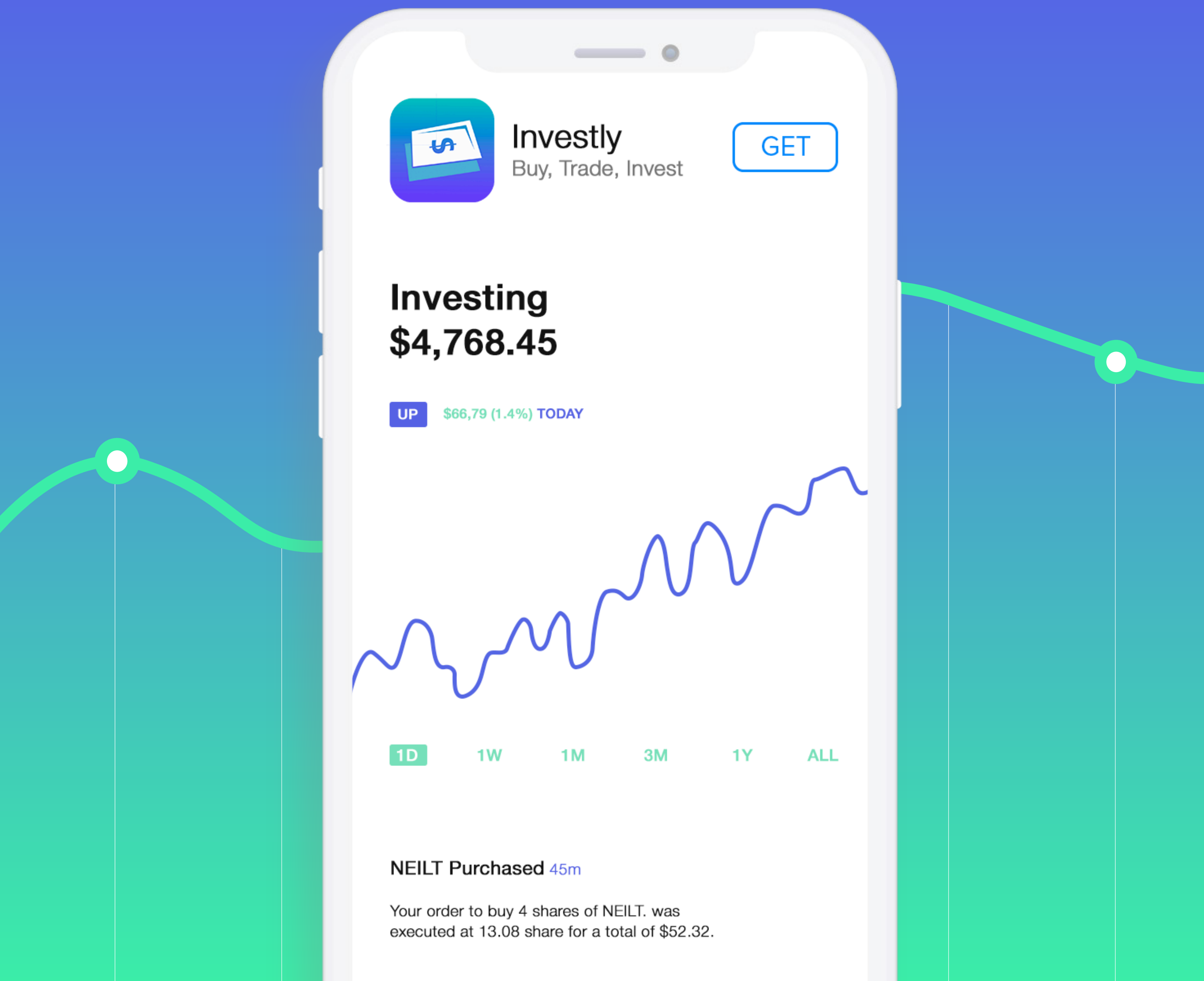
LIFTOFF LEANPLUM

Mobile Finance Apps

REPORT

2019 USER ACQUISITION TRENDS AND BENCHMARKS



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Introduction

Over the past five years, user activity on finance apps has rocketed by 354%, cementing apps as the "channel of choice" for consumers to manage their finances and plan their future.

But the use of mobile finance apps isn't just accelerating at a rapid pace, the number of sessions is also surging with users in some markets using their finance apps 10x a week—or more. In some markets, such as the U.S., mobile finance apps have won an enviable and pivotal position in users' lives, coming in only behind social media and weather measured in use and loyalty.

Against this backdrop, analysts are confident 2019 will mark a new phase in our global and growing 'app-etite' for finance apps. They predict it's the year mobile will eclipse desktop as the preferred platform for banking. Moreover, they expect competition for users to heat up as more startups elbow their way into the market to carve out their niche and challenge both traditional banks and established fintech companies in the process.

The next year will see a new wave of adoption as more users in more territories embrace mobile finance apps, but it will also see fierce competition as more players get in on the action. Marketers in a booming market need intelligence and insights to make tough choices about their campaigns. Who is your audience *really*? How long is too long to wait for a conversion? When is the 'window of opportunity' to reach and

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> **"2019 will mark a new phase in our global and growing 'app-etite' for finance apps."**

engage users wide open? These are some of the key questions addressed in the Liftoff 2019 Mobile Finance Apps Report.

The report draws from Liftoff internal data from January 1, 2018 through December 31, 2018, spanning 10.3 billion impressions (10,332,595,307 to be exact) across 2.7 million (2,752,690) app installs, 168 million (168,865,123) clicks and 1.7 million (1,767,513) activations and registrations. Specifically, the report tracks costs and conversions across a range of engagement activities and breaks down data by platform (iOS and Android), user demographics (gender) and region (North America, EMEA and APAC). It also sheds light on the best months of the year to acquire and engage users and the precise amount of time (measured in hours and minutes) it takes for a user who has installed an app to take action.

Liftoff also partners with mobile engagement platform Leanplum to provide insights into app retention metrics and the impact of effective communications activity on engagement. The report integrates Leanplum's analysis of retention data (average session length, amount of time since the last app activation and percentage of active users) and shows the impact of push notifications and emails on app engagement.

Finance Apps Costs & Conversion Rates

The High-Level View Across All Finance Apps Analyzed

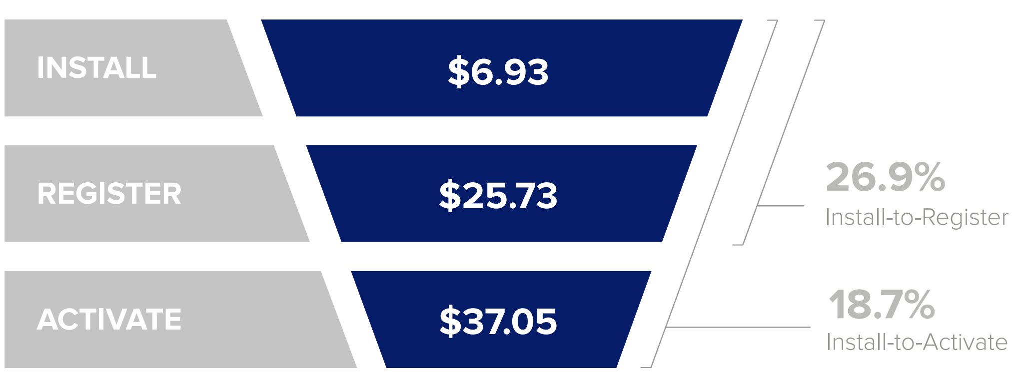
Mobile finance apps occupy a central role in our lives as more people reach to their smartphones to manage more aspects of their lives.

Amid this flurry of activity—and fierce competition as banks and fintech companies race to grow their audiences and drive loyalty—costs across the funnel increased slightly compared to the previous year. At $6.93 the average cost to acquire a new user in 2018 is 5.32% higher than the year before, when the price tag was $6.58.

The average cost to convert that user to complete a registration is also somewhat higher, coming in at $25.73 compared to $21.42 the previous year. While the install-to-registration rate of 26.9% is slightly lower than the rate recorded in 2017 (30.7%), it's important to note that this report looks at a range of conversions spanning low-barrier activities, including those that don't require a registration such as checking a credit score, to high-value activities, such as adding and depositing funds to a wallet, activating a bank card, opening a position and making a first trade.

