

Mobile Marketing Automation

The Marketer's Guide to App Retention

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04.15 TERADATA DIGITAL MARKETING

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Introduction

Why Mobile Marketing Automation and Why Now?

The mobile app revolution of the last few years opened up an entirely new way for companies to engage with consumers. Today, over 3 billion people are tethered to their smartphones nearly 24/7, downloading more than 100 billion apps per year, and spending up to four times more time in apps than on the mobile web. This presents a massive opportunity for app publishers, agencies and brands.

But the market is also highly competitive, with over 2 million apps competing for mindshare and attention. Even with a well-designed app and a marketing budget to back it up, gaining exposure and building a loyal user base is tough work.

The sad reality is that 70% of people who download an app have deleted or completely stopped using it within 30 days!

In many instances, it's simply because they forgot that they installed it on their phone. It just sits tucked away on their third home screen. That's 70% of marketing dollars flushed down the drain, and an even bigger missed opportunity to grow a loyal user base.

Fortunately, there is an effective way to combat this reality and get people back into your apps more frequently: mobile marketing automation. Mobile marketing

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automation is the use of software to automatically send targeted, personal and relevant messages to your existing user base. Done right, using mobile marketing automation is very effective in:

- Increasing app engagement
- Re-engaging dormant users
- Driving up revenues (through more in-app purchases, etc.)

A successful mobile marketing automation strategy is more than just another advertising channel. It's a way to show your users that you understand and respect their lives, time and preferences, and provide them real value at exactly the right moments.

Retention: The Missing Golden Metric

Most marketers currently focus on user acquisition metrics like the number of new users, ignoring their retention rate—the percentage of users who return to your app based on the date of their first visit. By elevating retention as a key marketing metric, you can build a more loyal customer base while also stretching your marketing dollars.

The average smartphone user downloads 33 apps¹, but only uses an average of 6.5 apps in a 30-day period². When users continue to engage with your app after the 30-day honeymoon period, you not only save money but gain an advocate for your app. These advocates are more likely to encourage their real-life and

social media friends to check out your app, driving more organic installs and thus helping to build a strong user base. Frequently used apps are more likely to earn first home screen status.

Marketing organizations already find it effective to increase their customer retention through initiatives like email marketing, social media, and live chat. Using automated push and in-app messages to communicate with your users is the logical next step for those seeking to market and monetize their apps.

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1 Our Mobile Planet, US Edition. Google, 2013.

<http://services.google.com/fh/files/misc/omp-2013-us-en.pdf>

2 <http://www.supermonitoring.com/blog/state-of-mobile-2013-infographic/>



Put Your Focus on Customer Retention

Five Simple Steps For Increased App Retention

Many marketers struggle with app retention because they don't know where to begin. This guide walks you through a simple five-step process to help increase app retention and improve the overall performance of your app.

Step 1: Get to know your users

The first step in establishing a retention strategy is to create a detailed picture of your users. Think of it as doing a focus group on your users with the data you have on hand:

- Develop profiles of key user segments and define how they use your app.
- Give user segments memorable names that make it easy to communicate internally.

A good way to do this is asking questions:

- Do they use the app for entertainment or to get information?
- Do they need (or want) to use the app daily, or is it something they only need on occasion?
- What kind of information are they most likely to want or not want?

Then develop robust user profiles based on the data points you have on hand.

Example: Leading Social Game App

Typical user:

- 13-15 years old, male
- From the US or Canada
- Spends an average of 20 minutes playing
- High engagement for 3 weeks, then drops off abruptly
- Insight: Younger players are heavily engaged, but have short attention spans.



Example: Online Newspaper App

Typical user:

- 27-30 years old, female
- From the US
- Spends an average of 6 minutes on the app, high number of daily activations
- Insight: users like to be informed about big news stories and don't have an issue with push notifications.

Creating developed user profiles will make it much easier to design messages that will appeal to and address the needs of the user.

