



Report

The State of Mobile Apps in eCommerce.

A benchmark of app performance in eCommerce and the impact on engagement, revenue, conversion and life-time value.



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RETURN VS INVESTMENT

We analyzed the app data of eCommerce brands in Fashion, Cosmetics and FMCG. How does a mobile app impact buying behavior? What is the time on site compared to other devices, what is the average conversion rate and does a mobile app actually make customers more loyal?



Introduction

A world without mobile apps is unthinkable

It's no secret shoppers are making more eCommerce purchases on a mobile device than ever before. The average American spends about 4 hours and 25 minutes on their mobile phone each day and checks it 144 times. Whenever the mood strikes, consumers want to be able to immediately pull up an app or mobile site. As a result, eCommerce brands are focussed on providing a pleasant mobile experience, to ultimately increase sales and retention. And that isn't just limited to mobile responsive sites: mobile apps are on the rise. Apps make the mobile experience more seamless, as they are built for mobile use. Since 2018, app usage has far outweighed browser usage on mobile devices. These days, all the top eCommerce brands have a mobile app - and mid-size brands are following in their footsteps.

Mobile apps have a few benefits: they are much faster, they offer in-depth customer analytics, they can send push notifications for free, and businesses are owning a piece of real estate on their customer's phone. But do all these benefits impact your customers' buying behaviour? Does it outweigh the 'downsides' of managing another channel? This report shows mobile apps are a driving force for increasing engagement, repeat visits and improving conversion rates - they outperform mobile sites and even desktop on every level.

Does that mean any eCommerce business will benefit from a mobile app? No. Having launched over more than +1200 eCommerce apps, we believe businesses should strongly consider a mobile app if they have:

- Audience: high mobile traffic (+60%) and/or targeting a younger audience (<25 years)
- Large SKU counts: large catalog & customers spend a long time browsing
- High repurchase rate: if your products are regularly repurchased
- Frequent product launches: if you are constantly launching new products
- Loyal fan base: if you want to service loyal customers with extra app-features/products

Each of these criteria will give your customers reasons to download your app, and a reason to return. Thus, in this report we have focussed on our most successful verticals that match these criteria's: Fashion, Cosmetics and FMCG.

We've researched the most asked questions and misconceptions in the market before launching a mobile app, like "what percentage of customers will download my app", "does it lead to more revenue", and "what is the ROI of a mobile app". Let's dive in!

Executive summary

Mobile apps impact every step of the purchase cycle

For brands in fashion, cosmetics and FMCG, their mobile app is a core part of their business. Launching an app influences buying behavior heavily throughout the whole customer journey. It makes customers spend more time, come back more often, spend more per order, and convert at a higher rate. In this report you'll find how an app drives incremental revenue growth, decreases the cost of acquisition and helps foster long-term customer loyalty.

Key Takeaways

Customer loyalty & Revenue Growth

Mobile apps impact every metric in the customer journey, from screen-time to repeat visits.

- **Active users:** There is a misconception that only a small percentage of (loyal) customers will download apps. Our data shows about 1/3 of customers actively use the app.
- **Retention rate:** The app does in fact make customers more loyal. Once downloaded, customers visit the store more frequent, with 2.7 visits per month, versus 1.4 via mobile sites and 1.3 on desktop.
- **Session time:** Getting more screen-time from customers plays an important role in driving loyalty. With 9.15 minutes, customers spend a whopping 6.4x more time in-app versus the mobile site.
- **Revenue share:** Even though apps account for 30.30% of active users, they have the highest share of revenue (39,48%) across all devices - even beating desktop.
- **Order values:** The AOV is the highest in-app with \$217,17, while it's \$197,54 for desktop and \$193,84 for mobile sites. That's a 13% revenue increase per order.
- **Conversion rate:** Mobile apps drive 4x more customers through the purchase funnel than mobile sites, with the highest conversion rate (6.14) of all channels.

Decrease in CaC & higher LTV

Mobile apps don't just drive growth, they help to reduce marketing cost and overall profitability.

- **Cost of Acquisition:** Clients see a drop of 18% in Search Ad Costs, due to less clicks from existing customers on brand campaigns.
- **Life-time values:** Increasing the value per customer over a longer period of time has a huge impact on profitability. With 'only' representing 30% of monthly users, apps generate the most revenue (39,5%). Combined with higher repeat visits and higher AOV, the overall LTV is up anywhere between the 30-40% range per user.
- **ROI:** With our cost-effective monthly plan, the ROI is very high, ranging from 37:1 up to 175:1 on average, meaning every \$1 spent on the app turns into \$37 to \$175.

DOWNLOADS

“WHAT PERCENTAGE OF CUSTOMERS WILL DOWNLOAD MY APP?”

