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The Mobile Advantage:
## A strategic approach to maximize the benefits of your mobile apps

01.
Executive
summary

In today's rapidly evolving digital landscape, mobile applications play a crucial role in attracting new customers, enhancing the customer experience and building long-term brand loyalty. This whitepaper outlines key steps to leverage your mobile apps effectively for business growth, highlighting the power of seamless integration across digital platforms to give users a continuous customer journey.

02. Description of the problem

Businesses know how important mobile apps are to consumers and how they enrich the customer experience and foster engagement. As big advocates of this trend, Google and Deloitte are pleased to see the market moving in this direction. And yet, even with a keen awareness for the issue, most brands still face three major challenges when it comes to integrating mobile apps into their existing digital landscape.

THE PROBLEM

No cross-platform strategy

Competing teams and budgets

Disjointed customer journey
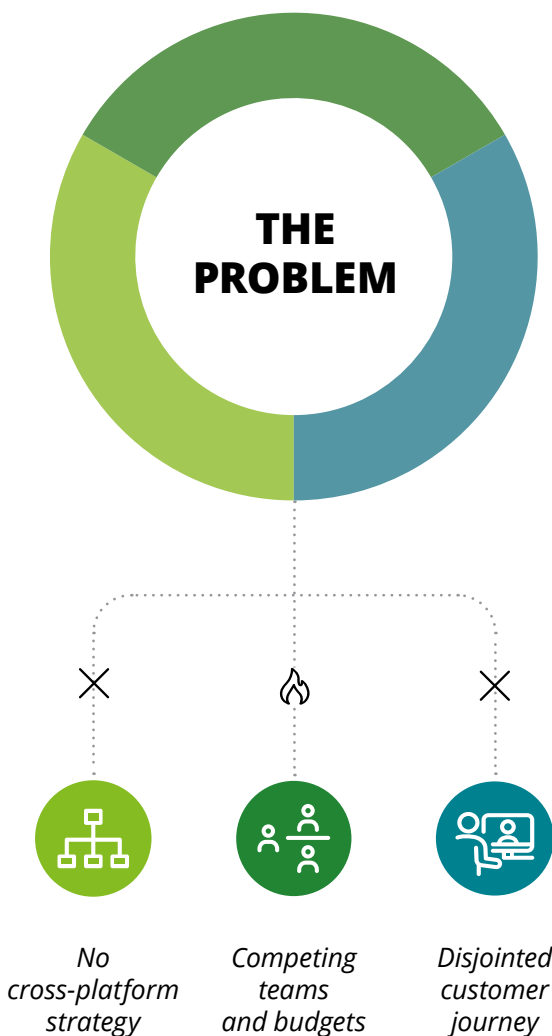
"One common challenge we see with our eCommerce clients is providing a consistent, deeply integrated user journey across both web and app that delivers the same state-of-the-art user experience on both platforms."

**Tim Hagemann,
Lead Partner Customer & Marketing,
Deloitte**

No cross-platform strategy

Having a carefully considered digital and analog presence offers businesses a strong foundation, resilience in the face of uncertainty and sustainable growth. And yet, many companies today will rush a website or an app to their customers without thoroughly assessing the strengths of one or the other and looking at them in tandem. Recent studies show that 85% of consumers shop on at least two channels, using them for different purposes from targeted searches or just browsing on the web to the fast check-out, booking and conversion features of an app.[1]

"It's no longer 'either' / 'or' it's 'AND' "

Global Director,
Deloitte

Without a consistent cross-platform strategy, customer experiences and brand perceptions can be fragmented. This can make your business vulnerable to higher churn and the adverse impacts of an ever-changing economic environment. A recent Google study found that only 11% of consumers experience a consistent and seamless experience across mobile web and app platforms.[2]

Competing teams and budgets

A smooth user experience is the key to business success. All too often, however, organizational silos and team legacies lead to slower development and a disjointed experience. Without common goals in the form of target KPIs to define success and a shared technological base to unite the mobile and web teams, your performance may suffer from disorganized development,

internal competition and divided budgets.

Instead, we recommend encouraging your teams to build a joint task force of marketing experts, web and app developers, user experience and interface designers, business stakeholders and IT leads to form a common understanding on how to implement measures for successfully reaching KPIs across all channels.

