

# How to Earn from Your Product: Subscriptions vs Ads

---

If you're building a product—whether it's a SaaS, mobile app, web app, or game—you have multiple ways to monetize it. This document explains the most common models: subscriptions and ads, including how they work and how you earn.

## 1. Subscription-Based Revenue

You charge users on a recurring basis (monthly or yearly) to access your product or premium features.

- Users pay monthly or annually.
- Payments handled through Stripe, Razorpay, PayPal, Apple/Google in-app purchases.
- Your income = Price × Subscribers – Fees (2–5%).

Popular models include:

- Freemium: Free basic version, paid upgrade.
- Tiered pricing: Basic, Pro, Enterprise.
- Per-seat/user pricing.

Tools to Use: Stripe, Paddle, Chargebee (web), RevenueCat, Google Play Billing, Apple IAP (apps).

## 2. Ads-Based Revenue

You integrate ads into your product and earn money based on impressions, clicks, or user actions.

Ad revenue types:

- CPC (Cost Per Click): You earn when a user clicks an ad.
- CPM (Cost Per Mille): Earn per 1,000 views.
- CPA (Cost Per Action): Earn when a user completes an action (e.g., install).

For mobile apps, use AdMob, Unity Ads, Meta Audience Network.  
For web apps, use AdSense, Ezoic, or Mediavine.

### Example Ad Revenue

Estimated Monthly Ad Revenue (CPM \$2–\$10):

- 10,000 users/day = \$600–\$3,000/month
- 100,000 users/month = \$1,000–\$5,000/month

### 3. Bonus Monetization Models

You can combine multiple monetization strategies:

- In-app purchases
- Affiliate links
- Marketplace fees
- Licensing or selling API access

### 4. Which Model Should You Use?

- Subscription: Ideal for SaaS tools, business apps.
- Ads: Best for free content, entertainment, or games.
- Combo: Useful when you have a mass user base (e.g., Duolingo).