AARKI

Re-engagement
Basics and Beyond

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△ AARKI

Introduction

25% of users abandon an app after just one use, which presents a huge challenge for app developers.

In 2015, there were **3.7 million mobile apps, but by 2019** that number had increased to **4.9 million**. With this fierce competition, many apps are failing to maintain interest and sustain long-term engagement. App owners need to find ways to reactivate their lapsed users and this is where Aarki takes the wheel.
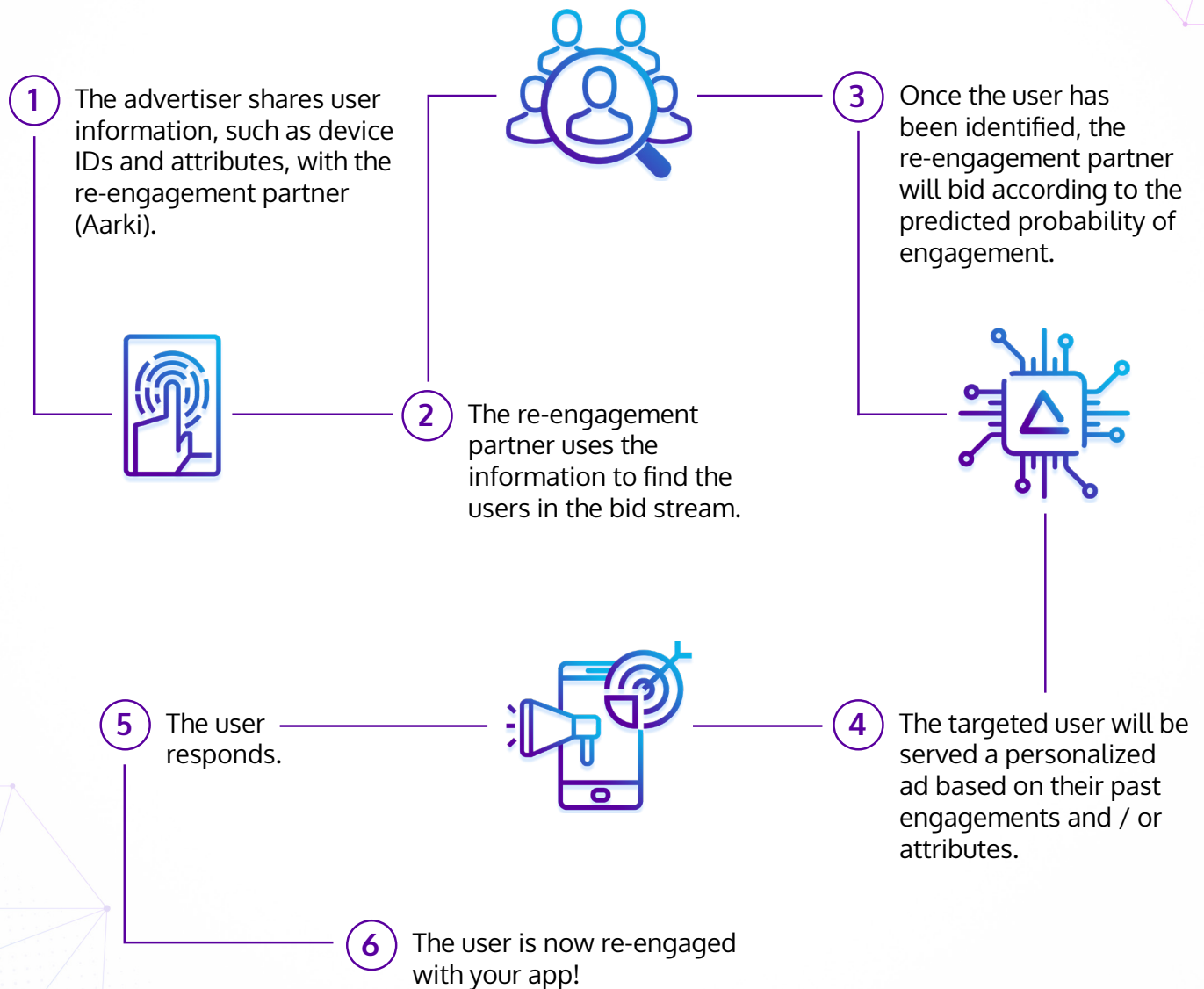
What is Re-engagement?

