

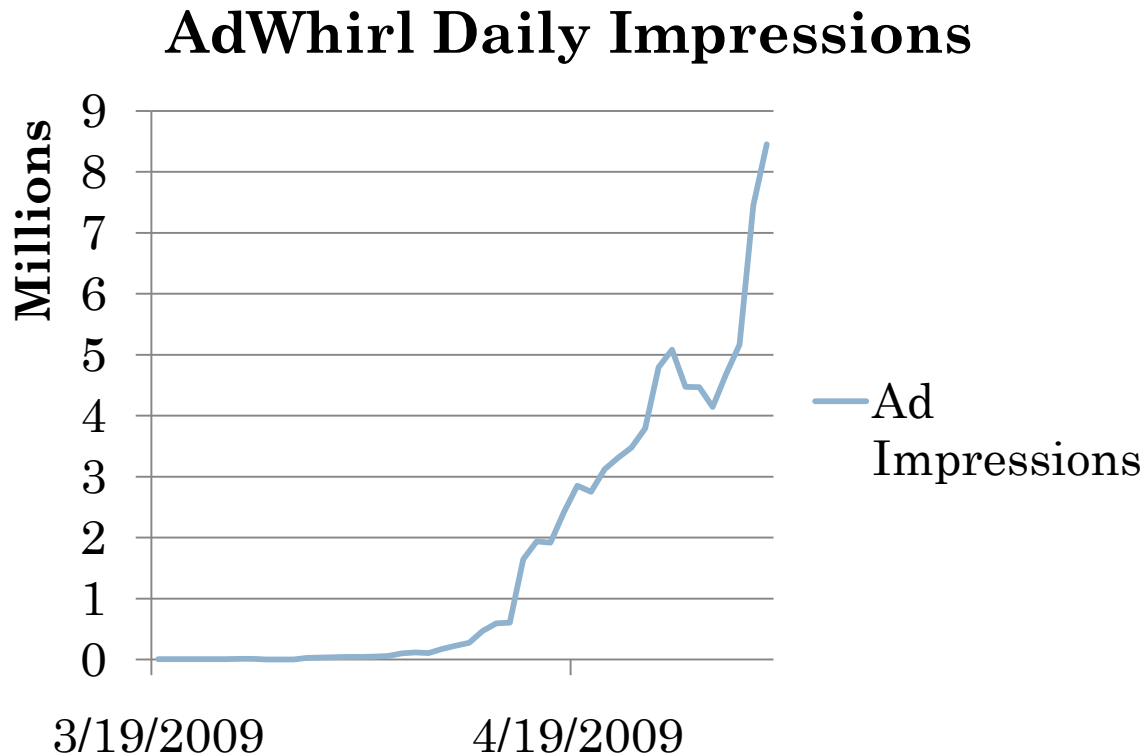


## **A Snapshot of the iPhone Apps Advertising Market**


**May 2009**

# OUR DATASET

- As of May 3, 2009, AdWhirl is serving 250 million monthly ad impressions with over 10% of the top 50 apps in the Apple App Store on our platform. We have also obtained data prior to our launch from various developers.



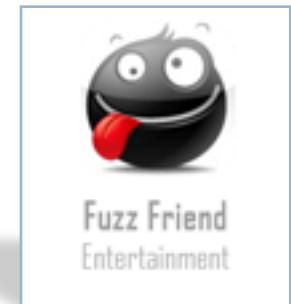
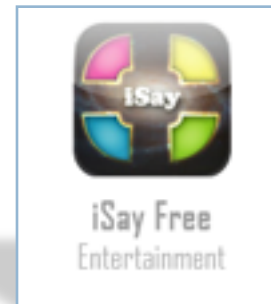
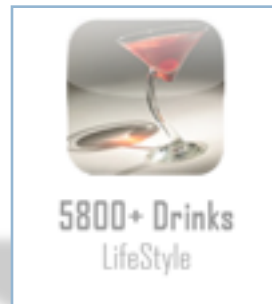
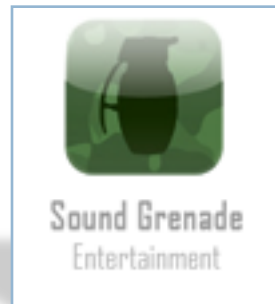
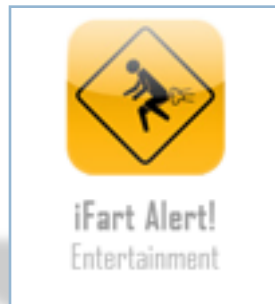
# OVERVIEW