"Customer satisfaction is the new currency. Customers aren't interested in internal processes and hierachies — only their experience matters. Success comes to those companies that embrace this mindset in their structure, KPIs and operations."

Amir Mirshahi,
Offering Lead Experience
Management & Marketing,
Deloitte

Disjointed customer journey

There are no 'only web users,' as there are no 'only app users'. Today's customers engage with brands on different platforms at various times of the day and in different locations. Based on a recent analysis of clickstream data, the average customer switches five times between web and app within a single customer journey.

So, what the customer really wants is a smooth transition between platforms, which leads to loyalty, increased engagement and ultimately up to 31% higher average spend when comparing web and app users to web-only users.

A missing or insuffucient integration between web and mobile platforms can impact business performance. For example through higher bounce rates and therefore lower conversion rates, which can have high impact on business goals such as revenue generation.
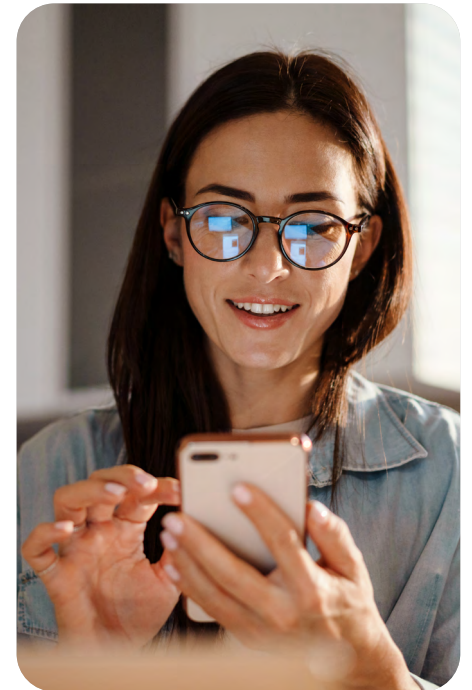
"The ways people interact with us have changed. They're now across lots of different platforms from web, mobile, social media, and in stores, and that's why it's essential to show up on different platforms and different channel mixes because that's how consumers are behaving."

Micah Charleston,
Media Manager
adidas

03. Solution approach

We believe an early, holistic and thorough examination of the above challenges plays a key role when defining the strategic positioning of digital touchpoints across organizations. This the key to finding the right touchpoint or channel, be it web, app, push messages, traditional advertising or innovative experiences, at the right time and then creating deeply integrated connections between them. In the long run this significantly enhances the experiences of your customers across all your channels instead of improving one, but losing on another at the same time.

So, if these challenges resonate with your organization, we invite you to consider the following steps to mitigate them.

"The solution for the problem of tomorrow will never be cheaper than today."

Thomas Hack,
Deloitte

STEP 01

Identify the potential in mobile apps and bridge the gaps in your digital platforms.

To maximize the potential of each platform, there are four perspectives to evaluate the impact of each:

Business value - Does your mobile app align with and drive your business objectives?

Businesses often fail to recognize the value of their apps. We believe they should be seen as marketing channels rather than just one stand-alone platform among many. Thus, determining the precise value generated by each platform is a great place to start. What is the one metric you, as C-Level management, really care about? Is it LTV, the revenue share, profitability, growth? Are you aware of the impact your app has on achieving your business goals? Adding app performance to the key business metrics you track and sharing them enterprise-wide will provide transparency and clarity as well as driving desired actions.

"Our apps are some of our strongest channels. With robust access to first party data and exclusive perks for consumers like Drops, we're really able to drive brand loyalty and increase LTV with our customers".

Paul Bae,
Director of Paid Search and Feeds,
adidas

Customer value - Does your app create additional value for your customers compared to other platforms?

It is vital to understand and leverage the unique advantages of each app and web channel to ensure customers get additional platform-specific value on both.

Websites are easy to acess for customers and easy for brands to quickly reach many customers. This makes them superior for widely targeted advertising campaigns and promotions. And with development complexity relatively low, it is fast and easy to add new features and content.

Mobile Apps on the other hand help to foster a closer and more personal communication with customers. Brands literally couldn't get any closer; these apps occupy a very personal space in the customers' everyday lives—their pockets. Apps can reach your customers like no other tool, e.g., by sending personalized push messages at any time of the day to drive desired action.

