

# Infiniti's Market Assessment Study of the Mobile Applications Development Market

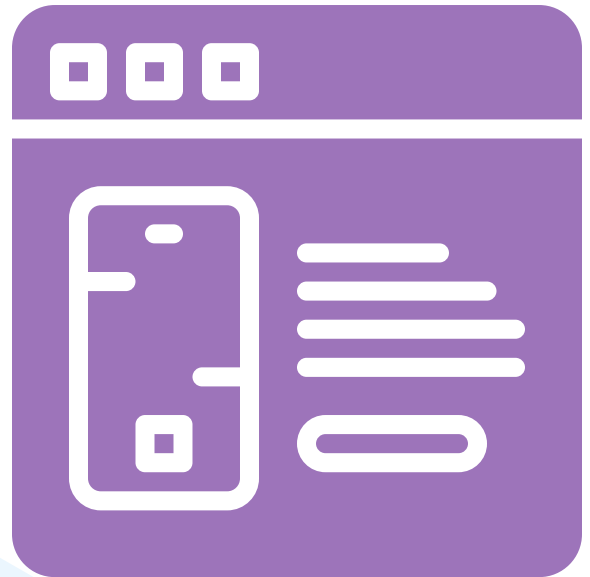
A recent client engagement on the mobile  
apps market in the US and Europe

business only



# Introduction

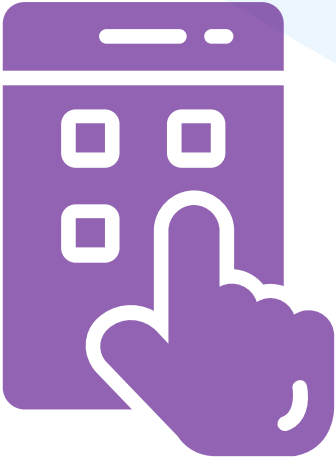
The mobile applications market is one of the most rapidly growing industries in the US and Europe. With increased smartphone and internet penetration and rising investments in digitization and adoption of the Internet of Things Technology and Mobile Connected Smart Objects, this trend is likely to proliferate. Further, the potential of mobile applications to generate large amounts of revenues makes it a highly lucrative market for investors. While companies are willing to invest millions into developing and promoting a mobile app, mobile application development companies must keep a constant lookout for end-user preferences and innovative features and applications to lure users and thrive in the highly dynamic and competitive market.



# Engagement overview

## Business Challenge

*Area of focus: Mobile Applications Development | Region: US and Europe | Duration of engagement: 12 weeks*



A prominent mobile application development company based in the APAC region wanted to expand their business and develop a range of applications targeted to the customers in the US and European markets. They also wanted to understand the trending app features, end-user preferences, and gaps in the offerings of existing market players. The company partnered with Infiniti Research for market research support and a thorough market assessment study to understand the feasibility of its market expansion strategy. Experts at Infiniti were also tasked with providing information and insights with respect to market size, segmental information, market dynamics, and competitive intelligence information for the mobile applications market in the US and Europe.

