Lowering Barriers: The Open App Markets Act

January, 2022

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Key Findings

1

App developers are very open to the Open App Markets Act. Introducing and describing the OAMA shows developers the reality they would like to see.

2

The largest barrier to getting apps to consumers are app marketplace requirements. Developers describe this as a massive barrier to entry for smaller ventures. This is a larger barrier than marketing and technical design.

3

Vast majority of developers say there is a need for legislation that will prohibit anti-competitive and self-preferencing practices. Over 80 percent of app developers say there is a need for legislation to level the playing field.

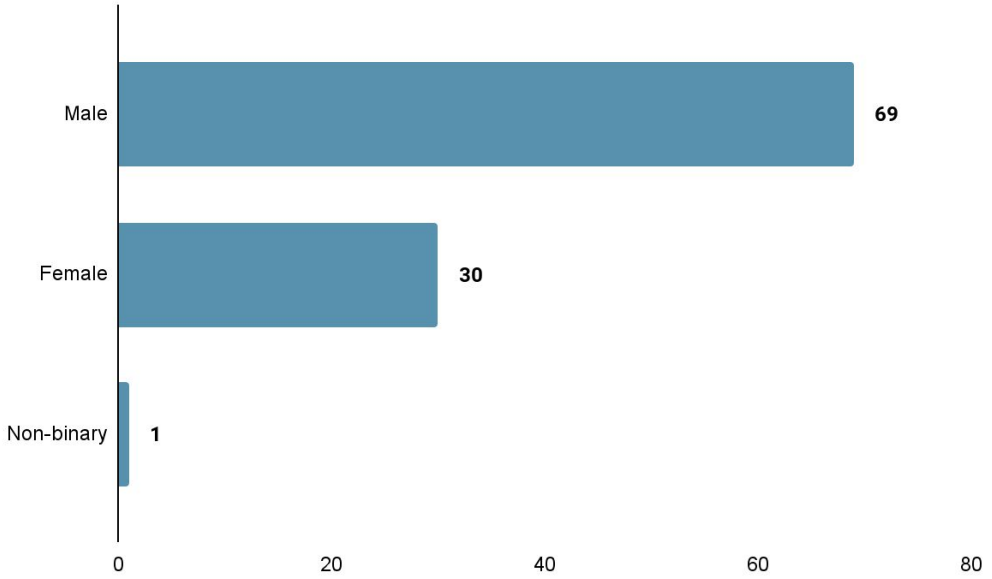
4

With legislators: the OAMA will lower barriers which will lead to innovation, wage increases, job growth, entrepreneurship and increased US competitiveness. This act is about helping an industry flourish beyond a few companies. Developers say this will help foster innovation, increase revenue for small and new businesses, lead to more hiring at higher wages, and establish a favorable app development industry in the US compared to other countries.

