

WINNING WITH MOBILE

SUCCESSFUL STRATEGIES FOR APP MARKETING

PGPEM FINAL PROJECT REPORT

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Executive summary

Mobile is rapidly changing the way we research, shop, and interact with brands. With powerful phones in our pockets, we do more than just check the time, text a spouse, or catch up with friends. Our behavior and expectations from a brand have changed forever. Today, we live in a world in which the customer demands for a faster, better, and customized user experience. Mobile is changing the way we live.

Companies are waking up to the reality that mobile is not just another marketing channel but a medium that is interwoven into their lives. Having a mobile strategy isn't a luxury — it's a necessity.

Customer demand for mobile apps is booming. There are over 3 million apps on GooglePlay and Apple App Store. The ever growing number of app users coupled with the increasing time spent by users within apps is encouraging brands to launch their own apps on various stores. These apps act as an instant touch point for users to interact with the brand. Success on the app is critical in terms of customer engagement and to increase product stickiness, hence translating into customer loyalty.

The raise of smartphones creates both opportunities and challenges for marketers:

- 1) Increased reach: Marketers can reach more potential customers than ever before
- 2) Create stickiness: Driving engagement through the app will help in repeat usage and customer loyalty
- 3) App discovery: App discovery is now a challenge. One of the biggest challenges marketers face is how to cut through the clutter and make their app stand out. While the rapid growth of apps does present a golden opportunity for marketers, achieving success will require marketers to understand the app ecosystem and to get savvy for achieving success in an app-app world.

In the five years from 2010 to 2015, the time spent by users on mobile has grown a startling 700%. Together, mobile and tablet use now account for 60% of the time spent by users on digital media.

This project aims to understand:

- 1) Mobile moments: the impact of mobile on brands
- 2) App ecosystem: decoding the mobile app ecosystem
- 3) App marketing: strategies for success
- 4) App analytics: attribution, retention and engagement

Introduction

It's a Smart World

Smartphones are making it easier for all of us to carry out our daily activities right from buying groceries to researching about the latest gadgets to catching up on the day's news. The use of smartphones continues to scale rapidly. We live in a world in which almost half of the mobile phone users are on smartphones. The number of smartphone users are increasing on a daily basis thanks to emerging countries such as China and India. India surpassed the United States to become the second-largest smartphone market, with over 200 million smartphones. The table below shows smartphone user base in millions across countries (see Table 1).

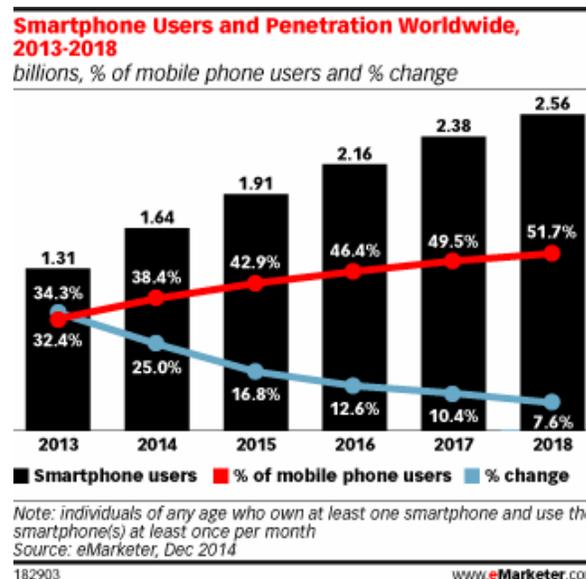
Table 1: Smartphone User Base, 2016-2019

Country	2016	2017	2018	2019
China	563.3	599.3	640.5	687.7
India	204.1	243.8	279.2	317.1
US	198.5	211.5	220	236.8
Indonesia	65.2	74.9	83.5	92

Source: eMarketer

Smartphones are playing a key role in bringing internet access to populations across the globe. This instant information, connectivity, and entertainment access, coupled with low handset costs has resulted in an increase in the adaptation of smartphones. Smartphones give the user access to a broad range of apps and services. The number of smartphone users worldwide will surpass 2 billion in 2016. It is predicted that over 25% of the global population will use smartphones by 2018. By 2018, smartphones will represent over half of the mobile phone users (see Figure 1).

Figure 1: Smartphone User Base and Penetration Worldwide, 2013-2018

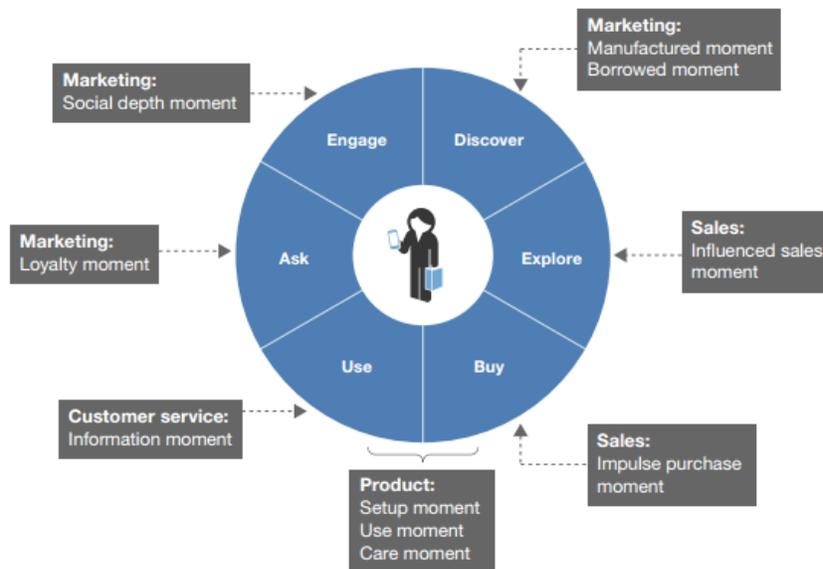


Mobile Moments: The Impact Of Mobile On Brands

The rise in smartphones is opening new opportunities for marketers. The rapid proliferation of smartphones is pushing the need for marketers to become more mobile-centric.

Smartphone users spend an average of over two hours a day accessing apps and mobile sites. Users pick up or glance at their phone 150–200 times each day. This number, multiplied by the million smartphones, results in potential billions of interaction points for marketers every day. These interaction points can be further defined as mobile moments, which presents a unique opportunity for marketers to engage with potential or existing customers at the right time (see Figure 2). With more than 200 million smartphones in India alone, that’s over 30 billion mobile moments each day. Winning customer attention and action on these mobile moments will be the battleground for brands to win, serve, and retain customers.

Figure 2: Mobile Moments Right from Discovery To Loyalty



Source: "The Customer Life Cycle: A Blueprint For Customer-Obsessed Enterprises" Forrester report

In the United States, eMarketer projects that the number of hours spent by user in app is 3 hours and on mobile web is close to 1 hour (see Figure 3). This provides a great opportunity for marketers to tap into their potential customers.

Figure 3: Average Time Spent per Day on Mobile Internet Among US Users, 2011-2015

**Average Time Spent per Day on Mobile Internet
Among US Smartphone and Tablet Users, In-App vs.
Mobile Web, 2011-2015**

hrs:mins

	2011	2012	2013	2014	2015
In-app	1:10	1:46	2:26	2:48	3:06
—Smartphone	0:35	0:56	1:16	1:25	1:34
—Tablet	0:34	0:50	1:11	1:23	1:32
Mobile web	0:32	0:41	0:50	0:50	0:51
—Smartphone	0:14	0:20	0:24	0:23	0:22
—Tablet	0:18	0:21	0:26	0:28	0:29

Note: ages 18+; time spent with each device includes all time spent with that device, regardless of multitasking; for example, 1 hour of multitasking on a smartphone while on a tablet is counted as 1 hour for smartphone and 1 hour for tablet; numbers may not add up to total due to rounding
 Source: eMarketer, April 2015

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Marketers need to look beyond the conventional four Ps of marketing. Companies need to understand these mobile moments and optimize mobile-marketing tactics across the marketing funnel spanning awareness, customer acquisition, conversion, and retention. Every interaction that a customer has with a brand has an impact on consumer experience, which in turn impacts loyalty and fuels business growth and revenues. With mobile in play, consumers move from discovering a brand to doing research, making a purchase, and using a product within seconds if not minutes. Today’s customers demand a seamless, integrated brand experience delivered to them with simplicity and relevancy in real time. To deliver, mobile demands a new engagement model.

