The Business of iPhone App Development

Making and Marketing Apps that Succeed



Dave Wooldridge with Michael Schneider

The Business of iPhone App Development: Making and Marketing Apps that Succeed

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Foreword

The mobile landscape is very different than it was just a few years ago. The iPhone's powerful software, revolutionary user interface, and powerful developer platform has driven an almost overnight explosion of apps. Consumers have shown through their actions that apps are how they want to consume content on mobile devices.

The rapid change in the mobile landscape provides an excellent opportunity for entrepreneurship. In June 2008, I left a nearly four-year tenure at Apple because on the eve of the App Store launch, I felt the old guard of the mobile industry, who had been the gatekeepers, were about to lose their stranglehold, giving way to a new generation of entrepreneurs. My adventure in the iPhone space has been highly rewarding emotionally, intellectually, and, yes, financially. I have also never worked harder in my life.

My firm, Double Encore, has been offering iPhone consulting and development services since July 2008. Since that time, I have met with a countless number of perspective clients from individuals to large brands. There is no shortage of enthusiasm and optimism. Yet the App Store is not the fountain of youth. Nor can it turn coal into gold. There are many more failures than successes in this young market.

To be successful in the new mobile industry, you must not merely develop an app. You need to own the enter life cycle of your app from conception, design, development, and ultimately distribution. The journey doesn't end when your app appears on the App Store.

Your job is to figure out where the rubber meets the road, to paraphrase an entrepreneurial expression. Have you done market research to determine whether you're addressing a need in the market place? How big is the addressable market? How are you going to generate revenue? How are you going to market the app? Why is your app better?

These are some of the key questions you should be asking while you are considering building an iPhone application business. I have seen too many people, some of whom were my own clients, who put too much faith in the App Store to sell their product for them.

There is good news! *The Business of iPhone App Development* is the most comprehensive, easy-to-use resource for planning a sustainable iPhone application business. The book is extremely thorough and will guide you through the critical considerations you will face. From generating buzz to defining your business model, *The Business of iPhone App Development* offers a depth and breadth of knowledge that I believe will equip you with the tools necessary to achieve success. Are you ready?

Dan Burcaw Founder and CEO Double Encore, Inc.

> Cofounder Push IO LLC

About the Authors



As the founder of Electric Butterfly, **Dave Wooldridge** has been developing award-winning web sites and software for 15 years. When he's not creating Mac and iPhone apps, he can be found writing. Dave is the author of *The Developer Sketchbook for iPhone Apps* and has written numerous articles for leading tech publications, including a monthly software marketing column for *MacTech Magazine*. Follow Dave at Twitter.com/ebutterfly.



At the beginning of 2009, **Michael Schneider** left Silicon Vally technology firm Wilson Sonsini Goodrich & Rosati to found HiveBrain Software. HiveBrain publishes a variety of applications on the iTunes App Store, the most notable of which, TouchType, peaked at #13 in the U.S. App Store. Michael continues to practice law under the name Bitwise Legal, focusing on software and interactive media clients. Notable clients include Bungie and Innerfence. Follow Michael at Twitter.com/hivebrain.

About the Technical Reviewer



Mark Johnson has been building and selling iPhone apps full-time since the App Store opened; he splits his time between running an iPhone consulting practice in San Francisco and publishing his own apps. He has nine diverse apps in the App Store including free, paid, ad supported, and an affiliate sales app. Mark has 15 years of experience developing software but is now a rabid student of marketing and believes that it doesn't matter how cool or useful your idea for an app is; if you don't know how to market it, then it's a bad idea.

Acknowledgments

Dave and Michael would like to thank the entire Apress family for believing in this book. None of this would have been possible without the many amazing people who were involved in this project. The wonderful Kelly Moritz not only kept us on track, but her positive spirit was a great motivator. The talented Douglas Pundick and Mark Johnson provided invaluable feedback and technical expertise. The copyediting wizardry of Kim Wimpsett truly made us better writers. The production team's usual magic ensured our humble words looked good in print, and the marketing and sales staff worked hard to deliver those words to readers everywhere. We greatly appreciate all your efforts and dedication!

A very special thank-you goes out to Clay Andres for his insightful guidance and having the faith in us as authors to realize his vision.

Dave would like to personally thank Michael Schneider and Dan Burcaw for their important contributions to this project, and especially Mark Johnson for patiently testing all of the book's example code. A big shout-out to my good friend, Dave Mark, for introducing me to Clay and the Apress gang. And special thanks to my supportive family. I certainly wouldn't be an author today without the writing skills I learned from my mother long ago. Thanks, Mom! Finally, I am eternally grateful for the immense love and support from my wife, Madeline, throughout this long journey. You are my rock and soul mate!

