I too seriously disagree with the article's expressed opinion. Wish it would cite an in-depth study of pricing and monetization models, rather than invoke self-validating logic as in "The future of app monetization clearly lies in ad-supported model". Ad supported models don't pay for your work unless you have a user base of more than a million active users that use the app daily. Secondly, even for apps that command such user bases (e.g. Facebook, Pandora, Zynga) the monetization from ads lags monetization from user paid models usually by a factor of 5-10. Recent publicly available studies (for example in the latest online presentation by Mary Meeker (KPCB)) shows that eCPM rates for mobile ads hover around $0.75 for most app categories, as opposed to $3.50 for desktop across categories. In several categories the eCPM rates are

 as low as $0.49. Compare that to monetization via paid-subscription models, where as a rule of thumb 1% of your users become paying users at levels bigger than $1/user/month (e.g. Evernote, Spotify) or models that utilize in-app purchases. Pay-per download monetization works actually ok, especially on the iPad. Books, movies, magazines, but also non-entertainment apps like iPhoto, DocumentsToGo and LogMeIn make their money this way. The last are three are among the highest paid non-game apps and they charge per download. The last one, LogMeIn successfully charges 2x more for the mobile app than for their desktop app. A good starting point is to consider a freemium model, which incorporates the benefit of both - a free app with lots of downloads which boosts app rank, and a paid app - one that monetizes better than ad-sponsored apps. There are many more facets of mobile app monetization that I can't fit in this little space, but I am glad that the article has elicited so many responses. I am looking for examples of companies that have build a profitable, and growing stand-alone mobile apps business. Write me if you have any. let's trade notes.

1. Choose a genre for your app (entertainment, productivity, enterprise).  
2. For the entertainment apps your monetization strategy based on the type of app you have created should be as follow.  
- One time play apps: paid apps.  
- progress through level apps: ads.  
- build your empire type apps: in app purchases.  
3. For the productivity apps the best monetization strategy is making them a paid app.  
4. For enterprise apps the best monetization strategy is charging fee for providing support.