

ALEX GENADINIK

MOBILE APP MARKETING AND MONETIZATION



Eric Ries

Lean startup methodology

Mobile App Marketing And Monetization

by Alex Genadinik

Mobile App Marketing And Monetization

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DEDICATION

Dedicated to my mother and grandmother who are the biggest entrepreneurs I know.

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Chapter 1: Examining A Mobile App As A Business

First, let me tell you a little bit about me, and why I am qualified to write on this topic. I created my first app in early 2012. Since then I created 8 Android apps for business, 6 iOS apps, and 4 Amazon Kindle apps. The apps have passed 500,000 downloads (many of them paid), and now earn me a full-time living. The apps are business apps that help entrepreneurs plan, start and grow their businesses. They are very loved apps. In fact, if you search for the word “business” on Android, my app is #1, and I am now working on getting my iPhone app to be #1 as well. In my writing I share all the tips of what it took for me to get my apps to rank so highly so you can do it too.

Once the apps crossed 300,000 downloads, I compiled all the questions entrepreneurs faced on my apps (preserving

people's privacy of course) and wrote a number of business and marketing books. I also created over 15 business and marketing courses, and became the host of a relatively popular business channel on YouTube. I did all this on my own, and without outside help or raising any money.

In my writing, I share many of my tips on how to plan your app before you even begin creating it, how to promote a mobile app like a pro, and how to make money from your app.

i. Creating The App

There are two ways to create a mobile app. You can program the app by yourself like I did, or you can hire a developer or an agency to build your app.

If you are a developer, creating your app is much cheaper and faster. If you are not a developer, before you go out and try to hire someone to create your app, I want to encourage you to be open minded about learning how to develop apps. If you learn to create apps on your own, you will learn a very marketable skill, and will save tens of thousands of dollars because you won't have to hire a developer. Additionally, if you have other app ideas in the future, you will be able to simply create them on your own, without needing outside help.

If programming a mobile app is not for you, you can hire a developer on a site like oDesk.com or elance.com, or you can hire a mobile app development agency. As a rule of thumb, the more you pay, the higher level of quality you will get. It isn't unusual for an app to cost tens of thousands of dollars when it is all said and done.

A gigantic pitfall when hiring a developer or a mobile app development agency is that most entrepreneurs just want the first version of their app developed, and spend most of their initial funds on that. But the truth is that while the launch of an app seems like a huge deal, the first version of the app is just the beginning. The key to success is to continue improving the app by constantly creating new updates, and making the app better and better over time. And those updates cost money. Over time, this can cost over \$100,000. That is very risky, especially when combined with the fact that contrary to what entrepreneurs hope, over 99% of mobile apps do not go on to raise money from professional investors.

ii. Brief Mobile App Marketing Intro

How you promote your app should depend on the kind of app you have, and the level of competition in your app's niche. For most apps, the biggest driver of downloads is app store search, also known as ASO (App Store Optimization). The second biggest driver of downloads is social sharing. After that, the next large potential sources of downloads are publicity and being featured in the app store. We will cover all these strategies in more detail shortly.

iii. Brief Mobile App Monetization

Mobile app monetization is probably the single most challenging part of your mobile app business. For my apps, it was by far the most time consuming and mind boggling part of the process.

The most obvious way to monetize your app is by publishing ads on them. The second most common way to make money

from your apps is to enable in-app purchases (subscriptions, consumable purchases and non-consumable purchases). Other ways to make money from your apps is to sell your own products, or to sell other products as an affiliate. We will cover this in much more detail shortly.

iv. Setting Reasonable Goals For Your App

You should also set realistic goals for your app. I realize all entrepreneurs want to sell their business for a billion dollars (or more), but that just isn't the reality for just about all apps. Many apps have very limited potential either due to poor discoverability and natural marketing options, low demand, or being in a niche that is way too competitive.

Think through the potential of your app. This will give you a sense of how much time and money it may be reasonable to invest into your app.

v. On Which Platform Should You Release Your App First?

The mobile app world first truly blossomed on the iOS platform. Despite Android quickly gaining ground on iOS, for a number of years there was no question on which platform developers should release their apps on first. It was iOS because it had the most early adopters, overall users, better monetization rates (although this isn't an immediate concern when first launching the app), the devices were better, and there was an aura of coolness associated with iOS.

In recent years, Android fully caught up to iOS, surpassed it in total devices on which the operating system is installed, and many early adopters switched to Android. The decision of

where to first release your app has become a less clear one. Let's go over the pros and cons of each so when it comes time for you to make that decision, you will be better equipped for it.

In the case of my apps, I released them on Android simply because I owned an Android device at that time, and it was easier for me to test the apps as I developed them. I made my decision based on that, but I learned many of Android's advantages along the way. This kind of decision making may seem too simplistic, and it probably was. But it was very practical, less risky, and more affordable. It goes to show that there are very basic criteria on which it is ok to base your decision. Now let's get into more complex decision criteria.

The biggest development advantage that Android has over iOS is that Android has absolutely no review process. You can update your app multiple times a day if you want to. Since there is no review process, your app can be as bad as you want it to be when you first release it to the GooglePlay app store. Of course, no one wants their app to be bad, but this nuance allowed me to release an extremely early version of the app very early in my development. I wasn't too worried if I got bad reviews because I could always have just taken the app off the app store, improved it, and released it again as a new app. The early bad reviews wouldn't hurt the app, so I didn't have to worry about that.

The advantage of releasing early and being able to update the app whenever I wanted to was tremendous. On a typical day, I would wake up, observe how people used the app the night before, figure out the next strategy based on that data of how users were using the app during the previous day, update the app according to my deductions from that data, and release a

new version in the evening. Next morning I would observe how users used this new app, and make a new set of deductions from monitoring how users used the app, and make appropriate improvements again. Sometimes I was able to do this cycle a few times per day if the app changes were simple. As you can imagine, this allowed me to improve the app very rapidly, and quickly get it to a point where users really liked the app.

This is something that is much more difficult to do well on iOS. Whereas my development cycle on Android was sometimes as short as half a day or a day, on iOS it was averaging about a week or slightly less than that because of the lengthy app review process that is a part of releasing app updates in the Apple App Store. On Android I was able to improve the app and experiment many times faster than on iOS, and that made all the difference. Once I got my Android app to a good place where users liked it, I took all the features enjoyed by my users that took me many experiments to hone in on, and added it to the iOS app in one update. So if your goal is to iterate on the app, and rapidly improve it based on market and user feedback, Android is a great way to go.

On the other hand, if you want to have a big launch with pizzazz and publicity, iOS is probably still the cooler platform that is more hip. Many developers I know still release apps for iOS first, and think about Android next. If you have an app that uses hardware like the camera, it can be much simpler to develop apps for iOS because there are literally thousands of different kinds of devices for Android. Those devices have very different hardware, and it can be a nightmare to develop apps for hardware that can be so varied. In such cases, iOS offers a more reasonable platform.

Chapter 2: Strategies To Promote A Mobile App

Do you have a mobile app, or are you thinking of creating one? If so, you will need to generate hundreds of thousands, if not millions, of downloads. In this short book I present 15 mobile app marketing strategies to reach tremendous scale, and generate many downloads for your app. The strategies I present are strategies that I have tried myself and which have been effective for me to promote my business apps which at the moment of writing this book have a cumulative download total of over 500,000, and have become some of the top apps for entrepreneurs to plan, start and grow their businesses. I am just a single developer, probably just like you are. I am not a multi-million dollar app development studio. So if I was able to try get the strategies presented here to work for me, so can you.

i. App Store Search And ASO

The app stores are the number one driver of app downloads for the vast majority of apps. There are three things you need to do to optimize your app store listing to get the largest number of downloads possible.

The first thing to do is to choose the right keywords for which you will try to get your app to rank. If you are not experienced with keyword research, you can try to get an SEO professional to help you understand what keywords to try to rank for in the app stores, the amount of competition per keyword, and the volume of demand for those keywords. The SEO for app stores is called ASO (app store optimization).

Once you understand what keywords you want to try to rank for, create a professional app icon, beautiful screenshots, and write an amazing description and title that are rich with the keywords you are targeting, and also very appealing to people who will be reading that description when they will be deciding whether to download your app. You want to get people curious and excited about downloading your app.

Lastly, once people get your app, make sure the app is engaging, and people actually like it and use it. Work to increase the amount of time people spend using the app, and the number of times people open the app. Those engagement signals are ranking factors that will help your app rank higher in the app store rankings.

If you do the above items well, you should be getting hundreds of downloads per day from the app store. If you are not, reconsider your keywords you chose, and think about how much search demand there is for those keywords, and how competitive they are. Try to understand why you are not getting the downloads. Is the problem a lack of demand for the keywords you chose, or a competitive environment that is too difficult?

Lastly, make sure your app gets good reviews. Reviews are a big part of your app store listing. So first and foremost, your app must satisfy your users. Otherwise, everything else will be much more difficult.

WHY SEARCH TRAFFIC IS SO IMPORTANT

Most people understand that they need to have their app rank in app store searches, but don't necessarily understand all the

reasons why it is so important. Let's quickly go over the core reasons why search is so important.

Whenever a person searches for anything, they tell the search engine two things. The first thing is their intent, and the second thing is that they want it at that exact moment. Consumers don't just need certain items. They need them at a time they allocated to find that item. This is a tiny window of time, and if you rank in search, you are able to get in front of those consumers at the precise time when they need what you are selling. This makes the consumers who discover your app from search, far more likely to convert to users of your app, than people who discover your app via social media or other means.

Additionally, if you rank for certain search phrases that bring traffic, you will continue to get downloads from people searching for those phrases as long as you continue to rank. This can be months or years. As long as you keep ranking for various search terms, you will get consistent daily downloads. Other marketing strategies do not yield these kinds of results. If you get publicity, you will have a spike in downloads, but that spike will come back to normal levels within a matter of days, and you won't get similar downloads until the next time you get publicity. A similar situation is true for many of the social media marketing techniques.

This doesn't mean that you shouldn't focus on other marketing strategies. In fact, over time you should explore all of them because many of them will go hand in hand with your app store search strategies. What I do, and what I recommend to others. Start with a focus on ASO (App Store Optimization) by figuring out what keywords you want to, and are able to rank

for. Write a proper title and description that target those keywords. That puts you in a good position to eventually rank for the keywords you need to rank for. Once you do that, you can move on to other marketing strategies. But setting your app up to get the most from ASO is low hanging fruit that is typically one of the first things I try when I try to promote a mobile app.

HOW TO DO APP STORE KEYWORD RESEARCH

Many people are familiar with keyword research because they have been doing SEO for the web. ASO (App Store Optimization) keywords research is similar to SEO keyword research, but they are not the same. Let's go over a few of the major differences.

