Regional Co-organizers

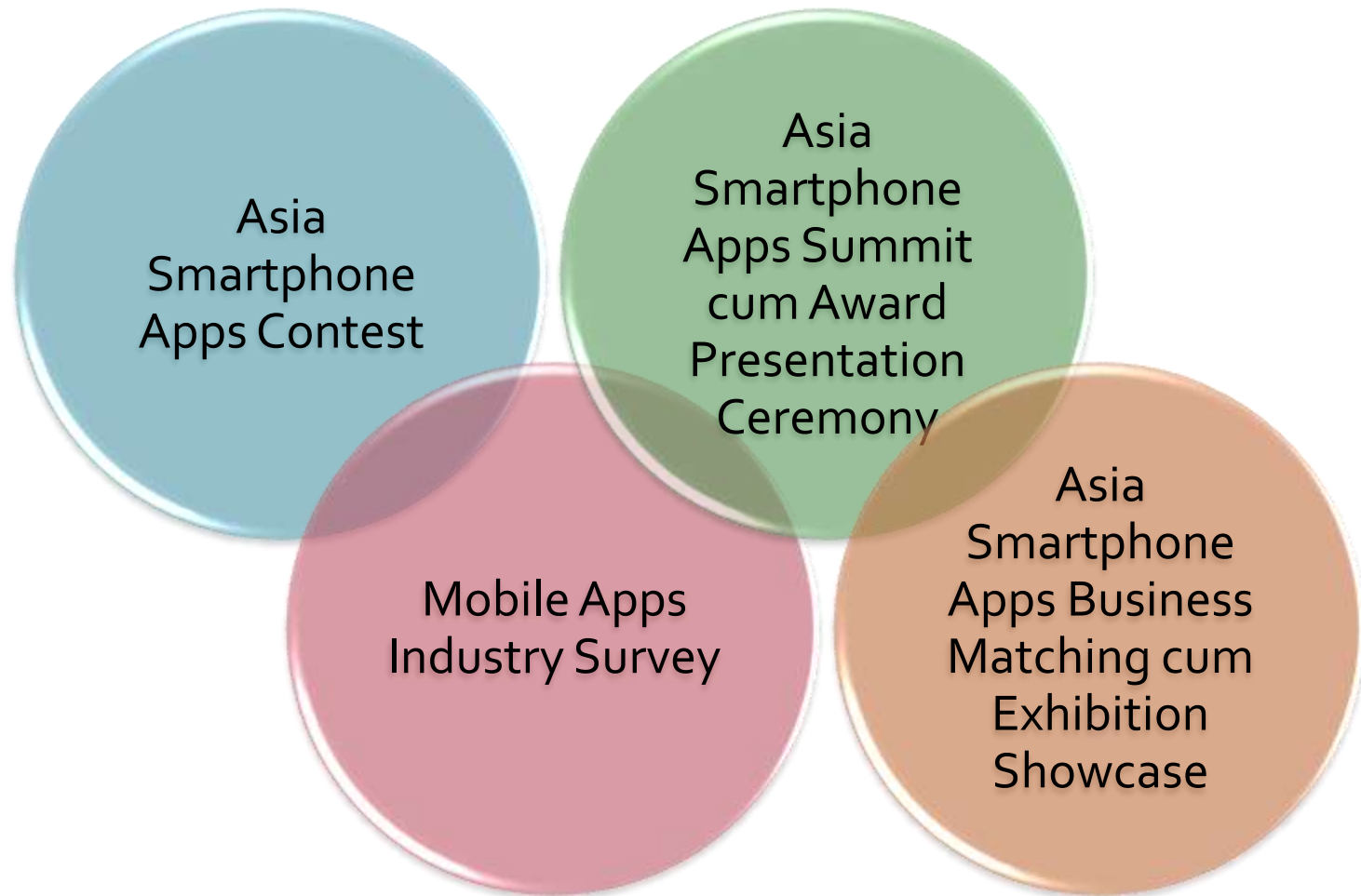|	
Consulate General of Israel, Hong Kong	Israel
City of Osaka	Japan
Korea Association for ICT Promotion	Korea
36Kr	Mainland China
Multimedia Development Corporation	Malaysia
Singapore Infocomm Technology Federation	Singapore
Institute for Information Industry	Taiwan

Introduction

- Funded by Create Smart Initiative, WTIA completed the project **"To establish Hong Kong as the Asia Smartphone Apps Capital with a regional Contest and Summit"** and organised the 1st Asia Smartphone Apps Contest and Summit in 2013

- To ride on this success and make this a sustained effort, WTIA organizes the 2nd Asia Smartphone Apps Contest and Summit in 2014

Project Deliverables

Asia Smartphone Apps Contest

Asia Smartphone Apps Summit cum Award Presentation Ceremony

Mobile Apps Industry Survey

Asia Smartphone Apps Business Matching cum Exhibition Showcase

Contest Partners

Organizer

WTIA 香港無線科技商會

Leading Sponsor

CREATEHK

Sponsors

COCOON

Hong Kong 香港科技園 Science & Technology Parks

pebble

SOFTLAYER an IBM Company

Official Handset Sponsor

SAMSUNG

Event Technology Sponsor

EventXtra

Collaboration Partners

CYBERPORT 數碼港

HKPC

HKTDC 香港貿發局

HKWDC 香港無線智展中心

MEC MOBILITY EXPERIENCE CENTRE

Regional Co-organizers

Economic and Trade Mission Consulate General of Israel Hong Kong

OSAKA INNOVATION HUB City of Osaka

KAIT 韓國情報通信振興協會 Korea Association for ICT Promotion

36Kr 关注互联网创业

MSC MALAYSIA National ICT Initiative

SiTF

財團法人資訊工業策進會 INSTITUTE FOR INFORMATION INDUSTRY

Media Partner

HONG KONG TOOLBAR

Supporting Organizations

THE ASSOCIATION OF ACCREDITED ADVERTISING AGENCIES OF HONG KONG

CAHK Communications Association of Hong Kong

GSi Hong Kong

The Hong Kong Advertisers Association

ASTRI

Hong Kong Association 香港工商協會

HONG KONG BUSINESS ANGEL NETWORK

HKITF

HKTIA 香港電訊協會

香港 創業教育

iProA

Internet Society Hong Kong

InvestHK

JCI Hong Kong

MOBILE MARKETING ASSOCIATION

StartUps HK

Award Categories

- **Advertising & Marketing**
  - Smartphone apps which aim to promote brands, service and products or to facilitate promotion campaigns

- **Games & Edutainment**
  - All kinds of games on a Smartphone platform or content for education, information, or entertainment.

- **Creative Lifestyle**
  - All the apps that promote creative lifestyles
    e.g.: dining and travelling information, social networking etc.

Awards

- **9 Asia Smartphone Apps Awards, namely:**
  - Asia Smartphone Apps (Advertising & Marketing) Gold / Silver / Bronze Award
  - Asia Smartphone Apps (Games & Edutainment) Gold / Silver / Bronze Award
  - Asia Smartphone Apps (Creative Lifestyle) Gold / Silver / Bronze Award

- **1 Asia Smartphone Apps Grand Award**

- **30 Certificate of Merits (10 for each app category)**

Special Awards

- ## CoCoon – Born to Fly App award
  - To recognize innovation and creativity in the mobile games and education apps industry

- ## Science Parks Sponsored Hong Kong App Startup Award (Gold / Silver / Bronze)
  - For the HK app developers or entrepreneurs who strive for innovative mobile apps development with good business potential

Assessment

Initial Assessment (by HK Experts Panels)
- 168 applications received
- All valid entries were assessed by Hong Kong experts panels
- 57 entries shortlisted to 2nd round assessment

2nd Round Assessment (by Regional Co-organizers)
- Regional experts scored ONLY shortlisted entries submitted from regions other than his/her own
- Top 9 finalists were selected to Final Judging

Top 9 Finalists

Category	Applicant	Title of Entry	Region	Award
Advertising & Marketing	**Wunderman | AGENDA Hong Kong**	**Starbucks Hong Kong**	**Hong Kong**	**GOLD**
	Cellars, Inc.	Cellars - a free wine tasting app with image recognition system	Japan	SILVER
	Visionaries 777 Limited	McDonald's 2013 Coca Cola Glass AR Adventures	Hong Kong	BRONZE
Games & Edutainment	**CJ Educations**	**Phonics Adventure 1**	**Korea**	**GOLD**
	Baby Cortex Holdings Limited	Math Run	Hong Kong	SILVER
	Visionaries 777 Limited	Dice Jockey	Hong Kong	BRONZE
Creative Lifestyle	**Oursky Limited / MiQ Limited**	**Jamn - The musician's multi-tool**	**Hong Kong**	**GOLD**
	Snapkeys Ltd	Snapkeys zones Keyboard	Israel	SILVER
	Octopus Cards Limited	The "Octopus" App	Hong Kong	BRONZE

- **CoCoon – Born to Fly App award**
  - **Emoji Pop – Six Waves Inc.**

- **Science Parks Sponsored Hong Kong App Startup Award**
  - **Gold – iSafe – Awesapp Limited**
  - **Silver – Viss – Viss Me Co. & Limited**
  - **Bronze – Dice Jockey – Visionaries 777 Limited**

Final Judging Panel

Chairman	Mr. Nicholas W. YANG		**Executive Vice President, The Hong Kong Polytechnic University**
Members	Mr. To CHEUNG	Hong Kong	Chairman, Hong Kong Wireless Technology Industry Association (WTIA)
	Mr. Elad GOZ	Israel	Consul, Head of Economic & Trade Mission, Consulate General of Israel, Hong Kong
	Mr. MASAAKI Yoshikawa	Japan	Director General, Economic Strategy Bureau, Osaka City Government
	Mr. KIM, Seung Keon	Korea	Vice President, Korea Association for ICT Promotion
	Mr. Mingming HUANG	Mainland China	CEO of ZCOM
	Ms. NG Wan Peng	Malaysia	Chief Operating Officer, Multimedia Development Corporation (MDeC)
	Mr. Robert CHEW	Singapore	Hon. Member of Judging Panel for Awards, Singapore infocomm Technology Federation (SiTF)

Asia Smartphone Apps Summit cum Award Presentation Ceremony

Summit & Award Ceremony

- Regional experts from Asia will share their insights on the business, the latest technologies and development of smartphone apps
- Top 9 finalists will feature their winning entries
- The Award Ceremony would announce the Contest Award Winners

Asia Smartphone Apps
Business Matching & Exhibition Showcase

- Apps developers, local enterprise users will conduct business matching to explore collaboration opportunities with:
  - Winners of Advertising & Marketing Category
  - Winners of Games & Edutainment
  - Winners of Creative Lifestyle
  - Regional Delegates
  - Industry Support Organizations
- Participants will be assigned to meet with 1-3 exhibitors randomly according to their preferred exhibitors' categories

