App Retargeting

Turn your users into buyers & your buyers into loyal customers.

In dex

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The mobile ecosystem is more dynamic, expansive and sophisticated than ever. Contributing to this changing landscape has been the particularly dramatic shift in the way we define app analytics and apply marketing techniques.

"The average consumer installs 9 apps every month."

"80% of installed apps are used just once before being deleted."

Faced with these kind of stats it's abundantly clear that marketing to users after the install is just as important as driving them in the first place.

Focus has moved beyond the install and toward turning those installs into engaged and profitable customers. So what options do mobile app developers and marketers have to steer clear of this above situation? How do you stay top of the app rankings while keeping users engaged?

Thanks to rapid technological advances, marketers can now retarget every kind of user out there - from completely inactive to their most loyal customers - with tailored messages to drive retention and increase lifetime value.

What Exactly is App Retargeting?

Retargeting is simply about identifying your app's users in the exact moment when they're using another app on their smartphone and enticing them back with a relevant ad. One click brings them directly to your app where they start interacting with your product again.

How Does it Work?

The app retargeting process can be broken down more or less as follows:

1 Analyze and segment your target users

2 Develop ad creatives for each user segment

3 Deliver campaigns via real-time bidding exchanges

4 Serve user your ad while they use another app

5 Bring back the user to your app via a deep link

The same basic principles apply to retargeting on both mobile web and mobile apps. However, there are a few key differentiations, particularly the way in which users' movement is tracked.

Apps don't have cookies (unlike mobile & desktop web), so app retargeting instead involves using device IDs (usually Apple's IDFA & Android's Advertising ID) as a means for identifying unique users as they navigate their smartphone and use other apps.

Who Can You Retarget?

Retargeting isn't just limited to bringing back inactive users. In fact, it can help drive engagement at all points through out the marketing funnel, and is particularly useful for encouraging users to move further down the path toward monetization. The group of users you target will depend on your specific goals, which could be to:

| Goal	Description
Increase brand recognition	Target customers to keep your brand at the front of their mind
Re-engage lapsed users	Target valuable lapsed users & bring them back to your app
Increase activity	Create campaigns that aim to drive actions (eg. app opens, registrations, sessions, searches)
Increase revenue	Drive the number & volume of in-app purchases
Promote new features	Let your users know about your app's updates & improvements
Promote new products	Keep your users informed on new product lines, game levels, options etc you launch

When Does it Make Sense to Start Retargeting?

Retargeting is generally most effective once your user base has reached a decent size - 100,000 monthly active users is a good benchmark. As this base will be segmented into various sub- groups, it's important to make sure that each group is substantial enough that you'll be able to generate the results you're after.

Even before your app's reached this point it's a good idea to get proper tracking and analytics in place so you can collect all the relevant data and implement it into your retargeting strategy as and when the time comes.

What Are the Payoffs?

Localytics show that there's a 60% chance that a user who doesn't come back after 7 days will never return. After investing in acquiring these users it would be a shame to let them go without trying to pique their interest in your app again. Especially if the user's past activity correlates with a high probability of monetization.

