Market Your Product

An Overview on Strategies to Monetize and Sell.

Of course, I want to sell this record—there’s no point making it otherwise.
—George Michael, British musician

Let me say right off the bat that this is not a business strategy book, so what we’ll be focusing on in this chapter will be those business decisions that have a direct impact on the design of the product. Sure, we’ll also take a look at some tips and marketing strategies, but for more in-depth information about the business of digital products, there are a gazillion of other books and authors.

First of all, the monetization strategy of your product. This is not something you can decide later on, once the product is finished and ready to be launched. Yes, you’ll still be able to pivot later, facing all the redesign that will be necessary, but it’s something you need to have in mind since the very beginning when launching the product for the very first time. Knowing whether it will be a free app, a paid app, or free + paid premium content, or based on subscription, and so on has an impact on how you design the experience. We’ll take a look at what these models mean, how they work, how your design should be shaped around them.
Another topic will be the one about certifications. Certifying your app as safe and suitable for children’s use is not just a way to check and validate your ethical UX decisions but also an important marketing tool toward parents and educators (yea, kids won’t care so much about that).

We’ll discuss about engaging educators and get their help by becoming ambassadors, and we'll take a look at some other tips and things to keep an eye on to help our product get some traction.

**Business Models**

There was a time when software products were physical boxes on shelves. You picked them up, handed over your money at a register, and that was pretty much it. It wasn’t much different than doing groceries at your local supermarket.

Then things evolved (and I’m using this term carefully) into many more options for the consumers and strategies for the developers, especially with the advent of the Internet. Shareware, freeware, adware, crippleware, trialware, donationware… Lots of “wares,” each one presenting pros and cons, and depending on the business strategy, the target audience, and the product itself to decide which way to go.

Digital distribution platforms, such as Apple’s App Store or Google Play Store, Steam, and so on, introduced even new ways of monetizing digital products. Getting rid of physical packaging and physical stores made products easier to update and opened up to new opportunities such as in-app purchases. Nowadays, all products fall into one of the monetization strategies we’ll analyze in this section, and we’ll take a look at the reasons to pick one approach rather than another.

**Paid Apps**

This is the most obvious option, consisting in a price paid upfront upon download. It’s the digital translation of picking up the box from the shelf and paying at the register.

While this is indeed the most straightforward monetization strategy, you need to consider that paid apps represent a very small minority of all the apps out there. Even big companies, like Adobe, in recent years moved to a different model (subscription).

The thing with paid apps is that their value for the customer must be absolutely evident before the purchase, and this is not easy to get, especially for a brand new product or, even worse, a new developer without a successful track record of other products.
For each product, there are surely countless competitors adopting an approach where customers don’t have to pay upfront (free, freemium, in-app purchases, etc.). For this reason, if you opt for the paid app model, the quality of your product must be clear, it needs to stand out of the competition and be so much better to justify people to open their wallet without trying it first.

Toca Boca is once again a good example. The quality of their products is so high, their popularity, brand perception, and reviews are so stellar, that parents buy their apps paying upfront, sure to get what they paid for and probably more.

The biggest advantage of paid apps is the immediate return in terms of revenues, but the flip side is that getting downloads is way harder.

**When to use**

- You have a strong, authoritative brand.
- You clearly offer a better value over competitors, especially over free alternatives.
- You can afford a big marketing and advertising investment.

**When to avoid**

- Your product is content centered. You update content constantly.
- You plan to use other monetization strategies as well. Users that pay upfront don’t expect any additional paywall or IAP (in-app purchase) within the product.

**Freemium Apps**

You might wonder why anyone would give away something for free. Well, there are several cases in which this could make sense. Considering that more than 90% of iOS and Android apps are free/freemium,¹ competing against this model is hard.

Why is this monetization strategy so popular? Free apps are more likely to be installed and tried out compared to paid app. This way, developers can lure in users with a free product that shows its potential, without delivering the full experience. In kids’ products, this is a very common practice; the app is free, but children can play only one sample for each activity.

¹Clement, J. “Distribution of Free and Paid Android Apps 2020.” Statista. N.p., 15 June 2020. Web. 28 June 2020. <https://www.statista.com/statistics/266211/distribution-of-free-and-paid-android-apps/>.
Another example of freemium strategy is when an app is free but includes lots of advertising. The user can pay a price to unlock the premium version to get rid of ads. This is not common in products for children, because advertising is a very tricky (and unethical, in my opinion) way to monetize children’s products.

Another strategy of freemium products is limiting the daily usage. Lingokids uses this strategy; children can enjoy three activities per day or get a subscription (more about this model later) to have unlimited access.

