

# Mobile app stores Economy: Japan

Infinity Ventures Summit  
15 June 2012

*App Annie*



THE MATH BEHIND THE APP STORES

**1.About App Annie**

2.Just how Big is iOS in APAC?

3.iOS and Google Play:

Who is winning in Japan and US?

# Content Distribution over the Years

**1950<sub>s</sub>**



## Broadcast

Market data for TV ratings etc.

**2000<sub>s</sub>**



## Open Web

Market data for websites, visits, visitors etc.

**2010<sub>s</sub>**



## Digital App Stores

Market data for all kinds of digital app content including games, music, books, software etc.

## Retail

market data for physical consumer goods



**As media landscapes evolve, so should Market Data**

 In 2011, App Annie raised a Series A funding round led by IDG Capital Partners.

# #1 app store analytics and market data for iOS and Google Play, and growing!

## App & Game Publishers



## VCs, Media Agencies



## OEMs, Carriers, Platforms



## Selection of Paid Customers



80% of the Top 100 iOS Publishers WW  
100,000+ apps, 13,000+ publishers

# Who's using App Annie in Japan?

## Selection of Free Users in Japan

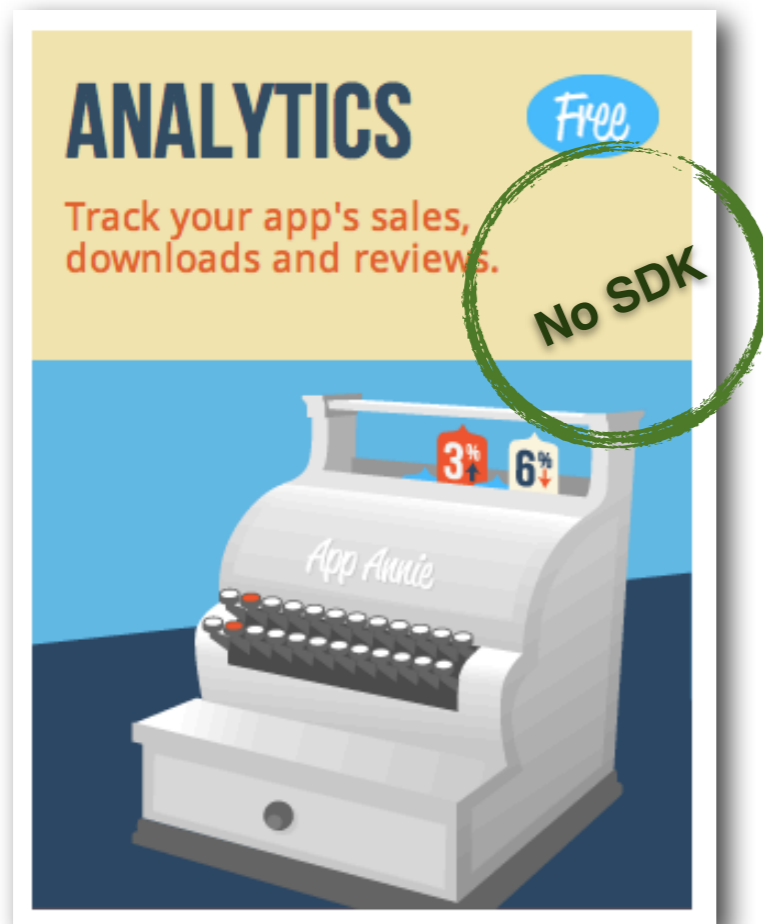


## Selection of Paid Customers in Japan



After the US, App Annie's 2nd biggest market is Japan

# App Annie Products on iOS and Google Play



**Tracks app performance:  
sales, downloads, reviews**

Used by more than 100,000+  
apps and 13,000+ publishers

**Analyze global app  
stores rankings**

Tracks rankings of 850,000+  
apps

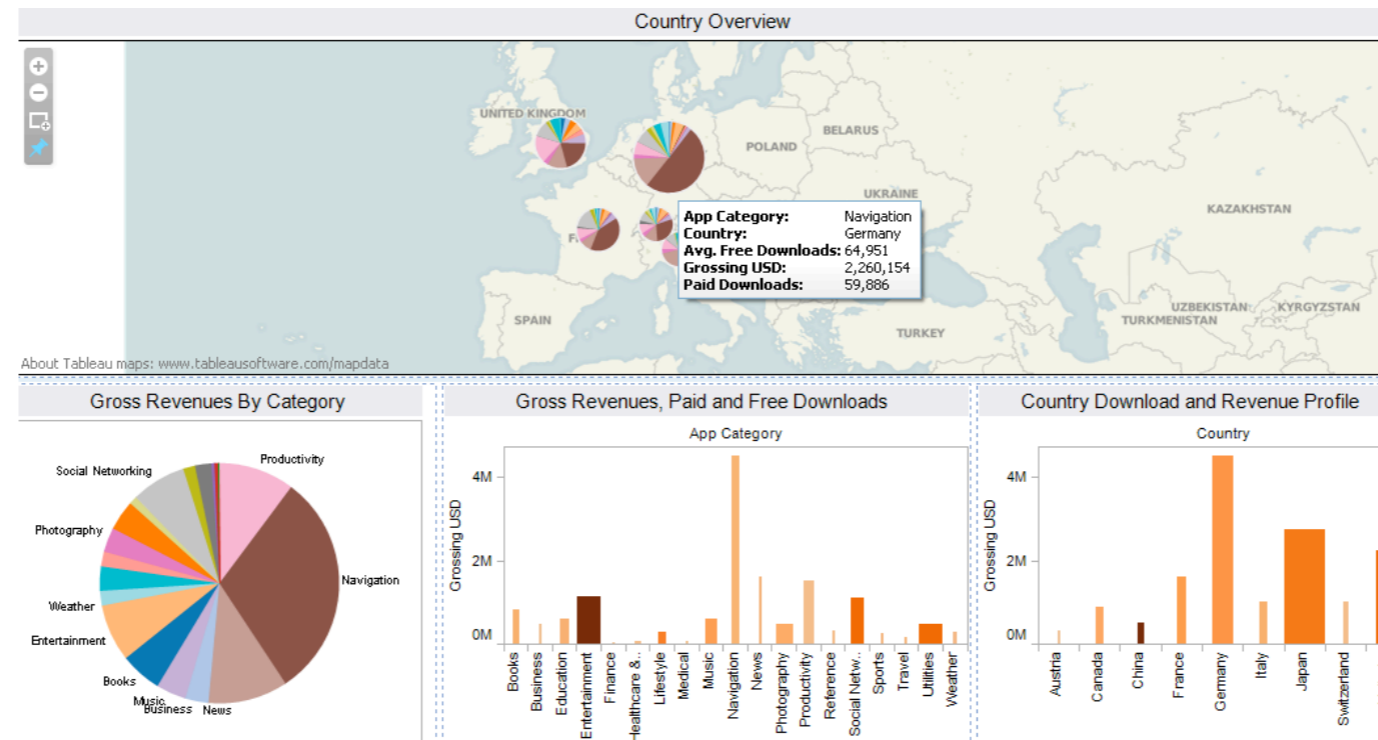
**Advanced market  
intelligence data**

The most accurate market  
estimates for app stores

**A unique suite of freemium services for the app industry**

# App Annie Intelligence

## The most accurate estimates available for app stores



<b>Competitor Strategy</b>	Follow competitors and calculate market share
<b>International Strategy</b>	Plan international expansion based on ROI, growth trends
<b>Product Portfolio Strategy</b>	Understand what kinds of IP are commercially successful
<b>Monetization Strategy</b>	Know what monetization strategies actually work
<b>Ad Buying Strategy</b>	How many downloads to get into Top 25?

