

Why You Should Add iPass to Your Mobile App

A white paper for
application developers

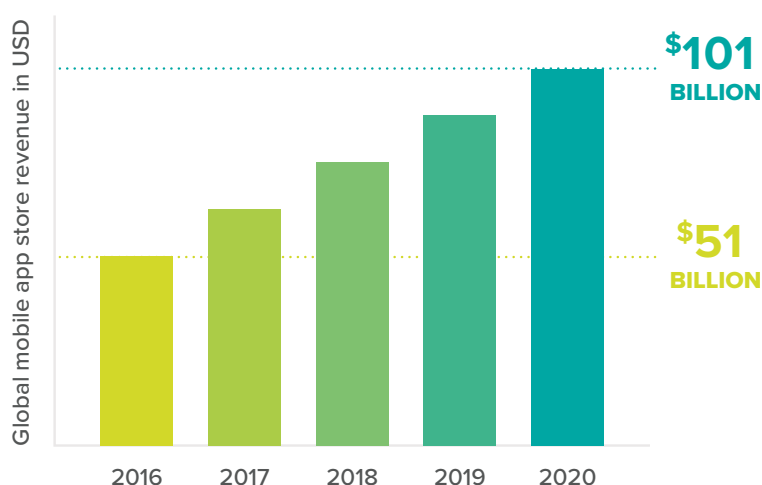


The world belongs to app developers. According to analyst firm App Annie, global mobile app store gross revenue is set to be USD\$51 billion in 2016 and will almost double, to \$101 billion, by 2020.¹ By then the world will be seeing 284 billion app downloads a year, and the global installed base will have more than doubled on 2015 figures.

“Much of the growth will be driven by smartphone adoption in emerging markets,” notes App Annie.

Yet while massive growth in the market is good news for developers, it also has a downside in terms of growing competition. Put simply, in a world where everyone and everything has a mobile app, what can you do to make yours stand out?

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Even the most popular mobile apps can get lost among the competition. The story of the New York Times’ Scientific 7-Minute Workout app bears this out. When the New York Times turned its workout into an app, popularity soared... and copycats flourished. Now a search for the app reveals a host of imitators, all of which have stolen audience share from the original.

Among the options that developers can call upon to deal with this hyper-competition are ‘Delighters’, features that help to improve usability and reduce cost, either for users or publishers. One in particular that arguably does not get the attention it deserves is high-quality, secure connectivity.

While most apps are developed with connectivity as a given, there is a growing case for integrating automatic connection to mobile data services into the app development process. This paper looks at the benefits that Wi-Fi access can afford to different types of app developer, as well as some of the considerations to be taken into account when integrating this capability.

The case for connectivity

Why would any app developer want to incorporate data connectivity into their offering? The answer is simple: in most situations where there is a choice between Wi-Fi and mobile coverage, the former is cheaper and often more reliable. This translates into greater user satisfaction, which in itself is a major objective of many mobile app developers.

Furthermore, happier, better-connected users are likely to use more apps and spend longer using each one, which can be an important source of profitability for advertiser-funded products. In addition to these generic benefits, adding Wi-Fi connectivity can have specific advantages for different types of developer or publisher.

Benefits for mobile operators

Longstanding competition and strict regulation have forced mobile operators to cut prices and margins to the bone, resulting in two challenges for the services they offer. The first is that customers are now highly cost-conscious and can easily defect to competitors if they feel they are getting a raw deal on pricing.

The second is that loss of margin is forcing mobile operators to look for network efficiencies as a way of keeping their own costs to a minimum. Integrating Wi-Fi access into mobile apps can help to address both of these issues. In the first place, automatically directing low-value app traffic towards available Wi-Fi networks can free up spectrum for other users, reducing transport costs while at the same time potentially improving overall user experience.

Secondly, connecting to hotspots automatically can significantly reduce roaming costs abroad, which is a major source of customer irritation in the mobile industry. This can serve as a source of competitive advantage. Or in Europe, where roaming charges will be eliminated by legislation from late 2017, it could further help preserve margins.

Benefits for OEM vendors

Original equipment manufacturers (OEMs) also face a highly competitive landscape. Laptops, tablets and other mobile devices are increasingly seen as quasi-disposable items to be refreshed every couple of years. Any decrease in product lifespan might potentially be good news for vendors, because it increases the short-term potential for repeat sales, but for that the user has to be locked in to a particular brand.

