Apps advertising: the new holy grail?

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Yesterday Google acquired Admob for $750 million. So what does that California based company do? They are specialised in Mobile display and more precisely apps advertising. The success of those bite-size software programs doesn?t need to be demonstrated: Apple announced last week that developers have now created over 100,000 applications for the iPhone and iPod Touch. Furthermore, Steve Jobs alsoannounced last August that 60 million iPhone apps had been downloaded, averaging 2 million per day!

60 million iPhone apps downloaded? Wow that must be representing a lot?

?of free ones. So how are those free apps monitised? Well, in a way there?s no suprise here; through advertising.

The advertising formats which are used on Apple?s smartphone are quite familiar to what we know and several ad network/platforms are already available:

- Text and rich media banners
- Microsites
- CPM, CPC and CPA advertising

That sounds interesting?but how does it work?

Usually, app ads are clickable banner, which either link to an iPhone-optimised microsite.

Example

Of course, as with traditional formats, analytics solutions are available for more insights (Impression, CTR, revenue etc?).

How lucrative can iPhone apps ads be?

According to a report from the mobile advertising company AdWhirl, iPhone apps can make between $400 and $5,000 a day on ads. However those figures only concern the top 100 (out of 100, 000 remember?) and the success story of developer Steve Demeter is rather rare. Therefore most of free iPhone apps don?t make money.

The future?

Apps advertising is still fairly recent and some trials have shown to be quite fruitless.

However yesterday?s acquisition only confirms the fantastic monetisation opportunity of this new format.

And as Gartner sees Google?s Android being 2nd (ahead the iPhone) in terms of Smartphone OS market share in 2012, this move was indeed indubitably logical.

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