

THE BEGINNER'S GUIDE TO APP ANALYTICS



The Need for Mobile Metrics

The web analytics industry has grown in size and sophistication over the past decade, enabling marketers to create targeted and revenue-driven online presences. This represents a huge shift in how brands operate and communicate with their consumers. And it's awesome.

But the web isn't where the majority of your audience is going to be anymore, and it isn't where the learning curve is. Today, there are over 1.2 billion mobile web users worldwide, and mobile traffic is slated to reach over 25% of total Internet traffic by the year-end. And now, US daily smartphone screen time has even exceeded television time.

For brands designing, launching, promoting and investing in mobile apps, tracking the right engagement metrics is critical to long-term success in terms of ROI and growth. Using real-time app insights allows you to get to know and adapt to your users right from the start, so that they keep coming back, even if you're just getting started.

In this eBook, we outline how to define your brand's mobile goals, switch from a web-only mindset, and get started identifying, measuring, and learning from your key app analytics.

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Switching from a Web-Centric Mindset

As much as marketers wish, want and hope otherwise, mobile and web have some important differences that come into play when you start analyzing user data. The rise of mobile app usage has lead to an overhaul in the traditional metrics marketers measure. The rules for engagement have been thoroughly defined for the web world, but that criteria doesn't directly translate to the mobile world.

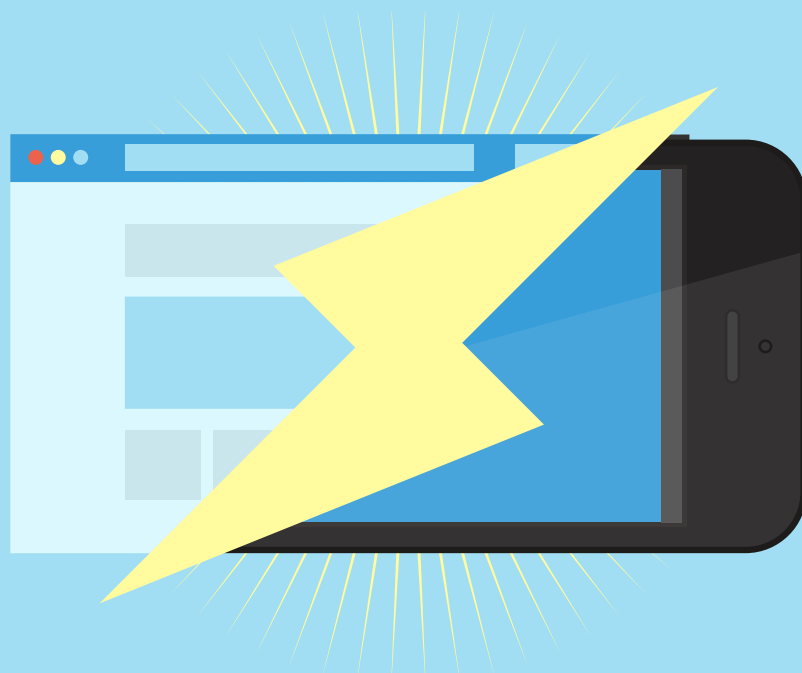
“ *The focus is on **user sessions** instead of **pageviews*** ”

People use mobile apps in a fundamentally different way. They may spend less time in apps than on the web during a given time, but their app sessions are more concentrated. The key app usage funnel is similar to the web, but critically different. The focus is on user sessions instead of pageviews. Sessions are tracked more minutely than web visits and pageviews.

Web visits can be inaccurately tracked because of a lack of user-enabled cookies, and is inconsistent in a multi-tab world. Many web users today leave pages up that they aren't actively viewing, or revisit pages to recall information, not to act on events like converting, purchasing, or downloading.