- Break top 100 as an iPhone free apps developer, make **\$400 to \$5000 dollars a day** on ads
  - CTR and eCPMs average **2.6% and \$1.90**, respectively, **~8x more** than social media ads on Facebook or Myspace
  - Fill rates average about **60%** across ad networks (developers locked in to only one ad network **lose 40% of revenue**); ad aggregators still serve a needed purpose
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# IPHONE APP DEVELOPERS MAKE MONEY

- Create an engaging free app and earn several thousand a day

- 5800+ Drink and Cocktail Recipes generated over \$1500 / day
- iFart Alert! generated over \$2000 / day
- Sound Grenade generated over \$3000 / day
- [Wishes to remain anonymous] generated over \$5000 / day

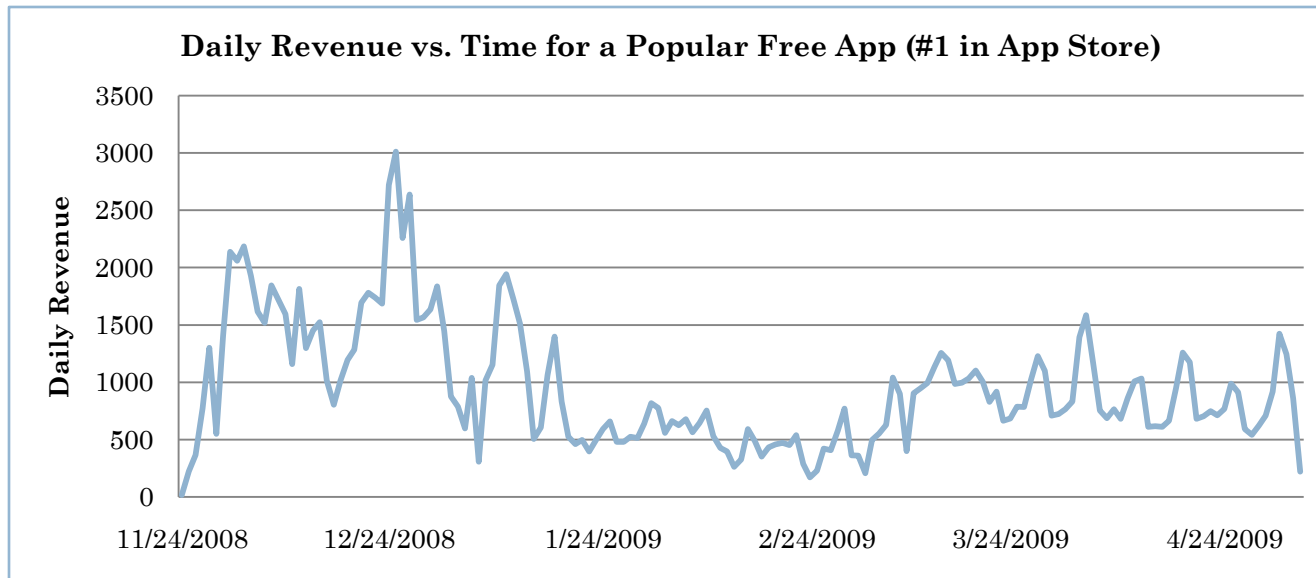


- Crack the top 100 in the Apple App Store and developers can earn more than \$400 a day

- Fuzz Friend generates over \$400 / day
- iSay Free (Simon Says) generates over \$400 / day

# IPHONE APP DEVELOPERS MAKE MONEY

- Revenue peak and dropoff happens within 2 months
  - Afterwards, revenue streams actually remain consistent
  - Plotting a set of index apps (time shifted to adjust for when they launched) yields a similar chart



# HIGH PERFORMANCE CTRs AND ECPMs

## ○ eCPMs range from \$.50 to \$4.00

- High engagement apps average \$1.90 eCPM with 2.6% CTR
- In comparison, social media ads on Facebook and MySpace are generally lower (we estimate about 8x lower, many developers point to < \$.10 eCPMs according to Inside Facebook)

