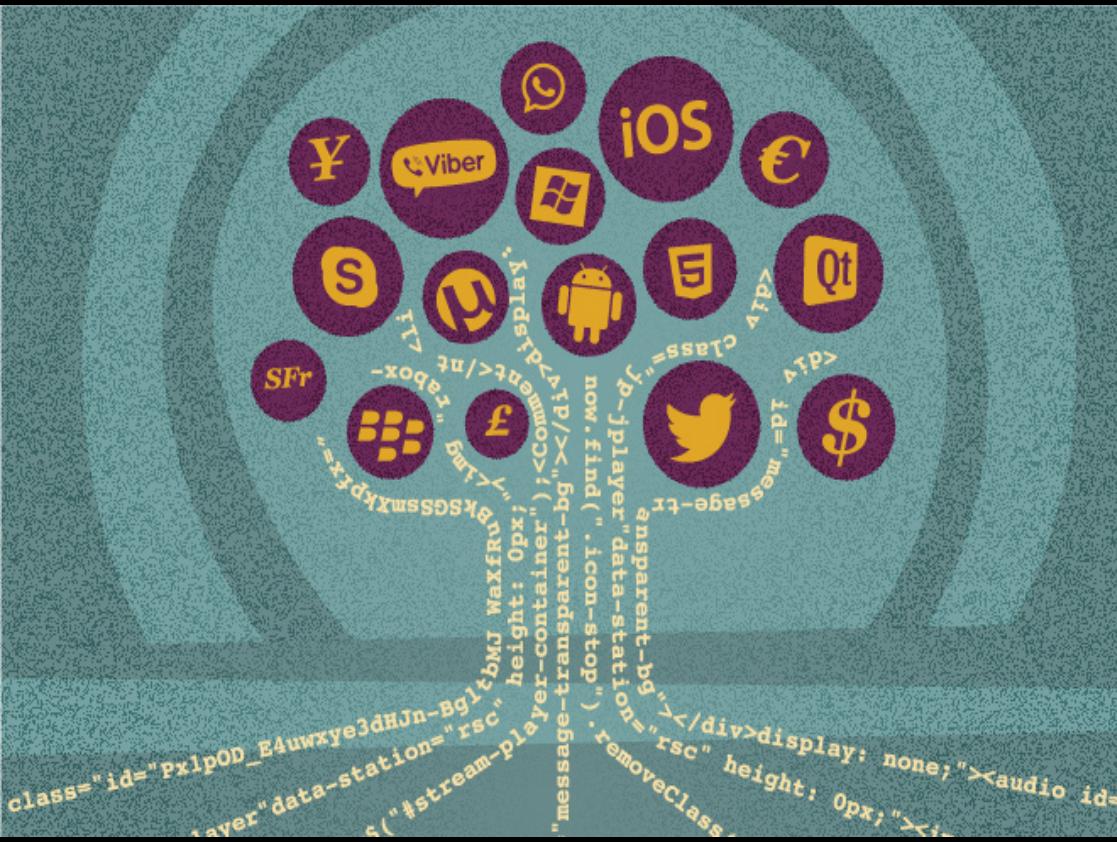


## DEVELOPER ECONOMICS:

## STATE OF THE DEVELOPER NATION Q1 2015



Featuring the latest developer trends, including:

- The rise of Swift
- IoT winners and losers
- Revenues and revenue models
- Enterprise vs. consumer
- Platform winners and losers
- Developer tool adoption

KEY INSIGHTS FROM THE LATEST REPORT

**Andreas Constantinou**  
CEO & Founder, VisionMobile  
Adjunct Professor, AUEB, Athens  
Adjunct Professor, Lund Uni, Sweden

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**@andreascon**



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HEAR FROM  
**8,000+**  
MOBILE + IOT DEVELOPERS  
BIGGEST DEVELOPER RESEARCH  
**8<sup>TH</sup> EDITION**



# 1

## The App Economy in 2015: e-commerce dominates.

e-Commerce will rise to \$300B, 2.5x of all other revenue sources put together.

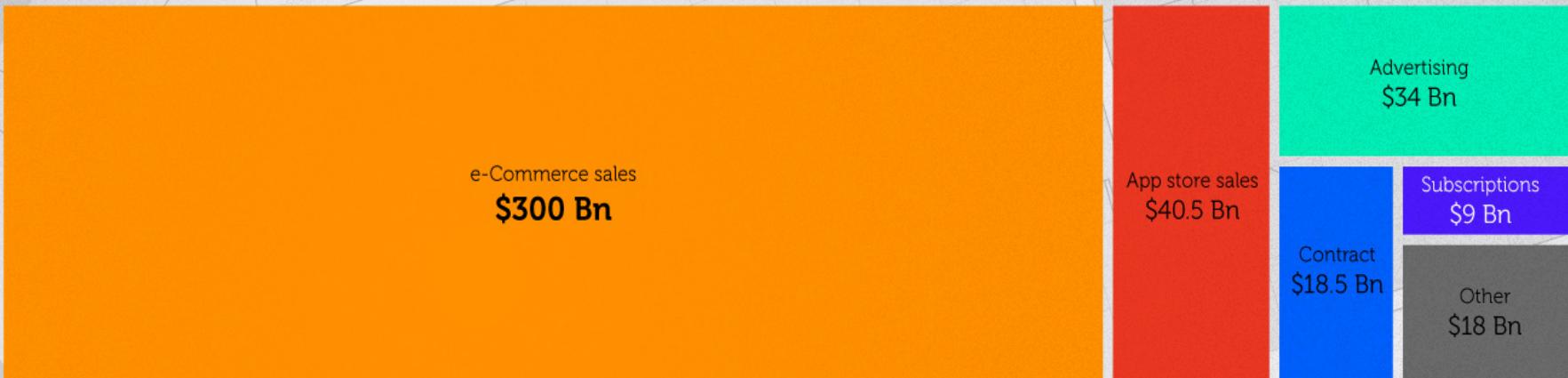
App store sales are second in total revenues for 2015 at \$40.5 billion, but they will be slowest growing.

