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USE OF THE APPLE SEARCH ADS IN A MOBILE APP PROMOTION SMART-ECONOMY FRAMEWORK: IMPLEMENTATION STUDY

Abstract. *In the context of digitalization and the rapid growth of mobile app markets, selecting the right digital tools is essential for effective brand management and app promotion. As the global economy increasingly embraces digital platforms, businesses turn to app stores like Google Play and Apple App Store to connect with their target audience. Apple's strong presence in the premium mobile market presents a valuable opportunity for app developers, though challenges remain in optimizing app store advertising to achieve cost-effective conversions.*

Effective app promotion now relies on data-driven strategies that align with user behavior and preferences. Apple Search Ads, an advanced tool within the App Store ecosystem, helps advertisers target users more precisely, fostering a smarter approach to marketing. This study evaluates the effectiveness of Apple Search Ads in promoting mobile applications, focusing on its business model, keyword bidding strategies, and campaign optimization techniques.

By examining performance metrics, the study aims to provide app developers with actionable insights on how to leverage Apple Search Ads to maximize downloads and conversions. This aligns with the principles of the smart-economy, emphasizing efficient resource use, data-driven decision-making, and maximizing the return on digital advertising investments.

Keywords: *Apple Search Ads, mobile app promotion, smart-economy, keyword bidding, digital marketing*

1. Introduction

The subject of the study is the implementation of Apple Search Ads within the broader framework of management for mobile app promotion. Apple Search Ads is a tool that can be an important part of the smart economy due to its ability to target ads to specific audiences with maximum efficiency. This allows you to optimize advertising budgets and use data to intelligently manage resources. In a smart economy that focuses on using data and technology to improve productivity, the use of tools like Apple Search Ads

contributes to the efficiency of business processes and the market as a whole. Collecting and analyzing user data helps to better understand consumer needs, which improves the quality of services and products.

This research explores the effectiveness of app store advertising through Apple's solutions, comparing Apple Search Ads Basic and Advanced versions for driving app installations and improving app visibility. The study aims to analyze the app promotion strategies on the Apple App Store and evaluate the results for a paid mobile application.



The purpose of the study is to examine the efficiency of Apple Search Ads in promoting a commercial mobile application by comparing the performance of Basic and Advanced campaign options with market average values. Specifically, the study seeks to evaluate the effectiveness of advertisement structuring strategies, conversion rates, and the return on investment (ROI) of different campaign approaches, aiming to provide practical insights for optimizing mobile app promotion strategies.

Various academic studies have explored the role of digital tools and app promotion strategies. In the context of mobile app promotion, works by Lewis and Nguyen [1] examine the competitive effects of display advertising, showcasing the conversion spillovers across digital platforms. Bellman et al. [2] examine how branded mobile apps positively affect user attitudes towards a brand and their purchase intentions, particularly highlighting the success of informational apps over game-like apps. Zhao & Balagué [3] provide systematic guidelines for designing branded mobile apps, categorizing them by five types and business objectives to enhance marketing through mobile applications. Additionally, Morhart, Malär, and Guèvremont [4] stress the role of brand authenticity and consumer trust in driving app downloads, particularly in competitive categories where user loyalty is crucial. Karagiozidou et al. [5] provide a comprehensive analysis of app store optimization factors for mobile app promotion. Strzelecki [6] proposes a comprehensive framework for app store optimization, while Picoto, Duarte, and Pinto [7] explored top-ranking factors for mobile apps through a multimethod approach. At the same time, currently there are not enough available studies on app store ads and Apple Search Ads in particular. Given the lack of a systematic study of app store search ads strategies, the subject requires further research.

In general, the research shows that the conversion rate for Apple Search Ads was significantly lower than expected, with only several installs recorded during the period of the campaign. Comparing to Apple Search Ads Basic, Apple Search Ad Advanced campaigns yielded some positive results, with moderate impressions and taps. However, overall results highlighted the need for further optimization, especially in keyword selection and budget allocation. The case study of the “WordFace!” app demonstrated that both precise keywords targeting, and correct app’s distribution model are essential for better ad performance.

2. Materials and Methods

The research applies both qualitative and quantitative methods to analyze campaign data. The study uses a comparative analysis of advertisement structuring strategies and econometric models to assess the cost-effectiveness and conversion rates of search ads. Additionally, performance metrics such as tap-through rate (TTR), cost-per-tap (CPT), and conversion rate (CR) were examined using a combination of linear regression analysis and comparative industry benchmarking.