The power of the “free” price tag is very strong, and it can really help in getting the downloads. But once you get them, you need to convert, and here’s the tricky part of the freemium model. The key is finding the balance between showing the value of your product and not giving away so much that users don’t feel the need of moving to a premium version or a subscription. If you get tons of downloads and you struggle to get revenues out of them, it could be either that you don’t show enough of your product to entice the users (assuming the product is good, of course) or that you give so much for free that they don’t feel the need to pay to get even more. There isn’t a magic formula to get this right, it’s a process that involves market and user research, some trial and error, some A/B testing to find the right tune.

**When to use**

- You’re a new developer, without enough credibility to go with a paid app.
- You want to combine multiple revenue streams (in-app purchases, subscription, ads…).
- You don’t have a big budget for promotion, so you need lots of organic downloads.²

**When to avoid**

- Your brand or product is strong enough to get people to pay upfront.

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²By “organic” we mean happening naturally, without the boost of ads, promotional posts, paid articles, or even black hat practices such as paid downloads and reviews (these are dangerous practices that could cause your product or account to be suspended from the distribution platforms).
Subscription

The subscription model is more and more popular nowadays. Many companies, big and small, rely on this revenue model in all kinds of industries. Think about Netflix, Spotify, Amazon Prime, Apple Arcade, Adobe Creative Cloud, we’re surrounded by subscriptions.

This strategy is good for developers as subscriptions provide a rather stable flow of revenues, but what’s the advantage for the user? This has to be clear; people don’t want to pay every week, month, or year if they don’t perceive a clear advantage in doing so. Not all products are suitable for this monetization strategy; there must be some kind of constant update to the product. Therefore, this option is good for products that have content at the center of their experience, content that is constantly updated. StoryBots worked on a subscription, because our content library was regularly refreshed with new videos, new books, and more. Another reason to justify a subscription is a steady flow of new updates in terms of features or services; this is the case, for example, of Adobe Creative Cloud.

There are two classic approaches to promote a subscription:

- The freemium approach described earlier, in which users can try a limited version of the product and see part of the content locked until they subscribe (e.g., Lingokids).
- The free trial approach. In this case, users get full access for a limited period of time (e.g., Papumba).

The difference with these is that with the freemium approach, users will continuously access your app over time and are constantly reminded of its value and what they would be getting with a premium account. With the trial period strategy on the other hand, users will be forced to create an account, and this could give you a lead to push marketing activities. Sure, you could combine the two and require an account also for a freemium version, but adding a mandatory registration to access a limited version of the app could be asking too much to the users and inhibit their interest into testing the product altogether.

The popularity of this model though is now getting to a point where people are thinking very carefully to subscribe even a $2.99/month service, as this is going to add up to many other subscriptions with the feeling of losing control of them. There are several products today that make a selling point of not being based on subscription, a onetime payment is becoming more and more a strong advantage in the eye of the user.
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When to use

- The product is continuously updated with new content and/or features.

When to avoid

- Your app is not content centered.

In-app Purchases

In-app purchases, or IAP, very often work together with the freemium model. Unlocking the full app (its “premium” version) is usually done via an IAP. But IAP can be used to deliver all sort of digital goods. Besides unlocking the full version, you can sell individual packages for a smaller price tag. By providing more options, the user can customize the experience cherry-picking only the features and the content they need. Normally you want to make the premium unlock more inviting as that’ll be the most expensive item in the menu. So, let’s say you sell three packages for $2.99 each, you should sell the premium version to unlock them all for something like $6.99, a classic marketing strategy.

When we talk about in-app purchases, we talk about real transactions, with real money, not to be confused with pretend purchases done with in-game currency, using “points” (or gems, or hearts, or stars…) kids earn by playing. IAP can’t be performed by children; all the shopping activities must be done by an adult behind the parental gate (see Chapter 6). This adds a lot of friction compared to using this monetization strategy with adults, because we can’t talk directly to the user (the child), but we need to find ways to get the parent doing the purchase. Some apps add a voice-over inviting the kid to ask the parents to buy the item for them whenever they tap on a locked feature or piece of content.

One thing to consider is that, just like it happens with paid apps, the distribution platforms (App Store, Google Play Store, etc.) take a commission (usually 30%) on each IAP. So keep this in mind when putting a price tag on your items. The good news is that, according to Sensor Tower (the leading platform in analytics for the business of apps), users are spending more and more in purchases inside apps, a market that grew by 17% in 2019, compared to the previous year.³

³Nelson, Randy. “Consumer Spending In Mobile Apps Grew 17% in 2019 to Exceed $83 Billion Globally.” Sensor Tower Blog. N.p., 06 Jan. 2020. Web. 01 July 2020.<https://sensortower.com/blog/app-revenue-and-downloads-2019>.
When to use

- In-app purchases are a perfect complement to the freemium model.
- You have a catalogue of digital goods that people may want to buy to enhance their experience.