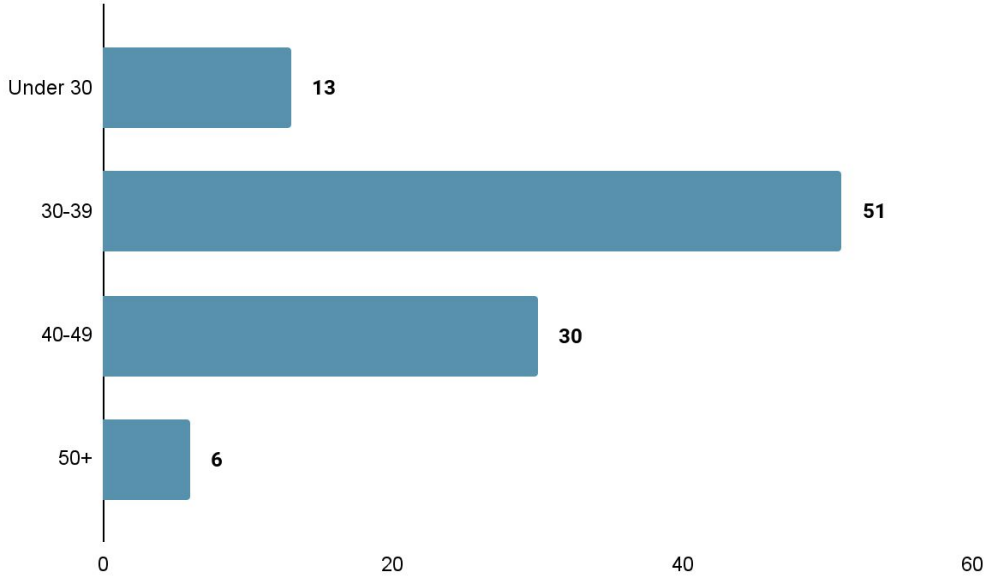
Methodology and Demographics

On behalf of the Coalition for App Fairness, ClearPath Strategies conducted an online survey December 2021 - January 2022 of 190 app developers in AZ, CA, CO, IA, IL, MN, NC, NY, TN, TX, and UT. The survey's margin of error is +/- 7.11 percentage points at the 95 percent confidence interval. ClearPath also conducted in-depth interviews (IDIs) with an app developer in each state, 11 IDIs in total.