3. Results and Discussion

Choosing app promotion platform. Mobile app promotion could include both general digital advertising tools, such as Google and Facebook PPC platforms, as well as app stores specific tools. The first one of these tools is App Store Optimization (ASO), which is the process of improving app visibility within app stores and increasing app conversion rates. According to Apple, search is the primary way people discover apps on the App Store, with 70% of App Store visitors using search to discover apps [8]. Therefore, ASO is one of the best ways to grow traffic to an app for free. But with 2.2 million apps in the Google Play Store and roughly 2 million in the Apple App Store [9], such optimization will not be a defining method. ASO works in much the same way as search engine optimization (SEO). Like Google and Bing, both Google Play Store and Apple App Store have their own algorithms to decide which app should be ranking the highest. Those algorithms take into consideration many factors including app title, subtitle, keywords, description, downloads, uninstalls and reviews, so any optimization a brand does on its app store presentation will result in higher credibility, more downloads, and thus more revenue.

App store search ads is what implemented next after ASO in a mobile app promotion algorithm [10]. In this study we will focus on Apple mobile platform and its provided solutions. One of the primary reasons for choosing Apple App Store over Google Play is the significant difference in the demographic profile of users, particularly in terms of income levels. Several studies [11; 12] have shown that Apple users, on average, tend to have higher disposable incomes compared to Android users. According to the report by Consumer Intelligence Research Partners, iPhone users in the United States, for example, are more likely to have higher household incomes than Android users. This income disparity translates into a greater willingness to spend on in-app purchases, premium app subscriptions, and one-time purchases, directly influencing app profitability. In contrary, Android operating system supports sideloading, which offers numerous ways to avoid paying for apps, whereas on Apple mobile platform a user is locked to app publisher demands and Apple policies. Taking these considerations into account, for a commercially distributed app it would be more relevant to study app store search ads on the example of Apple App Store and an app published there.

Apple App Store and Apple Search Ads digital solutions. Although Apple is new to digital advertisement market, its U.S. ad revenues have steadily increased from \$3.05 billion in 2021 to a projected \$7.32 billion by 2025. Growth peaked at 41.6% in 2022, with forecasts of 21% in 2024 [13]. Eventually company’s ads success led to Apple testing an AI-powered ad buying tool for the App Store that would automatically determine where to place ads [14]. Today there are two Apple advertising systems, each designed for different categories of advertisers. The “Advanced” version is

similar to other PPC platforms, while the “Basic” is presumably designed for app publishers who have not managed digital advertising before. We can conclude that currently “AI-powered tool” is likely integrated in Apple Search Ads Basic system.

The two Apple Search Ads solutions are designed for varying levels of expertise, resources, budget, and experience with app marketing. Summarized, comparison is given in the table 1.

Apple Search Ads lets brands promote their apps on the App Store, the place that over 650 million people per week go to discover and download apps [16]. App Store advertising inventory includes:

- The Today tab, where users start their journey on the App Store.
- The Search tab, where users begin their search.
- Search results, where users search for something specific to download.
- Product pages, where users browse apps (“You Might Also Like” block).

With an ad on the Search tab, a brand can capture people’s interest right when they begin their search. The ad will appear prominently at the top of the suggested apps list. It should be noted that only one ad at time can appear at the top of App Store search results. According to Apple, Apple Search Ads offer 40% lower cost-per-install compared to other similar advertising platforms [17].

Apple Search Ads digital performance indicators. Most downloads on the App Store start with a search. In fact, 65% happen directly after a user searches for an app. With an ad at the top of relevant search results, a brand can reach users when they search for something specific. Apple algorithms will match an app with people based on a direct signal of their intent — their search query. By intelligently matching

the search term with the app being promoted, Apple Search Ads reportedly delivers an average conversion rate (a percent of people who tap a search results ad and then download the app), which is of over 60% [18]. Although it seems to be extremely high number in comparison to other PPC platforms, it should be noted that search ads per se increase conversion probability by 65.26% [19].

According to SplitMetrics agency (Apple Search Ads Partner), the average conversion rate in 2023 was 65.37%, comparing to 64.96% observed in the second half of 2022 [20]. It is important to understand user behavioral patterns and intent for an app category, as this affects conversion rate. For instance, Finance is the top category in cost per tap (CPT) and cost per acquisition (CPA), but only 14th for conversion rate and outside the top 15 for tap-through rate (TTR). High user acquisition costs result from tough competition and reflect each category’s unique customer journey. While users may quickly install a “try for free” game (leading to high conversion rates for this category), it is reasonable to assume that publishers must put more effort to gain the trust of people landing on a product page with a Finance app. All these differences in customer journeys and category specifics show how important are App Store optimization strategy and brand promotion.

