

The U.S. Mobile App Report

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Mobile **App**
Report*

Introduction

It wasn't too long ago when the desktop computer was the dominant online platform and the central hub for all the consumer's digital activities. But with the proliferation of smartphones, soon followed by the tremendous success of the tablet, mobile's rise has been swift and unrelenting. Last year saw the U.S. become a ***multi-platform majority***, a significant milestone in which the majority of digital consumers used both desktop and mobile devices every month. Around the same time, mobile first surpassed desktop in terms of total digital media engagement. And finally, just this year another key milestone was reached — ***the app majority*** — where now the majority of all digital media time spent occurs on mobile apps.



While the meteoric growth of apps transpired quickly, this shouldn't come as too much of a surprise. After all, apps are the fuel that is driving mobile's growth and where most of the devices' utility comes from. They allow you to perform tasks such as hailing a cab, checking the weather, posting a Facebook status, streaming music, watching videos, and so much more. Without apps, smartphones and tablets are merely shells — like a beautifully designed car equipped with every feature you could want, but without any gas in the engine.

But despite the fact that engagement is now higher on apps than on desktop and mobile browser, they have not attracted the advertising dollars its audience warrants. Like any emerging advertising medium, it takes time for the ad buying and selling infrastructure to develop. The good news is that, throughout the history of media, dollars eventually follow eyeballs, which means that the future of the mobile app economy is very bright.

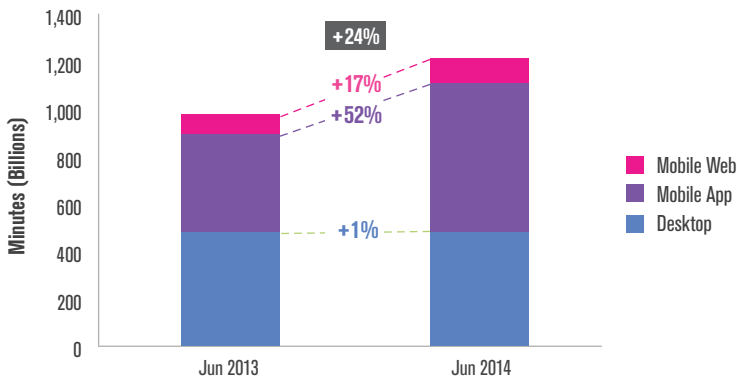
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The Mobile Landscape

- Total U.S. digital media time spent has jumped 24 percent in the past year, driven by a surge in mobile app usage, which increased 52 percent. While mobile usage has been growing fast, it has not come at the expense of desktop computer usage, which still managed to grow by 1 percent.
- The strong growth in mobile app usage has propelled it to take over the majority of digital media time spent at 52 percent. Total mobile activity including mobile browser usage recently eclipsed 60 percent, as desktop now accounts for the remaining 40 percent.
- Apps drive the vast majority of media consumption activity on mobile devices, accounting for approximately 7 out of every 8 minutes. Smartphones have a slightly higher percentage of app activity as compared to browser at 88 percent vs. 82 percent on tablets.

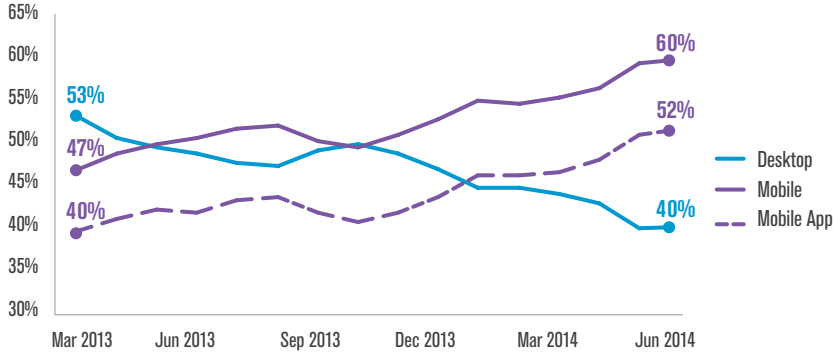
Digital Time Spent Growth Driven by Apps