Gender

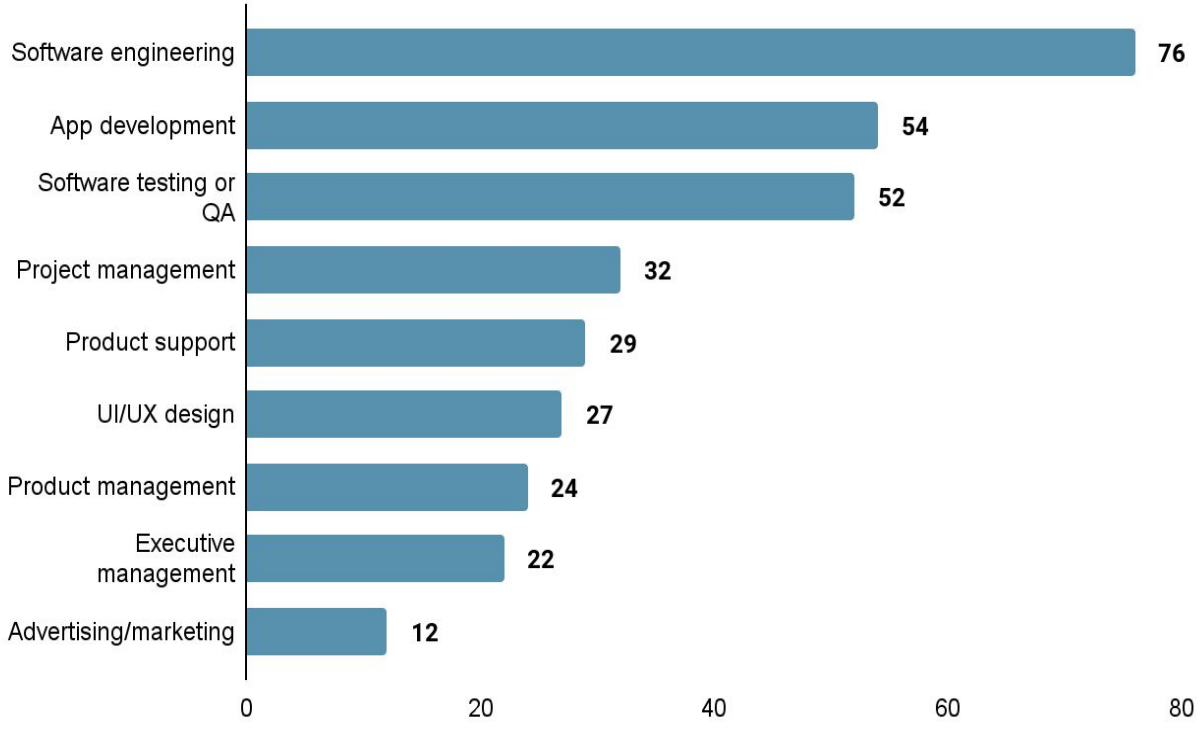


Age

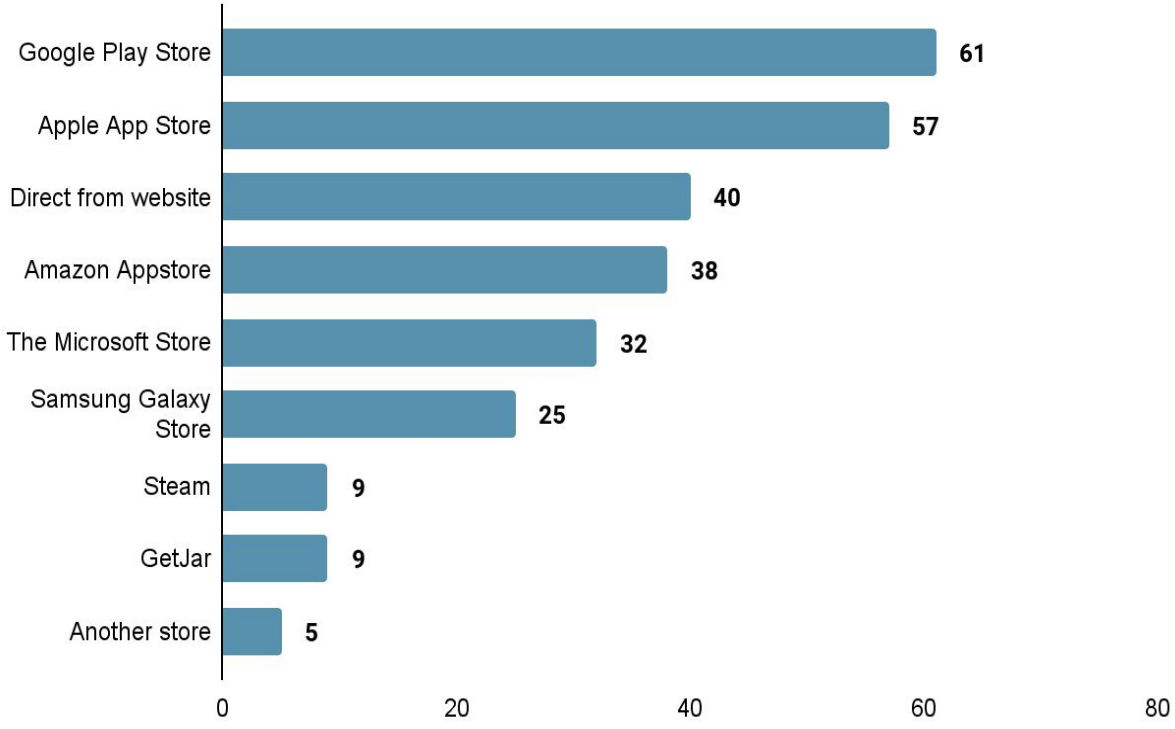


Well over half of respondents working on apps on the Play and App Stores

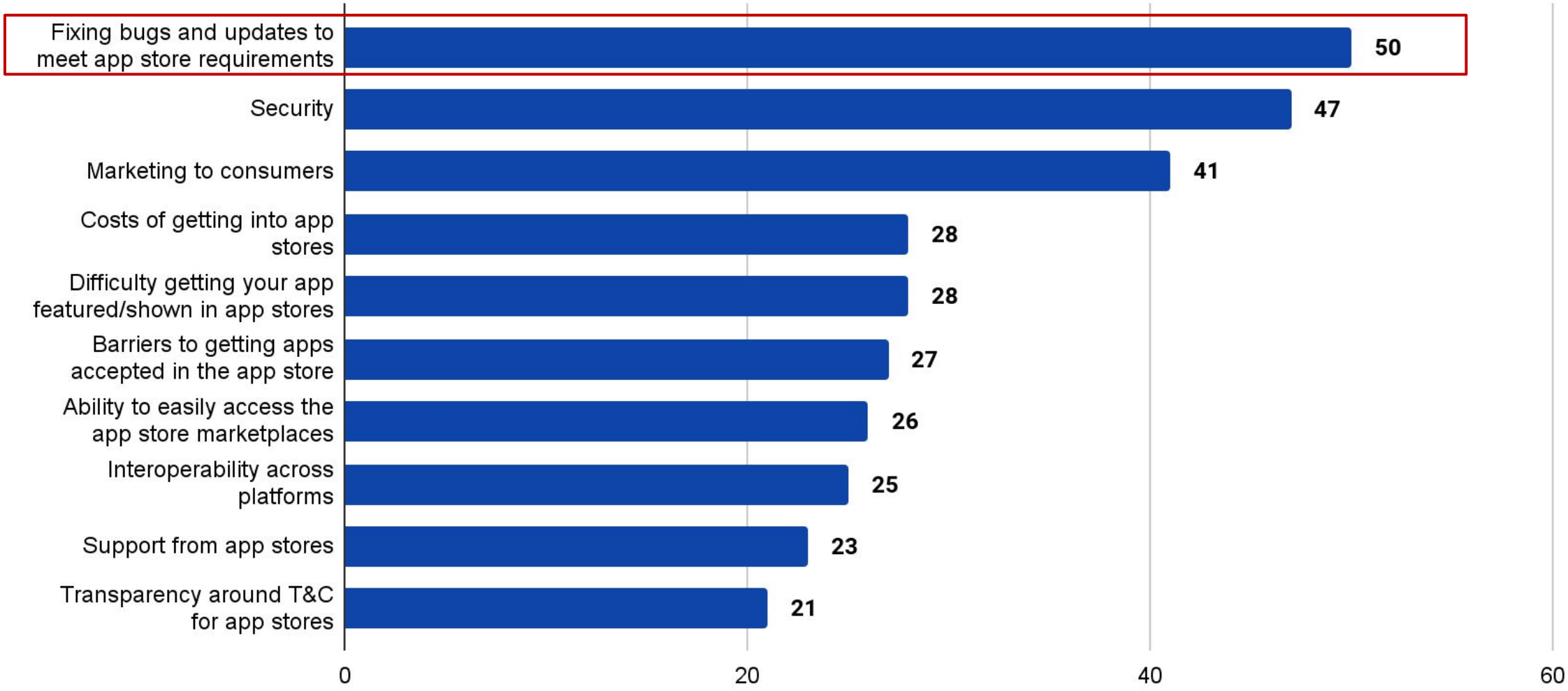
