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Driving adoption and revenue for cloud and productivity apps

 Localytics

CASE STUDY

Challenge

There are many cloud storage solutions available on the market, and with how much media and content we create, download and share everyday, most of us are actively using at least one cloud storage provider, if not a few. Cloud storage lets us save, access and share our photos, videos, contacts and files across devices, so for example the photos you take on your phone can be accessed anytime on your laptop, or you can easily sync your contacts to your new phone when it comes time for an upgrade. We use cloud storage more than we may realize, and in this crowded market it can be tough for cloud providers to compete, retain users and grow revenue.

One of our clients offers a unique cloud storage app and needed to find a more impactful way to promote the value of their app to increase adoption and revenue. Their cloud app does more than just allow users to store, access and share your content. The app also enables users to order photo prints and gifts, as well as create custom movies and even stream content to a TV. Instead of having to download content, such as photos, and then upload them into third-party service to order prints, users can do all of this faster and easier in one centralized place. By offering more than the standard sync, store and share features of other cloud storage providers, their app provides additional features and convenience for their users, but they needed to help their customers see this value and adopt the app.

Initially, the client was sending frequent broadcast app push notifications to promote the app and to encourage storage upgrades and orders of photo prints and gifts. These push notifications were seeing an average click rate of under 1%, and were over-saturating users with irrelevant and unwanted messages. Our client needed to find a way to better engage their users and drive subscription upgrades and purchases within their cloud storage app.

Strategy

Our client knew that in order to increase the revenue generated from their cloud storage app they would need to implement a more personalized, data and intelligence driven approach to customer engagement. They started by analyzing the raw data collected through Localytics and were able to identify trends and models they could utilize within their mobile engagement campaigns. Their findings lead them to develop a personalized, intelligent approach that helped them achieve their winning strategy.

Through analyzing the raw data from Localytics' app analytics, and combining it with other first-party data, our client found that preventing sequential failed media backups within their app drives a 19% higher probability of a user upgrading their account. This led to the creation of strategies aimed at helping users successfully complete backups, and then promoting subscription upgrades shortly thereafter to increase conversions.



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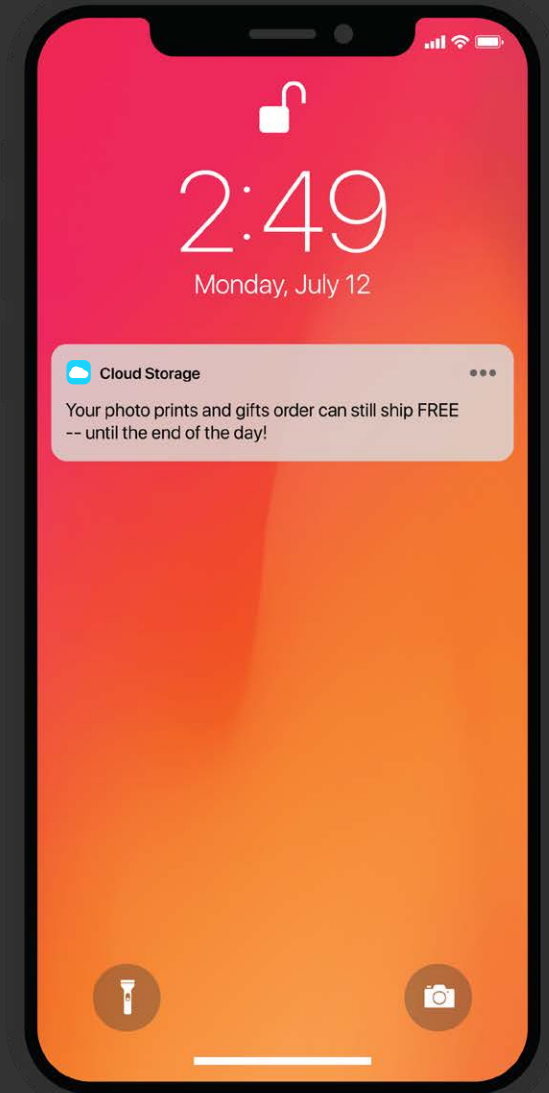
Strategy

The first step in this approach was to prevent failed backups, and to achieve this our client segmented their users based on behavioral attributes (failed backup attempts) and profile attributes (subscription tier) to create the targeted audiences they needed for their subscription upgrade strategy. To engage this specific audience they used a mixture of push messages to alert users of a failed backup, and also app inbox messages to provide a document repository where users could reference tips and instructions for a successful backup. They utilized push for time-sensitive messages, and app inbox to compliment their initiative with everlasting content that helped customers complete a backup more easily. After successful backups were completed, this group of users were sent in-app messages with nudges and promotions to upgrade their cloud storage subscription.