Apple Search Ads mechanism and strategies. Similar to how Google PPC ads work, with Apple Search Ads, a brand makes bid on keywords to trigger and include its ad within relevant App Store search results — so when an App Store customer types in a search query that uses one of the keywords, an ad could appear. Apple recommends bidding on both general and specific keywords, which should increase ads coverage and help an ad to appear for more App Store searches. Similar to other PPC platforms, Apple offers

Table 1

Comparison of Apple search ads platforms

Apple Search Ads Basic	Apple Search Ads Advanced
Advantages	
• Good as entry point for managing app promotion • Strategic campaign decisions made by Apple • Add monthly budget and capped cost per install • Algorithm is intended to source the most efficient ROAS • Paying only for installs • Automated display • Continuous optimization from the algorithm	• Total control over campaign strategy • Audience targeting • Keyword customization and monitoring • Audience customization and monitoring • Setting up ad groups with different product pages • Unlimited allowed budget • Unlimited allowed app promotions • Full access to attribution API
Disadvantages	
• Little to no control over strategic decisions • No customization for keywords • No customization for audiences • No transparency over optimization • Automation may attract ill-fitting audience • Automation may attract low-quality users • Limitations on the number of apps to promote • Limited access to attribution API • Budget limit at 10000 USD per app, per month	• More complex than Apple Search Ads Basic • May use more time and resources than Apple Search Ads Basic • Needs a strategic and competitive approach to succeed

Source: created by authors based on [15]

exact match keywords, broad match keywords, and negative keywords.

The unique feature of Apple Search Ads is “Search Match” feature that could be enabled during ad campaign creation. Unlike the match types that is applied to keywords, the “Search Match” feature can be turned on or off anytime in the ad group settings. Apple recommends turning on “Search Match” in search results campaigns and ad groups that are dedicated to keyword discovery (a brand needs to run at least one such campaign). With “Search Match”, ads could match to searches based on:

- Metadata from App Store app’s product page (as well as keywords added by app publisher in App Store Connect).
- Information about similar apps in the category.
- Other search data that may be relevant for brand’s app.

This is especially useful in markets where a brand manager doesn’t know the local language, thus not knowing which keywords are used by locals to search certain apps. Also, just like Google Ads, Apple Search Ads system offers ideas for additional relevant keywords from the Keyword Suggestion Tool. It shows related terms and their popularity based on App Store searches.

Conducting a cost-effective app promotion with Apple Search Ads requires separating search results campaigns by keyword themes. The first step in structuring search results campaigns is to divide brand’s keywords into four separate campaigns. Each should focus on a different keyword theme, which can be included in the campaign name. Structuring ads account by keyword themes helps to measure results and monitor performance, optimize a campaign, and set up to scale for long-term growth. Apple recommends 4 types of search results campaigns:

- Brand Campaign (exact match keywords). Focuses on keywords that relate to app’s specific brand.
- Category Campaign (exact match keywords). Focuses on nonbrand keywords that describe an app’s category and what an app does.
- Competitor Campaign (exact match keywords). Focuses on competitor keywords, where an app is in the same or a related category.
- Discovery Campaign (broad match keywords). Focuses on reaching a wider audience and “mining” for popular search terms to add as keywords using broad match and “Search Match” to automatically match an ad to relevant search terms.

Some brand managers might be tempted to import their campaign data into Apple Search Ads account. This is not recommended, as industry experts suggest there would be poor results from following that approach [21].

Once a brand identifies search terms that perform well in their discovery campaign, these can be added to the brand, category, and competitor campaigns as new exact match keywords. Then it is needed to repeat the process of adding these keywords as exact match negative keywords in discovery campaign (to prevent

discovery campaign from matching ads to the exact keywords that company is already bidding on).

Apple Search Ads Advanced uses a cost-per-tap (CPT) pricing model, so an advertiser pays only when a user taps an ad [22]. The actual amount paid is a result of a second price auction. Apple recommends applying aggressive bid amounts on exact match keywords, as they are core performance drivers and the most relevant to overall campaign. More investment provides with more control over when brand’s ad appears. As a general rule, placing moderate bid amounts on broad match and “Search Match” campaigns is more efficient. These keywords drive discovery but may not drive high efficiency like exact match. For optimal performance, most of the traffic should come from exact match.

