

Taking a Retail App from Early Stage to Thriving Success



Retail

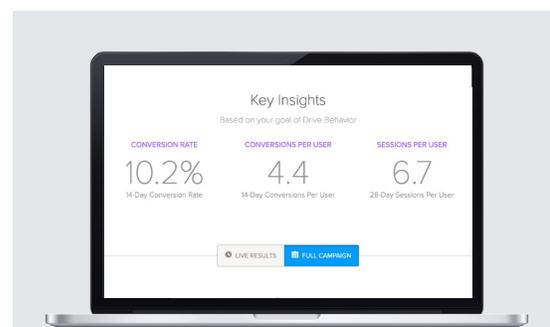
The Challenge

Retail is saturated, we are constantly hearing about the “retail apocalypse”, while that may be a little extreme, the retail market is no walk in the park. Staying competitive means evolving to ever-changing customer preferences and needs, and one key battleground for this is mobile. In the first quarter of 2019 mobile commerce saw year-over-year growth in spending of 29%, while desktop saw a 10% increase over the same period¹. Mobile commerce is growing incredibly quickly and is changing the way consumers engage with brands, what they expect from a retailer, and where they choose to spend their money.

Mobile is poised to become the center of the e-commerce world, but entering the mobile space is no small task. Retailers need to create and maintain an app, get customers to download it, then get customers to stay engaged for more than a few days - it's a whole new business strategy and associated processes.

This transition to mobile doesn't come easy, especially for large enterprise-level retailers whose complex operations are ingrained in their traditional roots. They need to embrace a big digital shift, and a key is building the right teams and choosing the right technology partners to ensure their digital transformation has the right impact.

Our client is a long-standing United States based retailer that got their start back in the early 1980's. Like many of the time-honored retailers that we think of today, our client has had to evolve along with the changes in the retail market and new developments in technology. When ecommerce began to take off in the 1990's, our client launched their own website and began expanding into ecommerce and creating a strong digital retail business.



Key Results:

- + Over 228,000 Transactions
- + 3.5 Million Sessions
- + 43% increase in revenue

After years of their successful online presence our client realized they needed to expand into mobile by creating a mobile app. They knew that the app was going to be their next big frontier, and in order to be successful they would need both a skilled internal team, and also a dedicated mobile engagement partner. To ensure their growth in mobile was going to make the impact their business needed, our client chose Upland Localytics as their mobile partner from the early days of their app.

To be successful in mobile, our client first needed to get customers to adopt the app, then continually engage them, grow revenue from the new channel, and prevent customers from churning. All the while integrating the mobile app into their greater omni-channel strategy, and ensuring their data and business systems were up to the challenge to make this all possible, preventing the dreaded silos that many enterprises face.

¹State of Online Retail, Comscore, 2019

The Strategy

Our client started by mapping out their mobile strategy and the key performance indicators (KPIs) that would guide them to success. Their strategy started with activation - getting customers to simply adopt their new app. Then nurture them, monetize the relationship, and retain those customers in the new channel. They needed to be able to get their customers through the entire engagement journey, and have visibility at every step of the way.

Our client's first step was to attract customers to the app. They already had a loyal base of shoppers that were engaged in both the website and their email communications, so this is where they started their omni-channel approach to the activation step. First they emailed their most loyal customers to spread the news of the app, offering special app-only coupons to spur downloads. They also promoted the app on their website with specialized landing pages promoting the differentiated benefits of the app and also offering app-only coupons to drive first time purchases.

After the initial round of promoting the app to only their top customers and through their website, our client expanded their email campaigns to now include all email subscribers in order to acquire more new users. By integrating their Upland Localytics data with their CRM data, our client was able to identify which customers didn't have the app, and then target them with emails to spur a download. They also used the data integration to

identify who may have downloaded the app but not yet made a purchase, then they were able to validate the first purchase in the app in order to offer the app-only coupon and drive incremental purchases within the app. By unifying their customer data to fuel their acquisition strategy, our client was able to grow a strong user base and continually increase their monthly active users (MAUs), **reaching a 69% growth rate during the second year of the app.**

Now with their acquisition strategy in place and working, it was time to activate and nurture customers through onboarding campaigns. One tactic utilized campaigns with special offers for those who had the app but hadn't yet made a purchase as a way to get customers engaged with the app and lead them to their first conversion. In addition to this was a larger strategy in which our client incorporated a push to inbox user flow to get customers to return to the app for one-day specials, promotions and other offers. These messages included promotions such as their unique daily deal, or information about their payment program which allows users to pay for their purchases in installments.

First a push message would be sent with the offer, then the offer is placed within the inbox feature of the app so customers could access it at any time, and could even scroll through the different options available to them. This strategy educated the customer on where to find and use their offers, and to make them accustomed to entering the app frequently for exclusive deals, specials and sales. Knowing that there was always something new waiting for them meant users keep coming back time and time again to make a purchase.

This onboarding and nurturing strategy became a mainstay for our client and they continue to utilize the push to inbox campaigns to increase the number of app sessions and revenue per customer. This strategy has been so successful that **users who engage with the inbox messages are 5 times more likely to make purchases within the app**, providing a huge boost in incremental revenue.

