

A grayscale photograph of a woman with dark, wavy hair and glasses, wearing a vertically striped button-down shirt. She is sitting at a desk, looking down at a laptop screen. Her right hand is resting on her chin in a thoughtful pose. The background is a plain, light-colored wall. The overall image has a professional and contemplative feel.

crunch^L

BUDGET ESTIMATES:

**WHAT IS THE
PRICE OF SETTING
UP AN APP?**



2020 brought tangible change to the lives of people all around the world. Continuous lockdowns served increased worldwide app usage which served as a jumpstarter for digitalization. According to Statista, the number of app downloads in 2020 reached a record of **218 billion**. This is a 7% growth in comparison to the previous year.

Numbers show that demand for apps continues to accelerate all over the world. Therefore, the need for app development grows, making the price of this service a matter of concern.

Affordability and quality are the main factors that are being considered when someone wants to employ an application development company, no matter the location. We are familiar with this topic since we provide services in the app development field for various types of business industries such as logistics, retail, and healthcare.

This has to be mentioned that the cost of app development depends on a lot of aspects. **Anyway, in this ebook, we will take you on a journey to find out how much a new Android/iOS costs.** Most importantly, you will learn about web software development through the lens of an outsourcing company.

DETERMINANTS OF THE APP DEVELOPMENT PRICE



The cost of building an app does not only depend on the duration of the project and hourly rates. In general, the issues behind finding a fitting talent, completing complicated and extended tasks, and supporting the project after the release can influence the price.

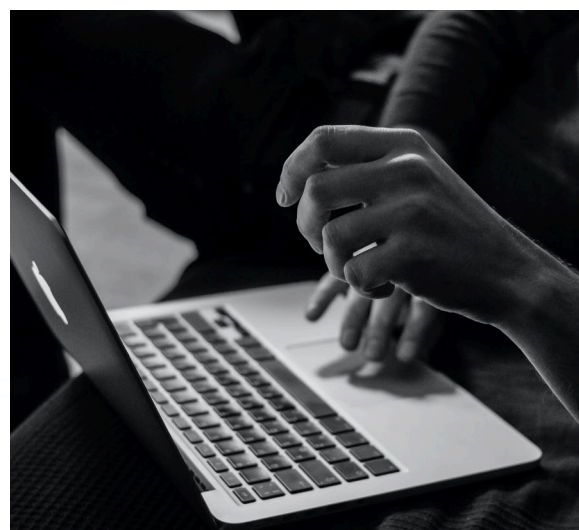
TEAM COMPOSITION

Contingent on the project's claims, a team (either local or outsource) can be basic, extended. A team can be complex in the case of enterprise project development.

At Crunch, we usually separate our workers into smaller teams that work simultaneously but solve different types of tasks. For example, we have isolated teams for web and mobile app development. Each crew contains a project manager, software developers with a specialization in different programming languages, quality assurance engineers, UI/UX designers, and business analysts. On top of that, there are tech leaders and project managers that control the entire process.

TECHNICAL DIFFICULTIES

There is a huge variety of technical solutions that makes a project complicated. One of the examples of technically complex solutions is the app we built for the e-commerce business. Aiming to improve the communication with the client, we used artificial intelligence and machine learning knowledge to create an algorithm that combines marketing personalization, automation, and analytics to provide a unique customer experience. Tasks like this require more time for development and planning, which adds to the final cost of the project. Down below are some of the most known elements that create additional costs:



Check [**Case Study**](#) to find more examples of our projects



BACKEND DEVELOPMENT

If you are planning to create an app that will experience dynamic traffic with thousands of users sharing information, you will certainly need to ensure that the data is being synchronized and kept in the cloud. In this matter, a stable and reliable back end is required in order to process a lot of information and still work without problems.

Development of the composite architecture for such an app will take more time than usual. On top of that, you might need to hire back-end developers that have experience in different programming languages, which means that your team will be extended.

INTEGRATIONS WITH SPECIALIZED THIRD PARTIES.

There are a variety of third-party integrations, including niche-specific ones, that can help you speed up the development process. Third-party integrations, particularly specialist integrations, might, however, bring inconsistency and complication in their documentation. Figuring out how to integrate them into your app can take additional time.

Furthermore, you will almost certainly have to pay a charge to work with these services.