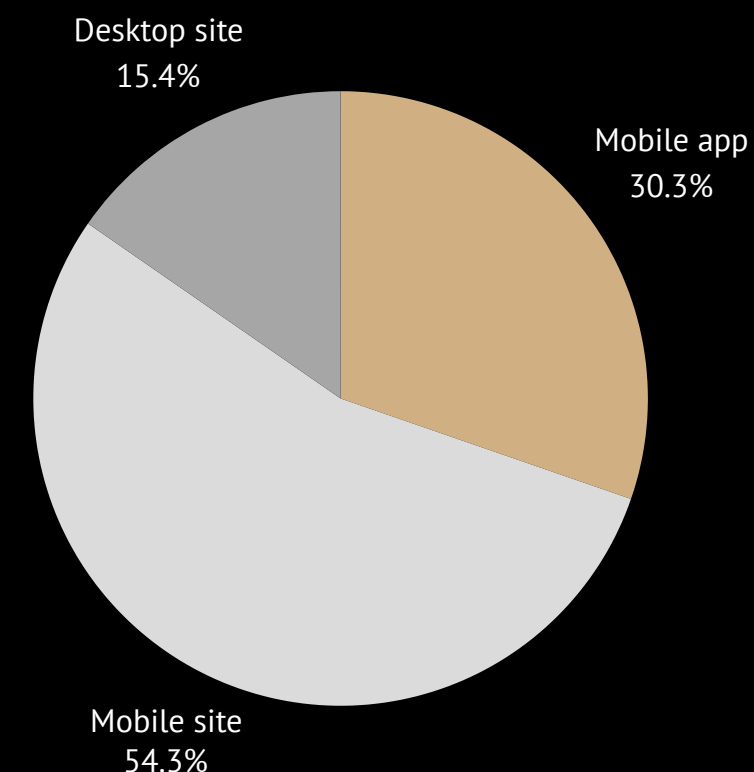
Mobile apps have opened up new avenues for enhancing customer engagement. But to make a solid business case, eCommerce managers and founders often wonder how much of their current customers will actually download the app. Is it even worth the effort?

- **30,30% of customers will download and use the app**
- **12,75% new downloads vs total active users per month**

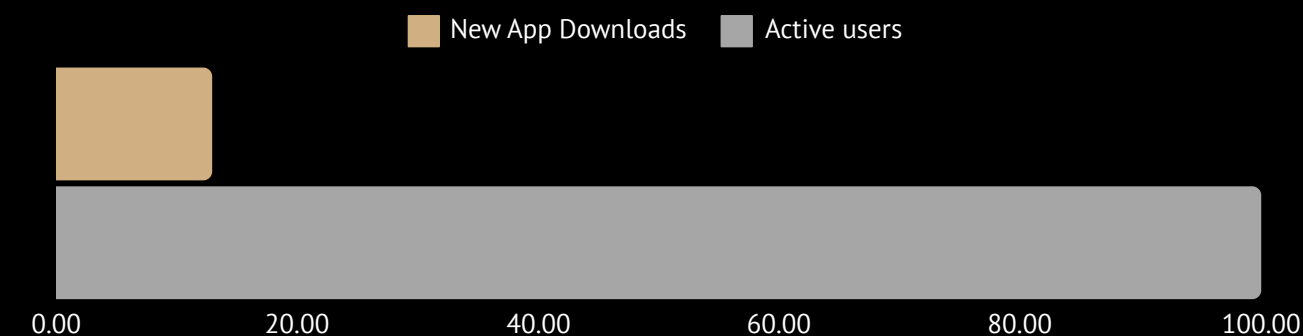
For the first metric, we looked at the average share of monthly active users (MAU) per device for brands that launched the app >12 months ago. While the mobile site attracts the highest number of visitors, the app takes second place, with 30,3% active visitors per month. The 12,75% rate of new app downloads rate shows apps continuously attract new customers - not just your most loyal ones.

App revenue is highly determined by the number of users that will download your app. This research shows that after just one year, 1/3 of customers actively use the app. After that, the number of active app users continues to grow.

Monthly active users (MAU)



