THE BEGINNER’S GUIDE TO APP MARKETING

Localytics
A Beginner’s Guide to App Marketing

Congratulations! If you’re reading this, it means you have launched a mobile app into the market, which is a big accomplishment. It shows you know the value of investing in mobile, a channel that is growing quickly. More and more money is being spent by consumers in apps, and mobile is becoming the revenue channel we’ve expected it to be for the past few years. In fact, app store revenue is being quickly eclipsed by non-app store revenue, driven mainly by mCommerce in-app spending.

The way for your brand to harness this revenue trend is to use app marketing in the same way you’ve used web marketing to improve engagement; that is, in the way web marketing has worked to improve pageviews and time on site, app marketing should track engagement through user sessions, session length and retention. Despite the prominence of mobile apps and the growth in mobile usage, app marketing is still underutilized by most marketers, and getting started with even basic programs can be a tough sell.

But with the right program, you can turn insights on app user behavior, demographics, and more into targeted mobile app marketing campaigns to boost usage, convert users, and increase mobile revenue.
In this guide, we’ll cover the new world of app marketing, detail app marketing strategies, including best practices and potential campaigns to try, and give you the resources you need to ensure success.
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So What Exactly Is “App Marketing”?

App Store Optimization and Launch

Creating an app launch strategy is a crucial part of your overall marketing plan. When submitting to the app store, brands need to optimize their listing with product screenshots, matching keywords, and other proven organic tactics. To spread the word, take to social, talk to users, and run awareness programs that highlight your app as the best in the biz.

These are all necessary steps, but where many businesses get stuck is in categorizing downloads as the primary success metric (we cover why downloads are an empty metric in A Beginner’s Guide to App Analytics). In actuality, there’s a lot more that goes into creating successful, long-term app marketing than simply tallying downloads. Think of how much effort marketers have put into web marketing over the years – ongoing campaigns are now indispensable to the growth process.
The Next Stage in App Marketing

When it comes to the future of mobile revenue, the fastest growing segments are those fueled by app marketing. By this, we don’t mean a marketing strategy that drives users to download an app, but rather, the marketing campaigns you run to acquire, engage, retain, and convert app users. From paid acquisition to purchasing, these campaigns work to move your user through the desired funnel, delivering higher long-term value and promoting engagement over time. In this sense, app marketing is strikingly similar to web marketing: both serve to drive value and revenue over time.
Moving Past “If You Build It, They Will Come”

If you have a clear vision for your app, and are tracking the right metrics, you don’t want to miss the opportunity to steer users in the most profitable directions in-app. While ultra-engaged users will explore your app further and find the features and channels that are most valuable, some users may need that extra nudge. There are two ways to accomplish this: you can optimize the screen flow and layout of the app so users find things easier, or you can shortcut the discovery process with timely, relevant marketing. While both methods are valuable, app marketing can get you to engagement goals faster.
Harnessing Your Analytics

Every organization has key questions to answer and core problems to solve. Without defined wins and proper measurement, it’s impossible to tell if your brand is on the right track, or headed for failure. So why would an app be any different? To assure the development and release of your app is much more than just going through the motions, setup some tangible success metrics and follow them closely.

One of the best ways to set up app marketing to meet your goals is to segment users and tailor the experience according to user behavior. The worst way to accomplish this is to blast the same offerings to all your users and never refine the experience. Creating segments within your analytics ensures that you’ll be able to define your audiences clearly, and use those defining characteristics to drive marketing strategy. In segments you can track minute details like date range, action taken, gender, and other characteristics that give you deep insight into how your users are acting.

For all conversion-based goals, you’ll also want to set up funnels
within your analytics. App funnels are defined the same way as web funnels: they are the process you want your user to follow to convert on a desired action. Having these in place will enable you to measure the most important actions prompted by your marketing campaigns.

It’s also important to listen to your analytics. In many ways, tracking the way a user organically interacts with your app can inform the strategy of your campaigns. Using a combination of holistic observations and structured analytics will give you the insight you need to jump into app marketing.
Acquiring users is the first step to creating marketing success. Acquisitions are the number of users who download and install your app from a certain location, through organic search, word-of-mouth, paid campaigns or in-app referrals. But most brands primarily invest in and measure paid acquisition campaigns from channels like Facebook or ad networks.

