1. Title: Case Study: Successful App Genres in India
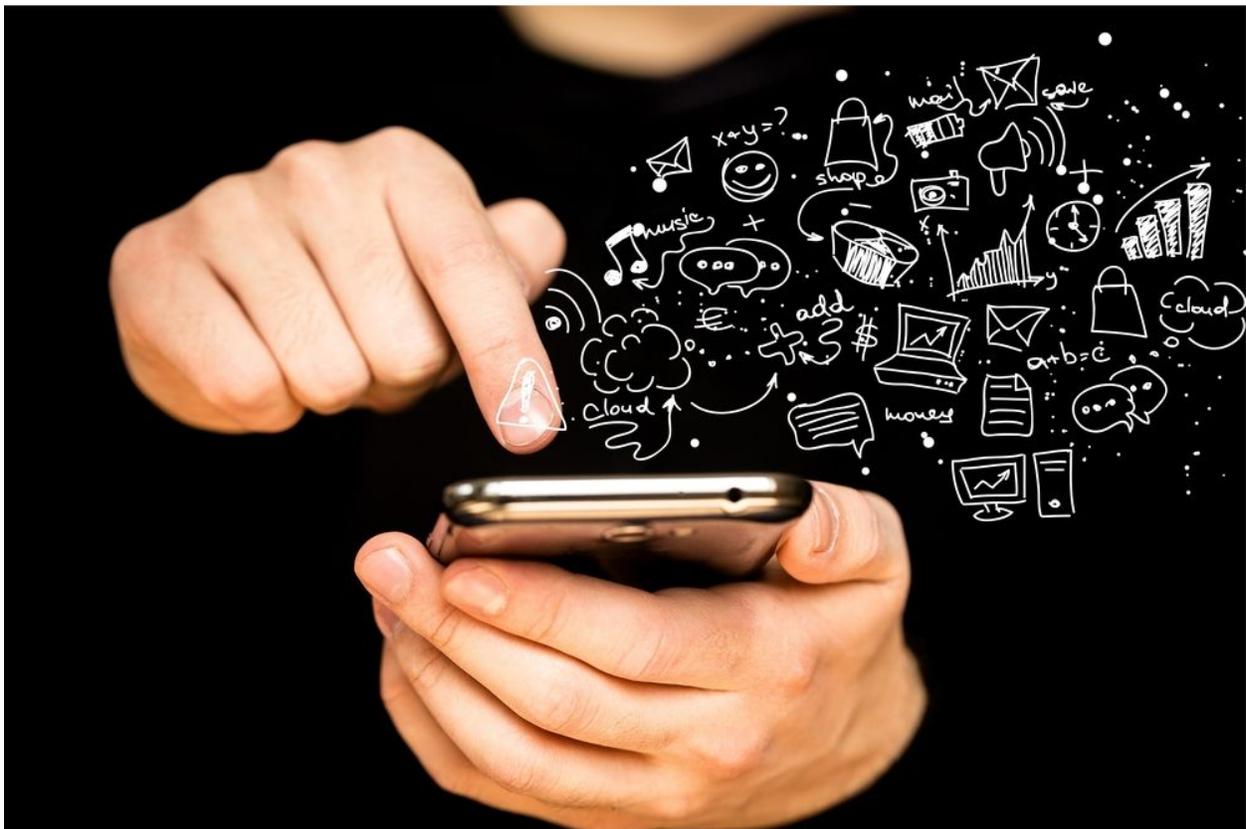
Subtitle: *The most popular types of apps with daily active users*

2. Title: Successful App Categories in India

Subtitle: *The top 5 app categories with daily active users*

3. Title: The Most Successful App Genres in India

Subtitle: *The 5 app categories with the most daily active users*

Indian smartphone owners downloaded 6.2 *billion* Android apps in 2016, nearly double the 3.6 billion in 2015. A major driver of demand is the availability of smartphones and feature phones for under US $100. Affordable pricing has opened the market to Indians who couldn't afford to spend several hundred dollars on a smartphone. The tsunami swell in demand for apps is is still building as India goes mobile.