Hong Kong Mobile Apps Industry Survey

Background

- This is the 1st mobile apps industry survey in Hong Kong

- Present an up-to-date picture of the Hong Kong mobile apps industry

- 100 companies in the mobile apps industry participated in the survey

Methodology

Focus Group
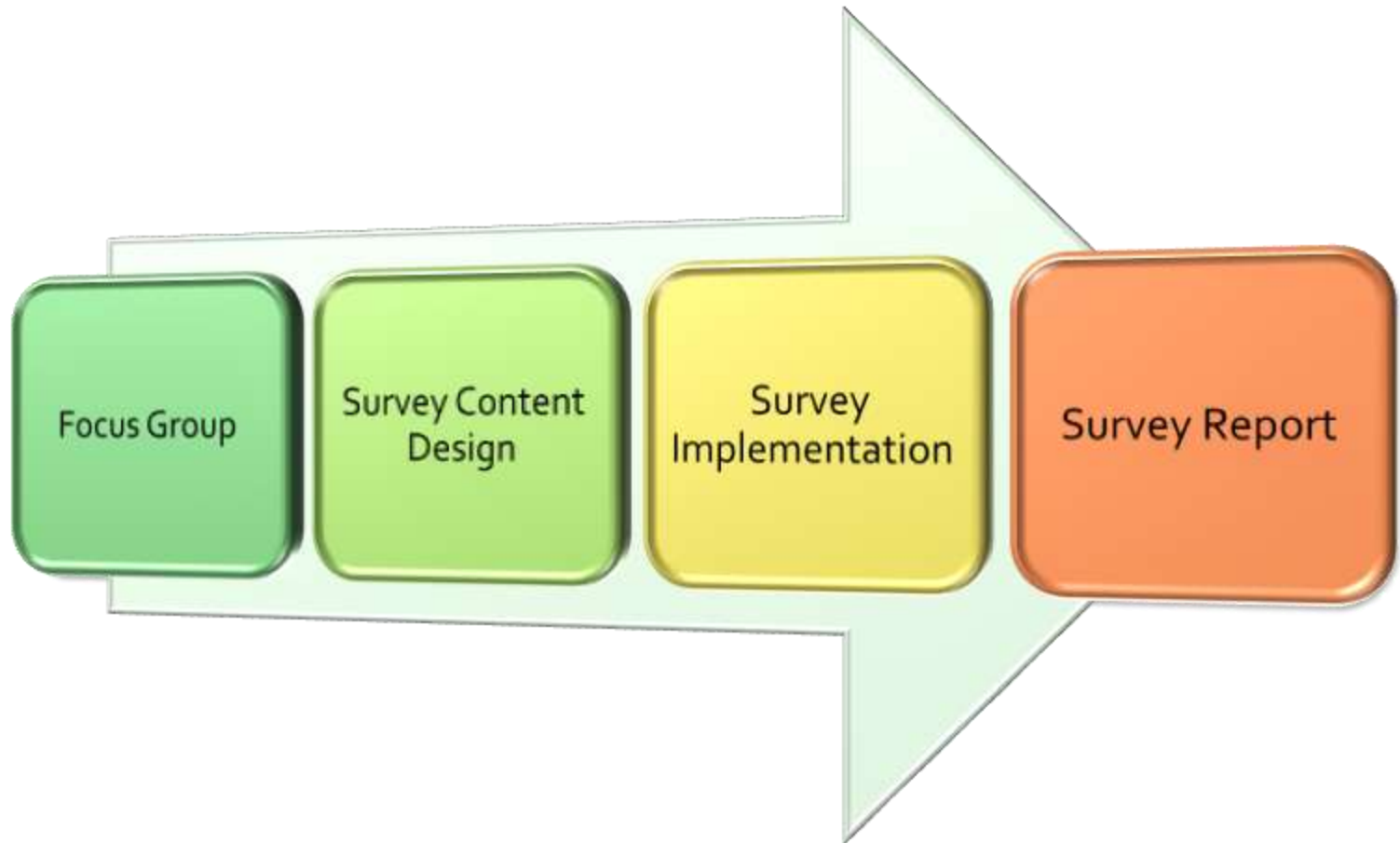
- Comprised of representatives in the Smartphone apps industry

- Define focus and dimensions of the survey
  - Focus areas of the survey
  - Dimensions to study:
    - The mobile app developer companies
    - Their products & projects
    - Their partners & target markets

Collecting Responses

- Target respondents
  - Companies with business in the smartphone apps field
  - Product / service providers instead of users
- Channels to reach target respondents
  - Industry Association (WTIA)
  - Incubation Centre (Cyberport, Science Park)
  - Startup Community (CoCoon)
- Total respondents
  - 100 companies

- Content
  1. Industry Landscape
  2. Market Analysis & Technology Adoption
 3. Recommendations

1. Industry Landscape

Years a Company has been in Business

Q/ How many years has your company been in business?

Legend:
- 1-3 years
- 4-6 years
- 7-9 years
- 10-12 years
- >12 years

Pie chart values: 55%, 18%, 8%, 9%, 10%
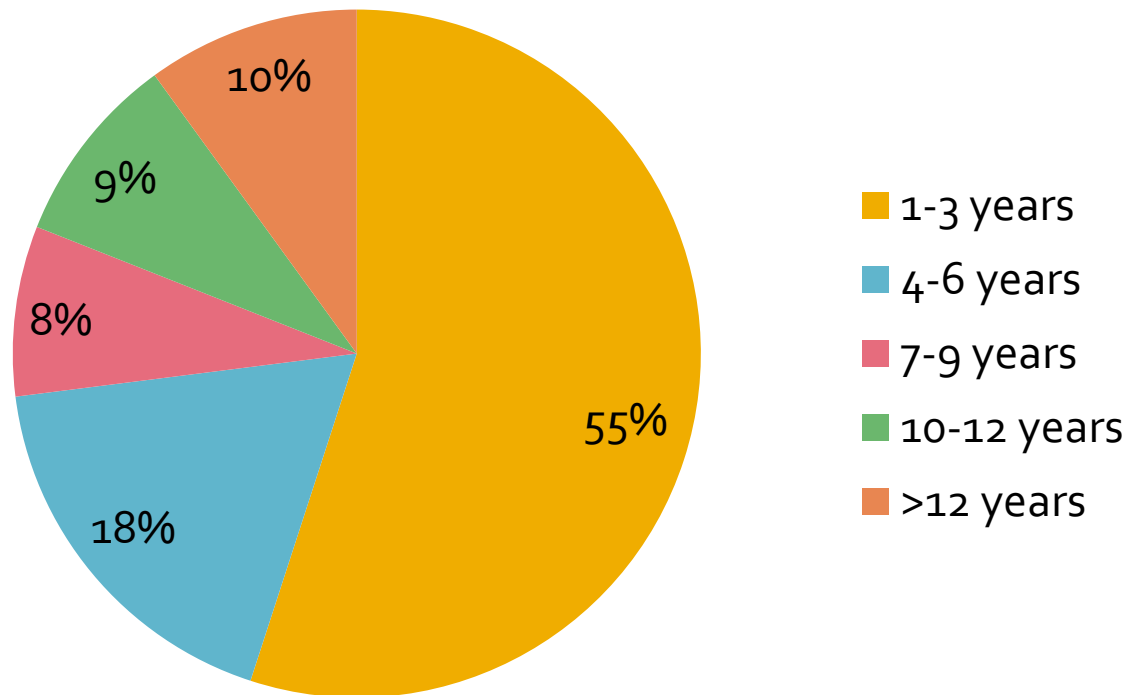
Over half (55%) of the companies were newly established (1-3 years). Overall, 81% of them have been established for less than 10 years. The popularity of Smartphone apps facilitated the growth of a new industry.

Number of Employees

Q/ What is the total number of staff in your company?

Person(s)
- 1-3
- 4-10
- 11-20
- 21-50
- 51-100
- >100

Pie chart values: 17.2%, 42.4%, 19.2%, 11.1%, 3.0%, 7.1%
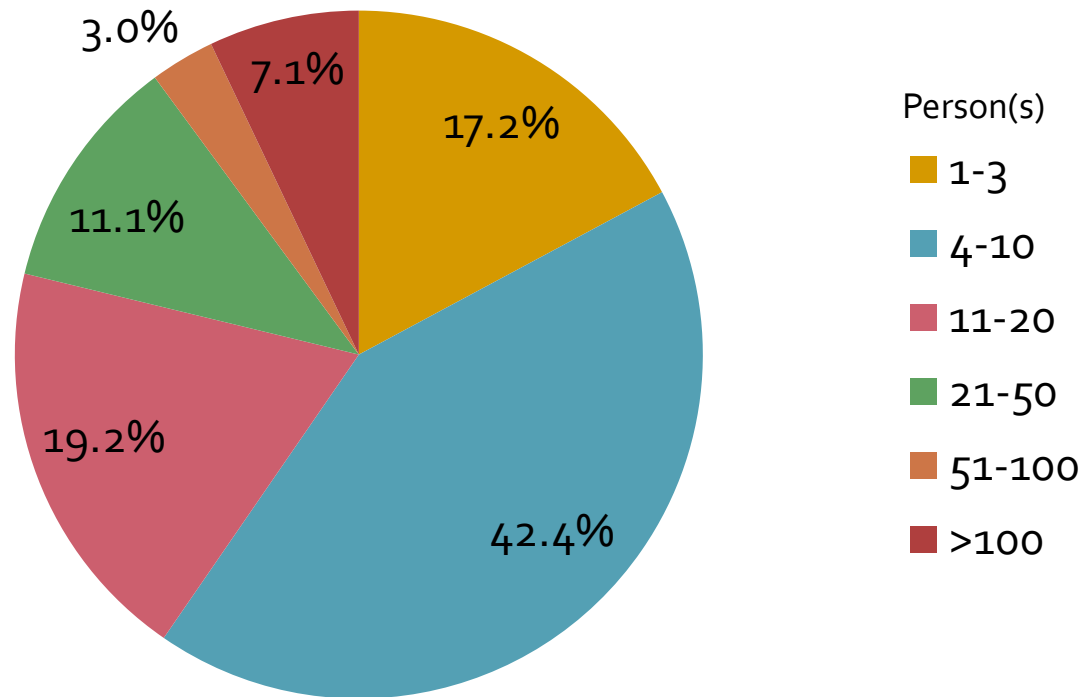
89.9% of the interviewed companies had below 50 staffs.
Most of the Apps Development Companies are SMEs.

Yearly Revenue

Q/ What is the yearly revenue of your company?

