

# The User Retention Pocket Guide

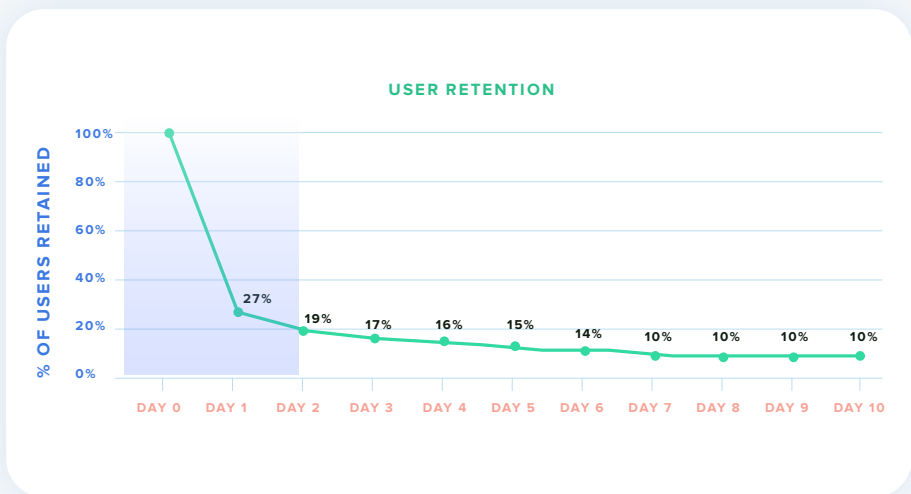


# Table of Contents

<b>The Big Problem</b>	<b>3</b>
<b>PART ONE: User Retention Basics</b>	<b>5</b>
What is User Retention?	5
Why Retention is Essential to Growth	6
Understanding Retention Using Cohorts	7
The 3 Phases of User Retention	8
• Phase 1: Initial Retention	8
• Phase 2: Mid-Term Retention	9
• Phase 3: Long-Term Retention	10
<b>PART TWO: User Retention Tactics</b>	<b>11</b>
1. Onboard Properly	11
2. Make Your App a Habit	13
3. Don't Forget the Churned & Inactive	17
<b>PART THREE: User Retention First Steps</b>	<b>18</b>
Get Your Benchmarks	18
Track the Right Segments	19
Set S.M.A.R.T. Retention Goals	20
Test, Analyze, Repeat	21
Additional Resources	22
Appendix	23
Need help retaining more of your mobile app users?	24

# The Big Problem

If you care about growth, you should care about retention. But there's a huge problem for mobile apps:



**The average app loses  
77% of users in just 3 days.**

## A few more sobering facts:

Within 30 days, apps lose

**90%** of all users



**24%**

of all Apps are used  
only **Once**

This pocket reference guide gives you a high-level overview of user retention and why it's so important to your app's success.

## PART ONE:

# User Retention Basics

## What is User Retention?

User retention is getting users to keep coming back to your app. But how?

*“User retention is the ultimate measure of whether everything - your mobile product, messaging, and overall experience - is working.”*

- Hila Qu, Director of Growth at GitLab Inc. & former VP of Growth at Acorns

### You Send

- Emails
- Push Notifications
- In-App Notifications
- Web Notifications
- SMS/MMS
- & more

### That Contain

- Personalized messaging
- Deals, coupons
- Promotions
- Announcements
- & more

### So Users

- Click
- Buy
- Upgrade
- Share
- Consume content
- Create content
- Review
- & more

## Why Retention is Essential to Growth



A 10% increase in user retention can increase the value of your business by more than 30%. <sup>[1]</sup>