Michael would like to personally thank Dave Wooldridge and Clay Andres for involving him in this project, and Mark Johnson for making the introductions that got everything started. Many thanks to my parents, Mark and Nancy, for nurturing my interest in learning, and to my wife, Stacy, for supporting me in my contribution to this book and in my decision to leave corporate life and pursue my dreams.

Chapter

Seeing the Big Picture in a Crowded App Store Marketplace

Living in Los Angeles, there's no shortage of Hollywood clichés. There was a time when it seemed like everyone I met—no matter their profession—was working on a screenplay.

Now they're all working on their own iPhone apps!

And who can blame them? It's a testament to the soaring popularity of the iPhone. There's money to be made in the App Store, and everyone wants in on the action.

We've all read about the success story of indie developer Steve Demeter. His Trism game, along with many of the 500 other apps that were included in the initial July 2008 launch of the App Store, experienced an overwhelming explosion in sales. With some price tags as low as 99 cents, iPhone and iPod touch owners were impulsively downloading these inexpensive apps at a feverish pace. In the months that followed, several of the most popular apps were already netting their creators hundreds of thousands of dollars, allowing programmers like Steve Demeter to quit his day job to focus full-time on this lucrative opportunity.

The media quickly proclaimed the seemingly overnight sensation of the App Store as a "gold rush" for developers. With the lure of potential riches, inspired entrepreneurs from all over the world have downloaded the iPhone SDK, racing to learn Objective-C and Cocoa Touch in the hopes of cashing in on this software phenomenon.

Fast-forward one year to June 2009. More than 40 million iPhone and iPod touch users have downloaded more than 1 billion apps through the App Store. You'd think that with stats like that, it'd be easier than ever to make money in the App Store, right? Think again....

Why a Business Book for iPhone Developers?

With more than 100,000 applications in the App Store and developer interest continuing to grow at a stunning rate, industry analysts predict that number will likely double before the end of 2010.

Think about that for a moment. When browsing through the App Store, how many new apps do you stumble upon weekly or even monthly? 25? 50? According to Apple, approximately 8,500 new apps and updates are submitted each week to its app review team!

In such a crowded marketplace, it's becoming increasingly difficult for new apps to get noticed. Without the necessary exposure, your app may simply get lost in the endless stream of new software that floods the App Store on a daily basis. Gone are the days when you could quickly cobble together a simple app, throw it into the App Store, and then sit back waiting for the large royalty checks to roll in.

The media hype machine is so good at celebrating the underdog stories of a few indie developers who found instant wealth in the App Store that newcomers often assume that if they build an app, the sales will come. When the anticipated avalanche of profit turns out to be nothing more than a trickle, surprised developers quickly discover that a *Field of Dreams* philosophy is no longer enough in this highly competitive market.

"Ah, but what if I've just created the next killer app?" you ask. "Surely Apple will want to showcase it as a 'Featured App' in the App Store."

Having a great product is certainly the underlying key in this equation, but it won't be enough. It's true that being a "Featured App" can instantly propel your sales into the stratosphere, but unfortunately, those "Featured App" spotlights are not purchasable advertising spaces. Apple chooses only a select few apps every month for those coveted spots. With thousands of new apps vying for attention, your chances of getting that life-altering call from Apple are pretty slim. In fact, you may have better odds winning the lottery.

But don't despair. Your killer app can certainly make a lot of money without being a "Featured App." Like anything else in life, finding success in the current App Store environment will require some hard work and planning, but who says the journey can't be fun along the way?

Tackling the New World of Mobile Marketing

If you have the benefit of working for a large software company with deep pockets, then there's probably a dedicated department to handle all of the marketing for the products you create. But if you're an independent developer who's responsible for managing every aspect of your own business, then you're all too familiar with the haunting questions that arise when wondering how to implement effective marketing strategies to increase app sales.

And you aren't alone...just take a look online at the various iPhone developer forums and mailing lists, and you'll quickly see countless posts (some with generous amounts of cursing) from frustrated programmers, all asking similar questions:

- "How do I promote my app?"
- "My app just got approved in the App Store. Now what?"
- "How do I get reviews for my app?"
- "Yikes! My 99-cent app is selling only a few units a week. What do I do?"
- "How do I make a video trailer for my app?"
- "Is there anything I can do to avoid one-star customer reviews?"

Although this all may look quite daunting, trust me—it's really not as overwhelming as it might appear. My goal here is to provide answers to those questions and much more. A lot of innovative marketing tactics, tools, and resources are available to iPhone developers that you simply may not be aware of. Just like you wouldn't want to bring a knife to a gunfight, the key to success is in choosing the right weapon for the task at hand. This book's primary objective is to arm you with the ammunition you need, humbly serving as your definitive reference guide to the business of iPhone app development.