The first major difference is that a website can have many pages and an app has only one listing. Each page on a website can attempt to rank for slightly different keywords. Since there is no limit to how many pages your website can have, there is also no limit to how many keywords your website can try to rank for. This is not the case for apps. Apps in app stores get one listing which is usually approximately a thousand words or so. That means that you can try to rank for a few main keywords and a few secondary keywords. That is it. This presents a few difficulties because the people searching app stores for apps also tend to use a narrower set of search queries that are also shorter in length.

As an example, let's take a look at the keyword research for my business plan Android app, which ranks #1 on Android for the term "business plan" and the term "business." If this was a website, I could make individual pages that target many

specific terms like "business plan for a restaurant" or "business plan for a coffee shop" or "business plan for a home repair business" or any other similar term. But on the app stores, people tend to enter a narrower set of shorter search queries. That means that the main terms like "business plan" or "business planner" or "plan a business" get most of the search demand. What that means for you as the marketer of your app is that you will be competing for the same few keywords with every other app that is similar to yours. Now imagine if you have a photo app. Will you be able to compete with and beat Instagram? What if you have a puzzle game app, will you be able to compete with thousands of other very similar puzzle apps? Some niches in the app stores are brutally competitive, and it is extremely difficult, if not impossible, to compete with them if your marketing budget isn't in the thousands of dollars per month.

Understanding the competitiveness of your business niche, and your app's ability to compete within a particular business niche should be part of your business planning even before you sit down to write the very first line of code for your app. If you don't consider these things before you start, you may face a rude awakening months later when you face these facts as you try to get your app to rank in the app stores.

Just like some niches may be extremely competitive, other niches are wide open, and you can easily achieve high rankings for your app in those niches. The problem there may be a lack of search demand. Recall an earlier point about the narrowness of the kinds of searches that are done on mobile app stores.

You can use two tools to attempt to gauge search demand in mobile app stores. Of course, this data isn't made available by the Apple App Store or GooglePlay, but you can get an approximate idea using the Google Keyword Tool and an app store research tool named SensorTower. You can easily find both by Googling for them. The Google Keyword Tool tells you about Google searches, and gives exact volumes of demand while SensorTower gives you approximate information of searches and volume of demand in mobile app stores.

With the ability to approximate demand volume and the level of competition, as a part of your business strategy and your marketing strategy, try to find a sweet spot where you will be able to compete in app store search for searches that have reasonable demand. As your app grows stronger in app store search, your app will eventually be able to compete for more competitive searches. So you need a search strategy for the beginning, and a search strategy for once your app matures and gains strength in search, and will be able to compete for increasingly difficult searches to rank for.

Without downloads coming from app store search, growing your app will be extremely difficult.

SOCIAL AND ENGAGEMENT SIGNALS THAT INFLUENCE SEARCH RESULTS

Once you choose the keywords that you want to rank for, add a great title and description to your mobile app listing in the mobile app stores, you are done with ASO, right? Wrong! This is just the beginning. What you must do now is focus on social and engagement signals to make your apps stronger in

search. Let's get into some detail about what these signals are.

★ Engagement signals measure the level of engagement that users have with your app. How many times are they opening your app? Are they deleting the app from their devices? Or are they keeping the app? How long are the session lengths? How many sessions does an average user have? All these metrics show how much users engaged with your app. If users engage with your app, that is a signal to the app stores that people like your app, and that it is good. If that is the case, this should help your app rank above your competitors in app store search for the keywords that you originally chose. On the other hand, if your engagement signals are worse than those of your competitors, you still have to improve your app to make sure that your app is competitive with them on many of those metrics.

Social signals are very similar to engagement signals. Social signals are things like the reviews that your apps gets. The frequency with which your app gets reviews, and quality of the reviews are important.

Note that the app stores do not officially state that they actively monitor the social and engagement signals of your app. They also do not openly say which of the signals have more or less weight when it comes to influencing search rankings. Almost none of the major search engines (Google, YouTube, Amazon, Yelp, App Stores, etc) make such information public. But they all work on these principles. As the marketer of your app, it is your job to acknowledge that these signals will be important for your app ranking, and experiment with raising these signals, and monitoring search results for your app to see what starts

working for you. It is a relatively time consuming process so unless you have a large marketing budget, do not expect great results immediately. Be patient, and continue to experiment.

ii. Publicity And Press Coverage For Your App

Everyone wants publicity, but less than 0.1% of new apps are covered by major tech or general news publications. And even the apps that do get coverage, either do that through hiring a PR agency (thousands of dollars a month), have great connections, or just have incredibly amazing apps. To get coverage for an app, being very good is not enough. The app and its story have to be amazing because there are already thousands of good apps out there. The bar of quality to get publicity for an app is quite high.

Here are 11 strategies to get publicity for your app:

1) GET FREE PRESS WITH HARO *

HARO stands for Help A Reporter Out. It is a service where reporters post inquiries about articles that they are writing. If you can become a source or answer any questions during their research, the journalists will credit you as the source in the story and link back to your site. That will help you get immediate publicity for your business as well as get you links from great websites. And that should help your SEO (search engine optimization) efforts as well.

2) CREATE A PRESS RELEASE AND SEND TO HUNDREDS OF PUBLICATIONS USING PRWEB or PRLOG

press release

PRWeb is the world's #1 news release service. PRLog is another very reputable press release service. They provide lots of free guides and tutorials for how to write press releases and get press coverage. Even their paid products are very affordable. They are certainly much cheaper than hiring a PR firm. They help you create a press release and then send it out for you to thousands of publications.

3) USE YOUR CONNECTIONS

A great way to get publicity for your business is to use your connections in the industry. People whom you know may know journalists, bloggers, or people working at various publications, and can put you in touch with journalists. That can help you get a story about your business published. But few people have those kinds of connections. If you do not have those kinds of connections, you can begin building them as early as possible. Just make sure to ask your friends. You never know who may know someone that can help and it never hurts to just ask. You might just be surprised by the results.

4) BECOME FRIENDS WITH JOURNALISTS AND BLOGGERS

Since you know that you will eventually need to get press coverage and publicity, research the journalists and bloggers who are writing about your industry. Try to create relationships with those journalists online since they are probably not all located in your city. And try to do that before you actually need the press so you can build a little bit of a business relationship with them before you have to ask for a favor. Just about all journalists and serious bloggers use Twitter so follow them on Twitter and interact with them. Leave intelligent responses on their articles. And when the day comes when you will need

press, they will know a little bit about you, and will be more likely to consider writing an article about your business.

5) HIRING A PR AGENCY

Big and mid-size businesses typically hire a PR agency or an in-house PR team. That works great for getting press, but a PR agency typically charges \$10,000 per month on retainer. That means you would have to hire them for longer than a single month. So this is not an option for most small businesses. But once your business matures to the point where hiring a PR agency becomes affordable, it is a great option. A good PR agency can get your business publicity in top publications and sometimes even television.

6) GET PRESS FROM BLOGS AND SMALLER SITES

Try to reach out to bloggers in your niche. If you can, offer them something for free (maybe a sample of your product or service) so that they write a review about your product or service. Many bloggers are much more approachable than large publications. So if you have a hard time getting press coverage from the really large sites, try to get publicity from bloggers in your business niche, or bloggers that blog about business in your local area. Each time a blogger covers your business they not only give you publicity, but they also link to your website which helps your SEO.

7) GET PUBLICITY WITH PODCASTS AND RADIO SHOWS

Appearing on podcasts and radio shows is another great way to get press coverage. Just like HARO is for journalists, a site called RadioGuestList.com is for podcasters and radio show

hosts to look for guests. The RadioGuestList.com website sends a daily email listing podcasts and radio shows who are looking for particular types of guests. If your business background matches what the podcasters are looking for, you can email them and try to book an appearance. Many radio shows and podcasts also have websites on which they typically post show notes. If you get yourself an appearance on a podcast, very likely that show will also post an article about the episode with a link to your website. That can also help your SEO.

8) PRESS COVERAGE BY GUEST BLOGGING

In case bloggers do not want to cover your product or business, you have another way to get publicity from their blogs. You can ask them if they would accept a guest post. You can try to write a guest article that would appear on their blog. In a guest article, you can link to your site. That may help your SEO, and potentially get you clients who may come from those blogs to your site.

Few suggestions on guest blogging: make sure that the publication in which you are trying to place a guest article is in the same business niche as your business. The content must be relevant to their readers and your audience. Additionally, don't over-do it with guest-blogging. A few times a month on different publications should be max. And always try to guest-blog in high quality blogs. Don't waste time placing articles in tiny blogs or low quality websites because they will not get you traffic, and the links from them will not be valuable for SEO.

9) STAND OUT AND BE EXTRAORDINARY

One thing to always keep in mind and think about is how your business can be or seem unique, interesting and unusual. When your business stands out, you are more likely to naturally get noticed and get press coverage.

10) PUBLICITY BY JOINING PRESS CLUBS

Every major city has a press club. If you are a business owner, you can go to the press club in your city and meet various journalists there. You can tell them that you are a source. A source is the term journalists use when they describe an expert or someone who contributes to their stories. If the journalists in your local press club use you as a source, they will credit you in the articles they write by mentioning your name and your business. That will not only give you publicity, but will also help your SEO efforts because they will also link to your website or blog in their story.

BONUS 11) PUBLICITY STUNTS TO GET FREE PUBLICITY

Another strategy you can use to get free publicity is to use publicity stunts. You can do something extraordinary and unusual that grabs attention. This is very similar to Seth Godin's concept of the purple cow where you should do something unique and extraordinary to stand out and get attention.

iii. Social Sharing From Social Networks

Most people understand that they need to be marketing via social networks, but do not quite manage to do that effectively. There are two general keys to effective social media marketing:

- 1) Leveraging social media influencers in your niche.
- 2) Expanding how broadly you think of social media marketing because social media marketing isn't just posting to Twitter and Facebook. It is something that is far broader.

To think about social media marketing more broadly, consider that blogging and guest blogging is also part of social media. Additionally, think about sites like Quora, Reddit, HackerNews and other sites in your niche where content is shared.

If you are in your business for the long-term, when you think about social media, think about how you can position your business and yourself as the thought leaders and an authority in that space. That can happen by either getting publicity or by establishing your own following on large social media sites.

iv. Social Sharing And User Invites Generated From Inside Your App

As your users use your app, there will be some things that they can do with friends or people they know. That can be playing a game together, sharing content, or as the case in my business plan apps, writing a business plan, marketing plan or a fundraising plan together.

Whatever features you create, think about whether people would want to use those features with people they know. Enable those features and you will get some lift in downloads from your users bringing you new users.

Always try to think about features that become better if used with friends. If you can get your apps' current users to invite

their friends into your app, that can give you a very nice boost in downloads.

