

The Business of the App Store

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Who am I?

- Founder of Cross Forward Consulting, LLC
- First app submitted in October, 2008
- Around 1.99 Million Users
- ~400 Apps in the Store (Mostly Audiobook related)
- Small company (3 people)
- Mobile project coach

Who am I?

- Individual Results May Vary
- A few points then lots of time for questions.

The Landscape

- ~ 234,194 Apps
- ~46,894 App Developers
- > 5 Billion Downloads
- An estimated ~\$200M total revenue per month
- ~ 590 new Apps each day

<http://148apps.biz/app-store-metrics/>

Gold Rush!



Gold Rush?



Total Revenue in 18 Months

About 1/3 of a Gold Bar

Gold Rush!?

No Money

Room & Board

Lottery

Gold Rush

- Be Realistic
- Define Success for yourself
- Be Patient
- Expect this to take hard work

How to make Money

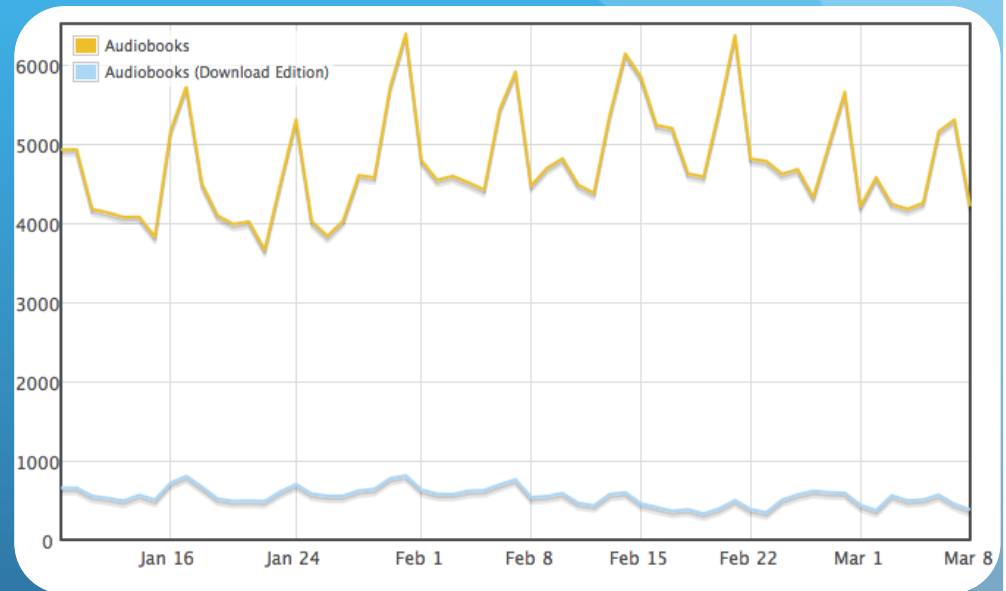
- Four Options :-
 - Consulting - Write apps for others.
 - ~\$75 - \$200/hr seems the usual range
 - Usually targeting non-software companies (Retailers, Merchants, ...)
 - Avoid Fixed Price if you can, include language about approval.
 - Coaching - Help companies build up their own expertise
 - Paid Apps - Collect 70% of App Revenue
 - Free Apps -
 - Advertising
 - Trial / Lite Versions

Advertising Rates

- Highly Variable
- Even within our own apps we see a wide range daily
- To make \$100,000 a year you need ~45M Page Views (125K/Day) (AdMob)
- VS 142,857 sales @ \$0.99 (392/day)

The Power of Free

- Free apps get downloaded at least 10x more than their paid counterparts
- Lite/Trial versions a great way to get exposure
 - In App Purchase

