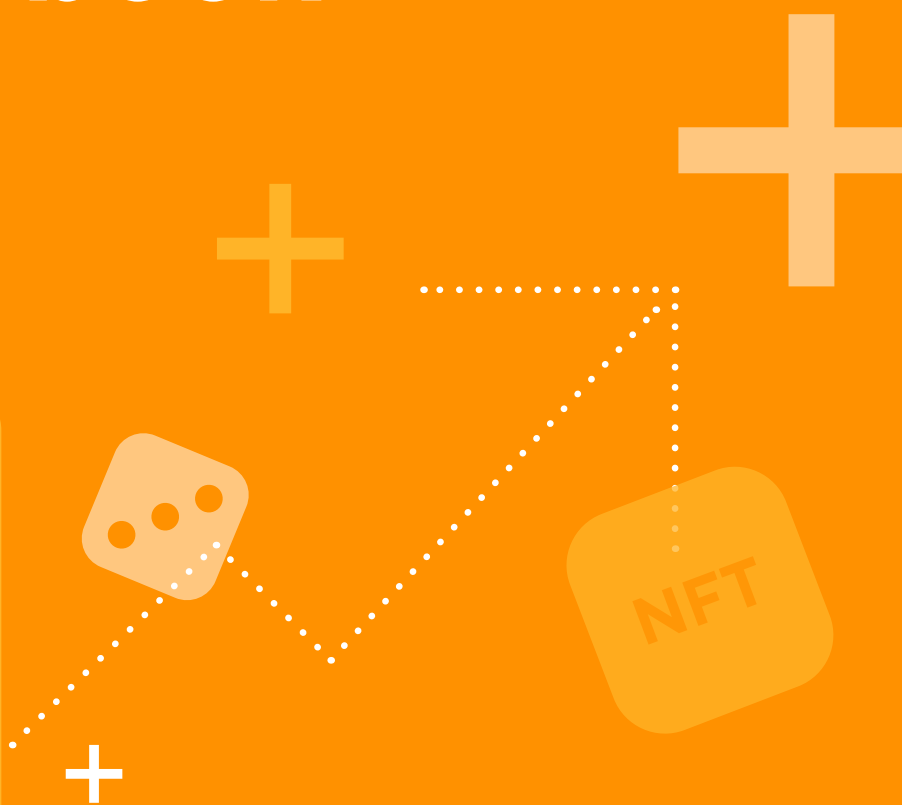
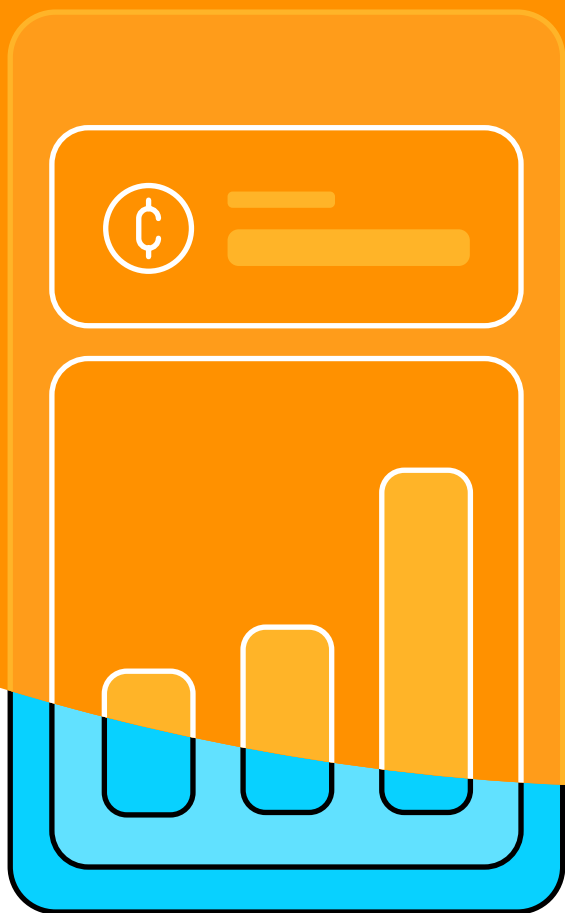


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Fintech deep dive: digital currencies 2022 playbook



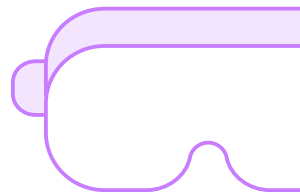
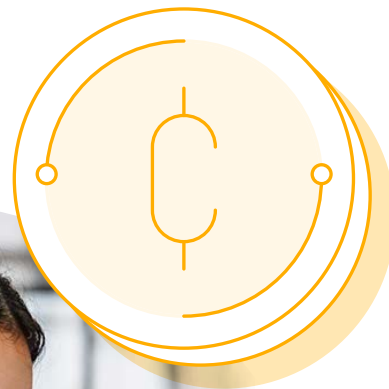
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Introduction

From Bitcoin, to NFTs, Web 3, and the Metaverse, crypto and digital assets became one of the hottest topics in tech in 2021. Crypto has seemingly taken the world by storm, with interest in the asset class generating a tidal wave of attention. Celebrities and business leaders such as Elon Musk and Jack Dorsey have publicly endorsed crypto assets, memecoins including Dogecoin and Shiba Inu have generated mass followings, NFTs have become a sensation, and crypto apps have become a major force in mobile marketing.

In this playbook, we take a look at the key drivers of crypto adoption in 2021, how crypto exchange apps have performed, and user engagement of crypto apps compared to stock trading apps. We provide actionable insights on how crypto apps can attract and retain high-LTV users and become the preferred gateway to digital assets on mobile.




