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# **Business Models For Application Developers**

Although display advertising or user payments are the dominant business models for application developers currently, there could be a potentially much more lucrative and new way to monetize many applications.

For games, the models that are driven by user payments are very lucrative. But, application prices seem to be suffering from the pressure of free applications. There are new types of payment models like in application payments and subscriptions that are promising but not all types of applications are well suited to these approaches.

If there is enough usage, display advertising can be lucrative on free applications. By integrating multiple advertising networks with a mobile advertising optimizer or an advertising network you can deliver considerable revenues for some applications. But, the falling click through rates and the growth in mobile inventory means that it is becoming more difficult to make this model work.

An alternative method to collecting revenue by display advertising and user payments is affiliate marketing which is creating a large opportunity for mobile application developers and is just now opening up on the mobile network. In the online advertising world it is already a major category and it's now going mobile. Affiliate marketing is different than the current mobile advertising which is usually sold on a cost per click (CPC) or the cost per thousand (CPM) because it pays out based on a cost per Action (CPA) basis in a revenue share or one payment. There are some cases that the payments for a particular action such as a mobile casino space can be as much as \$50. Consequently, affiliate marketing that has the right approach may be more lucrative for mobile application developers than the mobile payment for users or conventional mobile advertising.

There are numerous entities that are now offering affiliate for iPhone applications. Also the iPhone application store affiliate program has been expanded to work on mobile. In addition, affiliate programs that are compatible with Android are also emerging. Application developers on other platforms including mobile web, Blackberry, Symbian, and Java can usually select from an even greater range of various networks an affiliate programs that are mobile.

Also, there are opportunities for application developers to use APIs from online shopping services to develop applications that are driven by affiliate revenue. For instance, applications could be developed for specific car parts around online dealership APIs.

Another approach is to link the incredible growth in voucher codes to mobile applications. For instance the voucher cloud iPhone application uses mobile technology to take hold of the market for discount vouchers. Although there hasn't been much room for new developers on the Internet, voucher cloud has been able to create considerable traction by being the first to market with an iPhone application that is driven by a high quality voucher.

Lastly, the ability for mobile applications to interact with retail stores in the real world provides another opportunity for affiliate marketing. There are services that permit application users to get pricing information from suppliers on the Internet by scanning a product barcode in a store. The potential for affiliate marketing with such applications is tremendous.

Therefore, application developers should seriously consider the opportunities that affiliate provides, and it should be considered from the initial concept stage in the design process.

Click here to find [mobile affiliate marketing](#) and [mobile CPA](#).

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