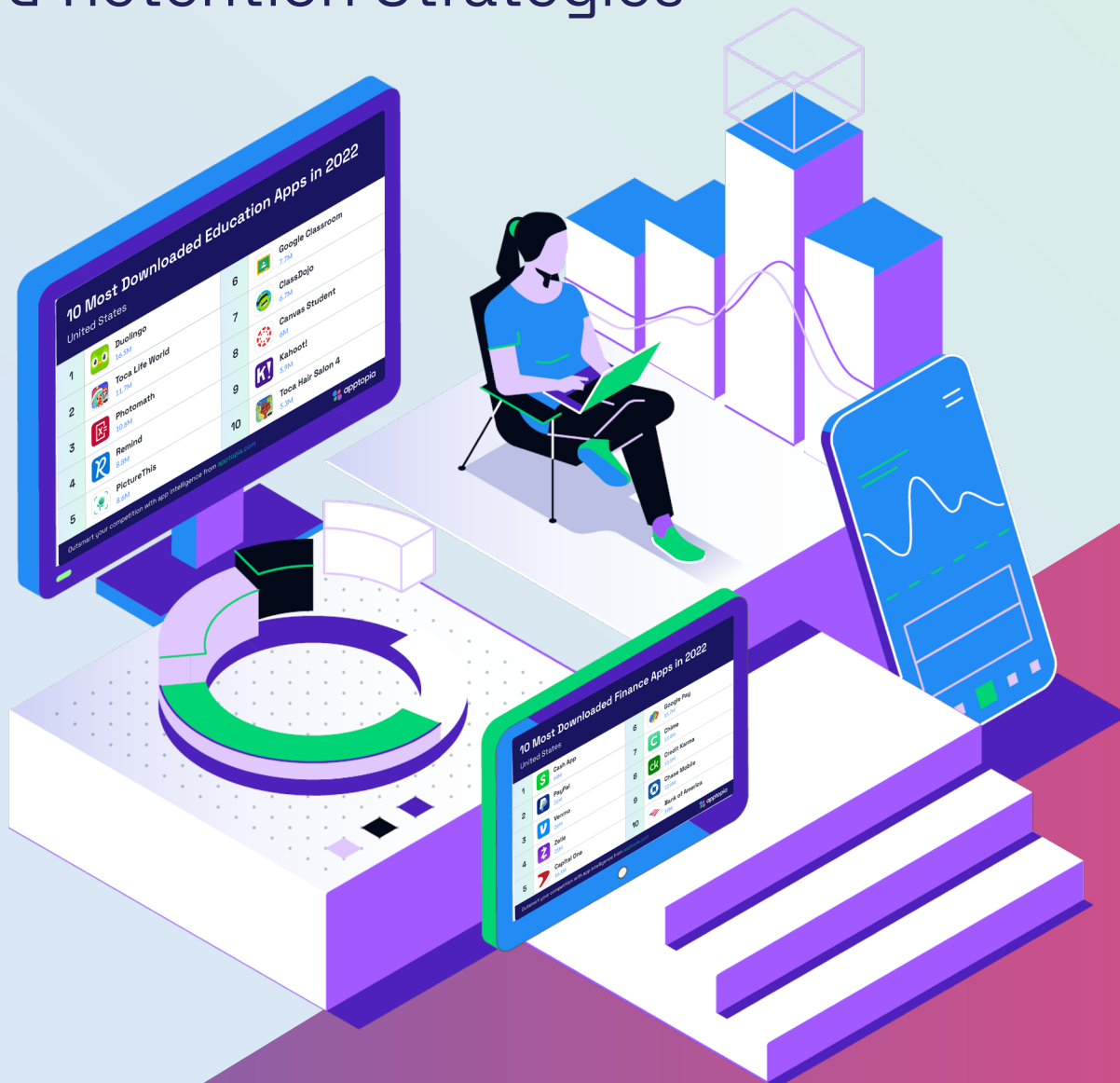




How App Download Leaders Are Winning

Acquisition, Engagement,
& Retention Strategies



What does it take to be a Download Leader?