Think about a game like Words With Friends. One person who loves playing that game can invite hundreds of their friends over time. Then those friends can invite their friends, and over time a single download can generate hundreds or thousands of other downloads. This is the ideal scenario for mobile apps. Your job is to think about how to position your app to make that kind of user behavior natural. What feature can you build that will make it natural for your app users to invite their friends to download your app?

v. Website Promotion

Your website should also be generating downloads for your app. You can drive people to your website via Google SEO, social media, answering questions on Quora, posting content on Reddit, participating in other sites within your niche, or via many other strategies. Many app developers treat their website as a big landing page that has a big download button. But there is so much more you can do with your website. If you start creating content which also promotes your app then you can promote that content all over the web and generate downloads with each piece of content you produce.

You should optimize each page of your site for app downloads by adding big buttons that are calls to actions for people to download your app.

There are two options for where your blog can exist. You can maintain a blog on your site, or you can have an entirely different site for your blog like I do with GlowingStart.com and

Problemio.com. The advantage of having a different site is that you can try different promotional strategies on the two different sites, and compare results. Plus, the topic of your blog will only loosely need to match the topic of your app, which will give you more creative freedom. The bad thing about having two websites is that you have to do everything twice. The SEO has to be done for two sites. Plus you have to maintain two sites which ultimately doubles your work. So be weary of that.

vi. Cross Promote And Partner With Other Apps And Websites

This is one of my least favorite approaches, but it can work. Simply find partners that are willing to cross-promote with you. You can drive people to them, and they can drive people to your app. These can be mobile apps, websites, podcasts or anything else. The key is that you should get as much exposure as you are giving to your partners. Remember, whenever you are sending one of your users out of your app, and toward your partner's app, you are killing engagement of your app, which is damaging to your app store optimization (ASO). For that reason, this is one of my less favorite approaches. So think twice about whether you want to do this.

vii. Pay For Advertising

You can certainly get downloads by paying for ads on mobile apps and websites. This can be very viable, but only once you have established and proven your revenue model and overall business model.

Keep in mind that your business model is not your revenue model. A revenue model is just a part of your overall business

model. Your business model is all the moving parts of your business (marketing, monetization, various costs, etc.) and how they play together.

If you are able to generate enough revenue per customer to cover the costs of buying new customers via ads, then paying for advertising is very viable. But for most apps that are starting out, this isn't the best option.

viii. Email Marketing And Growing Your Email List

As part of maintaining a blog or via features inside your app, you can collect the email addresses of your users. That will enable you to get instant exposure for whenever anything noteworthy happens and you need to make an announcement about it.

For example, if you have an app update, a new blog post, a new YouTube video, release a new app, or anything else, you can send an update to your email list and drive them to your new offering. In addition, you can also make money from your email list by notifying them of things you are selling, or other kinds of offers.

iv. Speak At Events

Speaking at events can be beneficial to your business in a number of ways. Of course, the obvious benefit is that the audience may download your app. But that is only a minor benefit compared to the full potential of speaking engagements.

If there are reporters in the room, they may include your app in their story. And if there are bloggers in the room they may blog about your app. That will get you links for SEO and possibly give you a social media boost. Additionally, the conversation of the evening will be focused on you and your app, which can result in plenty of feedback about your product, further introductions and beginnings of interesting business relationships.

v. Create A YouTube Channel

Having a YouTube channel may not immediately make sense, but it actually makes amazing sense for a number of reasons, especially if you are planning to stick with your app as your main business for a long time.

First, YouTube is the second largest search engine in the world. Many potential new users can discover your app on YouTube, and you can drive many of those potential users from YouTube to your app.

The next best thing about YouTube is that its videos can be repurposed in many ways. If you want, you can place your YouTube channel inside your app. Having videos people can watch inside your app will help you increase time spent on the app which is an app store ranking factor. You can also embed the same videos on your website, which will increase the time people spend on your website, and possibly the ranking of some of your pages that have your YouTube videos.

Additionally, your YouTube videos may show up in actual Google search results if your website doesn't. And if all that wasn't enough, YouTube videos are more likely to be shared because people like videos and it is often easier to consume

video content rather than read text. Plus, if all else fails, you can make money with YouTube videos by placing AdSense ads on them.

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YouTube is possibly the most versatile social media platform. And your videos can be used for many purposes.

One advanced YouTube tactic you can try if your app is a game is to put videos of how to play your game well right on YouTube. That can funnel some of the app users to your YouTube channel which will help you grow your YouTube channel. And once you grow your YouTube channel, you will be better able to drive new potential app users from YouTube to your app.

vi. Keep Your App Freemium

Have you noticed that most apps in the app stores are free? That isn't because developers don't want to make money. It is because the app stores make it much easier to promote free apps. And by virtue of that, paid apps never end up ranking well in app store search, and most consumers never discover most paid apps.

So the common approach is to make your app free to download. Making the app free to download helps to make your app more competitive in search and makes it easier to promote your app. Once your app is competitive in app store search, and is getting downloads, hopefully you will be able to figure out how to make money from your users. Check out the article on the freemium business model to learn more about its benefits.

vii. Google Search (SEO) For Your App Store URL

I saved this tricky strategy to get downloads for last, and it is a good one. While you cannot track how many people click or see your app's URL in Google search (not your website URL, but the Web URL of your actual app which is the web iTunes or GooglePlay listing of your app), it does show up in various searches and you can do SEO for that URL in order to get it ranking well. In fact, your app's iTunes or GooglePlay URL will often outrank your website because it is on a very authoritative domain which is iTunes or GooglePlay. So try to see what keywords your app URL ranks for, and try to point some links to it in order to get it to rank well in search. The simplest thing to do is to write a number of blog posts for your blog, and in each of those blog posts to link to the app URL.

viii. Establish A Presence On Any Large Platform

Just like establishing a YouTube channel may be a great way for you to generate downloads for your app, any other large platform may be equally as good as long as you are able to establish a large presence on it. Think about what platform may have the most natural audience for the kind of app you have.

xiv. Become A Great Marketer

Whether you plan to work on the current app for years, or build other products, whenever you build something in the future, you will need to promote it like an absolute pro in order to maximize the sales of whatever you are promoting. The better you become at marketing, the more products you will sell. For that reason, invest some time and effort into becoming a great

marketer. It will help you for the duration for your entire career, far beyond the current app project.

xv. If Your App Is Android, Release It On Multiple App Stores

There are many Android app stores. There is one for China, one for India, and many smaller app stores. The Amazon Kindle also has an app store where you can add your Android apps.

The biggest factor in deciding whether to post your app in other app stores is how your app makes money. If your app makes money with ads, you can display those ads to people all over the world, and it makes sense to post your app in app stores of different countries. On the other hand, if your app makes money by selling in-app purchases, you will have to implement the in-app billing differently for every app store on which you plan to post your app. If you post a slightly different version of your app on many different app stores, it will cause you to have a management nightmare because you will have to make a single app update many times, one for each app store version. This can slow down your development process, and hinder product improvement over time since you will have to allocate resources to maintenance more than development.

xvi. Post On Forums

Posting on forums and telling people about your app can be pretty powerful. Just don't confuse participation on forums with blatant forum spam. What you don't want to do is join many forums, and then put links to your app on all of them. People

don't like that, and there is a large chance that your posts will be deleted if you are perceived as a spammer.

Instead of aggressively posting links to your app on forums, start by becoming a valuable contributor on forums where your potential users hang out. Gain some trust on forums first, and once you are a regular member there, you can sometimes point people to your app.

xvii. How To Ensure That You Get Good App Reviews

Mobile apps live and die by user reviews. If an app has good reviews, new potential users see that, and download the app too. If the app has bad reviews, new potential app users see that, and because the reviews are bad, avoid the app. Thus, having bad reviews decreases the number of downloads your app will have. And having fewer downloads will make you weaker in the app stores in terms of ranking because your competitors will have higher accelerations of downloads, and will beat you on this metric. This will help them jump over you in the app store rankings over time.

Now that you understand just how necessary it is to have amazing reviews of your apps, let's discuss how you can ensure that your app has great reviews.

Apps that are successful at getting good reviews typically have one thing in common. They ask users to leave reviews. There is a little bit of an art form to asking users for reviews. You must ask users to review your app when they are very happy with your app. If you ask users to review your app at random times, you will get good and bad reviews. But you only want the app to have good reviews. That means that as the app

developer, you must know enough about your user experience to know exactly when your users are happiest with your app. For most apps, it is when your users have been using your app for a while. They can't possibly hate your app if they are regular users of the app, right?

Another instance when it might be a good idea to ask users for a review of your app is when they have an aha moment, or get what they need out of your app. For example, in my business plan app, I ask users for a review when they finish reading the tutorial for how to write a business plan. The assumption is that if they get to the end of the content, they must have felt like they were getting something out of it. Otherwise they would have quit reading in the middle of the content. This assumption proved correct, and over time, I have gotten hundreds of 5-star reviews from that exact spot of my app.

Another thing you can do is to get your friends, business partners, and family to use your app and give it a 5-star rating if they like the app. Additionally, many app developers buy 5-star reviews from app marketing agencies. I don't recommend doing this, but many app developers do use this tactic, and it works very well. Google hasn't started penalizing this tactic yet, and the positive reviews influence future potential users to download your app. Of course, if Google or the Apple app store ever decide to start penalizing this tactic, you might be in trouble. So do this at your own risk.

xviii. How To Avoid Bar Reviews In The App Stores

Every app developer or app entrepreneur wants to avoid bad reviews of their apps in the app stores. A user may give your app a bad review, leave, and forget about your app. But this

bad review will damage your app's reputation for the lifetime of your app, doing its part to discourage new people from downloading your app. So any bad review you can avoid will translate directly to you getting more downloads, and generating more revenue from the maximum potential downloads.

Of course, it isn't possible to avoid 100% of the bad reviews that may come your way, but you can avoid a very large portion of the potential 1-star and 2-star reviews that you may potentially get by following a few simple strategies.

The first and most obvious strategy is simply to make sure that you have a good app. I realize that this goes without saying, but mobile app users tend to be especially finicky. They expect even free apps to function perfectly. If your app isn't useful, or if it crashes too frequently for their liking, they may give your app a bad review. So put a lot of focus on ensuring that your app satisfies your customers above and beyond their expectations.

I tell entrepreneurs to make sure that their app is as good as it can possibly be, without crashes and with good usability. But it is easier said than done. Many apps that are made by new app entrepreneurs whom I coach in my coaching practice aren't as good as users need. First-time entrepreneurs especially need to have this point emphasized many times. Product quality is one of your most important marketing tools. If it is good, people will recommend your app to friends, and leave good reviews. But if they don't like the app, they won't recommend it to friends, and leave bad reviews, which will discourage future potential users from downloading your app.

Once you are certain that your users love your app, and that all the major bugs are fixed, you can focus on other tactics that will help you decrease your bad reviews. The first such tactic, since you will never fix all the bugs in your app, is to add your tech support email address to the description of your app. I like to leave it as the last line in my app's description in the GooglePlay and Apple App Store. Some of the people who experience technical problems with your app will see your tech support email address as they try to leave a bad review in the app store, and email you for help instead of simply giving your app a bad review and disappearing.