Rest Easy—This Is Not Your Typical Business Book

If just the thought of reading yet another stale book on over-generalized marketing concepts causes your eyes to roll back in your head, then don't worry! This is not your run-of-the-mill business book. You do not need a Harvard MBA to grok this material.

Like all Apress books, this one was written by developers for developers, taking you step-by-step through marketing solutions that have proven successful for professional iPhone app creators. We won't just tell you what you need to do; we'll also show you how to do it.

This is not about expensive advertising campaigns. This is about cost-effective marketing alternatives that can help you sell more apps! In fact, most of the business strategies described in this book cost little to no money—perfect for all of us indie developers on shoestring budgets. All you need is some dedicated time, patience, a little creativity...and of course, this book.

Planning Your Own Success Story

I know what you're thinking. This all sounds very time-consuming, and free time is something you simply don't have to give. As a full-time developer myself, I understand this all too well. Whether I'm feeling the pressure from self-imposed work deadlines or racing to finish a project for a client, time often feels like the enemy. With what little free time I do manage to salvage, I just want to spend it programming the next killer iPhone app. I don't want to be bothered with marketing concerns, at least not until my app is finished. But that would be too late.

Without a solid game plan in place, you'll find that one solitary publicity push when your app is released may not be enough to generate substantial sales. Once upon a time, sending out a press release, landing a few magazine reviews, and listing your product updates on the popular online software directories may have worked fine to promote traditional desktop applications, but many of those old shareware techniques don't apply here. In the unique world of the App Store, you'd most likely see a momentary sales bump on launch day that quickly plummets in the week that follows (see Figure 1–1). Then you'd end up spending a lot of extra time that you had not originally allocated in desperate scrambling to figure out how to improve sales.

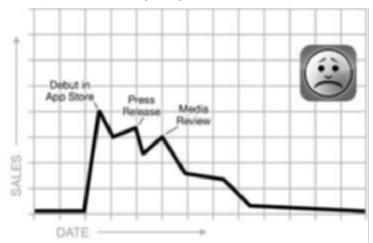


Figure 1–1. Without a long-term marketing plan in place, you risk drastically shortening the life span and profitability of your iPhone app.

If no one knows about your app, it won't matter how many cool new features you add in the future. Did you build an app that consumers will want, satisfying an existing need in the marketplace? Did you do anything to create prerelease interest in your app? And what about your app's longevity in the App Store? Have you thought about how to sustain and grow your sales beyond the initial release? Wouldn't you prefer your sales to look more like the graph in Figure 1–2?

The reality is that if done right, your marketing efforts should actually help save you time in the long run. It's not just about time management. Sure, carving out a few hours every week to focus on promoting your app is important, but that's only part of the solution.

Think like a marketer. Think big picture.

It's not just about what to do after your app is available in the App Store. Did you know that as a developer, you can integrate several elements directly into your app that can encourage sales, produce additional revenue streams, help users "spread the word" via built-in social marketing, and improve customer support and reviews? Your iPhone app itself is one of your most powerful promotional tools, but to take advantage of these valuable tactics (and many others), you should start planning your marketing strategy before you've even written a single line of code.

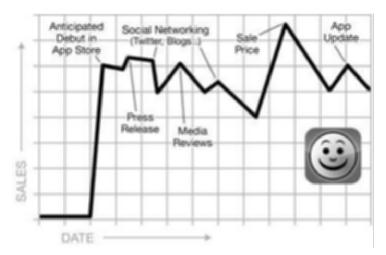


Figure 1-2. Wouldn't you prefer your sales graph to look more like this?

In fact, this is such an important point that I feel obligated to say it again...

Start planning your marketing strategy before writing a single line of code. By incorporating marketing and business savvy into every aspect of the development process, you're giving your app the best possible chance of succeeding in the App Store.

Now just to be clear, I'm not suggesting that you turn your app's interface into a walking billboard—that's a task better suited for your App Store description, your web site, and publicity materials (which we'll also cover extensively in this book). What I'm talking about here are essential components that can be integrated into your app's functionality and UI design that will help promote your app in very subtle ways that your users will perceive only as convenient, quality-enhancing features.

The iPhone SDK 3.0 introduced more than 1,000 new APIs, many of which can actually make your job easier as a marketer, such as In-App Purchase and In-App Email—both of which will be explored in this book.

Yes, you read that correctly. Several chapters of this book will be focused on what you love doing most: designing and programming your app! Got your attention now? And you thought marketing wasn't going to be fun!

How to Use This Book

The sequence of chapters takes a very systematic linear approach, working step-by-step through the planning, development, and release of an iPhone app. Along the way, important business solutions will be presented in each phase of the process to help you produce an app that sells! Although you may be tempted to jump around, reading only the chapters that appeal to you, I recommend reading the chapters in order to benefit from this strategic, organized workflow (see Figure 1–3).