Mobile advertising (excl. search) will grow more rapidly to reach \$34 billion.

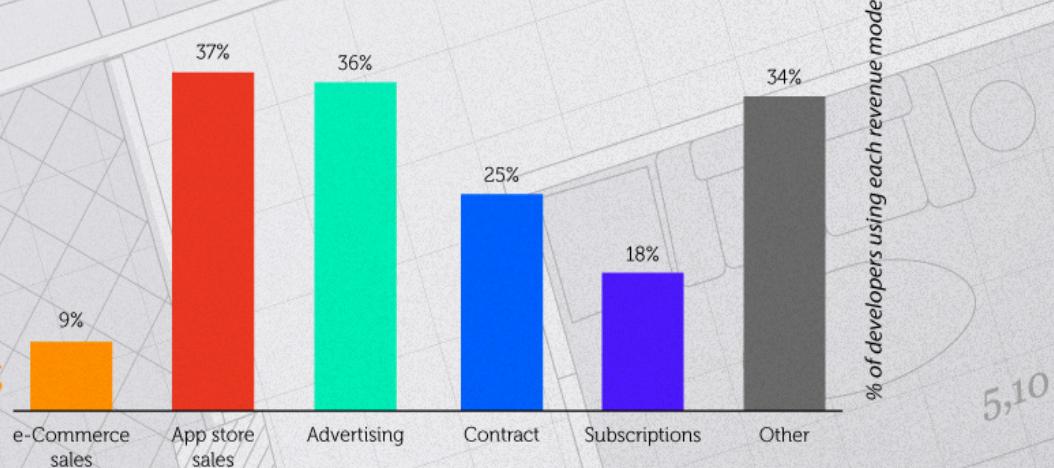
# THE APP ECONOMY IN 2015: E-COMMERCE DOMINATES

Mobile e-Commerce will account for 2.5 times as much revenue as the rest of the app economy put together in 2015

2015 App Economy Revenues



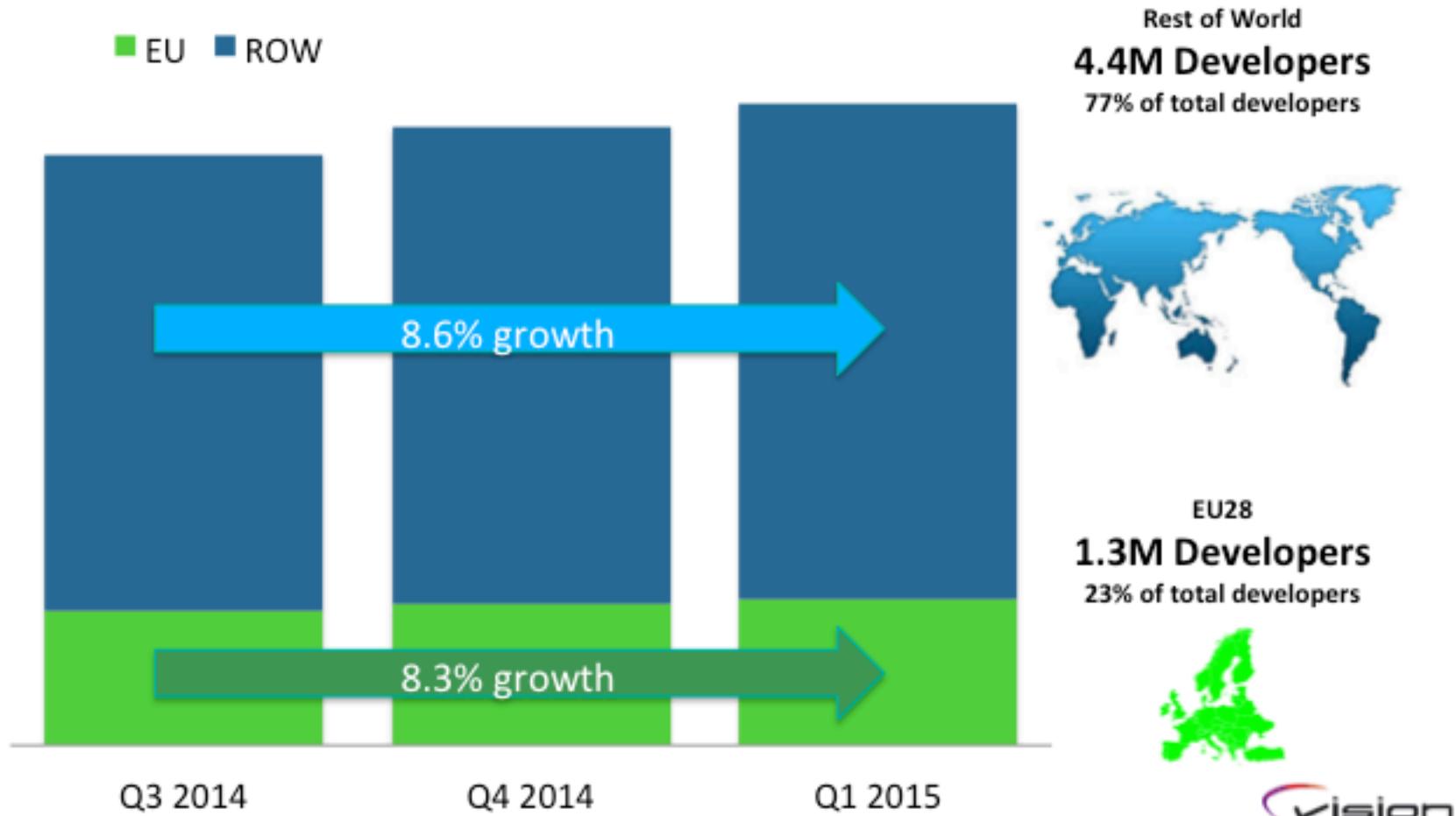
Share of app developers using each revenue model



Only 9% of developers are building apps with e-Commerce.  
So where are all the e-Commerce developers?

