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2022

Mobile Shopping Apps Report

Trends in Store for E-commerce and Food Delivery
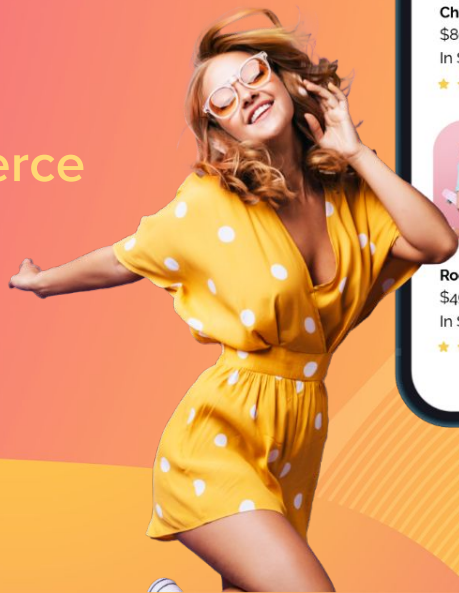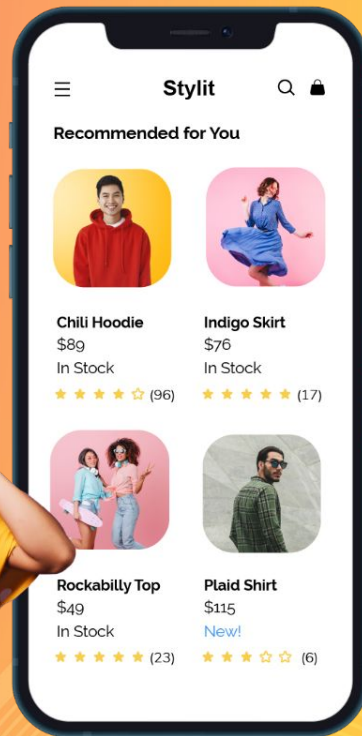
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Introduction

In the past two years, shoppers across the globe have embraced digital commerce at an unprecedented scale. According to data released by Adobe, spending on digital platforms during the pandemic surpassed $1.7 trillion and continues to scale. The availability and reach of retail and food delivery apps have reshaped how consumers approach shopping and dining.

Even as the pandemic winds down and consumers return to brick-and-mortar stores, the pivot to mobile shows no signs of slowing. Insider Intelligence predicts that US m-commerce will nearly double its share of total retail sales from 2020 to 2025. New audiences are turning to mobile as a go-to channel for purchases, and marketers need to deliver data-driven, up-to-date campaigns to maximize their reach with an expanding user base.

To help e-commerce and food delivery apps navigate these new opportunities, Liftoff has partnered with Singular to deliver the latest insights into a growing industry. Drawing on data from both platforms, this report breaks down changes in ad spend, installs from paid and organic traffic with an overview of cost, conversions and retention rates by platform, region and season. To complete the story of shopping in 2022, we also spoke to two experts on what's next and how marketers can stay ahead of the curve.

Report Highlights

Post-ATT Ad Spend

Android and iOS typically split user acquisition spend 40% to 60%. Immediately post ATT, ad spend on Android increased.

Regional Variations

APAC and LATAM users cost less to acquire. These users also have the lowest CPA-Purchase at $6.72 and $6.82, respectively.

Costs and Conversion Rates

The average Cost-per-Action (CPA) for purchases remained relatively low at $12.64. Average conversion rates stayed high at 18.5%.

User Retention

Retention rates are higher on iOS than Android, but the gap is narrowing. Average Day 7 retention in 2021 was 11% on iOS and 8% on Android.

The Post-ATT Landscape

How has traffic and ad spend changed
after Apple's ATT went into effect?

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Throughout 2021, 70-80% of new app installs from high-growth apps came from paid traffic.