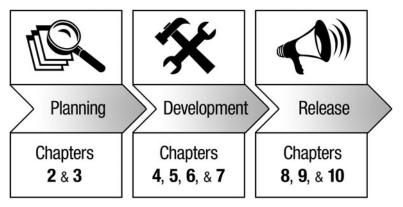


Figure 1–3. For best results, follow the linear workflow of this book.

Chapter 2—Doing Your Homework: Analyzing iPhone App Ideas and Performing Competitive Research

So you think you've got a great idea for an iPhone app? Learn how to discover untapped markets and refine your app concept to be unique and highly marketable, setting it apart from your competition. We'll also explore the invaluable advantages of doing some good old-fashioned detective work by analyzing what your competitors are doing right and wrong.

Chapter 3—Protecting Your Intellectual Property

This just might be one of the most important chapters in the book! Although we probably all hate dealing with legal matters, it's crucial to the long-term health and success of your business not only to protect yourself but also to protect the intellectual property of your original concepts and code. **Michael Schneider**, an expert lawyer turned iPhone developer, will walk you through everything you need to know to safeguard your iPhone business.

Chapter 4—Your iPhone App Is Your Most Powerful Marketing Tool

Your app icon and screenshots are often the first visual elements users see in the App Store when evaluating your app. Bad first impressions can cost you sales and invite negative reviews, so fine-tuning your app's design is a critical component to success. Your iPhone app is your most powerful marketing tool, so Chapter 4 includes useful tips on prototyping, creating eye-catching app icons, designing intuitive user interfaces, and turning your app into a social marketing powerhouse.

Chapter 5—Money for Nothing: When It Pays to Be Free

Unlike the traditional desktop software world, the App Store does not currently allow time-limited or feature-crippled trial versions. To work around this restriction, many

developers offer an In-App Purchase–supported "freemium" model or a free "lite" version of their apps, hoping users will buy in-app content or the separate paid version to gain access to premium features. Learn the benefit of *free* to promote paid versions, monetizing your free apps with in-app advertising, and the value of in-app cross-promotion and social gaming platforms, as well as when and how to use these strategies for effective results.

Chapter 6—Exploring New Business Models with In-App Purchase and Affiliate Programs

With In-App Purchase (accessible via iPhone SDK 3.0's Store Kit framework), developers can now construct new business models within their applications such as offering subscriptions, selling add-on content and services, and unlocking premium features. In Chapter 6, you'll explore the additional revenue opportunities of In-App Purchase and affiliate programs.

Chapter 7—Testing and Usability: Putting Your Best Foot Forward

Did you know that many of the one-star customer reviews in the App Store are caused by user frustration with hard-to-use app interfaces or buggy features? Low customer ratings can really hurt your app's perception and sales, so avoiding those situations when possible should be your top priority. Chapter 7 is all about the value of conducting thorough beta testing, providing built-in help, and tracking usage and performance through in-app analytics.

Chapter 8—Get the Party Started! Creating Prerelease Buzz

Your app is finished, but before you submit it to the App Store, it's time to start generating some prerelease buzz for it. Chapter 8 will show you the best way to stir up some excitement and anticipation for your app by promoting it on your web site, blogs, Twitter, and other social networks, as well as by getting basically anyone you can to review or talk about your app.

Chapter 9—Keys to the Kingdom: The App Store Submission Process

Your product page in the App Store is the world's gateway to your app, so its presentation is essential in properly communicating the value of your app. Chapter 9 will walk you through the app submission process in iTunes Connect, helping you optimize your app's text description, keywords, rating, screenshots, and other required elements, as well as discuss how to set the price to maximize your sales potential.

Chapter 10—Increasing Awareness for Your iPhone App

Once you're in the App Store, it's time to rev up the publicity engine to increase consumer awareness of your app's availability. Even if your prerelease marketing efforts resulted in an initial sales surge, there's still vital work to be done. It's your job to ensure that your iPhone application does not get buried amidst the thousands of new apps flooding into the App Store. Chapter 10 reveals how to craft effective press releases, utilize promo codes, gain exposure through interviews, and sustain momentum in the App Store with promotions, giveaways, and carefully timed sales events.

Getting Started with Your First iPhone App

We have a lot of ground to cover here, so before we get too far along, this book assumes that you've already downloaded and installed the latest Xcode tools and iPhone SDK (3.0 or higher). If not, then make your way over to the Apple Developer Connection web site:

http://developer.apple.com/

If you do not yet have an ADC membership, then sign up (it's free) so that you'll have access to the latest SDKs, tools, documentation, tutorials, and even sample code. And while you're there, take the time to apply for the required iPhone Developer Program:

http://developer.apple.com/iphone/program/

Do not wait to do this when your iPhone app is ready to be submitted to the App Store, since it can often take weeks to receive acceptance into the iPhone Developer Program, which would delay your progress unnecessarily. After being accepted, pay the applicable fee to complete your registration. After your payment has been processed, now when logged into the iPhone Dev Center, you'll see an iPhone Developer Program column on the right side of the browser screen. Click the iTunes Connect button listed there.

