How to leverage the full potential of the diabetes app market

- Market analysis 2008-2018 -

January 2014

Data provided by:

© research2guidance 2014
Table of content

1 CONTENT

2 Scope of the report .............................................................................................................5
3 Management summary ......................................................................................................6
4 The need for innovative mobile apps supporting diabetes patients ................................8
  4.1 The global diabetes epidemics ..................................................................................10
  4.2 The explosion of diabetes treatment costs .................................................................11
5 The promises of mobile apps for diabetes care ..............................................................13
  5.1 The impact of diabetes apps on daily diabetes management .......................................13
  5.2 The clinical trial results: The proof that diabetes apps hold their promises ...............14
  5.3 The addressable target group size for diabetes apps in 2013 ......................................18
6 Categorization of diabetes apps ......................................................................................19
  6.1 The 4 most common diabetes app categories ............................................................21
  6.2 What makes a best practice diabetes app? .................................................................24
7 Regulation for diabetes apps ..........................................................................................30
8 Current status of the diabetes app market ......................................................................34
  8.1 Number of diabetes apps and publishers ................................................................35
  8.2 Diabetes app downloads and active users ..................................................................38
  8.3 Diabetes apps pricing ...............................................................................................44
  8.4 Diabetes apps market revenues 2008-2013 ............................................................45
9 Diabetes app market country statistics ..........................................................................49
  9.1 The US diabetes app market country statistics .........................................................52
  9.2 The UK diabetes app market country statistics .........................................................53
  9.3 The German diabetes app market country statistics ................................................54
  9.4 The Canadian diabetes app market country statistics ................................................55
  9.5 The French diabetes app market country statistics ...................................................56
  9.6 The Spanish diabetes app market country statistics ................................................57
  9.7 The Australian diabetes app market country statistics ..............................................58
  9.8 The Italian diabetes app market country statistics ...................................................59
  9.9 The Chinese diabetes app market country statistics ................................................60
  9.10 The Japanese diabetes app market country statistics .............................................61
10 Leading diabetes app players, apps and market share ................................................62
  10.1 Profile 1: Azumio Inc ...............................................................................................62
    10.1.1 Diabetes app profile ..........................................................................................62
Diabetes App Market Report 2014

10.1.2 Leading app: Glucose Buddy ................................................................. 63
10.1.3 Leading app: Blood Sugar Tracker by healthycloud.com ....................... 63
10.2 Profile 2: sanofi-aventis ........................................................................... 64
10.2.1 Diabetes app profile .............................................................................. 64
10.2.2 Leading app: GoMeals ........................................................................... 65
10.2.3 Leading app: iBGStar ............................................................................ 65
10.3 Profile 3: Medivo ....................................................................................... 66
10.3.1 Diabetes app profile .............................................................................. 66
10.3.2 Leading app: OnTrack Diabetes ............................................................ 66
10.4 Profile 4: Distal Thoughts .......................................................................... 67
10.4.1 Diabetes app profile .............................................................................. 67
10.4.2 Leading app: Diabetes Log .................................................................. 67
10.5 Profile 5: BHI Technologies Inc. ............................................................... 68
10.5.1 Diabetes app profile .............................................................................. 68
10.5.2 Leading app: Diabetes App ................................................................. 68
10.6 Profile 6: Maxwell Software ..................................................................... 69
10.6.1 Diabetes app profile .............................................................................. 69
10.6.2 Leading app: Glucose Companion for iPad .......................................... 70
10.6.3 Leading app: Daily Carb – Carbohydrate, Glucose, Medication, Blood Pressure and Exercise Tracker ......................................................... 70
10.7 Profile 7: Tactio Health Group Inc. .......................................................... 71
10.7.1 Diabetes app profile .............................................................................. 71
10.7.2 Leading app: TactioHealth ................................................................. 71
10.8 Profile 8: Everyday Health Inc. ................................................................. 72
10.8.1 Diabetes app profile .............................................................................. 72
10.8.2 Leading app: Diabetes in Check ........................................................... 72
10.9 Profile 9: Taconic System LLC ................................................................. 73
10.9.1 Diabetes app profile .............................................................................. 73
10.9.2 Leading app: Healthsome G for Glucose by Taconic System LLC ........ 73
10.10 Profile 10: AgaMatrix ............................................................................ 74
10.10.1 Diabetes app profile ............................................................................ 74
10.10.2 Main app: WaveSense Diabetes Manager ........................................... 74
10.11 Profile 11: mySugr .................................................................................. 75
10.11.1 Diabetes app profile ............................................................................ 75
10.11.2 Leading app: Diabetes Companion by mySugr .................................... 75
10.12 Profile 12: Medisana AG ....................................................................... 76
2 **Scope of the Report**