“With such exponential growth and an exceptionally engaged user base offering high lifetime value, crypto mobile apps have become a key gateway for access to the crypto economy. As competition for users heats up, crypto and fintech apps will need to maximize their user acquisition efforts, optimize their ad spend, and accurately measure every stage of the user journey.”



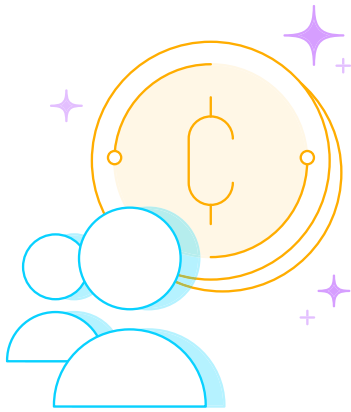
Simon "Bobby" Dussart,
CEO
ADJUST

“Our data shows a massive increase in demand for crypto wallets and exchanges over the past year. We expect to continue to see crypto apps rise in parallel with digital currency.”



Adam Blacker,
VP, Insights
 apptopia

Industry trends and drivers

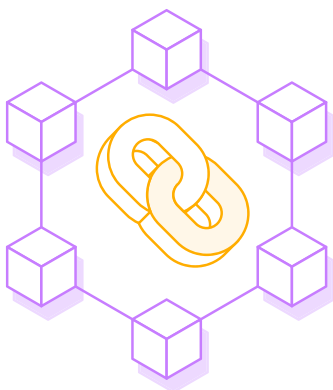
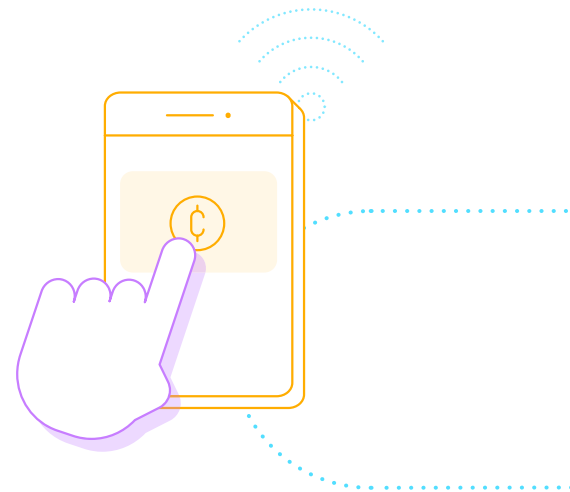


Bitcoin adoption

Cryptocurrency prices, media coverage, and user interest closely follow Bitcoin price performance, which continues to be the leading asset in the space. Adoption of Bitcoin as a reserve asset by public companies such as Microstrategy, Square, and Tesla, adoption of Bitcoin as a legal tender in El Salvador, and the introduction of traditional investment vehicles tracking Bitcoin all helped the cryptocurrency gain greater mainstream acceptance.

Stablecoins and payments

In emerging markets, using crypto for P2P payments is a major driver of cryptocurrency adoption, while in more mature markets, major fintech apps have added crypto payments. Stablecoins, cryptocurrencies linked to real-world assets such as the US Dollar, have driven greater payment utility and financial inclusion on mobile (and huge valuations for issuers such as Circle), while companies ranging from Meta to PayPal have explored introducing their own.

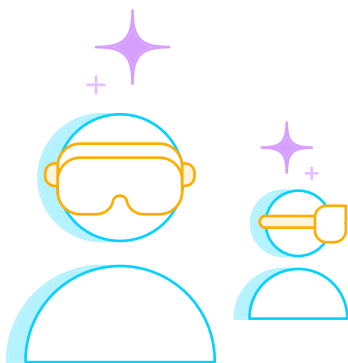
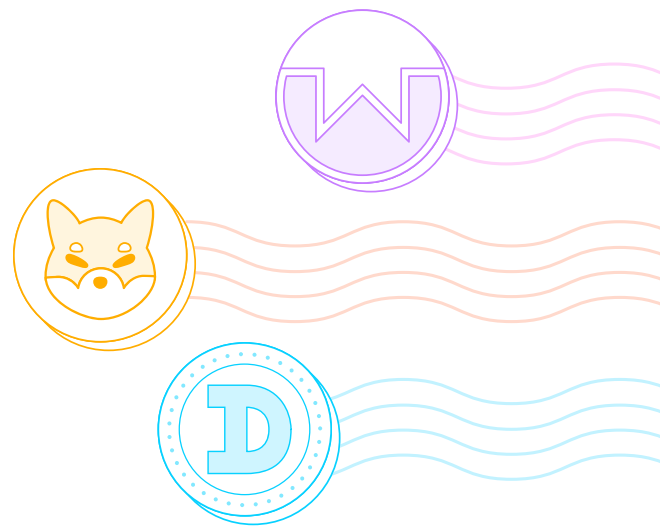


Decentralized finance

The invention of decentralized financial primitives such as lending and borrowing on the Ethereum blockchain, and the resulting increase in utility and spread to other Layer-1 blockchains, has led to major growth in both users and Total Value Locked (TVL) for these chains. Crypto apps providing the gateway to these assets, or creating their own financial services using digital assets, have seen the benefit of demand for these services.

Memecoins

While they lack technological utility, memecoins such as Dogecoin and Shiba Inu have developed passionate communities, and viral spread, going from internet in-jokes to a pop culture phenomenon and bringing in new users who want to speculate on these digital currencies.



NFTs, gaming, and the Metaverse

From celebrities sporting CryptoPunk and Bored Ape Yacht Club profile pics, to Beeple's \$69 million NFT sale by auction house Christie's, NFTs made a huge splash in 2021, inspiring a mass wave of attention and interest into digital assets and blockchains and helping to spawn a new technology trend and vision with the Metaverse.

