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Gartner Says Mobile App Stores Will See Annual Downloads Reach 102 Billion in 2013
Key Trends for the Mobile Industry to Be Examined at Gartner Symposium/ITxpo 2013, 10-14 November, Barcelona, Spain

STAMFORD, Conn., September 19, 2013 — Mobile app stores will see annual downloads reach 102 billion in 2013, up from 64 billion in 2012, according to Gartner, Inc. Total revenue in 2013 will reach \$26 billion, up from \$18 billion in 2012. Free apps will account for 91 per cent of total downloads in 2013 (see Table 1). Gartner said that in-app purchases (IAPs) will account for 48 per cent of app store revenue by 2017, up from 11 per cent in 2012.

"We expect strong growth in downloads through 2014, but growth is forecast to slow down a bit in later years," said Sandy Shen, research director at Gartner. "The average downloads per device should be high in early years as users get new devices and discover the apps they like. Over time they accumulate a portfolio of apps they like and stick to, so there will be moderate numbers of downloads in the later years."

"Free apps currently account for about 60 per cent and 80 per cent of the total available apps in Apple's App Store and Google Play, respectively," said Brian Blau, research director at Gartner. "iOS and Android app stores combined are forecast to account for 90 per cent of global downloads in 2017. These app stores are still increasingly active due to richer ecosystems and large and very active developer communities. However, we expect average monthly downloads per iOS device to decline from 4.9 in 2013 to 3.9 in 2017, while average monthly downloads per Android device will decline from 6.2 in 2013 to 5.8 in 2017. This relates back to the overall trend of users using the same apps more often rather than downloading new ones."

Table 1. Mobile App Store Downloads, Worldwide, 2010-2016 (Millions of Downloads)

	2012	2013	2014	2014	2016	2017
Free Downloads	57,331	82,876	127,704	167,054	211,313	253,914
Paid-for Downloads	6,654	9,186	11,105	12,574	13,488	14,778
Total Downloads	63,985	102,062	138,809	179,628	224,801	268,692
<i>Free Downloads %</i>	<i>89.6</i>	<i>91.0</i>	<i>92.0</i>	<i>93.0</i>	<i>94.0</i>	<i>94.5</i>

Source: Gartner (September 2013)

IAP purchases will drive 17 per cent of the store revenue in 2013 and increase to 48 per cent in 2017. However, as with downloads, IAP is expected to have strong growth in 2013 and 2014 and slow in later years. This is due to smart devices reaching more mass-market consumers whose willingness and/or affordability to spend on IAPs is lower than early adopters. Nevertheless, IAP will become a major monetisation method for apps stores and developers.

Research shows that IAP contributes to a significant amount of Apple's App Store revenue from iPhones worldwide. Other platforms have not reached such high levels as the iPhone, but analysts expect they will also see IAP contributions increase in the future.

"We see that users are not put off by the fact that they have already paid for an app, and are willing to spend more if they are happy with the experience, said Mr Blau."As a result, we believe that IAP is a promising and sustainable monetization method because it encourages performance-based purchasing; that is, users only pay when they are happy with the experience, and developers have to work hard to earn the revenue through good design and performance."

Additional information is available in the report "Forecast: Mobile App Stores, Worldwide, 2013 Update." The report is available on Gartner's web site at <http://www.gartner.com/resId=2584918>.

Trends in mobility will be discussed in more detail at Gartner Symposium/ITxpo 2013.

About Gartner Symposium/ITxpo

Gartner Symposium/ITxpo is the world's most important gathering of CIOs and other senior IT executives. This event delivers independent and objective content with the authority and weight of the world's leading IT research and advisory organization, and provides access to the latest solutions from key technology providers. Gartner's annual Symposium/ITxpo events are key components of attendees' annual planning efforts. IT executives rely on Gartner Symposium/ITxpo to gain insight into how their organizations can use IT to address business challenges and improve operational efficiency.

Additional information for Gartner Symposium/ITxpo 2013 in Barcelona, 10-14 November, is available at www.gartner.com/emea/symposium. Members of the media can register for the event by contacting Laurence Goasduff at laurence.goasduff@gartner.com.

Additional information from the event will be shared on Twitter at http://twitter.com/Gartner_inc and using #GartnerSym.

Upcoming dates and locations for Gartner Symposium/ITxpo include:

6-10 October, Orlando, Florida: www.gartner.com/us/symposium

15-17 October, Tokyo, Japan: www.gartner.com/jp/symposium

21-24 October, Goa, India: www.gartner.com/in/symposium

28-31 October, Gold Coast, Australia: www.gartner.com/au/symposium

4-7 November, Sao Paulo, Brazil: www.gartner.com/br/symposium

10-14 November, Barcelona, Spain: www.gartner.com/eu/symposium

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