Mobile Web v. Mobile App
Where should you invest your next marketing dollar?

November 9, 2016 | NEW YORK
Over 100 billion searches per month
More than **HALF** of searches are on mobile.
how tall is it
Users encountering friction with businesses when engaging on mobile

Attitudes Toward Mobile Devices According to US Millennial Smartphone Users, June 2014

% of respondents

<table>
<thead>
<tr>
<th>My smartphone never leaves my side, night or day</th>
<th>Agree</th>
<th>Disagree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>57%</td>
<td></td>
<td></td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>There are still a lot of websites that don’t offer good mobile functionality</th>
<th>Agree</th>
<th>Disagree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>86%</td>
<td>11%</td>
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</table>

<table>
<thead>
<tr>
<th>When I wake up, the first thing I do is reach for my smartphone</th>
<th>Agree</th>
<th>Disagree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>84%</td>
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</table>

<table>
<thead>
<tr>
<th>Spend more than 2 hours every day using my smartphone</th>
<th>Agree</th>
<th>Disagree</th>
<th>Don’t know</th>
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</thead>
<tbody>
<tr>
<td>80%</td>
<td>18%</td>
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</table>

<table>
<thead>
<tr>
<th>A lot of companies don’t have a mobile app</th>
<th>Agree</th>
<th>Disagree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>78%</td>
<td>20%</td>
<td></td>
<td>2%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>The tiny keyboard on a mobile device is hard to use</th>
<th>Agree</th>
<th>Disagree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>69%</td>
<td>29%</td>
<td></td>
<td>2%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>For personal use, I no longer use a PC and only use my mobile device</th>
<th>Agree</th>
<th>Disagree</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>34%</td>
<td>61%</td>
<td></td>
<td>5%</td>
</tr>
</tbody>
</table>

- Agree
- Disagree
- Don’t know
How can I make the right mobile marketing choices for my business customers?
Prioritizing channel development and determining the right level of investment for each is never easy.

...The factors influencing the choice for one business are never exactly the same for another business. This is as true for mobile as it is for other media channels.
LET’S START WITH THE BASIC DEFINITIONS

What is a **Mobile Site**
(aka: mSite, Web App, or mWeb)?

Internet-enabled properties that:
- Are accessed through the mobile device’s web browser (Safari, Chrome, etc.)
- Don’t need to be downloaded or installed to a device
- ‘mSites’ can be used interchangeably with Web Apps and mWeb in this conversation

**Progressive Web Apps** are mobile websites that use modern web capabilities/APIs to deliver an app-like user experience. PWAs work everywhere but are supercharged in modern browsers.

What is a **Native App**?
(aka: mobile app)?

A **native app** is an app for a mobile device (smartphone, tablet, etc.) and is installed directly onto the device. It can leverage native OS functionality to create more integrated user experiences.

Users typically acquire native apps through an app marketplace such as the Apple **App Store** or **Android’s Google Play**.
“the app vs. mobile web debate needs to move beyond either-or arguments to discussions about the goals each channel can achieve for a business and the timeline by which those goals can be achieved.”
KBB PROVIDES A SEAMLESS EXPERIENCE ON BOTH PLATFORMS

Mobile Site

Native Apps
CAVIAR ENGAGES WITH CUSTOMERS SUCCESSFULLY ON BOTH Mobile Site and Native App.
Users are familiar with how websites work

Limited device memory for installing

Mobile sites are easily discoverable

Source: e-marketer December 2014: http://www.iab.net/mobileappsandweb
mSITES CAN PROVIDE MANY BENEFITS FOR BRANDS

Build once, run everywhere
mSites work across iOS, Android, and all other platforms with a browser

Adaptability
Build a responsive site to address both phones & tablets rather than building two distinct apps for each device

Shorter development timelines
Allow for easy updating. Users don’t need to accept or install your updates.

Lower Development Costs
mSites are generally less expensive to build

The web is open for all
No approvals, revenue sharing, or marketplaces

Tracking is simpler
Analytics/Conversion Tracking can extend to your mobile site vs. installing an SDK

Source: e-Marketer June 2015
http://na2.totalaccess.emarketer.com/Reports/Viewer.aspx?R=2001615&ecid=dfda7bcd4b86471fba0d362c1f4a962e
FOCUS ON USER EXPERIENCE TO ENSURE SUCCESS

Getting started tips:

- **Homepage navigation** should be clear and mobile-friendly
- **Streamline** the user’s ability to convert
- Focus on **usability & form factor** on every page

Ensure **Site Search** is present on every page

Keep **form fields** to the absolute minimum

Constantly **analyze and optimize** your mobile site

View all 25 Design Principles: [static.googleusercontent.com](static.googleusercontent.com)
DON’T FORGET ABOUT THE SPEED OF YOUR SITE

40% abandon if a site takes >3 sec to load

47% expect a page to load in <2 sec

52% say fast load time is important to brand loyalty

Source: Kissmetrics
How do I find a developer for my mobile site?