THE DATA: KEY TAKEAWAYS

1 Crypto apps are seeing massive user growth.

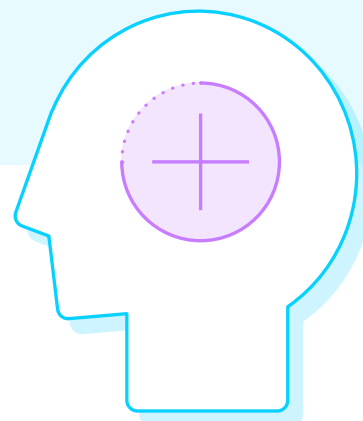
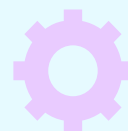
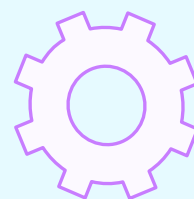
Adoption of crypto apps skyrocketed in 2021; compared to 2020, installs grew by over 400%, while sessions increased by over 567%.

2 Usage metrics loosely correlate with market performance.

Crypto install and session activity correlates somewhat with cryptocurrency market performance, with most metrics peaking in Q1 in 2021, rising again with prices in the fall, and slowing down at the end of the year. Despite the peaks, the year has seen steady growth for crypto apps in most metrics.

3 Crypto apps beat stock trading apps on user engagement.

We compared crypto apps to stock trading apps, which have very similar user experiences, functionality, and audiences. In 2021, crypto apps outperformed stock trading apps on user engagement metrics such as session lengths, sessions per user per day, retention rates, and stickiness, indicating an engaged and high-retention user base for crypto apps.



Methodology

ADJUST

Adjust dataset:

Based on a mix of Adjust's top 2,000 apps and the total data set of all apps tracked by the company between January 2019 and December 2021. For fintech and crypto specific apps, Adjust drew data from 192 and 22 apps, respectively.

apptopia

Apptopia dataset:

Apptopia's stated data is derived from the top 50 crypto apps per region as measured by estimated downloads during the 2021 calendar year. Crypto apps are defined as wallets and/or exchanges, but exclude longstanding apps originally known for other use cases, such as Cash App or PayPal.

"The crypto exchange app ecosystem underwent significant growth in 2021, as session lengths increased and more people turned to mobile as their gateway to digital assets. At CoinDCX, we were able to leverage this momentum and adapt to the shifts in user behavior and patterns by staying agile, and by experimenting with UA channels and strategies – which makes Adjust an essential part of our marketing tech stack."



Ramalingam Subramanian,
Head of Brand & Marketing
CoinDCX

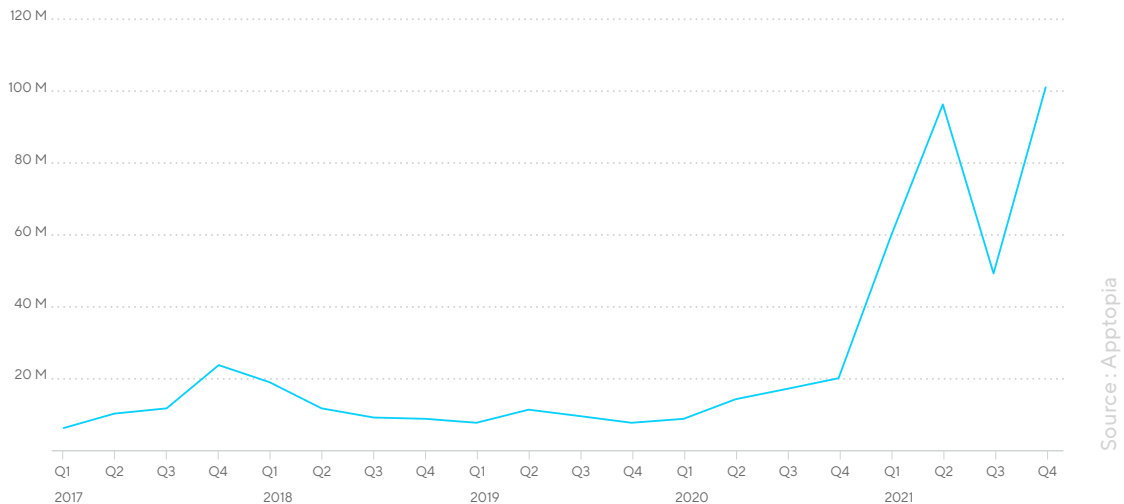
Crypto app performance: installs and sessions

Crypto app installs saw incredible growth in 2021. While they'd been relatively consistent since their previous peak in Q4 2017, growth began in 2020 before really taking off in Q1 2021. From 2019 to 2020, crypto apps saw a 64% increase in downloads, before undergoing a whopping 401% increase in 2021 compared to 2020.

Within 2021, a remarkable pattern played out. Apptopia estimated that downloads dropped 49% from Q2 to Q3, before seeing a 106% increase in Q4. These moves correlate with Bitcoin and overall crypto market price movements and market capitalization, indicating that new price highs attract new user interest. Bitcoin reached new all-time highs twice in 2021. The first boost took place in April at nearly \$64,000, followed by a decline over the summer and then a new peak of around \$69,000 in November – with increases in downloads reflecting these moves.

