SETAPP

Annual Setapp Mac Market Survey 2018

Two years ago we started a massive Mac developer survey.
This year, it's bigger than ever.

Introduction

In 2016, we put together and sent out a massive Mac developer survey and got a whole load of insights. In the spirit of scientific research, we wanted to keep up the good work. That's why in 2017 and 2018 we ran another survey and asked some new questions — to see what has changed in the world of software development since.

For the initiative to make sense, we kept it consistent and asked the same questions as before. But in order to get more new info, we added a few topics:

- Opinion on the iOS - macOS merge rumours
- What other Apple operating systems do developers create apps for?
- What other operating systems do developers create for (e.g. Windows, Android)?

In response, we got 814 surveys back, so we've got a lot of great insights to share with you (thank you everyone who filled in a survey!).

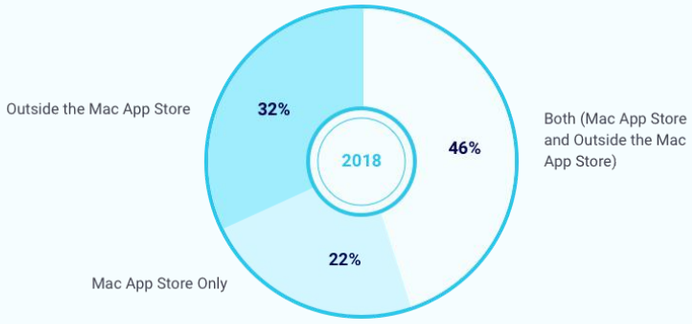
In this report are the following sections:

- Introduction
  - a. The Mac App Store
  - b. Outside the Mac App Store
  - c. Setapp as an emerging app distribution channel
- Choosing the Marketplace
- Selling via the Mac App Store
- Selling Outside the Mac App Store
- Selling via Setapp
- Subscription Business Model
- macOS / iOS merge idea by Apple
- Mac developers' life beyond macOS
- Mac developers' life beyond Apple ecosystem

In other words, here's what Mac development looks like in 2018.

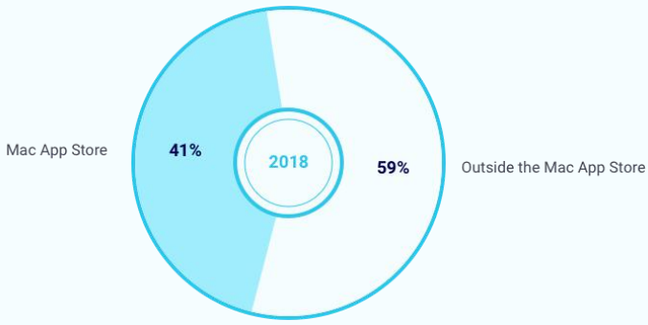
Choosing the Marketplace

In 2018, the Mac App Store is slowly losing devs to the great unknown: fewer choose to sell exclusively through it — down to 22% — with more (32%, up from 30%) looking outside the App Store for customers, and slightly more picking both options (46%), compared to our 2017 survey results.



Revenue proportion

Logically, the Mac App Store accounted for a smaller percentage of the revenue of 814 developers we surveyed — down from 44% to 41%. Although external revenue channels have reduced, developers are still making more money outside the App Store than through that channel. 30% revshare anyone?

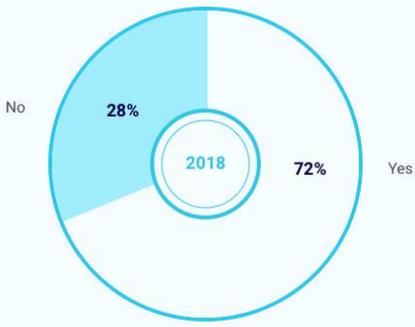


Setapp: A new app distribution channel for developers

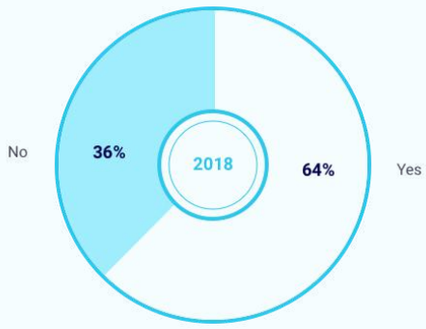
We asked devs if they heard about Setapp as a distribution channel and it seems like all three segments (exclusively MAS, outside, both) are equally aware. More than a half and even as many as 73% in one case know the MAS is not the limit and it's possible to reach customers and make them moneys via Setapp as well.

Question: Are you aware of Setapp?

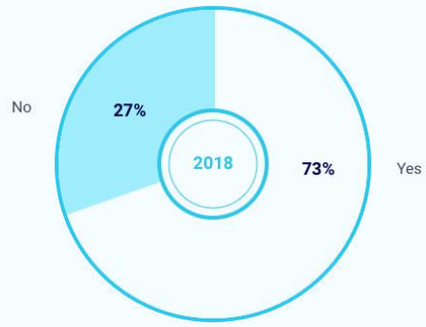
Mac App Store Developers (MAS) said:



Outside Mac App Store Developers said:



Developers that use both promotion platforms (MAS and outside) said:

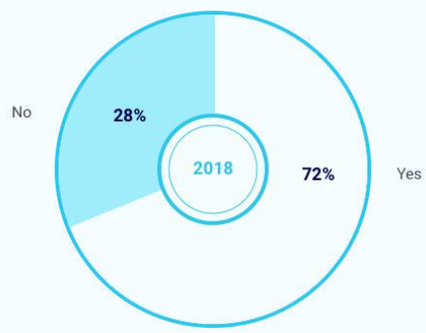


MAS Developers: Consider Setapp a viable distribution channel

Now, since just knowing is not exactly telling, we also asked each segment if they considered Setapp a viable alternative or additional marketplace for their apps. With MAS-exclusive devs we weren't necessarily expecting a positive response, because these developers tend to stick to the App Store, so going elsewhere requires some effort.

The results however show that the majority — 72% — would consider Setapp a viable alternative or additional distribution and revenue channel. Not only does this show that positive word of mouth is spreading, but that even loyal MAS developers are happy to consider new options to reach a wider audience.

Question: Would you consider distributing your apps via Setapp?

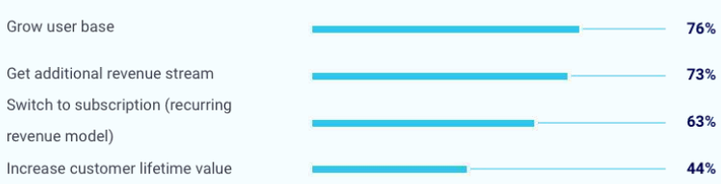


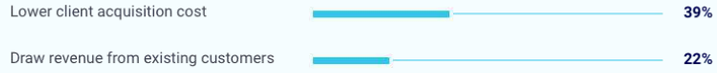
Why is Setapp an option even for MAS devs?

When we asked them, the most popular answers included increasing their user-base (76%), generating additional revenue (73%), and switching to a recurring revenue, subscription model (63%).

Other benefits included increasing customer lifetime value and reducing customer acquisition costs, since this shifts the emphasis away from developers and onto Setapp to drive traffic and downloads.

Question: What makes you consider distributing your apps via Setapp?



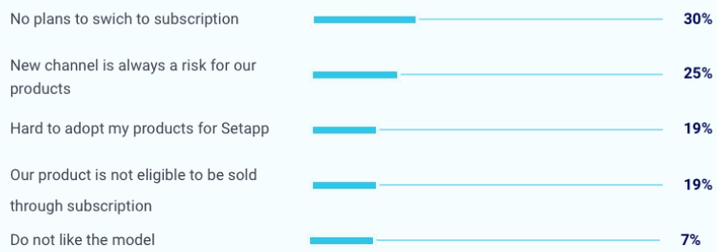


Why 28% of MAS developers — who are aware of Setapp — would NOT consider it as an alternative App Store

From those surveyed, we found a range of reasons why developers wouldn't consider Setapp a viable alternative. For many, they either can't switch to subscription (19%) or have no plans to adopt a subscription revenue model (30%).

