Twitterrific Ads

TLDR

The Iconfactory is offering advertising in our Twitterrific app: 1,000 taps on your ad will cost \$100.

Why Did We Create Our Own Ad Network?

For many years, we used the <u>Deck Network</u> to provide ads for Twitterrific. <u>We all loved The Deck</u>, but for various reasons, the network shut down in March 2017. We looked around for other options and finally settled on AdMob as a provider.

AdMob was disappointing. The ads were ugly, poorly targeted, and click through rates (CTR) were about 0.05% (or 5 taps for every 10,000 impressions.) We work hard to make a great looking app and these mobile ads just crapped things up for very little financial gain.

After about a month of running these ads, we realized that it made more sense to pitch our own products and forego a few hundred dollars of ad revenue every month. Our ad income became our ad budget.

We also contacted some developer friends and past clients to see if they wanted to be a part of our experiment. It added some variety and let us share the love.

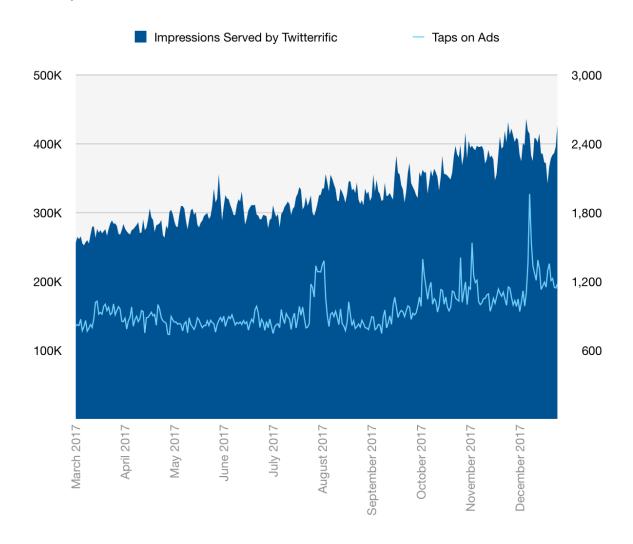
Test Results

Our test ads ran much longer than we expected: we funded a <u>Kickstarter</u> just after starting running ads in March. The rest of 2017 was spent shipping a <u>new Mac product!</u>

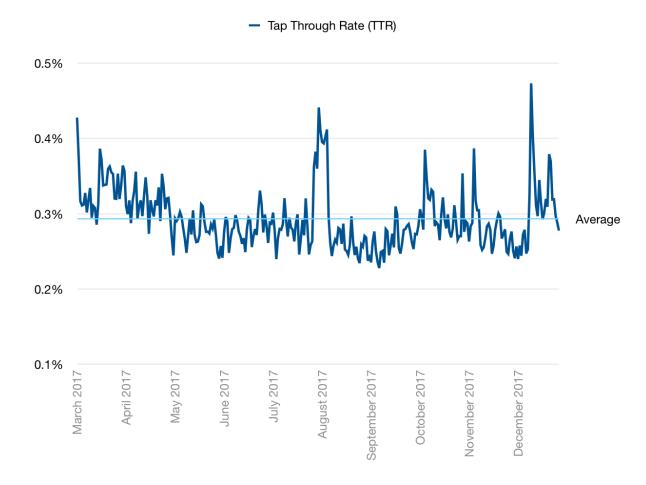
At the beginning of this year, we started analyzing the collected data. The following graphs show results from March 7th, 2017 to January 2nd, 2018 — we think they present a good case for opening up this system to other developers.

Impressions and Taps

Over approximately 10 months we went from serving about 250,000 ads per day to over 400,000:



Throughout this time the ratio of taps to impressions (TTR = Tap Through Rate) has remained fairly constant - about 0.3% of the ads displayed result in a tap:

