

MOBILE

How do people really use apps? We asked an expert

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The rapid and relentless rise of the smartphone can't be easily explained because it was driven by the convergence of multiple trends and technologies. But if you were to search for the evolutionary leap from feature phones, it would be hard to look past apps. By making it easy to develop, share, and sell apps, and allowing developers to dig into device functionality in new ways, Apple, and later Google, paved the way for an industry that has claimed a healthy portion of our daily attention.

"Every consumer-facing business is being transformed by apps," Bertrand Schmitt, CEO, chairman, and co-founder of [App Annie](#), told Digital Trends. "Consumers are spending around three hours a day on their smartphone on apps."

The mobile app industry is now incredibly diverse and generates enormous sums of money.

Perhaps best summed up by Apple's fiendishly clever 2009 ad slogan, "There's an app for that," the mobile app industry is now incredibly diverse and generates enormous sums of money.

Globally, there were 175 billion app downloads in 2017, and people spent \$86 billion in app stores in the same year. App Annie can pull together this kind of data because it has built up an enormous

reach that includes more than one million connected apps and more than one million registered users.

“We have many, many different sources of data, from apps, public information, our partners,” Schmitt said. “The big thing is we don’t save user data, all the data we provide is aggregated — it’s an estimate — we never directly share anything.”

The company has passed its eighth birthday and now employs more than 450 people across 13 different countries. Headquartered in San Francisco, it has always covered the whole world in its analysis. With more than 900 enterprise customers, App Annie serves up insights to everyone from big tech companies, gaming companies, and social networks, to major players in retail, travel, and transportation.

VALUE OF AN APP STORE

Schmitt has been involved in the mobile industry for close to 25 years, starting out programming calculators, before graduating to PDAs, the first cell phones, and then smartphones. When Apple’s iOS App Store opened in 2008, Schmitt saw an exciting opportunity.

2017: A Monumental Year for Apps (Retrospective Report)



"I could see the value of the App Store because I could see where the web was not really efficient," Schmitt said.

While it had been difficult to install and maintain apps on cell phones, the App Store changed all that, making it much easier for users and developers. Schmitt co-founded App Annie driven by a desire to find out what was working, what was growing, and which countries were accelerating fastest. The upward trajectory of the app industry since then has been positively meteoric.

"Your target market definitely has a smartphone now, that can be your base expectation, but a few years back it wasn't," he said. "The average user now has around 80 apps installed and uses around 40 every month".

HOW DO WE USE APPS

Most people use around 10 apps every single day, but there are also apps that we perhaps only dip into once a year – like a travel or airline app. Apps are generally better quality than they were just a few years ago; they have more functionality, and they're better supported. While most of us have go-to apps that we fire up more than we should, it seems that no one app is dominating the landscape.

"The average user now has around 80 apps installed and uses around 40 every month."

"I don't think there is any app where users are spending more than 20 percent of their time," Schmitt said.

