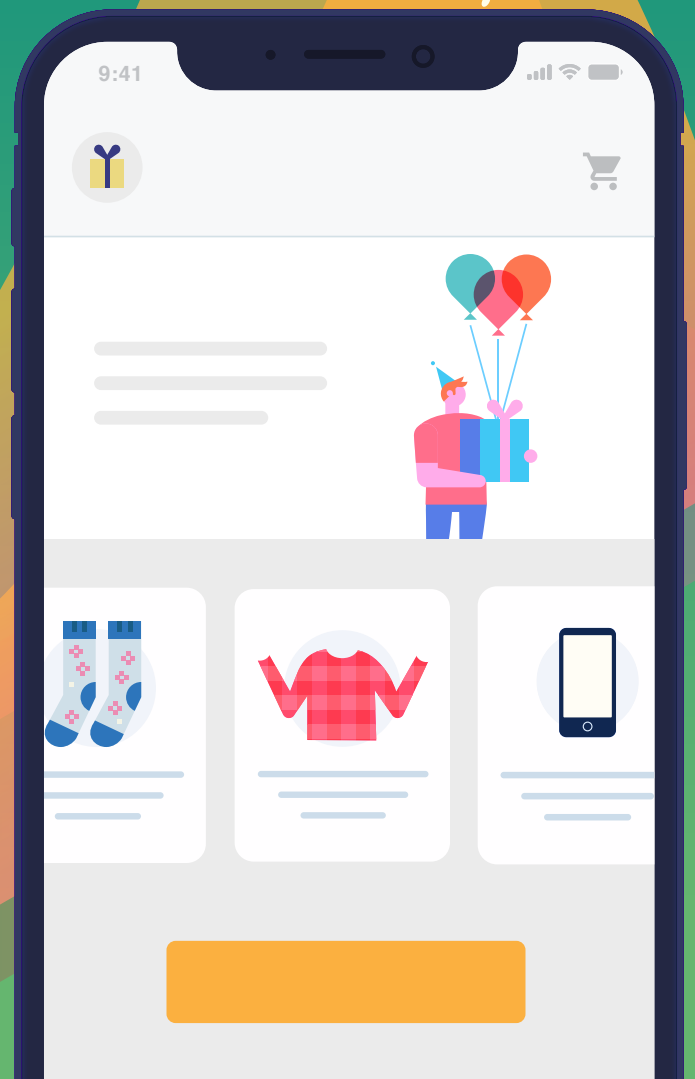




Industry Benchmarks for Ecommerce Apps

From User Acquisition to Retention

Know where your app stands in the industry and unlock the insights that make leading ecommerce apps succeed.



Executive Summary

Observe

what makes industry-leading apps successful



Compare

your app to global leaders for various metrics



Learn

the red flags for various stages of the user lifecycle



Grow

with data-driven recommendations for improving user engagement

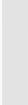
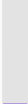
According to research, US consumers spent 60% more time on shopping apps in 2018 than in 2016.¹ On Black Friday 2018, brands generated \$6.2 billion in online revenue, with nearly 40% of sales switching from traditional brick-and-mortar stores to mobile devices. Today, 10% of all retail revenues are generated through ecommerce.²

Statistics reveal a not-so-rosy picture for ecommerce marketers. While there is an increase in users' time-spent and value of transactions on mobile at one end, at the other end app marketers are working against increasing competition and changing user expectations.

For ecommerce apps, on average only 14.65% of users stay with the app after 30 days of app download. Amidst such low retention rates, high customer acquisition costs and heightened competition, how do ecommerce brands win?

We analyzed 3.1 billion data points across 18 million devices and 15 million unique users to find insights that will help you measure your app's performance against some of the most successful ecommerce apps in the world.

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Current State of the Ecommerce Industry



The ecommerce industry has seen incredible growth in the last few years and is expected to grow at a CAGR of 11.1% from 2018 to 2025.³ Online shopping is one of the most popular online activities worldwide. However, its popularity varies by region.