Legend:
- <HK$500,000
- HK$500,000-1,000,000
- HK$1,000,001-2,000,000
- HK$2,000,001-5,000,000
- HK$50,000,001-10,000,000
- HK$10,000,000-20,000,000
- >=HK$20,000,000

Pie chart values: 33.3%, 17.8%, 18.9%, 11.1%, 5.6%, 4.4%, 8.9%
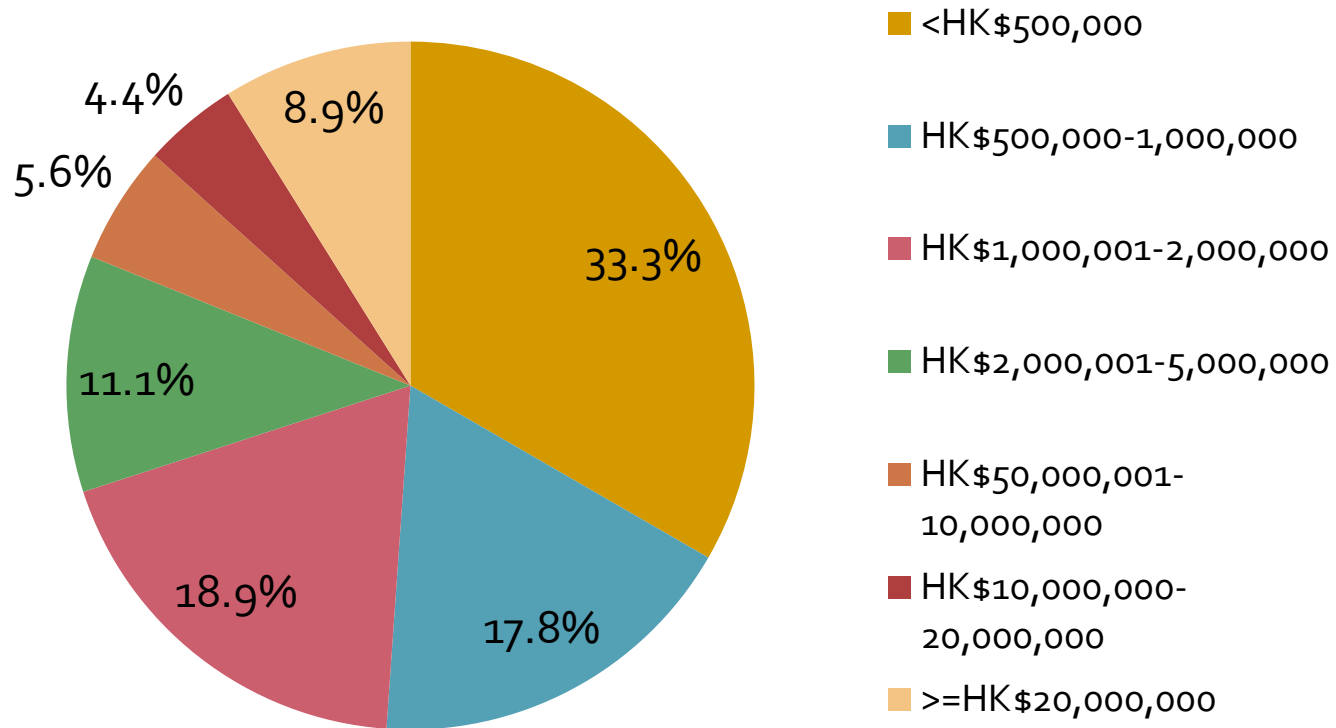
Over 50% of the companies' yearly revenue were less than HK$1million, showing that those companies were small businesses. Meanwhile, there were companies with yearly revenue over HK$20 million.
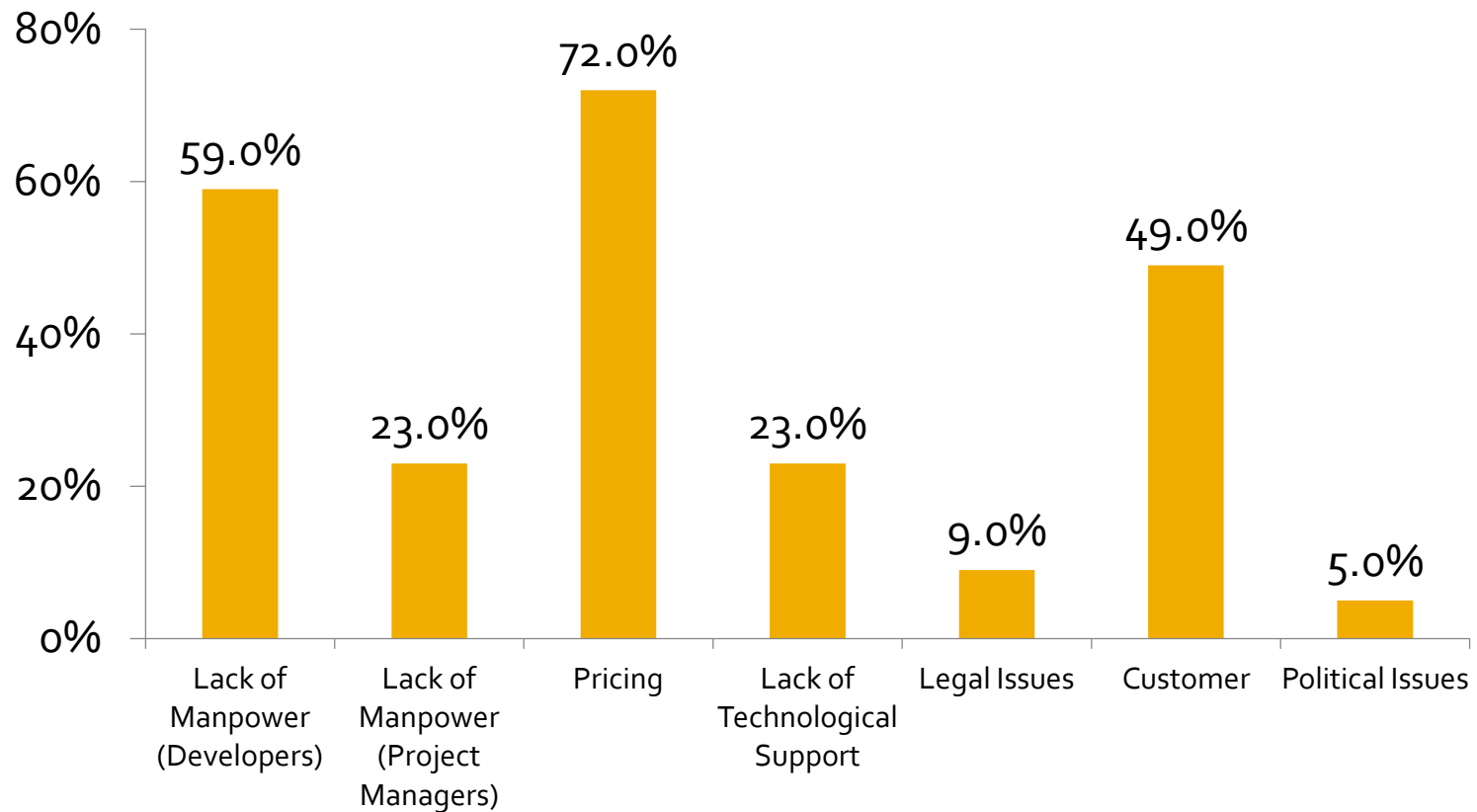
Mobile Apps Revenue Streams