Apple Search ads also offer bids recommendations (as well as for keywords and daily budget). Applying these bids can increase the likelihood of an ad showing. Actual outcomes, including changes in spend and average CPA, may vary. However, Apple also notices that its recommendations are suggestions and not directives for how much you should bid. An advertiser can also set the default max CPT bid, which will apply across all keywords in the ad group unless a specific keyword bid is applied. A suggested max CPT bid is provided, based on what Apple knows about an app and what advertisers with similar apps are willing to pay. There are 3 metrics that could help manager to determine which bids to set:

- Impression share, which is a share of impressions an ad received from the total impressions served on the same search terms or keywords, in the same countries and regions. Impression share is displayed as a percentage range, such as 010%, 1120%, and so on.
- Rank, which is how an app ranks in terms of impression share compared to other apps in the same countries and regions. Rank is displayed as numbers from 1 to 5 or >5, with 1 being the highest rank.
- Search popularity, which is popularity of a search term, based on App Store searches. Search popularity is displayed as numbers from 1 to 5, with 5 being the most popular. Search popularity can help identify which keywords may present the greatest opportunities to drive campaign performance.

Unlike on some other PPC platforms, with Apple Search Ads one can also add optional cost-per-acquisition (CPA) cap. This setting will specify the amount a brand is willing to spend for a conversion, for example, no more than app’s price. Setting a CPA cap is completely optional and limits impressions and conversions. It should be noted that Apple recommends launching ads campaigns without a CPA cap, giving a campaign some time to run so that a manager could learn from results.

Ads are automatically created using the metadata that a brand provides in App Store Connect, the tool used to upload, submit, and manage apps on the App Store. All ads have an ad disclosure icon and feature brand’s app name, app icon, and subtitle. Search

results ads can also feature screenshots and app previews from a custom product page that a publisher creates in App Store Connect. Here are authors' recommendations that are part of ASO methods to make app's product page more efficient:

- An app icon is one of the first elements of an app that users see, so it is essential to make a strong first impression that communicates an app's quality and purpose.
- A compelling subtitle can encourage taps and downloads. A concise phrase that resonates with brand's audience should be used to highlight app's most valuable features or uses.
- The keywords in App Store Connect help an app to be more discoverable in organic searches. These keywords are also used as a signal for "Search Match" feature and for determining relevancy for search results ads. Therefore, these keywords must be relevant or unique to an app.
- Screenshots captured from an app can visually communicate app's user experience. Currently, a publisher can upload up to 10 screenshots to a product page. Highlighting app's main benefits or features in the screenshots is required, while also keeping any text overlays simple and easy to read.
- Adding an app preview, which are short videos that show the features and functionality of an app. They can be up to 30 seconds long and use footage captured from the app itself. At the moment a publisher can add up to 3 app previews to the product page. Audio in videos is muted, so videos should be compelling to drive audience engagement.

A brand can create up to 35 custom product pages in App Store Connect to showcase specific app features or content. Each custom product page can include screenshots and app previews that are different from those on app's default App Store product page. Each custom product page includes a unique URL that can be used across marketing communications.

On Apple Search Ads, campaigns are separated by ad placement, meaning a brand can only select one ad placement for the campaign. With all ad placements, a maximum CPT bid can be set during campaign creation, while only for search results campaigns keywords and negative keywords can be chosen. A brand can create campaigns that focus on a single country or region, or that include multiple markets; in this case localized product pages are recommended for search ads, while for Today tab ads localization is mandatory. Whereas for Today tab ads and Product Pages ads a brand cannot choose keywords, an app category could be chosen for Product Pages.

Apple Privacy considerations and ethical issues. The thing that should be considered by managers is privacy policy and its restrictions on Apple Search Ads platform. The "Personalized Ads" setting on Apple iOS and iPadOS devices gives customers choice to control how their information is used for Apple-delivered advertising. Starting with iOS 15, Apple presents an active prompt to users when they first open App Store.

A growing number of users are choosing to turn off the Personalized Ads setting, limiting the use of their information for advertising delivered by Apple. In fact, 78% of App Store search volume comes from devices with Personalized Ads turned off [22].

This aspect leads to the reduced significance of "Audience" settings in ads campaigns. While it allows to choose either "reaching all eligible users" (automatically matching an ad to all eligible users to reach the broadest audience) or "choosing specific audiences", the latter setting will affect only 22% of App Store users. "Specific audiences" settings in App Store Search Ads include:

- Devices (smartphone, tablet, etc.)
- Customer types (new users, users of publisher's other apps, returning users)
- Demographics: age, gender, location (location refinements is only available for some countries and regions)
- Ad scheduling

Apple App Store platform strategies specifics. Like all other digital PPC platforms, Apple Search ads allow to reach customers in more countries and regions, while also making the most of seasonal opportunities. What is unique for Apple Search Ads is engaging with previous customers who deleted an app at some point. For some apps leveraging the value of redownloads could be crucial. People download and delete apps for a variety of reasons, and many of them end up re-downloading the same apps. In fact, 92% of surveyed iOS users said they've redownloaded apps. And 33% of returning users said they redownloaded apps specifically to make a purchase [23].

