



Mini-guide

MOBILE APPS VS. WEB



A mini-guide to mobile commerce apps vs. web

Almost half UK online sales are now made via a mobile device.

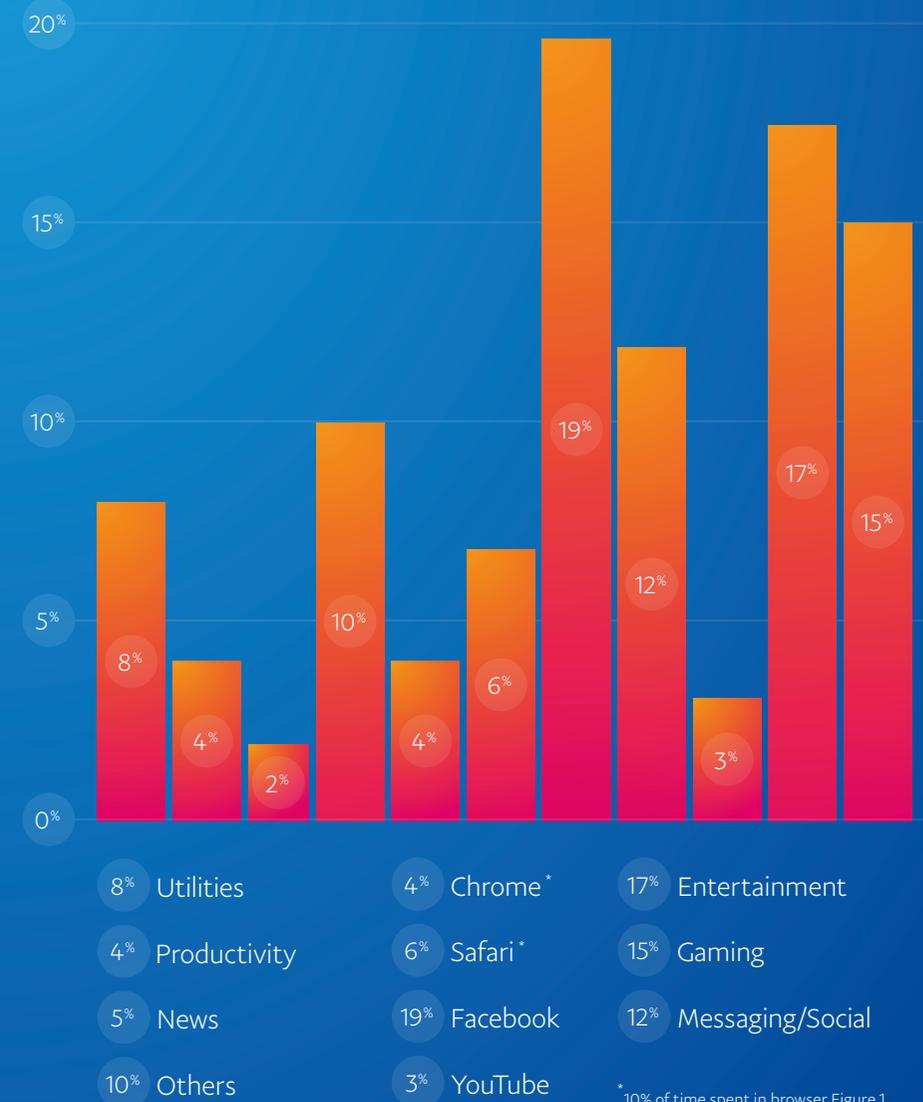
Mobile commerce (customers using smartphones and tablet devices to shop online) is growing so rapidly that many retailers – small businesses as well as international enterprises – are now thinking “mobile first” for all of their online activity.

UK online sales were worth £114 billion in 2015 and, while total online sales grew by 11%, sales via a mobile device grew by 42%.¹ Nearly half of all UK online sales now come via a mobile device² and 45% of people use their mobile device to make purchases.³

Having a mobile commerce capability is clearly no longer a nice-to-have – it’s a retail business necessity. But, should you aim for the rich functionality of a dedicated, native app or are you better off building a really great, mobile-optimised website?

