

RETAIL

Why September is the best month for acquiring mobile customers

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Image courtesy of Bloomingdale's

By CHANTAL TODE

Retailers looking for an upper hand on mobile this holiday season may want to boost their efforts to drive installs in September, when acquisition costs are at their lowest while install-to-purchase rates are still high, according to a new report from Liftoff.

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The analysis of 44 popular shopping applications found that acquisition costs during July, November and December traditionally popular shopping months were as much as 70.5 percent more expensive than in September. A key takeaway is that, with mobile sales during the holidays likely to spike again this year, retailers should start early to introduce new mobile shoppers to their apps.

"The big news for retailers is that the traditional crunch times' of the year for retailers back-to-school and Black Friday are actually not when they should be allocating the most effort and dollars to acquiring new customers, particularly on mobile," said Mark Ellis, CEO of [Liftoff](#).

"The most surprising finding was around seasonality and acquisition costs in September," he said.

The report is based on an analysis of 4.6 billion impressions and over 1.9 million app-installs between May 2015 and April 2016.

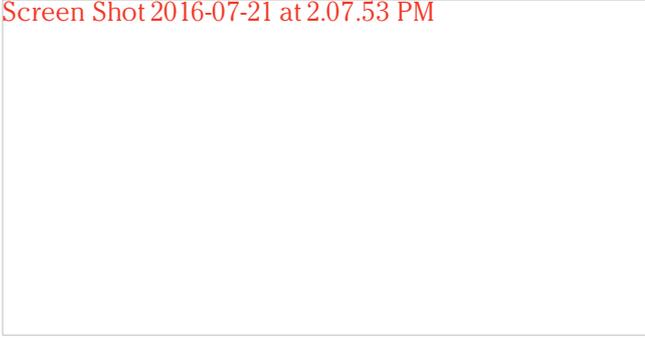
Valuable customers

Key findings include that the cost per first purchase was \$87 in September, the cheapest month during the year and the month boasted the third highest install-to-purchase rate at 5.8 percent, making it the best time to acquire new mobile shoppers.

For retail marketers gearing up for the Thanksgiving weekend shopping bonanza, the findings suggest they should target September to maximize their investment. Boosting acquisition efforts in September and then focusing on re-engaging those users in November and December could be a more cost-effective approach than focusing on driving downloads during July, November and December.

On average, marketers spend \$114 to acquire a user who goes on to make a purchase. Those who do make a purchase are typically valuable customers, with the average mobile purchaser making three or more transactions and spending an average of \$68 per order within 5.5 months.

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However, only 4.3 percent of users who install a shopping app go on to make a first purchase, contributing to the high acquisition costs.

Savvy marketers are looking at how to move beyond installs and convert users into repeat shoppers.

Gender differences

The report finds some key differences in how men and women engage with shopping apps. Women are 27 percent more likely to make a purchase in a shopping app than men even though retailers spend nearly the same amount acquiring each.

Additionally, women take just 4.5 days after an install to make their purchase compared to 6.8 days for men.

Overall, getting to the purchasing stage after installing a shopping app takes 5.5 days with the second purchase occurring 7.5 days later.

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Spending amounts are similar between genders, with men spending an average of \$66 per purchase compared to \$68 for women.

While acquisition costs are more expensive during back-to-school and holiday shopping periods, conversion rates and overall spending still make the costs worthwhile and provide a large return on investment.

With this in mind, Liftoff recommends that retailers continue their efforts during these periods while also focusing on September to maximize their profits.

"Retailers must consider how long it takes the average user to make their first purchase after install," Mr. Ellis said. "Mobile users who download the app and complete a first purchase are far more likely to become repeat shoppers.

"This shows that retailers need to re-engage with these users who have made their first purchase, and take these numbers into consideration in order to re-engage users at the most valuable time," he said. "If retailers proceed with this in mind, they'll see higher conversion rates and mobile revenue overall."