What to Expect from Mobile Apps: 2018 and Beyond Forecast

MMA Webinar Series
May 15, 2018

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MMA PURPOSE

WHO: The People We Serve

Prime Audience: *Chief Marketers*

By helping Marketers do Mobile better, everyone wins. MMA membership represents Marketers, Agency, Media and Technology Enablers from across the globe.

WHY: Our Reason for Being

Mission:To accelerate the transformation and innovation of marketing through mobile, driving business growth with closer and stronger consumer engagement.

WHAT: Our Strategic Priorities

Cultivating Inspiration

Aimed at the Chief Marketer; guiding best practices and driving innovation

Building Capability for Success

Fostering know-how and confidence within the Chief Marketer's organization

Demonstrating Measurement and Impact

Proving the effectiveness and impact of mobile through research providing tangible ROI measurement and other data

Advocacy

Working with partners and our members to protect the mobile marketing industry

MMA IS 800+ MEMBERS STRONG GLOBALLY

MARKETERS, AGENCIES, MEDIA SELLERS, TECHNOLOGY & OPERATORS

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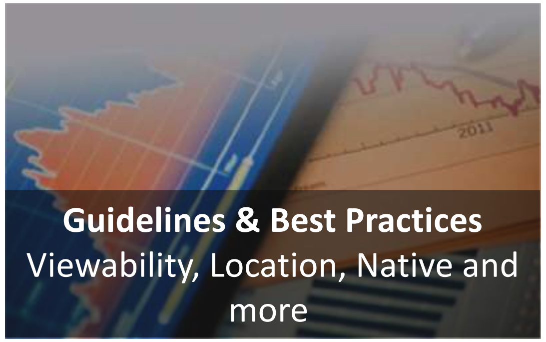
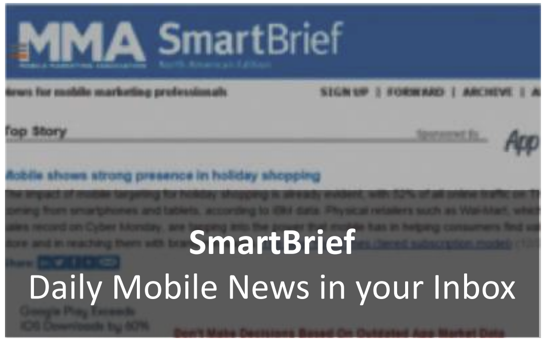
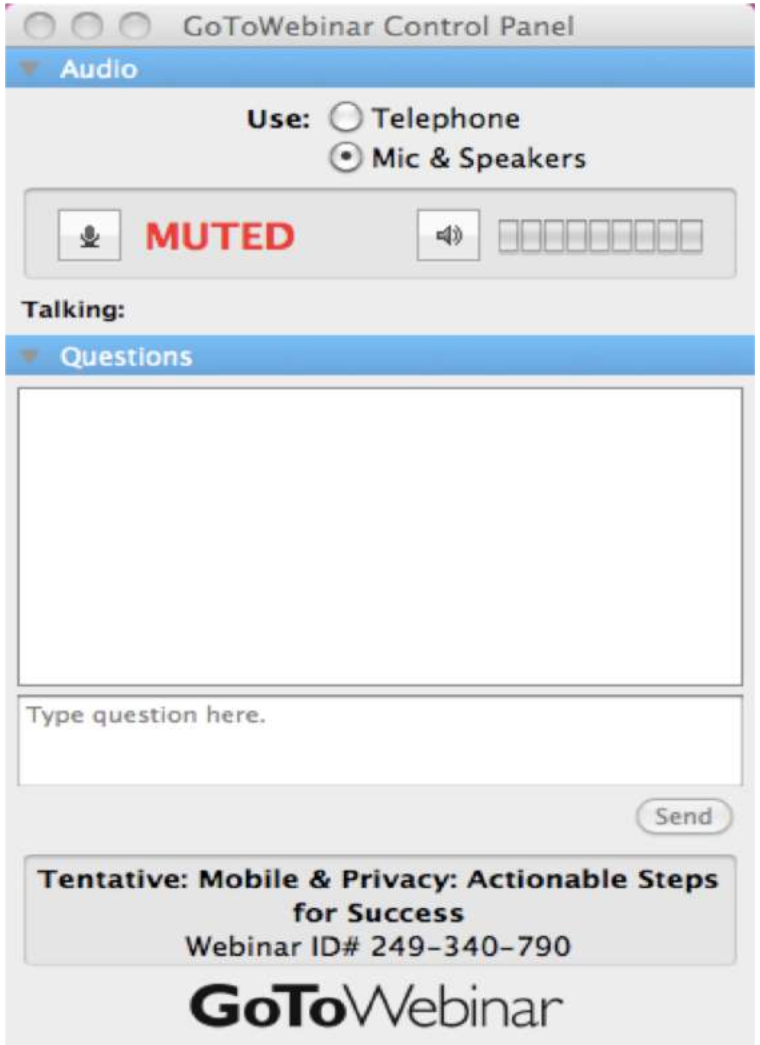
MMA MEMBERSHIP