When to avoid

- If you decide to go with the paid app model, users expect to have all the features without additional purchases.

Advertising

Despite advertising being one of the major revenue drivers in digital products business, it’s not an easy way to monetize products for kids. I talked extensively about this in Chapter 6 when discussing the safety measures in children’s products; I just feel I should mention this option here to have a complete overview of the most common monetization strategies on digital products.

Yes, there are networks specialized in delivering ads suitable for kids, but there also are strict policies on App Store and Google Play Store, about advertising to children. I personally make this a matter of ethics, most of all. Don’t forget that children don’t have our grown-up experience in discerning what is an advertised content and what is a genuine piece of content of your product. This may lead safety gates popping up unexpectedly and confusion in general on the app usage, not to mention parents are not big fans of ads.

Certifications and Standards

When you sell a digital product for children, you speak mainly to parents and educators, as they are the ones making the purchase or suggesting it. Sure, you can entice kids with nice pictures, engaging videos, and pretty colors, but ultimately it’ll be an adult deciding to download your product or not.

Parents can be more or less informed about what’s suitable for their child; some parents read reviews, articles, talk to educators to make cautious choices. Others take a less informed approach and just want something to keep their kids busy for some time. As product designers, we should help parents and make products that are safe and ethical. While the first kind of parents wants to be reassured about your product’s safety, the others need to be informed and educated on what to look for in a digital product for kids.

Certifications can surely help you assess the level of safety of your product, but they also serve as a marketing tool toward parents and educators, to let them know that your product is indeed suitable for kids and certain measures are in place. Let’s take a look at some of the most popular and trusted ones.
kidSAFE

kidSAFE maybe the most well-known seal for children’s products. Founded by Shai Samet, a children’s privacy consultant, kidSAFE offers a series of seals to certify compliance to different kinds of safety measures in kids’ digital products. There are currently three seals.

kidSAFE Certified Seal

This requires compliance with the following “Basic Safety Rules” (as applicable):

- Safety measures for chat, community, and social features
- Rules and educational info about online safety
- Procedures for handling safety issues and complaints
- Parental controls over child’s account
- Age-appropriate content, advertising, and marketing

kidSAFE + COPPA Certified Seal

This requires compliance with the Basic Safety Rules, plus the following additional “COPPA Privacy Rules” (as applicable):

- Neutral age questions
- Parental notice and consent procedures
- Parental access to child’s personal information
- Data integrity and security procedures
- COPPA-compliant privacy policy
- COPPA oversight and enforcement by the kidSAFE Seal Program

kidSAFE Listed Seal

This requires compliance with the following general principle:

- Designed and intended for use by children, families, and/or schools
TRUSTe Kids Privacy

TRUSTe Kids Privacy is a service by TrustArc, which has been releasing TRUSTe certifications for websites for decades now (since 1997). Their TRUSTe Kids Privacy is, as the name clearly indicates, the children's version of their classic seal. They offer full assessment on COPPA compliancy for websites and apps targeting children under 13, assistance on remediation in case any changes are needed, monitoring, and guidance.

Privo

Privo is a company providing personalized consulting in the field of compliance and certification serving some of the biggest players in the kids' digital products industry. They offer a series of seals, including one specifically dedicated to GDPR, unlike kidSAFE offering only COPPA certification. Interestingly, Privo also offers API and SDK solutions so that developers don't need to worry about being constantly up to date with legislation in different countries.

ESRB

If you're a gamer, you know this very well. The Entertainment Software Rating Board (ESRB) is the association providing the seals you see on basically any video game on the market, because, despite being voluntary, all console manufacturers and some US retail stores and digital stores require this seal on each and every title.

There are five seals:

- **“E” (Everyone):** The content is for everyone. There might be a very mild cartoonish kind of violence (think classic Hanna-Barbera style of slapstick).
- **“E10+” (Everyone 10+):** For everyone older than 10. The level of violence in actions and language is minimally higher compared to “E.”
- **“T” (Teen):** For 13 years old and up. Include higher level of violence, minimal presence of blood, simulated gambling, suggestive themes, and crude humor.
- **“M” (Mature):** The content is for 17 years old and up. Intense violence, blood and gore, sexual content, and strong language.
- **“A” (Adults Only):** The product is suitable for 18+. Basically everything is allowed, from prolonged violence to graphic sexual content and gambling with real money.
The ESRB is the seal many parents ignore (to go back to the introduction of this section) when they buy *Grand Theft Auto V* for their 13-year-old child, for example.