This tremendous growth has intensified competition for ecommerce businesses of all sizes. Customers have a plethora of options to choose from even within niche categories and across both high and low involvement purchases.

With growing competition, the focus of ecommerce brands has predominantly skewed towards user acquisition, with user retention taking a back seat to acquisition efforts.

Furthermore, innovative user acquisition strategies require sizeable investment and focus. It may look like the battle is won once a user discovers your shopping app and installs, but the post-acquisition data provides different insights. Once a user is onboarded, there is a high drop-off — 70% of new installs drop-off after week 1 and 96% of all app users churn within 90 days.

The findings indicate that if user acquisition is not coupled with an equally successful user engagement and retention strategy, ecommerce marketers will struggle to get a positive return on their acquisition investments.



Monitoring the Metrics that Matter

The benchmark report focuses on the impact of personalized shopping experience, real-time recommendations, and omnichannel campaigns on user retention. Each of these, if implemented with a focused-strategy, has a direct impact on increasing session length, average order value, repeat purchase, and reducing shopping cart abandonment.

This report, based on analysis of over 15 million users across 18 million devices, will help you monitor the key metrics at each stage, and help you understand the industry standards for each KPI. With this report, you'll also be able to identify the success factors for each lifecycle stage, as users advance from one stage to the next and how you can optimize your app's funnel.

Throughout this report, watch out for tactics that will help you engage and delight customers at each stage and grow your app's revenue.



User Onboarding Benchmarks

The first-time user experience can make or break your shopping app's success. When executed well, it paves the path for long-term user retention. During this phase, it is important to deliver the aha! moment to new users.

You should optimize metrics like: install to registration rate and the average time to register. Focusing on these metrics will help you measure the effectiveness of your onboarding process.

Install to Registration Rate

What percentage of users installing the app create an account? Monitor closely the install to registration rate to optimize the user onboarding process.



Industry
Benchmark

16%

**NEW
USERS**

register within a
week of installing the app

Average Time to Register

How long does it take for a new user to register and log in to your app? Time to register is a good indicator of the value a new user sees in your app.



Industry
Benchmark

12 MINS

**AVERAGE
TIME**

it takes a new user
to register after first app launch

Additional Metrics to Watch:

METRIC	DESCRIPTION
Average App Load (Launch) Time	The average time it takes for your app to launch or load on a user's device
Average Cost Per User Registration	The average cost you incur in getting a user to install and register on your app
Crash Rate	The percentage of app loads that result in a crash

Recommendations: How to Improve User Onboarding

Use these tactics to improve your onboarding for different types of user segments.

USER SEGMENT	TACTICS
Unregistered Users	• Run campaigns for users who have completed multiple in-app searches to register and/or create a profile. • Nudge users to register through coupon codes/offers, etc sent via in-app or push notifications. • Run in-app campaigns for users who have made purchases as Guest Users encouraging them to register and create a profile with a single click.
Registered but not Activated Users	• Send personalized campaigns using push notifications on days 1, 3, 5, 10, and 15 after registration encouraging users to make their first in-app purchase. • Provide further incentive by offering discounts, promos, and referral codes via emails or SMS messages. • Create omnichannel campaign journeys with personalized campaigns based on users' product browsing history and top selling products.
Registered and Activated Users	• Encourage users to make a repeat purchase via in-app messages or push notifications on days 7, 15, and 25 after their first purchase. • Nudge users with emails to share feedback/reviews of products purchased. • Share the breadth of your catalog by running campaigns with complimentary product recommendations via push notifications or in-app messages.



Onboarding to Engagement

During this transitional phase, it is important to know the interests and preferences of your users. Use psychographic segmentation to better understand the categories and products users are most interested in.

Industry leading shopping apps capture user preferences based on user behavior and categories they view most frequently to start personalizing the user experience in the app.

Average User Engagement

Engagement is measured by a variety or combination of user actions such as: app launched, product viewed, product searched, or transactions. Highly engaged user cohorts tend to be more profitable.



