

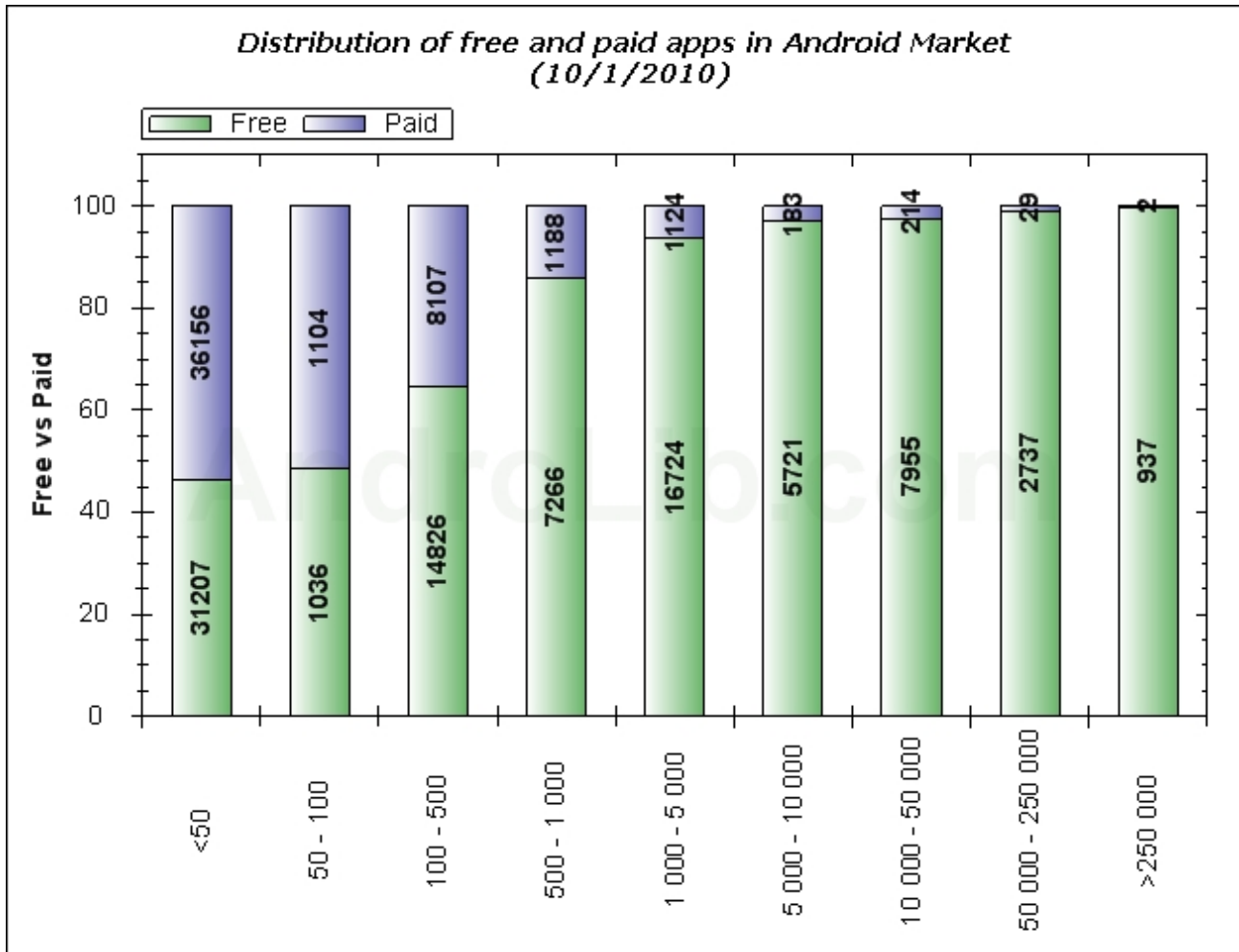


The differences between the Google Android Market and Apple's iTunes App Store has been widely discussed. Being an Android developer is generally not a lucrative undertaking. Theories on the reasons for Android's lagging application market are many, including piracy, differences in market demographics, fundamentally different business objectives between Google and Apple, black helicopters, and the list goes on.

Development groups focused on Android application sales for revenue are very hard to find. Now don't get me wrong, I love Android. As a developer, I love everything about it. The APIs are navigable and consistent, the documentation is comprehensible, the development environment is productive. It is a pleasure to write software on this platform. Google has some absolutely fantastic engineers that are evolving the platform at an amazing pace. I develop for both iOS and Android, and I am also a user of both platforms. Android wins for me, hands down.

At the same time, however, I'm becoming more than a little skeptical of the simple "write app, sell app" business model on Android. KeyesLabs is one of the very lucky few to have attained

any kind of commercial success in direct application sales on the Android Market. We're not talking about buy-a-house success, more like buy-a-Prius success. [Screubl Pro](#) is one of only [245 apps](#) to have broken the 10,000 sales barrier. That's 245 out of 48,107 paid applications. With the [average purchase price](#) of Android apps being \$3.27, another way to say this is that there are only 245 apps that have earned in the neighborhood of \$30,000 or more total during their tenure on the Android Market. Using the same average sales price, there are only 31 apps in the Android Market that have lifetime earnings in the \$150,000 range or more. Don't quit your day job...



But here's the depressing part: things are about to get even more difficult for Android developers. Android fragmentation is here, it's real, and it sucks -- it just hasn't happened the way that anyone suspected it would. From a developer's perspective the fragmentation of the Android Market is going to turn out to be a legendary pain the ass. I'm living this as we speak and it's not fun.

Recently, Verizon announced that they would be supporting the sale of Android applications on their VCast Apps Store, which will be bundled on all of their Android devices. It's unclear if they will continue to also bundle the Google Android Market (Google application licensing currently requires Market be included). More recently, [Amazon's new NDA-clad mobile app store](#) is the worst kept secret since Ricky Martin [came out of the proverbial closet](#)

. Orange has been pushing their market in Europe for over a year, and there are rumblings that Sony might try to do their own thing too. Other smaller third-party markets are struggling to gain traction as well.

Why is this a bad thing? It's simple really. I don't expect that these additional app stores are going to increase the number of sales of Android applications much at all. What they will do is make it more and more difficult to get your Android app in front of your Android audience.

All of these markets have their own submission process, their own DRM and licensing, their own developer agreements, their own support requirements, and their own documentation and metadata formats. As an example, publication of our apps to VCast is requiring a custom build to remove certain functionality that doesn't play well with Verizon location-based services (LBS). In addition, our licensing mechanism, which only works with Android Market, is going to have to be ripped out or modified. Documentation and logos need to be reformatted. Plus, we need to establish a new developer agreement with Verizon, promise 24/7 support, and the list goes on.

While life for the average developer isn't looking great going forward, there is plenty of room for innovation here, too. For example, a licensing system that works for all different markets is going to be needed. If complexity continues to rise, I can also imagine application brokerage services popping up: "give us 15% of your earnings and we'll market your app and register it on all appropriate markets".

These are turbulent days for Android and for the mobile industry as a whole. As a developer, I wish that Google could strike a comfortable balance between open platforms and controlled predictable business models. It seems that open and free is sometimes messy and painful. Maybe I should just put ads in everything...