Source: comScore Media Metrix Multi-Platform & Mobile Metrix, U.S., June 2013 - June 2014



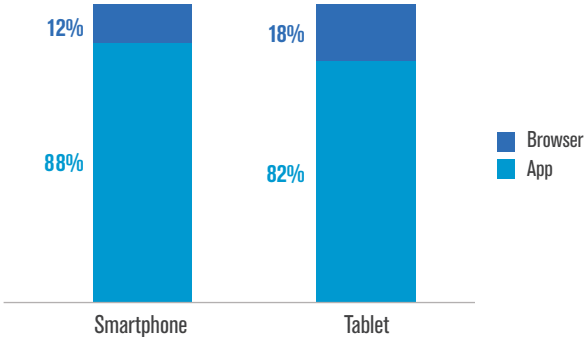
Share of U.S. Digital Media Time Spent by Platform

Source: comScore Media Metrix Multi-Platform & Mobile Metrix, U.S., March 2013 - June 2014



Mobile App vs. Browser Splits

Source: comScore Mobile Metrix, U.S., Age 18+, June 2014



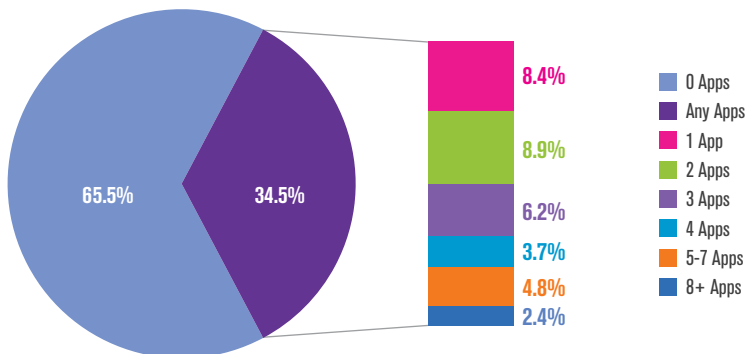
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App User Habits

- More than one-third of all U.S. smartphone owners download at least one app per month. The average smartphone user within this segment downloads three apps per month, meaning that the average among the entire smartphone population comes out to slightly more than one. Moreover, the total number of app downloads is highly concentrated within a small segment of the smartphone population, with the top 7 percent of owners accounting for nearly half of all download activity in a given month.
- Americans have a difficult time living without their mobile devices, as evidenced by the vast majority of consumers using apps on their smartphones and tablets nearly every day. More than half (57 percent) of smartphone users accessed apps every single day of the month, while 26 percent of tablet users did so. A full 79 percent of smartphone users accessed apps at least 26 days per month, while 52 percent of tablet users did so.
- A staggering 42 percent of all app time spent on smartphones occurs on the individual's single most used app. Nearly three out of every four minutes of app usage occurs on one of the individual's top 4 apps.

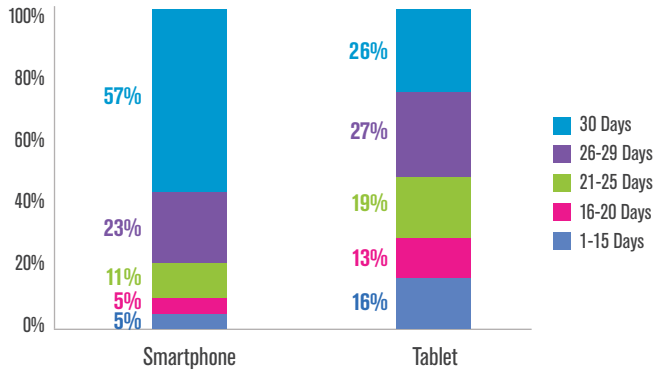
Smartphone Users' Number of App Downloads Per Month