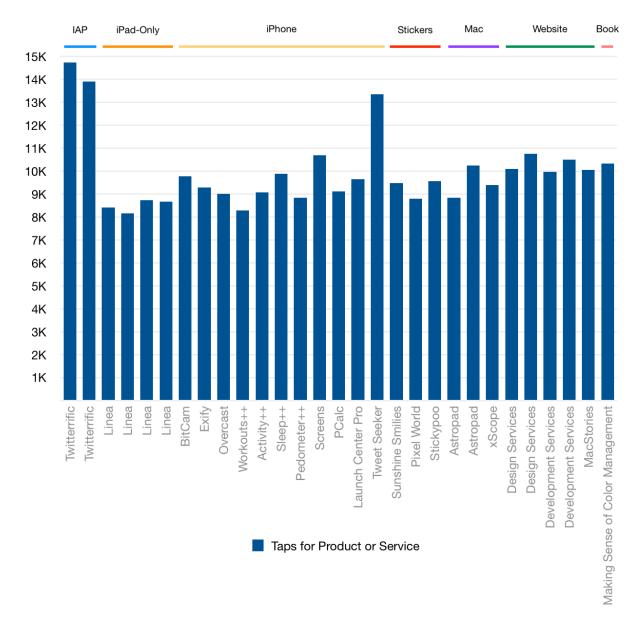


Our suspicion that people would interact more with ads that were well designed and targeted was confirmed: the TTR was 6x higher than it was with AdMob.

Despite the fact that the ad rotation didn't change over the 10 month period, there wasn't a significant decline in TTR. Still, we expect the TTR to go up as we move new ads into the rotation: somewhere like it was in April 2017 when the ad run was fresh.

Product Types

Taps vary by type of product, but the deviation isn't large: all products generated about 1,000 taps per month. Here's a graph that's broken down by product category:



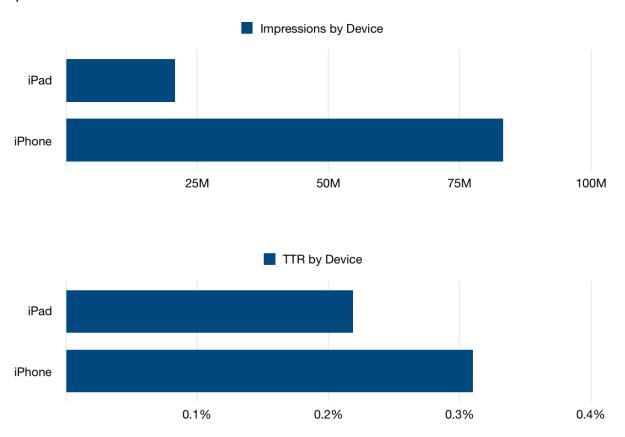
Twitterrific's own ads (to get rid of the banner) generated a lot of taps. To be completely transparent here, that's one of the features of these ads for us — it's an incentive for people to upgrade. It's also one of the reasons we can offer these ads at such an attractive rate: ad revenue is not our primary source of product income.

Another outlier was Tweet Seeker, one of our <u>client projects</u> – it's not too surprising that a Twitter-related app would perform well in a timeline of tweets.

More importantly, <u>apps</u> for both iOS and macOS, services for <u>design</u> and <u>development</u>, and <u>a book</u> all generated a lot of traffic. This shows that the customers viewing these ads have a wide range of interests.

Device Breakdown

Our last graph shows how the ads performed by device. We served four times as many ads on the iPhone as the iPad. Customers on the iPhone were also 40% more likely to tap on an ad:



Twitterrific's install base is approximately 85% for iPhone and 15% for iPad. That explains the large difference in impressions, but it's not clear why there's more engagement on the smaller screen.

Purchase Tracking

Since most of the ads we ran were for products on iOS, we also integrated our system with both the iTunes Affiliate Program and App Analytics.

iTunes Affiliate Program

Over the course of the test, we saw about a 30% conversion rate with affiliate links. For every 100 taps into an App Store page, there were about 30 purchases. Unfortunately, we can't tie this information directly into the sales of the products being advertised, because the affiliate program reports on *all* purchases done after the referral.

App Analytics

We also generate a unique Campaign name and use a Provider ID to show results in the App Analytics section of iTunes Connect. This lets us partially track the product page views and sales for each ad run.

The data in App Analytics is incomplete: there are missing Impressions metrics prior to August 18th, 2017. And there are still <u>some bugs</u> being worked out. This is understandable when you consider Apple is tracking billions of interactions on hundreds of million devices.

Another anomaly is that Product Page Views in App Analytics are about half the amount reported as "clicks" by affiliate program. In theory, these should be fairly close since they represent the same thing: someone looking at your app on the App Store.

In spite of this incomplete dataset, we can still do some analysis. We'll focus on relative amounts, using percentages instead of absolute values. (This also protects the private sales data of the other developers in our beta test.)