Percentage of New App Installs From Paid and Organic Traffic
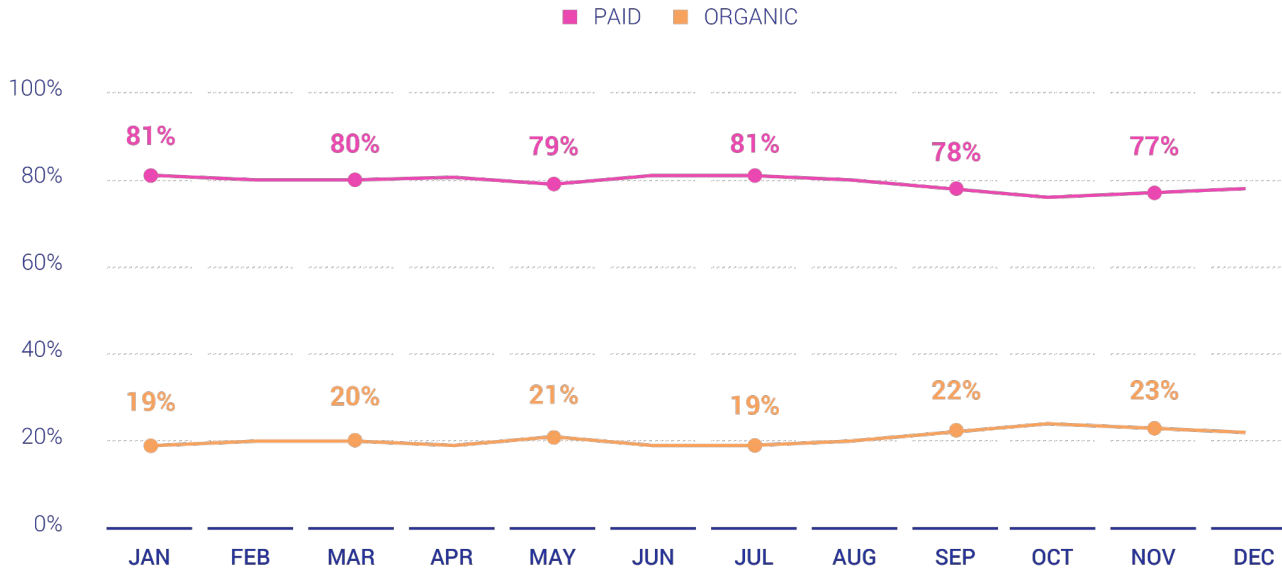
■ PAID   ■ ORGANIC

Compared to pre-iOS 14.5 figures, the percentage of paid traffic increased slightly (2%) immediately post ATT.

Shares of installs from paid and organic traffic remained relatively consistent throughout the year.

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Android and iOS typically split user acquisition spend 40/60, with the lion's share going to Android. In the two months immediately post ATT, spending on Android increased to 65%. This has dropped off in the months since.

2021 Ad Spend Share by Platform

■ ANDROID % SPEND SHARE   ■ iOS % SPEND SHARE

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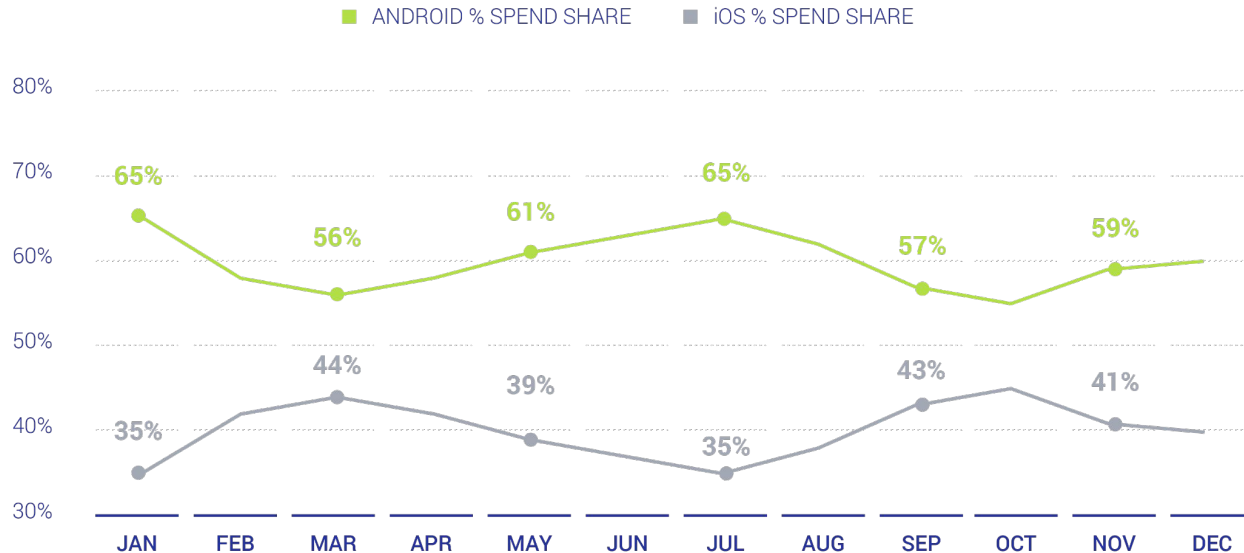
A quality user is one that builds a relationship with the brand. These users may not always use the app, but they will engage where it matters. Whether it be a promotion, push, or email, these users believe in what the brand is doing. Users who stay engaged with the brand longer over time have a higher LTV and are much more likely to become your brand ambassadors.