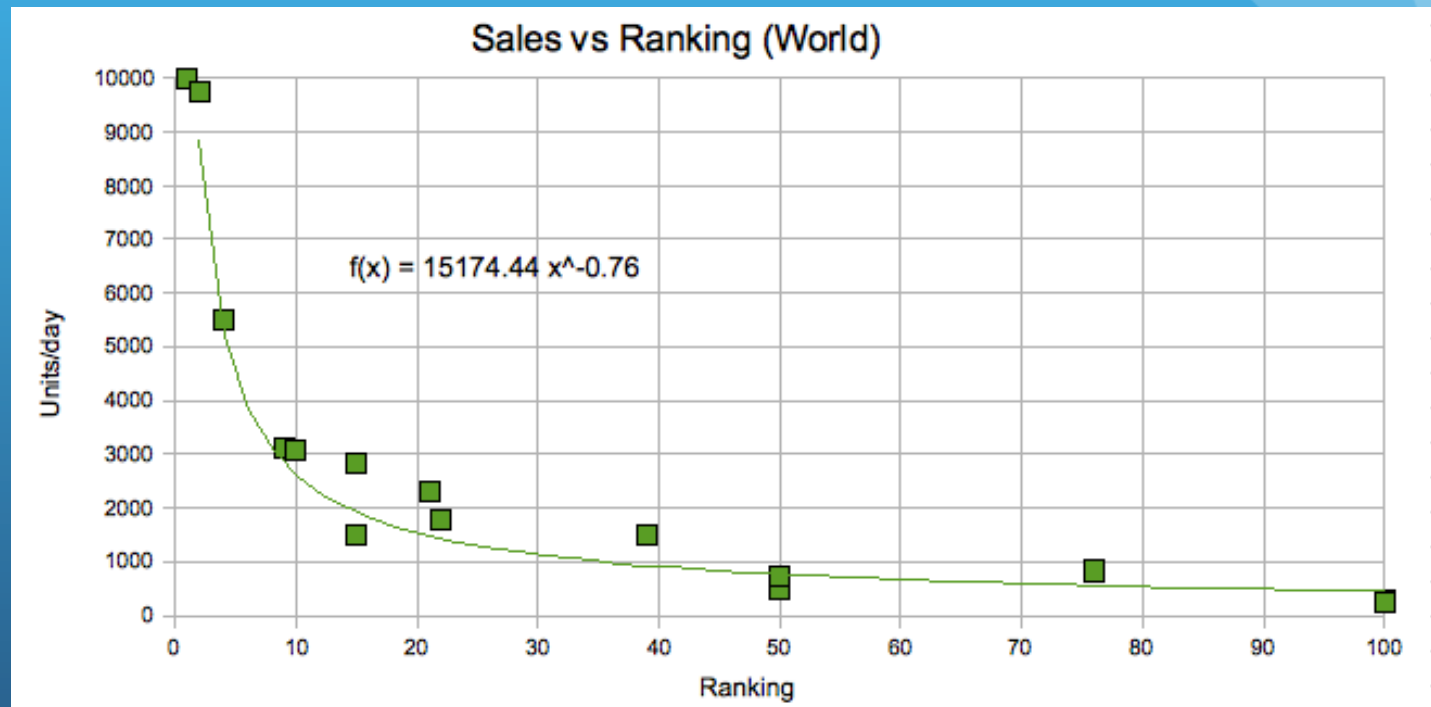


The Power of the Charts

- Visibility = Revenue
- Charts = Visibility
 - Top Paid/Free
 - Category Paid/Free
- Unless you are targeting a niche, Your #1 Goal is to get your app into these lists
 - Based on volume, not revenue
- Play with Price \$0.99 to get up there, then \$1.99 - \$2.99 to max revenue

The Power of the Charts

























- <http://ajnoware.wordpress.com/2009/02/17/estimating-app-sales-from-rankings-part-2/>



Marketing

- Initial Buzz is key
 - Call Everyone You Know
 - Distribute Promo Codes (Don't be skimpy)
 - 3 Day Average creates opportunity
- Make it easy for someone to review you
 - Press Kit (<http://outsideapp.com/>)
 - Videos
- You need to budget time for this.