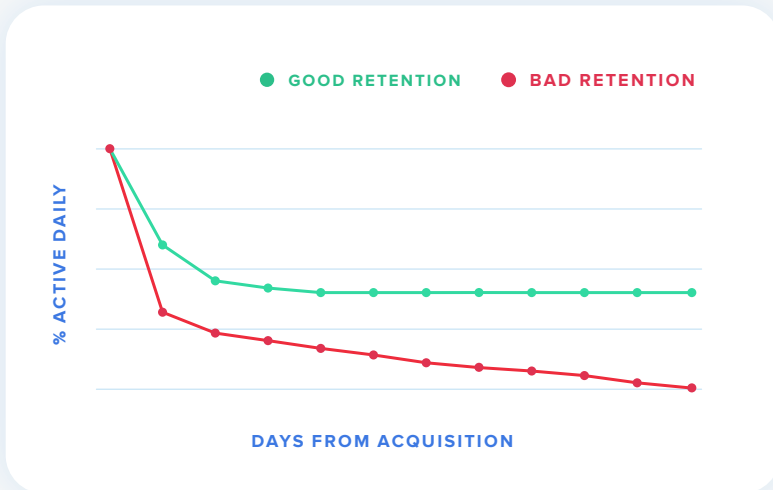
Retention increases revenue over time.

***“Growth is meaningless if you don't think about how to keep users once they sign up.”***

- **Nir Eyal**, Angel investor and best-selling author of *Hooked: How to Build Habit-Forming Products*

## Understanding Retention Using Cohorts

Cohorts help you compare how different groups behave. You can see patterns of engagement - for instance, when users churn - so you can address friction points in your app.



- With good retention, users stabilize over time.
- With poor retention active usage hits zero over time.

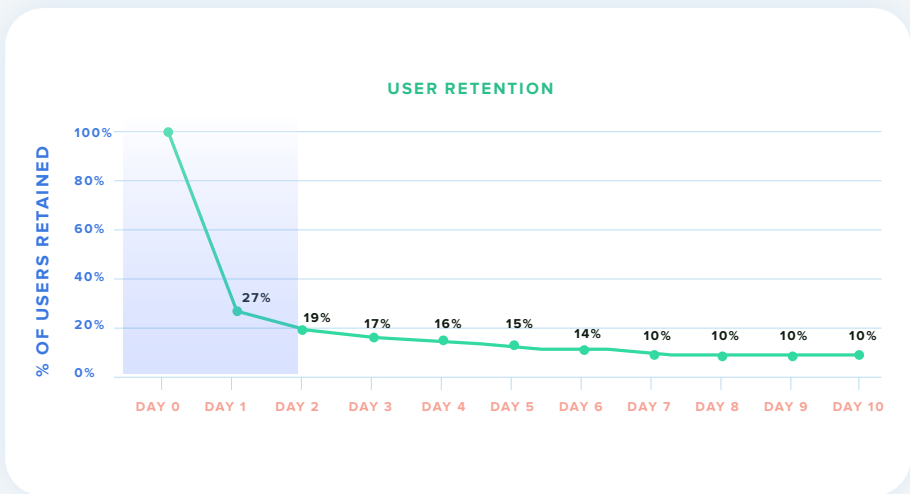
**Your goal:** stabilize your active users at every phase of retention.

# The 3 Phases of User Retention

User retention is a long-term process: from download to uninstall and beyond. Engage at every phase!

## Phase 1: Initial Retention

The first 72 hours after download is the most critical, since it's where users get their first impression of your app. **Show new users the value of your app** and get them to the “aha moment” ASAP.





## Phase 2: Mid-term Retention

Many app developers believe getting users to their “aha moment” will automatically mean success in phase 2. But you can’t succeed with just one good experience.

## Make Your App A Habit!



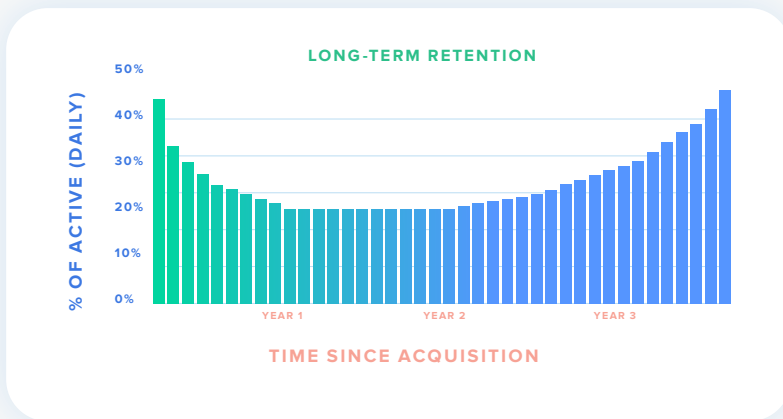
Mid-term retention is about **forming, then reinforcing, your users’ habits** around your app. Eventually they won’t need reminders to open the app, they’ll keep coming back on their own.

