

A Recipe For Mobile App Success

Market, Engage, And Manage Mobile App Performance To Drive Business Outcomes

by Julie A. Ask and Jennifer Wise

September 22, 2016

Why Read This Report

Too often, apps launch into the app store, and eBusiness and channel strategy professionals start to measure metrics like downloads to gauge success. But just launching an app and hoping it finds a captive audience will lead to disappointing results. To succeed in the overcrowded app market today, eBusiness and channel strategy professionals have to be sure to first market the app they've created, provide a high-quality experience, and then focus on setting meaningful key performance indicators to measure for their brand.

Key Takeaways

Drive App Downloads

A high-quality app doesn't benefit your brand if no one uses it. Get your app in the hands of consumers with an omnichannel marketing effort. This requires a mix of paid and earned strategies like word of mouth, cross-promotion on other presences, and advertising efforts.

Create Great App Experiences

Putting lipstick on a pig will fail as a strategy. Mobile app, messaging, and web experiences must be great to drive continued engagement. Your customers' switching costs are negligible in an age of hyperadoption.

Set Realistic Performance Metrics

Set your own performance metrics. Don't benchmark against others in your industry unless you are certain that your target audience, customers' needs and motivations on the go, and frequency of engagement are similar.

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We interviewed and garnered input from over 50 vendors and user companies over the course of this research and utilized Forrester’s Mobile Audience Online Survey, Q4 2015 (US), and Forrester’s Global Business Technographics® Marketing Survey, 2015.

Related Research Documents

[Adopt An App+ Strategy](#)

[Choose The Right Metrics For Commerce Apps](#)

[Vendor Landscape: Mobile Engagement Automation Solutions](#)

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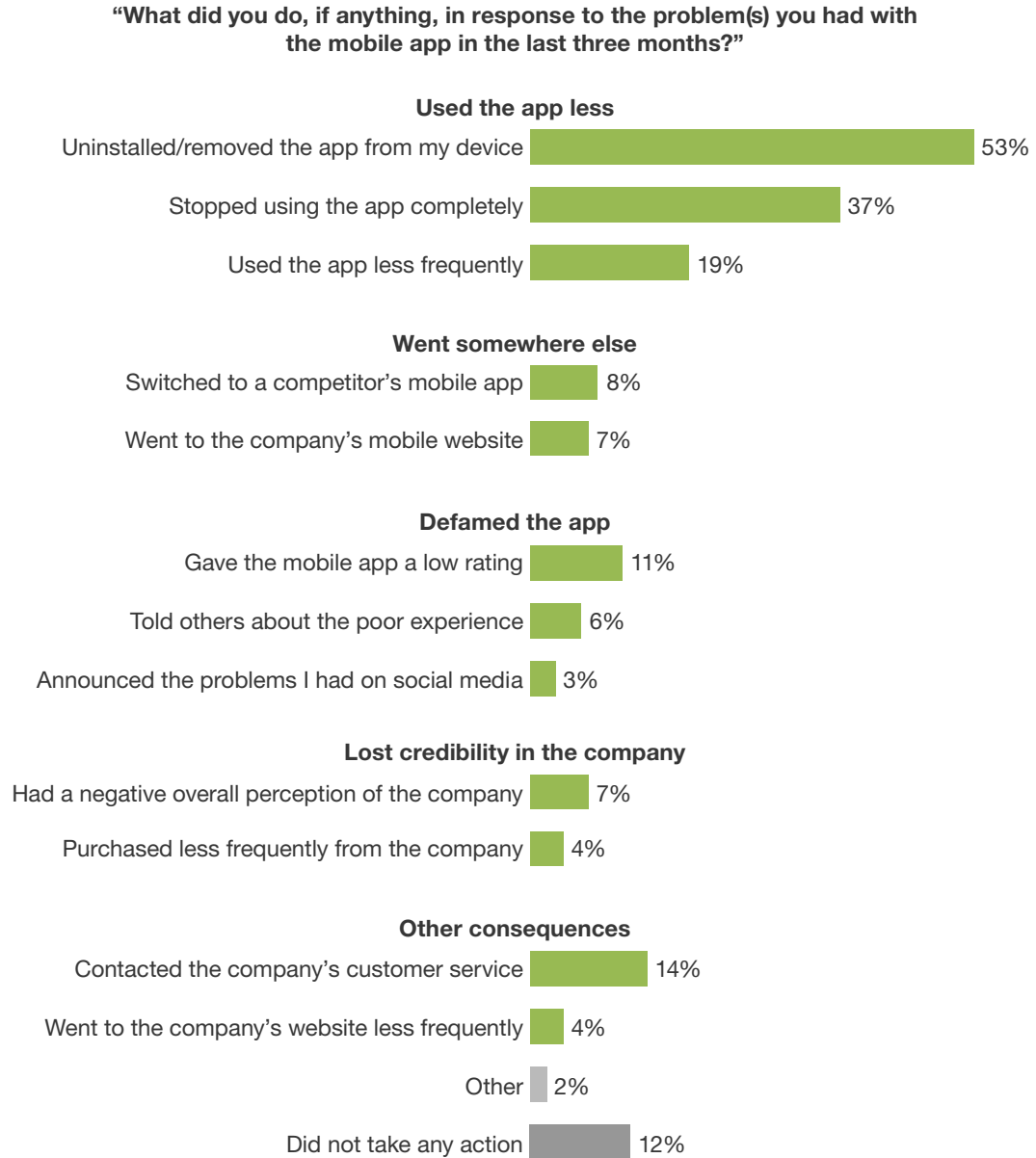
Craft A Strategy To Win Your Owned Mobile Moments

