

mHealth App Developer Economics 2016

The current status and trends of the mHealth app market

www.research2guidance.com

6th annual study on mHealth app publishing based on
2,600 plus respondents

October 2016

In partnership with





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Please feel free to share the report:



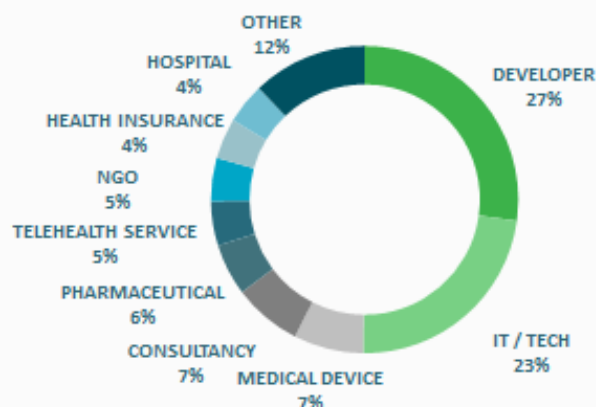
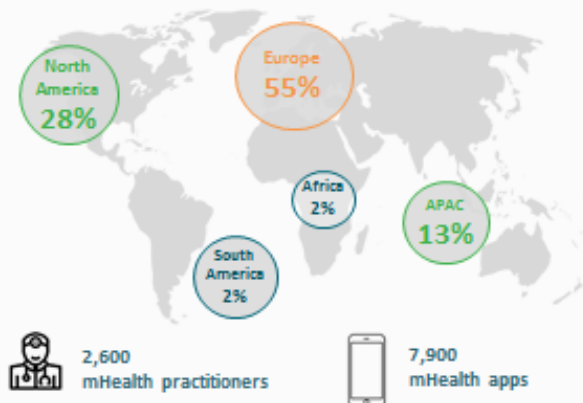
THE MHEALTH ECONOMICS RESEARCH PROGRAM – THE LARGEST STUDY ON MHEALTH APP PUBLISHING GLOBALLY



THE RESEARCH PROGRAM REPRESENTS THE MHEALTH APP DEVELOPER MARKET

Respondents by region

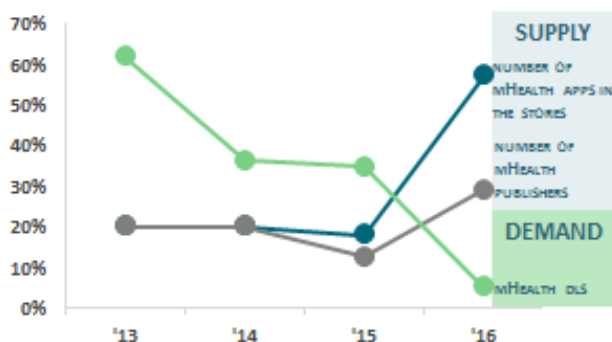
Publisher company types



MHEALTH APP DOWNLOAD GROWTH IS SLOWING AND AN OVERSUPPLY IS CROWDING THE MARKET

mHealth supply and demand growth rates ('13-'16)

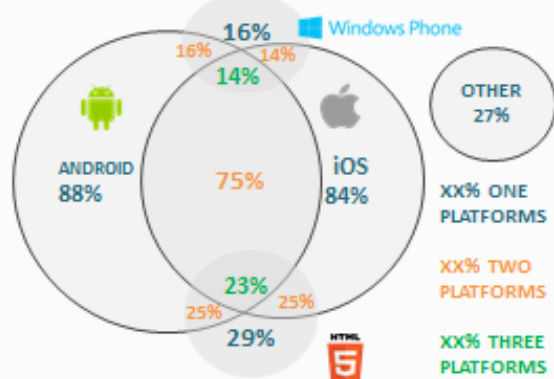
Number of mHealth apps displayed in app Stores



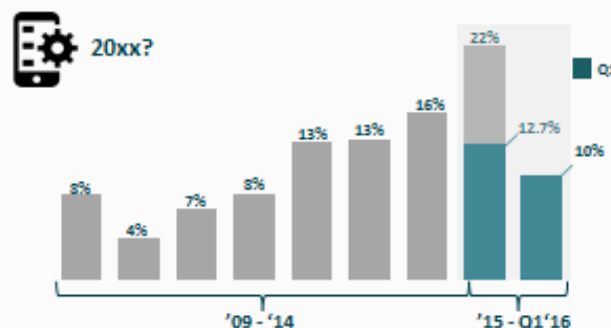
75% OF MHEALTH PUBLISHERS DEVELOP FOR IOS & ANDROID, WHILE MULTI-PLATFORM PUBLISHING BECOMES THE NORM PARTICULARLY AMONGST NEWCOMERS

For which mobile platforms do you develop your mHealth apps?

