

Jun 30, 2020,09:00am EDT

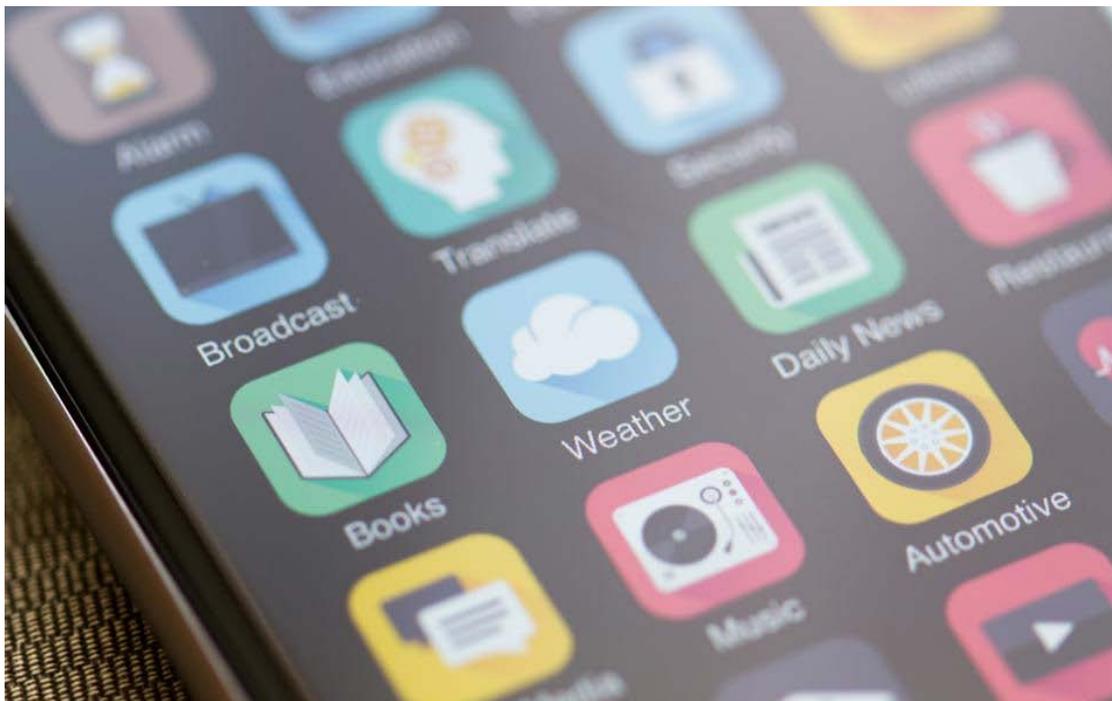
Mobile App Monetization Part 4: Revenue Generation Models



Boris Kontsevoi Forbes Councils Member

Forbes Technology Council COUNCIL POST

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In my previous [article](#), we covered some of the mobile app monetization models. In this article, I will talk about crowdfunding and donations to cover all the revenue generation models that I mentioned in the first [article](#) related to mobile app monetization.

Crowdfunding

During the early days for your app, while you are lacking finance for development and marketing, you can use one of the many available crowdfunding platforms, such as Indiegogo, Kickstarter, AppsFunder or CrowdFunder.

Many successful apps have been crowdfunded. An example of a recent success story took place in 2019, when language-learning app Fluent Forever [raised](#) more than \$500,000 on Kickstarter from 4,000 platform users.

If you are leaning toward crowdfunding, you should begin with building a brand and planning a promotional campaign. This market can be described as a crowd of apps vying for attention from the bigger crowd, so it is crucial to have a clear vision of how you are going to make your voice heard and have the resources necessary to put this vision into action.

The rewards for potential backers can range from equity to merchandise and in-app perks. Base your choice on the value that your app provides and the demands of your potential funders.

If you have the resources and expertise to run a successful campaign and/or you draw on an established, popular brand, this monetization (or, rather, funding) option might be your best option.

Donations

Relying on donations is like playing the app monetization game at the God difficulty level.

You are unlikely to create a competitive advantage that will be sustainable enough to cover the development, maintenance and marketing costs by donations alone. It is difficult to incentivize users to pay that much on a regular basis while the freeloader mentality governs the general mobile app user base.

This makes the entire revenue generation model based on donations highly unpredictable. Also, measuring effective cost per acquisition (eCPA) will be a difficult task.

In which case, might this model work for you? The answer is simple: Yes, when what you do matters a great deal to your target audience.

Canadian journalist Jesse Brown has been able to ensure stable monetary support for his website, Canadaland, and podcast through a monthly donation subscription on Patreon (now complemented by merchandise and an ad-free podcast feed). However, you don't need to be a patron to access his content.

Still, Brown is [said](#) to have generated between \$17,000 and \$20,000 through this revenue model monthly in 2018.

But if what you do matters to your user base, why limit your monetization options to donations? Instead, you can try to combine it with occasional ads, sponsorship, merchandise sales, and other revenue generation opportunities — just like Brown does.

Some Closing Thoughts

Knowing which monetization models are available to app publishers today is not enough to develop an intelligent business plan.

Before you opt for one of the revenue generation models, you should learn your target audience well. Understand why, how, when, and who will use your app and how much they might be willing to pay for it.

Entrepreneurial fever is an essential driver for you to get things going, but don't let it tunnel your vision. Investors expect you to operate with concrete figures, and the market is ruthless.



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Boris Kontsevoi is a founder and President of [Intetics Inc.](#), a leading global software engineering and digital transformation company. Under his leadership, a group of software engineers developed into a truly global technology company with multiple professional certifications and industry awards, including the Global Outsourcing 100, Software 500, and Global Sourcing Association best of class company.

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