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How Much Does It Cost to Create a Mobile App?

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Introduction

The mobile app market is currently experiencing a massive growth spurt. Downloads from App Store are constantly increasing, as well as downloads from Google Play and other marketplaces for mobile operating systems. The reason for this is quite obvious. If you are aimed at success, you should consider mobile app development.

A robust mobile solution has the potential to drive brand recognition and revenue, making it worthwhile to expand your business into the mobile realm. Figuring out where to start and what are the associated costs is one of the most challenging stages of the app creation. The key thing to understand is that the ultimate cost of app development depends on the type of app you're looking to create.

In this e-book, our main focus is on the pivotal decisions that significantly influence the development process and costs associated with planning, coding, and launching mobile apps. You'll discover specific decision points that directly influence the expenses, effort, and timeline as you strategize your mobile app development activities. We'll address the following questions:

- 1. What is the cost structure of a mobile app?
- 2. What is the cost of a mobile app?
- 3. What kind of functionality?
- 4. What platform to choose?
- 5. What OS to start with?
- 6. What is for marketing?
- 7. How to choose an app development company?

What makes the cost of app launch?

1. Development process engrosses the biggest amount of the budget, as it unites the work of various specialists and depends on the time and materials spent. Development process consists of:

- Project management
- Development
- Quality assurance
- Supplementary activities (may include bugs fixing, discussing features, technical investigation)

2. Another vital part goes to the UX (User Experience) design. It is a very important component of the development process, as it specifically focuses on satisfying customers' needs. It is used to:

- establish what the product does for its users, how it can help them
- structure the system and explain the relationship between the elements of the product
- build an understandable product
- help the user to quickly complete a task
- differentiate the product on the market
- make the product aesthetic and innovative

The actual time a UI/UX designer spends on the project can vary from project to project. It depends on many factors including the scope of work and its complexity.

3. Deployment and support occupy the smallest part of the budget

What is the cost of a mobile app?

While many developers or companies will give you the total price of a project as a single sum, those companies will calculate their costs in terms of billable hours. In this case, the app cost equals billable hours spent on the project multiplied by the company's rate.

$$\text{App cost} = \text{Billable Hours} \times \text{Company's Rate}$$

1. Hourly wages for an iOS developer, for example, range (on average) anywhere from 50 to 75 USD. However \$50 is a low end that you might be able to scrape through by hiring a junior developer (think a college student or a freelancer who's come upon hard times), while the typical hourly expenditure for an average/above average iOS developer will orbit around the \$100 price mark. It stands to note that since the spread of development has extended to regions of the world with much cheaper cost of living than the West, many entrepreneurs scour freelance websites and choose to outsource the work, sometimes paying as low as \$20/hr.

2. The cost of app design is determined by factors such as project complexity, the designer's qualifications, and the accuracy of the project scope. If an iOS or Android app has a straightforward structure without multiple screens or complex features like animations, it will require less time to design and, consequently, incur lower costs. However, addressing the diverse needs of users may necessitate additional investment to cater to the preferences of Apple iPhone/iPad and Android device users. UI/UX costs may grow in 3 dimensions:

- Number of devices supported (phones, tablets, how many screen resolutions supported)
- Orientations: portrait/landscape;
- Custom UI/UX elements - e.g., the usage of specific sensors, - they make the design and development process longer.