Mike Phu
Director of Growth

GOAT

Read the full interview

User Acquisition Trends

Costs and conversion rates by month, platform and region.

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The average cost per action (CPA) for purchases remained relatively low at $12.64. Conversion rates stayed high at 18.5%, revealing that shopping ads are tapping into new audiences.

Average Cost and Conversion Rates for Shopping Apps

ITA
18.5%

$15

$12

$12.64

$9

$6

$3

$2.34

$0

CPI

CPA-PURCHASE

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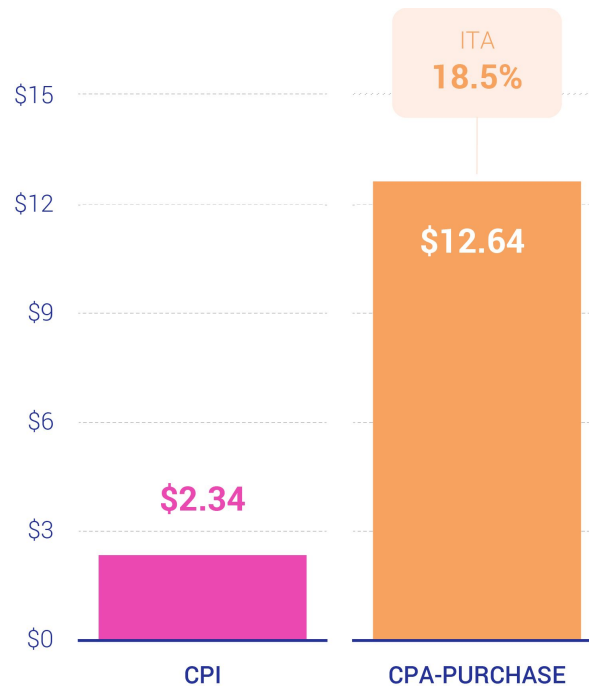
At $3.01, users on iOS cost more to attain, but they also have a lower threshold for purchases ($10.09). With a 29.8% install-to-action (ITA) rate, iOS users are nearly 2x as likely to convert as Android users.