Retargeting is incredibly effective in this regard, as it involves showing people products or apps that they've already interacted with in some way. In fact, it costs 6-7 times less to retain an existing user than to acquire a new one [Bain & Company].
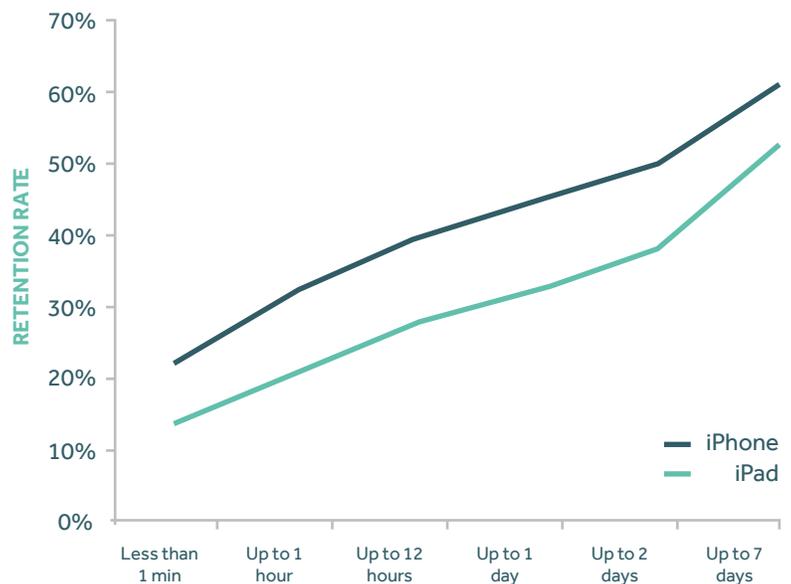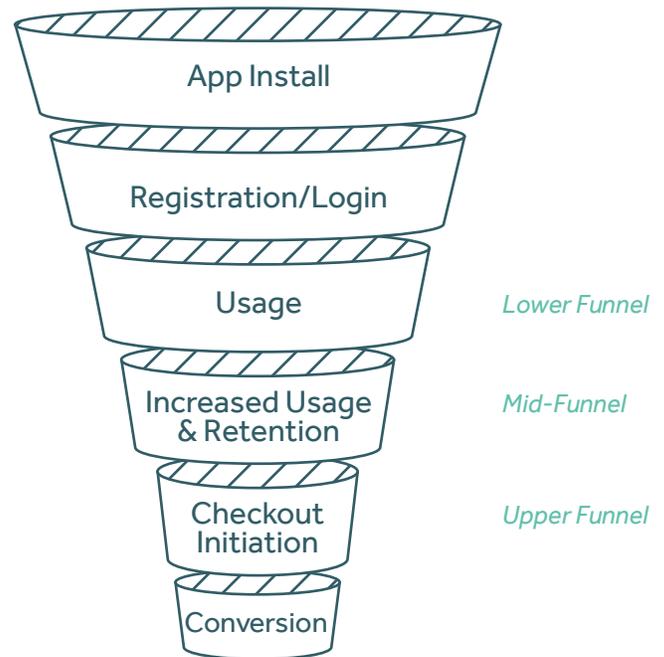

Source: Localytics

When well executed, app retargeting can maximize ROI by driving users further down the conversion funnel towards increased registrations, bookings and sales.

Data & .1
Segmentation

User segmentation is right at the core of retargeting. A segment is a group of users with shared behavioral patterns - these could be based on the level of activity, value or amount of purchases, or how recently they last opened your app. The segmentation possibilities are pretty much endless and vary significantly by vertical and business model.

Each user cohort should first be defined according to the specific goals you're setting out to achieve, then targeted with tailored messaging and monitored accordingly.

App Install

Registration/Login

Usage *Lower Funnel*

Increased Usage & Retention *Mid-Funnel*

Checkout Initiation *Upper Funnel*

Conversion

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Tracking Events

In order to segment your user base effectively, you first need to ensure you're tracking all key user events. The more detailed and robust your in-app engagement data, the more possibilities you'll have to deliver relevant ads to your users at each stage of the conversion funnel.

This sort of user data isn't made available by ad exchanges. It's behavioral data relating to your users' specific activities and needs to be backed up by your internal BI or via an attribution partner. Demographic data can then be incorporated too to help refine your segments further.

Dynamic Segmentation

App retargeting has the potential to be a thoroughly complex process (just think about exporting, segmenting and uploading your entire audience's data every day). Automation is, therefore, crucial to driving efficiency and scale.

Enter dynamic segmentation. By automatically refreshing your user groups you can ensure that they are as accurate and up-to-date as possible. This means that the moment a user converts (eg. via retargeting, organically or other marketing activities) or no longer qualifies (eg. a segment of users who installed the app in the last 7 days will naturally change with each day that passes), they're excluded and moved into a different, more relevant segment. So the very next time they return to your app, they will stop being retargeted - unless they become inactive again that is.