Ads on the App Store can be critical in reminding users to redownload apps. Making redownloads a part of brand's Apple Search Ads strategy can help to renew interest in an app, maximize potential for redownloads, and unlock more revenue. One method is to create a custom product page devoted to redownload strategy in App Store Connect. This page can be used as the basis for redownload ad, promoting new features to both new and previous customers. "New Downloads" and "Redownloads" metrics in Apple Search Ads dashboard help to monitor such campaigns.

Practical application of app promotion strategies for a commercial app on Apple App Store. Here and below, we will consider the algorithm of managing app distribution and promotion on the example of "WordFace!" app (fig. 1). This application is a commercial utility for iPhone in the "Education" category. At a cost of 3.99 USD, the app is intended for learning foreign languages and is available in most App Store countries (except PRC and Brazil). The application UI and its App Store product pages are translated into 3 languages.

First, an app promotion campaign on Apple Search Ads Basic was started. Apple Search Ads Basic system did not yield any results in case of "WordFace!" app: during the reported month, with monthly budget set to 1000 USD and Maximum Cost-Per-Install (CPI) set to 4 USD, not a single download of the app was achieved in 68 countries (fig. 2). At the same time, the

iPhone Screenshots



Figure 1. Screenshots from mobile app product page that were used in all ad groups
Source: iPhone Screenshots

system does not offer possibilities of further setting and correction.

Next step was launching digital campaigns for “WordFace!” app in Apple Search Ads Advanced. It is important to clarify that this study considers mainly Search ads, since these have more possible applications and are available for more app publishers. Today Tab ad placement, for instance, albeit formally does not have a limitation for smaller app publishers, seems to be currently unavailable for all advertisers. Even though “WordFace!” app complies to current Apple ads policies, still a message “The app you chose is not eligible due to current content policies and restrictions” is

shown in Apple Search Ads dashboard. Apple Support, unfortunately, were unable to provide further details.

Following Apple’s recommendations, 3 Discovery campaigns with activated “Search Match” were launched first, to the markets of Ukraine, russian-speaking countries (e.g., Kazakhstan) and wealthy English-speaking countries (UK, USA, Australia, Germany, France, etc.). The test budget amounted to 130\$. In total 11546 impressions, 155 taps, and only 2 installs were received over a period of 5 days, so the TTR was at 1.34% with 0.85\$ CPT, and the conversion rate was 1.29%. In terms of keyword research, campaigns for several markets did not yield the expected results:

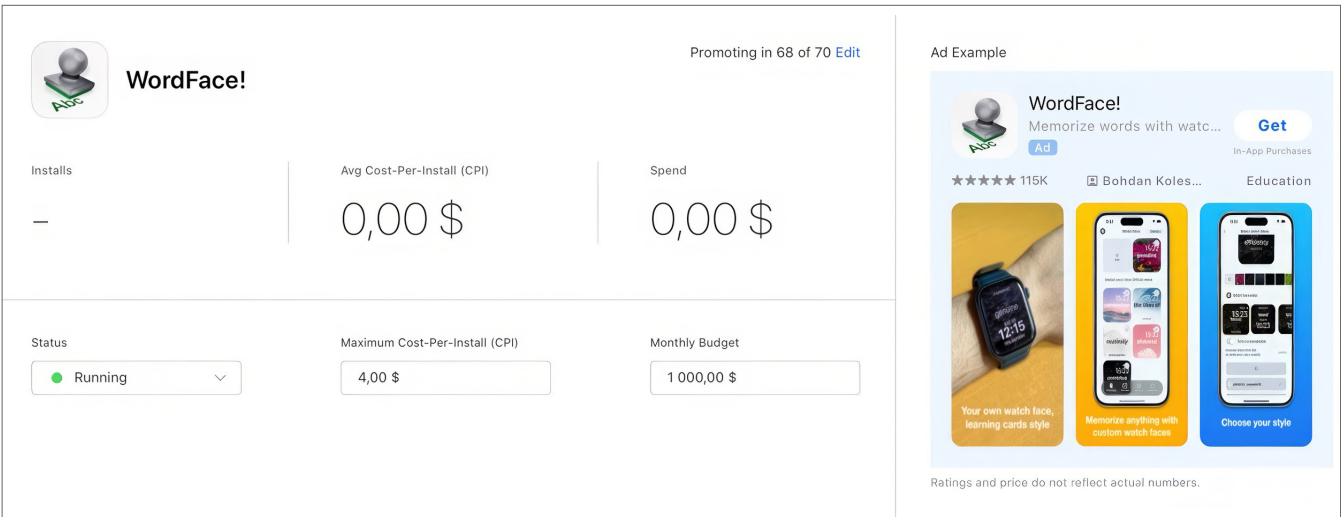


Figure 2. Apple Search Ads Basic results after a month of automatic campaign running
Source: WordFace

in the conducted campaigns most of the proposed search terms were labeled as “Low volume terms” (fig. 3), which means a large number of different keywords with less than 10 impressions that cannot be combined into one recommendation. The campaign for one App Store country, Ukraine, was a bit more illustrative: the system recommended to use “English language” keyword, although the number of impressions for this search term in given campaign was rather small.

A week later Competitors and Category campaigns were launched with keywords focused on covering queries on competitors’ apps and similar apps, respectively. Both of these campaigns were launched for one App Store country, Ukraine (to maintain a focus considering low test budget). Apps that allow to create learning cards were identified as “WordFace!” app direct competitors.

In Competitors campaign the following keywords were used: *quizlet*, *anki*, *flashcards*, *word of the day*, and others. For the queries that are defined by the system as popular, higher bids for CPT were set. In total 50\$ was spent on this campaign during a 3-day period, which resulted in 2054 impressions, 49 taps, and 0 installs. The TTR was 2.39% with 1.04\$ CPT, which is higher than in Discovery campaigns.

The Category campaign was even less successful with keywords like *apple watch*, *watch face*, *learning language*, *spaced repetition*, etc. In total for the same period 15\$ were spent, 298 impressions, 8 taps, 0 installs received. CPT was \$1.25 with a TTR of 2.68%, which is about the same as in Competitors campaign.

A Product pages campaign with app pages placements was run in parallel. In this campaign keywords cannot be configured, so ads were set to be shown for similar app categories. During a 3-day period 28\$ was spent, 2944 impressions, 32 taps, 0 installs were received. TTR was a paltry 1.09%, with 0.85\$ CPT.

To analyze the results, let’s turn to the industry statistics. According to SplitMetrics [20], these are

the average Apple Search Ads costs in 2023, for apps in “Education” category:

- 1.62\$ cost per tap (CPT);
- 8.05% tap-through rate (TTR);
- 59.23% conversion rate (tapping the “GET” button after visiting a product page);
- 1.29\$ cost per acquisition (CPA).

From the average market ads values, it follows that although the average price of 0.91\$ CPT in the test campaigns for “WordFace!” app was lower than the average in App Store Search Ads, ads were opened about 5 times less often (1.45 TTR), while the overall conversion rate was only 0.82%, which is 72 times lower.

Building Linear Probability model. There are very few conversions in our dataset, which makes it challenging for the logistic regression model to compute meaningful results. Linear probability model (LPM) is a simple linear regression applied to binary outcomes. While it is not as robust as logistic regression, it can still provide useful insights when logistic regression fails. Here is the output of the linear regression model based on the dataset (fig. 4):

- R-squared: 0.613, which means that 61.3% of the variation in the conversion (installations) probability is explained by the number of taps and cost-per-tap (CPT). While this is a reasonable explanatory power, the small sample size limits the generalizability.
- Taps coefficient: 0.0083. This suggests that for each additional tap, the probability of conversion (installations) increases by about 0.83%, though this result is not statistically significant ($p = 0.142$).
- CPT coefficient: 0.1247. This indicates that an increase in the CPT slightly increases the probability of conversion, but this is not significant ($p = 0.934$).
- Intercept (constant): -0.1832 . This represents the baseline probability of conversion when taps and CPT are zero.