On the main page of iTunes Connect, be sure to visit the Contracts, Tax, & Banking Information section to view the contracts you currently have in effect. By default, you should have the "Free Applications" contract already activated, which allows you to submit free iPhone apps to the App Store. But if you want to submit paid apps to the App Store, then you'll need to request a "Paid Applications" contract. Apple needs your bank and tax information so that it can pay you when you've accrued revenue from app sales. Since Apple transfers money via secure electronic deposits, you'll need to provide your bank's ABA routing number, name, and address, as well as your account number, so make sure your bank supports electronic transactions with third-party vendors. If you plan on selling your app in several regional App Stores, then in order to receive international payments, Apple will also require your bank's SWIFT code. Although most large national banks support the SWIFT system, some smaller independent banks and credit unions do not, so it's important to use a bank that can supply a SWIFT code. Until you complete their required steps (see Figure 1-4), Apple will hold any money it owes you in trust. And since this can also be a fairly lengthy process, I highly recommend completing the "Paid Applications" contract long before submitting your app to the App Store.

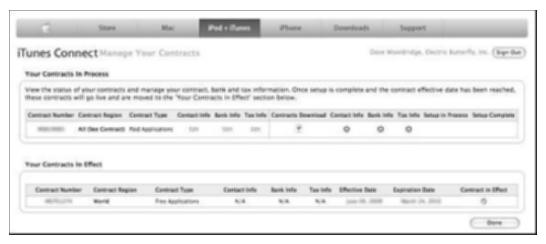


Figure 1–4. To order to get paid for your App Store sales, make sure you complete Apple's required "Paid Applications" contract in the iTunes Connect online portal.

In this book, we'll also assume that you're already familiar with Objective-C and iPhone application programming. If you're looking for in-depth guidance beyond the documentation and tutorials available in the Apple Developer Connection, I highly recommend the following books:

- Learn Objective-C on the Mac by Mark Dalrymple and Scott Knaster (Apress, 2009): http://www.apress.com/book/view/9781430218159
- Beginning iPhone 3 Development: Exploring the iPhone SDK by Dave Mark and Jeff LaMarche (Apress, 2009): http://www.apress.com/book/view/1430224592

Already in the App Store? It's Never Too Late to Boost Sales

Even if you're an iPhone developer veteran with one or more apps currently available in the App Store, you can still do a lot to increase exposure and sales for those apps. You've already invested valuable development time and money to get to this point, so it'd be a shame to give up now!

But don't make the mistake of skipping ahead to the post-release chapters. Many of the solutions presented in earlier chapters can be utilized with great effect, especially when planning new versions and updates for your existing apps.

Take the time to work through all the chapters in the order they're presented. You may be surprised by the tips you pick up along the way that can help even older apps that have been stagnating for months in the App Store.

Developing iPhone Apps for Clients

This book can benefit not only the people who want to sell their own apps in the App Store but also consultants who develop iPhone apps for third-party companies. You're being hired for your expertise, so anything you can do to help your clients succeed in the App Store will serve to strengthen your worth to them.

What better way to secure a consulting contract than by offering a full turnkey service, guiding your clients from app concept to launch, providing both code and marketing support? By offering an optional marketing/publicity package to your list of iPhone development services, you're also establishing new income opportunities for yourself!

The success of your clients directly affects the success of your relationship with them. Add this book's business solutions to your existing toolbox so that you can prove to be an indispensable superhero for all your clients' iPhone app needs.

Ready to Dive In?

Now that you've taken a broad look at the current state of the App Store, it's apparent that several challenges await all iPhone developers as they navigate their way along the road to success. As programmers, problem solving is what we all do on a daily basis, so I'm confident you'll enjoy each step in this process. And just think, put together the right puzzle pieces, and you may just find that elusive pot of gold at the end of the road. Mmmm, app sales!

First shake off all that Objective-C code bouncing around in your brain. You'll want a clear head for the next two chapters. Don't worry, you'll be diving into design and development issues soon enough, but before you do that, you need to do a little competitive research and business planning. So, roll up your sleeves, put on your detective hat, and let's get started.

Doing Your Homework: Analyzing iPhone App Ideas and Performing Competitive Research

So, you think you've got a good idea for an iPhone app? Make sure it's a great idea. No amount of marketing will help sell a bad app. Sure, you may have excellent coding skills with the ability to produce a performance-optimized, quality application, but if it's based on a poorly conceived concept, it won't stand a chance in today's crowded App Store.

