

COLUMNS

## Big mistakes that app marketers make daily

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If you are a marketer or retailer with applications, I have some bad news for you.

**According to Nuance**, 95 percent of apps are abandoned after the first month. That means all that hard work of coding and marketing an app could be null and void within 30 days of that crucial download.

Add to that this stat from **AppsFlyer's The State of App Marketing**: the average retention rates beyond 30 days across Android and iOS apps run at just 5 percent. You can see the problem?

Numbers do not count

We have become obsessed with acquisition. We measure an app's worth in installs and we are still being seduced by numbers. And that means we are thinking one- dimensionally.

It is almost like we have completely forgotten the lessons that Web analytics have taught us: do not just focus on the volume of traffic focus on the quality of that traffic and the interactions that traffic drives.

That is a lesson that we can apply directly to our app marketing efforts. We do not just need installs we need installs that convert into quality users who will regularly engage with our brand through their smartphone.

As a digital marketer, you do not just measure visits to your Web site anymore. Now you leverage strong attribution to better understand what those visits actually mean to your business. Did those visits result in a sale? A newsletter sign-up? An in-store visit? A phone call?

We need to apply the same rigor to our app analytics and marketing efforts that we apply to our Web interactions.

At Google, our customers are asking us to help them more easily optimize their marketing to attract the best quality users for them. Earlier this year at Google I/O, we **announced** the next generation of our app ads to help them do that.

Java code

Two or three years ago, no one was talking about lifetime value (LTV). Now it is everywhere.

If there is one stat that shows the problem with ranking acquisition over LTV, it is this: just 17 percent of your users are responsible for 85 percent of your app revenue, as highlighted by **Radium One's State of Mobile Acquisition report**.

Radium's report defines a high-value user as someone who has generated revenue through in-app purchases or has

used your app every day for the last 30 days. These are the people you want to reach. But finding more of these users requires a major shift in the way you think about your audience.

First things first, you need to identify the goals for your mobile app.

Ask yourself, "If my mobile app is a huge success, what will that mean for my business? Will it improve my in-store sales? Online sales? Customer loyalty? Customer service?"

Once you know that, you can start to think about the key performance indicators (KPIs) you want your app to deliver on. Is it coupon redemption? Loyalty card uploads? In-app purchases? Or account sign-ups?

In the case of loyalty cards, [Starbucks offers a shining example of excellence](#). Its loyalty program has 12 million active members in the United States, 16 percent up from last year. Just under a quarter (24 percent) of U.S. orders were paid for via the Starbucks mobile app in the first quarter of this year.

This increase in loyalty program adoption, coupled with the convenience of mobile payments, has seen Starbucks app users spending three times more than regular customers.

On track

Remember, optimize your marketing towards long-term value, make sure you have an attribution solution in place, and then track it. Constantly.

Tracking will help you figure out which channels are working better than others, whether that is paid or organic.

Indeed, organic or free mobile search (that is both mobile web search and app store search) accounts for 67 percent of all app discovery according to a [recent Tune study](#).

You should also consider how your marketing spend is allocated.

Although search ads are the number one paid source for discovering new apps, according to [eMarketer's Mobile Advertising and Marketing Trends Roundup](#), display, social and video ads also play a crucial role in app discovery.

Ensuring that you have the appropriate approach for each of these marketing channels is critical for maximizing your app's discovery and engagement.

Finally, how are you re-engaging with people who have already installed your app? You will need to consider how you use that data to give your existing install base the value that they need to get them coming back to your app time and time again.

BY MOVING BEYOND the app install, you will find that your efforts become about delivering quality to your users.

When it comes to your marketing plan, quality will beat quantity every time.

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