In the mobile world, users are identified by the device tracking or through social authentication, and a session times out after a user closes the app, or navigates away from the app for more than 15 seconds. App interactions are tracked down to flow and retention-based metrics that are indicative of engagement behavior. Moving away from a pageviews mindset to a sessions mindset is the key to approaching your app analytics.

Unfortunately, Google Analytics doesn't cover enough to accurately measure your mobile app metrics. At its core, it's a web analytics platform, and doesn't have the capabilities to work as an adequate source of app engagement data. So switching from a web mindset is as much about finding the right app analytics platform as it is changing your way of approaching those analytics.





Going Beyond Downloads

Here's the first place businesses get stuck: focusing on app downloads as the primary success metric. Downloads don't mean much outside of the app store, and don't reflect an accurate number of acquisitions and organic users, nor do they relate to usage behavior.

Today, nearly 22% of apps downloaded are never used more than once. So if your brand is concerned mainly with downloads, you're tracking an empty metric. What does a download matter if the user never opens it again? Stopping at downloads is the same as stopping at site traffic; the real data is about engagement.

App downloads don't show the long term value of mobile users to your business, so additional measurement is necessary to see what really impacts your bottom line. The most successful app creators are the ones that dig into granulated data to assess retention, behavior, and revenue streams.



Defining the Right Analytics for Your Goals

When it comes to your app, there is a set of metrics critical to measuring user engagement. That being said, what you gain from them stems from determining your overall brand goals. Developers, marketers, sales executives, and even business owners might all have slightly different goals in mind, so take the time to answer some questions around why you launched the app:



1 - What is the primary goal of our app?



2 - How do we want users to behave in-app?



3 - What paths do we want to drive users towards?



4 - What is the conversion goal?

Not all apps are the same, so defining the right metrics for your business puts you a step ahead. Smart marketers know they need to use a hypothesis-driven approach and quickly learn

what's working in their apps. There's a tendency to collect the most granular minutia, to collect data for data's sake, or to find answers in search of questions. Trudging into your analytics armed with the necessary questions to answer gives you an immediate, and actionable, starting point for measuring app success.





The 8 Critical Metrics to Measure

Have your goals set, but still not sure where to start? There are certain metrics everyone should be tracking to measure and harness app user engagement. Because app and web analytics are fundamentally different, having these in your go-to list to start out will help you discover opportunities within the data around natural user behavior.

1. Users

Tracking your users is an important first piece of the puzzle. Not only does it give you insight into your audience and their natural app usage patterns, it is also vital to creating deeper engagement, like segmenting audiences, tracking specific behavior and launching successful app marketing campaigns. Once you know your user base and current active users, you have a baseline for improving engagement to increase users across channels, those who have dropped out of a desired funnel, or those within your market space who haven't yet downloaded your app. You also gain greater insight into the

monetization behavior of users, including the degree of usage, who makes in-app purchases, and who clicks through to ads.

2. Session Length

Session length is measured as the period of time between app open and close, or when the app times out after 15 seconds. It indicates how much time your users are spending in your app per individual session. Session length allows you to see which audiences are spending the most time in your app and why.

“*Session length is measured as the period of time between app open and close*”

Tracking the length of user sessions is critical to unlocking revenue potential in your app flows. If you've got a mCommerce app, how long does your checkout flow take? If the average session length is five minutes and your checkout flow takes six, you need to either encourage users to stay in the app longer or simplify the checkout process. Identifying common funnels and how long they take versus how long a user typically spends in-app, you can improve those funnels for better results.

3. Session Interval

Session interval is the time between the user's first session and his or her next one, showing the frequency with which your

users open the app. This can signal the immediate value gained from downloading and running the app. When you know the typical time lapse between sessions per user segment, you can better optimize the user experience to prompt regular opens.

For example, if you notice that tablet users have longer session intervals than smartphone users, it might be that you need to improve screen flow or design in your tablet app. That could lead to a positive change in terms of shortening the interval between sessions for those tablet users. It could also be an indication that you should consider adding contextual app marketing, like in-app or push messaging campaigns, to prompt more immersive and frequent interaction.