Global crypto app downloads 2017 - 2021

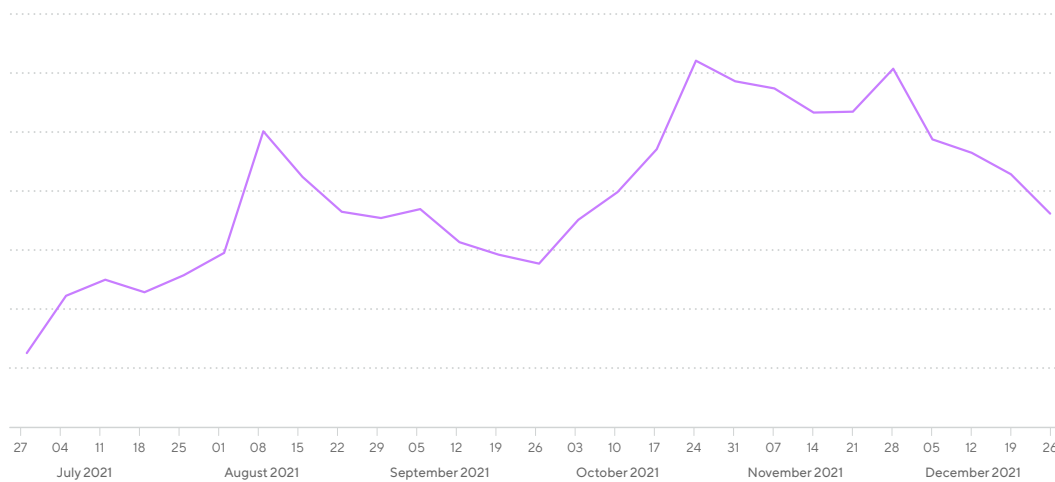
ADJUST x  apptopia



Taking a closer look: installs, H2 2021

Data from Adjust reflects the pattern shown above. If we take a closer look at Q3 and Q4 2021, we can see installs rose 304% between the end of June and the first week of August, declined by 45% at the end of September, before seeing a 24% boost and reaching a record in October and November – right as Bitcoin’s price saw its own new high.

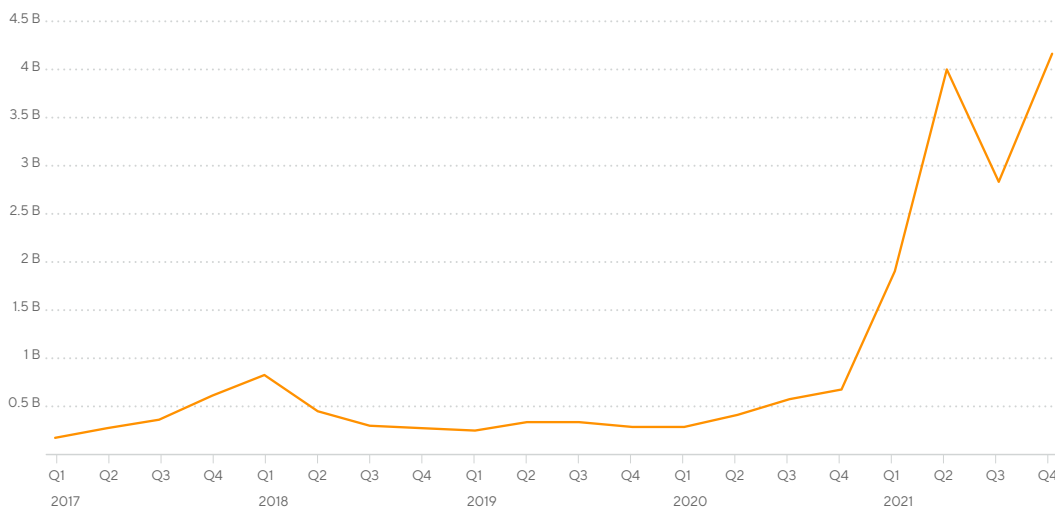
Global crypto app installs H2 2021



Crypto app sessions follow a very similar pattern to downloads. Sessions rose 63.4% from 2019 to 2020 (mirroring growth in installs), before seeing a stunning 567.4% growth in sessions in 2021. The trend within 2021 remained similar to installs yet more muted, with a 29% decline from Q2 to Q3, before a 46.81% rise in Q4.

