

EXHIBIT 62

Sign In • Register • Free Annual Reports • Free Newsletters

search definitions, quotes and more



Dictionary Investing Markets Personal Finance Active Trading Forex Professionals FAQ Video Simulator Free Tools

Active Trading Forex Personal Finance Real Estate Retirement Insurance ETFs Options/Futures More Categories

[Merrill Edge® Trading](#) Get 30 Free Online Stock or ETF Trades Per Month From Merrill Edge. www.MerrillEdge.com

[GPS Fleet Tracking](#) Reduce Fleet Costs, Increase Profit See It Work Now - Free Live Demo! www.FleetMatics.com/Fleet-Tracking

[iPhone Apps Developers](#) Expert iPhone Developers LA Free Consultation Call 888-276-4064 www.iPhoneSoftware.com AdChoices

Android Vs. iPhone: The Economics Of Apps

Follow & Share:



January 04, 2012 | Filed Under » [Business](#)

Free Newsletters

Daily investing content in your inbox.



2011 was a fantastic year for Google's [operating system](#), Android. Its smartphone market share has been growing rapidly. Accordingly to Gartner, Android comprised about 53% of the smartphone shipments in the third quarter of 2011, followed by 17% with the Symbian operating system and 15% with iOS from Apple. Apple's market share fell 16.6% from a year ago.

TUTORIAL: [Economics Basics: Introduction](#)

Apps Market

Looking at these numbers, it's safe to say that Google is currently winning the race for the smartphone [market share](#). That may be bad news for Apple, but they are still very much ahead in the race. Apple leads Android in the apps market, with the Apple Store having 18 billion downloads, while Android has just reached 10 billion downloads in the Android Marketplace. However, Android is certainly catching up, with a growth rate of 1 billion downloads per month. At this pace, it's just a matter of time before the Android Marketplace overtakes the Apple Store in apps downloads.

While there is a lot of buzz surrounding the growth of Android, the Apple Store still beats the Android Marketplace in a very important area – revenues. Even though Google has a huge market share in the apps field, its Android market doesn't make publishers nearly as much money as Apple does. The app developers still choose iOS first for launching any app because they see more profit potential. According to Pipar Jaffray, a U.S. [investment](#) banking firm, Android developers earn just 7% of what iOS Apple Store earns for its developers.

Advertisement - Article continues below.



Related Articles

- 4 Reasons Why You Love To Hate Big Businesses
- The Mystery Behind SNC-Lavalin's CEO Resignation
- The Downside Of Apple's Growth
- Why Pay The High Price For Apple?
- IPOs Turning Unexpected Individuals Into Millionaires

In terms of numbers, Apple's [App](#) Store has earned about \$4.9 billion in gross revenue for paid apps, while the Android Marketplace is estimated to have earned just \$330 million in that market. Apple is beating Android in this area, primarily because of its overwhelming success in the paid apps market. There are far more free apps on an Android than on an iPhone or iPad. About 14% of Apple's app

downloads are paid ones, compared to only 1% for Android. Google is new to the paid apps business and still has to learn how to make it into a major revenue-earner. (For some great apps, check out [6 iPhone Apps To Help You Budget Better.](#))

Platform

The main reason behind such a huge difference in revenues is the cultural gap between these two platforms. Apple has been able to build an ecosystem around its products that makes users hard-pressed to switch. However, Android still doesn't have any such environment that makes people stick to it, which is a great opportunity for Apple.

[Learn how to turn \\$1k to \\$10k with Penny Stocks!](#)

Even the way the two marketplaces are organized is different. While Apple's app store is well-organized and has a natural sales orientation, the Android market is a bit chaotic, with more of a focus on free stuff. This is the reason why many quality [developers](#) are hesitant to try out their apps on the Android platform; they are competing with a lot of free apps and monetizing may be difficult. The general trend has been to make the app for Apple and if it becomes popular and successful, then go for an Android version.