Another strategy to make sure that you minimize your bad reviews is to ask for reviews in parts of your app that are less prone to bugs and where you are certain that your users will be happy with your app. In the case of my business plan app, for example, I added content articles which are tutorials for how to write a business plan. These articles are helpful, and are not prone to bugs since it is just content and not a tool where bugs can creep in. Conversely, I deliberately did not place any calls to action for users to add reviews of the app in the actual business planning part of the app because if the users disliked the usability, or the server was down, they may leave bad reviews. I just didn't risk asking for reviews there.

Another strategy to minimize bad reviews may be one that you find surprising. Whenever you or your business interact with anyone online, make sure you come across as positive and non-controversial. You never know who you might anger online. And if you get into an argument with the wrong person, and they decide to slander your work, your app will pay the price.

Another strategy to minimize bad reviews is to not put too many ads on your app, and to upsell anything in a non-pushy way as much as possible. If your users take offense at your ads or overly ambitious promotion of anything else, they may leave a bad review in the app store. This point goes hand in hand with making sure that your app is not overpriced for the perceived value that the user thinks they are getting. If they think they paid too much, they may leave a bad review.

xix. How To Boost Social And Engagement Signals Of Your App

The app stores collect various data about how users use your app, and gauge the app's quality and relevance to people's needs from that data. That data is called engagement signals and social signals. They track how engaged users are with your app in various ways.

Every app developer wants to increase the time users spend with their app. It is a great proof that the app is a good product, it helps with app store rankings, and the more time people spend with an app, the more likely those users will warm up to the idea that it is ok to spend money buying something on the app. I'll share some of the things I did to help my apps have better social and engagement signals than my competitors.

The first thing I did that helped my apps get great reviews in the app stores and increase the social engagement on the apps is I enabled chat. I added a feature to the apps where users who were planning a business (since it was a business planning app) could ask me questions, and I would answer their questions right on the app. Sometimes we would get into long conversations and many questions would follow people's

initial questions. Each comment, of course, meant that they would have to open the app (engagement signal) and write a comment (extra time spent on the app which is another engagement signal). But the best part of this was that my users truly got amazing personalized help planning their business. No software can give personalized advice as well as a person can. Because of that, people were thrilled about the kind of help they were getting from the app, and were leaving great reviews about the app (social signal). This single feature helped the app boost many of its social and engagement signals. Whatever your app might be, if you can add some sort of an interaction either between you and your users, or between your users and other users (this is even better because you don't have to be involved), it can help you boost your engagement signals quite a bit.

Another thing you must include in your app are sensitively conceptualized push notifications. Push notifications can feel very intrusive to users so you must be very careful not to overwhelm or spook your users with push notifications because if you do it will backfire, and they will delete your app. Your push notifications must always be welcomed by your users. To accomplish that, you should only alert them of things they opted into, and that they truly look forward to. In the case of my apps, I only use push notifications to alert people when they are getting help with their business if they requested help or asked a question. Every time you get a user back on your app, it is a little win for your app store rankings. But be careful not to overdo it with the push notifications. If they annoy your users, those users will delete your app, and you will lose any ASO benefits or any chance to make money from that user. They may also leave a bad review. So be very careful with how you use push notifications.

Ideally you would make users talk to one another instead of with you because your time will need to be spent on other jobs related to growing your business. Think of features you can add to your app where users engage one another. It can be something like a turn-based game where every time it is a user's turn, they get a notification. The game itself can engage users by giving them extra free points every day with the user having to open the app to accept the extra points. That gets the user to open the app daily, and gets them to re-engage with actually using the app. Messaging features have this advantage "built in" because every time a user gets a message, they get an alert that they need to open the app to see the message.

You can notify users in two ways. You can use email or push notifications. Push notifications are more effective to get users into your app, but you can't use push notifications in every case. When you can't use push notifications, fall back on plan B, which is notifying them via email. On Android, users must opt into push notifications when they download the app, and on iOS, users have a choice of whether they want to receive push notifications from your app, after they download the app. There is an important nuance here when it comes to the Android platform. To enable push notifications, your app must require extra permissions. Some of these permissions may feel intrusive to your users, and they may decide not to download the app due to the extra requirements. So when you add push notifications, make sure that they bring a significant enough amount of benefit because to enable them, the extra app requirements will cause a slight decrease in your overall download numbers. Just keep that nuance in mind when you are making the business decision of whether to enable push

notifications on Android. Although push notifications are more effective at getting people back into your app, there may be some cases when it makes sense to decide to notify users via email instead.

Inviting friends is another strategy that can help you boost your engagement signals. Adding such social features to apps is great because it helps you to get more downloads. A great side effect of inviting friends and getting more downloads is that your download acceleration goes up. App stores track that, and you begin to outcompete your competition on this metric. Social sharing isn't just great because it gets you more app users. It has further benefits because it helps you rank better at the same time.

Another interesting trick I like to use in my apps is adding video that can be watched right inside my apps. If an average session length for an average app is about a minute, and you get people to watch a video that is five minutes, you just increased your app session length average, and thus beat your competition on that metric. In my own apps I took this to an extreme. Since my apps cover business ideas, business planning, marketing and fundraising, I started a YouTube channel covering these topics in amazing depth. Over the past year I have been releasing at least one YouTube video every day. Sometimes I released two or three videos per day. After a year of doing this there are 500 videos on my YouTube channel, all of which can be viewed on my apps. Since I released a video every day, it meant that the app had fresh content daily, and that gave people a reason to open the app daily to watch the videos. This helped me raise a few engagement metrics. My users were re-engaging with the app daily. They were deleting the app much less frequently, and

when they did watch the videos, those sessions were at least a few minutes long. Additionally, many of my app users ended up subscribing to my channel on YouTube, and helped my videos become more prominent on YouTube. That helped me grow an independent large presence on YouTube that I then funnel back to download my apps, or sell any other product I have.

A fascinating thing about YouTube is that the audio from the videos can be taken and made into a podcast. This way you can increase engagement on your app by embedding your podcasts just like you embed your videos, and also grow a presence on iTunes that you can then funnel back to your apps, just like you did with YouTube.

If you are curious, check out my YouTube channel here:
<http://www.youtube.com/user/Okudjavavich>

NOTE: One important nuance to keep in mind is that you must embed the podcasts or YouTube videos right into your apps. Don't just link to that content and allow users to go off your app to YouTube, but make sure that people are watching while they are still on your app. If people leave your app to consume that content, this will not help your engagement metrics. In fact, it will hurt your engagement metrics because people will be leaving your app. So YouTube or podcasts have to be embedded as a part of your app. To see how I did this with my apps, you can check out any of my apps on <http://www.problemio.com> and use my example to guide how you embed this feature into your app.

Another tactic you can use to improve your engagement metrics is adding written educational materials or tutorials.

This doesn't apply to games, but if your app is a utility or a business app, or an app that serves some other practical purpose, most likely your app users can benefit from a little bit of an education about the subject matter. Consuming written content will also serve to increase the time your users spend on the app just like with watching videos or listening to audio content. Written content is also great because you can code that it your app, and your users won't need an Internet connection to consume that content like they would if they wanted to watch a YouTube video or listen to a podcast episode. Plus, if you have written, audio, and video content on your app, you can be sure that you are satisfying many different kinds of people. Some people prefer to read while others prefer to listen while other prefer to watch. Now, no one can complain that you don't have something for them.

I've mentioned it earlier, but if you can make it so that there is constant new content being generated on your app, your users will log in and explore that new content on a regular basis. Every time they open the app, you get a tiny boost in ASO to help your app rank better in the app stores. Let's recap the strategies for how to continuously get new content. You can engage with users personally (it can be powerful, but I rarely see this on apps outside of my own apps), users can engage with each other, and you can create original content that your users can consume. The more this can be done without your direct involvement the better, because it will save you time to work on other things related to your app.

Lastly, I want to go over the advantages of having a marketing budget. If you are able to pay to enhance some of your marketing efforts, your life as an app marketer can be much easier. For example, remember how increasing the

acceleration of downloads can help you boost your engagement signals and give you an advantage over your competition in app store rankings? What if you were able to afford either hiring a PR agency or paying \$1 per download (that is close to the going rate) for thousands of downloads? If you are an individual developer or a part of a small team, you probably can't afford that yet. But consider that if you decide to compete in any competitive niche, some of your competitors will have deep pockets, and will be able to superficially boost their engagement signals by paying for downloads this way. For your part, you will only be able to pay to advertise at rates that are sustainable. That means paying less per download than the revenue your app generates per download. And that usually is far less than richer companies can afford.

xx. 3 Ways To Launch Your App

Launching your app is one of the most exciting moments in your journey as an app entrepreneur. There are only a few other moments in your journey as an app entrepreneur when things will get more exciting. Those moments will occur when you figure out how to get the hyper growth you are after, when your revenue and profitability will reach and surpass your goals for your app, and if it happens, when you sell your app for a lot of money. It is fun to dream, isn't it? For now, let's come down to earth from the clouds for a little bit, and make sure that you get your app's launch right.

There are 3 ways to launch your app. You can do a quiet launch (this is what I did), a launch with lots of publicity and attention, and an extra loud launch on stage at a conference. Let's cover all three in detail.

SOFT LAUNCH FOR YOUR APP

A quiet launch (sometimes called a soft launch) is a launch during which you simply make your app available in the app stores of your choice, and only tell your friends, family and some professional contacts about your app's availability. A small number of people will also find your app in the app store.

The point of a quiet launch is to have only a small set of users who will be your initial beta user group. This is crucial because you will need to observe how they use your app, and use analytics to get an understanding of how your initial users are using your app, what they like about it, and at which points of the app users quit using your app. Doing this will give you insight about where your app is strong and where it is potentially weak or buggy. The idea behind doing a quiet launch is to find as many places where your app can be improved, quickly improve it, and quietly release an update of your app with appropriate fixes to do more testing and monitoring of your users to determine next areas of the app that need to be improved.

Frankly, the iterative process of improving your app should never stop, and you should always devote resources to improve your app in the manner I just described. After all, product quality and customer satisfaction is one of your biggest assets when it comes to creating a great business.

Nevertheless, at one point you will wake up and realize that the app has been improved enough to be promoted to a wider audience. This is when you can start thinking about doing a big launch with publicity.

HOW TO DO A BIG APP LAUNCH WITH PUBLICITY

Throughout the soft launch of your app you should be creating relationships with journalists who cover apps, bloggers who cover apps, podcasters who cover apps, mobile app review site editors, other app entrepreneurs, and YouTubers who focus on apps. If you are successful at getting them excited about your app, when you are ready to do a big launch of your app, you can reach out to them and tell them that on a given date you will launch your app. A few of those people will promise to help you, and suddenly you have your launch date set, on which you can get a boost from extra publicity. If you are able to allocate a marketing budget for your app, it will go a long way to convincing people to help promote your app on their platform, significantly boosting your launch efforts.