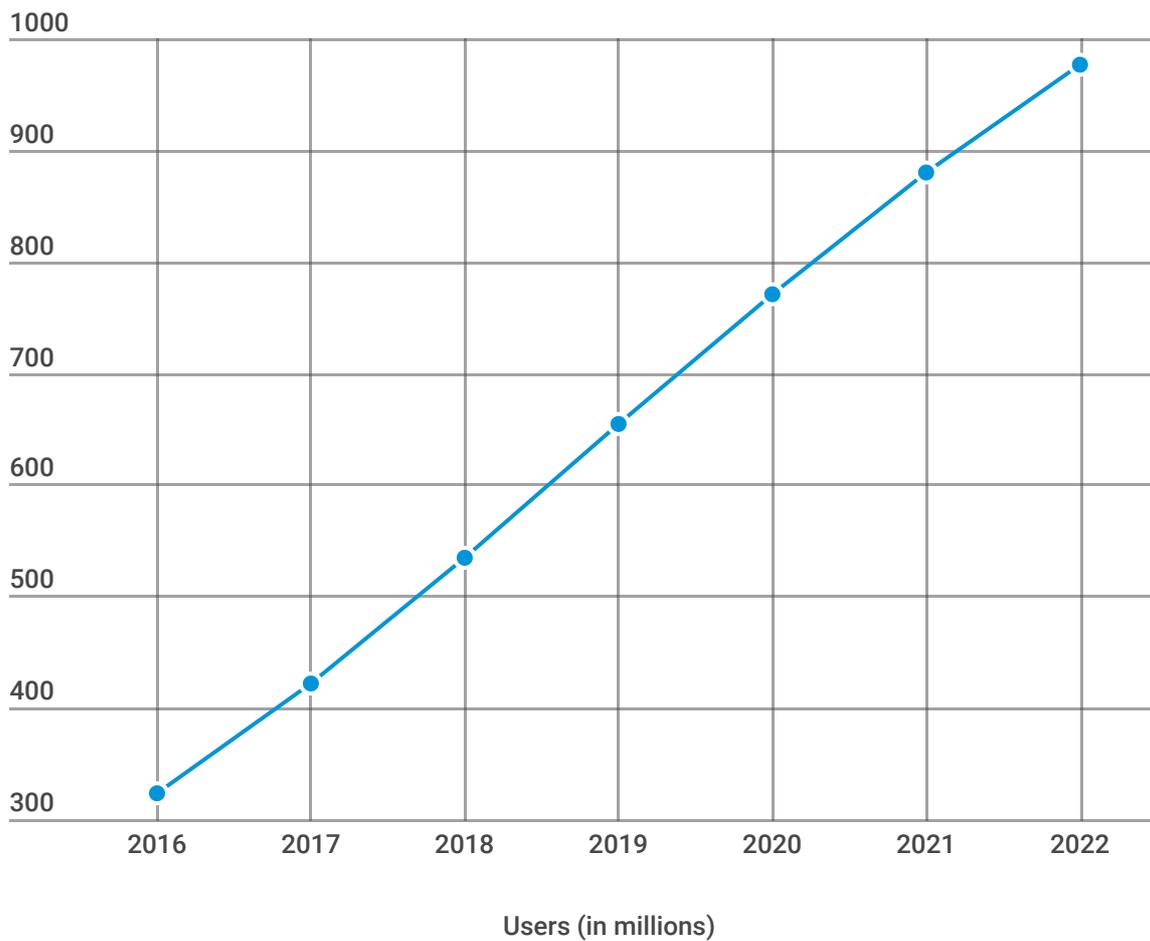
Time spent isn't always the best measure in any case. A retail app that works well allows people to find what they're looking for and buy it quickly. If you're spending a long time on something like a train app trying to buy a ticket, then it's probably a sign that something is wrong.

There's a lot of growth across the industry, but games, entertainment, retail, travel, and finance seem to be outpacing other categories. There are significant differences from country to country and there are some areas where the U.S. is lagging.

"In China payments have moved much faster than everywhere else," Schmitt explains. "It's impressive that you can now buy anything using the Wechat payment system. You can even use it with street vendors and taxi drivers."

It may take a while longer for [mobile payments to go mainstream](#) in the U.S., but Schmitt agrees that payments on mobile will be widely accepted within a few years. It seems that this kind of gap in development is quite unusual.

Mobile POS Payment Forecast



Source: Statista, March 2018; Selected region only includes countries listed in Digital Market Outlook

“We usually see trends moving rapidly across markets. It might start from one market maybe China, U.S., Korea, or France, but it moves very fast across the world,” Schmitt said. “If someone has a good idea, in two years it will be everywhere. There’s more visibility into what’s working and what’s not working.”

Speaking of what’s not working, Schmitt mentions augmented reality (AR), pointing out that there are only two successful apps in the space so far: Snapchat and *Pokémon Go*, but even there the AR part is a gimmick on top of a location-based game. He’s also not entirely convinced by VR.

“VR is a great innovation, but the level of hype was way beyond anything I’ve seen that will take such a long time to get to scale. The big question of what it’s for remains, and outside of gaming it’s not clear.”

The conversation drifts into the future of apps and we discuss car apps that can replace keys, and home automation apps — “people want one app to do everything otherwise it’s too complex.” Schmitt agrees that this increasingly means buying into one ecosystem or another, whether it’s Google or Apple, but suggests “It’s a fair fight and it’s good for consumers: Get educated and make an informed choice.”

Whatever does come next, the outlook for mobile apps is extremely healthy. App Annie predicts that **by 2021, 6.3 billion mobile users will be spending \$139 billion in the app stores**, and in-app advertising spend will double from the \$101 billion spent last year. Mobile apps look set to be an increasingly important player in our daily lives, replacing things like keys and wallets and enabling us to do more.

“We are heading in the right direction to where we have one device to rule them all.”

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