According to Google’s report, 80% of the customers turn to their smartphone to research about the product prior to buying. After reading about the product on the smartphones, one out of four shoppers has changed his mind about buying something based on the research carried out on his smartphone. This user behavior is seen even for large ticket purchases such as automobile. Searches on mobile in the auto category are growing 51% year on year. Car shoppers are leveraging mobile at various stages of the purchase cycle, right from the research stage to while at the dealership. This constant information access to the customers means that immediacy and relevance are now essential for brands to influence buying decisions.

Below are some of the ways brands can win customer during their mobile moments:

- **Identify key mobile moments:** This is a very important step in putting place an effective mobile strategy. An effective way of getting to know these moments is to actively talk to your customers either in stores, or through surveys, focus groups, and forums. This information will give an insight on when and how the customers are researching and making buying decisions.
- **Be present during mobile moments:** After identifying mobile moments, it is important that the brand is positioned to be there in these moments of need. This calls for a comprehensive approach covering channels across search, social, video, and display. It is important to remember that

mobile is an enabler and confining the marketing plan on mobile to one specific channel may not deliver the best results.

- **Right messaging:** Deliver relevant messaging. Simply being there in these moments isn't enough. Keep in mind that the messaging on mobile needs to be short and engaging. Create content that provides helpful answers. Content such as videos help in influencing the customer's opinion on buying a certain product.
- **Ensure simplicity:** Make it easy for the customer to make a purchase. The step from research to purchase should be a simple and a seamless one. The customer today has multiple ways to buy or engage with products. Brands need to ensure a seamless customer experience across various touch points.
- **Measure:** Measure every moment that matters. Following only a last click attribution may fail to capture the true potential of mobile. It may overlook the importance of many of the mobile moments in influencing the buying decision. It's no longer enough to simply measure conversions based on the last click. With mobile, the path to purchase is even more fragmented.

It is now clear that prospects and customers are now interacting with brands on the go, across channels, and often, in real time. Traditional data and analytics fail to capture everything a marketer needs to know about the smartphone users. Marketers end up getting only a single point of view at a singular part in the customer lifecycle, versus understanding the customer throughout the journey as a prospect and as a customer. Engaging and converting a potential customer on mobile needs to be on a more individual level than the strategies that marketers have used to target, engage, and convert customers on the web (see Figure 4).

Figure 4: Targeting and Engagement Strategies Comparison- Web vs Mobile

	Web:	Example:	Mobile:	Example:
Who to target	Customer segment	Use CRM solutions to identify groups of customers based on core demographic and historical brand interactions	Individuals	Use all brand interactions including mobile behavior and real-time context to send individual, contextually-relevant communication
What format and content	Pre-fabricated messages through pre-planned channels	Batch emails, desktop ads, direct mail	Personalized content through optimal touchpoint	Dynamically optimized content and delivery
When to engage	Triggered by an event the company wants to notify the consumer of	A sale, promotion, or weekly newsletter	Push-based communication triggered by an event the consumer needs to know about	An overdue bill, ready prescription, gate change, flash sale, or customer proximity to a store
Where to engage	Any location	Wherever the consumer is when they use the Internet, usually a stationary location like in the home or at work	An explicit location	The optimal location to reach the consumer along their daily path including home, work, restaurant, in-store, while commuting
Why the engagement occurs	Proactive interactions to serve the business, or reactive communication to serve the customer	Field customer service calls	Proactive interactions to serve the customer and the business	Provide utility with in-the-moment value, help them accomplish a task quickly, and anticipate their needs

Below are some of the common errors made by marketers while developing a mobile strategy:

- **Tweaking desktop campaign for mobile:** Majority of marketers today still fall within the “shrink and squeeze” stage for mobile, tweaking existing (offline & digital) strategies to fit the mobile screen.
- **Using historical CRM data:** This approach to mobile may not work as it doesn’t capture real-time data to deliver on moments. It is important to have a real-time system in place which will help with customer identification, for example, when a user walks into a store or when a coupon is about to expire.
- **Treating mobile in isolation:** Mobile should not be treated as just another marketing channel. A mobile strategy doesn’t deliver if it doesn’t incorporate offline touch points or customer analytics. For instance, before sending a notification for an offer, a company should know if the customer has already been notified about the offer through another channel or has already made a purchase. Many brands still follow the spray and pray approach when it comes to pushing out offers via notifications.

A Brave New World: Mobile Advertising an Overview

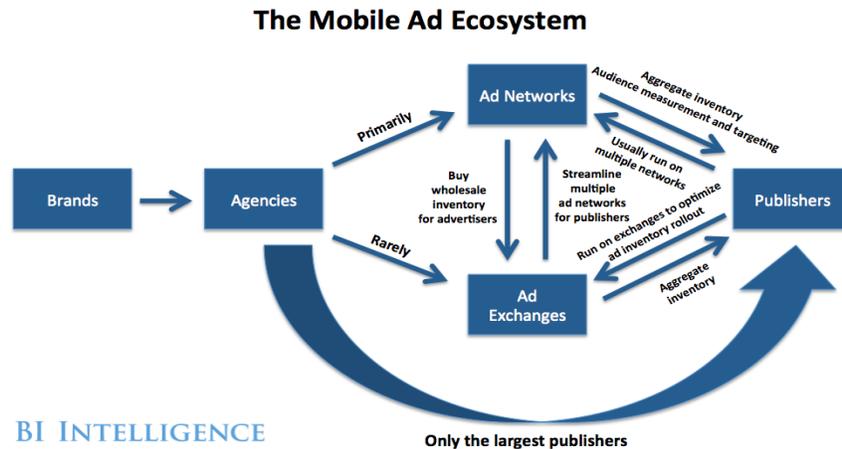
Brands and marketers will start to see increased value in mobile advertising to reach consumers. The global mobile advertising market is poised to cross \$100 billion in spending and account for over 50% of all digital ad expenditure in 2016 (see Figure 5).

Figure 5: Mobile Internet Ad Spending Worldwide, 2013-2019

Mobile Internet Ad Spending Worldwide, 2013-2019							
	2013	2014	2015	2016	2017	2018	2019
Mobile internet ad spending (billions)	\$19.20	\$42.63	\$68.69	\$101.37	\$133.74	\$166.63	\$195.55
—% change	117.9%	122.1%	61.1%	47.6%	31.9%	24.6%	17.4%
—% of digital ad spending	16.0%	29.4%	40.2%	51.1%	59.4%	65.9%	70.1%
—% of total media ad spending	3.7%	7.8%	11.9%	16.5%	20.5%	24.1%	26.8%
<i>Note: includes display (banners, video and rich media) and search; excludes SMS, MMS and P2P messaging-based advertising; ad spending on tablets is included</i>							
<i>Source: eMarketer, March 2015</i>							
186887				www.eMarketer.com			

For marketers, mobiles’ disruptive impact will yield winners and losers, in much the same way that the digital medium did few years before. Brands who choose to lead and move first to optimize mobile advertising spends will open a competitive advantage at the expense of mobile laggards. Getting the mobile strategy right has the potential to generate additional revenue for the company, which will translate into competitive advantage and incremental market cap.