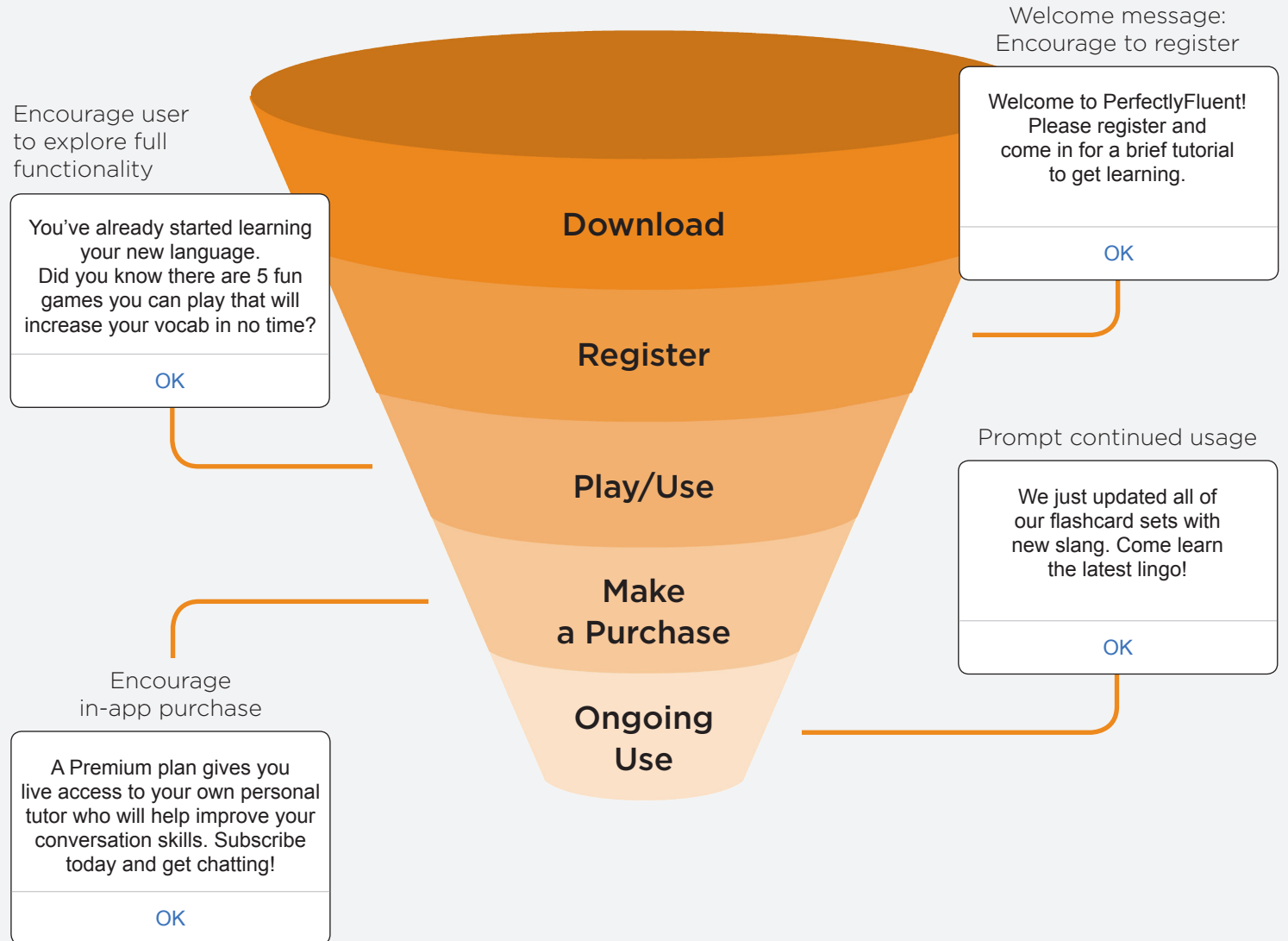
Step 2: Map Messages to the User Lifecycle

Once you have created profiles for your key segments, the next step is to write messages that map to the user lifecycle.

Start by identifying the key stages that a user goes through to becoming an engaged user, from the install (download, registration, etc.) all the way through to potential reasons for abandoning the app.

Next, write the actual messages that will work best to move users through each stage. The example on the right shows a lifecycle for a language learning app.

