



The Era of Mobile

Sparkage Inc., Boise Idaho U.S.A.
29 August 2017

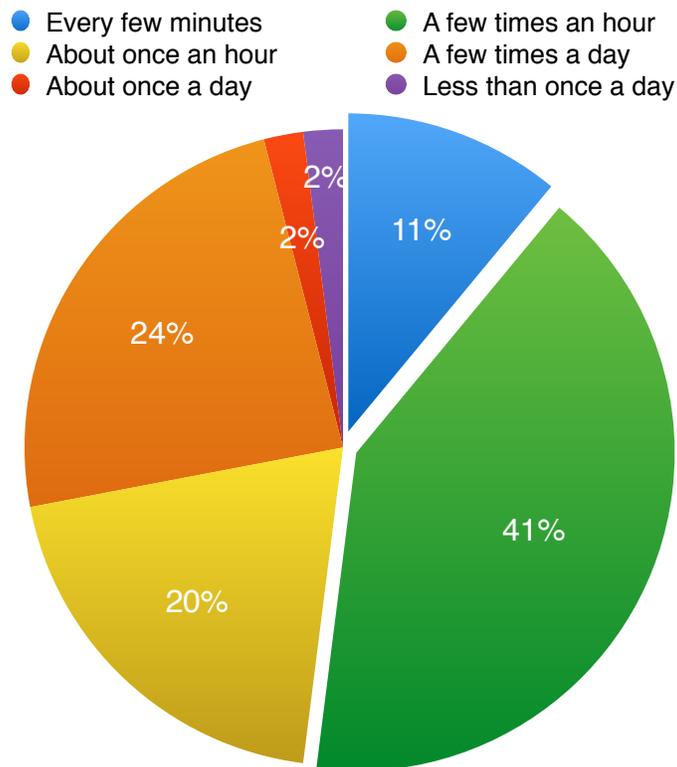
Statistics on mobile apps and their significant relevance to the modern day consumer business.

Mobile Mania: Here to Stay

As time marches on, it is becoming more and more clear that mobile is the *only* way forward.

Americans, and indeed all the world's citizens are spending increasingly more time (and money) on their mobile devices.

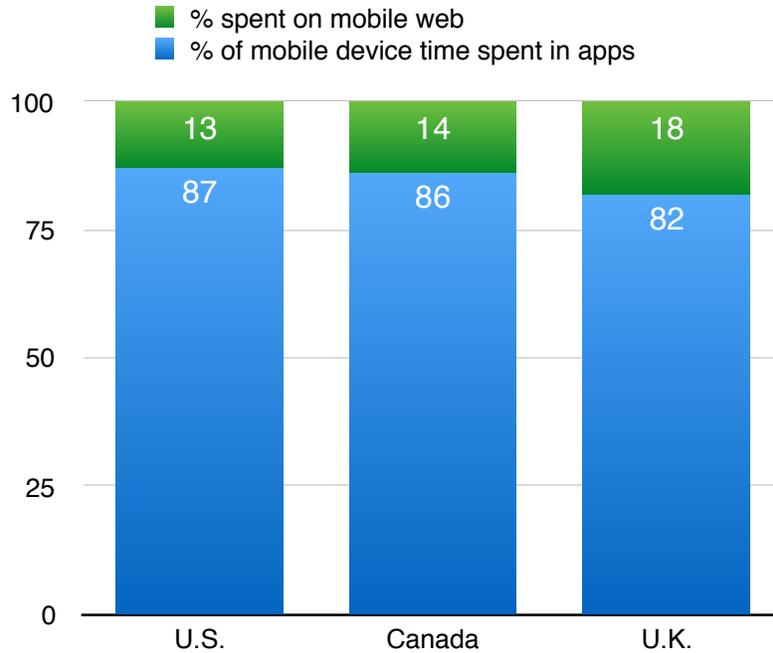
Gallup found² that over half of U.S. **smartphone owners check their device a few times an hour or more:**



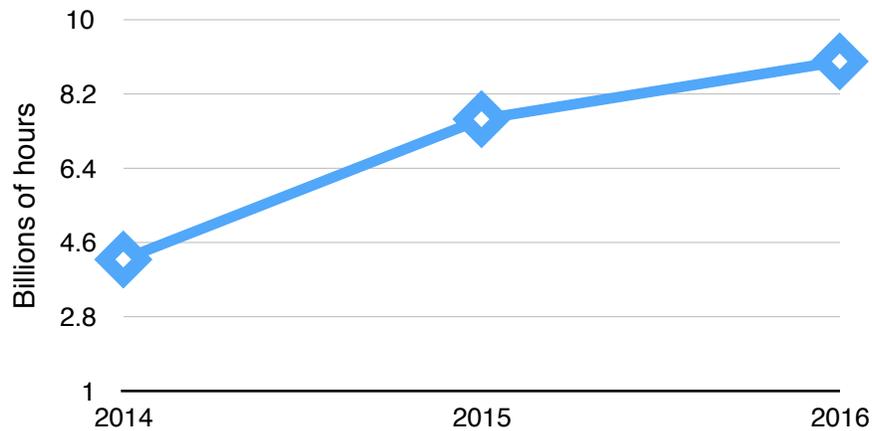
The same research revealed that **81%** of respondents admitted that: *"I keep my smartphone near me almost all the time during my waking hours."*