New downloads vs Active Users



ENGAGEMENT

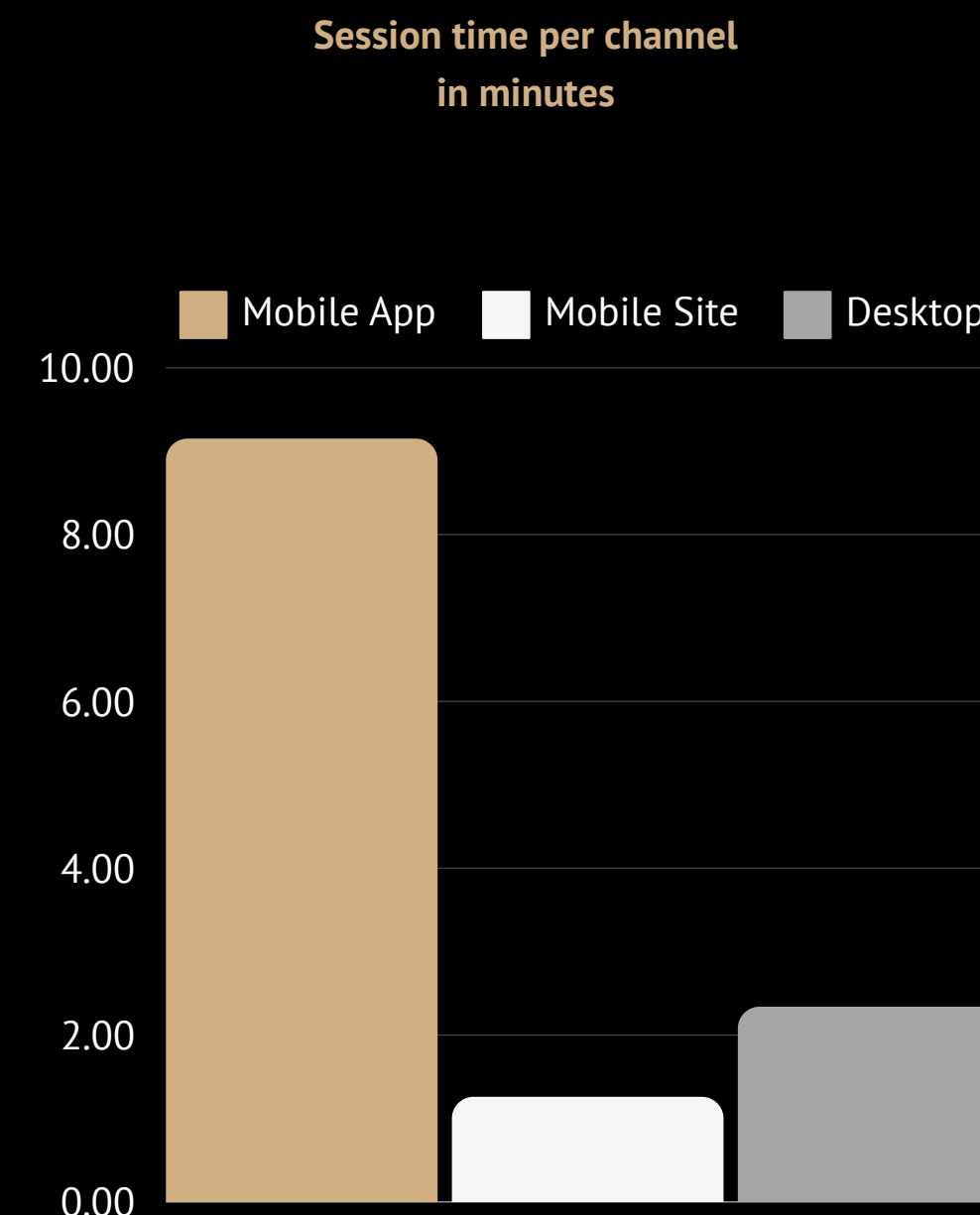
“HOW OFTEN WILL THEY ENGAGE WITH THE APP?”

A mobile app can serve as an always-on brand ambassador that showcases your products in a more appealing way. But do customers actually engage with the app, if you already have a mobile site?

To answer this question, we compared the session length and session frequency across all devices:

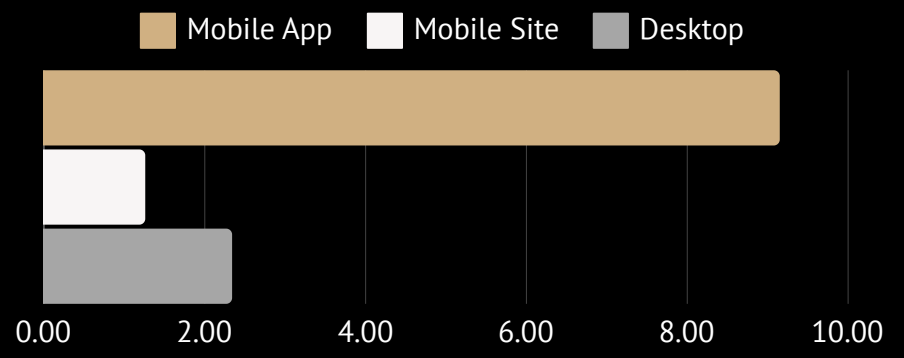
- **Session Length:** Users spend 1.26 minutes on mobile sites, 2.34 on desktop and a whopping 9.15 minutes in-app.
- **Active vs Length:** Mobile sites attract the most users, but they spend the least time. Apps have less users, but they spend the most time.
- **Session frequency:** Mobile app users return 2.70x per month, while this is only 1.40 for the mobile site, and 1.36 for desktop.