The lifecycle of an app varies by industry vertical and needs to be mapped and customized accordingly



Step 3: Activate New Users and Re-Engage Dormant Users

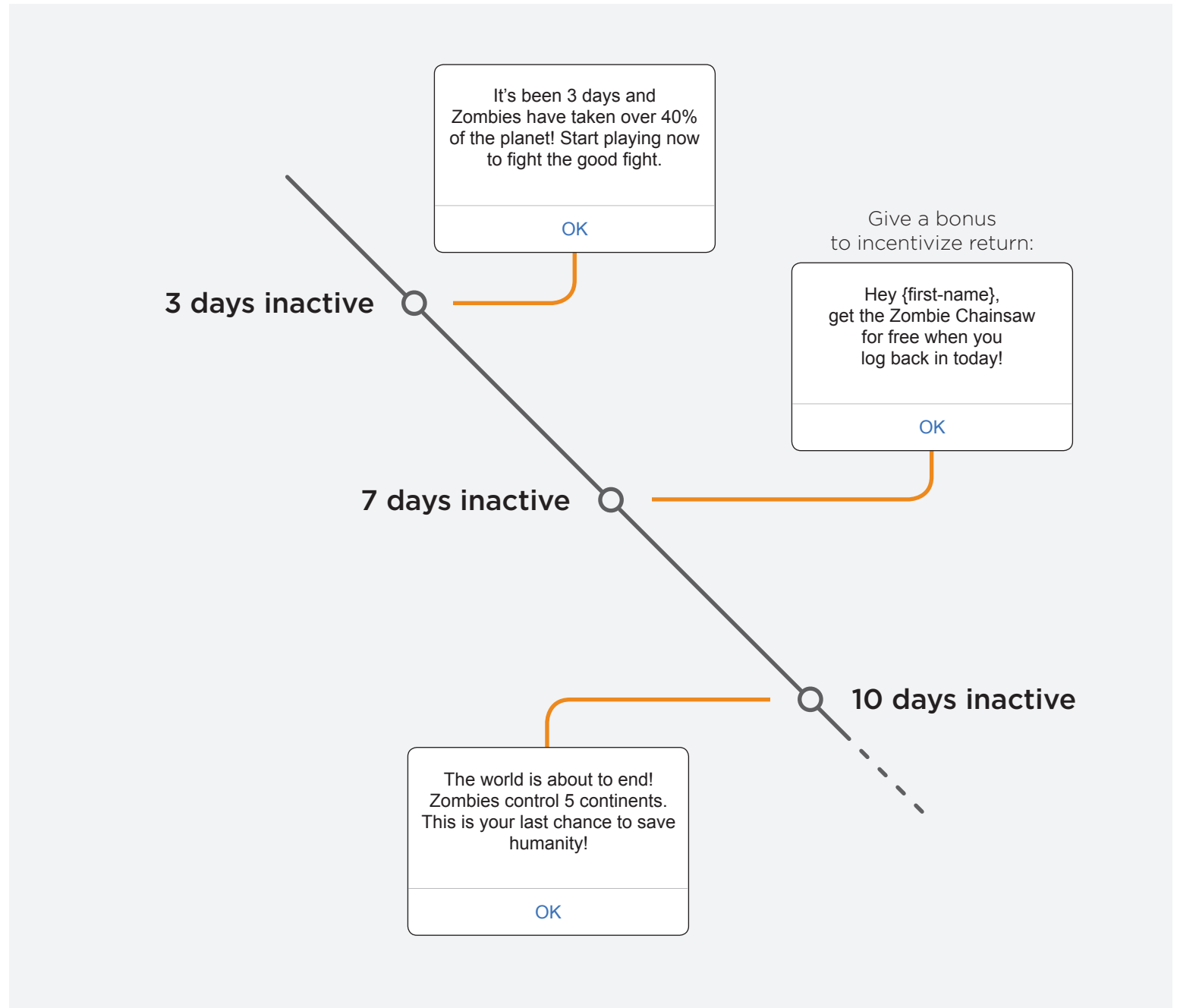
App retention has three aspects:

- Creating messages to keep current users active. (See “Step 2”.)
- Activating new users.
- Re-engaging dormant ones, i.e. those, who stopped using your app. This can be very attractive for you. For example, re-activating just 20% of the dormant users (assuming that 70% are dormant) will increase your active app user base by about 50%!

To engage with new users you should focus on reaching out to those new users who have used your app a handful of times but then gone silent.