☐ Search Term	Match Source	Keyword	Default Max CPT Bid	Spend	Avg CPA (Total)	Avg CPT	Impressions
☐ (Low volume terms)	Keyword	вчити слова	0,70 \$	12,31 \$	0,00 \$	0,56 \$	595
☐ (Low volume terms)	Keyword	циферблати ар...	2,50 \$	12,57 \$	12,57 \$	0,97 \$	401
☐ (Low volume terms)	Search match	—	0,70 \$	0,00 \$	0,00 \$	0,00 \$	134
☐ (Low volume terms)	Keyword	watch	0,70 \$	2,14 \$	0,00 \$	0,53 \$	66
☐ (Low volume terms)	Keyword	англійська мова	0,70 \$	1,99 \$	0,00 \$	0,40 \$	66
☐ (Low volume terms)	Keyword	карточки для за...	0,70 \$	0,36 \$	0,00 \$	0,36 \$	59
☐ (Low volume terms)	Keyword	вивчення картки	0,70 \$	0,58 \$	0,00 \$	0,58 \$	53
☐ англійська мова	Keyword	вчити слова	0,70 \$	0,00 \$	0,00 \$	0,00 \$	32

Figure 3. “Low volume terms” and keywords suggestion for single country App Store discovery campaign in Apple Search Ads Advanced

Source: Apple Search Ads

Although the R-squared value is moderately high, neither the number of taps nor the cost-per-tap significantly predicts conversions in this small dataset. The results may not be robust due to the limited sample size and should be interpreted with caution. Expanding the dataset and using a more refined logistic regression model when data allows would provide more reliable results. This linear probability model gives an idea of the relationship between taps, cost-per-tap, and conversions, but further data collection and analysis would improve accuracy.

Taking into account probability model, the drastic difference between average market conversion rate and that for “WordFace!” app from this study cannot be explained by quality of banner ads alone or by poorly designed product page as part of ASO efforts. In this case, the most probable reason is a wrong business model of the app distribution: it seems that a higher conversion rate for clicking “GET” button would be substantially easier to achieve than for clicking “3.99 USD” payment button. At the same time, an app may contain in-app purchases and multiple subscriptions, while not working without them at all (or provide a short-term free trial).

Apple incentivizes the use of subscriptions by app publishers in every way possible, including offering a reduced commission on subscription revenue. For the first year, Apple takes a 30% cut, but after a subscriber stays for a year, Apple reduces its commission to 15% [24]. There are also other stimuli, such as App Store special pages for apps with subscriptions and advanced ways to integrate in-app purchases using Apple StoreKit API. It comes as no surprise that Apple Search ads systems

might be also optimized for “free” to install apps with in-app paywalls and free trials that are necessary to perform any action in an app. In that case this research demonstrates that choosing one of “freemium” models [25] is necessary to proceed with Apple Search Ads strategies. Hence, authors recommend considering app’s distribution model on “choosing app promotion platform” stage.

4. Conclusions

The study of Apple Search Ads in promoting mobile apps provided several insights into the effectiveness of different campaign approaches, particularly when comparing Apple Search Ads Basic with Advanced. The analysis reveals significant performance differences between the two, as well as challenges related to app distribution models and keyword selection. These findings highlight the need for further optimization and strategic planning to fully capitalize on Apple’s advertising solutions. The study conclusions are as follows:

1. **Limited Effectiveness of Apple Search Ads Basic.** The study found that Apple Search Ads Basic failed to deliver any conversions for a tested app. This suggests that the automated nature of Apple Search Ads Basic might not be effective for all app categories, particularly for paid apps.

2. **Challenges in Keyword Selection.** One of the key challenges identified was the difficulty in selecting effective keywords. In several campaigns, search terms were marked as “Low volume terms,” which significantly limited possible strategies of improving visibility and impressions. This reflects the importance of in-depth keyword research to be conducted by brand managers.