Source: comScore MobiLens, U.S., Age 18+, 3 Month Average Ending June 2014



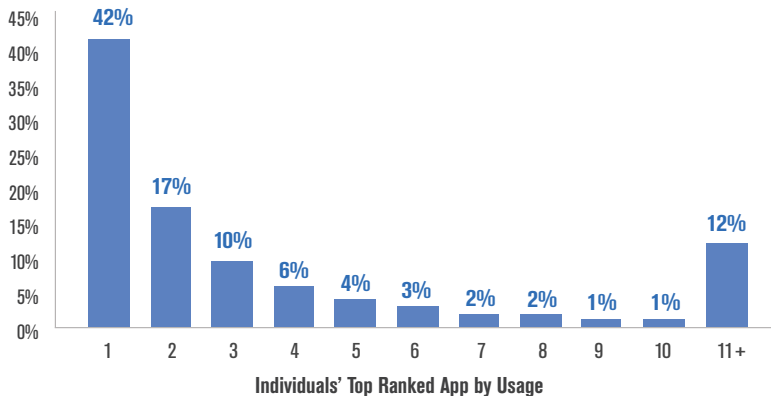
Number of App Usage Days Per Month

Source: comScore Custom Analytics, U.S., Age 18+, June 2014



Share of Time Spent on Apps Across Ranks

Source: comScore Custom Analytics, U.S., Age 18+, June 2014



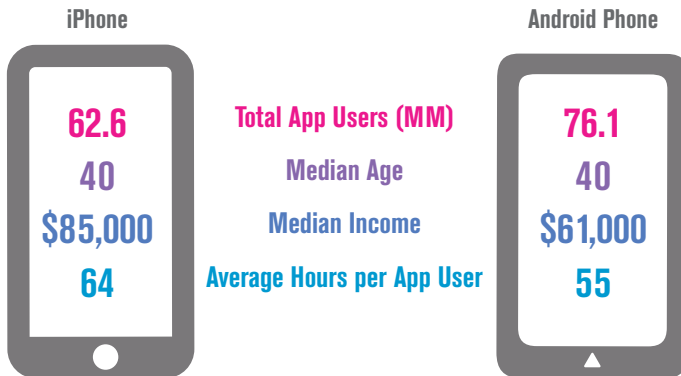
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App Usage by Platform

- The median iPhone app user earns \$85,000 per year, which is 40 percent more than the median Android phone user with an annual income of \$61,000. On average, iPhone users engage with their smartphone apps for nine more hours in a given month than Android users.
- Android ranks as the top smartphone operating system with 83.8 million U.S. smartphone subscribers, approximately 16.4 million more than Apple's iOS platform. Due to Android's fragmented ecosystem of original equipment manufacturers (OEMs) running its software, Apple remains the largest smartphone OEM with 67.4 million owners and 100 percent of the iOS market.
- iOS users skew younger than their Android counterparts across the smartphone and tablet segments. 43 percent of iPhone users are between the ages of 18-34 as compared to 39 percent of Android phone users. In addition, 57 percent of iPad users are under age 45 as compared to 53 percent of Android tablet users.

