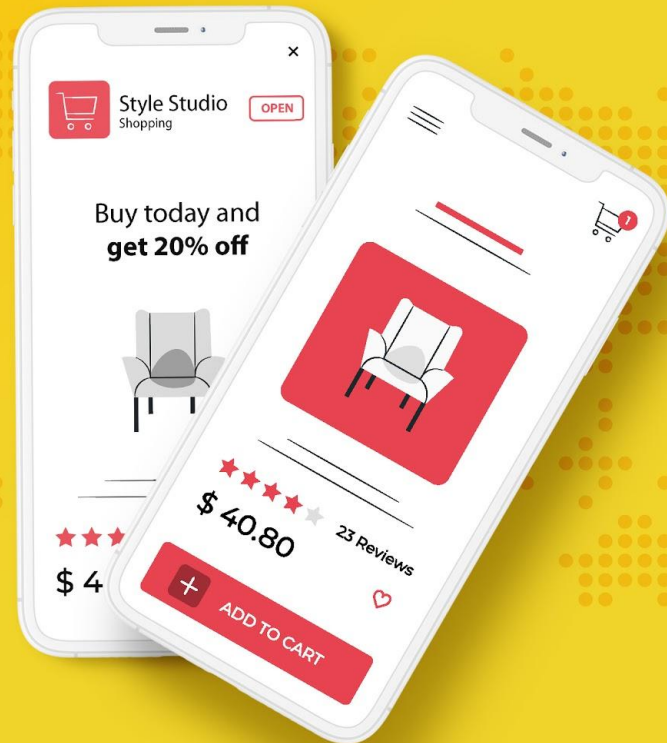


2020

Mobile Shopping Apps Report

UA Trends & Benchmarks



LIFTOFF



adjust

Table of Contents

1	Introduction	3
2	Highlights	5
3	Methodology	6
4	Global Trends & Benchmarks	8
5	Engagement by Platform	18
6	Monthly Trends	22
7	Regional Benchmarks	27
8	Country Deep Dives	32

Introduction

Across categories and continents, mobile shopping apps—the global "go-to" for inspiration and assistance in-store and everywhere—continue to experience significant growth rates. Innovation and enhancements to streamline usability, improve personalization and enable payments have combined to make mobile shopping apps ["wildly popular"](#) and propel spend and use into the stratosphere.

Mobile, and increasingly apps, are ["the starting and ending point"](#) for more consumer journeys than ever before." It's a positive development for many, and one that can only accelerate as consumers gravitate to apps, digital safe spaces in the midst of a pandemic, to research and purchase – well – everything. Adobe Digital Insights observes that the shut-down of brick-and-mortar retail has created a ["forcing function,"](#) pushing consumers online and in-app for all their needs.

- Global mobile commerce sales have rocketed nearly 3x in four years, from just under \$1 trillion in 2016 to almost \$3 trillion in 2020. Sales are expected to be worth \$3.56 trillion in 2021. ([eMarketer](#))
- As of Q2 2019, the global average order value for purchases made via mobile had increased to \$86.47, up 14.3% from \$75.65 in 2Q 2018. ([Monetate Benchmark](#))
- Holidays stand out as the hottest season to motivate and activate audiences. Mobile accounted for the lion's share of the total \$38.4 billion spent globally on Alibaba's Singles Day 2019. On Black Friday and Cyber Monday and the two weeks following, consumers spent more than 2.5 billion hours in shopping apps on Android alone. ([App Annie](#))

Shopping in the digital realm is growing nearly [5x faster](#) than physical store sales. Mobile is the main driver, which is set to be responsible for almost three-quarters of all ecommerce transactions by 2021. The pace of mobile commerce growth is impressive, and its reach is phenomenal. The number of cross-border mobile commerce orders has increased globally by [more than 43%](#), according to 2019 data from solutions provider Global-e. Countries including Germany, the Netherlands, Singapore and the U.S. saw cross-border purchases using mobile and apps jump as much as 60%.

Mobile is also driving new mobile shopping behaviors and opportunities. Today, product categories such as groceries take a bigger share of the basket, while others such as beauty and apparel are building brand with the help of social networks, [such as Snapchat](#), and Augmented Reality (AR). It's a new kind of retail that analysts forecast will be a major contributor to sales growth and attract Millennials and Gen Z consumers, a mobile-first audience segment that holds [massive spending power](#).

Shopping apps are soaring in use and popularity, but marketers must also grasp opportunities to increase commerce and loyalty. Liftoff partners with global app marketing platform [Adjust](#) to provide insights into app retention metrics, equipping marketers to make tough choices about their campaigns and smart decisions about spend.

Report Highlights



Regions

Audiences in **APAC** lead the pack in costs but finish last in engagement. **LATAM** may impress with low costs across the funnel, but North America shines with unbeatable prices and install-to-purchase rates that are **6x** higher than APAC. **EMEA** is home to eager shoppers, but engagement rates are **50%** lower than in North America, which presents a challenge.



Costs & Conversions

Turning shoppers into buyers is a breeze and a bargain. At **\$19.47**, the cost to acquire a user who completes a purchase is down by half (**50.6%**) compared to the previous year. Meanwhile, the install-to-purchase rate has increased by **40%** compared to the previous year.



Platforms

Android may have offer competitive prices early in the funnel, but the cost to acquire a user who completes a purchase is only pennies cheaper than iOS. Though iOS costs more, the platform delivers exceptional engagement rates that are nearly **2x** higher than on Android.

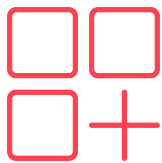


Seasons

May through August is a positive period when costs are affordable and engagement is impressive. The average cost to acquire a user who makes a purchase hovers at **\$16.20** in July and August, and an average engagement rate of nearly **20%** is an added bonus.

Methodology

Date Range: Apr 1, 2019 - Apr 1, 2020



129

Apps Analyzed



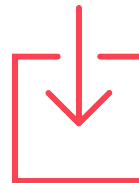
53B

Impressions



558M

Clicks



10M

Installs



2M

First-Time Events



Brand Commerce Apps

What's in a name? For Branded Commerce apps dependent on recognition and reputation to attract audiences and drive purchases, the answer is everything. It's a category that has a running start on most, but maintaining that edge often requires significant investment to build brand equity, generate “buzz” and stay top of mind with shoppers. Popular apps in this category include Nike, Lululemon, and Levi's.



Marketplace Apps

In contrast to Branded Commerce apps that sell only products under their name to consumers, Marketplace apps cater to sellers and buyers. In practice, they aggregate and sell products belonging to other brands and merchants. Benefits including choice, convenience and price can attract audiences. But keeping shoppers loyal (and convincing them not to buy directly at the seller's site) can be a challenge. Popular apps include Wish, Amazon, and GOAT.



Coupon & Reward Apps

From apps that allow users to earn cashback on mobile purchases to loyalty programs that offer perks and incentives to influence buyer behavior, Coupon & Reward Apps offer audiences additional shopping value. The model makes business sense, but it also requires fine-tuning to deliver audiences a mix of benefits and savings that never goes stale. Groupon, Ibotta and RetailMeNot are popular apps in this category.