Q/ Please rate the importance of the following elements for the revenue streams of your mobile apps, with "0" the least important and "5" the most
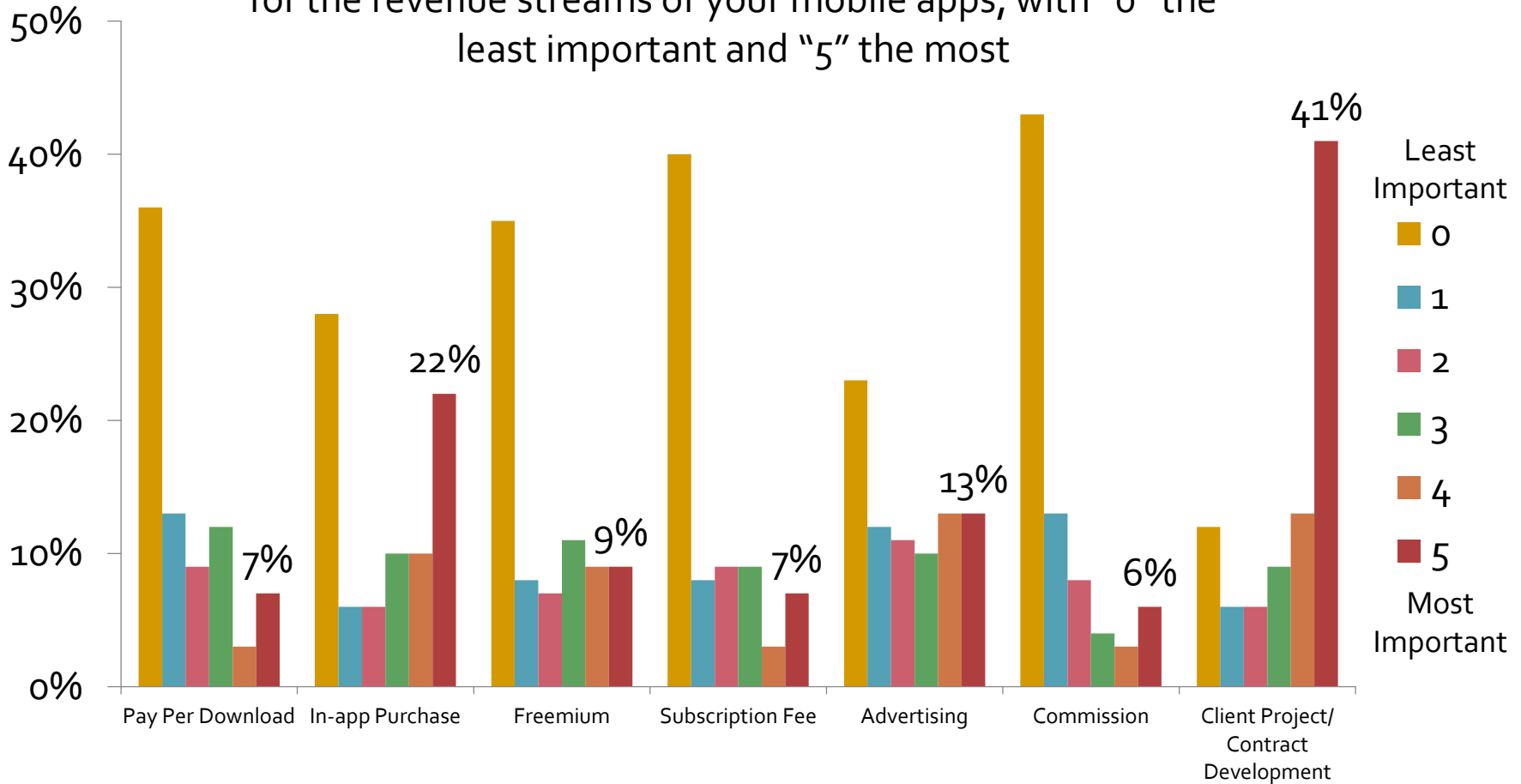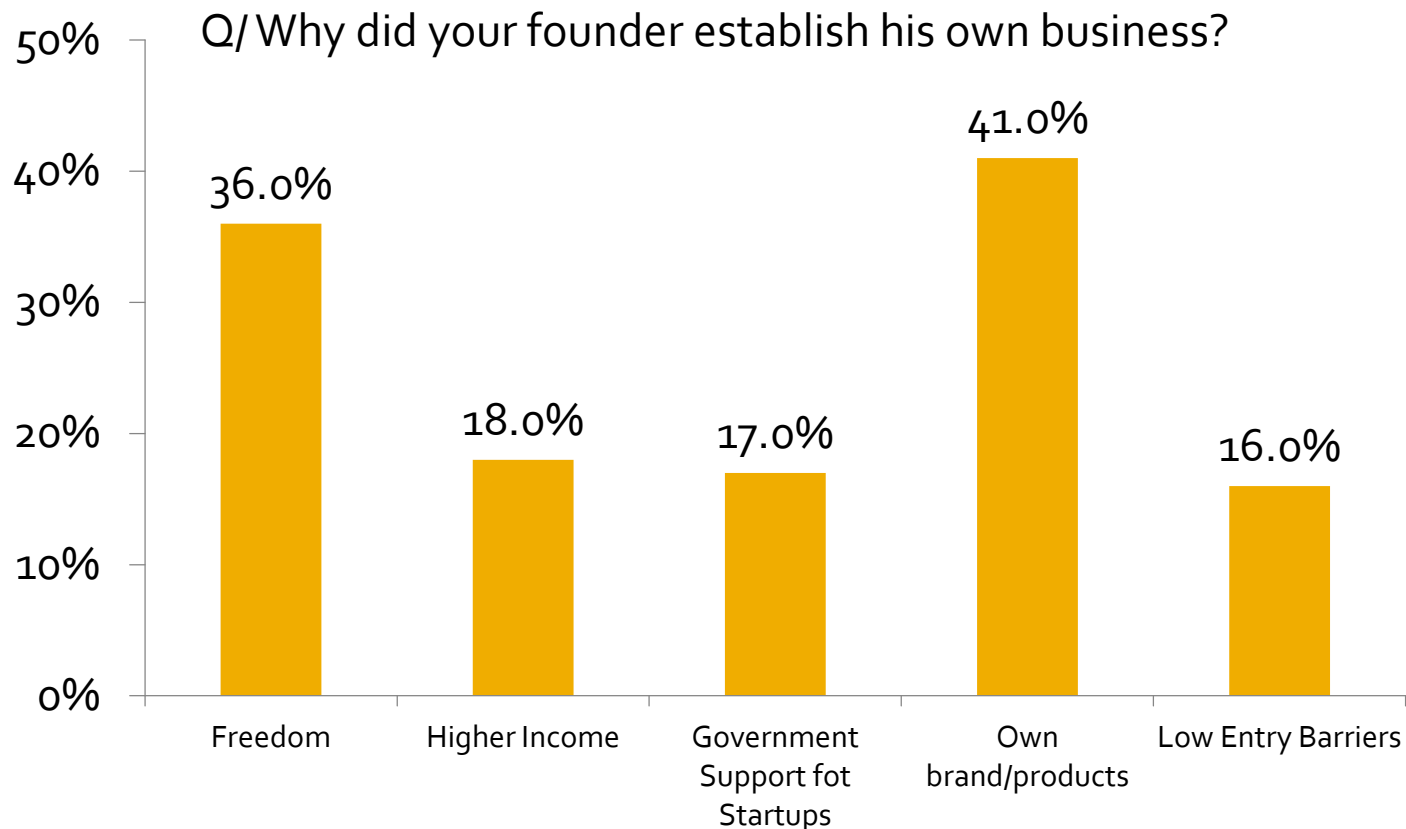
Reasons for Turning Down a Deal

Q/ What are the most common reasons when you have to turn down a deal? You can choose multiple options

Lack of manpower (developers) (59%), pricing (72%) and customers' requirements (49%) were the main reasons for the companies to turn down a deal.
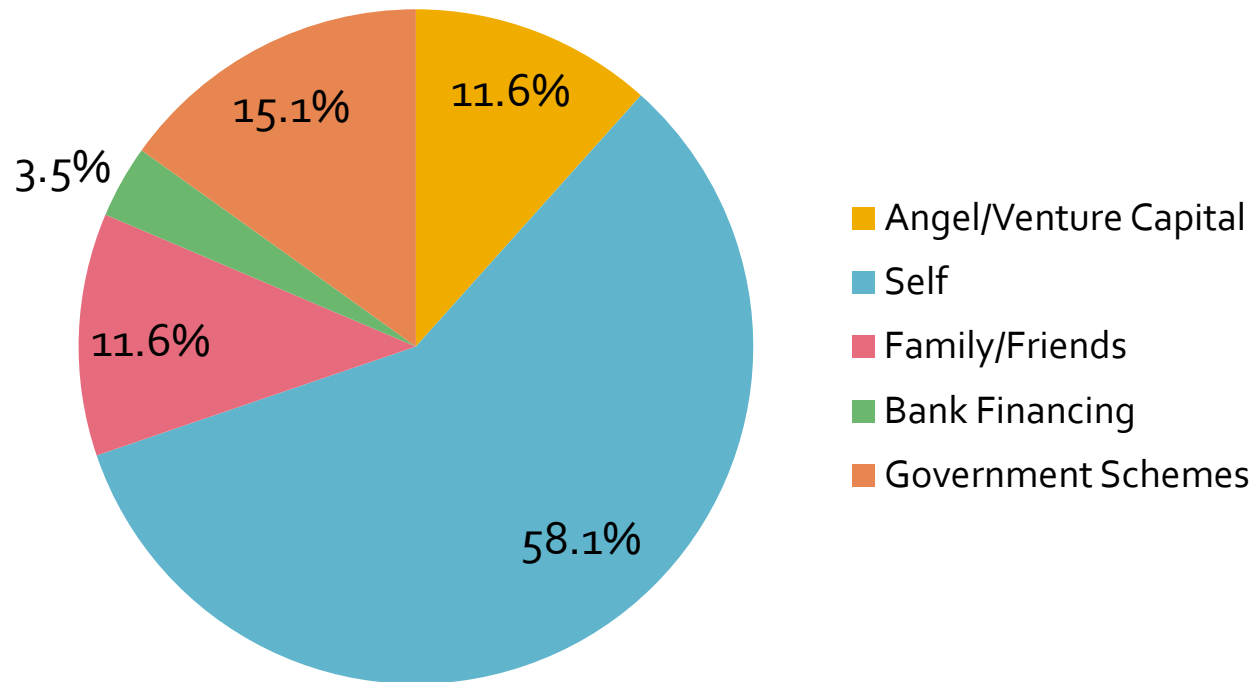
Reasons for the Founder to Start a Business

Q/ Why did your founder establish his own business?

Most of the founders formed their new companies with the goal to own their brands / products (41%). They also incline to enjoy the freedom (36%) obtained in their own business.
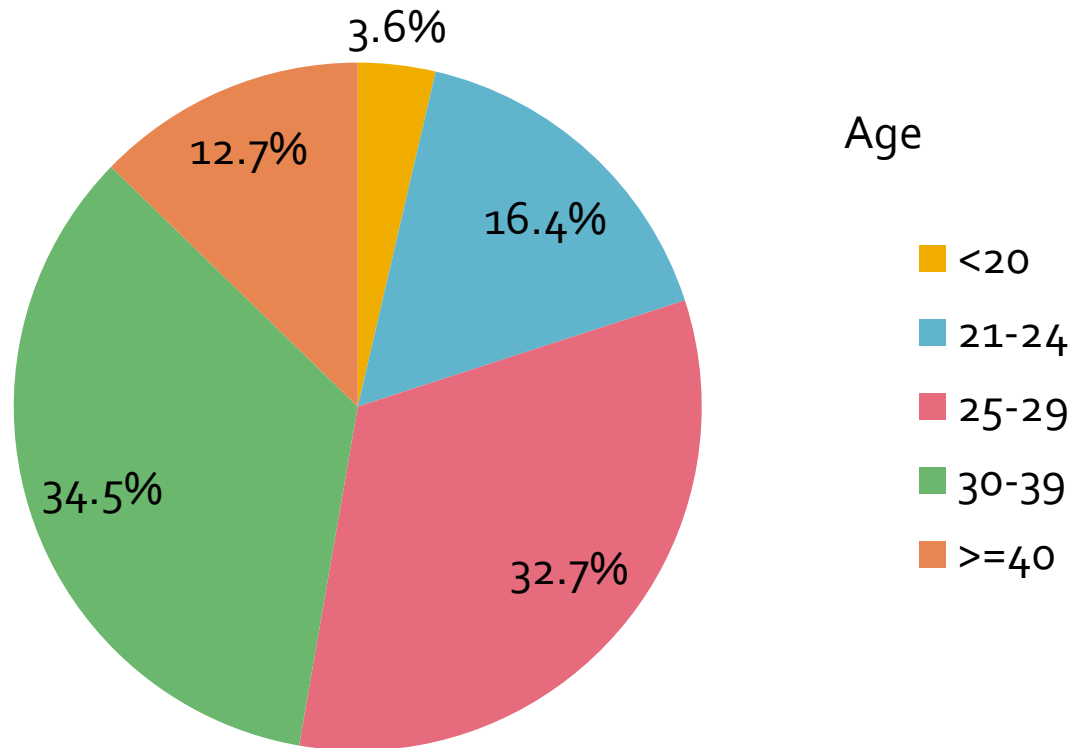
Funding Source

Q/ What was the major funding source when your founder set up his business?

Over half (58%) of the interviewed companies were self-funded at the beginning of the business.