# 5.7 MILLION APP DEVELOPERS WORLDWIDE

Number of app developers – EU28 vs. Rest of World



Source: European App Economy 2015 | [vmob.me/EUApp15](http://vmob.me/EUApp15)

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# APP ECONOMY BY COUNTRY

EU28 Revenue by Target Audience (n=478)



Number of jobs per country

Support jobs

Full-time professional developers

27K

110K

84K

158K

121K

192K

147K

88K

32K

Belgium

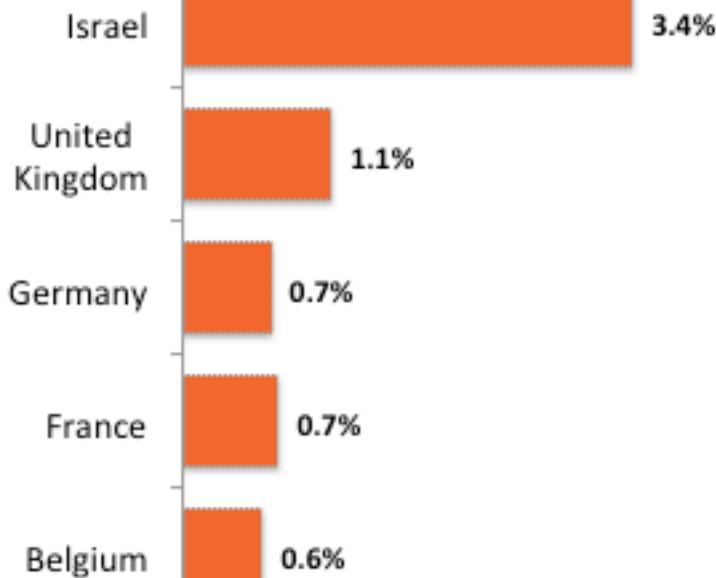
France

Germany

United Kingdom

Israel

Jobs as % of Total Employment



Source: European App Economy 2015 | [vmob.me/EUApp15](http://vmob.me/EUApp15)

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# 2

The platform wars have ended in a stalemate

iOS owns the premium segment, Android almost everything else.

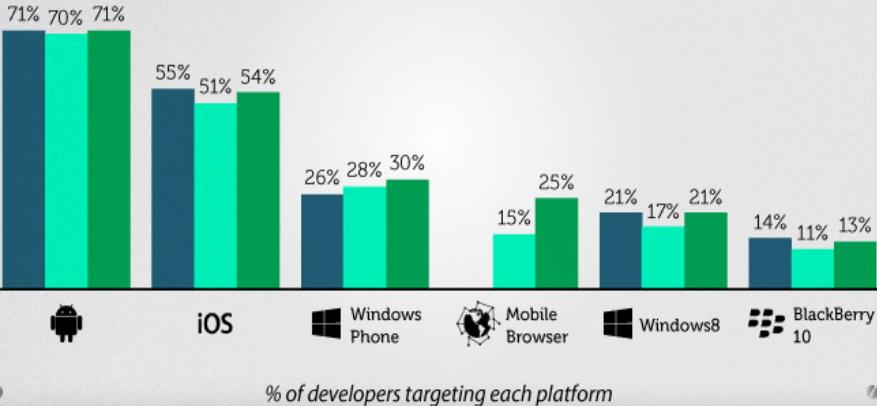
Windows and the browser fight for the scraps.

# STALEMATE IN THE PLATFORM WARS?

iOS owns the premium segment, Android almost everything else, Windows and the browser fight for the scraps

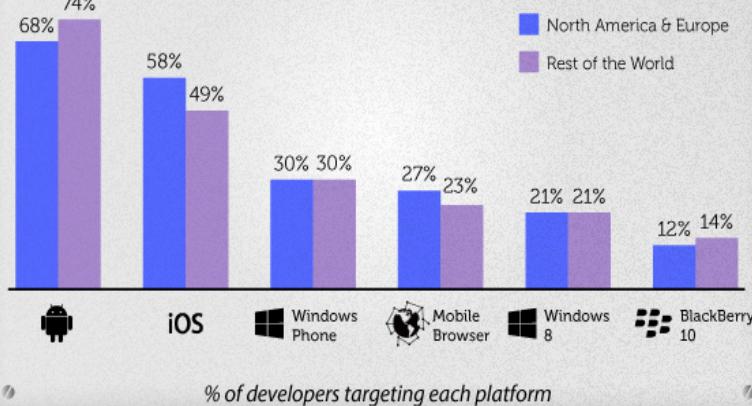
## PLATFORM MINDSHARE

Developers seek reach across more platforms



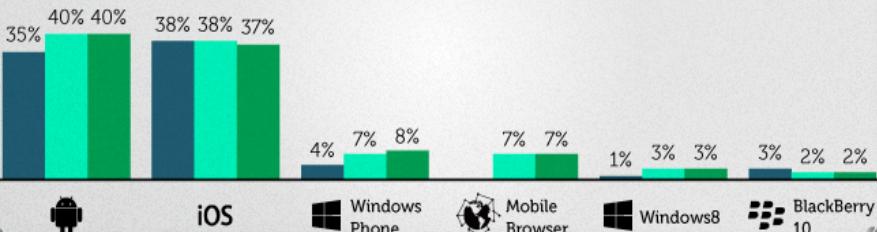
## EAST VS. WEST

Support for iOS is strongly skewed to "the West"



## PRIMARY PLATFORM FOR FULL TIME PROS

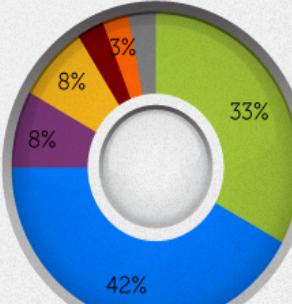
% of full time professional developers



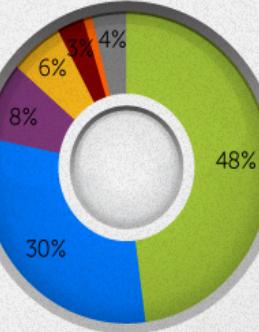
## IOS LEADS THE WEST, ANDROID RULES THE REST

Full time pros prefer iOS in "the West" but overwhelmingly Android elsewhere

### North America & Europe



### Rest of the world



% of full-time professional developers by platform

# 3

**Swift rises to 20% of mobile devs, 4 months since launch**

For comparison, Google's excellent Go language doesn't make it onto our new top chart for server-side programming languages, having reached just 5% mindshare amongst mobile developers after more than 5 years.

