

Mobility Breaks Away



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Thanks to its functionality, the smart phone is becoming the new and ingenious personal computer. This high-end niche of mobile phone sector is withstanding the general drop in demand caused by the economic crisis. It is also driving the growing presence of software in telecommunications that allows operators to increase their income despite the fall in voice communications income.

However, this boom is not making traditional software distributors happy, who have been waiting years for the arrival of a train that, now, seems to have passed by without stopping in their establishments. On one hand, mobile code distribution occurs without intermediaries, is less expensive, or even free. On the other hand, developers are predisposed to new tools that simplify the development of mobile applications and help give value to their platforms.

The result is that millions of young self-employed programmers that work from home and thousands of small companies with low overhead can compete with their own ideas against the large multinationals. They all place their products in the same virtual stores that potential users can visit from any point in the world, thereby avoiding packaging costs, and sparing themselves the margins of traditional distribution channels. The result has been the unprecedented democratization of code that directly benefits them and their customers.

Apple has once again blazed the trail. In July of 2008, the company from Cupertino inaugurated its App Store with 500 applications for iPhone and iTouch devices. A year later, Apple's virtual store continues to grow at the rate of

1,000 new applications per week, for a current total of 44,000 applications and 1 billion copies downloaded to date.

Many applications are free, such as the ones used to read newspapers, consult suburban train routes or guide visitors through a museum. Others cost money, averaging 99 cents (0.79 euros) per application. Of this cost, 70% is for the developer and the rest is divided up among hosting expenses, payment systems and a theoretical margin for Apple, whose true benefit is the stimulus of sales for iPhone and iTouch terminals. Digital Legends offers one example of the possibilities offered by this formula. This company sells its new game, Kroll, for 99 euro cents, and it expects to turn over one million euros this year.

The App Store formula has become one of the iPhone's essential attractions, and its rivals are feeling the need to follow suit. At the end of May, Nokia inaugurated its own virtual store, OviStore, to host the applications that work in the Symbian operating system, which is now available in open code. Another virtual store, App World, is the equivalent of RIM for applications used in Blackberry. This store has been up since April in the United States, Canada and the United Kingdom, offering stellar applications such as Viigo, which according to its manufacturer has been downloaded a million times. Microsoft has launched its virtual store, Marketplace, for its Windows Mobile. Now Palm and Google are currently announcing theirs and the list continues to grow.

In this change, which radically shifts the rules of the game, one can see the influence of open code and of the formulas that have caught the music industry by surprise. In addition, while personal desktop applications by Microsoft are beyond the limits of prudence, mobility is the truly multiplatform arena, which in turn stimulates competition. The sum of all these factors, together with expected growth and lower entrance barriers, has prompted software developers to move the bulk of their business to this realm, which is translating into an unprecedented burst of creativity. Perhaps in a few years no one will remember that there was a time when things were not so simple.