In addition to the strategy to increase upgrades through preventing failed backups, our client tested different Localytics engagement touchpoints to determine what other mobile channels could help drive more conversions. Through testing they found that combining app push and app inbox notifications when promoting print and upgrade offers leads to an 11% increase in user conversions. They did this by using app push for time-sensitive promotions, such as flash deals, and then using app inbox to promote more substantial and lasting offers such as upgrades and “refer a friend” programs.

And by extending the value of the raw data from Localytics app analytics even further, our client created a machine learning classifier model that identified with about 90% accuracy the common demographic patterns that lead to a free versus paying cloud user. This enabled them to create different engagement strategies for users with high or low probability of upgrading from a free to a paid account. By crafting personalized messages and incentives to help nurture customers in different groups, our client was able to resonate with each customer more strongly, and thus increase conversions through their engagement efforts.

Through deploying these initiatives, our client saw a over a 50% decrease in the amount of app push notifications being sent (from the previous broadcast push strategy). By utilizing data-driven segmentation, highly relevant messaging, and the use of different engagement channels, our client saw conversion rates skyrocket and drove over \$10 million dollars in additional print revenue.



Results



App Push notifications **click rate increase of 4x**, from less than 1% to 4%



New In-App message strategy averaged a **click rate of 12%** (Over 50% higher than the industry average)



New App Inbox message strategy averaged a **click rate of 15%** (7% higher than the industry average)

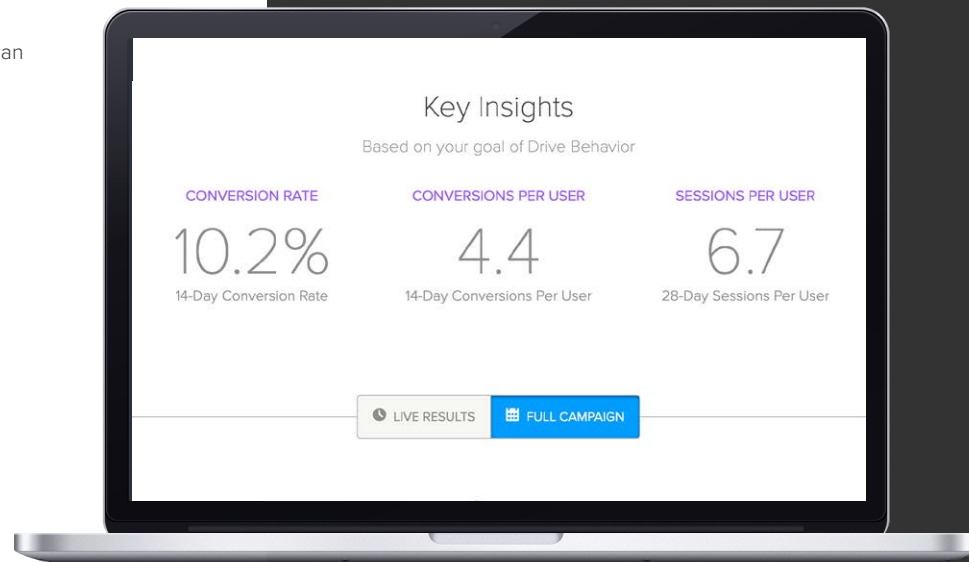
50% reduction in app push message volume

90% increase in 1-day print purchase conversion rate

\$10M million in print revenue influenced through new messaging strategies

Summary

Adopting a data-driven and personalized approach is a powerful way to optimize engagement strategies and campaigns. Our client utilized the depth of data provided through Localytics to identify customer trends and behaviors that were then used to influence their app engagement strategy. This new strategy, coupled with the strong segmentation and personalization capabilities of Localytics messaging channels enabled our client to serve timely and relevant communications to their app users. After just half a year, our client saw increases in customer engagement and grew revenue by over \$10 million dollars from their cloud storage app.



Key Results



Utilized powerful app analytics to fuel intelligent digital vengement strategies



Optimized their mobile marketing through the coordinated use of multiple engagement channels



Increased print revenue by over **\$10 million**