Others would struggle to adapt their products for Setapp (19%), while 25% don't want to risk trying a new channel. Only 7% don't like the Setapp model.

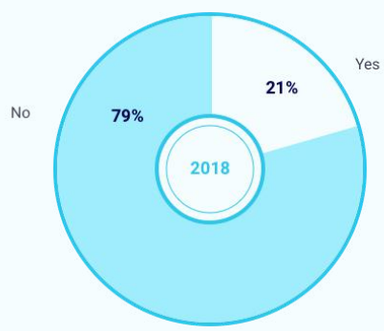
Question: Why are you not considering distributing your apps via Setapp?



Setapp: A channel for developers outside the Mac App Store?

Setapp has been operating as an optional channel for Mac devs since January 2017. And already, 21% of those who reach customers outside of the MAS are using Setapp as a distribution channel.

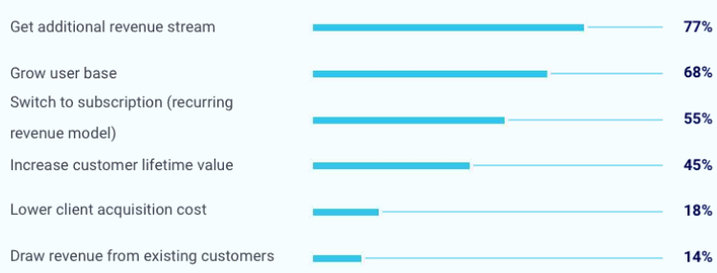
Question: Are you partnering with Setapp to distribute your apps?



21% who partner with Setapp: Why choose this model?

In this group, the reasons are similar to those who only distribute outside the MAS. Except for a smaller number - 39% - did not get through the review process, and interestingly, 14% are considering going this route in the future, which is something the other survey group did not say.

Question: Why did you not partner with Setapp?

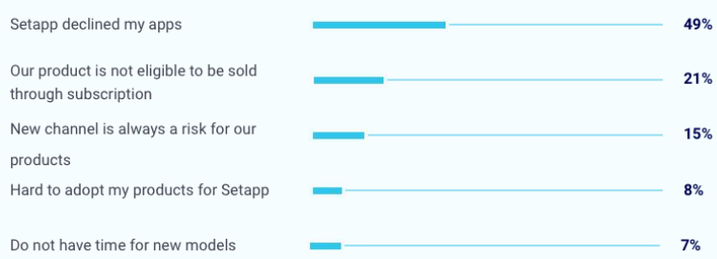


Why developers did not partner with Setapp?

Of the 79% who aren't partnering with Setapp, we found that half did want the option. However, just like the MAS and any app store, Setapp have a review process, to ensure users receive the best apps possible. Setapp also have to make sure apps don't clash or have features that are too similar, so not every app that applies gets through.

From those who are not partnering with Setapp, 49% weren't successful through the review process, while another 21% can't adapt to a subscription model, and 15% did not want to attempt a new distribution channel.

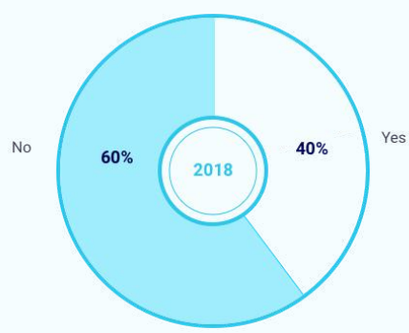
Question: Why did you decide to partner with Setapp?



Developers who use both channels are in for a third one

Developers who distribute both via the MAS and outside of it are in favor of using Setapp. We found that those who use both channels are twice as likely to use Setapp than those who only distribute their apps outside the Mac App Store. Let's take a closer look at why.

Question: Are you partnering with Setapp to distribute your apps?



Why 40% partner with Setapp to reach more users

From the survey, we found that:

- Additional revenue (94%) and growing the user-base top the list (57%);
- Switching to subscription is third. While for those who are not with Setapp, subscription is one of the main reasons for not going with Setapp (can be seen from the data presented above)
- Other responses include (13%): An improved UX for developers and vendors, Apple's shortcomings, and developers' desire to be part of something new.
- Some examples of these below:
  - "Better user experience for us and for users"
  - "Setapp collects awesome apps, so being part of that is a good thing."
  - "We want to be a part of this fantastic idea."
  - "Apple's solution just isn't friendly or flexible enough. We wanted to try something new"

Some positive recurring themes here: Developers are looking to Setapp to reach new users, grow their audience, and generate new revenue.

Question: Why did you decide to partner with Setapp?

Why 60% of this survey segment are not partnering with Setapp

As part of this survey, we asked why developers partnered with Setapp. The most popular answers included: additional revenue (77%), increase user-base (68%) and the switch to a subscription revenue model (55%). Reducing customer acquisition costs is another benefit we've seen mentioned before (18%).

Question: Why did you decide to partner with Setapp?

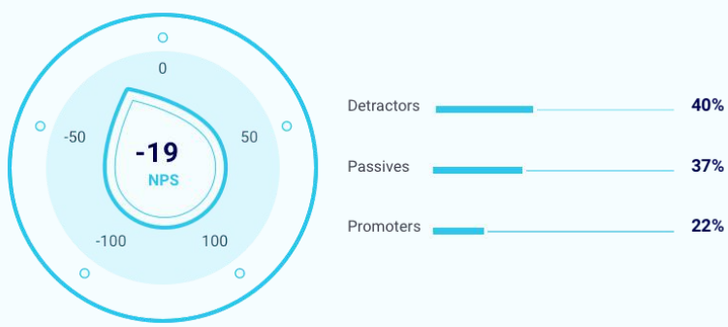
Mac App Store and Setapp: How do Mac developers compare them?

To get a valid sense of how developers compared the two offerings, the MAS and Setapp, we have used the Net Promoter Score for this survey, as we did in 2017. This way, we can accurately see what has changed. Results can go from -100, if customers hate everything about a product/service to 100, if every customer loves absolutely everything about something.

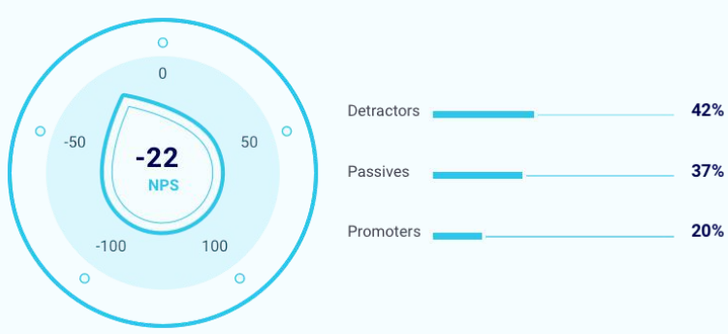
We asked "How likely is it that you would recommend using the Mac App Store as a primary distribution channel to a friend or colleague?" We then asked the same question about Setapp.

MAS Developers' Opinion on Mac App Store and Setapp

Mac App Store - doing well since 2017. MAS developers' opinion has improved, from -34 in 2017 to -19, which shows Apple is improving the service and way they work with developers.