Re-engagement is a strategy that aims to re-engage active users and reactivate lapsed users, whether or not they have uninstalled your app.

You can use re-engagement as a defensive strategy to prevent users from lapsing. You can identify users at risk of churn through different engagement rates such as retention and purchase.

Active users can be retargeted to encourage them to perform specific, new-to-them actions, such as register, purchase, play a specific level, or use a different feature of the app. This will help you boost your user engagement.

How does Re-engagement Really Work?

A re-engagement strategy is simple.

1 The advertiser shares user information, such as device IDs and attributes, with the re-engagement partner (Aarki).

2 The re-engagement partner uses the information to find the users in the bid stream.

3 Once the user has been identified, the re-engagement partner will bid according to the predicted probability of engagement.

4 The targeted user will be served a personalized ad based on their past engagements and / or attributes.

5 The user responds.

6 The user is now re-engaged with your app!

Why is Re-engagement Important?

Let us take a deep dive into the numbers:

25%

In 2019, one in four of all conversions were the result of app re-engagement efforts.

x2

Between 2017 and 2019, the share of apps running re-engagement campaigns nearly doubled.

These are the benefits that apps experience:

Increased engagement

Improved retention

More high lifetime value users
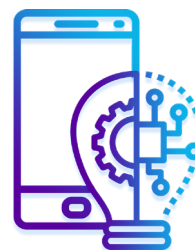
The Pillars of a Re-engagement Strategy

For a successful re-engagement campaign, regardless of the app category, we see five key pillars that form the foundation for solid performance. They are **Audiences**, **Match Rate**, **Creatives, Models**, and **Incremental Lift Test**.

Audiences
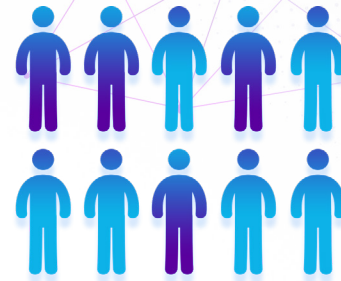
Match Rate

Creatives

Models

Incremental Lift Test

Audiences

Any re-engagement campaign requires a list of users to target, but not all user lists are equal. By analyzing the underlying behavioral patterns of your existing users and defining specific segments, you can plan to reach them at the right moment with specially tailored creative. This will significantly impact your conversion rate.

When choosing users to re-engage, consider these points:

- **Clustering** - The performance of your re-engagement campaign may vary based on how you group your users. While segmentation is the process of putting customers into groups based on similarities, clustering is the process of finding similarities in customers so that they can be grouped, and, therefore, be segmented. Clustering is helpful for both identifying potential optimization opportunities and for segmentation. It will help determine why you are not seeing incremental lift in your re-engagement campaigns or which area has caused the underperformance.

- **Lapsed window** - This tells us how long the user has been unengaged with your app. Select the appropriate lapsed window for more effective targeting. Too long and the user might have forgotten how much they enjoyed your app. Too narrow and you will waste money targeting people who would have come back anyway.

- **Active users** - Most advertisers use re-engagement to bring back users who either have stopped engaging or who have uninstalled the app. But re-engaging active users can prevent them from churning and will also ultimately lessen the number of lapsed users.

Match Rate

The Match Rate refers to Aarki's ability to reach as many of your defined target users as possible. Aarki maximizes your match rate through its bidder and broadens your reach via our inventory supply and our wide range of creative ads.

Creative

Your ad creative will have a direct impact on the success of your re-engagement campaign, and running highly targeted creatives will maximize your match rate.

With a **static re-engagement strategy**, your segmentation will determine the uniqueness of each mobile ad creative and you will prepare your creative in advance. It is important not to forget to refresh your creatives so that your audience does not suffer from ad fatigue.