This might also explain why the install-to-activation rate (18.7%) comes in rather high so deep in the funnel. The cost to acquire a user who takes action ($37.05) is only marginally more expensive (+7%) than it was the previous year ($34.62).

Overall Finance Apps Costs & Conversion Rates



> At $6.93 the average cost to acquire a new user in 2018 is 5.32% higher than the year before.

Significantly, the negligible increase in costs to acquire users (accompanied by a slight dip in conversion rates) tells an encouraging story. Users clearly accept and embrace mobile finance apps. Now it's up to marketers to offer the services and experiences (or ramp up the campaigns) that will convince users to do much more with their apps.

Finance Apps Engagement by Gender

Finance Apps Between the Sexes

An examination of acquisition costs and engagement rates for finance apps reveals exciting opportunities as stereotypes fade and the gender gap between how males and females interact with finance apps begins to close.

The realization that banks and fintech apps must do more to draw women into investing their wealth, which is on track to hit a massive $72 trillion by 2020 (or almost one-third of all private wealth), has clearly convinced marketers to step up efforts to acquire and inspire female users. Across the funnel, females are more active—but that level of activity comes at a price.

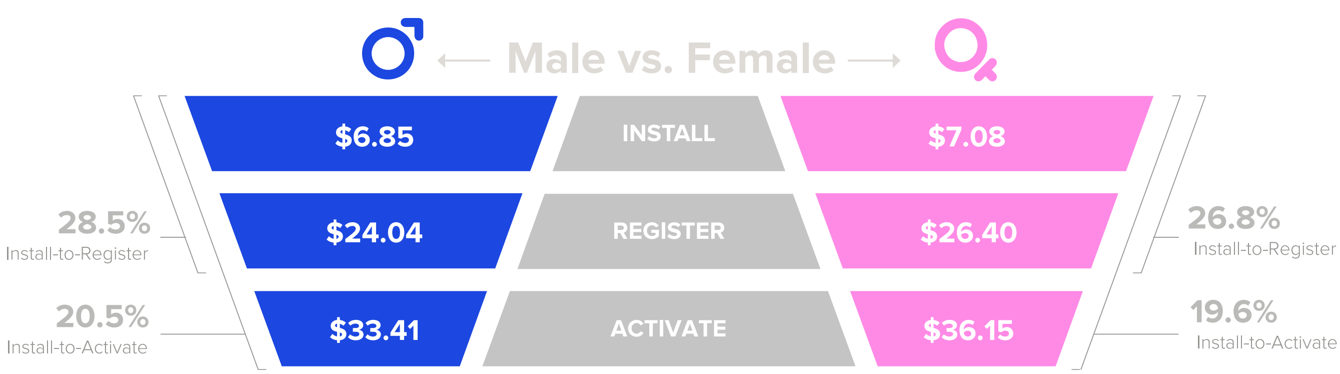
At the top of the funnel, the cost to acquire females comes in at $7.08, over one-third more than the previous year ($5.33). It's a price tag that is also 3.4% higher than the cost to acquire males. Significantly, the cost to acquire males ($6.85) is slightly under the amount recorded the previous year ($6.95).

Acquisition costs may not be a steal, but significant engagement rates at key stages in the funnel are attractive. Take registration, a mid-funnel activity that paves the way for marketers to drive deeper engagement and—ultimately—loyalty. At this stage females ($26.40) cost nearly 10% more than males ($24.04). However, an examination of conversion rates reveals some interesting dynamics and opportunities.

The install-to-register rate of 26.8% for females is 3.6% higher than the previous year (23.2%)—and nearly identical to that of males (28.5%). Granted, females are not a bargain, but they are clearly bolder in how they interact with finance apps. Marketers would be well advised to build on that confidence to drive app use and engagement deeper. Marketers might also want to re-examine how they acquire and inspire males, taking advantage of a lower price tag to prompt males to do more with their finance apps.

The end-game is always activation, and at this critical stage, it's interesting to note that females far outshine their male counterparts. As you might expect in a highly competitive market, the cost to acquire a user who takes action is nearly identical for both groups ($33.41 for males and $36.15 for females). But the real surprise is the increase in engagement rates for females, rocketing to 19.6% from just 13.9% the previous year. You get what you pay for, and females—at roughly 8.2% more than males—are pricey, but their desire to engage with finance apps is much higher than ever before.

Finance Apps Costs & Conversion Rates by Gender



> **Fintech apps must do more to draw women into investing their wealth, which is on track to hit a massive $72 trillion by 2020.**

At first glance, higher costs ($33.41 compared with $30.77 the previous year) and lower conversion rates (20.5% compared to 22.6% the previous year) combine to tell a less inspiring story. Or do they? Males may be more expensive than they were in 2017, but they are still cheaper than females. The comparable engagement rates (20.5% for males and 19.6% for females) suggest the gender gap is closing. More importantly, these impressive engagement rates point the way to a win-win—provided marketers tap into the natural affinity of males for finance apps to take action and embrace risks.

Finance App Engagement by Platform

Finance App Trends Between Android and iOS

A comparison of costs and conversions by OS platform shows that competition for Android users deeper in the funnel is heating up as the platform cements its global lead in device sales and app downloads.

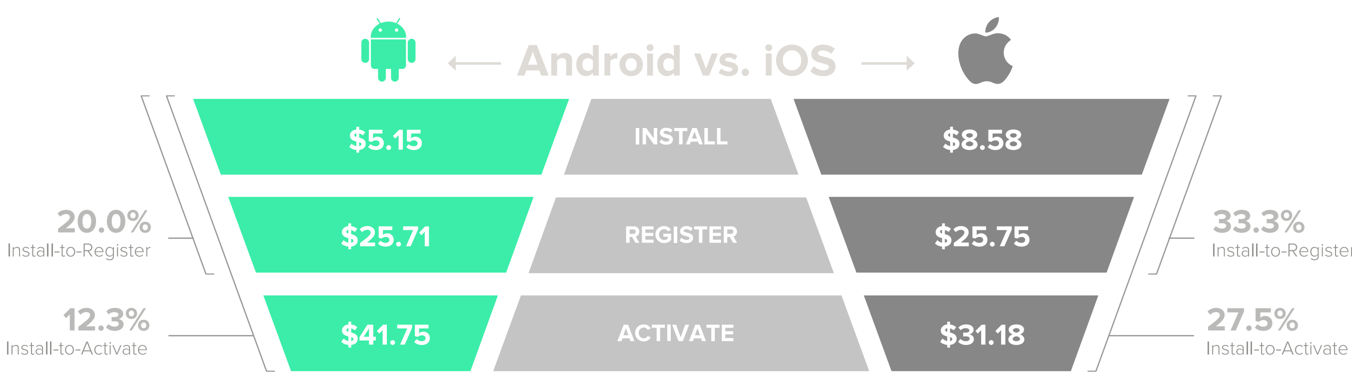
At first glance, a breakdown of costs and conversions by platform would indicate that iOS users ($8.58) are hardly a bargain to acquire compared to Android users that come in at just $5.15. But are Android users really a steal? An examination of deep-funnel costs and engagement rates tells another story. To understand, you need a more comprehensive view of user behavior and a broader understanding of the App Economy.

While this data is outside the scope of this report, it's important to consider the growing body of research that suggests iOS users are affluent and tend to spend more on and in-app than their Android counterparts. It's a significant data point marketers would do well to consider as they develop strategies to identify, target and engage high-value users.

But Big Spenders doesn't make for a big market. Marketers—especially those focused on acquiring and engaging users in markets outside North America, the birthplace of iOS devices and brand love that accompanies them—need to factor the broader global trend to Android into their strategies. Latest data shows iOS has lost market share in Europe's four largest markets— the U.K., France, Italy and Spain. Android has also made significant gains in Japan. Against this backdrop, campaigns that target iOS users in regions where Android rules may be a great way to burn money, not make it.

While there may be a marginal difference in the cost to acquire a user who will complete a registration (Android: $25.71, iOS: $25.75), engagement rates are worlds apart. Specifically, the install-to-register rate for iOS users (33.3%) is 13.3% higher than for Android users (20%). Compare this to engagement rates recorded for the previous year (Android: 21.4%, iOS: 35.6%), and it's clear both are in decline. This could be linked with fierce competition, but it could also be a measure of the effectiveness (or lack of it) of campaigns to activate users.