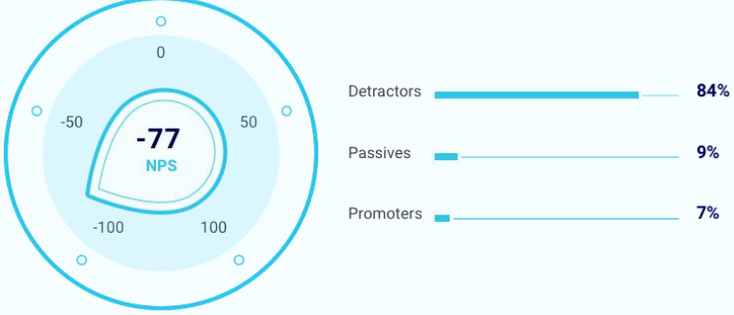


Setapp: MAS developers dislike the App Store less than they dislike Setapp, with Setapp scoring -22 in this segment.

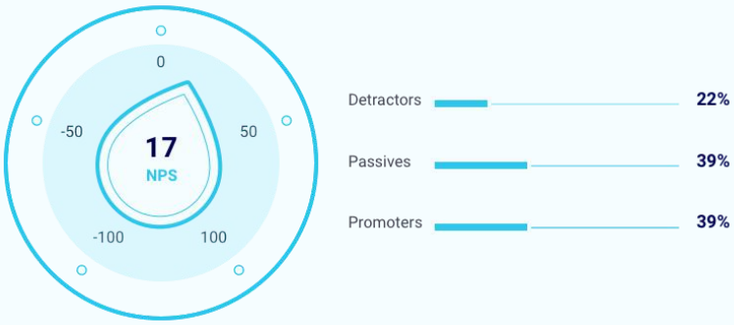


Outside MAS Developers' Opinion on Mac App Store and Setapp

Mac App Store — again, showing improvements in the segment of developers who only distribute outside the app store, with a jump from -97 to -77. Still, scoring pretty bad, MAS.

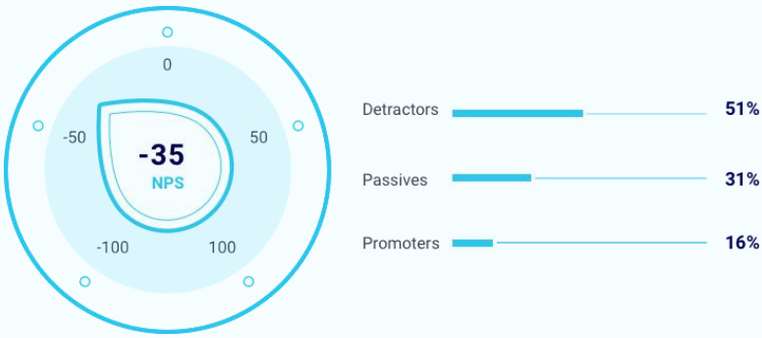


Setapp: those who distribute outside the Mac App Store are promoters of Setapp, with a score of 17 in this segment.

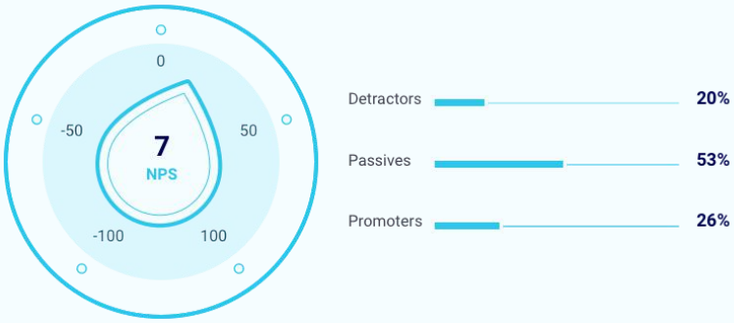


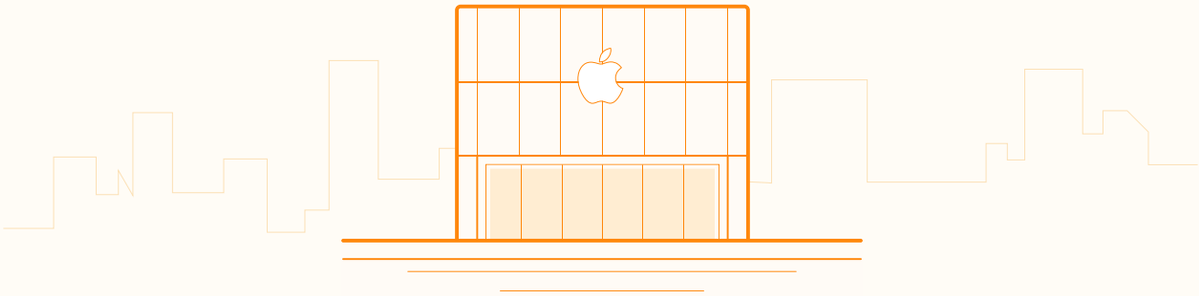
Developers who use both channels: Opinion of the Mac App Store and Setapp

Mac App Store - another improvement, from -48 to -35, yet still more negative towards the MAS.



Setapp: a small positive score from the combined group of +7 for Setapp.





Home Sweet Mac App Store

Just over 50% of developers are comfortable giving Apple 30% of their hard-earned revenue. Whereas, in 2017, that figure was only 31% - so it shows Apple has been doing some serious work to improve relations with developers.

Do you think sharing 30% of revenue is worth what the Mac App Store gives you?

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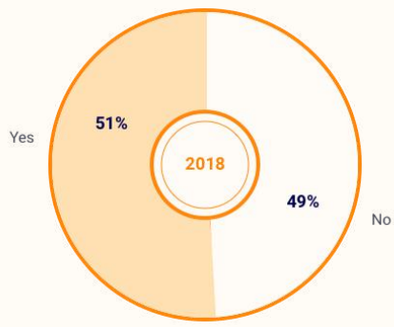
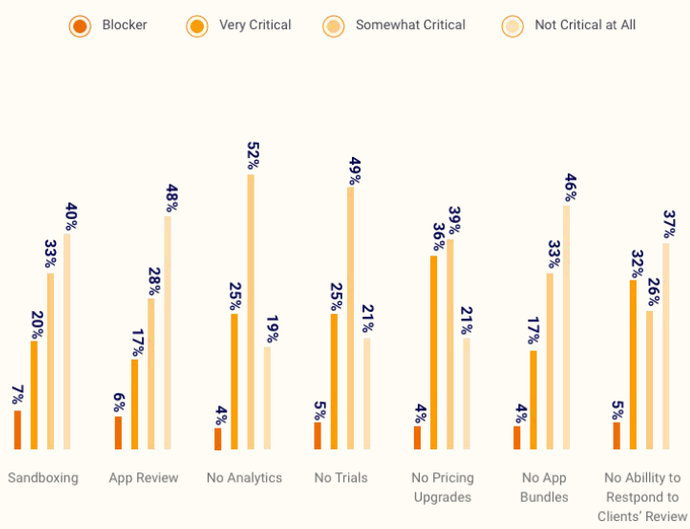


What's up with the Mac App Store in 2017?

Question: How critical are the following App Store limitations to your business?

We wanted to dig deeper into the issues, and this is what we found:

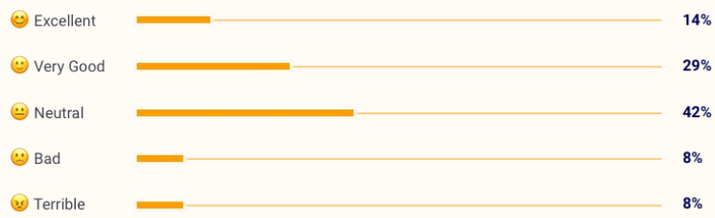
- Sandboxing stops being such a serious problem.
- No analytics continues to be a somewhat critical problem, but not a top priority.
- No ability to respond to clients' review is no longer an issue because Apple has finally added this functionality. However, the fact that 5% still say this is a 'blocker' problem (reason not to use the App store) shows that either it doesn't work for everyone or not everyone is aware of it - so Apple needs to do more work to get the word out.