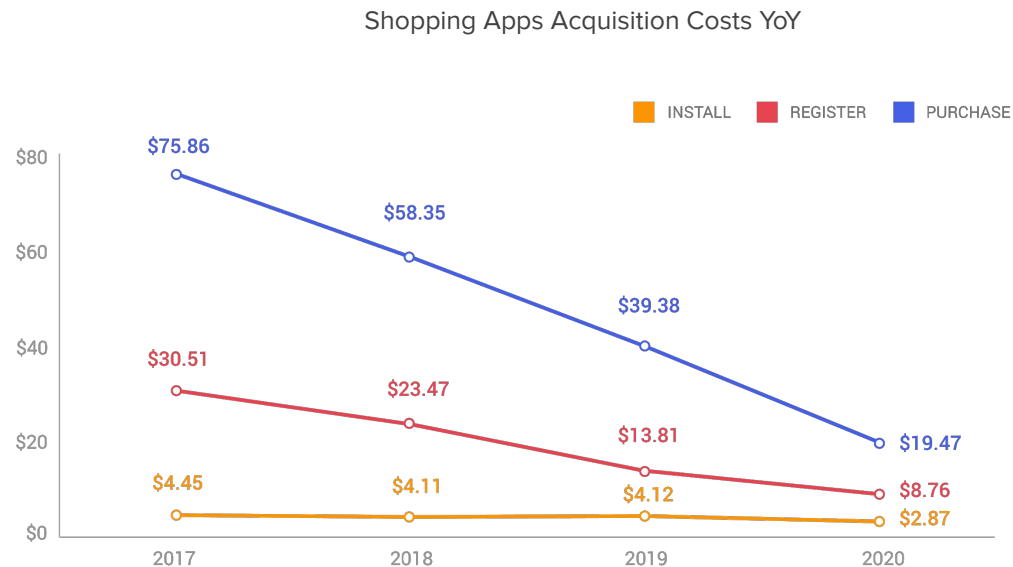
Shopping Apps Global Trends & Benchmarks

Low costs coupled with high engagement rates tell an incredibly positive story. Intent is high, purchase rates are promising and retention rates have improved.



Significantly lower costs at every stage of the funnel signal a seachange in shopper attitudes and a windfall for marketers.

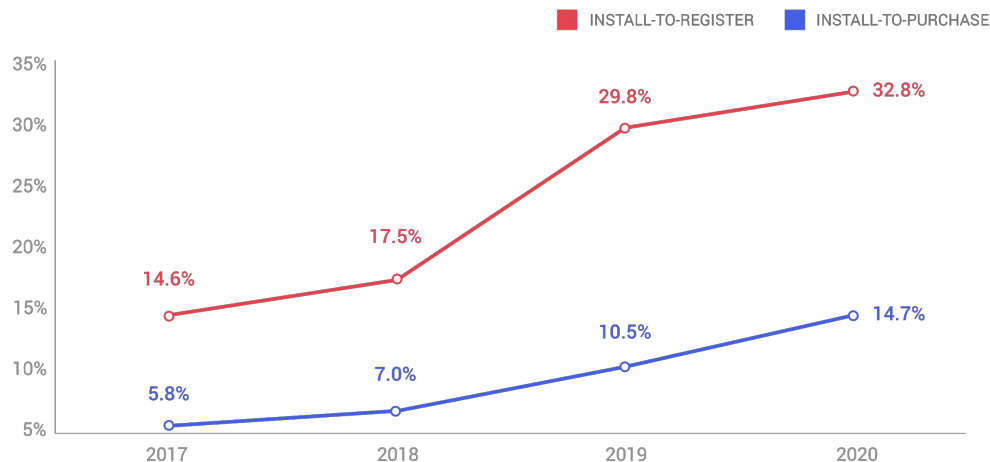
- **Install:** Consumers are more receptive than ever to using shopping apps. At just \$2.87, the average cost-per-install is down one-third from the previous year (\$4.12).
- **Register:** Marketers are clearing the mid-funnel hurdle to clinch the deal. At \$8.76, the cost to acquire a user who registers has dropped nearly 40% (36.6%) from \$13.81 the previous year.
- **Purchase:** Turning shoppers into buyers is no longer an uphill battle. At \$19.47, the cost to acquire a user who completes a first purchase has decreased by half (50.6%) compared to the previous year.



Engagement rates are robust. Efforts should focus on growing increasing scale and deepening loyalty.

- **Registration:** Conversion rates are impressive, but hitting a plateau. At 32.8% the install-to-register rate is up just 3 percentage points, or 10.1%, over the previous year. Numbers have rocketed since 2018, when the engagement rate hovered around half (17.5%) of the current total.
- **Purchase:** Healthy growth suggests marketing is more efficient. At 14.7%, the install-to-purchase rate has increased by just over 4.2 percentage points, or 40%, compared to the previous year.
- **The bottom line:** Conversion rates for post-install activities are growing at a similar (positive) rate. Now marketers need to up their game to grow momentum.

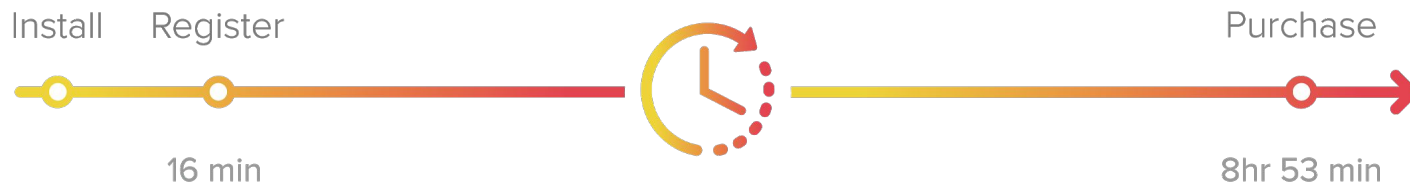
Shopping Apps Conversion Rates YoY



Overall, shoppers are fast movers. After downloading shopping apps, they make a decision to purchase in under 9 hours.

- Users are primed to purchase. They download mobile shopping apps with a strong sense of purpose and complete a registration within 16 minutes.
- It appears users do some research before taking the plunge. This helps explain why it takes 8 hours and 53 minutes to commit to a purchase after installation.
- The bottom line: users are thoughtful shoppers. They are genuinely interested in interacting with their shopping apps and determined to make a purchase. Significantly, the install-to-action time for shopping apps is much shorter than for gaming and utilities apps. These are categories where users take days, not hours, to convert, according to the [Liftoff 2019 Mobile App Trends Report](#).

