

# Subscriptions



The Good



The Bad



The Ugly

# Subscriptions are cool and all, but why?

- Apple clearly favors services
- Incentives
- But how can you tell if they make sense for your app?



# Metrics for Success

- Sustainability
- Customer satisfaction



# Sustainable?

- Make sure costs don't exceed revenue over the lifetime of the app



# Lifetime

- 1 year
- 5 years
- 10 years
- Longer?



#trySwiftNYC @ishabazz 

# Costs

- Developer Program
- Assets
- Hosting
- APIs
- Marketing
- Legal
- Time



# Time

- Value your time
- Consider the cost of hiring someone to do the work



# Updates

- How frequently will you update?
- How will you fund the updates?



# Updates

Labor Rate: \$75/hour

Update Labor: 1 day (\$600)

4 Updates per Year: \$2,400

Lifetime: 10 years

Total Update Cost: \$24,000

Development Cost over 10 Years: \$60,000

# Popular options

- Free
- Paid upfront
- Ads
- In-app purchases
- Subscriptions



# Free

- ✓ Customers love free
- ✗ Doesn't offset development costs



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# Make it up in volume™

A screenshot of a Twitter post from user @mergesort. The post features a profile picture of a man in a green shirt, the name "JOE Fabisevich™" with two yellow star icons, and the handle "@mergesort". To the right is a red "Follow" button and a dropdown arrow. The tweet text reads: "App developers need to realize the economics of the App Store allow you to make it up in volume. You can choose to charge 2,000 users \$50 every year OR you can charge 500,000 users \$0 every year. It's simple math folks." Below the tweet is the timestamp "8:11 AM - 5 Jan 2018". At the bottom, there are engagement metrics: "34 Retweets" and "216 Likes", followed by a row of small circular profile pictures.

JOE Fabisevich™  
@mergesort

Follow

App developers need to realize the economics of the App Store allow you to make it up in volume. You can choose to charge 2,000 users \$50 every year OR you can charge 500,000 users \$0 every year. It's simple math folks.

8:11 AM - 5 Jan 2018

34 Retweets 216 Likes

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# Paid upfront

- ✓ 100% conversion
- ✗ No trials
- ✗ Profits decline with each update



Can you pay me  
in advance?

# Ads

- ✓ “Free”
- ✓ Revenue proportional to use
- ✗ Revenue can be really tiny
- ✗ Ads can be annoying
- ✗ Ads have privacy concerns
- ✗ Not always available



# In-app purchases

- ✓ Gives users a feel for the app before they pay
- ✓ Fund the initial cost of features
- ✗ Non-consumable IAP won't fund future updates
- ✗ With non-consumable IAP, updates cut into profit



# Subscriptions

- The Good
- The Bad
- The Ugly



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# Subscriptions



The Good

# Subscriptions



The Good

## Recurring Revenue

# Subscriptions



The Good

More profitable after the first year

# Subscriptions



The Good

Updates are funded

# Subscriptions



The Good

“Free” Trials\*

# Subscriptions



The Good

## Offers



Scan for more info

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# Subscriptions



The Good

Special  
Promotion

2:44 1 Search

Capsicum by Illuminated Bits

Plan. Track. Tell your story.

4.0 ★★★★☆ 2 Ratings

What's New Version History

Version 1.1.2 1mo ago

Habit Tracking has performance improvements and optimizations.

Subscriptions

Premium Monthly Subscription \$2.99

Removes all restrictions for 1 month

Preview

2:44 1 Search capsicum by illuminated bits Cancel

SUBSCRIPTION Premium Monthly Subscription for Capsicum by Illuminated Bits \$2.99

Removes all restrictions for 1 month

SUBSCRIPTION Premium Annual Subscription for Capsicum by Illuminated Bits \$19.99

Removes all restrictions for 1 year

# Subscriptions



The Bad

# Subscriptions



The Bad

Tricky to Implement

# Subscriptions

## Human Interface Guidelines

[developer.apple.com/design/human-interface-guidelines/subscriptions/](https://developer.apple.com/design/human-interface-guidelines/subscriptions/)

# Subscriptions



The Bad

# Receipts



Scan for more info

#trySwiftNYC @ishabazz A blue Twitter logo icon.