Figure 6: Mobile Ad Ecosystem



The above Figure 6 is a simple representation of the mobile ad ecosystem where agencies or brands tap into various mobile ad networks or exchanges to access publisher inventories on mobile. In the case of large publishers, the agencies/brands can directly buy mobile inventory from the publishers than taking the network route.

The mobile ad industry is shifting in various ways, with many players disrupting the existing model. Below are few of the current trends that have an impact on the mobile ad ecosystem:

- **The mobile landscape becoming more complex:** The landscape is expanding on a daily basis from startups such as Snapchat to established companies such as Google and Facebook. A wave of mergers and new companies have emerged to ride the mobile boom. Innovation is disrupting the mobile space, given the nature of smartphone usage.
- **Programmatic buying:** The role of demand side platforms (DSP) and ad exchanges is growing. Marketers are exploring real-time bidding models to access mobile inventory across publishers via DSPs.
- **New ad formats:** Mobile advertising started off with text messaging and out bound dialer calls, and was thereafter dominated by display banners, with the rise of smartphones. With the evolution of ad formats, there are now many options available to marketers on mobile such as rich media ads, video ads, native ads, expandable ads, push notifications and many more (see Figure 7)

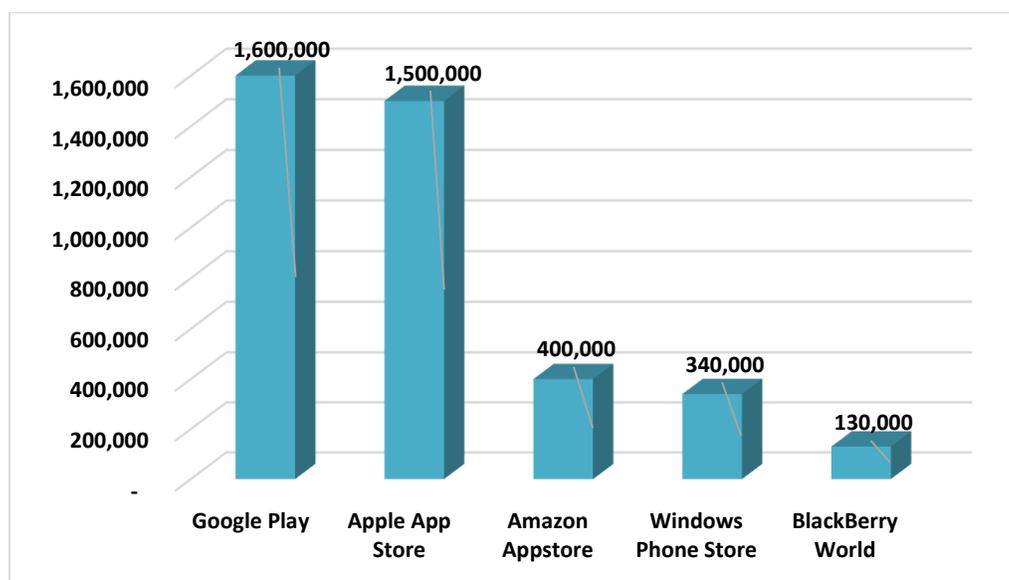
Figure 7: Type of Mobile Ad Formats



The App Ecosystem: Decoding The Mobile App Ecosystem

The global app economy is growing rapidly, with revenues from apps and related products and services reaching US \$86.3 billion in 2014, representing a 26% increase from 2013. Much of this growth is coming from developing markets such as India and China. In 2015, Google more than doubled the number of apps in its GooglePlay store, with more than 1.6 million apps and overtaking Apple (1.5 million apps). Amazon, while a long way behind with 400,000 apps, also enjoyed impressive growth, albeit from a much smaller base (see Figure 8).

Figure 8: Number of Apps Across Various Stores



Source: Statista 2016

These app marketplaces have made it easier for users to get any relevant information on their fingertips and stay connected. This has enabled companies to reach their customers through building their own mobile apps or by piggy-backing on popular apps to tap into potential customers.

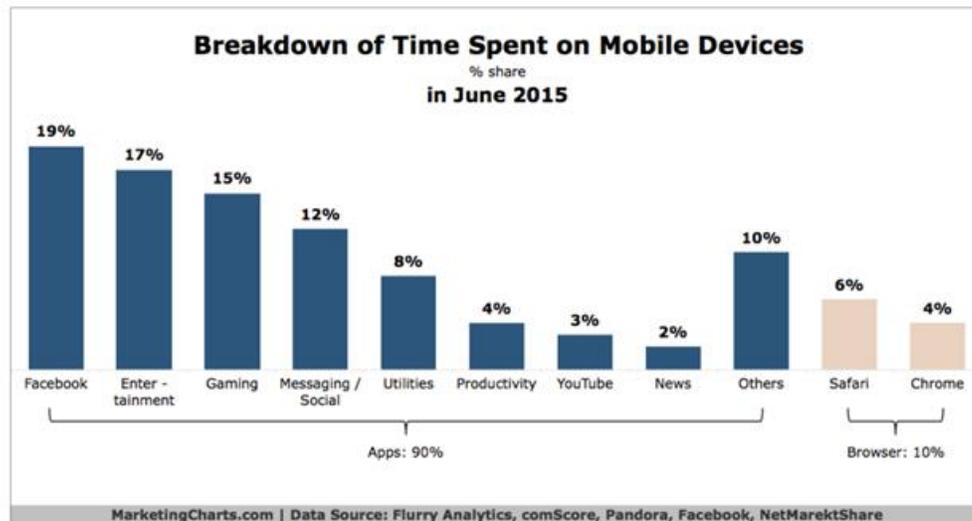
One such brand is Budweiser, which recently teamed up with live music app Dice to reach college students in the United Kingdom (see Figure 9). As part of the Budweiser Live Project, the brand showcased live acts around nine different cities in October. To handle the marketing and get tickets out, the brand used ticketing and gig app, Dice. For Budweiser, in addition to signing up over 13,000 people to its events over the two weeks, a further 5,500 people were added to the brand's list for future events through Dice's mobile platform.

Figure 9: Budwiser Promotion Campaign With Dice App



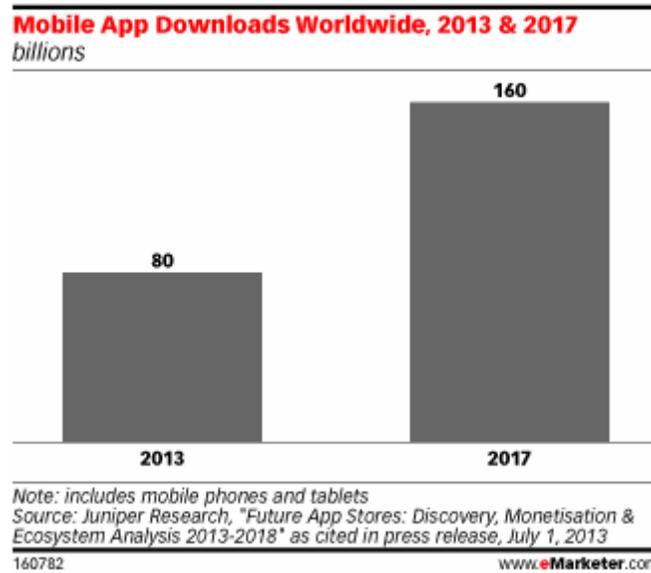
On similar lines, banks and financial institutions, hotels and restaurants, ticketing sites, and travel and holiday aggregators have also found mobile apps to be a great way to increase visibility and sales. This is evident from the fact that apps continue to dominate user time spent with mobile accounting for nearly 90% of the users time on mobile (see Figure 10).

Figure 10: Time Spent on Mobile Devices Across Categories



Mobile application downloads are expected to reach 160 billion in 2017 and the mobile app market will be worth over \$140 billion in 2016 (see Figure 11).