You can also employ **dynamic re-engagement**, which utilizes a user's past engagements and behavior to personalize ads specific to their previous actions at the point where the ad is served to that impression. To maximize engagement, combine user-level attributes and employ audience data to populate the message of your ad, taking your ad personalization game to the next level.
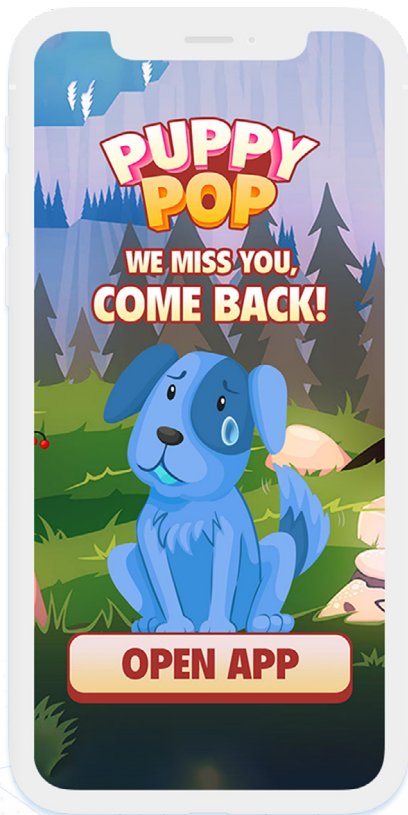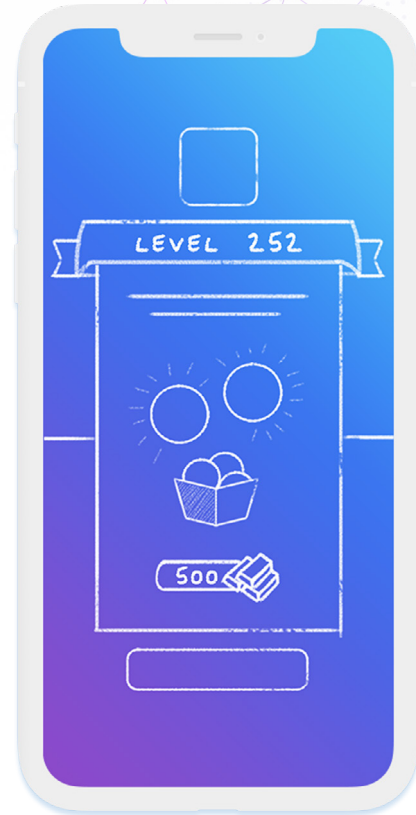
For example, showing a lapsed user who has left the game at level 20, the theme of that level, will work better than showing the level one theme.

Another example is presenting sad characters from the last level achieved, which can make the app user feel missed and needed, prompting them to engage with an app.

To boost the subliminal connection between your brand and your audience, implement multiple creative strategies and measure which ones work best. This includes advanced personalization, localization, and champion/ challenger multivariate testing.

Models

Bid models should be trained on only re-engagement campaigns for best results. In our experience, the user that is reactivated and spends after reactivation is a different user than a typical user acquisition target user. The heavily user-influenced models, trained on re-engagement campaigns, result in better optimization. While re-engaging lapsed users, consider the following models:

Segment membership

This model uses segments with user pre-lapsed activity to inform the prediction.


User Response and In-app Behavior Prediction

This model predicts user response to a specific creative as well as post-install in-app behavior (e.g. retention, registration, purchase), all in real-time. These predictions are used to calculate optimal bids to deliver on advertiser KPIs whilst maximizing reach.

Incremental Lift Test

Prove the effectiveness of your re-engagement strategy by leveraging public service announcement (PSA) testing to determine the campaign lift. This type of testing will allow you to assess the impact of your campaign strategies on your ROI.

At Aarki, we divide the audience into two groups, the treatment and the control group. The control group is shown PSA (placebo) ads and the treatment group is shown your campaign. We then measure and compare the outcome of the two groups to calculate the actual campaign lift. A similar method is to exclude the control group from your campaign, i.e. a holdout group, and compare the results of both.

