

Superfast Business Wales



Business Guide

Developing Apps for Business

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Developing Apps for Business

'There's an app for that' is a phrase that has passed into general usage since the release of Apple's iPhone in 2007. Since then the app market has exploded. Apple's iOS and Google's Android operating systems dominate the market with BlackBerry and Windows also offering apps for their devices.

Apps have become a key user interface technology, providing easy access to data, combining information sources, or acting as data collection mechanisms (not to mention the vast array of information, entertainment and games services that are available). They take advantage of the cloud-based approach to computing that Superfast Broadband and mobile technologies have enabled, and commonly provide a mobile 'window' into back-office systems such as CRM, accounts and office applications.

For small businesses looking to leverage their products and services across their market sector, developing an app can offer a new channel to sales, but also a new marketing environment. Apple's App Store is only five years old, but the app economy has rapidly developed to become a massive opportunity few small enterprises can ignore. Indeed, according to eMarketer, by 2017, two out of three mobile phones in the UK will be smart offering the perfect platform for small businesses to exploit with their apps.

In their report Vision Mobile and Plum succinctly state: "Mobile platforms and app stores have lowered entry barriers for developers. At the same time, app stores provide global market access, discoverability, low cost distribution and monetisation."

There also remains a general appetite for apps within the smart phone and tablet using communities. Research from comScore reveals that: "Apps drove the lion's share of engagement, representing four in every five mobile media minutes." For small businesses assessing whether they should develop a website for mobile devices or an app, current trends hold that apps are still highly popular especially within the much coveted 18-25 age group.

With m-commerce set to achieve earnings of over £38 billion by 2016, and the wide availability of app developers, even the smallest of businesses can successfully enter the app market.

Understand

The Business of Apps

Why should my business build an app?

The potential revenue from apps can be massive. Indeed, Gartner reckons that by 2016 \$61 billion (£38 billion) will be spent on app stores and content for downloaded apps. With easy access to app development now open to even the smallest business, a slice of this large market is there for the taking.



For a small business assessing the viability of developing their first app, a close look at the market is the first step. It is critical to understand the market that your business' app will be joining. Apple's App Store may gain the majority of the headlines, but the fact is there are now more apps for Google's Android operating system. This is simply because of the open nature of Google's approach to apps, and the fact there are many more mobile devices running Google's Android than there are iPhones, BlackBerry's or Windows phones.

However, when approaching app development your business must assess which of these key markets the app will be designed for. It is critical to complete an analysis of the app market and its users before making a decision about which app platform or platforms to support with your new app.

Current research indicates that iOS continues to lead the way, and the OS (operating system) is projected to generate over two-thirds of the revenues for smart phone and tablet apps in 2013. Indeed although Google's Android OS recently surpassed Apple in terms of total app numbers, iOS users appear to be generally more willing to part with their cash, with the result that the revenue gap between the two leading OS's looks unlikely to close over the next 18 months.

Not all small businesses will benefit from developing an app. It is vital to assess your existing customer base to discover whether an app would be welcomed. Apps are not a panacea, or a magic marketing wand. Apps can deliver high levels of engagement and a new lucrative revenue streams, but they must be approached with all the due diligence your business would use when developing any new product or service.

Advantages

For small businesses, developing apps can deliver a number of advantages including:

- Enhanced marketing and promotional opportunities is a major positive for businesses developing an app for the first time
- The caché in your market sector can be leveraged if your app becomes popular. Your business can then build on its newfound technical expertise
- Apps can drive increased traffic to a website where higher levels of conversion are possible. Free apps are often used effectively in this way
- Push notifications offer higher levels of customer engagement, with apps that lock into the current social media trends being the most successful
- New revenue streams via in-app purchasing (m-commerce) that have grown massively in popularity looks set to dwarf e-commerce over the next few years



Disadvantages

The development of an app for a small business also has a number of disadvantages including:

- Security is the number one area where businesses that have developed apps often run into trouble.
- The operating systems that apps are based upon are moving targets that are constantly updated, which means your app will also need regular updates
- Choosing to support just one app platform effectively locks every other customer out of your app
- Getting an app noticed amongst the millions of others can be a major marketing challenge
- The apps stores take their cut of the revenue your app generates if you use these stores to market your new app

Whether developing an app to expand a marketing channel or as a new platform for sales, apps offer a unique opportunity for all small businesses to punch well above their weight. With the m-commerce market set to reach over \$3 trillion (£1.8 trillion) by 2017, businesses must take advantage of this lucrative market—one cost effective way is to build an app.

Checklist

Before deciding if app development is for your business, ask yourself these questions:

1. Which mobile platforms is your existing customer base using?
2. Are the products or services your business sells ideal for marketing via an app?
3. Will your customers welcome the chance to interact with your company via their mobile device?
4. Does the current app market have any apps that have similar features to the app your business would build?
5. Will your business have the resources to build but more importantly, maintain an app on one or multiple platforms?

