



iPhone/iPad App Business Plan

Basic Ideas That Will Help You
Make Money

Why iPhone/iPad?

Let's see what the AppStore stats say:

- Average price for an app: \$3.99 – \$4.99. Anyone can afford the apps without any double thinking.
- There are over 300 new apps submitted to AppStore every day. The market is huge, the number of niches is infinite.
- Apple users download 3,500,000 apps every day. Can you imagine the market volume and its opportunities?
- Majority of apps are paid: only about 20% of apps are free. AppStore users are ready to buy.

First Step: pick a type for your iPhone/iPad app

- **Entertainment.** games, multimedia, social networking.
- **Information.** news rss, travel guide, books catalog.
- **Useful.** fitness, ticket booking, education, scheduling.
- **Anything.** any idea you find in your head.

Top 5 categories on iTunes:

1. Books: 41308 active apps
2. Games: 35266 active apps
3. Entertainment: 27279 active apps
4. Education: 18539 active apps
5. Travel: 15158 active apps

Spending Assumption

Costs to consider

1. Apple Developer Program: \$99
2. Shared hosting: about \$4.5 per month
3. A .com domain name: \$10.96 per year
4. Software development: \$2000 minimum

Total money needed to get started:

\$2163.96

Time required to spend this money

1. Software development and testing: 2 weeks
2. Apple App Store approval period: about 1 week

Total time:

3 weeks

Revenue projection

Top 3 ways of earning money with your iPhone apps are:

Selling iPhone app selling directly through AppStore and you can choose your billing strategy: per app or per month.

Advertising with iPhone app application itself is free and monetizing goes through making money with advertising.

Free trial version people get your free trial iPhone or iPad application and they have to pay for either full functionality or switching off ads.

How to promote your app

Blogs, Twitter, Facebook write an announce and review in your personal blog, ask your followers to repost, tweet the links, make a Facebook fan page.

iPhone app review websites iPhone app review websites are hungry for new apps. Try to submit reviews of your iPhone/iPad app for free as many times as you can.

Friends and family don't hesitate to promote the app to friends, neighbors, colleagues and family, they are your launching pad in App Store.

Advertising make a short cut and use this old good but most expensive way to become famous.

Payback time

direct selling through App Store

Application price (that's what you define based on your expectations and goals)	Let's say \$1.99
Money that you get after iTunes takes 30%	$\$1.99 - 30\% = \1.39
Number of downloads needed to cover spendings of \$2163.96	$\$2163.96 / \$1.39 = 1557$ downloads
Average number each app is downloaded per month	500
Payback time	3 months

Payback time

free app with ad spaces

How many times user will launch your application every day?	Let's define it as T and T = 5 times
How many ads average users will see every time they use your app?	Let's define it as Imp (Impressions) and Imp = 5 Ads
Cost per thousand ads impressions (CPM), which an advertiser pays you.	CPM = \$8.75
Required quantity of downloads to cover your spendings of \$2163.96 within 1 month.	$(\text{Spendings} \times 1000) / (\text{CPM} \times T \times \text{Imp}) = 9893^*$

* actually, statistics shows that free iPhone/iPad application could receive from 5,000 up to 150,000 downloads per month, so you may expect better performance.

Helpful resources

Apple iPhone developer program

<http://developer.apple.com/programs/iphone/>

What is iTunes?

<http://www.apple.com/itunes/what-is/>

Apple advertising network iAd <http://advertising.apple.com/>

Popular mobile advertising solution

<http://www.admob.com/>

Free, open source mediation solution for mobile advertisers and publishers

<http://adwhirl.com/>



Achieve your business goals today with
iPhone and iPad Apps!