Job function



App Market(s) used for Products



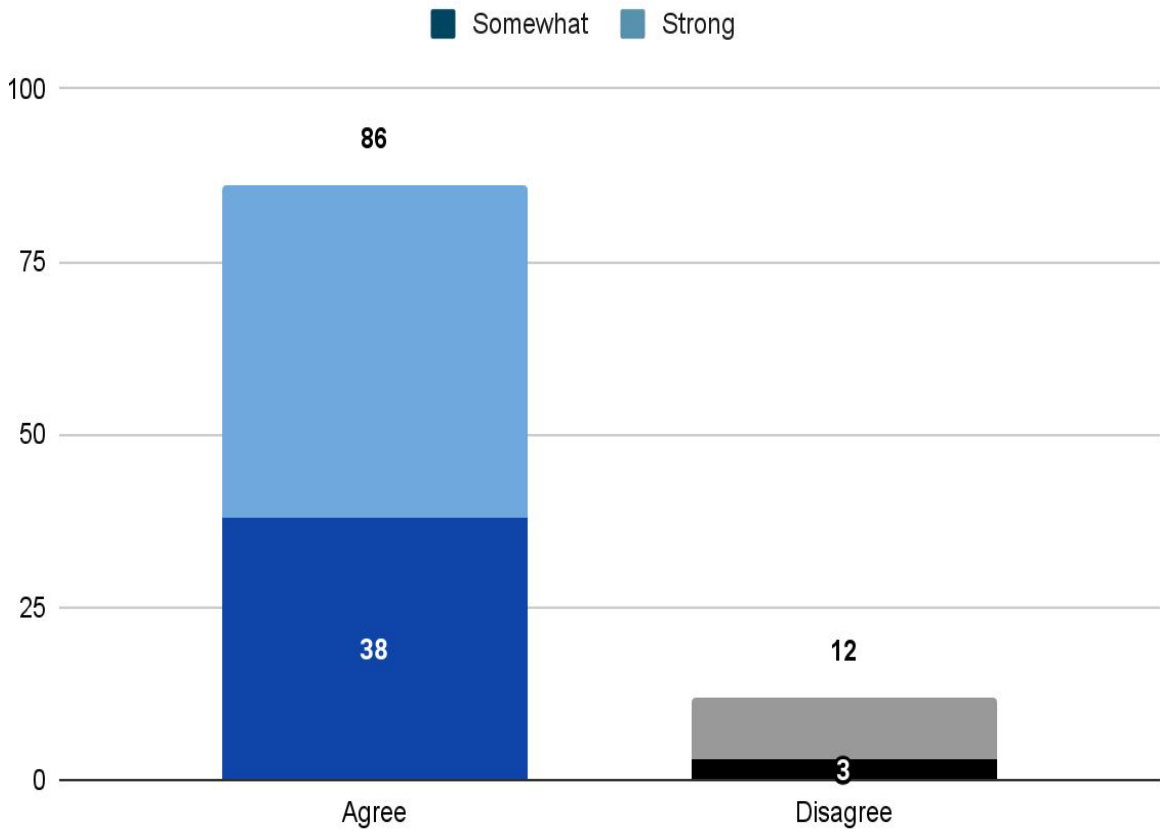
Dealing with app store requirements is a significant obstacle to getting apps to consumers