**Subscribed by 10 of the Top 20 iOS publishers worldwide!**

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# Top Countries WW on iOS

## Revenues

1. United States
<b>2. Japan</b>
3. United Kingdom
<b>4. Australia</b>
5. Canada
6. Germany
7. France
8. Italy
<b>9. China</b>
10. Russia
11. Switzerland
12. Netherlands
<b>13. South Korea</b>
14. Brazil
15. Spain
16. Mexico
17. Sweden
18. Mexico
<b>19. Singapore</b>
<b>20. Taiwan</b>

## Downloads

1. United States
<b>2. China</b>
<b>3. Japan</b>
4. United Kingdom
5. France
6. Germany
7. Canada
<b>8. Australia</b>
9. Italy
10. Russia
<b>11. South Korea</b>
<b>12. Thailand</b>
<b>13. Taiwan</b>
14. Spain
15. Mexico
16. Brazil
17. Netherlands
<b>18. Hong Kong</b>
19. Saudi Arabia
20. Sweden

**Japan biggest APAC  
country in revenues**

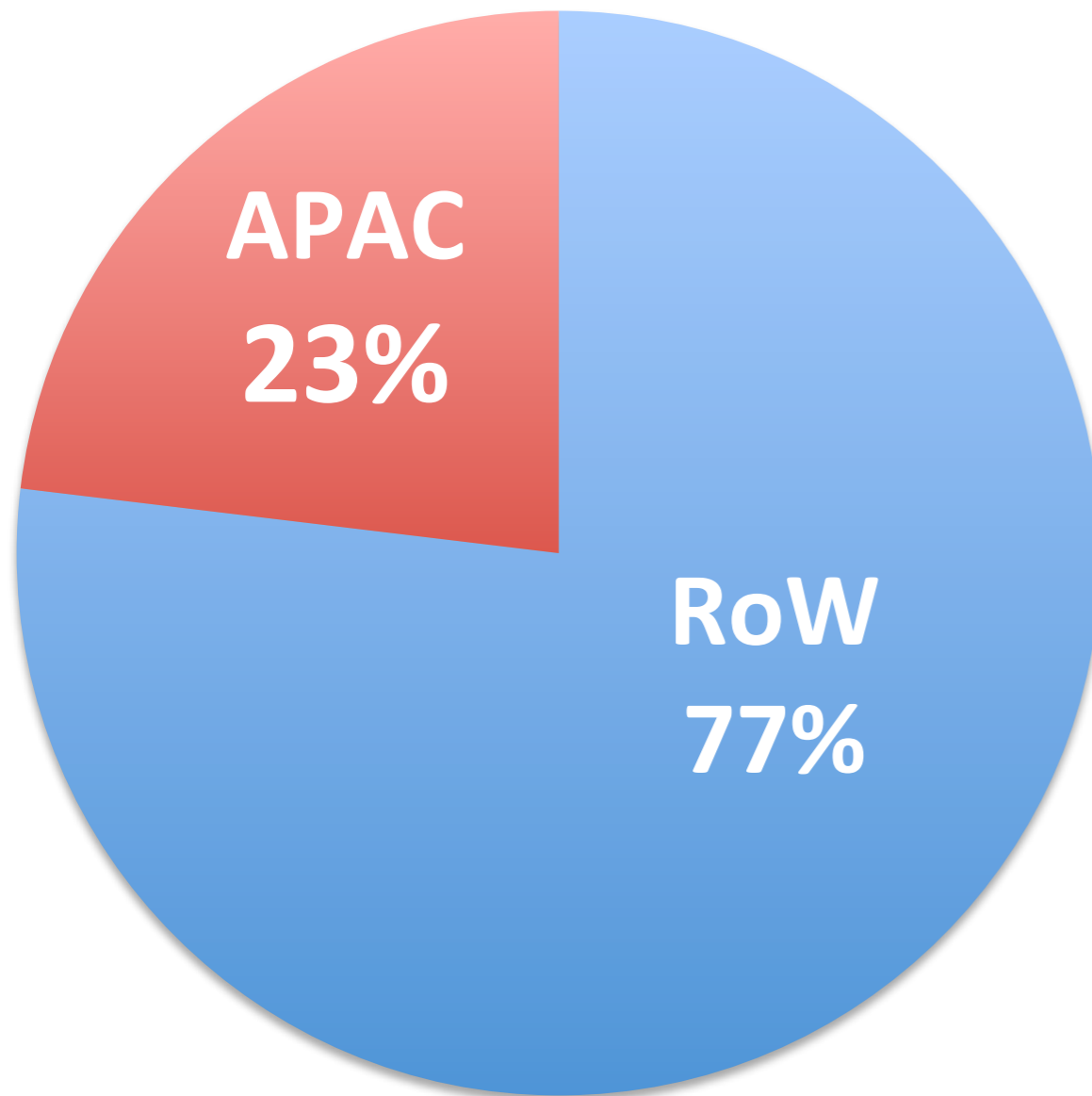
**China biggest APAC  
country in downloads**