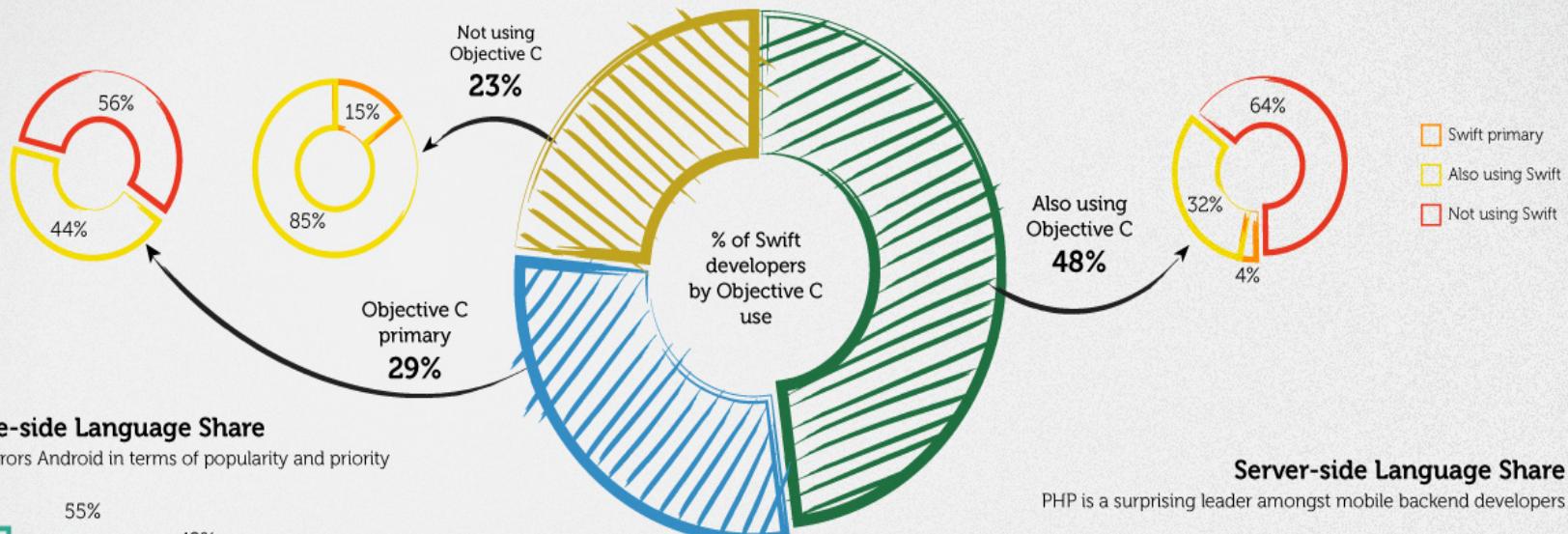
23% of Swift adopters were not using Objective C, a sign that Swift may succeed in attracting a much wider range of developers to build native iOS apps.

# THE RISE OF SWIFT

Apple's new language jumps immediately to 20% mindshare, attracting more than just the loyal core of Objective C developers

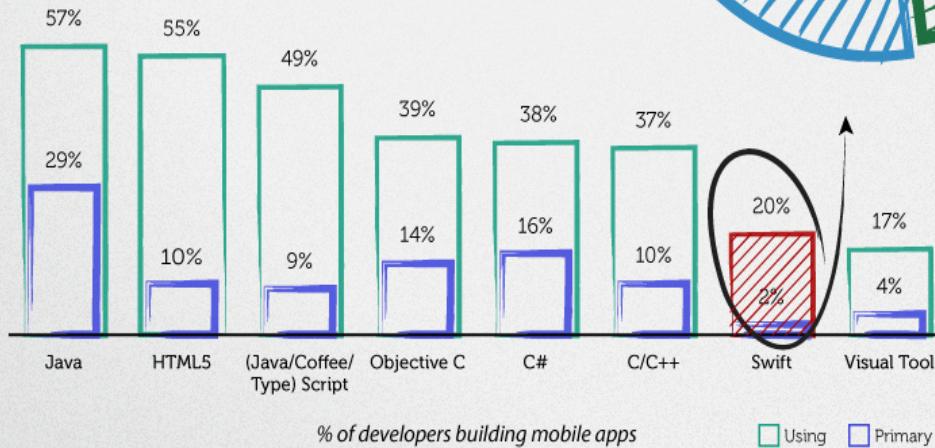
## Where the Swift developers are coming from

23% of Swift developers were not previously building true native iOS apps



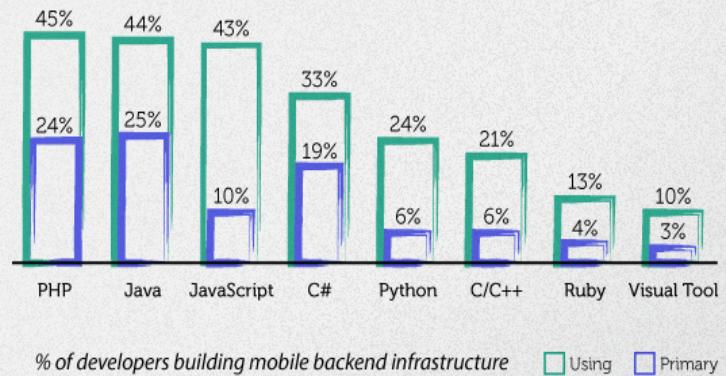
## Device-side Language Share

Java mirrors Android in terms of popularity and priority



## Server-side Language Share

PHP is a surprising leader amongst mobile backend developers



# 4

## App economy revenues are polarising

Of developers that prioritise iOS, only 37% are below the app poverty line, making less than \$500 per month on iOS. On the opposite end of the revenue scale, 39% make more than \$5,000 per month on the iOS platform.

