APPTIMIZE

The Beginner's Guide to Mobile Retention

If your product is a mobile app, you are in the unique position of having a direct line of communication with your user. Once downloaded, your app has the potential to be front of mind for your user at any minute of the day—unlike desktop and web apps that have to capitalize on the time a user spends in front of their computer screen.

You have to tread carefully—great rewards come at a high risk. With your push notifications, lifecycle emails, and in-app messages, you must focus on how you can drive users into your app without getting in their way. Across mobile apps, 60% of users opt-out of push notifications across apps. The best apps, however, achieve as high as 80% engagement on their notifications by making them personal and timely.

Here's our ultimate guide to retaining your mobile users.

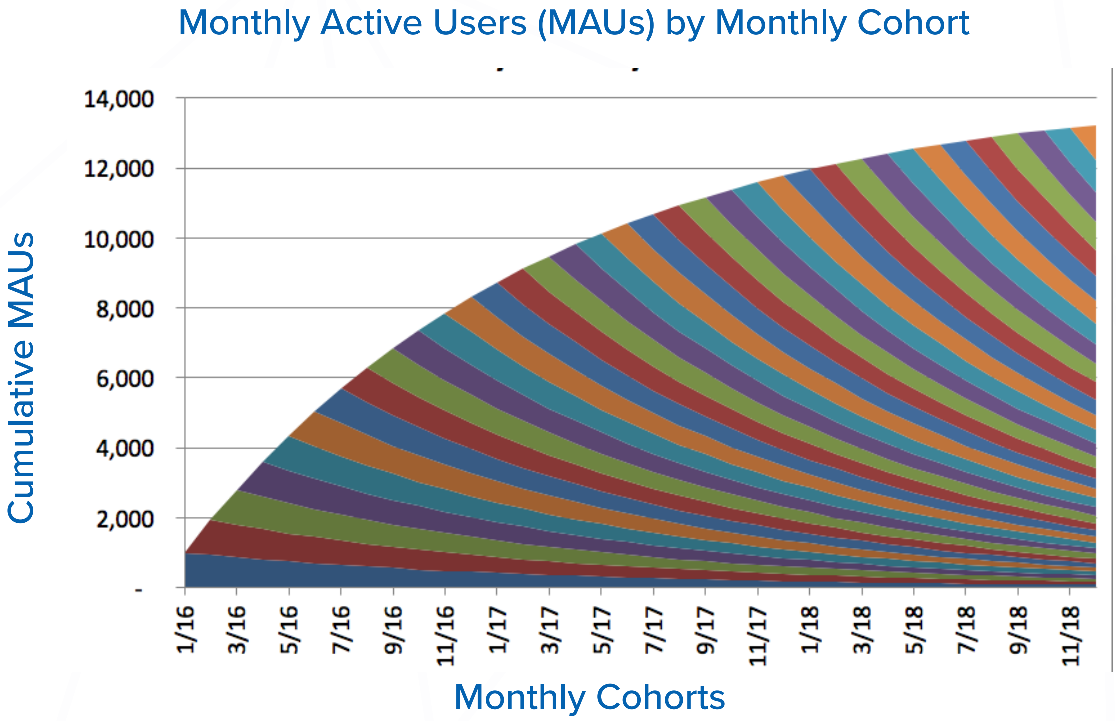
The Power of the Retention Curve

Most mobile product managers have a very broad sense of their retention numbers. For instance, they see that they have a 3% monthly churn rate, and think they're in the clear. A few months down the line, however, that churn rate grows and leaves PMs scrambling to achieve too little, too late.

Don't get us wrong, your churn rate ***is*** important, but understanding its context is equally important. For instance:

- If 3% of any given cohort of mobile users churn just in the first few weeks, leaving 97% to develop into long-term users, you're in a good spot.
- If 1% of any given cohort of users churn *each month*, then your entire user base is dwindling away into nothing. This is **compounding churn** that will turn into a much bigger issue down the line.