INTEGRATION OF E-PAYMENT SYSTEMS

Online businesses make profits thanks to payment gateways. The more payment options are available in the app, the bigger audience will make transactions via this app or service. The integration of these payment mechanisms requires a lot of effort because payment gateway providers have their own unique software development kits.

Therefore, you should be prepared to fund each additional payment method: Google Pay Billing, In-App Purchase, Apple Pay, Pay Pal, Stripe, Square, etc.

USE OF GADGETS AND ELECTRICAL EQUIPMENT

In order to create an astonishing app, you should make use of different types of hardware. For instance, the use of hardware assistance is necessary to create an app that allows its users to control electronic devices at distance. The software engineers can integrate a GPS tracker in the app which will allow its users to measure the distance of their daily run. There are a lot of other examples but the main thing is that the usage of hardware components in app development will require purchasing or renting ELD/IoT equipment. This will create additional costs.

SUPPORTING THE BROWSERS AND VERSIONS OF OPERATING SYSTEMS

Whether you choose to create a mobile web, the pursuit to support as many browsers and devices is inevitable. By making sure that your app is compatible with the most used browsers like Google Chrome, Safari, Firefox, etc, you increase the possibility that a large number of users will choose to download your app.

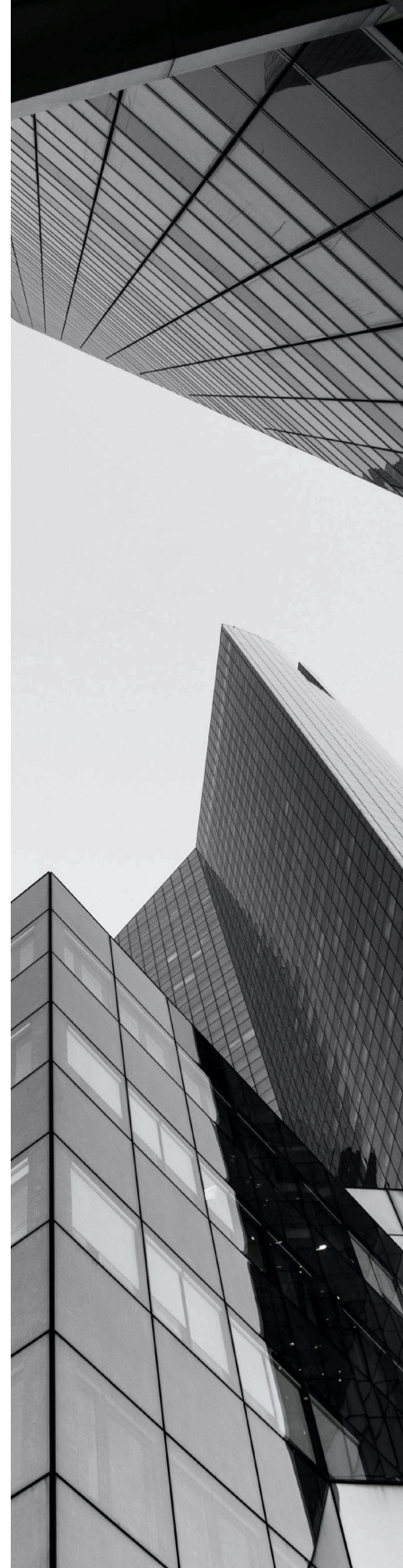
In the perfect scenario, an IOS app should not only be compliant with the most modern iPhone models (iPhone 11 and 12 as of 2021 year) but also support the latest IOS versions like IOS 13 and 14.

In the case of the Android apps, the range of devices to be supported is quite exotic. In order to choose which devices to support, we generally rely on 3 main components: the demand for a particular Android gadget producer, the popularity of the device within the marketplace targeted by the app, and the needs of our clients.

When choosing a wide range of devices to be supported by the app, you should keep in mind that each individual gadget requires adaptation of the screen size and customization of hardware features. Consequently, it will involve more time for quality assurance.

PERSONALIZED DESIGN

The made-to-order design of the UI that is being created from scratch is a complex task. No doubt that a customized user interface will have a higher cost than a ready-made template. It also works for animations - unique solutions will make your app stand out and they can potentially improve customer interaction with the app.



POST RELEASE COSTS



The final cost of the app development does not solely depend on the price of software engineering. You should also allow the possibility of investing in the app's growth. Similar to other business products, applications need to be updated with new features, it needs a team of customer care agents, marketing professionals, and even legal assistants. All of the abovementioned components contribute to the app's success and competitiveness.