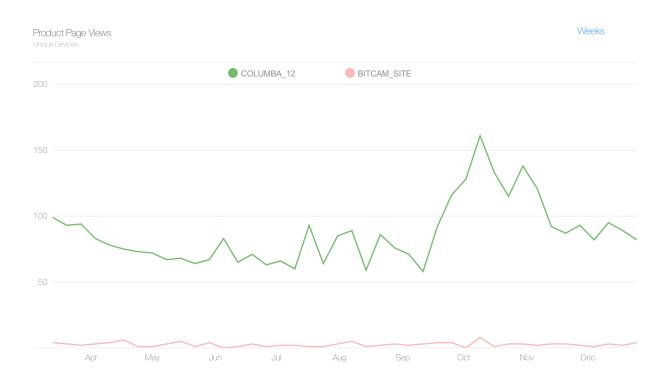
The products we're looking at are BitCam and Exify. Both are low-volume products that earn a couple of hundred dollars per month.

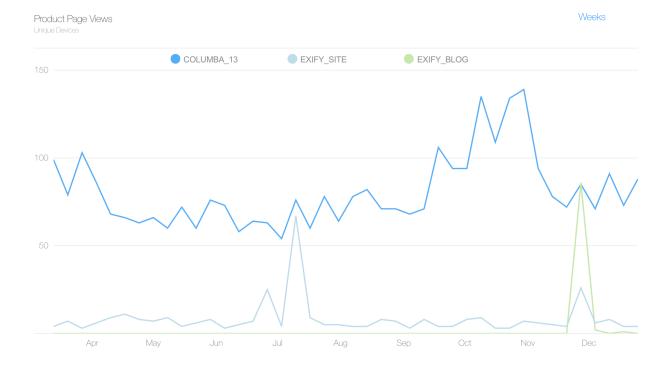
The following table shows how many app units were sold for each product page view in the last quarter of 2017:

Campaigns - Q4 2017	Conversion Rate (App Units / Product Page Views)
BitCam Ad (COLUMBA_12)	4.5%
BITCAM_SITE	38.9%
Exify Ad (COLUMBA_13)	0.2%
EXIFY_BLOG	10.2%
EXIFY_SITE	17.4%

It shouldn't come as a surprise to see lower conversion rates on \$2 paid app (Exify) versus a free one (BitCam has a \$2 IAP.) We saw similar results across all the iOS products being advertised in Twitterrific, averaging 0.3% for paid apps and 5% for free apps.

The graphs below show unique product page views for the weeks from April to December 2017:





The _SITE campaigns come from the respective web sites for <u>BitCam</u> and <u>Exify</u>. The EXIFY_BLOG campaign was from a <u>new version</u> announcement. COLUMBA_ campaigns are ads in Twitterrific.

This data shows that our ads provide a steady stream of customers to product pages.

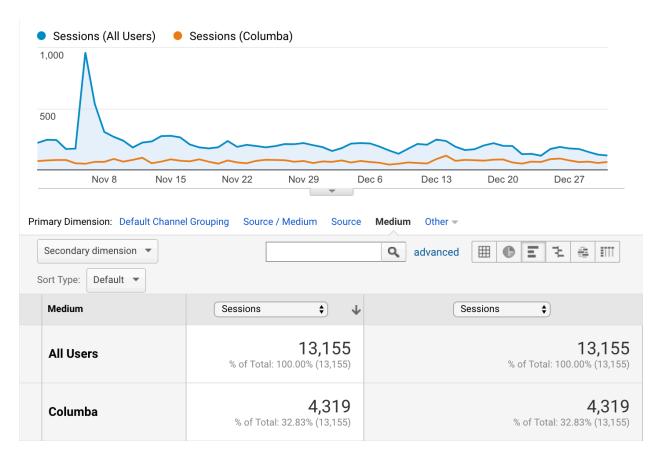
The decision that needs to made is where you want to put those eyeballs. For some products, you'll want to direct attention to a website where you can explain your product and get a higher conversion ratio. For others, you're better served by sending the customer directly to the App Store where a download is just a tap away.

After seeing this data we changed the Exify ad from the App Store to the product website. We don't yet have enough data to analyze this change.

Website Tracking

We're also using ads to let folks know about our various websites. In cases where a product like <u>xScope</u> is not on the iOS App Store, we also open a web page instead.