Based on the time customers spend in-app, and the number of times they return it is fair to say customers prefer using a mobile app. **They take their time to get inspired, view products, and return – outshining other channels.**

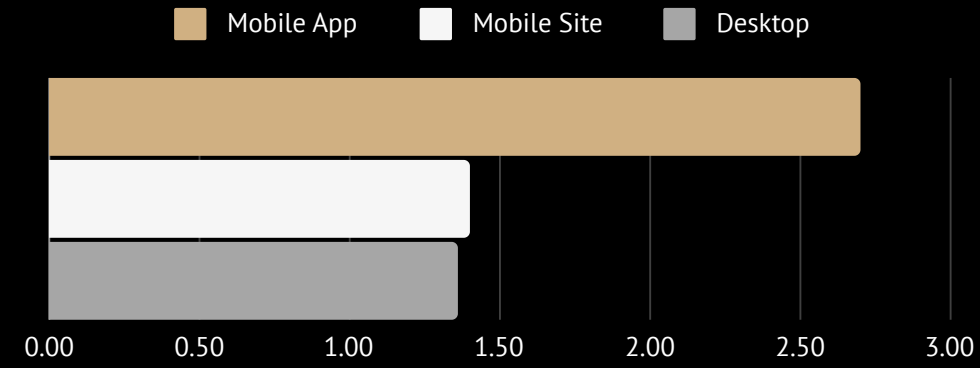


SESSION TIME & FREQUENCY

Session time per device
in minutes



Session frequency per channel
per month



APP REVENUE

“HOW MUCH REVENUE DOES A MOBILE APP GENERATE?”

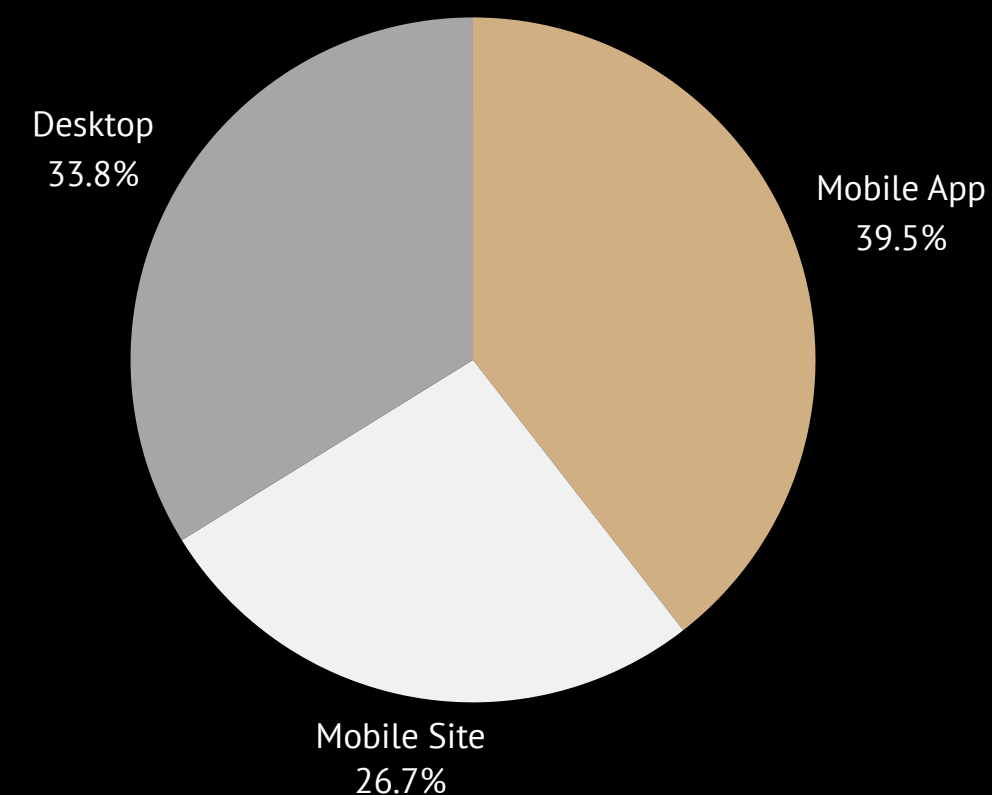
Yes, a mobile app increases the visit frequency. But with each open, does it also increase the chances of users making a purchase? The short answer is yes:

- **Revenue vs Users app:** Even though apps account for 30.30% of active users, they have the highest share of revenue (39,48%) across all devices - even beating desktop.
- **Revenue vs Users mobile site:** For mobile sites, it's the opposite: while they attract the most users (54,3%), they are only responsible for 26,70% of total revenue.
- **Conversion rate:** With a conversion rate of 6.14%, apps drive more shoppers through the purchase funnel than mobile sites (1.57%) and desktop (3.06%).

The high monthly users but relatively low revenue and conversion rate on mobile sites is a clear sign customers visit mobile sites, but prefer to buy in-app.