*Based on App Annie Intelligence  
worldwide data, Apr 2012*

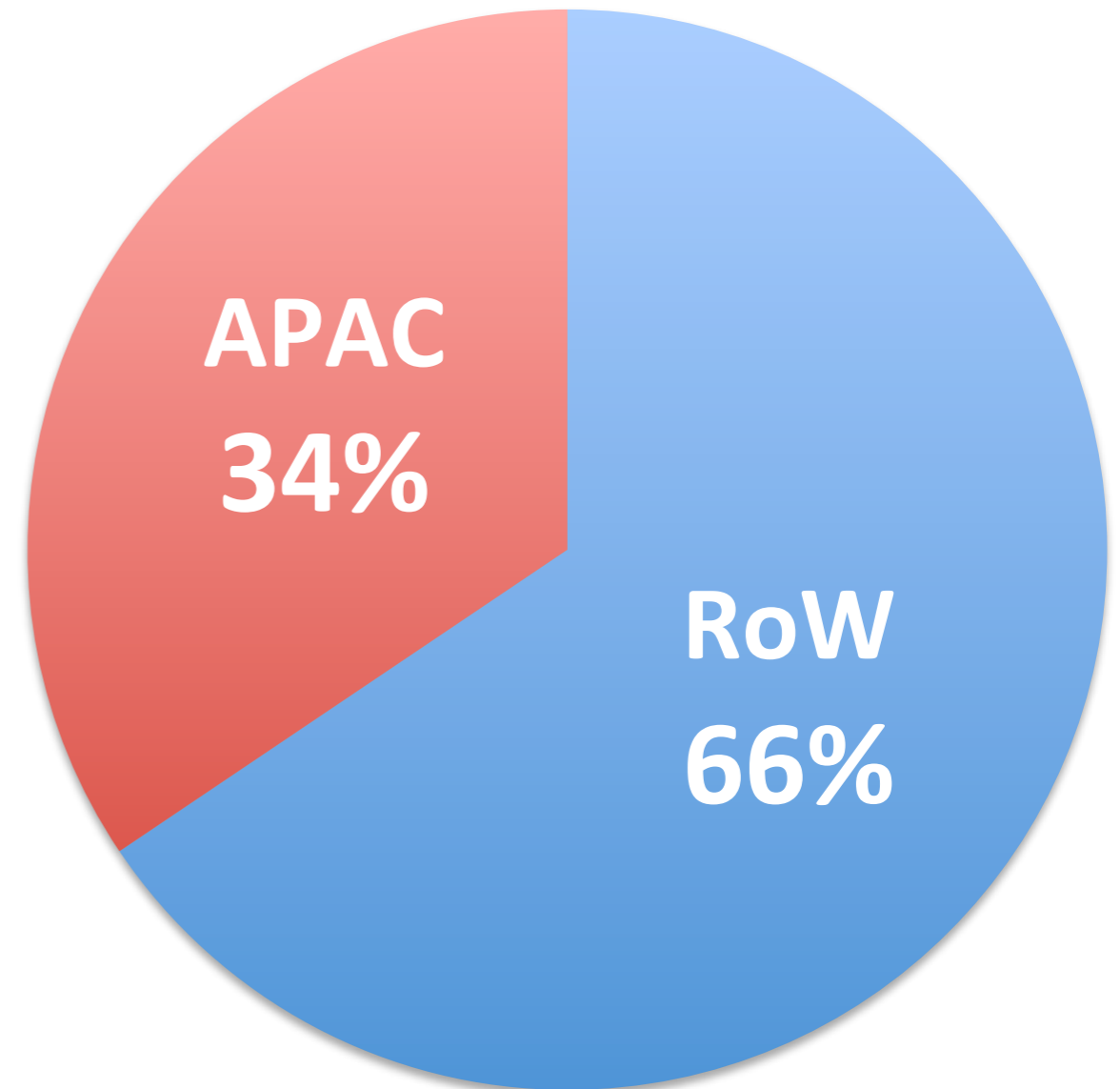
*App Annie*

# APAC vs Rest of World on iOS

## Revenues



## Downloads



**APAC is bigger on downloads  
than revenue on iOS**

APAC: Australia, China, Hong Kong, Indonesia, Japan, Korea, Macau, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand, Vietnam

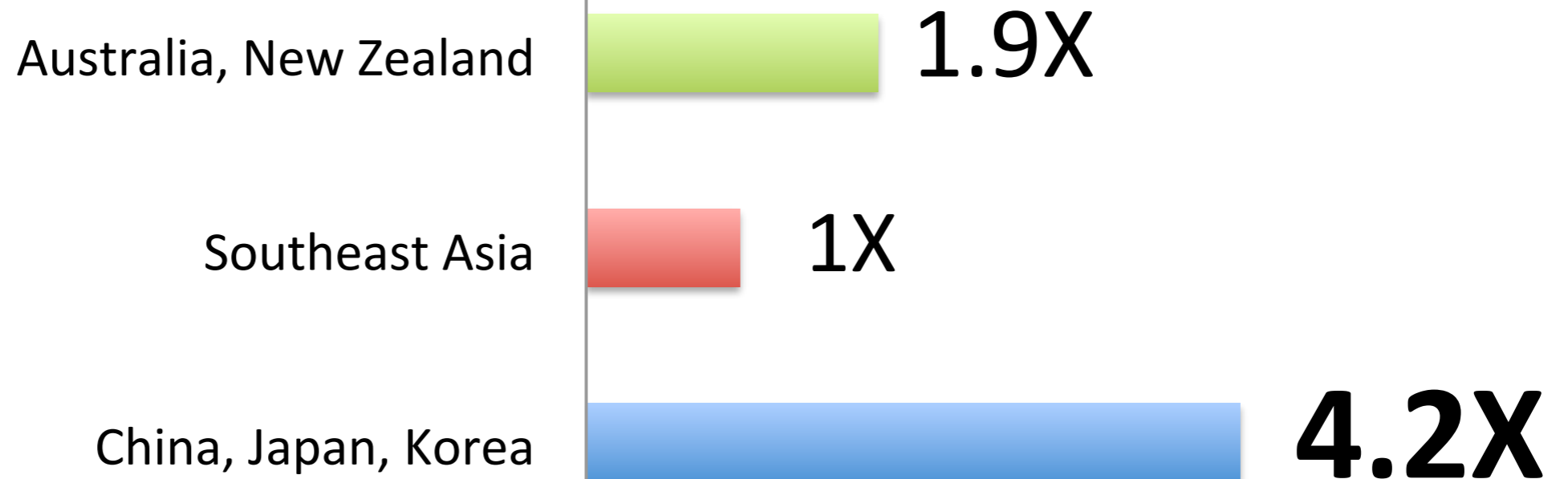
Based on App Annie Intelligence worldwide data, Apr 2012