Major improvements: getting through the Apple App Review

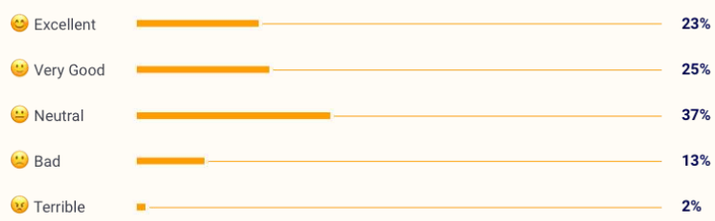
App review process, overall experience:

Overall, this process is improving. We can see from this that only 8% rate it terrible and 8% bad in 2018, compared to 7% terrible and 19% bad last year. From this survey, developers that rate it very good (29%) and excellent (14%) have increased.



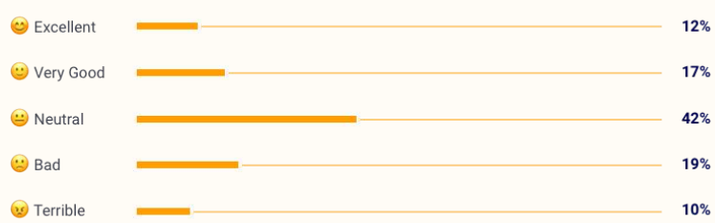
Speed of the review:

Another leap forward in 2018, with 23% and 25% rating the app review process excellent or very good, compared to 4% and 20% in 2017, respectively.



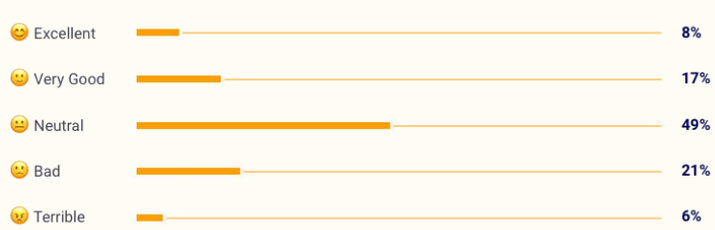
Communication with the App Review Team:

Communication is a vital part of the development, review and approval process. Apple are making more of an effort in 2018, based on our survey of 814 developers. Last year, 33% rated this experience as bad and 11% terrible. Now only 10% and 19% have had an equally poor experience, with 17% rating the experience very good and 12% as excellent.



AppStore Review Guidelines:

Again, we are pleased to see for developers that Apple has taken these issues seriously. Another year-on-year improvement, with 49% rating the experience good and 8% excellent. In 2017, 7% rated review guidelines as terrible and 30% bad. Developers are definitely happy with these improvements.

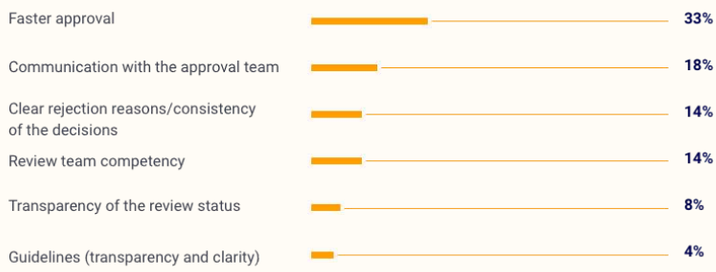


Appeal Process:

Another year-on-year improvement. Only 8% consider it terrible, compared to 13% in 2017, and 13% rate it very good, compared to 7% last year.

What would you like to see improved in the App Store review process?

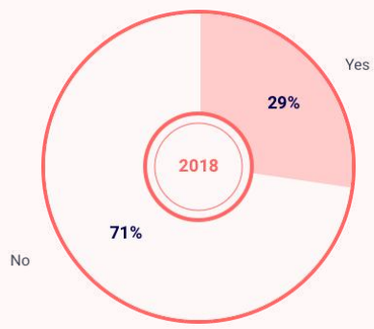
Compared to last year, sandbox rules have disappeared as a problem. Developers wanting a faster approval and review process, and better communication with the approval team, are even more important this year. Developers are also calling for greater transparency and clear guidance as to why an app was rejected.



Developer's life outside of the MAS

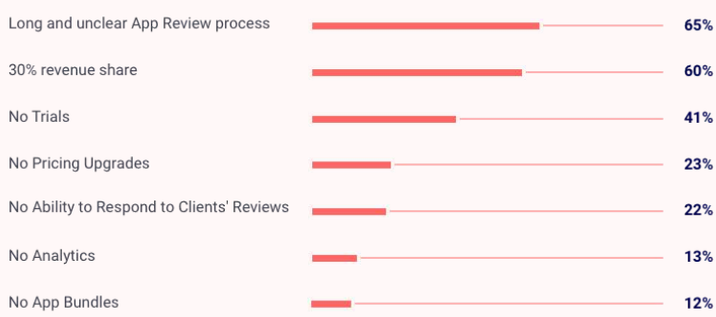
Question: Have you tried distributing your apps on the Mac App Store?

Last year, fewer developers sold apps through the MAS - with only 24% saying they did, compared to 29% in 2018. All of the improvements in service and processes from Apple must be having a positive impact on the community, which as big supporters of Mac developers, we are delighted to see.



Why developers don't work with the Mac App Store?

Issues remain relatively similar: a long and unclear app review process, Apple taking 30% of revenue, an inability to offer users trials, or respond to reviews (now fixed), are all front of mind for Mac developers. Seems like no one enjoys the guesswork of application combined with bounty sharing. Must feel like groping in the dark for a light-switch while getting robbed.

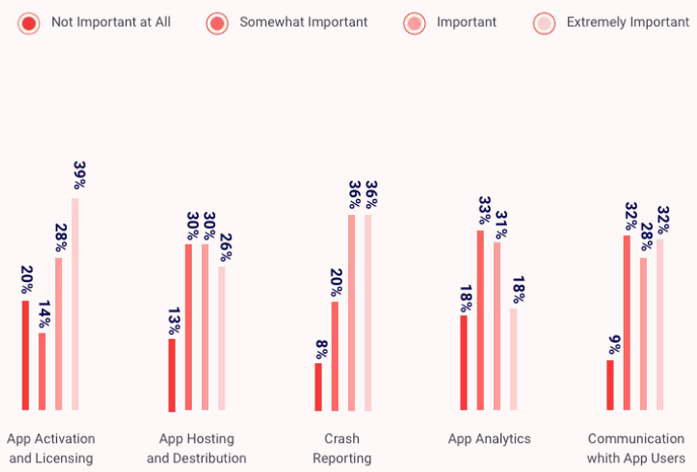


How to sell an app and grow your revenue

To find out more about this topic, something that is important to developers everywhere, we asked the following questions:

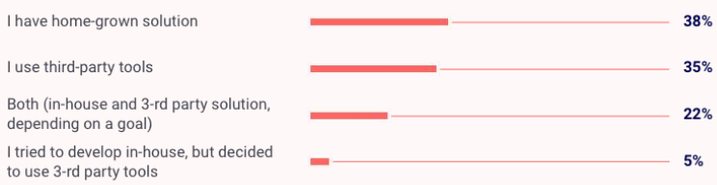
How important are the following for you?

These tables are a useful snapshot of what is important to Mac app developers. At the top of these options, app activation and licensing is the most prominent concern in 2017 and this year (46% and 39% note this as extremely important, respectively). Hosting and distribution is about equal as an issue concerning developers, and many developers would like improved crash reporting and analytics.



How do you develop, distribute and manage your apps outside the Mac App Store?