Press Kits

▼  Icon	Today, 3:08 PM	--	Folder
 Outside_16x16.png	Oct 29, 2009 3:13 PM	4 KB	Portab...image
 Outside_32x32.png	Oct 29, 2009 3:13 PM	4 KB	Portab...image
 Outside_48x48.png	Oct 29, 2009 3:13 PM	8 KB	Portab...image
 Outside_128x128.png	Oct 29, 2009 3:13 PM	29 KB	Portab...image
 Outside_256x256.png	Oct 29, 2009 3:13 PM	70 KB	Portab...image
 Outside_512x512.png	Oct 29, 2009 3:13 PM	201 KB	Portab...image
 Outside iPhone.png	Nov 20, 2009 2:46 PM	475 KB	Portab...image
 Outside Text.pdf	Dec 19, 2009 3:49 PM	66 KB	Portab... (PDF)
 robocat logo.png	Dec 19, 2009 3:55 PM	262 KB	Portab...image
▼  Screenshots	Today, 3:08 PM	--	Folder
 closed window.jpg	Dec 8, 2009 11:42 AM	53 KB	JPEG image
 cloudy.jpg	Dec 8, 2009 11:42 AM	70 KB	JPEG image
 details view.jpg	Dec 8, 2009 11:42 AM	66 KB	JPEG image
 foggy current.jpg	Dec 8, 2009 11:42 AM	61 KB	JPEG image
 notifications.jpg	Dec 8, 2009 11:42 AM	49 KB	JPEG image
 partly cloudy.jpg	Dec 8, 2009 11:42 AM	70 KB	JPEG image
 rainy.jpg	Dec 8, 2009 11:42 AM	70 KB	JPEG image
 snow.jpg	Dec 19, 2009 10:34 AM	115 KB	JPEG image
 sunny.jpg	Dec 8, 2009 11:42 AM	78 KB	JPEG image
 thunderstorm.jpg	Dec 19, 2009 10:29 AM	119 KB	JPEG image
 transparent-window.jpg	Dec 19, 2009 10:18 AM	119 KB	JPEG image
 uv notification.jpg	Dec 8, 2009 11:42 AM	74 KB	JPEG image
 Word Mark.png	Oct 29, 2009 2:50 PM	49 KB	Portab...image

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Marketing (App Store)

- Icon
 - Clean, Elegant, Fits into the platform
 - <http://blog.cocoa.com/> -- Best Resource for this
- Name
 - Catchy, Understandable
 - Are you building a brand or selling an app?

Marketing (App Store)

- Description
 - Keep it short!
 - Don't expect users to read it
- Screenshots
 - Vital!
 - Probably the most important thing in your App Store profile
 - Clearly show your app's style and function
 - 'Reverse Order' in iTunes Connect.

Marketing (App Store)

- Reviews
 - Free apps get lots of 1-stars (less now but still expect this)
 - Call Everyone You Know
 - Look for problems that you might need to address (bugs/ usability)
 - Mark good reviews as helpful

Helpdesk

- You will get emails about your app
- Our ~6,000 daily downloads == 10-15 emails / day
- Try to be responsive and helpful
- See where your flaws are

Counting your Riches

- Basic Sales are reported on a Daily Basis via iTunes Connect
- Horrible format, get something like AppViz / AppFigures to make sense of it
- Monthly Financial Reports with final numbers
- Payments issued around 25-30 days after end of month

Note about Partnerships

- Be very careful about equity sharing arrangements
- The turbulent nature of the App Store can lead to mismatched goals/expectations
- In my experience, usually best if one person is paying the bills and making the money

Questions?

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Help Desk

Hiring Designers

Icon Design

Provisioning

iPad

Blogs to Follow

Hiring Freelancers

Marketing

Books to Read

Promo Codes

Getting Featured

iTunes Connect