With an almost overwhelming number of choice and content, customers may find it difficult to source the information they need. According to Google's "Europe State of Retail 2024" a better way for

Retailers to deliver inspiration for a specific need or an essential product is by offering a curated portfolio. In a word: personalization. Research has found that 72% of consumers are more likely to be loyal to a brand if they offer personalized experiences with additional rewards and benefits. [5]

"At C&A, we're consumer-obsessed, so we put our app at the center of our overall strategy."

Magdalena Kahl,
Unit Lead Digital Channel Marketing,
C&A

Apps are the most powerful platforms for driving personalization. Not only do they offer the technical infrastructure brands need to deliver personalized content; in many cases, customers also see them as more secure. People are less concerned about putting their personal information on an app than on a website—with up to 60% more information stored in one study—which increases convenience and conversion rates.[6] Your app is a first-party data powerhouse that allows you to track metrics as basic as the number of consumers logged into the app vs. the website. Eye-opening insights illustrating the potential apps have for growing your business.

**Organizational readiness -
Is your operating model cross-
functional and user-centric?**

To launch an app, businesses do
not need to set up an entire new
organization. All you need to do is
make sure your apps are on par
with every other platform you have.
If your Data Science team works
with offline and web data, then they
should have app data on their radar
as well. If the Performance Marketing
team is investing in web marketing,
then they should probably also
track user perceptions of your app
marketing. All of these platforms
should be working toward one and
not two separate strategies.

Assessing your readiness to work in
cross-functional teams is essential
for overcoming department barriers,
legacies and silos. Is everyone
focused on integrated solutions
that create a seamless customer
journey across all platforms? Can
every department head quantify
the impact of your apps on the top-
level KPIs that matter most for your
business?

"As we manage this
cross-channel strategy,
we've made sure to set
up our teams in a way
that is not siloed by
channel. This enables
our marketers to work
towards combined and
holistic performance
KPIs".

*Paul Bae,
Director of Paid Search and Feeds,
adidas*

**Technical readiness - Did you
implement the right solutions
to bridge the gap between
web and app?**

A recent Google study found that
encouraging web users to also use
the app benefits your bottom line. In
a comparison of joint web and app
users vs web-only users, the average
spend was 31% higher for multi-
channel shoppers.7 More than one in
three consumers (38%) also say they
expect to be routed to the brand's
app to complete a purchase that
began on the mobile website.

Having the right technology stack
is crucial to achieving a smooth
transition and directing users from
a web page or an ad directly to the
right app section. The first step is to
track when users are converting in
the app and then to implement so-
called "deep linking". Deep links make
sure the customer can continue
their journey seamlessly and without
any confusion. Google's Web to App
Connect is a good example of the
technology at play here.

Investing in the growth of your app
is also crucial to building the right
infrastructure for both web and
app. The more installations you
have on user devices, the more you
can leverage the many upsides of
user engagement, e.g., increased
loyalty, frequent purchases, etc. One
effective way to invest in growing
your app is through the Google App
Campaigns for Installs feature, which
can increase web ROI by 21% on
average for those customers using
Web to App Connect.

*For businesses with
both a web and an
app presence, Web
to App Connect
offers:*

Better user experience:
*Removing friction in the
customer journey, making it
easier for users to move between
platforms and complete desired
actions.*

Increased conversions:
*By guiding users directly to the
relevant in-app content, you
can capitalize on the higher
conversion rates typically seen
within mobile apps.*

Improved customer loyalty:
*A seamless transition between
platforms fosters a positive
user experience, encouraging
customers to engage more
deeply with your brand and
increasing the likelihood of
repeat business.*

→ *As mobile usage continues
to dominate, this approach
helps to stay competitive
and maximize the potential
of hybrid web and app
ecosystems.*

STEP 02

Define, monitor, and evaluate metrics with KPIs for each platform.

Align your channel reporting with the same top level KPIs

Web metrics such as cost per click (CPC) and cost per action (CPA) are often quite separate from app metrics such as cost per install (CPI) or monthly active users (MAU). To have a full understanding of what drives your business's success, you need to track your top-level KPIs across platforms. This will enable you to clearly assess what is driving impact, empower your teams to translate KPIs into more actionable marketing objectives and build success.