Finance Apps Costs & Conversion Rates by Platform



Deeper in the funnel the differences are far more significant, highlighting an exciting opportunity to get more mileage out of iOS users. On the cost side of the equation, iOS users ($31.18) are a steal compared to the previous year ($37.40), while the cost to acquire an Android user who will take action has risen through the roof ($41.75 in 2018 compared with $31.83 in 2017). On the conversion side of the equation, the numbers play in favor of iOS users. At 27.5% the engagement rate for iOS users is over 2x the rate for Android users (12.3%).

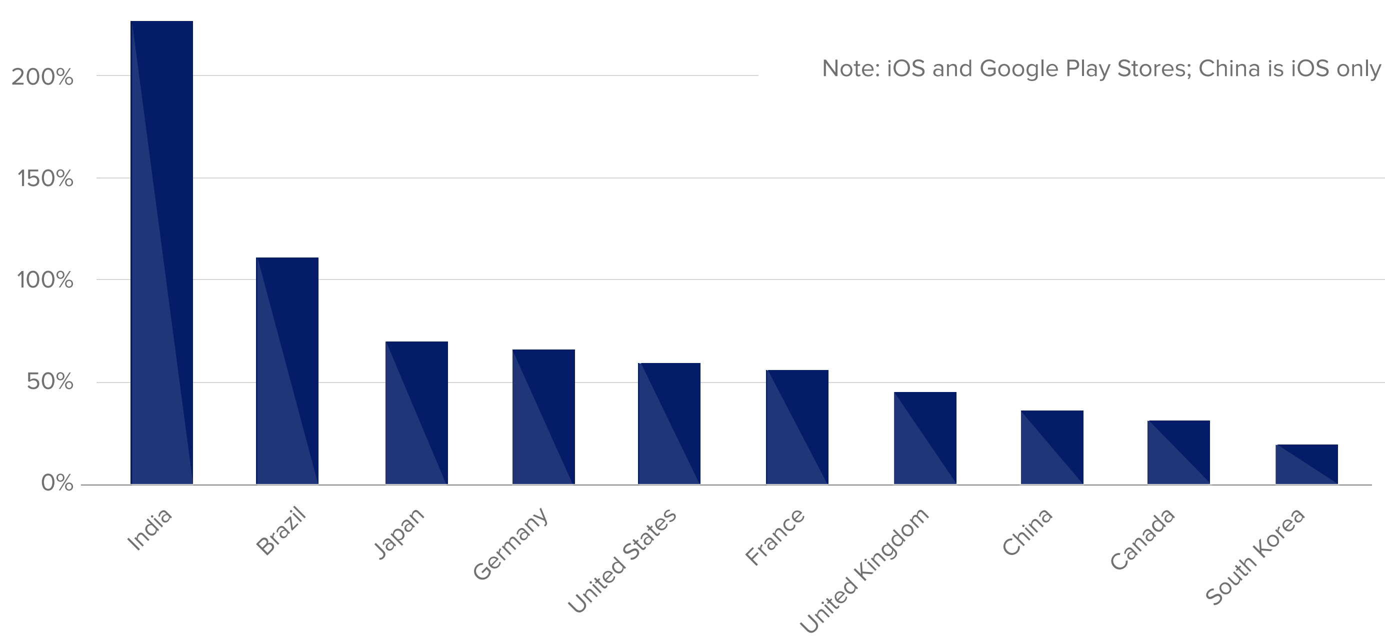
At first glance, the data clearly indicates it pays to reach and engage iOS users. However, the final decision around the audience to target and the goals to pursue will always depend on your app category, your target audience and, above all, your regional focus.

Finance App Engagement by Region

An Analysis of Finance Apps Across Geographies

Mobile finance apps are now firmly positioned at the heart of the global digital economy. Data from app store intelligence provider App Annie documents the meteoric rise of mobile finance apps, reporting that downloads hit 3.4 billion in 2018, up a massive 75% from 2016.

Growth in Finance App Downloads 2016 vs. 2018



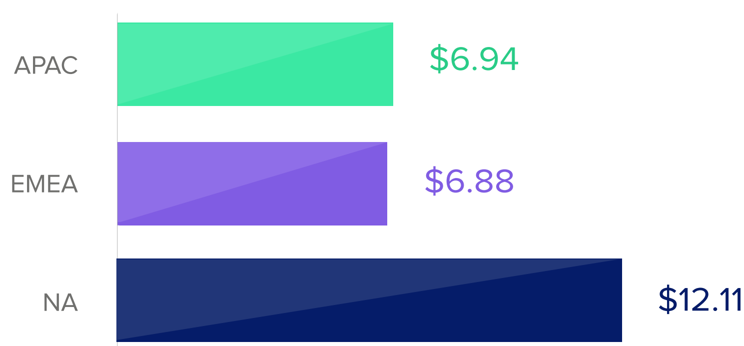
Some markets, such as Indonesia, experienced as much as a 4x growth in downloads. It's a dynamic no doubt linked to the advance of regulatory reform across the region and the success of so-called "super apps" that combine social media, shopping, financial advice and banking services in one package across one platform.

A prime example is PayPay, a fintech app in Japan that allows users to pay in-store by scanning a QR code linked to a Yahoo! Wallet account. App Annie reports weekly active users (WAU) grew a massive 46x in the period from November 4, 2018 to December 2, 2018 alone.

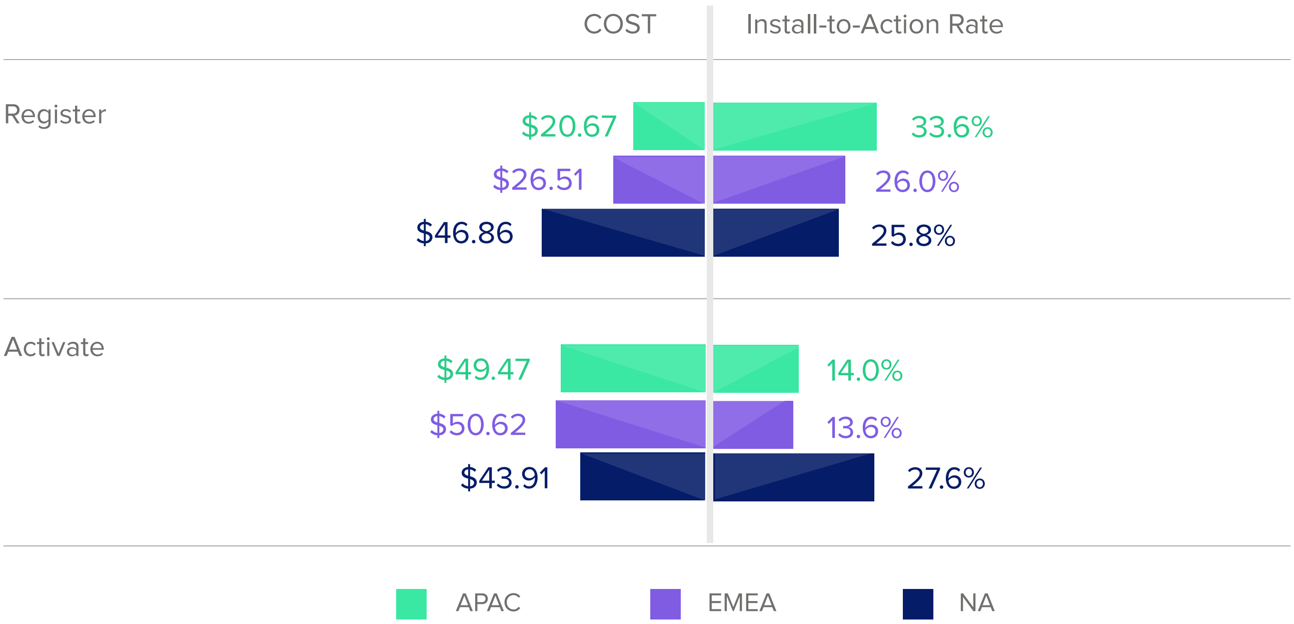
But the advance of apps isn't just breaking records. In many countries, user engagement with mobile finance apps is off the charts. App Annie observes a marked increase in the number of mobile finance app sessions across most regions, including the U.K., where users access their apps over 7x a week.