# Subscriptions



The Bad

## Tricky to Test

# Subscriptions



The Bad

Users prefer free unlimited updates  
...for life.



### Lol @ having to subscribe

No thanks



**14 day free trial then pay or  
lose everything**

Meh, other great and free apps out there.



### BS subscription

Getting very tired of useless subscriptions.



### Utter Nonsense

I agree with previous review. These subscription based apps are utter nonsense. One time purchase would be a way to go if you want to succeed. I would not pay a single penny. Merry



### Not free

In the App Store it says this app is free with in app purchases, I thought I would be able to choose a free plan or one to pay. I can't they should just say the app costs money. It would save people time.



### Don't bother...

Says offers in-app purchase - but what they really mean is COMPULSORY subscription even to use the app (albeit no charge for 14 days) but it's still NOT an 'offer' !!!



### Not worth it

\$20 a year for an app that doesn't really add much value should be a crime. I won't support apps that have subscriptions and neither should you - pretty soon every developer will be taking \$2 a month from you. Stay away from this useless app.



### Hate subscriptions!

no way i will try this app if i have to subscribe



### Paid

Despite there being a 14 day trial, this is a subscription app. And not a cheap one either.

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# Subscriptions



The Bad

Users **REALLY** dislike change

# Subscriptions



The Bad

Most schools can't buy subscriptions

# Subscriptions



The Bad

## No Family Sharing

# Subscriptions



The Ugly

# Subscriptions



The Ugly

“Free” trials

# Subscriptions



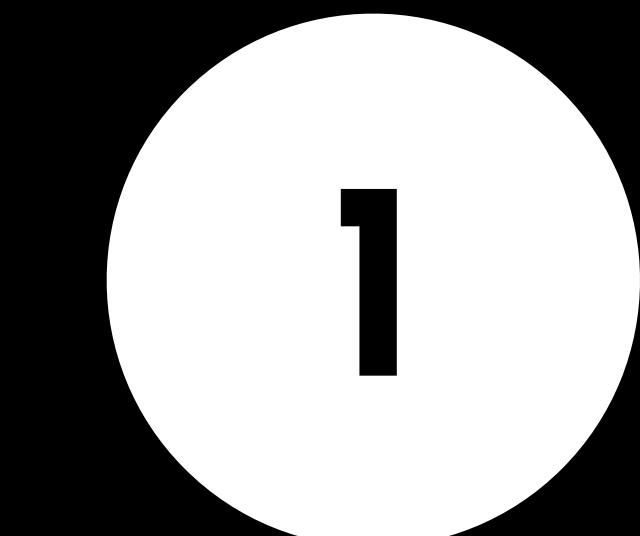
The Ugly

## Difficult to Cancel

# Subscriptions

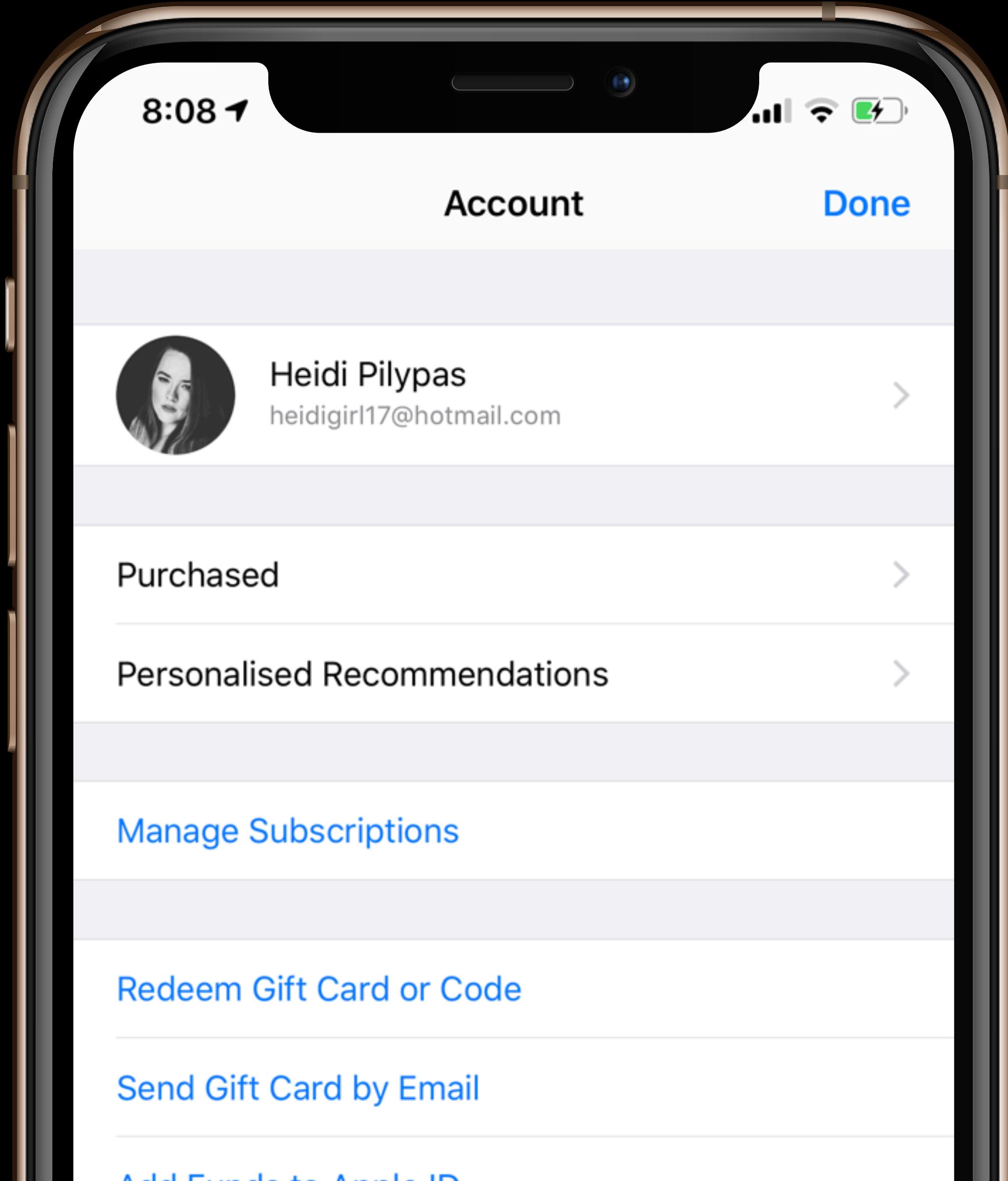
- Managing subscriptions used to be quite difficult for customers
- Apple has now added easier subscription management in both the App Store and Settings app
- It is still recommended to add a link in your app to make management easier

