

# App Developers Edinburgh: Scottish App Grants - Erbo Closes A £5.3 Million Seed Financing Round

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/EINPresswire.com/ -- Leading [app developers Edinburgh](#) company [Erbo](#) announced the closing of a £5.3 million seed financing round led by Scottish Investors, a seed-stage venture capital fund in Scotland. The latest round includes support from the Scottish government, Apple, Google, and other mobile app development-focused investors. Its goal is to help businesses across Scotland use mobile app technologies effectively to grow and compete internationally.



Embracing mobile app technology offers many benefits for Scottish businesses, including the ability to engage with customers through superior technology, develop new services and products, and to sell to an international global market, 24 hours a day, at a relatively low cost.

The latest £5.3 million financing fund is committed to improving the mobile technology skill level of people in Scotland, and to increasing the number of people employed in the digital sector over the next five years. The investment fund is also committed to offering Scottish start-ups and SMEs digital support to help them become internationally competitive.

The Erbo team commented: "Technology is forecast to be the fastest growing sector in Scotland by 2025. We are delighted to launch this new phase of financing help which will support even more small and medium sized businesses in Scotland in achieving their digital aspirations. The programme has already supported many businesses to develop their digital capabilities and expand into new markets internationally."

How much does it cost to hire an app developer?

On average, expect to invest around £10,000 to £100,000 when hiring a top [app developer Edinburgh](#) agency. The apps themselves are affordable; it's the experience, knowledge,

engineering and design talent that are expensive.

Creating a successful mobile app is not a cheap process and there are many essential moving parts, all of which require funding. The initial investment of developing the app can be significant alone, and this doesn't include the capital required to research and market your app at a later stage.

A great idea for a new mobile app is a wonderful starting point for a business, but unreliable or poorly secured funding is a big risk to the success of even the most innovative and creative ideas.

That is where venture investors come in to play. Investment in mobile apps has not slowed, even in the pandemic, and half of venture investors in the UK are looking to build their portfolio in 2022. In fact, 92% of these investors are confident about future growth.

As the mobile market continues to rocket, investors are looking at what's next on the horizon. According to market research, the global app industry is on track to be worth £189 billion by 2022. That's up from £70 billion in 2015, which represents a 170% increase in just five years. There are only a few other industries growing this rapidly. While most large brands have now ventured into the mobile space, they're not the only ones reaping the rewards of the 'app boom'.

In fact, many of today's most popular apps weren't founded by established businesses. For example, Airbnb was started by three friends (Brian Chesky, Joe Gebbia and Nathan Blecharczyk) in 2008 and is now valued at over £30 billion. Uber, WhatsApp, Monzo and Snapchat are just a few other examples of entrepreneurs and partnerships that have gone on to create a 'Unicorn Startup' as a result of developing an app.

This has led to gigantic growth in the mobile app development market. From entertainment to utility, all sorts of apps are used every day; one can get almost anything done using a mobile phone – anything from banking to Tinder!

Apps are being valued very highly: WhatsApp was valued at £19 billion, and SnapChat at £10 billion. The list goes on and includes more than 500+ startups which have a valuation of £1 billion or more.

All the leading investors in the market believe the next big idea will be an app. Result – a dot-com bubble style situation where all investors are looking for cool startups to invest in.

Investment and acquisition are also viable options when it comes to making money from apps. For example, WhatsApp was acquired by Facebook in 2014 for £19 billion. We live in a world where a large active user base is considered valuable, regardless of whether you're generating significant revenue from the users or not. In fact, many of the unicorns mentioned earlier aren't

even turning a profit. In 2016, Uber and Snapchat had a £2.8 billion loss and £515 million loss respectively, yet Uber is valued at £70 billion and Snapchat at £25 billion.

Numerous Scottish-born apps have been acquired recently. Success in this industry comes down to three main principles: (1) a quality app that addresses a need in the market; (2) an appropriate monetisation strategy (or prepare your business for acquisition if that's your chosen strategy), and (3) growing your user base through marketing. You don't have to build the next Airbnb or Uber to come out on top.

By no means is investing in an app a 'set and forget' strategy. Nor is it a low risk investment. It's a bold move that requires hard work and dedication. After all, you're not just building an app; you're building a business. However, with a good idea, a carefully crafted strategy, a good local app development agency and a bit of luck, making a dream investment from an app is definitely possible.

More information about Erbo can be found at [www.erbo.uk/apps](http://www.erbo.uk/apps)

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