While the former seems more concerning than the latter at first, the latter points to a much deeper issue. The difference between the two, is that the retention curve **flattens** for each cohort in the first example, and doesn't in the second, resulting in a retention graph that looks like this:

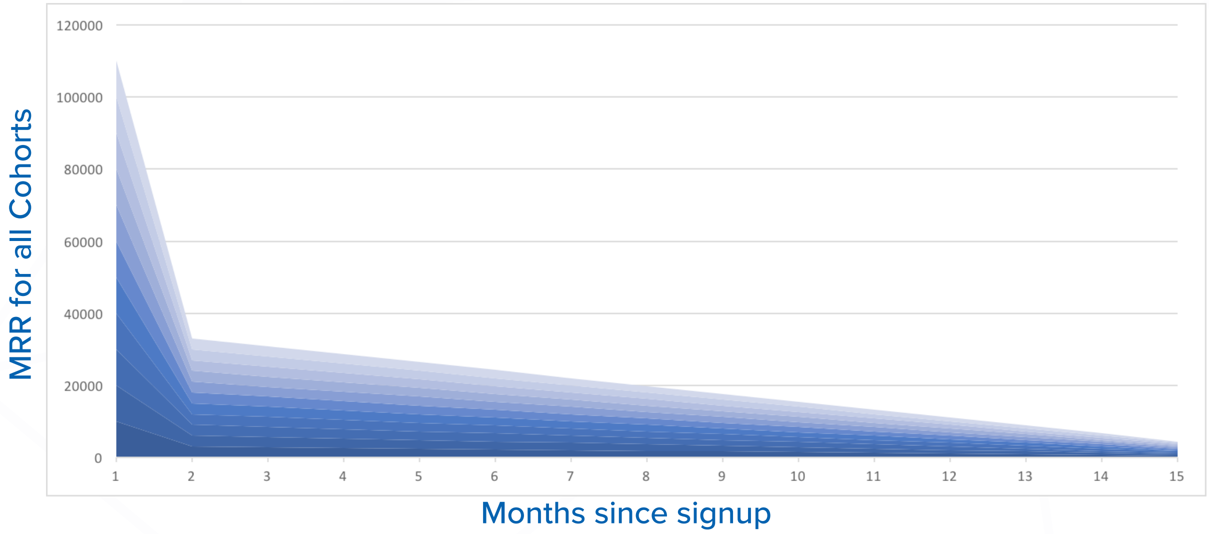


Regardless of how great your acquisition numbers are, it's control over that retention curve that will get you the sustainable growth necessary for a successful mobile app.

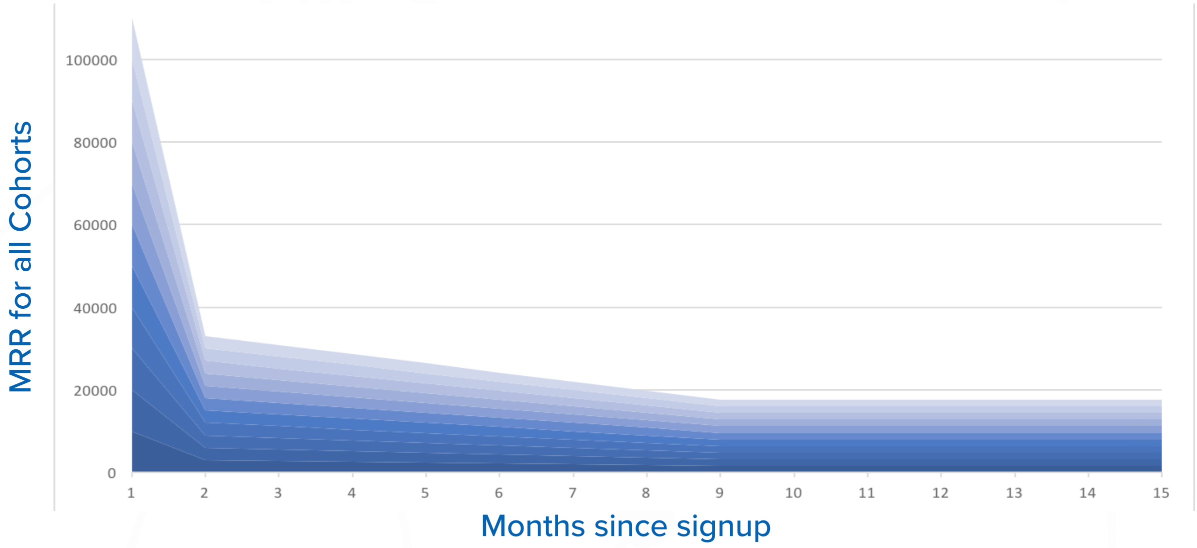
Flatten the Retention Curve

The first step to sustainable growth is to get at least some percentage of every cohort to stick around.

Monthly Recurring Revenue (MRR) with Increasing Churn



Monthly Recurring Revenue (MRR) with Stabilized Churn



Users stick around only if they have an Aha! Moment with your app—a moment after a series of actions, when a user realizes that your app is useful to them in the long-term. The Aha! Moment isn't always obvious, but it's what separates the users who stay from the users who churn.