Global crypto app sessions 2017 - 2021

ADJUST x  apptopia

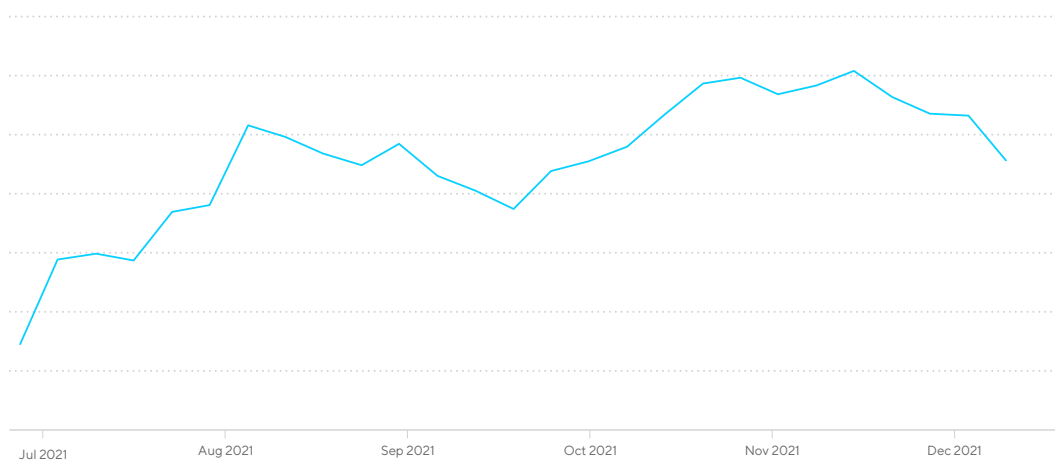


Source: Apptopia

Taking a closer look: sessions, H2 2021

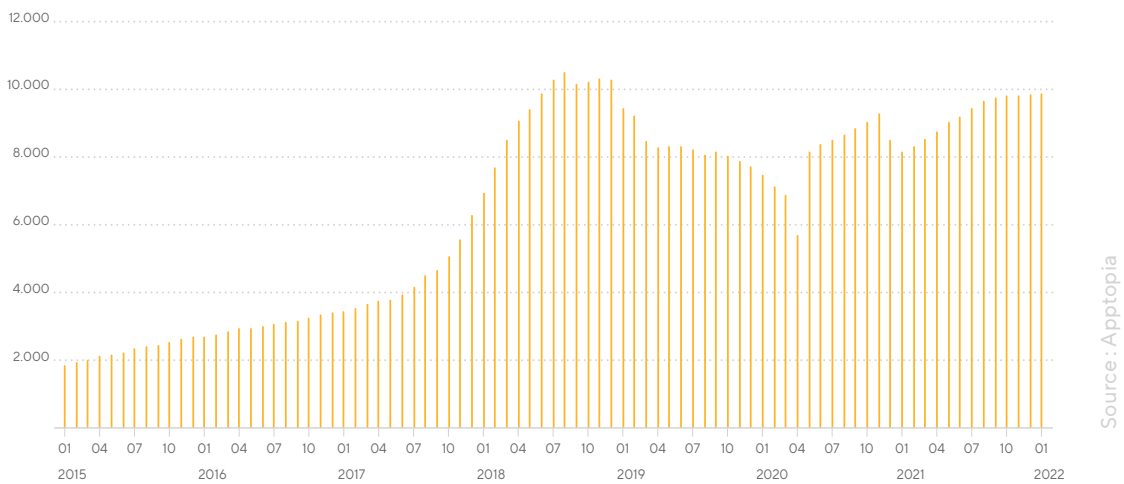
Data from Adjust shows the same pattern as Apptopia, but if we take a closer look, we see sessions rising in Q3 and Q4 at a more gradual rate, growing by 300% between the end of June and the last week of November, before beginning to decline again in December as crypto prices fell.

Global crypto app sessions H2 2021



Number of crypto apps in the App Store and Google Play 2015 - present

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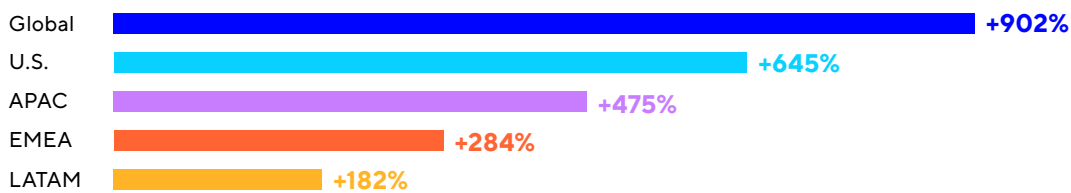


Source: Apptopia

We can see that the number of crypto apps rises dramatically in 2017 and 2018 (coinciding with the crypto bull run at that time), drops in 2019 and early 2020, and then begins rising again and is currently close to its previous high.

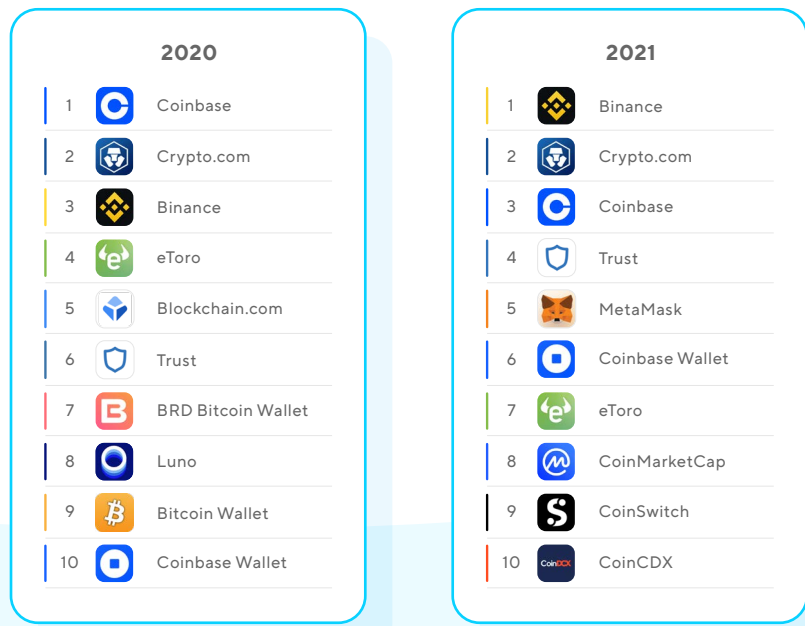
The previous high points in mid-2018 coincide with Apple [revising its guidelines for cryptocurrency apps in the App Store in June 2018](#), banning cryptocurrency mining on iOS devices, requiring crypto securities to be offered by registered financial institutions, and banning apps which reward user-completed tasks with cryptocurrencies. This also follows price trends, as January 2018 saw the high water of Bitcoin price and market capitalization until November 2020, with a steady decline in price throughout 2018 and 2019.

Crypto app growth by region, Q4 2021 year-over-year



~20% of Binance's downloads in 2021 came from Turkey, 9.3% came from the U.S

Source : Apptopia



“Adjust is a powerful weapon for daily performance monitoring and beating the competition in Japan’s crypto app market, where the competitive environment is becoming fierce due to the recent rise in the virtual currency market. We will continue to accelerate the use of data by Adjust to produce results in this rapidly changing market.”