*"If your product doesn't engage people within a week's time or less, it's going to be very, very difficult to build a habit around it."*

- **Nir Eyal**, Angel investor and best-selling author of *Hooked: How to Build Habit Forming Products*

## Phase 3: Long-term Retention

This final phase of retention is about **continuously improving the product** so it stays valuable to users. And understand your users' needs! Keep finding ways to solve their problems by adding new features, improving UI and UX, and fixing bugs.



**Keep reinforcing users' perception of your app as a must-have.**

*“Consumers expect that the apps they use will grow and learn alongside them.”*

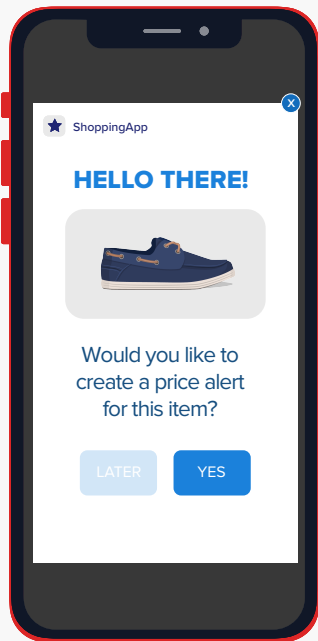
- **SC Moatti**, Managing partner at **Mighty Capital** & former Product Leader at Facebook

## PART TWO:

# User Retention Tactics

### 1. Onboard Properly

Goal: Retain as many users as possible in the first few days.



A good onboarding experience boosts

Retention  
**90%**

CLTV  
**670%**

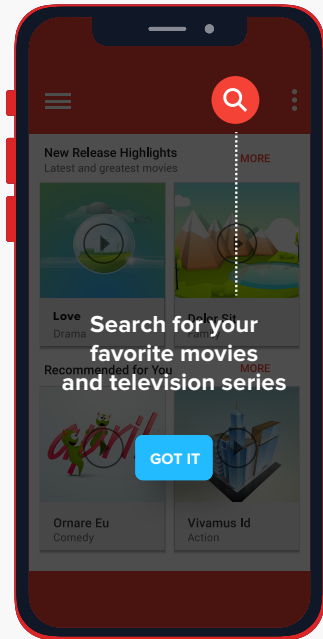
#### A. Welcome email + in-app message:

“Thanks for downloading!”

B. Explain the value of every opt-in permission for the user.

## C. Engage and educate: Show users how your app solves their pain.

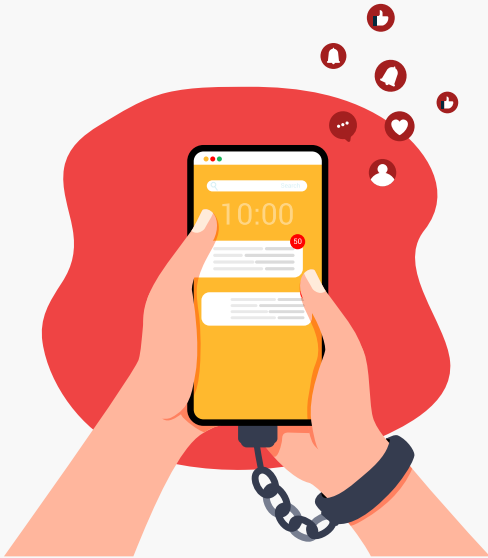
- Teach users how to get immediate value from your app.
- Introduce them to new features SLOWLY.
- Lower the barrier to first usage.
- Entice them to return with deals, offers, or new features.