Industry
Benchmark

16%

**NEW
USERS**

engage* with shopping apps

*Engagement is defined by a transaction completed within 30 days after registration **New users are users who've launched the app for the first time

Average Transition Time to Next Stage

The average time users take to move from onboarding to the engagement stage. Are users interacting with your app frequently?



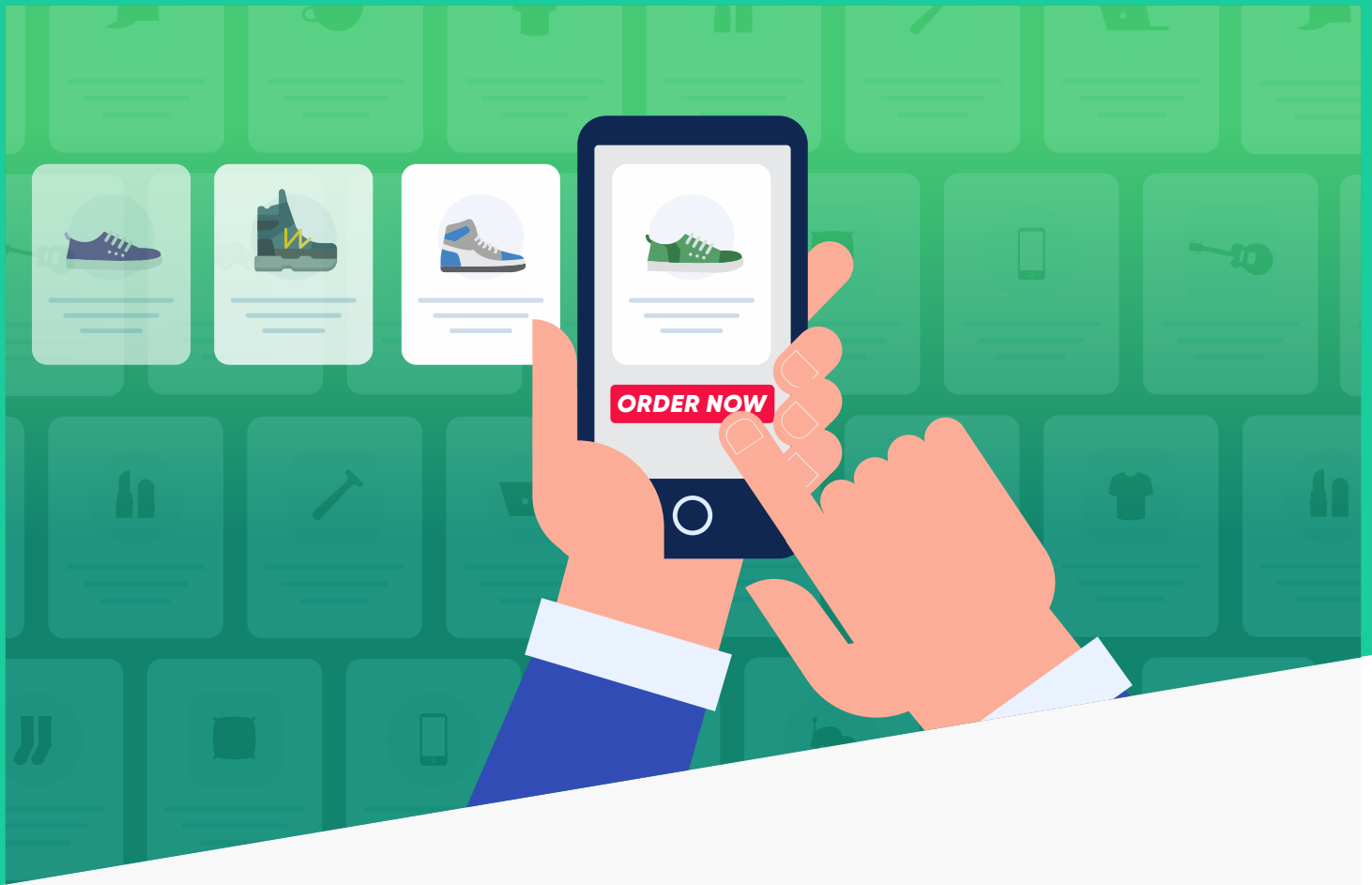
Industry
Benchmark

8 DAYS

**AVERAGE
TIME**

for users to transact and move to the engagement phase*

* Time since successful registration.