Control Group   Treatment Group

Shown PSA ad   Exposed to Re-engagement ad
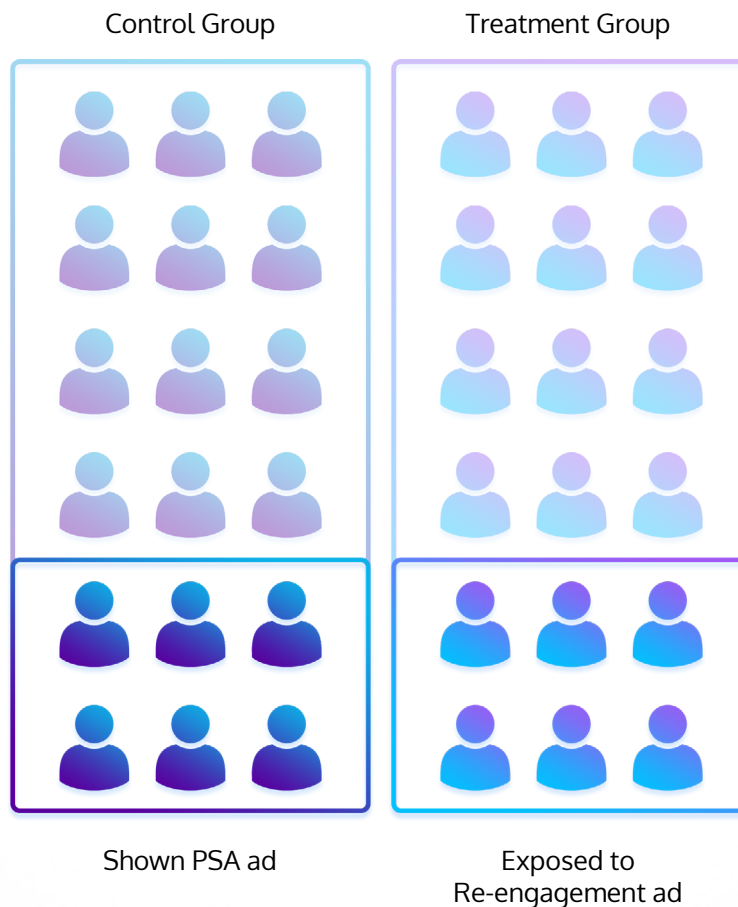
Which Re-engagement KPIs Matter Most

To maximize your campaign's performance and to successfully drive growth, measure the following metrics:

Return on Investment (ROI)
- ROI should be your key metric
- A re-engagement campaign will maximize your user base and help avoid churn, which delivers you ROI

Lift and Incrementality
- Find out how effective re-engagement is versus organic reactivation
- Look at the lift and incrementality based on revenue, revenue per install (RPI), and return rate
- Measure lift and incrementality using the holdback group or PSA testing methods

Click-Through Rate (CTR)
- Design your creative to entice the user to go back to the game
- Measure the effectiveness of your creative through CTR

The Aarki Approach

Aarki's reactivation campaigns are based on the following cornerstones:

Machine Learning (AI) Algorithms
Utilizing proprietary machine learning, Aarki conducts an analysis of how users engage with an ad and how their engagement correlates with their behavior in the app. It enables Aarki to continuously optimize campaigns for profitable reactivation.

Proprietary DMP
Our integration with all the major global exchanges for programmatic/RTB and our five global data centers means we are able to access high-quality inventory for our clients' campaigns to deliver the most accurate predictions.