When did you publish your first mHealth app?



NOTE: PLATFORM USE IS NOT EXCLUSIVE



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MHEALTH APP PUBLISHERS ARE ENDURING CHALLENGES, YET PERFORMANCE GROWTH IS APPARENT



MHEALTH PUBLISHERS TEND TO BE SELF-CRITICAL & AMBITIOUS

To what extent have you achieved your goals with publishing mHealth apps so far?

79%

STRUGGLING ARE LOW REVENUE* EARNERS



57%

STRUGGLING

PARTLY ACHIEVED GOALS
DID NOT ACHIEVE GOALS



43%

ACHIEVING

ACHIEVED MORE THAN EXPECTED
ACHIEVED GOALS
OUR DREAMS CAME TRUE!

62%

ACHIEVING ARE HIGH REVENUE^ EARNERS

64%

ACHIEVING ARE LARGE^^ COMPANIES

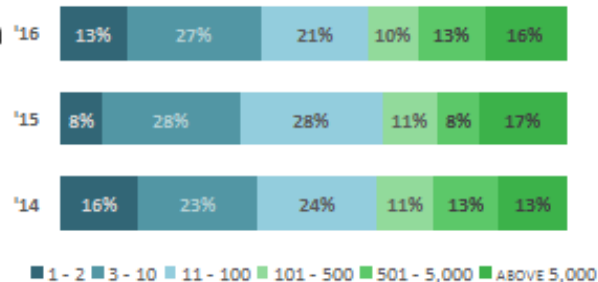
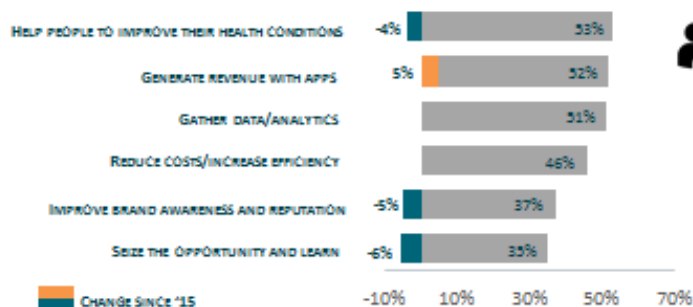
*≤US\$100K ANNUAL REVENUE ** ≤100 EMPLOYEES

^ >US\$100K ANNUAL REVENUE ^^ >100 EMPLOYEES

HELPING PEOPLE TO IMPROVE HEALTH CONDITIONS IS STILL THE MAIN GOAL OF THE INDUSTRY, WHILE COMPANIES CONTINUE TO MATURE & GROW IN SIZE

Which goals do you pursue when developing mHealth apps?

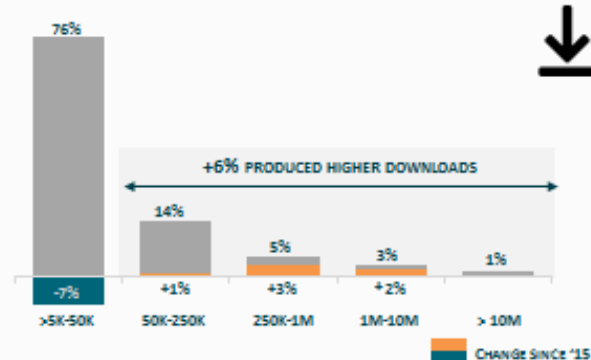
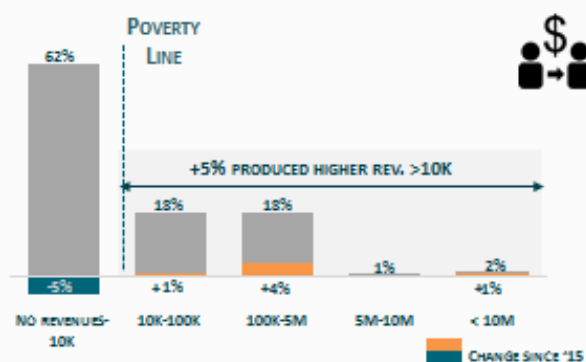
How many people does your company employ?



