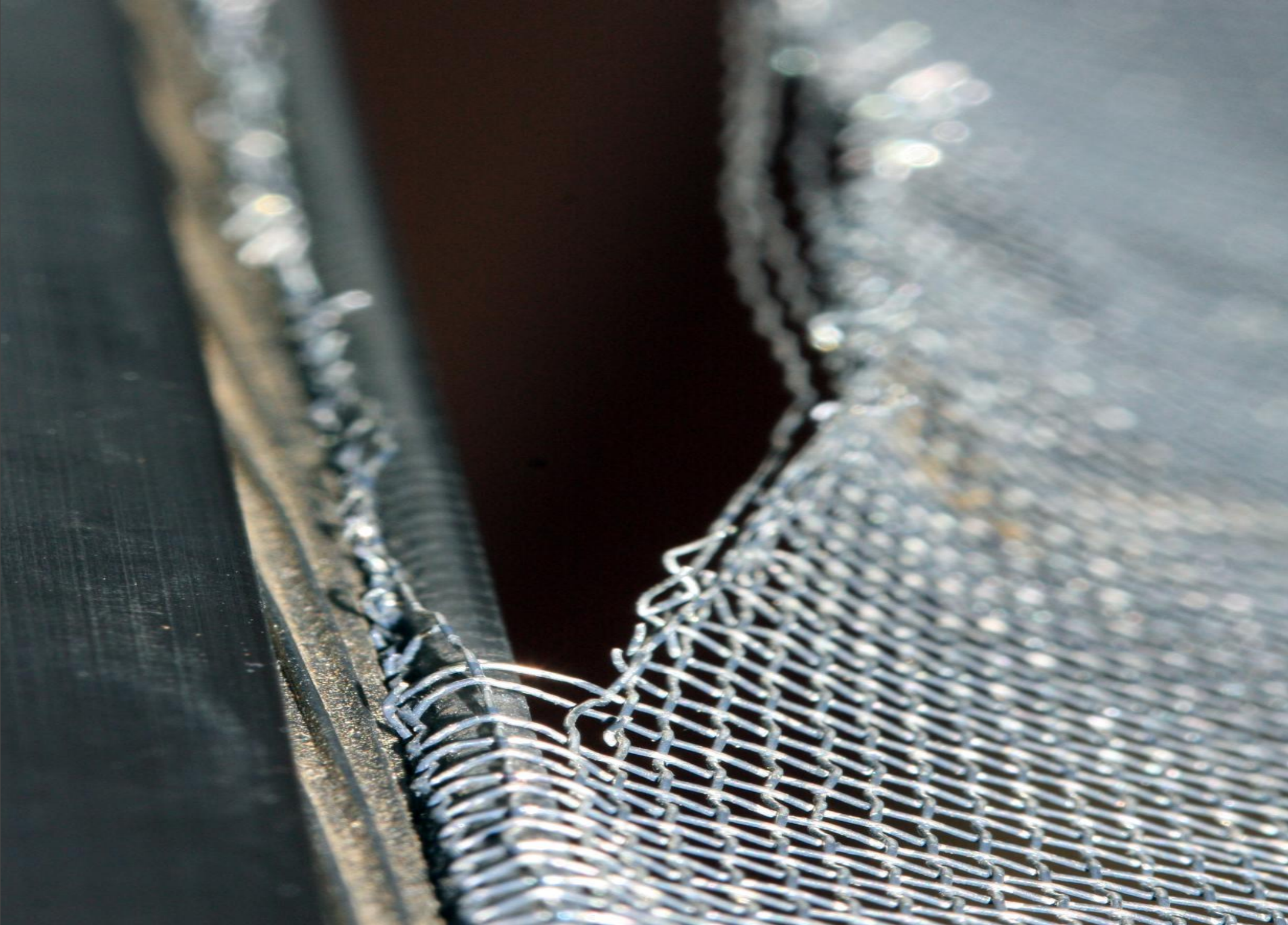


Mobile apps and open source business models

Ross Gardler
@rgardler
rgardler@apache.org





Failure

CC BY-SA 2.0 by [Velo Steve](#)