In this chapter, you'll learn how some good old-fashioned detective work can help test the validity and marketability of your app concept. Analyzing what your competition is doing right *and* wrong will give you the insight needed to truly refine and improve your ideas into a unique app that stands apart from the rest.

Even if the thought of doing a little competitive research seems elementary to you, keep reading. You may be pleasantly surprised to learn some new tricks here.

Fulfilling a Need

People buy software to solve a problem or satisfy a need. To-do lists keep us organized. Weather and news apps keep us informed. Games feed into our desire to be entertained. Even silly novelty apps serve our basic need for acceptance by enabling people to bond over a few shared laughs. Although these general examples may be easy to recognize and understand, what about more specific needs?

If you're looking to build a nongame, such as a productivity or utility app, here are a few factors to consider:

- Pinpoint a need or issue that is currently not being addressed by existing apps.
- Does your app fulfill that need in a way that makes the mobile experience significantly easier than performing the same tasks on a desktop computer?
- If your app is similar to other existing apps, what feature(s) can you add that would solve the needs not currently addressed by your competitors?

Discovering Untapped Markets

Thousands of iPhone apps have very few users. AdMob, a popular mobile advertising network, reported that of the 2,309 iPhone apps that actively displayed embedded AdMob ads in May 2009, a whopping 54 percent of them (1,246) had fewer than 1,000 users each. Granted, that's a small cross section of apps compared to the sheer size of the App Store, but it's still a shocking wake-up call nonetheless, especially when you consider that most of the apps in AdMob's network are free.

Even if an app is free, it does not guarantee that people will use it. And if you expect people to pay for it, it's that much more important that your app provides a desperately desired service, feature, or experience—something users will feel compelled to download. Just because iPhone apps are inexpensive compared to traditional desktop software prices, they are no longer considered impulse buys like in the early days of the App Store. In the past year, users have packed their iPhones and iPod touches with so many apps that they've gradually become much more selective about which apps they choose to download. Just think about your own decision-making process when purchasing a new app. You may not think twice about spending \$12 for a movie ticket, but for some curious reason, you more than likely contemplate at great length whether to spend a mere \$2.99 on an iPhone game. I'm guilty of doing the same thing, even though as a programmer myself, I'm fully aware of how much hard work goes into creating an iPhone application.

Part of the problem is that with so many iPhone apps priced at only 99 cents in an attempt to boost volume sales and rank higher on the App Store charts, users now have a distorted perception of app worth. Unfortunately, this has conditioned users to expect a lot of value for very little money. To cut through this purchase barrier, your app *must* be special, providing a unique experience and/or satisfying an existing need.

With more than 100,000 apps in the App Store, at first glance it might appear that all the original ideas have already been taken. When Apple says, "There's an app for that," the company is really not kidding...or so it would seem. But then every so often, a pioneer comes along with a new app that causes iPhone developers worldwide to slap their own foreheads while shouting, "Why didn't I think of that?"

Sometimes the coolest ideas are the simplest concepts, hiding right under our noses. As developers, we're so captivated (and envious) over the success stories of our peers that one of the first instincts to strike is often the most fatal: how to take advantage of

current trends by riding the coattails of what's popular. When iFart Mobile became a runaway hit in 2008, a flood of copycat fart apps bombarded the App Store, hoping to cash in on the popular novelty. Jumping on the bandwagon, the first handful of copycat apps probably generated enough sales to justify their development, but at a certain point, the App Store became over-saturated. With more than 500 fart-related apps currently available, the odds of consumers finding and purchasing your new fart app are highly unlikely. When having to choose from such a large assortment, it's simply too overwhelming to look at them all, so consumers will more than likely settle for the most popular ones currently residing near the top of the charts.

Wouldn't you much rather be the visionary who develops *that* app—the one that hundreds of developers rush to emulate? Of course, we all would. So, how does one go about finding new untapped ideas?

First take a look at your own needs and interests. Sure, you're a developer, but first and foremost you're also a user. Is there some missing functionality that you'd love to see added to the iPhone? If so, do any existing apps already provide that functionality? No? Well, if it's a feature you want, then odds are, there are others out there wishing for the same thing...and maybe even willing to pay for it. Bingo.

It's worth noting that some wish-list items might make great features but not great apps. For example, the heavily requested feature Copy & Paste was finally added to the iPhone OS 3.0, but it doesn't really make sense as its own stand-alone app.

What interests do you have outside of technology? There are successful apps for bird-watchers, comic book collectors, sports fans...and the list goes on. If you're passionate about a specific hobby and have not found any related apps, then that might be a great space to fill. Just remember that the more niche it is (underwater basket weaving, anyone?), the smaller your potential customer base will be. If you develop a journal log for the small yet dedicated group of arctic nude swimmers, you may make a few shivering, blue-lipped individuals happy, but you may not make much money doing it. By broadening that idea to encompass all water sports (including custom log templates for surfers, boaters, swimmers, and scuba divers), your journal app dramatically expands its potential customer base, making it a much more viable app concept.