User Engagement Benchmarks

Personalized user engagement campaigns are the foundation for better user retention in the long term. It builds your brand's relationship with customers and boosts conversions and repeat purchase rates.

Engage users with personalized product recommendations that are contextual and relevant to them. Personalize campaign content to accelerate product discovery, increase average order value, and bring diversity to your product sales.

Click-Through Rates:

Click-through rates (CTRs) help measure the effectiveness of your marketing campaigns. Are your messages generating the response you intended? Are they prompting users to open your app?



Industry
Benchmark

1.8%

AVERAGE
CLICK-THROUGH RATES

For Push Notifications

14%

AVERAGE
OPEN RATES

For Emails

20%

AVERAGE
CLICK-THROUGH RATES

For In-App Messages

Session Frequency:

The average number of monthly app launches for your app help understand how often users come back to your app.



Industry
Benchmark

6 AVERAGE
APP LAUNCHES
per user in a month

Additional Metrics to Watch:

METRIC	DESCRIPTION
Average Session Length	The number of users who dropped off after showing a high intent to transact
Average Session Frequency	How often users launch your app in a given period

Recommendations: How to Boost User Engagement

Try these tactics to improve your app engagement and monetization for different user segments.

USER SEGMENT	TACTICS
Onboarded but Non-Converted Users Users who have successfully been onboarded, but haven't made a purchase	• Use in-app notifications to nudge onboarded users and provide recommendations based on the category or products they are most interested in. • Run personalized push notifications or email campaigns on days 1, 3, 7, 14, and 21 from the day of activation that inform onboarded users of new categories, brands, and offers.
First-Time Converted Users Users who have placed the order for the first time and haven't placed the order in the next month	• Use in-app notifications or emails to suggest relevant products based on the user's previous order. For example, if the user ordered a mobile phone, send a message recommending a phone case or other accessories. • Run personalized push notifications or email campaigns to inform newly converted users of exclusive offers and discount coupons. • Use in-app notifications to encourage them to spend more in order to qualify for the loyalty or rewards program. • Run in-app notifications or email campaigns on days 7, 10, and 15 after the conversion event asking for ratings and reviews.
Repeat Converted Users Users who have completed multiple actions over a period of time, such as placing multiple orders, adding products to favorites, etc.	• Run personalized push notifications or email campaigns to inform repeat users of new categories or product lines. • Run in-app notifications or email campaigns on days 7, 10, and 15 after the user's last in-app conversion requesting app ratings and reviews. • Run personalized push notifications or email campaigns on days 3, 5, 10, 17, and 30 after the user's last conversion event informing them of their rewards balance update.



From Engagement to Retention

Shopping apps lose customers faster than they can acquire customers. On average, 86% of shopping app users churn within 4 weeks of downloading the app. For marketers in the ecommerce space, high customer acquisition costs make it close to impossible to keep adding more users and grow the top line.

In short, without focusing on retaining current customers, ecommerce apps are trying to fill a leaky bucket by constantly acquiring users that don't stick around.

Retention Rate:

Retention rate is the percentage of users who stay active over a certain period of time.