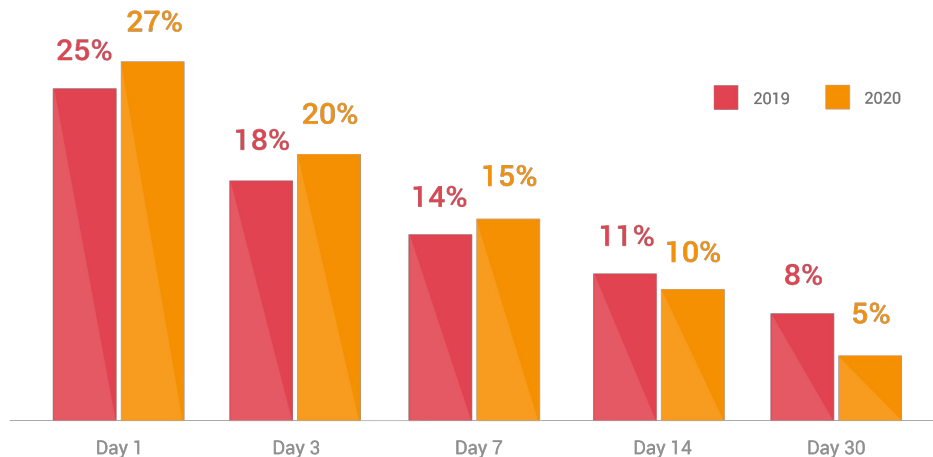
Shopping Apps Install to Action Times



Retention rates are strong from the start, but finish well behind rates recorded the previous year.

Retention rates increased by 2% at the start of the journey (27% on Day 1 in 2020 compared with 25% the previous year, and 20% on Day 3 compared with 18% the previous year). This is particularly good news and shows that marketers' efforts are paying off, increasing the likelihood that shoppers will purchase on Day 1 following effective retargeting. Further along on the curve, these gains turn to losses, with Day 30 retention (5%) coming in 3% under the rate (8%) reported the previous year.

Shopping App User Retention YoY



“Tailor your messaging based on user behaviour, unique characteristics and actions in the app. But don't stop there. Try experimenting with different offers and different levels of urgency in the call-to-action based on user intent.”

Elena Bazai - Head of Growth at CodeCheck

Retention is the focus and the game-changer as higher competition for audiences turns up the pressure on marketers to keep shoppers loyal. Therefore, it's critical, Elena says, for marketers to "leverage the first hours and days" after the download and draw up a "plan of action based on user activity." Her advice: "Cement a stronger relationship with your users by creating a seamless user experience. And harness personalization – matching features to user needs, behavior and unique characteristics – to make your app part of user routine."



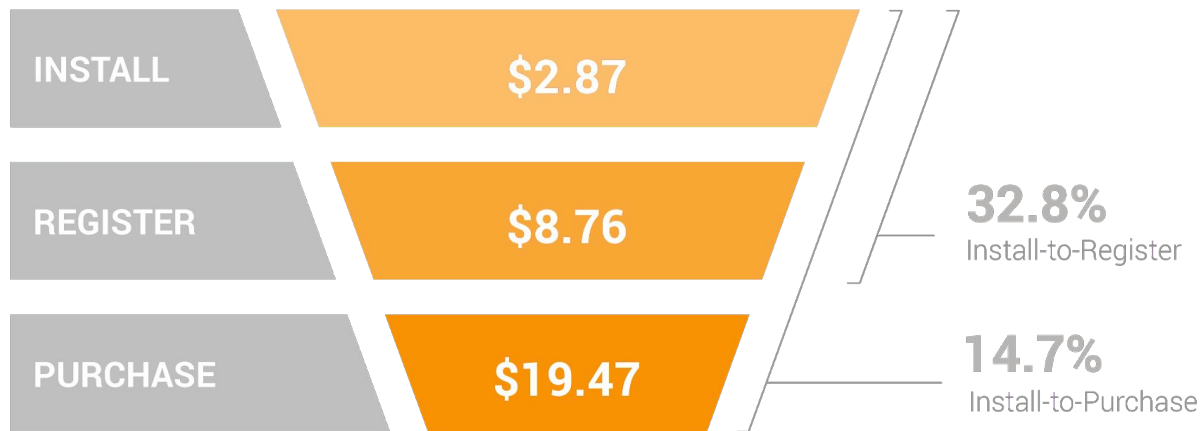
CodeCheck is your personal shopping assistant when it comes to healthy and conscious consumption. Simply scan the barcode or EAN number of your food or cosmetics and in just a few seconds you can find out whether the products are vegan, vegetarian, gluten-free, lactose-free, or if the ingredients are harmful to health or the environment.



Low costs, impressive engagement rates and the impact of global events position shopping apps for their biggest year yet.

Numbers align to show shopping apps are firmly entrenched in consumers' regular routine. CPIs are a steal at \$2.87 and costs across the funnel are affordable. Combine that with attractive engagement rates, and it's clear conditions are positive for marketers to reach and engage a highly motivated, high-value audience.

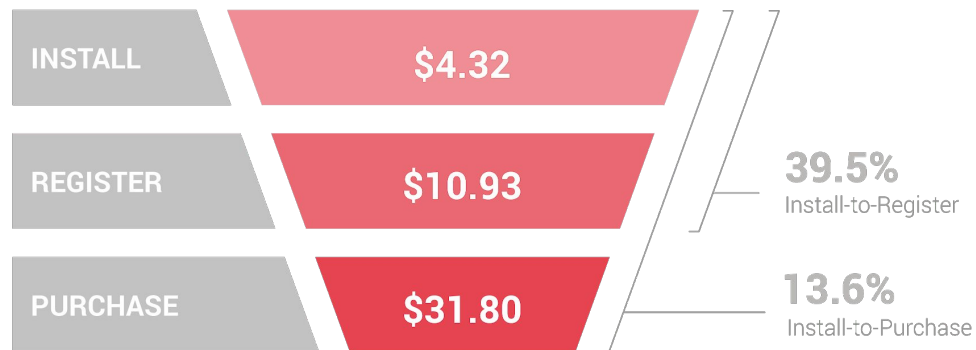
Shopping Apps Costs & Conversion Rates



Brand Commerce Apps: Users are motivated but costly to convert.

- **Install:** At \$4.32, 50.5% higher than the price tag for the average user, the cost to acquire a user for a Brand Commerce app is hardly a bargain.
- **Register:** The stellar engagement rate of 39.5% (the second highest in the group), is overshadowed by a hefty price. At \$10.93, the cost to acquire a user who completes a registration is the highest in the group and nearly a quarter (24.8%) higher than the average (\$8.76).
- **Purchase:** It's value for money if marketers can clinch the deal. At \$31.80, the cost is considerable (63.3% higher than the average). However, a conversion rate of 13.6% is a better deal compared to Marketplace apps, a category that costs only pennies more but delivers a 7.4% lower engagement.

Brand Commerce Apps Costs & Conversion Rates



Marketplace Apps: CPIs are the cheapest in the mix but purchase pairs the highest costs with the lowest conversion.

- **Install:** At \$2.02, nearly one-third lower than the average and nearly half the price of the other two app categories, the cost to acquire a user is a bargain not to be missed. But driving deep-funnel engagement tests marketers' mettle.
- **Register:** It's a "good news-bad news story" at this stage. At \$7.28, the cost is the lowest in the mix. But engagement also finishes last, trailing the average by nearly one-third (27.7%).
- **Purchase:** The highest cost (31.4% more than the average) coupled with the lowest conversion is a volatile combination that only smart segmentation and effective messaging can diffuse.