As a result, you can measure performance with precision, avoid budget waste, and save bugging users with out-of-date / irrelevant messaging.

Responding to emerging new insights is key to optimizing and improving your campaign's performance. Retargeting campaigns have the potential to get smarter and more granular over time as you uncover new segments and identify previously untapped user groups. With a dynamic infrastructure, adjusting segments and editing event parameters can be done in no time at all.

Dynamic Segmentation

As we saw earlier, retargeting isn't just about reactivating long ago lapsed users, but can be implemented at all stages of the user journey. How do you determine the right point in time to start re-engaging? It all depends largely on your app category, purchase cycle, and the value of a user. In any case, let your internal statistics inform your retargeting strategy - that way you can align with your app's natural retention trends. The optimal segments tend to be those right on the border of an event. For example:

Your data might show a tendency for users to become inactive 3 days after installing your app.

With these insights you can anticipate the tipping point, retarget those segments approaching (to reduce chances of churn) and just beyond this moment (to re-engage lapsed users soon after).

If you find that among your lapsed users you're seeing a peak in activity after 45 days of inactivity, this could also be a valuable point at which to retarget.

User Segments
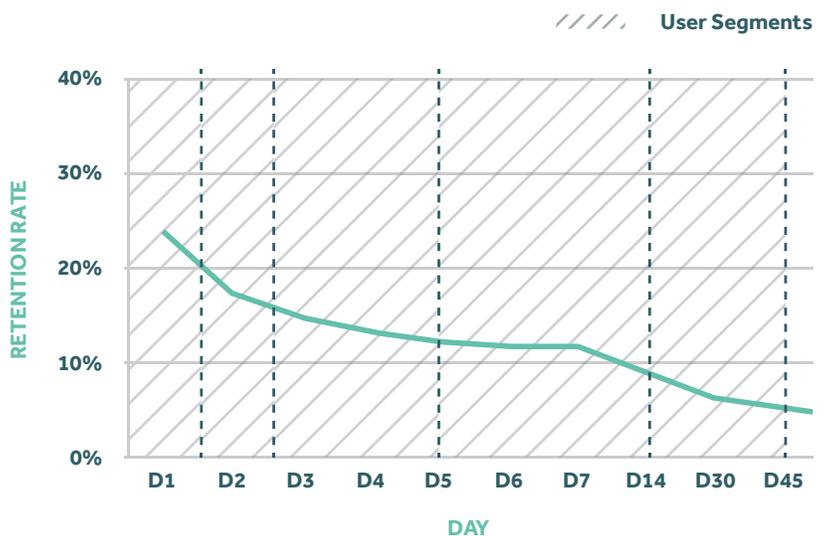
With data to guide you in the right direction, you can start with what's happening organically and optimize segments from there.

Creatives .2

Creating engaging ads and in-app landing pages for different segments takes time and skill. However, creative development is worth the investment in the long run.

Some key considerations when planning your creative concept:

_Who is the target audience?

_What is the goal of the campaign?

_Which part of the customer journey is the user at?

_What actions has the user taken so far?

_What is the user currently doing?

_Where will they be directed to upon clicking?

By adjusting the messaging, CTA, images and offers shown to your various groups, you maximize your ads' relevance to each individual user - there are endless options!

For example, a mobile game re-engaging its lapsed users could deliver an ad offering an item or tool to help the player progress to the next level. Alternatively, a fashion app might choose to target previous purchasers with an ad that calls their attention to the latest clothing collection.