Dynamic Creative Optimization
Aarki employs strategies like personalization and localization of creatives to increase ad engagement. We utilize the users' prior in-app behavior to dynamically assemble creative components into a hyper-personalized ad, at the moment of ad serving.
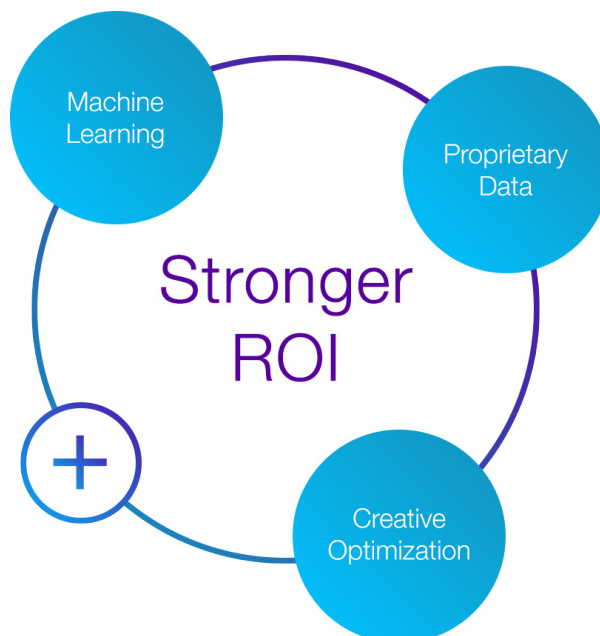
Why Choose Aarki for Re-engagement?

- 5 global data centers amassing 1M+ queries per second
- Integrations with all major exchanges and all ad formats supported
- Dynamic lists and real-time suppression of reactivated users increases spend efficiency and ROI
- Strong reach
- High find rate (% of users in the audience list found in bid stream)
- High touch rate (% of users found that see the re-engagement creative)
- Sophisticated segmentation techniques for granular bid optimization
- Advanced creative hyper-personalization using user attributes
- Creative localization (26 languages)
- ROI optimization

Aarki has run numerous re-engagement campaigns using a variety of ad formats, including interstitial, video, banner, and native. With our rich database of audience and user engagement data, Aarki's data scientists create robust machine learning algorithms to target your lapsed users and deliver strong app marketing performance.

# Case Study

JAMCITY

The Challenge
Jam City needed a re-engagement partner with expertise in incrementality (lift) measurement so they could identify proven approaches for future campaigns. Additional requirements were global scale, support for multiple ad formats, and creative personalization.

The Solution
Jam City provided a multitude of audience segments to inform the bid models.

Aarki developed a PSA strategy for the control group and the treatment group was presented hyper-personalized creative designed to drive engagement. CPM bids were computed using machine learning algorithms with the goal of profitable reactivation.

Profitable Reactivation at Scale
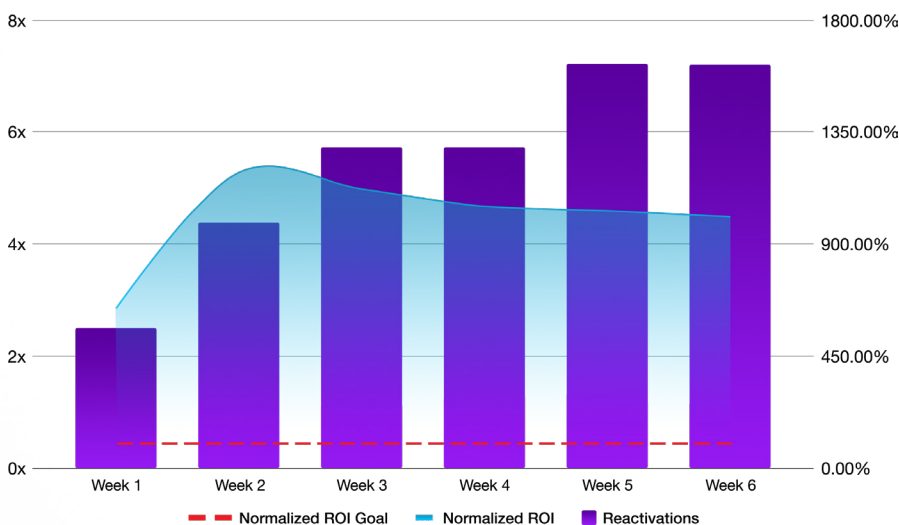
- **10 X** average return on advertising spend (ROAS)

