



AN APPY MEDIUM

APPS DEVELOPMENT HAS BALLOONED INTO A MULTI-BILLION DOLLAR INDUSTRY IN JUST A FEW SHORT YEARS. OUR HUNGER FOR THESE TASTY BYTES IS GROWING, PROVIDING OPPORTUNITIES FOR GAMES INVENTORS, NEWSPAPER TYCOONS AND ENTREPRENEURS.

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Apple's iPhone and iPad have revolutionised the apps industry.

COURTESY OF APPLE



IN December last year, an author in the United States published a piece of non-fiction for Apple's iPad tablet computer. It was the first book in the world to appear as software, not hardback in its first edition. David Eagleman's *Why the Net Matters* is part of a wider phenomenon impacting on our lives, because it is an app, one of hundreds of thousands to have become available for download over the past couple of years that allow us to carry out a growing number of daily activities on a smartphone or computer.

An app is a piece of software that can be downloaded from an online store, the biggest of which is the Apple App Store. Some apps, like maps and calculators, are practical, while others, mainly games, are for fun. Some, like social networking sites, are a bit of both.

Social networking apps can be platforms for other apps. For example, 250 million people play games on Facebook, making it the largest gaming platform in the world.

Some apps are free, some must be paid for. Paid apps can cost as little as 99 cents, but prices are creeping up, especially following the launch of tablet computers – prices for some iPad apps touch US\$14.99. The top five paid apps downloaded from Apple in 2010 were all games, with *Angry Birds* taking the number one spot. The most popular free apps in 2010 included *Facebook*, *Angry Birds Lite*, *Words With Friends*, *Skype*, and *Tap Tap Revenge 3*.

The proliferation of apps has been sudden. In July 2008, only 500 were available from Apple's App Store, now it has 300,000. The number for non-Apple mobile devices has also grown rapidly and the overall apps market will expand even faster over the next couple of years, analysts say.

The apps industry will be worth US\$17.5 billion next year, a report published by research company Getlar forecasts. It says 50 billion applications will be downloaded by mobile phone users in 2012, a seven-fold increase on the seven billion downloaded in 2009.

The apps boom has occurred during the most acute global economic crisis since the Great Depression of the early 1930s, which makes its rapid growth all the more remarkable. Whether the internet will save civilisation as Eagleman argues in his iPad book is debatable, but the contribution of apps like his to saving the United States economy is increasingly important.

The state of California may follow many United States banks into bankruptcy, but Silicon Valley, its high-tech business community near San Francisco, is booming, partly because it is at the heart of the multi-billion dollar global apps industry. Silicon Valley's totem, Apple, is a huge beneficiary as its cut from each app sold at its store is 30 per cent.

Apple's dominant position among apps stores is challenged mainly by US competitors, including Google's Android Market, which has 70,000



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GAMES APPS DEVELOPMENT HAS BECOME AN EARLY 21ST-CENTURY GOLD RUSH. NON-EXISTENT IN 2007, SOCIAL GAMING IS NOW WORTH US\$640 MILLION WORLDWIDE AND WILL BE VALUED AT US\$1.5 MILLION IN 2014, ANALYSTS AT SCREEN DIGEST FORECAST.

apps available for the Android smartphone. Research company Gartner forecasts Microsoft SharePoint's business apps will be as popular as those on iPhone by 2015, when it will have 20,000 applications available.

The United States dominates apps development. About two-thirds of apps sold by Apple are developed in the US, and most of the rest are created in Europe and Japan. China's apps industry is developing and the country's officials have urged their mobile telephone companies to cooperate with each other to match the success of US firms like Google and Apple in providing apps to Chinese consumers.

Asia is the world's biggest mobile app consumer, accounting for 37 per cent of downloads in 2009, according to GetJar. However, North American consumers spent the most money on apps, generating 50 per cent of apps revenue, in 2009.

THE MIDDLE East's apps market was slow to develop initially, but the pace of growth is quickening. Apps developed by and for the Middle East market include Etisalat's *Yellow Pages*, which had 10,000 downloads after it was launched in spring 2010. AppsArabia, the Middle East's first and only investment fund financing apps development in the region, launched its first app, *Kalimat*, a collaborative iPhone game, in December 2010.

