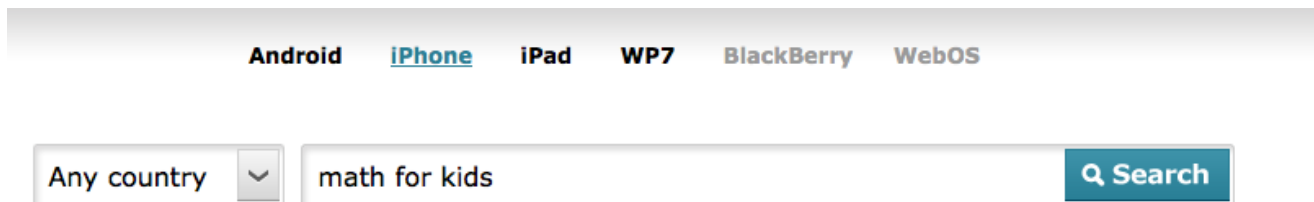


Free Your Apps Or Starve In Your Walled Garden

Matthaus Krzykowski, CEO Xyologic

About Xyologic

Who We Are – An App Store Search Company



Android **iPhone** iPad WP7 BlackBerry WebOS

Any country

Why You Should Care – We Know Who's Who In The App Economy

We index 650,000 apps on Apple iOS, Google Android, Microsoft WP7 in 27 countries. Our "AppRank" Algorithm estimates their local download numbers each month.

This makes our search results very relevant – users find what they search for.

It gives us unique insights into trends of the app economy, the key apps & apps publishers in each market.

CHECK OUT THE DOWNLOAD STATS OF YOUR APP AT XYOLOGIC.COM

So Your App Has A Couple Of Thousand Downloads Each Month

Deutsche Bahn Navigator - iPhone	43,000
DSDS by RTL Interactive - iPhone	42,000
BILD - iPhone	39,200
TV Spielfilm - Android	39,000
Autoscout 24 - Android	26,000

Source: Xyologic - Selected Top Downloaded Apps In The German Apple App Store, Android Market, April

Yet Already Millions Of Europeans Download Apps Each Month

France - iPhone	63M
Germany - iPhone	62M
UK - iPhone	98M
UK - Android	36M
UK - WP7	2M

Source: Xyologic - Selected Download Numbers By Country, April

The App Economy

IT'S ALREADY HERE, IT'S BIG AND IT'S
DISRUPTIVE.

The Silicon Valley View

Mobile Apps Disrupt Every Industry – Globally.



print media



retail



video



group buying



lodging



radio



directories



transportation

Disruptive – The Majority Of Downloaded Apps Are Free Apps

Android

0,065% of all

downloaded apps in Germany in April were paid apps.

iPhone

20,2% of all

downloaded apps in the UK in April were paid apps.

Source: Xyologic - Percentages of Free App Downloads as of Total Downloads per Country, April

Implications

1. FOR USERS IT'S ABOUT FREE APPS
2. THE VALUE OF AN APP IS IN USER USAGE
- A PAID APP KEEPS USERS AWAY

Disruptive – Your Local App Economy Is Not The Digital Island You Know From The Web



Selected Key Websites, Germany

It is not like the European Web – which can be seen as a series of local islands with local adoption patterns & strong local players.

New Consumer Behaviour Patterns Are Instantly Here

26.300 travel apps with 250 million total downloads on iOS and Android in February 2011

80% of the top 200 downloaded apps share some of the same 10 features. Google products are among the three most downloaded travel apps on iOS and Android; only adapted to markets by language and local information.

Only specific apps e.g. information on local transportation are provided by local publishers in local languages.

Insights from the study on the state of travel app development in US, UK, D, F, E, NL, PL and SE (2011) by 

Local Web Islands

Interface: Search

Search: Local Content

Language: Local

Competition: Among Local Brands

Marketing Budgets: Local

The App Economy

Interface: App Store

Search: International Apps

Language: Mostly English

Competition: Mostly Among International Apps

Marketing Budgets: Global

European App Publishers and Investors compete for user attention against international apps.

Your Local App Economy Has New Key Players

Country Rank	Previous Rank	App Title	Publisher	App Type	Category	Apps Published	Downloads This Month
1	New	Paradise Island	Cooper Media Corp.	Games	ARCADE	1	635,000
2	1	Facebook for Android	Facebook	Apps	SOCIAL	1	421,000
3	2	Google Maps	Google Inc.	Apps	TRAVEL_AND_LOCAL	39	366,000
4	4	Horoscope	Horoscope.fr	Apps	LIFESTYLE	4	363,000
5	6	WhatsApp Messenger	WhatsApp Inc.	Apps	COMMUNICATION	2	351,000
6	11	Angry Birds Rio	Rovio Mobile Ltd.	Games	ARCADE	4	347,000
7	75	Mouse Trap	Magma Mobile	Games	BRAIN	46	317,000
8	5	World Newspapers	Abhishek Kumar	Apps	NEWS_AND_MAGAZINES	15	293,000
9		Tap Fish	Gameview Studios	Games	CASUAL	2	250,000
10	7	Bubble Blast 2	Magma Mobile	Games	BRAIN	46	199,000
11		FreeMusicDownloader	Cosla	Apps	ENTERTAINMENT	1	174,000
12	10	Angry Birds Seasons	Rovio Mobile Ltd.	Games	ARCADE	4	144,000
13	3	Angry Birds	Rovio Mobile Ltd.	Games	ARCADE	4	129,000
14	60	Yoo Ninja! FREE	RunnerGames.Studios	Games	ARCADE	11	120,000
15	14	Speedx 3D full&free	HyperBees Ltd.	Games	ARCADE	13	117,000

Source: Xyologic - Top 15 Downloaded Apps, Android, Germany, April 2011

So Where Is The Money?

IN-APP PURCHASE

(& IN-APP ADVERTISING, UPSELLING,
COMPLEMENTARY SERVICES, SUBSCRIPTIONS,
CROSS-MARKETING AND A COUPLE MORE)

Gaming Comes First

40% of all downloaded free games on iPhone (US) were games with in-app purchase in March 2011

Source: <http://bit.ly/k5HhSx>

US Revenue Of Games On iOS & Android

\$800M in 2010

Up from \$500M in 2009

Disruption

PlayStation Portable, Nintendo DS

Source: <http://bit.ly/mdur6X>

Users Buy Virtual Goods



... and the Valley bets that in-app purchase extends beyond games

An Example of a feature users are willing to pay for – the Mighty Eagle feature in the Angry Birds game by Rovio Mobile

Users buy information and service



Comfortable navigation and safe car trips with live voice guidance

An Example of a feature users are willing to pay for – the Live Voice Guidance in MotionX-GPS Drive by Fullpower Technologies

Users buy information and service



Real-time video translation
of printed words

An Example of a feature users are willing to pay for – language packs (English/Spanish) in Word Lens by QuestVisual

Users buy information and service



Push notifications on flight status, airport directory, weather forecast and real-time flight boarding

An Example of a feature users are willing to pay for – the international FlightTrack Pro travel app by Mobiata

Advice

BUILDING AN APP IS ONLY A STEP

MAKE YOUR APP FREE

FIGURE OUT THE FEATURES YOUR USERS
CARE ABOUT AND ARE WILLING TO PAY FOR

DO YOUR RESEARCH – VISIT XYOLOGIC.COM

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