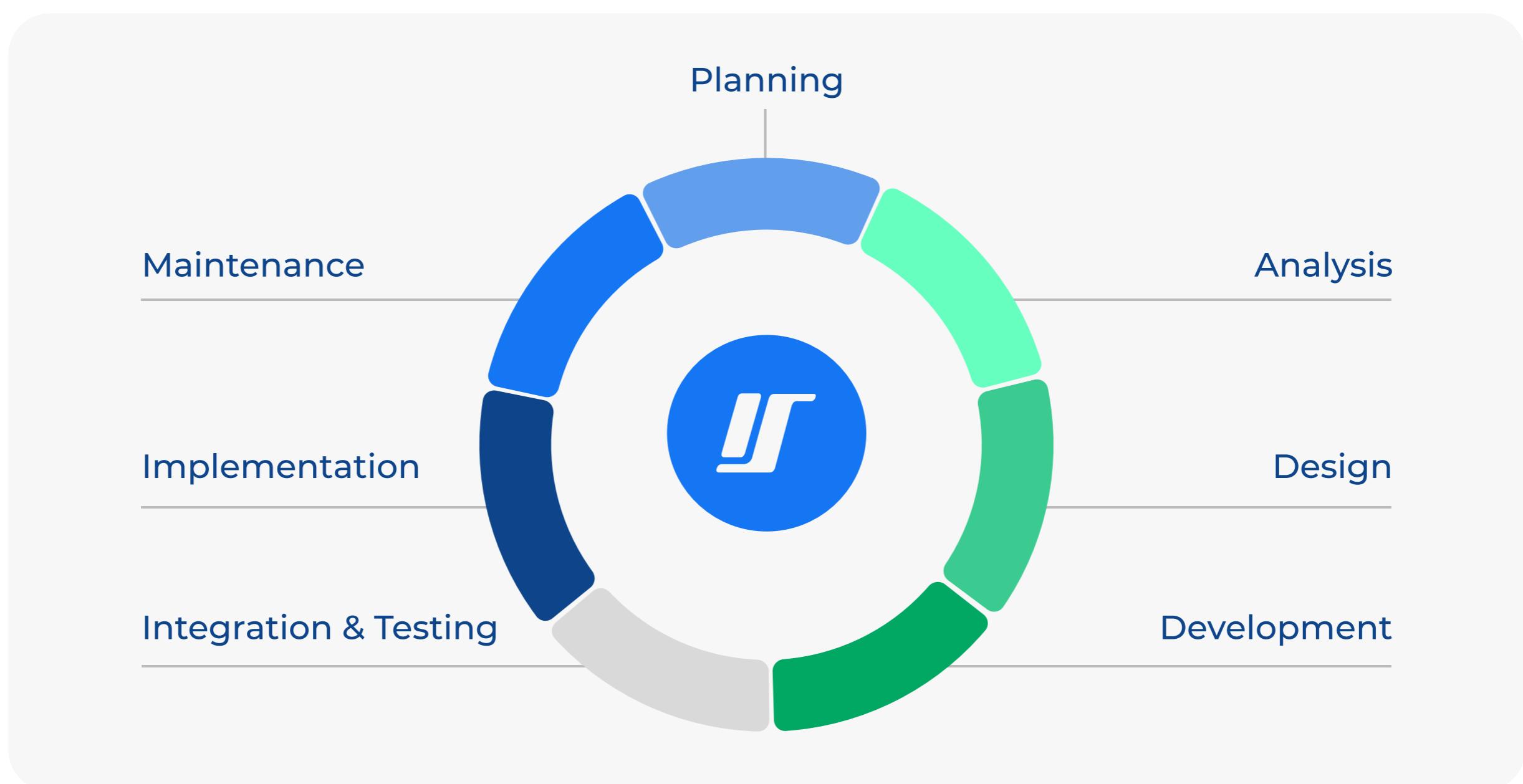
What is the cost of a mobile app?

3. Thorough testing is paramount in the software development lifecycle, ensuring a flawless consumer experience. Allocate sufficient time for rigorous bug testing and quality assurance to launch a mobile application that exemplifies excellence and consumer readiness.

Even with extensive testing, the reality is that bugs may still emerge, especially as more users engage with and explore various functionalities. Anticipate the need for post-release fixes to address any unforeseen issues. Keep in mind that the refinement process continues after launch, and the more modifications required, the greater the investment needed for programmers to eradicate bugs and enhance usability.

Contrary to the misconception that development costs decrease after launch, maintenance may, in fact, require OpEx allocation. Beyond innovation, the dynamic nature of software environments and evolving user behaviors necessitate ongoing updates. Companies must adapt to global changes, investing in renovations (i.e., new features) to remain aligned with the evolving landscape.