MANAGING YOUR QUESTIONS



Share the Insights

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Agenda

- App Annie Overview
- App Maturity Model
- App Usage & Engagement
- App Store Forecast
- Summary
- Q&A

App Annie Is the Most Trusted Partner in the App Economy

Our enterprise customers span industries and the globe

Our data is the most cited by app industry leaders and media

App Annie

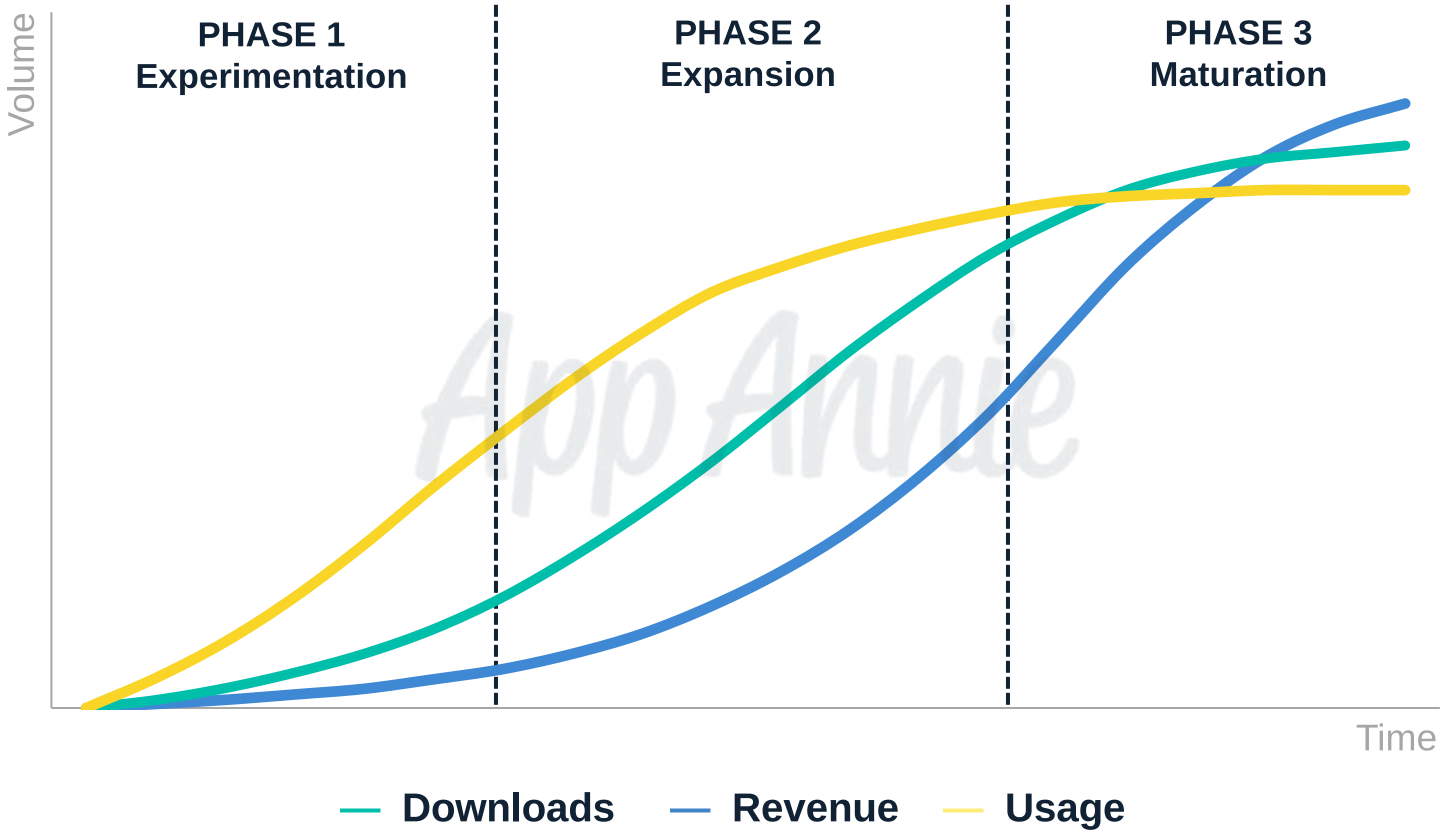
APP ANNIE INTELLIGENCE

Confidently Navigate the Entire App Lifecycle

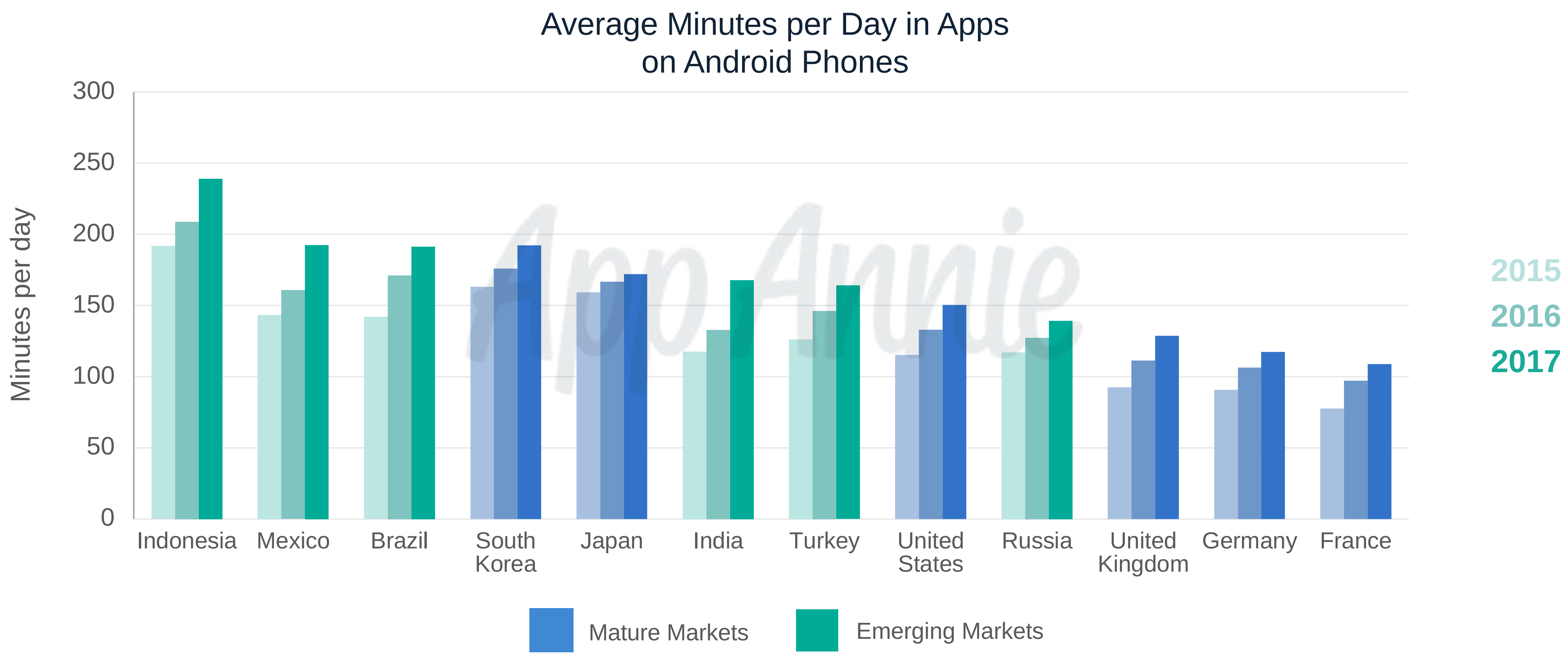
The industry's trusted global app market data. Cutting edge insights. One integrated platform.

