



Connecting People
to Applications

Apps...There's a Distribution Strategy for That

A W3i White Paper

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Apps...There's a distribution strategy for that

No question about it, there's a huge demand for applications. But making it easy for consumers to find and acquire your groundbreaking new app is getting harder and harder. Now, a new distribution method promises to make those kinds of obstacles a lot easier to overcome.

Remember when people only used applications on their computers? Well, those days are gone. Today, computers are only one of the devices people want apps for. And apps of every description are now being developed for all kinds of devices, and all kinds of users. Burgeoning demand seems to stay one step ahead of almost-frenetic app development, and distributing these apps efficiently is becoming more and more problematic—there's a lot of clutter out there. In this chaotic environment, consumers are finding it harder to pinpoint the apps they want and need amidst the proliferation of apps. And developers are finding it harder to locate the consumers who would be most likely to have an interest in their apps.

But within this dynamic environment lies an opportunity for developers who solve the distribution quandary—because the demand for consumer applications has never been greater. Of the U.S. population of about 307 million, 74% of that population use the Internet and almost 20% use smartphones, at least some of the time, to access the Internet. And that number is expected to grow quickly.

A well-regarded research firm Gartner forecast that worldwide downloads in mobile application stores will surpass 21.6 billion by 2013. They also predict that free downloads will account for 82% of all downloads in 2010, and for 87% by 2013.

Why desktop and browser apps are more relevant than ever

Although smartphone apps tend to get all the “buzz” these days, the fact is, people are not replacing their computers with smartphones—they are just adding these devices to their arsenal of everyday appliances.

That's why savvy marketers realize that desktop/browser-based branded apps and direct marketing apps can help build their brands among both new and existing customers. They have also learned that providing timely content as well as ways to discover content are essential for an application's success. For example, there are forward-thinking companies who have developed clever and engaging apps, and now have new and important tools in their marketing toolboxes:

Pizza Hut

The pizza purveyor’s desktop app is listed as Number One in Forbes.com Killer Apps: Best Branded Mobile Applications. In fact, as of July 2009, they had reported over one million downloads, responsible for sales of over \$1 million. Pizza Hut's iHut app lets consumers “build their own” pizzas and then order them, allowing users to “drag and drop” items to add to the order. Just consider the marketing muscle of all the Pizza Hut devotees working on their desktops at lunch or dinner, with iHut on their desktops reminding them that their favorite pizzas are only a click away.



Southwest Airlines

Southwest Airlines introduced DING in 2005. Whenever exclusive discount fares are offered, the desktop app emits the familiar ringing sound of an in-flight seatbelt bell. The discounts can only be accessed through the Ding application. In the first two years, about two million consumers downloaded DING, and it generated more than \$150 million in ticket sales.



Other branded apps on Forbes.com’s list include: Charmin Sit or Squat (helping find bathroom facilities), DirecTV Program Info (setting customers’ DVR recordings), Purina Petcentric (providing information on “need-to-know” pet places), and US Open (providing news and updates on this popular golf tournament).



To excel at consumer application marketing, as these companies have, there are a few requisites: 1) the app must get discovered; 2) the app must get installed; 3) the user must be able to find the app on their device; and 4) the app must engage the user to encourage repeat use.

How do I get my apps out there?

There are several methods by which apps have been distributed, each with its own set of problems. With so many apps coming into the marketplace, it’s getting harder and harder for your new app to stand out, no matter which distribution method you choose. And because of the increasingly-crowded application environment, potential users have a hard time discovering the apps that would have value for them. The traditional means by which apps are distributed include:

Paid search and display advertising: These would seem to be the methods with the best chance of success, but recent evidence suggests that in today’s crowded app marketplace, they are not enough. One problem in paid search and display is lack of access

to operating system data, which makes compatibility an issue. If only 20% of users have a smartphone, it is difficult to isolate the niche target without the use of operating system data. Consumers do not know what they are looking for when it comes to the utility in many apps—so they do not have concise search terms to locate many apps.

Retail: Retail sales are flat and most retail distribution is allotted to the major brands. Retail distribution also requires packaging—adding to overhead cost.

Aggregator sites/app stores (i.e., the Apple App Store): These seem to be popping up everywhere, but again, discovery is difficult with the quantity of apps available—only the most popular apps float to the top. In the Apple App Store, featured categories promote about 179 apps. Since over 100,000 apps are available, less than 0.2 percent are featured on the App Store site for easy discovery by consumers.

Viral: This is the distribution method with the buzz, but it has its shortcomings, too. A single person can start a viral chain leading to the acquisition of hundreds of thousands of users very quickly. (For example, the X Me app found over 200,000 users in a few days.) But—the distribution of your app is totally at the mercy of its users. Consequently, some apps that are poorly conceived become big hits (at least for a short time). And it's just as likely that some great apps get lost in the shuffle, never get discovered by users, and so never get off the ground. Just hope this doesn't happen to yours.

