

Monetization tips for utility app publishers

Overview

Monetization for utility app publishers comes with unique challenges. Unlike many other verticals, utility app users come with a specific intention to complete what is most likely a **singular task or action**. Users are not looking for progression as they would in games, or to consume content as they would in news or social apps. While frequency and retention may be high, **session lengths are often short** so it's important to be thoughtful about monetization.

According to [AppAnnie](#), as of 2017, there are over 300,000 utility apps available on Google Play and the iOS App Store, **88% of which are free**. Unless your app is unique, users may not see the need to pay for it when there are so many alternatives to choose from. At MoPub, we've found that many utility apps have seen monetization success by applying a **freemium model**, finding the right balance between in-app purchases (IAPs) and ads.

To help utility app publishers grow their ad revenue, we've compiled best practices and recommendations based on formats and strategies that we've found to be the most successful.



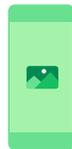
Utility apps best practices

- Because of the nature of utility apps, a freemium model is often a good revenue model. Consider offering a short trial period with options to unlock premium features.
- **Test different monetization strategies.** Offer in-app purchases to unlock new features, test various ad formats and placements, or allow users to pay to remove ads entirely.
- **Consider cross-promoting your other apps** (if you have multiple) within your existing ad placements; carousel ad units work well for this purpose.
- **Balance with the user experience.** Ads and user experience are a delicate balance. Users want a fair value exchange, so avoid asking them for too much at the beginning (for example, immediately requesting a 5-star rating or aggressively pushing IAPs). Give users a chance to engage with the app in a meaningful way first.
- **Track ARPDAU (average revenue per daily active user).** In addition to LTV (lifetime value) for revenue analysis, this metric can be much easier to calculate and act on. For example, if ARPDAU is decreasing day-over-day, you can quickly identify the cause and take appropriate action.
- **Keep your eye on unique reach.** Though both are important, growing your overall daily active users should take precedence over increasing ARPDAU. From an advertising perspective, buyers generally care more about unique reach than they do about total ad impressions.

Ad format recommendations



Native ads allow you to customize the components of the ad creative in order to match the look and feel of your app. This, in turn, **preserves the user experience** and can lead to **higher engagement and CTRs**.



Because of the short session length, we recommend avoiding formats such as **fullscreen interstitials** and videos *at app launch*. If considered, we recommend displaying them **after the completion of a task** to avoid disruption to the user flow.



Banners work well for two reasons: they are non-disruptive to the user experience and advertiser demand is stronger than any other ad format. If you find banners work well within your app, consider applying the **singleton method**. It persistently shows the same ad impression as the user navigates within the various screens of your app. Keep in mind, you'll still want to apply a refresh rate (we've found that 15 to 30 seconds is optimal for utility apps).



Rewarded video ads, which give users the option to engage with an ad in return for an in-app reward, is a great format to **complement your IAPs**. Give your users the option to either make a paid purchase or watch a rewarded video to receive it for "free." The earlier you think in the app design about your rewarded video integration, the more likely the performance of the ad unit will be successful.

Performance snapshot:

- Ad formats driving the most overall revenue for utility apps are (in order): 300x250 (MREC ads), native, and 320x50 (banner) units. In terms of strongest eCPMs, the order is native, 320x50, and then 300x250.
- Though not a top overall revenue driver, when implemented correctly (see ad format recommendations, above), fullscreen interstitial ads yield 8X the eCPMs of banner ads in utility apps.

**MoPub Marketplace internal data, May 2017*

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