Q: From a non-technical perspective, which THREE of the following are your biggest problems in getting your apps to consumers?

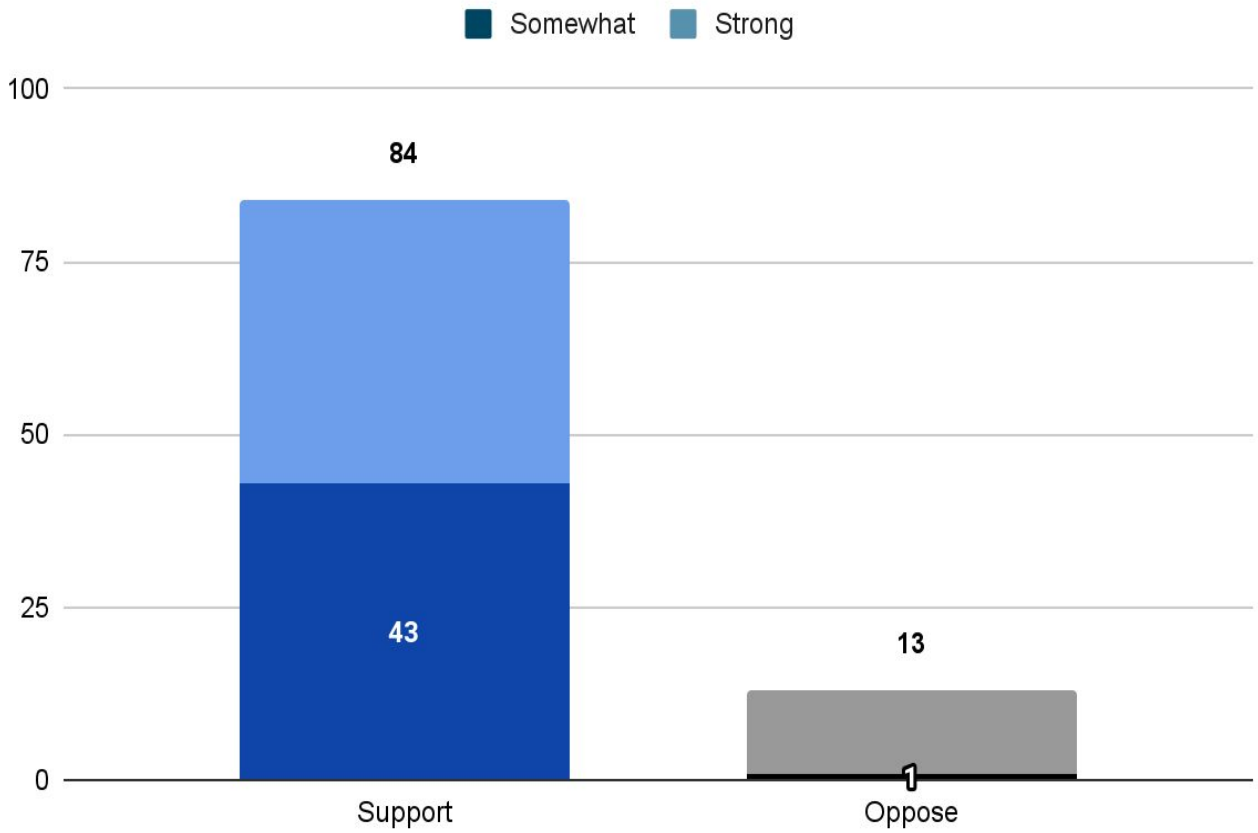
Vast majority of developers say there is a need for legislation prohibiting anti-competitive practices