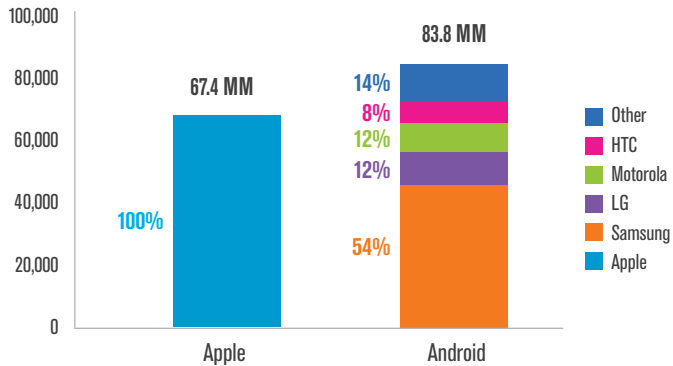
Top Line Platform Stats for App Usage

Source: comScore Mobile Metrix, U.S., Age 18+, June 2014



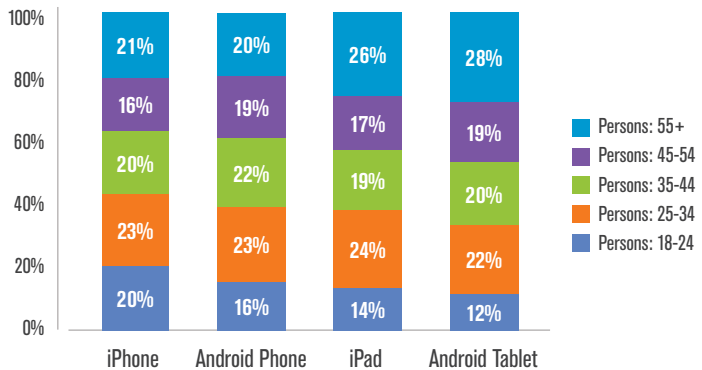
Market Share of OEMs by Smartphone Platform

Source: comScore MobiLens, U.S., Age 18+, 3 Month Average Ending June 2014



Mobile Platform App Audience Breakouts by Age

Source: comScore Mobile Metrix, U.S., Age 18+, June 2014



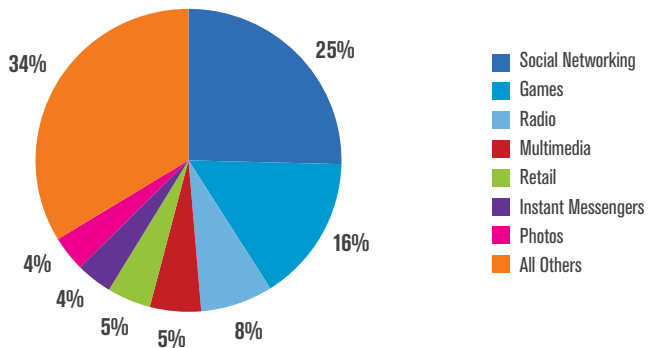
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App Category Usage

- A majority of mobile app engagement comes from only a select few categories, with Social Networking, Games and Radio contributing nearly half of the total time spent on mobile apps. The strength of these categories highlights that mobile devices are more heavily used for entertainment and communication than their desktop counterparts.
- iPhone users spend a greater share of their app time consuming media, with General News, Radio, Photos, Social Networking and Weather ranking as the highest indexing categories on Apple's iOS smartphone platform. In contrast, Android phone users spend a greater share of their time in the Search and Email categories due to the strong native presence of Google Search and Gmail on the platform.
- Consumers use different devices depending on the digital task they are trying to accomplish, the type of media content they seek to engage with, and their physical location at the time of consumption. Some categories such as Radio, Maps and Instant Messengers achieve much higher reach on mobile, while others such as Search and News reach a greater percentage of the audience on desktop.