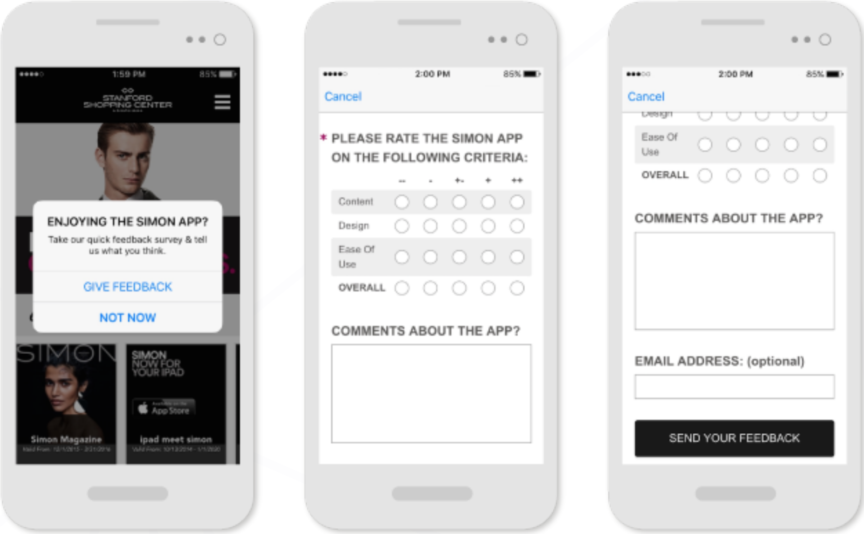
To flatten the curve, you need to locate your Aha! Moment and nudge users toward it.

SOLICIT USER FEEDBACK EARLY ON

Unless your app needs a total overhaul, the root of your churn issue is likely a disconnect between the value you **think** you're delivering and what you're actually delivering. Things like a poor UI or even a small bug could be relatively easy fixes that are driving away users.

When your app is just taking off, you usually don't have a ton of quantitative data at your fingertips to learn from. You *do*, however, have the opportunity to reach out and ask for feedback.

Shopping App SIMON Asks for Feedback Right in the App



ENJOYING THE SIMON APP?

Take our quick feedback survey & tell us what you think.

* PLEASE RATE THE SIMON APP ON THE FOLLOWING CRITERIA:

	--	-	+-	+	++
Content	○	○	○	○	○
Design	○	○	○	○	○
Ease Of Use	○	○	○	○	○
OVERALL	○	○	○	○	○

COMMENTS ABOUT THE APP?

EMAIL ADDRESS: (optional)

Data Source: SurveyMonkey

The best time to ask users for feedback is right when they're already thinking about your app. Make it quick and easy for users to share their thoughts so you can ground product decisions in real users' expectations. Here are some of the best survey SDKs to build into your app for timely feedback:

- SurveyMonkey is quick and easy to deploy. Changes can be made to the survey without re-submitting to the app store. It doesn't have quite as many advanced targeting options, however.
- Customer.io is an event-based email platform that allows you to send emails based on customer behavior. You can use it to trigger email surveys after users have completed core actions within your app.
- AskingPoint is a bit more robust in terms of its offerings. It also allows you to send push notifications, and respond to queries within the app itself.

