

# App vs. Web

Which Delivers the Fastest  
Return for Mobile Commerce?

A prioritization guide to help you  
deliver rapid and lasting results





# INTRODUCTION

Mobile traffic has already surpassed desktop, and analyst firm BI Intelligence predicts mobile commerce will grow to 45% of total ecommerce by 2020<sup>1</sup>. As mobile commerce continues to surge, retail leaders are looking for the best way to engage customers in their fleeting mobile moments to drive revenue and loyalty.

This brings us to a very common question — should I focus on optimizing mobile web, or build an app?

It's no longer an either/or decision. As customers are becoming channel agnostic, so too must retailers. Customers expect to be able to connect with brands wherever they choose, and a disjointed experience across web and apps will have them looking elsewhere.

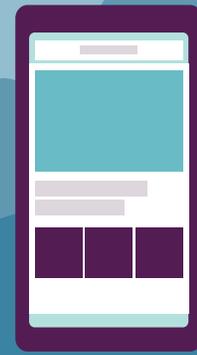
Luckily, mobile customer engagement solutions have emerged to enable you to build one first — app or web — and leverage that investment to create the other.

With that being said, you do need to prioritize what to build first. This guide will help you determine where you will see a faster return on investment: **web or app**.

---

<sup>1</sup> <http://digiday.com/brands/mobile-commerce-going-2016/>

# First Up, Web



Both sides of the mobile web vs. app argument have been debated for years. Historically, it has gone like this...

## IN THE PAST

	Pros	Cons
<b>Web</b>	<ul style="list-style-type: none"><li>• Wide reach</li></ul>	<ul style="list-style-type: none"><li>• Slow, poor user experience</li><li>• Low conversion rates</li></ul>
<b>App</b>	<ul style="list-style-type: none"><li>• Fast, seamless user experience</li><li>• High conversion rates</li></ul>	<ul style="list-style-type: none"><li>• Narrow reach, as generally only most loyal customers download app</li></ul>

But the technology landscape has evolved and this is no longer the case. Google-pioneered technology has made it possible to create app-like experiences on the web. The result is app-like conversion rates with a much larger customer base.

## TODAY

	Pros	Cons
<b>Web</b>	<ul style="list-style-type: none"><li>• Wide reach</li><li>• <i>Fast, seamless user experience</i></li><li>• <i>High conversion rates</i></li></ul>	<ul style="list-style-type: none"><li><del>• Slow, poor user experience</del></li><li><del>• Low conversion rates</del></li></ul>
<b>App</b>	<ul style="list-style-type: none"><li>• Fast, seamless user experience</li><li>• High conversion rates</li></ul>	<ul style="list-style-type: none"><li>• Narrow reach, as generally only most loyal customers download app</li></ul>

Mobify combined Google's Progressive Web App technology with other app-like features now available on the web to create [Progressive Mobile Web](#).

## Speed Converts

You need to be fast to capture mobile moments. If a site takes longer than 3 seconds to load, 40% of customers will leave.<sup>2</sup>

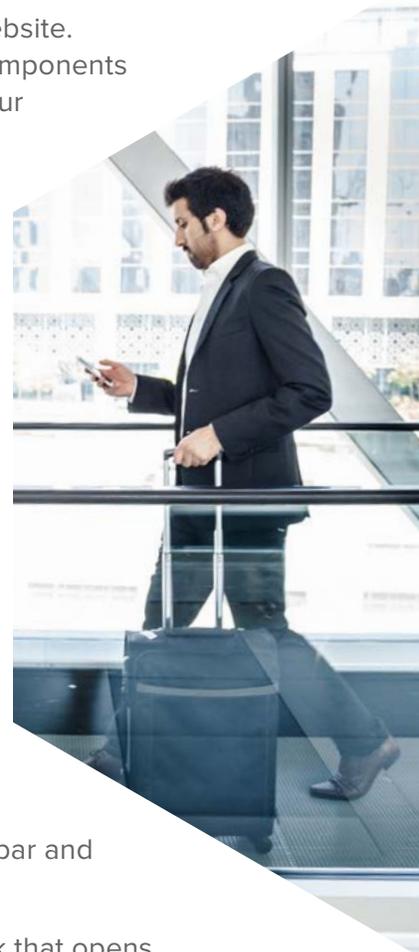
A Progressive Mobile website is 2-4X faster than a responsive or m.dot website. Progressive Mobile serves a single-page application that downloads all components on the first page load, which results in dramatically faster page speeds. Your customers won't see the expected flash of white screen as they navigate between pages, and common elements, such as the page header, will persist throughout the transition, giving the perception of an instantaneous response.

