

instal 

BEST PRACTICES FOR MOBILE AND APP BUSINESS

Acquire app's users
and monetize
mobile traffic

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SUMMARY

Have you already planned your acquisition strategy for enticing users to download your app at a minimum cost along with optimizing your ROI (return on investment)?

Do you already have a monetization plan to get the best results from the traffic of your mobile site?

If you are a mobile app/game developer or you have your own mobile site, you will find many useful insights related to the mobile advertising world and its dynamics within this document.

The document, which provides advice on **how to acquire users for their apps and about how to monetize their mobile traffic**, refers to both for publishers and advertisers. Not trying to be an ultimate guide but just aims to provide a clear vision of the market and its dynamics.

1

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MOBILE
PERFORMANCE
MARKETING



1.1 AN OVERVIEW ON MOBILE MARKETING

As the smartphone market grows at an exponential pace so does the mobile apps and games market.

The app business has boomed into a multi-billion industry with hundreds of thousands of products and millions of daily consumers. The mobile phone market will reach more than 1.9 billion units until the end of 2014 (according to Gartner, 2013). The bulk of this growth will come from APAC and LatAm, the fastest growing markets in terms of smartphone penetration.

There are more than **2 millions of apps available in the App Store e Google Play**, so standing out amongst them is becoming more challenging day by day. In a global app market that is estimated to reach **\$143 billion revenues in 2016** (according to Vision Mobile 2013), it's very difficult to rise above the crowd.

As shown in the following chart, with free downloads continuing to dominate the scene, **in 2014 nearly 96% of the total app's revenue will be generated from free apps** (according to Distimo and Gartner, 2013).

In-app purchases and advertising will continue to grow in importance for developers' business models.

App Download



26\$ REVENUES
GENERATED
FROM APPS
+25%
dal 2012



2014
MOBILE
ADV SPENDING
+49%



1.2 THE MOBILE ADVERTISING ECOSYSTEM

In the mobile ecosystem there are some key players that we can easily identify as the main protagonists of the market which interact in order to create business in both app and mobile sites.

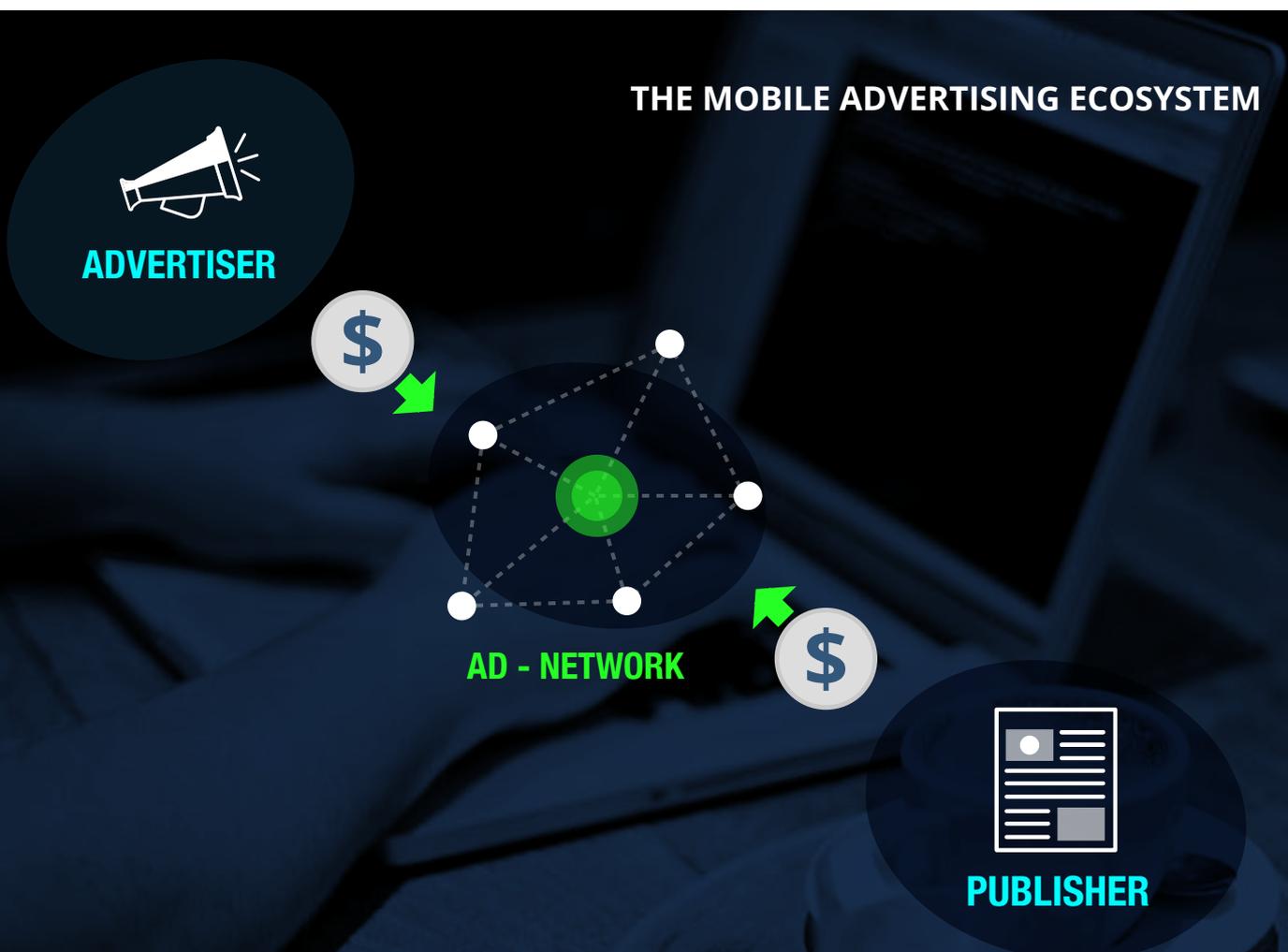
These are:

Advertisers, usually developers or companies looking to promote their brand or product via banners or text links on a publisher's app or m-site;

Ad networks, systems that aggregate ad-inventories from publishers and operators to efficiently match them with advertiser demand;

Publishers: websites, blogs or native apps that monetize their traffic by ads that are promoted by advertisers.

The whole mobile advertising ecosystem relies on users that install apps and games and makes in-app purchase generating revenues.



2

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HOW TO ACQUIRE
USERS
AND GENERATE
TRAFFIC



2.1 OVERVIEW ON THE VARIOUS CHANNELS FOR PROMOTING APPS AND GAMES.

There are different ways to promote an app or a game and acquire new users, like article marketing, press releases, or via social networks, but sometimes measure the performance of some of these channels is really difficult. That's why the two main methods for app promotion are:

Discovery apps, which generally contains an 'app-addicted community' which every day constantly hunts for new apps and games to try out;

Ad Networks, which are platforms that provide advertising services in many different ways.

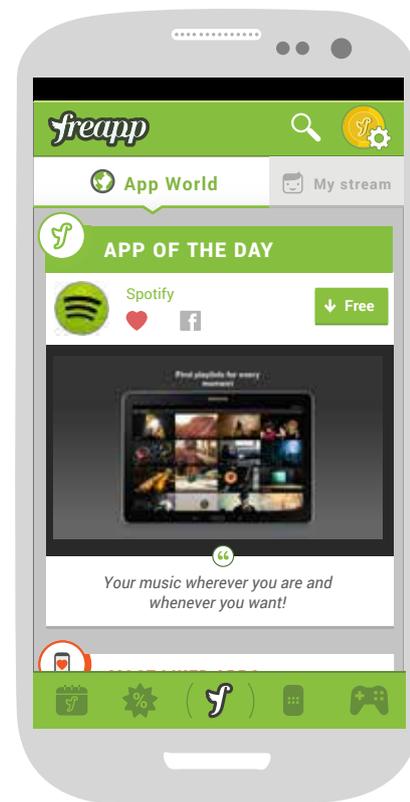
2.1.1 THE DISCOVERY APPS.

Discovery apps propose different types of advertising for developers. Generally they work with the CPI (cost per install) model, where the advertiser (or developer) pays only per each install generated.

Discovery apps can be based on these different models:

“Daily deals app” or “Daily free app”: they propose a discounted or a free app every day. Generally the promotion consists in a burst campaign, where the developer/advertiser can acquire a large number of installs in a day. Through these apps you can reach a high rating in the stores but the price to be published is higher and many times also fixed this not based on the actual results.

“App reviews and finder”, which scouts the best apps from various stores, reviews and promotes them. Here the promotion consists in scheduled campaigns, where the developer/advertiser can utilize the benefits of editorial services (custom reviews, testing apps, etc) and be published in the app for several days and in different placements. This strategy allows for 'organic-reach downloads' paying only for the results.