APP ANNIE'S

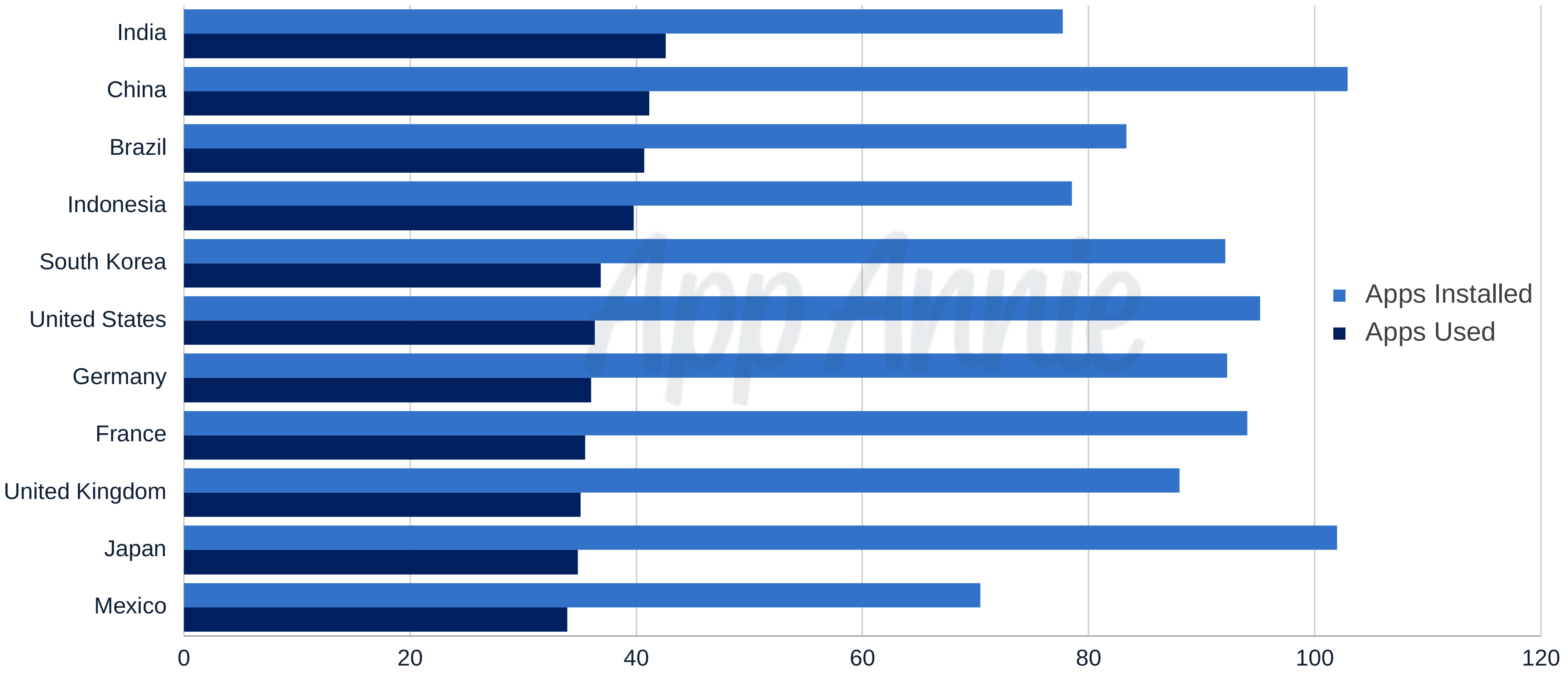
App Market Maturity Model



Consumers Currently Spend Nearly 3 Hours/Day in Apps



Consumers Use Nearly 40 Apps / Month



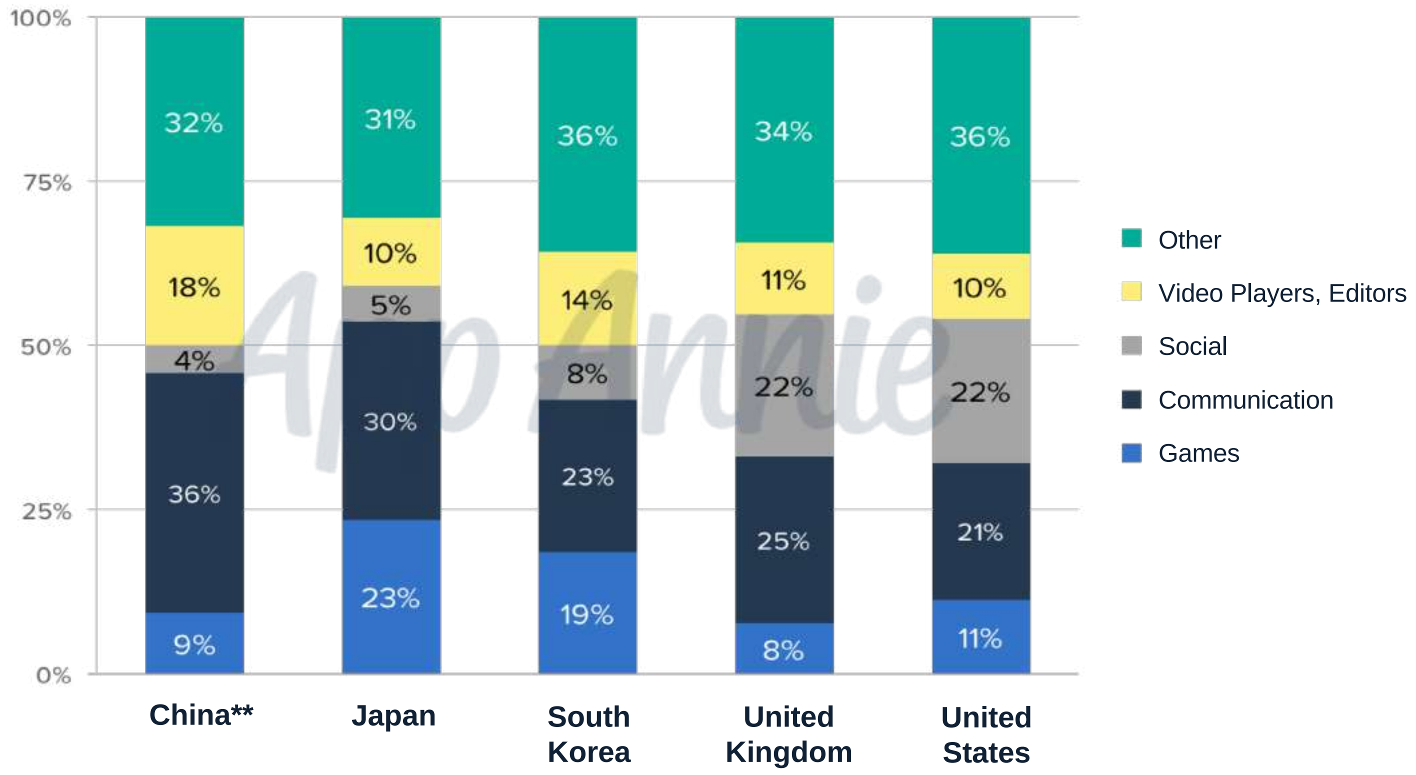
Apps Are More than Social & Games

Social + Comms make up 23-53% of time spent

