Apps or mobile sites: who's winning the m-commerce conversion game?

The business case for Native apps & PWA's

jmango
360

Contents

Mobile phones are changing how we live and shop

Nomophobia: the fear of being without your mobile phone.

When researchers identified the first mobile mental disorder, the writing was on the wall. Our handsets were becoming extensions of ourselves – vital tech appendages we couldn't do without.

They're still changing how we live. And they're changing how we shop.

Mobile commerce (or m-commerce) is surging, on-track to grow 68 percent between now and 2022.

That means every business that sells goods or services online – B2C or B2B – needs a killer mobile strategy to keep attracting and converting customers.

Once upon a time, having a great mobile-responsive website was enough. But then more brands migrated to dedicated apps, raising their UX game to win more loyalty.

Mobile app versus mobile website? Today it's less about making a binary choice, more about getting the channel mix right.

Mobile Commerce To Grow 68% By 2022

Don't bet everything on one channel.'

x2 — Mobile Browser
x1,5 — Desktop
App
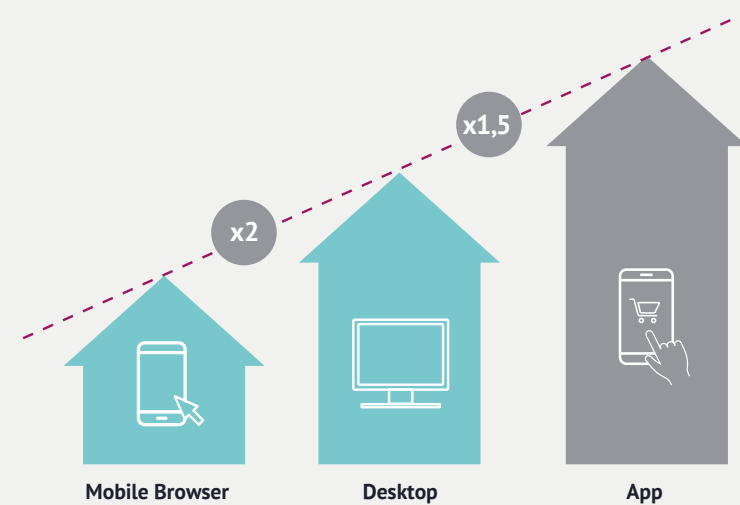
Mobile apps have the highest conversion rate in e-commerce

For marketers: a bridge over troubled waters

# M-commerce is on the march. Sort of. There's a barrier.

While mobile is driving most e-commerce web traffic, desktop is still better at turning visits into sales.

Looking at the graph on the right, you can see the disconnect between mobile browsing habits and mobile purchasing. **It's a discrepancy we call the *m-commerce gap*.**

You might think customers just prefer to browse on handsets and buy on PCs. That's one possible take-away, but results from the big players tell a different tale.

By putting mobile at the center of their strategy, major retail brands are winning mobile hearts and minds. Mobile is now their number one revenue channel. **As more people browse and buy on their phones, a mobile-first strategy can drive sales now, and into the future**.

Bridging the m-commerce gap

	Mobile	Desktop
Traffic	69%	31%
Revenue	20%	80%

Mobile Revenue Gap

● Mobile
● Desktop

6
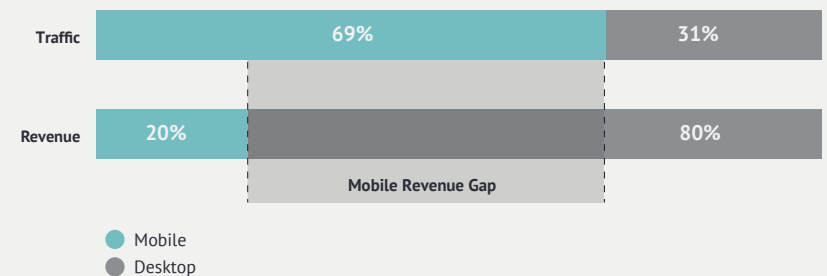
How are the big brands winning on mobile?

How are the big brands winning on mobile?