Just launching your app and getting publicity isn't enough though. You need further strategy and goals. Since, as you already know, most apps rely on app store search for many of their downloads as their main long-term marketing strategy, you need to incorporate that into your launch strategy by positioning your app to get a search rankings boost from your big launch. To position your app to do well in search, you must have a good title and description that target relevant search terms by which users will find your app in the future. And you can use the publicity and download burst from your launch to get your app to rank for those keywords because one of the metrics app stores use to generate search results is the acceleration of downloads for apps.

Let me explain this a little bit further. Remember how app stores track metrics like app download accelerations, positive reviews, and time spent on the app? Well, this is your chance

to boost your app download acceleration by orders of magnitude via the publicity during your big launch. You may be wondering how the publicity will help to increase the time people spend on your app. Publicity won't help that on its own. This is where your soft launch and your beta testing should play its part. User engagement is one of the core aspects of your app that you must work to improve during your beta testing.

Ideally, by the time you do a big launch of your app, user engagement should be in a good place. If your publicity efforts result in hundreds or thousands of extra downloads, it should (no guarantees) help you immediately relatively good rankings in app store searches. Of course, if your app is in a very competitive niche, it won't be that simple. Nevertheless, this is the strategy to give your app a nice rise in app store search rankings from the beginning, by having a great launch.

The kind of a launch I just described should go a long way to getting many downloads and helping your app rank well in app store search. Nevertheless, it doesn't always work out perfectly. App entrepreneurs sometimes come to me after doing a launch like this, and ask me why their app isn't ranking well. Most of the time the problem is easy to spot. The most common issue is that there is a big disconnect between what the app developers or app entrepreneurs think is a point where their app is good, and the opinion of their users. When I download the apps of those entrepreneurs to have a look for myself I can immediately spot places within the app where users would get confused, and stop using the app. Often, since their app is new, the app is so poor that is it barely even usable.

If I have not mentioned this before, and now is a good time. Confusion is one of the biggest reasons users quit using apps (or websites). It might seem harmless to us as app entrepreneurs, but when users are confused, they subconsciously feel stupid and bad about themselves. That causes them not to go back to the product that made them feel this way. You might think that they should just spend a little bit more time trying to figure out how to use the app, but many of your users simply won't do that. They will just quietly quit without telling you why. Some of those users will tell you about it by leaving a bad review about your app. You certainly don't want to find out about why they quit your app this way.

You must be very careful to make sure that your app usability does not confuse people at any point of using your app. This is easier said than done. To be completely honest with you, I still have spots in my apps where users get confused. Despite me knowing where my users get confused, to fix or improve those areas isn't always easy. It often requires rewriting a large part of the usability without guarantee that the next version of the software will be any more user friendly. Nevertheless, as much as possible, try to minimize confusion points within your app.

When your app's usability is smooth and has minimal confusion, and you are able to accelerate downloads, you should be in good shape in terms of app store search rankings as long as your app is in a niche that is not ultra competitive.

BIGGER APP LAUNCH: PRESENT YOUR APP AT A CONFERENCE

There is one strategy to take your big "launch with a boom" and amplify that boom further. That strategy is to launch your

app on stage at a conference. I realize that this isn't an option for most app entrepreneurs, but if your app is unique and intriguing enough, consider applying to launch at the Launch conference hosted by Jason Calacanis, the TechCrunch Disrupt conference, any of the other major technology and app conferences, or a conference focusing on the particular business niche of your app. Presenting on stage will not only expose your app to the immediate audience of the event, but it will also inform all the reporters in the audience about your app, amplifying the chances of getting press coverage in the publications for which they write.

Chapter 3: How To Monetize Your Mobile App

Monetizing your mobile app is probably the most difficult part of creating a successful mobile app business. The focus on monetization should begin during the business planning phase before you even write your first line of code. There should be natural, apparent, and proven ways for how to make money from the mobile app you are planning to create. Having said that, the best time to put most of your focus on monetization is when your app begins to consistently get many downloads. If your app has many downloads, that is when you are going to be able to make any kind of significant revenue from it.

i. Should A Mobile App Be Free Or Paid?

The trend for mobile apps is to be free. More and more apps are free, and the app store ecosystems are geared for apps that are free to get more exposure, and ultimately win. Just imagine, if you are scrolling through apps, are you going to try the free ones first, or the paid ones? Nearly all consumers first try the free option first, and rarely get to the paid option. When

you have a free and a paid product next to each other, most consumers gravitate towards the free offering first.

Most apps today (and increasingly so in the future) will be free and operating under the freemium business model.

ii. How Much To Charge For An App

All mobile app entrepreneurs are faced with the issue of how much they should charge for their apps. It is a difficult question. The answer lies in experience, savvy, and experimentation. Let's explore some of the thought process behind finding the ideal price for your mobile app.

APP STORES PREFER FREE APPS

First thing is first. The trend in app stores is to make apps free. It is much easier for free apps to get exposure and downloads. Free apps get exponentially more downloads than paid apps. For that reason, the free apps make more money than paid apps because free apps can be monetized in a variety of ways like ads, in-app purchases, selling affiliate products, and much more.

The problem with making your apps free is obvious. As the developer, you probably prefer to make money from people paying you. You didn't slave over your app just to give it away. And there is no guarantees that your free app will be lucrative because it is entirely up to you to experiment with different monetization strategies inside your free app, and there is no guarantee that you will ever find a great monetization strategy that is as effective as you need.

WHEN IT MAKES SENSE TO CHARGE MONEY FOR YOUR APP

Despite the app stores ecosystem pressuring developers to make their apps free, there are many different situations when you should make your app a paid app. Let's consider them in no particular order.

One case when you can make your app paid is if you are able to get distribution from another platform. For example, if you have a large YouTube channel, you can funnel people from YouTube to buy your app. If you think about it, the whole point behind making your app free is to put it in a position to get downloads. If you get mass distribution from any other platform, and are able to funnel people from there to your app, you can make your app paid.

Another instance when you can make your app paid is when you don't have the desire or resources to experiment with in-app monetization strategies. It can take a significant amount of your resources (time and money) to find an effective in-app monetization strategy, and there is no guarantee that you will ever find one. For that reason, you can just make your app paid.

Another case when you can make your app paid is if it is something very unique. For example, there is a famous app that lawyers use to study for legal exams. That app is paid, and it is expensive because it is a one of a kind app.

Another instance when an app can be paid is when you sell it to your existing customers as a product in your product line.

Another instance when an app can be paid is when the niche in which you are competing in is not competitive, and the app does not need to compete in the app store against similar apps that are free.

HOW MUCH TO CHARGE FOR YOUR PAID APPS

Apps live and die by their reviews. What that means for your app price is that your users must be certain that they are getting a good deal when they buy your app. So you are forced to maintain low prices. The lowest price range is the \$0.99 to \$1.99 with 2.99 already considered mid-range for app pricing. These prices are very problematic because it is difficult to get people to open up their wallets, and when they do, you are only able to extract a few dollars. If a customer is ready to spend more money with your business, you have no way of making that happen.

For an app to be \$4.99 or above, it should be quite special, or consumers will revolt by posting reviews that are not very good.

iii. Making Money With Ads

No matter how you spin it, your users will dislike (or sometimes hate) the ads that you put in front of them. And if users hate your ads, the reviews they will give your app will be a little worse than if your app did not have those ads. That is just a reality of monetizing your apps.

If you decide to use ads, you can use banner ads, interstitial ads, ads to download other apps, or in-content ads that don't look like ads, but rather look like your own content. The ladder

two are my favorite strategies, and ones that I recommend if you decide to publish ads on your app.

The effectiveness of an ad's monetization is measured in CPM which is the money you earn per 1,000 impressions of that ad. When you hear different vendors talk about the effectiveness of their ads, they will most often refer to the CPM.

Let's explore the different ads you can use to monetize your app. While I discuss different ad types, I specifically do not mention any companies or vendors.

Banner Display Ads

The simplest and most familiar type of mobile add is the rectangular banner ad that appears on the screen while users use your app. Web and mobile users are well trained to avoid that ad, and develop a certain ad blindness to this kind of an advertisement. Almost no one clicks on such ads, and when they do, a large part of those clicks are mistake clicks where the user meant to tap on something else, but hit the app instead due to the small screen sizes of mobile phones. These ads are usually disliked by users, earn low CPMs, and result in decreased engagement and reviews for your app.

Interstitial Ads

Interstitial ads are ads that pop up when you are in the middle of doing something like going from one screen to the next. They monetize a little better because they are more "in your face" to your users, but that is also why most of the time, users hate those ads with a passion. A very large part of mobile users scramble to find how to close that ad as soon as it

appears. I personally do not recommend using such ads as I had very poor results when I experimented with putting them on my apps. Nevertheless, many app developers use them because they can be more effective than basic display ads.

Ads To Download Other Apps

One typically effective way to use ads on your app is to advertise other apps on a pay per install basis. A typical install, depending on the kind of app it is, can earn payouts of a few pennies to a few dollars. If you can promote the more lucrative apps, this can be an effective monetization strategy. To find such offers, just search for "Pay Per Install" or CPA mobile advertising firms.

In-Content Ads

Another kind of ad that I like doesn't look like an ad at all. It looks just like the rest of your content. You can promote anything you want with that kind of an ad. It can be in-app purchases, your other products, or affiliate offers. The key is to make the text explaining the offer, and the button that links to the offer to look like it naturally belongs in your app, and is a part of your content.

For example, one of the products I offer on my apps is for people to create a website. Most people starting a business need a website. So in my apps, I made a tutorial for how to set up your website for free and without needing technical help. My users like this article because it is truly helpful. A part of that tutorial focuses on web hosting, which is something all website owners need. There, I suggest a particular hosting company, and link to it. It is helpful to my app users, and it is a

natural thing to promote in my apps. My users appreciate it, and I get to make money. That is the ideal way to create an in-content ad.

iv. Making Money With Affiliate Products

You can sell products made by other companies, and earn a commission. That is called affiliate sales. For example, since my apps are made for entrepreneurs, many entrepreneurs need websites for their businesses. And it is a very natural thing for me to offer them services like website hosting. It is something they need, and appreciate it when I make a good recommendation. And at the same time, I get a commission for helping people. It is a win-win situation.

v. Making Money With Affiliate Purchases

Android and iOS platforms allow for in-app purchases. Pound for pound, the best in-app purchases are subscriptions because they aren't just one time transactions. If a user stays subscribed to your service for years, that user can ultimately bring a lot of revenue to your business.