In fact, we now know that **Americans now spend more time looking at their mobile device than they do watching TV³.**

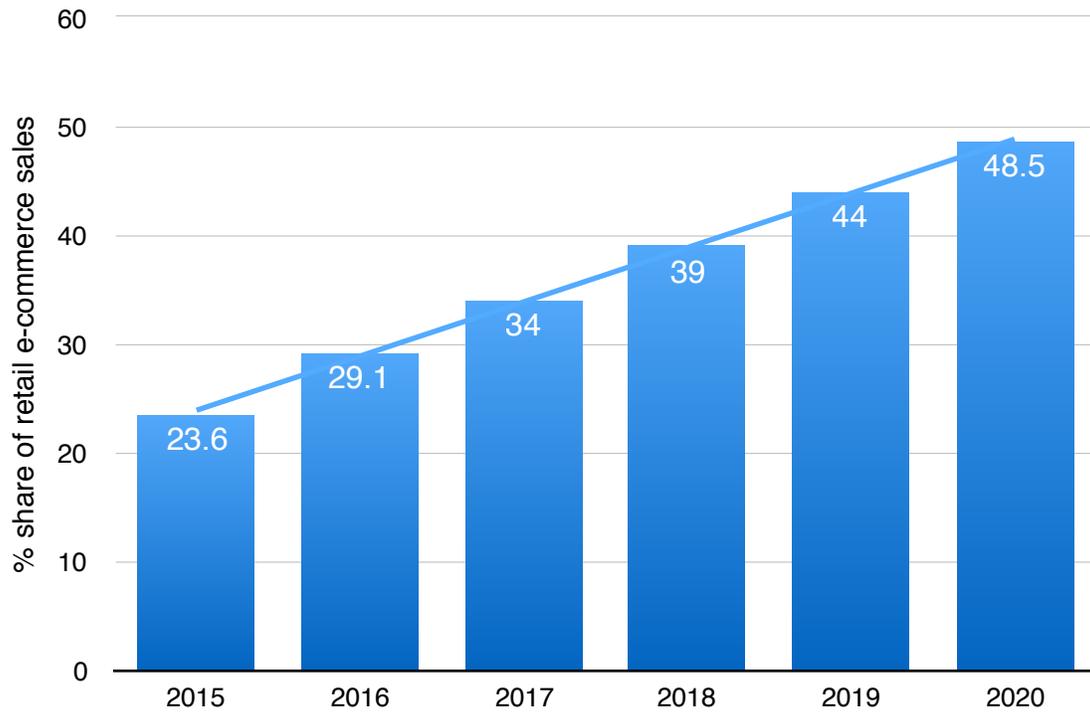
How do these smartphone users spend their time while using their mobile device?
As it turns out, **almost all of it is spent inside apps**⁴:



For emphasis on the inertia of the trend towards mobile and away from the PC, the worldwide total **time spent in apps grew an incredible 25%** year-over-year from 2015 to 2016 to nearly **900 billion hours**⁵.



According to comScore, in the U.S., **the number of mobile users surpassed desktop users** in 2014¹³, and Statista recently estimated⁶ that **nearly half of total U.S. retail e-commerce will be mobile by the year 2020**.



It's also been shown⁷ that a **poor mobile experience** will cause **30% of shoppers to abandon the transaction**, and **57% wouldn't recommend the business** to other consumers.

Additionally, **nearly half (47%)** of mobile shoppers said they **prefer to use an app over a mobile website**⁸.

Finally, Forbes found¹² that in 2015, **half of Millennials had downloaded a mobile shopping app**.



The Relevance to Small Business

The data shows that mobile apps are a proven high-value marketing channel for many small-to-medium businesses (SMBs).

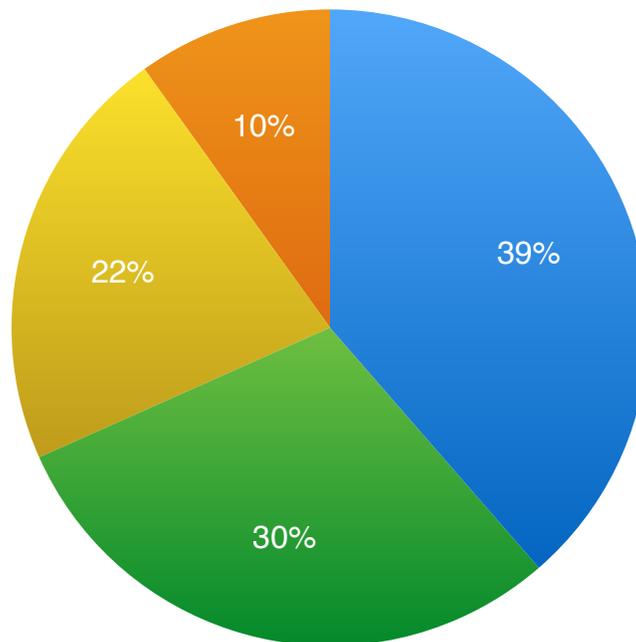
SMBs are a demographic that can directly and quantifiably benefit from adding a mobile app to their repertoire—through features such as push notifications to communicate instantly, loyalty programs to increase retention, and digital coupons to encourage purchases.