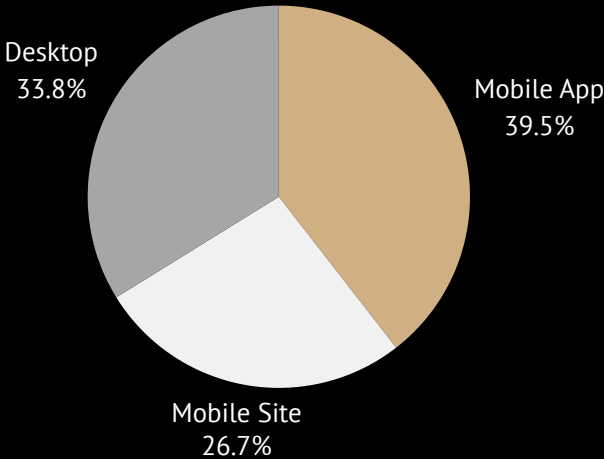
Customers briefly visit the site, but the chances customers convert and buy are almost 4x higher in-app. Representing 'only' 1/3 of active users, mobile apps are responsible for the highest revenue share.

Share of revenue

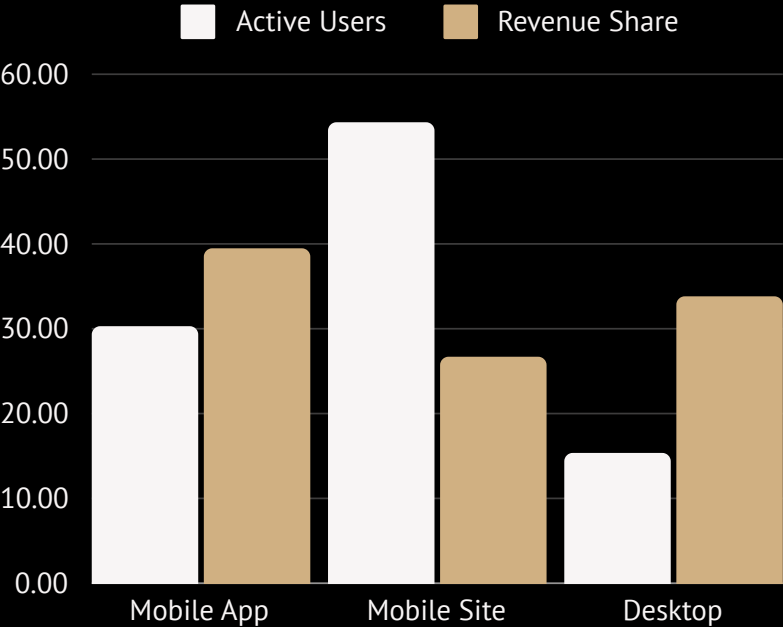


REVENUE & CONVERSION RATE

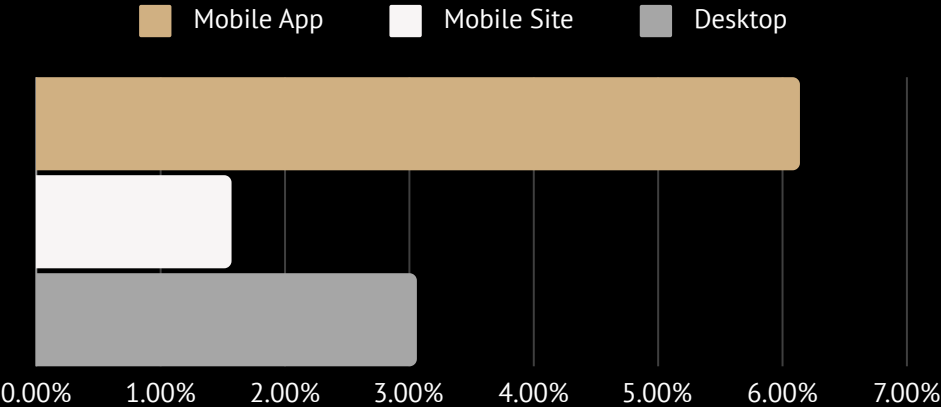
Share of revenue



Active user & Revenue per channel



Conversion rate per user



LIFE-TIME VALUE

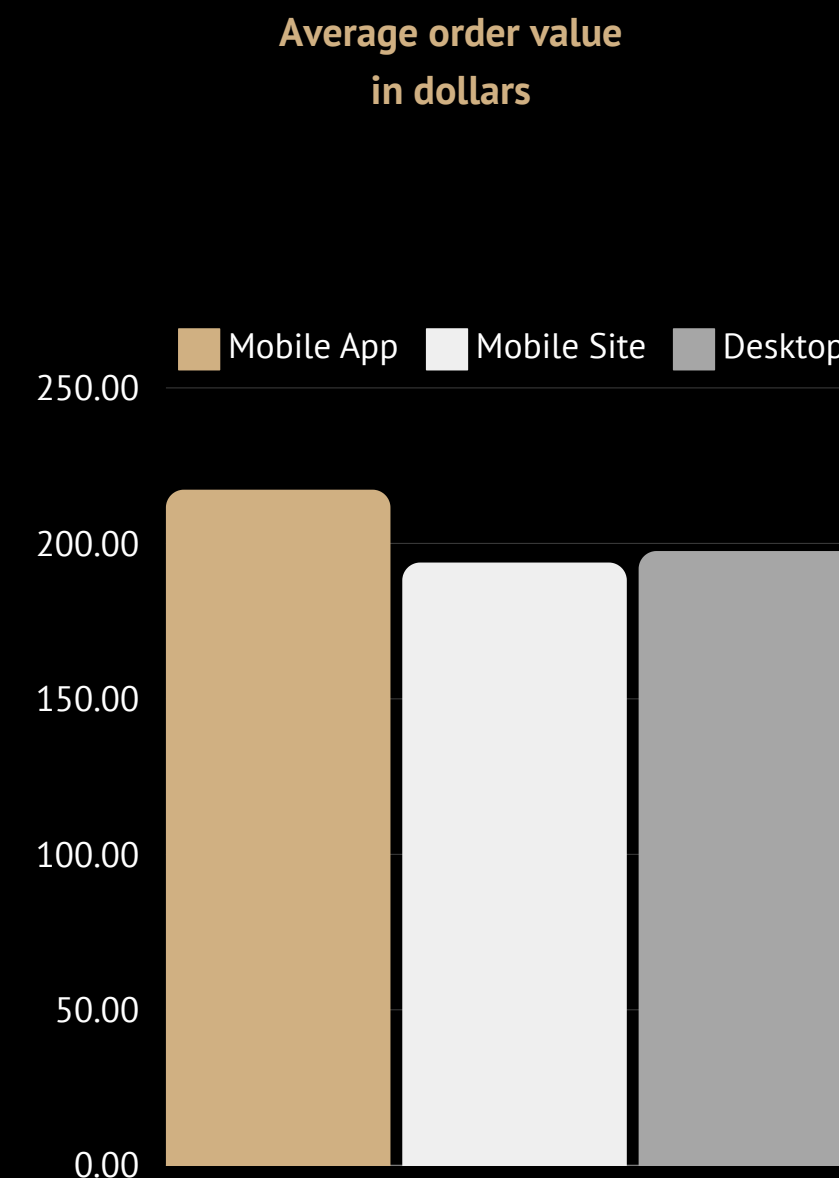
“DOES A MOBILE APP HELP TO INCREASE LTV?”

Customer Lifetime Value is one of the most important eCommerce metrics. High CLV is an indicator of market fit, brand loyalty and recurring revenue from existing customers. Does an app help to increase brand loyalty, and overall LTV?

