

Tuesday, February 9, 2021

Senate Industry, Business & Labor Committee

SB 2333

REP. KLEIN AND COMMITTEE MEMBERS:

My name is Justin Auch. I've owned and operated a small software development consulting company in Grand Forks, ND for over 10 years. One of the primary services we provide is building custom mobile applications for businesses and startups. Over the past ten years, we've built, submitted and managed mobile applications for both iOS and Android operating systems.

Through my experience as a developer and a business owner, one of most painful parts of the job is submitting an app for review in the App Store. Here's how the process generally goes, (Google is pretty relaxed in this regard, so I'm going to pick on Apple): We build an app for the client and we're ready to ship it. Everyone's excited for the launch! We prepare the submission and send it off to Apple for review. After 2-7 days, the review team comes back with an approval or denial. In the event that the app is denied and if the issue can be corrected, we make the correction and resubmit, wait another 2-7 days, then repeat this cycle until we get approval. The process is cumbersome and has driven some of our clients to explore alternative solutions, like building a web based app designed for use on mobile devices. This is a great solution for many reasons, BUT... Apple is notorious for intentionally limiting the functionality, (push notifications), of web based applications. Limiting this functionality on all Apple devices makes this approach not viable for most applications.

Putting the submission process aside, there are also issues on the business front. These systems are designed to make money by taking a cut, (Apple takes 30%), of each sale and/or subscription. For some of our clients, this seriously reduces their profit margin and, in some cases, kills their business model. Some businesses develop expensive custom subscription management systems to try and get around this, but Apple usually catches this in review and denies the app for violation of their policies. In most cases, there is no way around this. There is only one way to add software to an iOS device and there is only one way to sell services and apps to individual users and that is through the App Store.

I get it.. they're businesses and businesses need to make money. The reality is, there are more iOS users in the United States than on any other system by a pretty wide margin. For this reason, mobile apps are almost always built for iOS first. Building custom software is really expensive, so if the software you're developing does not work on iOS devices, it's usually not worth releasing. This gives Apple a significant amount of control over the entire industry. By limiting how applications are monetized and administered, there is little chance that a 3rd or 4th option will ever successfully emerge.