In 2016, **mobile accounted for 44% of retail online traffic** and **31% of all sales** for the year.

When Internet Retailer examined the effect of adopting a **mobile-centric approach**, of the companies surveyed, **80% said they experienced an increase in sales**⁹.

Many SMBs (about 42%) are **ahead of the curve and already have a mobile app**. Here are the top reasons given for taking this step¹⁰:

- Increase sales
- Improve cust. service
- Compete in a specific market
- Parent company suggested an app



For those SMBs who don't already have a mobile app, **two-thirds (67%) plan to have one by the end of 2017**¹⁰.

The Mobile Economy

The mobile economy is showing no sign of slowing down or plateauing: **app downloads are growing at a rate of 15% year-over-year**, and spanning nearly every industry¹¹.

That's not all: **consumers are also spending more and more money** on the app stores—**35% more in 2017** from the same period in 2016, reaching **\$15 billion in Q2 2017**¹¹. By the year 2021, this figure is **expected to exceed \$100 billion annually**¹¹.

According to Salesforce, **71% of marketing professionals think that mobile is the future of the industry**¹⁵, and Marketing Land says **72% of all U.S. digital ad spending will be used for mobile by 2019**¹⁶.

Mobile Features

SMBs can capitalize and benefit from many mobile app features, but noteworthy examples include **push notifications, digital coupons, and loyalty programs**.

A study by Campinas University¹⁷ revealed that **62% of people respond to a push notification within an hour**. Nearly **two-thirds (64%) of consumers subscribed to mobile marketing said they have made a purchase as a result of a highly relevant mobile message**²⁰.

eMarketer estimates¹⁷ that nearly **57% of mobile device Internet users will redeem a mobile coupon at least once in 2017**, and inmar says¹⁹ over half of the shoppers they surveyed said **they wished all coupons were digital**.

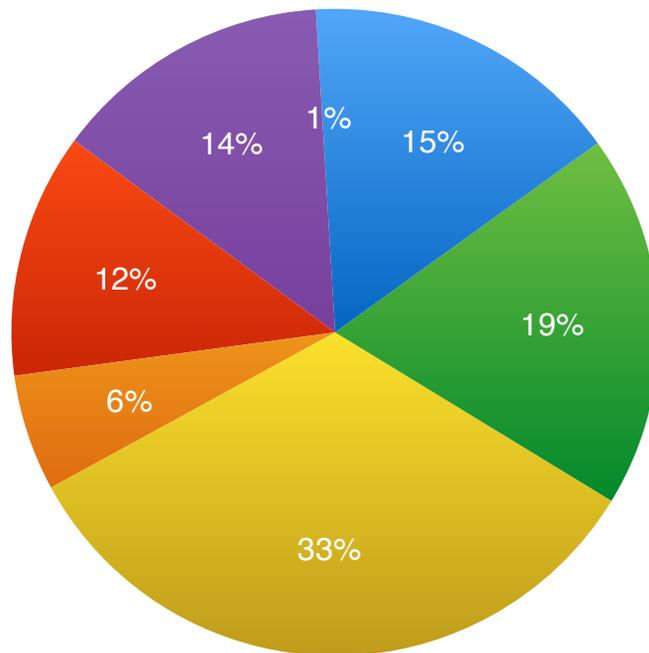
Nearly all (90%) of consumers said that they had gained value from mobile loyalty programs that they're subscribed to²¹. They also want more: **57% of consumers want to engage with their loyalty programs via mobile devices**²².

Investing in an App—How Much?

According to a 2015 survey¹, cost in terms of both time and money varies due to the variance in complexity of mobile apps, but they were able to determine that when it comes to traditional app development processes:

- 1. The median cost ranges between \$37,913 and \$171,450, “but could climb up to \$500,000 or higher.”**
- 2. The median time required is between 253 and 1,143 hours** (using an 8-hour workday, that is about 31 to 143 days).

● Design ● Features ● Infrastructure ● Planning
● Administration ● Testing ● Deployment



How SMBs Build Apps

Many SMBs surveyed said they used a variety of internal staff and external resources and methods to build their apps. In fact, the various methodologies used appear to be nearly equal in popularity¹⁰. However, it is important to note that **the cost in terms of time and money is far from equal among these methods.**

App development shops that offer build-your-own or prebuilt modular development services **can greatly reduce the amount of time and money required** to get an app to market.

This is primarily because many of the cost components in the above chart become unnecessary: features, infrastructure, administration, testing, and deployment are largely already complete and ready for production. All that's left are items like aesthetics, branding, and of course, any custom work.

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