Figure 11: Mobile App Downloads Worldwide, 2013 & 2017



Partnership plays a vital role in ensuring success in an app-app world. Brands with mobile apps need to build good relationships with other players in the mobile technology space. A mobile app well integrated with various other players in the app ecosystem is essential for success.

There are various key players in in the mobile app ecosystem spread across the spectrum. Right from devise manufacturers, app distributors, operators to mobile app developers (see Figure 12 and Table 2).

Figure 12: The Mobile App Ecosystem



Table 2: Mobile App Ecosystem Players and Their Roles

Players	Role	Examples
Telecom Carriers	Provide data connectivity for mobile users	Airtel, Vodafone
Cloud hosting providers	Allows hosting of the mobile app on cloud for ondemand scaling	AWS
Device Manufacturers	Mobile phone developers	Apple, Samsung, LG
Analytics Platforms	Statistics on usage, ads, page views etc	Flurry, Google Analytics
App Stores	Allows developers to submit their mobile apps for users to browse and download	Apple, Playstore
Payment & Messaging Gateways	Mobile app integration with SMS, MMs, Email servers for enabling message sending through the app	PayPal, PayTM
Ad Networks	Manage advertisements on mobile inventory. Help in monetization of inventory	InMobi, Google, iAd
Social Networks	Allows app users to share information on social media sites	Facebook, Twitter, LinkedIn

Benefits of building a solid mobile app ecosystem:

- Makes mobile app deployments easy for brands
- Faster go to market
- Increase in efficiency- Saves time and money

Inorder to succeed on mobile, companies need to understand how well the company is connected with the mobile app ecosystem players and the steps it needs to take inorder to nurture partners who will help it in achieving success.

App Marketing: Strategies for Success

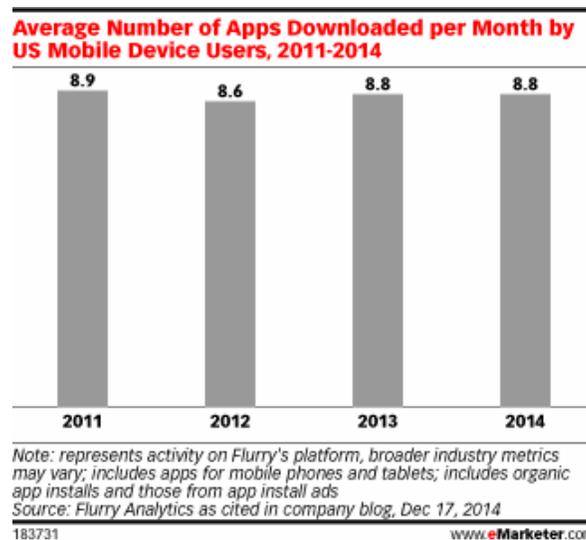
The explosion of mobile apps is creating a number of challenges in terms of app discovery and monetization. As more brands launch their own apps as part of the gold rush, apps are in some sense becoming victims of their own success.

There are two problems that every brand will face: First, the huge number of apps available—and the great diversity of consumer reasons for downloading them—complicates app marketers' efforts to acquire new users. Secondly, consumers spend the majority of their time within apps with just a few favorites, making it difficult to get them to revisit a new app once it's been downloaded.

On average, brands spend \$1 - \$3.04 to drive a single download of their mobile application. Tragically, consumers use 70% of their downloaded apps only one time or less. Proactive engagement through mobile can move consumers through successive steps whether it's creating an account, reminding them of a coupon when shopping, finalizing the purchase of a product added to a shopping cart, or paying for a credit card purchase with points. Marketers need to focus on app life-cycle management, using app events tracking and analytics to drive objectives including app loyalty, retention, re-activation, and conversion acceleration.

As per Flurry, the number of app downloads per month per user has remained stable between 8.6 and 8.8 downloads per month over previous years (see Figure 13).

Figure 13: Average App Downloads Per Month in US, 2011-2014

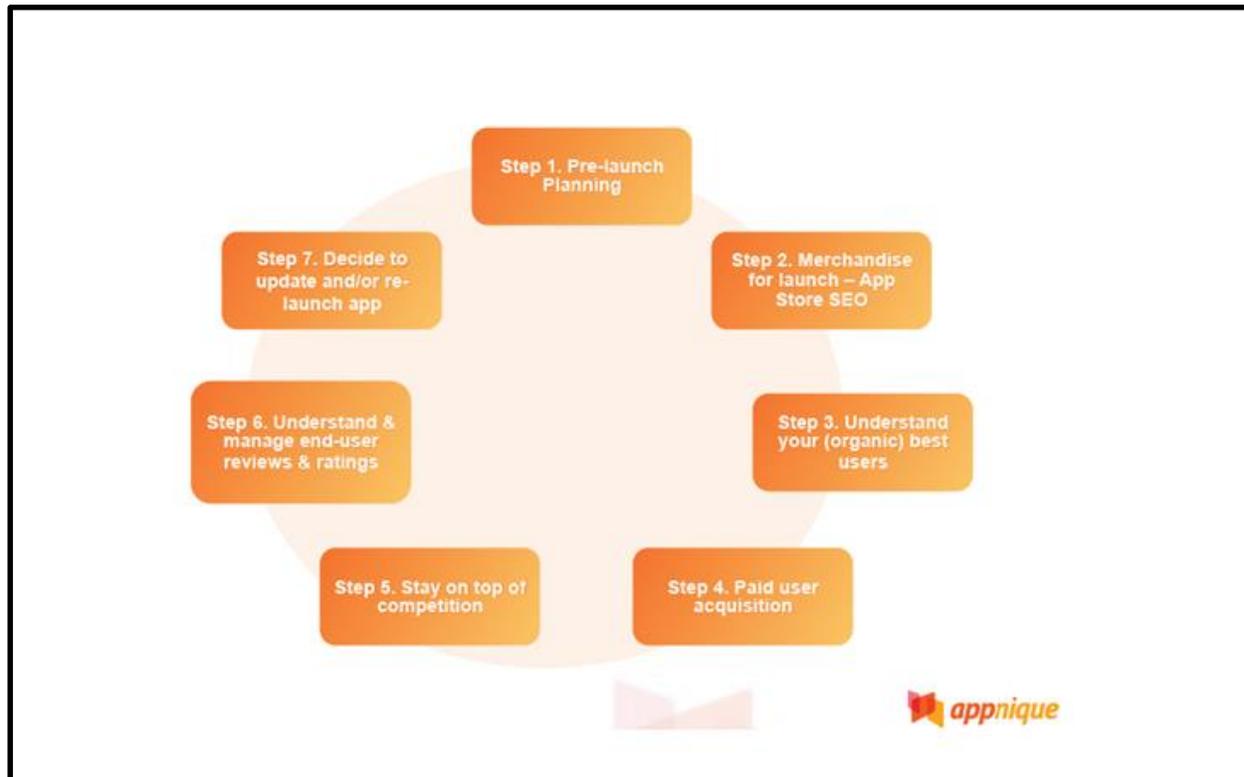


Achieving success in the app ecosystem is a long draw affair and there is no single strategy works for all approach. Below are the steps starting from an apps pre-launch to post user acquisition to be taken by marketer's in order to achieve positive results from their app marketing strategy (see Figure 14).

