of localization | 46% | 34% | 49% | 47% |
| High cost of marketing | 35% | 24% | 30% | 37% |
| Capacity to provide customer support | 33% | 29% | 33% | 34% |
| Capacity to market locally | 29% | 28% | 29% | 30% |
| Tax and legal considerations | 24% | 24% | 23% | 25% |
| Mobile adoption rates | 15% | 17% | 17% | 15% |
| n= | 2971 | 198 | 687 | 2086 |

Developers top hurdle to new market expansion is app translation.

PX-2284.9

APL-APPSTORE_09797063

**Localization service is the top ask to help with geo expansion**

*What tools or guidance would you like the App Store to provide to help you expand internationally? (select all that a...)*

| | |
|---|---|
| Localization service | 70% |
| Guidance on cultural and market differences | 56% |
| Guidance on user acquisition channels for each market | 54% |
| Third-party localization service recommendations | 46% |
| Other | 27% |

In line with this, developers' top ask for us to help them expand internationally is localization services.

PX-2284.10

APL-APPSTORE_09797064

# Recommendations

Research and accredit third party localization services to recommend to developers

Negotiate favorable rates with accredited localization services on behalf of our developers

PX-2284.11

# Apple is the top reference when researching business & marketing decisions

*What resources do you use to research how to make app business and marketing decisions? (select all that apply)*

| | Total | Large | Mid | Small |
|---|---|---|---|---|
| Guidance from app platforms (net) | 55% | 69% | 57% | 53% |
| Apple | 52% | 65% | 54% | 50% |
| Google Play | 25% | 43% | 29% | 22% |
| Facebook | 13% | 18% | 15% | 12% |
| Amazon | 5% | 7% | 7% | 4% |
| Microsoft | 4% | 5% | 4% | 4% |
| Blackberry | 0% | 1% | 1% | 0% |
| Industry news and blogs | 47% | 57% | 54% | 45% |
| App Analytics on iTunes Connect | 46% | 50% | 51% | 44% |
| Other developers | 46% | 39% | 49% | 46% |
| Third party app analytics research | 43% | 76% | 64% | 35% |
| Search engine research | 42% | 39% | 43% | 42% |
| n= | 2971 | 198 | 667 | 2066 |

Developers look to Apple as their top resource for business and marketing guidance. This reinforces our strategy of providing scaled guidance on the App Store Developer Portal, developer.apple.com/appstore.

We have created a content roadmap through the end of FY17 to address developers' top business and marketing challenges and opportunities. Following are takeaways from the survey that we incorporated into the roadmap.

PX-2284.12

## App Store featuring is over-emphasized as a discovery lever

*What are the top three most effective marketing activities for driving downloads of your apps on the App Store?*

| | Total | Large | Mid | Small |
|---|---|---|---|---|
| Word-of-mouth marketing | 49% | 32% | 44% | 51% |
| Social media advertising | 27% | 30% | 25% | 28% |
| Social media community outreach | 25% | 14% | 19% | 28% |
| App Store featuring | 25% | 56% | 37% | 20% |
| Email outreach | 18% | 13% | 20% | 18% |
| Search engine referrals | 18% | 16% | 18% | 19% |
| Redacted | | | | |
| Influencer marketing | 12% | 10% | 14% | 12% |
| PR outreach | 12% | 10% | 12% | 12% |
| Cross promotion in my other apps | 9% | 20% | 15% | 7% |
| Ad network advertising | 9% | 21% | 13% | 7% |
| Other community outreach | 8% | 4% | 5% | 9% |
| | 1253 | 84 | 314 | 855 |

We asked developers what their top levers were for driving downloads.

App Store featuring is over-emphasized by developers as a user acquisition lever. We've published developer guidance since this survey that has emphasized the importance of App Store search to driving downloads. In addition to articles we've published on how to get discovered on App Store search, we will also help educate developers on effective user acquisition marketing best practices, such as a case study on a small dev that effectively executed launch marketing.