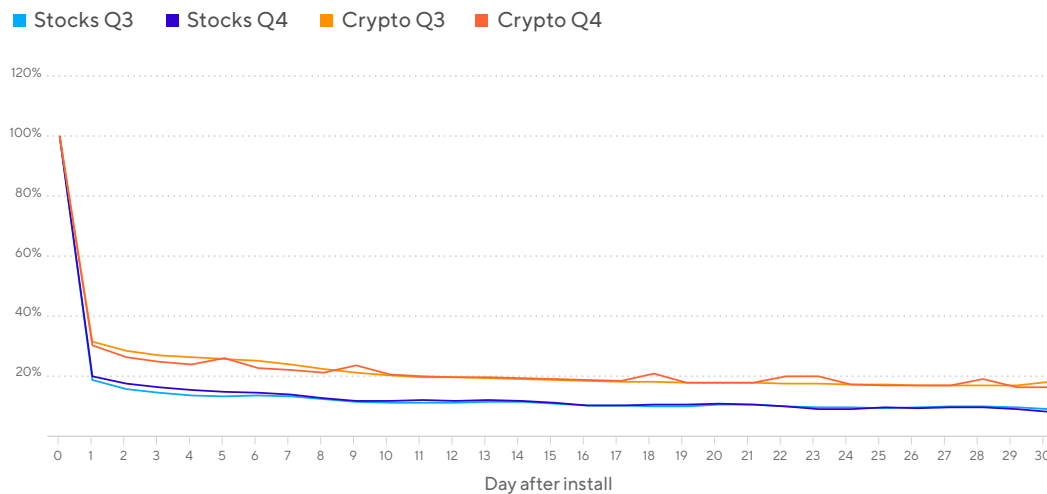


Shuhei Sawamura,
Exchange Business Promotion Group Leader



User engagement: crypto apps vs. stock trading apps in 2021

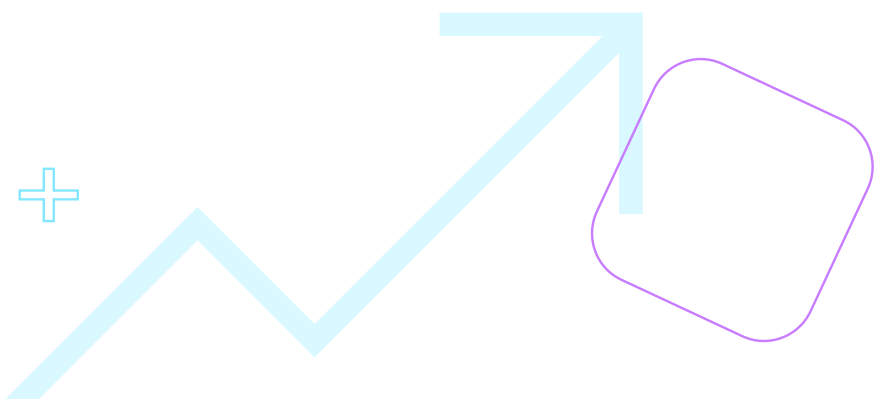
Retention rate stock trading vs. crypto apps H2 2021



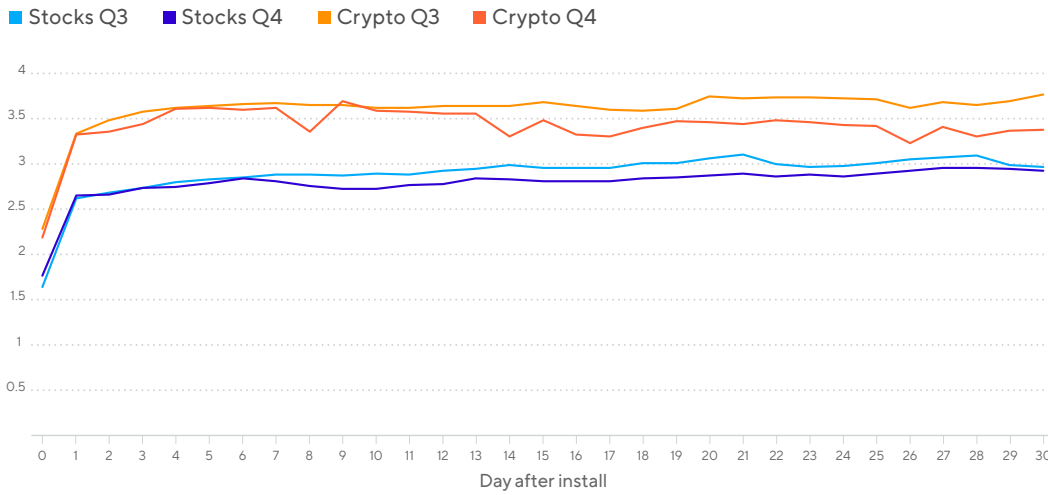
Retention rates for crypto apps remain steadily higher than stock trading apps in Q3 and Q4 of 2021. For example, crypto app retention sits at 32% on Day 1 in Q3 in 2021, while stock trading apps average at 19%.

Sessions per user per day

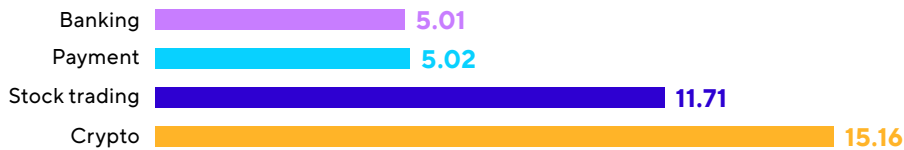
As with retention rates, crypto apps perform above stock trading apps in Q3 and Q4 2021 in terms of the number of sessions per user per day. In Q3, the median number of crypto app users bounced between 2.27 and 3.76, growing over 30 days; while for a stock trading app user, sessions per day range from 1.64 to a high of 3.08. In Q4, stock app sessions per user per day range between 1.76 and 2.94, while for crypto apps they sit between 2.17 and of 3.68, with every day past Day 0 3.3 or above.