What types of apps are being downloaded? Apps that facilitate communication dominate in popularity, with tool apps coming in a distant second. Media and video apps come in third, followed by social and shopping with a tie in fourth place.

Join us as we share statistics, and what drives the success of these app genres in India.

How Successful App Genres Were Determined in This Case Study

The number of Daily Active Users (DAU) was used to determine the level of usage by app genre. This gives a much more accurate indication of measurable app success than the number of app downloads for a given period of time.

Successful App Genres

The most popular genres of apps paint a picture of the Indian app market as one dominated by communication and utility apps. Combined, they make up well over half of all apps with daily active users (DAU) in India.

Communications

Apps in the communications category account for more than 40-50 percent of mobile broadband usage, according to this report from Ericsson. Communications apps are always on, and show the most frequent access by users. Even with the advanced capabilities of smartphones, users spend at least 30% of their time in communications apps.

Some of the most popular communications apps, such as Hike and Nimbuzz, offer features that allow the user to send SMS messages to friends on social media platforms, such as Facebook. Other apps, such as Way2SMS, are capable of sending your SMS messages to a telephone number without incurring additional charges. GupShup is a messaging service that allows you to build chatbots, a unique offering among the most popular communication apps.

Plustxt provides Indian users the convenience of sending and receiving messages in their own language. This is no small feat, given that there are a total of 31 officially recognized languages in India.
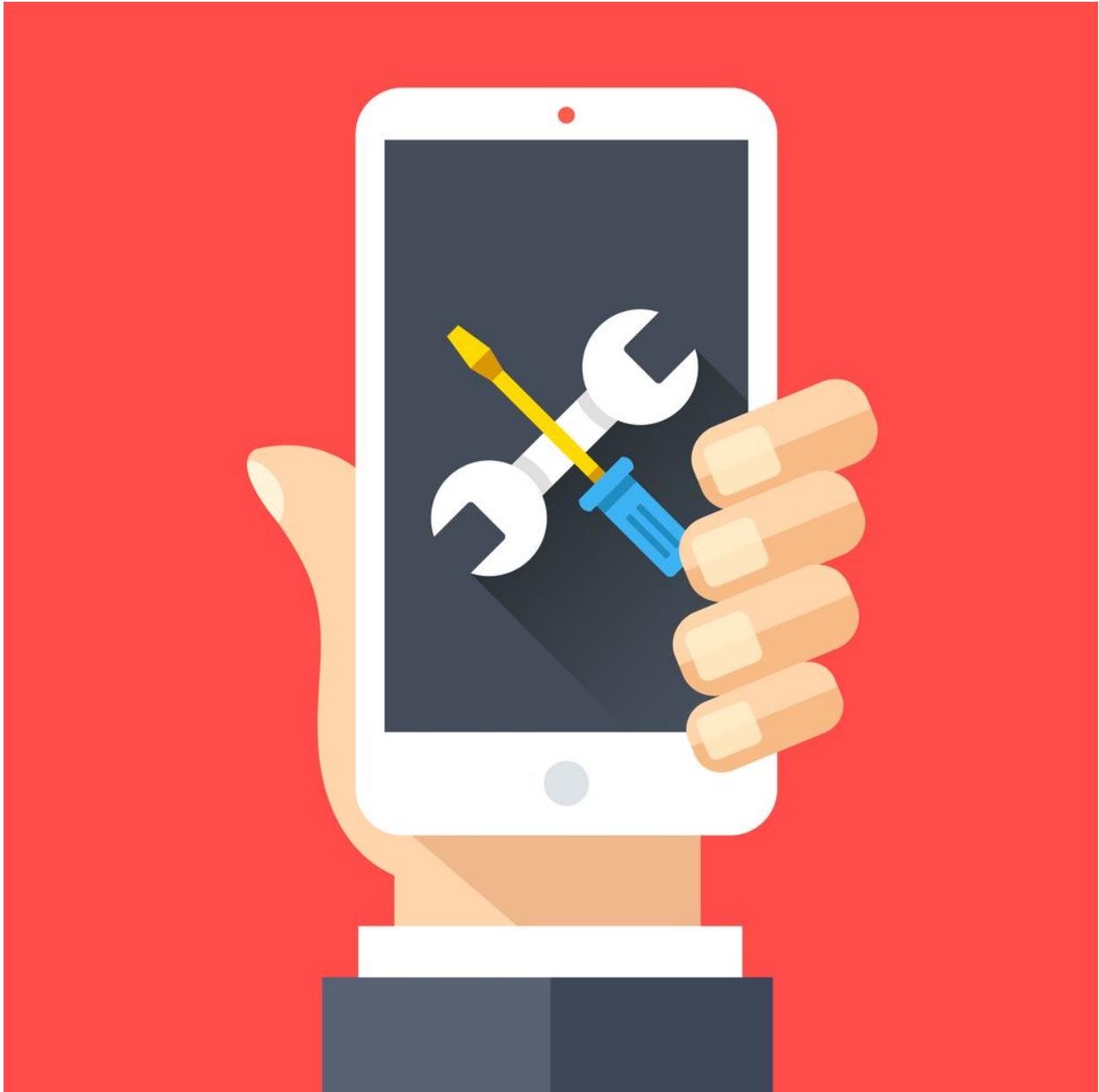
Utilities