This report concentrates on the mobile diabetes app market. A diabetes app is defined as an app that specifically provides functionality and offers services to better manage the disease. Apps that inform about the disease or promote a lifestyle or nutrition specifically for diabetics are also part of the diabetes app market segment. General fitness or medical apps that could be used to support the treatment of a diabetic but are not specifically designed for them are not part of the diabetes app market.

This report analyses the features and performance of more than 1,100 diabetes apps available for the iOS and Android operating system in 27 countries based on data provided by our analytics partner priori.

The following 27 countries are included in this report: Arabic Emirates, Austria, Australia, Brazil, Canada, Switzerland, China, Czech Republic, Germany, Denmark, Spain, Finland, France, United Kingdom, Hungary, India, Italy, Japan, Republic of Korea, The Netherlands, Norway, Poland, Portugal, Russian Federation, Sweden and Taiwan. These countries constitute 67% of all diabetes patients worldwide\(^1\).

The market study includes apps that are publically available in the Apple App Store and/or Google Play. The two platforms combine a market share of 81% of global app downloads\(^2\) in all app categories. In the diabetes app category the two platforms reach almost 100% market share\(^3\).

The analysis concentrates on solutions for the mobile application to be downloaded from one of the app stores as opposed to mobile webpages, web apps or pure SMS services.

Wherever possible the report makes a distinction between the performance of a smartphone or a tablet application.

More than 30 interviews with physicians, diabetics, app developers and publishers have been conducted to discuss the current status of the market as well as future trends. In addition, more than 20 mHealth app communities have been investigated to include feedback from diabetes app users. The most representative feedback from the interviews and community investigation are included in the report.

The report also provides a detailed description of best practice elements of a diabetes app. Within the scope of the report is also a presentation of the 14 key players, which compose 65% of the total market share. The report analyses their app offering and its overall performance in the diabetes app market.

The report also provides detailed insights on the diabetes app market performance between 2008 and 2013 and gives an outlook until 2018.

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

---

\(^2\) research2guidance, Smartphone App Market Monitor Vol. 10 Q1 2013  
\(^3\) research2guidance 2013
3 MANAGEMENT SUMMARY

Diabetes has become a global epidemic with significant impact on society and the economy. In 2013 about XXM people around the world were estimated to suffer from diabetes. By 2035, the number of people with diabetes is expected to reach XXM. For each person with diabetes, an estimated average of X.USD was spent globally for the treatment and management of the disease in 2013. The global costs (XXXBn USD) to manage the disease represents almost XX% of the total global health care expenditure.

Mobile applications promise to play an invaluable role in assisting people who suffer from diabetes to empower them to better manage their condition and as a consequence reduce health care costs. Mobile apps can aid in the daily management of diabetes by supporting behaviour changes, facilitating communication and easing the hassle of keeping track of all relevant parameters that have an influence on the disease.

Currently there are more than X.XXXX iOS and Android apps listed on the Apple App Store and Google Play that are specifically designed for health care professionals to treat diabetics. The apps can be categorized into four main groups: Diaries & Monitoring Tools, Information & Awareness Raising, XXXXXX and XXXXXX support.