PR: Creating PR campaigns around your app works if you have an app that is “buzz-worthy,” but most apps are not—and the negatives of this approach are lack of control, lack of predictability, and the difficulty of cutting through the editorial clutter.

Obviously, while all of the current distribution methods for apps might be viable components of a distribution strategy, not one has the strength to execute an entire strategy itself. It seems what is needed is a better way, if not to replace the current distribution methods, at least to augment them.

Is there a better way to distribute your latest app?

As an app developer, you are always looking for a better, more effective means of distributing your apps. Maybe paid search and display advertising just are not working as well as you had hoped. Maybe you are not big enough to break into the retail space. Maybe your apps are getting lost in the crowd at aggregator sites and app stores. Or maybe your app never caught the “viral wave.” No matter what scenario is applicable to you, you need a better way to distribute. One that allows you to ramp up your user base without blowing your acquisition budget. The fact is, there is a better way—by distributing through installer recommendations.

While all of the current distribution methods for apps might be viable components of a distribution strategy, not one has the strength to execute an entire strategy itself. It seems what is needed is a better way, if not to replace the current distribution methods, at least to augment them.

The W3i way

W3i provides a unique, effective distribution channel by recommending apps in the installer. The W3i Application Network substantially increases the distribution of your applications and leverages demand for other apps while the consumer is in an “installation mindset.” You pay for performance only—an actual installation on a user’s computer.

The W3i Application Network brings together publishers who want to increase application revenue (in categories like games, social networking, utilities, security, and entertainment) with advertisers who offer value-added applications that require additional distribution. The advertiser apps typically spring from revenue-generating business models such as e-commerce, trialware, ad-supported, and audience measurement. Companies that are a part of the W3i Application Network include such prominent organizations as Yahoo!, The Weather Channel and Symantec.

W3i’s proprietary installation manager, InstallIQ manages the download of applications for partners and the installation of additional applications.

Possibly a visual will help explain the model better:



In addition, InstallIQ uses minimal in-house resources as we handle the implementation. InstallIQ is user-friendly (certified in the TRUSTe Trusted Download Program). And, it offers real-time results that you need to optimize conversions.



The W3i Application Network is the answer to these burning questions:

“I’ve created an application that Internet users want, but how do I make any money from it?”

“I’ve figured out how to make money on each installation of my application, but how do I get effective distribution so I can increase my installations?”

Case Study A

SmartShopper, based in San Francisco and the UK, is a comparison-shopping add-on that makes online shopping simpler and more reliable. They wanted to ramp up distribution for their established application, to expand their user base for increased sales. Their service appeals to multiple consumer segments, so they were looking for a distribution opportunity with broad reach.

SmartShopper joined the W3i Application Network in April, 2007. SmartShopper is now offered during the installation process.

“We found the W3i Application Network easy to use, leveraging the demand for other valued applications—and paying for actual performance allowed us to stay within our customer acquisition budget,” said SmartShopper’s VP of Business Development.

SmartShopper distributed over 12.5 million applications through the W3i Application Network. “W3i’s distribution partnership with SmartShopper helped us build a loyal and active user base of well over three million consumers comparing prices across thousands of Internet stores within six months of launch,” added the VP.

Case Study B

A publisher of Internet security and PC multimedia software needed increased distribution to grow its business. They have several trial applications with significant consumer demand. By joining the W3i Application Network, the publisher distributed over 40.6 million applications since joining in 2008.

Case Study C

The W3i Application Network was crucial in getting weather apps on desktops across the world. To date, over 15 million weather apps have been installed with InstallIQ—keeping people up-to-date on current weather conditions, as well as providing severe weather alerts. Now weather apps have gone cross-platform with versions for desktop, browsers, social and mobile interfaces. “W3i is the only distribution company I’ve come across that offers targeting, control and optimization in their technology,” commented Alan George, Director of Business Development, Weatherbug/AWS Convergence Technologies.

What is W3i?

Since 2000, W3i became a company committed to connecting people to applications, pioneering new revenue models to spread the development and marketing costs across millions of installations—over 350 million to date.

The W3i Application Network was established in 2008, allowing other application companies to increase distribution and revenue using W3i's technology, InstallIQ. In February 2008, InstallIQ became the first installation manager to be certified in the TRUSTe Trusted Download Program.

In addition to groundbreaking app distribution methods, W3i offers its partners free consultative services, including benchmarking, analytics, technical, design, optimization and compliance advice for continual performance improvement.

W3i provides performance-based distribution for consumer applications—now averaging 9.6 million apps distributed each month.

Want to find out more?

To learn more about how W3i can help you increase revenue, distribution, and engagement for your consumer applications, contact Rob Weber at robert.weber@w3i.com or call toll-free 1-877-257-7025, x7551.

Or click <http://www.w3i.com/contact-us.aspx> to fill out our contact form.

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