THE REVENUE & DOWNLOAD SITUATION OF MHEALTH PUBLISHERS HAVE SLIGHTLY IMPROVED

How much revenue did your organisation generate with mHealth apps last year (2015)?

How many downloads have all of your mHealth apps generated last year (2015)?



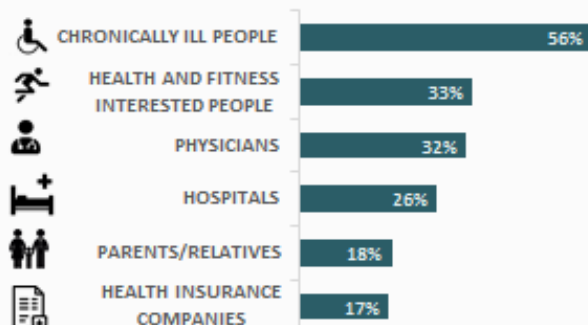
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MHEALTH BUSINESS MODELS AND TARGET GROUPS ARE BECOMING MORE CLEAR

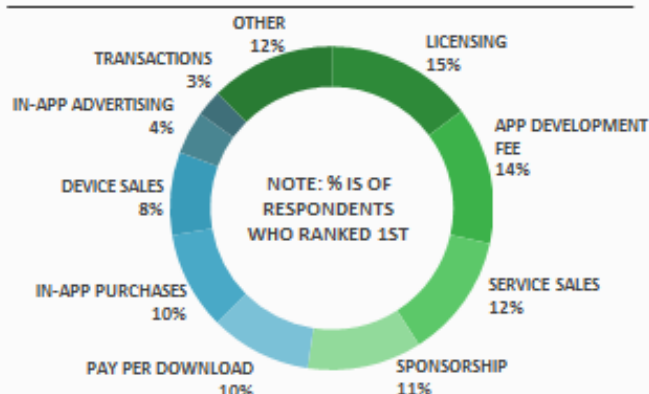


CHRONIC ILLNESS CONTINUES TO BE THE MOST PROMISING IN TERMS OF BUSINESS POTENTIAL & USER BENEFIT

What are the main user groups you target with your mHealth apps?

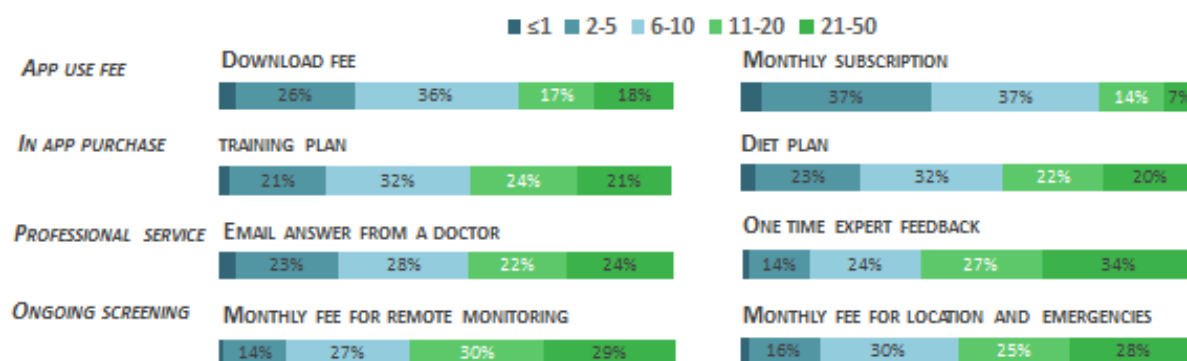


Please select and rank all of your mHealth revenue sources for 2015



US\$10 IS THE MOST COMMON THRESHOLD FOR USERS OF MHEALTH APP SERVICES

What do you think the maximum price (in USD) a private user would be willing to pay for the following mHealth services?

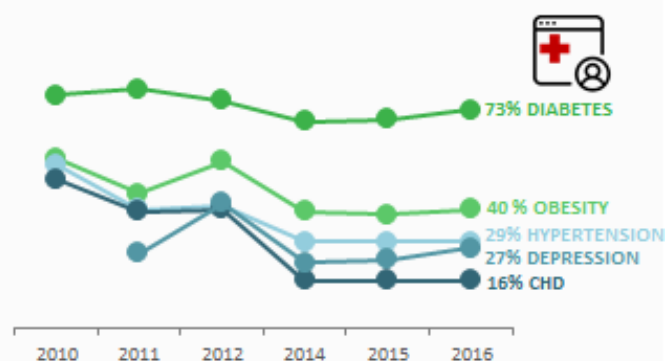


SELECTION OF THE RIGHT APP USE CASES WILL DETERMINE APP SUCCESS IN THE MARKET

Which app types offer the best market potential for mHealth apps in 5 years time?