Sessions per user per day stock trading vs. crypto apps H2 2021



Average session length in minutes

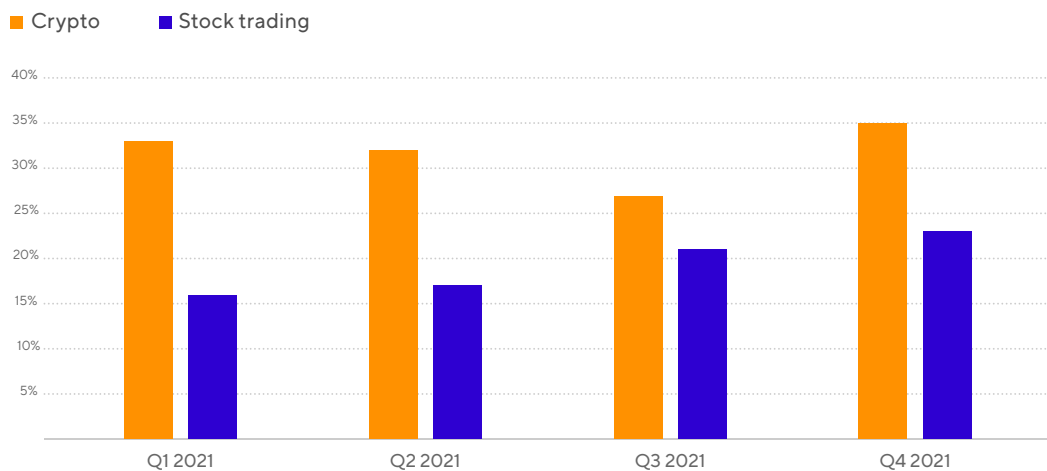


Stickiness

Crypto app users are also significantly stickier than their stock trading app counterparts. As shown on the chart below, the former outperformed the latter throughout 2021. Crypto stickiness reached its peak in Q4, with a ratio of 33%.



Stickiness stock trading vs. crypto apps 2021



How crypto apps can grow in 2022

With mass commercial attention and interest, and an engaged user base, crypto apps have a huge opportunity in 2022. However, they also face challenges, as competition and the battle for users increases. Marketers and developers who adopt a developed user acquisition (UA) strategy have the best chance to succeed, as this user base is proving to be exceptionally engaged, offering high LTV. This means it is likely worth going after high-cost users, as the chance to prove ROI is significantly above average. Here are some key ways crypto apps can grow in 2022.

Pay attention to advertising compliance requirements

After the 2017-2018 Bitcoin bull market, major advertising platforms cracked down on cryptocurrency ads. With scams very prevalent in the space in 2018, Google, Facebook, Twitter, and LinkedIn all banned cryptocurrency-related advertising. However, as the industry has matured, these restrictions have eased.

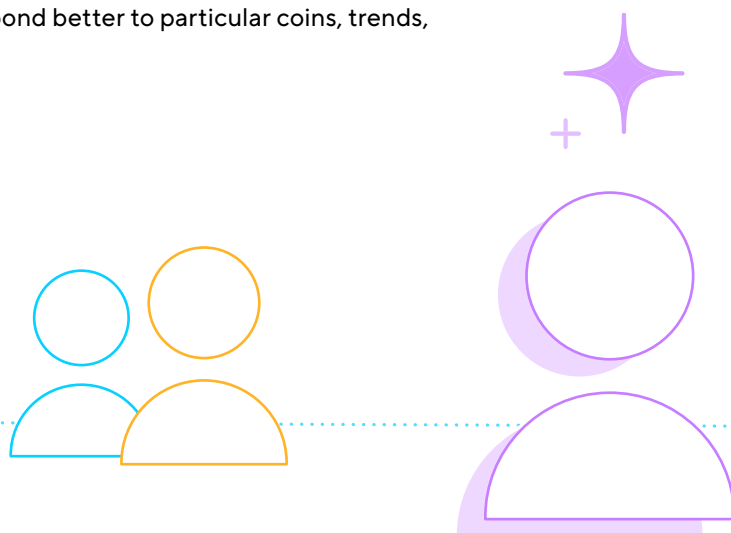
However, crypto ads may still be regulated on a jurisdictional basis. Since the beginning of 2022, [Spain](#), [the UK](#), and [Singapore](#) have all announced restrictions and crackdowns on cryptocurrency-related ads. While these restrictions are aimed mostly at misleading ads or ads directly advocating particular digital assets, crypto app marketers need to take special care to remain compliant and navigate guidelines on both a platform and jurisdictional level.



Experiment with creatives

As a novel and growing market, crypto apps offer new possibilities to users, and as a result, many brands are embracing a bold, brash, and confident image as harbingers of the future of finance. Major ad campaigns by crypto exchanges have been making a splash in the advertising world as well as popular culture, drawing attention to the space.

When running ads for your crypto app, be sure to iterate, A/B test, and focus on the best-performing creatives. Feel free to experiment with different creatives for different audiences. Money can be a sensitive topic and crypto is a new and complex space, and while some users may respond well to bold messaging, others may prefer a safer and more conservative tone. Newer audiences may need basic concepts explained, while more experienced crypto users may balk at overly simplified campaigns and respond better to particular coins, trends, or crypto-culture memes.



