Mobile-First Startup Could Disrupt Facebook’s Social Dominance

Mobile Developers Disappointed with HTML5 Mobile Applications

Apple Dominates as Platform of Choice for Developers while Android Continues to Decline
Summary

Appcelerator and IDC surveyed 5,526 Appcelerator Titanium developers from August 22-28, 2012 on their perceptions about current debates in mobile, social, and the cloud as well as their development priorities. This constitutes the world’s largest mobile developer survey ever conducted to date and reflects the tremendous growth of the Appcelerator ecosystem.

Key Findings

• **Mobile developers believe that a mobile-first startup could disrupt Facebook.** A resounding 66% of mobile developers state that it is “likely to very likely” that a mobile-first social startup will disrupt the market for social applications on mobile devices and take market share from Facebook.

• **Top predictions for mobile in 2015:** The mobile market is evolving at breakneck speed, and we asked our mobile developers who are on the cutting edge of this transformation to provide their predictions for the mobile application market. Developers predict that by 2015 they will be building mobile applications for more than smartphones and tablets. Televisions, connected cars, game consoles, Google Glass, and foldable screens all ranked high on the list of form factors for 2015.

• **Mobile developers are disappointed with nearly every aspect of HTML5.** We asked developers to rate their satisfaction with a number of the features supported by the HTML5 standard. Developers ranked their satisfaction with nearly every feature of HTML5 as neutral to dissatisfied, including user experience, performance, monetization, fragmentation, distribution control, timeliness of new updates, and security.

• **Apple continues to reign as the platform of choice for developers.** Apple maintained its dominance at the top of developers’ lists for mobile app development this quarter, with 85% of developers very interested in building apps for iOS smartphones and 83% similarly focused on iPad apps.

• **Android development declines for a fourth quarter.** Android’s return to decline in developer interest levels is disconcerting, with now fewer than 66% of developers very interested in developing for the tablet platform and 76% for the smartphone platform.

• **RIM declines to all-time low, providing an opportunity for others.** Mobile developers “very interested” in building apps for the Blackberry phone fell to an all-time low of 9% from almost 40% in our January 2011 survey. Will Blackberry 10 arrest the slide?

• **Developers remain excited about Storage as a Service and Backend as a Service**, specifically citing the capabilities for applications and data to move across different devices and for secure access to information from anywhere at any time. The potential remains wide open, however, as only 17% currently implement mobile BaaS.

• **Developers are excited about new Apple features.** The iOS features developers are most looking forward to using are Apple Maps (37%) and enhanced Siri (22%). Faster processors, LTE (Long Term Evolution) connectivity, and a larger screen are the advances developers were hoping for most in the new version of the iPhone.
Developers are optimistic around the potential for Microsoft’s Windows 8 desktop, tablet, smartphone platform and its promised ability to develop applications that can scale across these three form factors. However, mobile developers harbor significant doubt that Microsoft can actually accomplish this difficult task and gain the marketshare required to make it a relevant mobile platform. While the promise is high, given past performance and current marketshare for Windows 7 and 7.5, developers are taking a wait and see attitude.

**Mobile-First Startup Could Break Facebook’s Social Dominance**

Mobile developers believe that Facebook is at risk of being disrupted by a mobile-first social media startup. A resounding 66% of mobile developers state that it is “likely to very likely” that a mobile-first social startup will disrupt the market for social applications on mobile devices and take market share from Facebook.

History has proven that major technology shifts can transform customer relationships, businesses, and industries. We saw this happen with the advent of the web, and mobile will be no exception. If mobile developers believe that a new mobile-first entrant can disrupt Facebook, enterprises in mature markets should take heed. Developers are highlighting a cautionary note that all businesses should pay attention to: Mobile has the power to reshape entire industries, and these changes can be swift. It is not enough to port elements of your existing business model over to mobile. Staying competitive in the era of mobility requires fundamentally re-envisioning traditional business models through a mobile-first lens.