Industry
Benchmark

WEEK 1
RETENTION RATE*

11.6%

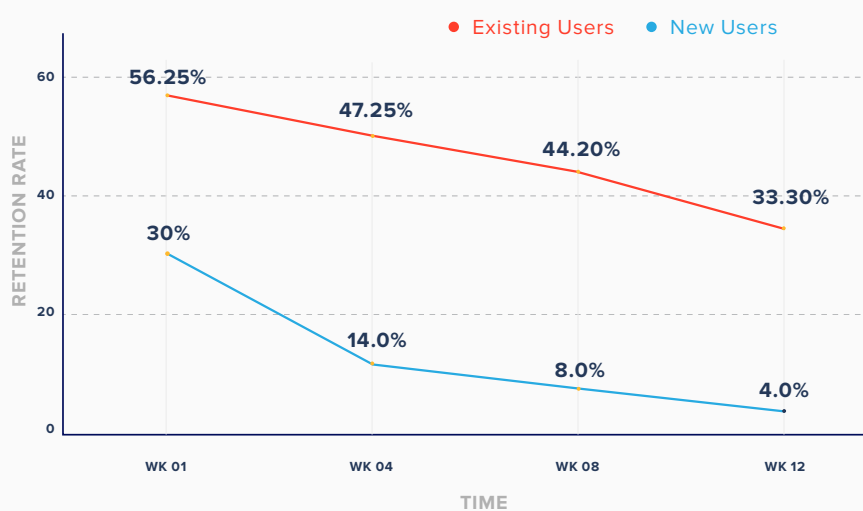
for new users

**defined by transaction completed at least once during the time period.*

Since user retention is a core challenge and an important metric for most ecommerce businesses, we look at it from two lenses - app launch and transactions. In other words, a weekly view of the cohort of users performing app launch and another one for transactions.

Additionally, for a better understanding we define users who performed first app launch as new users and users who've transacted at least once in the previous months as existing users.

Retention Rate (App Launch to App Launch)



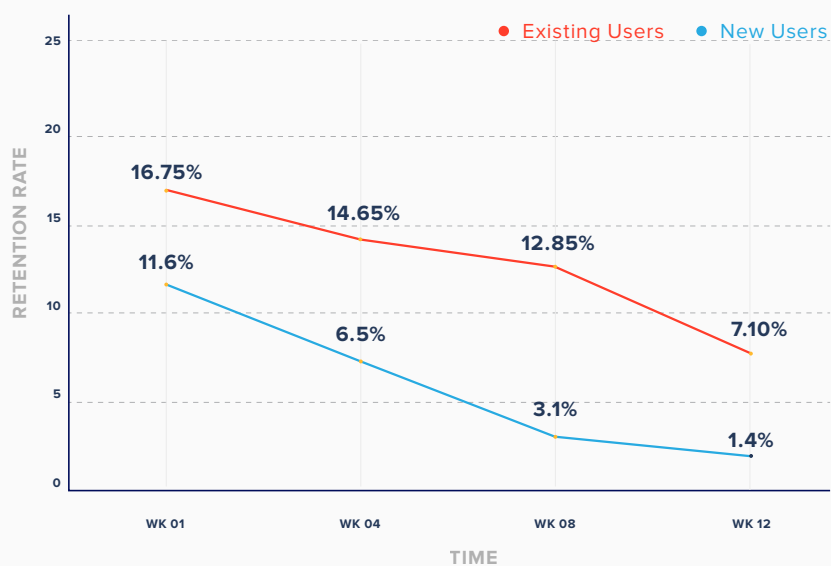
This chart shows the retention rates for weeks 1, 4, 8, and 12 for new users as well as existing users. You can see that the retention rates are significantly higher for the cohort of Existing Users than for New Users.

The data also proves the conventional wisdom that existing users tend to stay more active on the app.

Similarly, this chart shows retention rates that are calculated based on the cohort of users who transact (or purchase). The week 12 retention rate is 7.1% for existing users and a low 1.4% for new users. This means that the repeat purchase rate (or retention rate) amongst existing users is 5 times higher than new users.

Clearly, it is far more profitable to engage more and more existing users and convert them into loyal users who keep transacting often.

Retention Rate (Transaction to Transaction)





User Retention Benchmarks

App Stickiness:

One of the key retention metrics that app marketers track obsessively is stickiness. “Stickiness” measures how much users are engaging with a product or feature. The higher your app’s stickiness quotient, the more frequently your monthly active users are returning to your app.