As we mentioned before, third-party payment systems charge fees for each transaction. These costs should be taken into account when estimating the total cost of the post-release app support. Interestingly, the cost of the post-commencement is not included in the primary budget evaluation. Usually, IT companies offer it as a separate piece of service.

LET'S TAKE A LOOK AT HOW APP DEVELOPER FEES COULD DIFFER THROUGHOUT THE WORLD

OVERVIEW OF HOURLY RATES FOR APP DEVELOPMENT BY COUNTRY

How to choose a reliable software developer for the project out of millions of them? We know that this is a difficult question. First, when looking for either local or offshore app developers, you should pay attention to their previous experience. A person with a background in the industry targeted by your application will not only know all the development steps but also have a notion of how to finish the project as fast as possible without hurting the quality. Second, you can always go through the company clients' reviews and see if their previous projects match your expectations.

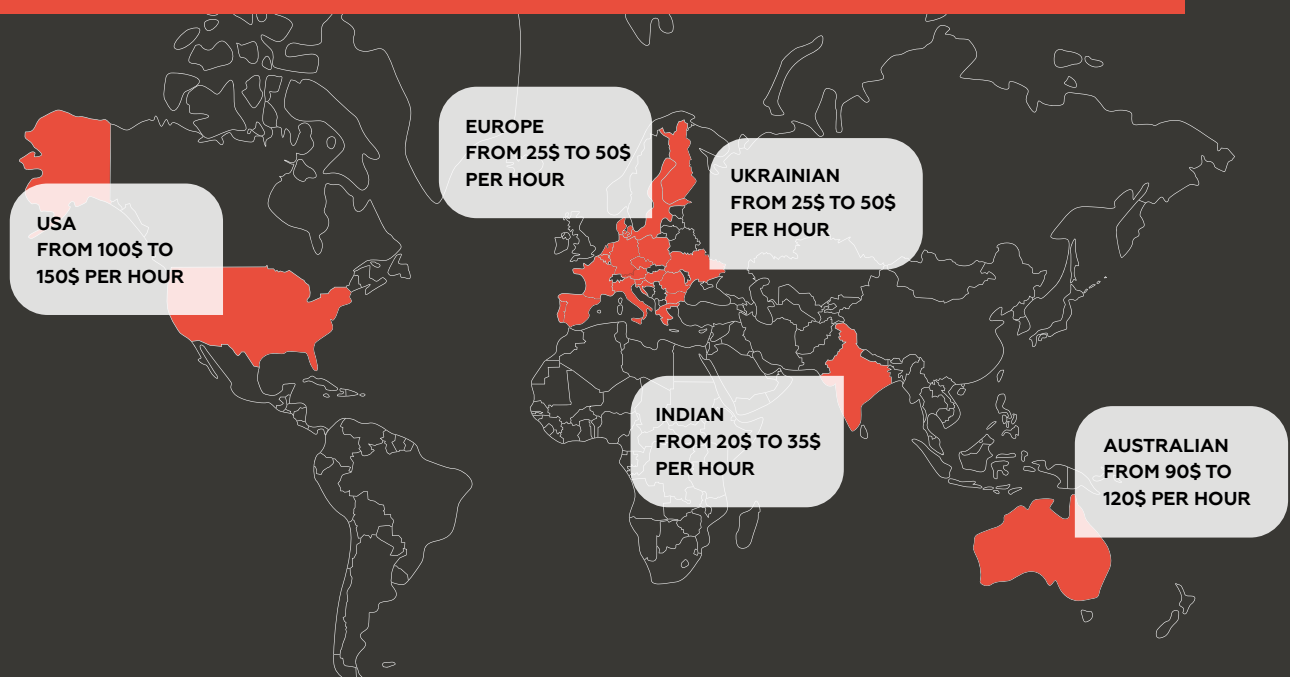


To learn about the areas of specialization at **Crunch** visit the [expertise page](#)

We know that a lot of clients are ready to pay a high price to receive the best quality. However, this is not always the case. In truth, there are software developers that can do an excellent job and charge an unreasonably low price.

Why does it happen? A lot of factors influence the price of app development and one of them is the geographical location of the developer's country. There are places where software engineers have bright minds and are full of enthusiasm but the cost of labor in their regions does not equal the amount of effort that is being put into app creation.

LET US SEE HOW HOURLY RATES FOR APP DEVELOPMENT VARY FROM REGION TO REGION



WHAT IS THE COST OF THE WEB OR MOBILE APP?