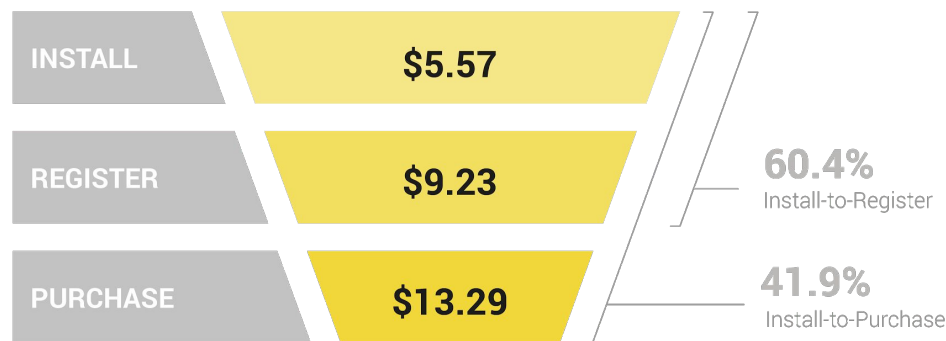
Marketplace Apps Costs & Conversion Rates



Coupon & Reward Apps: Costs are attractive and audiences are drawn by added value and costs savings.

- **Install:** Audiences love a perk, but acquiring them isn't a steal. At \$5.57, CPIs are nearly 2x more expensive than the average (\$2.87) and the highest in the mix.
- **Register:** Costs are moderate and audiences are eager. At \$9.23, the cost to acquire a user who completes a registration is affordable and the conversion rate (60.4%) is off the charts.
- **Purchase:** Costs are the lowest in the mix (one-third lower than the average) and engagement rates are phenomenal. At 41.9%, the conversion rate towers over the average (14.7%) and comes in 7x higher than Marketplace apps.

Coupon & Reward Apps Costs & Conversion Rates





Engagement by Platform

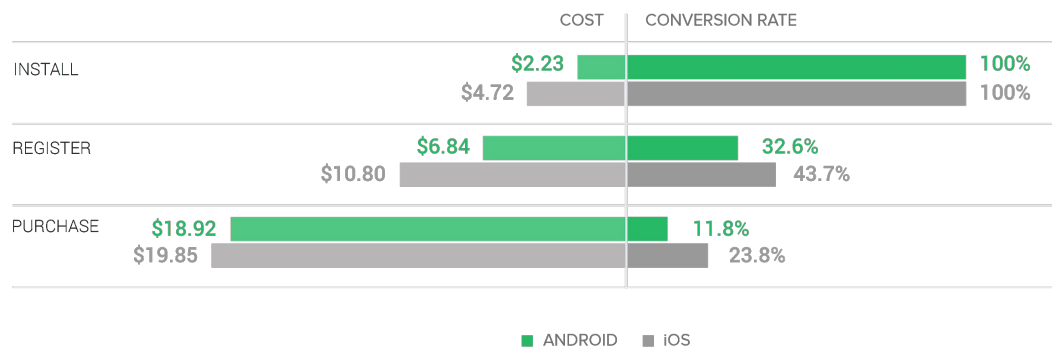
Android costs are attractive at every stage of the journey.
But iOS shines with consistently higher engagement
and retention rates.



Android has the edge in UA cost but iOS excels in conversion, offering 2x higher engagement rates where it counts.

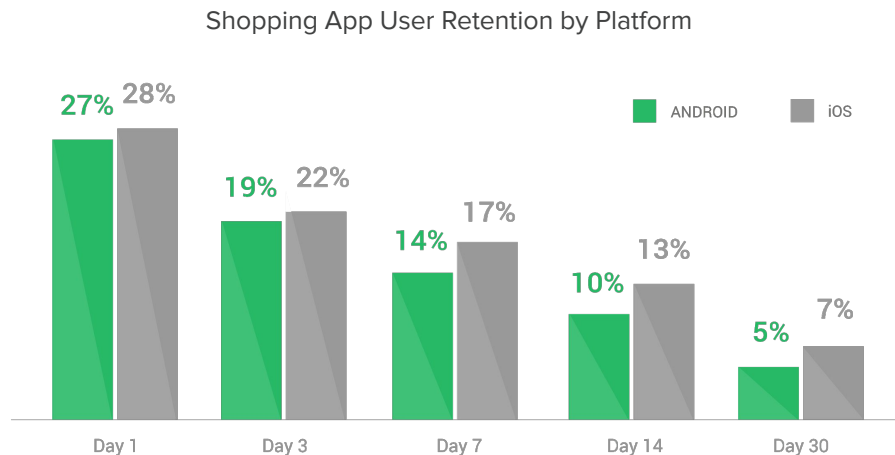
- **Install:** At first glance, the cost to acquire an Android user (\$2.23) is extremely attractive. But this positive is overshadowed by negatives deeper in the funnel.
- **Register:** Android has the edge—or does it? The cost to acquire an Android user who completes a registration is nearly 40% less expensive than for iOS. But iOS leads with engagement rates that are 11.1% higher.
- **Purchase:** Don't let bargains blind you. The cost to acquire an Android user is less than \$1 cheaper than for iOS. However, this win is an empty victory viewed against iOS engagement rates (23.8%) that are nearly 2x higher than Android.

Shopping Apps Costs & Conversion Rates by Platform



iOS offers significantly higher retention rates across the board.

Retention rates for shopping apps on iOS outperform Android at every point on the curve, with the difference coming in between 1% to 3%. These seemingly small figures have significant impact. After all, even an incremental uplift in retention is a huge help for marketers focused on keeping users coming back (while controlling UA costs in the process).



“Run a lot of tests – and often. But zero in on metrics such as customer lifetime value. Use LTV as the measure of whether your investments are driving positive results and be prepared to change your strategy quickly if the numbers don't add up.”

Vinícius Campos - Performance Marketing Coordinator LatAm

Costs that appear to be pricey at the top of the funnel can pay dividends deeper down, Vinicius says. "And the difference in behavior between Android and iOS users is essential information at every stage." His advice: Use a breakdown of data by operating system to inform your marketing strategies. "The cost to acquire an iOS user is higher. But they're also more likely to convert and more loyal. Factoring this into your UA equation helps you frame the real value of an iOS user, for example, and why they are worth the investment."

dafiti

Based in Sao Paulo, Brazil, Dafiti is the leading fashion and lifestyle online destination across Latin America (also present in Argentina, Chile and Colombia).



