What Retailers Need to Know About the Mobile App Install Marketplace

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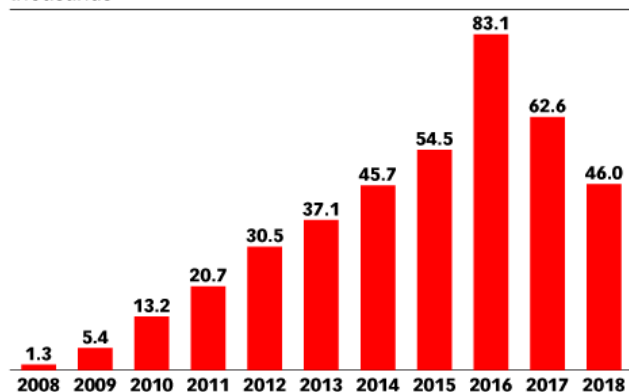
eMarketer Editors

As of June 2019, there were 1.8 million apps in the Apple App Store, and 3.1 million apps in the Google Play Store, according to app analytics firm App Annie.

Those numbers will continue to increase, though growth has slowed since its peak. Data published in July 2018 by mobile app analytics platform Adjust showed that the average number of apps added to the App Store monthly dropped from 83,100 in 2016—when Apple tightened rules for apps—to a still strong 46,000 in 2018.

Average Number of Apps Added per Month to the Apple App Store Worldwide, 2008-2018
thousands

Year	Value
2008	1.3
2009	5.4
2010	13.2
2011	20.7
2012	30.5
2013	37.1
2014	45.7
2015	54.5
2016	83.1
2017	62.6
2018	46.0

Note: the App Store launched on July 10, 2008; 2018 data reflects averages through May
Source: Adjust, "The App Store Turns 10," July 10, 2018
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New verticals, such as shopping, are now actively pursuing user acquisition strategies. "What that means is that there are more companies competing for those installs and driving the user acquisition efforts," said Pepe Agell, chief strategy officer at mobile platform Chartboost, who was interviewed for our recent report, "Mobile App Installs 2019: Marketers Innovate to Land Coveted Home Screen Placement." "We've seen on our platform that there's a broader variety of advertisement types."

Moreover, many of the largest brands across industries are trying to establish apps and attract users in a much bigger way. Some newer players, such as fashion and apparel and fast food, are competing for the same inventory, according to Michael Paxman, product communications lead at Adjust. "This means is that the days of buying an entire network inventory for the day are done," he said. "You can't. … If you try to buy big, you will lose to bigger pockets."

Retargeting is also top of mind for many. These ads target users after they install an app to convert new users into active ones. Though not new, the retargeted ads are especially ideal to reach consumers who might have downloaded a shopping app only to use it once for a purchase.

In most countries, the average smartphone user engages with only about one-third of the apps on their phone, although the average is

closer to half in developing countries, according to H1 2018 data from App Annie. This likely has to do with the number of smartphones with less storage space for apps.

Every app category shows a drop-off in retention and engagement after the first day, with some of the biggest drop-offs in shopping (25% engagement after the first day, but 8% at 30 days) and travel (20% after the first day and 6% after 30 days), per Adjust.

Mobile App Performance Metrics Worldwide: Average 30-Day Retention Rates, by Category, 2018

	Day 1 after install	Day 7 after install	Day 30 after install
Casino (games)	39%	20%	17%
Dating	39%	20%	16%
News	39%	31%	24%
Casual (games)	38%	22%	12%
Communication	38%	27%	20%
Sports (games)	38%	20%	10%
Comics	37%	28%	20%
Marketplace & classifieds	37%	25%	17%
Social network	35%	24%	16%
Music	33%	23%	16%
Midcore (games)	32%	18%	10%
Weather	32%	24%	17%
Health	31%	21%	15%
Banking	30%	24%	19%
Video & streaming	30%	19%	12%
Tools	29%	19%	13%
Deal discovery	25%	21%	15%
Recipes	25%	18%	12%
Shopping	25%	14%	8%
Ride-hail & taxi	24%	15%	9%
Travel booking	20%	11%	6%
Food delivery	16%	11%	6%

Note: represents activity on Adjust's platform, broader industry metrics may vary
Source: Adjust, "Global App Trends 2019," May 14, 2019

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It's no surprise then that these two verticals increased their retargeting efforts between 2017 and 2018, per AppsFlyer. In fact, 86% of shopping apps and 83% of travel apps increased spending on retargeting. In both categories, more than two-thirds also increased spending on user acquisition. Even so, about a quarter of each category raised retargeting spending while lowering spending on user acquisition. In gaming, spending increases were more moderate for both types of ads. "While the primary spending will always be user

acquisition, we are seeing an uptick in investment in re-engagement," said Mark Ellis, CEO of Liftoff.

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Report by Yoram Wurmser Jul 08, 2019

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