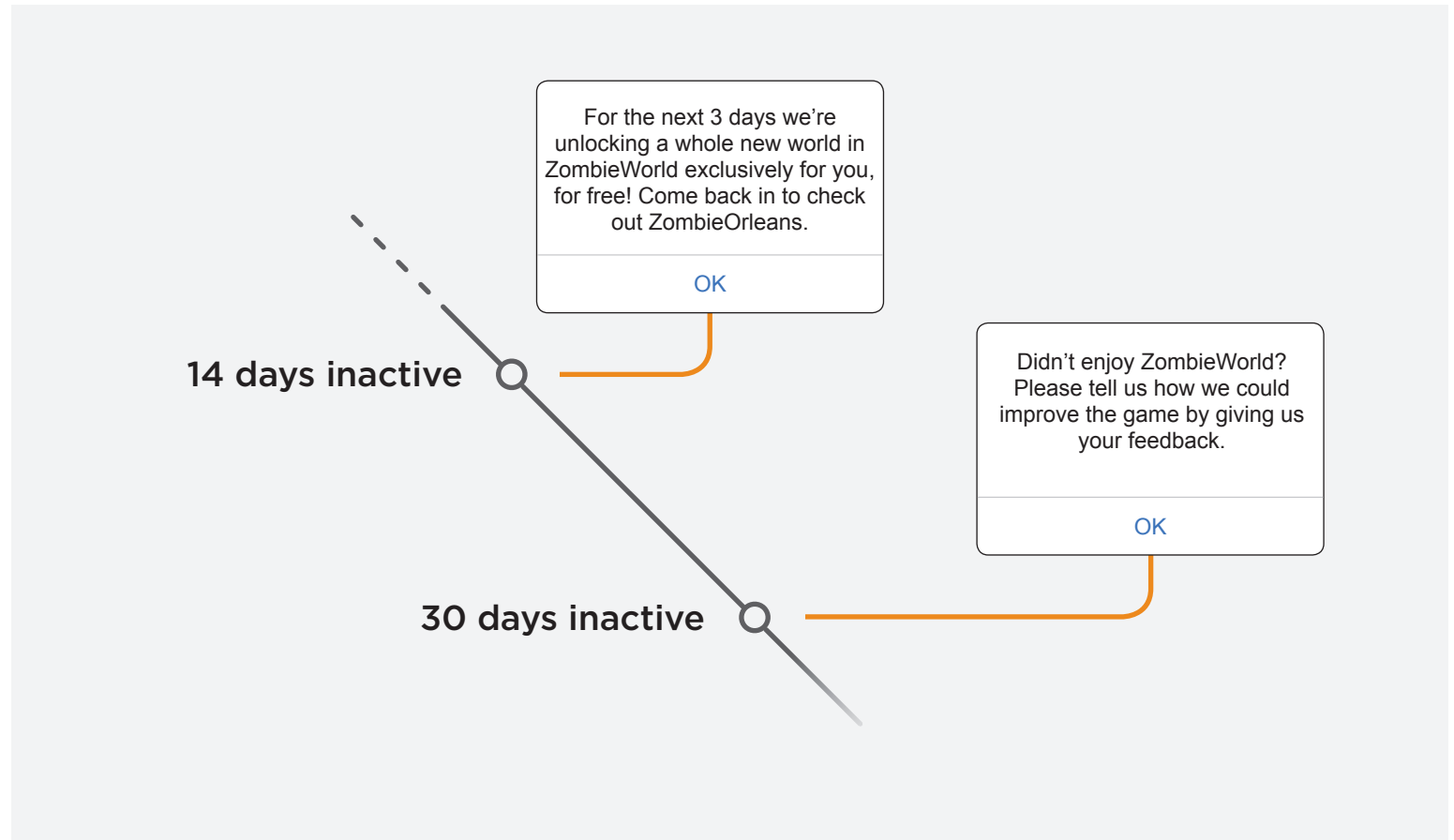
As a rule of thumb, send out messages to these users after 3, 7, and 10 days after last having used the app.

On the right you'll find a specific example from a fictitious gaming app, ZombieWorld.



Re-engaging with dormant users—users who have been inactive for 14+ days—requires a different communication strategy. You should not send plain engagement messages like mentioned before, for example frequent reminders focused on game play. This is likely to be inefficient and may irritate them because they probably never cared for the game much in the first place.

A shift in tone and message is required. Consider re-introducing them to your app with special limited time offers, or even prompt them to give feedback on why they stopped using.