Need for legislation to prohibit anti-competitive or self-preferencing practices in app marketplaces



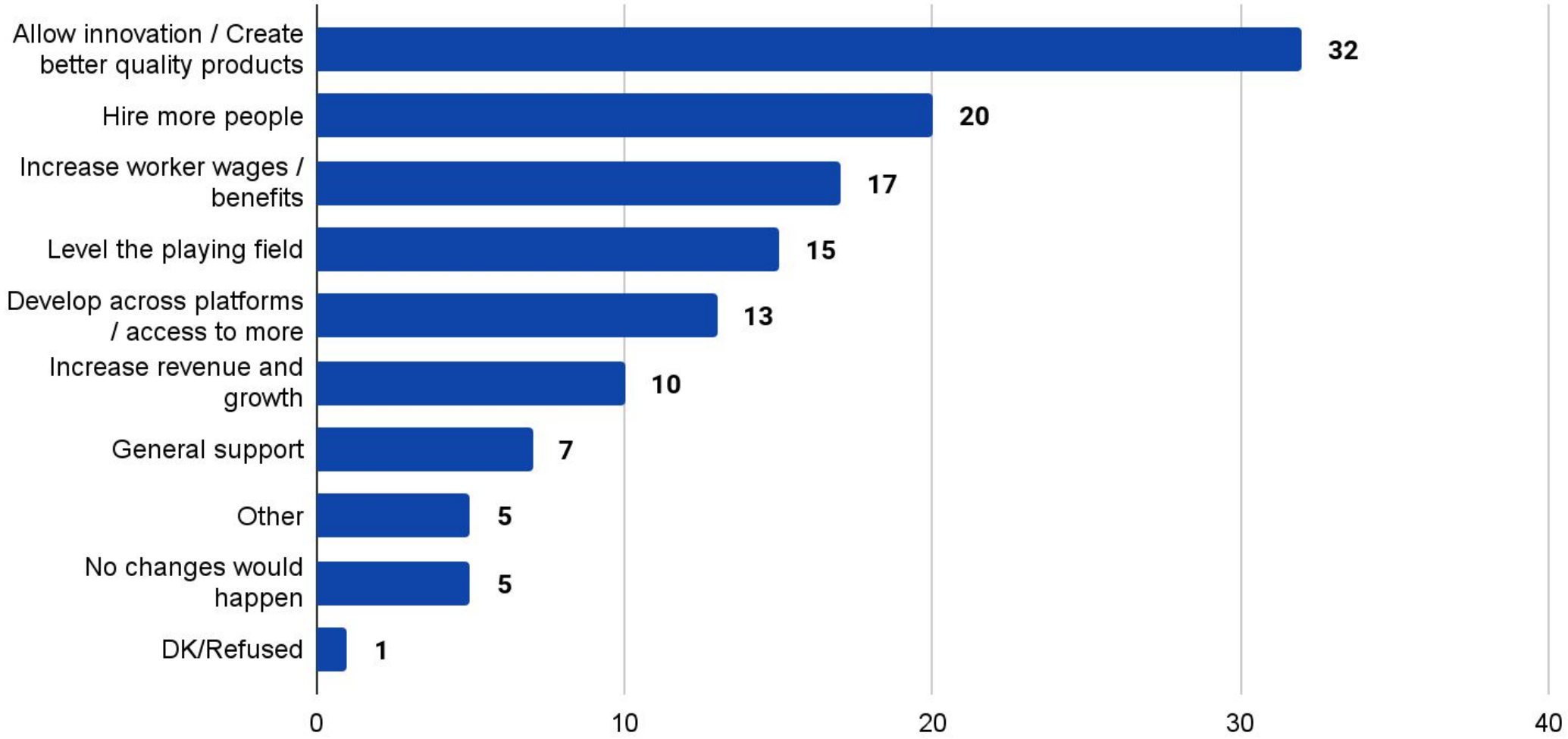
Q: Do you agree or disagree that there is a need for legislation aimed at prohibiting anti-competitive or self-preferencing practices in the App Store and other dominant platforms to protect developers?