Which therapy fields offer the best market potential for mHealth in the next 5 years?



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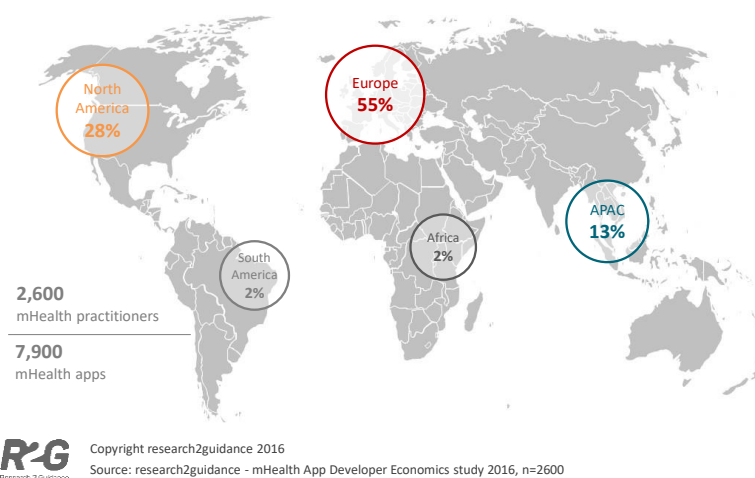
1 THE MHEALTH APP DEVELOPER ECONOMICS RESEARCH PROGRAM

THE MHEALTH APP DEVELOPER ECONOMICS RESEARCH PROGRAM BY R2G IS THE LARGEST GLOBAL STUDY ON MHEALTH APP PUBLISHING

It is conducted for the 6th year by research2guidance and intends to uncover the current status of and the most important trends in the mHealth ecosystem. There has been a lot of hype about the mHealth industry in recent years. In turn, interest in the mHealth App Developer Economics Research Program has continued to strengthen amongst mHealth practitioners¹.

THE MHEALTH APP DEVELOPER ECONOMICS 2016 REPRESENTS THE GLOBAL MHEALTH APP MARKET

Share of survey participants by region



This year more than 2,600 respondents from all over the world participated in the program's online survey.

Europe and North America continue to be the biggest contributors. The majority of this year's program participants have published at least one app that could be categorized as mHealth.

The study represents 5% of the global mHealth apps currently available.

In summary, approximately 7,900 mHealth apps² have been published by survey participants, representing 5% of mHealth apps currently globally available.

This year's report will pay special attention to the role of health insurance companies (HICs) in the mHealth app market, and how their app portfolios are perceived by other mHealth app publishers. The report will also take a deeper look at who is contributing to the publication of mHealth apps, what they are doing well, how the market is evolving and how the market will look like in five years' time.

Thank you to all that have contributed.

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¹ mHealth practitioners: app developers, publishers, decision makers from corporates, consultants and analysts

² mHealth apps: apps that are listed in the medical and health & fitness app category of the app store from Apple, Google, Amazon and BlackBerry

their app launch as if it were a familiar product in a saturated market.

The majority of new mHealth apps are published for the iOS platform. iOS is still the primary platform for mHealth app publishers.

Both iOS, and its close rival Android, are bigger than all other app stores combined. Google Play (Android) currently displays 105,000 mHealth related apps in Health & Fitness and Medical categories, while Apple App Store (iOS) displays 126,000. Other platforms are gaining little traction. However, Windows Phone, HTML5 and Blackberry currently display 25% more mHealth apps in stores this year compared to last year.

Competition on the supply side of mHealth is growing faster than the demand side.