4. Time in App

Time in app tracks how long a user was in your app over a period of time, e.g. user X was in my app for three of the last 24 hours. It's another metric for identifying how often your app is being used, and is an indicator of how valuable your app is to users. Similar to session length and interval, this metric measures behavior over time to give you a clear view of user patterns, allowing you to easily classify how often users are engaging with your app.

If a certain segment of your users is consistently opening your app for long periods of time, you need to dig into the “why?” Are they all following a similar screen flow, making more purchases, or doing research? Use information like this to kick off personalization initiatives to boost usage.

5. Acquisition

Acquisition represents the number of users who download and install your app from a certain location, through organic search, word-of-mouth, paid campaigns or in-app referrals. This metric is especially important to track when you run campaigns through paid partners like Facebook to promote app downloads. Acquisitions reports track how much money you're spending to acquire these users, their app downloads and what they're doing when they get into your app.

“ You can analyze the long-term value of acquired users against organic users ”

Running paid acquisition campaigns comes down to ROI, and not just in terms of downloads per campaign. You can analyze the long-term value of acquired users against organic users, and segment audiences to A/B test or promote conversions through different app messaging campaigns.

6. Screen Flow

Screen flow tracks exits by screen, flow between screens, and total occurrences of visits to screens, visualizing the typical visitor interactions in your app. With screen flows, you can look at a particular screen in your app and see both what users did while on screen and where they went afterwards. In looking

at how users navigate your app, you can get a clear sense of problem areas, conversion road bumps, and drop off screens.

Screen flow analytics show you exactly what those users who didn't complete a stage did instead, enabling you to fine-tune your app's flow to increase conversions. With this data in mind, you can implement redesigns to make clearer funnels, or create in-app marketing campaigns to re-engage dropped users.

7. Retention

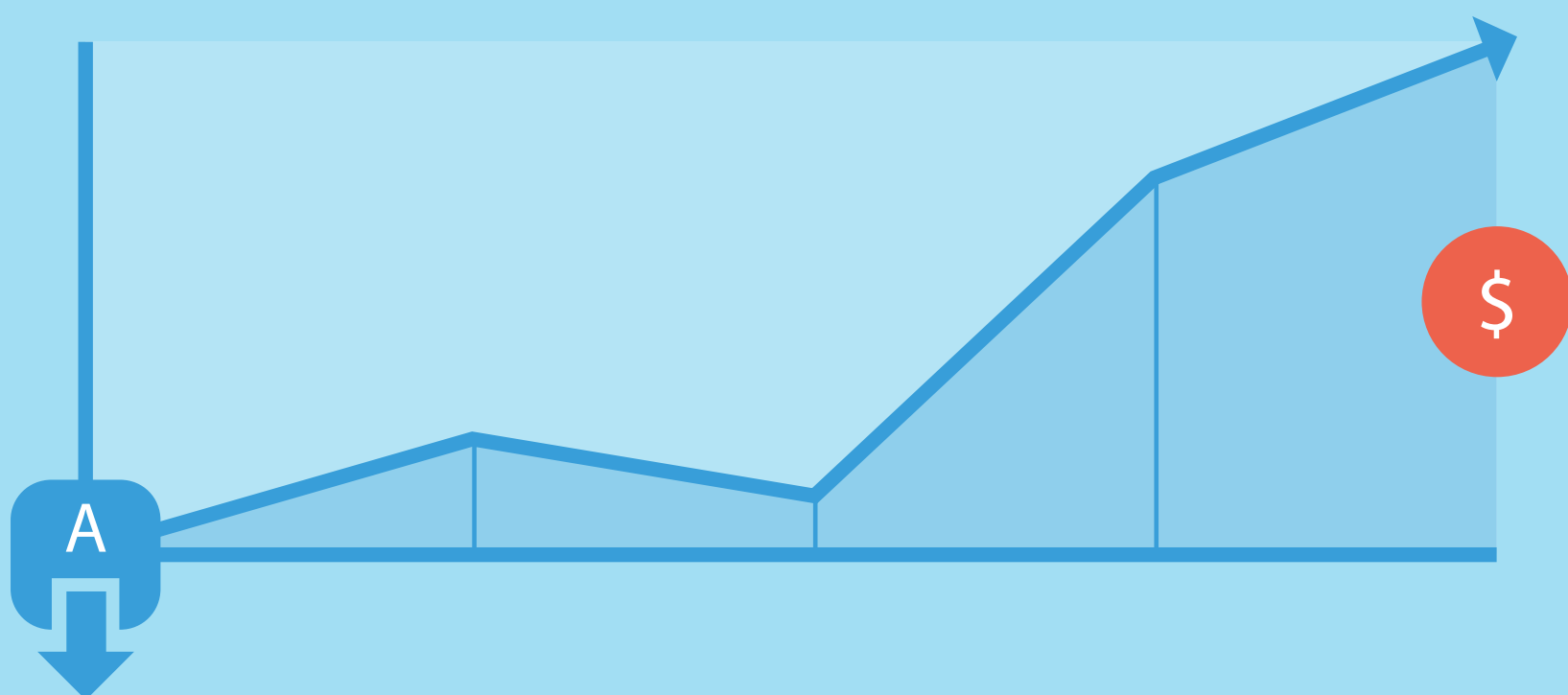
Retention is measured as the percentage of users who return to your app based on the date of their first visit. Also referred to as cohorts, retention tracking highlights your most engaged – and valuable – users, creating better targeting capabilities and allowing you to track in-app purchasing by level of engagement. Splitting out retention rate based on device, audience and campaign, or by custom dimensions like purchase frequency, you can experiment with marketing or personalization to test engagement and improve your app.