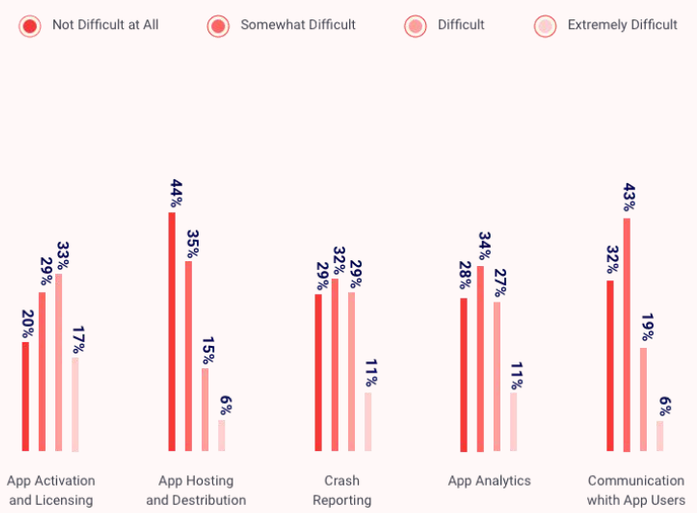
From the answers to this question, it seems that most developers have home-grown or third-party solutions, or use a combination of both — although that option is less popular this than last year. Home-grown solutions are slightly more popular in 2018, with 38% saying that devs are getting less and less afraid to spend time hand-crafting something on their own.



Challenges of creating your own app distribution tools?

How difficult do you think it is to develop the following functionality to distribute your apps outside the Mac App Store?

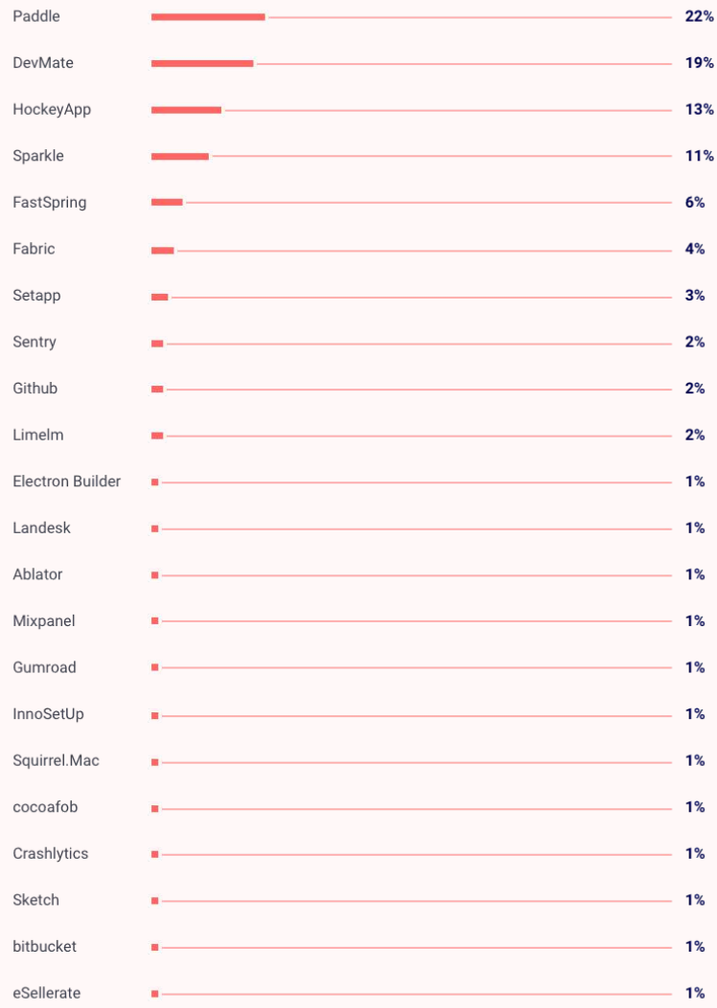
Compared to using the MAS, developers seem to have far fewer challenges communicating with users, using analytics, managing crash reports, hosting, and app activation. And that particular challenge seems to have become less of an issue this year, with 33% saying app activation and licensing is difficult, compared to 42% in 2017.



Top third-party platforms for Mac app development

Last year, only three third-party platforms really led the Mac app development market in our survey group (DevMate, Paddle, FastSpring). Now the top three are Paddle, DevMate and HockeyApp — which was further down the table in 2017.

This year, we are seeing more platforms in the middle of the table, including FastSpring (fell down the rankings since 2017), Fabric, GitHub, and Setapp. Although this market has some strong leaders, there is still no one product that dominates this market.

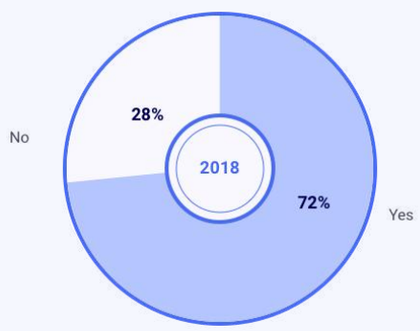


Developers' experience of Setapp

In this section, we sought to understand how developers experience Setapp. We know awareness amongst developers is high - with 70% answering yes to the question, "Are you aware of Setapp?"

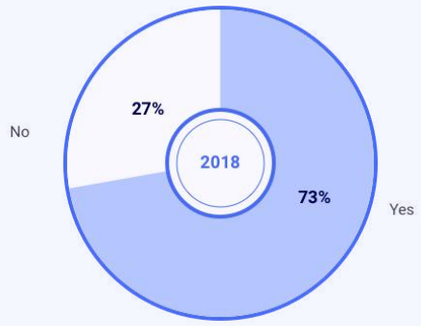
Question: Are you aware of Setapp?

Mac App Store Developers said:



Developers outside the MAS said:

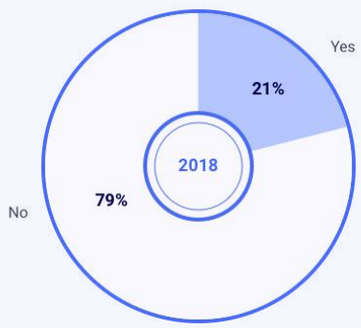
Both (MAS and Outside) said:



Huge portion of Developers who sell outside the MAS and through both channels are already working with Setapp: 21% and 40% respectively.

Question - Are you partnering with Setapp to distribute your apps?

Developers outside of the MAS

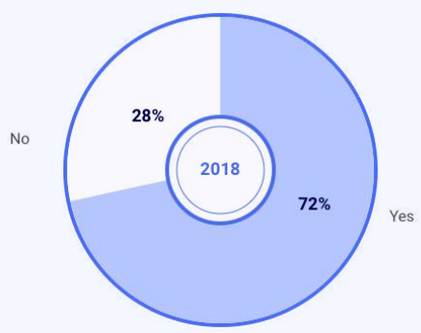


Developers who distribute through both channels

AND

72% of MAS-exclusive developers said they would consider distributing their apps via Setapp.

Question - Would you consider distributing your apps via Setapp?



Setapp Vs. Mac App Store

We wanted to find out whether developers are happy with the share of the revenue they got from the MAS compared to Setapp, and how their experiences differ with each platform.

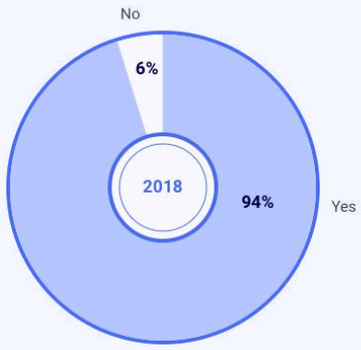
Revenue Share

Question: Do you think sharing revenue is worth what you are earning from Setapp/Mac App

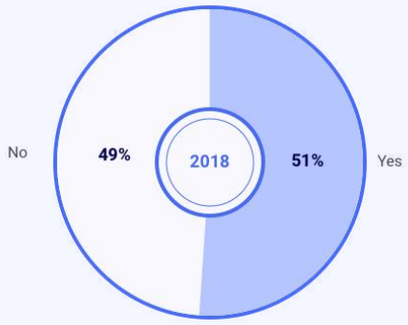
Store?