Average Costs and Conversion Rates by Platform

■ iOS   ■ ANDROID

CPI

CPA-PURCHASE

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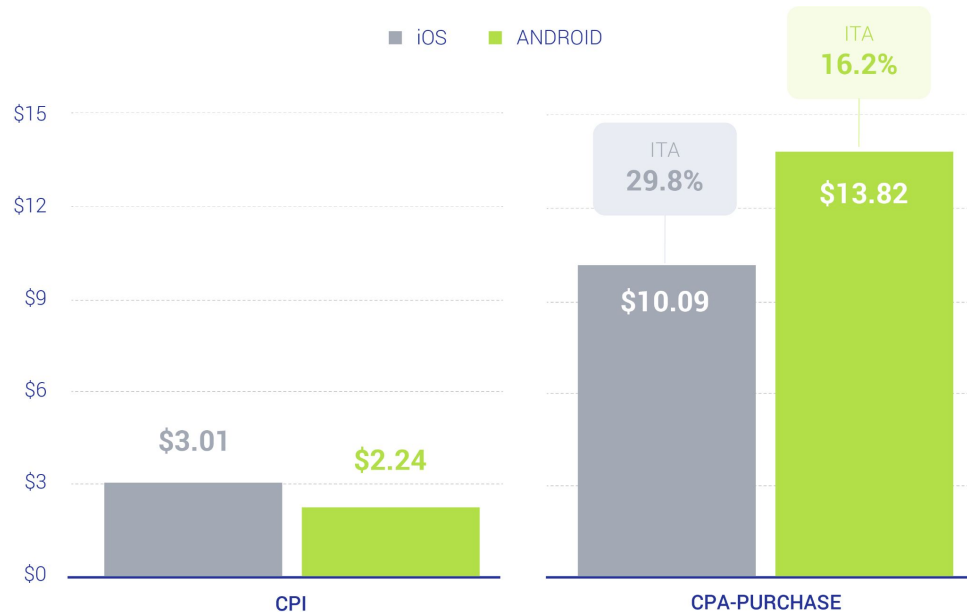
ITA-Purchase rose between 2021 and early 2022 as more users embraced app-based purchases. It has stabilized around the 21% mark.

Shopping Apps Costs and Conversion Rates by Month

■ CPI   ■ CPA-PURCHASE   ■ ITA-PURCHASE
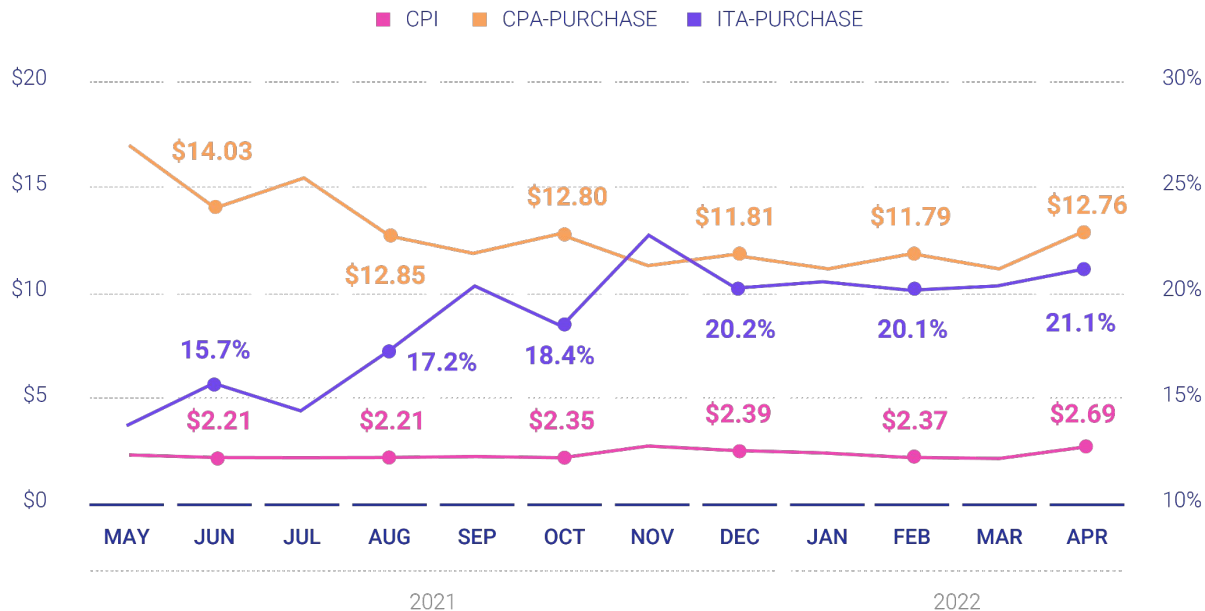
CPA - Purchase fell in spring and summer 2021 and has remained stable since the initial dip.

CPI stayed relatively constant, rising slightly in early 2022.

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APAC and LATAM users cost less to acquire, and they boast the lowest CPA-Purchase at $6.72 and $6.82, respectively.