There are several reasons why you may want to get one (or more) of these certifications. First of all legal ones; you can of course do everything on your own and comply with all laws and regulations, but having a professional assessing the status of your product is for sure a safer option. Secondly, the marketing opportunity they offer. It’s true that many parents are not really aware of these standards and too often overlook the presence of these seals or they simply don’t understand their meaning. But I believe things are slowly changing, online privacy is a very hot topic today, users of all ages are increasingly aware of the dangers and the best practices to protect themselves (and their loved ones). With the rise of privacy concerns along with the growth of the kids’ digital products industry, I think these certifications will be more and more sought-after by developers and by parents and educators as well. Another important thing to consider is that while parents can’t be sued for letting their kids use an app that doesn’t comply with COPPA or GDPR regulations, schools and educational institutions might be, so they are absolutely interested in knowing if a product is compliant and safe to use or not. If you plan to sell your product to schools, you can leverage on these certifications more effectively than you would with parents.

**Teachers As Ambassadors**

In the beginning of this book, we’ve seen how educators are one of our three major audiences, along with kids and parents/caregivers. While they might not have the same spending power of some parents (educational institutions, especially public ones, are often working on a tight budget), they can play a role as critical allies for us.

For example, it’s a very common practice, among educators, to share tools that they’ve found helpful and they regularly use in their day-to-day, in and outside the classroom. Word of mouth in the teachers’ community can be a powerful aid to your marketing strategy, and by “word of mouth” I also mean online, on dedicated forums, newsletters, and blogs. Some teachers have personal blogs to share this kind of tips with their peers, for example, freetech4teachers.com is a blog by a teacher sharing ideas to leverage technology in the classroom with free resources.
“Free” is important in this context. Giving free access to your product to educators is a classic strategy, and it serves two purposes:

- They can help you by testing your product, from the first MVP\(^4\) and forward, flagging bugs, giving feedback and suggestions.
- If they appreciate the product, they can spread the word, not just to other teachers but also to parents to try it at home.

Educators are an authoritative voice toward parents; they have their trust and (usually) follow their suggestions. For this reason, it’s important that we gain educators’ trust in the first place. How do we do that? Well, first of all with good products. Teachers are happy to jump on board and “sell” your app if it’s a good product, with real value for the kids. We can also get their trust by involving them early in the development process. I can’t stress enough how important it is to have an educational expert in our team, regardless of the product being explicitly educational or not.

Have a selected number of teachers joining your beta-testing pool and work along with them, listen to them, and learn from them. It’s a situation where you can only win. If your product is bad, you’ll know it earlier and you’ll have better chances of steering it to the right path. If it’s good, you’ll get educators excited to share it and suggest its use to parents and other teachers.

Partnerships with schools and teachers can also be useful when you need to do user testing with children. Schools you gave free access to your product might help providing an environment for conducting tests as well as put you in touch with parents for recruiting children to test with.

Get educators involved requires more than just giving them free access to your app or website. You need to engage them and create a community around them. They need to know how to get in touch to report bugs and tell you their experience with the product, share opinions and tips with other educators, be up to date with new features and improvement, request new features, and so on.

Lastly, providing schools and teachers with free tools for their job can also provide a ROI in terms of brand reputation. Big tech companies like Apple and Google are giving away tools, platforms, and devices to educational institutions. I’m not saying these are just marketing stunts, there are for sure ethical decisions behind, the good old idea of giving back to the community, but it’s undeniable that they can find a marketing use for these good deeds.

\(^4\)Minimum viable product.
More Marketing Tips

As I mentioned in the introduction of this chapter, this is not a business strategy or marketing book (and being toward the end of it, you should know already), but it was important to touch some topics, like the monetization strategy as these influence the way you design the experience.

There is a lot more to say about the marketing of children’s apps, but that could fill another book or even more than one. Plus I’m a maker, not a seller, so you will easily find someone more qualified than me to talk about such things.

Here I’ll just point out a few tips and tricks to get a taste of it, in case you’ll want to dive deeper into marketing matters.

Intellectual Property

Creating a brand, including characters and storytelling, from the ground up and making it a hit is a big challenge, especially if the first touchpoint is a digital product. Some video games (not specifically made for kids) did that, think of Angry Birds, Pokémon, or even the Tomb Raider franchise, just to name a few. They started as video games (a.k.a. digital products), but they became a pop culture phenomenon, with feature films, merchandise, and a brand worth billions. Children’s digital products are far from that kind of success (yet). Toca Boca, with the series Toca Life, started venturing outside the boundaries of the screen with some merchandise, but as a brand they are still very far from any Nickelodeon’s or Cartoon Network’s intellectual property, not to mention Disney’s.