Native Ads
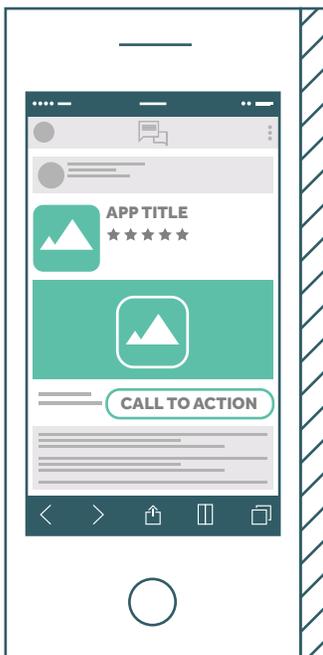
A native ad is a less intrusive ad format which blends in with its surrounding context, rather than appearing as an independent ad. Presenting the ad content organically in this way has a number of benefits, including increased conversions, reach in additional native ad inventory, and an overall more natural user experience.

APP TITLE
★ ★ ★ ★ ★

CALL TO ACTION

Dynamic Ads

Dynamic advertising is essentially about tailoring the content of your ads that step further by featuring specific products or services recently viewed by or in some other way relevant to your user.
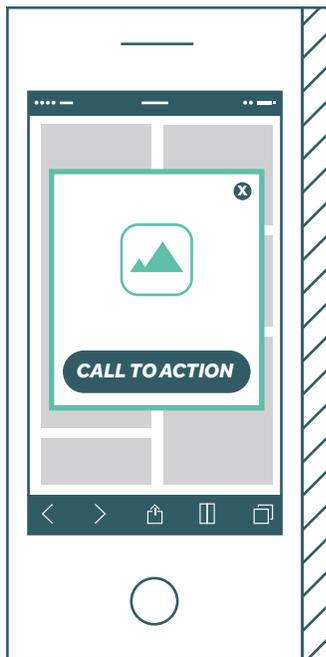

While your user interacts with another app, an ad space becomes available
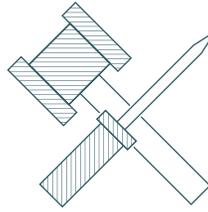
Your ad is dynamically assembled in milliseconds, based on their previous behavior and info from your product feed

The ad is delivered & the user is brought directly to the relevant page within your app via a deep link
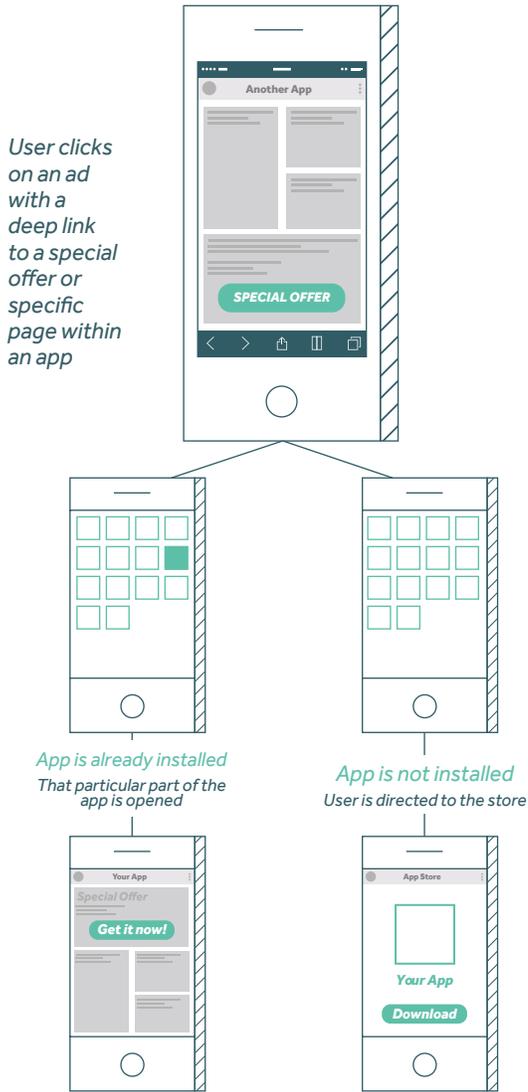

Because these ads are created instantaneously to be delivered to a user's device in real-time, it depends on a reliable and consistent flow of behavioral data combined with information from your product feed. Another case where thorough event tracking is essential to get in place!