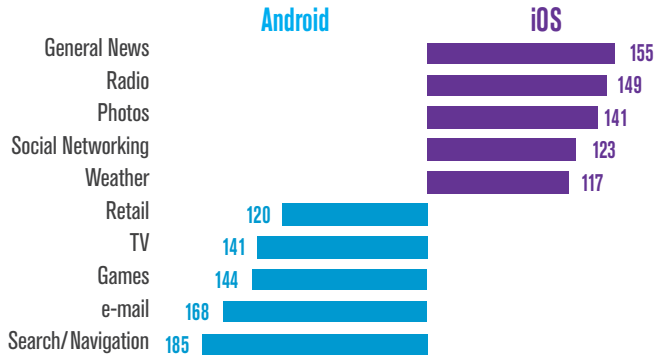
Share of Mobile App Time Spent

Source: comScore Mobile Metrix, U.S., Age 18+, June 2014



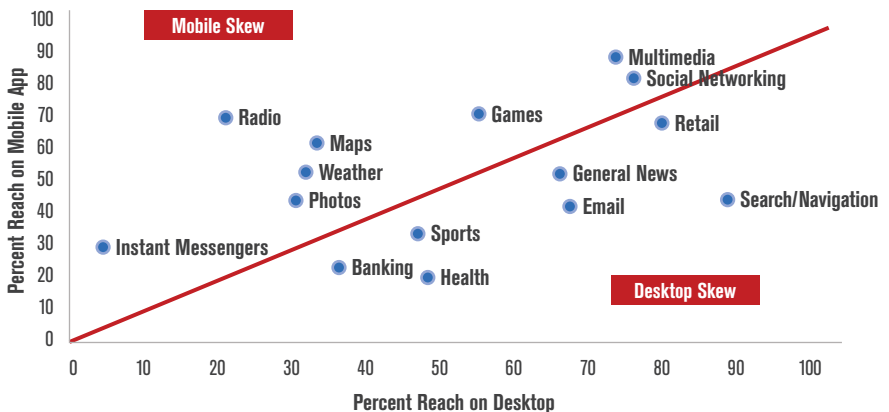
Top Indexing App Categories by Smartphone Platform

Source: comScore Mobile Metrix, U.S., Age 18+, June 2014



Percent Audience Reach on Desktop and Mobile App by Category

Source: comScore Media Metrix & Mobile Metrix, U.S., June 2014



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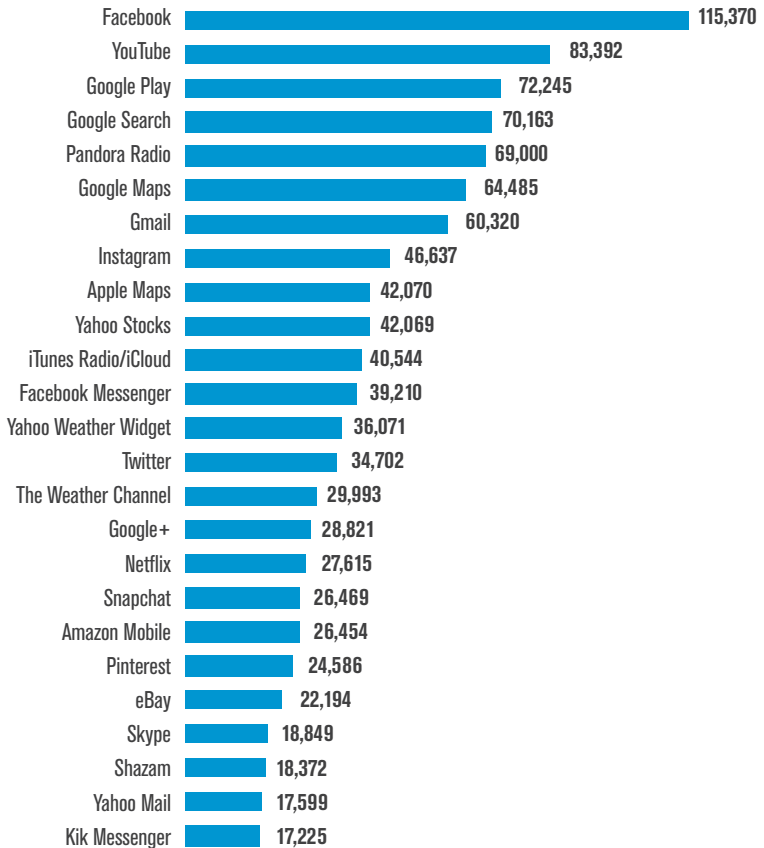
Top Apps

- The ranking of top apps is dominated by app constellations of some of the largest digital media brands; specifically, Facebook, Google, Apple, Yahoo, Amazon and eBay. These six brands account for 9 of the top 10 most used apps, 16 of the top 25, and 24 of the top 50.
- Facebook is the #1 app in both audience size and share of time spent among each of the different demographic segments broken out, highlighting the breadth and depth of its popularity and importance to the mobile media landscape.
- Across all age segments, the most time is spent on leisure-oriented apps in the Social Networking, Entertainment and Messaging categories. The younger the age segment the higher the concentration of this activity, while older age segments also allocate their time to more functional apps, such as Mail and Maps, in addition to Games.