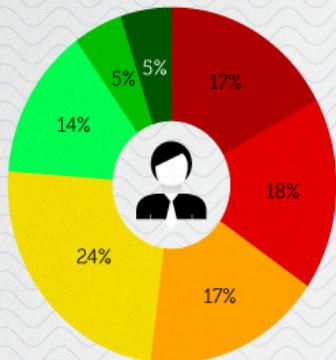
Developers that go iOS first actually earn much more revenue on Android than those that prioritise the platform.

# APP ECONOMY REVENUES ARE POLARISING

An increasing percentage of developers are below the app poverty line, although there are also more big winners

## Total monthly developer revenues

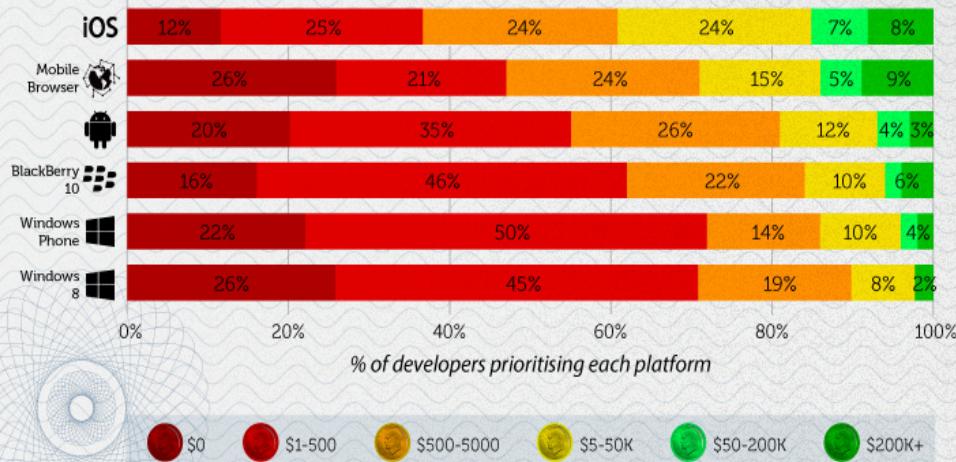
% of developers interested in revenues



Average number of apps each developer is involved in over 12 months: **6**

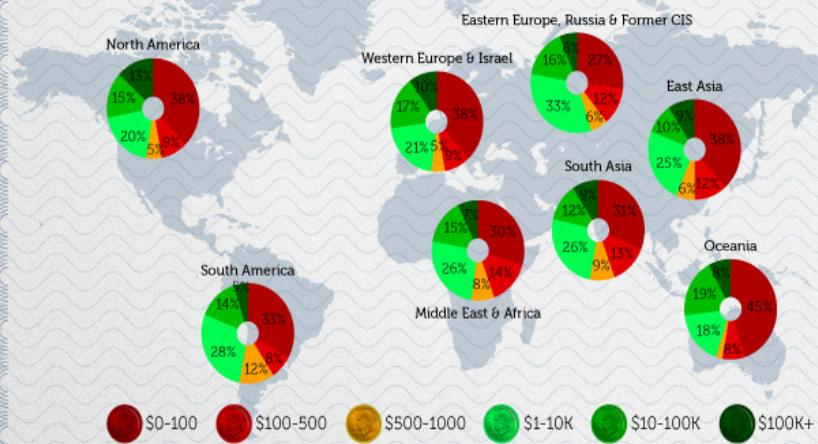
## Monthly revenues from primary platform

iOS leads but the Mobile Browser, not Android, is a strong 2nd



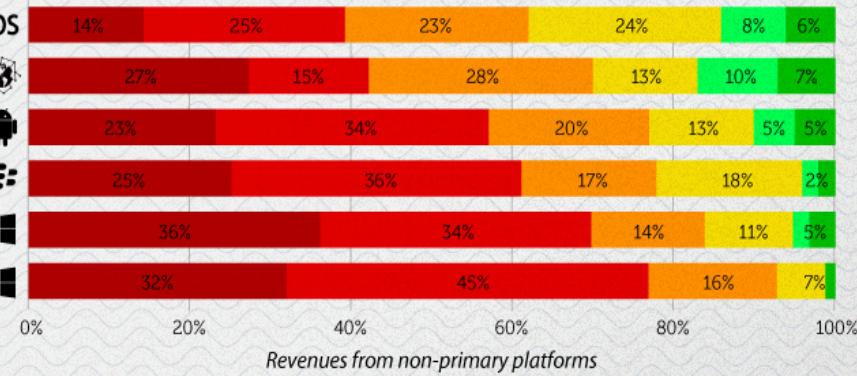
## Monthly revenues by region

% of developers interested in revenues in each region



## Monthly revenues from all other platforms

Developers who prioritise iOS do better on other platforms too



# 5

**53% of mobile developers are working on an IoT project**

Smart Home was the most popular market with 37% of mobile developers working on IoT projects targeting it. Wearables were a close second with 35% mindshare.

The majority of mobile developers involved in IoT development are doing it as a hobby or side project.