We analyzed data such as repeat visit rate, order value and number of orders per user across all devices:

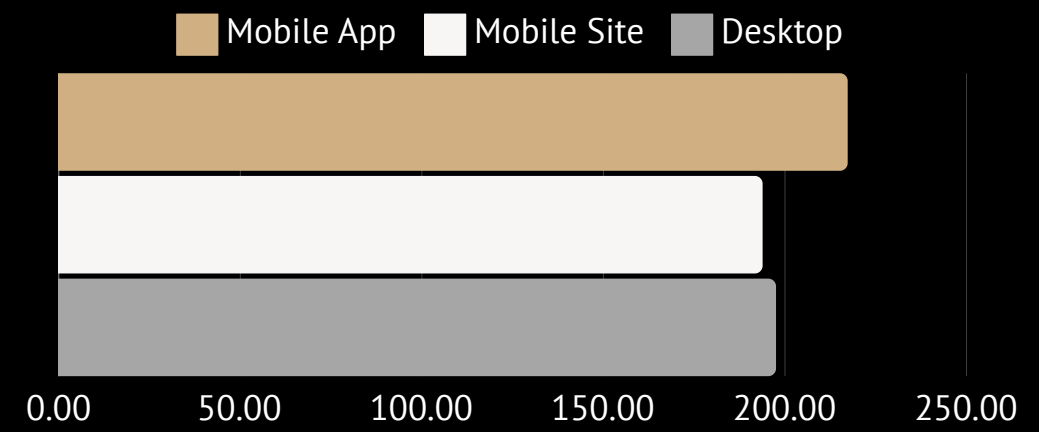
- **Visit Frequency:** Mobile app users return 2.70x per month, while this is only 1.40 for the mobile site and 1.37 for desktop.
- **Average Order Value:** Mobile apps also influence the amount customers spend per visit: the AOV in-app is the highest with \$217,17, while it's \$197,54 for desktop and \$193,84 for mobile sites.
- **Conversion per user:** The conversion rate per user is almost 4x higher in-app than mobile sites, and 3 x higher than desk rate per user is almost 4x higher in-app than mobile sites, and 3 x higher than desktop.top.