Running paid acquisition campaigns requires identifying the right channels, targeting the right potential users, and analyzing the value of those users over time. This is a case in which closely tracking your analytics is essential to creating a profitable program. It all comes down to ROI, and not just in terms of downloads per campaign. You should analyze the long-term value of acquired users against organic users, and segment audiences to A/B test or promote conversions through different
app messaging campaigns.

For example, you can use behavioral analytics to determine if your paid-to-acquire users are becoming powerful influencers or super fans, demonstrating a better ROI and pinpointing worthwhile channels. If instead these users are under-using your app, you can clearly identify which groups and campaign sources need revisiting, and test different paid channels, types of ads, and targeting techniques.

It’s easy to misjudge an acquisition campaign early on based on preliminary data. If you have a figure in mind, particularly a number of desired acquired users, it can be easy to write off a channel that didn’t deliver based on your initial goals. But what these earliest metrics don’t reflect is the lifetime value (LTV) of a user. LTV is a critical part of measuring ROI, as it allows you to track how much a user is worth over his or her lifetime, and isn’t clearly identified based on vanity metrics like downloads.

Use the information you gain from segmentation, retention analytics, and other metrics to determine the paid channels with the best ROI, and concentrate your acquisition efforts on those areas that have seen the greatest return. Much like with web marketing programs, deciding where to focus your efforts and budget is a give-and-take, and can vary based on testing and evaluation.

**Interaction**

Marketers know that design and UX changes are crucial to improving app usage and brand interaction with users. But there are better and easier ways to improve communication and
encourage users to take specific paths, particularly, in using push and in-app messaging. Mobile behavior is personal and unique to individual users, so interacting with your app user through in-app and push messaging campaigns is deeply rooted in targeting and personalization.

**Push messaging**

Push messaging allows you to deliver messages to the user’s home screen or while he or she is using a different app. They are the app marketing form of a tap on the shoulder. It’s natural to assume that a good app experience will always keep users coming back for more, but the truth is that user retention is a challenge when there are about a thousand things competing for someone’s attention in a given day. By sending users push notifications, you open the door for re-engagement with your app.

Great for prompting immediate interaction and engaging users not currently active in your app, push messaging directs attention to a desired action. Users who opt-in for push notifications are a high-value demographic, as they tend to be more engaged with the app on a regular basis. But often, push messaging comes down to three key considerations:

1. **Content**
2. **Frequency**
3. **Timing**

No one wants to receive three push messages at 2am promp-
ting them to buy some shoes. Sending too many messages, disregarding time zones, and product pushing are three ways to immediately ensure a failed campaign. Failing to target properly is a common mistake, and for every vertical, sending push messages to all of your users is a bad idea. When a push message isn’t relevant to someone, they will view it as spam, and may turn off notifications from your app in their phone settings. **To avoid this situation, use your audience segments based on in-app behavior to send push messages centered on this criteria.**

*By sending users push notifications, you open the door for re-engagement with your app.*

When done right, push messaging can drive latent users back to your app and bring awareness to mobile campaigns. Because of the inherent nature of push messaging, there are certain types of campaigns that tend to be the most successful:

**Timely Reminders**

Alarm, calendar, to-do list and other time sensitive apps use push messaging to relay reminders to the user. Because push
Similarly, mCommerce apps can also use push messaging campaigns to promote special offers. Using push in this situation is less common, given that users don’t typically want to be bombarded by coupons and notifications (think of where email has gone in the past few years). However, if you’re running a mobile-specific offer, a push notification is a good way to notify your user segment of the deal. Often, time-sensitive offers like flash sales work particularly well for push message campaigns, and can be paired with in-app messages to further drive in-app purchases.

**Special Offers**

Similarly, mCommerce apps can also use push messaging campaigns to promote special offers. Using push in this situation is less common, given that users don’t typically want to be bombarded by coupons and notifications (think of where email has gone in the past few years). However, if you’re running a mobile-specific offer, a push notification is a good way to notify your user segment of the deal. Often, time-sensitive offers like flash sales work particularly well for push message campaigns, and can be paired with in-app messages to further drive in-app purchases.