# DEVELOPING THE INTERNET OF THINGS

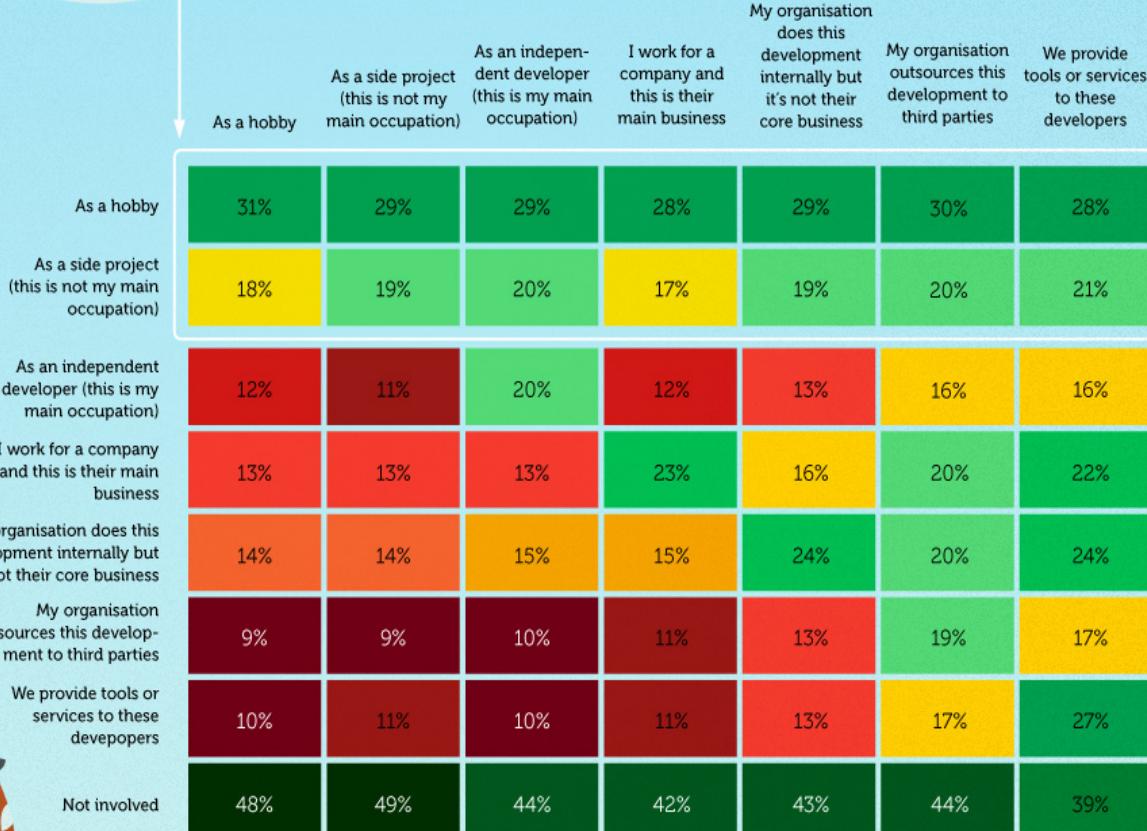
More than half of all mobile developers are already exploring the Internet of Things



## 53% of mobile developers are working on IoT projects

The **majority** of those involved are exploring the Internet of Things as a hobby or side project

Involvement in IoT development



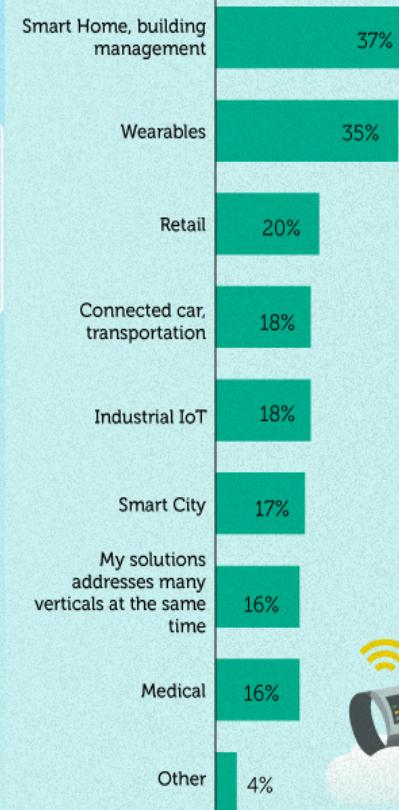
Involvement in mobile development

High % of mobile developers

Low % of mobile developers

## Popularity of IoT markets

Smart Homes and wearables by far the most targeted



% of IoT developers targeting each market

# 6

## Tool awareness is increasing.

Only 17% of developers don't use any third party tool.

Ad networks are #2 in popularity, with a 31% adoption rate. At the same time use of ads is negatively correlated with revenues.

Cross-platform tool adoption is on the rise. The percentage of developers using these tools has grown from 23% to 30% over the last 6 months.

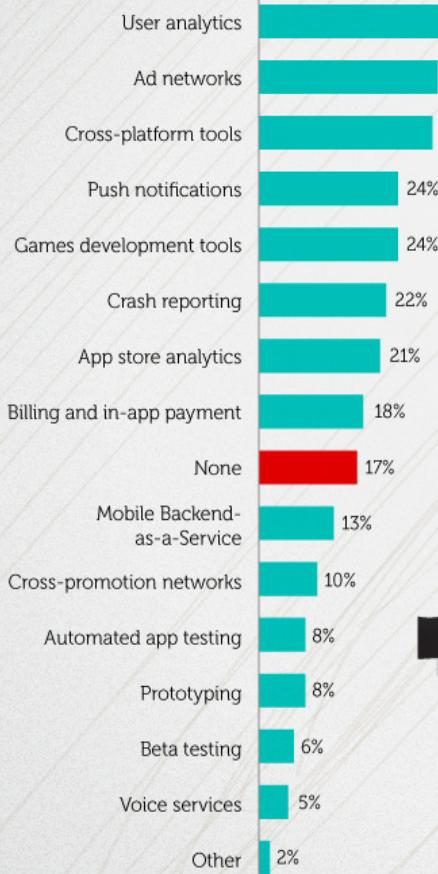


# NOT ALL TOOLS ARE CREATED EQUAL

Tool category adoption and tool selection within a category vary significantly by primary platform

