

Of mobile app success

By [Esther Karuku](#)

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Over the past few years, tech has not only become part of our daily lives, but it defines almost all aspects of it. Our lives revolve around screens. You wake up to check the news making headlines on your phone. Get to your office and stare at your laptop the whole day and go back home in the evening to find a bigger screen waiting for you. And now you can change the TV channel using your phone.



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Yes, we rely heavily on tech and not forgetting the 72 messages you got from your five group chats on WhatsApp.

The uptake of mobile phones, specifically internet access, has opened up several opportunities for the adventurous. Technological disruption has challenged more and more companies to re-evaluate their business models. From banking to manufacturing, product development teams are in a rush to discover the next big thing.

In the past year, several innovative products have been introduced in the Kenyan market. The financial sector has led in this with a number of payment solutions.

BebaPay, a partnership between Equity Bank and MasterCard, enables a cashless commuter experience. Nakumatt Global, a pre-paid card helps you earn loyalty points as you use it to shop at any MasterCard outlet.

The insurance sector also stepped to the plate. With iInvest from Old Mutual, you can access the money market fund on your phone. Britam developed Linda Jamii, a medical insurance product accessible on phone.

An opportunity to do more?

At this point, I'd ask, is there an opportunity to do more?

According to the 2013 IHS Digital Content Report, worldwide consumer spend on digital movies, games, and apps (applications) grew 30% from 2012 to 2013. Spend on game apps grew 2.9 times from 2012 to 2013 across seven markets. In total, global digital spend in 2013 surpassed USD 57 billion.

I don't know about you, but these stats made me curious. How exactly is this revenue generated? Mobile apps are a major contributor to the figures above. From analysing bowel movements (Poo Log) to quitting addictions (Fake Smoker) you can get an app for just about anything.

An indicator of what's to come

Admittedly, a big chunk of mobile app income is made in more mature markets like the US, but other countries such as Japan and South Korea each saw digital content spend grow at least 40% from 2012 to 2013. So, we can use this as an indicator of things to come.

Taking a look closer home, there is a definite interest in app development. Using the Silicon Valley approach, quite a few competitions have been held to show case local app development talent. At first the apps were development centred, then focus moved to gaming. Tough Jungle being most notable.

If you ask any developer, the issue is not making the app per se, the bigger issue is how to make money out of it. This is a global challenge.

Apps such as Farmville, a social game where players harvested crops and raised livestock, faced a unique problem. Despite being a very popular Facebook app it was not profitable. To encourage usage, most apps are free to download. So, where did the 57 billion dollars come from? According to its IPO documents, in 2013, King Digital Entertainment, the company behind Candy Crush, made \$1.88 billion, with \$568 million being profit.

Candy Crush is a short addictive puzzle full of "bit-sized entertainment" making it an easy escape at a boring meeting or long commutes. It uses the freemium model in which games are free, but players have the option to pay for add-ons or extra lives, as is in Candy Crush. The game initially was available on Facebook, then as a mobile app. In view of its runaway success, makers are now considering new platforms such as Smart TV.

Three lessons from Candy Crush

I take away three lessons from Candy Crush. Who said games can't be edifying..?

1. Know your target: King Digital had the advantage of learning from both past successes and failures. The developers understood players do not have enough time to go into a long elaborate game. They also understood the intense need of their players to win. They will do anything to earn more points, even pay for it.
2. Innovate: King tried out new business models to find the right mix of entertainment and profit. They got the magic formula.
3. Be your own competition: The gaming market is brutal. One day you are on the top grossing list, the next you are out. They are involved in constant research and development to come up with the next big app.

As we continue to navigate this relatively new business, let's also remember to tailor our apps to our market. We need to experiment more on different models to get the dream formula.

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