The client's nurture strategy also included campaigns to encourage customers to enable push notifications. This was mainly done by using in-app messages, targeting only users who have not enabled push notifications with a message showing the benefits provided through their push communications. This "soft-ask" strategy is still in play, and thus far has seen a **56% increase in push enabled rates**. And with more customers receiving push,



more are viewing and using the inbox messages, and thus more engagement and purchases in the app. To complete the customer lifecycle strategy, our client created campaigns focused on retention and preventing churn. By using the Upland Localytics Predictions feature, the client is able to identify users who are more likely to churn from the app, for example, those who haven't opened the app within 30 days or had performed a low number of actions in the app within the first 14 days after downloading the app. Then they easily turned these users into audiences to target them with personalized push messages to bring them back into the app. These messages incorporate the customer's first name for a touch of personalization, and also include their preferred product category based on previous purchases or browsing history to increase the relevancy of the messages. By adding these elements of personalization to their retention strategy, our client has seen a **16% increase in 7-day retention on iOS, and 8% increase on Android.**

When our client set out to penetrate mobile more heavily, they had outlined key performance metrics that they wanted to track in order to determine the impact of their mobile engagement strategy in driving the behaviors they were expecting. Key metrics to track included session engagement, session length, revenue and conversion. They were able to access all of these metrics within the Upland Localytics dashboard to quickly and easily assess their progress and results at any time. For example, the client could sort and view app usage stats across any week, month, quarter or year, and even set custom date ranges for a quick snapshot of trends in session engagement, length, unique users and more.

To provide even more reporting and insights, the Upland Localytics Customer Success team also created a custom dashboard for our client to track click-through conversions and revenue on a daily basis, helping them easily compare their results against their goals to make sure they stay on track. Our client is also able to track details such as how many paying customers they have, revenue per average user, revenue per paying user, and total revenue generated from the app over a specified time frame.

The client also integrated their Upland Localytics and CRM data bi-directionally, feeding mobile app data into their CRM database to help inform cross-channel digital strategies, such as email and paid social media campaigns. They also fed their CRM data back into Upland Localytics to help inform their mobile strategies, for example what categories a user browsed on the web, or purchases they made outside of the mobile app.

Throughout the first two years of the app, the client's mobile team partnered with their customer success team at Upland Localytics to consistently identify new opportunities and areas of improvement. For example, after reaching a large user base and collecting a wide variety of data, the client had a great opportunity to expand personalization to new campaign types or additional customer attributes. The Upland Localytics customer success team also helped to carry out campaigns to offset the load on the client's mobile team, helping to execute over 600 campaigns and send over 117 million messages since the partnership began. In addition, Upland Localytics works with our client on annual strategy planning to continually evolve and enhance the customer experience within the app and drive engagement, as well as increase revenue and lifetime customer value

By incorporating a strategy that addresses each stage of the customer journey, from acquisition to retention, and consistently testing, reviewing metrics and tracking results, our client was able to see huge growth in app adoption, impressive increases in app engagement, and as a result, strong incremental revenue growth.

The Results

1st Year Performance	2nd Year Performance
+ Over \$7 million in revenue	+ 69% growth in monthly active users
+ Over 95,000 transactions	+ 43% increase in gross revenue
+ Over 1.5 million sessions	+ 38% increase in transactions
	+ 71% increase in sessions

Through the client's customer lifecycle strategy they were able to tackle each step of their mobile customer journey and successfully grow their app user base, increase engagement and purchases, and thus drive new revenue from the mobile channel. In the first year of the app our client was ramping up their acquisition strategy, starting small with their most loyal customers, then expanding their strategy through other channels and customer groups. By the second year of the app, our client saw a 69% growth in app users.



By applying a multi-pronged approach to onboarding and engaging their users, our client realized double-digit growth in both revenue and transactions from the app over the last two years. In the first year of the app they hit over \$7 million in revenue and over 95,000 individual transactions within the app. In the second year of the app they saw a 43% increase in revenue and a 38% increase in transactions.

Improving retention and reducing churn are also key to fostering a healthy and active mobile customer base, and by creating personalized campaigns aimed at retaining customers with low activity in the app, they were able to see and increase in 7-day retention seen a 16% increase in 7-day retention on iOS, and 8% increase on Android.

The Summary

Our client partnered closely with their team at Upland Localytics to help outline and execute their strategy focused on the customer journey, targeting users at each stage from acquisition, onboarding and engagement, and all the way to retention in order to create a successful mobile experience for their customers.

Through their comprehensive approach to their mobile customer engagement strategy, our client was able to realize huge increases in their Monthly Active Users and engagement within the app, as well as the resulting revenue. Our client has solidified their digital retail business by creating a highly-rated app and driving millions of dollars generated in revenue.

Our client knew that mobile is key to continuing their success as a retailer, and they knew they needed to be dedicated, diligent, and continue to track their results and progress every step of the way. By relying on Upland Localytics' analytics and reporting capabilities, and also taking advantage of custom reports, our client was able to ensure that their efforts were working, testing what worked best for their customers, and continually evolved their strategy to see the strong results in users, engagement and resulting revenue.

For more information, please visit:
<https://uplandsoftware.com/localytics/>



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