If you're feeling particularly void of any original ideas, try turning to your friends and family. See what specific needs and interests they have that might be well suited for a mobile app. But whatever you do, please do not solicit for app ideas on your blog, on your Facebook page, or via Twitter. Although your followers may provide some great suggestions, accepting their feedback leaves you legally vulnerable. If your app becomes successful, you run the risk of a stranger suing you for stealing their idea without providing adequate credit or compensation for it, producing evidence in the form of an archived tweet or blog comment they posted to you. You're better off limiting your inquiries to only your trusted friends and family.

Another great source for original ideas is your local newsstand. Although that may seem a little "old school," don't discount the ease of flipping through the pages of the latest magazines. The Internet is a vast treasure chest of data, but you have to know what you're searching for in order to find anything of relevance. At a newsstand, you can

quickly browse through dozens of popular magazine genres. Print is expensive, so if there's a monthly magazine dedicated to a topic, the odds are good that enough people are interested in it to justify further exploration. The real question then lies in figuring out whether a decent percentage of those readers are tech-savvy and either plan to own or already own an iPhone. If the magazine has a web site, that's a good place to start, checking to see whether they have an active online forum, RSS feed, podcasts, or Twitter account. By just taking a few minutes to read some of the posts there, you can get a good feel for that magazine's reader base.

Also look to see whether any of the magazine advertisers are promoting computer- or mobile-related solutions. For example, writing magazines include several ads for software tools that assist authors with various elements of the writing business and the story-building process. The App Store already has several mobile writing tools to help authors organize their notes and story ideas, but what about giving freelance writers the ability to track the status of submitted queries to potential publishers?

Now that you have a general idea of what to search for, it's time to take your investigation to the Internet. Although there are several desktop software programs and subscription-based web sites that offer that query-tracking service, there do not seem to be any iPhone apps that handle that particular task (yet). Of course, by the time you read this, there very well may be several apps in the App Store that do just that, so if you do stumble upon an untapped market such as this, it's best to start developing your app quickly. If you discovered a new niche, I can guarantee there are at least a dozen other developers thinking about similar app concepts. Time is of the essence.

It's important to note that if you introduce an entirely new product concept that is unlike anything else in the App Store, be aware that your marketing efforts will require educating consumers on why they should buy an app they do not yet know they need or want. When fulfilling an existing demand, you're selling to a known target audience. In either case, just remember this famous (and very relevant) saying: "There's no such thing as an original idea. It's who does it first that counts."

Enhancing the Mobile Experience

Expanding on the writing-related app idea that I previously mentioned, don't just emulate the feature sets of similar desktop software programs and/or web sites. Not only is that disrespectful to those developers (not to mention the potential legal infringement issues involved), but you're not bringing anything new to the table. Why would writers opt to buy your query tracking iPhone app instead of a competing desktop program?

Are you simplifying the task? Are you adding any significant mobile advantages that would make it easier for traveling writers who are constantly away from their office? Do you plan on integrating Mail and iCal support to save them several steps when communicating with their editors and publishers?

A perfect example of a product that enhances the mobile experience is Bump, a free iPhone app that makes swapping contact information as easy as bumping hands with

another Bump user (see Figure 2–1). Exchanging contact information is not a new concept in smartphones. For years, numerous mobile apps have tried to streamline this process in handheld devices, but they typically involve too many button clicks with complicated methods of "beaming" vCard-formatted data. Some of them are even limited to sending vCards via email, which adds even more steps. The developers of Bump utilized the iPhone's built-in technologies to simplify this need into a single action, which swaps contact information instantly and securely.



Figure 2–1. Bump enhances the mobile experience by greatly simplifying the exchange of contact information between two people.

"Our primary goal when designing Bump was to create a simple, fun, and intuitive way to connect two phones," says David Lieb, cofounder and president of Bump Technologies, Inc. "The accelerometer and location services allow us to do that: Bump monitors the output of the accelerometers and sends the output of the accelerometers up to the global Bump servers whenever a physical bump is felt. The servers then match up any pair of phones that felt the same bump at the same time in the same location. This allows connections to be made between any two phones with just a simple bump of the hands."

Lieb adds, "The idea for Bump came out of a moment of frustration (well, actually two moments). Back in 2005, I was working as an engineer, and it really bothered me that in order to get some simple data like names and phone numbers from one phone to another one not 12 inches away from it, I had to ask someone to read out their information, and I had to type it in. I wanted to be able to just touch the phones together and transfer the information—but the phones of 2005 didn't have what it takes to make that work. Fast-forward to 2008, when I went to business school and found myself typing in the phone numbers of dozens of new classmates. Same frustration, but this

time, I noticed everyone was carrying smartphones, many of which had accelerometers and location awareness. So we decided to build Bump."

