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THE BASICS

This ebook is all about success—your success—and how SDI can get you there. We all know success doesn't come out of nowhere; it takes concentration & a firm foundation to build from. So lets first take a look at the cornerstone of that foundation: the mobile app industry.

Apps are very popular.

1 At their annual iPad event in October, Apple's Tim Cook announced that the iTunes App Store had reached 1,000,000 apps and 60 billion downloads.

2 Apple's total payouts to app publishers amount to $13 billion. This number is even more impressive when you consider that 25 to 30 percent of those apps are free.

3 As for Android, Google claimed 1,000,000 apps on the Google Play app store this July.

4 That number is sure to keep growing, as Android's global smartphone market share hit 80% this year.

Apple and Android aren't the only ones in the game, either. Windows 8 has also continued to push forward this year, increasing its market share by 156% during 2013. On top of that, several new operating systems have recently been released—Ubuntu, Firefox, Tizen—mostly appealing to die-hard early adopters.

Overall the mobile market has done nothing but surge forward. As of early 2013 active smartphone devices worldwide had surpassed 1 billion units, and that number will have increased by as much as 40% before the year's end.

So, what is an App?

Usually apps refer to smartphone or tablet applications, but because of the great diversity in mobile systems, the term also covers the functions of a variety of wearables and network-connected gadgets, like Google Glass, smartwatches, home appliances, set-top boxes, televisions and car entertainment systems.

On top of that, new devices and hardware are constantly emerging, which creates a lot of space for software makers to explore. So, what is an app? Well, the definition isn't static; it will evolve side-by-side with continuing tech innovations, and SDI will evolve right along with it.

Who needs Apps?

Well, there are essentially two groups who benefit from apps: the app users and the app publishers. Like any other product, successful apps must serve some purpose for consumers in order to produce revenue.

Apps are extremely versatile and can serve a variety of needs. For existing businesses, publishing an app offers a great place to expand services or invite customers to do business. For entrepreneurs, apps can be extremely lucrative properties in their own right, with many popular apps achieving millions of downloads within months of release.

What kinds of Apps are out there?

The goals of an app change based on who the target audience is. This creates two basic categories: consumer-facing apps, and employee-facing apps. Let's take a look at what kind of services each category offers:

Consumer-facing apps are the most common subset of apps. These are apps which aim to serve every-day users. Some examples of app services in this category would be:

Games   Customer service   Product ratings   eCommerce

Crowd-sourced databases   Multimedia entertainment   Navigation

Social networking   ...& a hundred thousand other things.

Employee-facing apps are apps built for use within businesses. These apps are meant to streamline business processes and improve the organization's workflow and productivity. Some examples of apps in this category would be:

Equipment monitoring   Inventory tracking   Sales empowerment

Data storage and access (Cloud!)   Data visualization and presentation

System/location surveillance   HR employee portals

...another hundred thousand things.

DEVELOPING AN APP

If you've got an idea for a mobile app, then it's time to team up with a developer. If you're like most people, though, you'll want to know what you're getting into before you make any decisions, so let's take look at the app development process.

App Development Costs

No doubt price ranks highly on your list of concerns. The good news is SDI offers extremely competitive prices for our design and development services. The bad news is that it is not going to be easy to predict the cost of your app idea without talking to an expert. There are just too many variables associated with the process. That said, let's go ahead & lay out some general pricing info:

For very simple projects, app development can start **as low as $1000 for a 2 week project**. That would be for a very basic, single function app. It's pretty unlikely that your app is this simple, but you can consider that to be the lower limit.

As for the upper end of the price range, complex apps can **cost over $100,000** (some much more). These would be things like massive enterprise solutions that manage hundreds of devices, or 3D, physics-powered online games.

Between these extremes there is a ton of variety to app development costs. As a rough estimate, **"typical" apps might run between $10,000 and $40,000**. Remember: every feature adds a little more to the cost. For the smoothest development process, **the key is to decide ASAP what the app needs in order to succeed**. This is one of the areas where SDI's mobility strategists can help.

What does the app development process look like?

Assuming the price is right and things fall into place for the project to go ahead, here's a little outline to explain development progression from start to finish, or as we like to say: **Concept to Completion.**

1. Concept

1 It all begins with an idea: your idea. Does your business need an app? Do you see a gap in the current app market that you could fill?

2 Bring your idea to the experts at SDI, we'll offer a free, first-call analysis of the app idea and give you a quote for a fixed project cost.

3 Our strategists will work with you to polish your idea. We aim to get a full understanding of your needs so that we can leverage our extensive mobile experience on your behalf.

4 Together we'll build a conclusive app concept that combines your vision with our industry experience.

2. Design

1 Backed by a full understanding of your app requirements, we'll put together wireframes to represent the app design and layout.

2 We'll iterate on this step, working with you until the wireframes are perfect.

3 Our designers create the app's visual resources (Icons, backgrounds, logos, etc.)

4 We finalize the design, remaining flexible should new needs or changes arise.

3. Programming

1 We send the design and concept resources to the programming team that will be working on the app.

2 We introduce you to the project manager, and set up a schedule for regular project updates.

3 Our programmers buckle down and do their thing.

4. Testing

1 Throughout the programming phase we'll send you updates and screenshots of the app's progress. You'll be able to reach the project manager at any time to give feedback.