MCommerce apps also have the potential to provide a tailor-made experience for their users based on user behavior by alerting users of items or brand activity in-app that would be relevant. For example, if a set of users always flock to Nike brand products in your mCommerce app, they would likely appreciate and engage with a push message about a new Nike product.
For media apps, push messaging can also work to gain more subscribers. In this vertical, the most common challenge for apps is to convert passive users to active subscribers. Without the right incentive, those who casually view content on your app won’t pay to subscribe for access to your best features and articles. It’s here that push messaging offers a great way to convert users to paying subscribers, and to save the app experience from being tainted. By sending unsubscribed users a push message for X% off a subscription for a limited time only, you can, at best, turn many passive users into active ones, or, at worst, re-engage some latent users who may have ignored your content for a while.

**Making Critical Information More Accessible**

Much like reminders, informing users of critical information is best done in a push message. Take a travel app, for example. Though most people look forward to reaching their destination, the journey is often stressful. Travel apps limit many frustrations by providing critical trip information to users via push messages. Things like flight status updates, airport security alerts, destination weather advisories, and other notifications save users from plunging into internet research to find answers to personal travel questions.

While other app verticals run the risk of over-messaging, travel apps can usually skirt this risk by providing relevant information
at important moments during a user’s trip. Don’t start messaging users about new taxi services in the area, but do keep users “in the know” about potential delays that will affect broader plans as soon as possible.

“We’ve Missed You!” *(So Try This Feature)*

On its own, “We’ve Missed You!” isn’t a very interesting push campaign. But as you become more sophisticated in your analysis of your users through event tracking, retention analysis and LTV reporting, you will see connections between particular features, repeat app usage, and revenue. Once you discover these signature features, you will know what those features are that you’ll want to draw attention to in order to bring latent users back into the app.

**In-app messaging**

In-app messages are notifications displayed while the user is active within the app itself – also referred to as native app content – that create a structured nurturing process and prolong session time. One major benefit of in-app messaging that makes it stand out from the pack of other mobile marketing tactics is how naturally the messages fit in with the user experience.
Net Promoter Score (NPS) is a metric pioneered in the early 2000’s by Fred Reichheld that enables companies to gauge customer loyalty. The one-question survey asks customers to rate on a scale of 1 to 10 how likely they are to recommend your company. With in-app messaging, you can set up an NPS campaign to collect survey responses around this metric and use this data to drive future marketing campaigns.

Whereas other tactics like ads or push notifications can sometimes feel interruptive from the user’s perspective, in-app messages feel like they are just a part of the app. Mobile app publishers can play up the quality of these marketing campaigns even more when they focus on targeting the in-app messages to certain segments of users.

In-app messaging campaigns come in all shapes and sizes, depending on your brand’s goals and creativity, but there are a few popular ones that brands run regularly to improve engagement and prompt action.

**NPS Campaigns**

Net Promoter Score (NPS) is a metric pioneered in the early 2000’s by Fred Reichheld that enables companies to gauge customer loyalty. The one-question survey asks customers to rate on a scale of 1 to 10 how likely they are to recommend your company. With in-app messaging, you can set up an NPS campaign to collect survey responses around this metric and use this data to drive future marketing campaigns.

NPS is directly applicable to mobile as it empowers organizations to retarget NPS responders with
A follow-up series of in-app messages that are especially relevant given their relationship with your brand. You can retarget “promoters” with an in-app message that encourages them to rate the app in the app store, providing happy customers a place to publicly endorse your app. This makes the most of the positive sentiment from the one group by increasing the number of positive reviews in for the app listing, which in turn increases mobile app user acquisition. In parallel, brands can target detractors by encouraging them to share concerns in an internal feedback channel, still providing them with a place to voice concerns or ask questions.

Driving Attention to App Features and Upgrades

You’ve spent time developing new features and launching another version of your app, and that shouldn’t go to waste. In-app messaging can be used to drive attention to these new features, something users will most likely be interested in learning more about.

For example, finance apps typically have several layers of depth, though most users will just skim the surface of functionality. While optimizing feature layout and emphasizing certain tools will lead to more desired actions over time, in-app messaging can direct users to target behaviors more urgently. An informative in-app
message, highlighting new and helpful features can drive users deeper into the experience and deliver more value for them and your brand.