Mobile provides enterprises with an unprecedented opportunity to transform their relationships and build towards competitive advantage – even faster than was possible when web technologies emerged. We are already seeing mobile-first startups, such as Uber, disrupting the traditional taxicab industry. Mobile’s transformative power provides a tremendous opportunity for enterprises that can reimagine their business from a mobile-first view, but it will also leave a wake of casualties among companies that underestimate the speed of disruption.

How likely is it that mobile-first social startup could disrupt the market for social applications on mobile devices and take market share from Facebook?

**Developers Predict Facebook Will Lose its Social Dominance**

66% of mobile developers believe that it’s likely to very likely that a mobile-first social startup could break Facebook’s social dominance

N=4,769 responses  
Source: Appcelerator / IDC - 08/2012
2015 Mobile Prediction: More than Smartphones and Tablets

In this quarter’s survey, we asked mobile developers to peer into their crystal balls and predict the mobile application market as far out as 2015. We admit that this is a daunting task for a market moving at the speed of mobile (let’s not forget that four years ago, there was no iPad!). However, since mobile developers are on the cutting edge of this transformation, they provide a unique perspective on what mobile is likely to have in store for the world.

By 2015, developers predict that it is “likely to very likely” that they will be building mobile applications for more than smartphones and tablets. Televisions (83.5% “likely to very likely”), connected cars (74%), game consoles (71.2%), Google Glass (67.1%), and foldable screens (69.1%) all ranked high on the list of future form factors. However, despite the entry of a variety of additional form factors, developers still believe they will build the majority of their apps for smartphones and tablets in 2015. Small percentages of developers believe they will be developing exclusively for phones or tablets, but 63% believe they will still be developing apps for both. This further emphasizes developers’ need for a single development environment in which to create apps for as many form factors as possible.

By the year 2015, what new form factors do you believe that you will be building apps for?

Top 5 Form Factors that Developers Predict They Will Build Apps For In 2015

<table>
<thead>
<tr>
<th>Rank</th>
<th>Form Factor</th>
<th>Likelihood</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Televisions</td>
<td>83.5%</td>
</tr>
<tr>
<td>2</td>
<td>Connected Cars</td>
<td>74.0%</td>
</tr>
<tr>
<td>3</td>
<td>Game Consoles</td>
<td>71.2%</td>
</tr>
<tr>
<td>4</td>
<td>Foldable Screen</td>
<td>68.1%</td>
</tr>
<tr>
<td>5</td>
<td>Google Glass</td>
<td>67.1%</td>
</tr>
</tbody>
</table>

N=4,821 responses

Source: Appcelerator / IDC - 09/2012
Developers Not Satisfied with HTML5 Mobile Applications

We wanted to understand developers’ contentment with HTML5-based applications, so we asked them to rate their satisfaction with a number of the features supported by the standard. We thought this was particularly timely, given the recent high-profile defections from HTML5 by Facebook and others.

Developers ranked their satisfaction with nearly every feature of HTML5 as neutral to dissatisfied, including user experience (62% neutral to dissatisfied), performance (72.4%), monetization (83.4%), fragmentation (75.4%), distribution control (60.3%), timeliness of new updates (67.9%), and security (81.8%). Developers reported the highest satisfaction (58%) with the cross-development capabilities of HTML5, and slightly less than 50% reported satisfaction with the immediate updates.

