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

Respondents by region

 Publisher company types

OTHER 12%
HOSPITAL 4%
HEALTH INSURANCE 4%
NGO 5%
TELEHEALTH SERVICE 5%
PHARMACEUTICAL 6%
CONSULTANCY 7%
MEDICAL DEVICE 7%
DEVELOPER 27%
IT / TECH 23%

2,600 mHealth practitioners
7,900 mHealth apps

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 and did not achieve goals
- **43%** Achieving achieved more than expected
- **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?

- Help people to improve their health conditions: 4%
- Generate revenue with apps: 1%
- Gather data/analytics: 52%
- Reduce costs/ increase efficiency: 46%
- Improve brand awareness and reputation: 37%
- Seize the opportunity and learn: 13%

**The Revenue & Download Situation of MHealth Publishers Have Slightly Improved**

How much revenue did your organization generate with mHealth apps last year (2019)?

- No revenue: 5%
- 10k-100k: 22%
- 100k-5M: 13%
- 5M-10M: 1%
- >10M: 2%

+5% produced higher revenue >10k

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

- No revenue: 7%
- 1-2: 14%
- 3-10: 4%
- 11-100: 6%
- 101-500: 3%
- 501-1,000: 1%
- >1,000: 2%

+6% produced higher downloads

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MHealth Business Models and Target Groups Are Becoming More Clear

Chronic Illness Continues to Be the Most Promising

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

- Chronically ill people: 56%
- Health and fitness interested people: 33%
- Physicians: 32%
- Hospitals: 26%
- Parents/relatives: 18%
- Health insurance companies: 17%

In terms of Business Potential & User Benefit

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

- Other: 11%
- Licensing: 15%
- App development fee: 14%
- Service sales: 12%
- Sponsorship: 11%
- Pay per download: 10%
- In-app purchases: 10%
- Devices sales: 8%
- In-app advertising: 4%
- Transactions: 3%

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?

- App use fee
  - Download fee
    - ≤ 1: 28%
    - 2.5: 36%
    - 6-10: 17%
    - 11-20: 13%
  - In-app purchase
    - Training plan: 21%
    - 2.5: 32%
    - 6-10: 24%
    - 11-20: 21%
  - Professional service
    - Email answer from a doctor: 21%
    - 2.5: 28%
    - 6-10: 22%
    - 11-20: 21%
  - Ongoing screening
    - Monthly fee for remote monitoring: 14%
    - 2.5: 27%
    - 6-10: 30%
    - 11-20: 25%

- Monthly subscription
  - ≤ 1: 37%
  - 2.5: 37%
  - 6-10: 14%
  - 21-50: 13%
  - Diet plan: 23%
  - One time expert feedback: 24%
  - Monthly fee for location and emergencies: 15%

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?

- Remote monitoring: 32%
- Diagnostic: 31%
- Medical condition management: 30%
- Remote consultation: 29%
- Patient health record: 28%

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

- Diabetes: 73%
- Obesity: 40%
- Hypertension: 29%
- Depression: 27%
- CHD: 16%

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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 practitioners.¹

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.

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.

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 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.

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 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.

MHEALTH START UPS! Join the eHealth Accelerator Program from LifeTech in Brussels

Through the launch of its yearly 6-month long eHealth Accelerator, lifetech.brussels helps entrepreneurs, both at an early and a scale-up phase of project development, face important challenges pertaining to digital health such as regulatory measures, functioning of the ecosystem, data privacy, data security issues etc. Entrepreneurs also get the opportunity to further develop and challenge their business skills and pitch with the help of top-notch experts and dedicated coaches. Join the adventure!
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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MORE FROM US:

Data driven report which sizes the mHealth app market until 2020 and provides details for countries and business models.

DIABETES APP MARKET REPORT 2016

Published: October 2016
Number of pages: 85

Global market analysis of potential for diabetes apps including country and competitor analysis, covering 2008-2021.

2008-2016 Market Analysis
✓ Global and country addressable market size, cost, app performance
✓ Evolving market strategies
✓ Best practices
✓ Top 10 country profiles
✓ Top 10 publisher analysis

2016-2021 Outlook
✓ Addressable market size, cost, App performance
✓ Active users
✓ Market Revenue
✓ Connected Device Shipment

mHEALTH APP MARKET SIZING 2015-2020

Published: November 2015
Number of pages: 101

Data driven report which sizes the mHealth app market until 2020 and provides details for countries and business models.

Current mHealth app market sizing
✓ App categories market share
✓ Market revenues and downloads
✓ 17 mHealth business models
✓ Profiles of Top 10 mHealth countries
✓ Profiles of Top 20 mHealth publishers

mHealth app market forecast 2015 - 2020
✓ mHealth user development
✓ Market forecast by business model
✓ Connected device shipment and app downloads forecast