

MONETIZATION

Course: **Mobile Application**

Instructor:

- 1. Suryo Adhi Wibowo, S.T., M.T., Ph.D.**
- 2. Rissa Rahmania, S.T., M.T.**
- 3. Gelar Budiman, S.T., M.T.**

Research Center for Advanced Wireless Technologies (AdWiTech),
School of Electrical Engineering, Telkom University



- How do we **get the money** to make the first application?

- How are we will **earn enough** to make the application?

- How are we will **get noticed?**

- App Store brought in around **\$10 billion**.
- Apple gets in about **\$5.1 million every day**.
- Around **50 billionth app** was **downloaded** in May.
- In the **App Store**, it has **more apps**, **less malware**, and **brings in more money** for it's developers and Apple.

- **App Store developers** earned **\$20 billion**.
- Apple **sold \$28 billion in apps** (They **keeps 30%**) and **delivered > \$240 million** in purchases.
- Sales from the App Store topped \$3 billion in December → Super Mario Run.
- The App Store offers more than 20% from a year ago (2.2 million).
- Subscription billings were **\$2.7 billion**.

2013

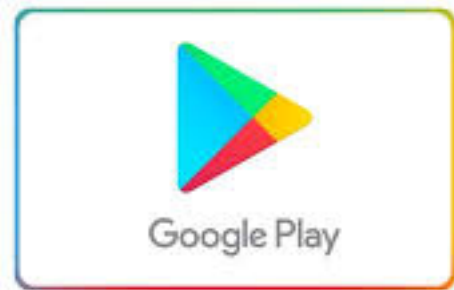


2016



2013

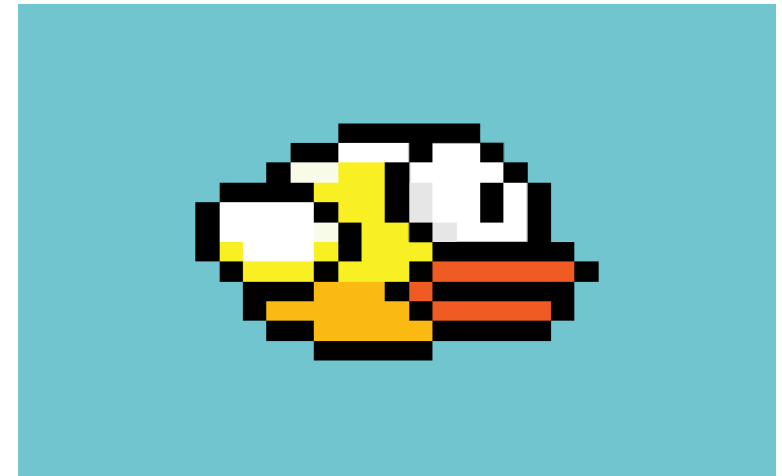
- Google brings in **\$1.1 million per day** (est).
- The estimate is **\$1.3 billion in 2013**.
- The Google Play Store, all total mobile app downloads, is **75%, larger than App Store**.
- Much larger install base and more phones.
- **Android apps are profitable** iOS apps



2016

- **Games given 90% income** to Google Play.
- The average user **spent over 150 billion more** hours in apps in 2016. That's good for about a **15% increase overall**.
- The number of **downloads increased by 13 billion from 2015** (>90 billion, **growth 15%**).
- In 2016, **India surpassed** the US in overall downloads. **Brazil and Indonesia** saw **good growth**.

- **Some facts:**
 - There are so many apps in each store.
 - Our **revenue should be given up to 30%** to the platform holders.
 - Most of the software costs for mobile apps is up front.

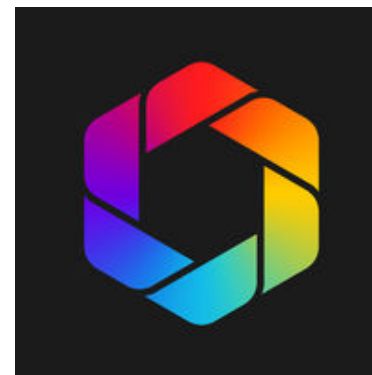


● Paid Apps

- Users **should pay** for downloading and use the app
- The key point is **selecting the right price**
- Application **updates** should be **free**

● Challenge

- How to **get profit** from the download number of the applications



- **Ad Supported**

- Free app
- Combine a supported ad framework (AdMob or AppleAds)



- **Challenge**

- Ads contain real estate.
- Select the right position of ads on the screen.
- All resources to process ads

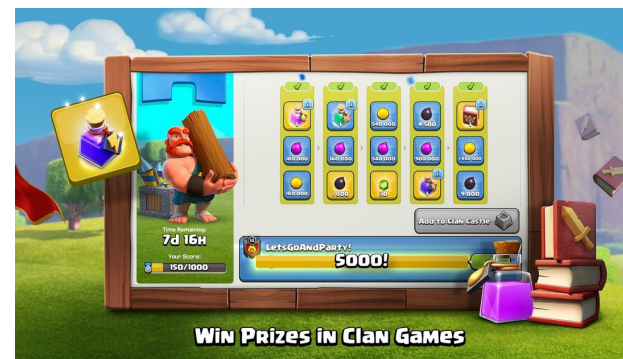


- **Free-to-Play (games only)**

- Free game apps
- Combine a gameplay mechanic that **encourages players to spend money**
- Example: **Gain a game resource, reduce a timer, etc.**

- **Challenge**

- A good game mechanic built around this without frustrating the user is difficult to find



- **In-App Purchases**

- Give away the app for free (or at a low cost)
- Only have some of the functionality available or offer more complex options for a fee
- Users can “custom build” the experience they want to pay for

- **Challenge**

- Making the app useful enough to download the first time and still enticing people to pay money

- **The challenges of pricing**

- If our games/app price is \$1.99, how can we do an effective sale to drive download?
- Race to the bottom of pricing

- **Free-to-play dominates the app stores**

- Highest grossing paid game? Minecraft → Paid game that has highest grossing.
- Game of War makes 45 times what Minecraft makes (est. \$1.46M/day in 2013)

- A \$1.99 app makes the developer roughly \$1.40 per download
- The app needs 8,407 downloads per year for a solo developer to hit the 2015 US poverty line (\$11,770 per year)
- This does not include:
 - Other devs
 - Tools and resources
 - Equipment

- iOS users **spend roughly 3x more** than Android users on apps.
- Android **has the larger market share** and for **businesses**, it is more the choice.

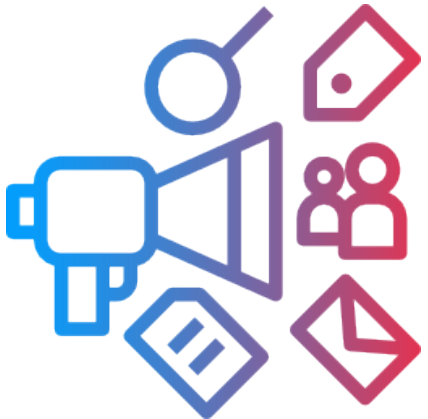


VS



Several factors that should be considered:

- Makes all the difference
- Getting on the landing page for the store makes a **HUGE** difference
- **Limited opportunity** to get noticed



KICKSTARTER

CROWD FUNDING



STUDENT

INVESTOR



THANK YOU!!!