MULTI-PLATFORM PUBLISHING IS THE NORM

A significant share of mHealth apps are published on multiple platforms. 75% of mHealth publishers are developing their mHealth apps on both iOS and Android platforms. Multi-platform publishing is more significant for HTML5 and Windows Phone developers. Most apps developed on these second

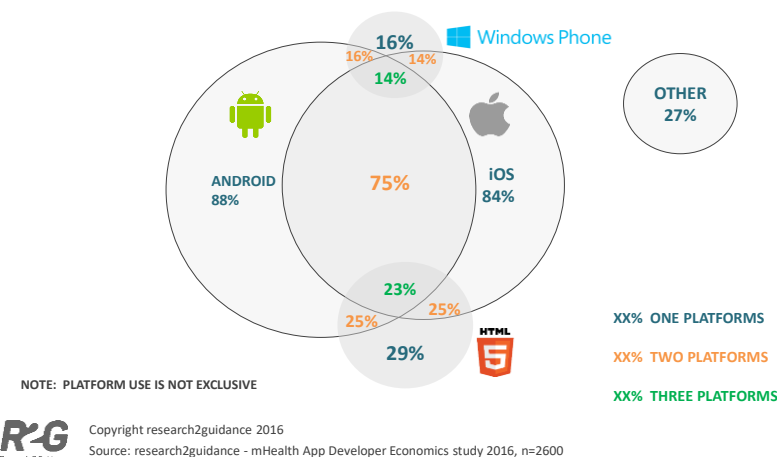
32% of mHealth app publishers are newcomers, while multi-platform publishing has become the new norm.

tier platforms are primarily developing on Android and / or iOS. Only 1% of Windows Phone and HTML5 developers exclusively work on their primary platforms. iOS and Android in contrast have a higher share of exclusive developers. 5% of all exclusively develop on iOS, and 7% on Android for their mHealth apps.

The share of mHealth app publishers that publish their apps on three platforms vary between 14-16% for iOS, Android and Windows Phone and 25% for iOS, Android and HTML5.

75% OF MHEALTH APP PUBLISHERS DEVELOP FOR IOS AND ANDROID

For which mobile platforms do you develop your mHealth apps?



Despite the increasing competition level in the mHealth app market, newcomers are still rushing in. 32% of all mHealth app publishers have released their first apps since the beginning of 2015 (January 2015 – March 2016).

Platform choice of newcomers is similar to established mHealth publishers. Android is becoming more popular with 86% of newcomers using the

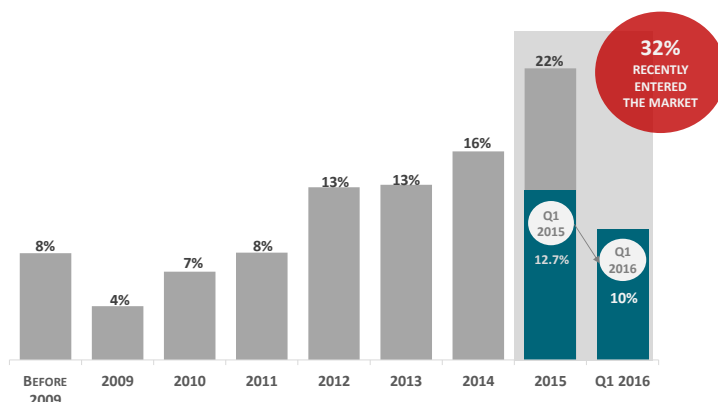
Google operating system compared to 81% for Apple. Still, 15% are releasing their first app on Windows Phone, and 19% on HTML5.

The most notable difference between this and last year is in the slightly higher share of exclusive publishing for singular platforms. 10% of newcomers have exclusively published on Android, 7% on iOS, 2% on HTML5 and 0% on Windows Phone. That said, multi-platform (more precisely for iOS and Android) publishing has become the norm, even for newcomers.

Since last year, established mHealth publishers have further developed their mHealth app portfolios. The

32% OF MHEALTH APP PUBLISHERS HAVE RECENTLY ENTERED THE MARKET

When have you published your first mHealth app?



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Source: research2guidance - mHealth App Developer Economics study 2016, n=2600

share of companies who have published 2-10 mHealth apps in their portfolios has increased to 64% (up from 59% in 2014). In addition, the share of “single-app” companies has dropped to 16% (down from 30% in 2014).

One of the main reasons companies are still entering the market or expanding their presence is due to the expectations that have been built around the future

mHealth market value. Things may change again in the coming years. Nevertheless, since Apple opened its App Store for native apps some seven years ago, the mHealth market has grown to a significant size.

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starting November 2016

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Empower your e-health project !

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ABOUT RESEARCH2GUIDANCE:

research2guidance is a strategy advisory and market research company. We concentrate on the mobile app ecosystem. We are convinced that mobile health solutions will make a difference in people's lives and that the impact on the healthcare industry will be significant. We provide market insights to assist in making this happen, and assist in successfully leading businesses.

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