Analyzing retention allows you to determine what's working and what isn't in your app over time as updates occur. If you released a new version, one of the first things you should identify is whether or not your retention has changed. Building long-term retention is key to funneling primed users to conversions and purchases, as creating a highly engaged user base is the best way to boost LTV and revenue.

8. Lifetime Value

Lifetime value is your primary revenue metric, representing the financial value of the app and how much each app user or customer is worth in his or her lifetime. It can be split out by average monthly value or value per customer, capturing worth over time financially and also in terms of loyalty and evangelism. For a news app, for instance, it can be the number of articles read or shared over time. LTV can also be tracked as revenue per customer, a slightly different formula that correlates directly to purchases, both in-app and across other channels for overall spend.

LTV can show growth over time for different segments, i.e. by acquisition channel or monthly cohorts, and signals how much more can you spend toward acquisition to gain more of these users and still turn a profit. It also represents the value of mobile vs. non-mobile customers; which user segment spends more, is more loyal, and is a bigger brand evangelist.





The 4 App Analytics Best Practices to Implement

It's rare for your analytics to display all of the data you actually need right off the bat without any customization. Tailoring your analytics reporting to your business means that you'll have the most relevant information possible, and **harnessing the eight critical engagement metrics is only done successfully with these best practices in place.** Luckily, having clearly defined goals will set you up to easily identify and implement these techniques.

1 - Tagging Events

Events are the actions users take within your app, and can be individually defined by your goals, such as article reading or posting to a social network. Events also have attributes associated with them, which are added details describing the actions, and will help you get granular insights about those actions. An example of this could be Event: “Content Shared,” Attributes: Platform and Content ID. Events should be summarized at the highest level to describe the action taking place.

Tagging an event indicates that that event is one to always watch, and is typically part of a larger funnel. For example, if you have a mCommerce app, you’ll want to tag all of the events that are part of the most important funnel: the checkout process. This includes events such as: after the user views an item, adds it to a cart, and then starts the checkout process and completes each step, to the final confirmation screen, and then actually confirms of the purchase.