Shopping Apps Costs and Conversion Rates by Region

■ CPI   ■ CPA-PURCHASE

ITA
14.6%

ITA
16.6%

ITA
37.4%

ITA
20.8%

$35

$30

$25

$20

$15

$10

$5

$0

$2.51 $6.72 $2.95 $17.79 $1.42 $6.82 $4.74 $32.52

APAC   **EMEA**   **LATAM**   **NAR**
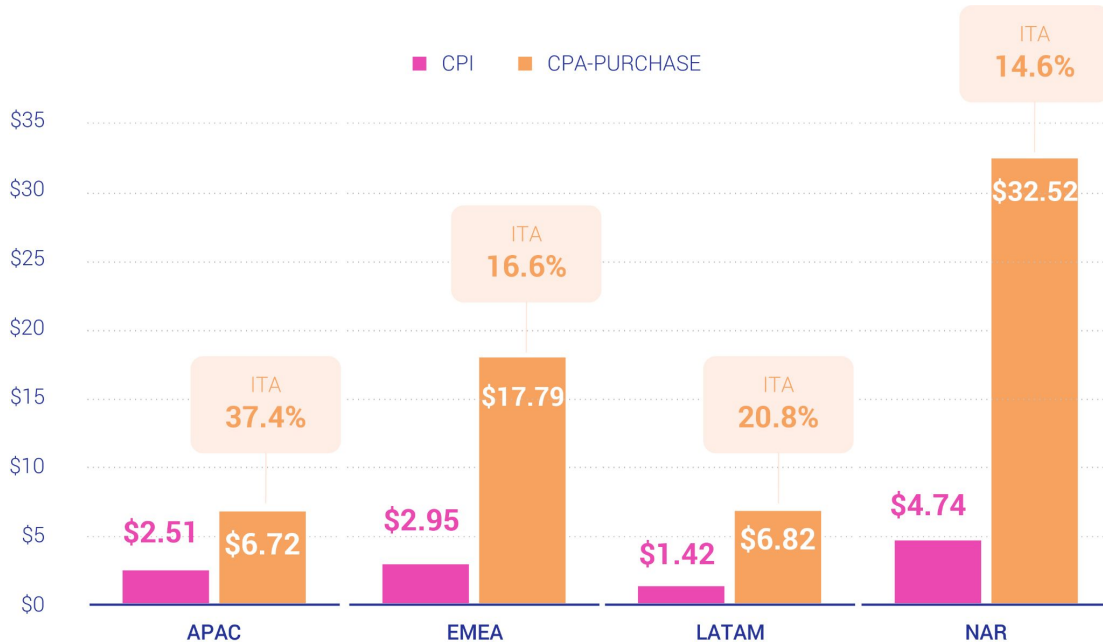
APAC users also convert at the highest rates (37.4%). They are also over 2x as likely to make a purchase after install than users from EMEA and NAR.

NAR users are costly to acquire ($4.74) and convert at a lower rate (14.6%) than customers in other markets.

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Shopping apps and food delivery apps have similar CPIs and ITA-Purchase rates. A side-by-side comparison reveals that shopping apps users cost less to acquire and are more likely to convert (19.6% compared to 16.8%).