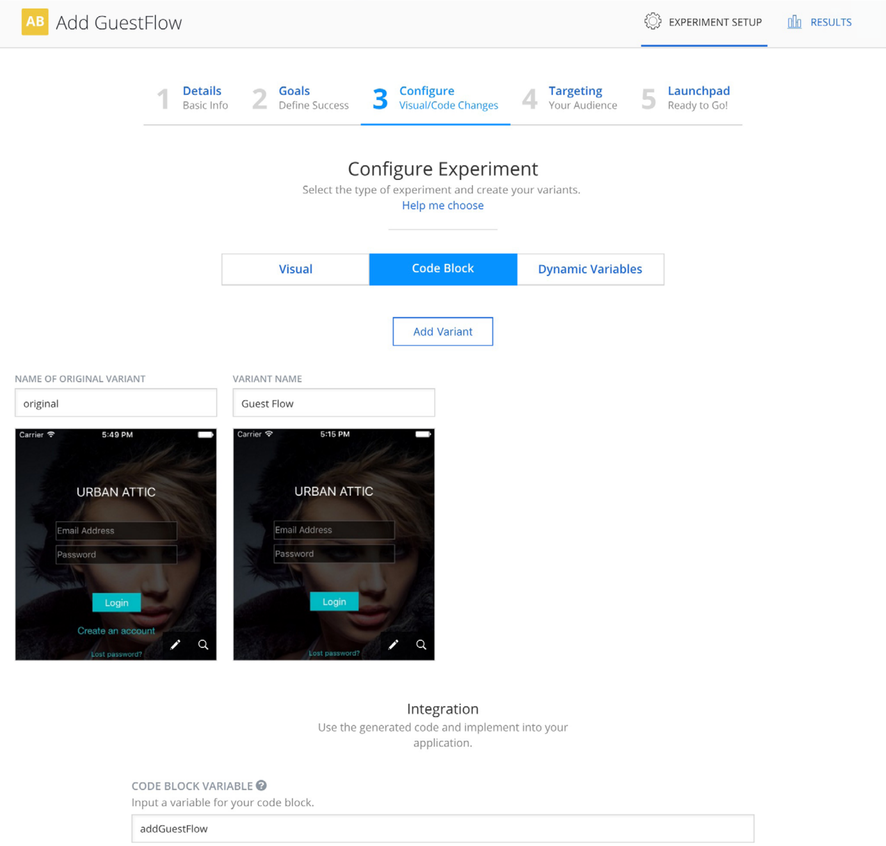
LOCATE FRICTION BY A/B TESTING USER BEHAVIOR

Friction can make or break your mobile app retention. Even if your app has an incredibly valuable core functionality, a user can still give up on it because of a poor UX. The problem is that friction differs app-to-app. While a login screen increases user engagement numbers for an app like Netflix, it decreases engagement for an app like Hotel Tonight. To pinpoint the friction in your app, specifically, takes a bit of surveillance work.

For example, say you have an e-commerce mobile app. Currently, users have to create an account to make a purchase. Your product team hypothesizes that allowing users to checkout as a guest might drive more conversions.

Using Apptimize's programmatic experiments, you can run A/B test to validate your hypothesis. Code block and Dynamic Variable tests allow you test ***anything*** you can code. That makes it especially helpful for testing more involved UX changes in your app.

A/B Testing a Guest Flow for an eCommerce App Using Apptimize



Add GuestFlow

Configure Experiment

Select the type of experiment and create your variants.

NAME OF ORIGINAL VARIANT: original

VARIANT NAME: Guest Flow

Integration

Use the generated code and implement into your application.

CODE BLOCK VARIABLE

Input a variable for your code block.

addGuestFlow

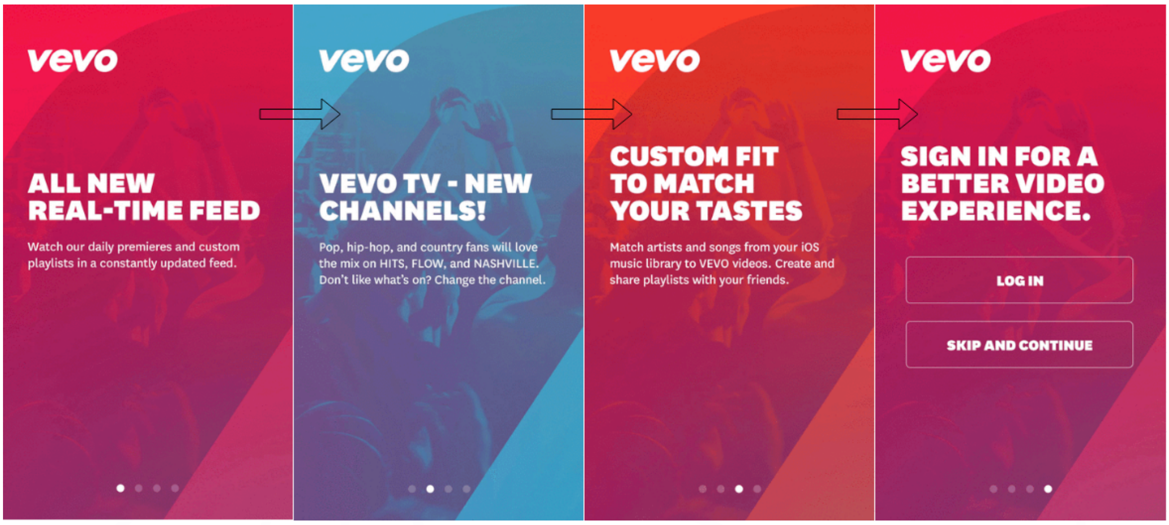
A Caltech Neuroscience study revealed that distracted users will click on the feature that visually "sticks out," over the feature that most relates to what they want to do in the app. If your app's best features are hidden, your user won't look for them.