Owned mobile moments provide your best opportunity to serve your most frequent, mobile-savvy customers. Your company's goal? Own as many as it can. But several questions still plague digital business professionals: "How many mobile moments can we expect to own?" "How well is our app doing?" These are good initial questions to kick off your strategy, but they won't suffice over the long term. Consumers will delete your app or shift their loyalties in a split second if the experience falls below their expectations (see Figure 1). So eBusiness and channel strategy professionals must also ask how they can acquire and retain their app users before measuring performance and assessing success.

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FIGURE 1 Consumers Quickly Abandon Apps That Fall Short Of Their Expectations



Base: 825 US smartphone owners (18+)

Source: Forrester’s Mobile Audience Online Survey, Q4 2015 (US)

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Excellence In Execution Preempts Results

Mobile best practices focus on internal operational excellence, not feature parity with other popular mobile experiences. Forget (or, at least, don't start with) benchmarking your competitors to simply go toe-to-toe with their mobile experiences. If you do, be sure to follow a mobile leader that has an audience with the same brand relationship, needs, and motivations on the go as your customers. Otherwise, don't bother — the exercise will waste both your time and money.

Build your own best practices based on Forrester's guidelines, and use Forrester's IDEA framework to identify the most important mobile moments and their associated context for your customers.¹ Design your mobile experiences and engineer your technology and processes around those moments. Finally, use analytics to drive ongoing improvements. Each of these steps demands its own strategic approach, but here we offer some quick-hit advice to help you level-set your company's expectations to win, serve, and retain your customers' mobile app moments.

Drive App Discovery With Relentless Marketing At Every Opportunity

Shifted consumers expect you to have an app.² While this alone will lasso in a few of your loyal customers, you'll have to earn most of your mobile downloads or opt-ins with marketing efforts to drive higher reach and consideration. There is no silver bullet to do this — pursue a number of the initiatives available. To drive app downloads or messaging opt-ins as a digital business or marketing professional, you should:

- › **Manage your app store reputation to stand out in the crowd.** One-quarter of consumers use search to find apps in the app store (see Figure 2). Make sure your app is visible by optimizing your app store rank for each way users may search: for your brand, by a keyword, or through a category. While the exact algorithms that determine an app's visibility are a secret sauce, known factors have an impact. You control some directly — like the app category you select and the relevance of the metadata and keywords in your app title and description. But — beyond those — prepare to impress. App download numbers and ratings and reviews matter in the app store, too.
- › **Influence your audiences' networks.** One-fifth of consumers discover apps from people they know, so let your app users work for you through word of mouth.³ And use additional means to spark actions among these influencers. Reward consumers by increasing the value they derive from the app as they encourage their friends, family, and colleagues to join. Facebook and Nike+ Community have executed on this strategy brilliantly by providing incremental value as a consumer's community grows. Facilitate foolproof sharing: Candy Crush, Uber, and Venmo grind it out every day by asking their customers if they want to add contacts, search for friends, or invite friends to play, sign up, or otherwise engage.
- › **Give real estate to your app across digital properties.** Cross-promote your app to capture consumers who already interact with your brand through other digital channels — whether via a site visit or email subscription. In fact, these two channels are among the top drivers of app downloads,

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accounting for nearly one-quarter. Clearly state the new benefits available to consumers in the app. For example, Starbucks promotes its app on its desktop and mobile landing pages, stating, “Pay with your phone. And do so much more.” Other brands, like Dunkin’ Donuts and OpenTable, dedicate entire email campaigns to promoting the value of their apps (see Figure 3).