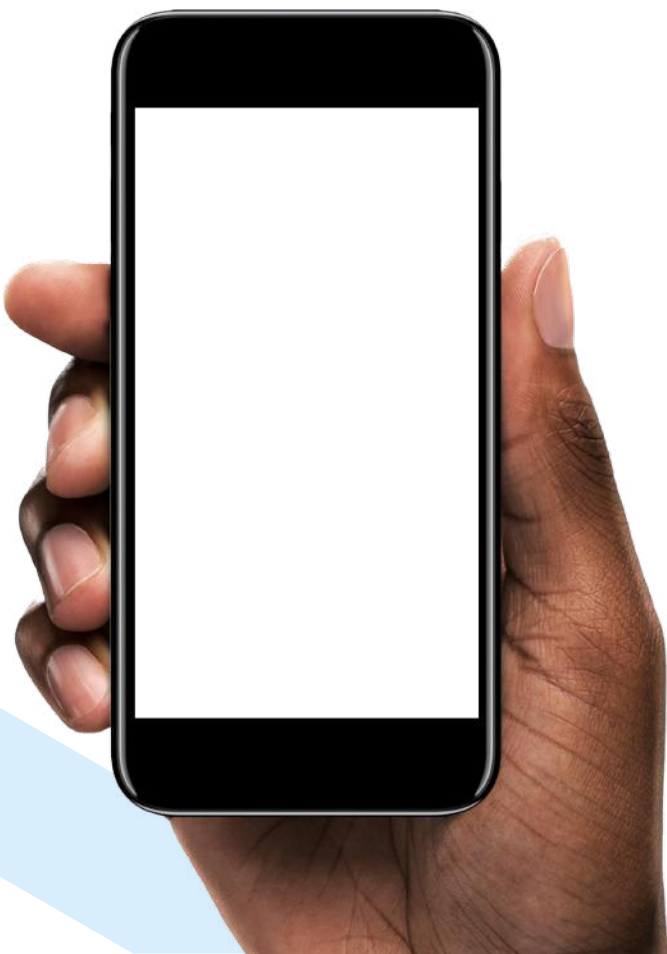
## Scope of the engagement

During the engagement, with a duration of 12 weeks, our industry experts helped the mobile application development company attain comprehensive and unparalleled insights into the mobile apps market in the US and Europe. Infiniti's market assessment study included:

- An overview of the US and European mobile application market by industry, revenue model, and operating systems (OS).
- Key market dynamics, trends, and market forecasts up to 2023.
- End-user analysis to understand the most preferred features, top applications in the market, key purchase parameters, and gaps faced by end-users in the target market
- A detailed competitive assessment highlighting the top market competitors, their revenue and market share analysis, and recent market news and new product development in the US and Europe

# Our approach

Infiniti's comprehensive market assessment study of the mobile applications market included three main phases – Hypothesis development, Information source identification, and analytical framework development. Once the primary objectives of the engagement were laid out, our industry experts used an incisive approach using both primary and secondary sources to collect critical market data. Secondary data sources used by our experts included annual reports, media platforms, news aggregators, and executive presentations. After a thorough data cleaning and synthesis, the data collected was then validated through multiple sources during the primary market research. The primary research included insights from internal and external thought leaders such as business executives, channel partners, dealers, trade partners, consultants, analysts, regulatory bodies, and trade associations. A data modeling and scenario testing approach was also undertaken for further detailed insight development.



**83%**

of the European population expected to have access to smart phones by 2025



**40%**

of the revenue from the US mobile application market earned from advertising



**20%**

increase recorded each year for advertisements through social media channels



**\$300 Million**

approximately spent by US users in top ten subscription video-on-demand applications in 2018

# US Mobile Applications Market: Key Market Dynamics

## **Increasing adoption of technology**

Mobile application developers are adopting various technologies such as augmented reality, virtual reality, artificial intelligence, blockchain, and machine learning to run their applications efficiently. These technologies are increasingly popular in segments, including entertainment, healthcare, finance, food retail, and education.

## **On-demand applications in the entertainment industry**

In the entertainment industry, the demand for on-demand applications is continuously increasing. With several mobile apps providing premium and exclusive content, end-users are displaying increased interest in viewing such content and are willing to pay through in-app purchases and subscriptions. The majority of the end-users for this segment fall into the 18-45 years age bracket.

## **Use of social media advertising**

With a fair majority of the population active on social media sites, businesses are resorting to social media applications as a platform to advertise and showcase their products and increase their customer reach. The use of social media applications as a tool for promoting marketing activities of businesses is expected to increase in the future. Spending on advertising by businesses through social media channels is growing by over 15% each year and has already surpassed the newspaper advertisement expenditure for several brands.

## **Adoption of virtual tryouts in the fashion industry**

Virtual tryout is a major trend being witnessed in fashion mobile applications. Various technologies such as image processing allow the user to upload a picture, and the application can identify the body measurements, enabling the user to try the outfit with the help of AR virtually. Moreover, mobile applications with virtual trial rooms offer an opportunity for clothing manufacturers and designers to expand their customer base. Technologies such as virtual tryouts encourage online shopping by helping customers to choose products and smoothening the purchase process.

