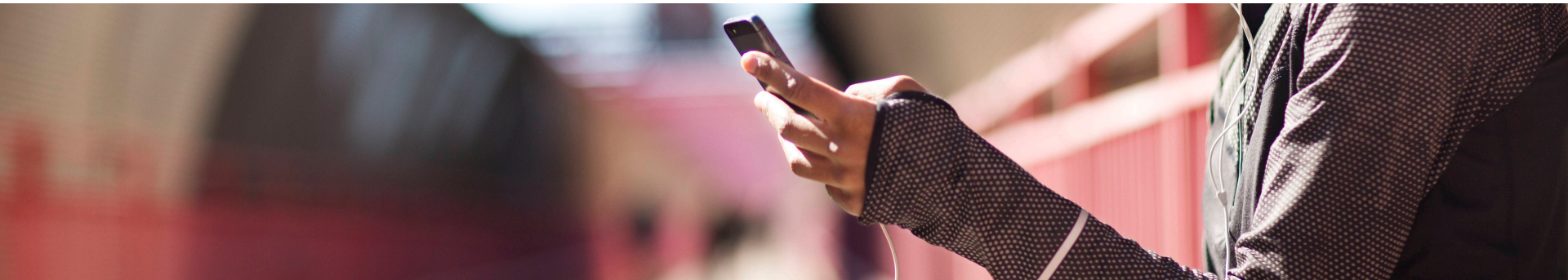


May 2015

Mobile App Marketing Insights:

How Consumers Really Find and Use Your Apps



think with Google™

EXECUTIVE SUMMARY

Most installed apps are not used often.

The average app user has 36 apps installed on his or her smartphone. Only one in four of those apps are used daily, while 1 in 4 apps are never used. The most common types of apps used daily are social/communication and gaming apps.

App discovery can occur outside of the app store.

While the app store and word of mouth are major sources of app awareness, search can also help consumers discover apps during moments of intent. In fact, one in four app users discover apps through a search engine.

Search is effective in driving app downloads.

Although four out of five app users consider the price of an app important when deciding to download, search ads can also be effective in influencing the download. Among app users who were influenced by ads on a smartphone when downloading an app, 50% were prompted to download through search ads.

Apps play a role during the purchase path.

One in two app users turn to apps to help make purchase decisions. Of these, 45% use apps to look for more business or product information, and 29% use apps further down the funnel to make a purchase, either online or offline.

Incentives can renew app usage among abandoned users.

A third of app users stop using or uninstall apps because they lose interest. But incentives can be effective in renewing app usage. Of those who stop using apps, 30% would use an app again if offered a discount, and 24% would reuse an app if offered exclusive or bonus content.

BACKGROUND AND RESEARCH METHODOLOGY

Consumers spend an average of 30 hours per month in apps.¹ To understand the drivers behind app discovery and engagement, Google partnered with Ipsos MediaCT to conduct research on consumer app acquisition and usage behaviors.

Methodology

A total of 8,470 respondents age 18–64 completed one of eight vertical specific online surveys focusing on smartphone app discovery, acquisition, usage, and abandonment. The study was fielded between September 12 and September 22, 2014.

Respondents met the following criteria for inclusion in this research:

- Smartphone users
- Have used any smartphone app in the past seven days
- Have used one of the following types of apps on their smartphone in the past 30 days:



Retail



Travel



Social



Finance



Gaming



Entertainment



Local



Technology

Ipsos MediaCT is the market research division within Ipsos that specializes in reaching, engaging, and more effectively understanding today's digitally driven consumer in the fast-moving media, content, and technology space.

¹ Nielsen, <http://www.nielsen.com/us/en/insights/news/2014/smartphones-so-many-apps--so-much-time.html>