Even though the app's idea stemmed from the needs of its own developers, it appears to be fulfilling a common need that many people have. In July 2009, Bump surpassed a million downloads in the App Store.

The same logic of simplifying mobile tasks also applies for those developers who want to port their own Mac or Windows software apps into companion iPhone versions. Don't just repackage the same features in an iPhone interface. By designing your iPhone app to be easier to use for the often one-handed, fast-paced world of mobile users, not only will you strengthen the loyalty of your existing customers, but your iPhone app may also attract new users to your desktop versions.

Some people have even been known to switch from another mobile device (such as BlackBerry or Window Mobile) to an iPhone just so they could utilize a specific app that's not available on any other mobile platform.

Competing with Similar Apps

Does the world really need any more to-do lists, shopping lists, tip calculators, music jukebox quizzes, or fart apps? If you think it does, then it must be because you've identified some new feature that none of the other apps has tapped into—a feature that people want and need. If not, then trying to compete with the hundreds of existing tip calculators, to-do lists, and so on, may be futile, especially if there are really good ones that have captured that particular niche market well.

Perform an App Store search for *tip*, and you'll discover that there are currently more than 100 tip calculator apps in the App Store. True, it's a great idea for a mobile app, but how do you find an audience for your new app when competing with so many existing tip calculators, especially when some of them are very well done and have been heavily featured in the media? One of the most popular ones, Tipulator, was even showcased in an Apple iPhone ad.

Sure, it might be a lot easier to quickly churn out a tip calculator app than it would be to develop a complicated 3D game, but looking at such heavy competition in this space, would even such a simple app be worth developing if you couldn't sell any? It's difficult to justify putting any amount of time into a venture—no matter how small—if it turns out to be a bad investment. If you can't offer a new approach or new features that would motivate users to choose your app over the hundreds of other similar apps, then you may want to try another app idea.

Ah, but if you do know how to build a better mousetrap, then that along with some creative marketing may be enough to gain a toehold in the market. Just look at how many Twitter apps there are, yet new ones pop up all the time with bigger and better features or a more intuitive mobile interface, causing users to switch.

If you think you have a winning concept and do decide to tackle a specific niche that's already saturated with similar apps, just know that you'll have your work cut out for you.

It'll be an upward battle to grow your customer base when users have so many choices vying for their attention. You'll take a more in-depth look at how to analyze and outmaneuver your competition at a later point in this chapter.

If after releasing your app you find that competing in such a crowded space is too difficult and choose to abandon the app to develop a different product in a less crowded category, then you run the risk of tarnishing your reputation and the future of any new apps you release. Why would any users buy any other apps from you if they can't trust that you'll continue to support them with updates and new features? The App Store is littered with dozens of apps that have been abandoned by their developers from lack of sales. Their product pages are full of angry customer reviews, and although it may sound petty to complain about losing 99 cents, their complaints are not really about the money but about the principle at stake. You have to be passionate about your app with a commitment to continue maintaining it for the long haul in order to preserve the relationship with your customers.

When to Avoid Over-Saturated Categories

When it comes time to submit your app to the App Store, you'll be asked to select an appropriate category to place it in. Sometimes the most obvious choice is not always the best choice.

When researching similar apps in the App Store, take a good look at what categories they're located in and how well they are faring in those categories. Just this little bit of detective work alone can help you choose the best category that will give your app the greatest chance for exposure in the App Store.

A good example of this is DistinctDev's best-selling novelty app, The Moron Test. Even though the app includes several levels of game play, the developers made a conscious decision to avoid the massive Games category, opting instead to place it in the smaller Entertainment category. This turned out to be a smart move. The Moron Test quickly rose to the number-one paid app in Entertainment. That exposure as a top Entertainment app fueled even more sales, which in turn elevated its position to the top of the U.S. App Store's Top 25. Would The Moron Test have sold as well if placed in the Games category? Maybe not. Even though the main Games category is divided into 19 subcategories, such as Action, Arcade, and Board Games, it still would have proven difficult to compete against the immersive, high-action 3D games that dominate the overall Top Games chart.

Depending on the kind of app you have, sometimes this strategy can work against you. Obviously having the right keywords in your app name is vital so that you're included in related App Store searches (which I discuss later in this chapter), but people also like to browse their favorite categories to find new apps. With this in mind, don't pick a category just because it's smaller. It's important that you choose the category where most people will think to look for your type of app. So, even though DistinctDev bypassed the large Games category, placing The Moron Test in the smaller Entertainment category instead, it's still a very appropriate and intuitive location for this app.