- Webmaster Tools has a great checklist of where to begin
- We have a list of Google approved vendors if you’d like to start there.

How long should it take to build?

- The length of time it takes to build or rebuild a mobile site will largely be determined by the nature of the request. It can take anywhere from a month up to a year to complete based on your resources.

How much should I invest in my mobile site?

- The answer is… it varies!
- If you need a full re-designed website it can be anywhere from $150K+ depending on the complexity of your site and how much can be upgraded vs. needs to be re-built
- Developing your site may be more expensive if you choose to support a wide range of browsers

Source: Checklist Here, Cost 1, Cost 2 mSite Vendors
Users engage with apps for convenience, offline capabilities, & because they are built for mobile.

Native apps are convenient (Saved to your homescreen, remembers your credentials, etc)

Mobile apps are always available (offline access)

Apps are integrated natively with the mobile operating system (OS)

Source: e-marketer December 2014: http://www.iab.net/mobileappsandweb
There are many great reasons to invest in an app:

**Relationships**
Build a relationship with your loyal users

**Accessibility**
App extends features to mobile, provides customer service support, etc..

**Repeat Business**
Can increase sell-through and repeat business, make mobile commerce or engagement more seamless

**Connections**
Connect a brand with their most mobile consumers

**Discoverability**
App stores can help with discoverability

**OS integration**
If the nature of your business requires deeper native platform integration and full hardware access.
ABOVE ALL, RETENTION IS KEY TO APP SUCCESS

Understanding App Lifecycles

The key to success is acquiring, activating and retaining quality customers.

Acquisition | Activation | Retention | Referral / Advocacy | Revenue / Monetization

Build a user base | Onboarding flow or welcome message, registration | Push notifications, feature optimization, lapsed user reactivation | Share with friend, social media integration | In-App Purchase or mCommerce purchase, ad optimization, etc.

As users drop off and new users are acquired, the process can become cyclical.
## Web vs. Native Technical Comparison (1 of 2)

<table>
<thead>
<tr>
<th>Feature</th>
<th>Native Apps</th>
<th>Chrome Mobile Site</th>
<th>X-Browser Compatibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offline Usage</td>
<td>![icon]</td>
<td>![icon]</td>
<td>![icon]</td>
</tr>
<tr>
<td>Push Notifications</td>
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<tr>
<td>Background Sync</td>
<td>![icon] COMING SOON</td>
<td>![icon]</td>
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<tr>
<td>Accelerometer</td>
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<td>Geolocation</td>
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<td>![icon]</td>
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<tr>
<td>Home Screen Icon</td>
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<tr>
<td>Deep Linking</td>
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# WEB VS. NATIVE TECHNICAL COMPARISON (2 OF 2)

<table>
<thead>
<tr>
<th>FEATURE</th>
<th>NATIVE APPS</th>
<th>CHROME MOBILE SITE</th>
<th>X-BROWSER COMPATIBILITY</th>
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</thead>
<tbody>
<tr>
<td>Bluetooth Support</td>
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<td>COMING SOON</td>
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<td>Splash Screen Intro</td>
<td></td>
<td>COMING SOON</td>
<td></td>
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<tr>
<td>Approval Process</td>
<td>APP STORES</td>
<td></td>
<td></td>
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<tr>
<td>Automatic Updates</td>
<td>APP STORES</td>
<td></td>
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<tr>
<td>Zero-Install</td>
<td>APP STORES</td>
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<tr>
<td>Payments</td>
<td>App Stores</td>
<td>COMING SOON</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Take 30% of Revenue(^1)</td>
<td></td>
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<tr>
<td>NFC Compatibility</td>
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</table>

\(^1\) If using Google Play or App Store payments feature. Can also enable separate payments within app (e.g. mCommerce)
KEY CONSIDERATIONS FOR PLATFORM PRIORITIZATION

1 Determine your business marketing objective

- Are goals primarily around:
  - Recreating a desktop experience on a smaller screen?
  - Creating new engagement opportunities for existing and/or loyal customers?
  - Developing unique mobile functionality for your business?

2 Determine the opportunity and segment customers

- Segment your traffic by customer type
- What mobile assets are most likely to increase conversions for both new and repeat visitors?
- Are there specific mobile use cases that lend themselves to specific technical solutions?
- Customers depend on both native apps and mobile sites. When prioritizing, consider how your approach should be distinct and prioritize by necessary investment versus return.
BREAK DOWN YOUR MOBILE REVENUE BY PLATFORM

<table>
<thead>
<tr>
<th>APP OPPORTUNITY</th>
<th>BEST AND MOST LOYAL CUSTOMERS</th>
<th>CASUAL SHOPPERS</th>
<th>ONE TIME PURCHASERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>X, Y%</td>
<td>MONTHLY APP VISITORS &amp; CONVERSION RATE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>AVG. REVENUE PER CONVERSION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>=</td>
<td>APP DRIVEN MONTHLY REVENUE</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>mSITE OPPORTUNITY</th>
<th>APP DRIVEN MONTHLY REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>X, Y%</td>
<td>mSITE DRIVEN MONTHLY REVENUE</td>
</tr>
<tr>
<td>X</td>
<td></td>
</tr>
<tr>
<td>=</td>
<td></td>
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</tbody>
</table>