Support/Opposition for such legislation



Q: Based on the information above and your awareness of this issue, would you support or oppose this legislation?

Legislation increases innovation, worker benefits, jobs and company growth



Q: If this bill were to become law, please explain how it would help you or your company most.

Developers describe more competitiveness, entrepreneurship and broader industry growth with passage of Open App Markets Act

Entrepreneurship

I would say it would increase revenues for smaller companies and individual developers, maybe not so much for larger companies... For smaller companies and definitely for individual developers, it would affect them a lot. - Alok, Senior iOS Developer, NY

I do think there'll be a higher sustained rate in terms of people coming and actually making it. - Jeff, Mobile App Developer, AZ

I feel like there'd be a better chance of success and experimentation. - Adam, Senior Software Engineer, IA

I think it'll give them a higher probability, a higher survival rate, if you get the app in there - because you're getting more liquid coming in it and you're - depending on your own personal hustle, you've got a better opportunity to work with your customers. I do think there'll be a higher sustained rate in terms of people coming and actually making it. - Jeff, Mobile App Developer, AZ

There will be more access to more platforms, so now end users get to decide what phone to use. They could download App Store apps also in the Google phone, so there'll be more products to be developed, and more jobs to be produced, more companies will get started. - Renu, Senior iOS Developer, CA

It would for sure make it so that smaller, independent developers that may not have the resources to go through some of the other processes or just the knowledge even to be able to get their content out there, which is always the great part about having something that's more open. - Miguel, iOS Developer, UT

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US Competitiveness

What would happen in my opinion because the legislation is in the US, I think you'd see a lot more people trying to make their way over here, because why would you want to be in a country where you'd still have to pay that 30% fee if you could go to the US and pay a 15% fee or 20% fee? - Jeff, Mobile App Developer, AZ

That makes the US more favorable place to be at, right? All developers would love to be in the US and enjoy the benefit of this law, I'd say. - Renu, Senior iOS Developer, CA

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I think it will give a cushion, cash cushion, to companies, not to sink in the future or to not seek outside investment, whereas Apple is piling up money after money to enforce more monopoly. Money will be distributed and more companies will flourish, that's for sure. - Subhransu, Software Engineer, TX

In terms of developers noticing this impact and probably choosing to move to the United States for better prospective, yeah, if they see the practice is not right, let's say in Europe or Asian countries, if they see that the practice is not equal, definitely there is going to be an inclination for people to move to US because they can earn more and there will be more level playing field. - Subhransu, Software Engineer, TX

I would think people would want to develop apps in the US with that law because right now. Some companies… outsource their app development process to offshore places like India, Europe, Japan, China… so I would think most of those companies would move towards being a more US company rather than more out-of-country company. - Alok, Senior iOS Developer, NY

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Level the playing field

There might be many small still companies who are talented enough, but they might not have enough budget. By providing the provision of releasing the applications directly, without paying, involving those additional payments to the Apple or to the Google platforms, I think it will make their life easier. - Sruthi, Android Application Developer, IL

Just barrier to entry. You don't feel like you have to make the choice of do I want to try to get on one of the biggest platforms, Apple, or do I just want to try to get my stuff out there somewhere… Just being able to have access to that broader audience right off the bat can definitely have some positive impacts for developers who are trying to make something for people to actually use. - Miguel, iOS Developer, UT

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More jobs

I definitely think it would make more jobs just because that great a jump in revenue—I know [my company] is trying to grow pretty fast right now and is hiring a lot, so just being able to make that much more would definitely help with that. - Jon, iOS Developer, CO

It will definitely make it easy for the developers, because less of the restrictions, more people will be encouraged and enrolled in developing the applications. - Sruthi, Android Application Developer, IL