EXPERIMENT WITH DIFFERENT ONBOARDING FLOWS

According to the onboarding expert and Appcues CEO Jackson Noel, user onboarding is the most important part of your users' experience by 2.6x. He argues that the sooner you can point users to value, the more users will stick around from each cohort, significantly lifting your retention curve in the long run.

No two onboarding flows are built the same, so you'll need to do a bit of A/B testing to see which one works best for your app. Vevo, for instance, tested a hypothesis that went against popular belief: they got rid of their onboarding tutorial.

Their control was a four-step walk through:



ALL NEW REAL-TIME FEED

Watch our daily premieres and custom playlists in a constantly updated feed.

VEVO TV - NEW CHANNELS!

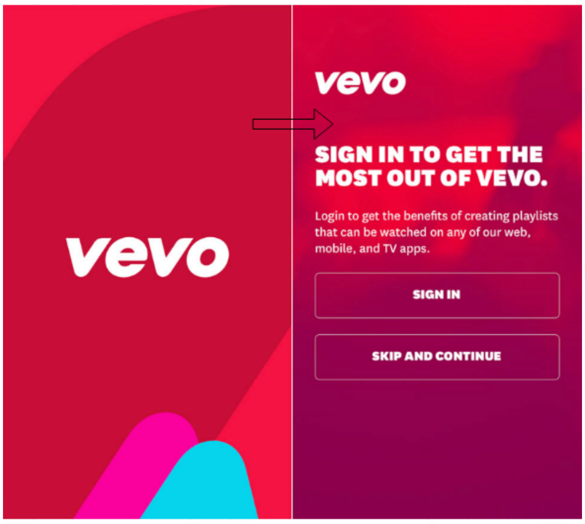
Pop, hip-hop, and country fans will love the mix on HITS, FLOW, and NASHVILLE. Don't like what's on? Change the channel.

CUSTOM FIT TO MATCH YOUR TASTES

Match artists and songs from your iOS music library to VEVO videos. Create and share playlists with your friends.

SIGN IN FOR A BETTER VIDEO EXPERIENCE.

The team at Vevo created a variant by replacing the walkthrough with a simple splash screen, and adding a more detailed value proposition to the sign up screen:



SIGN IN TO GET THE MOST OUT OF VEVO.

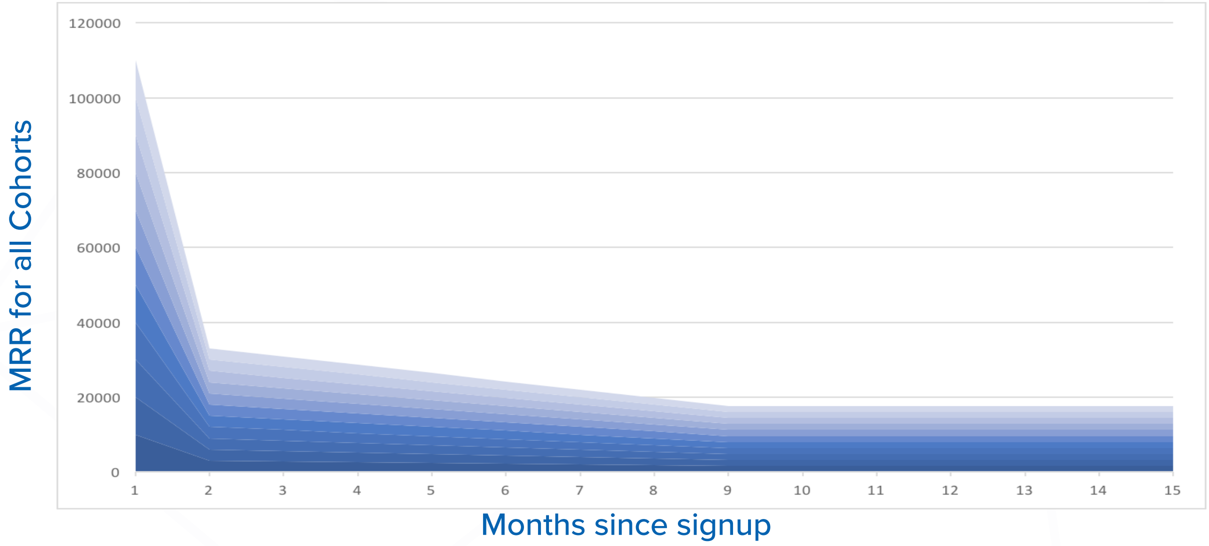
Login to get the benefits of creating playlists that can be watched on any of our web, mobile, and TV apps.

After each A/B test, you'll have a better understanding of what your users are looking for, so start with a hypothesis that's broad—two screens vs. four screens, login vs. no login, etc. As you gain more insights you can continue pruning your onboarding flow and getting more and more users to stick around.

