

Aussies cash in on billion-dollar apps industry

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Australians are taking a big bite out of the multi-billion dollar mobile and tablet applications industry, a media researcher says.

From broadcast media to start-up companies, the nation is taking advantage of the booming apps market, helping to create more jobs and attracting businesses worth millions of dollars, says Dr Ben Goldsmith of the ARC Centre of Excellence for Creative Industries and Innovation ([CCI](#)) at Queensland University of Technology (QUT).

"The IBISWorld Survey shows that there are 364 apps companies in Australia," Dr Goldsmith says. "The report reveals that the industry employs 1,500 people, generates \$295 million every year and has an annual growth of 177 per cent."

Dr Goldsmith has found that these companies create apps in all areas including games, finance, books, education, health and maps, and around 200 of the apps companies are in Sydney.

"The apps industry is spawning a range of business opportunities because it's something that both companies and individuals can do," he says.

"You don't have to build a large development studio to be in the business.

"There isn't a 'typical' apps entrepreneur – they come from different backgrounds, such as software development, marketing, design, investment and venture capital. Some are just very gifted kids."

Dr Goldsmith explains that the industry isn't just about designing and developing applications for mobile phones and tablets – companies have begun to specialise in areas such as [mobile marketing](#), advertising, security, testing users' experience and developing templates for others to build their own apps.

Using Westpac as an example, he says that the bank currently has 70 people in their internal apps development team, which isn't a huge part of their workforce of 36,000. However, they also subcontract a lot of work to outside firms in different stages of the development, including those that specialise in [mobile security](#).

"There are also services that nobody imagined we needed before apps became such an important part of our lives," Dr Goldsmith says. "For instance, Apple just bought an Australian developed search engine for apps called 'Chomp', and has incorporated the search service into their online store.

"These are examples of how the apps market has created new job opportunities in existing companies, but also for consultants that provide related services."

At the same time, broadcast media is boosting its chances of survival in the digital age by jumping into the growing apps industry, Dr Goldsmith says.

"Traditional broadcast media are beginning to recognise that the apps industry isn't competition, but a way of expanding their businesses," he says. "As an example, 'ABC iview' started as an internet service for people to watch ABC programs on their computers.

"But they've since developed an app so people can watch the programs on wireless devices, and they found out that more people watch the

programs on mobile phones or tablets than on computers."

Foxtel has also expanded into the mobile space very quickly, Dr Goldsmith says. Their 'London 2012 Olympics' app as well as their new 'Foxtel Go' app that allow subscribers to watch live programs on the move have met with great success.

"Networks have developed 'companion apps' that prompt viewers to fill in surveys, answer questions or access extra content while the program is running," he says. "So creating apps that cater to the viewers' needs isn't just a way to survive – it also encourages conversations between consumers and companies."

Dr Goldsmith says that Sydney is emerging as the centre of the Australian industry with a really vibrant start-up culture. The software company 'Atlassian', started by two Sydney friends in an apartment, now sells \$100 million worth of software a year worldwide and is worth \$1 billion.

Another Sydney based company Gruden has also expanded internationally and have helped build the app store for China Mobile, he says.

"With the growth of the mobile and tablet market, the apps industry is a diverse and rapidly growing area. So there's immense potential for Australian companies and I'm optimistic that we'll rise up to the challenge."

Provided by ARC Centre of Excellence for Creative Industries and Innovation

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