RTY OF APP ANNIE - DO NOT DISCLOSE

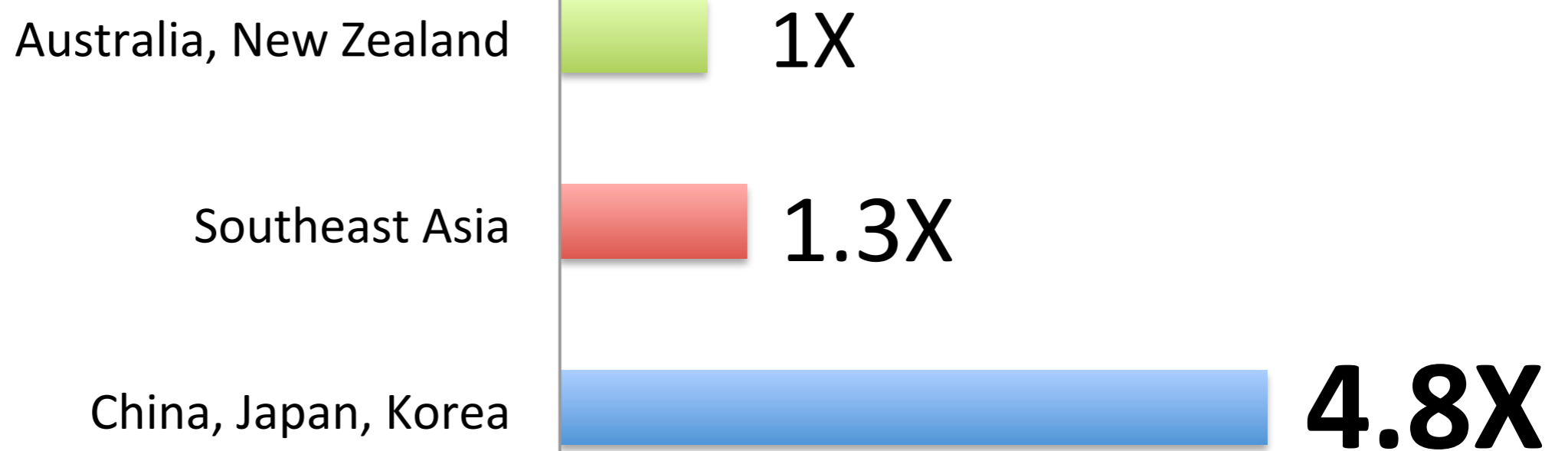
App Annie

# How APAC Regions Compare on iOS

## Revenues

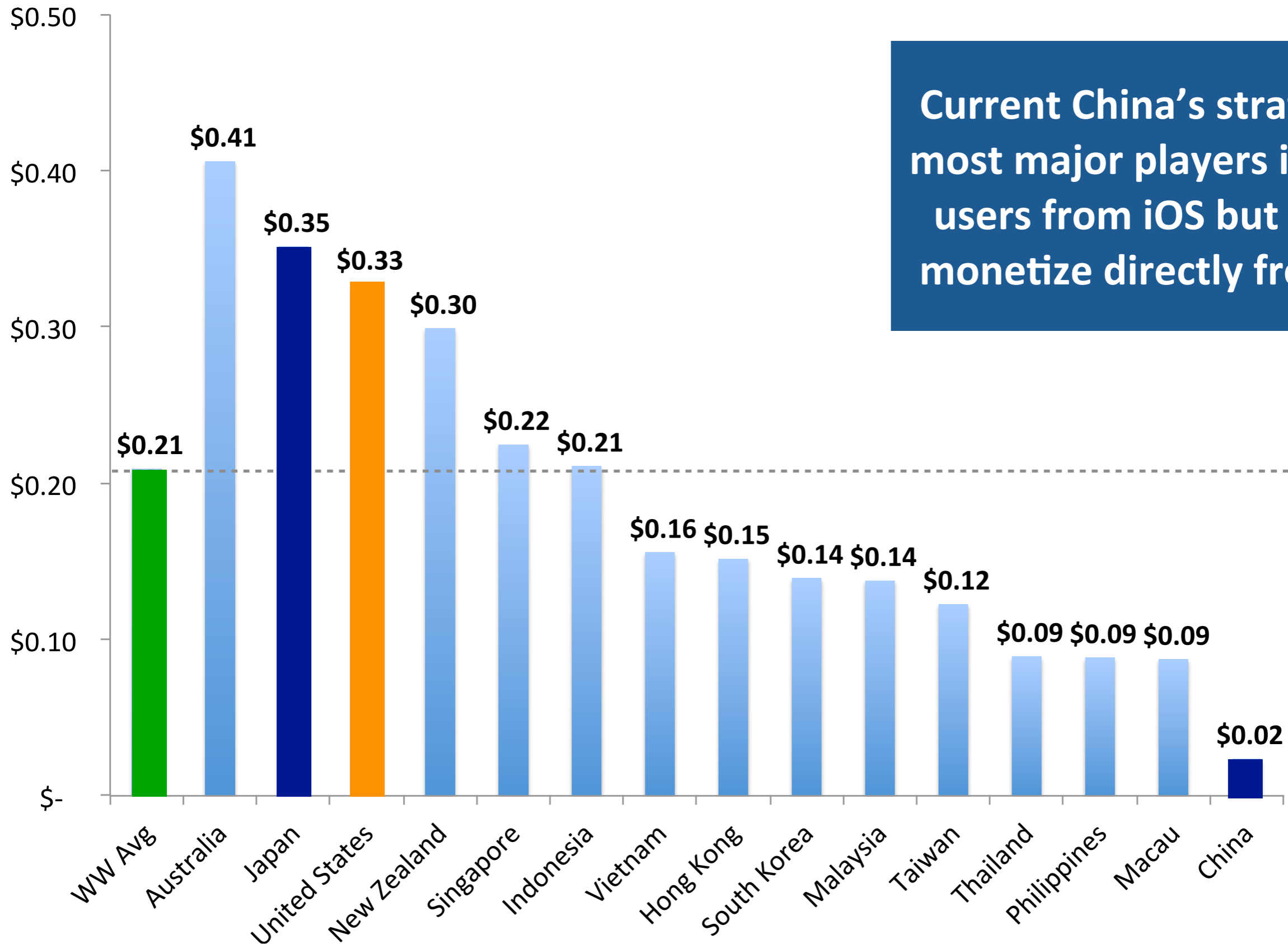


## Downloads



**CJK leads APAC in downloads and revenues**

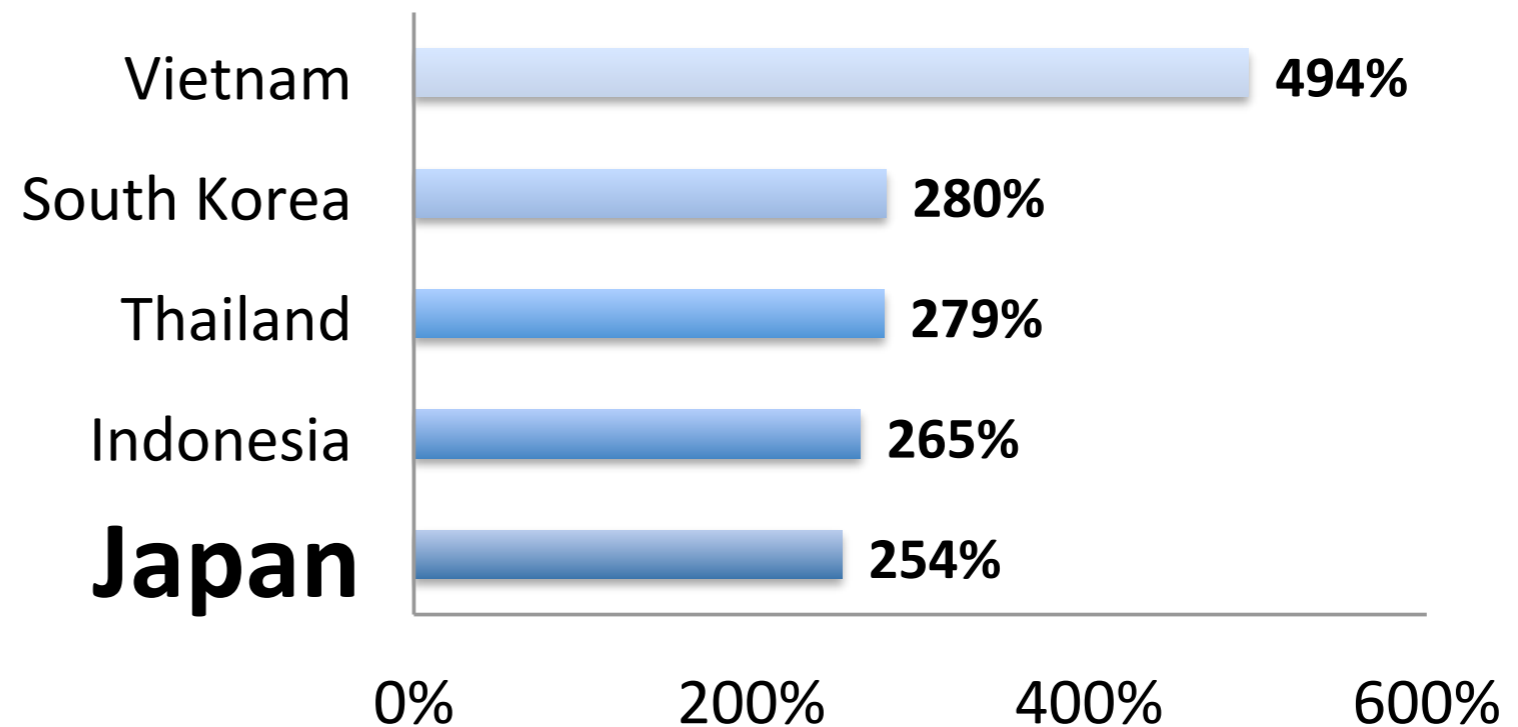
# Revenue per Download in APAC on iOS



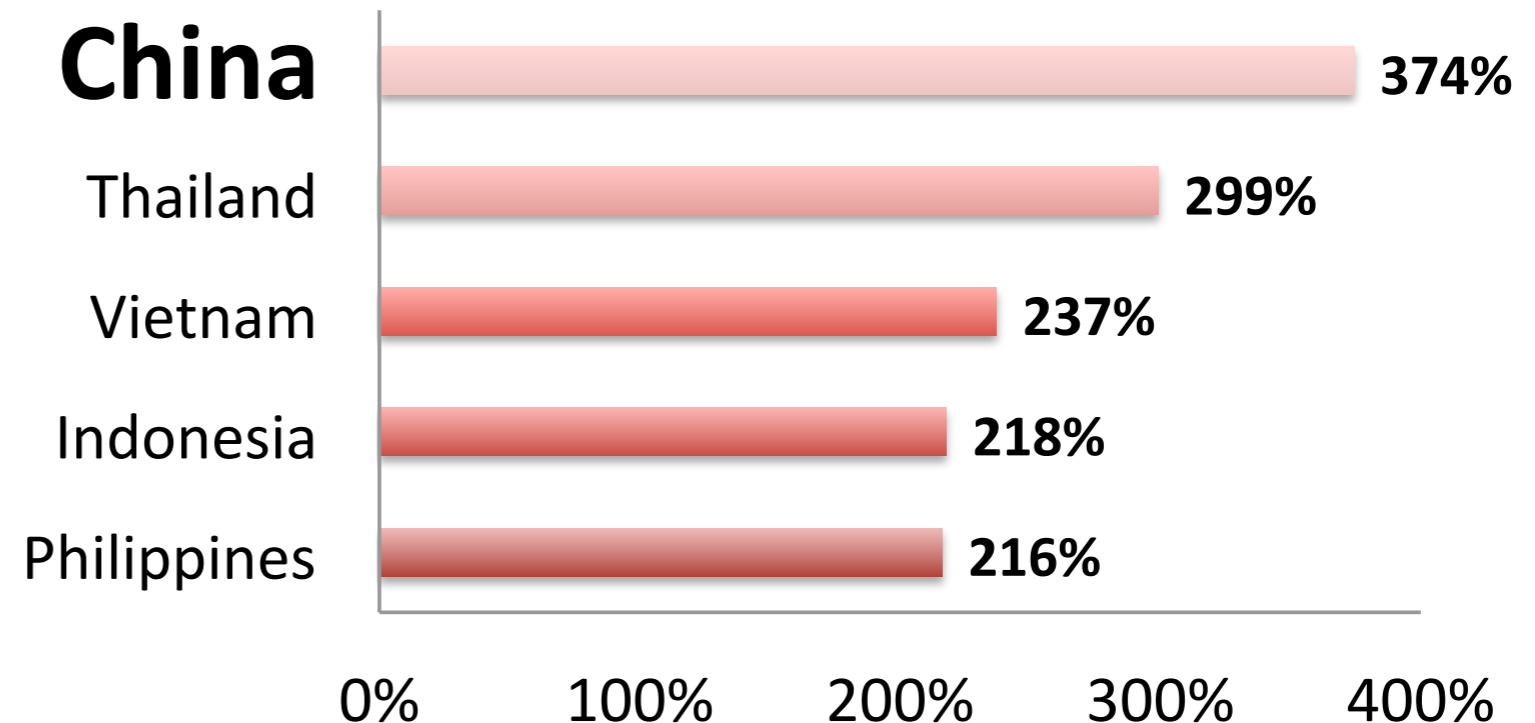
Gross Revenue / Total Downloads - Based on App Annie Intelligence worldwide data, Apr 2012