Providing automated hotspot connectivity is one way to achieve this, particularly if it comes as an out-of-the-box functionality that requires little or no user intervention. For companies that derive revenues from advertising, automatic Wi-Fi connectivity can also translate into more time online and hence greater average revenue per user.

Benefits for collaboration and cloud providers

The provision of unified communications, collaboration and other cloud-based services is a major growth area within IT. Gartner, for example, forecasts cloud-based conferencing services will realize a compound annual growth rate (CAGR) of 8.1% between 2016 and 2019, while cloud telephony is set for a 12.5% CAGR.²

However, all these services depend on the availability of persistent, reliable and secure connections to the Internet. The quality of connection required by cloud services will almost always mean Wi-Fi is preferred over a mobile connection in situations where both are available. By integrating automated Wi-Fi connectivity into cloud-based apps, developers can help deliver:

- Increased security thanks to the ability to easily deploy an end-to-end virtual private network.
- A higher quality of service and experience, resulting in enhanced user satisfaction.
- Analytics to further monitor and improve quality of service and experience.

The value of security and quality of service in cloud services should not be underestimated. In 2015, for example, TechRepublic reported: “Data security is predictably the main reason why financial services organizations do not adopt the cloud.”³

Meanwhile, quality of service remains paramount for the delivery of services such as unified communications, where users regularly employ low-latency, high-bandwidth channels such as voice and video.

In addition, the integration of a high quality Wi-Fi service can boost ARPU by up to 30% for a typical cloud unified communications and collaboration service.

Benefits for loyalty programs

Loyalty programs are increasingly seeing the value of adopting apps to improve utilization and customer satisfaction; as American Express notes: “Value-seeking customers want to be rewarded for their loyalty to your business, but they don’t want to clutter their wallets.”⁴

However, as with other app markets, many of the benefits of a mobile loyalty program are lost if the user has connectivity challenges. Given the high value of loyalty programs for their users in comparison to many other types of apps, it makes sense for developers to maximize the potential for usage by integrating Wi-Fi access into their products.

This is particularly the case with loyalty programs directed at high-value customers with high service expectations. They will expect to have the best possible connection at all times and may well react negatively to connectivity problems, damaging your brand and revenues.

Ease of integration

Clearly, integrating Wi-Fi connectivity into an app offers different advantages to different groups of users and developers. It is fair to say, however, that this integration could benefit most, if not all apps, purely by improving the quality of service, reducing the cost of access for users and potentially boosting ARPU for the app provider. In fairness, these advantages may be marginal to some apps, which makes it important to consider the cost of integration as well as the benefits. This cost is now lower than ever.

iPass, for example, offers a full software development kit (SDK), along with a complete developer program, which makes it easy to integrate the capability to automatically access more than 53 million hotspots in more than 120 countries. This capability goes further than providing simple access: leveraging the iPass SmartConnect™ platform, iPass can ensure an app always gets the optimum Wi-Fi service for the app’s requirements, and a developer does not have to worry about the nuances of connecting to multiple diverse infrastructure provider networks.

“Data security is predictably the main reason why financial services organizations do not adopt the cloud.”

Conclusion

Providing automatic Wi-Fi connectivity is simple to do and can have a significant impact on usability and profitability, both major factors in app acceptance and utilization. The advantages are particularly compelling in the case of mobile phone companies, device vendors and cloud service providers, but integration could potentially benefit most if not all types of app.

As competition grows in the app market and ease of integration continues to grow, it is expected that built-in Wi-Fi connectivity could become the norm.

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1. [The App Forecast](#). App Annie. 2016-02. Retrieved 2016-06-20.
 2. [Forecast Analysis: Unified Communications, Worldwide, 4Q15 Update](#). Gartner. 2016-01-07. Retrieved 2016-06-20.
 3. [The number one reason some financial services firms don't adopt cloud](#). TechRepublic. 2015-06-11. Retrieved 2016-06-20.
 4. [10 Cool Apps to Boost Customer Loyalty](#). American Express OPEN Forum. 2013-02-11. Retrieved 2016-06-20.

About iPass

iPass is the leading provider of global mobile connectivity, offering simple, secure, always-on Wi-Fi access on any mobile device. Built on a software-as-a-service (SaaS) platform, the iPass cloud-based service keeps its customers connected by providing unlimited Wi-Fi connectivity on unlimited devices. iPass is the world's largest Wi-Fi network,

with more than 53 million hotspots in more than 120 countries, at airports, hotels, train stations, convention centers, outdoor venues, inflight, and more.

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