PX-2284.13

# Recommendations

Publish case studies on effective user acquisition marketing, with an emphasis on App Store Search Ads

PX-2284.14

## Opportunity to leverage notifications and in-app messaging

*Which are the top three most effective marketing activities to keep existing users coming back to your app?*

| | Total | Large | Mid | Small |
|---|---|---|---|---|
| Word-of-mouth marketing | 31% | 31% | 24% | 33% |
| Push notifications | 31% | 45% | 39% | 27% |
| Email outreach | 25% | 25% | 30% | 24% |
| Social media community outreach | 20% | 14% | 15% | 21% |
| In-app messaging | 17% | 20% | 24% | 15% |
| Social media advertising | 14% | 12% | 12% | 15% |
| Retargeting users | 11% | 19% | 11% | 11% |
| App Store featuring | 11% | 14% | 14% | 9% |
| Other community outreach | 8% | 6% | 6% | 9% |
| Influencer marketing | 8% | 10% | 8% | 8% |
| Cross promotion in my other apps | 7% | 8% | 11% | 5% |
| PR outreach | 6% | 2% | 8% | 6% |
| Search engine referrals | 6% | 5% | 6% | 6% |

We asked developers what the top reengagement marketing levers were that they used. Relevant and targeted push notifications and in-app messaging are tools developers should consider to help drive app reengagement and monetization.

PX-2284.15

# Recommendation

Publish developer case studies on effective
customer engagement with relevant notifications
and in-app messaging

PX-2284.16

APL-APPSTORE_09797070

## Low understanding of the benefits of App Previews

*Why don't your iOS apps have app previews on the App Store? (select all that apply)*

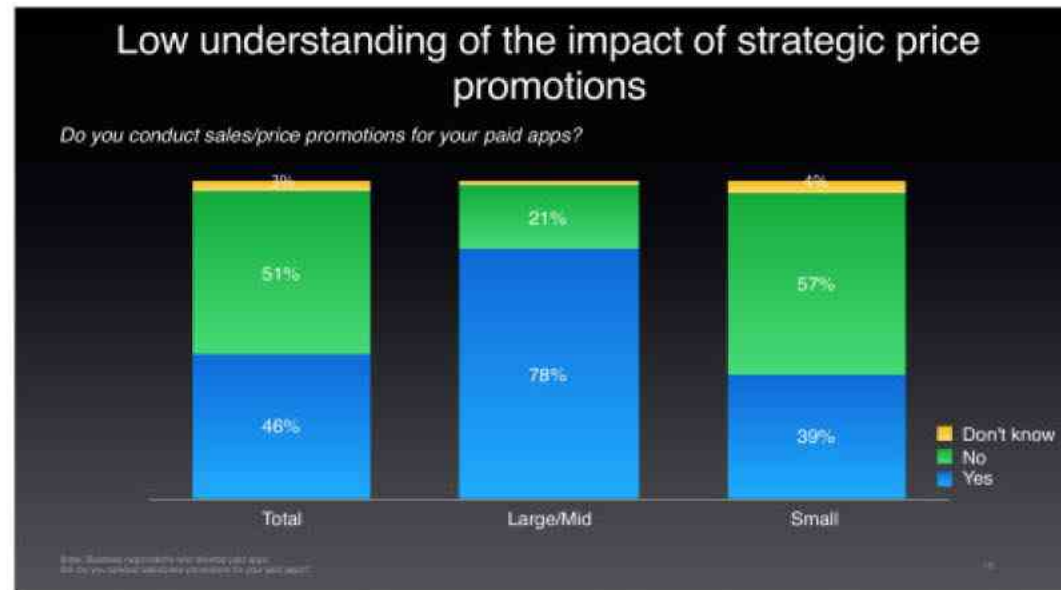| | Total | Large | Mid | Small |
|---|---|---|---|---|
| Resource constraints | 36% | 45% | 44% | 34% |
| Didn't know about them | 21% | 13% | 15% | 22% |
| Footage is too difficult to capture | 20% | 12% | 23% | 20% |
| Not an effective marketing tool for my category | 14% | 19% | 14% | 13% |
| Waiting to submit an app update | 10% | 4% | 7% | 11% |
| Preview guidelines are too restrictive | 10% | 9% | 14% | 9% |
| Worried my app will get rejected because of the preview | 8% | 9% | 12% | 8% |
| Previews aren't localized | 5% | 13% | 5% | 4% |
| Other | 12% | 16% | 14% | 11% |
| Don't know | 9% | 13% | 8% | 10% |
| n= | 1438 | 69 | 212 | 1087 |

This table shows the top reasons why developers aren't adopting App Previews. We know that adoption of App Previews is low, despite that they have the potential to increase conversion to download by over 30% when viewed. App Previews are an effective tool to help increase downloads. We will secure updated data on the positive impact of App Previews to communicate to developers.