It's simple. They've stopped trying to choose between apps and responsive websites. They've started looking at their optimal mobile channel mix instead.

That's where it gets harder. You have to know your customers, and you have to consider their behaviour around variables like operating systems, organic search, app usage, browsing behaviour, cart abandonment, user experience, and more.

Some might prefer to do everything in-browser. Others might want the extra features an app can provide. Social shopping on Instagram is gaining traction. Maybe shoppers want a range of options at their disposal and will use each one differently?

You have to do your homework to know their preferences. One thing's for sure, with smartphone upgrade cycles shortening, options expanding, and apps and handsets all becoming more powerful by the month, **no single mobile channel is likely to be enough**.

You may well need a mobile responsive website, but you're going to need an app too.

After implementing their PWA, Alibaba quickly saw some amazing results:

- **76 percent higher conversions across all browsers**

- **14 percent more active users per month on iOS and 30 percent more on Android**

- **4 times higher interaction rate from Add to Homescreen prompt**

10 reasons to vary your mobile channel mix

1 E-commerce is turning into m-commerce.

The number of sales transactions on smartphone devices grew 22.5 % last year, while tablet and desktop usage declined.

2 Customers prefer apps.

Studies confirm mobile shoppers' preference for apps over websites – mobile or otherwise. In North America, almost half (**47 %**) of consumers said **they favour making purchases in an app** over mobile web (**20 %**) or desktop (**33 %**).

3 In-app transactions are on the rise.

When retailers have invested in apps, they account for over two-thirds (**70 %**) of mobile purchases. The trend for **in-app sales to dominate m-commerce** is visible across most of the world. Globally, in-app transactions have increased by **22 %** YoY.

4 Users spend more time in apps.

When brands **make an app an option**, mobile users spend **86% of their** time there, versus just **14%** on the brand's mobile site. The average time users spend on mobile apps is also increasing — rising by **21% in one year**. While gaming and social media apps account for some of that, retail apps are in 4th place.

5   The user experience is better.

Ever wondered why you use the facebook app or email app, instead of browsing to the mobile version? It's because the app makes it easy and effortless, plus you gain access to all the brand's features. Compared to a mobile-responsive website, apps offer intuitive navigation, consistent display, location-based targeting; and when it's needed, simpler data input.

You might say '*of course, one of the world's largest companies is bound to have an amazing app*,' but deep pockets and interface R&D aren't what sets Facebook's app apart from its mobile website. The basic functionality apps offer is richer and more refined – full stop.

That's as true for The Gap and H&M as it is for an independent fashion brand.
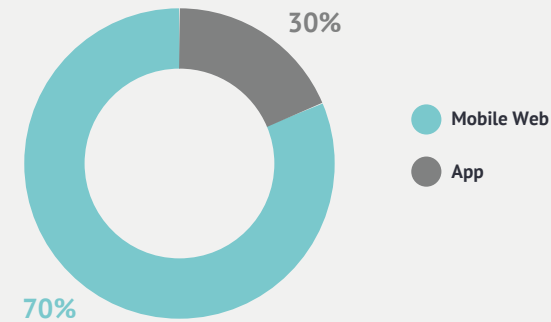
6   Conversion rates are higher.

In North America, the conversion rate on shopping apps is more than three-times higher than on mobile web. In Asia it's even higher, up to 6x more.

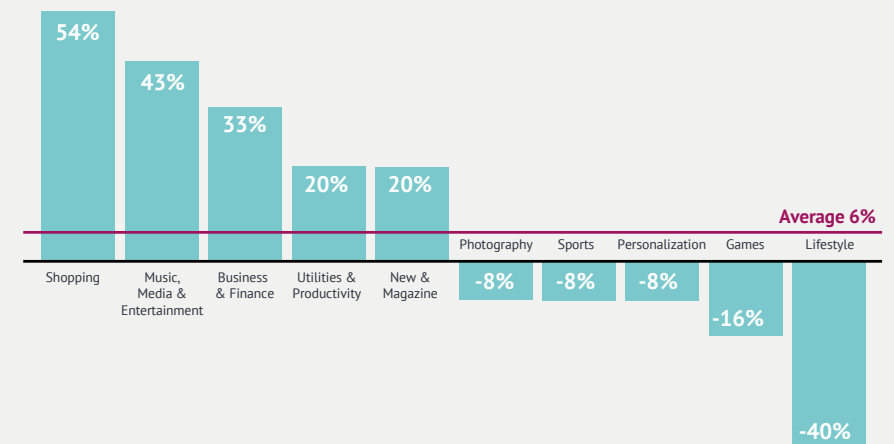That's because apps can influence conversion across the funnel.

