

How Soon Do Retail App Installers Turn into Buyers?

The importance of fostering lifetime value instead of driving downloads

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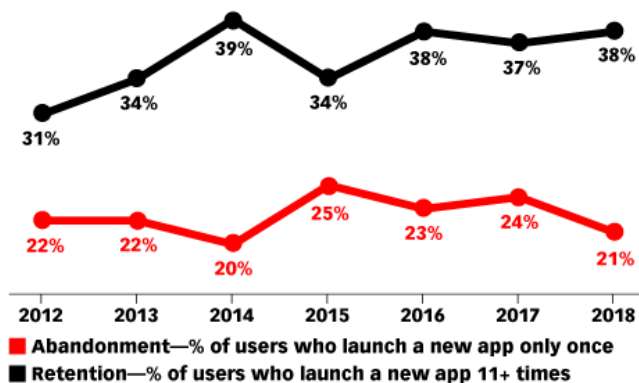
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In the US, both mobile app user numbers and time spent with apps continue to increase, according to eMarketer. At the same time, though, the number of apps being used is slowly starting to decline. We forecast that smartphone users will open 20.4 apps monthly in 2018, a figure that will decrease to 19.2 by 2022.

Users commonly download apps, only to use them once or twice (or never), then forget about them. Data from mobile app analytics firm [Localytics](#) shows that in 2018, just over one-fifth of global app users only opened a new app once.

Mobile App Engagement Performance Metrics Worldwide: Abandonment vs. Retention Rates, 2012-2018

% of total users on Localytics platform



Note: represents activity on the Localytics platform, broader industry metrics may vary

Source: Localytics as cited in company blog, April 16, 2018

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These numbers might be acceptable if your biggest app marketing goal is user acquisition, which was the case for 71% of marketers in North America surveyed by [InMobi](#) in July 2017. But the next step is engaging and boosting users' lifetime value (LTV), an important factor in retail. While it may seem logical to try and drive conversion immediately with expensive targeting and keyword buys, fostering loyalty can pay off down the road.

All is not lost when a mobile user installs a shopping app and doesn't immediately convert. According to data released today by [AppsFlyer](#), just 3.5% of nonorganic app installers in the US made a purchase on the first day. By day seven, 5.9% made a purchase, and by day 30, that figure jumped to 9.5%.

Organic app installers—i.e., users who discover an app on their own—are far more valuable than users who install apps spurred by ads or other incentives. Per [AppsFlyer](#), 10.9% of global organic app users made a purchase within 90 days, compared with 8.9% of nonorganic users. The difference in calculated LTV at 90 days was even more pronounced: \$20.63 for organic users vs. \$7.10 for nonorganic users.

This shows that despite all the paid ads and keywords advertisers might use, brand familiarity is important for the retail category. When a

user installs a retail app, they know what they are looking for, rather than browsing or being open to discoveries as they might with a gaming or entertainment app.

For similar reasons—installation of a retail app signals greater intent—mobile app users are also more valuable than mobile web (and desktop) users. More than two-thirds of digital transactions in North America take place on mobile, **the majority of them via mobile app**, according to Q1 2018 data from **Criteo**.