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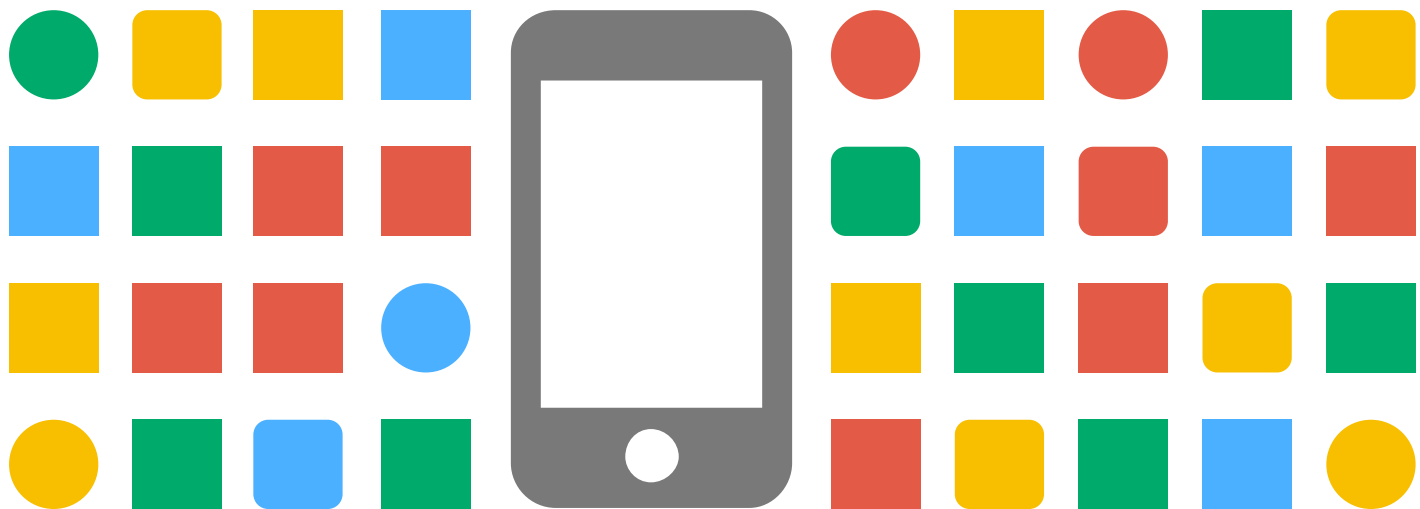
App **usage behaviors**



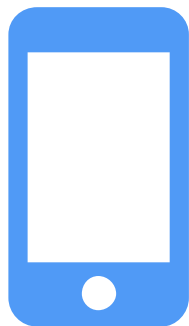
Reengaging **abandoned users**

General app consumption

The average app user has **36** apps installed on his or her smartphone.



Few apps are **used daily**.



26%

of installed smartphone
apps are **used daily**.

Social and gaming apps have the **most daily use**.

Types of smartphone apps used daily:



68% social and communication



33% media or entertainment related



46% games or gaming related



19% retail stores or retail related

Apps are often discovered **outside the app store.**

Sources of awareness of smartphone apps:



52% friends, family, and colleagues



24% company website



40% browse the app store



22% TV



27% search engines

Search is a **driver** of app discovery.



1 in 4

app users discover apps
through **search engines.**

Search is especially effective for discovering **technology, travel, and local apps.**

% of app users who discover apps through search engines by app category:



43% Technology



35% Travel



34% Local



28% Entertainment



24% Retail



19% Social



16% Finance



15% Gaming


Base: Total respondents per quota; retail (n=1,059), gaming (n=1,059), travel (n=1,060), entertainment (n=1,058), social (n=1,058), local (n=1,059), finance (n=1,058), technology (n=1,059)

Google/Ipsos Survey Q11. In which of the following ways did you first become aware of [...] smartphone apps? Please include all the sources where you have seen or heard information about apps, even if you didn't subsequently download them.

Influencing the download

Search ads are effective in **driving app downloads**.

Types of ads that prompted app downloads among app consumers whose download was influenced by ads on a smartphone:



50%
search ads



49% social ads



47% banner/graphical ads in apps



45% banner/graphical ads in websites



43% video ads

Recommendations and interest/fun level are **top reasons** to download apps.

Reasons for downloading an app:



33% recommended by others



24% familiarity with company/brand



31% sounded interesting/fun



18% access exclusive discounts/rewards

4 in 5 say **price** is important when deciding to download.