# Biggest APAC Growth Countries on iOS

## Based on Revenue



## Based on Downloads



Based on App Annie Intelligence  
worldwide data, Apr 2011 - Apr 2012

iOS gaining ground in APAC

App Annie

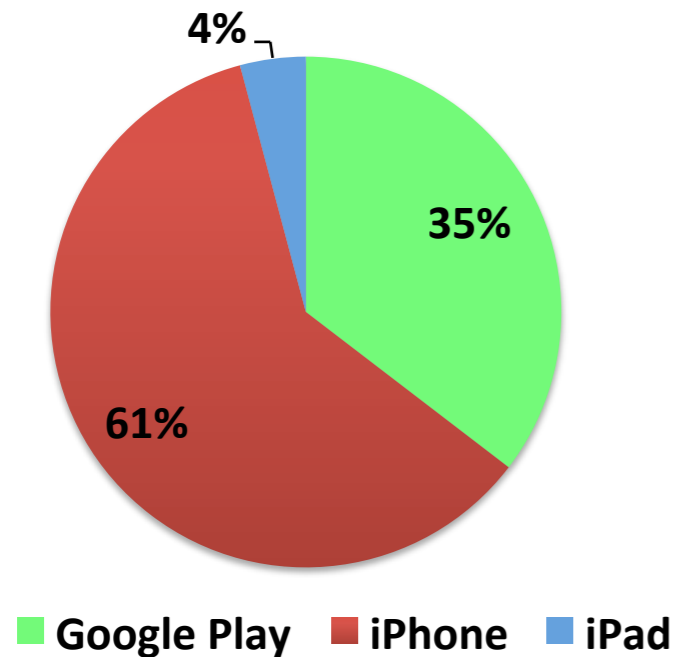
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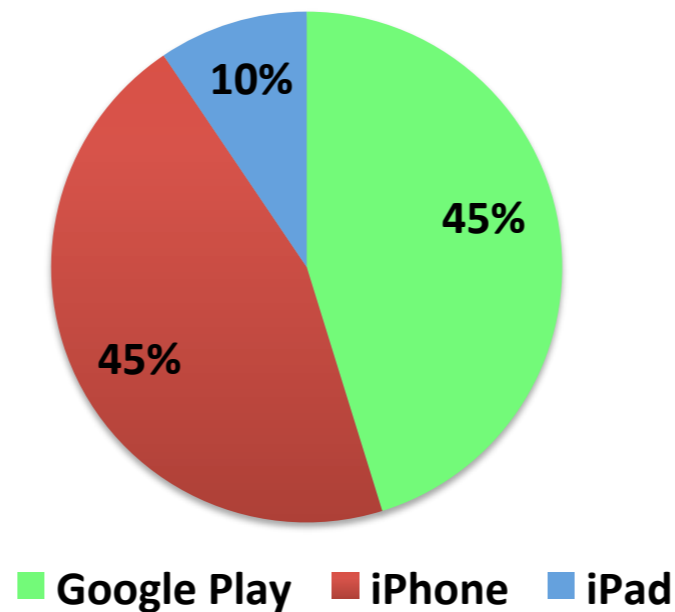
**3.iOS and Google Play:  
Who is winning in Japan and US?**