The instantaneous response holds the customer's attention, ensuring that they don't leave before they convert. Our research shows that for every 100 millisecond decrease in homepage and checkout page load speed, Mobify customers see a 1.11% and 1.55% increase in conversion rates, respectively.

## App-Like Experiences on the Web

Of course, speed is only one part of the user experience. Progressive Mobile Web provides other app-like experiences on the web, including:

- **Offline mode:** Allow customers to continue shopping when they go through an area with little to no connection.
- **Full-screen mode:** Provide an app-like look and feel by hiding the URL bar and other browser elements.
- **Home screen icon:** Increase repeat visits with a home screen bookmark that opens the site in full-screen mode with an app-like look and feel.
- **Continuous display:** Eliminate blank screens and unnecessary reloads between pages by keeping layout elements like tabs, menus, headers and footers displayed at all times. This gives your customers the smooth experience of an app, and holds their attention between pages.
- **Near-instant content rendering:** Previously-viewed content will display nearly instantly, only requiring a round trip to the remote server for brand new content, significantly lowering the overall load time on each page.
- **Web push notifications:** Engage customers and boost mobile revenue, with web push notifications sent directly to their mobile device or desktop. Notifications can be sent automatically based on triggers like abandoned cart.



<sup>2</sup> <https://blog.kissmetrics.com/loading-time/>

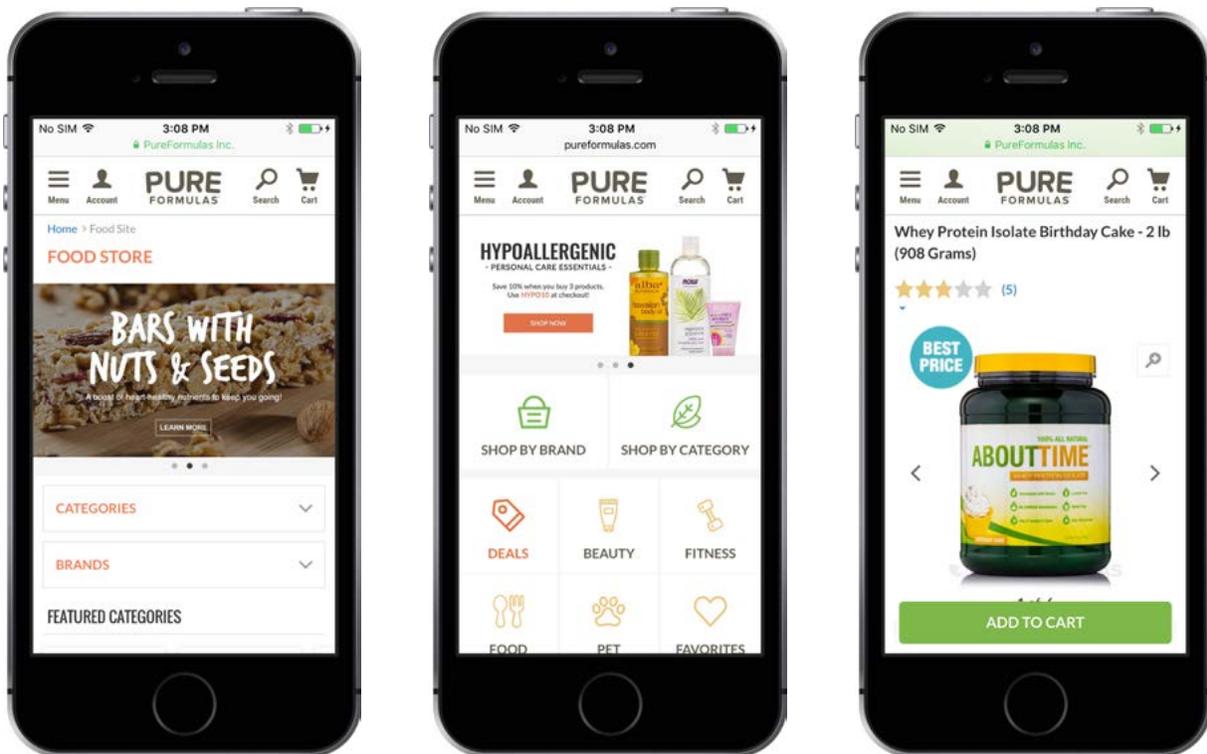
## CASE STUDY

# PureFormulas

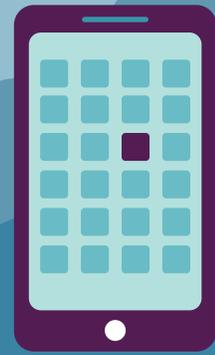


Mobify customer PureFormulas implemented Progressive Mobile Web to create a high-performing mobile web experience for their customers and boost revenue.

