

App developers see dollar signs in mobile devices' boom

April 22 2010, By Gus G. Sentementes

While Apple Inc. is enjoying the early success of its iPad tablet computer, the tech giant has once again captured the imagination of those looking to make a buck from its latest gadget.

Among them are the creative workers at Fastspot, a Baltimore interactive design firm that built a new digital game for the device months before they even had it in hand. When the iPad went on sale this month, their Jumbalaya word game was one of the first applications available in Apple's iPad [App](#) Store.

While the game costs \$2.99 and only about 150 have been sold, Fastspot didn't want to miss the chance to be on iPad's ground floor for apps. For every hot, successful program in Apple's marketplace for mobile applications, there are scores that hardly make any money.

"We, like many people, were thinking this was going to be a gold rush opportunity," said Zach Waugh, a Fastspot developer who helped build the game. "The first people who had apps available would be the ones who did well, just because they get a lot more visibility at the beginning."

Like the [iPhone](#) before it, [software developers](#) are looking to the iPad as a new revenue generator for them. iPhone apps now number more than 185,000, but apps for the iPad, which has a larger 9.7-inch [touch screen](#), only number around 4,000. With a less-crowded field in the iPad App Store, developers are racing to build apps that would have less

competition.

Expectations are so high that a big [Silicon Valley venture capital firm](#), Kleiner, Perkins Caufield & Byers, doubled their funding for promising iPhone and iPad developers to \$200 million last month.

The Apple gadgets may be generating the most buzz among consumers and software developers, but they are not alone. Google's Android mobile software system has thousands of apps. And BlackBerry users also have many apps on offer.

So far, the iPad has surpassed Apple's sales expectations. Steven P. Jobs, Apple's chief executive, said last week that more than 450,000 had been sold since the April 3 launch. Demand for the portable [tablet computer](#) has been so high that Apple recently announced it had to push back its international launch for the device by a month, to late May.

Millions of iPads are expected to be in consumers' hands by the end of the year, and competitors like Google and Microsoft are planning their own forays into tablet computers. Such devices and the popularity of applications on cell phones have led many businesses to consider building their own mobile apps as extensions of websites they've made for desktop computers.

The kind of race that's on now to build mobile apps has not been seen since the Web entered the mainstream in the 1990s, and companies and individuals were rushing to build their own websites, technology observers said.

There are even marketing companies popping up that help companies and developers market the apps they create. Gregg Weiss of Optimum Lead Generation, which connects iPhone developers with firms that need apps built, works with two of them -- Appency and Appular.

"This is like websites 10 to 15 years ago all over again," said Weiss, who's based in Florida. "Now they realize they need to have an iPad app, an iPhone app, an Android app or a BlackBerry app."

Tracey Halvorsen, creative director and principal of Fastspot, which has a dozen employees, said the game that Waugh and Curt Kotulta, art and design director, built was the company's first for the iPad -- but not the last.

The app has been on sale for less than two weeks and the company has gotten little publicity for it, Halvorsen said. The challenge now is to spend some time and money marketing the game so that more people notice it.

"Apps are just like websites -- just because you build them doesn't mean you'll get a lot of traffic," Halvorsen said. "It's a marketing project now."

Baltimore-area developers are trying to develop business plans around the apps they create. Apple lets app developers keep 70 percent of the revenue from sales, and Apple takes the rest.

Jeff Teles, who runs Emagine Web Consulting in Pikesville, Md., has been building websites for a decade but has increasingly focused on [mobile applications](#) for the iPhone. His firm built an online management tool called E-Task, with an iPhone app. He's also built a medical-reference app -- MyOB-GYN -- for a local doctor's office.

Teles just submitted an iPad app to Apple, which maintains strict control over the programs in its app stores, that allows people to watch YouTube videos tied to popular topics on Twitter, the popular microblogging service. The app will be called Twittertube, he said.

"It's very exciting," Teles said. "It's like being on the Web in the early

days."

Ernie Svehla, a freelance iPhone and iPad developer in Westminster, Md., said he is currently waiting for Apple to approve an art-browsing and purchasing app that he built. The apps -- called Gallery de iPhone and Gallery de iPad -- enable users to peruse galleries of art from up-and-coming artists on their iPhone or iPad.

If approved, the app will have a better chance of standing out in the iPad store than in the iPhone store, Svehla believes. Users of the iPad app would be able to enjoy the pictures of art on a larger screen, with better resolution.

"I definitely think the [iPad](#) is a real game-changer," Svehla said. "It's like having the Internet in your hand."

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