Currently diabetes apps are not meeting the expectations of app publishers, health care professionals and diabetic patients. The apps have not yet had a significant enough acceptance rate within the target group.

Only a few apps utilize their full potential. Most of the apps are too narrow in their functionality or too technical. To become a daily companion, diabetes apps must be individualized and fun to work with. They have to XXXXXXX especially by XXXXXXX. Most of the apps available do not comply with the best-practice elements for diabetes apps explained in this report.

There are many clinical studies that indicate that mobile solutions do have a positive and significant impact on patient outcome (main target value is glycated hemoglobin (A1c)) but poor study quality and a missing benefits case have not yet led to wide acceptance of the results. As a consequence, diabetes apps have not XXXXXXX, which is another reason for the slow uptake of the market.

In 2013 there were X.XXXX users that made use of a diabetes app at least once a month.

The total market value reached X.XM EUR in 2013 giving only little room for a few of the XXX diabetes app publishers to have a sustainable business. The leading XX publishers represent XX% of the all time downloads for iOS and Android diabetes apps. The rest generate only XXXXXXX downloads per month if at all. The XXXXXXX app market is by far the biggest market for diabetes apps. XX% of all diabetes apps, downloaded since Q3 XXXX have been made in the XXXXXXX app market.

---

In the next five years the diabetes app market will see XXXXXX. The market will become a platform for XXXXXX without changing the ways health care is delivered for diabetics.

6 market changers will shape the phase the market is entering now:

1. The ongoing growth of people with diabetics that are XXXXXX.
2. The changing of the role of the apps. From a stand-alone product to XXXXXX, which leverages the app as a tool to XXXXXX (e.g. plug-in glucometers and wearable sensors) and XXXXXX (e.g. remote monitoring and consultation).
3. The adaption of XXXXXX as main business model for digital content.
4. The changing platform preference from XXXXXX for diabetes apps.
5. An ongoing increase of the total XXXXXX that adapt XXXXXX for diabetes apps.
6. The beginning of the XXXXXX of diabetes apps costs by XXXXXX in countries with XXXXXX for a diabetic patient.

Until the end of 2018 the global penetration of smartphones and tablets within this target group will rise to XXXM. The number of active diabetes app users will increase by XX% (CAGR) over the next five years to reach XXM representing X,X% of the addressable market.

The total number of apps will reach more than XX.XXX apps in 201X. An increasing share of these apps (XX% in 201X) will XXXXXX to e.g. XXXXXX or to XXXXXX.

App download numbers will increase by XX% (CAGR) to reach XX.XM in 201X. By that time Android will represent XX%, iOS XX% and all others (e.g. Windows Phone and BB) XX% of total downloads.

The market revenue will increase significantly by XXX% (CAGR) to reach XXXX EUR in 201X. The main revenue sources are XXXXXXXX (XX%), XXXXXXXX (XX%) and XXXXXXXX (XX%) of total revenue in 2018.

There will be X.XM devices that connect to a diabetes app (e.g. plugged-in glucose meter, body patches) that will be shipped to app users in the next 5 years. In the same time more than X,XM diabetes app users will access subscriptions or on-time services (e.g. remote monitoring or consultation for diabetes patients).

Device and service revenues will mainly come from countries like the XXXXXX, XXXXXX and XXXXXX with yearly treatment costs of well above X.XXX EUR. As soon as quality studies and benefit cases about the advantages of sensor-based diabetes apps exist, health care payers will start to be reimbursed.

Within the next five years the diabetes app market will rise to a new level with improved chances for a breakthrough in the following years.

---

7 IDF Diabetes Atlas, 6th edition 2013
©research2guidance | January 2014
12 APPENDIX

12.1 ABOUT RESEARCH2GUIDANCE

research2guidance is a strategy advisor and market research company. We concentrate on the mobile app eco-system. Our service offerings include:

App Strategy: We help our clients inside and outside of the mobile industry to develop their app market strategy. Our consulting advisory projects are based on a set of predefined project approaches including: App strategy development, App Evaluation, App Market Segment Sizing, App Governance and App Marketing Spend Effectiveness.