App users in China spend >90% of their time in apps outside of games

Video Players & Editors have become popular and lucrative, especially in China

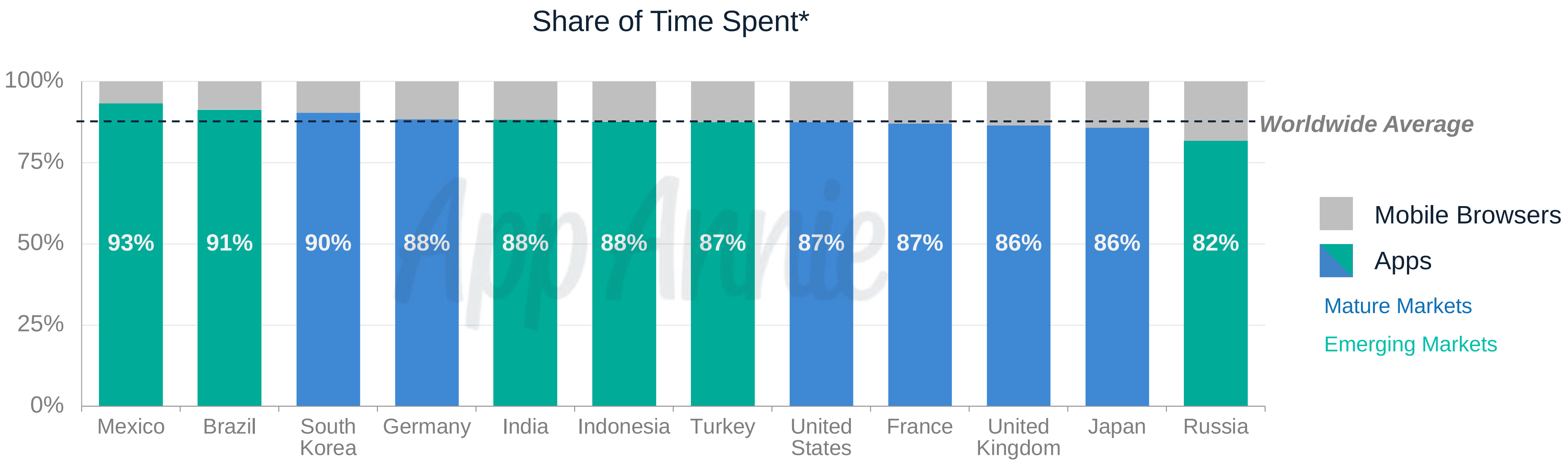
Share of Time by Category in Select Markets*
Android Phone, 2017