- **25 X** increase in global reactivations

- An ROI performance that was consistently above the normalized ROI goal
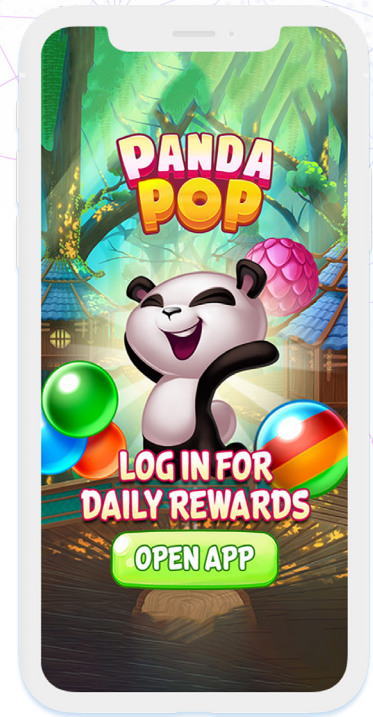
> *We believe that Aarki's ability to quickly analyze the impact of our campaign strategies on audience conversion was key in driving such good performance. With the fast development and quick optimization of custom creative for each target group, Aarki helped us achieve optimum campaign performance.*
>
> *Also, through their custom bidding models and audience segments, Aarki managed to deliver a personalized reactivation ad experience to our app users.*

Sarah Yamanouchi
Associate Director, User Acquisition

About Aarki

Aarki helps companies grow and re-engage their mobile users, using machine learning (AI), big data, and engaging creative. We strive to deliver performance at scale across various marketing objectives to meet the target ROI (return on investment). Our data offer deep insights into user intent and usage habits. To drive performance, we activate our data assets through proprietary machine learning algorithms and engage users in real-time with personalized creative.
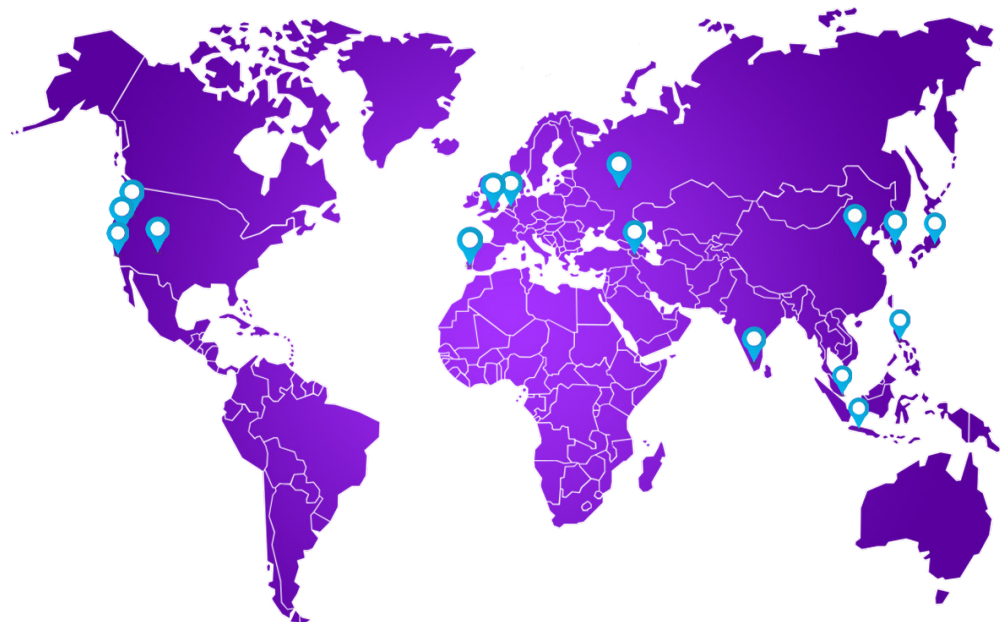
Aarki has been recognized by The American Business Awards, Red Herring 100, Internet Advertising Competition, Deloitte's Technology Fast 500, The Drum Advertising Awards US, Horizon Interactive Awards, Effective Mobile Marketing Awards, The Wires by Exchange Wire, and Artificial Intelligence Excellence Awards.

For more information, please visit www.aarki.com or follow us on Twitter: @aarkimobile.