2.2 AD NETWORK: CHOOSING THE RIGHT MODEL TO BUY TRAFFIC

Ad Networks are the fastest way to promote your app. They have available traffic and you can buy it in a very simple and easy way. Many of them have an online dashboard where you can sign in and start immediately acquiring new users on your app.

AD NETWORKS CAN SELL YOU TRAFFIC AT DIFFERENT COMMISSION TYPES:



Of course for advertising an app or a game, performance networks are more effective because they reduce risk and allow you to pay only when users perform only the action that you are looking for (download, subscription, etc). However, the CPA model is referred to a lead such as a registration to a service, so for a promotion of an app, buying traffic at a CPI model is the best solution.

2.2.1 Differences between CPC, CPM and CPI model

Let's examine through these scheme what is the type of flow you need to do in order to acquire new users on your app, [if you buy traffic at a CPM, CPC or CPI commission type.]

To install an app, a user sees the advertisement, so he makes an impression, than he clicks on it and usually is redirected to the download page where finally, he installs the app. **If you pay a CPM model you are not sure about user acquisition because it depends on CTR.** This indicates the percentage of users that see the ad and click on it, combined with CR, that is the percentage of users that already clicked on the ad and that also download and install the app.

Commission type	Users path	Risk
CPM	Impressions	CTR+CR
CPC	Click	CR
CPI	Conversion	None

2.2.2 Three reasons why you should prefer CPI instead of CPC or CPM

No Risk: you will pay only per each real install and not for clicks or impressions;

Match Price/Benefits: generally CPM or CPC are low-priced and this is due to the large quantity of traffic available, but also because of the low performance and the related high-risks involved. CPI is more expensive, but it guarantees that the price cannot change due to CTR or CR and that you will pay just the users you really get;

Target: CPI networks are focused on app installs, their traffic comes from apps (like discovery apps) or mobile sites that target topics around apps, games, phone and tech-related news. This means that you can advertise with the right target for your product.

2.3 HOW TO CHOOSE THE RIGHT PARTNER FOR YOUR ADVERTISING NEEDS

There are some characteristics that you should consider when selecting one CPI network instead of another, such as:

Geographic-reach: if you need to advertise in more than one country, it is important having traffic available from the same source;

Quality: it is preferable to buy non-incentivized traffic. The quality of the users is higher when they are not incentivized to install an app; users will be more engaged with your app if they voluntarily install an app or game;

Easy integration: it is better to save your developer's time by choosing a network that doesn't require many operations order to be integrated;

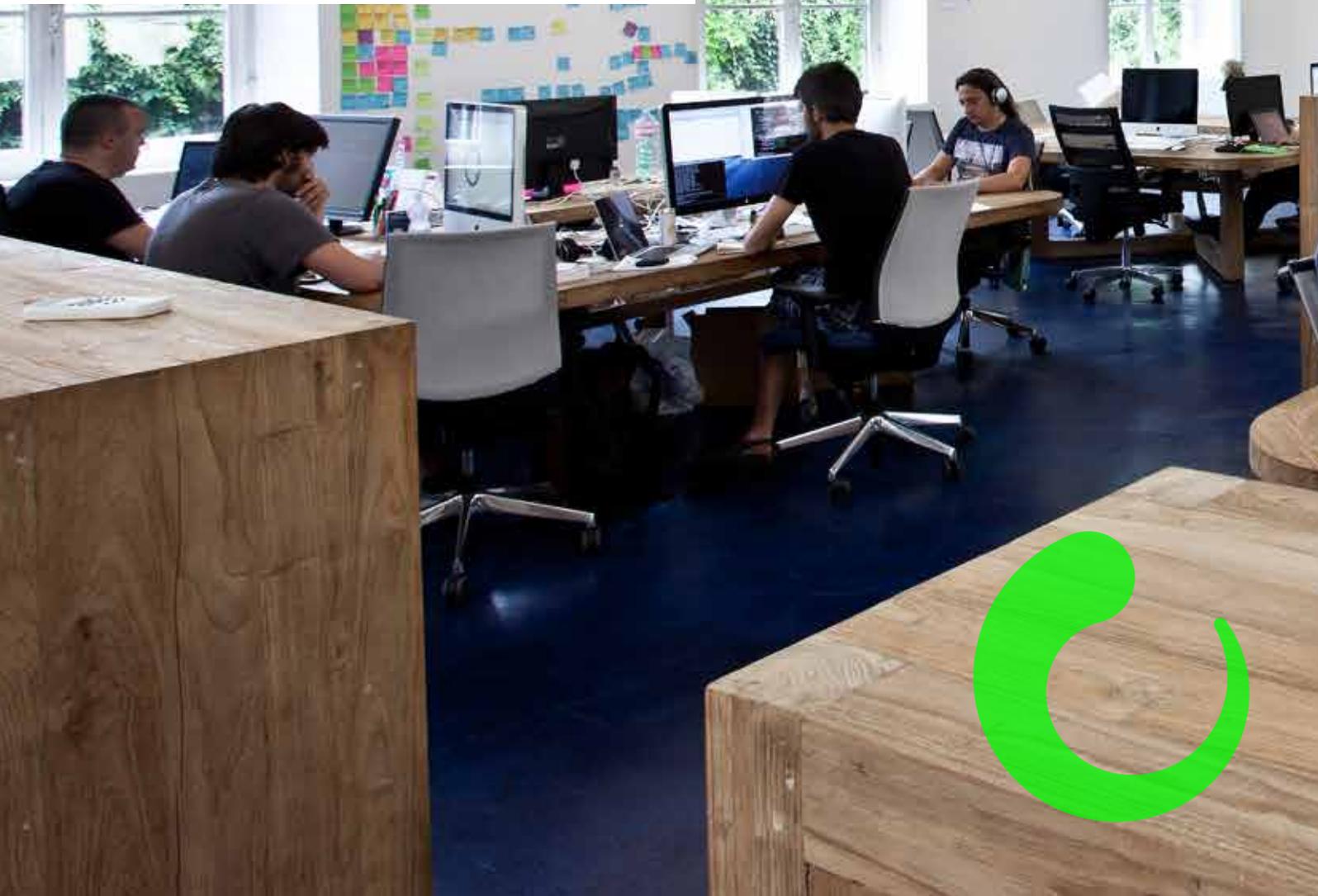
Online monitoring performance: having an online dashboard from which you can monitor in real-time the performance, in order to help you to do the best for your app.