Apps in this category perform a single task. Phone apps, browsers, and file sharing apps are examples of utility apps. With 97% market share, Android dominates the smartphone market in India. It comes as no

surprise that two of the most popular utility apps are Google Chrome and Google Search. Gmail, Google's email utility, is also widely popular.

Having said that, there are other utility apps that aren't Google-specific. UC Browser is a popular app that features fast browsing and a built-in ad blocker. Apps that make phone calls, phone locking apps, and phone call recorders are also popular.

Media & Entertainment

Media

News outlets and digital magazines make up the majority of media apps, keeping subscribers up to date on the news and information that is most important to them. A surprising result of this study was the number of American media outlets that Indians subscribe to. The New York Times, Forbes, Inc., are among the most popular media apps in India.

Entertainment

Entertainment apps are quite favored, even though they come in third after being rolled together with Media apps. Current data from App Annie shows that YouTube doesn't make the top 5, but Hotstar, Voot, and Netflix rank.

Top players, such as Netflix, are successful because they provide programming tailored to Indian culture. The remainder of top players in entertainment apps are local developers native to India. They have the depth of knowledge and nuanced understanding of Indian culture that is critically important to creating and distributing entertainment for the Indian audience.

Social

A surprising result of this study was the discovery that social media ranks relatively low, with only 8% of daily active users (DAU). Communications apps such as WhatsApp (a Facebook property) dominate, with

users spending most of their time in them rather than platforms like Facebook and Snapchat. In India, Facebook's app also loses out to its own Messenger app, which is almost as popular as WhatsApp.

Social media seems to rank low because the majority of smartphone users in India prefer to use apps that allow them to easily text, make phone calls, or make video calls to others for free or at a relatively low data cost. It would seem that Indians are finding the communications apps much easier to use, and more suited to their needs, than the social media apps that dominate communication between people in other countries.

That being said, Facebook dominates the social space with the next most popular app. Bigo follows with a Periscope-like user experience that appeals mostly to teenagers and young adults.

Success in the social space appears to depend on making social platform apps available for free, and including features that surprise and delight users.

Shopping

As Indians get comfortable with making purchases on their smartphones, shopping apps are exploding in popularity. Depending on who the source of data is, either Amazon dominates, followed by Flipkart, or vice versa. What's intriguing is that, despite Amazon's wide usage, the top grossing apps in this category are all for selling items locally. This could be due to the fact that the majority of people in India are unbanked and, as a result, are unable to make purchases through using a credit or debit card. This is changing, but for now cash is still the most popular medium of exchange.

