

WHY SUCH A TOOL AS A MOBILE APP IS IMPORTANT FOR E-BUSINESS?

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The role of mobile apps for e-business is considered. Websites and mobile applications are compared. Companies' performance and their progress in relation to mobile apps is discussed.

Some people believe that mobile apps are the easiest way to build a brand and recognition. Some are convinced that through this, any business can cultivate customer loyalty. According to other versions, mobile apps are the best option for a start-up to boost a business. That is why it is essential to figure out why e-business needs a mobile app.

The web-site is not the same as a mobile app, even if the web-site is mobile-friendly. For example, a mobile app can operate offline, use such phone features as a camera, contact list, navigation. It's undeniable that apps have better personalisation and better communication with customers by in-app and push notifications. In addition, a well-designed app works faster than a website, as long as in the first case the data is stored locally on a device, while websites commonly use web servers. There also might be a technical argument why an app performs quicker: mobile-friendly websites use JavaScript code, and the apps' framework is normally five times swift than JavaScript code. Creating an app will definitely help a business connect with its mobile centric customers. Even if a user turns notifications off and unsubscribe from mailing, it's not the reason for worrying. Have you ever noticed how often you check your phone unconsciously? According to the research dated by 2019 by global tech care company Asurion, Americans unlock their phones 96 times a day [1]. Currently, most of the Internet traffic is using mobile phones and this number is increasing year by year, 15 % of mobile app time is spent on online shopping (Mindsea, 2022) [2]. All in all, the fundamental reason is customer engagement, because the branding stares at you every time you look at your smartphone.

No matter where a person is, a bright icon still easily attracts one's attention. A user opens the app with an intention to scroll the catalogue and, as a result, something will be certainly bought online or, at least, added to the cart. This one is called impulsive purchase, so in this situation a mobile app is a strong and, to some extent, manipulative tool.

On the other hand, launching an app is a sort of customer care. First, it is very convenient, because it is always on your home screen and always logged in. It gives an opportunity to purchase, connect with technical support whenever you want wherever you are. Second, users may be provided with valuable bonuses, discounts or a loyalty program.

State-of-the-art businesses cannot afford the enjoyment of underestimating the mobile strategy. Here are three examples of great performances of well-known brands after launching their apps.

Nike's direct and digital performance drove direct sales up 73 % to \$4,5 billion [3], which is a third of total revenue. They have not only a usual app with their products, but also a fitness app with guided workouts, which help to increase the purchases of Nike's merchandise.

A famous coffee shop Starbucks launched the app in 2009 and "In the innovative and rational approach to the mobile strategy, in 2013, Starbucks already possessed \$621 million assets on its mobile platforms. In 2014, Starbucks has made \$146 million, 8 % of total revenue, on interest alone. In addition, transaction costs were reduced significantly since third-party credit card companies no longer need to be involved" [4].

Finally, a Swedish company that designs and sells ready-to-assemble furniture Ikea created an Ikea place which is able to virtually "install" their furniture to a place in your house in order to see how it looks. The outcome is amazing: "The app has improved and streamlined customers' decision-making and purchasing processes. Company reports suggest it was downloaded nearly 8,5 million times" [4].

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To conclude, with such a tool, e-business can implement a number of useful things for both a business owner and a user. The benefits for a business owner are increasing visibility, generating repeated business, building loyalty and relationships, enhancing social networking strategy. As for customers, the advantages are one touch access, function online, free of charge, easy to use, save time (no need to call or go to office).

References:

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