

Can there be an app for that?

This document describes how to get your own iPhone application “app” created and make it available to the public. We examine Apple’s infrastructure supporting third-party custom apps, as well as how such apps are monetised.



Introduction

Now is a great time to get involved in iPhone applications. The iPhone has proven itself to be a very popular and very capable device, with a reported 2200 devices sold per day on average by the current exclusive carrier O2¹. The first generation iPhone was released in November 2007. The current 3rd generation iPhone, dubbed the 3GS, can record video, has built-in voice control, a compass, GPS, Bluetooth, WiFi as well as 3G data services.

Orange and Vodafone are launching the iPhone on their own tariffs very soon. This will bring in a large number of new users, and the competition with O2 is sure to bring more favourable prices for users and tempt more to invest in an iPhone.

¹ <http://www.telegraph.co.uk/technology/apple/6242671/O2-braced-for-flood-of-iPhone-returns.html>

The App Store

The “App Store” is a marketplace for iPhone users (and iPod Touch users²), where third-party apps can be browsed and purchased. Each app belongs to one or two categories (e.g. Games, Utilities, Reference) and users are able to give star ratings and feedback. Apps can either be free or cost a particular price. When the user wishes to buy an app, he enters his iTunes account information (an account is free to create), and the credit card associated with this account is debited automatically. Periodically the user gets a receipt by e-mail to summarise the apps he has bought and how much he has been charged. The seller of the app receives between 60-70% of the sale price.

What apps can do

Custom apps can take advantage of all the built-in technology of the iPhone (including the camera, GPS, and so on). It is important to note however that there are a small number of restrictions Apple imposes on what third-party apps can do, for security reasons and to protect the integrity of the platform.

To be permitted to be sold on the App Store, a third-party app must:

- Not run in the background (i.e. a user interface must always be visible).
 - However, you can push data to a phone even when it is not running with "Apple push notifications".
- Must not change the appearance and functioning of the standard built-in components.
 - There is normally never a need to do this.
- Where in-app purchasing is implemented, provide the content paid for straight away and not build up a credit balance. (In-app purchasing is where the user of an app can make a further payment to buy added functionality such as extra levels in a game.)

Popular apps

Many big names have their own apps on the App Store. There are apps to connect with social networking sites (such as Facebook and Twitter), view maps and aerial photos (such as Google Earth), go shopping (Ocado, Amazon) and thousands more.

The most popular apps generate thousands of pounds per month (and not just the paid-for apps). For example, an app called “Mirror Free”, created by an independent programmer, is said to generate 2000 USD per month – impressively this is a free app, with little functionality, and generates all its revenue through in-app advertising³.



² The iPod Touch will run iPhone applications, the restriction is that there is no 3G access.

³ <http://www.iphonefreak.com/2009/07/mirror-free-app-tops-11-million-downloads-generating-an-estimated-2000-a-day.html>

The Developer Program

Companies wishing to develop iPhone apps must register in the iPhone Developer Program with Apple. This is a yearly subscription of 99 US dollars (about £59). This provides access to the software development kits (SDKs) for the developers, development software, SDK updates when they become available, and e-mail support from Apple. Subscribers to the Apple Developer Program, once they have developed their app, may submit it to Apple for approval for sale in the App Store.

Members of the Developer Program may login to the a website known as the Developer Program Portal. Here they can find a repository of useful documentation, and tools for obtaining certificates (with which program code is signed and secured). Admins use the Developer Program Portal to set up team members (i.e. developers) and enter company information. Developers use the portal website to do things related to the app currently being written i.e. obtain certificates for code signing, obtain app ID values, and the like. These are things you probably won't have to worry about!

How you can work with us

There are two options for having an iPhone app developed by us at Camiloo.

1. Revenue sharing. Minimises up-front costs and administration.

- No need to register your company in the Apple iPhone Developer Program.
- No Developer Program fees to pay.
- We develop and test your iPhone application and keep you updated on its progress.
- Once on the App Store, the application author will be shown as "Camiloo Limited".
- You will receive financial and sales reports from us.
- You pay a reduced price for app development, and retain a percentage of the sales revenue. This percentage is decided based on the level of up-front payment, see below for examples.

2. No revenue sharing. One fixed up-front cost.

- Register your company under the Apple iPhone Developer program.
- You pay the fees for enrollment in the program (£59 approx) and set up your account information.
- You create for us a "team member" account under the Developer Program Portal (to obtain development certificates) and a "developer" account within iTunes Connect (to allow us to input details of your application and submit it to Apple for approval).
- We develop and test your iPhone application and keep you updated on its progress.
- Once on the App Store, the application author will be shown as your company name.
- You will receive financial and sales reports directly from Apple.
- You pay for the up-front app development and retain 100% of the sales revenue.

Revenue sharing example

App Development Cost	£5000
Percentage revenue share	50%
You pay development cost	£2500 (50% of total)
Sale price for the app	£2.99 (~£1.79 after Apple takes its cut)
You get per sale	£0.895 (50% of total revenue per sale)

For more information contact us on 0844 884 5153 or visit our website at www.camiloo.co.uk