The data can seem contradictory. In recent research, Flurry Analytics found that of the time people spent on their mobile devices, only 10% is spent using the web browser; the other 90% is spent within apps.⁴

90% of time on mobile is spent in apps



* 10% of time spent in browser Figure 1
Analysis of time spent on mobile devices.
Source: Flurry Analytics



In research on millennials and mobility,⁵ Oracle found that 74% of millennials had used an app to purchase something in the previous two months and 72% “like the ability” to purchase using a mobile app.

However, they also found that users equate the app experience with the quality of the brand behind it – 55% of millennials say that a poor app experience would make them less likely to use a company’s products or services and 39% would be less likely to recommend a firm’s products.

Research from BI Intelligence found that the mobile web is actually a more popular place to shop than mobile commerce apps.⁶ The report finds that 58% of mobile retail revenue for the top 500 mobile retailers will come from the web rather than apps. Perhaps the answer is that repeat and loyal customers appreciate the added convenience and depth of an app from their preferred retailer, while new or casual shoppers prefer the breadth available from their browser’s search engine. It’s also clear that if you decide to develop an app, you need to do it well or risk your brand’s reputation.

In many ways, “either/or” is the wrong way to look at this. Even with the best apps in the world, you will still require a web presence of some sort. And, if a potential new customer wants to buy from you, are you really going to require them to download your app first? Rather than thinking app vs. web, you should think of this as a question of priority: if you want or need a dedicated app, how does that rank against the need to continue investment in your website? The answer will depend on your business, your budget and the needs of your customers.

Here are five points to consider:



Development and supportability

Native apps can be expensive to develop and maintain. You will need to decide which platforms you will target, then build and maintain separate apps for each. At the very least, you will probably want your app to be available for both Apple and Android devices. At the same time, you will need to maintain a mobile-optimised website for new customers and those you have not yet persuaded to download your app.



User experience

Imagery is important in mobile commerce. Pictures are powerful, especially on the limited real-estate of a smartphone screen, and a dedicated app allows you greater control over how your content is presented; not just images and text, but audio and video too. An app also gives better access to device features – such as camera or GPS – and functionality like tapping, shaking, etc. so that you can build a far richer customer experience than is available on a website.



User engagement

Bear in mind that it is hard to capture and keep users' attention. Most people keep less than 10 apps on their smartphones and, according to AppsFlyer, only 25-29% of apps downloaded are retained for even one full day. Only 3% survive for 30 days.⁸ If you decide to build an app, first consider what incentive a user might have to download it. Can you offer, for example, 15% off their first app-order or free delivery?



Discoverability

Although customers may search for you within an app store, more people are likely to find you through search engines like Google. Google and other search engines now prioritise websites that are mobile-optimised in their search results⁷ so, once again, you may wish to maintain a mobile-friendly site alongside any app that you develop.



Access to customer data

Apps work best when used for building and rewarding customer loyalty, giving you a platform to establish and deepen a connection with the user. An app gives you greater opportunity to personalise the user experience, perhaps based on additional information you have gathered by requesting/allowing users to login using their [Facebook](#) account.

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Apps vs. web?

There are pros and cons for either an app or a mobile-optimised website and – even if you decide to develop an app – you will still need to have some form of website.

This may explain why just 23% of the Top 500 retailers in the UK currently have a transactional app.⁹