# iOS versus Google Play

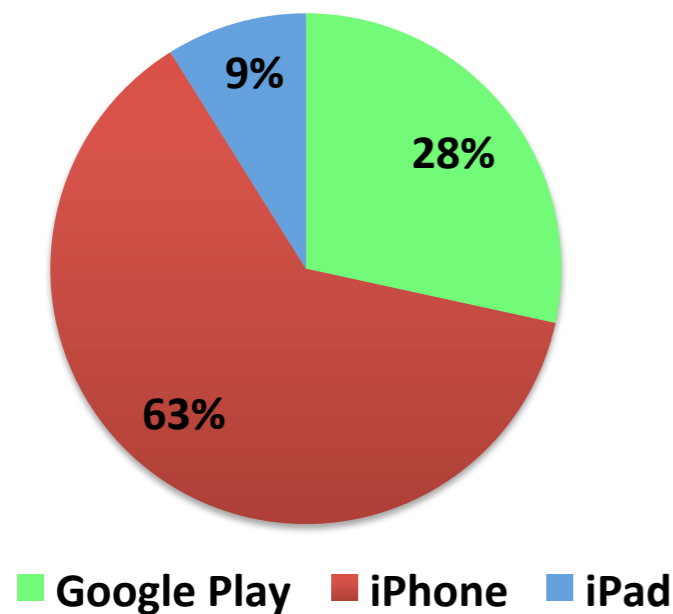
## Japan Downloads



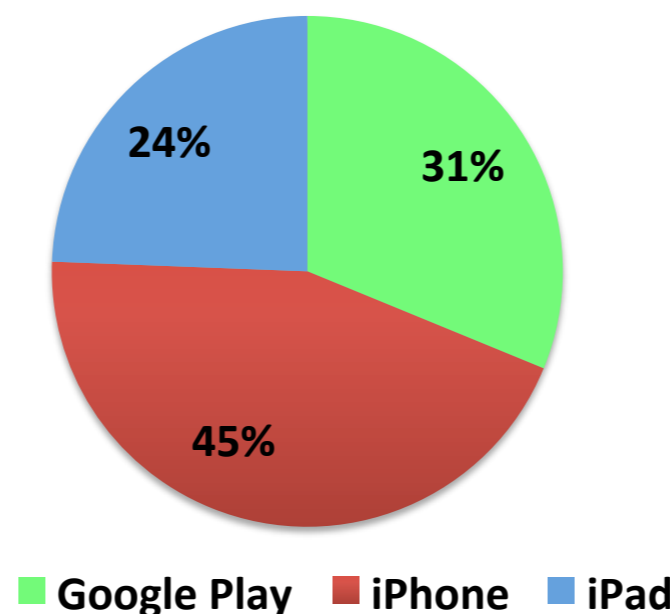
## US Downloads



## Japan Revenue



## US Revenue



**Google Play  
generating less  
than 50% of iOS  
revenues**

**iPad penetration is  
2.5 X higher in the  
US than Japan**

# Top Categories by Revenue on iOS

## Japan

1. Games-Role-Playing
2. Games-Role Adventure
3. Games-Strategy
4. Games-Simulation
5. Books

## US

1. Games-Simulation
2. Games-Role Playing
3. Games-Adventure
4. Games-Action
5. Games-Strategy

**Games usual winners**  
**Books uniquely big in Japan**

# Top Categories by Downloads on iOS

## Japan

1. Games-Action
2. Entertainment
3. Games-Arcade
4. Photography
5. Lifestyle

## US

1. Games-Action
2. Games-Arcade
3. Entertainment
4. Games-Puzzle
5. Photography

**A better mix of games and non-games for the top download categories**

# Highest Revenue per Download Categories on iOS

## Japan

Category	Rev/Download
Games - Role Playing	\$2.45
Games - Music	\$1.40
Games - Strategy	\$1.31
Games - Adventure	\$0.96
Games - Casino	\$0.95

## US

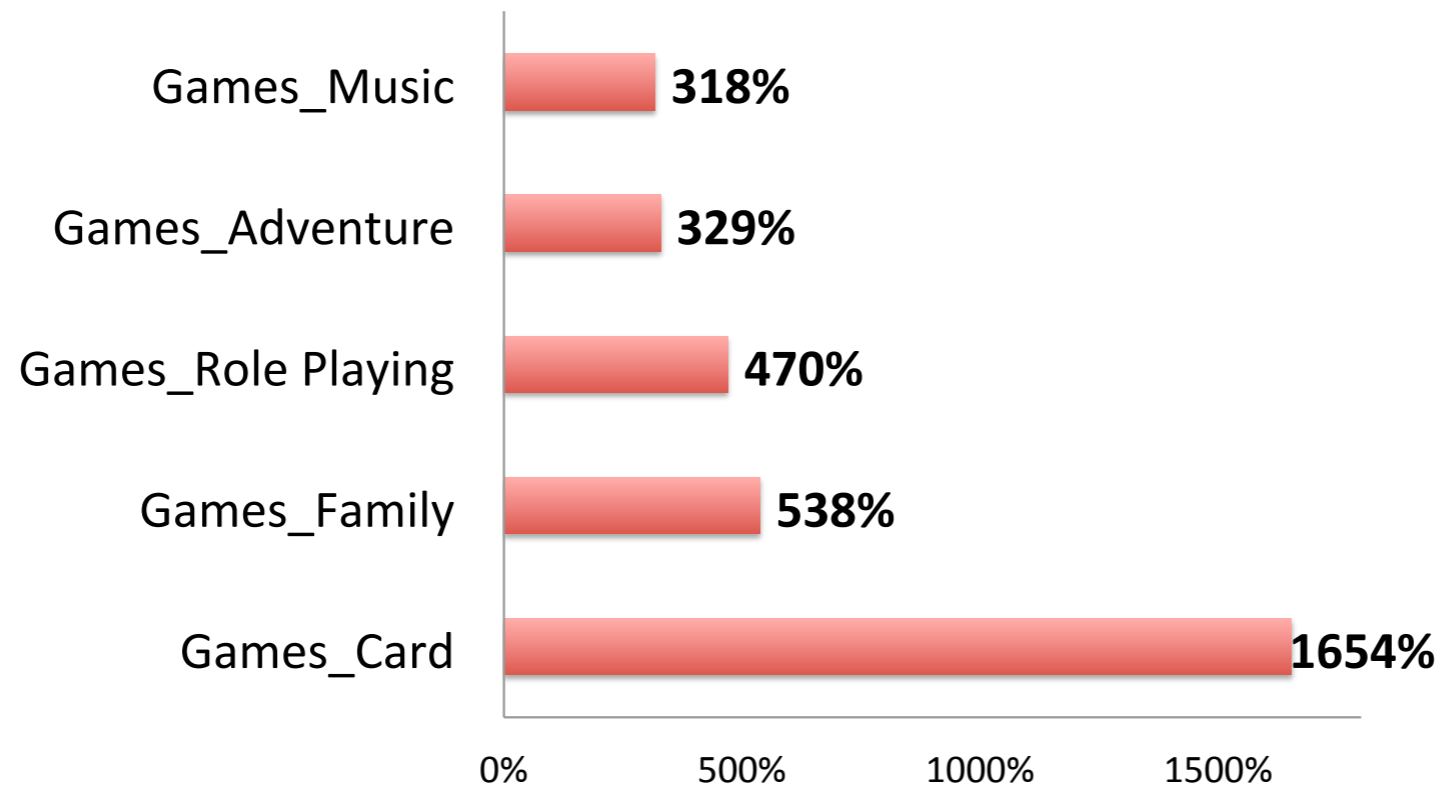
Category	Rev/Download
Games - Role Playing	\$2.07
Games - Simulation	\$1.61
Games - Casino	\$1.32
Games - Cards	\$1.14
Games - Strategy	\$0.92