Mobile apps clearly increase the total revenue businesses earn from a customer over time: customers return 2x more often per month, spend 13% more per visit and convert at a 4x higher rate.

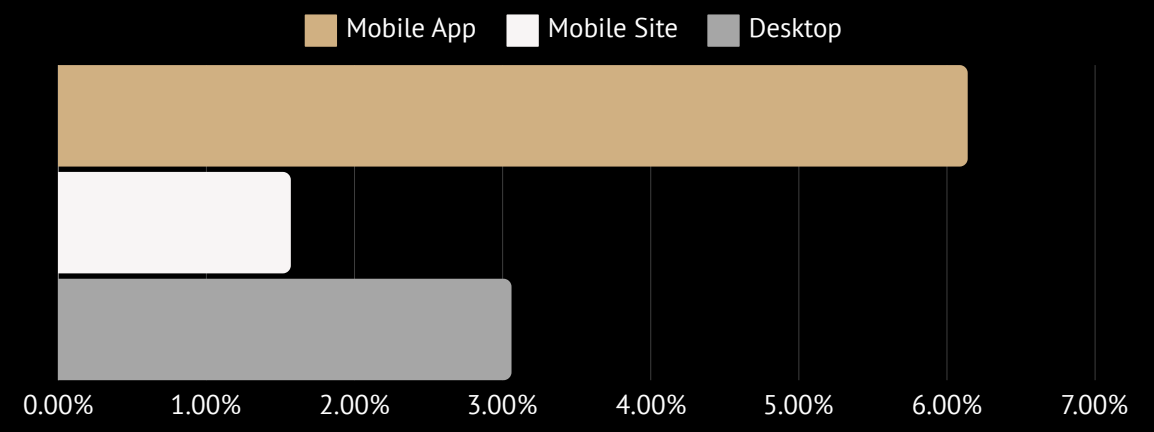


ORDER VALUE & FREQUENCY

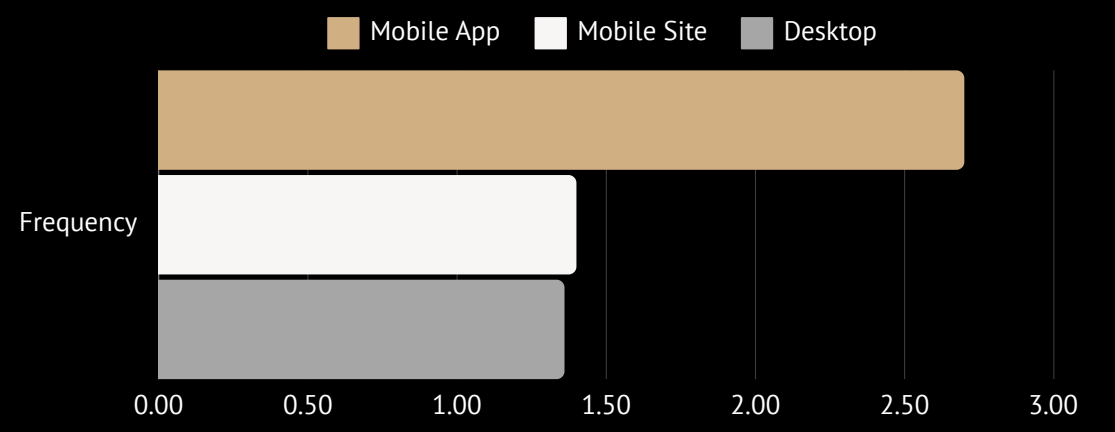
Average order value
in dollars



Conversion rate
per User



Session frequency
per month



COST REDUCTION

“DOES A MOBILE APP HELP TO REDUCE COSTS?”

Nowadays growing efficiently is a high priority for most professional eCommerce brands. How can we increase our sales, while spending less money to acquire customers (CaC).

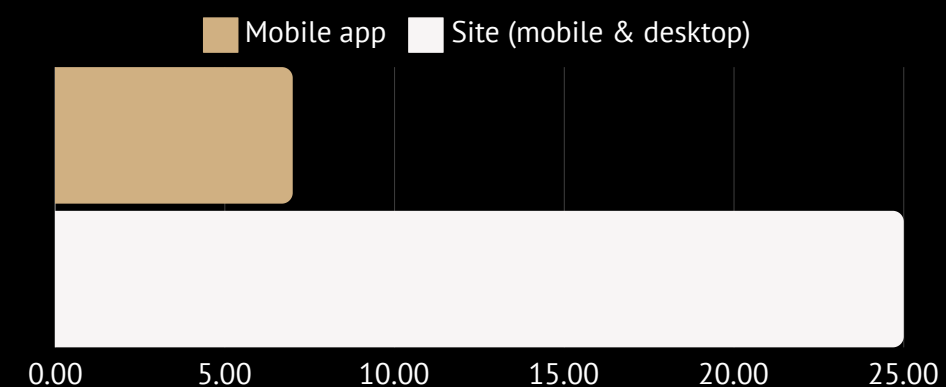
eCommerce brands that promote their mobile app successfully see an increase in sales, and a drop in advertisement costs.