We saw throughout the survey that, as with App Previews, the biggest reason for developers not adopting new features or platforms was resource constraints or lack of understanding of how it could impact their business. A key takeaway for us is to demonstrate the business value of feature or platform adoption with developers.

PX-2284.17

# Recommendations

Publish developer case studies that show how effective use of App Previews increases App Store downloads

Publish data that shows that App Previews help increase download conversion

PX-2284.18

## Low understanding of the impact of strategic price promotions

*Do you conduct sales/price promotions for your paid apps?*

Total n = 215, Large/Mid n = 87, Small n = 328

The survey also showed us that over half of paid developers don't leverage sales or price promotions for their paid apps.

Strategic and well-timed price promotions are key levers for driving paid app growth. There is an opportunity to educate developers on this.

PX-2284.19

APL-APPSTORE_09797073

# Recommendation

Publish developer case studies to communicate the importance of strategic and well-timed price promotions
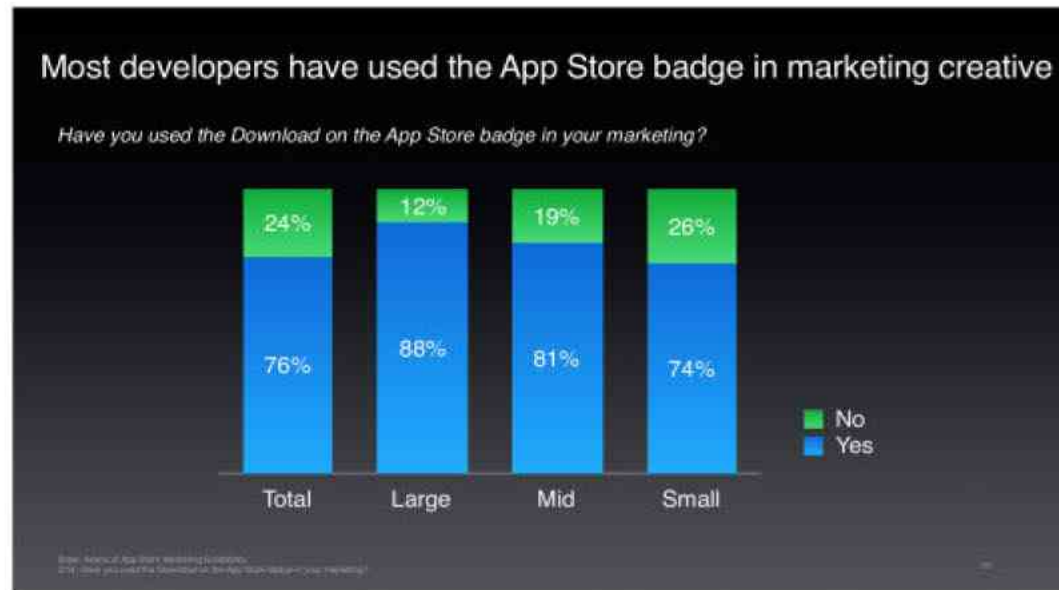
PX-2284.20

Base: Aware of App Store Marketing Guidelines
D14: Have you used the Download on the App Store badge in your marketing?
Note: Arrows denote comparison to small tier developers.

PX-2284.21

## Low awareness & perceived effectiveness of App Store badge

*Please tell us why you haven't used the Download on the App Store badge in your marketing. (select all that apply)*

| | Total | Large/Mid | Small |
|---|---|---|---|
| Didn't know it existed | 31% | 24% | 33% |
| Users know where to download; the badge is not needed | 21% | 29% | 19% |
| Our own call-to-action is more effective | 16% | 23% | 14% |
| Looks bad on my marketing (design) | 8% | 12% | 7% |
| Marketing creative targets multiple platforms | 6% | 12% | 4% |
| Didn't fit on my marketing (size) | 5% | 6% | 5% |
| Other | 14% | 8% | 16% |
| n= | 470 | 114 | 356 |

A key reason that the Download on the App Store badge is not used is that developers aren't convinced it provides an essential message in their creative. As the badges are redesigned by Marcom this year, the new badge needs to be created to help increase engagement with developers' creative in order to be adopted.