Make sure there is agreement on these goals across marketing, development, sales and other relevant teams, ensure they are measurable and hold the teams accountable. Common KPIs used to identify the impact of channels are:

Customer lifetime value

Revenue share

Customer growth
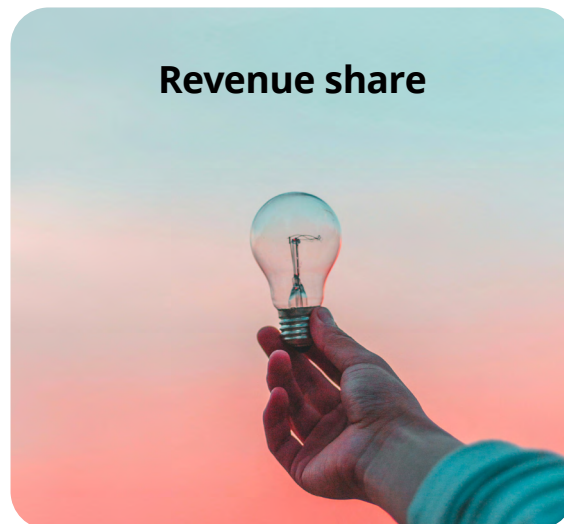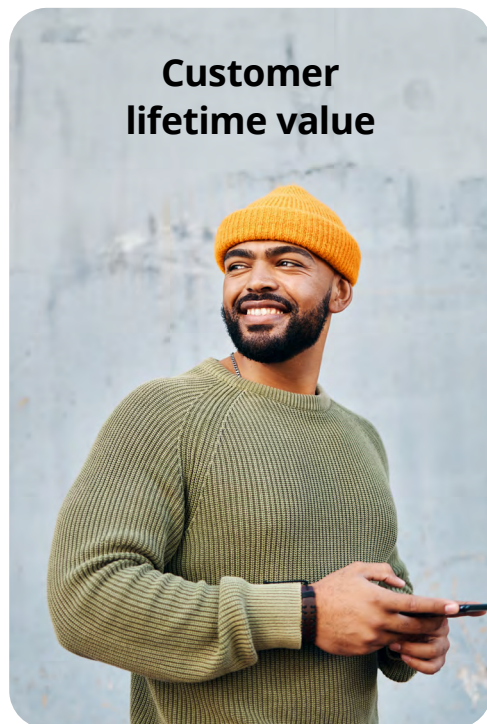
Customer lifetime value

Customer Lifetime Value measures the current and future profit generated by a customer throughout their entire relationship with the brand.

Average Revenue per User (ARPU): The average amount of money each user generates through the app (with in-app purchases, subscriptions, ads, etc.) over a given period.
Customer lifespan (or churn rate): How long a user typically remains active and engaged with your app. The inverse of this is churn rate, the rate at which users stop using your app.

Basic Formula for
$LTV = ARPU * Customer\ Lifespan$

Or, using churn rate:
$LTV = ARPU / Churn\ Rate$

Combine web and app metrics

Evaluate your success with shared KPIs

Web metrics
CPC, ROAS, CPA

App metrics
AOV, CPI, CPA, ROAS, DAU/MAU

Customer lifetime value (LTV)

Bottom-line impact	**Sales growth**	**Service costs**	**Customer sentiment**	**Full journey measurement**
Increase conversion rate and return on marketing investment	Increase average order value, repeat purchases	Reduce customer acquisition costs; create a unified shopping experience	Improve brand favorability, loyalty, and customer experience across web, app, and in store platforms	Unlock full metrics tracking where users shop

Revenue share

The percentage of revenue c
oming from the different
platforms.

*One example of a KPI
for this:*

*We start with the value formula for an advertiser's web spend,
identifying the contributing components*
*AdvertiserValue = Clicks * CV R * ValuePerConv*

*For our purposes, the total value for the advertiser
can be broken down by app*
*Clicks * (%ClickSapp * VPCapp + %Clicksweb * VPCweb)*

Customer growth

Customer growth tracks the
proportion of users who complete
desired actions, such as making a
purchase or signing up for a service.

