



What is the value of a mobile app?

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By Beth Moellers

People use their mobile phones while they eat, drive and walk. Surveys show that 75 percent of British mobile phone users admit to browsing while on the toilet. Mobile phones have infiltrated nearly every moment of a person's day.

For marketers, mobile devices are an opportunity to connect to consumers in a uniquely personal way.

Spiegel researchers shared key insights about the value of mobile apps with 500 attendees at the [AdExchanger Omni.Digital](#) conference in Chicago Friday. Spiegel was the academic partner of the event, which brought together thought leaders and digital marketers for a day full of learning and networking.

Spiegel Research Director Professor [Ed Malthouse](#) told the marketers that a good app lies at the intersection of what is personally relevant to the consumer and how that brand helps them achieve a goal in their lives.

Malthouse and doctoral candidate [Becky Wang](#) walked attendees through two [Spiegel studies](#) on purchase behavior of mobile app users and purchase behavior of multi-device users. These insights about mobile can help marketers hit the sweet spot of relevance in app preparation and development.

Spiegel used a dataset from online grocer Peapod that showed customer purchases before and after a campaign to promote the Peapod mobile app. App adopters [significantly increased](#) basket-size and order frequency, Malthouse told the group.

In addition customers who use three device types (personal computer plus phone and tablet) spent the most, Malthouse said. Consumers shop differently on mobile because of the small screen size, he said. Consumers are more likely to use mobile devices for routine/habitual purchase, and more likely to use desktop computers for purchases that require research or consideration.

Spiegel researcher Becky Wang shared results of research where the center used a dataset from the Canadian loyalty program called Air Miles. Spiegel researchers again investigated the effect of app usage on purchase behavior at Air Miles coalition partners. The more features of an app that consumers adopted the more their [spending increased](#), Wang said.

She cautioned the group that when a consumer abandons an app due to confusion about how to use it, un-usability or lack of relevance in their life, spending drops off sharply. These findings show that mobile is an essential part of connecting with consumers and increasing customer lifetime value, but for brands to reap financial rewards, they must approach app development in a way

must approach app development in a way that helps consumers achieve a goal in their lives.