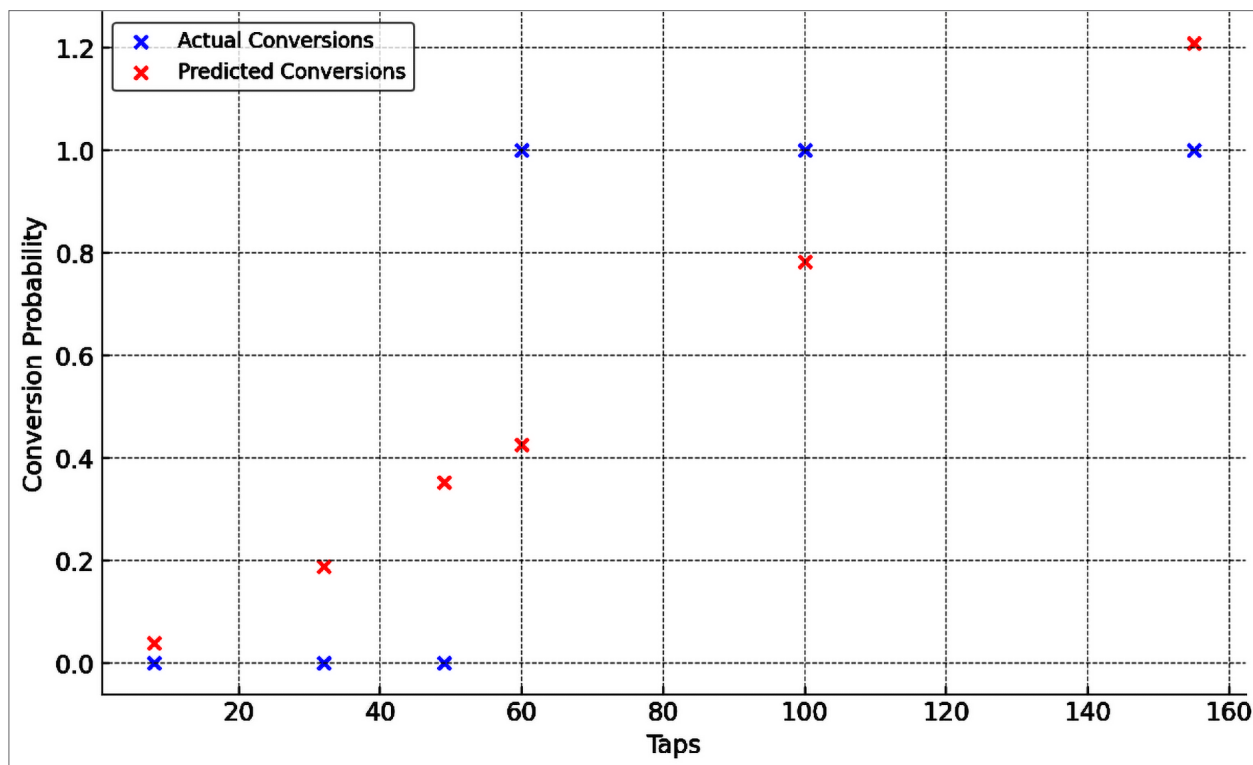


Figure 4. Linear Probability Model: Actual vs Predicted Conversions

Source: created by authors

3. Cost-Efficiency Issues and App Distribution Model Impact. The study highlighted a stark difference between the average market conversion rates and those of the tested app. This, in turn, emphasizes the impact of the app's distribution model on the effectiveness of Apple Search Ads. The paid app model used by tested app likely deterred users from converting, as compared

to freemium models, which seems to be more compatible with the Apple Search Ads ecosystem.

These findings suggest that while Apple Search Ads offer potential for brands, particularly with the Advanced version, success is contingent on factors like app pricing models, keyword strategies, and campaign optimization.

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ВИКОРИСТАННЯ РЕКЛАМИ APPLE ПОШУКУ В РАМКАХ РОЗУМНОЇ ЕКОНОМІКИ ДЛЯ ПРОСУВАННЯ МОБІЛЬНИХ ДОДАТКІВ: ІМПЛЕМЕНТАЦІЯ

Анотація. У контексті цифровізації та швидкого зростання ринків мобільних додатків, вибір правильних цифрових інструментів є важливим для ефективного управління брендом та просування додатків. Оскільки світова економіка все більше охоплює цифрові платформи, компанії звертаються до магазинів додатків, таких як Google Play та Apple App Store, щоб зв'язатися зі своєю цільовою аудиторією. Сильна присутність Apple на ринку преміальних мобільних пристроїв надає цінну можливість для розробників додатків, хоча залишаються проблеми в оптимізації реклами в магазинах додатків для досягнення економічно ефективних конверсій.

Ефективне просування додатків тепер спирається на стратегії, засновані на даних, які відповідають поведінці та вподобанням користувачів. Apple Search Ads, передовий інструмент в екосистемі App Store, допомагає рекламодавцям точніше орієнтуватися на користувачів, сприяючи розумнішому підходу до маркетингу. Це дослідження оцінює ефективність Apple Search Ads у просуванні мобільних додатків, зосереджуючись на його бізнес-моделі, стратегіях призначення ставок за ключовими словами та методах оптимізації кампаній.

Дослідження має на меті надати розробникам додатків практичну інформацію про те, як використовувати Apple Search Ads для максимізації завантажень та конверсій. Це відповідає принципам розумної економіки, підкреслюючи ефективне використання ресурсів, прийняття рішень на основі даних та максимізацію рентабельності інвестицій у цифрову рекламу.

Ключові слова: Apple Search Ads, просування мобільних додатків, смарт-економіка, ставки за ключовими словами, цифровий маркетинг.