The cost of developing a mobile app is typically determined by the number of hours required to complete the project. The longer it takes to implement a feature, the more difficult it is.

The total price can't be given to you at the very first stage of communication with the company. Since a lot of different factors impact the cost, expecting that there is something like a catalog with prices is unrealistic. The price calculators you may find on the internet are solely a misleading marketing ploy. The most common pricing method used by the agencies is charging by the hour of work.

Using the example of a food delivery marketplace app, we will demonstrate how the cost of app development is influenced. We will look at three types of apps: those with simple features, those with intermediate complexity, and those with highly complex features. We'll give a ballpark figure for a standard app in each of the categories. For our estimation, we will consider an average rate of \$50 per hour.

- A simple food delivery app provides features such as a search by category with filters. An app like this has basic UI components as well. For instance, restaurants might have an opportunity to upload pictures of each separate meal and provide a written description. A basic food delivery application would take around 1,000 hours to develop and could cost around \$30,000.
- Custom UI components and animated objects may be included in a food delivery app of moderate sophistication. Additionally, this app might be integrated with a system that shows updates about the status of the delivery. A real-time chat with the delivery man is also a good feature to add. Building such an app would take roughly 1,800 hours and cost more than \$75,000.
- A complex food delivery app will be equipped with a high-load ability to handle a huge number of concurrent users. This app might also have a history of previous orders and a user's profile with personal information. It will also require a map integration that will enable customers to see the delivery man's location. A complicated food delivery app takes roughly 2,400 hours to develop, and the total cost may be more than \$125,000.

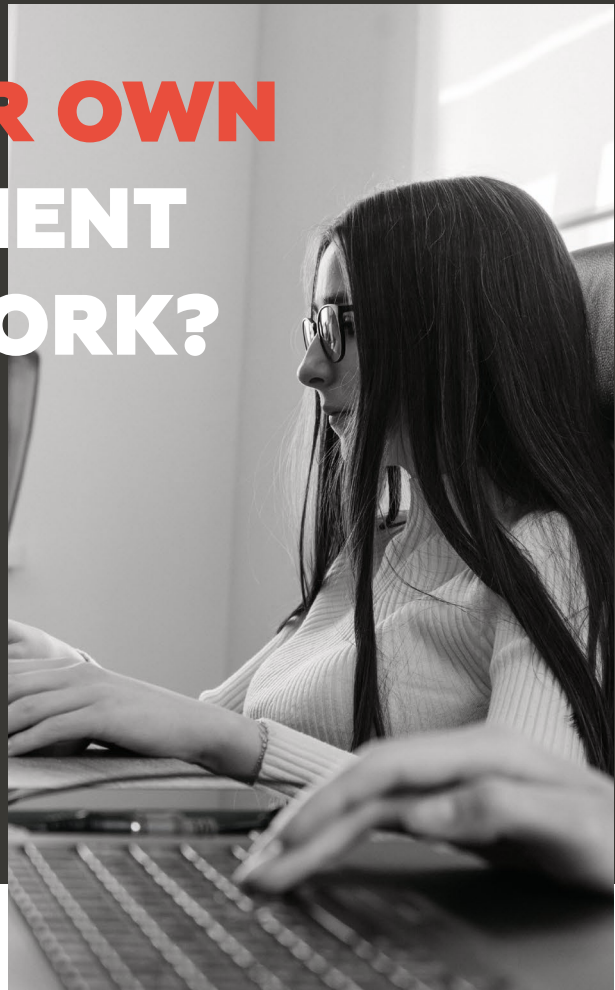
Read also: [Healthcare software development: how to make it right in 2021](#)

HOW DOES **OUR OWN** **APP DEVELOPMENT ESTIMATION WORK?**

Before we start working on your project, we will provide you a free estimate. In other words, we'll use our multiple-stage structure to deliver some tangible value for your business before telling you how much money you will need to construct your app.

HERE ARE THE STEPS TO FOLLOW:

- You must first complete our **CONTACT FORM**. After that, you set up a meeting with our engagement manager. The manager will confirm the information you have supplied and ask about your business goals and procedures, potential user roles and journeys, expectations about building a business scalability plan, and so on.
- Then, taking into account your product's characteristics, we process the initial requirements we have gathered and undertake a basic business analysis to provide a solution that matches your aims and objectives. After that, we calculate it.
- Next, our solution architect receives the results of our business study and generates thorough feedback with suggestions for the app's structure, feasible use cases, and technical implementation options.