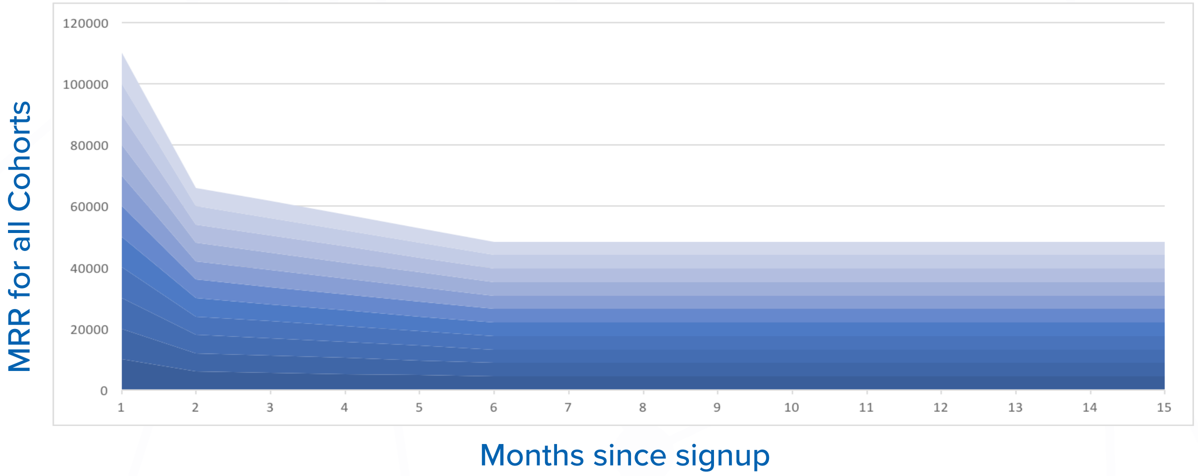
Shift the Retention Curve Up

Once your retention curve flattens, you have validation that your product can achieve sustainable growth. The next step is shifting the curve up—**getting more people to see your app's value, sooner.**

Monthly Recurring Revenue (MRR) with Stabilized Churn



Monthly Recurring Revenue (MRR) with Decreased Churn



Many product managers set a low bar for themselves because they see the majority of apps on the market losing over three quarters of their customers. Andrew Chen, however, has pointed out that shooting for the average isn't going to get your app any success. To be successful you need to have a retention rate that's **far above the average.** In fact, the first week retention of the top apps is more than double the average.