To help marketers set targets, budgets and expectations for user acquisition and engagement campaigns in key markets, Liftoff breaks down its internal data across three regions: APAC, EMEA and North America (NA). Predictably, a review of acquisition costs in these regions suggests that the campaigns to acquire users in mature markets (specifically NA), where usage is established and competition is fierce, come at a price. At $12.11 the cost to acquire a user in NA is almost double the previous year ($6.58). Significantly, the cost to acquire users in other regions has remained stable. Costs in EMEA have increased marginally to reach $6.88 up from $6.58 the previous year. In APAC, however, costs are flat at $6.94.

Finance Apps Install Cost by Region



Finance Apps Register & Activate Costs & Conversions by Region



APAC

Top-funnel data tells several stories. It may be that APAC—which continues to lead the way in the adoption and use of mobile finance apps, outpacing EMEA and NA—is also a mature market where competition between homegrown players has settled, allowing companies to focus on carving out profitable niches and audiences without overstepping boundaries. Or it may simply be the calm before the storm.

This is the view of the February 2019 State of the Industry Report on Mobile Money, published by the GSMA, the trade body that represents the interests of mobile operators, handset makers and equipment providers worldwide. It points out that the ability to offer "enhanced customer experience"—once a barrier to app uptake—has been cleared thanks to the innovation of banks and fintech players and the progress of high-speed broadband networks necessary to reach and engage the 1.7 billion people in developing markets who remain financially excluded. Whatever the reason, it's a safe bet that a variety of factors connected with local market conditions and regulations across APAC will make it more expensive for marketers to acquire high-value users at a low cost.

> **At $20.67 the cost to acquire an APAC user who completes a registration is the lowest compared with NA and EMEA.**

Deeper in the funnel costs and conversion rates suggest users in APAC are a win-win. They are cheaper to acquire and easier to engage. At $20.67 the cost to acquire a user who completes a registration is the lowest compared with NA and EMEA. It's also significantly less than the 2017 price tag of $27.81. This would suggest that marketers in this region have mastered what it takes to motivate audiences at scale—a talent that naturally results in lower costs and higher engagement rates. At 33.6% the install-to-register rate in APAC towers above the rest.

The good news: marketers have succeeded in engaging users in the middle of the funnel. The not-so-good news: they have to do much more to convince users to take the plunge. At $49.47 the cost to acquire a user at this critical stage is high (28.63% higher than the $38.46 price tag recorded for the previous year). This wouldn't be a downside if engagement rates were high to match. However, at just 14%, the rather underwhelming install-to-activation rate leaves much to be desired. It's up to marketers to develop compelling campaigns and employ data-informed segmentation strategies to extract the value this market clearly has to offer.

EMEA

EMEA is a region full of contradictions and ripe with opportunities. At one level, audiences in the U.K. are advanced in their use and appreciation of mobile finance apps. In fact, the number of banking app logins hit a total of 4.9 billion in 2016, which breaks down into 159 customer logins per second (!). During the same period, the number of banking transactions reached 932 million in 2016, or 30 transactions per second.

> “EMEA is a region full of contradictions and ripe with opportunities.”

Elsewhere in EMEA, in countries including Italy, Spain and Sweden, users are lower on the learning curve and warming slowly to mobile finance apps. While this is positive and impressive growth, recent research from GlobalData reminds us that take-up still lags far behind levels in the U.K. Moreover, Germany, a leading market in ad spend and app use, remains “a significant outlier as the use of mobile banking is far lower than in any other market,” and Denmark and Norway have also registered negligible growth.
While EMEA is moving at different speeds, it is moving in the right direction—a positive dynamic that might explain why the cost to acquire a user ($6.88) is 3x more expensive than it was the previous year when Liftoff reported it was a mere $2.49. It’s a case of you get what you pay for, and marketers are clearly spending now as investment to acquire and educate users before usage (and costs) increase.

Deeper in the funnel, costs and conversions are balanced at the “golden middle.” At $26.51 the cost to acquire a user who will complete a registration is higher than the price tag in APAC and significantly lower than in NA. The install-to-register rate of 26% is likewise in the middle. But compare both to the previous year (when the cost was a massive $47.54 and the conversion rate was a modest 5.2%) and it’s clear mobile finance apps are gaining traction.

Similarities between EMEA and APAC at the final stage of the funnel (Activation) tell an even more positive story. At $50.62 the cost to acquire a user may seem pricey—but it’s half the cost recorded the previous year. The install-to-activation rate of 13.6% comes in lowest, just under APAC (14%). More importantly, it’s 5x the rate recorded the previous year. This massive growth at key stages in the funnel should encourage marketers to do more and reach higher—because the data shows they clearly can.

> “The install-to-activation rate of 27.6% in North America is the highest of all regions.”

North America

It comes as no surprise that North America, a region with incredible purchasing power ($17.5 trillion in the U.S. alone) and a massive appetite for 24/7 access to personal and valuable financial services on mobile, is also home to the world’s power users of mobile finance apps. Competition for users in a highly competitive market naturally impacts acquisition costs—a dynamic mirrored in a price tag of $12.11 (up from $6.58 the previous year).

However, a recent survey shows consumers in the U.S., though pricey, offer value for money. The majority (over 60%) use finance apps for everyday banking and tasks including viewing account balances, budgeting and tracking expenses, paying bills and transferring money. Only 10% of respondents said they had downloaded a finance app but never used it.

Deeper in the funnel data suggests users in NA—though highly convinced of the value mobile finance apps offer—are not easy (or cheap) to convert. At $46.86 the cost to acquire a user who completes a registration is almost double the previous year ($21.08). The install-to-registration rate of 25.8% though comparable to other regions, has declined from the previous year (31.2%). But once marketers rise above the noise, there is evidence campaigns can reap significant benefits. While the price tag of $43.91 to acquire a user at this stage isn’t a steal, the install-to-activation rate of 27.6%—the highest of all regions—is promising.

Monthly Trends

The Seasonal Impact on Finance App Engagement

A review of cost and conversions across the calendar year reveals several standout months when marketers can get more for their money.

Install

Acquisition costs hover at roughly the same price point through the year, hitting a low in April ($5.20) when users in the U.S., for example, are preparing to file their tax returns and naturally have finance top of mind. This is a shift from the previous year when August was the cheapest month to acquire users ($5.89).

- At $8.24 August is the most expensive month to acquire users.
- May ($6.33) and June ($6.06), months when users are planning summer breaks (and budgets to make the most of them), are bargain months to acquire users.
- Moderate costs in November ($6.39) and December ($6.25), months when many users are planning personal finance goals but not yet committed to new starts for the New Year, spell opportunity.

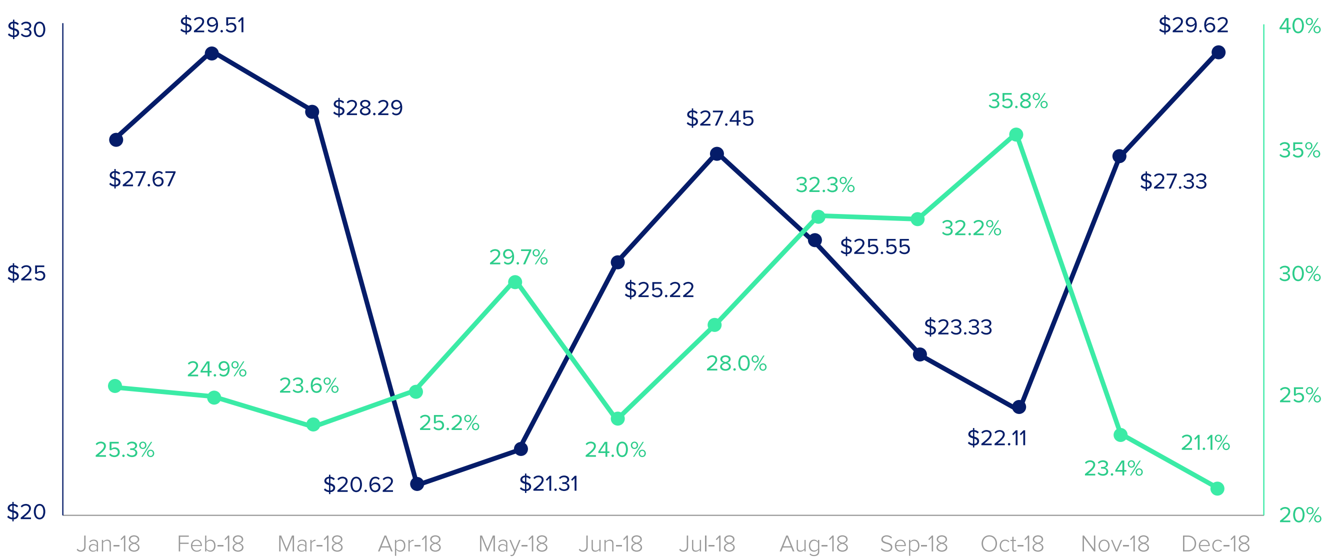
FInance Apps Average Cost-Per-Install by Month

Registration

Significantly, costs are lowest in April ($20.62). But it may not be the biggest bargain as the install-to-engagement rate of 25.2% suggests a lot of activities (and advertising) are likely competing for limited user attention.