Top 25 Mobile Apps by Unique Visitors (000)

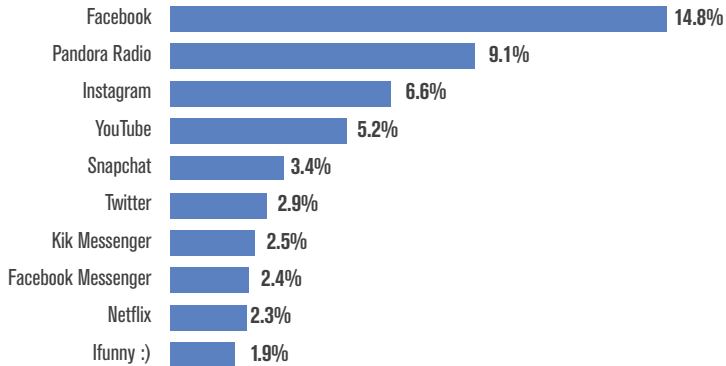
Source: comScore Mobile Metrix, U.S., Age 18+, June 2014



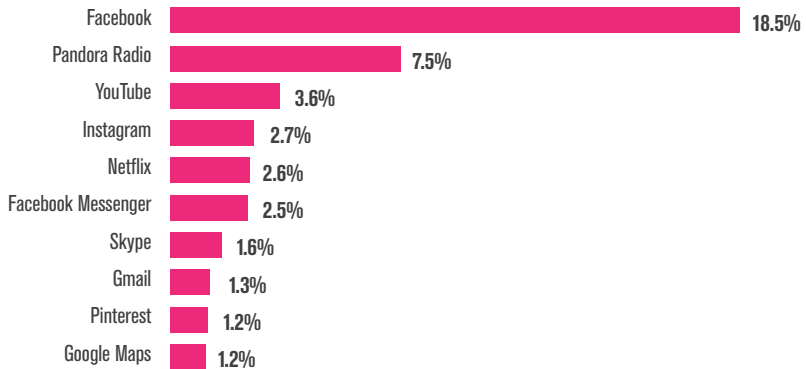
Share of Mobile App Time Spent

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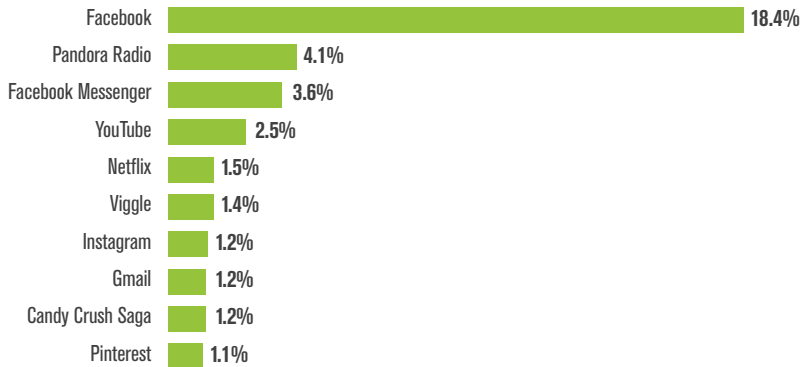
Age 18-24



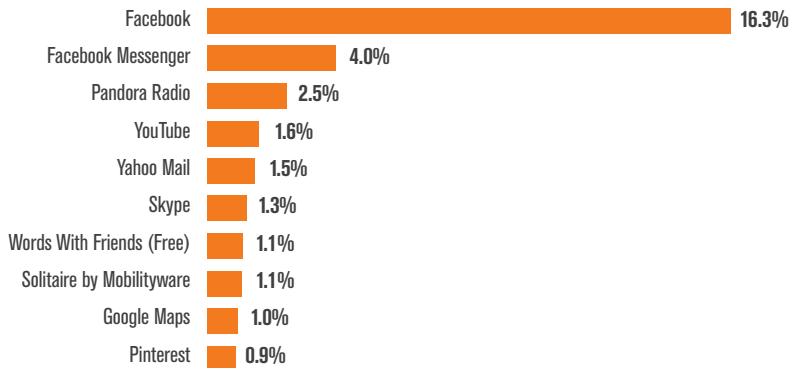
Age 25-34



Age 35-54



Age 55+



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