The biggest challenge is making sure that whatever in-app purchase you offer, it makes sense for your users, and is something they really want or need. If it isn't something they want or need, they won't buy it.

vi. Making Money By Selling Your Own Products

In the case of my apps, I sell my online courses, my books, and my coaching services. People don't mind it as much because I don't sell them via blatant banner ads. Plus, my

books and courses teach people how to start and promote their businesses, so they are very relevant to what the users got my apps in the first place.

vii. Making Money By Selling Services

In my apps, one of the things I sell is my business coaching. Since my apps are business apps, the apps are a way to show people that my apps and my help is valuable. People who feel that they get help from the apps, often want one on one coaching, and to be able to ask specific questions. I sell personalized coaching in two different ways. The first way I sell personalized coaching is as a premium feature. If people buy a paid \$0.99 premium app, they can ask me business questions over chat. It is a very affordable option. For those who feel that they need much more help, I offer business coaching over Skype, which costs \$50/hour.

If your app is some sort of a utility or business app, you can upsell your services from the app. Keep in mind that the app store economy makes consumers want things for free or for very cheap prices. So it will be difficult to sell an expensive service. Nevertheless, it is a very reasonable option.

viii. The Whale Monetization Pattern

Most mobile app users will never pay for anything on your app no matter how much they want or need the extra features that come with the purchase. That is ok. It is just a part of doing business. Instead of focusing on those consumers, it can often be much more productive to identify and focus on the consumers that do pay. People that do pay are interesting because some of them may be able to spend a substantial

amount of money with your business. The customers that spend a significant amount of money on your business are called whales because the amount they spend are whale-sized when compared to the rest of your customers.

Let's go over a popular pattern as an example of how some games use this whale pattern to extract as much money as possible from customers who are able to spend it. If you play mobile app games, you may realize that many of the games have an unlimited number of levels. There is no end to many of the games. You start out playing for free, and get hooked to the game because it is fun. People who get hooked eventually make it far enough in the game where they can't beat a certain level because the game just becomes too difficult. That is done on purpose by game developers. Once users are stuck on some level, they are given a choice to buy extra items or points to help them beat levels of the game for as little as \$0.99. Most people don't buy such items, but some people do. Once an individual has justified making such a purchase in their minds, making the same purchase again may not seem as a big deal. Guess what happens in the next level of the game. It doesn't get any easier. In fact, it gets harder and harder. To beat further levels these users have to spend \$0.99 again and again. Most people do this only a few times, and eventually stop. But some people who are hooked enough on the game have been known to spend thousands of dollars this way. These people are obviously rare, and their judgement and even emotional stability may be questionable, but they do exist. These whale users tend to account for the bulk of the revenue for many games out there even though they make up a tiny fraction of all the game players for a given app. There is also an ethical question of whether this kind of an approach should be used since it takes advantage of people's

psychological weaknesses. Nevertheless, this pattern is one way in which many mobile app developers have found a lucrative way to make money from their apps.

For your part, as a business owner, you must always think about ways to extract as much money from customers as you possibly can. It may not sound like the most ethical thing to do, but if you want your app or business to survive, your challenge is certainly to find paths to sustainable revenue sources.

ix. How To Maximize Your App's Revenue

Whatever your app may be, one of the most common sense strategies to maximize your revenue is to extend the relationship that your customers have with your business. The longer your users use your app, the longer they have to warm up to the idea of buying various items from you.

The first thing this means for your app is to think of features that can make the app something that your users use every day, and make a part of their daily habit. This isn't simple. Personally, I have been thinking for over a year about such features for my business apps, and while I've come up with features that satisfy this goal to some degree, honestly I am not happy with what I've come up with. I feel that I have not found the perfect killer feature. I mention this not to complain, but rather to illustrate how challenging this can be. For some apps such features are natural, but for some apps it is extremely challenging. So if you don't come up with such a feature quickly, don't be discouraged. Keep it in the back of your mind.

Once you come up with a way to make your app a part of people's daily habits or tasks, it becomes natural to sell a subscription-based product inside your app. The key to subscriptions is that once people subscribe, they rarely unsubscribe. It takes work to unsubscribe, and frankly, many of your users won't even be able to figure out how to unsubscribe. Think about how your local exercise gyms make money. They all work on the subscription model because many people exercise for a few months, quit exercising, but think that one day they will go back to exercising. So they keep their gym memberships. Because of this nuance, many business owners covet subscription-based revenue models.

If it doesn't make sense to create a subscription offer for the type of app that you have, there is another option that is nearly as good. You can simply create features that your users will want to come back to on a regular basis. That way you can people hooked on using those features without making them sign up for a subscription. A subscription won't be necessary if those people are naturally hooked to using a paid feature. The difference is that when those people stop being hooked, they will stop making the purchase whereas if they were signed up for a subscription, they would have to do a bit of extra work to unsubscribe, which is something many people wouldn't do.

Another way to make sure you put yourself into a good position to get your users to spend the maximum amount of money with your app is by offering multiple products. People who like your products are often open to buying more from your business. You just have to actually have something else to sell to them that they may want. In the case of my apps, they come as a 4-app series. 15-20% of the people who buy any of my paid apps go on to then buy at least one more of my

paid apps. That has been a very successful way for me to increase the potential revenue from users of the apps who are open to spending money on my apps. In fact, you don't stop there. Some people go through all 4 of my paid apps, and want more. For those people I offer courses, books, and my coaching. It rarely happens that a person gets my apps, books, courses and coaching, but every once in a while that does happen. When it does, that single person can bring hundreds of dollars of revenue.

Chapter 4: Additional Tactics And Strategies

i. Comparing Mobile App Stores: GooglePlay vs. Apple App Store vs. Kindle vs. Windows Phone Store vs. Blackberry vs. NOOK

There are many app stores to choose from, and it is difficult to focus on all of them equally well. Let's go over the pros and cons of each app store when it comes to monetization, marketing, and development.

As I alluded to earlier, the Android platform is a good choice if you want to quietly release your app, and make many rapid improvements to it as called for by the Lean Startup methodology of Eric Ries. If you are not familiar with the Lean Startup methodology, it is a very widely adapted theory on how to rapidly improve your product by getting market feedback, and iteratively improving your product. Android also has the most global users. What that means for you is that you can release your app on GooglePlay, and then easily port that app to other app stores like the Kindle app store, the NOOK app store from Barnes & Noble (if it survives), and many other Android-based app stores in other countries. This can make

for a bit of a management nightmare if you later have to make updates to all those apps, but you will be tapping into over a billion devices worldwide.

The Apple App Store, on the other hand, requires apps to be made only for it. Once you make a native iOS app, it can be sold only on the Apple platform. You still get access to hundreds of millions of users, but the overall reach of Apple is now smaller than that of Android. Despite having a smaller reach, the iOS platform has a far higher number of affluent users who are willing to spend money on apps. The amount of money spent per app user is far higher on iOS than on Android.

The Kindle platform is a good second option to reach US and European audiences with Android apps. The Kindle has a few interesting advantages. First of all, people who own a Kindle expect to pay for content on this device because they expect to buy books for the Kindle. That is very different from other Android platforms where users go out of their way as much as possible to avoid paying. The other interesting thing about the Kindle is that you can sell books from your app as an affiliate. Since the Kindle platform is a very natural one for buying books, your conversion rate will be much higher for books than it would be on another Android platform like GooglePlay. The challenge with the Kindle is that its volume of devices and users is orders of magnitude lower than GooglePlay for example.

Since we just covered the Kindle app market, let's take a second to talk about Kindle's cousin, the NOOK device family from Barnes & Noble. While I am personally a fan of the NOOK platform, and have apps on it, it has been a

beleaguered brand in the mobile app world with a very uncertain future. Despite me personally being a fan of the platform and wishing it the best, my advice would be to not invest in it by putting your apps on it. The volume of downloads and the generated revenue will be very underwhelming for most apps. Plus, no one knows how long the NOOK platform will be around, and what will eventually become of it.

Lastly I want to add a few words about the Windows phone and even the Blackberry. They may seem like very different platforms, but in my opinion they share something very similar. In my opinion (and I could be wrong) they are both "too little and too late" to the game. Those platforms and their device install base are tiny compared to iOS and Android. Developing apps for those platforms has extra barriers associated with their unique technological platforms. The extra development barriers, low potential for distribution via those platforms, and the fact that they need to compete with some of the top companies in the world like Apple and Google, essentially spell doom for the Windows phone and the Blackberry. I personally don't recommend investing in your app growth on those platforms.

Android App stores based in other countries can be a good option in a few cases. There countries with very large populations like India, China and a few others, which have their own Android app stores. The challenge with those countries is that even though there are many potential users for your apps there, those users will on average be far less lucrative than users from economically strong countries like United States, Australia, Canada, UK, and the rest of Europe. Plus, many people in developing countries don't use mobile

banking which means that even if they wanted to buy your in-app purchases, logically, they can't. That means that a large part of the decision of whether to put your app on app stores in those countries depends on how your app makes money. If you make money from ads, despite generating much less revenue in economically poor countries, they will still generate a small trickle of revenue. If you make money with in-app purchases on the other hand, the drop in revenue will likely be far steeper.

ii. Should You Develop Your Apps Natively?

There is a debate in the mobile app world regarding whether app developers should develop their apps natively or use technologies that enable a single code base to be compiled into both, an iOS app and an Android app. There are a few technologies that enable developing for both an iOS and Android at the same time. Some popular examples of these so called frameworks are Appcelerator, Titanium, and PhoneGap.

The factors that go into the decision of developing mobile apps natively or using such frameworks are relatively straight forward. Android and iOS apps are different in their feel and usability. Creating 100% identical apps for both platforms doesn't make the best sense in many cases. Nevertheless, it is obviously much more expensive (in money, skilled labor, and time) to develop unique apps that are native to iOS and Android.

So if you are ok with your apps being only 80-90% natural to the platforms they are on, using a framework that will take one codebase and compile it into apps intended for multiple platforms may be a great way to go. This way you can easily

also create a Blackberry app or whatever other platforms it is possible to compile your app into.

On the other hand, if you develop natively, it will be more possible to get to optimum usability and quality for each of the platforms on which you plan to distribute your app.

To give an example case study, in the case of my apps I decided to develop everything natively. That meant creating a whole new app for iOS and a whole new app on Android. I had to use different programming languages and different technologies that enabled those programming languages. That was difficult and it took a substantial amount of time because despite me having years of prior software development experience, there were many things I had to learn from scratch. But developing natively gave me one advantage that was key. I didn't need to make identical app updates to both apps at the same time. I sped ahead on Android with constant experiments to get the app to generate more money, get more users, and increase user engagement. Most of those experiments failed, but a few of those experiments worked. The experiments that worked ended up eventually making their way into my iOS apps. So despite having to do much more work, developing natively on each platform gave me flexibility in what I was able to do with the apps.

Overall in the mobile app industry, most companies that can afford it, develop their apps natively. Most of their app updates loosely mirror each other for iOS and Android, and they prefer having the flexibility to do what they want on each platform. Most companies also prefer being able to make each app look as close as possible to what it should be on any given platform.