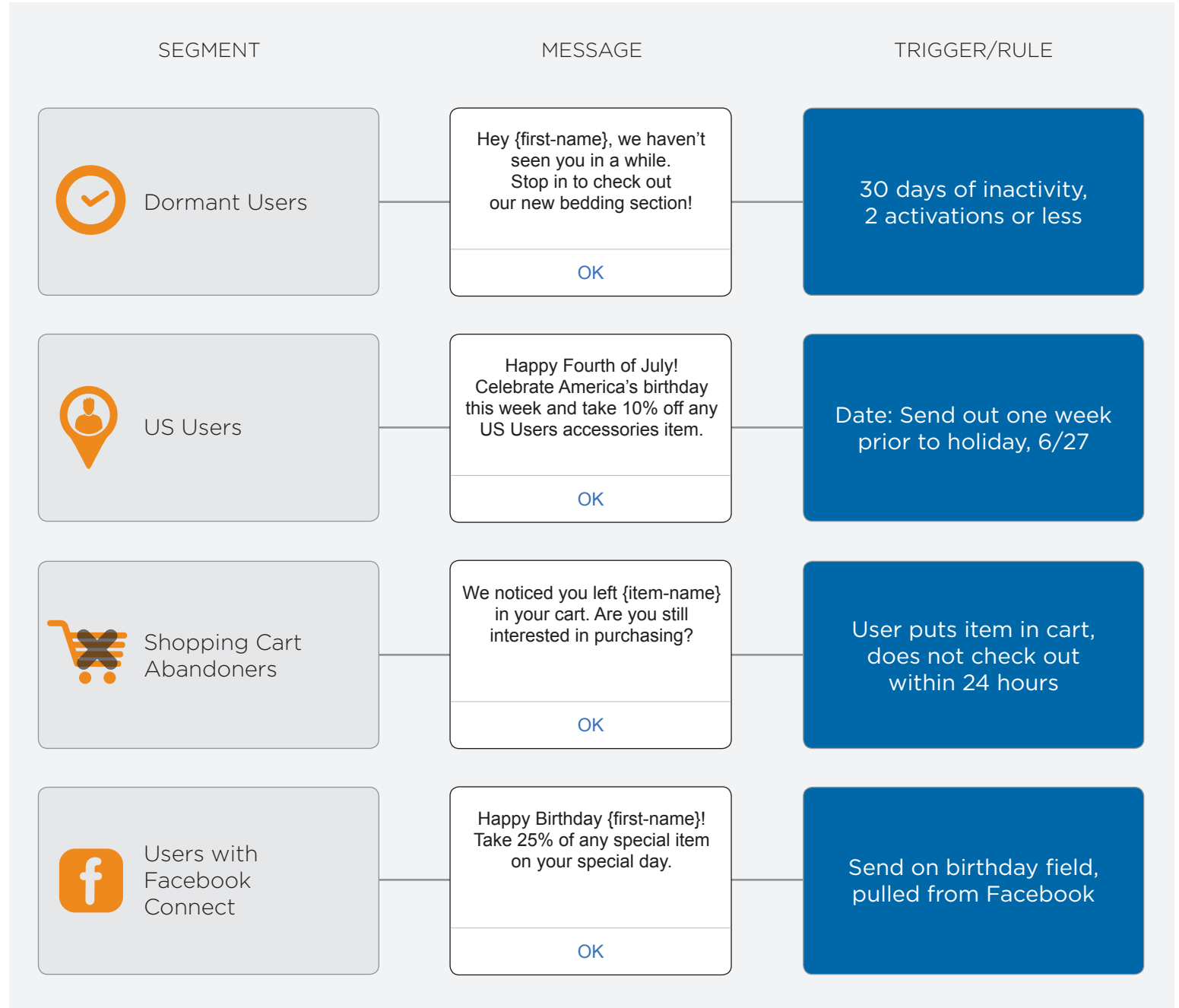


Step 4: Automate Your Messaging

Once your messages are written and mapped to the user lifecycle, the next step is to automate them.

You automate push messages in the same way that you automate email campaigns—with pre-defined rules and triggers. The goal in both cases is to increase engagement and retention while minimizing the amount of effort required.

The chart on the right shows an automation example for an e-commerce app.



Step 5: Optimize Campaign Performance

Analyzing campaign data is crucial to understanding which messages perform best to keep users engaged. Use the analytics you have available to optimize your current campaigns and learn how to improve future ones.