Adopt

Getting Started

How does our business find an app developer?

Locating an app developer is now easier than it has ever been, thanks to the explosion in the app market. It is though, important to take your time to choose an app developer that understands your business sector, and after you have briefed them that they understand what your business wants to achieve by building an app.



Referrals or recommendations are always best, as with choosing other services for your business. Reach out to your network and ask if they have used any app developers in the past.

If this fails to result in a shortlist of app developers to contact, there are now directories that can be used including:

- They Make Apps (www.theymakeapps.com)
- GetAppsDone (www.theymakeapps.com)

Checking the online portfolio of an app developer is a must. Many are included on the Behance (www.behance.net) website.

Small businesses often ask what an app costs to develop? Like many services this is difficult to answer with any accuracy, as no two apps are the same. Your detailed app development plan is ideal here, as it can be sent to potential developers that can then accurately quote for the work.

How should our business brief an app developer?

Ambiguity is the enemy of a good app development briefing, and can lead to confusion and additional costs. The time your business spends developing its business plan for the app is where this effort comes into its own. App developers need to know precisely what kind of app they are building, which key features it must have, what features you would like to add later, and how the app will interface with any datasets.

An app developer that is familiar with your business sector is ideal, as they will already have an appreciation of your customer base, and how the app will speak to them. Businesses that clearly layout their app requirements which are then supported with a detailed app plan will develop close working relationships with their app developers.

How can I ensure the app development process runs smoothly?

If your business has ever used a consultant, managing an app developer is a similar process. After you have decided on an app developer to use, the relationship should be governed with a Service Level Agreement (SLA). In addition, if the app will include some of your business' intellectual property, a non-disclosure agreement should also be used.

And don't forget to include a clause in the SLA that allow you to break your contract without penalty. Sometimes relationships don't work out, so your business needs a clean way of moving on to another app developer.

It's a good idea to break the app development process down into stages. After each stage is complete, a review should take place. At this stage the app's development can be assessed, especially if it is moving away from the plan that was agreed. However, these assessment pauses in the development process can also enable your business to make any changes it needs to the app's features.

The budget you agreed at the beginning of the development process should also be reviewed and any changes made with the agreement of all parties. Reviews are important to ensure the development of the app stays on track. But try and avoid making sweeping changes to your app's features, as these will inevitably attract additional costs from the developer.



How often should we update the app?

One thing is certain: the apps market never stands still. The business plan you created for your app should include how often the app will receive updates. Just as software applications are updated with new features, it can be a good marketing plan to update your app with features on your wish list. This gives your business an excuse to make additional contact with each app user. And app users like to see that the apps they have downloaded—and especially if they have paid for—are updated often for free.

Talk to your app developer before construction begins, as updates should be included in the SLA that is signed at the beginning of the project. Your business should also get an idea of costs for these updates. This is because simple changes won't generally be expensive, but major changes to the app could require significant re-writes of the code that could be expensive.

Checklist

Finding and then briefing an app developer can seem like a daunting prospect. Ask yourself these questions to ensure the process is efficient and stress free:

1. Does the app developer you have found have a portfolio of similar apps?
2. Has the app developer any experience of your business' market sector?
3. Have you checked out the testimonials that the app developer has provided?
4. Is your app development plan detailed enough to avoid confusion?
5. Does your SLA have exit clauses just in case you need to look for another app developer?

Exploit

Understanding Apps

Building an app for any mobile device can be a complex and technical exercise that many businesses will choose to outsource. The success of any app your business develops will be to a large extent governed by the brief that the developer is working from.

It is therefore, important that your business understands how the app market is structured, with an insight into app construction, enabling you to develop a brief that will ensure your app is of the appropriate quality.



Apple's App Store

Apple is clearly the leader here, as they created the app market. Developing apps for Apple devices will mean joining the iOS Development Program (<https://developer.apple.com/programs/ios/>) which will cost your business \$99 (£60) a year to join. If your business decides to sub-contract the development of the app, the developers you choose will already have their membership set up, and in many cases, will also take care of the submission of your app to the Apple approval service, which all apps must pass before they are allowed onto the Apps Store.

Google Android

Google's Android has rapidly grown thanks to the plethora of devices that it now runs on. For small businesses that want to reach a wide and diverse mobile market, Android offers an app development platform that can deliver these goals.

Unlike Apple that operates what is called a 'walled garden' approach to app development in that they control the hardware and software that apps use, Android is an open platform that anyone can develop for without many of the barriers that Apple puts in the way.

The Android development site (<http://developer.android.com/index.html>) is the gateway to all the information your business would need to start developing apps for Android powered devices.