# How can customers manage subscriptions?



Tap profile image



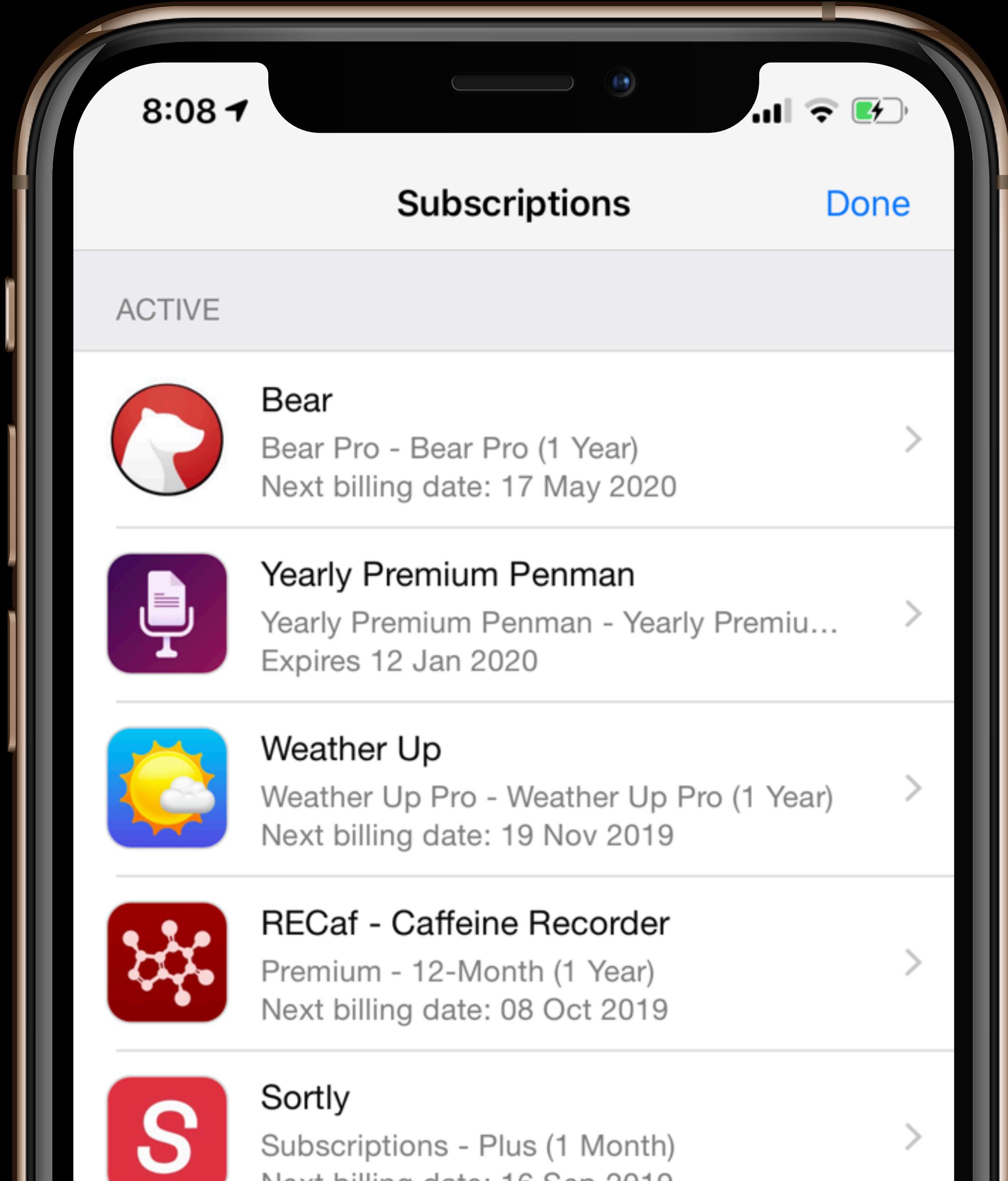


2

## Tap Manage Subscriptions

Manage Subscriptions

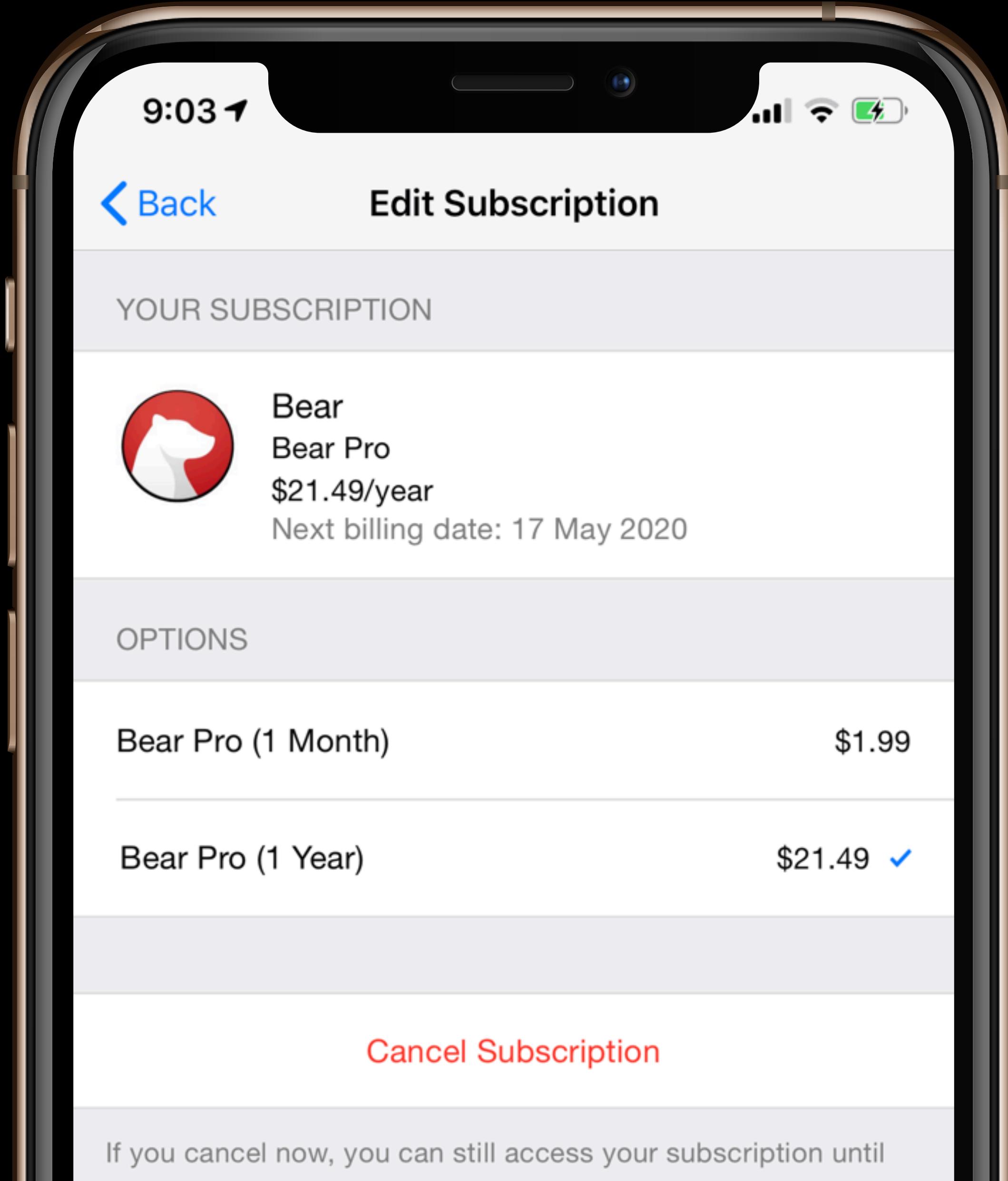




3

See a list of your  
subscriptions and tap  
one to manage





4

Tap Cancel  
Subscription if  
desired

Cancel Subscription



If you cancel now, you can still access your subscription until



9:47

SUBSCRIPTION

YOU ARE A PRO  
Thank you for your support!

SUBSCRIPTION  
Valid until 17 May 2020

The date refers to the next renewal of the subscription. The free trial is counted as a one-time subscription period and will be renewed as a paid subscription automatically.

[Manage Subscription](#)

9:47

More

Caffeine Facts

SETTINGS

App Settings

System Settings

Health Integration

Subscription Active

FEEDBACK

Rate RECAF

Email Support

COMMUNITY

Visit Our Web Site

A 9:48

Search

Settings

Weather Up PRO

Thanks for supporting Weather Up!

[Manage Subscription](#)

Apple Pay

Shop Merch  
10% Discount Unlocked

THEMES

App Icon

Weather Icons

OPTIONS

# Subscriptions



The Ugly

# No Refunds

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# Request a refund for an App Store or iTunes Store purchase

Some recent App Store and iTunes Store purchases might be eligible for a refund if the item doesn't work as expected or can't be used.

You can request a refund on certain App Store or iTunes Store purchases within 90 days of the purchase date through your purchase history. Limitations apply. See the [Apple Media Services Terms and Conditions](#) for details.

You can't request refunds for recurring charges, but you can [cancel a subscription](#) or [downgrade your iCloud storage](#).

# Warning on Deletion

**Do you want to keep your  
subscription for this app?**

Your subscription to "Overcast" can still be used on other devices. It will automatically renew on Apr 3, 2020 unless canceled at least a day before.

## Manage Subscription

Keep

# NEW in iOS 13

# Where does that leave us?



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# Subscriptions

- Picking a pricing model isn't easy
- No model is perfect for every app
- Use subscriptions with care

**“Any questions or  
compliments?”**

- My 6 year old

@ishabazz