PX-2284.22

APL-APPSTORE_09797076

# Recommendation

Collaborate with Marcom to redesign badges in a manner that helps increase creative engagement
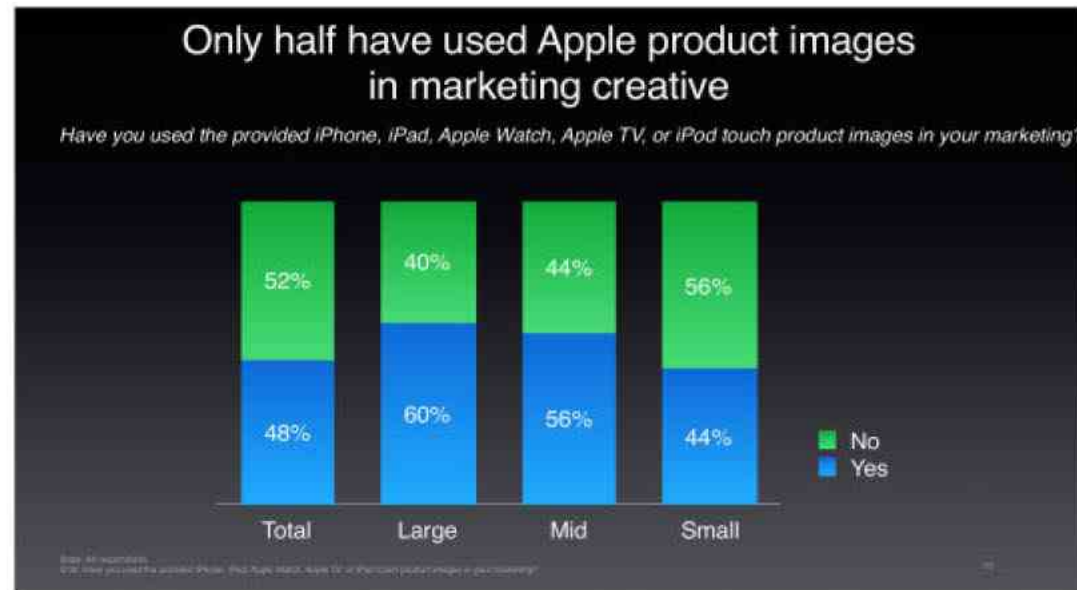
PX-2284.23

Only half have used Apple product images in marketing creative

Base: Aware of App Store Marketing Guidelines
D14: Have you used the Download on the App Store badge in your marketing?
Note: Arrows denote comparison to small tier developers.

PX-2284.24

# Restrictive guidelines hinder use of Apple product images

*Please tell us why you have not used the provided product images in your marketing. (select all that apply)*

| | Total | Large | Mid | Small |
|---|---|---|---|---|
| Doesn't fit with our design | 24% | 39% | 30% | 23% |
| Prefer to use generic devices to be platform agnostic | 13% | 16% | 15% | 12% |
| Brand guidelines are too restrictive | 11% | 21% | 9% | 11% |
| Space doesn't allow | 8% | 6% | 10% | 8% |
| Competitors brand guidelines are less restrictive | 3% | 4% | 3% | 3% |
| Competitor's device is more effective | 1% | 1% | 1% | 2% |
| Other | 17% | 4% | 14% | 19% |
| Don't know | 38% | 39% | 37% | 38% |
| n= | 1539 | 80 | 301 | 1158 |

Developers believe that Apple product images help improve their creative effectiveness. However, a fifth of large developers don't use the product images due to restrictive brand guidelines. We'll share this feedback with Marcom to align on whether some guidelines should be adjusted in order to increase image use by developers.

PX-2284.25

APL-APPSTORE_09797079

# Recommendations

Allow developers to show iPhone and iPad images next to Android devices

Allow developers to crop, zoom or rotate iPhone and iPad images

Require Apple Watch creative approval only for TV broadcast material

PX-2284.26

APL-APPSTORE_09797080

PX-2284.27