

## Figuring the costs of custom mobile business app development

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*(Last updated October 25, 2015. Originally posted July 7, 2012.)*

# How much to develop a business app?

Here's a compendium of the best information from around the Web to help you set some reasonable expectations for what a custom mobile business app will cost. We update this post periodically so [let us know](#) of any good information that's missing.

Last month the New York company Fueled shared this bit of information about what their clients pay for mobile app development:

Although Fueled has built version one products for as little as \$150,000, the agency has also catered to customers who had more extensive requirements for their minimum viable product – costing them as much as \$500,000 for their first version app.

Similarly another company, [Savvy Apps](#), in 2015 described its app development services as costing “anywhere between \$150,000 to \$450,000.”

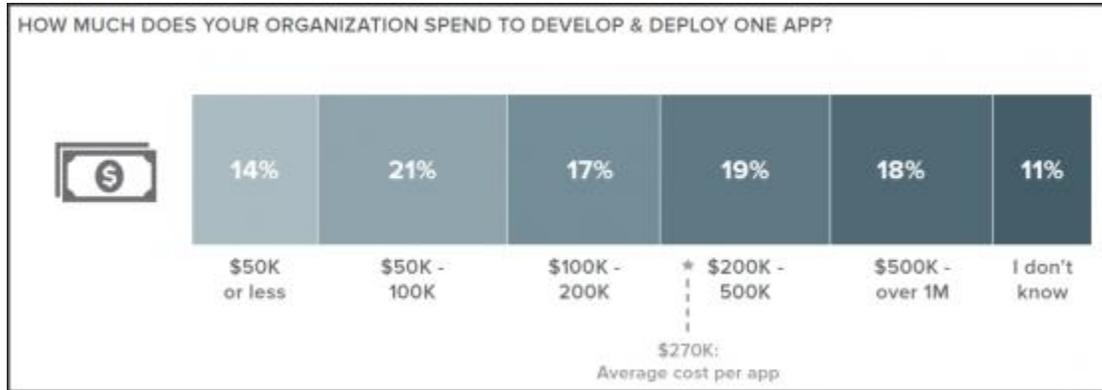
These are two similar data points, but surveys provide a wider range of data.

## App development cost surveys

Kinvey 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:

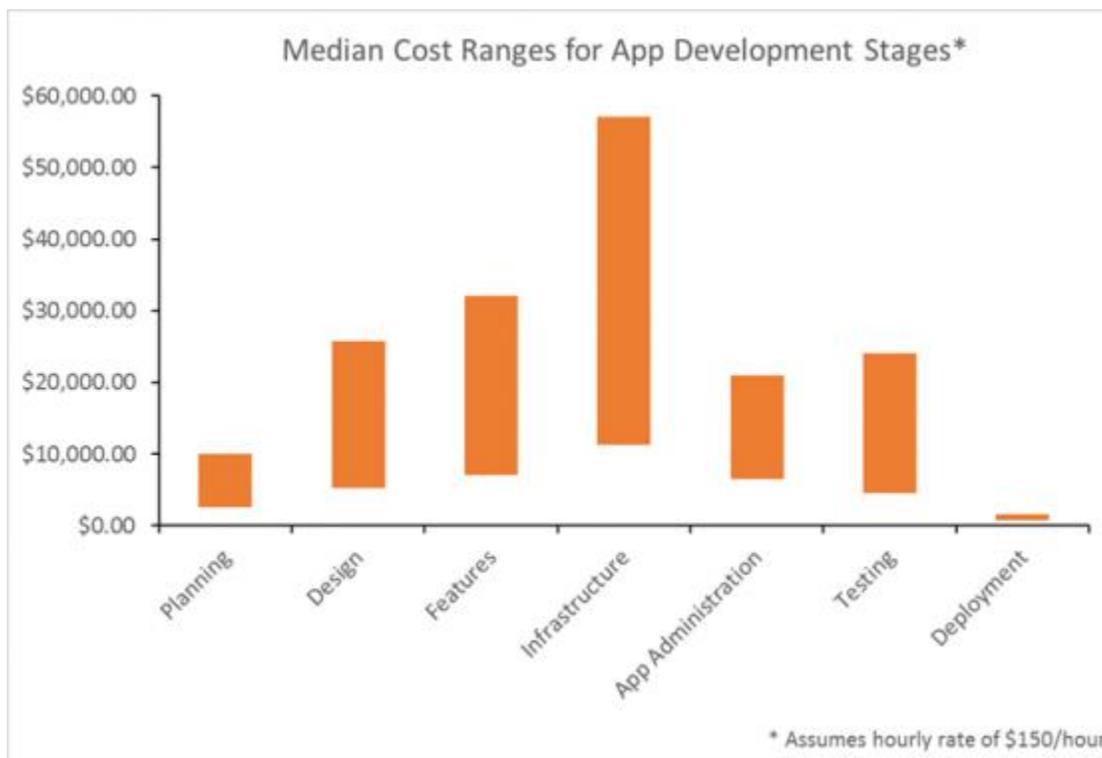
56 percent of mobile leaders surveyed say it takes from 7 months to more than one year to build one app. 18 percent say they spend from \$500,000 to over \$1,000,000 per app, with an average of \$270,000 per app.