Age of the Founder

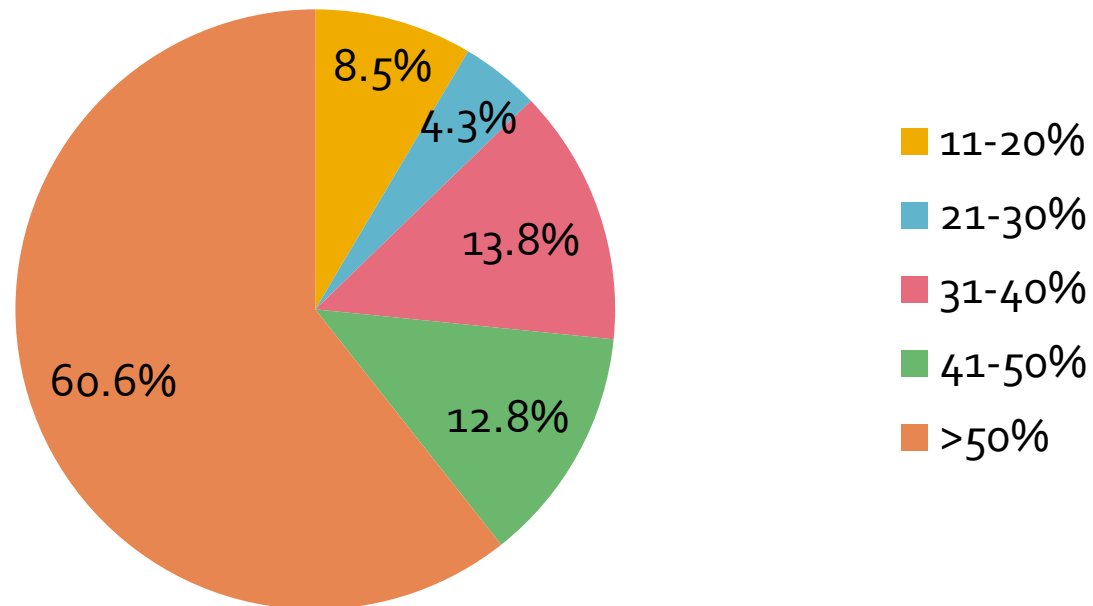Q/ How old was the Founder when he established the company?

87.3% of the founders were aged below 40, showing that this industry was in the hand of the young people.
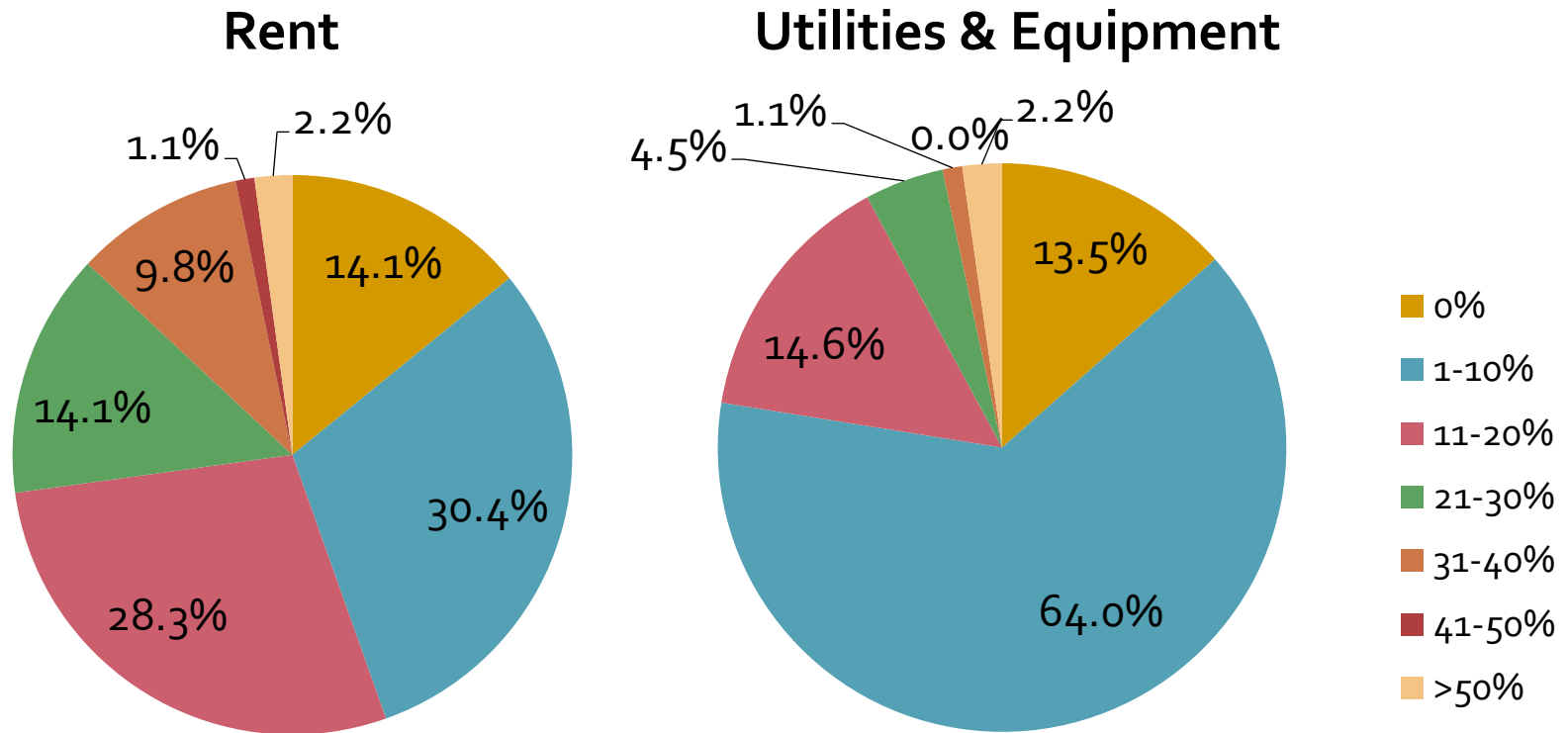
Cost Structure

Q/ Please state the rough cost distribution of the following items:

Staff Costs

8.5%
4.3%
13.8%
12.8%
60.6%

Legend:
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- >50%

61% of the companies spent over half of the revenue on staff. The costs of staff occupied a significant part of the company's expenses.

Cost Structure

Rent

Utilities & Equipment

2.2%
1.1%
14.1%
9.8%
14.1%
30.4%
28.3%

4.5%
1.1%
0.0%
2.2%
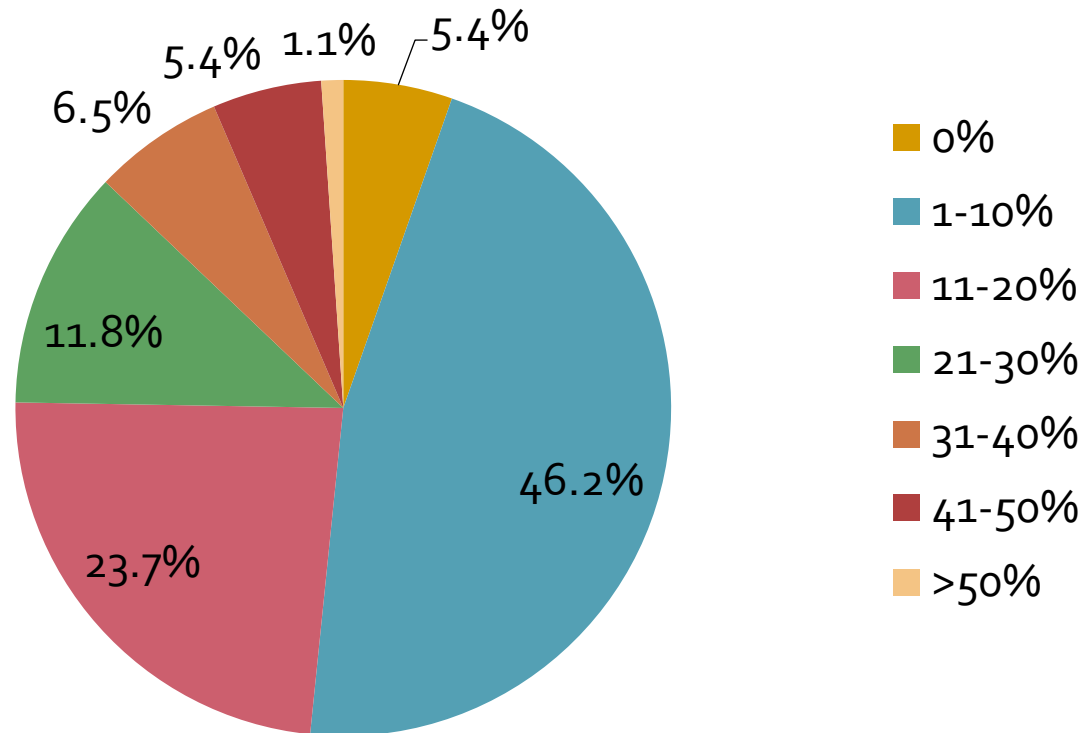13.5%
14.6%
64.0%

- 0%
- 1-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- >50%

As some of the interviewed companies joined the incubation programs offered by different organizations, many of them had relatively less burden on rental and utilities & equipment.
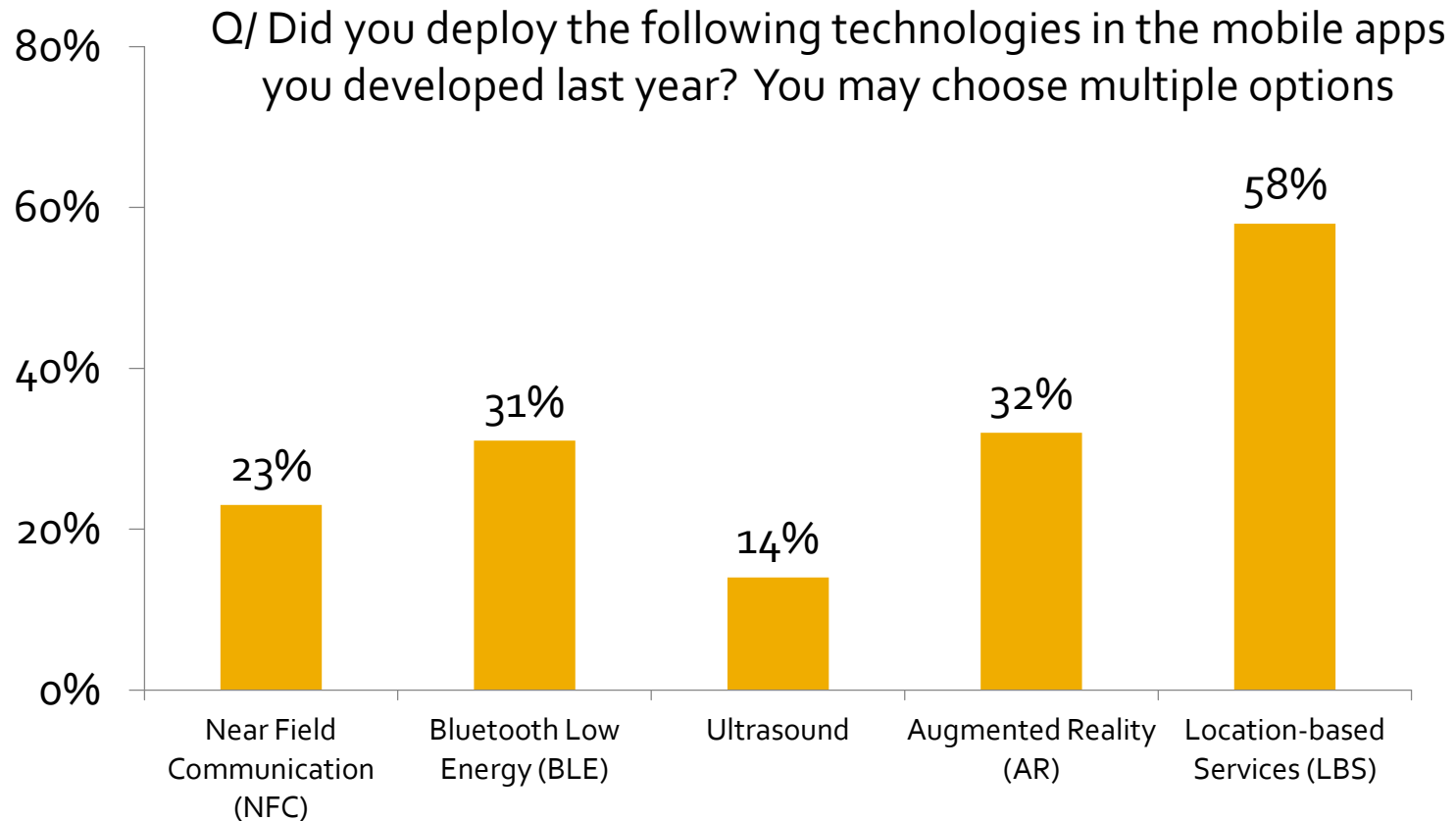
Cost Structure