For HTML5 mobile applications, please rank your satisfaction

<table>
<thead>
<tr>
<th>Neutral to Dissatisfied</th>
<th>Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Monetization (83.4%)</td>
<td>1. Cross-development capabilities (83.4%)</td>
</tr>
<tr>
<td>2. Security (81.8%)</td>
<td>2. Immediate updates (81.8%)</td>
</tr>
<tr>
<td>3. Fragmentation (75.4%)</td>
<td></td>
</tr>
<tr>
<td>4. Performance (72.4%)</td>
<td></td>
</tr>
<tr>
<td>5. Timeliness of new updates (67.9%)</td>
<td></td>
</tr>
<tr>
<td>6. User experience (62%)</td>
<td></td>
</tr>
<tr>
<td>7. Distribution control (60.3%)</td>
<td></td>
</tr>
</tbody>
</table>

Apple Dominates; Shifting Sands for Android

Apple maintained its dominance at the top of developers’ lists for mobile app development this quarter, with fully 85% of developers very interested in building apps for iOS smartphones and 83% similarly focused on iPad apps. While this does represent a slight decline from the previous quarter’s survey, a single 3% deviation is relatively normal over a single quarter. More disconcerting is Android’s return to decline in developer interest levels, with now fewer than 66% of developers very interested in developing for that tablet platform and only 76% very interested in the smartphone platform. The mild reduction, 2 points for smartphone and 3 for tablet, would not be notable except for the fact that...
Android has been declining over the past four quarterly developer surveys (except for the survey just prior to this one). Google’s inability to curtail Android’s massive fragmentation, even with Ice Cream Sandwich, has forced developers to focus on the iPad as the leading tablet platform, and on the iPhone first for smartphone apps.

Developers Excited for New iOS Features

With the introduction of the iPhone5 and iOS 6, we asked developers what feature sets they were most excited about using in their iOS applications, and what they would like to see in the latest version of the iPhone. The number of responses and the excitement about this next iOS update were unprecedented.

Developers are clearly excited about the opportunity that Apple Maps provides them for their mobile applications, with over 36% stating that Maps is the feature they are most looking forward to seeing, or to using in their mobile applications. What this means for Google Maps, and Google's ability to monetize iOS users, is obvious. That massive numbers of applications that interface with or utilize Google Maps, such as Yelp and Facebook, will now rapidly migrate to Apple’s new mapping function leaves Google a much smaller audience for Google sponsored ads and Google information.
'Very interested' in developing for each platform

2010-2012 Comparison: iOS Continues its Reign at the Top

- iPhone (iOS)
- iPad (iOS)
- Android Tablet
- HTML5 Mobile Web
- Android Phone
- Windows 8 Tablets
- BlackBerry Phone
- Windows Phone 7.5
- BlackBerry PlayBook
- Kindle Fire

N=4,804 responses

Source: Appcelerator / IDC - 08/2012

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Passbook also garnered significant interest, with 15% of developers citing that capability as most interesting. Passbook’s capability to store loyalty card information as well as potential credit card and password information, would give iOS devices the capability to replace many of the items that now sit in your pocket or purse. Moving forward, Developers look to engage this secure repository for all sorts of access and control functions, from within app.

We also asked developers what feature sets they were most interested in seeing as Apple introduces the next version of the iPhone. Over half (51%) wanted to see a faster processor; 39% wanted to see LTE conductivity; and 43% wanted to see a larger screen. All of this points to developers’ desire for faster, higher-performing, and more immersive experiences for their applications running on iOS devices. The trend towards fast, high-performance applications is noted throughout the survey, with developers citing performance issues and requirements for native capabilities as the primary reasons for not using HTML5 and instead building native apps. Near Field Communication (NFC) also scored very highly among developers. While the use cases for NFC are widely varied, the capabilities that it lends to the mobile device to replace keys, credit cards, pass cards, and anything else used for payment or identity are quite impressive.

**RIM Declines to All-Time Low**

Continued declines in interest in Research in Motion’s BlackBerry platform on both phones and tablets – developers “very interested” in building apps for the OS fell to an all-time low of 9% and 8% respectively – open the door for another competitor to supplant the Canadian smartphone maker, especially in the enterprise. This decline in RIM interest is dramatic considering that almost 40% of mobile developers were very interested in developing for the platform in the January 2011 survey – again emphasizing the speed at which the mobile market is evolving. This highlights the fact that RIM has to deliver both a compelling experience and massive developer engagement with Blackberry 10 to stand a chance with mobile developers and to return to relevance.