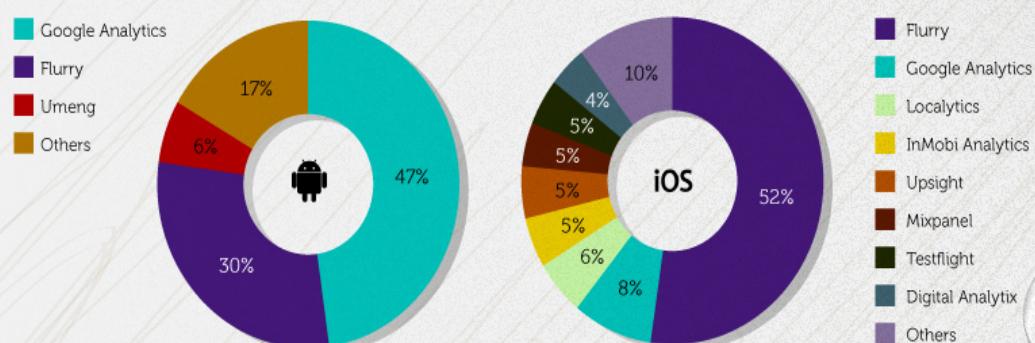
## User analytics leads tool usage

% of developers using each tool category



## User Analytics is dominated by Google on Android and Flurry on iOS

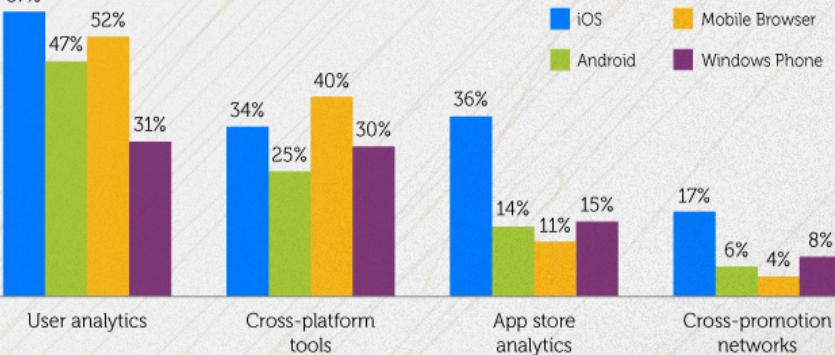
% of the top 5% of free apps\* on Google Play and the iOS app store using each user analytics tool



\*data gathered by automated scanning of app binaries.