Funnels

Subscriber ?

Funnel Name *Funnels show what percentage of users made it through the following sequence of events*

Step 1:

Step 2:

Other events can be ads clicked, articles read, friends invited, games played, or videos viewed. Tag the events that mean the most in terms of brand-specific conversion goals, as these actions are most important to analyzing goal completion.

2 - Establishing Segments

If all of your users behaved the same way, it would be easy to analyze and improve your app for everyone, with the same results. But your users act differently, and need to be segmented accordingly. A segment is defined by users who did or did not do certain events, or pair of events in sequence, and can be a helpful way to identify specific relationships of usage between different parts of an app.

← Back to All Saved Segments

Edit Segment: Abandoned Cart ✎

Date Range: Static Date Range from Apr, 1 2013 to May, 6 2013

144k Users

Show all users who:

↓ 10.6%

Did the event Added to Cart

15.2k Users

AND

↓ 45.0%

Never did the e... Checkout

6.84k Users [Remove](#)

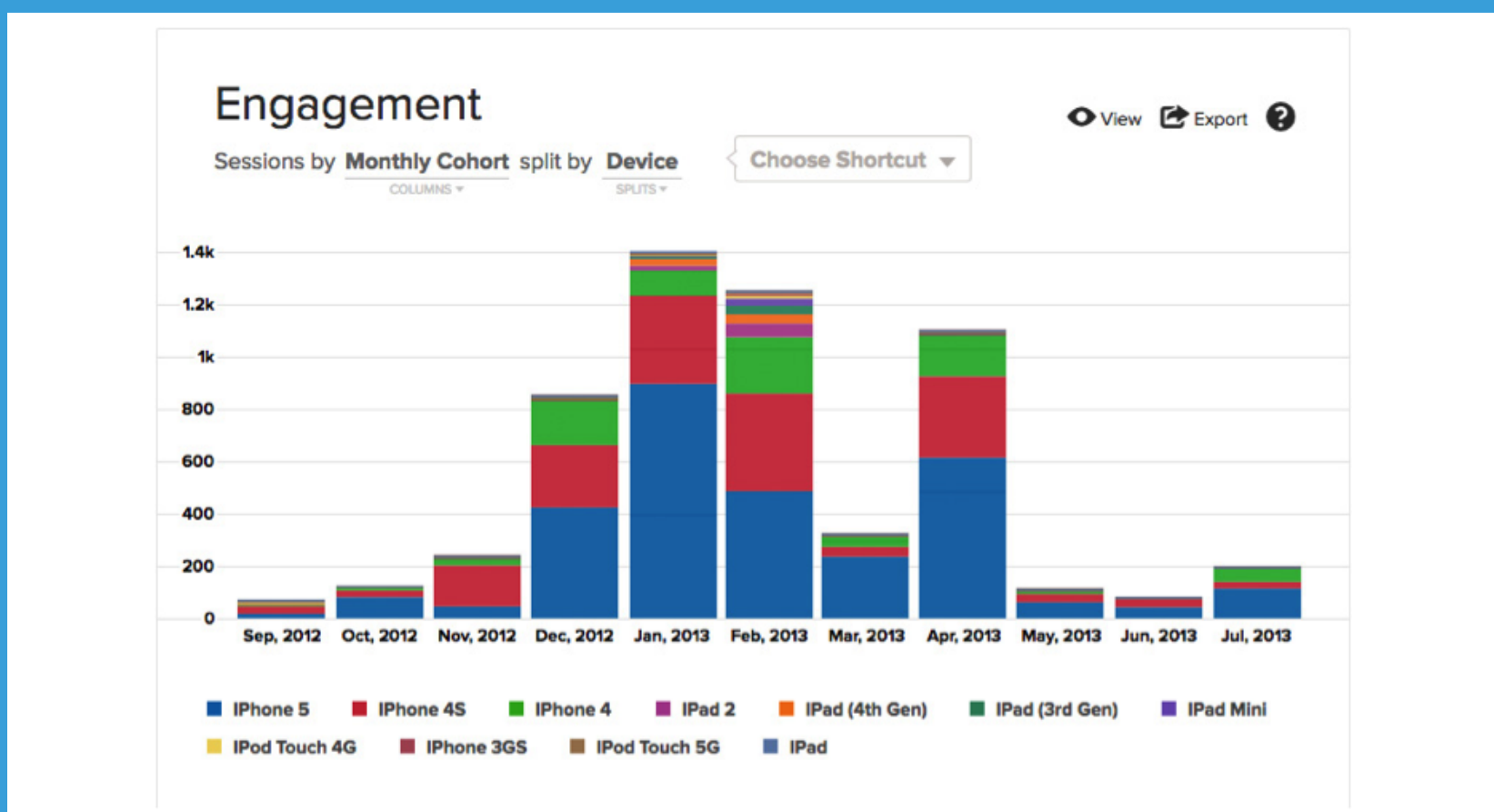
[Save](#) [Cancel](#)

