

Top 25 US developers account for half of app revenue

➤ Collectively they made more than \$60 million in 20 days

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A small number of developers, almost entirely game companies, continue to generate the majority of revenue at the leading app stores - Apple's App Store (iPhone only) and Google Play. Based on daily App Interrogator surveys, Canalys estimates that just 25 developers accounted for 50% of app revenue in the US in these stores during the first 20 days of November 2012. Between them, they made \$60 million from paid-for downloads and in-app purchases over this period.

Of the top 25 grossing developers, all but one (popular music service Pandora with its Pandora Radio app) are game developers. They include cross-platform game developers as well as mobile game specialists, and include Zynga, Electronic Arts, Disney, Kabam, Rovio, Glu, Gameloft and Storm8's TeamLava. 'Part of the story here is that successful game developers almost invariably have multiple titles generating revenue,' said Canalys VP and Principal Analyst Chris Jones. 'Zynga, for example, had 15 titles in the list of top 300 grossing iPhone apps on average in Apple's App Store every day, and nine titles in the equivalent list in the Google Play store. Even with its singular focus on its Angry Birds franchise, Rovio has multiple game variants in the list. With the holiday season now underway, we expect to see many of these top game developers employing discounts and special offers, taking advantage of their ability to cross-promote within their app portfolios. This is expected to ensure that over the Christmas period in the US, the dominance of key game developers will only increase.'

During the same period, games accounted for 145 on average of the top 300 paid apps in the Apple App Store and 116 of Google Play's top 300 paid apps. Games also accounted for 94 of the top 300 listed free apps for Apple and 110 for Google Play. This underscores the challenge that faces developers of other types of apps, especially those with poor brand awareness, both to get their apps noticed and to monetize them. 'Discoverability is a particular issue in the Apple App Store and in Google Play given the huge inventories they boast,' said Canalys Senior Analyst Tim Shepherd. 'With top game developers' content so prevalent in the stores, it can be hard for other good quality apps to get the attention they deserve. Developers of other kinds of apps need to consider how to promote them. Depending on the type of app, they should consider how best they can exploit social media and social recommendations, tactical sales promotions and discounts, branding tie-ups and targeted in-app advertising.'

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