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HOW TO MONETIZE YOUR MOBILE TRAFFIC



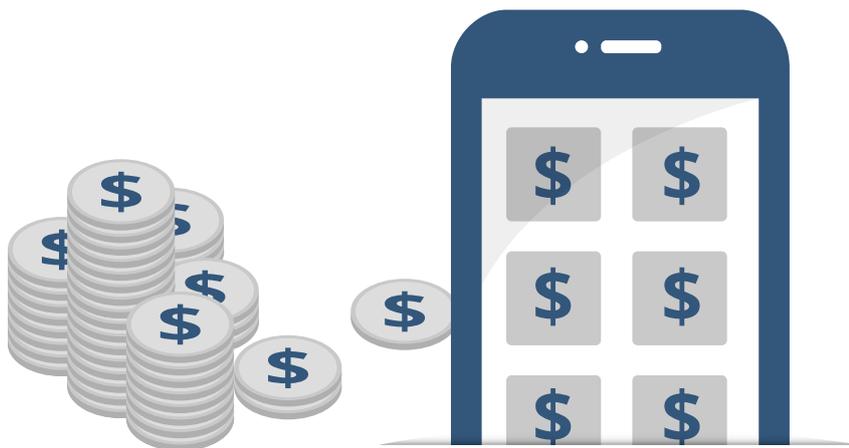
3.1 OVERVIEW OF THE IN-APP BUSINESS MODEL

There are 3 common solutions that app developers adopt in order to find success and achieve monetization with their mobile apps, and that you too could start using right now:

Paid download, developers put a price for every download of their app in the store. This solution is suitable only for certain types of apps and content, like books and other media that will not be updated or apps that provide a valuable service for which users are willing to pay for.

In-app advertising, developers build advertising space into their product and sell it to brands who want to promote products to the app's target audience.

In-app purchases, developers give the basic version of app away for free but they sell extra features like bonuses, new levels or recurring service. The idea behind in-app purchases is to let consumers try the product so that they want more. Developers can offer multiple upgrade options for each app and continually add buying opportunities to engage customers day-by-day.



3.2 THE ADVANTAGES OF MONETIZATION THROUGH AN AD NETWORK

Monetizing through an ad network means:

Not losing time directly contacting advertisers or investors. Signing into a platform and simply earning from your traffic doesn't have any price;

Monitor your earning in real-time is a great solution to help you work on increasing the trend of growth of your revenues;

Be supported while growing your business. Having a dedicated account manager that analyzes your traffic and suggests the best offers tailored for you is an unbeatable advantage.