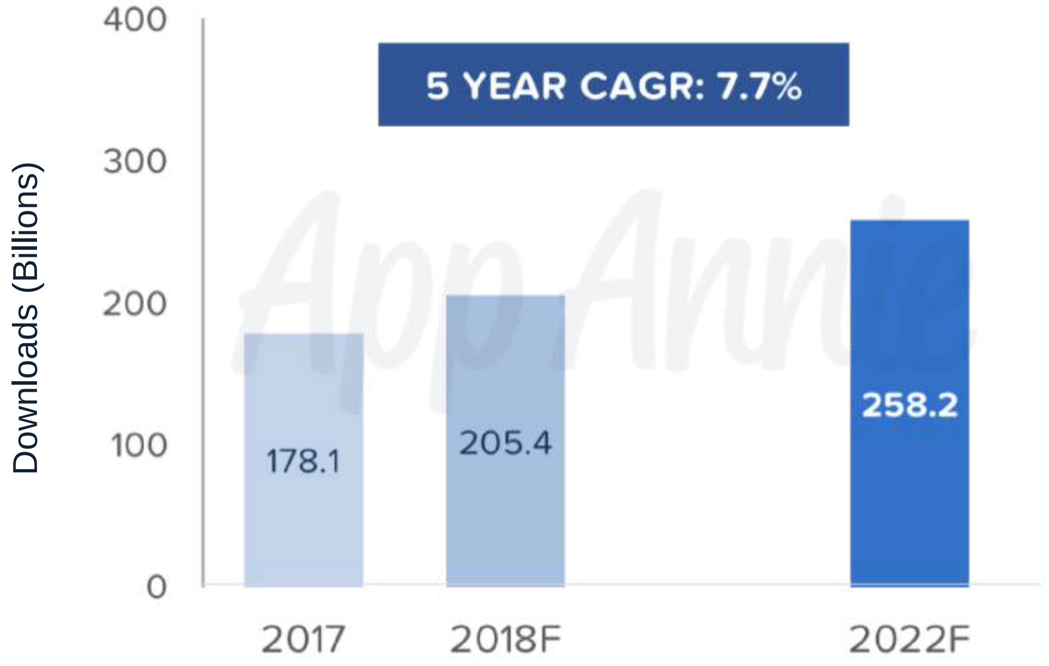
*Percentages for some countries may not sum to 100% due to rounding

**China is Q4 2017

7 Out of Every 8 Minutes Is Spent in Apps vs Browser



Global App Downloads to Exceed 258 Billion in 2022



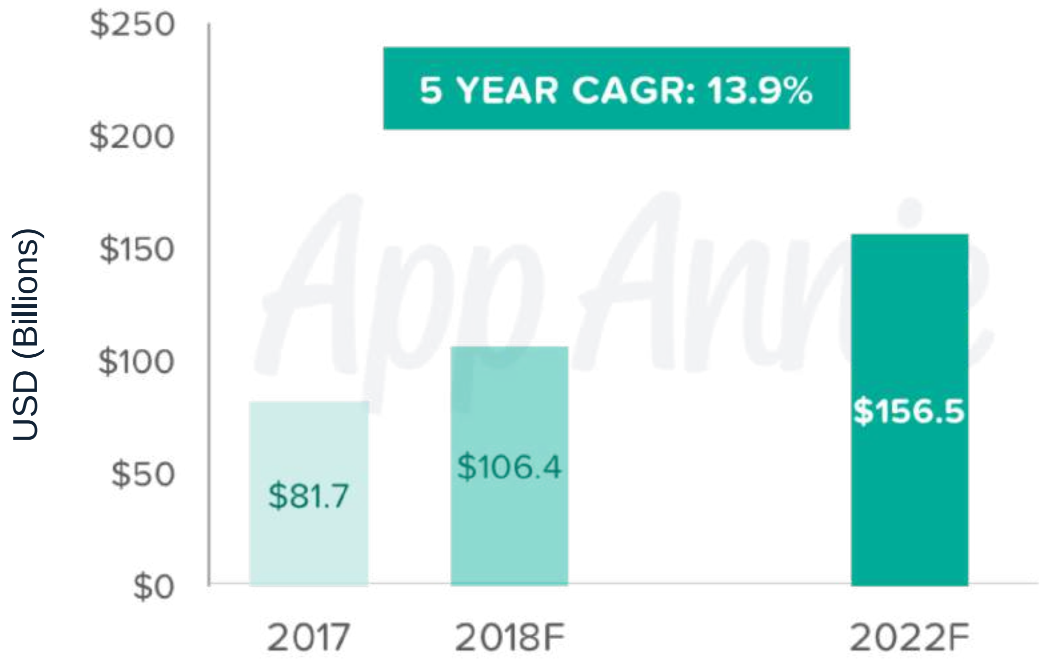
Note: iOS App Store, Google Play and third-party Android stores combined. Downloads are first time downloads only; re-installs and updates are excluded.

