



CAKE

Addressing the Mobile Tracking Challenge

Marketing in Perpetual Motion



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The Mobile Tracking Challenge

As recently as 25 years ago, it was impossible to predict that the rise of the Internet, together with the remarkable growth in the popularity and computing power of mobile devices, would transform the commercial world beyond recognition.

While marketers have adapted well to accommodate the technologies and techniques associated with online marketing, many initially struggled to leverage the potential benefits arising from the inherent “two-way” nature of digital communication.

In the past decade or so, adoption of online analytics tools has moved into the mainstream of commercial thinking, with businesses utilizing these tools to capture valuable insights into consumer behavior. These insights, in turn, are being used to shape future marketing activity and optimize the return-on-investment of future marketing spend.

In the digital world, change is relentless. Just as marketers were finally coming to grips with tracking the online behavior of desktop and laptop users, the phenomenal growth in popularity of mobile devices

such as smartphones and tablets created a whole new set of challenges, especially for those trying to accurately attribute online conversions to individual channels and advertising affiliates.

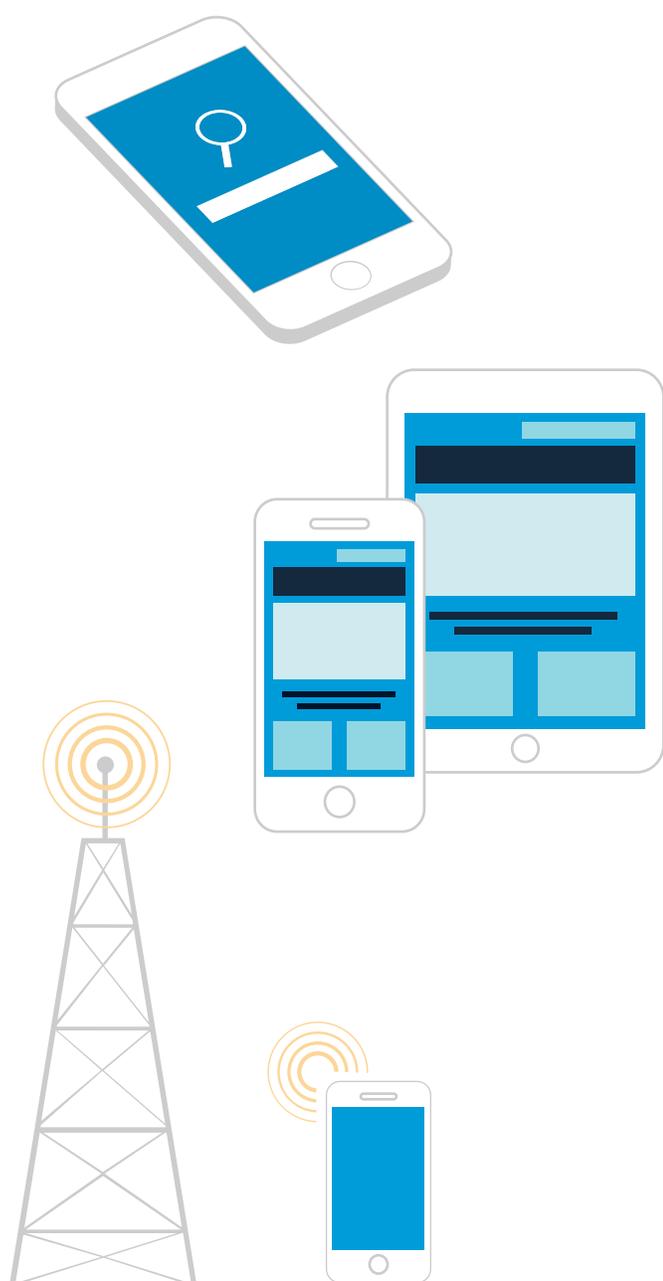
These challenges must be addressed – and quickly. Recent research revealed that 85% of respondents believe that mobile devices are a central part of everyday life - with an even higher proportion (90%) of those aged 18-24 agreeing. On average, respondents to the same survey spend more than three hours a day using a smartphone. Of tablet owners, 65% report using their tablet while watching TV at least once per day, while 41% use their tablet and smartphone simultaneously at least once a day.

This white paper aims to outline the new and emerging challenges facing those hoping to monetize the incredible potential of mobile tracking techniques.

What Do You Mean “Mobile”?

A key industry consideration in mobile marketing is how to track and attribute robustly. This includes the tagging of mobile sites and interaction with ad servers and on-site analytics packages. As with all digital advertising, the ability to de-dupe across both publishers and channels, as well as across different apps and devices, remains an important consideration.

Before addressing the question of mobile tracking, however, it would be wise to first consider what we mean by “mobile marketing,” as it has become a catch-all term for a range of varying approaches, platforms and technologies. This includes:



Mobile search (PPC and organic)

All major search engines now offer mobile optimized search. Organic listings remain the same as those delivered to a desktop, however “paid-for” search results may differ on mobile devices in order to favor sites with click-to-call functionality. Mobile device screen size and touch functionality alter both the number of paid ads and the options for customers shown within them.