Important factors when deciding to download an app:



82% price



60% ratings



62% description

FREE

43% free trial



60% reviews

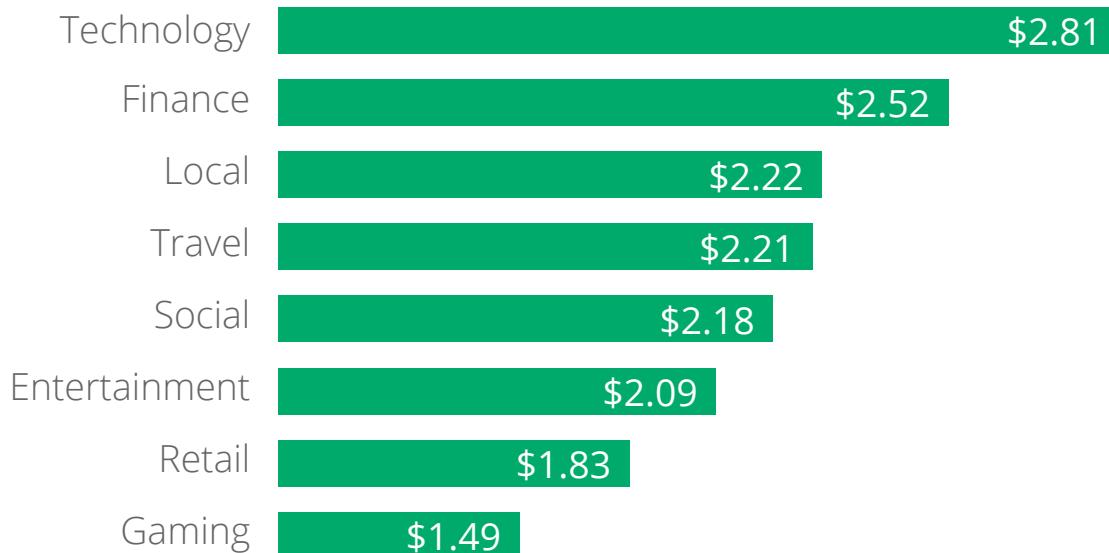
Most expect apps to be free; willingness to pay varies by category.

FREE

3 in 4

expect apps to **be free.**

Overall Avg. Willingness to Pay = \$2.17



Base: Total respondents per quota; Vertical average (n=8,470), Retail (n=1,059), Gaming (n=1,059), Travel (n=1,060), Entertainment (n=1,058), Social (n=1,058), Local (n=1,059), Finance (n=1,058), Technology (n=1,059)

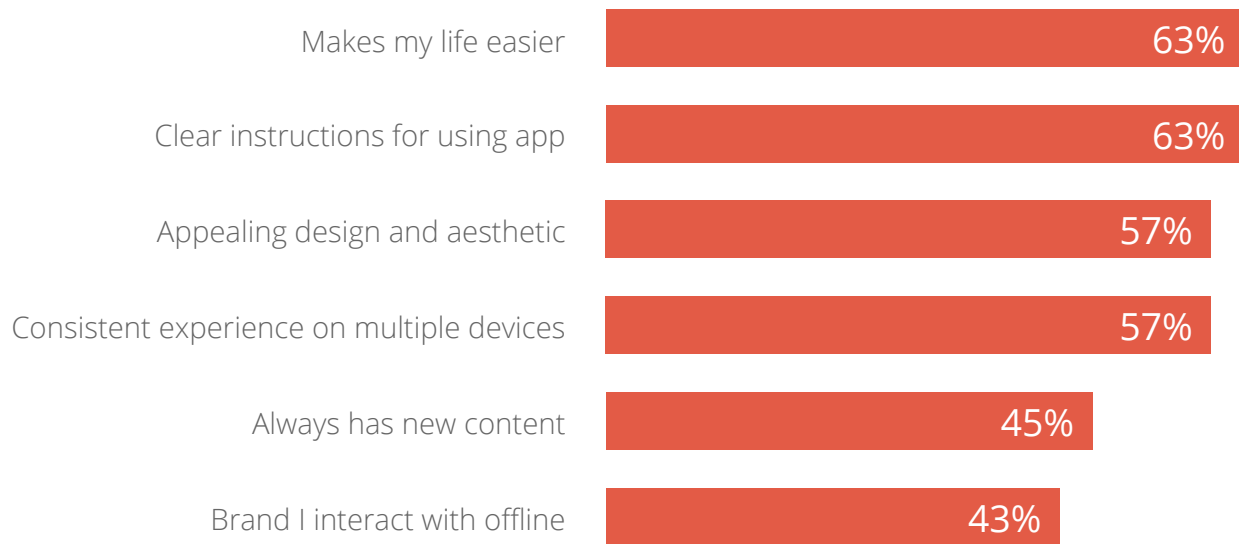
Google/Ipsos Survey Q.9 Imagine you wanted to download the following types of apps. How much, if anything, would you be willing to pay for the app?