Promotion & Marketing

Legend:
- 0%
- 1-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- >50%

Values: 5.4%, 5.4%, 1.1%, 5.4%, 6.5%, 11.8%, 46.2%, 23.7%

Unlike other industries, the interviewed companies spent relatively low portion of their cost on promotion and marketing. They have to focus on product development as it's most crucial to their business.

# 2. Market Analysis & Technology Adoption

Technologies Used

Q/ Did you deploy the following technologies in the mobile apps you developed last year? You may choose multiple options

Technology	Percentage
Near Field Communication (NFC)	23%
Bluetooth Low Energy (BLE)	31%
Ultrasound	14%
Augmented Reality (AR)	32%
Location-based Services (LBS)	58%

Mobile Apps Companies in HK made use of a wide range of technologies on the Apps they developed. Among them, LBS, BLE and AR are the most popular ones.
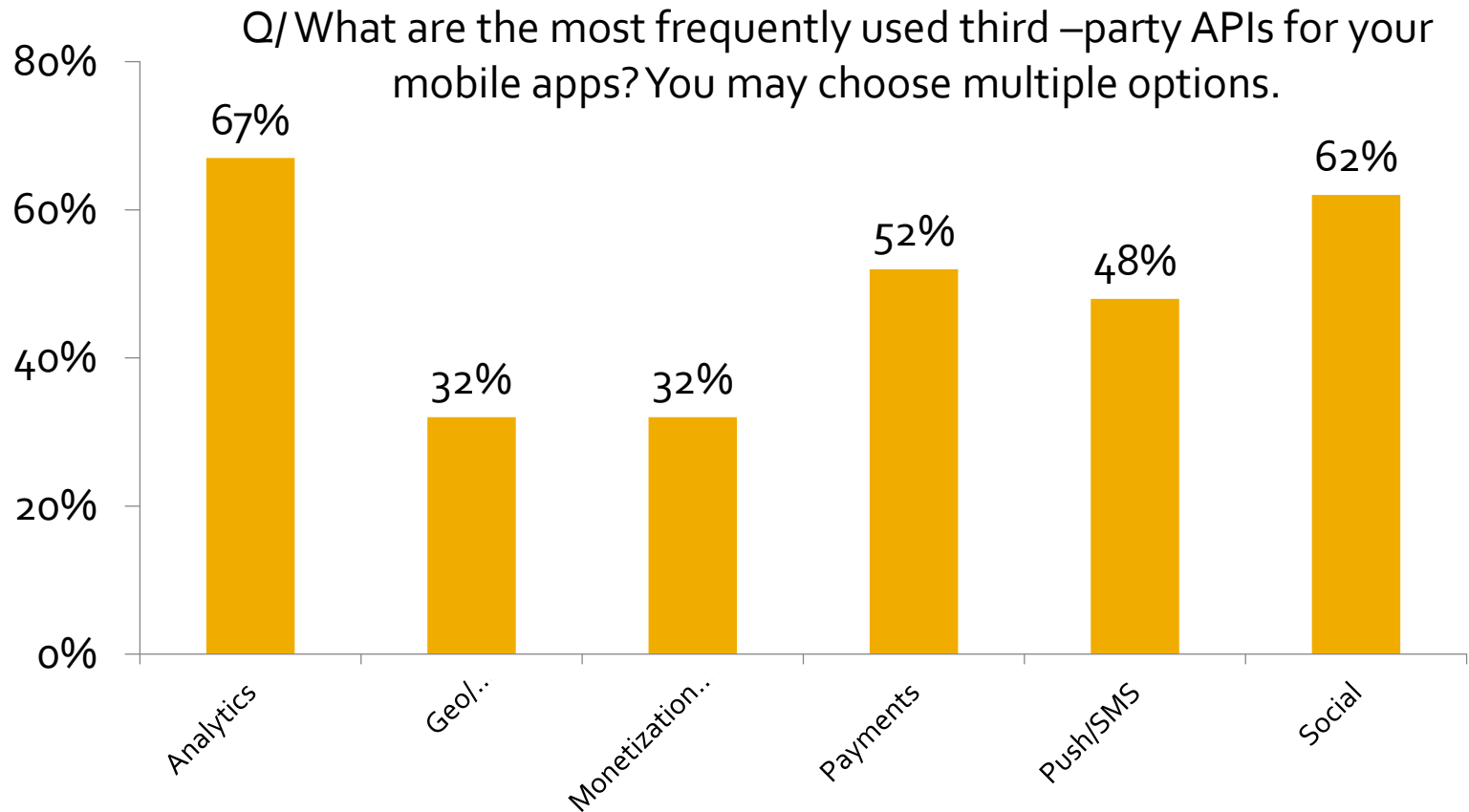
Product Development Time

Q/How long does it usually take for you to develop a product?

Legend:
- 1-4 weeks
- 1-3 months
- 4-12 months
- >1 year

Pie chart values: 4%, 7%, 39%, 50%
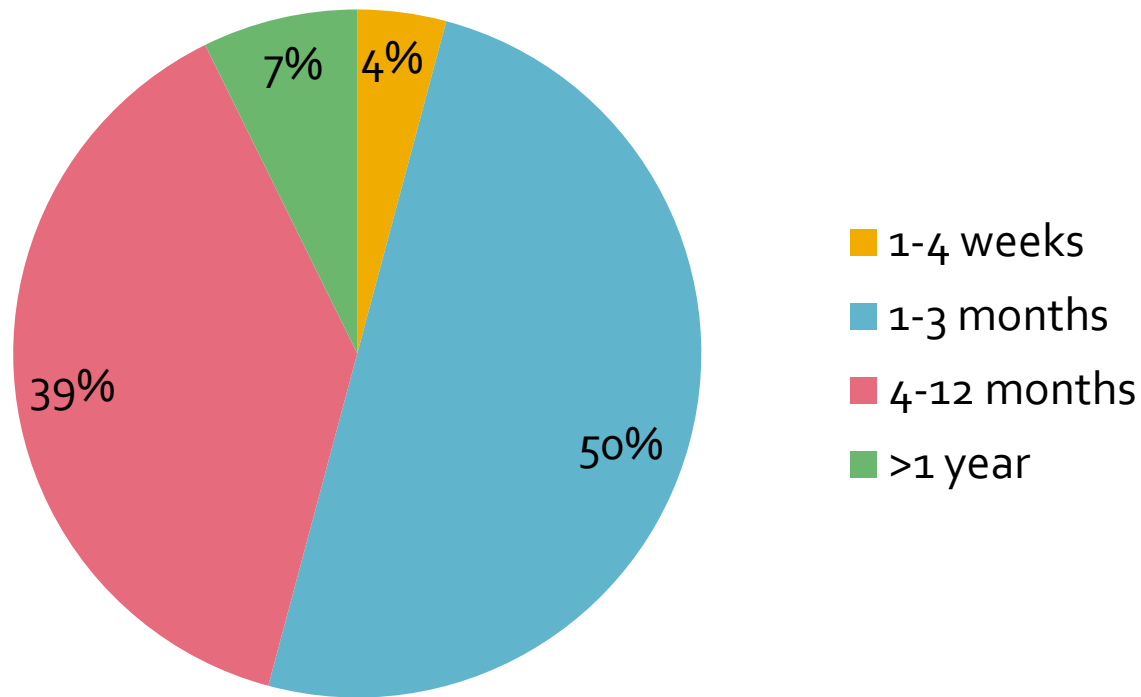
Half of the interviewed developers took less than 3 months to develop an app.

Third-party APIs

Q/ What are the most frequently used third –party APIs for your mobile apps? You may choose multiple options.
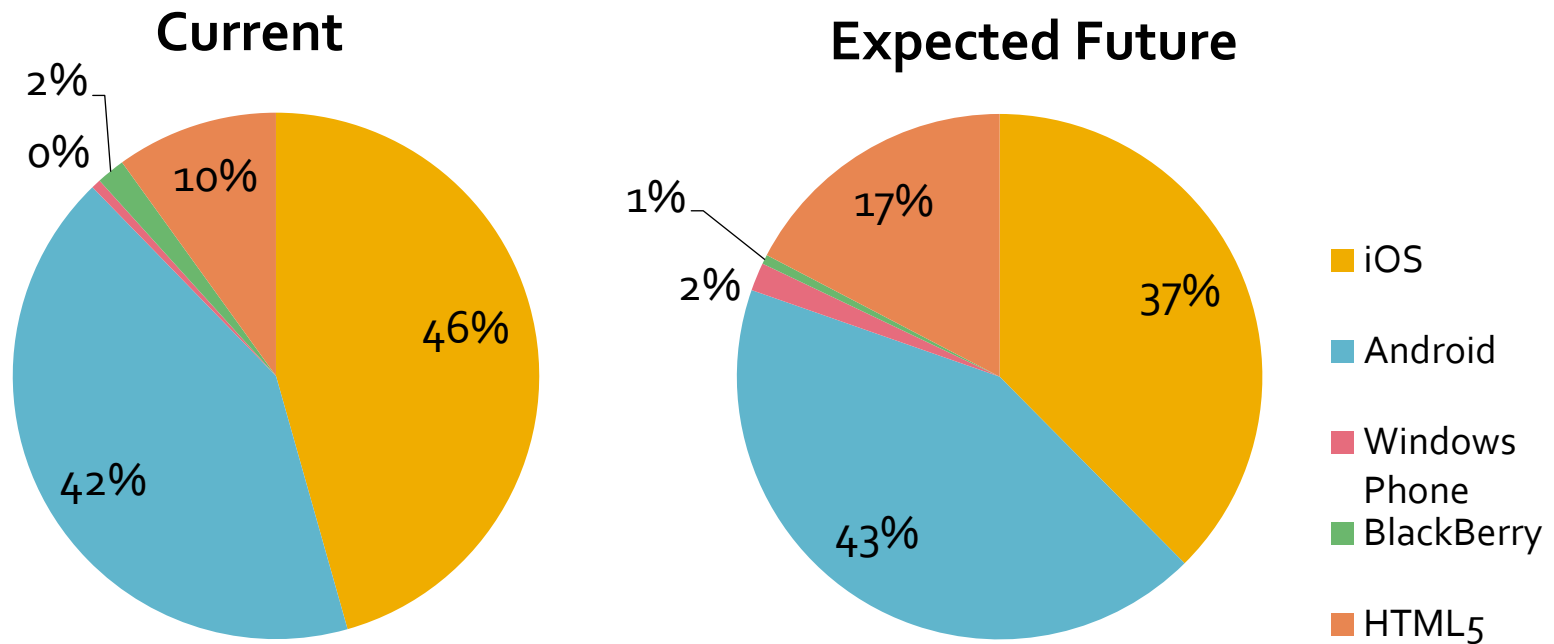