Mobile and responsive websites

Mobile websites are specifically designed to accommodate the differing functionality requirements of users on a small screen and can significantly increase conversions on mobile devices. Mobile websites require affiliate tracking to be placed on the new mobile page by the brand. Affiliates should make sure that brand mobile sites they are driving traffic to are properly tagged, otherwise sales from that traffic will not be tracked.

Responsive websites are built to automatically scale to fit the size of the device’s screen. Tracking set on the main page perpetuates across all sizes of the page, no matter the device it is being viewed on.

Proximity-based marketing

iOS7 allows licensed iBeacon operators to communicate with opted-in users when they pass in close proximity to the beacon, in a similar way that activated apps will communicate with Bluetooth signals. This can be a very effective way of serving location-based offers on high-traffic streets and in



stores. This offers a more precise localized solution than geo-fencing via a phone's GPS signal. Targeting by geo-location can lead to false positives if the consumer is being targeted on the wrong IP address, e.g. while using someone else's Wi-Fi connection.

Apps

Apps are small pieces of self-contained software, often downloaded from online platforms such as Google Play or the Apple App Store that are designed to fulfill a specific purpose. Apps have proven to be massively popular with mobile device users and must now be given special consideration within any tracking strategy, a subject we'll return to shortly.

Mobile Tracking: The Basics

For those accustomed to tracking conversions on traditional desktop devices, knowing when to use cookies, device IDs or device fingerprinting remains a mystery. However, the accelerating momentum of mobile as an ad platform demands that marketers' tracking activity must evolve just as rapidly. Until recently, mobile tracking referred mostly to these three types:

Display tracking

Display tracking reports on the amount of impressions a mobile display achieves, its click through rate (CTR) and, in some cases, conversions from those displays, providing advertisers with an indication of which affiliates and ad creatives are driving conversions. Display ads are typically tracked using an SDK (Software Development Kit) or similar tracking code implemented on an affiliate/publisher application. This requires the affiliate/publisher to place tracking code, provided by the advertiser, on the landing page the display ad will be served. Alternatively, the publisher may place their own code and provide reporting

directly to the advertiser. Both parties can track what is being displayed, how often and if a user clicks.

Mobile website tracking

Mobile website tracking is very similar to desktop tracking with cookies, but it is not without challenges. For example, if you decide to track app installs by dropping cookies, you will need to redirect your consumer to a landing page after the initial click and then again after the app install, in order for that cookie to be dropped and tracked.

App download tracking

App download tracking allows marketers to gauge the effectiveness of their marketing efforts in driving consumers to download apps and attribute the correct sources of traffic. That said, tracking installs alone doesn't tell you much about how the app is performing. Problematically, attributing mobile app installs (and tracking user actions beyond the install) depends on a cookie-less mechanism. This is where many seasoned performance marketers get lost.



There are two main ways to track without cookies. The first is via a unique device identifier. Depending on the device, IDFA (iOS) and the newly released Google Advertising ID (Android) work by matching the ID that the affiliate/publisher gathers through their own app/SDK with the information the advertiser is able to gather.

If a user starts their journey within a publisher’s mobile app and an attributable action occurs within an advertiser’s mobile app this method is very accurate and easy to implement. However, things become more complex when a user begins or ends their journey on a website or web application as unique device IDs are not accessible from a web-based application.

To solve this problem most tracking platforms will employ some type of device fingerprinting method. This works by applying identification through the use of multiple non-unique device identifiers. For instance, if a click and conversion comes from the same IP, using the same operating system and device type within a short duration of time, then we can determine that both the click and conversion came from the same source.

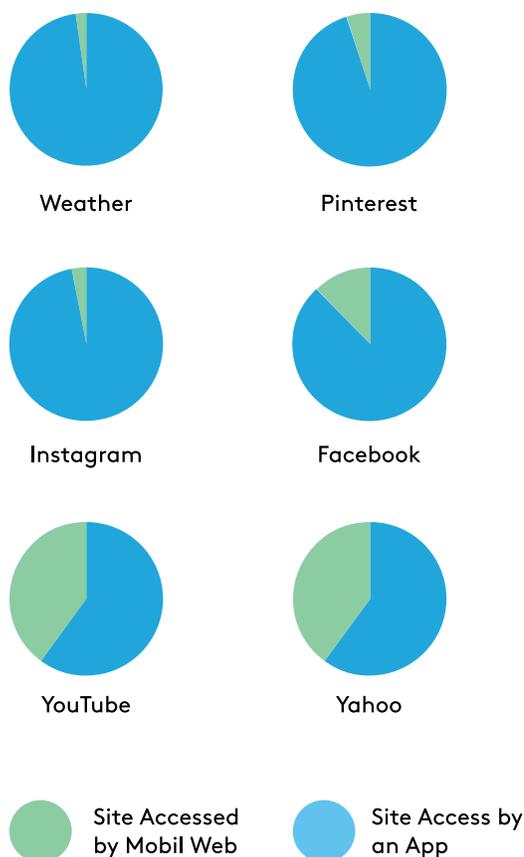
There are also limitations to a cookie-less approach, with the main challenge being the notification process if an affiliate only uses an HTML pixel to track. Cookie-less tracking also depends on the advertiser to collect the session ID data at the time of the click and send it back to the affiliate at the time of the conversion.