Dynamic ads certainly have great potential, but that alone doesn't mean they're necessarily the right banner type for every segment or every app. In some cases, regular HTML banners still bring better results. Check the uplift of a wide variety of formats and then assess which best deliver the conversion rate you're after.

Deep Linking

As well as customizing the ad's creative, you can enhance the user experience further still by directing them to the most appropriate and relevant page within your app. Known as deep linking, this practice ensures a smooth and consistent flow for the user by reducing friction from click-through to conversion.

User clicks on an ad with a deep link to a special offer or specific page within an app

App is already installed
That particular part of the app is opened

App is not installed
User is directed to the store

Say a user has added an item to their cart but hasn't yet completed the transaction, an ad with a deep link could forward the user directly to your app's checkout page, rather than simply to the home screen. If the user has since removed your app from their phone, they'll arrive at the appropriate app store to re-install it.

Deep linking doesn't only make a lot of sense from a user experience perspective (a user retargeted with hotel offers in Paris would, naturally, expect to arrive at a list of relevant hotels, as opposed to the home page) but it delivers powerful results too. **TechCrunch research shows that deep links can double user retention in the days after install and drive twice as much long-term engagement.**
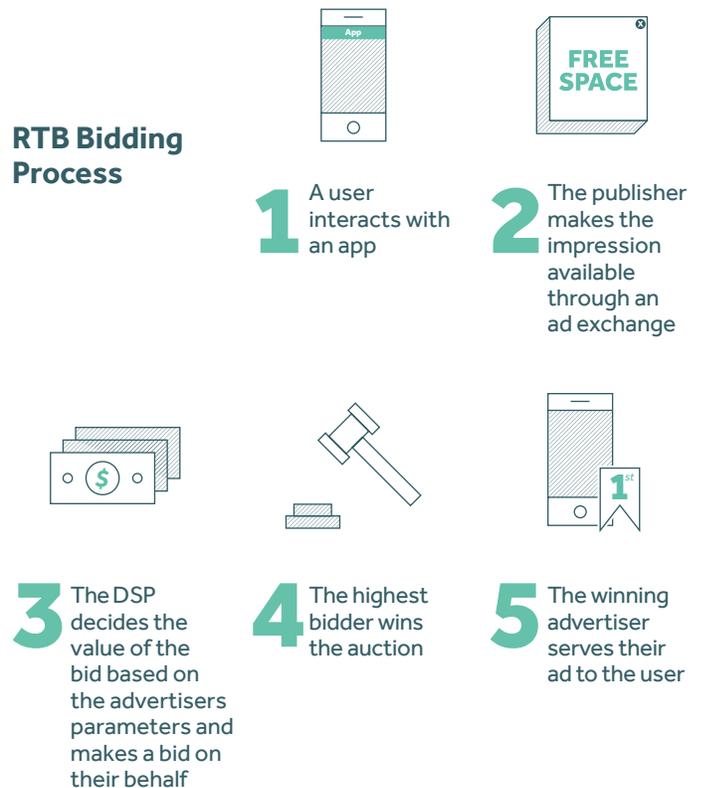
Deep linking is only possible with apps that have the hooks coded to support them. The ideal way to do this is to define critical points within your app and set up deep links to them. With this infrastructure in place, you'll be in a stronger position to run more sophisticated retargeting campaigns.

.3
Reach

nce you've got your ads prepared, the next step is to deliver them to your defined user groups. As your user engages with other apps, you can retarget them by bidding on these apps' ad impressions in a real-time bidding (RTB) exchange.

RTB is essentially buying and selling impressions via a programmatic instantaneous auction. Your retargeting provider bids on an impression and, if the bid wins, their ad is displayed instantly in the publisher's app.

RTB Bidding Process

1 A user interacts with an app

2 The publisher makes the impression available through an ad exchange

3 The DSP decides the value of the bid based on the advertisers parameters and makes a bid on their behalf

4 The highest bidder wins the auction

5 The winning advertiser serves their ad to the user

Just like with new user acquisition, it's crucial to work across a large inventory of ads when retargeting. Otherwise, you run the risk of reaching too few users. The more specific your segments are, the smaller the audience available, so ensure you expand your reach as far as possible by choosing a retargeting provider that connects with multiple exchanges.