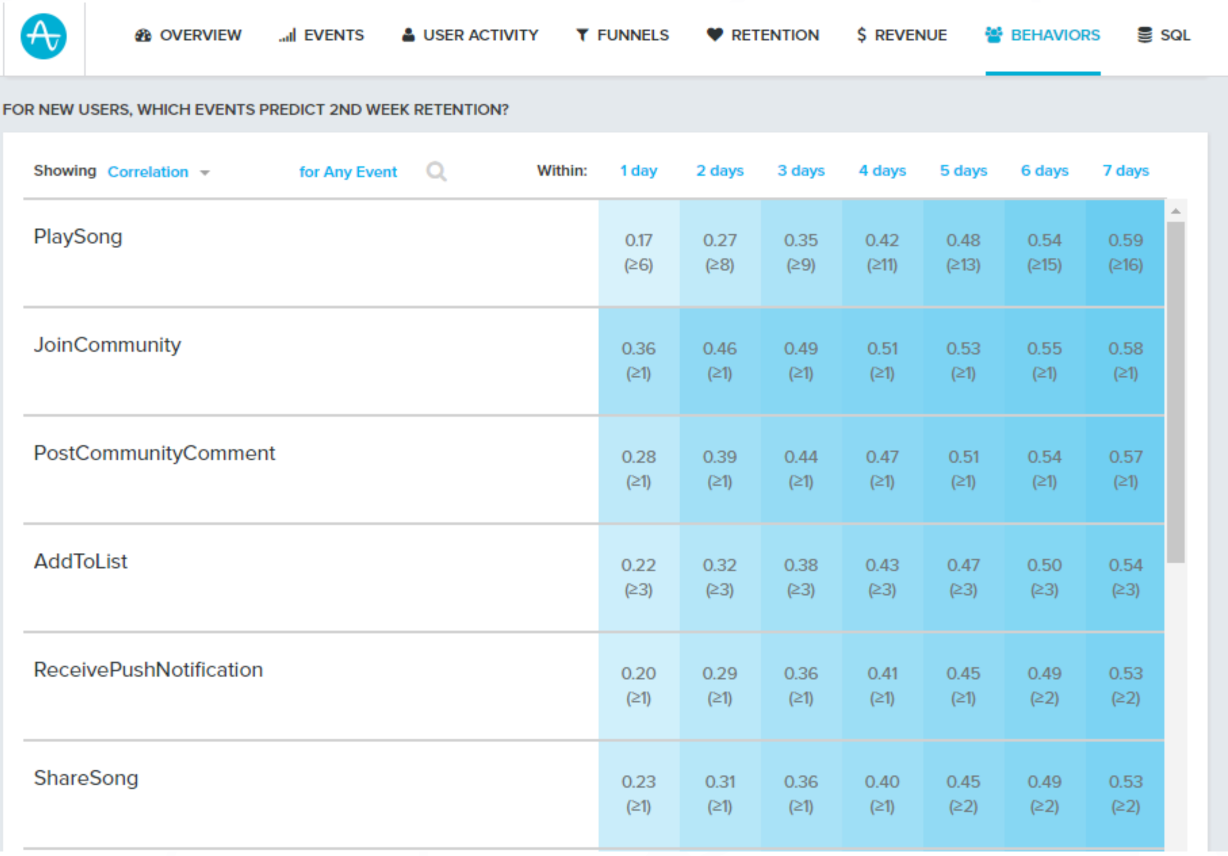
FIND THE METRICS BEHIND YOUR SUCCESS

The great thing about having a retention curve that flattens is that you now have data to work with. You know that your product has been successful with at least some users so if you nail down *why*, then you can extend that value to a bigger portion of your early users.

To figure out that *why*, you need to take a really close look at behavior analytics. You need to find out what behavior, early on, leads users to stick around.

Building data infrastructure from the ground up is costly, so consider using a tool like Amplitude to help you find which behaviors correlate with retention.

Amplitude's Compass Shows How Enagement Correlates With Retention



FOR NEW USERS, WHICH EVENTS PREDICT 2ND WEEK RETENTION?

Showing Correlation for Any Event	Within: 1 day	2 days	3 days	4 days	5 days	6 days	7 days
PlaySong	0.17 (≥6)	0.27 (≥8)	0.35 (≥9)	0.42 (≥11)	0.48 (≥13)	0.54 (≥15)	0.59 (≥16)
JoinCommunity	0.36 (≥1)	0.46 (≥1)	0.49 (≥1)	0.51 (≥1)	0.53 (≥1)	0.55 (≥1)	0.58 (≥1)
PostCommunityComment	0.28 (≥1)	0.39 (≥1)	0.44 (≥1)	0.47 (≥1)	0.51 (≥1)	0.54 (≥1)	0.57 (≥1)
AddToList	0.22 (≥3)	0.32 (≥3)	0.38 (≥3)	0.43 (≥3)	0.47 (≥3)	0.50 (≥3)	0.54 (≥3)
ReceivePushNotification	0.20 (≥1)	0.29 (≥1)	0.36 (≥1)	0.41 (≥1)	0.45 (≥1)	0.49 (≥2)	0.53 (≥2)
ShareSong	0.23 (≥1)	0.31 (≥1)	0.36 (≥1)	0.40 (≥1)	0.45 (≥2)	0.49 (≥2)	0.53 (≥2)

Data Source: Amplitude

In the example of a music app above, we can see that the three activities that are the most predictive of retention are: playing a song, joining a community, and engaging with the community within the first seven days.

BUILD USER HABITS DELIBERATELY

All product managers want users to visit their app habitually, but few put in the legwork to make that happen. Habits aren't formed overnight, but you need to set the right expectations from the get-go for how your app will fit into users' day-to-day life. This will lay the groundwork for a more lasting relationship.

This applies first and foremost to the biggest lever in customer engagement—outreach. Start outreach early and make sure that you're giving your users something valuable, not promotional. It might be useful marketing tips, or time-sensitive digests.

The surprise and delight strategy, makes them anticipate the outreach, and look forward to the contents of your message. Here are some outreach channels you can use to build users' habits from the start:

- **Push.** Push should be used as an extension of your app. It extends your app's utility outside of your UI.

- **Text.** Texting is very personal, so you have to be careful not to use it needlessly. It is great to send time-sensitive updates such as balances or appointment confirmations, but not to shamelessly promote your product.