*"The key to success is to get users hooked during that critical first 3-7 day period."*

- **Ankit Jain**, CEO & Founder at **Infinitus Systems, Inc.** & former Founder & CEO at **Quettra Mobile Intelligence**

## 2. Make Your App a Habit



The average person uses

**9** Apps Daily

**30** Apps Monthly <sup>[2]</sup>

To get into their top 9, help users build habits around your app.

*"At SoundCloud, we increased retention by 5% because we got our users into a loop of engagement that was tailored to their interests."*

- **Andy Carvell**, Partner & Co-founder at Phiture, formerly VP of Growth at SoundCloud

## A. Identify Power Users

How do your current power users use the app? Find key takeaways you can use to perfect your UX.



What time of day are they most active?



Which features did they use most?



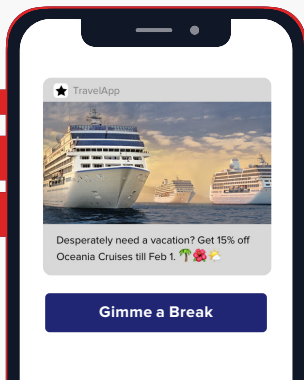
What did they do in your app in the first 2 days?



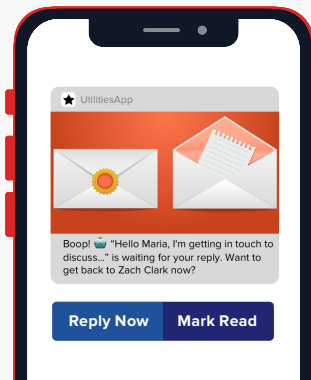
What leads them to make repeat purchases?

## B. Send Push Notifications

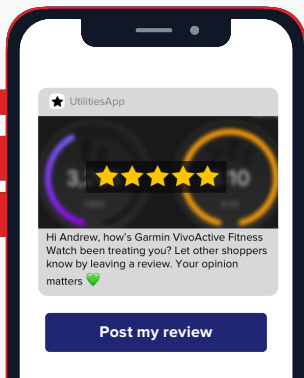
Push is an effective habit making tool because it brings users back into your app.



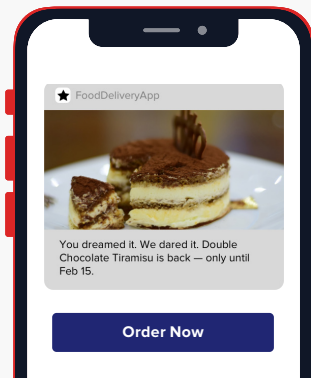
Exclusive deals or limited-time offers



Reminders for when they've been inactive or left something unfinished



App reviews requests



Event or promotion announcements

### C. Provide Top-Notch Customer Service

97% of customers say that customer service is very important in their choice to become loyal to a brand. <sup>[3]</sup>

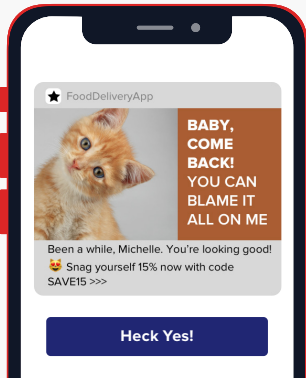


**Customer Service  
is crucial to brand loyalty.**

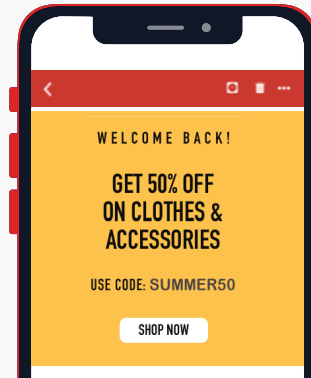


### 3. Don't Forget the Churned & Inactive

Before a user uninstalls, they become inactive. Win them back with:



**Push notifications:** Get them to check out new content or an irresistible deal.



**Emails:** Play on their fear of missing out and highlight what they're missing.

**Snail mail:** Send them a handwritten note to personally show they matter. There are even ways to automate this process using your CRM and a handwriting service provider.