Software development lifecycle



What kind of functionality?

SIMPLE APPS

A simple mobile app is a cost-effective, basic application with minimal features and functionality. Typically, it addresses a specific need without complex elements. Examples include a workout timer or a note-taking app like Google Keep. Development costs are low due to the straightforward design and limited scope of features.

DATABASE/API APPS

If the information in your app should be stored on a remote server or the user's device then the complexity of infrastructure, hence the cost will be higher. Database mobile apps utilize a backend database to store and retrieve information. Examples include inventory tracking apps or project management tools. API mobile apps, on the other hand, leverage external APIs to access and integrate data from various sources. Examples encompass weather apps using a weather API or finance apps connecting to stock market APIs. While database apps focus on internal data, API apps thrive on external data integration.

MULTI-FEATURED/ENTERPRISE

A versatile and more comprehensive app, providing seamless information access across web browsers and devices. Boasting multiple features and a custom UI design tailored to user preferences, its pricing and timelines hinge on project scope. Comparable to apps like Evernote or Facebook, it spans diverse functionalities, ensuring adaptability to varying business needs.

What kind of functionality?

A simple spreadsheet-type of a database app can cost relatively little and be accomplished by even junior developers. But you must also understand that the more complicated your application becomes, the more (types of) content you wish to add, then the more time and money it will cost to develop. Add features, add functionality, but be ready to pay for it.

If your app is a bare-bones kind of tool, you can expect it to cost anywhere from

\$50 000

Enterprise apps can run as high as

\$250 000

and there's always room to increase that figure. The only maximum when spending is the money you've got.

What platform to choose?

	Native	Cross-platform	WEB
Apps needed to reach all major smartphone platforms	2	1	1
Installed on device?	Yes	Yes	No
Distribution	App Store/Play Store	App Store/Play Store	Internet
Device integration	Full integration: (camera, microphone, GPS, gyroscope, accelerometer, file upload, contact list)	Full integration: (camera, microphone, GPS, gyroscope, accelerometer, file upload, contact list)	Partial integration: (GPS, gyroscope, accelerometer, file upload)
Best used for	Highly graphical apps that need to reach a large consumer audience	Cross-platform apps that need full device access. Business apps that need app store distribution	Data-driven apps, B2B apps, Internal business apps

What platform to choose?

	Native	Cross-platform	WEB
Advantages	<ul style="list-style-type: none">1. Highly Graphical2. App store distribution3. Full device integration4. Better security	<ul style="list-style-type: none">1. Code Reusability2. Wider reach3. Lower development cost4. Instant updates5. Rapid time-to-market	<ul style="list-style-type: none">1. Provide the native look and feel2. Full device integration
Disadvantages	<ul style="list-style-type: none">1. No portability2. Maintenance cost for small static applications	<ul style="list-style-type: none">1. Moderate device integration2. Limited UI/UX features3. Maintenance cost for the medium and large applications.	<ul style="list-style-type: none">1. Limited with the browser capabilities2. Limited graphics

There is no perfect platform that can be used for every project. However, we suggest mostly native over other opportunities like cross-platform or mobile Web. We think that native is the best we can bring to our customers, in terms of performance and security.

What OS to start with?

	 Android	 iOS
Advantages	<ul style="list-style-type: none">• There are more Android users around the globe• Android apps are ideal for businesses looking for more visibility of their app, depending on the target audience.	<ul style="list-style-type: none">• Less adjusting to specific models unlike multiple Android versions• Strict UI guidelines• Tools for iOS app programming include Objective C, Java, SQLite, Xcode4.• Smooth UX because user requests are met with both hardware and software.• Support for users is provided throughout the life cycle of the application.• Automatic data sharing between connected Apple devices (in-app purchases, photos, etc.)
Disadvantages	<ul style="list-style-type: none">• Device compatibility fragmentation• Lower monetization rates	<ul style="list-style-type: none">• Memory and performance limitations• Limited to no beta versions publishing• Customization challenges

How about marketing?