The ads provide a steady stream of visitors: the graph below shows visitors to our <u>Design Services</u> website for the last two months of 2017:



The blue area is total number of sessions while the orange line is sessions generated from our ads. (Columba is the project name: it's also the genus for carrier pigeons.)

We ran two ads during that time and they generated 33% of the traffic to the site. That's roughly 35 sessions per day for each ad, or just over 1,000 new visitors each month.

Of course, most of these these visits don't lead to a signed contract, but they do a great job of generating visibility for our business. Each visitor from a Twitterrific ad spent three minutes on the site vs. our normal average of about 45 seconds per page.

Live Data

Throughout the test, we used a simple website to keep track of the ads. This data was also used to generate some of the charts you saw above. If you'd like to see our ad server in action, check this out: https://iconfactory.com/columba/app/

As we move forward, we'd like to maintain this transparency. In our opinion, there are too many hidden things in the mobile ad business. Trackers, by design, try to follow your movement without you knowing. We think this needs to change.

Pricing and Structure

Ads in Twitterrific are competitively priced: we'd prefer to serve smaller developers with great products instead of big brands that are just trying to get bigger. We know that margins are tight on iOS and that there's often not a lot of money available to market your product.

Apple's own estimate for cost-per-tap with Search Ads is \$0.50. This average price can vary quite a bit depending on what you're pitching.

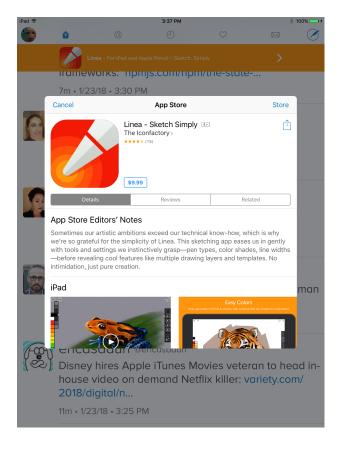
Our own experience with a recent campaign for Linea cost about \$0.21 per tap.

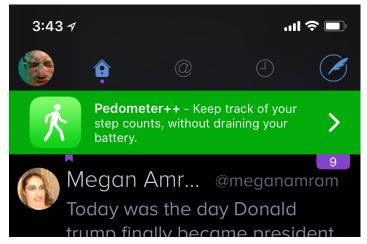
At just **\$0.10 per tap**, an ad in Twitterrific is a fantastic value.

Ad Display

Ads are displayed prominently at the top of the timeline.

The ads are sized appropriately for both the iPhone and iPad and designed to work well in both the dark and light theme. The ad is displayed for 50 seconds at a time.





If you're advertising an iOS app, tapping on the ad opens your product page above the current timeline of tweets.

Other ads are opened in a new Safari window using a URL you provide.

Features

Free ad design – we'll help make sure your ad looks great and reads well

No invasive user tracking – we respect the privacy of our customers

Not affected by ad blockers – ads are displayed natively in Twitterrific without web views

Great audience – ads are seen by people who appreciate good design in iOS products

Integration with App Analytics – a unique campaign token lets you dig into the details using your provider ID

Compatible with Google Analytics segments – we'll send any URL tracking parameters you need

Secure – All resources loaded directly from iconfactory.com using TLS 1.2

Accessible – Ads are read by VoiceOver to many loyal customers

We're also offering **free ads** for our <u>design services</u> clients. If you're working on a new app, we can offer icon or UI design **and** help you get the word out at launch. Please get in touch.

Terms of Sale

An ad run has a fixed cost of \$100 US per month. We guarantee that the ad will get 1,000 taps that either lead to your product page on the App Store or a web site. We reserve the right to adjust inventory as necessary as ad viewership changes over time.

All sales are final. No refunds or cancellations.

The Iconfactory may edit ad content for technical, layout, or style-conformance purposes (such as resizing images or minor copy editing, if necessary.) We'll be happy to help with the content or design of your ad.

Once you purchase an ad, it must be approved by the Iconfactory before it goes live, which typically occurs within 24 hours. The Iconfactory reserves the right to reject an ad for any reason, such as (but not limited to) billing issues, quality concerns, inappropriate content for a general audience, poor fit for the audience, etc. If your ad is not accepted, your payment will be refunded if possible, with the refund pro-rated if the ad has already run for a portion of its purchased duration.