



Build a widget in a day – but how do you make money?

1. Introduction

Widgets are one of the simplest ways to create a small application that can be installed almost anywhere from the desktop to a mobile phone and in the future even your TV.

Right now there is a rush by interested parties to motivate developers to build these widgets for their specific platforms. From handset manufacturers and mobile operators to internet companies, all are trying to get your content added into their widget stores and programs.

How do you create a mobile widget?

The simplest widgets are built much like a web page. The simplest can be built in an hour using a combination of HTML, XHTML, CSS and Java Script. The development is completed by typically creating an Icon for the widget and a config.xml file which defines some background information. The code is then zipped into a file and the zip file extension changed to match the requirements of the target platform e.g. to .wgt.

To use the widget on a mobile phone, a browser is needed which can be associated with the widget. The browser needs to support Javascript and that is pretty much about it.

Additional time is needed where the widget is more involved and the graphical quality of the widget needs to be a high standard.

How does a web widget differ from a mobile widget?

A web widget can be even simpler than a mobile widget, being just a piece of HTML or Flash code that can be embedded into a web page. As a result web widgets have proliferated in the last 18 months.

Big brands like widgets as an easy method to embed their services and content into 3rd party sites. Youtube is a great example. But Facebook is also an extremely popular platform because of the substantial user base it attracts.

Marketplaces have sprung up for widgets such as Widgetbox which claim to have over 168,000 widgets which are easily embeddable into Facebook, Netvibes, Google and other portals.

What else?

Another category of widgets is for the desktop. This is where the concept of widgets first emerged. Typically, because they are installed on the desktop they require more complex development using a SDK for the operating system. As a result, they are popular for Apple's Dashboard and Microsoft but the author believes the way forward lies in pure web widgets and the rapid evolution of browsers such as Google Chrome.

What about mobile operating systems?

The benefit of widgets from a content or brand owner perspective is that the developer you employ does not need to get involved in the mobile phone operating system (OS). This for the past 5 years, at least, has been a major stumbling block for mobile development. In addition, the operating systems changed slightly between different handset manufacturers using the same basic OS. Specific adaptations were made for one phone over another. This made maintenance, testing and support expensive.

Widgets by comparison, because they are based on HTML should work across different handsets, independent of the operating system. The configuration files and encryption is different between handsets and operating systems but that should be it.

One of the advantages of the new generation of touch screen phones is that the user just interacts with the widget directly without needing to use the phone keyboard.

This greatly simplifies development (and testing across compatible handsets).

The success of iPhone and its single UI design has led to the success of Webkit. This is an open source browser engine which is also used as the basis of Apple's Safari browser and makes it easy to build functionality using web content that can be shared with a native application (app). If you have used an iPhone app, chances are that some of the concept within the app was presented using Webkit.