If you need to develop an app quickly, or simply don't have the resources (time and money) to develop natively, then using a framework like PhoneGap, Appcelerator or Titanium begins to make much more sense.

iii. General Features To Add To Your App That Will Help It Grow And Make Money

Let's have fun and brainstorm some potential features of your app, no matter what your app might be, which can help you get more downloads, make more money, get better reviews, and increase user engagement. Think about how the features covered below can be added to your app.

As I always allude to, if you can add some sort of chat where users either chat with you or each other, it will create a natural pull for users to get back into your app and to keep opening it. If you can engage with some of the users of your app, especially during the early stages of your app, they can explain to you what they like about your app and where your app falls short. There is nothing like getting real feedback from actual users. There is one key to success with this strategy. The things about which you chat with your users must be interesting or helpful to them in some way. If it isn't, the users won't bother to talk to anyone. The chat-based help or advice can become one of the paid features as demand grows. As an example, consider how cool it would be to get expert help on a dating app to help premium members create better profiles and attract more people.

In the theme of helping your users with something, if your app can educate your users about the topic they are interested in

(not common for game apps), you can add written or video content to your app. The benefit to this is twofold. The first benefit is that your users will appreciate your app more, and may possibly leave better reviews. The second benefit is that when your users engage with those educational materials, they are increasing the your app's average sessions and session lengths, which helps your app rank better in search.

Next, you want to get your existing users to invite their friends to use some features of your app together. This can often work well for games because playing with friends is more fun. But this can work well almost no matter what kind of app you have. You can incentivize users to invite their friends in other ways by giving them extra features, credits, or anything else that isn't totally free in your app.

Just as you want to think about features that will make your app better when they are used with friends, you also want to come up with features that will be something your users will want to use on a daily basis. If the app can become a part of people's daily habits, they will be far more likely to warm up to the idea of spending money to buy premium features and tell their friends about your app. Think of what people do every day that may be natural for your app to help them with. If you come up with such a feature, it may be the killer "feature" that helps to skyrocket your app's engagement and ultimately search ranking, growth, and monetization.

If it isn't too much extra work and development time, consider adding gamification features. Competing on points or status with other app users makes using the app fun and more addictive. Just don't necessarily make gamification a part of your initial features as you launch because at times,

gamification features can be complex to create. If you make your app more complex to create, it will cost more and take longer to develop and launch, increasing the risk that it never actually gets launched.

iv. What Kinds Of Apps Get An Investment?

Almost all entrepreneurs, at one point or another during the lifecycle of their business, wonder about raising money for their business, and take some steps to get that money. For apps, the popular fundraising strategies have been crowdfunding and investors.

For now, let's focus on investors and understand what kinds of apps or businesses have potential to get an investment, and what kinds of apps don't. Before I start to get into details of what is possible and what is not possible, I want to say that every investor is obviously different. They are usually very smart business people, but they are still people. They can often be wrong. There have been many cases where one investor would tell an entrepreneur that they have a terrible business, and a different investor invested in that business, and the business went on to be a major success. It is also possible that neither of those investors was wrong. Perhaps the investor who declined didn't like the risk-reward situation and the ladder investor was more risk tolerant, or liked the entrepreneur more than the business, and after much hard work they were able to create a great business out of the app that once didn't seem like it would be a great business at all.

Despite the unpredictability and variation of different kinds of apps and different kinds of investors, there are a few

guidelines that investors like to use, and will likely use to evaluate your app.

-  Pound for pound the thing investors prefer most is possibly that your app targets a large (billion dollar plus) market. This ensures investors that your app can potentially grow into a business that can give them returns that are large enough to justify their risk. For this reason, investors seem to invest in what often appear to be similar kinds of apps: photo apps, dating apps, health apps, social apps, fashion and commerce apps, sometimes game apps, and a few other kinds of apps.

Game apps are a bit of a wildcard. Think about game apps. Some games are duds and some games are winners. Even great game development companies can't consistently produce great hits. The game industry is sometimes called "a hits industry" meaning that most money is made from games that become huge hits. But creating games that are hits is extremely difficult, and not something that game developers can easily predict. It is extremely difficult to predict game success. Even if a game seems to be successful, the popularity of many games quickly vanes, and there is no certainty that the developer of the game will ever create another hit. That adds unpredictability and extra risk to game development companies in the eyes of investors.

Another thing investors really like to see is high growth. Growth is important for all start-ups, but for apps it holds even more importance because for the most part, apps that win are apps that manage to become very well known and very widely downloaded. This can be understood by looking at the business models of successful apps. Most apps do not generate tremendous revenue on their own, and therefore do

not become great businesses on their own. The great success for apps is to get acquired by a larger company. I realize that this is the case for most businesses, but for apps this dynamic is just more glaring.

To get acquired, apps need serious growth. When I say growth, what I have in mind is hundreds of thousand or millions of downloads and/or upwards of 10% month to month growth. If you just got disappointed because your app can't boast that kind of growth just yet, or has not been launched yet, I am sorry to be the bearer of bad news.

It is very important to understand that investors aren't there for your sake. They are there to capitalize on your success or potential to succeed. If you have not launched your app yet, there are many apps out there that have launched, are growing rapidly, and are more compelling to investors at that moment. But if you work hard, and achieve growth, you increase your chances to eventually get an investment. Just focus on growing your business without getting an investment if you don't get one. Most businesses never get an investment, and it isn't something you can rely on or wait for.

Lastly, I want to mention another thing that investors look for before they decide to invest in an app or not. That factor is your team. Many investors frown on single-member start-ups, which many app companies are. In fact, my own app company is a single person company, and whenever I talked to investors about my apps, they immediately asked why I don't have co-founders and why I am not growing my team.

An ideal mobile app founding team, or any start-up team for that matter, is one in which the founders have successfully

worked together in the past, have experience in the business niche in which the business is in, and have a balanced skill set.

v. Crowdfunding For Apps

Since most mobile app entrepreneurs are unfortunately not able to raise money from investors (if you think about how many apps there are out there and how many have gotten an investment, far less than 0.1% of apps ever get an investment), one of the next best options is to raise money by getting donations via crowdfunding.

There are a number of crowdfunding sites out there like KickStarter.com, IndieGoGo.com or GoFundMe.com. Those are general crowdfunding sites for many kinds of projects, and you would be in relatively good shape trying to raise money via those platforms. But there is one crowdfunding site that focuses specifically on raising donations for mobile apps. That site is AppStori.com.

I realize that not everyone knows exactly what crowdfunding really is so let me briefly explain this concept. Crowdfunding is a way to get donations online from strangers who believe in your project, or simply want to support you. That might seem great, and it can be. But there are many caveats to it. First of all, because this is essentially free money, entrepreneurs flock to this fundraising strategy creating an overly saturated environment. Due to the over-saturation of companies that are trying to get funding via crowdfunding, this has become far from the "free money" many people see this as. For your crowdfunding campaign to do well, you can't just sit back and watch the cash come in. You must promote your

crowdfunding page, and get your friends, family, business contacts and people whom you reach with your marketing efforts to donate to your crowdfunding campaign. Arguably the worst part of it all is that on most of these crowdfunding platforms, you don't get any of the money you've raised unless you reach your stated goal which you declare in the beginning of your campaign. The reason for this is that the crowdfunding sites realize that you will just sit back and watch money come in unless you are afraid of not getting any of the money. If you are scared of not getting any of the money you've raised, you will be promoting your crowdfunding campaign with all of your might. And guess what, when you promote your campaign, you indirectly promote those sites because the campaigns are hosted on their sites, and they take a cut from the money you've raised.

To sum up, you have three options when it comes to raising money for your app through crowdfunding. The first is to sit back and hope that people will just find your project and donate to it. This doesn't work unless you are able to somehow build momentum through your own efforts. Once projects get momentum, they tend to float up on the crowdfunding sites and naturally get more exposure. But you have to push for that. The second option is to ask your friends and family for donations. Frankly, my opinion is that in most cases, if you do that, you might as well bypass crowdfunding sites, and just ask them for money directly, saving yourself commission from those sites. Lastly, if you have access to a strong marketing channel where you know that you can reach many people, promote your fundraising campaign there, and hope that people will donate.

vi. 10 Fundraising Strategies

This section is a quick summary of the ten fundraising strategies listed in my full fundraising book. For a full discussion of these fundraising ideas, consider getting the full fundraising book.

<http://www.amazon.com/10-Fundraising-Ideas-Strategies-strategies-ebook/dp/B00KADT0Q2>

Let's quickly go over the possible strategies or ideas you can use to raise money for your apps. Keep in mind that these are strategies for general ways to raise money, and not specifically apps.

1. Investors - as we covered earlier, it is very difficult to raise money from getting an investment. For a full list of professional technology investors, explore angellist.com and see if any of the investors there invest in the kinds of apps that you are working on.
2. Donations via crowdfunding - as we covered earlier, this is a viable but difficult way to raise money. But you will be the one who will have to reach out to many people asking for the donations.
3. Loans - while getting a loan isn't recommended because it is an extra risky strategy (potentially losing money you don't actually have), you can get a small loan (sometimes called a micro-loan) on sites like Lendio.com or Prosper.com or other microloan sites. Banks don't usually give business loans to businesses which have not been started, so the microloan sites are the only viable option for idea-stage businesses.

4. Grants - there are very few grants for apps specifically. Nevertheless, you can apply for local grants, minority grants, and any other grants for which you may be a fit. Explore grants.gov for a full list of possible grants.
5. Getting part-time or full-time work - I realize that this does not seem appealing to entrepreneurs, but it is a great way to ensure that you can have money coming in, and putting some of that money towards your app. I encourage people to embrace this as an option because it is least risky in terms of getting at least some money in return for the efforts you put into your fundraising.
6. Generate revenue from your business - this is another “not so popular” suggestion, but it is one that works. If you can, try to explore possible revenue streams early on in the lifetime of your app. Monetizing your app can slow the growth of your app, but if you need money to sustain your business, this may be a very realistic option.
7. Creative ways to raise money - consider putting on some fun events, fundraisers, or something with your local community to help you raise money towards your business. In my fundraising book I give an example of how I created an event series around one of the businesses I was trying to grow. The events helped me promote the business and generate revenue at the same time.
8. Raise money by selling to future customers - one very savvy strategy for some businesses is to approach future potential customers and try to sell them products or services for a very heavy discount in exchange for upfront payment that the entrepreneur can use to actually develop the product. This

helps in many ways. It obviously generates revenue, but it also gives you practice selling your products, and helps you determine how excited your potential customers are about the product you are building.

9. Provide educational services, materials or workshops - my own business is a perfect example of this. I created courses, books, a YouTube channel, and a number of other educational materials which help my existing customers, help new customers find my business by discovering that educational content, and generate revenue that I can put back into the business. Think about what educational materials you can create that make sense for your business niche, which you can sell to attract your potential customers and generate revenue at the same time.