Industry
Benchmark

11%

**AVERAGE
STICKINESS**
(DAU/MAU)

**Note: DAU: Daily Active Users & MAU: Monthly Active Users*

Additional Metrics to Watch:

METRIC	DESCRIPTION
Average Revenue Per User (ARPU)	Total Revenue Generated During a Specific Timeframe / Total Number of Active Users During a Specific Timeframe
Customer Lifetime Value (CLTV)	The value a customer contributes to your business over their entire lifetime as a customer

Recommendations: How to Boost User Retention

Use these strategies to improve your user retention for different types of user segments.

USER SEGMENT	TACTICS
Engaged but Not Loyal Users Users who purchase infrequently (Hibernating Users)	• Send product recommendations via push notification or email campaigns on days 1, 3, 5, and 7 since the user's last app launch. • Run personalized push notification or email campaigns showcasing new products and deals on days 3, 5, 10, 17, and 30 since the user's last app launch. • Incentivize users to open the app with time-sensitive offers sent over push notification or SMS.
Engaged and Loyal Users Users who purchase regularly (Champion Users)	• Run push notification or email campaigns with product recommendations based on items in wishlist or their last purchased product. • Use in-app notifications to ask for app ratings and/or reviews after users have purchased at least 5 times. • Use personalized push notification, SMS, or email campaigns to send discounts or promotional offers. • Emphasize and communicate the benefits of the loyalty program with targeted campaigns to onboard users into the program.
Disengaged Users Users who used to purchase frequently but haven't purchased for a long time (Can't lose them)	• Send reactivation campaigns on push notifications, emails, SMS, containing discounts and deals to incentivize repurchase. • Offer assistance and seek feedback on their experience of using products they purchased. • Run drip email campaigns on days 14, 21, 28, and 42 after the last purchase with the latest offers, discounts, and product recommendations.



From Inactive to Churned

Data suggests that a drop in engagement is an early sign of churn. It happens when a user does not see value in your app and stops using it within a given period.

By monitoring churn, tracking trends, and proactively engaging with at-risk user segments, you can remind users of your app's value and increase long-term retention.

Churn Rate

Churn is when a user does not see value in your app and stops using it within a given period.



Industry
Benchmark

86%

NEW USERS

Of new users churn*
in 4 weeks

**defined by no app launch during the time period*



User Uninstall & Reinstall Benchmarks

Users uninstall apps for various reasons ranging from poor purchase experience and UI/UX issues to apps sending too many notifications. Even the most popular apps get uninstalled. But an uninstall doesn't mean you've lost the user forever.

To win back uninstalled users, you can send promotional emails and launch remarketing campaigns to drive app reinstalls. Also, seeking feedback from uninstalled users will give you valuable insights into your user experience and what you can do to prevent future uninstalls.

Uninstall Rate

Even the most successful apps see some users churn. By monitoring uninstall rates, you will have a better understanding of your user experience and what leads to uninstalls.



Industry
Benchmark

42%

AVERAGE
UNINSTALL RATE

within 30 days of first app launch

Reinstall Rate

Reinstall rates help you measure the effectiveness and ROI of your remarketing campaigns.