- **At the top, utility apps can bring-in users who can later be nurtured into leads.**
- **At the bottom, m-commerce apps already have loyal users who have a higher possibility of converting.**

Their features also mean apps can deliver personalised content, offers, and messaging – prompting individual users at different points in the sales cycle. Mobile websites can only pull traffic from a broad audience based on organic search.

When retailers add an app, app sales acount for 70 percent of mobile purchases

- 30%
- 70%
- Mobile Web
- App

Mobile app usage is growing by 6 percent a year

| Shopping	Music, Media & Entertainment	Business & Finance	Utilities & Productivity	New & Magazine	Photography	Sports	Personalization	Games	Lifestyle
54%	43%	33%	20%	20%	-8%	-8%	-8%	-16%	-40%

Average 6%

7 **Apps drive loyalty.**

Apps enable you to gift personalized offers and give exclusive access to online sales and discounts. When it comes time to buying something, having your logo on a customer's home screen means you're **more likely to be top-of-mind**. An app is also a medium for direct communication about your latest products. Research shows app users are twice likely to re-visit within 30 days.

8 **Conversion rates are higher.**

They make checkout painless. Buying a product on a responsive website means lots of scrolling, tap-typing, and jumping between screens. With an app you can **enable one-click purchase** – vastly reducing cart abandonment.

9 **They're more personal.**

Apps allow brands to **tailor communication to users** based on factors like interests, location, app usage, purchase behavior, and more. Users can customize their preferences. Apps can then track and observe user engagement, and use it to fine-tune custom recommendations and updates. Apps can use location data to provide geo-specific content in real-time.

App Opportunity
In North America, the conversion rate on shopping apps is more than 3 times higher than on mobile web.

Mobile Web
App
Desktop
10%
6%
3x
Conversion Rate
20%
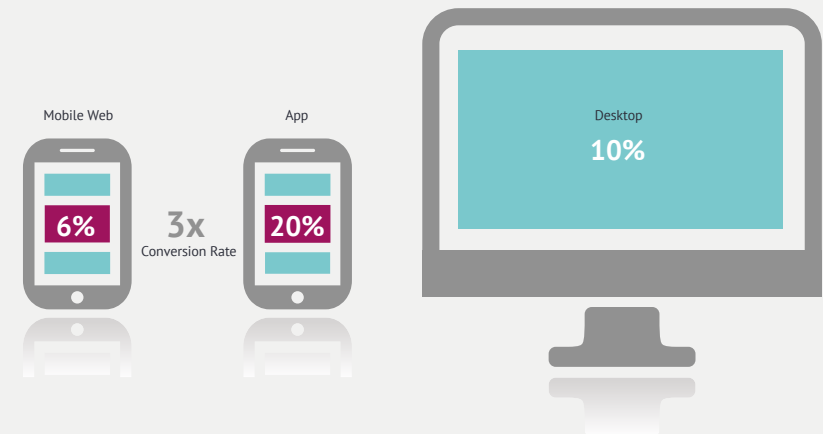
10 Apps let you reach customers 1-2-1.

With email open rates falling every year, marketers need new ways to reach customers directly. App notifications offer a powerful alternative.

App notifications come in two varieties: push and in-app. Both enable you to reach out to customers in a non-intrusive manner.