Monthly Trends

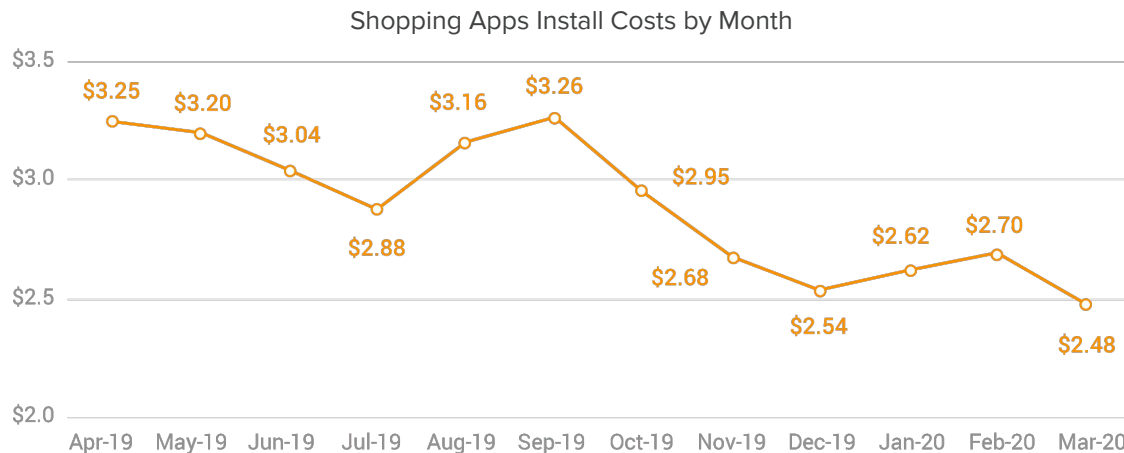
July and August are standout months when marketers can get value for money.



Install: Competition is fierce April to August but UA costs decline starting in September.

CPIs hold steady through the year with \$0.78 difference between the highest (\$3.26) and lowest (\$2.48) costs. While consumer interest in shopping apps is continuous, there are some significant differences.

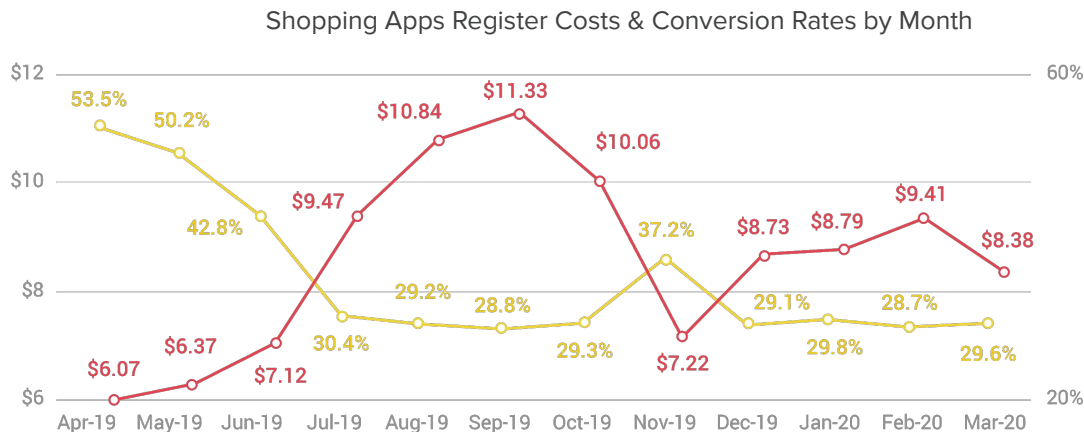
An example is the five-month period from November through March, when audiences are eager to shop and the average cost to acquire a user hovers at \$2.60. Conditions are quite the opposite from April through August, a period when competition for audiences preparing to spend on vacations, staycations and holiday celebrations is particularly fierce.



Register: April through June are months marked by higher conversion rates and lower costs.

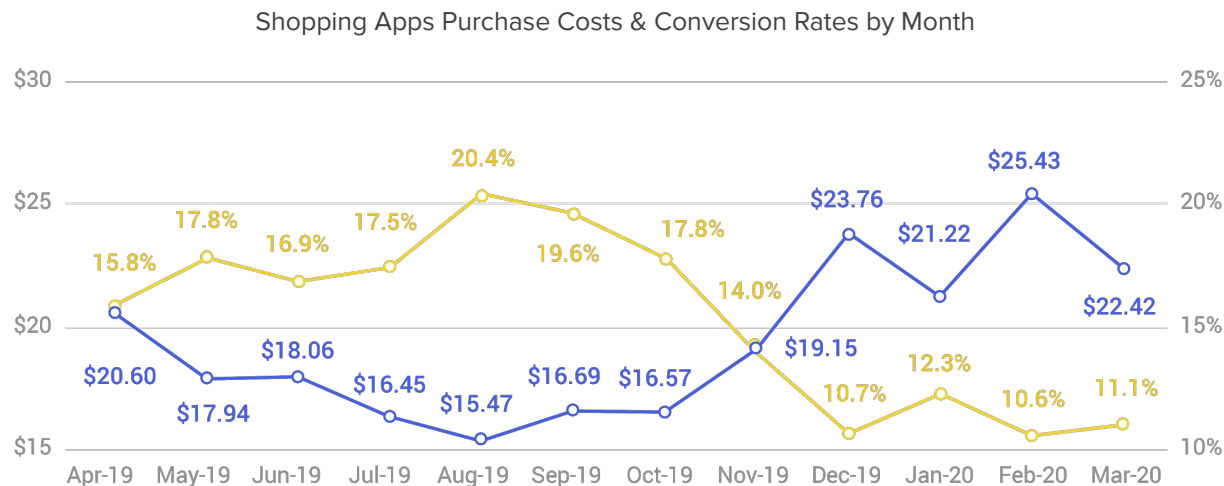
Costs and conversions are highly volatile throughout the year. Costs specifically increase 86.7% from the lowest point in April (\$6.07) to the highest in September (\$11.33), while conditions are best from April through June, a period marked by attractive prices and impressive engagement rates.