Don't be afraid to pursue new audiences

By gaining granular insight into your user sources with an MMP like Adjust, you can get a better understanding of where they spend their time in-app, and gain key data on where to focus your efforts. However, don't be afraid to try expanding to new audiences that may be interested in your services, but are still uncomfortable with digital currencies. Think about constructing audience segments outside of the fintech space. A good example is how large exchanges such as FTX and Crypto.com have made major investments in brand awareness by pursuing fans of professional sports, especially in the U.S.

Don't know where to start? Create lookalike audiences based on your high-LTV users. Expand from there with different tiers based on user cohorts. It's a good idea to periodically section your core audience into different lookalikes to discover new audiences to target.

Expand and optimize your channel portfolio

With ad networks open to crypto apps, crypto app marketers can expand their paid spend across channels to bring in new users curious about cryptocurrencies. By dialing in their reporting with an MMP, marketers can test their creatives and campaigns and optimize spend across channels to ensure they're maximizing ROI.

Referrals and incentivized campaigns are key

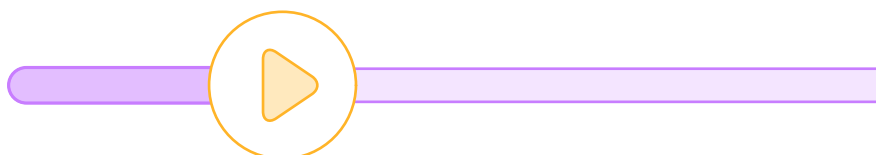
Due to the novel nature of cryptocurrencies, as well as partly due to past advertising restrictions, referral programs have long been essential marketing tools for crypto exchange apps. These programs reward the referrer when the referred user purchases cryptocurrency on the exchange, usually \$100. Incentivized campaigns offering users a sign-up bonus, such as a free \$10 in Bitcoin upon funding an account, are also a critical UA technique for driving first-time deposits (FTD) from new accounts. These incentives are an effective component in customer acquisition costs (CAC), as long as they are proportional to user LTV.

Referral and incentivized campaigns (including influencer marketing) require a sophisticated cross-channel [deep linking solution](#) that allows marketers to track deep links for existing users, defer deep links for new app users, conditionally redirect users to app stores, and more.

Consider video and OTT/CTV ads

The 2022 Super Bowl was dubbed by some as the 'Crypto Bowl' due to the ads from crypto exchanges such as Coinbase, FTX, eToro, and Crypto.com, which led to a [279% jump in downloads for the apps](#). Coinbase's viral ad – [which bounced](#) a QR code around on a black screen – led to the largest traffic increase ever to the exchange, crashing their website and leading to 309% week-over-week increase in downloads.

While the Super Bowl is a special advertising event, the success shows the potential of video ads and QR codes for crypto exchanges, which were [not among the major spenders](#) on OTT for the event. Adjust's [CTV Ad to Mobile Measurement](#) solution allows marketers to easily and comprehensively attribute ads on CTV and OTT devices and connect them to mobile app installs, impressions, and post-install events.



Enhance your onboarding flows and track post-install events

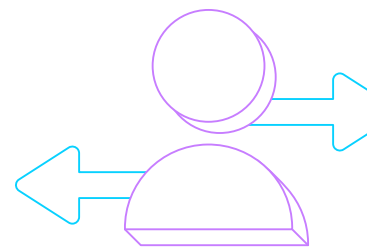
Like bank and fintech apps, crypto exchange and financial services apps must comply with the demands of know-your-customer (KYC) and anti-money laundering (AML) compliance, which invariably impact onboarding and customer journeys. While a UX best practice is to minimize obstacles during onboarding, these compliance requirements require verification of user identity before allowing them to perform transactions.

One strategy is to break up registration steps into small chunks, helping users to focus on one task at a time. Some apps, such as Binance, have broken up verification into multiple tiers with differing permissions. For small amounts and personal use, the first level of verification can be used, requiring their personal information, ID, and facial recognition, while for larger amounts or additional features, additional verification steps can be required. It's also a good idea to try sending traffic from new users to a landing page, instead of directly into a user flow requiring personal information

Build on user loyalty and retention

Trading apps naturally lend to habitual usage, as investors want to see the latest prices and how their portfolios are doing – which is confirmed in the high session and retention rates we reported. To become the crypto or finance platform of choice for users in the long term, apps need to continue to cultivate this user engagement through the ups and downs of market performance by adding utility for users (such as new features, network integrations, asset listings, or educational materials) and retargeting inactive users.

A robust measurement strategy is not only about improving ad spend, but gaining a better understanding of the user journey post-install, allowing for cohort creation and analysis, A/B testing, user engagement strategies, and more.





ABOUT APPTOPIA

Apptopia is the leader in real-time competitive intelligence. Brands and financial firms use our platform to generate insights across mobile apps and connected devices. Powered by machine learning technology, we collect and analyze billions of complex data points to surface critical business signals. Leading brands including Visa, Target, and Microsoft rely on Apptopia to better understand consumer behavior and intent across app-based devices to gain a competitive advantage. Financial analysts access our data analytics via the Bloomberg Terminal to generate revenue estimates, monitor consumer engagement across devices, and gain insight into competitive positioning.

www.apptopia.com



ADJUST

ABOUT ADJUST

Adjust is the mobile marketing analytics platform trusted by growth-driven marketers around the world, with solutions for measuring and optimizing campaigns and protecting user data. Adjust powers thousands of apps with built-in intelligence and automation, backed by responsive global customer support.

In 2021, Adjust was acquired by [AppLovin](#), a leading marketing software company providing developers with a powerful, integrated set of solutions to grow their mobile apps.

Learn more about Adjust at:

www.adjust.com

