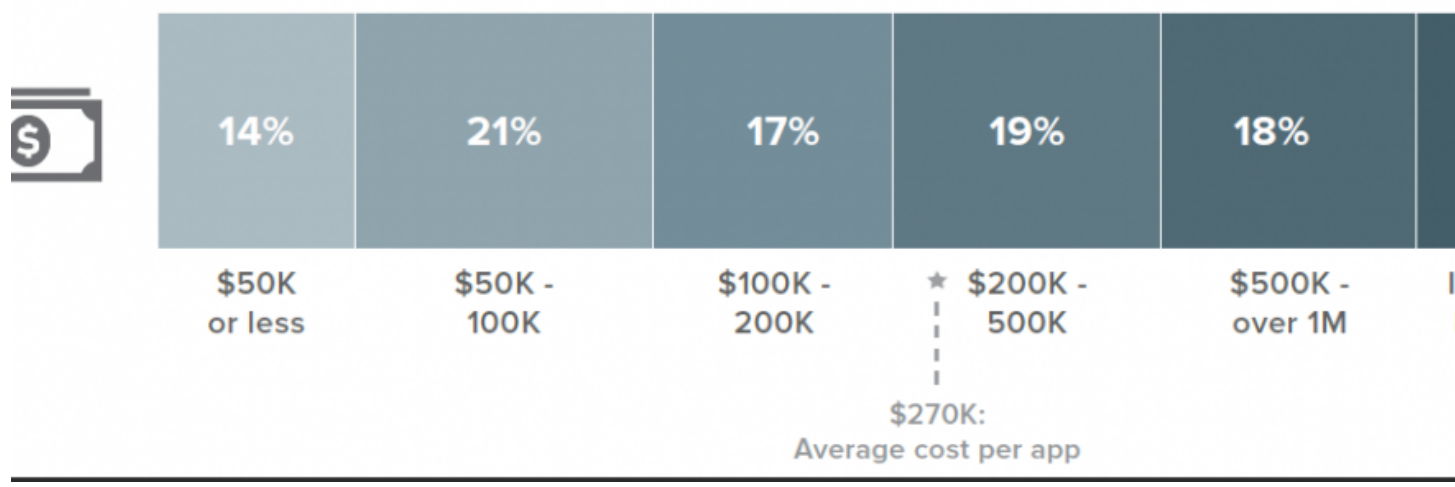


## JCH DOES YOUR ORGANIZATION SPEND TO DEVELOP & DEPLOY ONE APP?



## Figuring the costs of custom mobile business app development

Posted on: 06-17-2016 by: Formotus

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# App Development Costs

How much are mobile business apps going to cost you? Here's a compendium of analyses, surveys and calculators to help set reasonable expectations for what building a custom mobile business app will cost.

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## Estimates by app development companies

Here is how three agencies characterize their typical price range for developing a business app:

"somewhere between \$100,000 and \$300,000" —*Applico*

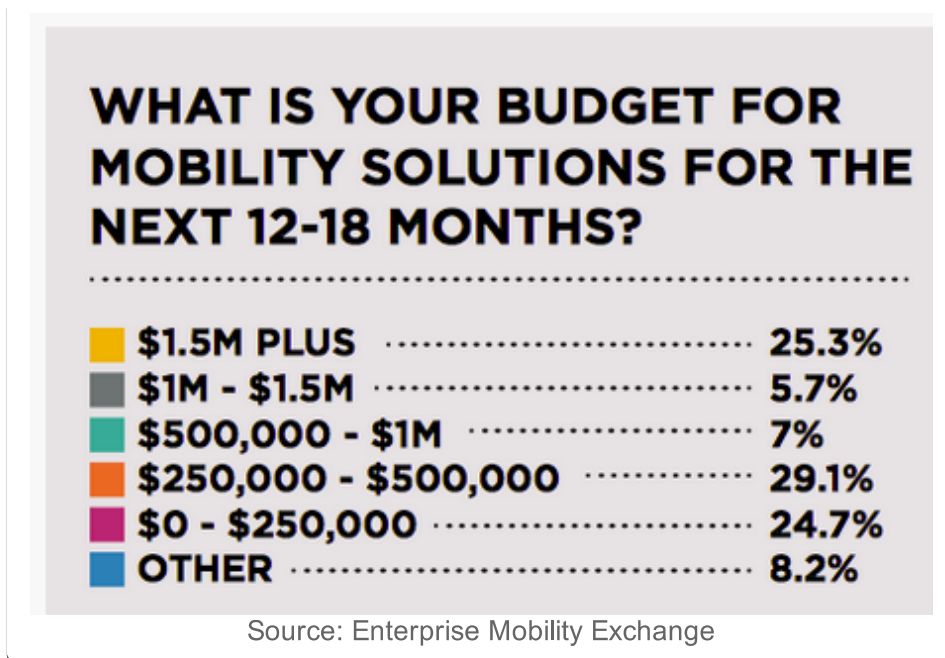
"anywhere between \$150,000 to \$450,000" —*Savvy Apps*

