

COLUMNS

Engagement to monetization: Improving mobile marketing ROI

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Nate Smith is senior product marketing manager for Adobe Analytics at Adobe

By **Nate Smith**

As marketing leaders push to improve mobile customer engagement, the herd mentality over the past few years has been to "get our app out there" and that if you do not have an application, you are behind the times. To a large extent this is true. Consumers now expect mobile competency from brands.

According to data published by the Pew Research Center, 58 percent of adults own smartphones and 42 percent own tablet devices. Roughly 50 percent of these users are downloading apps to conduct business for health services, banking, shopping and other activities.

In fact, in January 2014, CNN reported that for the first time, U.S. consumers used smartphone and tablet apps more than PCs to access the Internet.

However, there is a big problem for many businesses joining the app rush: they have no idea how to monetize engagement over mobile.

Banking on

If analytics are instrumented at all Forrester Research estimates that only 46 percent of apps have analytics it is a bolt-on effort, after the launch of the app. Yet those same folks who just wanted to "get the app out there" will soon be wanting to know how many dollars that app is generating.

Let me give you an example.

As an industry, retail banking has sophisticated apps that have essentially put a teller in the pocket of each client. Banks have excelled at providing a valuable service, so much so that customers tend to abandon banking Web sites in lieu of doing business using mobile apps.

The result? Significant volumes of Web traffic that were being monetized through analytics and targeted cross-sell offers on the desktop are now being routed to a medium with a differing form factor that typically is not being measured, let alone monetized.

In addition, many mobile teams are separated from the marketing or analytics teams, and if the company reacts to increases in mobile growth and decreases in desktop usage by making investment decisions based on siloed data, it can harm both businesses with bad information.

To be clear, by far the most compelling reason for creating an app is real-time customer engagement. But developing an app that truly accomplishes this end is an expensive undertaking.

The investment required to satiate the exponentially growing expectations of the market is not trivial, reaching into seven and even eight figures. If mobile cannot be made profitable, the business will not continue to invest in providing a good customer experience.

Providing great mobile experiences that are profitable

With mobile apps becoming mainstream, they present an enormous opportunity to enhance customers' daily lives. However, that is assuming that you have developed a clear app strategy. In particular, have you:

1. Gained clarity regarding how your app provides value to the consumer?
2. Defined success, meaning connecting the dots on how the value of the app achieves business objectives, which in turn enables continued investment?

Now that mobile is a life companion, customer expectations for real-time utility are growing.

Compound this fact with the reality that we all have different expectations and contextual needs when engaging with an app, and you can see why it is essential that you are measuring customer value and tracking success.

Cross-channel analytics is critical to app monetization

Analytics is vital to app monetization for your business. It allows product teams to improve engagement by understanding app performance speed, crashes and feature usage that directly affect the user experience.

In addition, monetary value can be tied to engagement through either direct means and metrics such as purchases and revenue for retail apps, indirect metrics such as location visit rates that describe the effectiveness of in-app or push messaging, or mobile advertising that results in foot traffic in a specific location over a given timeframe.

With the unique aspects of location and context that are applicable only to mobile apps, the need for real-time monitoring is critical.

AS A FUNDAMENTAL rule, the time to think about using app analytics is long before your app is in the store.

Careful consideration must be given to what data you want and why you want it.

Measuring apps is not about downloads.

With mobile as the nexus of the customer journey, ultimately it is about the multichannel measurement of engagement to provide consistent experiences across devices.

Uncovering the how, when and where of app usage will provide a wealth of information that can not only be used for determining if the app needs tweaking, revamping or dumping, but can also enrich customer profiles in a measurable way that is profitable for the business.

Nate Smith is senior product marketing manager for [Adobe Analytics](#) at [Adobe](#), Salt Lake City, UT. Reach him at nasmith@adobe.com.