A split A/B test showed **23% higher revenue** per visit on the Progressive Mobile website versus the old mobile website. The increase in revenue was due to both an increase in conversions and average order value (AOV). Conversion rate was up 14% and AOV was up 9%. The additional AOV came from cross-sells, with items per order up 13% and items per user up 24%.



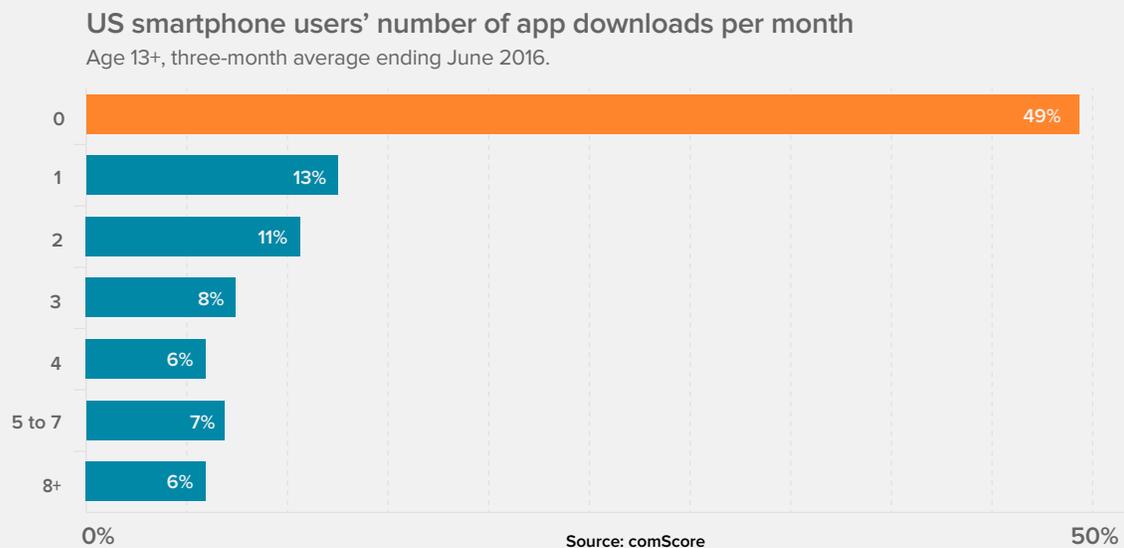
# Next Up, Apps



If you're considering foregoing app-like experiences on the web to focus first on building an app, there are three primary considerations you need to take into account.

## 1. Your App Can't Compete

- Half of all smartphone users in the US download zero apps per month — yes, that's right, zero.



- And just getting the download isn't enough. Consumers spend 72% of their total mobile time (web and app) in only 4 apps, most of which are owned by Facebook and Google.<sup>3</sup>
- Only your most loyal customers will download your app. Consider Amazon, which has only 19% of online American consumers using its app, and 40% using its mobile website.<sup>4</sup>
- Many retailers get wrapped up in the notion of “build it, and they will come,” but this is not the case for apps. Driving app downloads is challenging. Just because you're in the app store doesn't mean customers will find you.
- Brands must treat their app like a product with a comprehensive go-to-market strategy to drive traffic to the app from other experiences (ads, in-store promotions, deep linking).

3, 4 <https://www.forrester.com/report/A+Billion+Mobile+Sites+Spark+No+Joy/-/E-RES136274>

## CASE STUDY

# GameStop: A Winning App Promotion Strategy

GameStop, a video game and electronics retailer, created an app that allows customers to look up the trade-in value of their old games or electronics right from the comforts of their own home. Not only does this make it more convenient for customers, it drives in-store traffic as the users are more motivated to go to the store to trade in their old stuff when they know the value.

To get the app into their customers' hands, the brand used their physical channel to promote their new digital channel. Promotional material for the app was displayed in all their retail stores, and sales associates were encouraged to promote the app to in-store customers. **As a result, GameStop saw an 8% increase in new app installs and a 27% increase in daily active users after just 4 months.**<sup>5</sup>

By identifying a key part of their customer journey that could be facilitated by an app, GameStop created a better overall shopping experience for their customers.