**Windows 8 Holds Promise among Developers**

Developers believe Windows 8 holds significant promise but is far from a sure thing. In an eerie coincidence, nearly the exact same number of developers who said they plan to build apps for both Windows 8 phones and Windows 8 tablets said that they do not plan to build applications for either phone or tablet. It’s obvious that Microsoft has a lot of work to do to convince developers that Windows 8 will be a successful platform.

**Developers Hopeful for Windows 8 to Deliver Cross-Platform Development Capabilities**

We probed deeper into developers’ reasoning behind their interest in Windows 8. We wanted to understand what it was about Windows 8 that interested them the most. Going in, we expected it to be Microsoft’s support for the tablet and the fact that the Surface was launched to such rave reviews, but as it turns out, we were wrong. What interests developers most about Windows 8 tablets is actually the shared development capabilities between desktop and tablet promised by Microsoft with the launch of Windows 8.

We believe this reflects the continuing issues that developers face in supporting so many platforms, so many interaction mediums, and so many different ways that end users will consume an application. Microsoft support for the tablet form factor actually rated the lowest among reasons developers were interested in Windows 8, perhaps echoing Microsoft’s diminished position and the lowered expectations for it among mobile app developers.
Developers are cautiously optimistic that Microsoft will actually be able to deliver this single development environment that it has promised. In the 2,671 responses to the question, “How do you think Microsoft will accomplish touch and mouse keyboard in the same app development tool sets?”, many expressed doubt as to Microsoft’s ability to actually deliver on its ambitious promises of a single development environment, single interface medium, and single paradigm for both desktop and tablet/smartphone applications. Again, Microsoft has to deliver a strong showing right out of the gate; with its reduced market share position and falling interest in the Windows phone platform, developers are unlikely to tolerate any missteps.

Windows 8 Success Poses Competitive Threats to Apple and Google

We asked developers whose market share would be most affected by successful Windows 8 smartphones or successful Windows 8 tablets. Developers believe that RIM would be most affected by a successful Windows 8 smartphone, and Apple by a successful Windows 8 tablet; however, the results were not definitive. While RIM’s decline is widely noted, developers feel that Windows’ success could accelerate that decline, though 70% also felt Android smartphones would be adversely affected.

The tablet responses were less clear, with 80% of developers feeling that Android would be affected by Windows 8 success and 80% feeling that Apple would be affected. Clearly Apple’s dominance in the tablet space (outselling Android tablets three to one) means it has the most to lose. However, Android’s lack of success in the tablet space and its continued fragmentation mean it will be easier for Windows 8 to take significant market share from it. It’s worth pointing out here that regardless of who is affected, Windows 8 success is far from a sure thing. Microsoft will have to deliver for both end users and developers, from launch.

Microsoft’s Success Hinges on Massive Device Sales

A large installed base of devices was the #1 criterion for 53% of developers when asked about why they choose to develop on a platform. This indicates that Windows 8 will take time to catch up, given its low penetration in the installed base of devices. Thus, the first task for Microsoft will be to garner significant device sales so as to support a vibrant ecosystem like those Apple and Google have engendered.

“Low cost of devices” and “revenue potential” are fairly closely tied for the #2 and #3 reasons developers choose to develop on a platform. Low cost of devices was ranked #2 by 37%, and 38% ranked it #3, whereas revenue potential was ranked #2 by 34.3% and #3 by 43.2%. The preference for low device cost indicates why Android remains solidly in second place as a development OS, while the revenue potential preference highlights why Apple maintains its dominance. The goals of most developers have always been understood to be fame and fortune. A large audience of devices gives developers both opportunities. Low device cost widens the audience for an application, leading to a good payoff for the massive amount of work it takes to develop a compelling application. Revenue potential is what puts money in developers’ pockets, after the hard work has been done. Google and Apple have done the best job to date of enabling their developers to make money. Microsoft, RIM, and others still lag far behind.