App Market Reports: Our app market reports explore the major trends and developments affecting the app markets. Separate research papers provide both general and specific coverage of the market. The reports contain key insights for companies looking to enter or deepen their engagement with the mobile applications market, providing data and analysis on all relevant aspects of the market to ease investment decision-making.

App Market Surveys: We leverage our 70.000 app eco-system database to conduct surveys and reports for our clients.

research2guidance, Berlin, Germany, +49 (0)30 609 89 33 60
www.research2guidance.com

Our analyst team

Ralf-Gordon Jahns

Ralf is the research director of research2guidance. He has worked for more than 19 years in the telecom and media industry. Prior to research2guidance he was a partner and member of the leadership team of Capgemini Telecom Media & Networks. Ralf is a frequent keynote speaker on mobile industry events, publisher of a multitude of mobile app market reports and executive consultant of more than 30 clients in the mobile and app industry.

Anca Aneculaesei

Anca is a senior research analyst at research2guidance. She worked on more than 10 app market sizing projects in the health care and fitness industry. She helped various start-up companies to develop their business model in the app eco-system. She holds a master degree in marketing analysis and strategy.
12.2 ABOUT PRIORI

Priori has been the data analytics provider for this report. We would like to thank Priori for the excellent work and quality of the data set delivered.

Priori is a provider of app data and information services on the app economy, maintaining one of the largest independent databases of global app information. Priori’s data, analytics, and insights allow stakeholders to make confident decisions in this massive, poorly understood, and highly competitive marketplace.

http://www.prioridata.com
12.4 LIST OF TABLES AND FIGURES

List of tables

Table 1: Clinical trials for diabetes management mobile solutions (1) .......................................................... 16
Table 2: Clinical trials for diabetes management mobile solutions (2) .......................................................... 17
Table 3: List of diabetes apps which connect to external devices ................................................................. 22
Table 4: Classification of FDA regulated diabetes apps .................................................................................. 30
Table 5: Azumio diabetes apps fact sheet ........................................................................................................ 63
Table 6: sanofi-aventis diabetes apps fact sheet ............................................................................................. 64
Table 7: Medivo diabetes app fact sheet ........................................................................................................ 66
Table 8: Distal Thoughts diabetes apps fact sheet ......................................................................................... 67
Table 9: BHI Technologies diabetes apps fact sheet ..................................................................................... 68
Table 10: Maxwell Software diabetes apps fact sheet ................................................................................... 69
Table 11: Tactio Health Group diabetes apps fact sheet .................................................................................. 71
Table 12: Everyday Health diabetes apps fact sheet .................................................................................... 72
Table 13: Taconic Systems diabetes app fact sheet ........................................................................................ 73
Table 14: AgaMatrix diabetes apps fact sheet ................................................................................................ 74
Table 15: mySugr diabetes apps fact sheet ..................................................................................................... 75
Table 16: Medisana diabetes app fact sheet .................................................................................................. 76
Table 17: Medtronic diabetes apps fact sheet .................................................................................................. 77
Table 18: Telcare diabetes apps fact sheet ....................................................................................................... 78
Table 19: List of diabetes apps ..................................................................................................................... 93
List of Figures

