

Top app stores risk losing control of app discovery

➤ Half of apps in top-100 paid iOS and Android charts in US unchanged over four months

Shanghai, Palo Alto, Singapore and Reading - Monday, 11 June 2012

Complacency on the part of leading app store providers is the biggest threat to their long-term success, according to analyst firm Canalys. This manifests itself in a remarkable lack of innovation and activity around improving app discovery, which is critical for the delivery of a high-quality experience to both consumers and developers.

‘When we speak with app developers, many are concerned about monetization or platform fragmentation, but the number one problem they face is getting their apps noticed,’ said Canalys Senior Analyst, Tim Shepherd. ‘We estimate that up to two-thirds of the apps in leading consumer app store catalogs receive fewer than 1,000 downloads in their first year, and a significant proportion of those get none at all. Many high-quality apps never get the attention they deserve.’

Canalys points out that app store providers rely too heavily on a standard set of basic tools: search; a small selection of featured titles; and top-100 paid and free app charts. These collectively expose very little of the stores’ inventories and the top app lists are all too often occupied by the same titles week after week.

App interrogator surveys (run by Canalys every two weeks for clients of its App Store Analysis continuous service) highlight this problem. In snapshots taken over a 16-week period in the US, almost half of the titles in the top-100 paid lists appeared throughout the entire period: 58 titles on Google Play and 41 in Apple’s App Store occupied spaces in the respective top-100 lists in all eight surveys. Free apps exhibited a similar pattern: 42 titles on Google Play and 31 in Apple’s App Store featured in the top 100 in every snapshot.

‘Developers and publishers of these popular apps should be congratulated, but the persistence of so many apps in these lists, which are critical to app discovery, underscores the inadequacy of the current tools,’ said Adam Daum, Canalys Chief Analyst. ‘A storefront can only hope to bring a few hundred apps to the fore: a tiny fraction of the hundreds of thousands of apps in their catalogs. Store providers need to do more to earn developers’ support ... and their 30% revenue share. They must seek out better tools, such as improved social recommendation facilities, algorithms that deliver intelligent, personalized suggestions and more innovative ways of presenting localized featured content.’

Despite greater competition between ecosystem leaders for the attention of developers, no store provider has taken a significant lead on discovery innovation. ‘The poor quality of tools threatens app store providers’ control of the discovery process,’ Daum continued. ‘Consumers appreciate the convenience app stores provide, but they are willing to look further afield to find what they need. If enough frustrated developers turn first to third-party independent stores and discovery portals, such as GetJar, Amazon’s App Store or Facebook’s new App Center, consumers could be encouraged away from the native app store clients on their devices.’

‘Even if an external portal sends traffic back to the native store to start a download or complete the purchase, the damage has been done,’ Shepherd added. ‘The store provider has lost consumer engagement, trust and opportunities to up-sell and cross-sell. HTML5 web apps and cross-platform development environments also help to liberate apps from being tied to individual platforms and from overreliance on specific app stores. In short, the continued failure of leading store providers to address the discoverability issue will become a big threat and lead to disintermediation.’

Canalys has a detailed methodology for analyzing the strengths, weaknesses and priorities for improvement of app stores. It assesses more than 250 factors, including app discoverability. The company’s analysts conduct workshops with store providers, as part of its App Store Analysis service but also as standalone engagements. Detailed data and analysis from the new app interrogator surveys are also provided to clients of App Store Analysis, along with a stream of recommendation-rich, qualitative reports and supporting quantitative market intelligence.

About Canalys

Canalys delivers smart market insights to IT, channel and service provider professionals around the world. Our customer-driven analysis and consulting services empower businesses to make informed decisions and generate sales. We stake our reputation on the quality of our data, our innovative use of technology, and our high level of customer service.

Receiving updates

To receive press releases directly, or for more information about our events, services or custom research and consulting capabilities, please complete the contact form on the Canalys web site.

Copyright © Canalys 2012. All rights reserved.

Americas: Suite 316, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488
APAC: 2532 Wheelock Square, 1717 Nanjing West Road, Jing An District, Shanghai, China, 200040 | tel: +86 21 6157 5113
APAC: 1 Pickering Street, Great Eastern Centre, #07-02, Singapore, 048659 | tel: +65 6671 9399
EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520
e-mail: inquiry@canalys.com | web: www.canalys.com