- Following that, we'll have a discussion with you to discuss our findings, acquire clarifications, and elicit further requirements. We also aim to define the scope of work for your project (the features required to address your most pressing business concerns) at this discussion so that we can generate an optimal project proposal.
- After that, we give a project offer at the last pre-planning meeting, which typically comprises hours of labor, a technology stack, and application architectural approach, and a set of product features for the primary and consequent releases.
- Finally, we agree upon an offer in order to discover the best option for your company.

We move forward with a thorough estimate once you negotiate the rough estimate, in which we determine the needs for each stage of work arranged, create mockups to show you exactly how your web, iOS, or Android app will look, and produce documentation for the project. We offer complete course development services for mobile and web apps.

THIS INDICATES THAT THE COST WE SET INCLUDES ALL PRODUCT DEVELOPMENT SERVICES AND PROJECT MANAGEMENT:

- **ANALYSIS OF REQUIREMENTS**
- **DESIGN**
- **DEVELOPMENT**
- **TESTING**
- **VERIFICATION**

The cycle continues step by step until your product is absolutely successful. However, our mission is not limited to developing an app. This is only a small part of the services that we provide. We are looking forward to launching your project and starting a long-term partnership.



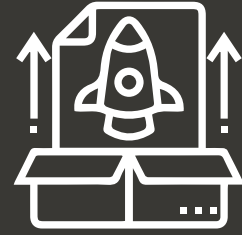
WHAT IS THE COST OF BUILDING AN APP? PRINCIPAL COMPONENTS OF DEVELOPMENT



**A TEAM OF APP
DEVELOPERS**



**EXPENSIVE APP
EXTENSIONS**



**POST-RELEASE
COSTS**

THE PRICE OF LAUNCHING AN APP IS BUILT ON THE FOLLOWING ASPECTS:

**SOFTWARE
DEVELOPMENT
TEAM**

**EXPENSIVE APP
EXTENSIONS**

- Technical complexity
- Personalized design
- Third-party integrations
- Various payment pathways
- Electrical equipment and gadgets

**SUPPORTING A
WIDE RANGE OF
DEVICES AND
OPERATING
SYSTEMS**

APP DEVELOPMENT TEAM

STANDARD

1 project manager
1 solution architect
1 business analyst
2-3 frontend developers (Android, iOS, web)
1 backend developer
1 UI/UX designer 1 QA engineer
1 DevOps engineer

ENLARGED TEAM

1 project manager
1 solution architect
2-4 business analysts
2-3 frontend teams of up to 16 specialists
2-4 backend specialists (Android, iOS, web)
2-4 UI/UX designers
2-4 QA engineers
2-4 DevOps engineers

ESTIMATING TIMEFRAME AND COST FOR APP DEVELOPMENT USING AN EXAMPLE OF FOOD DELIVERY SERVICE

BASIC APP

- Standards UI elements
- Simple search by category with a filter
- Data uploading (photo, text)

>1000 h = \$30000

MIDDLE-DIFFICULTY APP

- Custom UI components and animated objects
- Status update feature
- Real-time chat option

>1800 h = \$75000

COMPLEX APP

- High-performance application
- User profile and history of orders
- Location tracker

2400 h = \$125000

DON'T FORGET!

Depending on the complexity of your project, quality assurance, business analysis, and project management may occupy up to 50% of the entire development time.

POST-LAUNCH COSTS INCLUDE:

- App marketing and promotion
- Support and upgrades
- Backend assistance
- API subscription fee
- Hosting through the cloud

ATEGORIZATION OF APP DEVELOPMENT COST BY THE SIZE OF THE FIRM

COST OF APP LAUNCH AT HUGE COMPANIES:
\$500000 TO \$1000000

COST OF APP LAUNCH AT MIDDLE-SIZE COMPANIES
\$150000 - \$450000

COST OF APP LAUNCH AT SMALL COMPANIES OR OFFSHORE DEVELOPERS
\$15000 - \$90000



Crunch is a trusted digital solutions company for the world's leading enterprises and startups. We bring together the best engineering talent and wide technological expertise to empower digital transformation while meeting all the business needs of every customer. Our development and management team is 80% Senior and Middle specialists, so you can be sure to have your project delivered on time and within the budget.



Come over for a chat!
Feel free to [contact us](#) at any time that works for you.

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