Through case studies of actual campaigns, performance results, and competitive context, this report teaches 5 strategies used by the Download Leaders to acquire, engage, and retain users – and gain more market share.

What does it take to be a Download Leader? For six years, Apptopia has been releasing full-year scoreboards of user acquisition winners and observing the leaderboard changes.

For the first time, we distill for app marketers the growth, engagement, and retention strategies contributing to the 2022 U.S. Download Leaders' successes.

No matter your industry, you can learn from the data stories included. While they may have different value props, the mechanics and the way consumers behave are often very similar across mobile apps.

Our mission is to help you outsmart your competition. We believe it's not always the first movers that win but those that do it best. With that in mind, we invite you to read on to see what's driving results for the most in-demand apps of 2022.

Table of Contents

01	PLAYING OFFENSE WITH APP STORE SEARCH ADS	4
	<u>Home Depot's 100% Growth Over Lowe's</u>	5
	<u>Expedia Doubles Downloads in 2022, Leapfrogging the OTA Competition</u>	8
02	CURATING THE RIGHT AD NETWORK MIX	12
	<u>Temu Makes the Top 10 Most Downloaded Shopping Apps After September Launch</u>	13
03	ACQUIRING QUALITY USERS WITH LOYALTY & REWARDS PROGRAMS	16
	<u>IHG Leads the Top U.S. Hotel Apps in Engagement With Mobile Hospitality</u>	17
	<u>How Taco Bell Used Exclusivity to Increase Engagement 14%</u>	20
04	TEAMING UP WITH ANOTHER BRAND TO UNLOCK NEW FANS	24
	<u>#1 Education App Duolingo Dabbles in the Metaverse</u>	25
	<u>Merchant Partners Help Keep Cash App on Top in the Bear Market</u>	28
05	USHERING USERS INTO A CORE LOOP	31
	<u>Sweatcoin Adds Value to its Core Loop</u>	32
	<u>Klarna Reaches All-time-high Engagement With User Missions</u>	35

01 ACQUISITION

Playing Offense with App Store Search Ads

Over the last year, as Identifier for Advertisers (IDFA) privacy changes were realized, organic app store search became more competitive, driving apps that want to get ahead to play more aggressively in paid search.

This will only continue to escalate in 2023. Let's break down how to stay ahead of the game.