If you have the potential to runon the maximum ad inventory available to you, then the only factors left to experiment with to optimize your reach even further are the creative dimensions and pricing.

Pricing

Your retargeting provider will typically buy the ad space at CPM (Cost per Mille [Thousand Impressions]) and sell it on to you as either:

CPC
Cost per Click

You are only charged when your ad is clicked on.

CPA
Cost per Action

You are charged the cost for one person to convert on your offer.

Many ad exchanges use price floors, which establish the minimum price for an ad to be served. This means that if the price offered doesn't equal or exceed the floor price, you're not eligible to bid.

By starting out your campaign with a high cost per click (CPC) offer, you can get an idea of what works, assess performance and optimize your pricing strategy segment by segment. It's therefore hugely beneficial to select a retargeting partner that allows price adjustments during the course of your campaign in order to reach your desired goals.

Also consider bidding more aggressively on impressions displayed to people who are more qualified and interested in your app. You might have an initially higher spend but in the long run, more people will end up clicking on your ads, which will ultimately result in more people converting on your offer.

Reattribution .4

Reattribution is about connecting post re-engagement activities to the source that encouraged them.

With user acquisition, the install is considered the standard metric for conversion - the 1st dimension of attribution so to speak.

Retargeting is the 2nd dimension; since the user has already installed the app, they need to be reattributed in order to understand what campaign brought them back again ie. creative, campaign or network. Conceptually, the processes involved are very similar, there is only a slight variation in their methodologies.

Measuring Reattribution

Most attribution providers operate on a "last click" policy - the source that delivered the final click before the desired conversion (whether reinstall or in-app events) is accredited. The "last impression" is an alternative way to measure reattribution. One might suit your app better than the other, though it's worth bearing in mind that a physical click is a stronger and more definite confirmation than an impression delivered.
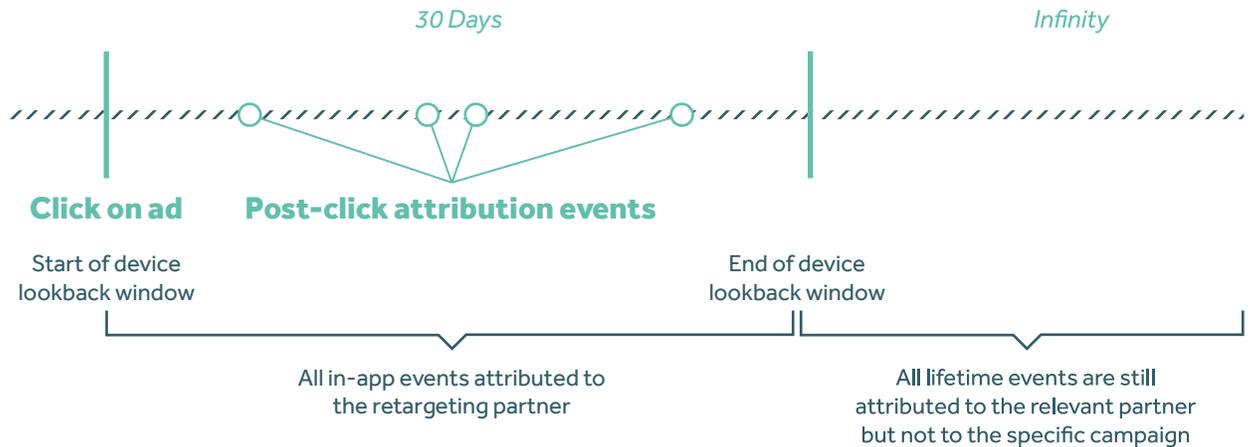
Reattribution Logic

Each attribution provider has its own way of handling attribution, particularly the way it measures and counts events. However the majority work with two applied logics (usually known as attribution windows): the period of time it takes for the user to open the app post -click & the period of time that in-app events are attributed to the source.