- **Pre-launch:** Create buzz prior to the app launch
- **Positioning:** Stand out in a crowded marketplace
- **Acquire:** Get easily discovered by users with purchase/download intent

- **Engage:** Drive engagement and stickiness
- **Retain:** Track and manage updates
- **Impact:** Measure results and effectiveness

Figure 14: App Marketing Steps



Step 1: Pre-Launch Planning

A brand needs to start marketing its app long before its actual launch date. The marketing efforts need to start the moment the company starts work on the app. The marketing investment for the app starts with a soft beginning, continues to build, and eventually peaks with arrival of the app on the app stores. Below are a few steps that will help marketers achieve buzz prior to launch:

- **Start marketing** of the app long before the launch date
- **Engage** potential customers, users, and other interested people early and often. This can be done by creating a sign-up on the webpage or through effective email campaigns
- Get **early customer inputs** on key features; let users stake a claim in the creation of the app
- Publish sneak peak videos and behind the scene content to generate excitement around the app
- Use beta **testers and influencers** to help with word-of-mouth marketing
- Have a **PR strategy** in place. Get the press kit and launch materials ready. This will make it easier for submitting the app for review across media houses and review sites

Marketers need to ensure the following for a successful pre-launch campaign:

Unique app positioning - Define the app's unique positioning and value proposition before reaching out to potential target audience. It is important that the UI is appealing and the app is a one of a kind approach to an existing problem. Media houses and app review sites get a large volume of app pitches on a daily basis. If the value proposition is not compelling enough it will not catch their attention. This is very critical, make a poor first impression and there are very few second chances.

Identify key publications— Based on the intended audience find out key publications that targets the core audience. Research journalists that have written about competing apps or within the target industry and reach out to them. Have a polished “preview” version of the app ready on a beta test platform like TestFlight at least a few week's prior to launch which can be shared with journalists and review sites

Ensure that the app has been approved by the app store well in advance of the planned media launch and set an embargo date to get the best app store rankings at launch

Manage controversy and try to convert to an advantage - Not all app launches will go as smoothly as planned. Closely monitor what your users are saying. If any major issues spills out over to the press, make sure to observe what the press is saying about the same and identify opportunities to use this attention to your advantage

Social Integration- Tight integration with social channels should be an integral part of the app details page. Actively engage on Facebook, Twitter & YouTube handles. Incentivize users to share the app value proposition or unique message with their social circle. Incentives can be in the form of an 'Early Access' or 'Discounted Access'.

Case 1: Analyzing Mailbox successful pre-launch strategy

App name: Mailbox

App positioning: An app that sets out to redefine the fundamentals of mail apps by embracing the most common to-do-list approach that users have with their inboxes.

App pre-launch strategy: A task-orientated app coupled with super swift UI managed to help the app gain significant hype way before Mailbox's launch. The app's PR team pre-seeded a beta version of the app to key press more than two months in advance of launch and converted the media buzz surrounding their app to drive over 300,000 signups leading up to Mailbox's launch.

Key Stats

Launched: February 7th 2013

First Press Mention: December 13th 2012

Number of iOS Ratings: 47,700

iOS Top Rank: 1st (11 countries)

Key app publicity prior to launch (see Table 3)

Table 3: Media Coverage Source and Headlines

Coverage Source	Headline
The Verge	Mailbox for iPhone: a next-generation email app inspired by Sparrow and Clear
TechCrunch	From The Makers Of Orchestra Comes Mailbox, The Best Email Management App You'll Ever Use
CultOfMac	Mailbox By Orchestra: The Best Email App We've Ever Used [Review]

All this publicity resulted in Mailbox getting acquired by Dropbox which helped create more buzz on launch (see Table 4)

Table 4: Media Coverage Source and Headlines

Coverage Source	Headline
Arstechnica	Dropbox acquires Mailbox to help grow the Gmail app for iOS quickly
TheVerge	Dropbox acquires email app Mailbox
Forbes	Another Overnight Sensation: Mailbox Is Dropbox's Instagram
Readwrite	Dropbox Buys Mailbox - Promises To Help It Grow
MacWorld	Dropbox acquires Mailbox
TheNextWeb	Dropbox acquires white-hot mobile email client Mailbox
MacRumors	Dropbox Acquires Mailbox, Will Accelerate Rollout
AllThingsD	Dropbox Acquires Email Startup Mailbox to Help It Scale
Mashable	Dropbox Buys Mailbox

Case 2: Path riding on the second publicity wave

App name: Path

App positioning: Path positioned itself an alternative to the big boys of social media by questioning the fact that in the real world, people aren't realistically "friends" with hundreds or thousands of people. Path solved this problem by keeping friend networks exclusive by allowing a maximum of just 100 close friends and family.

App launch strategy: Path coincided their app launch with a PR campaign. Initial reactions were positive but it wasn't until a major update one year later that the app really caught widespread and glowing

attention from the press. Path took advantage of the increasing worries surrounding Facebook and its users' privacy concerns.

Key Stats

Launched: November 15th 2010
 First Press Mention: November 15th 2010
 Android Installs: 5-10 million
 iOS Ratings: 68,000
 iOS Top Rank: 1st (25 countries)
 Android Top Rank: 5 (3 Countries)

Key app publicity on launch (see Table 5)

Table 5: Media Coverage Source and Headlines

Couverage Source	Headline
AllThingsD	Path: The Social App That's Not Viral (By Design)
CNet	A Path the world isn't meant to see
Forbes	New Social Network Path = iPhone + Instagram + Facebook - 499,999,950 Friends
NYTimes	Start-Up Plans a More Personal Social Network
CBS News	Path: A Social App that Wants to Stay Small
LosAngelesTimes	Path, a new social network, limits users to 50 friends
Wired	The 'Path' to Social Network Serenity Is Lined With 50 Friends
BusinessInsider	Photo-Sharing App Path Is Going To Piss-Off Social Media Addicts
Xconomy	Dave Morin Says Path Photo App is About "Making the World a Happier Place"

Path generated some buzz during its introduction in November 2010, but it took another full year before the media really started talking about the app. A major update, followed shortly by controversy surrounding Snapchat's privacy settings built up considerable media interest starting in December 2011. The initial PR sent Path to the top of the app store briefly, but it wasn't until the second round of major media interest in the app a year later that Path was pushed back to the top of the app store ranking.

Step 2: Stand out - App Store Optimization (ASO) To Drive Organic Downloads

80% of app discover happens via search on the store. App store optimization plays a critical role to drive downloads. It is a very important hygiene check for any app.

It is difficult to create a list of universal ASO best practices, as tactics vary depending on marketer goals and the whims of the app stores run by Apple and Google. However there are a few key takeaways that contribute to improving the App Store search ranks such as:

- **Optimization of App Title**
- **Optimization of App Description**
- **Optimization of App Keywords**
- **App Store Search Competition**
- **Ratings and Reviews**

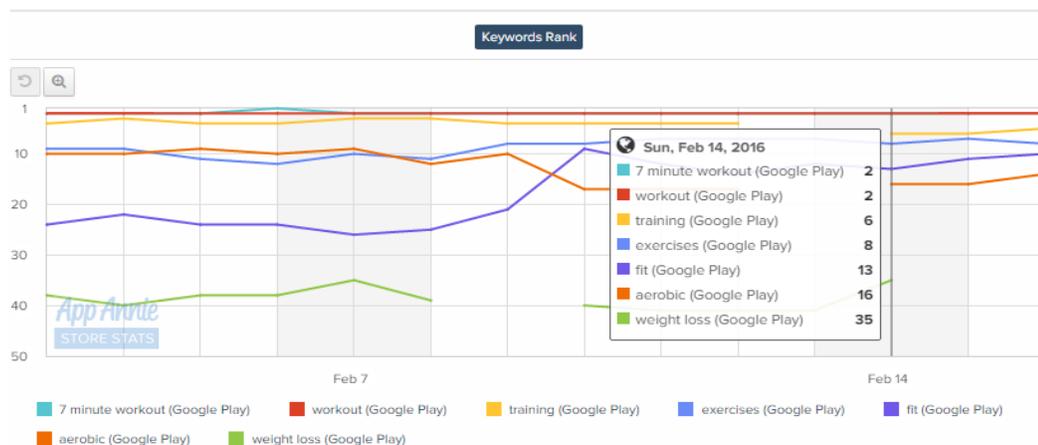
Below are the steps brands can follow for app store optimization:

A/B testing: Given the rapid pace of app store changes and constantly evolving merchandizing features, marketers can start with small experiments such as tweaking the App Title, App Icon, App Video, App Screen Shots, App description to experimenting with more dramatic techniques such as launching multiple versions of the same app to see which one gets the most downloads

Keyword optimization: Keywords continue to be an important driver of ASO. But picking the right app store keywords remains a challenge for many marketers, as competition for popular keywords makes high placement in search results unlikely. As an alternative, marketers can try and target related keywords to drive potential search traffic. Marketers need to know where their app ranks for a particular keyword and the keywords for which their competition ranks higher.