**Monetization can vary  
greatly by category**

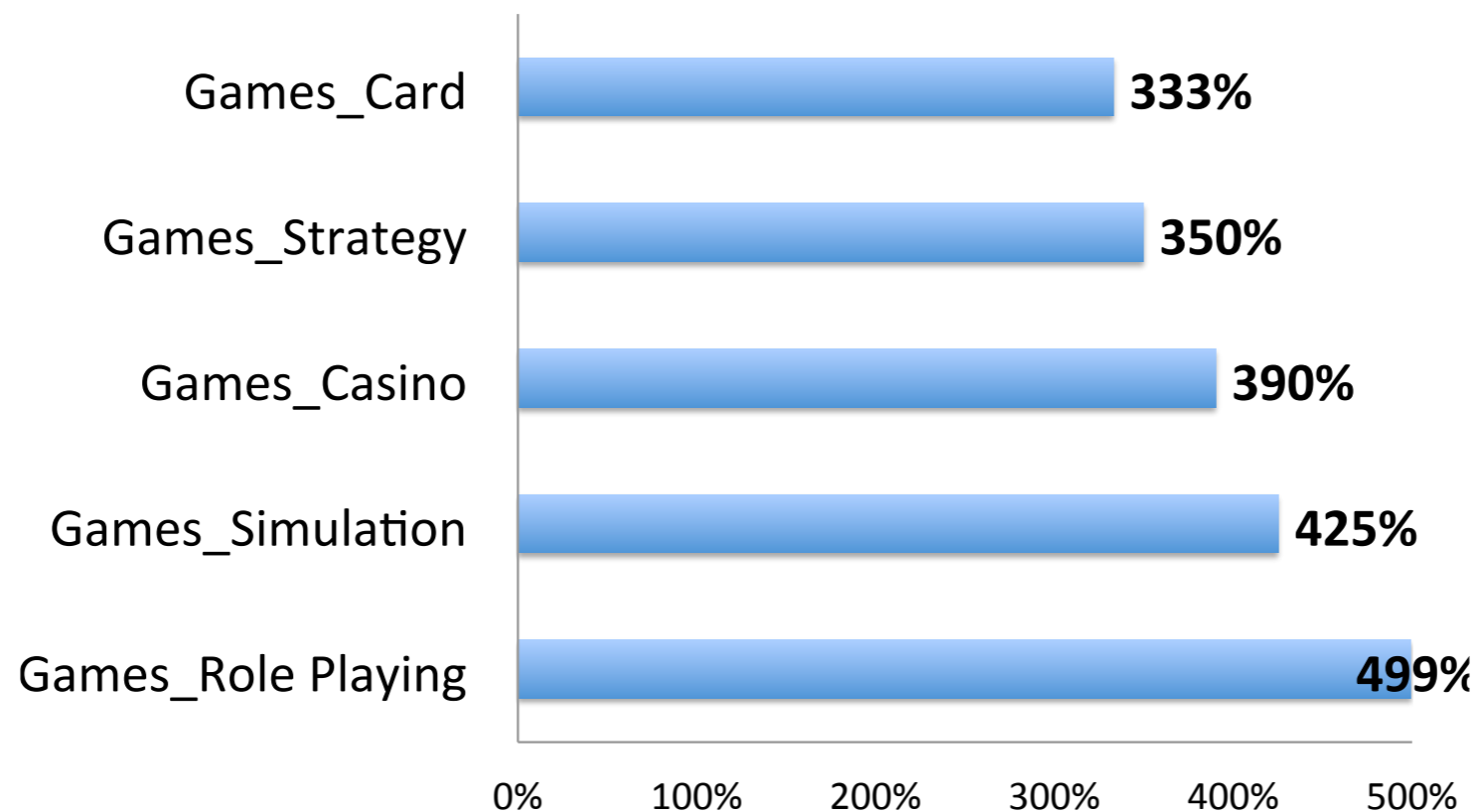
*Based on App Annie Intelligence Japan and US data, Apr 2012*