- Registration costs decline steadily from July ($27.45) to October ($22.11), a month when the install-to-registration rate hits a high of 35.8%. This is also a standout month when the opportunity to buy users at a low price and engage at high levels is massive.
- If you're going to target users in the early months of the year, make sure your message is strong and your strategy is clear. It's a period when costs are off the charts (for example, $29.51 in February) and engagement rates are—unfortunately—quite the opposite.
- Notably, May stands out a month after the close of the tax season when audiences appear to have renewed interest in personal finance and planning. At $21.31 the cost to acquire a user who completes a registration is low and the impressive install-to-registration rate of nearly 29.7% is an added bonus.

FInance Apps Register Costs & Conversions by Month



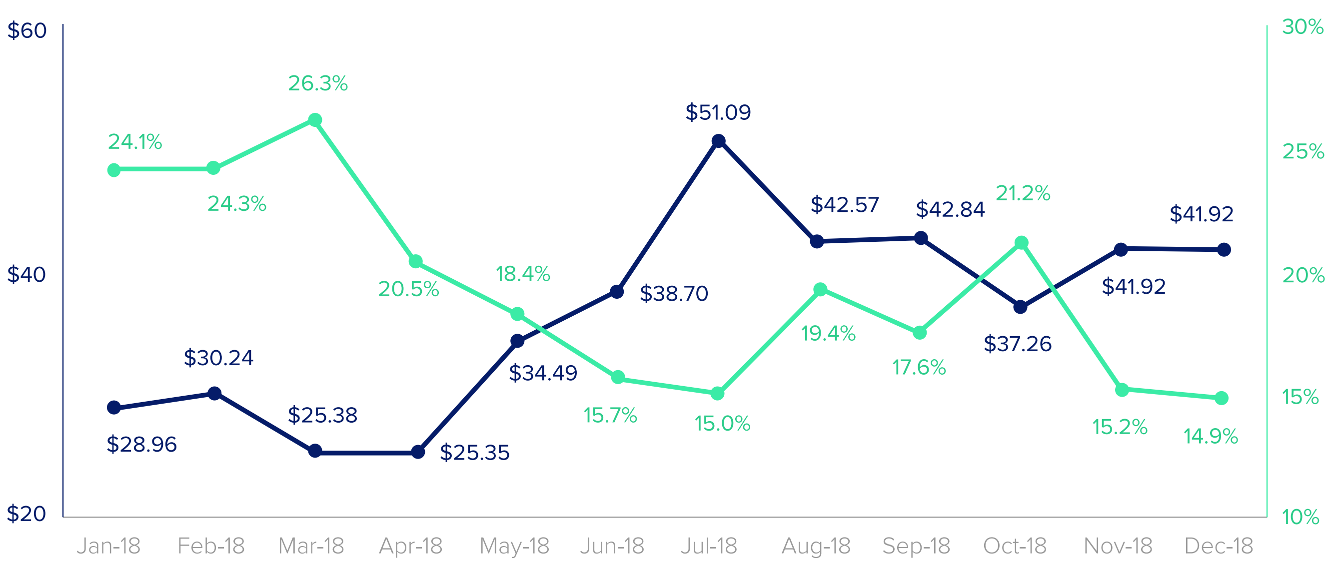
Activation

Peaks and troughs at this stage suggest retention is highest (and costs are lowest) in periods (such as the start of the year and the run-up to tax season) when users are most certainly engaging with mobile finance apps with a clear purpose in mind. It's all about fresh starts and setting and reaching stretch goals to achieve financial well-being.

Compared to the patterns that marked the previous year, highs and lows across the curve are less extreme, indicating engagement with mobile finance apps has become somewhat more routine and less impacted by seasonality.

- Costs for the period from January ($28.96) through April ($25.35) are the lowest in the calendar year, while the install-to activation rate is at its highest (hovering in the 20% range). March—when costs are $25.38 and the install-to-activations rate hits 26.3%, is by far the standout month. It's a shift from the previous year when February offered marketers the promise of conversion (22.6%) at low cost ($29.33).
- Significantly, costs peak in July ($51.09), when the install-to-activation rate hits a low of 15%. It's a discouraging dynamic that no doubt coincides with the advance of high summer in many regions, a development that tends to promote spending (on vacations, staycations and home and garden improvements), not inspire users to budget, invest or plan their financial future.
- At $37.26 users may not be a steal in October, but the impressive install-to-activation rate of 21.2% suggests marketers will get value for money.

FInance Apps Activate Costs & Conversions by Month



Time From Install to Register and Activation

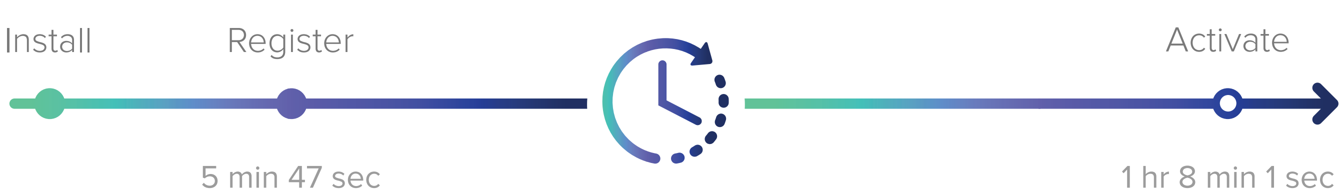
A Closer Look at How Long it Takes Users to Take Action

It's one matter to access and understand the data needed to plan campaigns and predict results. It's a bonus if that data also provides insights into the exact amount of time—measured in hours and minutes—it typically takes for users to convert, engage and, ultimately, take action in their mobile finance app. Liftoff internal data uniquely sheds light on this journey, highlighting the timeline for key engagement activities (Registration and Activation). This year our report goes even more granular, breaking down key engagement data by gender.

Of all the mobile finance apps and activities analyzed in this report, the average time for all users from the moment of the install to the action of completing a registration was clocked at 5 minutes 47 seconds. This was remarkably similar to the timeline measured in the previous year (5 minutes 46 seconds). This could be linked to the low-barrier nature of the engagement activity, or it could be a reflection of the capability of marketers (and their campaigns) to trigger this important first event within just under 6 minutes of installing it. The data can't provide the complete picture.

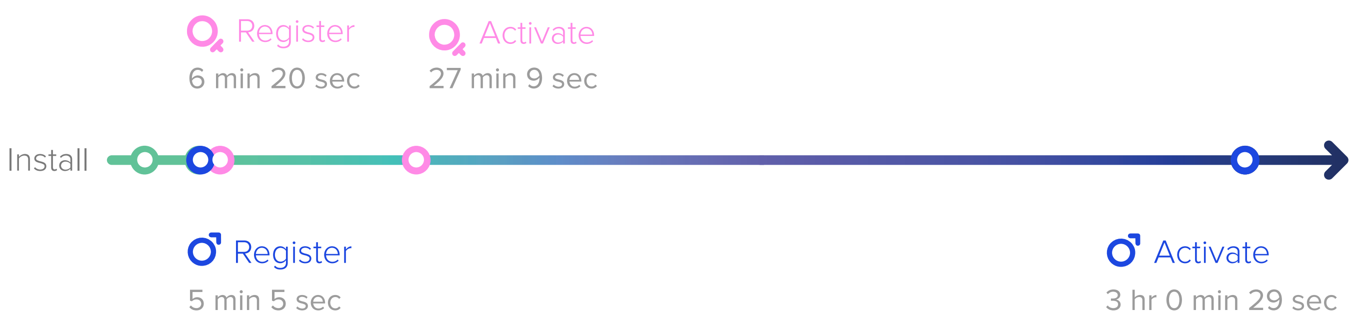
Deeper in the funnel, the data reveals that the time to activate has changed significantly and to the advantage of marketers seeking to drive this level of engagement. Of course, it's important to note that the amount of time measured at this stage mirrors the level of the task. While it may take milliseconds to check a credit score, it requires a greater amount of time to make a first trade or connect a bank account. Viewed through this lens a timeline in excess of 1 hour is hardly remarkable.