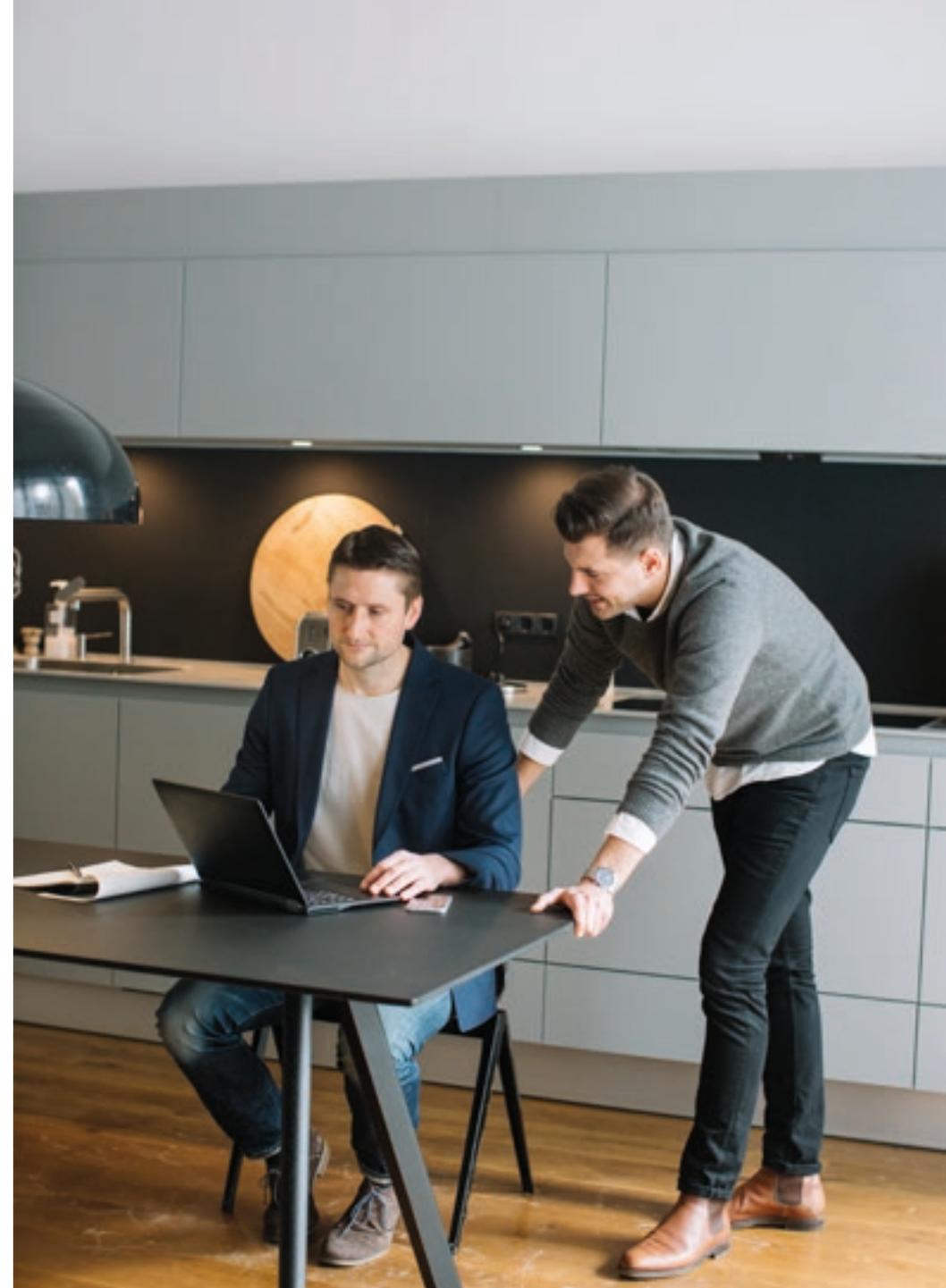
However you decide to prioritise your development budget, PayPal can help. Our solutions are designed for mobile payments on the web or within your app. They simplify the payment process, reduce errors and increase conversion rates.

In fact, in a commissioned study conducted by Forrester Consulting

on behalf of PayPal, the research firm found that integrating PayPal as a payment option within a business's mobile website and apps generated a return on investment (ROI) of 406%, and a payback period of less than six months.¹⁰

To learn more about recent developments in mobile commerce and how PayPal can help you make money with mobile, visit www.paypal.co.uk/merchant.

Apps generated a return on investment (ROI) of 406%



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