research2guidance
the app market specialists

Pharma App Benchmarking 2014

How Pharma companies make use of mobile apps

www.mHealthEconomics.com

Analysis and comparison of the app portfolio of top 12 Pharma companies (v.2)

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Content

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1. SCOPE OF THE REPORT

The report analyzes the global app publishing activities of the 12 leading Pharma companies on Android and iOS devices. The research provides a detailed picture of which app categories Pharma companies concentrate on, how many apps they have published, which user groups they target, how they organize their app business and how successful they are.

The report analyzes app publishing activities on three levels:

Level 1 - Pharma app publisher industry view: The first chapter provides an overview of how Pharma companies are making use of the app channel today and how this has changed over the last 12 months.

Level 2 - Comparison of Pharma app activities: In the second part of the report, the companies are being analyzed on a company level and compared against each other.

Level 3 - Pharma app publisher profiles: The third part provides detailed profiles of the companies' app activities. It also highlights the most successful apps for professional and private users (based on downloads).

Companies in scope: Abbvie/Abbott, Astra Zeneca, Bayer HealthCare, Bristol-Myer Squibb, GlaxoSmithKline, Johnson&Johnson, Merck, MSD, Novartis, Pfizer, Roche and Sanofi.

Apps in scope: All apps available in the Apple App Store (iTunes store) and in Google Play which have been published by one of the app publishing entities of the companies in scope.

Regional scope: Global

The research behind these reports has not been commissioned or sponsored in any way by any business, government, or other institution.

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Data provided by:

2. ABOUT RESEARCH2GUIDANCE

research2guidance is a strategy advisory and market research company. We concentrate on the mobile app eco-system. We are convinced that mobile health solutions will make a difference to people's lives and that the impact on the healthcare industry will be significant. We provide insights to make it happen and to successfully lead your business.

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Our analyst team

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Zuza is a senior research analyst at research2guidance. She worked on more than 10 app market sizing and benchmarking projects especially in the mHealth app market. She helped various start-up companies to develop their business model in the app eco-system. Zuza is responsible for the r2g mHealth webinars. She is the manager of the mHealthEconomics.com website. She holds a master degree in marketing economics at LSE.

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Other reports:

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- Connected health elite
- Successful mHealth app publishing
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3. MANAGEMENT SUMMARY

Since Apple has created the new app ecosystem, the mHealth app market segment has attracted much attention and created hope among the mHealth app developer community.

mHealth apps promise to improve the medical adherence, let doctors get into direct contact with patients, help hospital reduce hospital re-admissions and length of stay or reduce costs of medical trials to name a few.

Pharma companies have taken on these opportunities and actively published apps since the beginning of the market in 2008/2009. This benchmarking study examines how far the 12 largest Pharma companies got after five years of app publishing and whether or not they have reached a comparable market position in the app economy as they have in the healthcare industry.

Pharma companies are active app publishers: The leading 12 Pharma companies have published 497 unique apps. A unique app is an app which might have been published in different countries or as platform versions, but its functionality, design and usability are same. Altogether these 497 unique apps represent xx app titles available for iOS and Android.

The app portfolio is diverse: xx% of apps by the leading 12 Pharma companies are medical reference apps that mainly provide information about symptoms, medications, treatments, devices, location of hospitals or doctors' offices. The second largest group (xx%) of apps published by Pharma companies are medical condition management apps. These apps are supposed to support patients or just health conscious people to manage their disease or health e.g. diabetics, asthmatics or fitness enthusiasts. The rest of the app portfolio of Pharma companies includes a broad variety of other app categories including recipes, games, diagnosis tools, pill reminders, eyesight testing, doctor's appointment management and many more.

The companies use neither common design standards nor internal app promotions to increase visibility and download numbers.

The majority (xx%) of apps target private users and are published on iOS (xx%).

The reach of the app portfolios is limited: The number of all-time downloads Pharma companies have been able to generate with their app portfolios is 6.6m[1]. This is a very low reach compared to mHealth app market leaders like MyFitnessPal which alone has more than 70m downloads (on iOS and Android) and more than 6m active users from just one app. The share of downloads which come from the leading Pharma companies top 3 apps varies between xx% (Novartis) and xx% (Merck). 9 out of 12 Pharma companies have generated more than 50% of downloads with just three apps. The 12 leading Pharma companies have altogether less than 1m active users. Only four out of 12, boast more than xx active users.

Pharma companies use a decentralized app publishing approach: Most of the Pharma companies publish their apps under multiple publishing units. The spectrum ranges from 1 (xx) to 17 (xx).

The app portfolio is not globally available: Almost half of Pharma company's app publishing entities target only local markets. xx% of the total 65 publishers that stand behind the Pharma app portfolios publish their apps in 3 or less countries.

The performance benchmarking of the leading Pharma companies shows significant differences in downloads, apps users, app categories, country focus, governance models and target groups. None of the

[1] All-time downloads: accumulated downloads since launch until September 2014

app portfolios has a significant impact in the mHealth app market. There are only two apps which have generated more than a million downloads since they have been launched.

In order to have a bigger impact on the mHealth app market Pharma companies must thoroughly improve their app publishing approach in 7 main areas:

1. Apply design guidelines and internal app referencing
2. Concentrate app activities on where the market demand is
3. Focus on mHealth data collection
4. Open up APIs[2] to build a connected app portfolio
5. Strengthen Android app presence and make use of cross platform app development tools
6. Become truly global
7. Align app publishing governance and competencies

It is also questionable whether or not Pharma companies will ever become good enough app publishers to be able to compete against the 100% dedicated start-up companies or big tech giants like Apple or Google which have recently shown much interest in the mHealth app market.

Each Pharma company should challenge and question their current performance in the app market. The companies should start a discussion around whether or not it will be a good investment of time and money to develop and publish the next 700 apps the next five years. Otherwise, Pharma might be better skilled to undertake a role of an investor, incubator, app aggregator or mHealth data provider?

What this all means is that before going forward in the same way as the last five years, Pharma companies should rethink their mHealth app strategy. Otherwise they will remain an industry with low impact on the mHealth app market. This is not a serious threat to their core business today, but in five years it might be.

[2] API: Application Programming Interface

9. LIST OF FIGURES