- › **Intercept potential new users in browsers or third-party apps with ads.** Display and search ads are effective means to drive app downloads. New updates to Google’s deep-linking capabilities enable a click-to-download action directly from the search result, and app-download ads garner high costs per impression today with the ability to measure ROI.⁴ App-install ads command a large share of mobile advertising dollars, fueling the mobile ad growth of Facebook, Twitter, and others. Some industry estimates state that app-install ads accounted for about 30% of mobile ad revenues in 2016.⁵
- › **Use offline channels to drive consumers online.** Omnichannel companies: Use your offline presences for promotion, too, whether it’s with a physical location, activity statement in the mail, or in-store employees. United Airlines has used bar napkins, boarding passes, and jetways to promote its mobile app. Credit card companies use billing statements, and banks like Barclays use posters on the walls of their branches. Whole Foods Market promotes its new app, which offers its loyal shoppers in-store coupons, with chalkboards outside its locations. When Walgreens first launched its SMS-based prescription-ready reminders, staff at the pharmacy counter helped enroll customers.

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FIGURE 2 Factor A Myriad Of Tools Into Your App-Acquisition Strategy

**“Think of a mobile app you like that you have recently started using:
How did you first learn about this app?”**


Search



Search in app store  26%

Promotion



Mobile website prompted me to download app  14%


Email prompted me to download app  10%

Poster, billboard, or TV  1%


Recommendations




Recommended by a friend  20%

Recommended by a company  8%

Recommended by social network  7%

Recommended in app store  6%

Website app recommendation  4%

45% of smartphone owners found their most recent app through some type of recommendation.

Base: 825 US smartphone owners (18+)

Note: “Other” response option not shown.

Source: Forrester’s Mobile Audience Online Survey, Q4 2015 (US)

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FIGURE 3 Dedicate Real Estate Within Owned Digital Properties To Drive Downloads

Companies promote and explicitly highlight the added benefits available through the use of their mobile apps across digital channels.

Source: Dunkin' Donuts, OpenTable, and Starbucks websites

Consumer Engagement Persists Only In Great Apps

Great advertising and persuasion can drive app downloads, but consumers will only continue to use apps that both work hard to engage them and perform well. “No longer useful to me” tops the list of reasons consumers stop using apps, and “Did not work properly” follows (see Figure 4). While mobile apps are getting better, many of them still simply replicate content or services designed for a desktop web experience.

The takeaway? Putting lipstick on a pig is not a winning mobile app strategy. Deep and ongoing engagement will drive the business results you seek. Apps must be great to drive engagement. Great apps can have one of many attributes; they are not all equal. eBusiness and channel strategy professionals approach these attributes as a waterfall or hierarchy and create apps that are:

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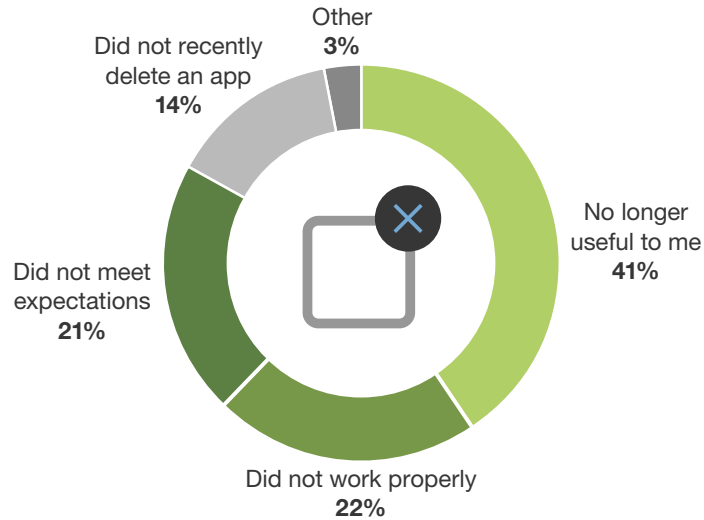
- › **Essential to the customer.** If consumers have an in-the-moment need that only you can deliver on, then they'll put up with less-than-awesome experiences in exchange for the value of the content, utility, or convenience. We call this being a destination when there are no comparable alternatives. For example, airline apps tend to be very good, but consumers would use them even if they weren't because, today, they are the most convenient option for getting a boarding pass. The same applies to banking apps for checking balances or depositing checks as well as retail apps for flash sales.
- › **Technically superb.** Technically superb equates to a zippy, crash-free app experience. Task-oriented mobile consumers have expectations of immediacy in services, and they delete or stop using pokey apps (see Figure 5). While eBusiness and channel strategy professionals can't control all aspects that impact the performance of mobile experiences, like network speeds and coverage, you can control how big the app is and how it is built. Take into account and optimize the combination of functionality, images, video, and software development kits that insert ads; measure usage; and track identities that can make your apps and websites heavy and sluggish.
- › **Mechanically sound.** Apps — especially those without essential information or services — must include interaction mechanics that drive engagement. For many brands, immediacy or new content like news, coupons, or changes in status will drive ongoing engagement. Apps that are more service- or product-oriented should incorporate common mechanics including gamification, competition, community, support, and coaching to drive engagement.⁶ Nike uses a combination of gamification, competition, and community to bring consumers back into its Nike+ app (see Figure 6). Companies in banking, insurance, and travel, for example, use customer service alerts like flight check-in and payments due.
- › **Easy to navigate.** Mastering design within mobile experiences is a journey rather than a destination. The puck never stops moving. New technologies, such as touch ID — which simplifies the steps required for authentication — roll out continuously. Use these new technologies to help hone task flow to deliver on mobile needs. Overstock designed its app to accommodate one- and two-thumb navigation after it used customer experience analytics to understand how its customers touched, zoomed, and lingered within its apps. Use consumers' context to build in shortcuts to streamline task flow or curate content within apps, such as offering flight check-in only within 24 hours of a flight.
- › **Fueled by an engagement strategy.** “Build it and they will come” is neither a solid adoption strategy nor engagement strategy for mobile. Engagement at the initial download is critical, so hook the consumer by guiding him or her through process flows like registration, messaging opt-ins, or purchase. For example, grocery delivery services like Ocado use promotions to entice consumers to set up an account and place the first order. Continue to maintain engagement across the entire in-app life cycle by utilizing analytics to learn about the customers.⁷ Best practices demand tight integration between systems of insight and systems of engagement if they're not already bundled into a single solution.⁸

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FIGURE 4 Consumers Stop Using Apps That Lack Utility Or Perform Poorly

**“Think of a mobile app you have recently stopped using or deleted from your phone:
What was the primary reason you have discontinued using this app?”**



Base: 825 US smartphone owners (18+)

Note: Percentages do not total 100 because of rounding.

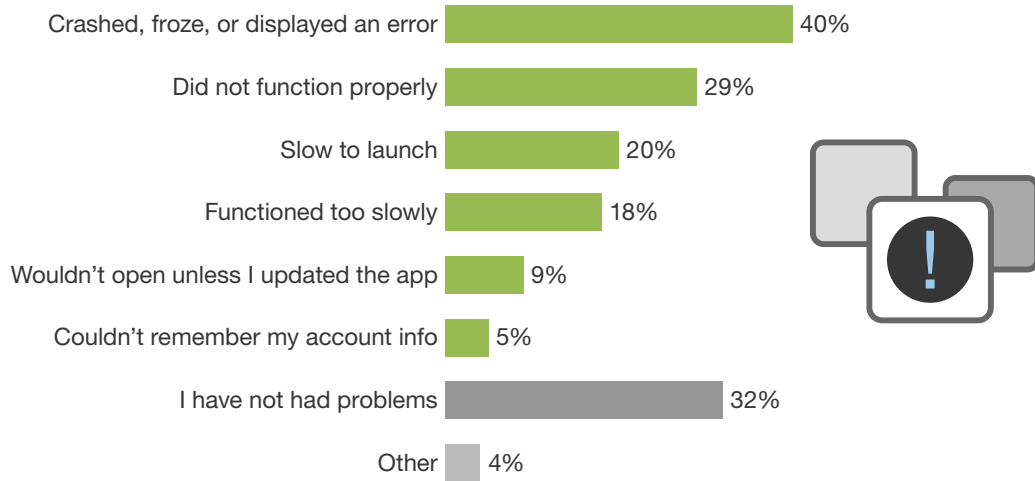
Source: Forrester’s Mobile Audience Online Survey, Q4 2015 (US)

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FIGURE 5 Consumers Very Quickly Stop Using Apps That Are Slow Or Crash

“What types of problems have you had with a mobile app within the last three months?”



