Chris Stevens

From the creator of the interactive book *Alice for the iPad*, one of the best-selling apps for the iPad

Appillionaires

Secrets from Developers Who Struck It Rich on the App Store

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To Miles Harry Teather. Explore the world with all your heart.

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About the Author

Chris Stevens is the designer behind multiple number-one apps, most famously *Alice for the iPad*. *Alice* is installed on half a million iPads worldwide and counting. Gizmodo called it "The cleverest iPad book yet" and the BBC said it was "A glimpse of the future of digital reading". *Alice for the iPad* was also a guest on *The Oprah Winfrey Show,* where Oprah told her audience it would "change the way kids learn." His other hit app includes *Alice in New York.* Chris also collaborated on the number-one app *Nursery Rhymes with Storytime*.

Chris was a formerly a technology columnist for *The Daily Telegraph* newspaper, and later wrote for *The Times*. He also presented and directed *Space Bubble*, the popular CNET gadget show. Alongside his writing, Chris is an illustrator and scriptwriter. He has worked for Warner Bros, EMAP, and *Wired*. Chris won a Guardian Media Award for his work as a journalist, and famously discovered reflectoporn.

Today Chris runs Atomic Antelope, the publishing house that created *Alice for the iPad*. He spends his time working on book and game titles for the iPhone and iPad, writing, and acting.

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Appillionaire |ˌAppiləˈne(ə)r; ˈAppiləˌner|

noun

a person whose app has made more than one million dollars on the App Store. Or a person who has generated significant personal wealth by selling apps.

ORIGIN early 19th cent.: from French *millionaire*, from *million*.

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THE BIRTH OF THE APP

Chapter 1: Introduction
Chapter 2: The Rise of the App
Chapter 3: A Bedroom Revolution
Chapter 4: The Gold Rush
Chapter 5: The First Million

1 INTRODUCTION

THEY ARE THE *Appillionaires:* Smart, ambitious dreamers in bedrooms and garages across the world, plotting the future of mobile apps. Their tools are inexpensive — a MacBook Pro and an iPhone — but overnight the Appillionaires can amass a fortune from selling software on the iTunes App Store. They lead a revival of the hobbyist programmer. Not since the days of the Commodore 64 and Atari 2600 has indie software been sold by such tiny teams of programmers to such massive numbers of consumers.

The money flows to the Appillionaires even as they sleep. While they dream their *Angry Bird*-dreams, invisible electronic transfers push money into the Appillionaires' bank accounts from App Stores in over 80 different countries. As much as $250 million gets spent at the App Store in a single month. Over 10 billion apps have been sold on the store to date and it's estimated that Apple has signed up at least 79,000 software publishers to the iOS (iPhone and iPad operating system) club.

What's remarkable is that Apple's credibility was bolstered so much by the success of the iPod and iPhone that the rise of the iPhone app was widely predicted. Even before the launch of the App Store back in 2008, *Wired* magazine speculated, "iPhone software development may spark a software gold rush not seen since the heyday of PC-platform development in the 1990s."

THERE'S GOLD IN THEM HILLS

It's this label "gold rush" that has been most often applied to the App Store. The potential for success, and risk of failure, is so great that in many ways the App Store has provoked a gold rush among developers. Although the successes are spectacular, the failures are apocalyptic. The mainstream press focuses on the glorious few and gives very little attention to the money being lost on the App Store — a problem compounded by the embarrassed silence of those struggling to turn a profit on their work. In a climate where approximately 540 apps are submitted for review every day, it's easy to see why the Appillionaires are an exclusive and rare breed.

Back in the 80s a catastrophic failure to sell software was a more obvious and public humiliation. Take Atari's *E.T. the Extra-Terrestrial (1982),* a failed videogame which left the company with losses of over $100 million and the embarrassing problem of what to do with 3.5 million unsold *E.T.* cartridges (the answer, apparently, was to bury them in a New Mexico landfill). But today such failures are even harder to see with the naked eye. For every Appillionaire, there are several thousand invisible, failed app developers. These developers have had their dreams of app superstardom cruelly smashed into a million little pixels. More humbling still is the realization that, despite everything the App Store has done to democratize software development, ultimately success may come from more unpredictable forces than basic hard work. Most indie developers struggle to get any attention for their apps — they simply don't have the marketing clout of giant corporations and must rely entirely on their placement in the App Store. For many, the only real chance of success is to be featured by Apple in one of the highly desirable iTunes banner adverts.

> *As iPhone developer Sean Maher points out, "you can't put 'get featured by Apple' in your business plan any more than you can put 'win the lottery' in your personal budget."*

The Appillionaires are engaged in trench warfare against each other, and against the traditional publishers of corporate America's vanguard. App development has become a cut-throat industry where an increasing small number of independent players battle it out for the attention of over 180 million iPhone and iPad owners, each of these owners downloading around five apps per month. The competition is so intense that the App Store is scarred by the Appillionaire's rivalry. Shills have been known to clog up their rival's apps with bad reviews on iTunes, while writing positive reviews for their own apps. Apple's Phil Schiller has gone as far as to remove a developer

called Molinker from the App Store for cheating the reviews system by positively rating its own apps. The end result was that Molinker had all of its 1,100 apps pulled from the store and was shamed globally by thousands of blogs. Some developers have discovered shill reviews on their apps, traced these back to rival companies, and phoned the CEO to ask why his head of mobile marketing was writing reviews of competing apps.

Tensions between competitors are inevitable because the Appillionaires fight it out in a crowded landscape of over 160,000 apps. It's a place where millions of dollars can be made or lost in an instant; where dropping off the top-ten in the App Store means an exponential decline in sales, obscurity, and even ruin. It's a bizarre, upside-down chaos where venture capitalists might spend millions on an app, only to discover themselves beaten to the top spot in the App Store by a 15 year old armed with nothing more than a Mac and a dog-eared copy of *Objective-C For Dummies*. The size of your corporation and the scale of your investment can be outmatched simply by the intellectual prowess of your competitor working out of his or her bedroom.

APP STORE ROULETTE

Given its unpredictability, what makes the App Store so popular? One theory is that we enjoy the strange psychological lure of uncertainty. Researchers have discovered that we often find relationships more compelling if the object of our affection is mysterious and non-committal. The image of a girl sat on a lawn picking petals from a flower and musing, "He loves me, he loves me not" is a fairly accurate depiction of a developer's relationship with Apple. On one hand the girl with the flower hopes that "he" loves her, but on the other hand a lot of the fun is down to not knowing. It's human nature that we are attracted to the thrill of never being quite sure where fortune will smile, and there are few businesses where that feeling is more acute than iOS development. Everything about the process is uncertain.

Developer Daniel Markham calls iPhone development "App Store Roulette," and Andy Finnell of the software studio Fortunate Bear cautions against hoping for App Store success, "you're betting a lot of this on luck, and the odds are stacked against you. You'd have better odds playing slots at a casino."

Indeed, as much as app development has been called a gold rush, there is an equally loud theory that it operates more like a casino.