The other way around though is an “easy” (if you get a partnership) way to boost downloads. Peppa Pig’s series of apps are OK products, but honestly far from being groundbreaking experiences; nevertheless, they’re easily at the top of the App Store and Google Play Store charts in the kids’ category. To be brutally clear, your greatly crafted product with your own characters will never be as successful as a mediocre product featuring Elsa from Frozen. Not even close.

So, if you manage to strike a deal with the owner of one successful TV show or toys franchise or movie, it’ll boost your downloads greatly. The flip side is that IP owners don’t give these away cheap; normally they commission the product to a developer for a fixed fee or for a small revenue share. So more downloads for sure, but it’s not said it’ll be more money.

For more insights on IP partnerships and kids’ digital products, read the interview with Catriona Wallis later in this chapter.
Specialized Blogs and Publications

A lot of parents today have blogs on parenting and they often cover technology as a topic. The same goes with educators. These blogs talk to very specific niches and readers are there to look on tips about new products for their kids. Getting a review on these kinds of publications is sometimes more effective than being covered by high profile and more generalist blogs.

Parenting Groups on Social Networks

Similar to blogs, there are tons of groups on social media dedicated to parenting and education you can look into. Again, people who follow those groups are there specifically to get suggestions also on tools and new technologies.

Awards

Awards can be a badge of honor you can display on your website, App Store and Google Play Store product pages, social media pages as well as printed material, and more. If a product won one or more awards, there must be something good about it, right? That's more or less what you want prospect users to think. There are many awards out there, some more specific for kids’ products, but maybe less popular, and some others more generic, but more popular to the general public.

The most famous awards for digital products, like the W3 Award and the Webby Award, have specific categories for children, while others, like the Parents’ Choice Award or Teachers’ Choice Award, are specifically dedicated to products for children and youths.

Industry Insight: Interview with Catriona Wallis

Catriona Wallis is founder and CEO of Colto. Being a mom with teaching experience, she noticed the potential of the iPad as an educational tool and founded Colto, a company that now delivered several award-winning titles for kids and signed partnerships with Nickelodeon and Highlights.

Rubens: I’ve been lucky enough to collaborate with Colto on several occasions, the first one at the very beginning of the company’s history. How did the market for kids’ digital products change in the past few years? Do you think apps got better lately in terms of quality, safety, educational value? Do you have more competition?
Catriona: As kids’ app developers, we have a responsibility to strive to raise the bar on the quality of the products we put in the hands of children.

Before answering your question about recent changes, I wanted to note that the kids’ app market is still considered early stage, given that apps were first launched in 2008 on the iOS App Store. There have been a lot of changes in 12 years, but there are still important issues that have not progressed and been resolved yet such as the difficulty with discoverability of good quality apps and the lack of regulation of apps by an independent third party.

The most notable change in the last 4 years is the monetization model (or revenue model) of kids’ apps. In 2016, Apple introduced a subscription model for kids’ apps. This rapidly became the most popular revenue model in the market, mostly because it was the first model that allowed developers to build a sustainable business with its recurring revenue. Prior to subscription, only transactional download revenue models were available (free, premium/paid, freemium, or hybrids of these). These single transaction models provided limited revenues for developers so it was unprofitable to acquire new users through paid acquisition which made it difficult for new developers to boost their apps’ rankings to get the visibility for downloads and revenues. Before the introduction of subscription, we saw a lot of smaller independent developers enter the market and quickly disappear.

Another rapid change in the past few years linked to the introduction of subscription is that many more high-quality educational apps have been published in the kids’ category. The sustainable nature of subscription led to greater investment by both larger and smaller developers in apps with an educational objective, particularly school readiness apps for preschoolers teaching pre-numeracy and pre-literacy skills. It should be noted here that the preschooler market is a particular one where the parent is the customer and the child is the user. The top-grossing list of kids’ apps in the 5 years and under category is dominated by subscription model apps to learn the ABCs, 123s, as well as English language, speech therapy, and more. In the older kids age categories, children have more choice in the apps they download and you find more of a balance between educational and entertainment-based apps in the top-downloaded and top-grossing lists.

Two other important changes in the past few years are in the quality and safety of kids’ apps.