## ○ High Engagement Apps

- eCPMs range from \$1.00 to \$4.00
- Refreshing ads every 1 minute is common practice; we've found that increasing the frequency to 30 seconds does not significantly affect eCPMs

Date	Requests	Ad Imps	Fill Rate	Clicks	CTR	eCPM	Total Revenue
12/24/2008	397982	370412	93.07%	18475	4.98%	\$3.67	\$1360.49
12/25/2008	590648	467520	79.15%	26273	5.61%	\$3.22	\$1505.53
12/26/2008	530576	353856	66.69%	21216	5.99%	\$3.19	\$1128.82
12/27/2008	518561	406664	78.42%	23964	5.89%	\$3.24	\$1318.69

Diagram 1: High Engagement App 5800+  
Drink and Cocktail Recipes

## ○ Low Engagement Apps

- eCPMs range from \$.50 to \$1.00
- Maximize revenue by pumping ad requests through to users
- Ads can refresh as often as once every 30 seconds – any more frequently and CTRs (and subsequently eCPMs) suffer

Date	Requests	Ad Imps	Clicks	CTR	eCPM	Total Revenue
04/30/2009	588336	361332	6034	1.66%	\$0.54	\$193.65
05/01/2009	568324	356435	6287	1.76%	\$0.55	\$194.53
05/02/2009	620586	350494	7448	2.12%	\$0.67	\$236.46

Diagram 2: Low Engagement App Fuzz Friend

# SUBPAR FILL RATES MEAN LOST REVENUE

- Fill Rates are the percentage of ads served to users compared to the number of ads requested

○ Low Fill Rates → Lost Impressions → Lost Revenue

- Fill Rates average 60% across ad networks in the US



Summary of activity : 2008-10-01 to 2009-02-28

Ad Requests:	CPC Impressions:	Fill Rate:	eCPM:
132,471,152	94,558,399	<u>71.38%</u>	\$0.97

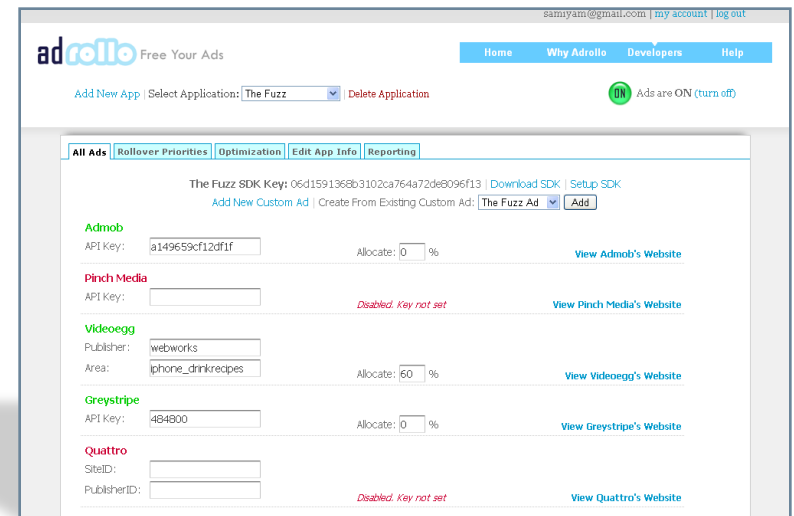
Daily activity : 2008-10-01 to 2009-02-28

Date	Ad Requests	CPC Imps	Fill Rate
10/01/2008	3948	2543	64.41%
10/02/2008	9176	5920	64.51%
10/03/2008	8055	5639	70%
10/04/2008	8561	6202	72.44%

- Recently, AdMob has released App Exchange to remedy this issue
  - This is a great solution for developers who want to focus on distribution of their new apps
  - Developers who want to focus on monetization and turn this feature off still face 60% or lower fill rates

# WHAT DOES ADWHIRL DO?

- AdWhirl is a free client/server ad platform that the developer installs in the app and then fully controls from a web interface



- Key features
  - Developer can freely switch among ad networks
  - “Rollover” feature guarantees 100% fill rates
  - Auto-optimization feature maximizes revenue from ads
  - Custom ad builder can cross-promote paid/lite app combos