How Do I Sell Mobile Advertising Space?

The growing use of smartphones and tablet computers has led to a new market for application software to run on these mobile computing and communication products.

Selling text or banner ads imbedded in the interface of a mobile app is one way for an application developer to make money from the software product. Using mobile ads allows the app developer or company to give an app away for free and still earn revenue from it.

Determining Your Market
To make money with your mobile ads, they must be targeted at the types of users who will install your software app. As the software developer, you are in the best position to determine what type of consumer will be using the software. One point to remember is that the purpose of mobile devices is to be mobile. Projections published on the Paid Content website indicate 70 percent of mobile advertising spending will be for targeted local ads. You want to determine which possible local businesses or services would be of interest to the users of your software app.

Finding Advertisers
Possible sources of advertisers for you app include ad networks specializing in selling mobile ads and advertising agencies with expertise in such ads. You can also sell ads directly to advertising clients.

The best choice depends on the focus of your software app, the number of downloads in use and your comfort level will the sales process. The more of the work you hand off to a third-party, the bigger the cut they will take of the advertising revenue. However, a network or agency can provide exposure to a much larger number of potential advertisers.

App Monetization

Advertisements

Advertisements are often used by app developers who want the widest reach for their app and still see some income at the end of the day. Basically, in-app advertisements sell space in your app to a third-party for ads, such as banners. Most in app ads use a PPC model, every time a user clicks on one of the ads, it generates a little bit of revenue.

Pros:

- Simplicity, it's easy to add advertisements to your app
- There are many ad agencies you can work with who will do the work for you, like GoogleAdMob, Microsoft Advertising, Apple iAd etc.

Cons:

- Difficult to estimate income from ads
- Delicate balance between prominence of ad and annoying your users with distracting advertisements
- Depending on level of CTR, it's difficult to make large profit

App Sponsors

Instead of posting random advertisements that may seem invasive or annoying to users, you can find a sponsor for your app. A sponsored app may seem more natural to your users and since it's a negotiated deal with one company, the sponsorship should be more relevant to your audience.

Generally speaking, a sponsorship would give your app a partner who 'owns' all of the ad space on your app for a certain period of time.

Sponsored ads can be traditional banner ads or they can be more integrated into the content of the app.

Pros:

- Often businesses are really excited for the opportunity to sponsor a mobile app because it gives them a targeted and aware audience
- Likely to be received better by audience because the advertisements are more relevant and custom designed into your app

Cons:

- It's not so easy to find a good sponsor, especially if your just starting out
- Apple has been clamping down on incentivized app downloads, which can include sponsored apps if the sponsorship includes an ad to download the sponsor's app

Home Depot's logo and a link to their mobile store are thoroughly integrated into the app above. The app's users are well aligned with Home Depot's target audience of homeowners concerned weatherproofing their homes.

To crack the code for which monetization method is best for your app, focus on the app's features and users.