Costs and Conversion Rates by App Category

- CPI
- CPA-PURCHASE

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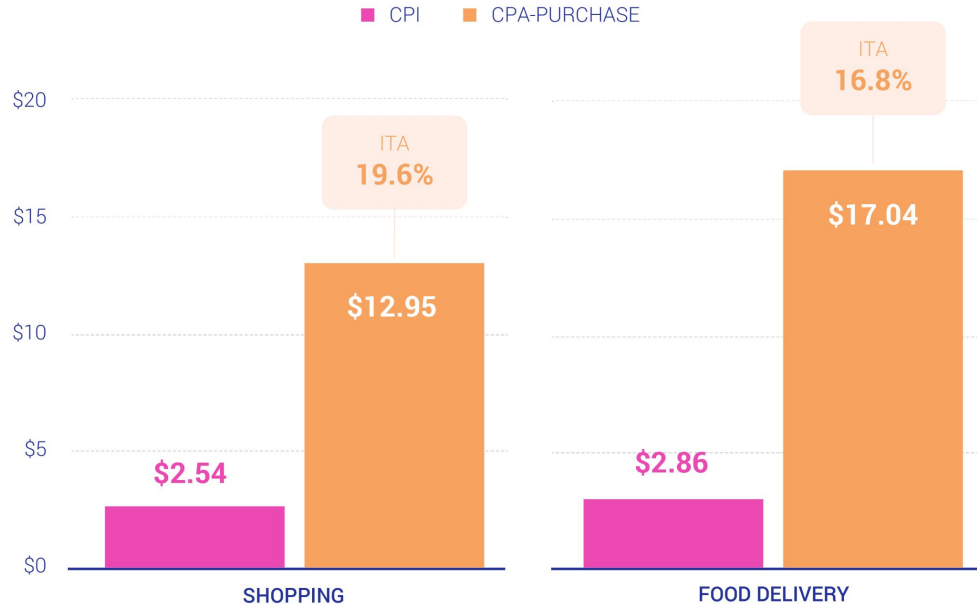
If an app marketer can show a user relevant content from the point of install, then there is a higher likelihood the user will make their first purchase and continue to make further purchases downstream. If I download an app and am bombarded with irrelevant products, I am more likely to uninstall and will never end up converting.

Kurt Geater

Sr. Marketing Manager at Amazon

(Formerly Mobile Marketing Manager at Groupon)

GROUPON®

Read the full interview

User Retention and Re-engagement

To grow, advertisers need to keep shoppers wanting more. Are they reaching their goals?

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Around 85% of ad spend goes to new users. But during the holiday months of October to December, advertisers divert more spend to re-engagement. Average spending peaked at 23% in December.

New Users vs. Re-engaged Users by Month

NEW USERS   RE-ENGAGED USERS

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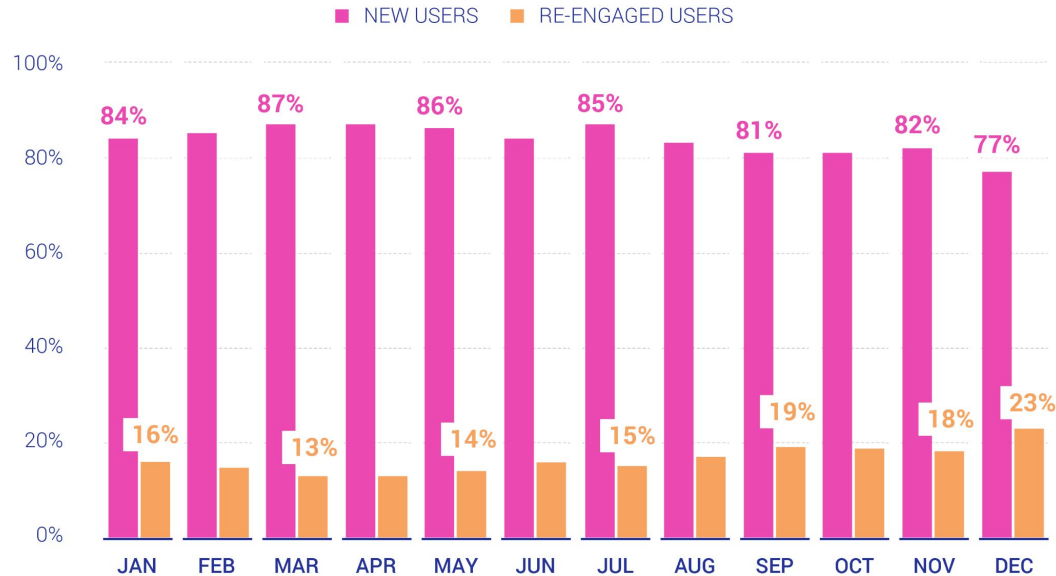
Day 7 retention rates are higher on iOS than on Android, but the gap is narrowing. Average retention in 2021 was 11% on iOS and 8% on Android. Interestingly, we see significantly higher retention in the late summer months of August and September than in winter.