Below graph represents the search result rankings over time for various keywords for the app “7 minute workout” Using similar insights marketers can make a list of keywords they want to target and optimize to rank high for these keywords (see Figure 15)

Figure 15: Keyword Wise Search Results Ranking For “7 minute workout”



A good and effective app description is essential for ASO success. It is advised to have the app description with reference to specific app category. Creation of Unique Selling Proposition of the app to explain why the app is better than competitors is a good starting point.

Preview Videos: One of the biggest updates relevant to app store optimization was Apple’s 2014 decision to allow app marketers to include app preview videos 15 to 30 seconds in length. Although previews generated significant buzz among marketers, the final word is still not out on the impact of videos on ranking. Few believe that, in some cases, the presence of a video may even limit conversion rates.

“The longer [users] take to decide whether or not they should download your app, the more you have to lose,”

Lior Eldan, co-founder and COO of Moburst

Screenshots are a very good way of getting the app message out to potential audience. It is essential to have great screen shots which will entice users to download the app. Appealing screen shots along with an eye catchy Icon and quick video will help reduce bounce rates which has an impact on ranking (see Figure 16)

Figure 16: Screenshots of “7 minute workout”



Reviews and Ratings: ratings and reviews play a very important role in app discoverability and installs. They need to be considered as a very important metrics for marketers to gauge the app success. Ratings are an integral part of the ranking algorithm for app searches in both the app store and play store. In mid 2013, Apple changed its app store search algorithm to place a greater level of importance on ratings and rewards, rewarding higher rated apps and penalizing lower rated apps (see Figure 17)

Figure 17: Impact of Ratings on App Rank



While neither Apple nor Google have revealed specifics about how they calculate search rankings, it is generally accepted that both app stores factor in:

- Ratings/review quality
- Rating/review quantity
- Download count
- App usage statistics
- Uninstall rate/ User churn
- Keyword density

Impact of rating on app store conversions as per a consumer survey carried out by Apptentive (see Figure 18)

Figure 18: Impact of Ratings on % Increase in App Store Conversion

Jumping from...	To...	Is Expected to Increase App Store Conversion by...
★	★★	30%
★	★★★	340%
★	★★★★	730%
★	★★★★★	770%
★★	★★★	280%
★★	★★★★	540%
★★	★★★★★	570%
★★★	★★★★	89%
★★★	★★★★★	97%
★★★★	★★★★★	4%

Source: Apptentive 2015 Consumer Survey
The Mobile Marketer's Guide to Ratings & Reviews



Reviews play an important role too in app discovery and usage. First, Reviews qualify the ratings an app would have received. Second, reviews provide a valuable feedback and insights for improving the app. Lastly, customers share their app experience or feedback which is valuable for any marketer. If used rightly, reviews can be clever used to place keywords which will add to the ranking strategy for the app (see Figure 19)

Figure 19: Impact of Reviews on App Installs



It is important to do everything to ensure that the latest seven to ten reviews are in the positive (see Figure 20)

Figure 20: Rating and Reviews snapshot for the app “7 Minute Workout”



Rating	Reviews	Date
★★★★★	None by lois bray Great little app. Shame there's not more variety on workouts	Feb 17, 2016
★★★★☆	Muriel p by Muriel Pond Only been doing these exercises 2 days now but find them a little hard ,but will get there , iam 62 now	Feb 17, 2016
★★★★★	I loved it by Thando Ndebele Very helpful and classic	Feb 17, 2016
★★★★★	None by AMIRUL AMIRZ The best	Feb 17, 2016
★★★★★	Tough if you're old and unfit by Gary Brady 7 minutes looks easy but not if you're not used to it.	Feb 17, 2016
★★★★★	Very Good by Andrei Buciura This app is really good as in 7minutes its get you sweating! It also works all musclcs of the body not just one or two muscles. Highly recommend this.	Feb 17, 2016
★★★★★	None by isabela medrano Muy completo pongan de ejercicio. Gracias.	Feb 17, 2016
★★★★★	Muy útil by mirandalmar Sesiones cortas de ejercicio, compatibles con una agenda	Feb 17, 2016

Step 3: Paid User Acquisition

Improving app discoverability and reaching target users in the right place is the start to growing app user base. To gain new users, marketers should create a strategy that accounts for organic promotion – App Store Optimization, PR, a microsite, social promotion and paid promotions via targeted, intelligent advertising.

Using ads to reach new users is essential in order to increase impressions, awareness and drive new installs. Plus, investing in paid ads has another big benefit: with the right analytics in place, one can track the lifetime of users acquired through paid sources - not just first-touch metrics. Marketers can:

- Tap into the reach of Facebook, Twitter, Instagram etc and create highly-targeted campaigns
- Discover the sources, partners and channels that drive the most users
- Discover the sources, partners and channels that drive the most valuable users
- Optimize spend over time to focus on the channels where most engaged users are

US mobile app install spending shows continuing growth year on year. Total investment is expected to rise by 80.0% compared with 2014, reaching \$3.00 billion this year. That said, spend on app installs is still relatively small, making up only 10.4% of all mobile ad spending in 2015 (see Figure 21)

Figure 21: US Mobile App Install Ad Spending, 2013-2015

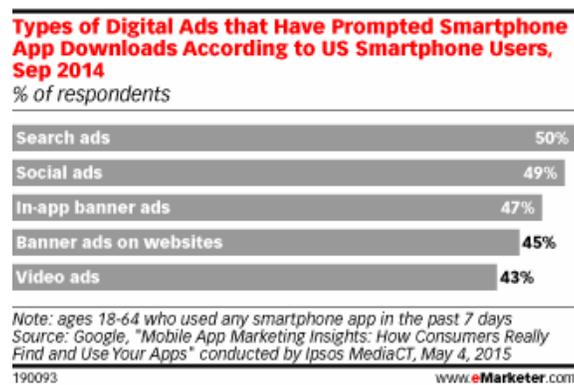
US Mobile App Install Ad Spending, 2013-2015			
	2013	2014	2015
Mobile app install ad spending (billions)	\$0.77	\$1.67	\$3.00
—% change	-	115.5%	80.0%
—% of total mobile ad spending	7.3%	8.7%	10.4%

Note: includes advertising that appears on mobile phones and tablets, and includes all the various formats of advertising on those platforms; excludes app re-engagement ads
Source: eMarketer, March 2015

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Study by Google on the types of digital ads used for app downloads resulted in no clear winner. Search ads, social ads and in-app banner ads all contributed to app downloads at nearly the same levels (see Figure 22)

Figure 22: Type of Digital Ads for App Downloads in US, September 2014



Ad unit prices are heading upwards. It is crucial for marketers to find the most effective ad formats and define the right success metrics for the app. Although measurements like the total number of downloads are still used, brands need to look beyond this metric to other key performance indicators such as lifetime value and loyal users, to better understand the impact of the marketing spend.

Given the competitive nature of the app store, the cost of acquiring an app user is on the rise. As per a research from Fiksu, the average cost per install for Android and iOS mobile apps between March 2013 and March 2015, cost rose from \$0.81 to \$1.53 for iOS while Android apps cost per install reached \$1.74 as of March 2015, up from \$1.25 in March 2013 (see Figure 23)

Figure 23: Average Cost Per Install in US, 2013-2015.