From those surveyed who have apps on the platform, 94% of developers say they are happy with the revenue they earn from Setapp. In comparison, 51% said the same for the revenue share with Apple.

Setapp



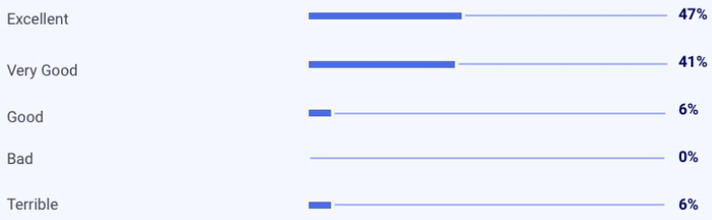
Mac App Store



App Review Process

Overall, Mac developers are satisfied with Setapp's review process. Excellent tops the list of answers, showing that half of the respondents are pleased with the Setapp App Review process. Only 8% said the same about the Mac App Store, with 42% saying it is good, and 14% terrible.

Setapp

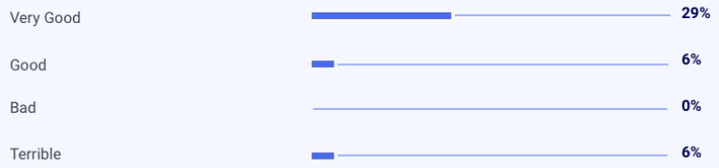


Mac App Store

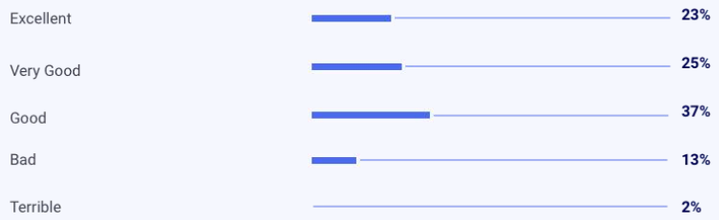
Speed of the App Review

Setapp partner developers are happy with the speed of the review process, with 59% saying it's excellent and 39% very good. Whereas only 23% say excellent and 25% very good for Apple.

Setapp



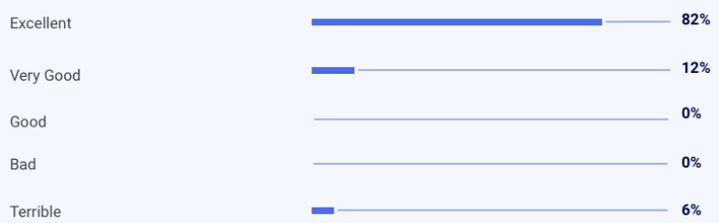
Mac App Store



Communication with the App Review Team on Setapp

Developers value quick communication. If there is a problem, they want to know how to solve it, especially if it requires extra time to work on an app, feature, or fix a bug. 82% of those surveyed rated the experience with the Setapp review team as excellent. In comparison, only 12% said the same for Apple, and 19% said they had a bad experience.

Setapp



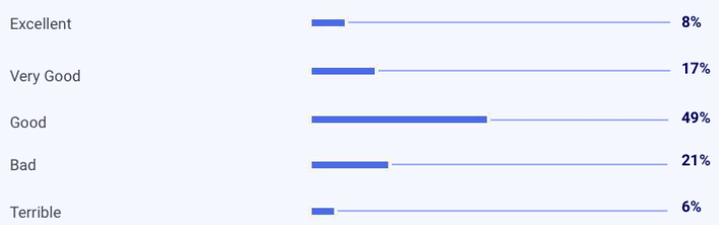
Mac App Store

Review Guidelines

Developers benefit from clear guidelines. Unfortunately, only 8% say the Mac App Store guidelines are excellent, compared to 24% of Setapp partner developers, with 47% saying they're very good

Setapp

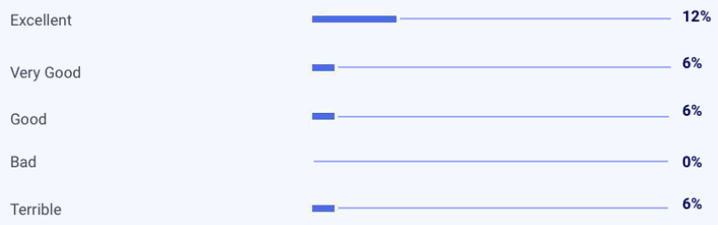
Mac App Store



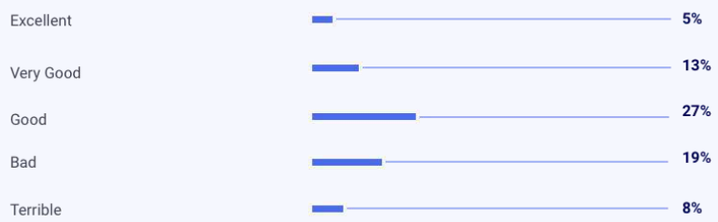
Appeal Process

Figures for comparison are adjusted to account for those who've gone through an appeal process, with 12% saying the process is excellent via Setapp.

Setapp



Mac App Store



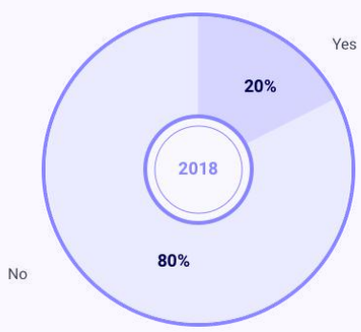
Subscription Business Model for Apps

This is a hot topic nowadays. We asked the same questions about subscription as we did last year, and here is what's changed:

General Market Division

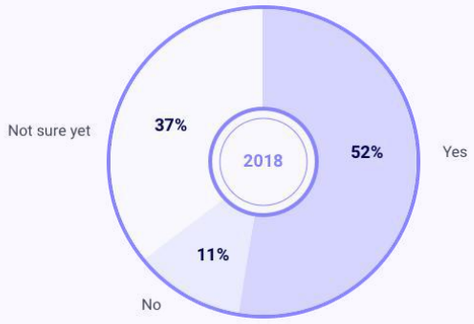
Question: Did you try to switch to subscription model with your app?

Developers have mixed views when it comes to a subscription model. Despite the fact that many, as we saw with the answers to previous questions, find it difficult to switch to this model, so it is impressive that the number who've attempted this has remained the same both years (20%).



Do you think subscription model had a positive impact on your business?

Even more interesting is the fact that a percentage of developers went that route in 2017, and now, 52% are saying the subscription model has had a positive impact on their business. 37% aren't sure yet, and 11% say it has not. An improvement on 2017 responses, showing that this model is working for those who have tried it.



Switching to Subscription

Question: Please specify what's good about subscription model?

As we can see, developers who've switched to a subscription model are enjoying higher revenue (81% compared to 60% in 2017). A growing user-base (65%) and better relationship with users (54%) are other positive benefits, with products improving as developers get to engage with their users more. Everyone gains from this model.

Question: Please specify what's wrong with subscription model?

However, as we have found, it doesn't work for every app developer. Some say they've got a worse relationship with users (57%) and revenue has decreased (43%). Maybe for these, it wasn't the right switch to go from other revenue models to subscription, which is one reason we have an extensive vetting process.

Sticking to one-off purchases

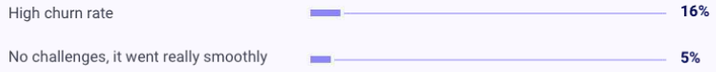
Question: Why did you not try a subscription model?

Developers gave similar answers both years: Most of the challenges revolve around whether subscription is the right model for them, being happy with the current model, and insufficient knowledge/resources to dedicate to switching over. Plus, risk, is something that features slightly more heavily in 2018 (16% compared to 11%).