Windows Mobile Apps Centre

Microsoft had been the market leader on the computer desktop, reigning supreme with Windows for decades. With the advent of mobile devices, Microsoft has been playing catch-up for the last few years, developing their own mobile operating system: Windows Phone.

The app ecosystem for the Windows Phone is not as well developed as Google's or Apple's, but the recent purchase of Nokia's mobile platform could see this platform in resurgence. If your business already develops for the Windows operating system, Windows Phone could be the logical choice for app development.

BlackBerry World

Outside of consumer smart phones, the BlackBerry has been a business mobile device that has dominated the market. Seeing the massive growth of the smartphone market, BlackBerry moved into the smart phone market last year with the BlackBerry Z10. Recent announcements also indicate that the company will release a new larger handset—the Z30.

If your business already develops applications for the BlackBerry ecosystem, developing an app will be the next step to take, especially as BlackBerry is increasingly moving into smart phone development to compete with Apple and Google.



Checklist

Faced with four major mobile operating systems to choose from when developing an app, ask yourself these questions:

1. Does your business already develop applications for Windows or Apple's OS X?
If so it is logical to develop and app using your business' existing expertise.
2. Does your marketing plan for your app focus on a narrow consumer base?
If so, which mobile devices are they using?
3. Can your business support the development of an app on multiple platforms?
4. Is your intention to develop a commercial app for sales, or an app as a marketing and engagement tool?
5. How will the app develop in the future? Is there a clearly defined roadmap for updates and enhancements to the app?

Constructing Apps

Do I need a great deal of technical skill to build an app?

Like any digital product apps do require a level of technical expertise. The level of complexity and whether the app will link to other data sources should be carefully considered before embarking on in-house app development. Complex apps are better left to outsourced professionals.

However, since the app appeared several services now offer an almost cut and paste approach to app development. If your business is looking to quickly develop an app, these DIY services could offer a cost effective route. Some of the leading services include:

- PhoneGap (www.phonegap.com)
- Appcelerator (www.appcelerator.com)
- Sencha Architect (www.sencha.com)
- Appery.io (www.appery.io)
- EachScape (www.eachscape.com)

Which features and functions should my app include?

Even a quick glance at any of the app stores will reveal that apps come in all shapes and sizes. Some apps are very simple, and offer little more than a contact point for a business via its mobile-enabled website. Other apps—shopping apps in particular – present a complete retail experience in an app. Leading retailers such as Argos and Debenhams have shown how powerful app sales can be. 50,000 people downloaded the Argos app in its first week after release, with the company now selling over a quarter of its turnover via the app.



Just as you wrote a business plan for your company, you need to write a plan for your app. When it comes to features, think about the features the app must have and the features you'd like the app to have. It's important to make a distinction between essential features, and those on your wish list, as these categories of features affect the cost of the app's construction. And it's important to have this information clearly set out when you brief your app developer.

Can an app connect to any data source?

In theory an app is simply a window onto any data source. If you think about it the Debenhams app is really an e-commerce front end to their database of products. You have to look closely at what you want your app to do for your business, and what services the app will deliver to customers.

Using an outsourced app developer is a core advantage here, as they will have first-hand knowledge of developing apps that call on data sources. If this data is proprietary to your business, then security will be the utmost importance.

Top Tips

Do your homework

The success of your app will be directly linked to the research you do into the audience for the app, which features they want, if they will pay for the app and how the app will develop over time.

Look for an app developer with experience in your sector

There are a plethora of app developers, so look for one that has built similar apps to the one your business is planning. This will make the whole process easier to manage, and will ensure a high quality app is built.

Decide on a feature set and stick to it

Changing many of the features your app will contain half way through the design process is time consuming and expensive. Leave these changes to future updates.

Make a decision about which platforms to support as early as possible

There may be four leading app platforms to choose from, but this doesn't mean your app has to support them all. Your research should tell you which mobile devices your customers are using and therefore, which operating systems your app must be designed for.

Always protect your app development with SLAs and non-disclosure agreements

To ensure that all parties understand their responsibilities, ensure that the details of the contracts are all clearly set out before signing.

Use prototyping and regular assessments to keep the app build on track

The app developer should be able to show you a prototype of the app as it moves through its development. This enables you to see whether the app is developing, as your business wants it to.



NEXT STEPS

1. Register to attend a fully-funded Business Development Workshop.
www.business.wales.gov.uk/superfastbusinesswales/events
2. Make an appointment to see a Business Advisor who will help you create a personal action plan to grow your business.
www.business.wales.gov.uk/contact-us

For further information on Developing Apps take a look at:

See how other businesses in Wales have exploited Superfast Broadband
www.business.wales.gov.uk/superfastbusinesswales/superfast-success-stories

Find out how much your business could save with our
www.business.wales.gov.uk/superfastbusinesswales/savings-calculator

Other business guides that may interest you include:
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