

# BlackBerry's biggest problem: The app gap

## WHO'S GOT THE MOST APPS?



SOURCE: COMPANY APP STORES

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NEW YORK (CNNMoney.com) -- The success of the iPhone and Google's Android platform spotlights the real "killer app" in the smartphone market: having apps.

That's a reality likely to haunt Research in Motion as it tries to generate buyers and buzz for its new BlackBerry Torch, which [hits stores next week](#).

At Apple, there's about 250,000 apps for that. At BlackBerry's App World, there's just 8,000.

Why does that matter? Exhibit A: Palm.

Like Research in Motion does now, Palm once dominated the corporate market, and when Palm released the Pre smartphone in June 2009, analysts saw a shot for it to reclaim its lost glory. The Pre was supposed to be the first real "iPhone killer." Reviewers heaped praise on Palm's WebOS operating system for its beautiful user interface, its ease of

use and its seamless ability to multitask applications. The phone took home CNET's top "Best in Show" prize at that year's Consumer Electronics Show, and the people's choice award.

But in the 14 months since the Pre's debut, Palm has sold just under 2 million smartphones. By contrast, Apple (AAPL, [Fortune 500](#)) sold that many iPhone 4s the very first day the phone was available.

One of the main differences between the iPhone and the Pre -- and the final nail in Palm's coffin -- is the ability for users to personalize their phones. Where Apple has a quarter-million applications available for download, at Palm, there's only 3,500. The company essentially threw in the towel and [sold itself for scrap](#) in April to Hewlett-Packard (HPQ, [Fortune 500](#)), which paid \$1.2 billion for a business that once had a market cap of more than \$50 billion.

"Ultimately, it's really tough to succeed with no apps in the app store," says Todd Christy, president of Pyxis Mobile, a mobile application platform developer.

It's not just sheer numbers that matter. Apple's iPhone App Store is the industry's undisputed leader in app quality as well as quantity. Apps have to pass a strict -- and [controversial](#) -- set of protocols to clear Apple's famous quality-control standards for its store.

That's not to say all iPhone apps are useful -- a great number of them are actually pretty [pointless](#). But the best developers make apps for Apple's iOS platform before creating apps for other platforms, because iPhone and iPod Touch users are more engaged with their devices. iPhone users typically download nine new apps per month, and iPod touch users download 12, according to AdMob. That compares to an average of nine per month on Android and just six on Palm's WebOS.

Even more importantly for developers, iPhone users are more willing to pay for apps than users of other devices: Twice as many iPhone users regularly download paid apps, compared to Android and WebOS users, according to AdMob.

"Other apps stores are lacking a clear and easy way for developers to make money," says Carl Howe, analyst at Yankee Group. "At the end of the day, that's what they're in business to do."

Only one other application platform has shown signs of being able to catch up to Apple: Google's (GOOG, Fortune 500) open-source Android. The Android Marketplace has about 100,000 apps, and many quality apps that were exclusively available on the iPhone are now making their way onto Android phones. Some killer apps, like the

Swype keyboard and Google Goggles, are even exclusive to Android.

"The progression for consumer-facing apps is iPhone first and Android second," Christy says. "But if you're going for the mass market, now you're going to want to be on Android too."

One major obstacle for app developers is that putting their programs on different platforms means rewriting that code multiple times. There are some companies, like Christy's Pyxis, that allow developers to create apps for BlackBerry, the iPhone and Android all at once.

But second-tier smartphone platforms are working hard to make it easier for developers to make apps for their phones. They realize it's a matter of survival.

Research In Motion's (RIMM) BlackBerry is steadily losing its commanding share of the smartphone market, while Microsoft's (MSFT Fortune 500) Windows Marketplace for Mobile so massively failed to attract app developers that the company scrapped the entire platform. It started from scratch with Windows Phone 7, due out later this year.

RIM improved its development tools for the new BlackBerry OS 6. For Windows Phone 7 devices, Microsoft is being quite strict about the buttons and functions each phone can have, in an attempt to make developers' lives a little easier. Google unveiled an App Inventor tool for Android that is so easy to use, the company bragged about successfully testing it on sixth graders.

"The app store is a major factor in the success of a platform," Howe says. "That means it's really all about how you get developers on your platform."

Like Microsoft CEO Steve Ballmer famously chanted, "developers, developers, developers..."