Difficulties of switching to a Subscription Model

Question: What kind of challenges did you face when implementing a subscription model? (if any)

Some of the main challenges, this year, compared to last, including defining the right price (top of the table for 2018 - 57%) and explaining the value to users (54% compared to 72% in 2017). Dedicating resources to this was more of a challenge in 2018 (38%), compared to last year (23%).

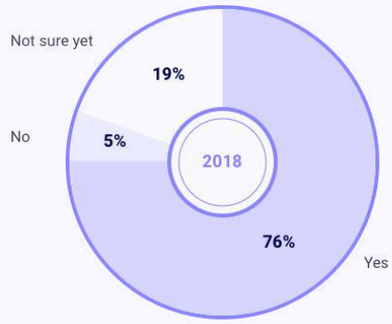


Subscription revenue model for developers

Would you recommend a subscription model to other developers?

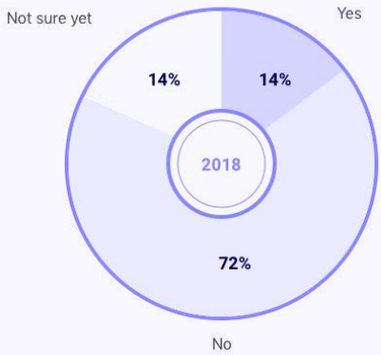
Perhaps as a result of developers trying to go subscription and it not working out, slightly fewer would recommend it to others (76% compared to 80%). 19% aren't sure this year, and 5% wouldn't, making the majority of those surveyed in favor of recommending a subscription model.

Developers who use subscription model



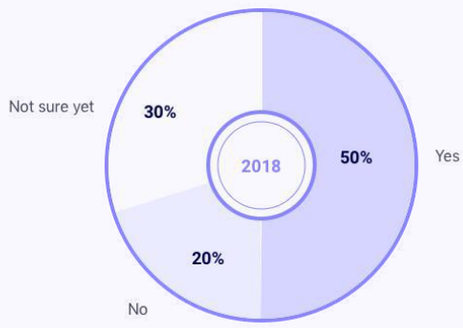
Developers who aren't in favor of the subscription model

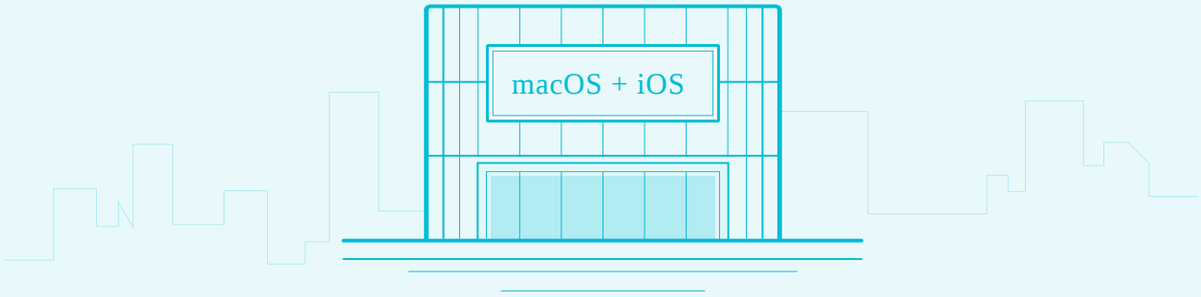
As we can see, more developers who don't use a subscription model would not tell others to use it as an option.



Question: Would you consider trying a subscription model in the future?

Interestingly, of those who've never tried a subscription model, 50% of those are considering it. This gives an indication the way the market is moving. Despite some hesitancy, more developers are seriously thinking about how to position the value proposition of their product or adapt an existing product, around this revenue model.



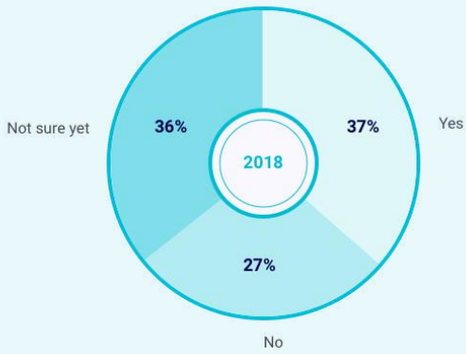


Apple Rumours: macOS / iOS merger?

A rumour that has been doing the rounds for a while now. Apple is apparently planning to combine the iOS and macOS app stores and operating systems. So we thought it best to ask developers what they think, whether they're ready and if, from a developers' perspective, they think this move makes sense.

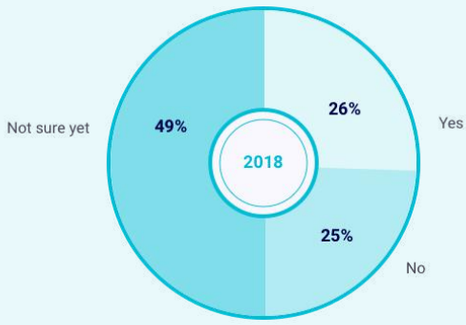
From these responses, we can see that although 37% are positive about this, many are unsure and want to know more before coming to a conclusion. Apple needs to release more information, which it is sure to do in time.

Question: Do you think macOS - iOS merge idea by Apple makes sense?



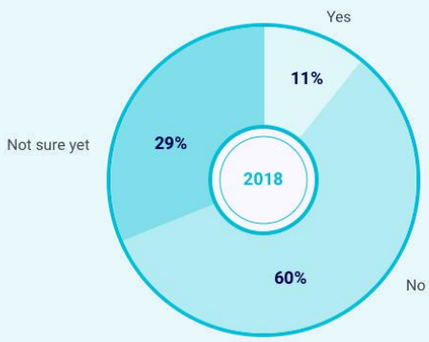
Question: Will the macOS - iOS merge have a positive impact on your business?

Only 26% think this will have a positive impact, with 49% unsure and 25% against the idea.



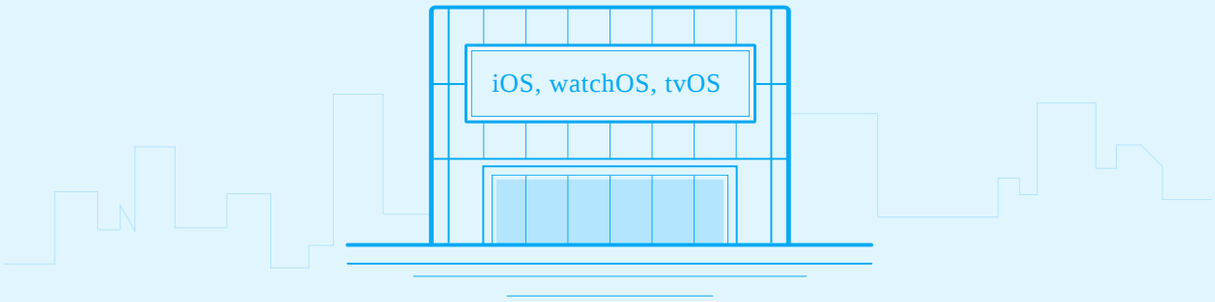
Question: Are your products ready for macOS/iOS merge at the moment?

At this point in time, only a small percentage of apps are ready (11% - in this survey), with 60% confident that they are not ready, and 29% unsure. Until Apple releases more details, it is difficult to know how to get apps ready for this platform merger.



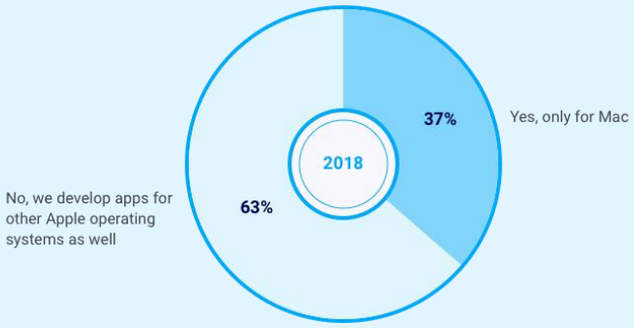
Question: Do you plan to start working on making your products fit the new model?