*Averages exclude 0 values

App usage behaviors

Simplifying life and ease of use **boost app usage.**

Attributes associated with frequently used apps:



Base: Total respondents: Vertical average (n=8,470). Percentages based on Top 2 Box.
Google/Ipsos Survey Q32. Thinking about the [...] apps that you use frequently and those that you do not use very often or at all, to what extent do you agree or disagree that the following attributes are true of [...] apps that you use more frequently?

1 in 2 use apps to help make **purchase decisions.**



45% look for more info.

Look for info about a specific product/services 28%

Look for something nearby 24%

Contact a business 18%



29% make a purchase.

Make an online purchase 22%

Make an offline purchase 16%

Users make purchases **through apps**.

	Made purchase in past 30 days	Past 30-day median spend	Past 7-day median spend
Spend on products, services, subscriptions through apps	39%	\$44	\$16
Spend on virtual goods through apps	24%	\$17	\$8

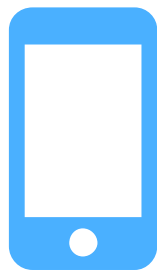
Base: Total respondents: Vertical average (n=8,470)

Google/Ipsos Survey Q26. Approximately how much have you spent on purchases of products, services, or new subscriptions made through apps in the past 30/7 days?

Google/Ipsos Survey Q27. And approximately how much have you spent on purchasing virtual goods (such as upgrades in games, personalization on social networks, other bonus/exclusive content, or extra/premium app features)?

Reengaging abandoned users

Maintaining engagement in apps is a **huge opportunity**.



1 in 4

installed smartphone
apps are **never used**.

Consumers often abandon apps **immediately** after a download.

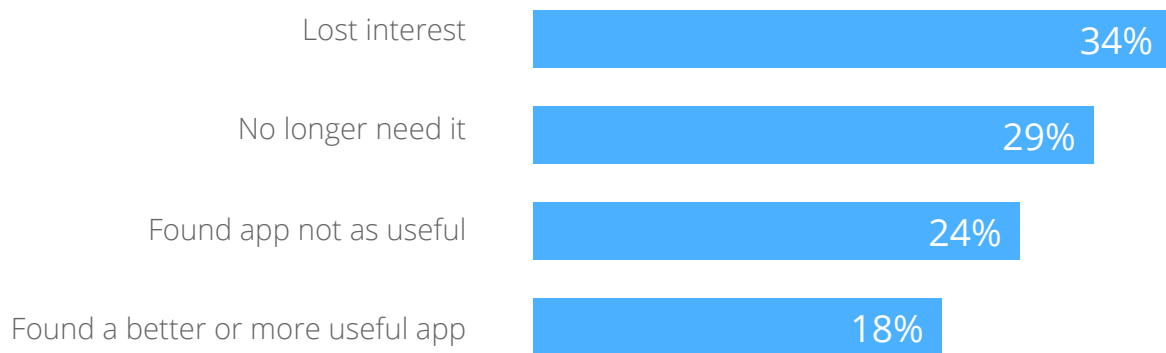


38%

of app users are likely to download an app when it's required to complete a purchase, **half of which would uninstall it** after purchase is complete.

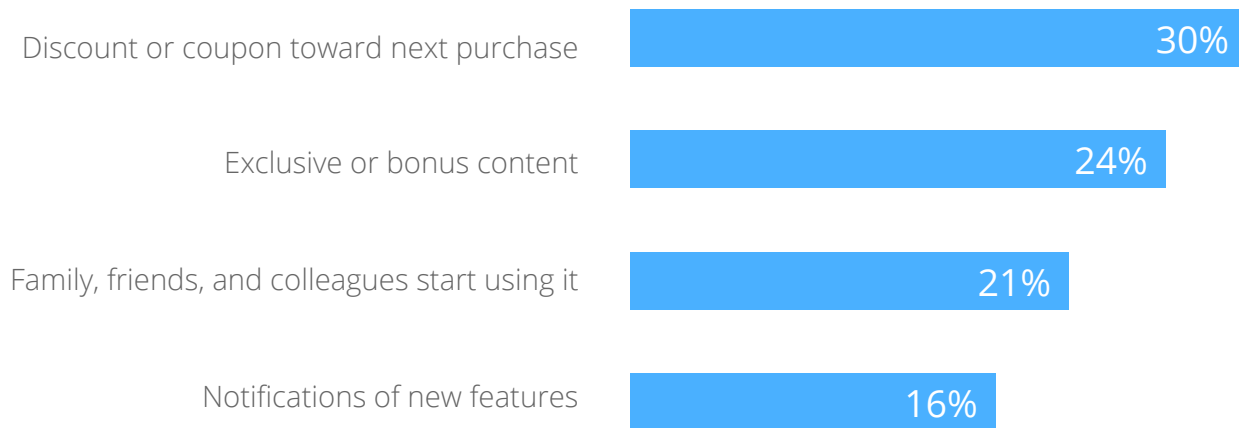
App abandonment is mainly fueled by **loss of interest**.