Source: Kinvey Survey

## Clutch 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:



Source: Clutch survey, 2015

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

## 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?	<input checked="" type="checkbox"/>	Yes (€ 16900)
<b>App Analytics</b> Do you want to track your app analytics?	<input checked="" type="checkbox"/>	Yes (€ 6450)
<b>App Security</b> Do you need security in your app?	<input checked="" type="checkbox"/>	Yes (€ 4225)
<b>Location</b> Will your app use location data?	<input checked="" type="checkbox"/>	Yes (€ 12675)
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.

<b>Step 1:</b> Select Devices	<b>Step 2:</b> Select App Features	<b>Step 3:</b> Estimate
<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%; text-align: center;">  iPhone         </div> <div style="width: 50%; text-align: center;">  iPad         </div> <div style="width: 50%; text-align: center;">  Android Phone         </div> <div style="width: 50%; text-align: center;">  Android Tablet         </div> <div style="width: 50%; text-align: center;">  Windows Phone         </div> <div style="width: 50%; text-align: center;">  Windows Tablet         </div> </div>	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%; text-align: center;">  Login         </div> <div style="width: 33%; text-align: center;">  Social Login         </div> <div style="width: 33%; text-align: center;">  Active Directory Integration         </div> <div style="width: 33%; text-align: center;">  Navigation         </div> <div style="width: 33%; text-align: center;">  Dashboard         </div> <div style="width: 33%; text-align: center;">  Collect Analytics         </div> </div>	<p><b>Total</b>            <b>\$267,200*</b></p> <p>Send Me My Estimate Breakdown</p> <p>First Name *</p> <input type="text"/> <p>Last Name *</p> <input type="text"/> <p>Email *</p> <input type="text"/>

Example estimate from imason

[Kinvey calculator](#): \$321,000

DIY	
person days	personnel
808	7
price	
<b>\$321,000</b>	
<a href="#">See formula</a>	

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.

[Kony](#): \$256,000

Kony calculates the 3-year total cost of ownership. Like Kinvey, Kony also suggests the same app would be substantially less expensive (\$133,000) on their own MADP platform.

**Mobile Apps are Expensive... Unless You Use Formotus**

## Continuing costs after development

It would be a mistake to think of app design and development as a one-time cost. Creating the app may just be the tip of the iceberg, or better yet, the first step of a long journey.

### MULTIPLY DEVELOPMENT COST BY 3

A [Forrester Survey](#) once found that the average amount spent on a typical mobile app (\$50,000 to \$150,000) turns out to be just 35% of the true two-year cost.

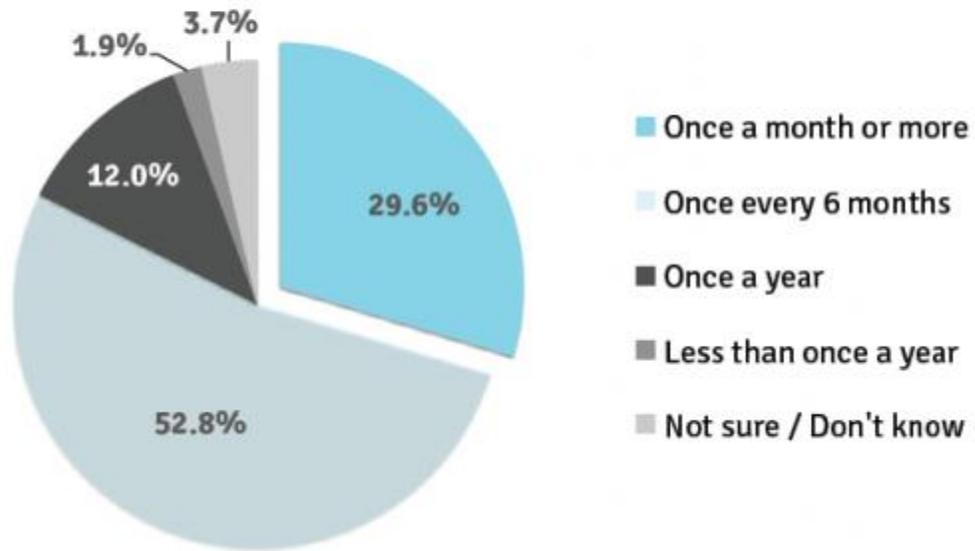
### BUDGET THOUSANDS PER MONTH

Commentum in 2015 [estimated](#) the maintenance cost for a medium-sized enterprise application project to be in the range of \$5,000 to \$11,000 per month. Even the *lowest* estimate for a *small* project is not insubstantial at \$3,000 per month — and a larger project ranges as high as \$25,000 per month.

### PLAN FOR SEVERAL UPDATES PER YEAR

According to an [AnyPresence survey](#) of enterprise mobile application development professionals, found that over 80% reported updating their apps at least twice a year and nearly **a third were updating at least once a month**. Frequent updating can be a major ongoing cost driver

### How frequently, on average, are your mobile apps updated or enhanced?



Source: AnyPresence survey

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