Average Cost per Install (CPI) for Android and iOS Mobile Apps in the US, March 2013-March 2015		
	Android	iOS
March 2013	\$1.25	\$0.81
June 2013	\$0.82	\$0.81
Sep 2013	\$0.75	\$0.87
Dec 2013	\$1.87	\$0.93
March 2014	\$1.07	\$1.05
June 2014	\$1.40	\$1.06
Sep 2014	\$1.14	\$1.21
Dec 2014	\$1.41	\$1.17
March 2015	\$1.74	\$1.53

Note: defined as the cost per app install directly attributed to advertising
Source: Fiksu, May 2013-April 2015

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Case 1: Paid app install campaign for a leading online portal app

Note: The app name and any identifying information have been redacted.

Objective: to improve apps' search performance and increase downloads leading to higher app rank on the playstore

Paid ads- Driving downloads via promotions across multiple channel helped the app popularity to increase. The app crossed 50,000+ downloads within a month of launch and got featured in the top 30 in the category section

Reviews & Ratings: driving downloads also helped in getting more reviews and ratings for the app. This inturn has a direct impact on the app store ranking which results in higher organic downloads

Campaign types:

- In-app display ads
- Search ads
- Facebook app download campaign
- Native Ads
- Push notifications

Impact of above activities on App Rank: A continuous improvement in app rank right from launch (see Figure 24)

Figure 24: App Rank History, Dec 2014- March 2015



Case 2: Paid app install campaign for a safety app

Downloads- Driving downloads via promotions across multiple channel helped the app popularity to increase. Multiple channels were used for driving downloads:

- Mobile web and inapp display
- Google search campaign for app install
- Video campaign
- Push notifications and pre install

Impact of above activities on App Rank: A continuous improvement in the app rank (see Figure 25)

Figure 25: App Rank History, Dec 2013- Feb 2014



App Analytics: Attribution, Retention and Engagement

Attribution

It is very important to have the right attribution platform in place prior to launching the app on any of the store. A mobile app measurement platform allows brands to measure and optimize the customer acquisition funnel.

In today's scenario app discovery is fragmented across multiple channels such as social media, search, direct, adnetworks, publishers etc hence it is essential to track downloads via source and post download user actions.

Ad Tracking & Post-Download Conversion Tracking



Having the right attribution platform in place enables a marketer to track (see Table 6):

- Cost Per Install (CPI)
- Cost Per In-app Action (CPA)
- Revenue Share
- Network Optimization
- Retargeting

Table 6: Importance of Attribution

With Out Attribution	With Attribution
Spray and pray	Highly targeted campaigns
Highly fragmented app discovery	One platform for all channels
Multiple SDKs per channel	Single SDK
Poor campaign visibility	Clear visibility and insights
Long campaign setup time per channel	Zero setup time
Poor ROI measurement capabilities	ROI measuring capabilities

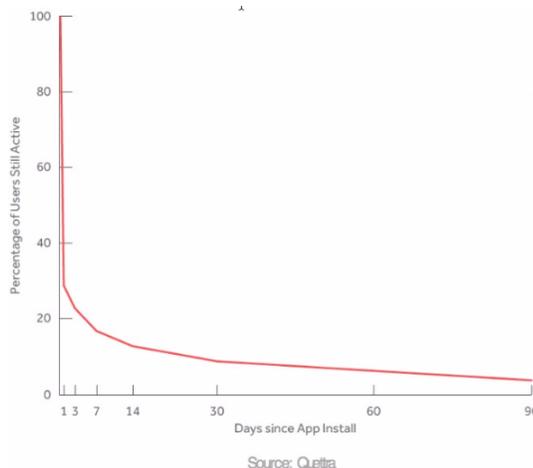
Retention & Engagement

Post-acquisition (or download), marketers need to ensure from the first app open that the users will come back again and again (20% of users abandon an app after their first experience). Another part of the acquisition puzzle is what happens during that first app open - and how to engage users with valuable information from the get-go.

With an average of 10,000 new apps launched in the app store every day, it is no doubt hard to catch users' consistent attention. There is always a temptation for users to abandon the app or divert attention to another app. The Engage stage of the lifecycle aims to optimize the app experience to meet user expectations and to reach users at the right time, with the right message, through the right channel. In this stage, every interaction drives value for each and every user.

Day 7 average retention rate is less than 20% (see Figure 26)

Figure 26: App Retention Curve



Users decide which app to stop using within the first 14 days of downloading the app. With valuable experiences as the goal, engagement isn't facilitated by looking at static data or by concentrating too specifically on one metric. It's only actively improved when looking at both behavioral data (what are users doing in the app?) and profile attributes (who are they?) now, tomorrow, and over time to fully understand each user. Campaigns to engage app users won't work without a deep understanding of who they are, what they want from the app experience, and how they interact with the brand. In the Engage cycle,

Marketers need to:

- **Analyze real-time data** on session length and usage, time in app, screen flows, funnels, and other key analytics
- **Use insights** to reduce drop-offs, boost conversion, and create flexible target audiences
- Reach users at the right time with **personalized push** and in-app messaging based on segments as small as one but never as big as the whole audience (in other words, no mass-blast campaigns and more personalized touchpoints)
- **A/B test** what works and what doesn't to drive further mobile engagement
- **Nurture users** with cross-channel reminders such as remarketing and email marketing campaigns
- Build understanding of the user, test new content based on the growing knowledge, **learn from the results** and iterate based on that knowledge
- **Measure the impact** of each and every interaction on engagement over time to ensure your efforts are paying off and not having an unintended, adverse effect

It is important to segment users into custom audiences (see Table 7)

Table 7: Retargeting Strategy Based on User Type

User Type	Retargeting Role
Inactive users	Entice them to use the app
Active users	Promote premium services
Recent buyers	Upsell
Heavy shoppers	Drive repeat sales; cross-promote
Users about to purchase	Identify and bring them to your app
Cart abandonments	Invite to complete transaction
Segment target lists	Specified messaging for each target group

Retention isn't just an app goal, it's a business goal. Brands today are realizing the increasing importance not of acquiring new customers but of continuing to build relationships with current customers. Both are important, of course, but historically the concentration on the latter has been lesser.

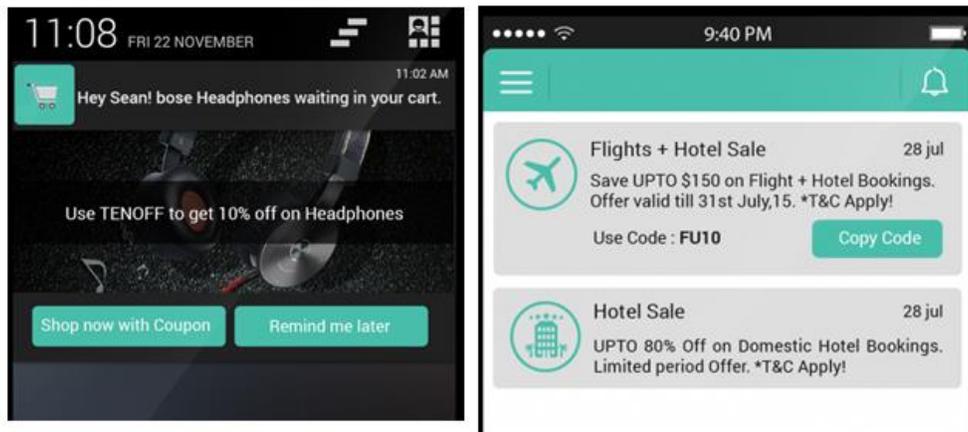
Focusing on retention means creating loyalty amongst customers. Making their experience with the brand better. After all, it costs more to acquire a new user than it does to keep an existing one. More importantly, loyal customers are great brand advocates for the app, helping to always improve the experience and influencing others to use the app. The reality though is that preventing churn is a big challenge for marketers today. It can be difficult to uncover the right data indicating churn risk, and so retention numbers dwindle. The entry of many app analytics and marketing tools now equip marketers for every stage of the app user lifecycle.