In-app notifications are only delivered when the user opens the app. Push notifications are sent directly to the home screen, but users control when and how they see them using their phone or app settings. **Some studies have shown push notifications to have click-through rates of 40%**. It goes without saying that users have to opt-in.
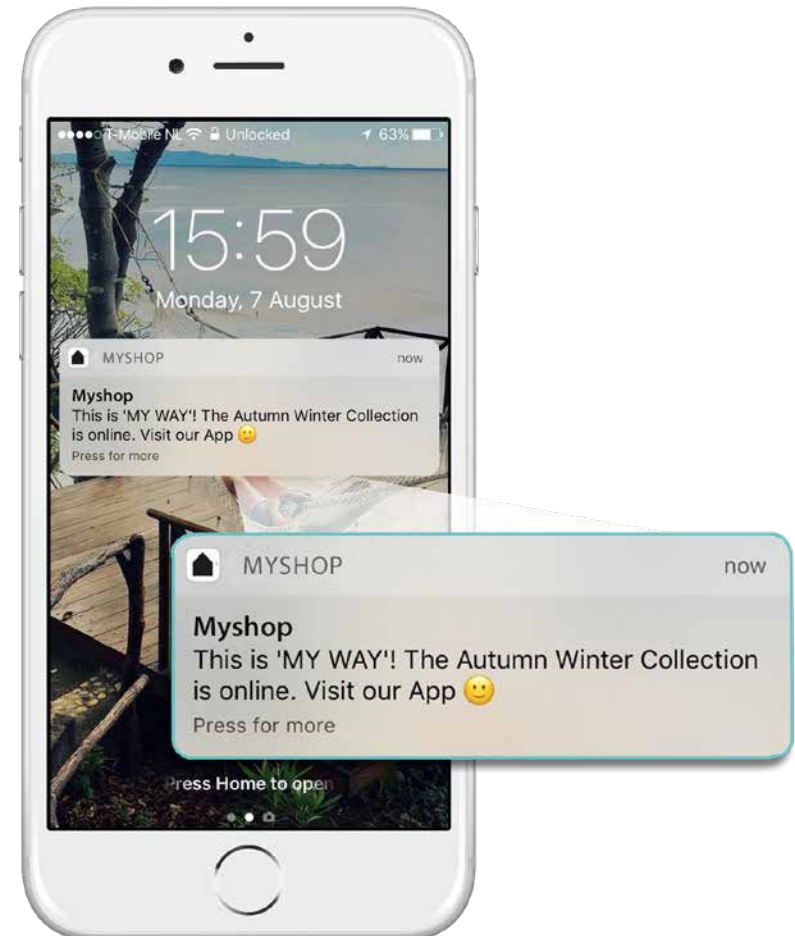
I'm not Alibaba.
# Can I really afford
to add an app?

Can I really afford to add an app?

You can. Custom app design used to cost a fortune, but with advances in SaaS technology, app-building has got better, faster, and cheaper.

Jmango360's SaaS solution makes big brand capabilities achievable on leaner budgets. After integration with your e-commerce platform we simply migrate the store into an app.

- **Set-up costs are minimal and you pay an affordable monthly fee.**

- **Most apps are up and running within 6 weeks.**

- **All your products appear instantly, along with your payment system integrations.**