Worldwide App Downloads

Download growth will be driven by an expanding smartphone install base: 3.9B in 2017 to 6.1B in 2022

First time smartphone buyers in emerging markets leading device growth

Consumer Spend in the App Stores to Hit $156.5B in 2022



Note: iOS App Store, Google Play and third-party Android stores combined. Spend is gross, app store fees are included

Worldwide Consumer Spend Driven By:

Increasing spend per device in more mature markets

Growing device install base, especially in developing markets

China to Remain Largest Market by App Downloads

Rank	Country	2017	2022	Change from 2017
1	China	79.3	119.5	51%
2	India	12.1	37.2	208%
3	United States	11.3	10.3	-9%
4	Brazil	6.3	8.4	34%
5	Russia	4.3	6.7	55%

Note: iOS App Store, Google Play and third-party Android stores combined

Top Countries by Downloads (Billions) in 2022

Explosive growth will continue in India driven by large and expanding smartphone population

Absolute downloads will remain high in the US and Japan with an average of 21 and 15 new apps downloaded annually per device in 2022, respectively

Consumer Spend in China Will Double From 2017

Rank	Country	2017	2022	Change from 2017
1	China	$30.2	**$62.4**	107%
2	United States	$15.0	**$29.7**	97%
3	Japan	$13.7	**$20.9**	52%
4	South Korea	$3.9	**$7.9**	103%
5	Germany	$1.4	**$2.7**	91%

Note: iOS App Store, Google Play and third-party Android stores combined

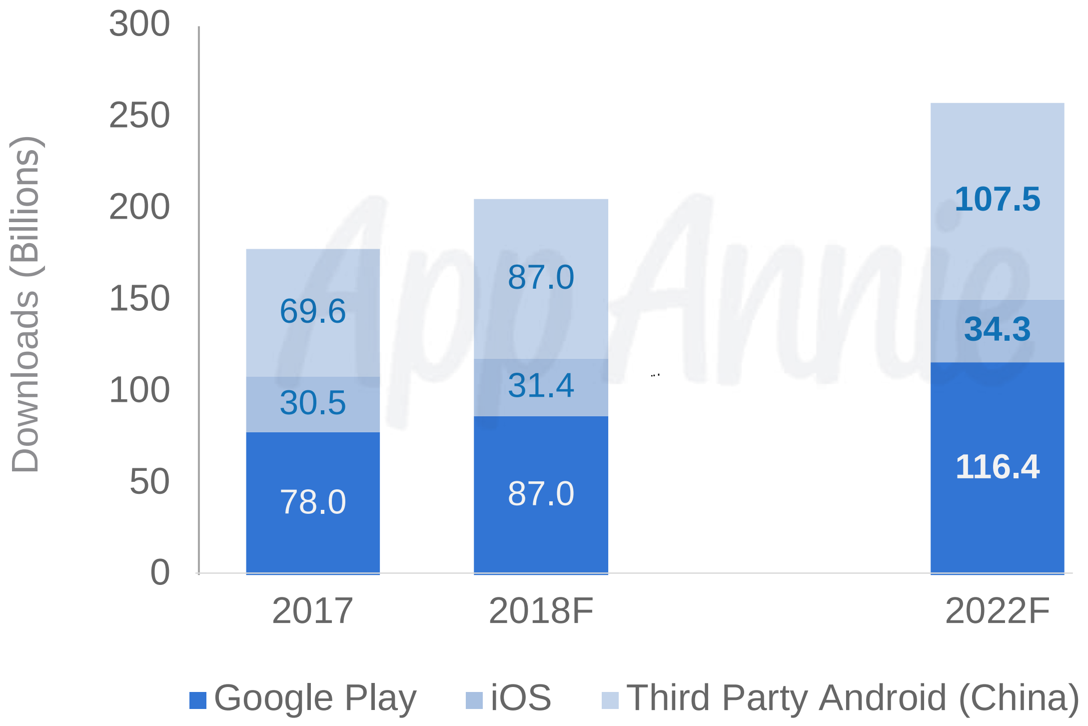
Top Countries by Spend (Billions USD) in 2022

More mature markets such as the United States, Japan and South Korea will see strong growth in spend

In emerging markets like India, willingness to spend on digital products is forecasted to grow

In mature markets with a high disposable income, such as U.S., Japan and tier 1-2 cities in China, will remain the top contributors