**For more market insights on the  
mobile application development  
market**

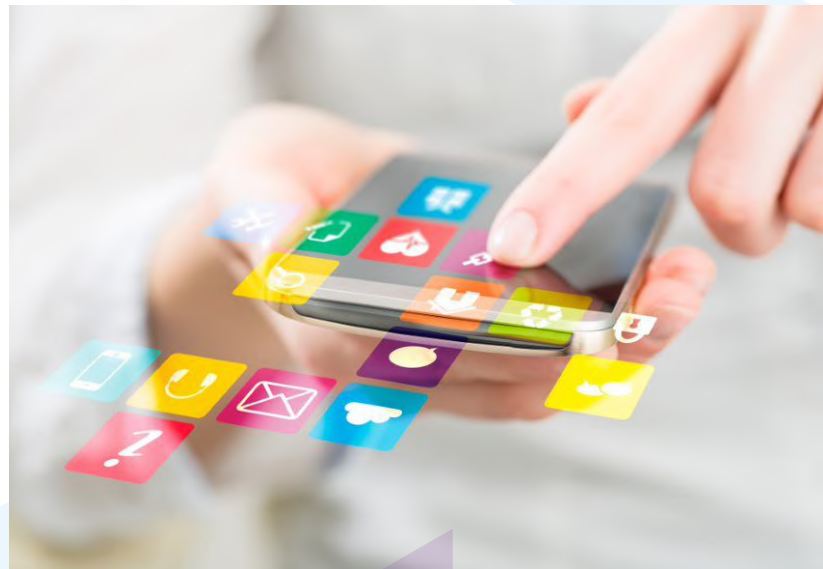
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# Business Impact

· Infiniti's market assessment study identified that end-users in the US and European markets are increasingly inclined towards mobile applications that offer customized content based on their preferences. This helped the client explore developing applications that use various technologies such as AI to offer personalized content to end-users and improve their overall experience. The company capitalized on this technology to provide end-users with personalized content based on various parameters such as demographics, previous usage patterns and behavior, and the user's current location. This in turn helped them maintain a healthy user retention rate.

· A detailed industry trend analysis and customer intelligence determined various parameters that a user considers before purchasing a mobile application or paying extra for advanced and premium features. It was identified that in case of social media applications, end-users in the US and Europe are willing to pay for premium features that increase their networking ability. In the case of apps for video streaming, majority of end-users prefer to test trial version of full features of an application before purchasing the subscription. Similar comprehensive rundown backed by market data on the end-user behavior and purchase patterns across mobile application segments enabled the client to build an accurate customer profiling and identify the most lucrative and viable mobile app features across segments. The client rolled out a fashion mobile application that incorporated critical features based on insights from the engagement. Within four months of the launch, the application received 20k+ downloads on a major mobile applications store.





· Experts at Infiniti identified that one of the key challenges in enhancing the end-user experience is the in-app advertisements that interrupt the usage. Continuous streaming of video advertisements or pop-ups on the screen can result in end-users restricting their app usage or shifting to other applications. Another key end-user challenge is that mobile apps significantly drain the device's battery and consume excessive device memory, especially for entertainment and social networking applications as they display high-resolution images and content. Based on our competitor analysis and in-depth industry analysis, Infiniti helped the client understand the critical strategies of top mobile application development players in the US and Europe to counter such challenges.



· Privacy issues and data security, especially due to the lack of binary protection is another major challenge faced by companies in the mobile applications development market. Our industry experts suggested the use of binary hardening techniques, whereby the binary files are analyzed and altered to protect them from hackers. Users expect this security in mobile applications to safeguard their personal and private information.

**Tell us your business challenge, and we will get back with data-based, precise, and tailored solutions**

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# ABOUT US



Positioned at the forefront of market intelligence, Infiniti Research has carved out a niche for itself as the premier provider of market intelligence solutions for leading players across industries. Our unmatched market intelligence solutions, consulting, and in-depth market assessments are well-known among industry leaders for their ability to solve the toughest challenges faced by industry players. With expertise across 50+ industries and business functions, we deliver transformational solutions to fulfill the needs of a more demanding, smarter world.

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