Mobile App Tracking: Beyond the Download

Interestingly, recent research into visits to ten popular online properties via mobile web versus mobile app found that many people prefer to use a mobile app in practice. Instagram, Pinterest, Facebook and Groupon visitors showed especially high propensity to turn to the app instead of the mobile website, while YouTube, Yahoo and CNN showed six in ten sessions happening through a mobile app (See illustration to the right).

The massive popularity of mobile apps demands that marketers now move beyond the tracking of app downloads to capture the deeper insights offered by tracking the in-app activity of users.

While in-app tracking has been gaining popularity in the U.S. in recent years, European marketers have been slower to tune into its potential benefits. This is perhaps due to the fact that many European businesses created apps initially as a knee-jerk reaction to the incredible boom in popularity of mobile devices, without ever stopping to consider why they were doing it or what role the app would play in the business’ wider marketing strategy.



As a result, user downloads of the app became the key metric used to measure the “success” of the whole project. Unfortunately, recent research revealed that more than 25% of all apps are only opened once after download. By failing to distinguish between these one-time users and those who go on to make regular use of the app, marketers are missing out on golden opportunities to gain commercially valuable information to optimize their campaigns and spending.

In defense of Euro marketers, until recently, the right technology wasn’t available to let people track in-app activity easily and effectively. In-app tracking tech would mean setting up a separate tracking platform, the data from which would then need to be exported and somehow combined with the information coming out of other online tracking platforms. The time-consuming activity was enough to put off many businesses from even trying.

Fortunately, the latest generation of in-app tracking tech offers a centralized information hub, where different sorts of data (e.g. affiliate web tracking, mobile tracking, in-app affiliate tracking, etc.) can be collated and analyzed side-by-side in real-time.

In-App Event Tracking: What to Track?

Today, savvy performance marketers will also track conversion and engagement to determine the quality of traffic coming from a particular advertiser. If this is done in real-time, it allows for immediate adjustments and optimization to marketing spend. Here are three key steps to get started:

1. Understand the impact

To measure app engagement and understand how it impacts the performance of your mobile marketing spend, you need to be able to track in-app events such as log-ins, game plays, clicks, social media shares, purchases and other actions taken within the app.

At its most basic level, “engagement” refers to how consumers are interacting with an app. Good apps have higher levels of engagement, which means that people actually use them. But depending on the type of app your brand is marketing — Is it a game? Cooking app? A personal productivity app? — engagement might be measured according to different criteria.

The makers of a game app, for example, would be interested in measuring how often users log-in, how long they play, and how much they are spending on the purchase of “add-ons” like lives, coins or weapons. Alternatively, a personal budgeting app may offer no in-app purchase functionality, and therefore, define successful engagement quite differently.

2. Strategize on measurement

Developing a successful mobile engagement strategy depends on first clearly defining the actions that create value for your brand and understanding each event leading up to these actions.

This next step towards measuring in-app engagement is installing a software development kit from a reputable tracking platform into your app that can capture every meaningful user action. Doing this allows you to slice and dice these metrics at a very granular level.

Got a lot of installs where nobody ever logs in again? Time to look at what’s going on. Is it a cumbersome

A woman in a dark sweater looking down at her smartphone, standing on a balcony with a railing. The background shows a city skyline with a prominent red building.

log-in user interface or is the app itself just plain boring? Are people using your music app a ton but not opting to upgrade to your paid subscription packages? Maybe your app is giving too much away for free.

Analyzing what happens after the download is the key to optimizing the performance (and eventually the profitability) of your app.

3. Balance quantity and quality

In the end, app producers need to achieve a balance between quantity and quality of downloads. A massively engaging app with only 200 users still only has 200 users. Likewise, an app with billions of downloads and very poor engagement simply indicates that you're great at driving installs, but terrible at actually monetizing your app and getting value out of the effort that went into getting users in the first place.

The in-app actions of users beyond the initial download offer marketers invaluable data with which to drive performance. Today, a successful mobile app campaign demands a tracking and marketing strategy that recognizes the **quality** of user engagement, rather than the **quantity** of downloads, as the key metric to be considered.

Summary

The exponential growth in the use of mobile devices and global mobile ad spend means that marketers should ignore the need to incorporate mobile tracking into their wider strategy at their peril. As diverse and complex an area as mobile tracking is, the latest generation of tracking software allows marketers to tackle the many challenges of mobile tracking head-on by providing a centralized information hub, where different sorts of data can be collated and analyzed side-by-side in absolute real-time.

About CAKE

CAKE provides a SaaS-based solution to track, attribute and optimize the performance of digital marketing spend, in real-time. Bringing clarity to multi-channel marketing campaigns, CAKE empowers advertisers, publishers and networks with the insight to make intelligent marketing decisions.

Learn More

Contact us for a complimentary demo to find out how CAKE can help with your tracking.

www.getCAKE.com/demo/