I would hope that it translates into wage changes, especially if the company is getting that revenue, getting more revenue compared to before, then it should impact wages and it should increase. It should impact it in a positive way. - Alok, Senior iOS Developer, NY

I think it would grow. Absolutely. If people were more inclined to start companies and start businesses and create applications, of course it's going to be more employability to follow. I would assume that jobs would be created. - Chris, Software Engineer, MN

I think that in the industry, revenue will increase, because… you don't have to divide the money. Now I think it will increase, leading to more jobs for small companies. - Malak, Android Developer, NC

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Innovation

I think it would grow exponentially, essentially, is what I'm saying, with lowering a barrier like that, it would foster innovation, simply because more people would be inclined to start creating. - Chris, Software Engineer, MN

It also could enable them to kind of experiment faster and determine what works and what doesn't work and if it's a viable channel for them to begin with. - Adam, Senior Software Engineer, IA

Yes, it will definitely improve the pace, the speed of developing the applications, and the customers will be more satisfied that way, I believe. - Sruthi, Android Application Developer, IL

What I'm trying to say is, developers should be able to leverage all the hardware components that are sensors that is available in the device to create apps so that—I think the app infrastructure will flourish based on that. - Subhransu, Software Engineer, TX

I think that would be a watershed moment for most people… I think people would start creating more often. An open market has always fostered creativity. - Chris, Software Engineer, MN

Keeping it centralized is not that good of an idea, versus if it was direct communication, then. The developers can get better feedback, they can openly ask things to their clients. - Renu, Senior iOS Developer, CA

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Platform barriers

Let's say I'm a Garmin watch developer and I cannot build a feature that I know that my watch can do in Apple. That practice needs to stop. Those kinds of practices need to stop. It gives a preference for Apple to their own watch, Apple Watch. - Subhransu, Software Engineer, TX

I feel like Apple tries to restrict certain features or usage because they're using it for a competitive advantage. Apple's kind of differentiator, they kind of push for privacy and now they require that app tracking… you basically kind of have to disclose all the tracking or analytics that your product is doing… I feel like that gives them either access to data that no one else has… so they have kind of competitive intelligence of what all the apps are doing. - Adam, Senior Software Engineer, IA

I was the only iOS developer… where it was like, every time we'd try and release, it was like, there's a 10 percent chance Apple is just going to flag it for some totally inane reason. - Jon, iOS Developer, CO

I think it's extremely anti-competitive that they have pre-installed apps that you can't delete, and it's just frustrating as a consumer. - Jon, iOS Developer, CO

In terms of Apple, it's always restricted. The developer develops, spending his time, a lot of effort, trying to upload it, they just restrict it based on their own terms. It will be like 50-50 whether they accept it or not. - Vinay, Software Developer, TN

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Apple's 30 percent fee

I think that's ridiculous in my opinion, because if you see the App Store itself, I don't see anything being improved in App Store for the last 10, 15 years. I don't see any reason for them to take money for improvement based on the App Store. - Subhransu, Software Engineer, TX

That isn't fair to companies that have put in the time and energy to establish good brands, good products. For the littler guys it makes it harder for them to get going. - Jeff, Mobile App Developer, AZ

Even if you're a traditional software company that sells software through a subscription service model, you're still only paying around three percent for your credit card processing so the fact that Apple charges that much more is pretty staggering. - Adam, Senior Software Engineer, IA

I would say smaller companies and individual developers are most affected by it. For an individual person to pay 30 percent on each transaction, that's just absurd. - Alok, Senior iOS Developer, NY

I don't understand how- unless you're a giant brand and have the staying power to wait out those 30, to become profitable, I don't know how any small-time developer can even get traction, whatsoever. - Chris, Software Engineer, MN

If it is a small tech company or something, it's really hard for them. They just invest in a lot of things and try to grow in the society, but these kind of restrictions come in… that's a little hard for them - Vinay, Software Developer, TN

I think that is where your smaller developers might feel the hit a little harder because sure, 30 percent is 30 percent for everybody, but 30 percent of a million still gives you a lot more room to work with as a developer than 30 percent of 100. That extra 30 dollars could go a long way. - Miguel, iOS Developer, UT

Thank You.

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