Day-7 Retention Rates by Platform by Month

Legend: iOS, ANDROID

Month	iOS	Android
JAN	8%	4%
FEB	9%	4%
MAR	9%	6%
APR	9%	8%
MAY	10%	8%
JUN	11%	8%
JUL	11%	9%
AUG	13%	9%
SEP	13%	11%
OCT	12%	10%
NOV	12%	8%
DEC	10%	8%

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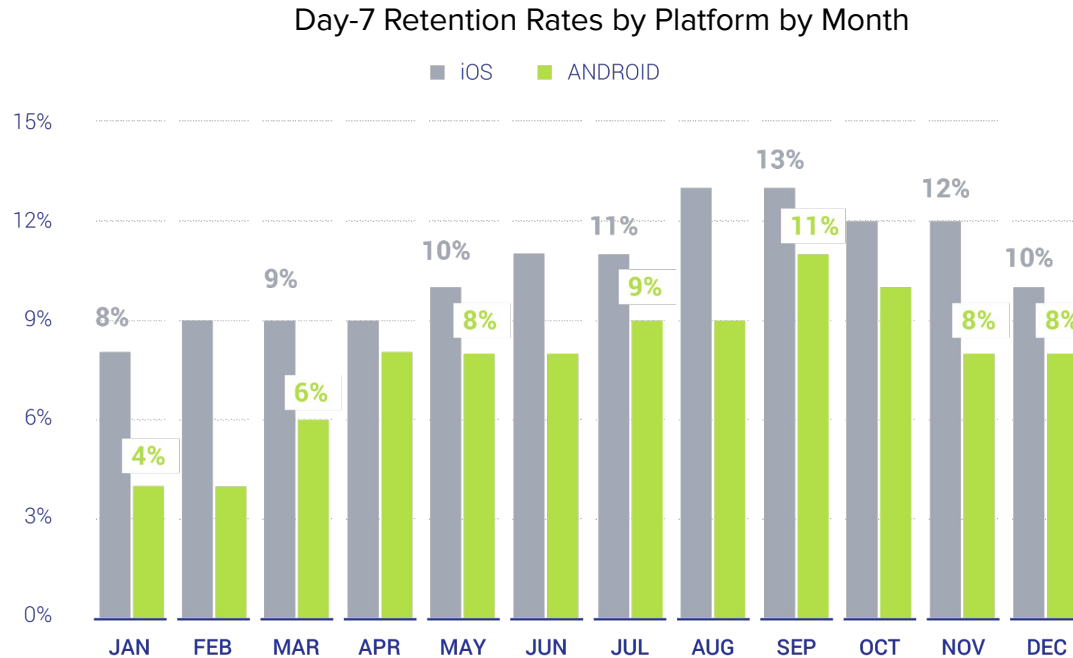
Expert Insights

What's ahead for shopping apps in 2022?
Two industry insiders weigh in.

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Nico Winkelhaus is **Director of Digital Marketing** at **PAYBACK**, one of the top three shopping apps in Germany with over seven million monthly active users (MAUs). We asked him about the growth of shopping apps, finding the right messaging, and what the future has in store.

What trends have you noticed in shopping and e-commerce in the past year? What about the growth of mobile?

During the pandemic, e-commerce growth was huge. Some predicted this growth would be the new normal. But this hasn't really happened. Revenue in Germany is still higher compared to 2019, but the overall growth momentum is returning to the long-term curves. Still great growth—but no acceleration. There's still strong momentum behind mobile, however. Our loyalty program works with both brick-and-mortar and e-commerce, and we can see that more people are turning to apps. Mobile is expanding its reach. In past years, we've seen larger retailers invest in building out their e-commerce channels, and mobile is an essential part of that. On the one hand, mobile can push their e-commerce business. On the other hand, it can add new revenue streams with services like retail media.

°PAYBACK

Have there been changes or new trends in UA that you have noticed?

When the pandemic started, we saw a major uptick in social media activity. The Meta products—Facebook, Instagram—still have strong reach, but they've become less central. By contrast, we've seen platforms like TikTok expand their reach.

What types of messaging work best for shopping apps?