We handle all design and project management. And then when it's done we'll help you with recurring marketing support to promote downloads and usage.
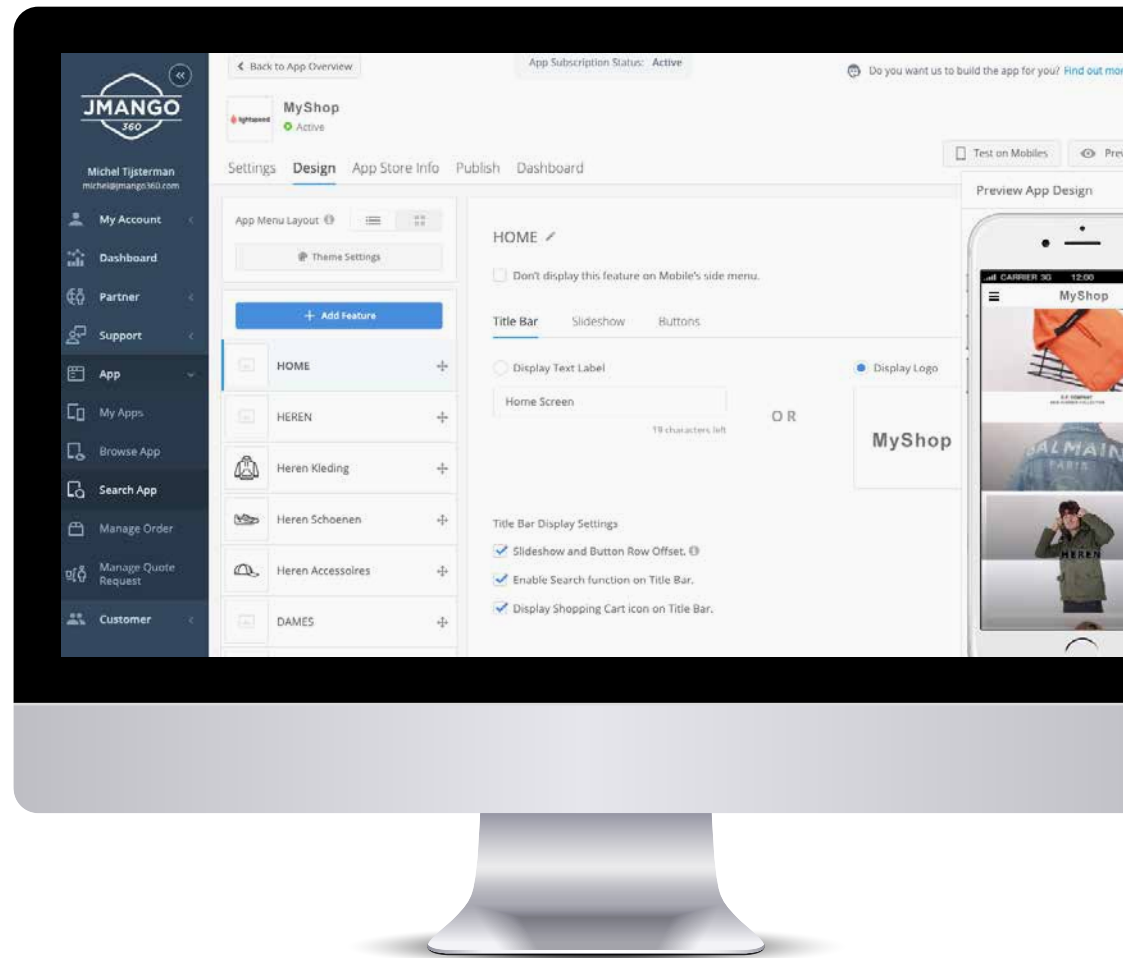
Making the business case: what is the ROI of an app?

Let's do the math.

Wondering if adding mobile channels to your mix will pay off? Consider this scenario:

Let's say 55% of your traffic is coming from mobile devices, equivalent to roughly 288,000 visitors each year.

Assume 25% of them will download your app (a safe average) in year one, for about 72,000 downloads.

If your in-app conversion rate is 5% (compared to 2.8% of your mobile site) you'll achieve 3600 app transactions. With an average order value of 90 dollars, you'll see $ 324,000 yearly in-app sales.

Your investment in an app with Jmango360 – leaving some room for error and complexity – will be less than 15K.

ROI = $324,000 - $15, 000 = $309,000

It's possible you might see cannibalization if some mobile website buyers shift to shopping in-app. But research shows a big chunk of in-app sales will be new revenue due to the improved check-out, higher average order value (thank you push messages), and other loyalty features.

Click the link to request a ROI calculation for your organization and see how your brand could be benefiting from enhanced m-commerce capability. Future-proof your mobile strategy with a best-in-class PWA or Native App, designed and published by JMango360 in just 6 weeks with our Saas-technology platform. Grow your mobile revenue for an affordable monthly fee.

Get in touch with JMango360 today.

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Ask
the experts

Contact us today

jmango 360