The quality of kids’ apps has definitely improved on iOS (less so on Google Play) due partly to the higher investment in apps since the introduction of subscription model and partly to Apple and Google becoming increasingly stricter in their app approval process.
The safety has fortunately improved in recent years with Apple introducing restrictions such as compulsory parent gates for kids’ apps and age gates for apps with advertising as well as restrictions on data tracking for privacy reasons introduced in 2019 (although I worry that this just deters app developers from placing their apps in the kids’ category).

R: Starting from its name, Colto, which means “cultured” in Italian, always had the educational value of its products at heart. Finding the right balance between fun and learning is the holy grail for children’s apps. What’s your advice to get this right?

C: When we create games with an educational objective, one of the greatest challenges is finding the right balance between making the gameplay fun and educational at the same time, as the two are often in conflict with each other. For example, if a game has too many educational assets, it can become distracting for the kids and lose their interest in the central gameplay. One experience we had which illustrates this clearly was during the development of Colto’s app Highlights Monster Day, a game in which you adopt a monster for a day and care for it. The learning objective of the game is to teach prosocial skills such as empathy and kindness as well as healthy habits such as brushing teeth and eating healthy food. The game starts in the morning in a bedroom scene where you wake up your monster then scrolls right to different scenes as the day progresses. I wanted to have a clock on the wall on the UI of each scene which showed the different time of the day to help kids learn how to read the time. We already had the sun rising and falling during the day in the window of the background of each scene. My partner, our head game designer, didn’t want to add the clock because she felt it was too distracting for preschoolers and compromised the simplicity of the user experience. We decided the gameplay experience was the priority in a game that teaches soft skills so we never added the clock.

R: In Colto you have the opportunity of experiencing two ways of making products: you develop your own, and you collaborate with famous IP owners like Nickelodeon and Highlights. What’s the main difference in terms of creative freedom? Do these companies trust you completely, or are they giving more boundaries?

C: The amount of creative freedom varies a lot depending on the brand. In the case of Nickelodeon, our production team worked closely with their digital producer, and we had to follow the brand style guide for the two IPs we created apps for: Dora the Explorer and Nella the Princess Knight. So in the design we had very little creative freedom. However, in the game concept, we had almost complete freedom as Nickelodeon gave us no brief on what type of game they wanted so we created the game concept from scratch and pitched it to Nickelodeon then tweaked the concept together with their producer.
In the case of *Highlights for Children*, we had a lot more creative freedom in both the design and the game concept. With the first three apps, all the characters and assets were our original designs as well as the game concept. The fourth app we created with Highlights was a subscription app called *Hidden Pictures Puzzle Play* for their famous classic hidden object game. We had a lot less creative freedom on this product because Highlights had already built two preceding mobile versions of *Hidden Pictures* so they knew what they wanted for the product and gave us strict guidelines on the concept.

**R:** Talking about the success of a product, how much does having a popular intellectual property, like *Dora the Explorer*, help to make an app popular?

**C:** When we started working in partnership with famous brands, we heard from colleagues in the industry to expect a success rate of 10–20-fold for an app based on a famous IP such as *Dora the Explorer*. In practice, we have found the IP does give the app more visibility in the period immediately after launch which boosts the rankings and leads to more downloads within this 10–20 range. However, in recent years, there has been a massive increase in the number of apps based on popular IP, and the market today is flooded with branded apps making it more competitive. When we launched our *Dora the Explorer* app in 2016, you could get a boost just from the IP; nowadays, you need to have a generous marketing budget to acquire users even for apps based on popular IP.

**R:** Being the CEO of a company that makes apps for kids, and being a mom as well, what’s your take on screen time? Do you set limits?

**C:** Much to my children’s dismay, I do set screen time limits of 1 hour daily during the week and 2 hours on weekends. They say with parenting you have to pick your battles and this is one of mine. I do believe on the one hand that screen time is valuable for my children because it teaches them skills that are fundamental for the digital world they live in and keeps them in touch with pop culture. However, I’ve seen enough negative behavior from my children after prolonged periods of screen time, particularly on fully immersive games such as *Fortnite* on the Xbox, to convince me that it’s not healthy for their brain development. I consider it important for my children to learn the discipline of having to switch off the device when their time is up even though they’d love to keep playing.

In my experience, it’s easier to control screen time when children are 10 years and under in preschool, kindergarten, or primary school because most of their homework is still offline. When children are in secondary school, the lines become blurred because they use their devices for school work and it’s difficult to control when they’re playing and when they’re actually working.

During the COVID-19 lockdown, all my usual screen time rules went out the door because the children’s daily schooling was all online.
R: Which are, in order of importance, the best features to promote when marketing a kid’s digital product to parents? Educational value? Safety? Entertainment? What else?