Leverage cross-channel reporting tools

Integrated reporting and measurement solutions like Google Analytics 4 or third-party app attribution
partners are also vital for bringing both app and web metrics together. This can help you:

→ Collect first-party data in a privacy-safe way:
You can connect multiple data sources on
the web and in the app to create a more
unified, holistic customer journey. This
will, for example, help you take the user
interactions collected from your website and
your app and tie them all together to better
understand the user.

→ Derive powerful insights: As you collect
your data and maximize your reach,
you can benefit from comprehensive
reporting features and customization
options to better understand your
company's' performance and more
accurately determine your customer's
LTV.

→ Enhance web and app coverage: This
helps advertisers deploy privacy-safe
URL parameters to enhance web to
app tracking and coverage for improved
results.

→ Put AI to work for your business: With
the analytical and predictive features
of AI, you can close gaps and gain new
insights into evolving, cross-platform
customer journeys—all while protecting
and respecting the privacy of your users.

STEP 03

Stay ahead of the competition through innovating.

Seamlessly integrating the customer journey across all platforms is an integral element of any digital platform strategy and a requirement as basic as it is complex. Being able to deliver on integration is what makes innovation possible and allows your teams to focus on new features, stay ahead of the competition and measure both the success and the impact of these new features moving forward.

Once you have provided the customer with a seamless journey, you can start focusing on optimizing and generating incremental value for your business with innovative technologies such as augmented reality or the power of AI.

You are the marketer; AI is the enabler. Here are several examples of how AI can help accelerate your mobile integration and business growth:

Leverage your business expertise and get the best out of AI

Building on the expertise you already have, you can take your AI-powered ad campaigns to the next level with App Campaigns for Installs.

⭐ Guide the AI to capitalize on and create demand.

⭐ Provide rich and meaningful ads content.

⭐ Leverage first-party data and enrich campaign signals.

Use AI to deliver cross-channel optimization

AI is only as good as the data you feed it. The same is also true for all your AI-powered channels and devices. The more touchpoints you create with your customer, the more connections and improvements you can generate for your campaigns as well, which will ultimately improve your marketing outcomes.

"Beyond driving Installs, our ACi efforts are not only generating direct installs but also delivering incremental benefits to our pMAX campaigns, which is a core channel. This underscores the importance of investing in App campaigns for overall growth."

Carol Ramos,
App Growth Lead,
G-star

"We are now utilizing app insights to better inform our search and shopping campaigns, so the more investment that we have into our app campaigns and acquiring more c ustomers, fuels our search and shopping campaigns"

Micah Charleston,
Paid Media Lead,
adidas

"In a world where consumers move from device to device, are less brand loyal, and are harder to reach, your connection with your customers is your competitive advantage. Don't miss the train."

Lee Jones,
Managing Director,
App Ads

Apps are expected to drive innovation but you need a strong foundation to deliver on that. The train is moving fast. Hop onboard..

Don't miss it.

04. Conclusion

If you build effective mobile apps, your brand has unprecedented opportunities to expand reach, enhance customer engagement and drive growth.

Leveraging the individual strengths of each platform and integrating them into a single seamless customer journey empowers you to develop a holistic digital strategy that delivers on your business goals.

Follow these three steps to set your organization up for success:

STEP 01

Identify the potential in your mobile apps and bridge the gaps in your digital platforms.

STEP 02

Define, monitor, and evaluate metrics with KPIs for each platform.