DARK
ICE
CREAM
CLAMPED

CHANGE THE MODEL



Sell what you do not the software

Some rights reserved by opensourceway



Share costs of production

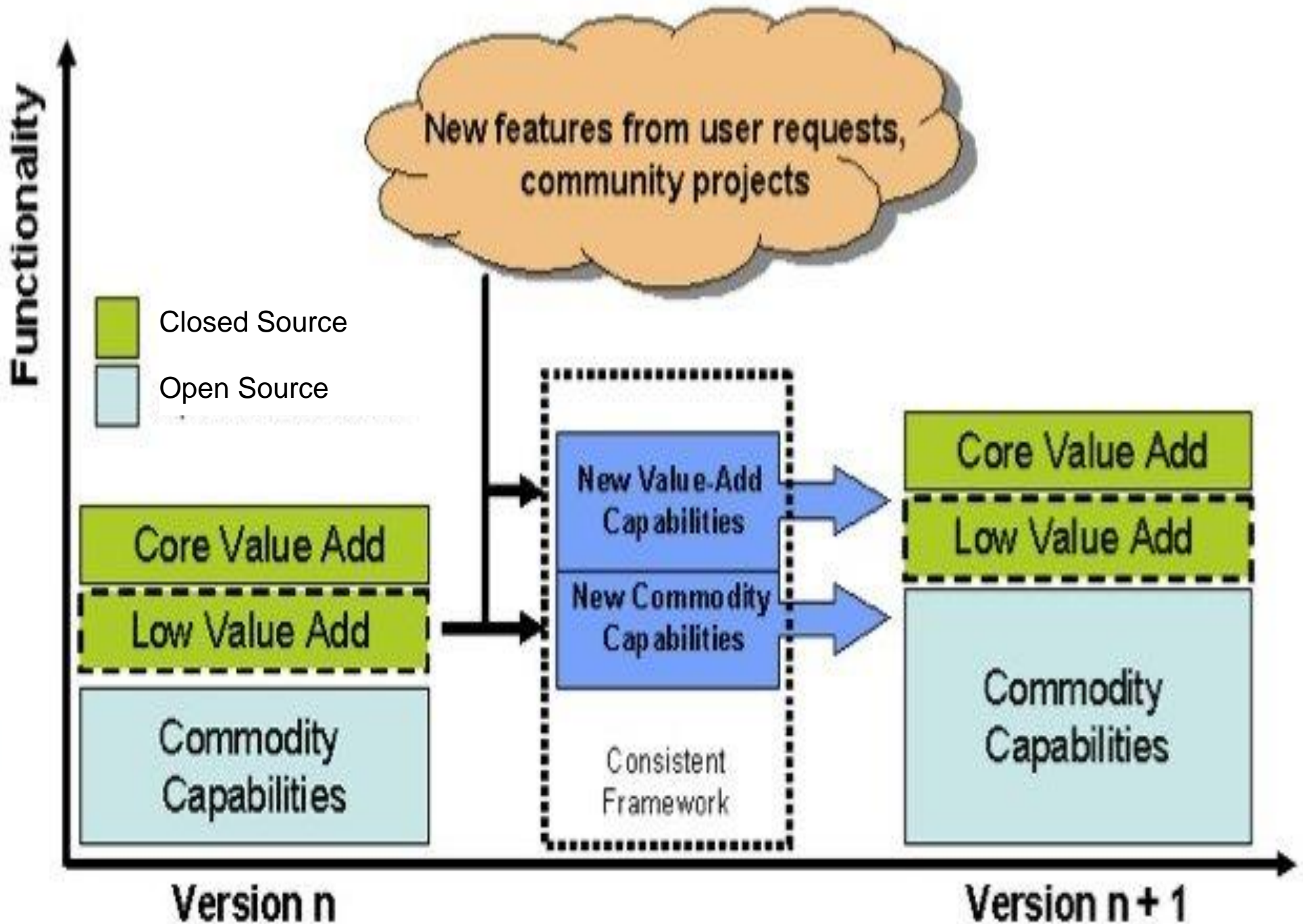
Some rights reserved

SCA Svenska Cellulosa Aktiebolaget



eurostar.com





新快速

Special Rapid Service

What works for mobile apps?