6.84k **4.8%**
Total Users of Users

Your engagement metrics are only made stronger by specific segments, as you'll be able to more clearly define user behavior based on key characteristics, like location, device, purchasing vs. non-purchasing, and more. Unique segments often work hand-in-hand custom dimensions – adding a well-defined custom dimension can immediately segment out app usage by a number of important variables.

3 - Choosing Custom Dimensions

Custom dimensions are customized ways to segment users in app-specific categories. A basic set up will allow you to view app usage by device and model, and also segment your users based on their specific actions within an app. Good examples of custom dimensions include registration status, subscriber type and gender. Sometimes it is valuable to segment users based on other parameters or information on the users. Generally, custom dimensions should be considered as semi-permanent descriptors of the user that do not change frequently.

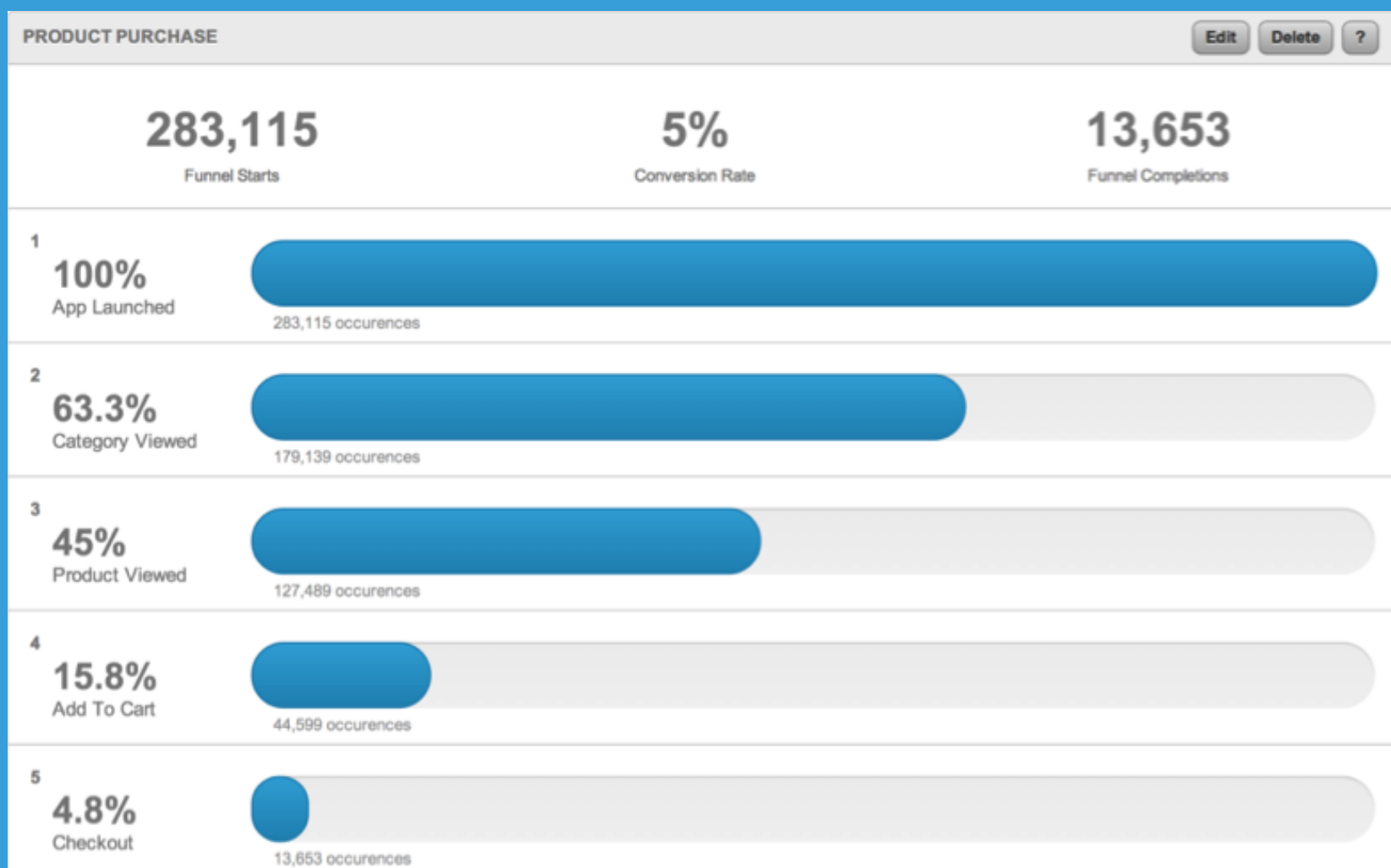


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4 - Defining Funnels

App funnels are defined the same way as web funnels: they are the process you want your user to follow to convert on a desired action. Funnels are defined by the events completed to reach that desired action, so tagging events and defining funnels should be a coordinated effort. Defining your funnels helps you identify where drop-offs happen in the conversion paths of your app.

In mCommerce, the major funnel is always going to be purchasing related: a user is viewing categories and getting to search results, and then looking at items, adding them to a cart, entering the address and credit card information, confirmation, and/or actually checking out. Using attributes in looking at your funnel, you can understand not only what percentage of users drop off before adding to a cart, but also which categories are more likely to result in proceeding to checkout.



That's the main purchasing funnel, but you'll definitely want to include different variations of this funnel too. Consider if a user started the funnel by searching instead of viewing the category, or if they added the items in the cart before checking out, to get a complete view into in-app purchasing behavior.



Integrating to Achieve Holistic Results

Your mobile app isn't the sole channel of focus for your brand; rather, it plays a crucial role in a multi-channel experience, and should be evaluated as part of your marketing ecosystem. It's becoming increasingly important to give consistent experiences across all channels, online and offline. You may find that your most valuable users in the app may never engage with your brand in a brick-and-mortar store. These users may spend most of their time on the web and they engage with your brand in that way.

Thinking more broadly about user data allows you to take your brand to the next level with multiple touch points of engagement, with your app acting as a critical component to the process. Implementing and tracking the right data allows you to improve the value of your app over time and develop your brand's multi-channel strategy.

So what's the next step in using your app analytics? Choosing the right analytics tool and harnessing your metrics to drive

improvement. Understanding your audience, their in-app behavior, and the natural screen flows is necessary to iterating and refining your app for better results. You can use these engagement insights to launch app marketing campaigns, redesigns, UX changes, and stronger funnels that boost ROI and make your app a profitable channel in your brand's overall marketing strategy.

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