## 2. Required Resources and Unpredictable Costs

- Native apps built in isolation from the website require a whole new codebase, which is a hefty investment of time and money.
- The total cost for an in-house or agency-built app can be anywhere from \$100,000 to several million — and that doesn't take into account the maintenance costs once they're built. It will likely require an ongoing team of 3 - 4 full time app engineers and there's no predictable cost of ownership (i.e. you don't know when operating system updates will happen).
- Retaining in-house app developers is challenging. A large team is very expensive, and small teams are hard to keep around as app developers are in high demand.
- Because of a low ROI and unpredictable costs many retailers are now abandoning their app or rethinking their app strategy.

<sup>5</sup> <http://risnews.edgl.com/retail-news/GameStop-s-Business-Strategy-is-Powered-by-Customer-Data95842>

### 3. Apps don't capture the mobile moment

- Consider the fact that the process of downloading an app is like adding additional steps to your checkout flow. The shopper has to navigate the app store (which can be an unpleasant experience), wait for the download, and set their preferences.
- By the end of this process, the context of the mobile moment is gone.
- Each step adds an additional point of friction where you could lose customers.

## The Verdict? Web Provides Faster ROI

Over the years, retailers have turned to apps to satisfy customers in their mobile moments as the web generally provided a slower, more disjointed user experience. But the mobile web has evolved, and retailers can create Progressive Mobile websites to offer app-like experiences that win customers in mobile moments.

While you can now turn to either channel to provide app-like experiences, it makes more sense to start with the mobile web as you will see a faster return on investment. According to ComScore, "US mobile browser audiences are 2X larger than app audiences across the top 50 mobile web properties and have grown 1.2X faster over the past 3 years."<sup>7</sup> The wider reach of the web will result in more revenue as even a small impact on a larger number of sessions can provide a greater return.

**Forrester Research's Ted Schadler** put it perfectly when he said, "To delight and serve your customers in their mobile moments of need, you need to give them exactly what they need to move forward in their immediate context. So if you can't reach all customers with an app — **AND YOU WON'T!** — you will need to deliver an app-like mobile web experience."<sup>6</sup>

<sup>6</sup> [http://blogs.forrester.com/ted\\_schadler/16-07-13-responsive\\_web\\_design\\_is\\_not\\_mobile\\_first](http://blogs.forrester.com/ted_schadler/16-07-13-responsive_web_design_is_not_mobile_first)

<sup>7</sup> <http://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/The-2015-US-Mobile-App-Report?>

## Do You Even Need An App?

You're probably asking yourself: if the web is becoming more app-like, do I even need an app? The answer is yes.

Apps have evolved from their earlier transaction-focused use case, to ones that boost loyalty and create richer in-store experiences. Like GameStop, you should identify key parts of your customer journey that can be facilitated by an app. The two most successful use cases we see are:

### LOYALTY PROGRAMS

- Apps are downloaded by your most loyal customers, which makes them a perfect fit for a loyalty program.
- Apps can access device functionality that the web cannot to create a more robust loyalty program (camera for barcode scanner or AR, location for restyled pages in-store).
- Loyalty cards are outdated; instead, take advantage of the devices that customers have on them at all hours of the day.

### RICHER IN-STORE EXPERIENCES

- Apps enable better location accuracy than the web (5m vs. 200m), which allows you to tailor experiences for app customers in-store.
- Apps can be integrated with beacons to trigger push notifications that add value to the in-store experience.
- Apps can access the functionality of the mobile device to replace clunky, outdated in-store technology like barcode scanners and in-store kiosks.



## What This All Boils Down To

Many brands have been burned in creating an app. Either they don't understand their customers' needs, or they don't have the resources and budget to maintain it. After many iterations that cost a lot of time and money, they're still left with an app that doesn't move the needle on any of their core business objectives.

Focus on providing app-like experiences to your largest audience first — on the web — in order to achieve the fastest return on investment. Then (with a platform) you can leverage that same codebase to build an app that facilitates other key parts of your customer journey.



## Partner with Mobify.

The Mobify™ Platform is a simplified all-in-one, mobile customer engagement platform that delivers mobile web, native apps, push notifications, and store drivers. It empowers retailers and brands to boost revenue, keep up with customer expectations, and protect their competitive edge using a technology strategy called Progressive Mobile, built around the need for Engagement Marketing to customers.

Progressive Mobile delivers a unified customer experience across mobile web and apps, while Engagement Marketing builds customer relationships through push notifications and store drivers.

**1 (866) 502 5880 | UK: +44 (0) 1189 000715**

**hello@mobify.com**

**[mobify.com](http://mobify.com)**

