Monetize your apps

TTOW0610 Mobile Application Development

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Free with ads

- the simplest way to monetize a free app

- idea is that you offer your app for free and display adverts in the app to generate income

- user taps on the ad then you earn money or even when ad is visible

- since users don't tap on every advert then you won't get a 100% click-through-rate (CTR)
  - the CTR is the number of ads which are tapped divided by the number of ads displayed (impressions), expressed as a percentage
  - the more people who use your app and the more ads that are displayed, the greater the chance of a higher CTR

1. Banner

- banner ads are rectangular image or text ads that occupy a spot within an app's layout
- stay on screen while users are interacting with the app
- refresh automatically after a certain period of time
- CTR said to be 0.1 percent to 0.2 percent

- *to make $1000 a month you need half a million impressions per month*
- *for leading app -> very possible, in real only 1% of apps*

- *if you're new to mobile advertising, they're a great place to start*

2. Interstitial

- full screen ads that cover the interface of an app until closed by the user
- are displayed between two different sections of the apps content (between one level and the next)
- have a greater CTR, even as high as 5%

- *if the app is getting 50,000 impressions per day then the potential earnings could reach $3500 per month*

3. Native

- component-based ad format
- gives you the freedom to customize
- choosing fonts, colors, and other details
- can add to a rich user experience
- component can be like a part of list view
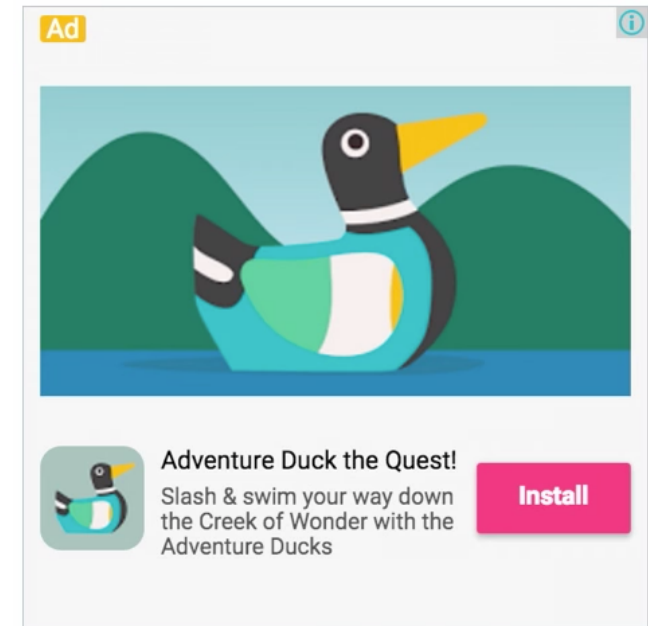
4. Rewarded Video

- full screen video ads
- short, usually around 15 sec max
- users have the option of watching (usually not skippable)
- allow you to reward users with in-app items (for example)
- User doesn't need to spend real money
- 52% of mobile game developers thought of video ads as providing the highest revenue per user compared to any other type of in-game advertising : link

Free with ads - overall

- it is also important where the ads are displayed
  - if you only display the banner ad on the Options page -> then you aren't going to get many impressions
  - if you display two banners on the apps main content then users are going to quickly get annoyed with the intrusiveness of the ads and uninstall the app
- balance between maximizing the prominence of ads and irritating your users

popular ad platforms

- Admob
- InMobi
- Millennial Media
- Tapjoy
- Smaato
- Media.net
- StartApp
- Flurry

- Leadbolt
- Chartboost
- AdColony
- Apploving
- Vungle
- Kimia
- Airpush
- ….

Freemium

Free + **Premium**
=
Free**mium**

- https://play.google.com/store/apps/collection/topgrossing
  - at least the first 40 apps are all free
  - free to download and use, offer **in-app purchases** that cost real money
  - buy things like extra levels or virtual coins
  - harder to implement (programming/administration), needs good planning
    - If handled wrongly -> users wont play -> uninstall
- Items are handled for example in Google Play, not in the app it self

- *The freemium model is the most successful model and generates large amounts of incoming*

Freemium case: Supercell

- $2.3 billion in 2016 revenue (and same in 2015) : Hay Day, Clash of Clans, Clash Royale and Boom Beach
- 213 employees and only four games on the market
- story of the modern mobile game industry

- *Supercell's games are free-to-play, where you can play them for free and spend real money on in-game items. Supercell's fans compete with each other via clans, and they spend money at insane levels*

Paid

- Minecraft is one of the top grossing Android apps and it is also a standard paid app
- https://play.google.com/store/apps/details?id=com.mojang.minecraftpe
- to download a paid app, the user needs to have a credit card registered with Google (for example)
- google play app can cost from $0.99 to $400 (Finland up to 350€)
- monetization via the Paid model is very simple
  - upload your app to Google
  - set the price
  - select the regions
  - publish the app

- *the downside is that you will need to promote (market) the app heavily as users aren't keen on parting with their money for an unknown commodity*

Other tactics and notes

- free app with adverts and offer an in-app purchase to remove the ads
  - your app will be branded in stores as "Offers In-App Purchaces"
  - it can reduce downloads
- stores are now labeling which apps contain ads
  - it can reduce downloads
- …

Case: Admob by Google

- "**ad**vertising on **mob**ile"
- one of the most popular mobile ad networks
- the network was acquired by Google back in 2010
- good number of advertisers
- a lot of different statistics
- cross-platform capability: Android, iOS, Windows Phone, webOS, …
- https://www.google.com/admob/
- https://developers.google.com/admob/android/quick-start

Admob - Exercise

- go to : https://developers.google.com/admob/android/quick-start
- follow get started instructions
  - create an android project (select empty activity)
  - add Google Play Services for Ads in build.gradle dependencies
  - create an AdMob account and register an app **OR** use you can use test ad ids for testing ads
  - modify MainActivity to initialize MobileAds
  - add a banner ad to your MainActivity (xml layout and code)
  - run and see a test ad
  - test other ad formats : smart banner, interstitial, rewarded video