Plus, to drive engagement, you want users on the latest version of your app. You can prompt users to upgrade to the latest version of your app with an in-app message campaign when you have the new version of your app available. Localytics customer Swagg, for example, uses in-app messaging to prompt users to upgrade their app and makes the call to action that much more enticing by also drawing attention to a feature the user will be able to take advantage of on the new version.

**Sales and Coupons**

Mobile users love great deals. In fact, according to Juniper Research, consumers are 10x more likely to redeem mobile coupons than print coupons. And now, with the rise of in-store proximity payments, consumers are regularly turning in mobile coupons and using app loyalty programs at brick-and-mortar establishments. When it comes to mCommerce apps, there are few things that trigger engagement and conversions more than mobile offers.
Because this kind of in-app campaign asks the user to actually spend money, it’s important that it be well targeted to the right audience. Here’s where your user segmentation again comes into play: creating offers that are tailored based on past in-app purchasing behavior, product items viewed, or account history are more likely to succeed and, also important, less likely to turn a user off.

**Rewards Programs**

In the same vein as the previous suggestion, mobile consumers love ways to use their apps to save money and earn rewards. To do this, users may need to complete a user profile or add loyalty card credentials. However, this requires the completion of several steps in the app that the user may forget, or decline, to complete – no matter how much they want to earn those rewards. Track users who drop-off from registration funnels, segment them, and roll them into re-engagement campaigns that remind them of the value that awaits them once they complete registration.
**Personalization**

The key to successful customer engagement is to think about personalization and context. Context is important: an in-app message or push message should be relevant to the user because it is related to what the user is doing now or has done in the recent past. When we talk about personalization, we mean targeting a larger group of people who exhibit the same behaviors and features.

Within your app marketing, you should be personalizing based factors like location, purchasing behavior, device, usage, and loyalty, so that your campaigns are reaching the right audience.

**Events That Trigger Personalized Responses**

When app users complete an event in-app, they have identified something about themselves to further your campaigns. Events can help answer questions like “Which app users have looked at a product page this week but never purchased an item?” but can also be used to trigger immediate personalization. For example, say you have a fitness app that allows users to track their workout routine. You could create an event that tracks when a user indicates they are a runner based in Boston, and open the app to track their run time. Once this event is completed, you know that much more about the user. Now, you can set up an automatic program that, when the “running” event is triggered, serves up an in-app message to the user suggesting popular running routes in the city.
A/B Testing

Personalization is a big part of evolving in-app and push messaging campaigns, but it really comes into play when A/B testing your marketing. If you’re comfortable testing web pages, then A/B testing of app content will be the easiest marketing transition, with the most to gain in terms of functionality. Testing mobile apps has historically been more complicated than testing a website or an email, both in scale and in execution. And when it comes to development alone, you don’t want to waste precious time needlessly altering code and re-uploading to the App Store. But thanks to automated platforms, mobile app marketers now have the opportunity to run A/B tests quickly and easily and get immediate, actionable insights.

“Testing mobile apps has historically been more complicated than testing a website or an email”

For example, an eCommerce app can improve its checkout process by testing buttons, icons, colors, and screen layout to see which structure funnels more users to a completed purchase, and ultimately which testing group has higher lifetime value (LTV). Every funnel has some minor or major bottleneck, and A/B testing can expedite the process of improving the user flow, with results in real time.

While the web world focuses on alternating visual features to find more conversions, apps add the ability to test around events, or actions users take on particular screens. Events provide more
qualitative user information because users can be grouped by events, and tracked throughout other app interactions.

A/B testing also comes in handy when experimenting with push and in-app messaging campaigns. Determining what content, offer, and context works best within these campaigns by running A/B tests sets you up for success, giving you the chance to build effective marketing over time.

**Tracking Campaign Success**

As we’ve covered, within campaigns, you can track key events, or actions, highlighting which triggered events are most important to your app. This could mean improving the number of articles read in your news app, or prompting users to purchase using an app-specific coupon code in your mCommerce app.