Finance Apps Time From Install to Register and Activate



Specifically, the time to activate a user has decreased by one-third (32%), indicating the high determination users have to engage with mobile finance apps, or the effectiveness of campaigns to influence user activity—or both. The decline to 1 hour 8 minutes, from 1 hour 40 minutes reported in the previous year, is proof of a positive trend. It suggests users are more open to doing more with their mobile finance apps (more quickly) at a point in time when app marketers are likewise more advanced in campaigns to drive this deep-funnel action.

Finance Apps Time From Install to Register and Activate by Gender



New to the Liftoff report this year, the breakdown of timeline data by gender reveals an interesting gap in user behavior. Clocked at 6 minutes 20 seconds, females take somewhat longer to complete a registration than males (5 minutes 5 seconds).

Deeper in the funnel, data would suggest that the flipside is true. At just 27 minutes 9 seconds, females are faster to activate by a factor of 9. Put another way, females are a breeze and take 85% less time to activate than their male counterparts. While this is plausible, it's also possible that the actual action also factors into the timeline. For example, if males are typically using their mobile finance apps to take actions at the high-end of the value spectrum (making a trade, deciding an investment), then it figures this task will take longer.

Finance Apps In-App Mobile Retention

Finance apps typically retain users at a much higher rate than other app categories—like travel, media, retail, dating, and gaming.

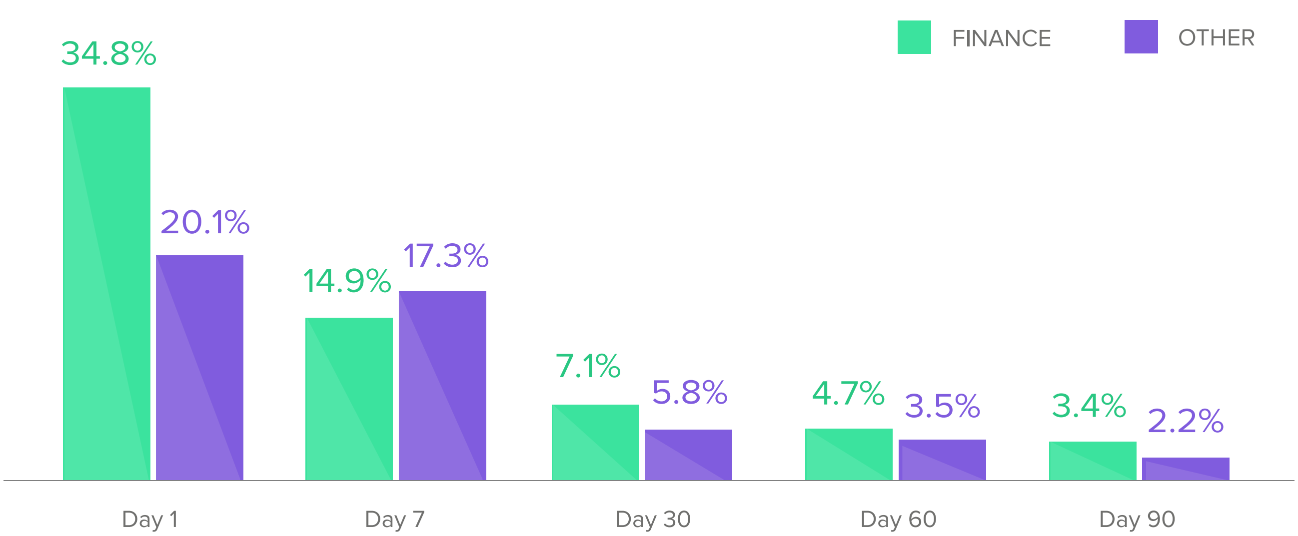
For example, day one retention for finance users is 73% higher than other categories. With retention rates like this, other app owners would be remiss not to take a dive into the data and see what they can glean. But there's still plenty for finance apps to learn as well.

This is one key takeaway analyzing a variety of finance apps, based on internal data from Leanplum. It reviewed app data for the period June 1 to December 31, 2018 to provide marketers insights around what it takes to build a better—and more engaging—mobile finance app experience.

Average Daily Retention

Leanplum data examines the average daily retention, defined by the number of new users who come back to the app after install. Overall, finance retention starts strong and then teeters off. By Day 1, 34.8% of users remain. On Day 7, this number drops to 14.9%. Day 30 clocks in at 7.1%, Day 60 at 4.7% and Day 90 at 3.4%.

Overall Finance Apps User Retention



But there is no room for complacency in the highly competitive world of mobile apps. While many customers will download a mobile banking app, few utilize the full breadth of the app's capabilities. That's a lost opportunity, as increased usage can mean higher customer satisfaction. By learning how to take full advantage of the app, users can reduce visits to their local branch and save time otherwise spent calling support centers.

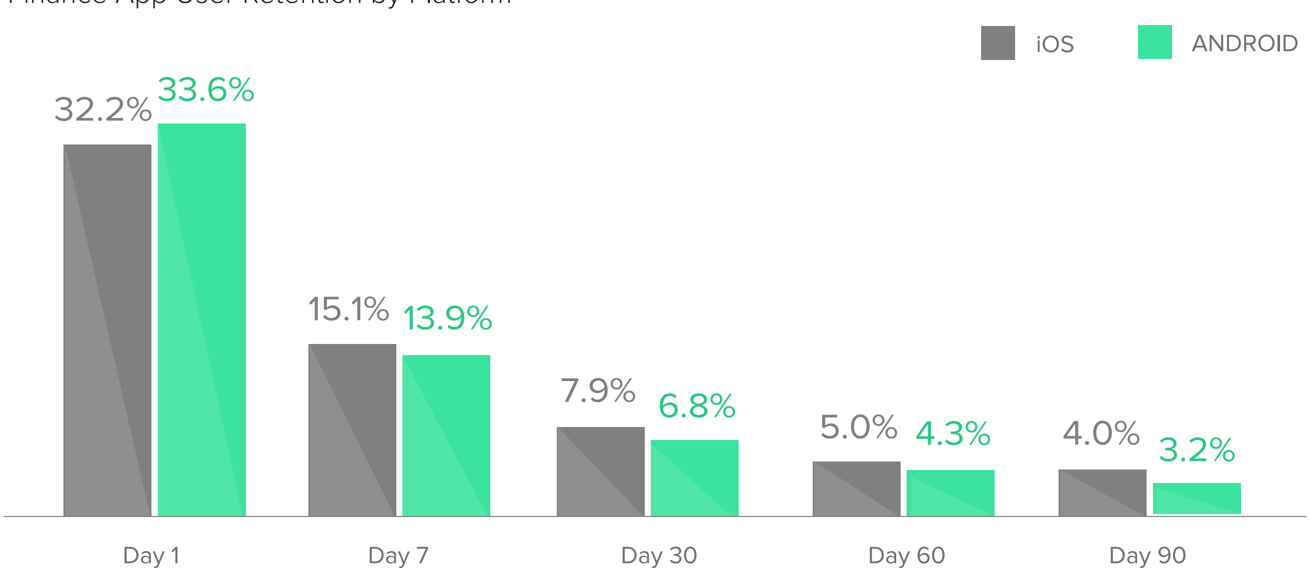
To help users understand the app's full capabilities, finance app marketers can take a two-pronged approach. Start by experimenting with onboarding tutorials, walking new users through less obvious features. Then, whenever you add new features, be sure to let users know using push notifications, emails, and in-app messages.