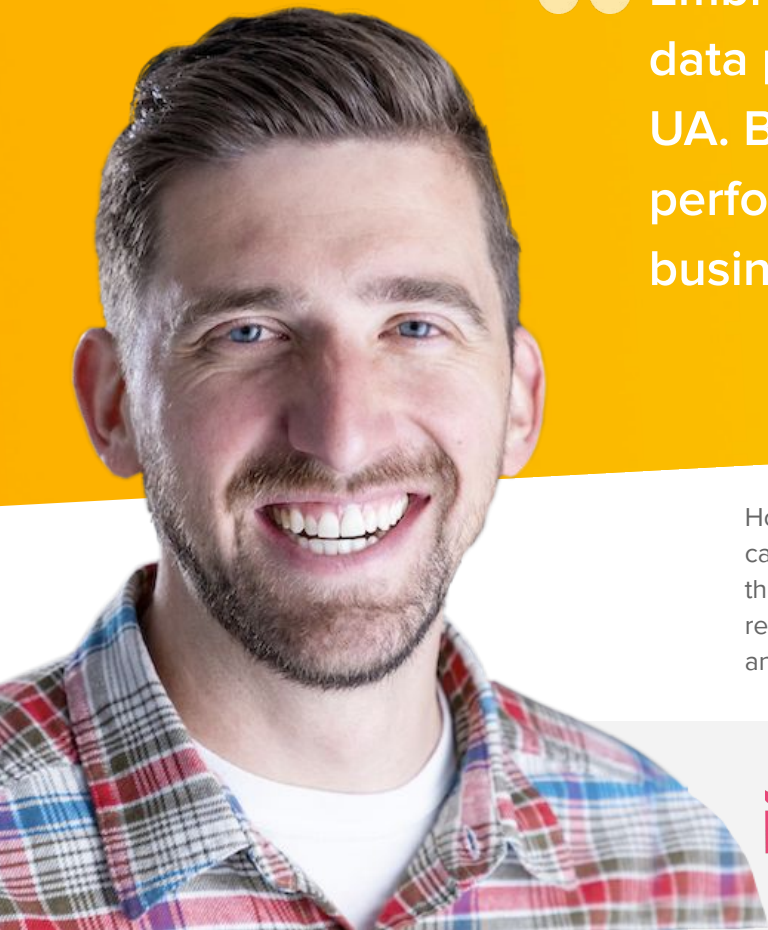
The months that follow see competition for audience send costs through the roof while engagement rates hover around 30%. A notable exception is November, when costs dip to \$7.22 and engagement increases to 37.2%. However, campaigns will have to be creative to grab attention before the window of opportunity closes.



Purchase: Shopping spikes from April through August then drops in the end-of-year months.

Costs at this stage of the funnel are significantly lower and far more stable than the previous year. July and August are standout months when the average cost to acquire a user who makes a purchase (\$16.20 average) is attractive and affordable. The average engagement rate of 19.2% is an added bonus. The situation shifts later in the year. December through March sees prices hit an average of \$23.21 and conversion rates languish at the low end of the scale.





“Embrace your inner performance marketer. No data point is too small not to have huge impact on UA. But it also helps to look at your acquisition performance in the context of your overall business.”

Matt Rome - Sr. Marketing Associate - User Acquisition

Holidays are a hot season for shoppers. But, Matt warns, it's also a period when marketers can expect higher ad costs and lower conversion rates. "It's harder for your message to fight through the noise." His advice: Think of holidays as a time to connect with customers and reinforce your value, and use summer, which offers high activation rates, to drive downloads and purchases.

ibotta®

Ibotta partners with leading brands and retailers and pays its users for shopping online or in store, allowing shoppers to earn cash back on in-store or in-app purchases.

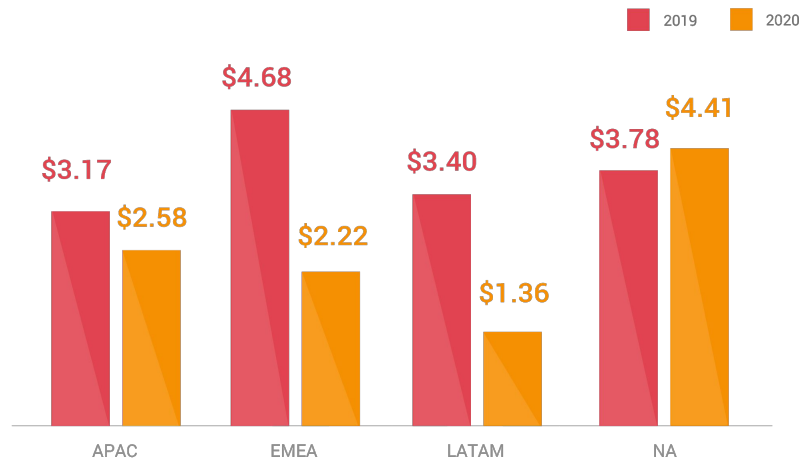
Regional Benchmarks

Costs are in decline and mature markets are home to enthusiastic shoppers.

CPIs decline significantly in APAC, LATAM and EMEA, but surge in North America.

Shopping app growth is soaring, resulting in CPIs that are at the low end of the scale in most regions. Costs in North America (up 16.7% from the previous year) are the exception, hovering 1.5x higher than APAC and nearly 2x more than EMEA. CPIs in LATAM offer value for money (down 60% from the previous year) as audiences there warm to mobile shopping apps. Costs in EMEA, down 52.6% from the previous year, are also encouraging.

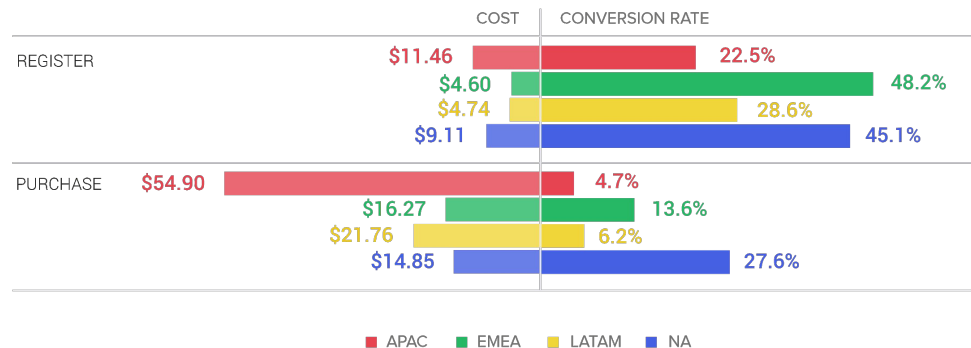
Shopping Apps Install Costs by Region YoY



APAC audiences show signs of shopping fatigue. However, consumers in EMEA are receptive and ready to engage mid-funnel.

- APAC:** Audiences here lead the pack with the highest costs and finish last in engagement. It's an unexpected outcome for a region populated by shopaholics and suggests marketing there is ripe for a refresh.
- EMEA:** With the lowest register cost (\$4.60) and the highest conversion rate (48.2%) this is a region ready to shop. But the high cost to acquire a user who completes a purchase coupled with engagement rates that are half of those in North America suggest users here need more convincing.

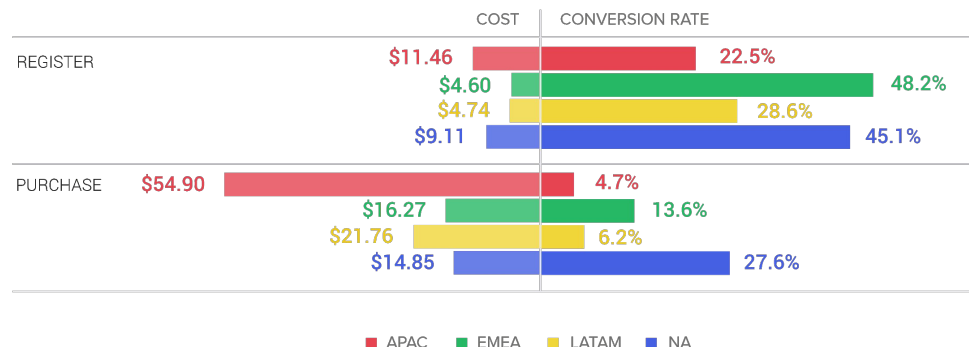
Shopping Apps Register & Purchase Costs & Conversions by Region



LATAM offers low costs and promising engagement rates. But North America is home to the world's most eager shoppers.