You can engage the right user at the right time by leveraging customized user segments to create personalized app messaging campaigns. And in using analytical insights and A/B testing, you’ll be able to see greater return on your app as a whole, creating loyalty and greater LTV. Here are the three metrics you’ll want to track in any app marketing campaign:
Impressions

Impressions are the number of eyes that hit your campaign prior to triggering the desired event. If you see low impressions, it means that you need to broaden the reach of your campaign. In particular:

- If your in-app messaging campaign is triggered by app opens, think about driving more app opens through a push messaging campaign.

- If your push messaging campaign is seeing low impressions, it is likely a case of low monthly active users (MAUs) and you may want to crank up your mobile app user acquisition efforts.

- If your campaign is triggered by an in-app event, you need to evaluate whether or not the audience, which could be relatively small, is achieving a sufficient conversion rate and lifetime value (LTV) to validate the campaign. If not, you may want to redirect your efforts to larger segments.

Click Through Rate (CTR)

Having a high CTR sets your campaign in motion; it signals the interest a user shows in the offer and the action he or she takes to move forward in that funnel. CTRs are dependent on ad creative and copy, design, and displays on different devices and operating systems.

If your metrics indicate a low click through rate, consider the following:
- **Design performance:** Does the ad creative on your in-app message show up blurry or warped on certain devices or operating systems? This may require further investigation.

- **Ad copy:** The text, and even the translation to other languages, could potentially be improved to more clearly nudge users towards a call to action.

A/B testing your copy and creative can drive more clicks, and subsequently, more conversions. Similar to other marketing channels like banner ads, landing pages and email, simple ad copy tests like comparing the effectiveness of “Buy Now” versus “Checkout” on conversion buttons can deliver major results.

**Conversion Rate**

Conversion rate is a standard, across-the-board metric, but within app marketing campaigns you can customize what your conversion action is, and measure multiple per campaign, including checkouts, downloads, and others. You can set up 3-4 conversions within a campaign, and analyze screen flow, drop off metrics and completion rate to measure success.

Most of your app marketing efforts are going to come down to conversion rate, as it is the primary goal of any app campaign. It will help you decide which offer and messaging channel is most successful, and lend credibility to your A/B testing efforts.
Measuring, Iterating and Improving

App marketing isn’t a set it and forget it project, and often, you’ll find that the best campaigns come from previous, perhaps failed, efforts. It’s not just an ongoing effort, but a multi-channel one, too, and should act as a piece of your overall brand marketing plan. Creating a holistic, thoughtful approach to messaging means better app usage analytics, more engaged users and higher mCommerce revenue. And, just as importantly, the user will feel that he or she is getting the best experience possible.

Experiment Within Your Data

Experimenting is half the fun of marketing. While use cases we’ve outlined here are fantastic idea starters, the best ideas for your app marketing campaigns will come from your data. Analytics should drive your campaigns, whether that is tracking what in-app features are popular among your users or what segments of users are more engaged (and those who are not). By doing this, you’ll be able to deliver the best campaigns that help your users achieve what they want to with your app and help you hit your goals.
We’ve touched on this already, but now is the time to emphasize it: the best app marketing is judged based on ROI and user LTV over time. Jumping to immediate conclusions, disregarding audience segments, and giving up on certain campaigns because they don’t yield immediate results is a mistake. While it’s easy to get caught up in user engagement data that tracks the occurrence of specific events in your app, LTV is arguably the definitive metric when it comes to getting a broad-level view of your app’s success and improvement over time. The more you see LTV increase, the more successful your app is.
Getting Started

Choosing a tool that both measures app analytics and allows you to create mobile marketing campaigns is essential. Localytics enables you to put your data into action, including providing the ability to run in-app and push messaging and A/B testing easily from within the platform. With the Localytics platform, you’ll be able to close the loop on mobile analytics and marketing, ensuring that your programs are set up for success.
Reading List

**A Beginner’s Guide to App Analytics**

Make sure you’re tracking and analyzing the right metrics to inform your app marketing and gain insights into user behavior.

DOWNLOAD NOW

**The Ultimate Guide to App A/B Testing**

Learn everything you need to know about running successful mobile A/B testing, all without having to ship a new line of code.

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