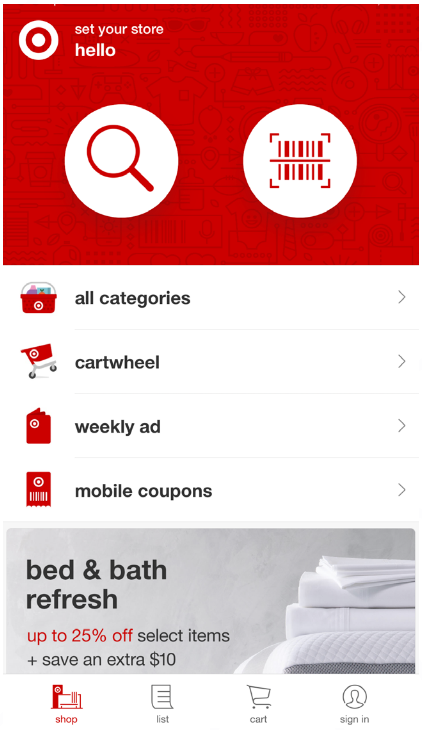
- **Social.** Engaging in a community is the best way to spread awareness about your app and subtly remind users of your product every day.

Engage users consistently in places where they already hang out. Then a request to check out new feature won't seem so jarring.

TEST EACH FEATURE RELEASE

To build for their users, product managers attempt to think from their users' perspective. Because of their proximity to the product, however, that usually proves impossible. The whole product team has to operate under the assumption that their product is useful—and a filter of skepticism is near-impossible to superimpose on top of that.

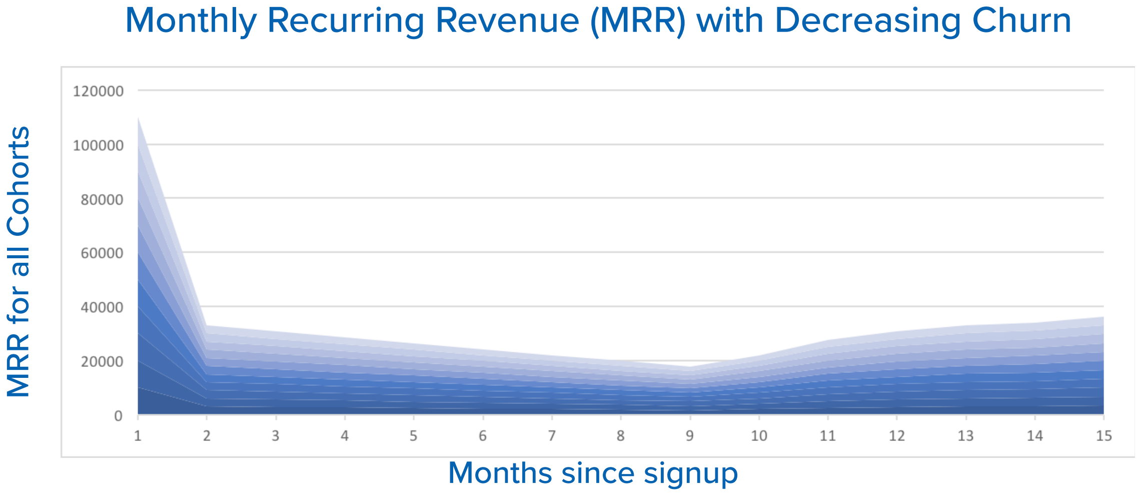
That's why you need to bring real user input into your development process to get validation on the features you're building. Use Apptimize's feature flags to validate something as basic as the idea behind a feature, or a nuance as small as the type of font you use.



For example, say you have an e-commerce app like Target's. Your've just launched a new store locator feature, and placed it at the top of your mobile app.

Instead of launching the store locator feature to all your mobile users, you could use a feature flag to roll out the store locator only to users who live within 10 miles of a Target store. That way, you can test the feature on the users most likely to use it, before rolling it out to everyone else.

The Holy Grail of Retention



The goal for all mobile apps is to not only get users to stick around, but to grow in value over time. That means you want your users upgrade, or become an evangelist for your app. In both cases, you'll have users that don't just benefit from your app—they'll be invested in its success. If you achieve this scenario, your retention curve won't just flatten, it will parabola. You'll grow regardless of how much you spend on acquisition numbers.

About Us

Apptimize is the best-in-class mobile growth platform for enterprise and SMBs. Our platform has powered 1.2 Billion App downloads, across 75 countries.

Key Features

A/B

Native A/B Tests

Run experiments within minutes using our drag and drop Visual Editor and programmatic testing.

Feature Flags

Excercise complete control and manage risks at every stage of new feature rollouts.

Instant Updates

Launch changes and promotions directly to your app without using any code.

Some Apps That Use Apptimize

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APPTIMIZE

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