STEP 03

Gain a competitive and innovative edge by using the power of AI to add incremental value.
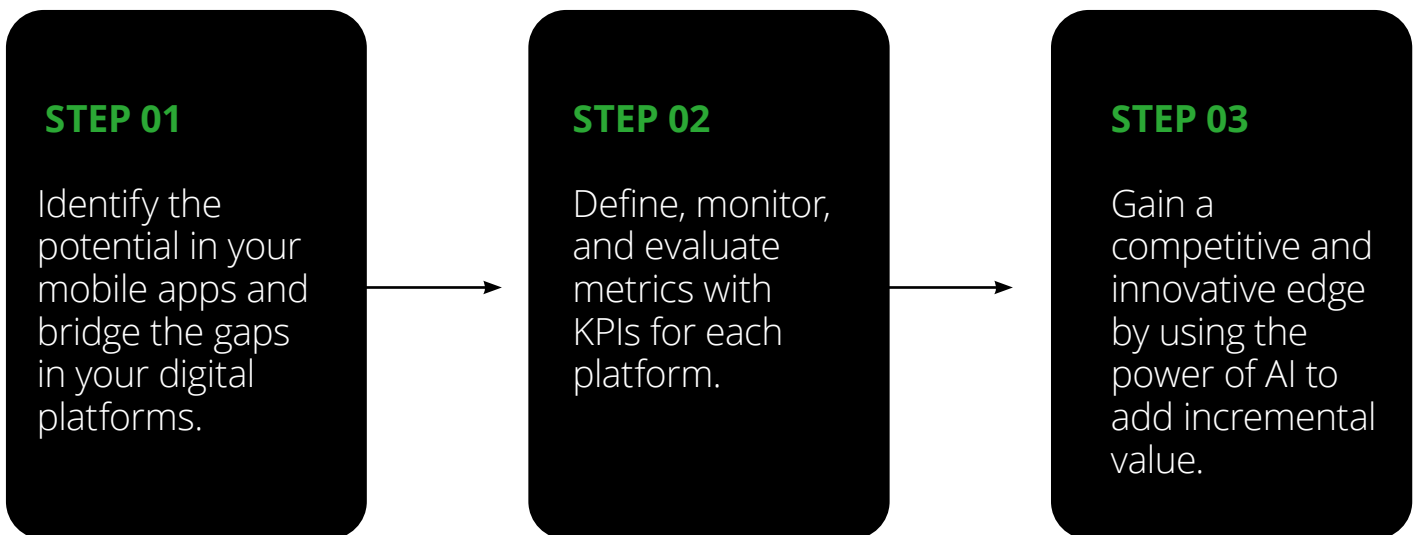
Deloitte and Google are happy to support you on your journey with strategic consulting, mobile strategy & transformation, benchmarking & app measurement, analytics & advertising solutions and many more vital services you might need along the way.

Your Checklist

STEP 01
Identify the potential in your mobile apps and bridge the gaps in your digital platforms

○ Business value – How do your apps contribute to your key business objectives? In other words, if your goal is profitability, which platform increases profits the most: apps, desktop or mobile web?

○ Customer value – Are your product teams taking a user-centric approach as you discover, design and build on all platforms?

○ Technical Readiness - Do you have the right data infrastructure for your apps?

○ Technical readiness - Does your app support deep linking to mirror your mobile website?

○ Organization - Do your non-app marketing teams (search, social, etc.) collaborate with your app marketing team? Do they have a shared strategy?

STEP 02
Define, monitor, and evaluate metrics with KPIs for each platform

○ Is app performance data reflected in your internal reporting?

○ How does your app impact LTV?

○ How does your app impact revenue?

○ Are you tracking enterprise-wide KPIs across web and app to drive your marketing strategy?

STEP 03
Gain a competitive and innovative edge by using the power of AI to add incremental value

○ Are your investments in performance marketing for your apps in line with the amount of revenue they are generating?

○ Are you testing different types of campaigns with incremental spend?

○ Are you utilizing AI to feed enhanced customer data into your campaigns?

Useful resources

1. Full Value Best Practices Articles
   https://support.google.com/google-ads/answer/14885959?hl=en

2. Web + App work better together
   https://www.youtube.com/watch?v=qUHrwYGPNfk

3. How adidas drives impact across web and app channels with Google AI
   https://www.youtube.com/watch?v=zyyIJSyfPZY

Endnotes

1. Google commissioned Bain future of Retail Q3 2022

2. Google / Greenberg, mApp vs. mWeb, US, 2021, n=2411; A18+ who own a smartphone + is a decision maker for their household

3. Google / Greenberg, mApp vs. mWeb, US, 2020 Clickstream Data; n=10,620

4. Winning Apps 2022

5. Google / Greenberg, mApp vs. mWeb, US, 2021, n=2411

6. Winning Apps - Discovery deep-dive 2023.

7. Winning Apps 2022 Question: And on average, how much do you spend each time when making purchases through app? Base: 2021 Retail - Use brand website (and not app) (n=818); Use brand website & app (n=2,187) MTM B2B and B2C qualitative interviews.

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