# Biggest Revenue Growth Categories on iOS

Japan



US

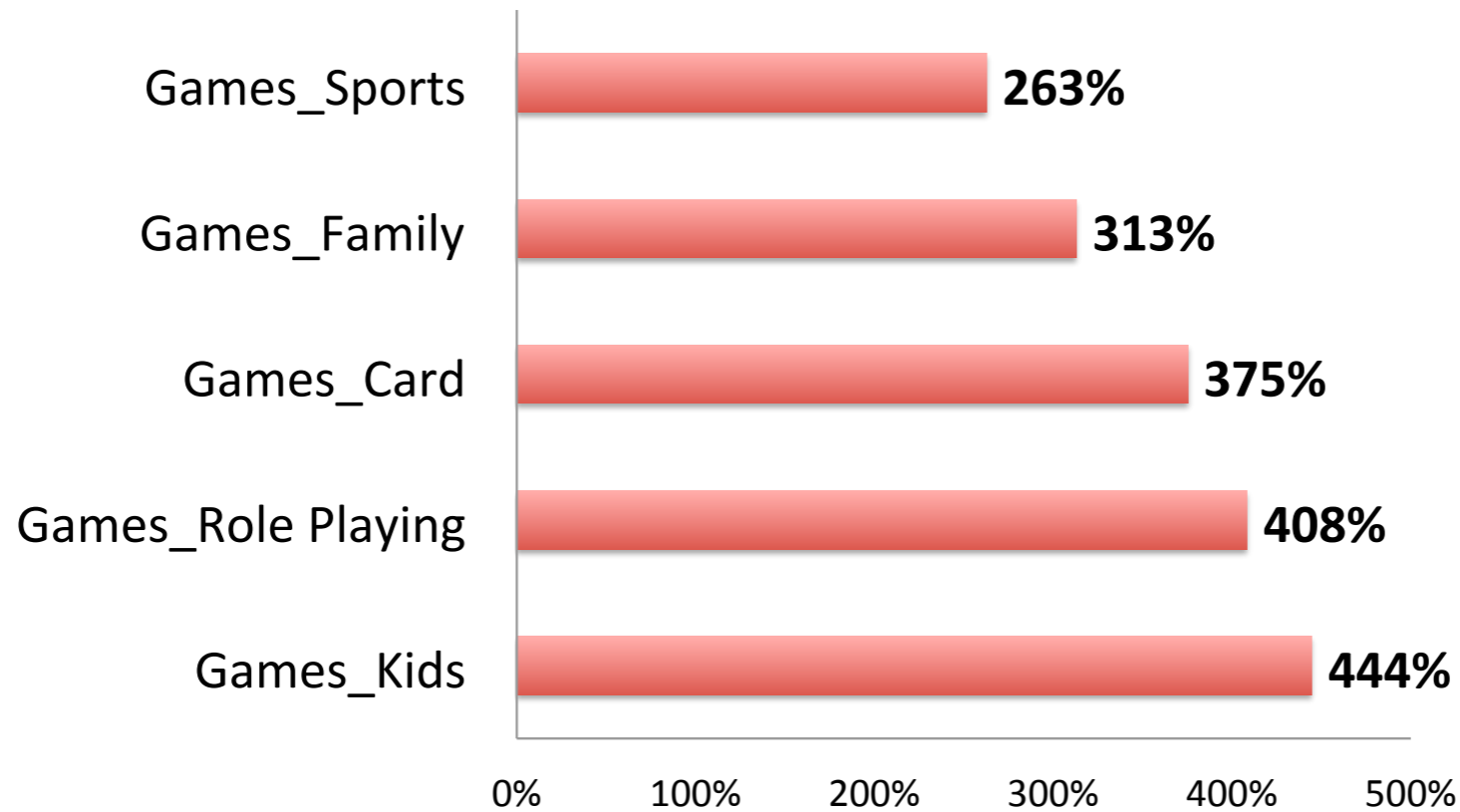


Games the  
highest  
growth  
categories by  
Revenues

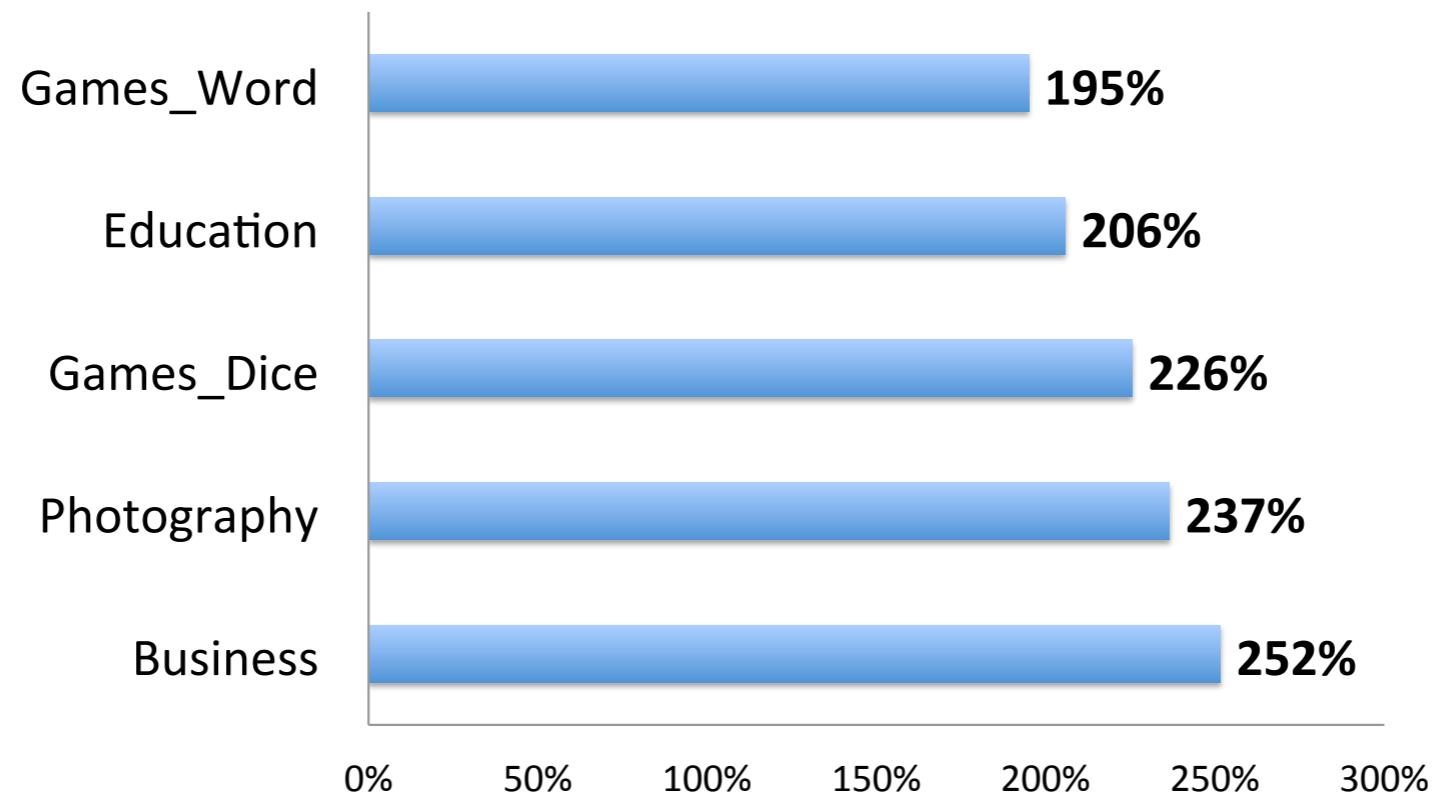
Based on App Annie Intelligence Japan and US data, Apr 2011 - Apr 2012

# Biggest Downloads Growth Categories on iOS

Japan

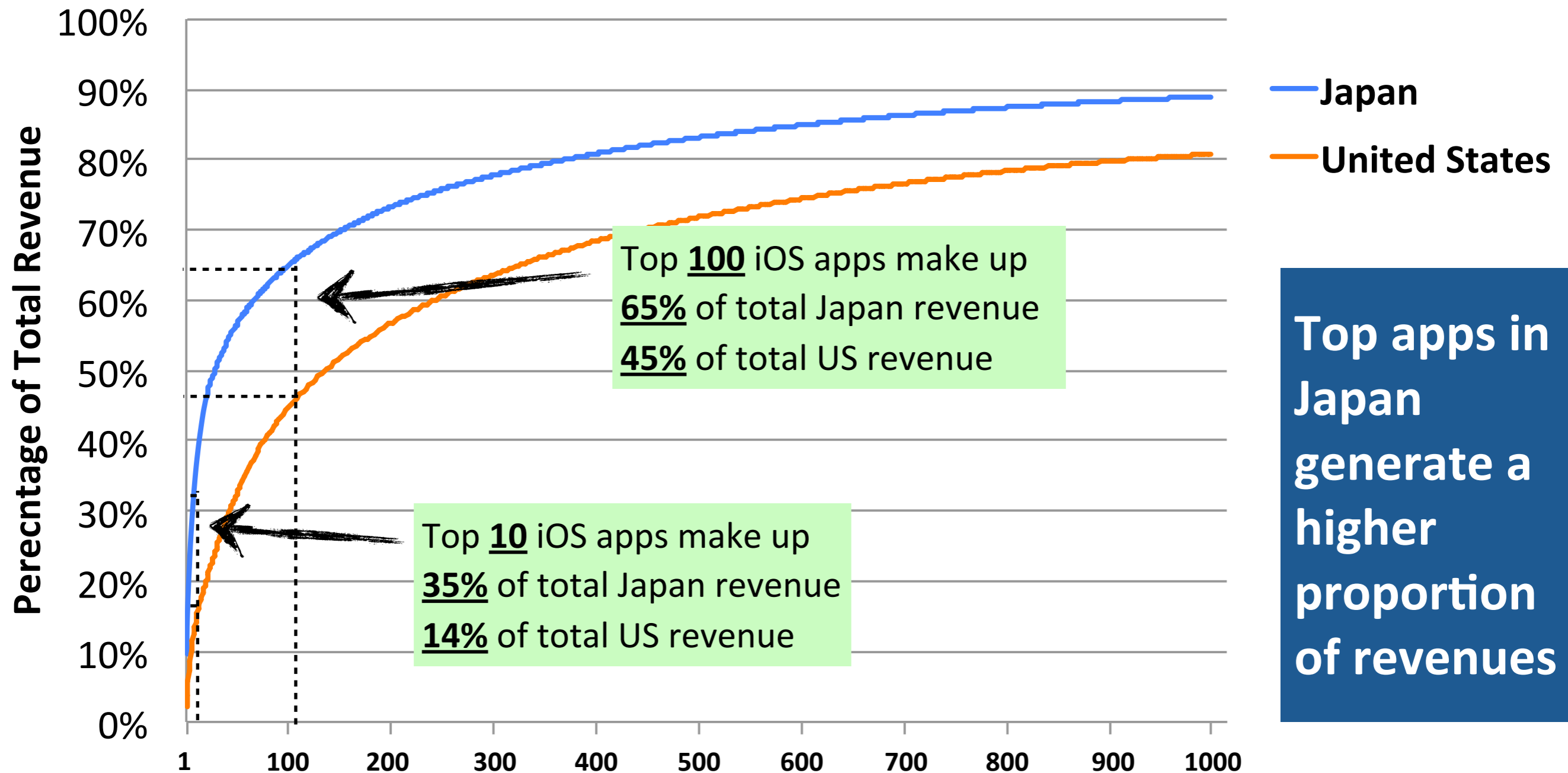


US



US  
downloads  
growth is not  
just limited  
to Games

# Apps Revenues Distribution on iOS



# Top 10 WW non-Japanese publishers by Revenues on iOS

(in Alphabetical order)

- Apple
- Backflip Studios
- Electronic Arts
- Gameloft
- Glu Games
- Playtika
- Pocket Gems
- Rovio
- Storm8
- Zynga

## Percentage of revenue from Japan:

- **Range = 0.02% to 8.3%**
- **Average = 2.3%**

**Foreign publishers have little traction so far  
in Japanese market**

# Top 10 WW Japanese publishers by Revenues on iOS

(in Alphabetical order)

- Adways
- CAPCOM
- DeNA
- GREE
- GungHo Online Entertainment
- KONAMI
- NamcoBandai
- NHN Japan
- SEGA
- SQUARE ENIX

## Percentage of revenue from outside Japan:

- **Range = 3% to 75%**
- **Average = 38%**

**Some Japanese publishers have been able to generate a significant portion of revenues outside Japan**

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