- **LATAM:** Low costs impress in mid-funnel but engagement rates for purchase are stalled in the single digits.
- **North America:** At first, register costs and conversion rates underwhelm. But the story flips deeper in the funnel where the region offers unbeatable purchase costs and engagement rates that are 6x higher than APAC.

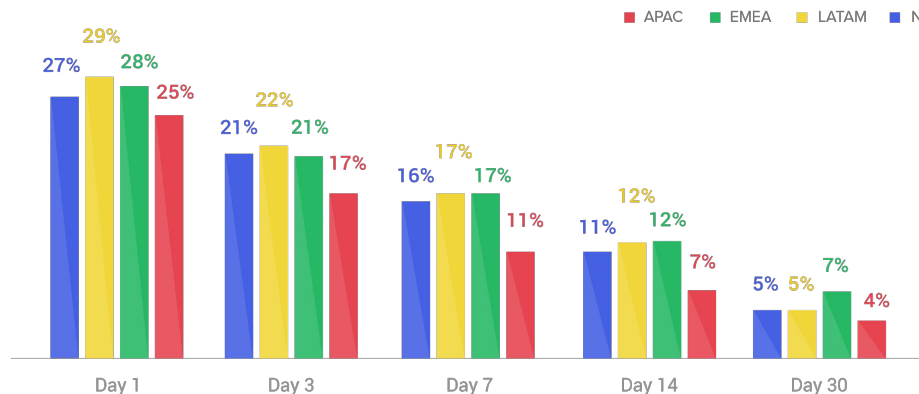
Shopping Apps Register & Purchase Costs & Conversions by Region



APAC stands out as the region with significantly lower retention.

Retention rates start high and taper off over time, but loyalty doesn't drop off a cliff overnight. Significantly, there are striking similarities between EMEA, LATAM and North America (regions where rates vary no more than 2% at each stage of the curve). However, retention rates in APAC decline by a greater percentage, suggesting shoppers there are more fickle than faithful.

Shopping Apps User Retention by Region



Country Deep Dives

A review of costs, conversion and retention rates across Brazil, Japan and the U.S.

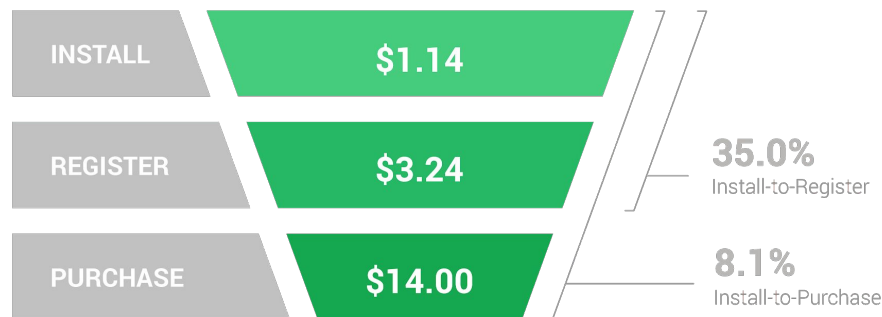




Brazilian users are more than one-third cheaper to activate than LATAM overall and audiences are highly engaged.

- **Install:** At \$1.14, CPIs are 16.2% cheaper than the \$1.36 price tag for the entire LATAM region.
- **Register:** The cost to acquire a user who completes a registration (\$3.24) is a bargain, coming in more than one-third cheaper than the average for LATAM (which is already the region with the lowest cost). An install-to-register conversion rate of 35% is also higher (+6.4%) than the region.
- **Purchase:** Low costs and high engagement promises marketers significant value for money. At \$14, the cost to acquire a user who completes a purchase is 35.7% cheaper than the average for LATAM. It's paired with a conversion rate of 8.1%, which also has an edge on the rate for the region (6.2%).

Brazil Shopping Apps Costs & Conversion Rates

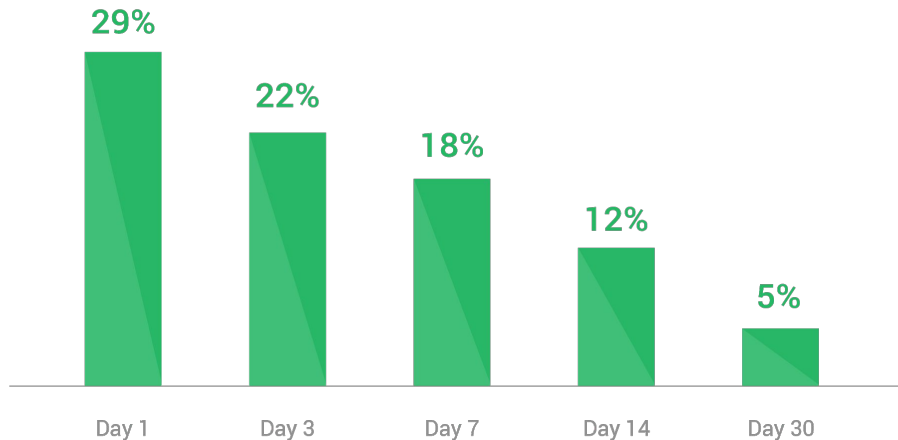




Retention rates in Brazil get off to a strong start and show striking similarities to the rest of LATAM.

Retention across the curve are nearly identical to rates for LATAM, a region where shopper interest and activities are shifting into high gear. This may benefit Marketplace apps, a category of shopping apps that [recent research](#) suggests is a favorite destination to conduct commerce.

Brazil Shopping Apps User Retention

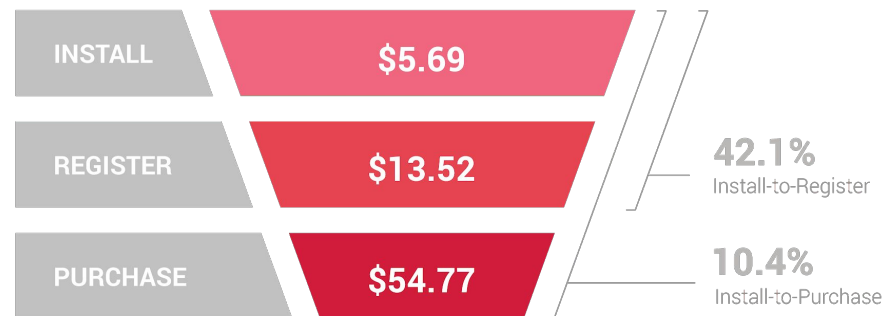




Costs in Japan mirror the APAC region but engagement rates are 2x higher.