To improve user retention, marketers need to:

- Know what behaviors are tied to conversion to unlock mobile ROI and proactively encourage those actions to users who haven't completed them yet
- Uncover which of users are high-risk and why - and use this data to prevent churn by improving the product or re-engaging them with the right push, in-app and email messaging
- Discover app experience roadblocks leading to churn and optimize the product to remove churn-related roadblocks
- Create remarketing and email campaigns to reach customers across different channels and bring them back into the app
- Complete the loyalty loop by asking the most loyal users to tell their friends, rate the app in the App Store and provide feedback on what features they'd like to see next

One of the simplest but most effective tactics to increase in-app engagement is app messaging. This includes **push notifications**, which reach app users even when the app isn't open on their device, and in-app messages, which reach users while the app is open (see Figure 27)

Figure 27: Push Notification Snapshot



Push notifications can be extremely effective at encouraging app usage. In a March 2015 study, Localytics examined the number of times an app was used during the first six months of ownership based on whether push notifications were enabled or disabled. 56% of app users who used the app at least 11 times had push notifications enabled. Among those who had notifications disabled, the number was just 37% (see Figure 28)

Figure 28: Impact of Push Notification on Usage

Number of Times Mobile Apps Were Used During the First 6 Months of Ownership Among US Mobile App Users, Push Notifications Enabled vs. Disabled, March 2015
 % of total

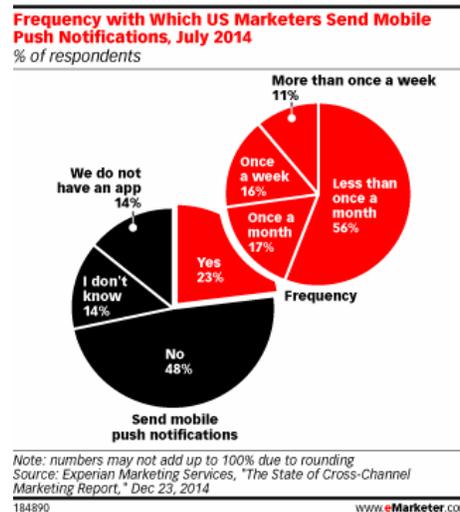
	Push disabled	Push enabled
1	25%	11%
2	11%	8%
3	7%	6%
4	5%	4%
5	4%	4%
6	3%	3%
7	3%	3%
8	2%	2%
9	2%	2%
10	2%	2%
11+	37%	56%

Note: includes apps for mobile phone, phablet and tablet; read as 56% of users who downloaded an app in Q3 2014 and enabled push notifications opened that app 11+ times by March 15, 2015; numbers may not add up to 100% due to rounding
 Source: Localytics as cited in company blog, June 12, 2015

191715 www.eMarketer.com

The main caveat with push notifications is it can be difficult to figure out the right number to send. Send out too many, and users are likely to simply turn the notification off or delete the app altogether. Marketers often struggle to find the sweet spot between too many and too few push notifications to drive engagement. Below is the push notifications frequency for US marketers (see Figure 29)

Figure 29: Push Notification Frequency



Marketers need to **implement deep links** within an app in order to get additional insight into the success of app retargeting campaigns. Not only does deep linking let app marketers measure performance in different sections of an app, it also simplifies retargeting campaigns so that marketers can more easily track how different promotions encourage specific actions. When combined with user segmentation, deep linking has the potential to be a powerful tool for app marketers.

Case 1: A good push notification campaign resulting in higher app usage

Who: A TV channel with presence in several countries. A majority of their mobile users use their app to watch episodes of their favorite TV shows.

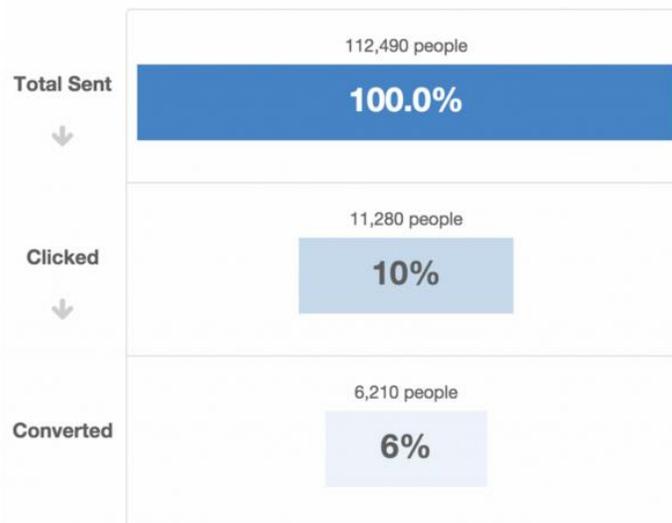
What: They wanted to notify their mobile app users of new video episodes of a particular show as soon as they were available for viewing, but didn't want to spam the entire user base.

How: They created one recurring push notification campaign per show, which reaches only those users who've liked or watched videos of that show previously. The notification goes out right after newer episodes of that show are uploaded. Each notification has a deep link to the particular episode that has been newly uploaded.

Results: A user ended up watching, on an average, 8 to 10 videos on the mobile app every time the targeted notification is sent. Apart from increased app engagement, it also results in getting some lost users back (see Figure 30)

Previously, most of their users would download the app, watch a few episodes and then "forget" about the app. Now with the targeted push notifications, the TV channel is not only able to notify the existing app users about new episodes of their favorite shows, but also make them open up the app and consume video content via deep links.

Figure 30: Push Notification Funnel

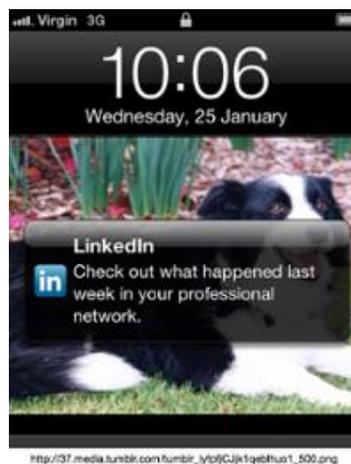


Case 2: A non-engaging push notification campaign

Who: LinkedIn

The Problem: In this campaign, LinkedIn sent a push notification to their users to check out what happened over the past week in their network. Push notifications should add value and provide the user with a reason to click on it. All LinkedIn is doing with this message is defining what their company does. The whole point of LinkedIn is to connect users with their professional network and stay updated. It would be like a news channel messaging its users with, “Check out what happened in the news this week.” (see Figure 31)

Figure 31: Push Notification Snapshot



What They Could've Done: A push notification needs to be more engaging and the message not too stiff. A push notification notifying the users when someone in their network has a new job or posted an article will result in better engagement. Another option would be to provide a call-to-action like “Jack has endorsed you for App Marketing, tell him ‘thanks’ by endorsing him back!”

Conclusion

It is essential for every brand today to have a strong mobile presence and more importantly a plan to gain from the rapid proliferation of apps. While the mobile space presents great opportunities for brands, there is no single recipe for success. With mobile now at the core of user experience, marketers need to find the right balance between promotions and user experience. Brands who are willing to invest in the mobile learning curve will stand out from the clutter and gain a great competitive advantage.

The biggest challenge facing marketers today has little to do with how the app works. Marketing an app has been identified as the single most challenging task for any brand. Marketers who are willing to invest time and effort in solving the app discovery and app retention challenge will stand apart. With the right strategy in place, an app can turn out to be extremely profitable for a brand.

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