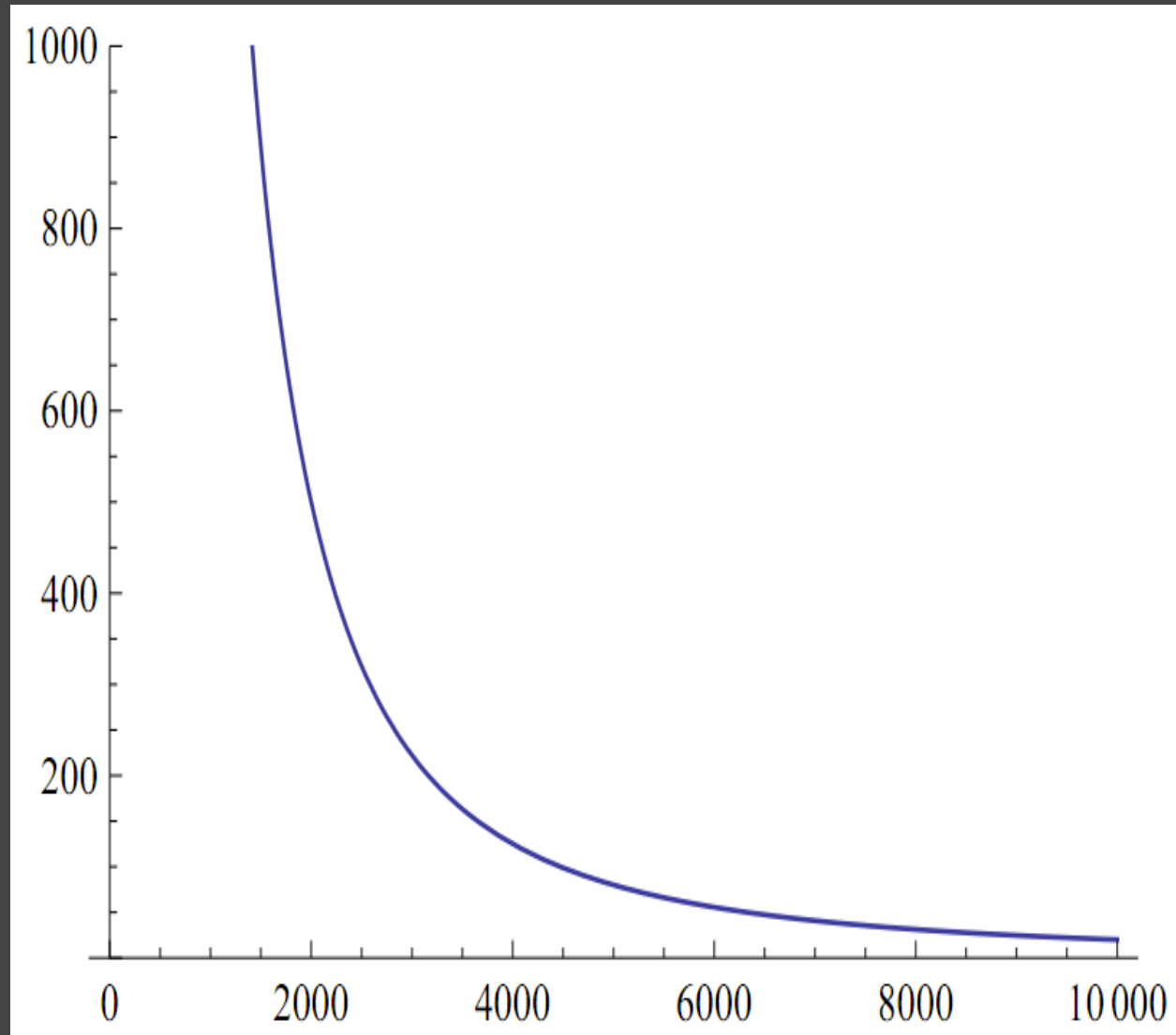
- App Sales
- Upgrades and in-app Sales
- Advertising
- Server-side revenue

The Market

- Continued growth in mobile media consumption
 - More than 55 million tablets in 2011
 - More than 1 billion smartphones by 2013.
- 17.7 billion downloads in 2011
 - revenues surpassing \$15 billion – up 190% from 2010.
- Wireless communications opening new opportunities
 - E,g, RFID, Near Field Communication, QR codes, GPS
- Security a key concern in mobile commerce

Selling apps

- A few do well
- Cost of apps too low
- App store barriers
- Market too young



Upgrades and in-app sales



- Retaining a customer is cheaper than gaining one
- Alternative distribution mechanisms
 - E.g. HTML5 via open web app stores

Advertising

txt @tosci + message to 87884

quinnmorton
Lunch at @tosci's was fun and tasty, but the fried egg sandwich needs more fremen. #needsmorefremen

vivalask

Seasheacock2
To Toscanini's team from ... 7 days ago!
word yo!

ernesto
Belgian Chocolate ice cream is the best. Hello from the folks at Locamodal

SafiyahSafi
How do you like my Italian? @tosci and Vanda have been helping me.

Our neighbor wrote this! RT @tosci: Mike Millard has a good, long review of a book about starbucks <http://bit.ly/6yFOeE>

MAYOR
Ace B.

CHECKINS HERE
208

TIPS
Go to Toscanini's and get the chocolate orange milkshake!
- Carrie M.

via foursquare

- Geo location
- People don't browse on phones
- Screen real estate valuable

Server-side revenue

- Apps sell services
- Apps sell products
- No expectations of cost
 - Charge what its worth



What we do and don't know?

- Market is young
- Interoperability is not a focus
- Operators are king
- Platforms are king
- What will be commoditised?
- What will be the healthy revenue streams in 5 years
- Should we collaborate to reduce cost of development?