A larger group says they will try and get apps ready for this new environment (29%), with 34% not sure and 37% not doing anything until they know more, or until Apple makes it necessary.



Life beyond macOS

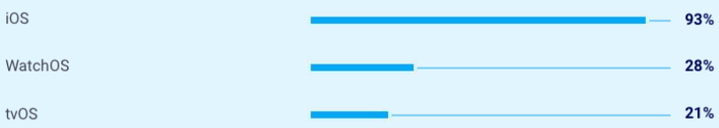
Do you develop apps for Mac only?



Insights about those 63% who develop for other Apple Operating systems

Question: Which operating systems other than macOS do you develop for?

As we can see, iOS is the most obvious and resoundingly popular Apple OS developers work with, while 28% are creating apps for Apple Watches and 21% develop for the tvOS. Brilliant to see how versatile so many Mac developers are.

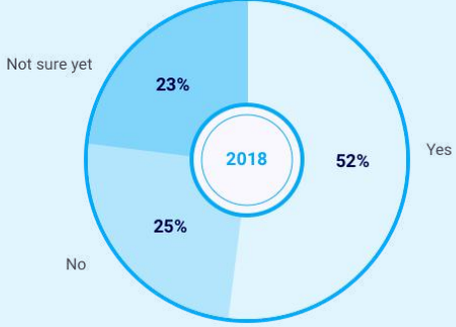


Question: Why do you develop for multiple Apple operating systems?

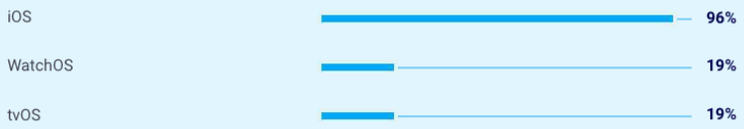
Many devs wanted to deliver the same app on multiple platforms, to reach users they know go beyond just one OS, whereas others prefer to develop completely separate apps (25%). The majority, however - 34% - combine both.

Insights about those 37% who develop for Mac only

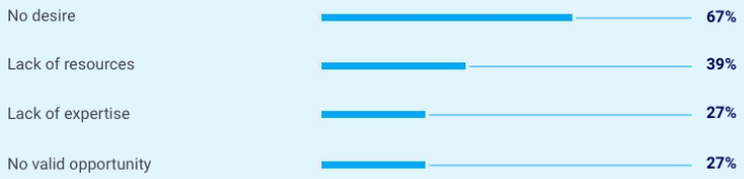
Question: Would you consider developing apps for Apple operating systems other than macOS?



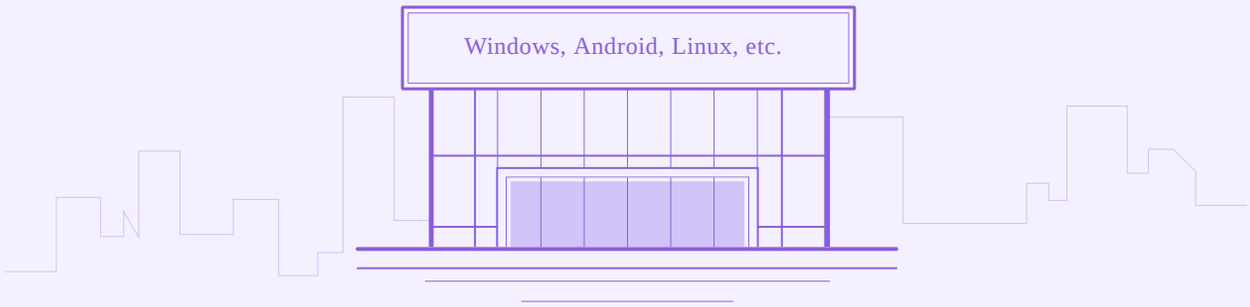
Question for those who would consider developing apps for Apple operating systems other than macOS:
Question: Why do you develop for multiple Apple operating systems?



Question for those who do not consider or are not sure about it yet:
Why are you not considering developing apps for Apple operating systems other than macOS?



Although this group is a minority, we can see that 52% would consider developing apps for another Apple OS, and only 23% aren't sure. And if they did create apps for other operating systems, the most popular is iOS. And for those who don't want to or aren't sure, they either don't want to create apps for the other operating systems (67%), don't have the resources (39%) and lack experience (27%). All problems that can be overcome either with time, resources, experience, or willpower, if developers want to expand beyond macOS.

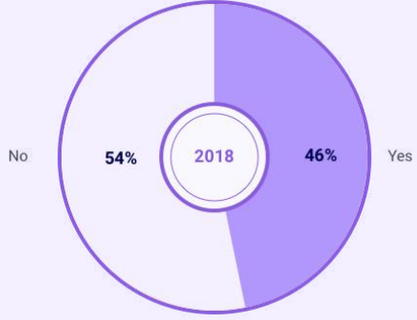


Mac Developers' projects beyond Apple

We also asked developers how many make apps for other platforms, including Android and Windows.

Question: Do you develop products for non-Apple operating systems (Android, Windows, etc.)?

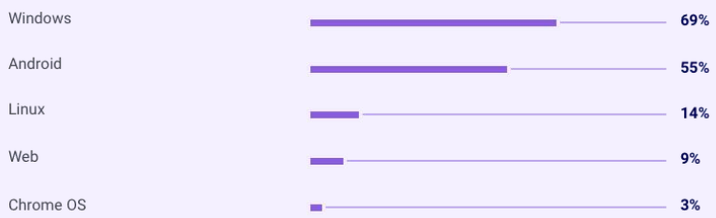
Interesting to see how diverse of a portfolio Mac developers have, with 46% creating apps for other platforms!



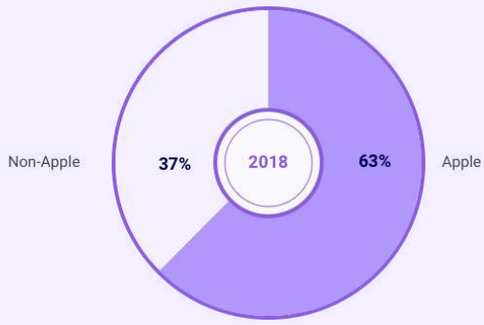
Which operating systems do these developers (46%) create apps for?

Within this 46%, we wanted to know which platforms were the most popular and what the revenue split looked like, comparing Apple with other platforms. Windows and Android were the most popular.

Question: Which non-Apple operating systems do you develop products for?

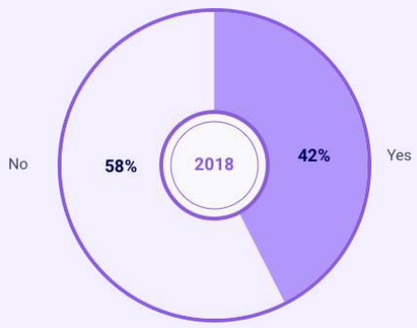


Question: Where do you get more revenue from? Please indicate the percentages.



Insights about those 54% who do NOT make money outside Apple Ecosystem and serve Apple users only

Question: Would you consider developing products for non-Apple operating systems (Android, Windows, etc.)?



Question: for those 42% who said yes; Which non-Apple operating systems would you consider developing products for?

Question: for those 58% who would NOT consider; Why are you not considering developing apps for non-Apple operating systems (Android, Windows, etc.)?

As you can see, it's pretty evenly split between all the lacks, apart from one particular reason protruding forward to a notable number of 75% — they just don't want to.

This is the end of Setapp Mac Marker Survey 2018. It grew bigger, deeper, and hopefully more insightful for you. Please do share your thoughts on it with us on any social media, we'll make sure to check for @setapp mentions. We hope you enjoyed the read!