Retention by Platform

Android may be the dominant platform globally, but an examination of retention by platforms shows it lags well behind iOS. At 33.6%, retention on Android (compared to 32.2% for iOS) starts out high and then dips. By Day 7, iOS takes the lead with 15.1% (compared with Android that comes in at 13.9%).

This trend continues through Day 90, when iOS emerges the winner—albeit by a small margin.

Finance App User Retention by Platform



Average time to return

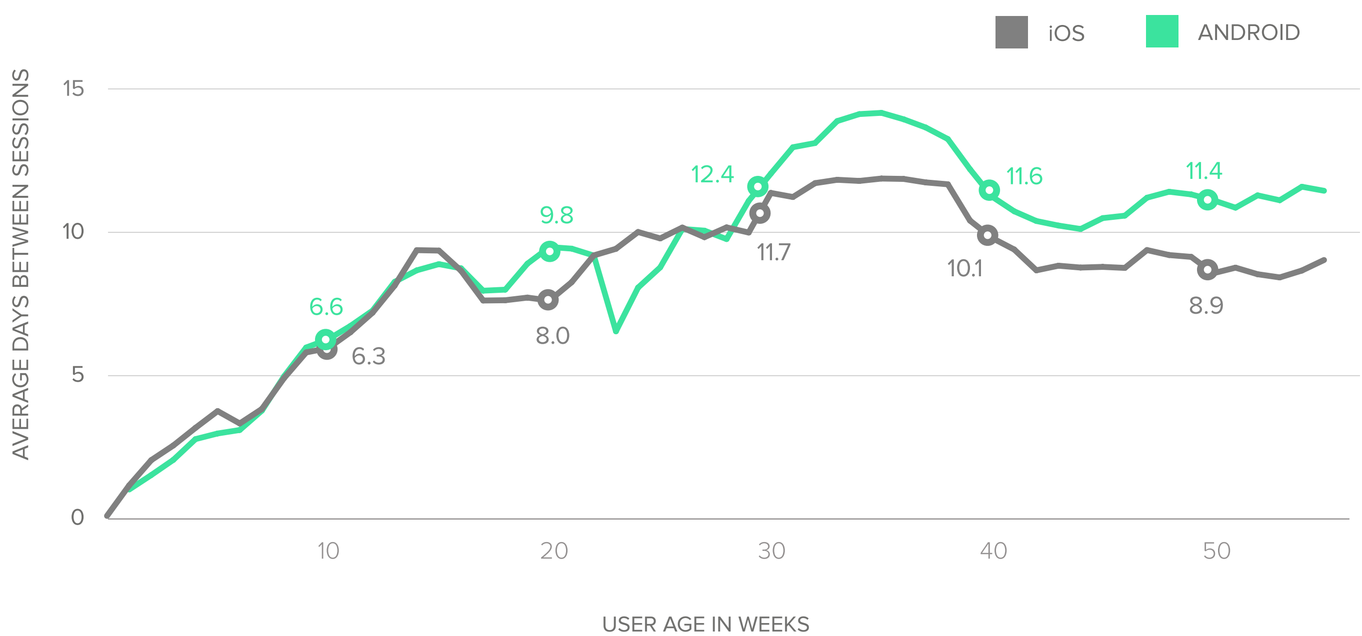
Leanplum defines the average time to return as the length of time between sessions, i.e., how long it takes for a user to return to your app. Overall, it takes an average of 7.62 days for finance users to come back to the app. Split the data by platform, and a significant difference emerges. Namely, iOS users return in 7.07 days, while Android users return in 8.16 days—a full day longer.

The main takeaway here is that finance users who are new are more active. But this isn't a phenomenon just for finance apps—this trend holds true for apps in most categories.

At about 50 weeks, the data plateaus. This makes sense as users who have had an app installed for a year are often loyal users who continually re-engage with the app.

Analyzing the data in multiple segments produces interesting insights about user behavior by segment.

Finance Apps Days Between Sessions by User Age & Platform



- For new users, those who have had the app installed on their devices for 90 days, or 12 weeks, the average time to return is just 4.1 days. Predictably, these users are more engaged and therefore return to the app quickly.
- For users who have had the app installed for a year or less, the average time to return more than doubles. It takes this segment an average of 9.3 days to return to the app.
- For long-term users, those who have had the app installed for more than a year, the average time hovers in the middle. It takes this segment an average of 8.5 days to return to the app.

The average time to return rises until week 35, before dropping and then reaching a plateau. The data shows that mobile finance apps, though they clearly offer value that users embrace, need a boost to stay top of mind with users. It's up to marketers to be useful and encourage frequent use through campaigns as well as additional app features.

Another way to increase use is through education and inclusion. Teach teens money management with a new debit card offer or recruit new users by offering car insurance to new drivers. It's great to offer advice—but it's even better to anticipate user needs. Mine customer insights across channels to recognize when customers are eligible for a new product or loyalty program, like a Gold Status card, and offer to upgrade them at the *right* time.

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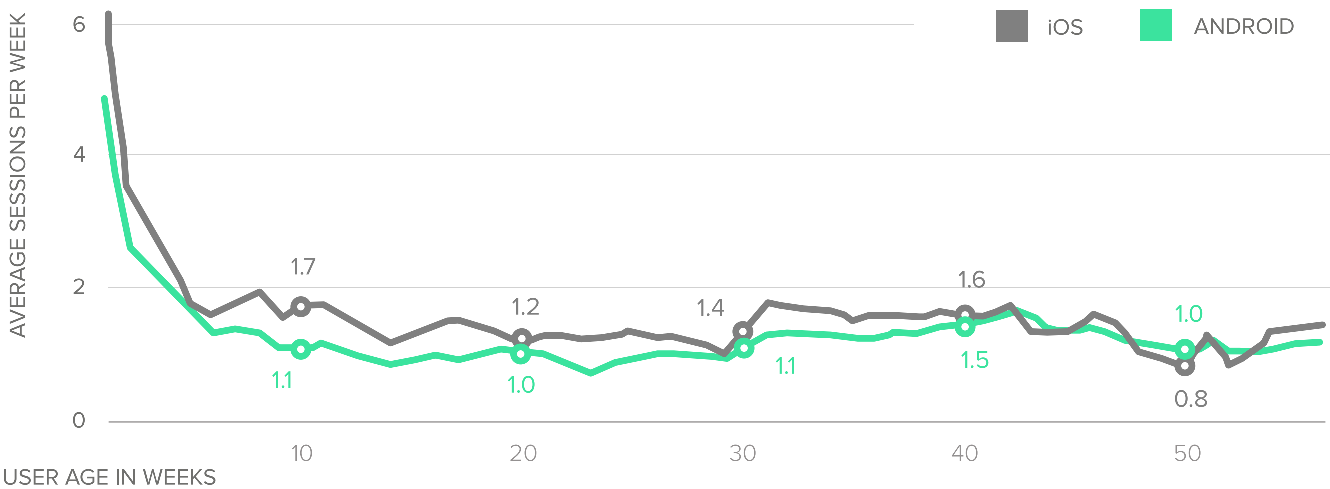
User Sessions per Week

Once again, the data shows that newer users are also more active. In fact, users who are 1 week old have a whopping 5.6 sessions per week. But that number declines as users have the app installed longer, before ultimately plateauing.

Finance App User Sessions Per Week by User Age & Platform



So why are loyal users engaging with financial apps less often?

The answer seems clear, new users are still learning how to navigate the app and investigating its features. They use this learning phase to become familiar with new features, and make sure they can get the most out of the app.