C: Definitely educational value remains the most important feature to promote, particularly to parents of children aged 5 years and under. Safety is a feature that I always believed would be more important to promote than I’ve found in practice is. Parents will tell you safety is important to them. For parents of younger children who are in control of which apps their children download and purchase, they want to know the app is safe. However, I think the reality for most parents of children aged 6–12 years is they don’t have enough time in a day to read the App Store description and check the safety of every app their child downloads. I think it’s always important to promote apps, particularly educational apps as entertaining to both parents and children, as they need to want to play the app in order to download it. If a child really wants an app because they’ve heard about it from a friend, they will nag their parents to have it until they do.

R: Last question: what’s going to be the future for this industry? What should the focus be?

C: I’m glad you asked this question about what the focus should be because as mentioned in my first answer, while there have been changes in the kids’ app market, there are some aspects that need to change in order for this market to progress and grow.

Firstly, there has never been regulation of kids’ educational apps by a neutral third-party organization. This means that you have educational apps on the stores that claim, for example, to teach your child to read which have not been created by educational experts alongside educational apps that have been created by a panel of teachers and based on a school curriculum. In the absence of any rating or classification of educational value, it’s difficult for parents to find good quality apps, and they might download an app from a developer claiming that it will teach their child to read, for example, and be disappointed by the results and incorrectly assume that all educational apps are low quality. Given that educational value is the most important factor for parents in deciding which apps to download and purchase, I believe there needs to be an independent assessment of the learning value that sets a realistic expectation of what results parents should expect from educational apps.

The major mobile platforms such as the App Store, Google Play, and Amazon App Store should focus on collaborating more closely with developers to incentivize them to place their kids’ apps in the kids’ category because new rules such as Apple’s sudden announcement in June 2019 that all kids’ apps can’t include third-party analytics software (which are needed to track data that is vital to the app’s success) deter developers who have created games for kids that can also be played by adults, from publishing their games in the kids’ category.
Educational apps will continue to grow in number and popularity, given that educational value has consistently been the number one factor for parents deciding which apps to download for their children.

Finally, with the rise of kids’ brands on YouTube due to the migration of children from traditional linear TV to watching videos on YouTube and streaming SVODs (subscription video on demand) such as Netflix, there are new brands from kids YouTubers such as Ryan’s World, Kids Diana Show, and CKN Toys that are increasingly publishing kids’ apps. There are of course still apps based on evergreen classic kids IP such as Barbie and Peppa Pig; however, we will see the new wave of YouTube brands as well as new IP from kids shows on Netflix, Amazon Prime, and so on dominating the kids’ app market.

Industry Insight: Interview with Raffi Frensley

Raffi Frensley is Marketing Director at GoNoodle, a company creating digital products for kids that promote physical activity, subverting the idea of screen time as sedentary time. Raffi has not just years of experience in engaging educators and creating communities with them, but has also a past as an elementary school teacher himself, with years spent teaching technology literacy and computer skills to kids.

Rubens: I’m really happy to have this chat with you because you’re not just Marketing Director at GoNoodle, but you have also a past as an elementary school teacher. What’s your take on the current landscape of digital products for kids?

Raffi: It’s a wild time for digital content! There is such saturation and it’s both exciting and overwhelming. Students have infinite access so the trick becomes directing students to vetted and approved content. I think we’re also seeing a shift from delivering content (watching a YouTube video) to having kids create authentic experiences within the product (practicing and recording a TikTok). I think we’re creating a generation that creates almost as much as they consume.

RC: What are teachers looking for in kids’ interactive experiences? And what about the parents?

RF: Experiences should explain themselves. The value should be inherent quickly. I’ve seen so many robust tools with multiple functions (all very well crafted) that lacked a clear call to action. Start with a hook (Virtually Tour Ancient Ruins!) and then build out the user experience. ClassDojo originally started with a very simple premise—if you’re awesome in class, you get a point. When you’re not awesome, you lose a point. It was very effective and
incredibly simple for students, teachers, and parents to understand. They’ve since built out their model to include curriculum, and a suite of other teacher tools, but they started with a simple premise. Also teachers need interactive experiences to be free (or very inexpensive) and easy to implement in their classroom. There’s a lot of red tape around school budgets, and the more you empower teachers to be the leaders, the easier it is to onboard new users.

RC: I like GoNoodle because it goes completely in the opposite direction of what is the common idea of a digital product, meaning something that makes kids lazy and physically inactive. Considering the current (at the time I’m writing) COVID-19 situation, with lockdowns enforced in many countries around the world, did you see a spike in downloads and usage? Do you think this moment will make people realize we need more digital products designed specifically for children’s needs?