"as little as \$150,000 ... as much as \$500,000" —*Fueled*

# App development cost surveys

## 2016 enterprise survey: \$250,000 – \$500,000 mobility budget most common

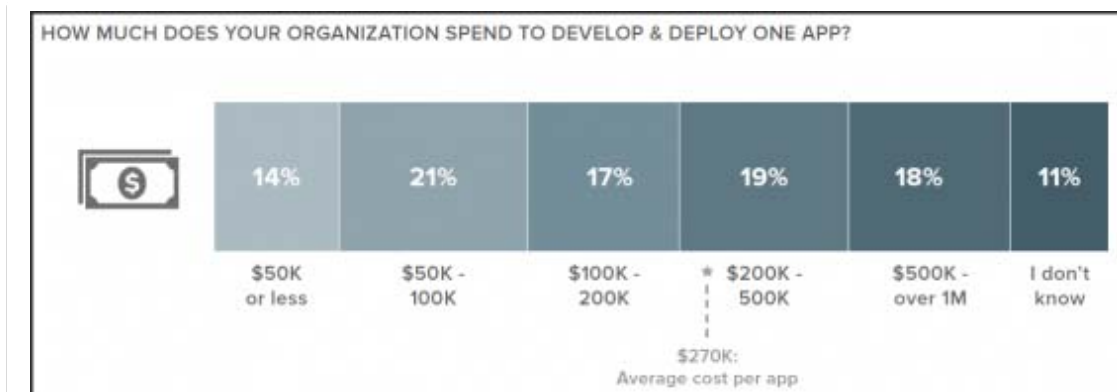
**New!** The Enterprise Mobility Exchange surveyed 300 senior mobile practitioners around the world and published ‘The Global State of Enterprise Mobility: 2016’. One finding of the survey was that the most common budget size for the next 12-18 months was \$250,000–\$500,000 chosen by 29.1 per cent of respondents — followed by 25.3% who answered over \$1.5 million.



## Kinvey CIO survey: \$270,000 average cost per app

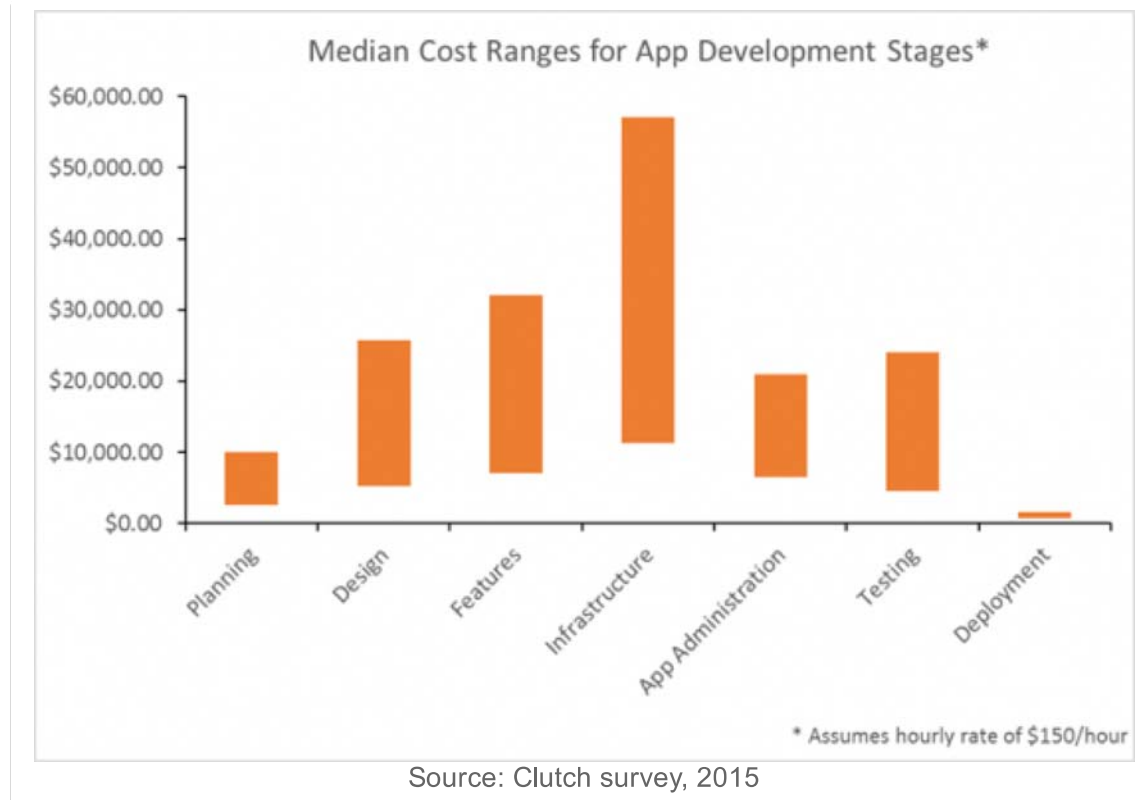
A Kinvey report based on a survey of CIOs and Mobile Leaders found that mobile application development is “costly, slow and frustrating.” According to this November 2014 survey:

56 percent of mobile leaders surveyed say it takes from 7 months to more than one year to build one app. 18 percent say they spend from \$500,000 to over \$1,000,000 per app, with an average of \$270,000 per app.



## Clutch agency survey: \$171,450 median cost per app

A survey of 12 “leading mobile application development companies” by Clutch asked about the number of hours required for mobile app development activities, and calculated that the “median high” cost as \$171,450, with a very wide range from under \$30K to over \$700K. The report, released in January 2015, includes detailed breakdowns of cost drivers:



It's interesting to note that the largest cost driver according to the Clutch survey is not the features of the app but the infrastructure, which includes:

- Basic controls
- Data storage
- 3<sup>rd</sup> party integration
- Access to enterprise data
- Data encryption
- Scalability

## Gartner MADP ‘magic quadrant’ survey

**New!** In a June 2016 report, *Magic Quadrant for Mobile App Development Platforms*, Gartner analyzed 17 vendors in its MADP category: Adobe, Appcelerator, Appian, Backbase, DSI, Embarcadero, IBM, Kony, Mendix, Microsoft, Oracle, OutSystems, Pegasystems, Progress, Red Hat, Salesforce, and SAP.

Gartner characterizes initial annual licensing costs for MADP vendors (not including actual app development efforts) in a three-tier structure, with the following number of vendors falling into each category:

vendors in the low-cost tier of less than \$25,000 per year

43 vendors in the midrange tier of between \$25,000 and \$100,000 per year  
10 vendors in the enterprise tier of more than \$100,000 per year

Even among the 'low-cost' options, Gartner notes that actual costs may be significantly higher depending on other related services purchased from these vendors.

The full Gartner report can be found [here](#) (registration required).

## More surveys

- The State of Enterprise Mobile Readiness 2013 (AnyPresence, registration required)
- iPad App Development Cost – A Breakdown (Propelics)



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## App development cost calculators

Several mobile app and platform companies are now offering calculators that let you specify the features you need and see a ballpark estimate of how much your app will cost. We ran a hypothetical app project through each calculator, answering the questions to represent the kinds of features and complexity we see in our own customers' high-end mobile solution requirements.

Our example project is for iOS and Android and includes login authentication, complex business logic and UI, offline functionality, and backend connections. Keeping the estimates parallel was an inexact science because they each ask different questions, but we made the effort. Below are the results.

Otreva calculator: \$360,000

Totals	
E-mail Login	5,761
Camera / Photos	23,041
GeoLocation	23,041
Custom User Interface	46,081
User Profiles	23,041
Task List	17,280
Barcodes	17,280
3rd Party API Integration	57,601
Reporting	34,560
Content Management System	69,120
User Administration	46,081
<b>Total</b>	<b>\$362,887</b>

Example estimate from [howmuchtobuildanapp.com](http://howmuchtobuildanapp.com)

Tusnua Designs calculator: €215,000

<b>Website integration</b> Will your app need to be integrated with a website?	Yes (€ 16900)
<b>App Analytics</b> Do you want to track your app analytics?	Yes (€ 8450)
<b>App Security</b> Do you need security in your app?	Yes (€ 4225)
<b>Location</b> Will your app see location data?	Yes (€ 12870)
Estimated: <b>€ 215069</b>	

Example Estimate from Tusnua Designs

imason calculator: \$267,000

Note: This calculator that can generate an estimate over a million dollars if you keep adding features. Our first effort to calculate an app with similar features rang up at \$473,000, which seemed out of line with the other calculators. A little investigation revealed that a single feature we had selected — workflow — accounted for over over \$200K of that total. Our revised estimate without workflow (“a 5-10 step process that involves complex enterprise business logic and decisions”) yielded the more typical estimate of \$267,000.

Example estimate from imason

Kinvey calculator: \$321,000

Example estimate from Kinvey

This Kinvey estimate was for the price of building the apps yourself. To be fair, Kinvey also calculated the lower cost of \$139,000 to build the app using their own BaaS platform.

## More calculators

- **New!** Enterprise Mobile App Calculator (Propelics)
- TCO Calculator (Kony)
- How Much to Make An App (Crew)
- App Cost Calculator (Wasp)
- Estimate My App (OOZOU)