2 When the app is close to finished, we'll send you occasional builds to test and discuss.

3 When the app is feature complete, we'll test it thoroughly in-house and correct any lingering bugs.

5. Launch

1 We'll take care of the submission process for putting it up on whatever app store(s) it is destined for.

2 Some app stores are more strict than others (I'm looking at you, Apple!). But we have plenty of experience to get through the approval processes.

3 Once the app goes live, we'll transfer the complete source code and all assets over to you.

4 You are now the proud, sole owner of a brand new app!

6. Beyond

1 We can provide long term maintenance and technical support for your app. We'll even provide 6 months of complimentary service.

2 If you'd like to update the app, we'll be here. Our familiarity with the project will be a big advantage to the update process.

3 We can help you market the app, as well, through ad campaigns, SEO improvements, social media, or just walking around wearing your t-shirts!

3 There's plenty more to do once the app is live, and we are happy to help in any way we can.

MONETIZE!

Building an app is a long term investment, so a comprehensive monetization strategy is absolutely necessary. This short guide should give you some ideas for monetizing your app.

There are two kinds of apps that don't rely on directly monetizing the app itself: employee-facing business apps and customer-facing apps that provide valuable marketing opportunities.

Business Apps

If the app has been built for use by your own employees, it's harder to assess ROI, but measurable increases in productivity should be expected. While the app is being created, you should set up some metrics by which to measure it once you get it in your hands. From there you can always update the app to perfect its productivity advantages.

Marketing-Oriented Apps

Some apps revolve entirely around using eCommerce or in-app promotions to encourage customer action for your business. These apps are valuable marketing tools on their own and don't necessarily need any added monetization methods.

For instance, if you have a brick-and-mortar store, apps can allow customers to make orders for in-store pickup, or provide coupons to customers for the next time they come inside. If the app can drive business, it quickly pays for itself.

For other kinds of apps, consider the pros and cons of the following monetization strategies:

Download Fee

Monetization can be as simple as charging a small fee to download. It's easy, it's simple, & it works. Charging a few dollars per download on 1 million downloads is a considerable return! However, the difference between a $.99 app & a free app, while monetarily miniscule, is psychologically significant. People are more hesitant to do anything that charges even a tiny amount of money. Therefore, a download fee is best used in partnership with a solid marketing strategy to build a user-base & drive downloads. Also note that app stores will take a portion of each sale.

Pros	Cons
1 Simple, effective monetization	**1** App store takes a percentage of revenue.
2 Easily translates app popularity into revenue.	

Premium Features

If you don't want to charge a download fee you can introduce in-app purchases for premium features. This is a common tactic in many gaming apps (i.e. buying extra "lives," cosmetic upgrades, etc.). The key here is to provide a compelling experience for free; the lack of up front cost makes it a lot easier to gather users and build a user community.

The next step is to foresee what kind of desires users might have within that environment and provide solutions for a small fee. One hazard here is that free users might be frustrated if they feel that core features are hidden behind a paywall. The way to avoid this is to make the paid options feel truly premium—the icing on an already delicious cake. Free users still have a good experience, but premium users will clearly have a better one.

Pros	Cons
1 Hook users with free downloads	**1** Risks alienating non-premium users
2 Lots of opportunity to update new premium features throughout the life of the app	

In-App Advertisement

The first and simplest method for ad integration is to use a third-party mobile advertising network which will provide ads, usually in a pay-per-click format.

The other way to do in-app ads is to create a custom ad module that lets marketers input target demographic data and ad content for the app via a website we set up. Payment options are now under your control, and you don't have to split the revenues with a third party.

It's important to use a delicate hand when dealing with advertising. In an otherwise amazing app, poorly executed ads alone may provoke some users to give the app a low rating. There are two ways to avoid ad-induced angst among your users. The first is the most important, and that is to place your ads carefully.

Ads Too Noticeable
These ads are distracting, sometimes annoying.

Ads Not Noticeable Enough
Won't get clicks.

The goal is to hit a nice balance between those two extremes. Make sure your design has pre-allocated adspace to ensure that the ads will be clearly visible, but without disrupting the carefully crafted UX.

The second is to ensure that the ads are relevant to users. Ads are only annoying if they exist without offering anything to the user. If the user actually finds the advertisement interesting or useful it now adds to the experience.

Pros

1. Passive revenue system requires limited input once set up.
2. Third-party ad networks can be implemented easily.
3. Revenue grows alongside the app user base.

Cons

1. Poorly implemented ads can annoy users.
2. Third-party ad networks pay you less per click.
3. Custom ad modules require more work to create.

In Conclusion

One of the most important foundations for success is knowledge. Here at SDI we've been building up knowledge for over fifteen years, and for the past 6 we've had a heavy focus on app development. But our knowledge and experience is only one part of the recipe for success. You also need to have knowledge in order to see your app through to success. That's why we put together this ebook, and that's why our app experts are always available to talk about your app idea and answer any questions you might have.

Contact the team at **408.802.2885** or email **team@sdi.la** for a personalized app consultation. We look forward to hearing about your app idea!

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Contact Us

Silicon Valley - 408 802 2885

Melbourne - 0422 710 780

London - 020 3617 1881

Email Us - team@sdi.la