10. Provide services online - if you need to generate cash, consider freelancing on sites like elance.com, fiverr.com, odesk.com, fancyhands.com, or any other freelance or concierge site.

vii. Five Into Mobile App Business Models

Understanding mobile app business models is perhaps the single biggest tool to help you during the planning stages of your mobile app to help you understand what kinds of apps may find success, and which will fail. It will also help you evaluate potential app features that you may consider adding to your app once your app is live. I can't overemphasize how important this is to the health of your app business, and I hope you agree with me as we cover mobile app business models. One caveat I want to add is that because there are so many different kinds of apps, I am not able to cover specifics of

different kinds of apps, and at times I have to make sweeping statements and assumptions. Please bare with me through that, and try to consider how the general points I make relate to the specifics of your app.

Before delving into business models, let's first define what a business model is so that we are all on the same page, and are working from the same definition. Besides the many different accurate definitions of varying complexity for what a business model really is, this term is often used inaccurately, adding to the confusion.

Here, I'll try to present a simple but effective definition of a business model. The business model is a bird's eye view of your entire business, and how your business functions. It is a way to step back and take a look at each and every component of your business individually, and evaluate how well each individual component of your business works together with the other components of your business.

As you may guess, a business has many components, and things can quickly get quite complex. Luckily, mobile apps are relatively simple businesses, and many traditional components of a business simply don't exist for apps. When it comes to apps, there is no shipping, handling of inventory, no logistics, no manufacturing of physical goods, often no rent to pay, and there are typically fewer employees needed than most traditional businesses.

For that reason, when it comes to apps, we can simplify our understanding of what is a business model. Let's take another step back, and explore the three core components of any business, and let that be our business model evaluation for

now. As you will see, this way of looking at things will get us 90% of where we need to be in terms of understanding our business model without much of the unnecessary details.

The three core components of any business model are: product, marketing and finances. Let's cover these in more detail.

product
marketing
finances

The first component of your business model is your product. Within this category, we should consider the resources it will take to create, maintain and continuously improve your app (or your company's product or service if you have a different kind of a business), and what it would take for the product to be competitive in its business niche.

The second component of the business model is marketing. We must consider the product your company offers, and evaluate how you will promote that product. You must consider the natural marketing strategies for your product, and be able to estimate the kind of distribution potential your product has, and how attainable it is to reach the maximum potential with each of those natural marketing channels.

Lastly, you must tie all this together by evaluating the financial picture of creating your product, selling it at the right price and volume to cover your expenses, break even financially, and eventually reach your financial goals for your business.

Once you come up with a realistic plan which allows for the creation of a good product, ability to promote and sell that product, with all that being done profitably, you have a foundation for a winning business model.

Now let's take a look at an average mobile app business model by looking at mobile app business models in this light. You may recognize that the biggest themes in creating a mobile app business is precisely the creation of the app, the promotion of the app, and the monetization of the app. We have essentially been discussing the business model components all along, without explicitly stating so.

Let's start with the development of the app. It will be far cheaper to develop the app if you can build it on your own rather than having to hire someone. App development is the single biggest cost for just about all apps, and it substantially changes the financial dynamics of creating your app if you can create the app on your own. If you can't develop the app on your own by having at least one software developer on your founding team, your business model automatically becomes far weaker. This is a very serious issue to take into account and not gloss over.

Marketing of your app, which is the next part of your business model, is not as black and white. Recall how the bulk of downloads for most apps comes from apps store search, and the next sources of downloads come from social sharing and publicity. First, consider how social/viral your app realistically is, and how much big press coverage your app will be able to get. Next consider how well you will be able to rank for your most coveted search keywords in app store searches, and how much approximate volume of downloads those searches will generate. Everything mentioned in this paragraph is an educated guess during the planning phases of your app. Complete accuracy is not possible, but if you are realistic about the distribution potential for your app, you will come

close to a reasonable estimate of the daily or monthly download potential for your app.

Once you have an estimate for your app's download potential, the focus should shift to the monetization potential for your app. While it is difficult to cover monetization for every possible different app in this single paragraph, by and large, mobile app monetization tends to be poor because users don't like paying for apps or items within apps, and if you promote other things (ads or products) too aggressively within your apps, you will begin to have bad reviews which will work to undermine future downloads and monetization.

Now let's tie all of this together into a succinct view on mobile app business models. Since generally, monetization is poor, you often need a substantial number of downloads for your apps to break even or pay yourself and all the people working on your app a reasonable monthly salary. And since you can estimate your app's approximate download potential, consider whether downloads from search, social sharing, and publicity can amount to tens of thousands of monthly downloads, which is typically the minimum number of downloads you need for a free app to make sufficient money to begin covering your salary and the salaries of anyone else working on the app with you.

As you can see, things do not seem favorable largely because of poor app monetization even if you can generate tens of thousands of monthly downloads. Your app will begin to turn into a business only after you get hundreds of thousands of monthly downloads, or you figure out a very strong monetization strategy.

So what are the takeaways? To me they are clear. If you have a unique strategy to consistently generate tremendous monthly downloads, or a very strong monetization strategy that will monetize at a far better rate than an average app, the app idea seems worth pursuing. If you don't have such a strategy, it may be a sign that the business model for your app is not as strong as is necessitated by the current mobile app ecosystem.

Chapter 5: Common Types Of Apps And Strategies For Them

i. Game Apps

Many mobile app developers dream of making the next cool game. In fact, many developers start developing in the first place because they want to make games. I am not a mobile game developer myself, but in my coaching practice I have worked with a number of mobile game developers. With each app, we consistently run into the same few issues, and I want to outline some of those challenges here so you are aware of them, and have a plan to get around them.

The first challenge for game apps is generating large numbers of downloads. As we covered earlier, the main drivers of downloads for most apps are app store search, publicity you may be able to get for your apps, and existing users inviting their friends to use your app. While there are many other strategies to promote apps, these are some of the top yielding strategies for most apps.

Since app store search is so important, let's start by considering some nuances of app store search for game apps.

The problem for most games is that there is a very limited number of keywords that games can rank for that make sense. Those keywords repeat across almost all game apps. Some examples of such keywords are: fun, run, jump, game, puzzle, animal, adventure, shooting, race, points, kids, etc. You can see how most games can try to rank for a number of these keywords. The problem, of course, is that there are tens of thousands or even hundreds of thousands of games that any new game app would have to compete with when it comes to those keywords. And the top search spots are already taken by very strong and popular apps that have large marketing budgets, access to press, and are often featured by the app stores. It is nearly impossible for new apps to compete with them in app store search.

Since app store search is obviously a very difficult option, the potential for social invites is also severely reduced because social sharing requires an initial install base of people who like your app and share it. Since it will be very difficult to get a large number of people to install your app from app store search, social sharing potential will also be limited.

To get publicity, your app has to be truly extraordinary. If this was year 2008 or 2010, it would be much easier to get publicity. The problem is that new apps aren't exciting these days unless they are truly groundbreaking, have serious money or people behind them, or have a truly unique story that people either fall in love with, or is something that makes them curious.

To generate downloads, you can pay different app review sites, or explore other marketing channels. Chances are that paying for app downloads will happen at a loss, and the

revenue from the app won't cover the marketing expenses. Other marketing channels, for the most part, require a lot of effort and bring only mediocre numbers of additional downloads.

If this feels depressing, it is. At least it is for me because I work with many people who face this kind of a situation often. I want them to succeed, but there is a limited number of solutions I can offer if the problems they come to be with are this challenging.

So before you begin creating your game, try to come up with a unique or interesting enough story that will help your app stand out from the mass of existing apps out there. Being good isn't good enough these days when it comes to games. The game must be truly something special or something curious. Ask yourself whether people will truly love the app, and how you can get a cult following built around your app. Think of ways to make your game special, unique, and fun. The bar of quality and user expectation is very high.

Consider the issues I covered here during the business planning stages for your app rather than after the app has been developed. Thinking through solutions for the issues raised here before you start, can save you a lot of money and headaches down the line.

ii. Social And Photo Apps

We just went over when we discussed how to promote game apps, and unfortunately many of the same challenges come up when it comes to creating photo apps or social apps. I am grouping them together because these are the kinds of apps

young entrepreneurs love to build, spend time and money developing, actually come up with cool apps, and then an extremely difficult time generating downloads for their apps. And if you can't get customers for your business, that can destroy the entire business.

Just like for game apps it is extremely difficult to rank for terms like fun, run, shoot, adventure, and similar other terms, photo and social app entrepreneurs find it equally difficult to rank for terms like photos, social, and friends.

The same pep talk takes place when it comes to these apps as with game apps. If this was the year 2010, you would be able to get a great amount of downloads, but today such apps must be truly groundbreaking to get publicity.

One aspect of social and photo apps that is more difficult than game apps is monetization. Games have much more clear monetization pattern than social or photo apps. Social and photo apps typically have to come up with some unique in-app purchase offers. The social or photo app entrepreneurs have to not only figure out how to get downloads (a big challenge), but they also have to experiment with monetization strategies to find one that converts users at a good rate.

I can give examples of other types of apps with similar issues, but I think at this point you are getting the idea. There are new apps in the app market every day, and new ways to discover apps aren't appearing nearly as fast as the progress of app saturation. It has been like that since 2008. At this point, realistically speaking, some niches are nearly impossible to compete in unless you have some preexisting large marketing channels or are willing to spend the time to create one. One

app store strategy I recommend, and one that I have myself used with success is to find niches where you can either make a fantastic app, or that are only semi-competitive.

Another savvy app store ranking strategy can be to target search terms that are easy to rank for when your app is new. Those terms won't bring you many downloads, but at least they will bring you a small trickle of daily downloads. You can use those downloads to increase your app's strength in search by making sure that the social and engagement signals of your app are positive, and are better than the social and engagement signals of your competitors. And as your app slowly rises in the rankings and becomes stronger in search compared to your competitors, you can adjust your title and description to attempt ranking for increasingly more competitive keywords.

EXTRA RESOURCES: TRY MY MARKETING BOOKS, APPS AND COURSES

My favorite mobile app resources that I myself use:

<http://mobileappchat.com> - mobile app podcast

<http://www.asoprofessional.com> - podcast and blog

<http://mobilemixed.com/podcast/> - mobile app podcast

<http://www.sensortower.com> - mobile app store keyword research tool

Check out my website with all my apps, books, and courses:

<http://www.problemio.com>

And here is my YouTube playlist of 70 free marketing tutorials to help you learn even more about marketing:

<http://www.goo.gl/dGz6g2>

ABOUT THE AUTHOR

Alex Genadinik is a serial entrepreneur, software engineer, and a marketer. Alex is the creator of the Problemio.com business apps which are some of the top mobile apps for planning and starting a business with 500,000+ downloads across iOS, Android and Kindle. Alex has a B.S in Computer Science from San Jose State University.



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