Successful apps in this category are those that offer multiple payment options, including the ability to pay using an e-wallet. Flipkart is a good example of this, with four payment options:

- Equated Monthly Installment (EMI)
- Bank transfer from checking or savings
- PayZippy (Flipkart's e-wallet)

- Cash On Delivery (COD)

As India's economy grows, we can expect to see robust growth in demand for shopping apps as more Indians begin to earn more income and open bank accounts.

Success in India's App Market

"The foremost challenge app developers in India face is to create something that gets traction. It's important that developers know if the app really has a market. The app development market has immense competition, and it's actually over crowded so they must focus on something that stands out in the crowd and gets noticed."
-- [Manish Singh Rajawat](#), General Manager, Appnext India

Apps that see widespread DAU in India have some key characteristics in common:
- High visibility
- Easy to use
- Reliability
- Free or inexpensive app purchase price
- Work within India's current economic environment

Apps that have all five of these characteristics tend to rank in the top 5 most popular apps in one or more of the Free, Paid, and Top Grossing sub-categories.

High Visibility

With over 3 million apps on Google Play, visibility is a major challenge for any app publisher or developer. Research into how apps gain visibility in the Indian app market is beyond the scope of this blog post. However, given the names of the app development companies behind the most popular apps and their size, one can infer that higher app store visibility equals a huge advertising budget.

Sophisticated, multi-channel app advertising on a huge scale may be the only way to get noticed, even in emerging markets such as India.

Easy to Use

This one seems like a no-brainer. However, in the case of India, it's anything but.

The diversity of languages and cultures brings a level of complexity to mobile app development that may not have its parallel in any other country-based market on the planet. App developers from the United States and Europe have found that, when developing apps for the Indian market, they had to throw out virtually everything they thought they knew about app development and start from scratch.

Reliability

This is another no-brainer that isn't nearly as simple as it seems. Mobile networks in India vary widely in quality and level of technology used. Smartphones manufactured for the Indian market add another layer of complexity, with wide variations in phone technology, processors, and memory. Feature phones, in particular, pose significant challenges for these very reasons. To keep costs down, they are often built with cheaper hardware, smaller processors, and far less memory than their full-fledged smartphone counterparts. The challenges become apparent when an app loaded on a Samsung Galaxy S7 works great, but crashes on a Nokia 3310 (nevermind the 16MB local storage).

App developers that produce successful apps for this market have had to invest substantial resources to work through the myriad challenges of developing apps that run on most of the mobile phones used in India.

Free or Inexpensive App Purchase Prices

India may be an emerging economy, but money's still tight for a lot of Indian citizens. Free apps get downloaded a lot, but for most, use drops off sharply over the first few days. To have staying power, free apps must deliver the same quality experience as a paid app. Poor UX, too many ads, and poorly thought out features will drive most users to purchase a similar app that delivers in each of these key areas.

Work Within India's Economic Environment

India's economic environment is a major challenge for app developers entering the market. Laws that govern e-commerce and payments may exist from the national level all the way down to local municipalities, with differences in the law and its interpretation throughout India's various regions. The fact that the majority of India's population is unbanked only complicates matters further. They have no bank accounts or credit cards, complicating payment collection and processing to a degree that some app developers struggle to overcome.

The economic environment is improving, but it will be several years—maybe even a few decades—before the majority of India is banked with access to the financial tools we take for granted in the US and Europe.

App Developers and Market Entry into India

App developers considering entry into the Indian market need to invest the time and resources necessary to thoroughly research this market and learn about its many challenges. When studying the market, it may be most helpful to cultivate partnerships with Indian citizens local to the market you would like to enter. You may want to choose a specific region within India to gain an indepth understanding that can only come with actual experience.