While some providers have an open and unspecified time frame (ie. all lifetime in-app events are attributed to the source), others define two time frames: the "click-to" window and the "post-click" window (ie. before and after the re-engagement, so to speak).

Most follow at least this standard setup:

30 Days .... *Infinity*

Click on ad   **Post-click attribution events**

Start of device
lookback window

End of device
lookback window

All in-app events attributed to
the retargeting partner

All lifetime events are still
attributed to the relevant partner
but not to the specific campaign

*The above example is demonstrated
using clicks as the measurement -
the same also applies for impressions,
just with slightly adjusted windows.*

Your attribution time frame depends on a number of factors,
but in particular: your app's specific user flow and business
logic. A messaging app might only need an attribution window
of an hour, whereas a travel app would probably have a much
longer attribution window. A general rule of thumb is that the
greater the financial investment for the user, the longer the
decision process before purchasing/converting.

Choosing an Attribution Partner

Before deciding on a tracking solution it's important to take
a critical look at your business model and channels, and
then outline exactly what you want to achieve from your
marketing efforts.

The core capabilities offered by attribution providers tend to
overlap, but in any case, it's worth making sure they align with
your app and its specific tracking needs. Some partners offer
push notifications, others app store optimization, some charge
for certain services while others include them free of charge.
Some key considerations when assessing provider options:

_What channels are supported?

_What's their privacy policy?

_How do they store and access your app's historical data?

_Do they have a deferred deep link solution?

_What pricing model do they operate? (ie. what events will be charged?)

Optimization .5

App retargeting isn't a one-off, rather it is an ongoing project that needs to be monitored and nurtured over time. The most successful campaigns are those which are constantly evolving as a response to deep insights from performance data.

When starting out, you may want to test a wide variety of creatives and messaging while you get more accustomed to your users' behavior. As you gain richer insights, you can proceed to refine your approach from here. Allow your test campaign a decent amount of time to run-in general, 4-6 weeks is sufficient to gather plenty of juicy data and get you set up for frequent optimization.

The more sophisticated bidding algorithms can do most of this programmatically, continually optimizing performance by exploring optimal publisher apps, adjusting spend, and tweaking campaign structure according to changing conditions.
These algorithms often work towards a target eCPA (the desired conversion goal) regardless of the chosen pricing model. In this way, the budget can be allocated to the most effective combinations of targeting and creative.

If performance still doesn't improve, it might be time to rethink the creatives or campaign setup.

Reporting .6

App retargeting is a highly effective way to drive engagement among your existing base of users- users who have already expressed interest in your app and are thus more likely to monetize, usually at a much lower cost than brand new ones too. Retargeting shouldn't be pursued in isolation, but should slot neatly into your broader marketing strategy, complementing various other retention methods as well as previous acquisition efforts.

Con clu sion

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Retargeting shouldn't be pursued in isolation, but should slot neatly into your broader marketing strategy, complementing various other retention methods as well as previous acquisition efforts.

Key Take-aways

//Can be effective on **all types of users**: from the inactive right up to the highly engaged.

//Requires **accurate and thorough event tracking** to create the richest possible dataset.

//Involves creating **segments** of your user base.

//Relies on a combination of **programmatic optimization** and **manual setup adjustments** based on performance insights.

//Delivers most accurate targeting and efficient budget spend with a **dynamic setup.**

//Generates 50% more conversions with **deep links** implemented.

//Brings significant **financial benefits**: it is 6-7 times cheaper to retain an existing customer than to acquire a new one.

About Us

/ /

Remerge specializes in efficient and scalable app retargeting. Built from the ground up, our platform offers simple and secure access to data (no SDK required), dynamic audience segmentation, algorithm-based conversion prediction, and programmatic access to more than 350,000 apps worldwide.

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Remerge Inc.
785 Market Str. CA 94103,
San Francisco, United States

Remerge GmbH
Oranienburger Str. 27, 10117
Berlin, Germany