## iOS developers are more tool-savvy

% of developers using some tool categories shows variations by primary platform



# 7

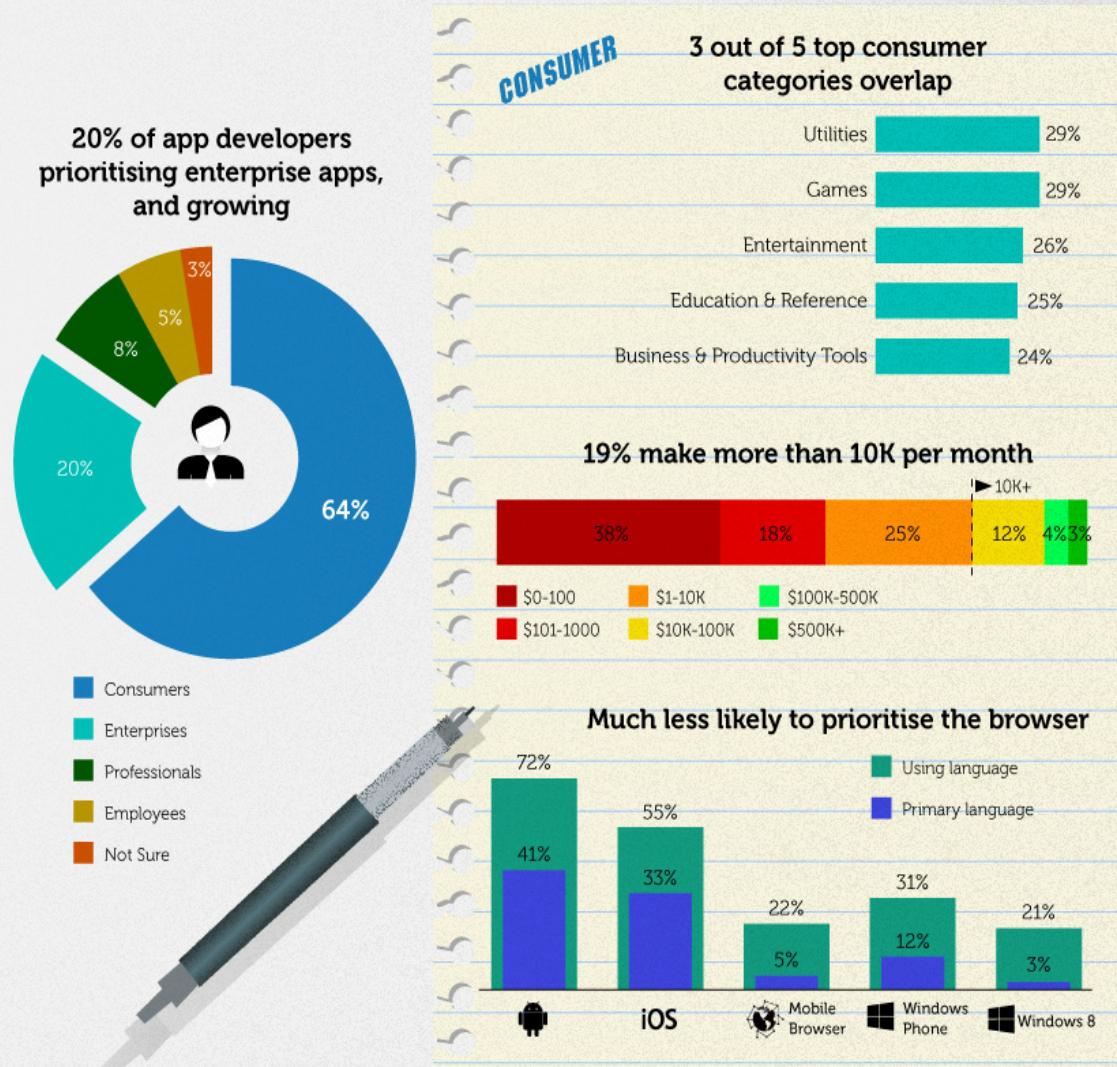
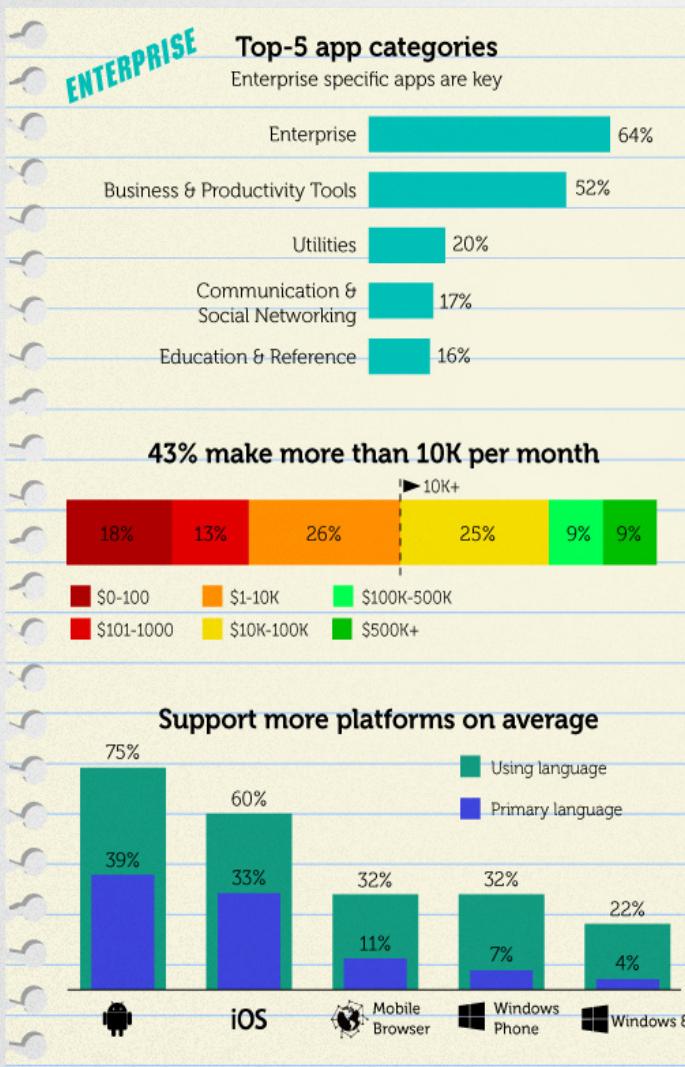
An increasing fraction of developers target enterprise and they’re more successful

43% of enterprise app developers make more than \$10K per month versus 19% of consumer app developers reaching the same revenue level.

A typical game is giving a third of gross revenue to the app store provider as a cut of in-app purchases and spending half of what’s left on ads to acquire new users.

# ENTERPRISE VS CONSUMER

An increasing fraction of developers now primarily target enterprises rather than consumers, their tactics differ and they're much more successful



# 8

Pro devs target  
iOS & browser.  
Android is for all  
WP is the fun  
place to start.

Android is balanced across developer segments.

iOS has very few Hobbyists (6%), but many more money- motivated developers (51%)

A massive 55% of Windows Phone first developers are Hobbyists and Explorers. All other developer segments are under-represented.

# PLATFORMS APPEAL TO DIFFERENT MOTIVATIONS

Android has broad appeal, iOS and the Mobile Browser are mostly for serious professionals and Windows Phone is a fun place to start

## Developer segments by primary platform

% of all developers

### ENTERPRISE IT

CIOs and IT managers using apps to increase organisational efficiency and reduce costs

#### Motivations:

Better products than competition, exciting industry

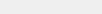


### HOBBYISTS

Moonlighters building their own apps to learn and have fun

#### Motivations:

Fun, creativity, self achievement



### GOLD SEEKERS

Mobile startups aiming to hit VC gold

#### Motivations:

Building a successful business, money



### DIGITAL CONTENT PUBLISHERS

Developer teams using mobile apps to monetise digital content inventory

#### Motivations:

Building business, money, creativity



### PRODUCT EXTENDERS

Companies using apps to promote or extend a non-mobile product or brand

#### Motivations:

Better products than competition, wide audience, exciting industry



### EXPLORERS

Independent developers gaining experience as a side project to seize on future opportunities

#### Motivations:

Creativity, self achievement, exciting industry



### HUNTERS

Experienced developers building an app business and focused on the money

#### Motivations:

Building business, money, self achievement

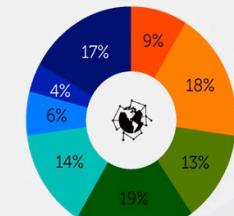
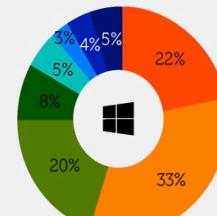
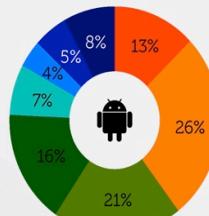


### GUNS FOR HIRE

Seasoned pros developing apps on commission

#### Motivations:

Building a successful business, money, exciting industry



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