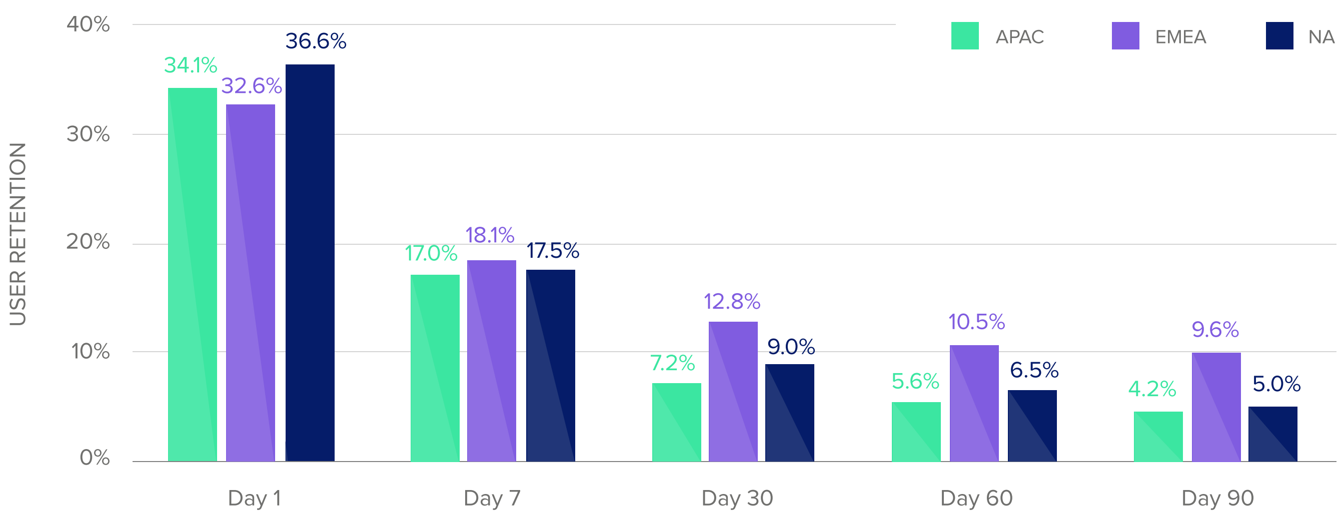
It's important that, during this phase, you build onboarding flows and don't forget to optimize the product experience by A/B testing app features, flows, and other capabilities to maximize retention and satisfaction.

Don't worry if long-term sessions drop a bit. Finance apps are about providing value, not just driving more time in-app. Providing long-term usefulness means making mobile banking a user-friendly alternative to call centers and in-person transactions, which ultimately drives profitability. Users want to make mobile deposits, transfer funds, make adjustments to investments, compare different offers, access a help center, and take advantage of other mobile banking capabilities, all with a simple, intuitive mobile experience that delights customers.

Retention by Region

A breakdown of retention data by region reveals some interesting similarities and differences. Predictably, new users are eager users and all regions start out with high retention. At Day 7, retention rates shift and EMEA, though it has declined from 32.6%, hits a comfortable 18.1%—a number that puts it in a league with other regions.

Finance Apps User Retention by Region



At Day 60, the levels are much the same, although retention rates as a whole have dipped. As a result, the retention rate in EMEA maintains a significant edge over rates in APAC and NA. Finally, at day 90, it becomes clear that retention rates in EMEA, though somewhat underwhelming at the start, are also the longest lasting. It emerges with the highest retention rate (9.6%) and APAC finishes with still the lowest (4.2%).

The Impact of Channels on Retention

The average push notification open rate for finance apps is 15.8%. In comparison, the average across all app categories is 7%. While we don't know exactly how many of the messages with high open rates are transactional vs. scheduled or triggered, it's fair to say users are engaged.

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Because finance apps have users so engaged, they also have the opportunity to send occasional promotional messages that benefit users, such as offers about upgrading to a higher reward card, maximizing savings, or investment advice. But if the majority of messages become promotional, user engagement may begin to drop. Make sure there's a careful balance between promotional, transactional, scheduled, and messages that help users get the most from the app.

The key? Relevancy. Customers expect communications tailored to them, their current products, and new changes to their financial situation. Start by leveraging existing behaviors to inform future targeting. Capture day-to-day interactions across all devices, including web and mobile. Then, help your customers stay on top of their financial products with timely, personalized communication on their channel of choice. And put them in the driver's seat when it comes to choosing their ideal message frequency.

Finance apps may have an edge on their app competitors, in part because users who want to engage in mobile banking don't have much choice. Like so many things today—in the mobile space and across the wider web—delighting users is about delivering a personalized experience, and data is at the heart of it. Exploring retention data—from across the industry and your own—can help marketers understand what audiences want, and how to create a better, more engaging experience that results in bigger sales and more profitability.

Conclusion

Costs & conversions

It's fierce competition as banks and fintech companies race to grow their audiences and drive loyalty—a dynamic that naturally fuels higher costs across the funnel. But don't be put off by rising costs, an examination of engagement rates deeper in the funnel reveals ample opportunity to extract more value for your budget. Across the calendar year, the report highlights standout months when users are a bargain to acquire and activate. A prime example is May, when, at $21.31 the cost to acquire a user who completes a registration is low and the impressive install-to-registration rate of nearly 29.7% is a bonus. Deeper in the funnel, costs for the period from January ($28.96) through April ($25.25) are the lowest in the calendar year, while the install-to-activation rate is at its highest (hovering in the 20% range). Finally, a review of the timeline for key engagement activities (Registration and Activation) clocks the average time for all users from the moment of the install to the action of completing a registration at 5 minutes 47 seconds. The time to activate a user was clocked at 1 hour 8 minutes, down 32% from the previous year.

Gender

A breakdown of costs and conversion rates by gender reveals interesting dynamics and opportunities. While females are not a bargain, they are bolder in how they interact with finance apps. Marketers would be well advised to build on that confidence to drive app use and engagement deeper. Marketers might also want to re-examine how they acquire and inspire males, taking advantage of a lower price tag to prompt males to do more with their finance apps. Deeper in the funnel, males may be more expensive than they were in 2017, but they are still cheaper than females and activate at a higher rate. This dynamic points the way to a win-win—particularly if marketers can trigger high-value tasks such as making a trade or choosing an investment.

Operating System

Typically, iOS users are an affluent segment. But Big Spenders don't make for a big market. Marketers—especially those focused on acquiring and engaging users in markets outside North America, the birthplace of iOS devices and brand love that accompanies them—should cater to Android users. But perhaps not to the exclusion of iOS users. Deeper in the funnel, the numbers play in favor of the latter, revealing the install-to-activate rate for iOS users is over 2x the rate for Android users.

Region

The advance of apps isn't just breaking records. In many countries, user engagement with mobile finance apps is off the charts. Costs and conversion rates suggest users in APAC are a win-win. They are cheaper to acquire and easier to engage. EMEA, on the other hand, is a region full of contradictions. While mobile finance app adoption and use is moving at different speeds, it is moving in the right direction. Across the board, costs and conversions are much more favorable than they were the previous year, indicating massive potential at key stages in the funnel that no marketers should ignore. Users in NA, though pricey, offer value for money. High engagement rates reward marketers with the capabilities and budget to target campaigns and trigger actions.

In-app retention

Data provided by Leanplum shows it takes an average of 7.62 days for finance users to come back to the app. Predictably, new users are also more active. But it's a slippery slope from there—with users who have had the app installed for a year or less taking an average of 9.29 days to return to the app, and long-term users, those who have had the app installed for more than a year, taking an average of 8.47 days to return to the app. To boost engagement and stay top of mind with their audiences, marketers must develop tactics to motivate more frequent app use. This is where push notifications come in (the average push notification open rate for finance apps is 15.78%). But marketers should also make sure all customer-facing communications, across all channels, is timely, personal and relevant to user expectations and context.

Liftoff is a performance-based mobile app marketing and retargeting platform which uses post-install user data to run true cost-per-action user acquisition and re-engagement campaigns. Powered by advanced machine learning and lookalike targeting, Liftoff campaigns are optimized to drive actions beyond the install, like booking a hotel, making a reservation, or renewing a subscription.

Liftoff's cost-per-action model helps customers scale and grow by acquiring users that actively spend in revenue-producing events. Headquartered in Palo Alto, CA with offices in New York, London, Singapore, Tokyo, and Paris, Liftoff works with leading app publishers and brands across the globe.

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Leanplum is a mobile engagement platform that helps forward-looking brands like Grab, Tinder, and Tesco meet the real-time needs of their customers. By transforming data into an understanding of users' needs and wants, our platform delivers unified experiences that are timely, tested, and relevant — building the customer loyalty that fuels business growth. Founded in San Francisco, Leanplum has offices across North America, Europe, and Asia, and has received more than $98 million in funding from leading Silicon Valley venture capital firms. Leanplum has also been recognized as Fortune's Best Companies to Work For and Entrepreneur's Best Entrepreneurial Companies in America. Download the media kit and learn more at:

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