3.3 TYPE OF AD NETWORK

Typing “Ad network” in a search form online can be a lot of work. Millions of results will be displayed and the choice could be very hard. Finding the right business model combined with the best performing platform and good customer services can be very challenging.

Let’s analyze the different types of ad networks which exist in the mobile advertising market and highlight the ‘bad and good’ attributes of each one.

Traditional Mobile Ad Network

Definition

Generally offering mobile ads on a blind basis across a large network of sites and apps covering Android, iOS and other mobile platforms and mobile web.

Commission type

CPC or CPM

▲ The Good

- Large offers
- Simple platform

▼ The Bad

- Very low payout
- Poor customer care (usually this network uses an online ticket platform and don’t have one-to-one customer services)

Mobile CPA Network

Definition

Mobile affiliate or CPA networks buy and sell inventories on a CPA basis. They deliver advertising based on a performance model.

Commission type

CPA or CPL

▲ The Good

- High Payout

▼ The Bad

- Poor customer care
- Many steps to obtain a conversion and be paid.

Mobile CPI Network

Definition

Mobile affiliate or CPI networks focus on the app installs that buy and sell inventories on a cost-per-install basis.

Commission type

CPI

▲ The Good

- High payout
- Dedicated account manager
- Simple integration

▼ The Bad

- High quality traffic required, because in order to be paid a user needs to install an app or a game from a banner ad.

3.4 WHY MONETIZE WITH A CPI MODEL

Amongst the different revenue models like CPM, CPC and CPI we definitely choosing the last one, basically for three main reasons:

Advertisers are more attracted to a CPI model because it is the most effective. This means that a publisher delivering ads at a CPI bases will have a high-potential of growing their earning potential.

Average payout of CPI is higher than the other revenue models. Consequently, in this case the eCPM or eCPC will be higher than a simply CPC or CPM campaign.

Adopting a cpi mobile monetization model means being an affiliate to a network. The benefits of this choice are numerous, such as having a dedicated account manager that checks the campaigns and uses a free platform to constantly analyze your incoming traffic.

3.5 HOW TO CHOOSE THE RIGHT PARTNER TO MONETIZE

There are some parameters for which you might prefer a CPI network instead of another option, such as:

Many offers and from many countries: it is a guarantee that you can choose from the offers that you prefer;

Different and easy type of integration: you need to be focused on your work without losing any time in development for tracking and integration;

High fill rate: it is the guarantee that any click will be payed and your traffic will always be profitable;

Dedicated support: having a dedicated account manager is a huge resource for commercial and technical support;

Reliable and fast payment: it is an important requirement in order to establish a long and profitable collaboration.

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FINAL THOUGHTS



In an extremely competitive market where reaching success can be a real challenge, and in order to make a real business with your mobile traffic, **you need to build a detailed plan for a viable growth strategy.**

Embarking on this plan often require some skills in marketing, sales and communication. Committing your business to experts of mobile strategy is a smart choice, whether you are a small indie developer or a big company.

We want also to underline some key points from the paragraphs above.



For advertisers we suggest:

- To use an ad network to advertise.
- To promote your app through a CPI model.
- To choose a partner that offers you worldwide campaigns, quality traffic and easy integration.

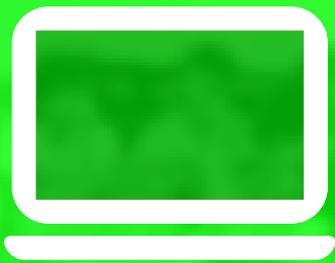


For publishers we suggest:

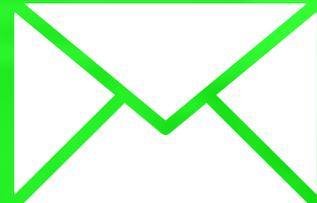
- To adopt a monetization model based on advertising.
- To monetize through CPI campaigns.
- To choose a partner that offers a high fill rate, reliable and fast payments with dedicated support.

The best practices for mobile and app business should be applied right now, when the market is at it's highest potential, this way **you can surprise everyone with a smart choice which will greatly increase your revenues.**

If you would like to discover more about our mobile advertising solutions, **you can contact one of our account managers** that will help you plan the best strategy for your business.



www.instal.com



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About Instal

Instal is a mobile user acquisition network for publishers and advertisers.

Instal provide mobile technical and marketing solutions for developers, publishers, agency and advertisers. Our focus is on games and apps.

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