This is hands down the most commonly forgotten part of the budget. The fact is, not only do you need to build something awesome, but you need to let people know about it. The reality is that not everyone is winning big with their applications. According to the survey* the situation is the following:

80%

are NOT generating enough revenue with their app to support a standalone business

52%

of app developers/startups have set aside \$0 for marketing

59%

are NOT earning enough money to break even with development costs

91%

believing marketing is important

63%

have had their app downloaded 50,000 times or less

\$30k

"Top Earners" have a marketing budget

12%

of "Top Earners" earn \$50,000+ in revenue from the App Store

52%

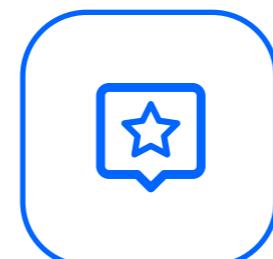
of app developers/startups dedicate less than 5% of their time to marketing

How about marketing?

Consequently, the best way to learn how to succeed is to look at those who are doing well around you and follow their steps. Here is the check list of marketing activities that are going to be a pretty good start for your app:



Online Landing Page



Paid Reviews



Mobile Landing Page



PR & Blogger Outreach



Social Networks:
Twitter & Facebook



Price Promotions



Paid Media: Mobile,
Search, Social

How to choose the app development company?

When searching for an app development company, here are basic questions you should ask the potential vendor to help you pick the wheat from the chaff:

When did you release your first mobile application?

The closer to July 2008 this answer is (when the App Store went live), the more profound and mature the developer might be.

What is your app making process?

The more specific the process the better. A well-planned process leads to realistic timelines and a project that stays within the budget.

What is your philosophy on User Interface (UI)?

Nothing is more important to an iOS or Android app than user interface. Subtle design choices make the difference between a best-in-class application and yet another for the junk drawer. It's worth repeating again, user interface (UI) is critical. A good developer will take what you have and make it better

How to choose the app development company?

What 3 applications best represent your design aesthetic and UI philosophy?

The proof is always in the pudding. ALWAYS take a few of your potential mobile developer's applications for a test drive. As a user, you will quickly know if they design like they say they do.

Have you ever had an application rejected by Apple or Google?

This is a tricky question and it will separate the veterans from the newbies. In the early days, good developers pushed the limits of the iPhone and iPad with their apps (from an API standpoint). In short, every good, seasoned developer has had an app rejected for some reason before they made necessary changes and resubmitted. This is not as important as it used to be but still a good one to ask. A developer who says "no" is either new, hasn't pushed the envelope on anything ever or is plain lying. In this case, failure is a sign of wisdom. Extra Credit: Ask for a good rejection story. In the early days, there are some real humdinger stories out there.

Do you offer general marketing, B2B and App Store marketplace advice along the way?

With over 1 million applications on the app store, sage advice is overwhelmingly important for your success. Your developer does not have to provide you with an entire marketing plan however, they should direct and give you pithy advice. The good ones can even help you determine the market size for your app based on the competition. The best developers have a few hits of their own and have lived this experience (many times) and know it all too well.

Let's sum up

01

There really aren't any hidden fees except the \$99 Apple will charge you per year and the 30% cut they take for each sale you make. Everything else will be in development, design, and IT architecture (hosting, servers, etc). The total cost of an app can vary based on all these variables.

02

You can definitely find all-inclusive firms that will do everything for you for \$1,000 or so, just be wary of the quality and how much control you will have over the process.

03

Just like anything in web marketing, low costs means they have to make it up in volume and the client feels that the hardest. Think less about the cost and more about what strategy will have the biggest ROI before pulling out your checkbook.

General Description

Intellectsoft began developing mobile apps in 2007. Today, we have grown to a full-service software and mobile application development company.

— We are versatile

Our software development studios now span 10 of the most in-demand types of technology

— We are enterprise-focused

We understand the needs of large, geographically dispersed businesses

— We are proven

We have a large portfolio of successfully developed apps and satisfied clients

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