Improving the user interface of the android market may be an easy thing to do for Google, but realizing the need for it is what's important. (For more, read [R&D Spending And Profitability: What's The Link?](#))

However, Android does present some advantages for advertisers over the Apple's App Store. Because of the sheer size of its user base, it's a lucrative area for [businesses](#) to promote their brands. Launching an app on Android will give them more eyeballs than launching it in iOS.

The Bottom Line

Android is no doubt growing rapidly, winning the smartphone market share and catching up to Apple in total downloads. That said, Apple is still the leader in revenues, with this trend likely to continue for the foreseeable future. However, the battle between the two platforms is only beginning and many surprises can unfold in the coming years. (For more on [investing](#) in this industry, check out [Technology Sector Funds.](#))

[Tweet](#) 0 [Like](#) 1 [Feedback](#) [Reprints](#) [Print](#) [Email](#)

by [Manish Sahajwani](#)



Manish is a financial education expert with over 10 years of experience in developing and delivering financial e-learning courses. He lives in Bangalore, India, and has an MBA degree specializing in finance and information systems. He currently writes for a financial education website called [The Bionic Turtle](#) and manages his financial education portal [Finance Train](#).

More from Investopedia

- [How To Become A Day Trader](#)
- [10 Ways To Reach The Top 1%](#)
- [Beware Of Wall Street's Three Big Lies](#)
- [Mortgage Options For Underwater Homeowners](#)
- [The 6 Worst-Performing ETFs \(TVIX, ZSL, VXX, DRV, ERY, URA\)](#)

More from around the Web

- [9 Ways to Start Earning Extra Money on the Side \(MoneyNing\)](#)
- [Khloe Kardashian's Colored Jeans Showed a Little Too Much of Her \(The Stir By CafeMom\)](#)
- [Trump Warns: \\$6 Gas Coming \(Moneynews\)](#)
- [The Most Hated Company on Earth Is Making Investors Rich \(Top Stock Analysts\)](#)
- [Top Startup Businesses for 2012 \(The Business Finance Store\)](#)

Sponsored Links

Partner Links

- [Unleash Your Trading Potential with NinjaTrader](#)
- [Earn up to \\$2000 Bonus with ACFX](#)
- [The Smart Way to Trade Forex - Alpari](#)
- [Learn to trade commodities and currency futures](#)
- [Learn the ABC's of Forex Trading](#)

Strong-Buy Stock

This Patent Powerhouse **Stock** Could Make You a Fortune
[www.StocksDigest.com](#)

Penny Stock of the Day

Penny **Stock** Pick of the Day Emails. Huge Gains for Active Traders!
[www.PennyStockAlerts.com](#)

A \$6 Trillion Opportunity

Learn Why This **Stock** Could Go Stratospheric
[www.PennyStockWizard.com](#)

Forex.com – Official Site

See what **Forex.com** has to offer. Try a Free Practice Account!
www.Forex.com

Learn to Trade Forex

Learn from an Award-Winning Broker Open a Practice Account Today
www.IBFX.com

thinkorswim by TD

Ameritrade Official-Site. Take Your Trading game to the Next Level!
www.thinkorswim.com

- [Dictionary](#)
- [Investing](#)
- [Markets](#)
- [Personal Finance](#)
- [Active Trading](#)
- [Forex](#)
- [Professionals](#)
- [FAQ](#)
- [Video](#)
- [Simulator](#)
- [Free Tools](#)

Pages Of Interest

- [Markets](#)
- [Forex](#)
- [Stock Analysis](#)
- [Financial Edge](#)
- [ETF Center](#)
- [Special Features](#)
- [Stock Advice](#)

Work With Investopedia

- [License Our Dictionary](#)
- [Advertise With Us](#)
- [Email Campaign Deployment](#)
- [About Our Writers](#)
- [Write For Us](#)
- [Contact Us](#)
- [Careers](#)

Sponsors & Partners

-  [Free Annual Reports](#)
- [Smarter](#)
- [PriceRunner](#)
- [CanDoFinance](#)
- [SymptomFind](#)
- [Discount.co.uk](#)