## PART THREE

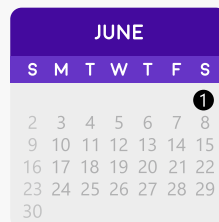
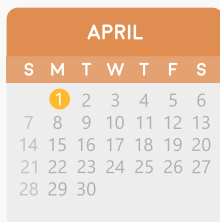
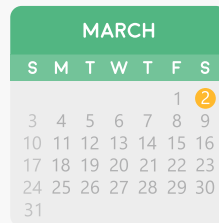
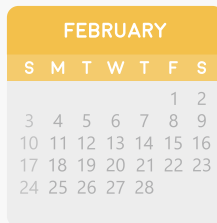
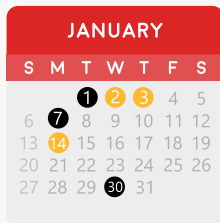
# User Retention First Steps

### Get Your Benchmarks

You need external benchmarks to measure yourself against.

For apps in your industry, find user retention metrics on

Days 1, 2, 3, 7, 14, 30, 60, 90, and month 6.



The most crucial ones to watch are: **day 1**, **day 7**, **day 30**, and **month 6**.

## Track the Right Segments

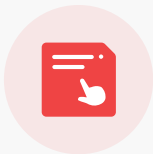
These three segments are key:



**Acquisition channel:** Did the user arrive via social, paid ads, app store search, etc.?



**Acquisition date:** When did the user install?



**User actions:** What are your most successful users doing in the app?

**Your goal:** Find the best path for new users to become loyal users.

## Set S.M.A.R.T. Retention Goals

Create S.M.A.R.T. goals: Specific, Measurable, Attainable, Relevant, and Time-bound.



Let's decrease

**CHURN**



**Decrease churn to**

**0.5%**

**in one year**

# Test, Analyze, Repeat

Focus your efforts on where users drop off and become inactive.



**Test**



**Analyze**



**Repeat**

Test your hypotheses, then analyze your results so you learn and improve. Repeat until you see fewer uninstalls and more consistently active users.

Retention is a marathon, not a sprint. But every failed experiment leads you closer to finding the winning combinations that keep your users loyal to your app.

Good luck!

# Additional Resources

1. [Preventing Mobile App Churn](#) [ebook]
2. [Mastering Mobile App Engagement & Retention](#) [ebook]
3. [Case Study: Ixigo](#): Ixigo generated a 12.5% response rate using Clever Campaigns to automatically reach out to users who had uninstalled their app.
4. [Case Study: Dream11](#): How Dream11 retains 5x more customers using CleverTap\_

# Appendix

1: CMO.com:

[http://www.cmo.com/features/articles/2013/7/18/customer\\_retention.html](http://www.cmo.com/features/articles/2013/7/18/customer_retention.html)

2: CleverTap: The Mobile Growth Statistics You Need to Know:

<https://clevertap.com/blog/mobile-growth-statistics>

3: Microsoft Dynamics 365: Shocking Customer Service Statistics:

<https://community.dynamics.com/b/msftdynamicsblog/archive/2015/10/09/13-shocking-customer-service-statistics>



CleverTap helps build amazing user experiences for the world's leading digital-first brands. Our smart, all-in-one platform combines the best analytics, segmentation, and engagement tools so that companies can build valuable, long-term relationships with their customers. Consumer brands around the world representing over 10,000 apps — including Vodafone, Sony, MercedesBenz.io, Carousell, and Gojek— trust CleverTap to help them improve user engagement and retention thereby growing long term revenue.

### Trusted by Leading Brands Globally



### Transform Your Customer Engagement With CleverTap

**10,000+**

Mobile apps powered

**2.6Bn**

Messages sent daily

**1.5Bn**

Devices reached

Chat with one of our mobile growth specialists to learn more.

[clevertap.com/demo](https://clevertap.com/demo) | [info@clevertap.com](mailto:info@clevertap.com)

Mountain View | Mumbai | Singapore | Amsterdam | Dubai