Messaging really depends on your target audience. But roughly speaking on mobile, creative testing should be a standard process—for example, animated ads usually work better for us. Since PAYBACK is a multi-channel ecosystem, we also use additional, non-digital channels to drive users to mobile. Personalized print mailings have worked well with older or mostly offline customers. We engage customers where they are—that's why promotions directly at the point of sale are successful as well.

Any tips for user retention/re-engagement?

Collecting relevant data with dedicated user consent at the very first stage is important. It's pretty straight-forward. We use transactional data to target the users in a personalized way. As soon as we see what is bought, we can recommend what to buy next. But it's important to be sensible. Do not overload the user with messages by sending too many push notifications.

What do you expect will impact shopping apps going forward?

Changes regarding privacy will be a big trend and challenge for app marketing. No one knows what the world will look like in 2026—which IDs can still be used, which IDs will be new and relevant, and what the impact on marketing measurement and targeting will be. There will be new regulations. Dealing with them will be a new part of job descriptions for digital marketers everywhere.

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Justin Nield is a **Creative Pod Lead** at **Liftoff**. He guides creative for non-gaming apps including shopping and food delivery. We asked him about crafting innovative ads that boost revenue for e-commerce apps.

How do you develop best practices?

We test to find best practices, but a lot of testing doesn't change things drastically. For example, it might be better to showcase sneakers in your app right before Christmas and change that to swimming shorts in the summer. But when you change the structure of messaging and the type of emotions that you appeal to, that's when you see results. When we think less about what to do and more about "why is this stuff working?", that's where I feel like the real value of best practice is.

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What types of messaging works best for shopping apps?

For shopping apps, we've definitely landed on some best practices just by trying what works—warmer colors, having a clean calm look. This type of preference doesn't really change. But we're also seeing some interesting stuff in the messaging: home comforts, how easy the app is to use at home, how fast the delivery is, etc. This interests me more because these are things that resonate with users.

What are some examples of memorable or effective messaging for shopping apps?

There's one for a food delivery brand where someone just parachutes in the product. It really shows how you can get something in an instant. You can order what you want right now at home and receive it. It feels super easy and lighthearted. Other stuff that works is more traditional—coupons for instance. Another client uses cashback coupons, and the app is also focused on building trust within the app. This type of focus might be a trend.

What is the most challenging part of developing creative for shopping apps? How do you navigate it?

Shopping apps need to be quite protective of their brand, and if they are big retailers, they produce very far-reaching campaigns. The mobile aspect is a part of it, and the brand has to match. If we create a video campaign, it has to match their broader advertising strategy.

For example, when we create a video, we need to make it into something that's much more relevant to the target audience, but that also adheres to brand guidelines. One way we've been able to do this is to take pretty standard content and break it into a couple of shorter videos like an Instagram story. This way, the user can navigate it on their own. You can also add a playable element to an ad to drive more engagement.

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Notes on the Report

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Report Methodology

Liftoff Data Is Based on:

182 B

Impressions

2.4 B

Clicks

16.5 M

Installs

Liftoff Date Range: 1st May 2021 – 1st May 2022 / **Singular Date Range:** 1st January 2021 – 31st December 2021

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WHO IS SINGULAR?

Singular's next-gen attribution and analytics powers marketers to grow faster by uncovering accurate, granular, and timely performance insights. World class teams from brands like WB Games, Twitter, Lyft, Rovio, Airbnb, Activision, Homa Games, EA, LinkedIn and more use Singular to make smarter user acquisition decisions and analyze the impact of every ad dollar with full-funnel marketing analytics, best-in-class ad fraud prevention, and automatic loading directly into one's BI tools.

www.singular.net

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WHO IS LIFTOFF?

Liftoff is the leading growth acceleration platform for the mobile industry, helping advertisers, publishers and game developers scale revenue growth with solutions to market and monetize mobile apps.

With a suite of solutions including Vungle, JetFuel and GameRefinery, Liftoff supports over 6,600 mobile businesses across 74 countries, including gaming, social, finance, ecommerce, entertainment and more. Liftoff is proud to be a long-term partner to leading advertisers and app publishers since 2012. Headquartered in Redwood City, CA, Liftoff has a growing global presence with offices around the world.

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