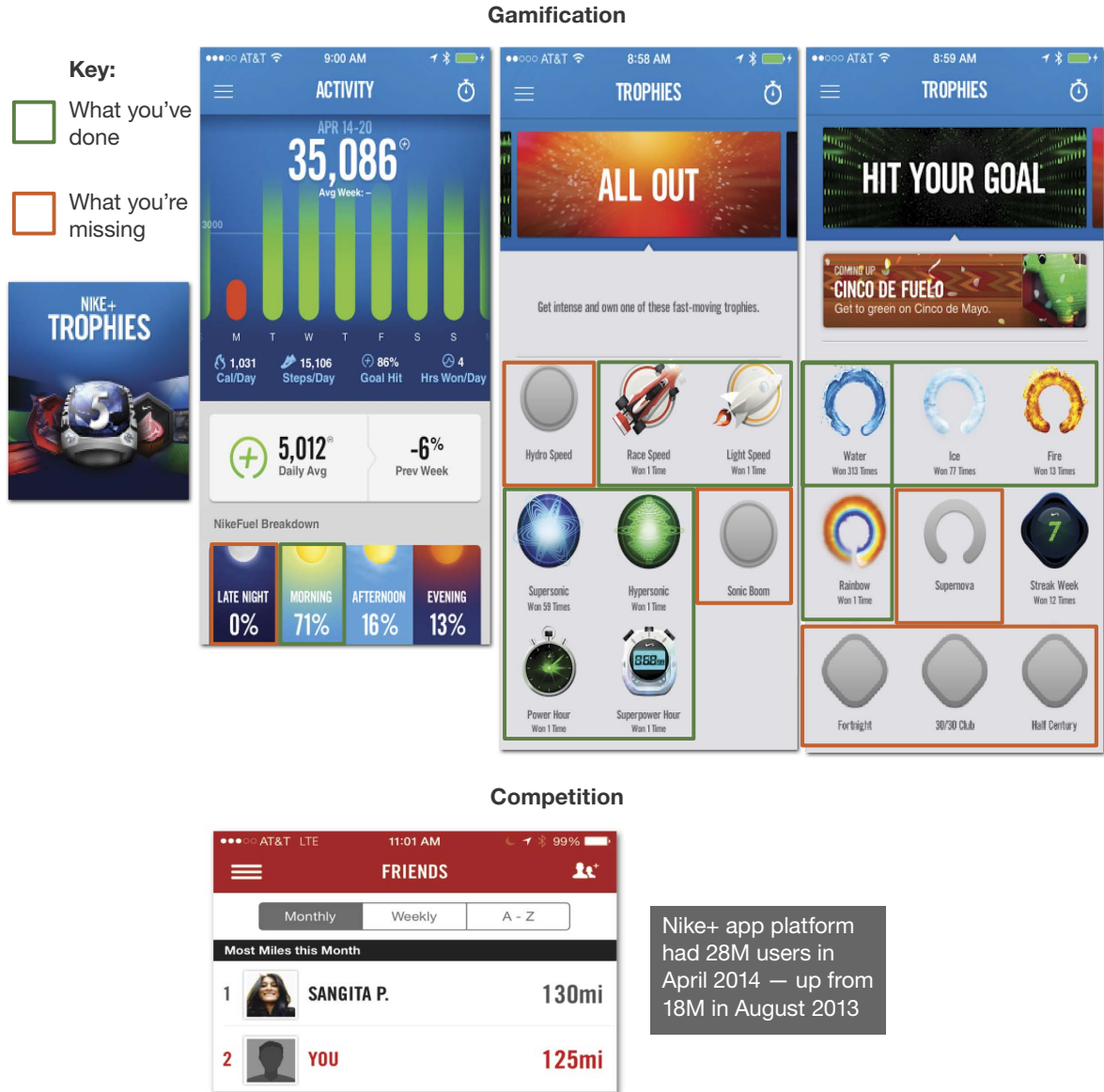
Base: 825 US smartphone owners (18+)

Source: Forrester’s Mobile Audience Online Survey, Q4 2015 (US)

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FIGURE 6 Nike Uses Several Tactics To Drive Engagement



Source: Nike+ app

Bound App Performance Goals With Realistic Expectations

Once you have an app audience and an experience that is worth using, it's time to measure what matters. Performance will depend on many factors, but two of them matter: supply and demand. Supply is the quality of your app experience. Demand is consumer likelihood to download. When setting app performance expectations, consider:

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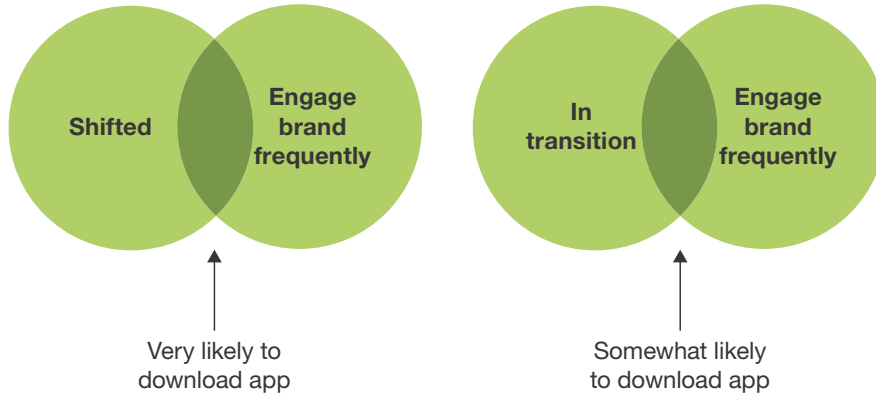
- › **How many consumers expect and need the experience.** Only consumers who are both “shifted” (i.e., expect to pick up a mobile phone and get anything they need immediately and in context) and engage with your brand frequently will take the time to discover, download, install, and configure your mobile app.⁹ The number of consumers who will download your app lies at the intersection of these two circles (see Figure 7). A myriad of factors including age, lifestyle, and industry will impact app download expectations. The same applies to messaging.
- › **How well you execute.** Digital business and marketing professionals must excel at driving both adoption and engagement. Ideally, an app should be essential to a customer. At a minimum, apps should be convenient. Too many digital business and marketing professionals are caught in doom loops. They don’t invest in great experiences. As a result, ROI is poor, and thus, they continue to underfund mobile efforts. Expected budgets for mobile range from \$500,000 to \$1 million for a shrink-and-squeeze experience, \$1 million to \$5 million for mobile-first, and \$5 million to \$20 million to transform customer experiences with mobile.¹⁰ Just under one-third (30%) of global marketing decision-makers still spend less than \$1 million on marketing technology and software. Marketing decision-makers who have a technology budget spend an average of just 11% of that budget on mobile marketing technology.¹¹

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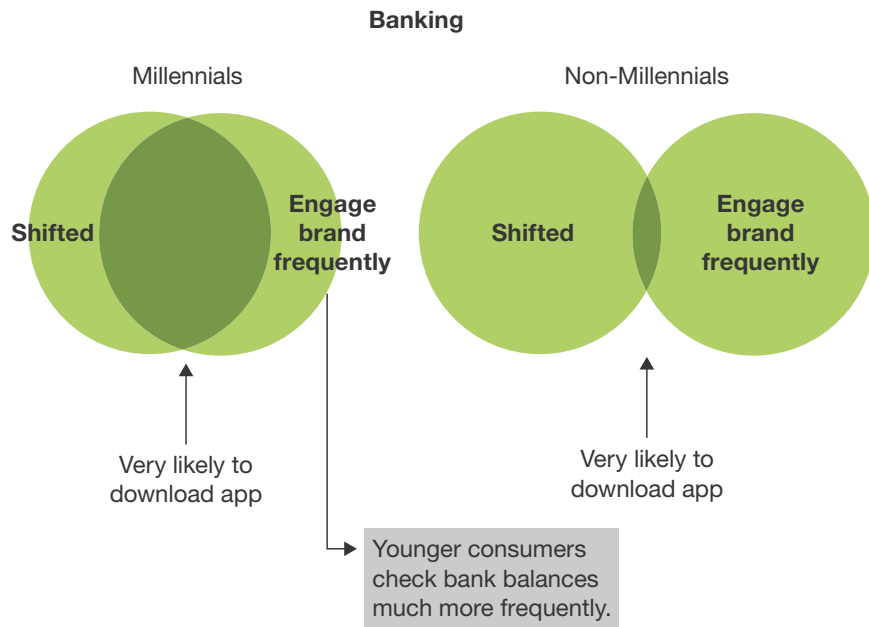
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FIGURE 7 Knowing Who Downloads Your App Will Help Create Realistic App Performance Goals