Developers made use of thirty-party APIs to make the mobile apps more functional.
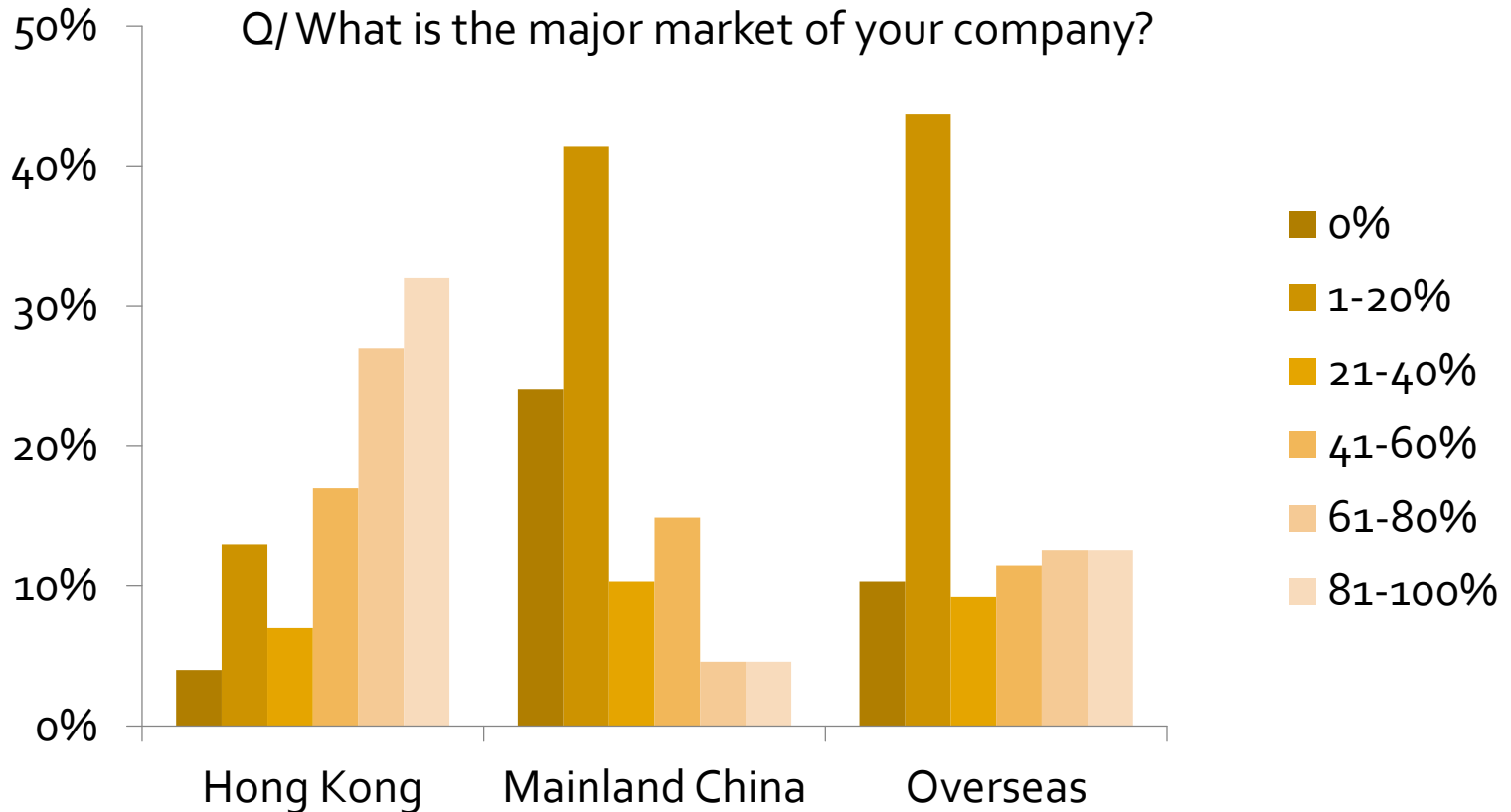In the survey, 67% interviewees connected their apps to analytics & 62% connected to social media.

Most Popular App Platform

Q/ What is the most important mobile platform you currently use and expect to use in the future?

Current

2%
0%
10%
46%
42%

Expected Future

1%
2%
17%
37%
43%

- iOS
- Android
- Windows Phone
- BlackBerry
- HTML5

The current app market in Hong Kong was almost equally shared between iOS and Android mobile platforms. But in the expected future, the app market on Android would likely to keep its share while that on iOS would be taken by other platforms such as HTML5.
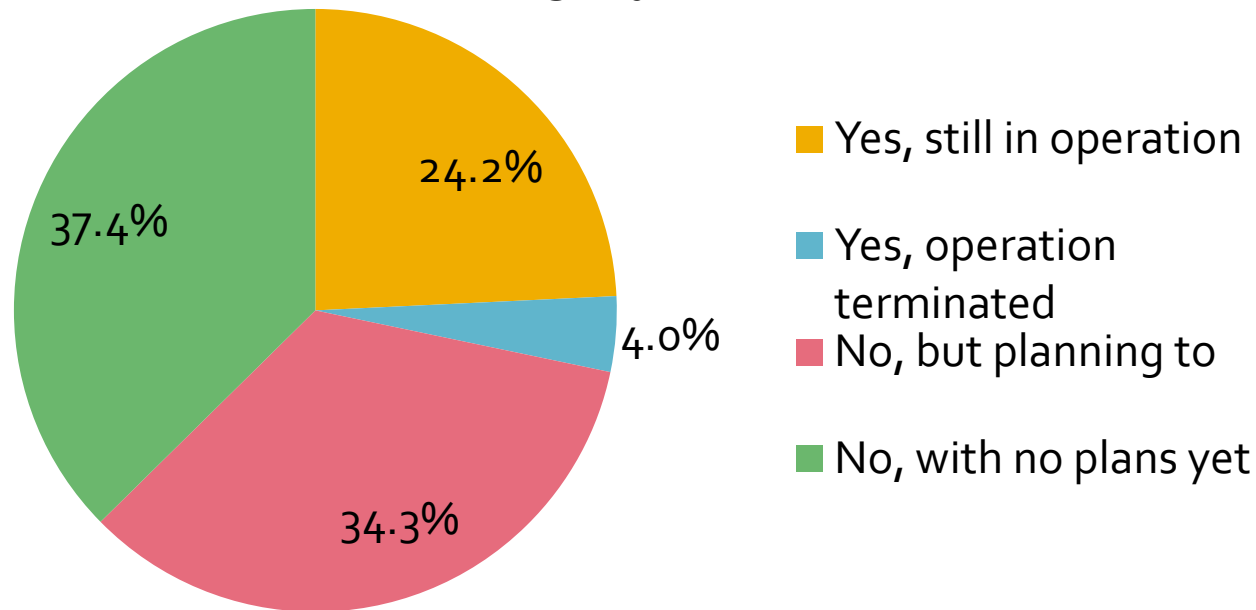
Geographical Focus of the Companies

Q/ What is the major market of your company?

Legend: 0%, 1-20%, 21-40%, 41-60%, 61-80%, 81-100%

Categories: Hong Kong, Mainland China, Overseas

Most of the interviewed companies focused on developing the market in Hong Kong. Not much resources was put to develop the market in mainland China and overseas; Some developers were more inclined to work for the overseas market then in mainland China.
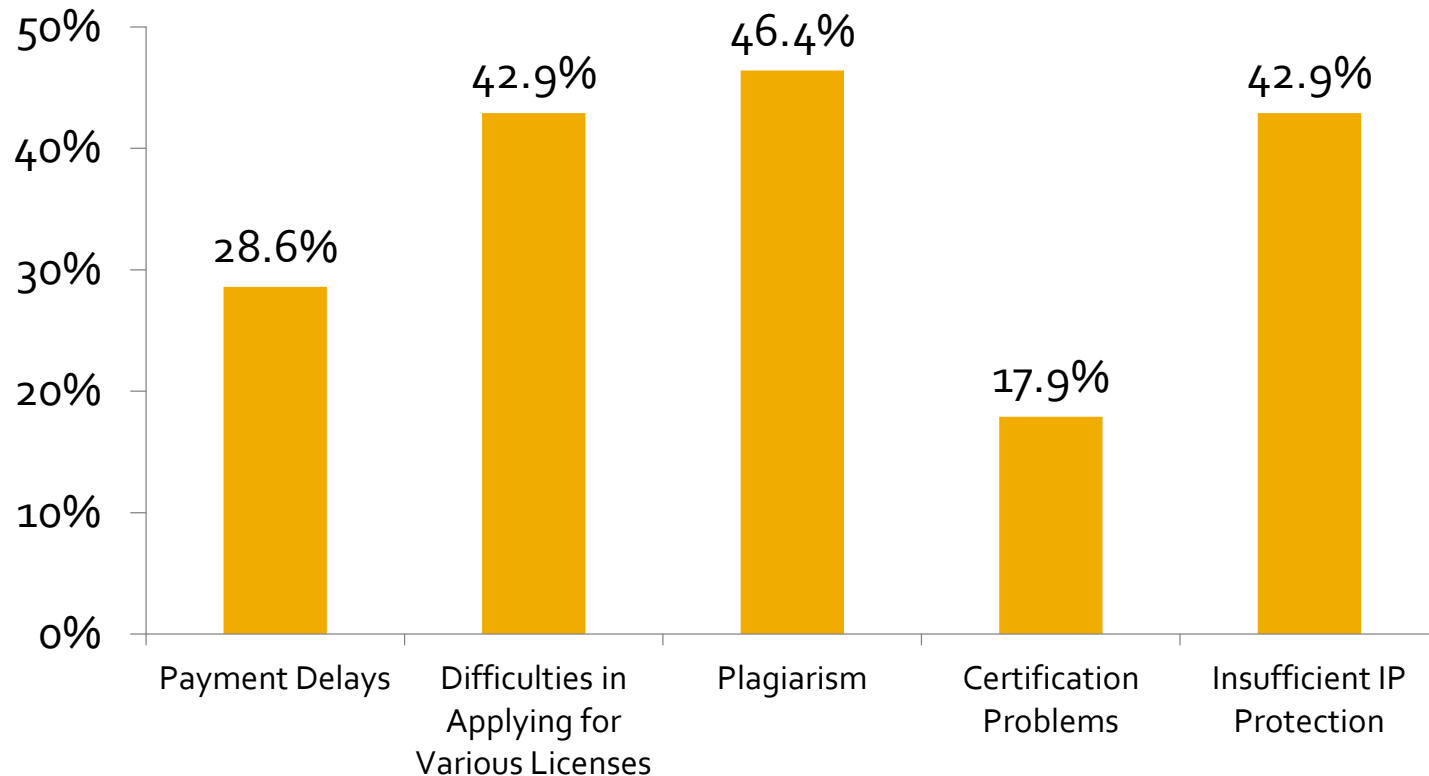
Attempts to Enter Domestic Market of Mainland China