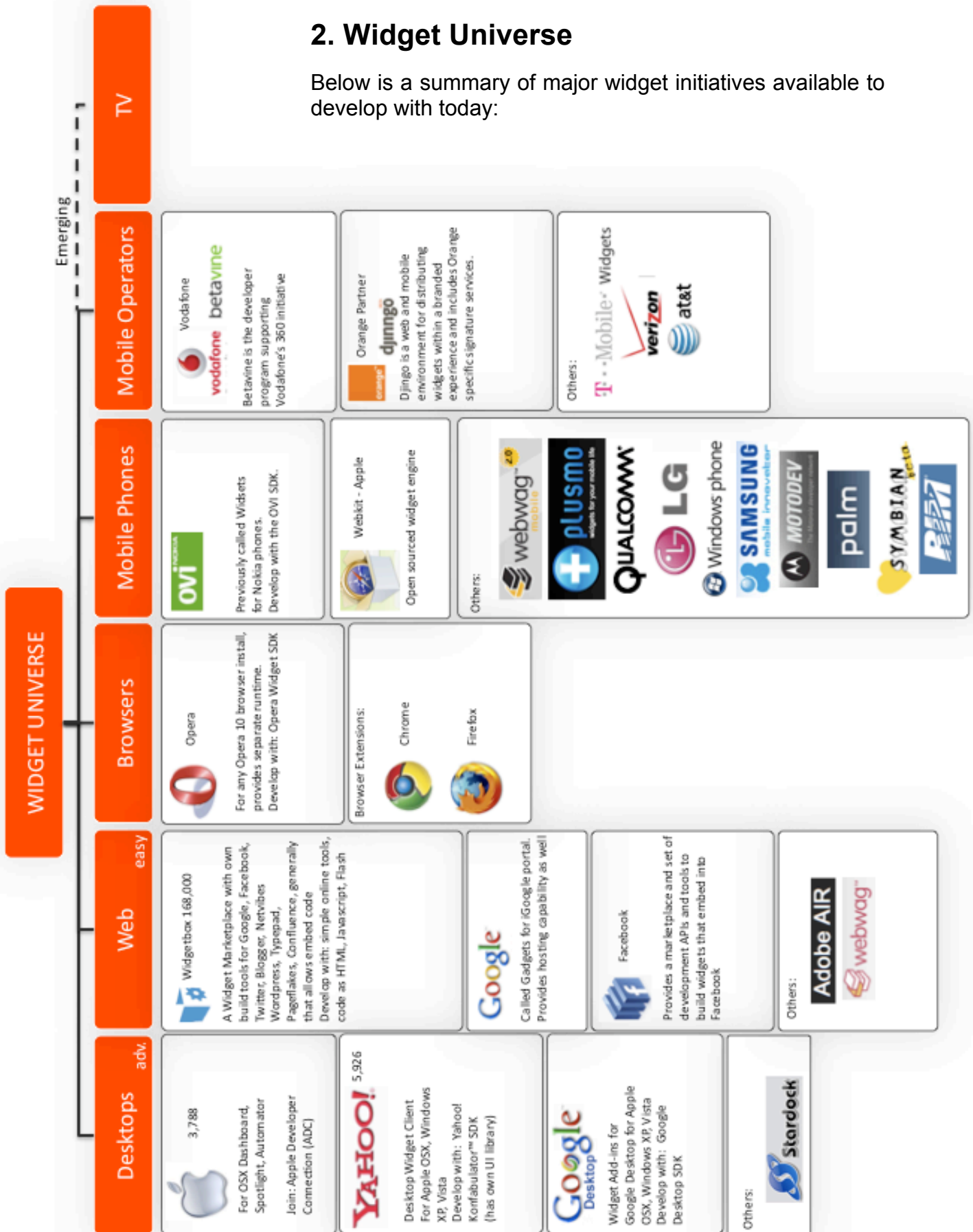
A slightly more contentious area for the industry to work through is where the Widget requires the access to local resources on the handset and requires the use of APIs. These have always been available to native apps, but now they are being made available to web apps. Such APIs may be manufacturer or operator specific. Examples include:

- Accessing location (using the built-in GPS)
- Access the phone camera
- Access the phone address book
- Access phone/communications
- Access phone buttons/controls

The key challenge is defining rules and security for how a web app should access these phone capabilities. The industry is looking for a standards approach (W3C compliant). Some of the widgets are likely to require signing by an appropriate body to verify its authenticity.

2. Widget Universe

Below is a summary of major widget initiatives available to develop with today:



3. Commercial Strategies

Development strategies

From the previous section, we have seen that it is relatively simple to develop a widget using a common code base across web and mobile platforms. This is a substantial benefit to the industry over previous attempts to stimulate a mobile ecosystem.

Where the economics start to become more challenging is the overhead needed to manage all the commercial relationships with various parties. Either a few dominant developer programs will emerge which provide interoperability, or aggregators will take on the challenge of supporting multiple initiatives and providing porting services for content and brand owners.

For today's market, we recommend being selective and picking a few widget initiatives and explore take-up at this stage.

Making Money

In today's market, widgets can be a useful tool as a promotion or marketing tool.

Think of them as a banner ad with additional functionality. The objective is to give the customer the experience perhaps of the full application or service and to drive them to take a trial for the full service.

Operators would like some widgets to become chargeable in the future. This will come when the complexity of functionality and features offered increases. At the moment, we believe a widget is best offered as a free, taster experience to the full app or service.

Games and impulse content are an obvious starting point to explore the widgets with a small micro-payment service.

In widget advertising has not yet emerged, but replicating the importance of advertising in the web is likely to become an important revenue stream. Admob is one of the pioneering mobile ad companies offering mobile specific advertising models, already successful on iPhone.

Our recommendation for today's market is to use widgets for a marketing initiative and not to build them dependent on their revenue generating ability. Pick a few widget programs selectively and learn from the take-up and usage experiences.

About Xgenta

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