The Cross-Platform Imperative

As highlighted by the predictions for 2015 of multiple form factors and the interest in Windows 8 to deliver shared development capabilities between desktop and tablet, mobile developers again indicated a strong need for a cross-platform development environment by revealing their development plans for the next six months. 68.9% of developers stated that they plan to develop business applications for two or more operating systems in the next six months.
In this quarter’s survey, we continue to explore developer opinions on mobile cloud storage services, including Mobile Backend as a Service (MBaaS) and Mobile Platform as a Service (MPaaS) capabilities. Developers remain excited about the capabilities offered, with over two-thirds interested in mobile cloud storage. However, the use cases envisioned for those cloud services, particularly storage, vary widely. 50% of those interested cite applications and data that can move across different devices as the primary use case for cloud-based storage options. 34% of those interested cite secure access to information from anywhere at any time. Lastly, 32% of those interested are not sure of the use cases. Obviously, the two use cases specified are low-hanging fruit for cloud-based Mobile Backend as a Service (MBaaS) providers. However, we believe that significant education, as well as enablement, for developers is needed in order to fully capture these developers’ momentum and imagination.
MOBILE DEVELOPER PROFILE

GENDER  Male
AGE  20-29

WORK VALUES
Takes pride in his work

LIFE VALUES
Freedom of speech, lack of censorship, individuality, free flow of information, creativity and innovation, human rights and humanity, beautiful design, the environment

PASSIONATE ABOUT
Fighting corruption, politics, ending poverty, corporate greed

CONCERNED ABOUT
Lack of empathy, selfishness, global warming, unethical practices, ignorance, censorship

COMPANY SIZE
Almost 32% are independent developers, citing 1 employee in their company
31% work for companies with fewer than 10 employees
28% work for companies with between 11 and 999 employees
9% work for enterprises with more than 1,000 employees

AGE
38.4% are in their 20s
79.2% are under the age of 40

GENDER
96% are male
4% are female

Mobile developers told us that changing the world and their personal impact/imprint on it is extremely important to them. They also place extreme importance on “wanting to know it first and know it best.” Conversely, getting promoted and impressing the boss was categorized as “not or less important” to this community.
About the Appcelerator / IDC
Q3 2012 Mobile Developer Report

Appcelerator and IDC surveyed 5,526 Appcelerator Titanium developers from August 22-28, 2012 on their perceptions about current debates in mobile, social, and the cloud as well as their development priorities. Developers were individually invited from Appcelerator’s user registration database to complete a web response survey. A raffle for a free iPad 2 was made and only one response per user was allowed. Respondents’ answers were given freely with no other incentive or compensation for their participation.

Appcelerator developers represent a uniquely broad spectrum of backgrounds. Thirty-one percent of respondents classify themselves as independent developers, with the other 69% coming from businesses. Appcelerator has a global audience, with 36% surveyed stating they live in North America, 38% in Europe, and 26% throughout the rest of the world. Note also that Appcelerator developers come from a web development background, so although they build applications with Appcelerator Titanium, they are used to working across multiple platforms.

About Appcelerator

Appcelerator is the leading enterprise-grade, cross-platform development solution on the market today, with over 350,000 mobile developers using its software to power over 50,000 cloud-connected mobile, desktop, and web applications used on 80 million devices every day. The company’s flagship offering, Appcelerator Titanium, is the only mobile cloud platform to enable fully native, cross-platform mobile app and HTML5 web development, from a single codebase. Appcelerator’s customers can leverage their existing skills and open, industry standard technologies to decrease time-to-market and development costs, increase customer adoption and revenues, and enjoy greater flexibility and control. For more information, please visit www.appcelerator.com.

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