Industry
Benchmark

5.21%

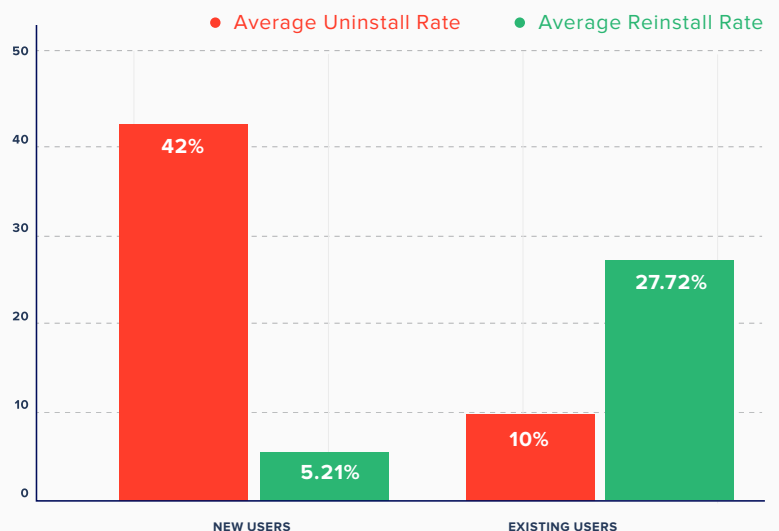
AVERAGE
REINSTALL RATE

within 30 days of app uninstall

Similar to the analysis done for retention rates, we studied uninstall and reinstall rates for new users (users who performed first app launch in the last 30 days) and existing users (users who transacted at least once in the past).

The data suggests a significant difference in uninstall rates: the average uninstall rate for new users is more than 4x that of existing users. This also translates into higher reinstall rates for existing users, almost more than 5x higher.

Average Uninstall and Reinstall Rates for New and Existing Users



Additional Metrics to Watch:

METRIC	DESCRIPTION
Cost of User Reacquisition	The cost incurred in re-acquiring users who uninstalled your app

Recommendations: How to Drive User Reinstalls

Use these tips to encourage app reinstalls for inactive and churned users:

USER SEGMENT	TACTICS
Converted but Disengaging Users Users who have previously purchased but are launching your app less frequently	• Run personalized push notification or drip email campaigns on days 14, 21, 28, and 42 as you see user activity drop off offering discounts or access to exclusive products to encourage repeat purchase. • Run a “We miss you” push notification or SMS campaign to encourage such users to relaunch your app.
Churned Users Users who have uninstalled your app	• Run a personalized email campaign on days 1, 5, 10, and 17 post uninstall asking for user feedback to understand why they uninstalled. • Send a “We miss you” or “Here’s what you’re missing” email campaign on days 7, 14, 28, and 42 post uninstall highlighting the latest offers, recommended products, and exclusive discounts. • Run a “We are just a click away” email sign-off campaign as part of your Sunset Policy between days 43-50 of app uninstall.
Re-acquired User Users who have chosen to reinstall your app	• Run a personalized “Welcome back” in-app campaign on first app launch after reinstall. • Offer exclusive discount to users upon first app launch after reinstall.

CleverTap

Mobile Marketing Suite to Retain Users and Boost Conversions for Ecommerce Apps



carousell

TATA
CLiQ

ZILINGØ

pepperfry

NYKAA

dealsplus+

CleverTap is a customer retention platform that helps consumer brands maximize customer lifetime value. Over 8,000 companies around the world, including Vodafone, Hotstar, Carousell, Domino's Pizza, Gojek, Fandango, and BookMyShow trust CleverTap to deliver personalized experiences and improve the impact of omnichannel marketing across the entire customer lifecycle.

CleverTap is backed by leading venture capital firms including Sequoia India, Tiger Global Management, Accel, and Recruit Holdings, and operates out of San Francisco, Seattle, London, Singapore, and Mumbai.

Skyrocket Your App's Growth

[SCHEDULE A DEMO](#)

Additional Resources:

[Engagement with Product Recommendations for Ecommerce Brands: Playbook](#)

[Why Retention is the New Growth Lever for Shopping Apps](#)

[All Aboard! 6 Tips for Onboarding Ecommerce App Users](#)

[How Lenskart Scaled Omnichannel Marketing Automation](#)

Methodology:

Our data science team analyzed billions of anonymous data points across multiple ecommerce apps spread across various geographies. We did a deep-dive into user behavior inside the app, responses to engagement campaigns, and conversions to understand the key factors that contribute to growth. Over 3.1 billion user actions across 18 million devices and 15 million unique users were studied for this report.

For questions regarding methodology, please contact marketing@clevertap.com.