Why? It's simple. A fair share of paid budget goes to clicks of existing customers. They search for your brand, and click on the first result that shows - the ad.

With a mobile app, a (large) percentage of loyal customers navigate directly to the app, instead of browsing. That's why eCommerce brands see a drop in their costs, and a drop in 'paid' as source of first sessions.

While the percentage of paid traffic to the website is 25.25%, it's only 7.16% for mobile apps. That's a difference of 18.10%.

Traffic Source: Paid



A calculation example

Let's say 10% of recurring customers open the app, instead of clicking on the ad. If you have 300,000 monthly visitors and the cost per click is \$0,50, you'll save up to \$15,000 a month ($300,000 * 10% * \$0,50 = \$15,000$).

RETURN ON INVESTMENT

“WHAT IS THE ROI OF A MOBILE APP”

And last, but certainly not least, the million dollar question: *What is the ROI of a mobile app?*

It's clear an app improves retention, reduces costs and drives revenues. But how does it compare to the costs of developing and maintaining an app?

For calculating the ROI of the mobile, two components play a part: what are the costs versus what is the revenue?

As absolute numbers of our clients on revenues and AOV differ too much, we'll take the metrics of a fictive store 'Teens Fashion', take the outcomes of our benchmark and see how it impacts the revenue and overall app ROI. Current situation (before the app):

- Teens Fashion has 100,000 monthly active visitors
- 80% of visitors is mobile (80.000)
- Mobile site has a conversion rate of 1,57
- The AOV on mobile site is \$64
- Mobile orders (month/year): $80,000 * 1,57 = 1256 * 12 = 15,072$ yearly orders
- Total year revenue: mobile site $15,072 * \$64 = \$964,608$

Revenue

Taking the metrics of this research into account, Teens Fashion will earn:

- App adoption (30%): 30,000 monthly app users
- Conversion (6,14%): $30,000 * 6,14 = 1,842 * 12 = 22,104$ yearly orders
- AOV (+13%): $\$64 * 113\% = \72.32
- **Total yearly in-app Revenue: \$1,598,561**

Apart from revenue, the LTV goes up and the cost of acquisition goes down, but we won't take that into this equation.

Cost of investment

Teens Fashion has our advanced plan, with extra one-off custom work:

- One-off custom work: \$20,000 for extra integrations & custom design.
- Monthly advanced plan: \$1,849
- **Total yearly: \$22,188 + \$20,000 = \$42,188**

ROI of mobile app

The ROI of a mobile app is $\$1,598,561 : \$42,188 = 37,89$. Meaning for every dollar Teens Fashion spends on the app, they get \$37,89 in return. Compare this to the ROI of any other channel, and you know apps are a no-brainer.

Total Extra Yearly Revenue App vs Mobile Site:

- Old situation: $5,652$ yearly mobile orders * $\$64 = \$964,608$
- New situation: $22,104$ yearly mobile orders * $\$72.32 = \$1,598,561$
- **Extra revenue: $\$1,598,561 - \$964,608 = \$633,953$**

TAKE AWAYS

The data clearly shows that mobile apps make customers spend more time, return frequently, buy more products and even spend more money.

Brands looking to lower acquisition costs and improve their brand's bottom line, should highly consider a mobile app.

By choosing a cost-effective mobile app developer, eCommerce brands can achieve a very profitable ROI in a range of 37:1 to as much as 157:1.



9.15 minutes spent in-app, 1.26 minutes on mobile sites, 2.34 on desktop.



2.70 x visits per month in-app, versus 1.40 mobile site and 1.37 desktop.



13% more revenue per visit in-app, versus mobile site and desktop.



4x higher conversion rate in-app versus mobile site, and 3x higher than desktop.



18% less traffic from paid sources and overall decrease in Cost of Acquisition.

ABOUT

At JMango360 we will help eCommerce brands design, launch and grow their high-end mobile app. All for a cost-effective monthly plan and fully integrated with your webstore. Our 4,9-star reviews on [Google](#), [Capterra](#), [G2](#) shows we take our customers seriously.

WANT TO KNOW MORE?

Calculate your potential app ROI, or book a demo.

[Book a demo](#) >

[Calculate ROI](#) >

METHODOLOGY

We conducted a research in March 2024 under our database of global B2C brands in the verticals Fashion, Cosmetics and FMCG to gain these data points.

Countries represented: Italy, France, Germany, Netherlands, Belgium, Canada, USA.



Maximizing Growth with mobile apps for eCommerce brands



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