*Consider not only last click attribution, but look at cross-device conversions and offline conversions as well.
PRIORITIZE DEVELOPMENT & RESOURCES ACCORDINGLY

**MOST OF MY MOBILE REVENUE COMES FROM mSITE TRAFFIC**
- Generally marketing towards new customers

**MOST OF MY MOBILE REVENUE COMES FROM APPS**
- Generally marketing towards loyalty or repeat customers

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**STEP 1. Focus on optimizing your store’s front door**
- Fully optimize your mobile user experience
- Ensure a functional call to action is seamless (e.g.: mCommerce, Lead Form, cross-device interactions)

**STEP 2. Now focus on your loyal & engaged customers**
- What are the marketing objectives you have for your loyal customers?
- Do you need an app or should you build out your mobile site to accomplish the same tasks (e.g.: push notifications)

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**STEP 1. Focus on optimizing your in-app experience**
- Is your app intended for regular use and does it provide a utility to the user?
- Identify unique app-only actions and ensure mobile web messaging reflects these use cases (e.g.: Entertainment, media, or gaming)
- Reflect on your mobile traffic - is current traffic usage a result of a poor UX?

**STEP 2. Create a mobile site to complement your native app**
- Use mobile apps to serve the needs and motivations of consumers on the go (i.e. don’t just recreate your mobile site in an app). Keep in mind it’s likely existing/repeat customers using your app on a regular basis
- Politely encourage users to download by giving them a choice of platform
THE BRAND WITH THE EASIEST-TO-ACCESS CONTENT WINS

DELIVER CONTENT SIMPLY AND EASILY

Ease of Finding Products, Store Hours, and Locations most requested features for mobile shoppers three years running!*

91% of consumers say access to content any way they want is important.

The lines between native apps and mobile sites are becoming blurrier. Mobile site and native app product innovation makes it possible to drive higher quality experiences for users on the mobile web, as well as in app.

Mobile sites are beginning to have integrated, app-like functionality alongside the low friction of the web. Progressive Web Apps enable users to add a site link as a homepage icon, make it possible to send push notifications from the web, and can work offline. Accelerated Mobile Pages optimize mobile content to improve performance on the mobile web.

Native app friction is reduced through “instant” app capabilities and deep linking. In some cases users can engage with app content without actually installing an app. Combined with deep linking, this creates a site-like experience.

How content is accessed will be less important, while performance expectations will go up.
We’re not yet at the point where the web can fully replace all native applications, but we can build high-performing responsive websites right now.
Progressive Web Apps

74% higher engagement across all browsers (‘time spent’)

Source: AliExpress at Google IO, 2016
Keep working offline
<1s

initial loading time and even faster for subsequent loads

Source: AirBerlin, 2016
Add to Homescreen
Push notifications

airberlin.com
Gone fishin': Patagonia bids farewell to mobile app

Bethany Bliron | June 1, 2016

This story originally appeared on Glossy, Digiday's sister publication for all things tech, fashion, and luxury.

Patagonia, long known for eschewing traditional retail models, announced today that it is disabling its mobile app, a result of enhanced mobile web capabilities that may render certain apps obsolete.

The high-end outdoor retailer shared a note on the app today bidding users farewell and pointing consumers to its optimized website on mobile browsers. The move

“Thanks for supporting the Patagonia iPhone app. Now that our website is beautiful and easy to use on all mobile web browsers, we will no longer be supporting this app — you may delete it from your device,” the note reads.
## NEW TECHNOLOGY FROM CHROME IS ENABLING CLOSER FEATURE PARITY BETWEEN PLATFORMS

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Web / Native</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Deep Linking</td>
<td><strong>YES</strong>/ <strong>NO</strong></td>
<td><strong>YES</strong>/ <strong>NO</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
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<tr>
<td>Single click install and launch</td>
<td><strong>YES</strong>/ <strong>NO</strong></td>
<td><strong>YES</strong>/ <strong>NO</strong></td>
<td><strong>YES</strong>/ <strong>NO</strong></td>
<td><strong>YES</strong>/ <strong>KINDA</strong></td>
</tr>
<tr>
<td>Geo</td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
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<td>Gyro</td>
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<tr>
<td>Offline</td>
<td><strong>KINDA</strong>/ <strong>YES</strong></td>
<td><strong>KINDA</strong>/ <strong>YES</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
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<tr>
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<td><strong>YES</strong>/ <strong>YES</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
<td><strong>YES</strong>/ <strong>YES</strong></td>
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<tr>
<td>Push</td>
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<td><strong>YES</strong>/ <strong>YES</strong></td>
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<tr>
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<td><strong>NO</strong>/ <strong>YES</strong></td>
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