Reasons apps are no longer used:



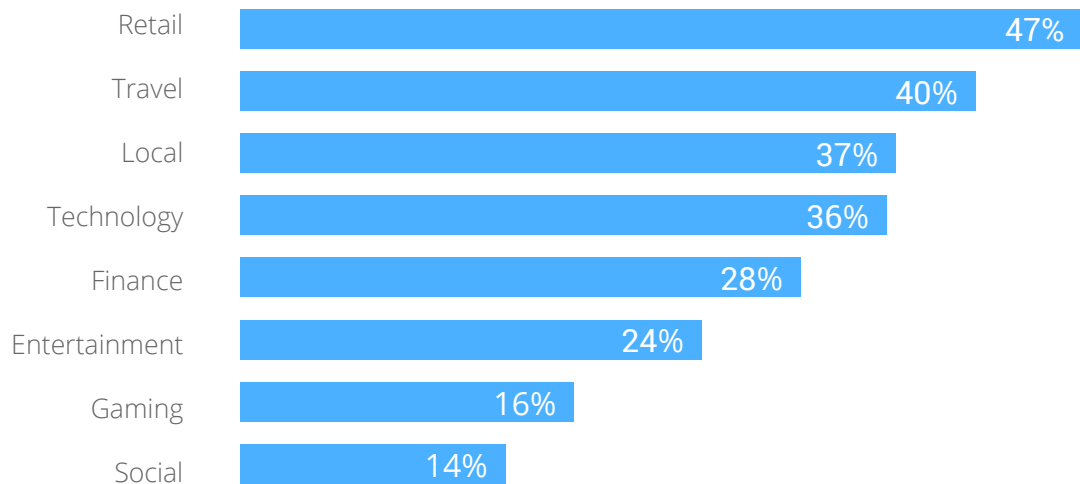
Incentives can prompt **renewed app usage**.

Prompts for restarting use of apps not used or uninstalled:



Discounts are most effective in activating reengagement for **retail, travel, and local apps**.

% of app users would start using an app again given a discount or coupon towards next purchase by app category:



Base: Respondents per quota who have stopped using apps on their smartphone: Retail (n=879), Gaming (n=896), Travel (n=822), Entertainment (n=887), Social (n=712), Local (n=892), Finance (n=638), Technology (n=924)
Google/Ipsos Survey Q37. Now thinking about [...] apps that you've stopped using or uninstalled from your smartphone, which of the following would make you more likely to start using an app again?

STRATEGIES TO WIN WITH MOBILE APPS

Apps play a major role in a consumers' mobile experience. While apps can delight users and satisfy their needs in an efficient manner, getting their attention and keeping them captivated can be a challenge.

Based on what we know about app users, these are a few steps to succeed in reaching and engaging your app audience:

Maximize your online presence to aid in app discovery

Users have more choices than ever to utilize apps that meet their specific needs. To stand out from the crowd, marketers must be present wherever smartphone users are looking to discover apps relevant to their interests. Online ads such as **mobile app install campaigns** across search, display, and video offer a way to promote apps to potential users during their moments of intent wherever they may be.

Keep users engaged by promoting the value of your app

Since most installed apps are seldom used, users need a compelling value proposition to start and continue using an app. Users' interest and engagement in apps are best stimulated with discount offers and exclusive content. You can promote these incentives through **mobile app engagement ads**. Together with deep links, you can connect users directly to relevant places in your app to take advantage of your offer or content.