Some of the standard retention success metrics to look at and measure include:

- **Frequency of use** (hourly, daily and monthly activations)
- **Average time spent using the app**
- **Moved from funnel stage x to y** (e.g., from download to registration)
- **Number of in-app purchases**

You will yield powerful additional insights by analyzing your messaging campaigns across the following dimensions:

- **Time of day sent**
- **Day of the week**
- **Location**
- **Message content and message type**

Just like with any other marketing channel, optimizing app engagement and retention is a process that requires testing, analysis and ongoing tweaking. It is something that requires calibration and maintenance. Done right, it will yield consistent rewards.



More Tips and Tricks

While we covered the basic five steps to optimizing app retention with mobile marketing automation, here are some additional best practices we recommend that can accelerate growth in app retention rates.

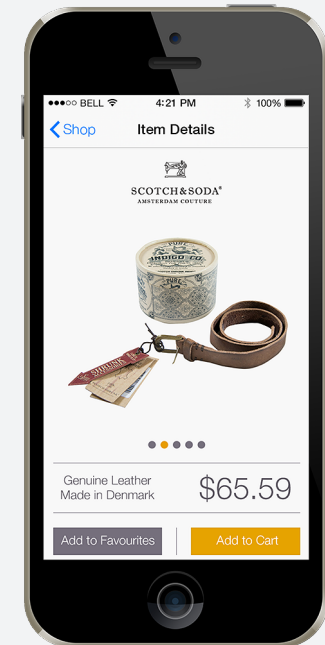


ADD A MESSAGE INBOX

Pair your in-app messages with a message inbox, which is like having an email inbox built inside an app. Use the inbox to deliver important news and offers to your customers in an email-like format without the interruptions of a push notification and with the longevity of an email message that users can refer back to. It's also a way to send messages to users who may have disabled push notifications, boosting engagement.

SEND IN-APP MESSAGES

In addition to communicating with push notifications, send in-app messages that are viewed from inside your apps and provide more engaging experiences than push notifications. This is especially useful when you want to get a message to your customers without the interruption of a push notification.



PERSONALIZE YOUR MESSAGES

Personalize your relationship with users by sending them dynamically customized messages with relevant information. It's well known that personalized emails result in higher open rates, click through rates and sales, and the same methods apply to push messages.

Utilize the customer data on hand to create custom fields that you can populate with relevant information.

For example, create a message with logic that says...

Hi {First_Name-firstCap},
Congratulations!
You reached level {Game_Level}!
A bonus is waiting for you.
Get it now!

...and John, who reached level 13, will receive the following message:

Hi **John**, Congratulations!
You reached level **13**!
A bonus is waiting for you.
Get it now!

OK

SEND MESSAGE IN LOCAL TIME

Avoid sending a message at inopportune times and waking your users at 3 am. Use the "local push" function to deliver your push at the right hour for every user. Alternatively, allow users to block off certain hours or days to not be bothered.