RF: Yes! Oh my goodness. Sometime around March 16, 2020, as soon as families shifted to safe-at-home, we became a household name in about a week. It was wild. We already had a great cohort of over 1 million teachers who used GoNoodle in their classrooms. But once those students were stuck at home, teachers (and often students themselves) would recommend GoNoodle to parents. Why? Because it was something fun from their classroom that they could easily replicate at home. And as soon as they had a dance party with Mom or Dad, the parents got it. Even though GoNoodle had been in this iteration for about 5 years, parents were just learning about us. That good energy got us a lot of attention from media outlets from mommy bloggers to a shoutout on Good Morning America. I do think we need more digital products designed for children. There’s opportunity: for everything from classroom furniture to violins to pencils, we make modifications for students to make resources developmentally appropriate. Why wouldn’t this apply to digital literacy and digital resources? YouTube might not be developmentally appropriate for a small child, but a scaled down list of videos could be.

RC: What’s your advice about engaging with teachers? How can we let them know about our product and become eager to try it out?

RF: Show off the value! I love fun and color just as much as anyone else, but teachers need to understand the value. I spent weeks trying to get teachers to test out a now defunct math app for SMART boards. I did trainings and tutorials and got a few sign-ups. One day a teacher posted a 10-second video of a student using the app in action and that day we had more sign-ups than the entire first half of the year! Maybe it was how easy it was for the teacher to set up. Maybe it was how quickly the student understood the task. Maybe it was their giant grin after answering correctly. Whatever it was, the brief video clip could better encapsulate the value of the product much better than any PDF guide I could have made.
RC: Can gaining teachers’ trust and have them as ambassadors be an effective marketing strategy? If so, in short, what’s the best way to make this happen?

RF: Treat your most engaged users like royalty! Not only will they share your product but they will give you critical feedback to help understand your users. Start small with a group of ambassadors and have regular communication with them. The worst experience is to pump up your ambassadors only to leave them in the dark and in silence for months with nothing but a T-shirt with your logo. Let ambassadors know about new content, let them know what’s coming down the pipeline, let them provide ideas. Be as transparent as you can with your ambassadors because that’s a microcosm for your product’s community as a whole.

RC: How important is it the use of social media to create a community around your product? And what’s the best way to increase engagement from teachers? And parents? Do you speak to them differently than to teachers?

RF: This is tricky! Social media is powerful and the community will exist whether you create it or not, so be proactive and say it first. I think it’s easier to work with teachers because they have a common connection: they are all educators trying to teach. Being empathetic and in tune to the real problems that teachers face (like the cutting PE (physical education) in elementary schools) authentically connects you to educators. The tone with teachers should always be supportive. Parents have more diversity but of course they are connected by their search for developmentally appropriate resources for their children. For parents, my recommendation is don’t talk to the kid, talk to the parent. Talk to them like you would talk to your best friend, and be cognizant of the diversity of experiences. Make sure graphics include a range of family structures and a spectrum of colors to avoid isolating potential users.

Chapter Recap

- It’s better to plan how to monetize your product early during the concept design phase, as this will impact the way you design the experience.
- There are different ways of monetizing a digital product, each one with pros and cons.
- Deciding which monetization strategy to use also depends on the nature of your product.
• Paid apps ensure immediate revenues, but are less likely to be downloaded, unless you have a very strong brand or your product has a very clear advantage on competitors.

• Freemium is the most popular choice along with subscription.

• Freemium allows users to test the product before deciding to buy the full version.

• With freemium you need to find the right balance between letting users understand the value and not giving away too much for free.

• In-app purchases work well along with freemium.

• In-app purchases allow users to customize their experience, buying only the content and features they're interested in.

• Subscription is very popular today and ensures developers a steady stream of revenues.

• The subscription model works only if your product is constantly updated with new content.

• Advertising is the main source of income for many digital products today, but for kids is more complicated.

• Distribution platforms have strict policies regarding advertising to kids.

• There are ethical implications when using advertising in children's products.

• Certifications can assess the safety of your product and work as a marketing tool toward parents and educators.

• Teachers can be allies in promoting the product to parents and other educators.

• Letting teachers use the product for free will make on boarding them easier.

• Educators can be your beta testers since the very beginning and provide useful insights with their professional perspective.

• Create a community around teachers and engage them.
• The use of a popular IP can greatly boost the downloads of your app.

• Look into specialized blogs and publications on parenting and education for reviews and promotional content.

• Promote your product in social media groups for parents and teachers.

• Awards can be used to make your product look more authoritative and entice users to try it.