Games apps development has become an early 21st-century gold rush. Non-existent in 2007, social gaming is now worth US\$640 million worldwide and will be valued at US\$1.5 million in 2014, analysts at Screen Digest forecast.

The world's largest games app maker is California's three-year-old Zynga, which is growing at a faster rate than Google did during its formative years. Zynga has more than 215 million monthly active users playing its games, which include *FarmVille*, *Mafia Wars* and *Café World*.

1. Apple's iPhone gave rise to a multi-billion dollar apps industry.
2. Facebook co-founder Mark Zuckerberg, co-inventor of the game-changing social networking app.



FRONTIERVILLE

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Treasure Isle™



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1. **Frontierville and Treasure Isle: two of the most popular apps.**
2. **Bill Gates, founder of Microsoft.**

Most of the company's competitors are from the US, although London-based Playfish was a challenger before it was bought out by California's Electronic Arts in 2009. As a subsidiary, Playfish remains the world's second largest social gaming company.

More money will flow into the coffers of apps makers and sellers over the next couple of years. Revenue from European sales will rise from US\$1.5 billion in 2009 to US\$8.5 billion in 2012, forecasts GetJar. Meanwhile, US sales revenue will more than treble from US\$2.1 billion in 2009 to US\$6.7 billion in 2012, the company says.

Apps are popular because they allow a smart phone or tablet user to do much more than make a phonecall. They can search the internet, send email, swap photos, read a book and carry out a multitude of other tasks. Moreover, apps possess a flexibility that non-digital media does not. For example, Eagleman will send updated content of his iPad book direct to readers via the internet over the coming years.

The popularity of applications is also helping traditional businesses. Publishers are using apps to boost the sales of books, magazines

and newspapers. Faber and Faber, and Bloomsbury Book publishers produced their first ever iPad editions in time for the Christmas sales rush in 2010. Newspaper owners hope apps will help reverse declining sales revenues. From *The Times* in Britain to *The Daily Telegraph* in Australia, newspapers are producing apps for iPads that take readers to their pay-to-view websites.

Alongside a rapid expansion in the number of apps is the growing popularity of social networking sites, the biggest of which is still Facebook. Launched in 2004, Facebook had more than 500 million active users by July 2010. Networking sites like this have developed rapidly in nations that are not seen as traditionally high tech. Indonesia has the second largest number of Facebook users after the United States. Twenty-four million Indonesians, 10 per cent of the country's population, tag photos, write wall postings and send messages to their friends on this site.

They may also discuss Eagleman's book, and one or two may consider whether it could be turned into a computer game. The opportunities for creating new apps appear endless. ■

A Common Cause

Software entrepreneurs are among the world's most soft-hearted business people. The Bill and Melinda Gates Foundation has given US\$24 billion in grants to anti-poverty schemes since it was launched in 1994; Facebook co-founder Mark Zuckerberg's

donations include US\$100 million to help improve rundown schools in the United States and he has signed the Giving Pledge, a philanthropic scheme for billionaires initiated by Bill Gates and Warren Buffet, which commits him to give away more than half of his US\$7 billion fortune.

Aside from providing Zuckerberg with the means to accumulate great wealth to share with others, Facebook and other social media sites are becoming a force for good in their own right, as a means of promoting causes, raising funds and providing discussion forums.

Facebook co-founder Chris Hughes set up Juma in February last year as "a social network connecting individuals and organisations who want to change the world". Its news service brings visitors up to date on global health and poverty issues, and how projects aimed at alleviating these problems are progressing.

Zoetica provides charities and social enterprises with communications services. Its social networking site, Zoetica Salon, is an online community where charity workers can swap ideas, ask each other questions and make new contacts.

Skype provides free and low-cost phone and video calls via the internet, and it has developed software that allows UNHCR refugee aid workers, who often work in remote, inaccessible locations, to communicate with loved ones back home.

Twitter, the social networking and microblogging service has 175 million users worldwide. Charities campaigning on issues ranging from ending malaria to building libraries have tweeted to raise funds from fellow tweeters using its TwitPay platform to collect donations.