Figure 1: Business potential of different therapeutic areas (2010-2012) ................................................................. 8
Figure 2: The global prevalence of Diabetes 2013 ........................................................................................................ 10
Figure 3: Mean-diabetes related health care expenditure per person with diabetes (20-79 years) in 2011 ............................................................... 11
Figure 4: Components of diabetes-related health care expenditure in USA ............................................................. 12
Figure 5: Addressable market for diabetes apps in major diabetes countries 2013 ...................................................... 18
Figure 6: Diabetes apps per platform and by target market ......................................................................................... 19
Figure 7: Categories of diabetes apps for patients .................................................................................................... 20
Figure 8: Categories of diabetes apps for HCPs ......................................................................................................... 20
Figure 9: Overview of best practice dimensions and current status of diabetes apps ................................................. 26
Figure 10: Total number of diabetes apps (2008-2013) ............................................................................................ 35
Figure 11: Number of diabetes apps by platform (2008-2013) ................................................................................. 36
Figure 12: Number of free diabetes apps by platform (2008-2013) ....................................................................... 36
Figure 13: Number of paid diabetes apps by platform (2008-2013) ................................................................. 37
Figure 14: Number of diabetes app publishers by platform (2008-2013) ............................................................... 38
Figure 15: Number of diabetes app downloads by business model (2008-2013) .................................................... 39
Figure 16: Number of paid diabetes app downloads per platform (2008-2013) ..................................................... 40
Figure 17: Number of free diabetes app downloads per platform (2008-2013) ...................................................... 41
Figure 18: Number of downloads of diabetes apps with in-app purchase (IAP) and IAP share (2008-2013) ............. 42
Figure 19: Cumulated downloads per platform (2008-2013) ............................................................................... 42
Figure 20: Number of active diabetes app users per platform (2008-2013) ........................................................... 43
Figure 21: Diabetes app rating .............................................................................................................................. 44
Figure 22: Average price of diabetes paid apps per platform (2008-2013) ............................................................... 44
Figure 23: Average price of in-app purchase elements of diabetes apps per platform (2008-2013) ................. 45
Figure 24: Diabetes app market revenue by revenue sources (2008-2013) .......................................................... 46
Figure 25: Revenue share by source (2008-2013) ................................................................................................. 47
Figure 26: Paid download revenue per platform (2008-2013) .............................................................................. 48
Figure 27: Diabetes apps induced devices shipments per platform (2008-2013) ..................................................... 48
Figure 28: Share of all time downloads per country ................................................................................................. 49
Figure 29: Active user share by country ................................................................................................................. 50
Figure 30: Paid download share per country .......................................................................................................... 50
Figure 31: Top 10 countries for iOS diabetes apps (all time market downloads) ..................................................... 51
Figure 32: Top 10 countries for Android diabetes apps (all time market downloads) ........................................... 51
Figure 33: USA country profile ............................................................................................................................ 52
Figure 34: UK country profile ............................................................................................................................... 53
Figure 35: Germany country profile ....................................................................................................................... 54
Figure 36: Canada country profile ........................................................................................................................ 55
Figure 37: France country profile .......................................................................................................................... 56
Figure 38: Spain country profile ........................................................................................................................... 57
Figure 39: Australia country profile ....................................................................................................................... 58
Figure 40: Italy country profile .............................................................................................................................. 59
Figure 41: China country profile .......................................................................................................................... 60
Figure 42: Japan country profile ............................................................................................................................ 61
Figure 43: Market shares (all time downloads) ......................................................................................................... 62
Figure 44: Addressable market (2013-2018) ................................................................. 82
Figure 45: Active users of diabetes apps (2013-2018) .................................................. 82
Figure 46: Number of diabetes app and diabetes apps with in-app-purchase features (2013-2018) ........................................................................ 83
Figure 47: Diabetes app downloads (free, paid and total) (2013-2018) ......................... 84
Figure 48: In-app-purchase downloads from diabetes apps (2013-2018) ..................... 84
Figure 49: Diabetes app downloads per platform (2013-2018) .................................... 85
Figure 50: Diabetes app download share per platform (2013-2018) ............................ 86
Figure 51: Diabetes app market revenue by revenue source (2013-2018) .................... 87
Figure 52: Development of revenue share by revenue source (2013-2018) ............... 87
Figure 53: Number of devices shipped and device prices (2013-2018) ....................... 88
Figure 54: Diabetes app service users and active user shares (2013-2018) .................. 89
Figure 55: Diabetes app service revenue by service type and service price (2013-2018) ................................................................. 90