SET UP A FEEDBACK LOOP

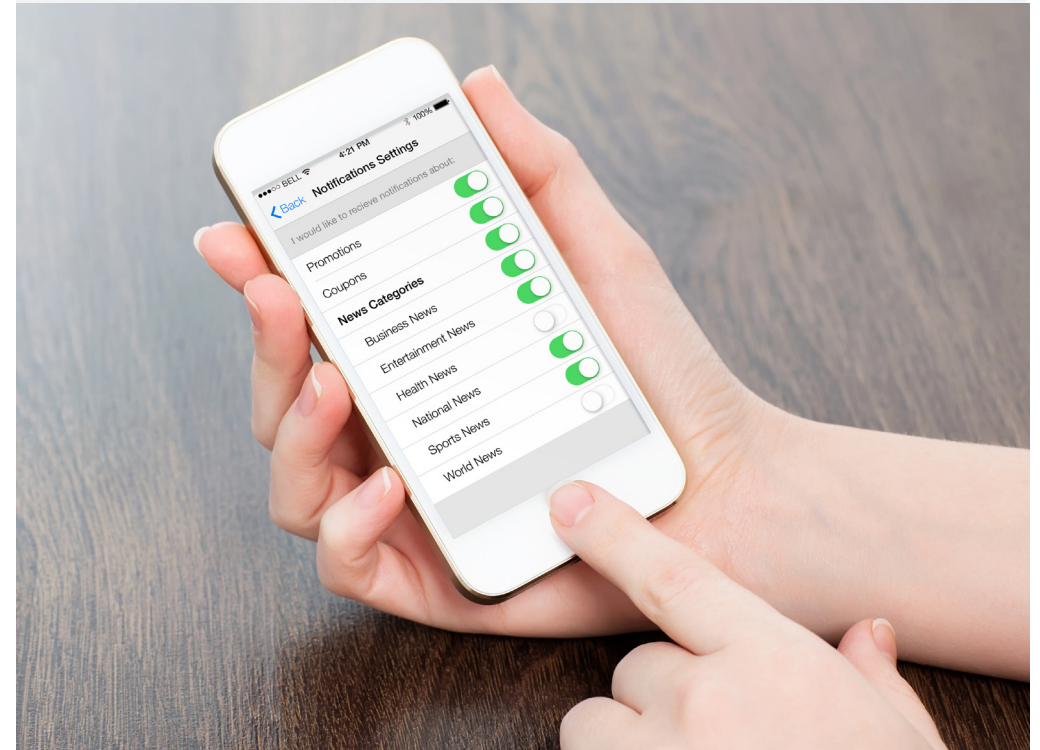
Research shows that users are much more likely to share negative customer service experiences than positive ones, so it's important you have a streamlined way for dealing with problems.

Give your customers a way to give feedback directly from within your app before they post a review in the app stores. Or add a message inbox inside your app, giving you an easy way to communicate with your users to help solve individual problems.



CREATE A PREFERENCE CENTER

A smart way to build a strong relationship with users is to give them control of their push notifications. Create a preference center that opens upon first use where your users can select what information they would like to receive. ESPN does this very well, allowing sports lovers to pick a sports team and the type of alerts they want to receive, along with frequency of receiving alerts. If you're trying to wake a dormant user, send them a push telling them about the new preference center as an opportunity for them to start anew with the app. Most importantly - adding a preference center will increase the amount of push-enabled users you have.



Conclusion

Mobile users who opt-in to push notifications and other messages, are essentially welcoming you to communicate with them on a personal level. As such, one should always look at mobile marketing automation through the lens of being helpful, useful, informative or entertaining to the user.

For those who have spent so much time and money acquiring new users only to see 70% of them fall quickly into the abyss, a shift to a focus on retention is a smart decision.

By segmenting users based on app usage and behavior, planning content specific to each audience cohort, automating your messages across the user lifecycle, and optimizing your performance along the way, you not only reawaken many dormant users but keep your active users engaged and using your app regularly.

Here is, in a nutshell, what to do:

- **Get to know your users**
(segmentation)
- **Map messages to the user lifecycle**
- **Activate new users and re-engage dormant users**
- **Automate your messaging**
- **Optimize campaign performance**





Getting Started With App-Retention

What would you do if you knew how to increase engagement, retention and revenues?

Teradata mobile push is a mobile marketing automation platform that has been designed by marketers for marketers. We provide personalized, targeted and automated push and in-app messaging services for your apps. The service is used by leading brands, agencies and publishers, serving more than 400 million users worldwide with more than one billion messages per month.

Extend Your Reach Beyond the Mobile Channel with the Teradata Digital Marketing Center

Mobile push is a core component of the Teradata Digital Marketing Center which delivers the agility you need as a marketer. This all-in-one digital marketing solution gives you the benefit of individualized insights into customers so you can deliver tailored digital messages to them at the right time and in the most effective way. Now you can segment your customers with ease and run highly-targeted campaigns using any digital channel—email, mobile, social, and web.

Teradata Digital Marketing Center belongs to the Teradata Integrated Marketing Cloud, which enables you to inspire your customers individually, and on any channel, online and offline. You have the data you need to know more about your marketing, the agility and tools to ignite action, and free up resources to improve brand management.

The Teradata Integrated Marketing Cloud is key in gaining a centralized view of data from marketing initiatives throughout the organization. Simplify marketing through holistic, deep and actionable individual insights. Empower efficient processes through our integrated and flexible platform. Deliver customer engagement through dynamic, real-time experiences.

For more information on Mobile Push and the Teradata Digital Marketing Center please visit marketing.teradata.com

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bridges the gap between
all your digital channels.





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