7-1 Shifted consumers are more likely to download and use apps*



7-2 Consumer needs and motivations on the go will drive adoption up*



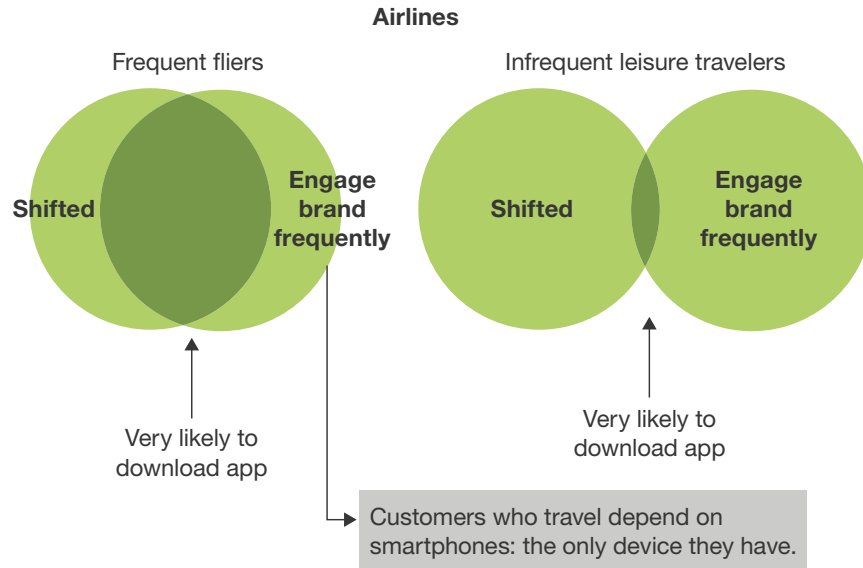
*Conceptual representation

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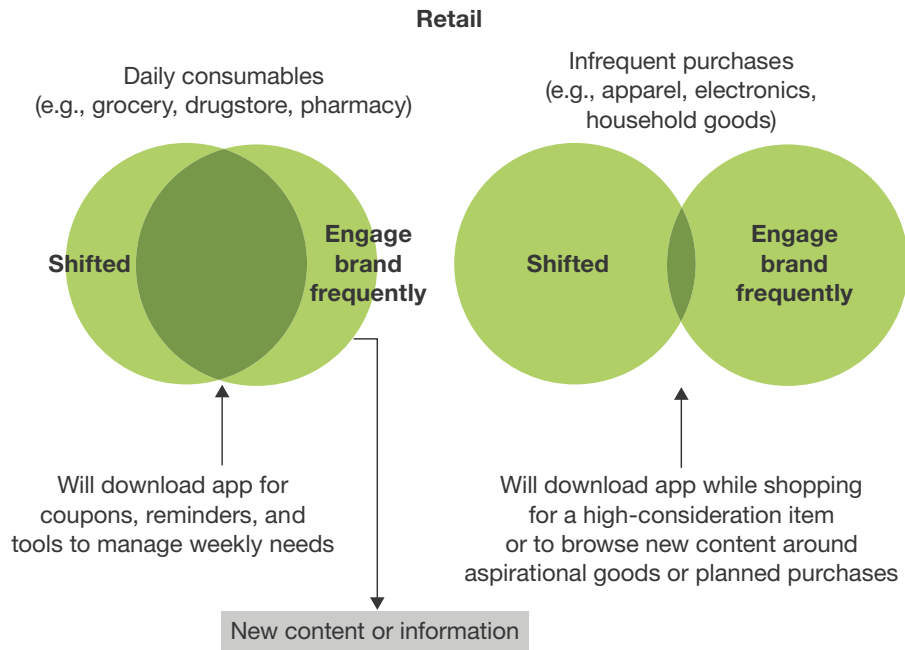
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FIGURE 7 Knowing Who Downloads Your App Will Help Create Realistic App Performance Goals (Cont.)

7-3 | On-the-go, brand-loyal customers depend on apps*



7-4 | Many retailers will have to manufacture mobile moments to drive downloads*



*Conceptual representation

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Recommendations**Forgo A “One Size Fits All” Approach, And Tailor Your App Strategy**

eBusiness and channel strategy professionals may find good ideas from benchmarking, but sustainable success lies in building operational excellence in mobile. Moreover, little that drives success in mobile today happens without strong support from development and infrastructure services teams. Digital business and marketing professionals need the people, platforms, and processes in place to do the right things. Nothing is quick and easy anymore. Focus internally on executing well to drive both adoption and engagement to achieve the business outcomes you want, and:

- › **Optimize your app-acquisition efforts.** To market your app effectively, you'll need to determine the optimal marketing mix model for your efforts. Apply the right analytics to measure impact and ROI, including mobile ad analytics platforms to track app downloads. Then optimize based on metrics beyond the initial conversion — such as app engagement or long-term customer value. Analytics companies like AppsFlyer offer app user analytics that let you slice and dice the user base by churn, engagement, or spend — and identify the advertising inventory sources that users came from to enable deeper attribution and optimization efforts.
- › **Start small, and iterate to test-and-learn engagement tactics.** Use analytics tools to understand in-app engagement to test hypotheses, fail, learn, and move forward. Your developers likely already use Agile processes and work in sprints. eBusiness and channel strategy professionals should shift their thinking to become more Agile as well as continually optimize the app mechanics and messaging strategy. Leverage mobile engagement automation vendors to A/B test the impact of contextual factors on your in-app engagement strategy. For example, does delivering a push notification to a user who hasn't reopened your app after download perform better after three days than one week? What message and level of personalization are users most likely to respond to?
- › **Choose metrics and targets that are right for you.** Choose business metrics, such as revenue or customer satisfaction, that reflect mobile's full potential to impact business outcomes — not just those of your functional group or division. Myopia will doom mobile efforts. Then set targets that are right for your business. Estimate consumer demand for your mobile experience based on frequency of engagement and the percentage of your customers who are shifted, and then take into account how well you can execute based on talent, budget, and technology. Consider extraordinary factors. For example, are you giving away free content, services, or information? Free will obviously drive more rapid downloads, but not necessarily deliver long-term revenue.

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Supplemental Material

Survey Methodology

Forrester's Mobile Audience Online Survey, Q4 2015 (US), surveyed a subset of 825 US smartphone owners (18+) from our ongoing smartphone and tablet behavioral tracking panels in the US. The survey was issued in November and December of 2015.

Forrester's Consumer Technographics® North American Online Benchmark Survey (Part 1), 2016, was fielded in February and March 2016. This online survey included 60,049 respondents in the US and 6,284 respondents in Canada between the ages of 18 and 88. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus or minus 0.4% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed and plus or minus 1.2% of what they would be if the entire population of Canadian online adults had been surveyed.

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Forrester weighted the data by age, gender, income, region, and broadband adoption to demographically represent the US and Canadian online adult populations. The survey sample size, when weighted, was 60,049 in the US and 6,276 in Canada. (Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) Lightspeed GMI fielded this survey on behalf of Forrester. Survey respondent incentives included points redeemable for gift certificates.

Forrester's Global Business Technographics Marketing Survey, 2015, was fielded to 1,039 marketing decision-makers located in Brazil, Canada, China, France, Germany, India, the UK, and the US from small, medium-size, and enterprise companies with 100 or more employees (in Brazil, China, and India) or 500 or more employees (in Canada, France, Germany, the UK, and the US). This survey is part of Forrester's Business Technographics and was fielded from May 2015 to August 2015. ResearchNow fielded this survey on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates. We have provided exact sample sizes in this report on a question-by-question basis

Forrester's Business Technographics provides demand-side insight into the priorities, investments, and customer journeys of business and technology decision-makers and the workforce across the globe. Forrester collects data insights from qualified respondents in 10 countries spanning the Americas, Europe, and Asia. Business Technographics uses only superior data sources and advanced data-cleaning techniques to ensure the highest data quality.

Endnotes

- ¹ For more information on Forrester's IDEA framework, see the "[Mobile Moments Transform Commerce And Service Experiences](#)" Forrester report.
- ² Source: Forrester's Consumer Technographics North American Online Benchmark Survey (Part 1), 2016.
- ³ Source: Forrester's Mobile Audience Online Survey, Q4 2015 (US).
- ⁴ Source: Elad Natanson, "App-Install Ads Are A Mainstay Of The New Mobile Economy," Forbes, August 26, 2015 (<http://www.forbes.com/sites/eladnatanson/2015/08/26/app-install-ads-a-mainstay-of-the-new-mobile-economy/#226affdd16c7>).
- ⁵ Source: Mark Hoelzel, "The mobile app-install ad is driving a boom in mobile ad spend — and not just among game makers," Business Insider, June 15, 2015 (<http://www.businessinsider.com/the-mobile-app-install-ad-is-driving-a-boom-in-mobile-ad-spend-and-not-just-among-game-makers-2015-1>).
- ⁶ For more information on the mechanics within mobile apps or experiences that drive ongoing engagement, see the "[mHealth Illustrates New Business Opportunities](#)" Forrester report.
- ⁷ To learn more about mobile engagement automation, see the "[Vendor Landscape: Mobile Engagement Automation Solutions](#)" Forrester report.
- ⁸ For further reading on systems of insight, see the "[The Insights-Driven Business](#)" Forrester report.
- ⁹ To learn more about how to deliver high-quality experiences to your most demanding mobile customers, see the "[Marketing Strategy For The Mobile Mind Shift](#)" Forrester report.
- ¹⁰ For more information on the cost of mobile at each stage of the mobile mind shift, see the "[Building A Mobile Business Case: It's A Steep Climb](#)" Forrester report.
- ¹¹ Source: Forrester's Global Business Technographics Marketing Survey, 2015.

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