- **Install:** Costs in APAC are moderate but CPIs in Japan are massive. At \$5.69, the cost is more than double the average for the entire region (\$2.58).
- **Register:** At this stage the gap between costs in Japan (\$13.52) and the region (\$11.46) closes. More importantly, the install-to-register rate (42.1%) is nearly double the rate for the entire region.
- **Purchase:** You get what you pay for – and sometimes more. Granted, the cost to acquire a user who completes a purchase (\$54.77) is over 50% higher than the previous year (\$36.43). But the price tag is nonetheless slightly less expensive than the current cost for the entire region (\$54.90). But high costs are balanced by an impressive install-to-purchase rate (10.4%) that is more than double the rate for the region (4.7%).

Japan Shopping Apps Costs & Conversion Rates

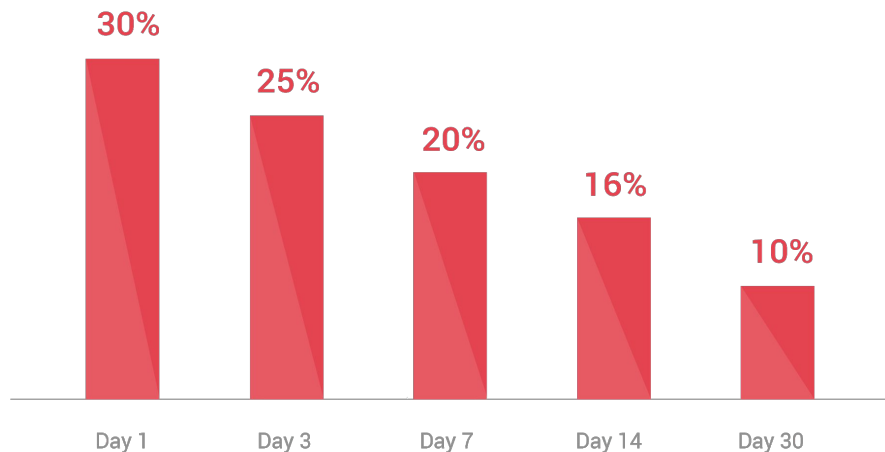




Significantly higher retention rates at every point on the curve shows Japan is home to extremely loyal and serious shoppers.

The retention curve is extraordinarily robust, indicating this is an audience with an unshakeable loyalty to the shopping apps they love. The Day 1 retention rate (30%) is 5% higher than the average for APAC and 10% higher than the previous year. Japanese users are also loyal longer. The Day 30 rate of 10% is solid, coming in 6% higher than APAC and 4% higher than the previous year.

Japan Shopping Apps User Retention





Purchase costs in the U.S. plummet to an all-time low and install-to-purchase rates reach new heights.

- **Install:** At \$4.17, CPIs are marginally more expensive than the average for all of North America (\$4.11).
- **Register:** Costs and conversion rates at this stage are once again nearly identical with the region. Both are a vast improvement over the previous year, when the cost to acquire a user who will complete a registration was 26.7% higher and yielded a 14.6% lower conversion rate.
- **Purchase:** Marketers are massively more effective or shoppers are on steroids. Either way, the price to acquire a user at this stage (\$14.83) is down 75.2% compared to the previous year. Even better, the engagement rate of 28.1% has increased over 4x (6.5%).

USA Shopping Apps Costs & Conversion Rates

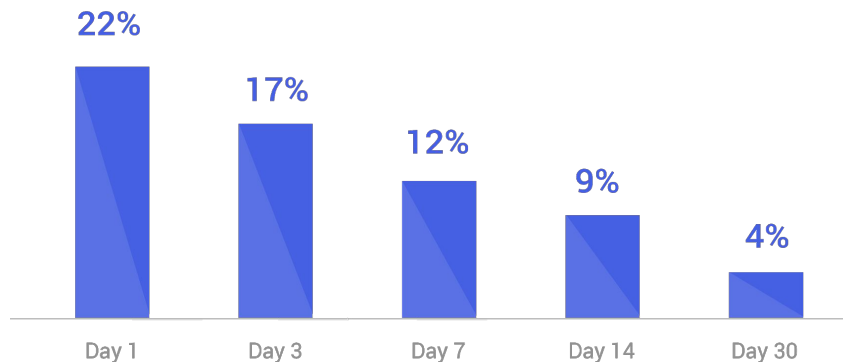




Retention rates in the U.S. lag behind North America overall but are significantly stronger than the previous year.

Retention rates at every stage of the curve are lower than the region, suggesting marketers should go the extra mile to drive deeper connection. But performance is stellar compared to the previous year, when the decline in retention rates was far more dramatic and rates for Day 1 and Day 7 were 7% lower.

USA Shopping Apps User Retention





“ Test different types of ad creatives to communicate what matters – whether that's recommendations, new features or the value you add. Direct-response language is a must because we are aiming to drive a conversion off of that click. ”

Chris Del Bene - Sr. Growth Marketing Associate

Retention rates in the U.S. are a challenge, Chris says. Winning in this geo, and everywhere, requires marketers to develop an "always-on strategy to mitigate this drop-off." His advice: Focus on the message. "Constantly experimenting with that message – reminding users about a sign-up bonus, or just surfacing unique features of your app they might not otherwise discover – are great ways to retarget users and extend engagement."

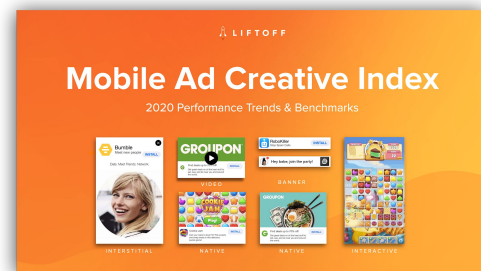
ibotta[®]

Ibotta partners with leading brands and retailers and pays its users for shopping online or in store, allowing shoppers to earn cash back on in-store or in-app purchases.

ADDITIONAL RESOURCES



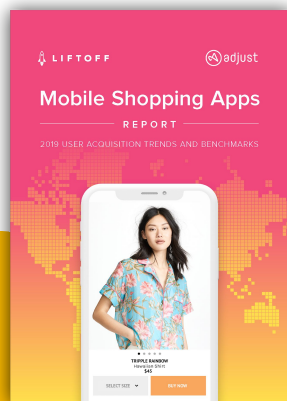
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Adjust is a global B2B SaaS company. Born at the heart of the mobile app economy and grown out of a passion for technology, the company now has 16 offices around the world.

Adjust's platform includes measurement, fraud prevention, cybersecurity and marketing automation products. Together, they make marketing simpler, smarter and more secure for the 35,000 apps working with Adjust. Global leading brands including Procter & Gamble, Rocket Internet and Tencent Games have implemented its solutions to secure their budgets and improve results.

Last year, the company secured one of 2019's largest funding rounds in Europe, raising nearly \$230 million.

www.adjust.com



Liftoff is a complete mobile app marketing platform that helps companies acquire and retain high quality app users at scale. Liftoff uses unbiased ML to find all the best users for your app, creative testing to deliver the most engaging ad experience and a unique cost per revenue model to optimize for your LTV goals.

Liftoff is proud to be a long term partner to leading brand advertisers and app publishers since 2012. Headquartered in Redwood City, Liftoff has a global presence with offices in New York, London, Paris, Singapore, Seoul, and Tokyo.

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