Why App Marketing Is a Game of Inches

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Published
May 2017

Topics
Apps, Measurement

App marketers may be flush with new downloads, but not everyone is equipped to make loyal users out of them. Ken Rudin, director of growth and analysis at Google, shares tips on how data can provide the insights needed to keep new users engaged and loyal.

think with Google

App marketers have come off the biggest download season of the year, but not all are set up for strong, sustainable growth. While some might pin their hopes on a killer feature or other "silver bullet," the best will approach growth as an iterative, repeatable, data-driven process. They think of growth as a four-quarter game, not a 60-second drive.

Google looks to the following principles to help drive lifetime value for our own apps like Google Photos and Google Search. Read on to learn how you can give your own strategy some legs.

Approach growth as a game of inches

Small wins are the building blocks of long-term growth. Looking at a growth curve, many focus on the inflection point where things climb dramatically. But it's the many small features and optimisations along the way that typically make up the majority of a product's growth—usually exceeding the growth impact of so-called "killer" features.

We took away a key learning from our work on the Google Photos app. User research showed that people were quickly running out of storage on their phones and were unaware that Google Photos could help them free up space. However, the "Free up space" feature was buried deep in settings under another header, "Manage device storage." By moving "Free up space" to a more prominent spot in the app—and then running marketing campaigns around it—we significantly increased usage of this feature which has been sustained, even after the campaign ended.

Similarly, our team in India had observed lower-than-expected engagement with the Google Search app. Looking at user flow data, we realised that bad network connections were causing interminable load times—and abandonment. This, to put it mildly, was a problem.

Our solution was relatively small but effective. If the connection fails in the middle of a search, the user is notified that the connection failed, and that the app will try again once the connection is restored. The user receives a notification when the connection is restored and the search result loads. We've seen great improvements in user engagement from initial tests and will fully launch in coming months.

By focusing on identifying and delivering many small improvements to our apps, our teams could continually drive engagement—without having to find any silver bullets.

Growth begins and ends with data

Data doesn't merely reflect what's knowable. It's the fuel of smart, informed decisions. Certain user actions within your app could hold the keys to unlocking greater lifetime value.

Our Google Search app teams in Australia and Japan noticed that some users downloaded the app but never searched. We analysed data to identify the types of users who were most likely to do a search in the Search app and used those insights to revamp our paid advertising strategy.

Consequently, we were able to begin targeting users who might mirror the desired behaviour (i.e., engagement within the app) rather than just one-and-done downloaders. Once we optimised our app campaigns in tools like AdWords for "first search"—that is, identifying the users most likely to perform a search—we saw a 40%+ relative uplift in retention. Using data to understand user flows, drop off, usage, and retention rates helped inform our marketing decisions, leading to overall higher lifetime value.

This example serves to introduce our next rule of thumb for consistent growth:

Think retention before acquisition

It may seem like a chicken-or-egg scenario, but it's not. If you don't have good retention, your future acquisitions hold very little long-term value. Think of it as a leaky bucket: Without good retention, pouring more users in only guarantees more will fall through.

First, draw a retention curve from a cohort of users who started using your app on a certain day. Then, for each subsequent day, plot what percentage of that cohort came back on that day. If you have poor retention, your curve will keep dropping:

Exhibit A: Poor Retention
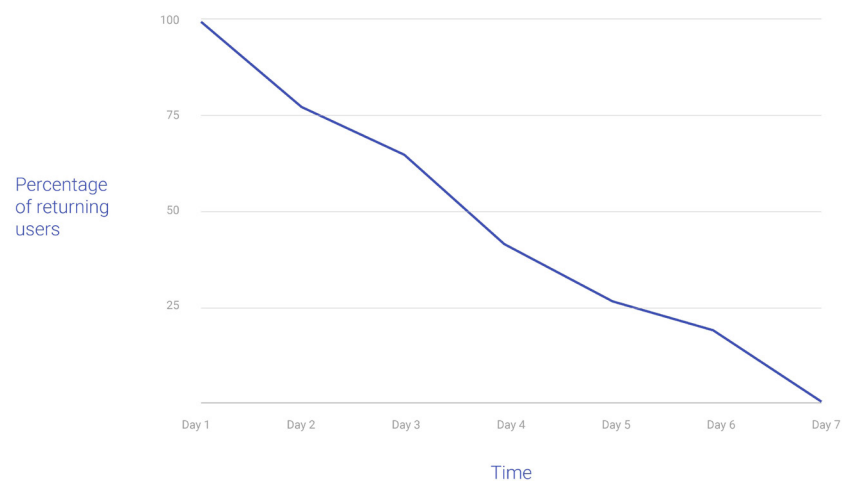
So what does good retention look like? The numbers differ from business to business, but it's essentially a curve that flattens rather than continuously dropping. Eventually, the curve will become pretty flat. That's the goal—and the point at which you can start focusing more on acquisition.

Exhibit B: Good Retention
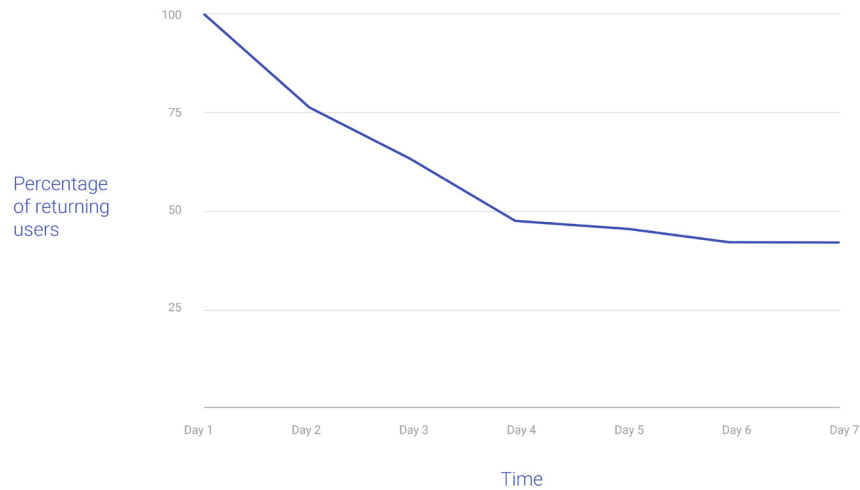
And sure enough, data can help there too. Most studies point to the fact that a small percentage of an app's users typically drive the majority of the app's revenue. Given the majority of apps are free, analysing your data to identify the types of users that are most likely to monetise is important. When only a small subset of your users contribute to your total revenue, product and marketing efforts must focus on finding people who are more likely to stick around.

Growth is not a product challenge, and it's not a marketing challenge—it's a business priority.

Give data some legroom

Mobile marketers know that data can help drive decisions that improve lifetime value. Even so, product data and marketing data have historically been incredibly siloed. Growth is not a product challenge, and it's not a marketing challenge—it's a business priority. So when you're looking at data, it's vitally important to look end to end.

Again it's about moving one inch at a time—not necessarily focusing on finding the killer new feature. Focus on the many smaller improvements that will bring high-value users back and engaging regularly with your app. By thinking of growth as an iterative, repeatable, data-driven process that's continually ongoing, you've put your team within striking distance of scoring. Add data to the mix, and you're dancing in the end zone.