Third Party Android Fueled by China While Google Play Gains Globally



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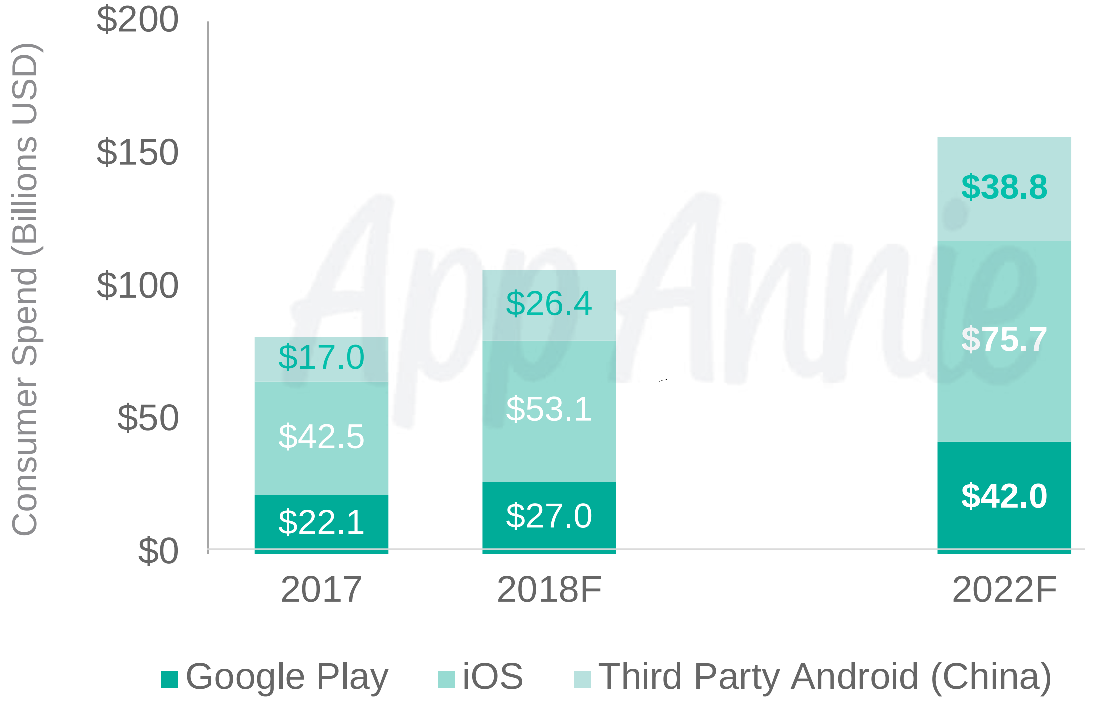
Worldwide Downloads by App Store

Global Android to iOS ratio is 3:1

Android fueling first time users and less mature markets, driving high downloads

TPA driven by China; outside of China, TPA led by operators, OEMs and platform players

iOS App Store Remains Largest Single Store as All Android Combined Leads in 2018



Spend is gross, app store fees are included

Consumer Spend by App Store

Apple's lead in $ per device allows it to drive the largest spend of any app store

All Android stores combined to see spend double by 2022 to nearly $81B

Spend Per Device Forecast to Hit $25.65 in 2022

Note: iOS App Store, Google Play and third-party Android stores combined

Worldwide Average Annual App Spend Per Device

Smartphone penetration will increase in emerging markets with evermore affordable handsets and initiatives such as Android Go and Facebook Connectivity

Mobile will increasingly capture share of wallet and by 2022, average spend per device for apps will reach **$25.65**

Annual per device spend in Japan will exceed $140 in 2022: 6x the global average, highest in world

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In Summary

- The global mobile device **install base will increase 56%** from 3.9B in 2017 to 6.1B in 2022
- Downloads expected to reach **258B in 2022**
- Consumer spend on **apps to nearly double from 2017**, reaching $156.6B in 2022
- **China to remain largest market** and Japan, U.S., S. Korea to drive highest spend per device through forecast period
- App economy is more than spend in app stores, with in-app advertising already larger and mobile **commerce climbing into the trillions**

Q&A

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because the future of mobile is the future of business

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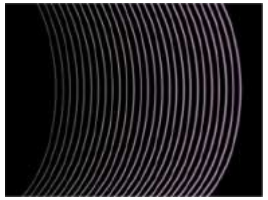
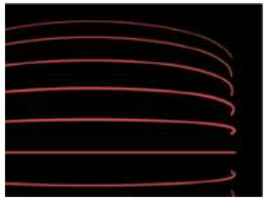


The Smarties
October 1, 2018
New York City



Innovate
October 1 -2 , 2018
New York City

http://www.mmaglobal.com/events

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MMA PROGRAMS & INITIATIVES

Currency Measurement	Internet of Things	Location	Mobile Games	Mobile Messaging
Mobile Native Advertising	Mobile Programmatic	Mobile Shopper Marketing	Mobile Video	Privacy

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