Q/ Have you made attempts to enter the domestic market of mainland China?

- 24.2% — Yes, still in operation
- 4.0% — Yes, operation terminated
- 34.3% — No, but planning to
- 37.4% — No, with no plans yet

With the growth of Mainland market, 28% of interviewees had entered the domestic market and 24% of them were still in operation.
Besides, 34% interviewees were planning to enter the domestic market.

Problems Encountered in the Domestic Market of Mainland China

Q/ What are the most frequent problems you have encountered in the mainland market?

Among the companies which had made attempts in entering the domestic market of mainland China, over 45% of them were worried about the plagiarism issues. Meanwhile, they also faced difficulties in applying for licenses and found IP protection insufficient.
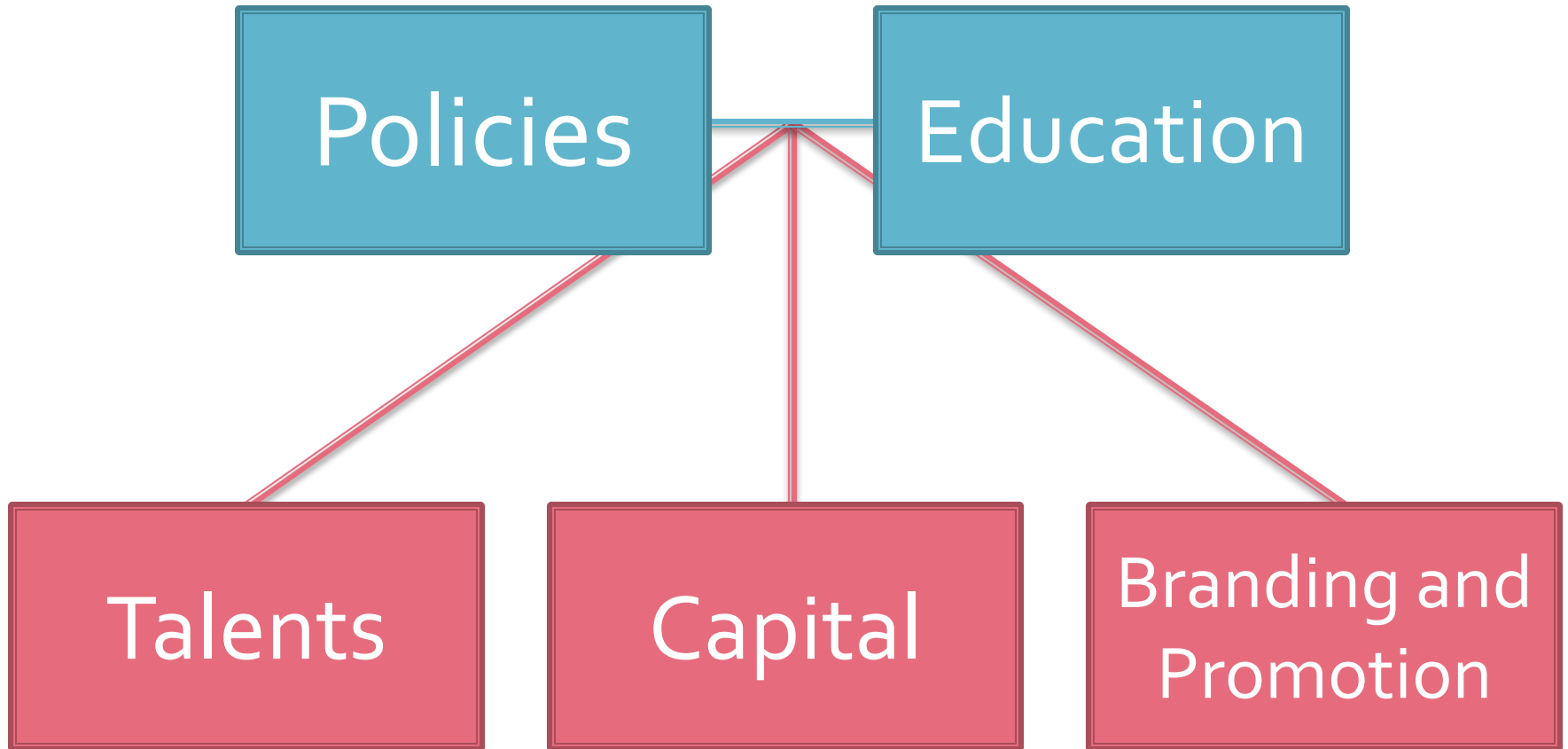
3. Recommendations

Areas for More Government Support

Q/ Do you think there's enough government support? Please rate "1" as the least sufficient and "5" the most.
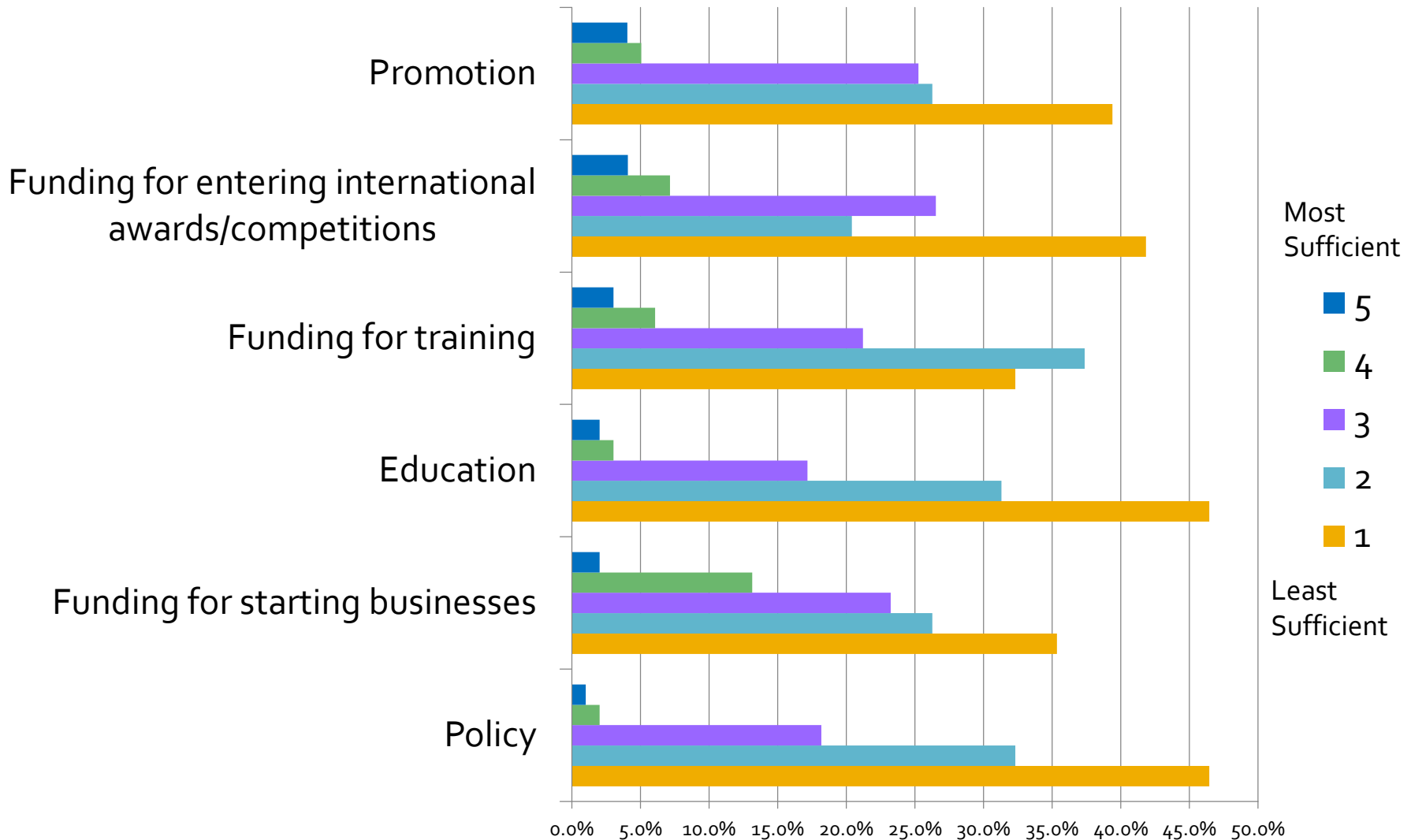
Recommendations

Recommendations

Key Findings

➢ Majority of the companies focuses business on

◆ Client Projects

◆ Product Development

Recommendations

➢ Develop business partners to widen the customer base

◆ Enter the market of mainland China

◆ WTIA's "Made in Hong Kong" Smartphone App Gallery

"Made in Hong Kong" Smartphone App Gallery

- "Made in Hong Kong" Smartphone Application Gallery
    - 500 local developed app will be recruited
    - Showcase outstanding local apps

- Hold seminars and Join ICT Expos in China
    - Promote the platform in both Hong Kong and China

- Organize business networking sessions
    - Help Hong Kong app developers meet with potential partners in mainland China

- Conduct training courses
    - Equip app developers with knowledge of the Mainland market

- Produce guidelines
    - Accessible for the public

**1st Seminar
25 June (Wed)**

站起來，走出去

END