

Think Creating an App Will Make You Rich? A New Report Suggests What Works – and What Definitely Doesn't



The median monthly revenue of an app on the market for one year is less than \$50.

That's according to the latest research from RevenueCat (RC), a mobile subscription services company. RC's 2024 report anonymizes data and uses it to break down what works – and what doesn't – when entrepreneurs try to make money from subscription app revenue.

Since its founding in 2017, RC has tracked nearly 30,000 apps that use its tools to collectively generate more than \$6 billion in revenue. Its clients include Reuters, the workspace

app Notion, and the photo editing app PhotoRoom.

Here are some key findings.

What Works

Even though the median monthly revenue for a subscription app is low, RC pointed out that there's a difference in success levels depending on the category. Health and fitness apps performed about twice as well as all the other categories combined after a year. The top 5% of health and fitness subscription apps had a median monthly revenue of \$4,564.82.

Other categories saw lower median earnings, with the second-highest numbers belonging to social/lifestyle apps. The top 5% in that section brought in a median of \$2,769.31 in monthly revenue.

It's difficult for apps to reach \$1,000 in revenue per month, with only 17% of apps achieving the milestone. From that point on, growth appears to get easier, with 59% of apps that hit \$1,000 reaching \$2,500 per month, and 60% of those apps reaching \$5,000 per month.

Photo and video apps reached the milestone of \$1,000 in monthly revenue more quickly than any other category, which RC attributed to the growth of AI image apps last year.

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There's a large gap in profit between top-performing apps and lower-performing ones, with the top 5% taking home 200 times as much revenue as the bottom 25%.

Still, RC cautioned readers that "not all revenue is created equal" and gave the example of apps that bring in top revenue numbers, but break even or lose money after they factor in the cost of acquiring customers.

“Revenue doesn’t mean you have a good business; profit means you have a good business,” RC wrote in the report.

What Doesn’t Work

Travel apps were the lowest performing in revenue, with the top 5% bringing in a median of \$852.84 per month. However, travel was the best category for converting trial users into weekly or annual subscribers, with a conversion rate of 54.3%, which could mean that users had a stronger intention behind their decision to try the app.

Users will pay for subscription apps if they believe that the app solves a real problem they face, according to RC.

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“It’s your job to show the user you understand the problem and have a viable solution for it – ideally in the first session,” the report reads. “In other words, you want to get a user to that ‘aha moment’ within 60 seconds of installing your app.”

<https://www.entrepreneur.com/business-news/want-to-create-an-app-these-categories-make-the-most-money/471102>