

Retail Apps Gain Real Estate on Shoppers' Smartphones

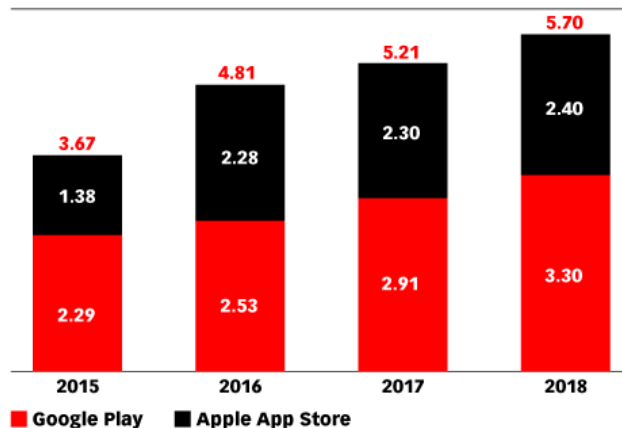
ARTICLE

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Shopping apps appeal to users for their speed and convenience—two things marketers should keep in mind when creating an experience that will capture and retain customers.

Worldwide, shopping app downloads grew to 5.70 billion in 2018, up 9.3% over 2017, according to exclusive data from app analytics platform Apptopia. Google Play saw a 13.3% year-over-year increase in downloads to 3.30 billion, while Apple iOS saw gains of 4.2% to 2.40 billion.

Shopping App Downloads Worldwide, Apple App Store vs. Google Play, 2015-2018
billions



Source: Apptopia, April 2019

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But are these new app users sticking around?

During H2 2018, marketing and analytics platform Localytics found that retail and ecommerce apps had the highest retention rates among all app categories analyzed. The other segments included media and entertainment, business and technology, and travel and lifestyle.

One month after the initial downloads, 48% of users were still using retail and ecommerce apps, or hadn't yet deleted the app, topping the average total retention rate of 43%. After three months, retention dropped to 32%—still higher than the average retention rate of 29%.

"Shopping apps likely get downloaded with greater intention, and there is less mystery about what utility that app is going to provide for the user," eMarketer principal analyst Andrew Lipsman said. "Retailers can use this knowledge to their advantage—making sure that, once they get their app downloaded, they are doing everything in their power to keep customers engaged and transacting through the app."

Localytics also found that consumers spend the least amount of time in retail and ecommerce apps compared with the other app categories. This makes sense, given that shopping apps possess a clearer objective (to conduct a sale), whereas content-driven apps are meant for engagement and maintaining attention.

On a monthly basis, retail and ecommerce apps saw an average of 8.8 launches per app and 3.3 minutes spent within each. This is compared with the total average of 13.0 launches and 56.3 minutes spent within apps across all categories, skewed by time spent in media and entertainment apps.

**Mobile App Engagement Performance Metrics
Worldwide: Average Weekly & Monthly Usage, by App
Category, H2 2018**

1 Media & entertainment					
2 Business & technology					
3 Travel & lifestyle					
	4 Retail & ecommerce				
	5 Total				
	1	2	3	4	5
Weekly					
Average launches per app	6.6	5.9	5.2	4.0	5.4
Average time spent per app (minutes)	7.2	2.7	3.2	3.3	4.3
Average time spent in all apps (minutes)	47.3	15.7	16.6	13.6	23.5
Monthly					
Average launches per app	16.2	14.0	11.7	8.8	13.0
Average time spent per app (minutes)	7.2	2.7	3.2	3.3	4.3
Average time spent in all apps (minutes)	117.0	37.8	37.7	29.6	56.3
<i>Note: represents activity on the Localytics platform, broader industry metrics may vary</i>					
<i>Source: Localytics, "Cheat Sheet: App Benchmarks H2 2018," March 2019</i>					
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"For companies, mobile apps are significantly more valuable than the mobile web," said Adam Blacker, vice president of insights and global alliances at Apptopia. "When a company's app is installed, it now owns a piece of real estate on a consumer's most personal belonging."

And with the app living on consumers' phones, ecommerce retailers can garner attention without having to send users notifications, Blacker said. "Instead, they can prompt consumer curiosity by doing things like updating the app icon to match upcoming seasons or events. That newness is something that will naturally demand consumers' curiosity for a moment."

That interest is crucial to retention because, the more consumers engage with an app, the more likely they are to return frequently—and the less likely they are to ultimately churn.