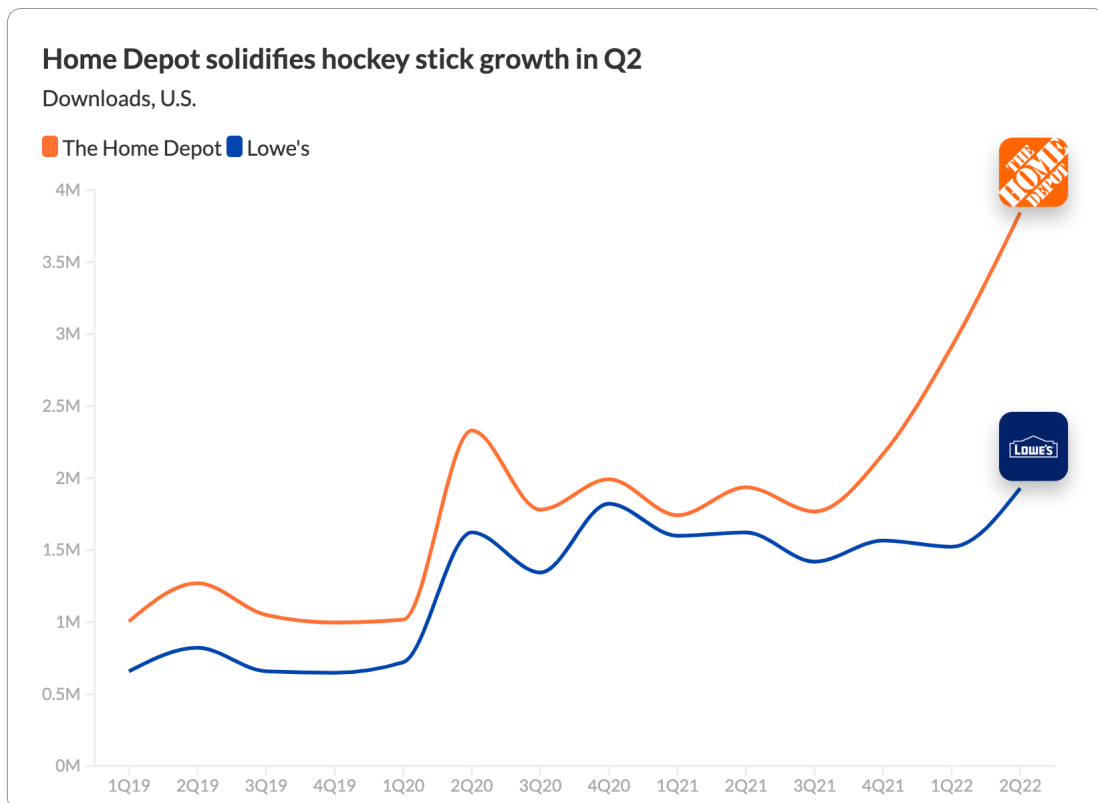
Home Depot's 100% growth over Lowe's

10 Most Downloaded Brick & Mortar Retail Apps in 2022 United States



In Q2 2022, **The Home Depot** caught our attention with hockey stick-shaped growth. The spike's shape was not the only impressive thing:

Compared to direct competitor **Lowe's**, The Home Depot gained **twice as many new installs** in the six-month period.



Throughout the first half of 2022, the two competitors' User Review Sentiment and app product features were nearly identical. Their Search Ads strategies was the noticeable difference:

The Home Depot bid on 200 App Store Search Ads, while Lowe's bid on 0.

The Home Depot vs Lowe's At H1 2022	
The Home Depot	Lowe's
User Sentiment Score	
82%	82%
App Features	
Buy Online, Pickup in Store	Buy Online, Pickup in Store
Augmented Reality	Augmented Reality
In-store Shopping Assistant	In-store Shopping Assistant
App Store Search Ads	
200	0

What can we learn?

Offense vs. Defense, and the cost of sitting on the bench

The majority of The Home Depot's Search Ads were on keywords that it did NOT rank for in the first 20 search results organically – which Apptopia defines as Playing Offense. When an app is Playing Defense, it is only paying for keywords that it does rank for in the top 20 search results.

i.e., the app's name and the app's name misspelled are standard organic ranking keywords. Lowe's had not been paying for either.

Playing Offense: Advertising on keywords that the app is NOT in the top 20 search results for.

Playing Defense: Advertising on keywords that the app is already in the top 20 search results for.

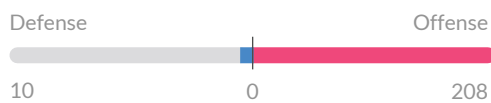
No single growth strategy is a silver bullet, but the opportunity cost to not Playing Defense is clear in the competitive intelligence:

During H1, The Home Depot, Overstock.com, Amazon, and Pier 1 Imports **split share of high-intent** searchers for Lowe's.

The opportunity for apps that have an ASO tool is clear too:

Newer apps can strategically gain share on branded keywords left up for grabs by better-known competitors. Two-year-old e-commerce startup Aosom started Playing Offense immediately and appears in search results for **Ace Hardware**.

AD STRATEGY



The Home Depot Paid App Store Search Strategy in Apptopia

Share of Voice among Top Advertisers, iOS

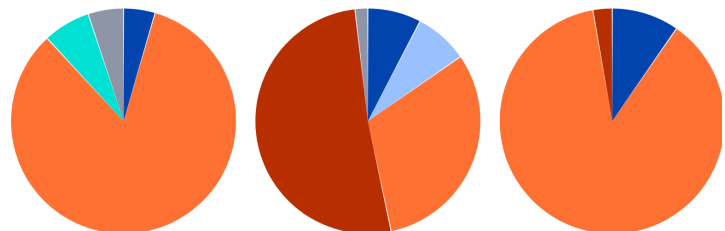
H1 2022

■ Amazon ■ Aosom ■ The Home Depot ■ Overstock ■ Pier 1 Imports ■ Other

"Lowe's"

"Ace Hardware"

"Menards"

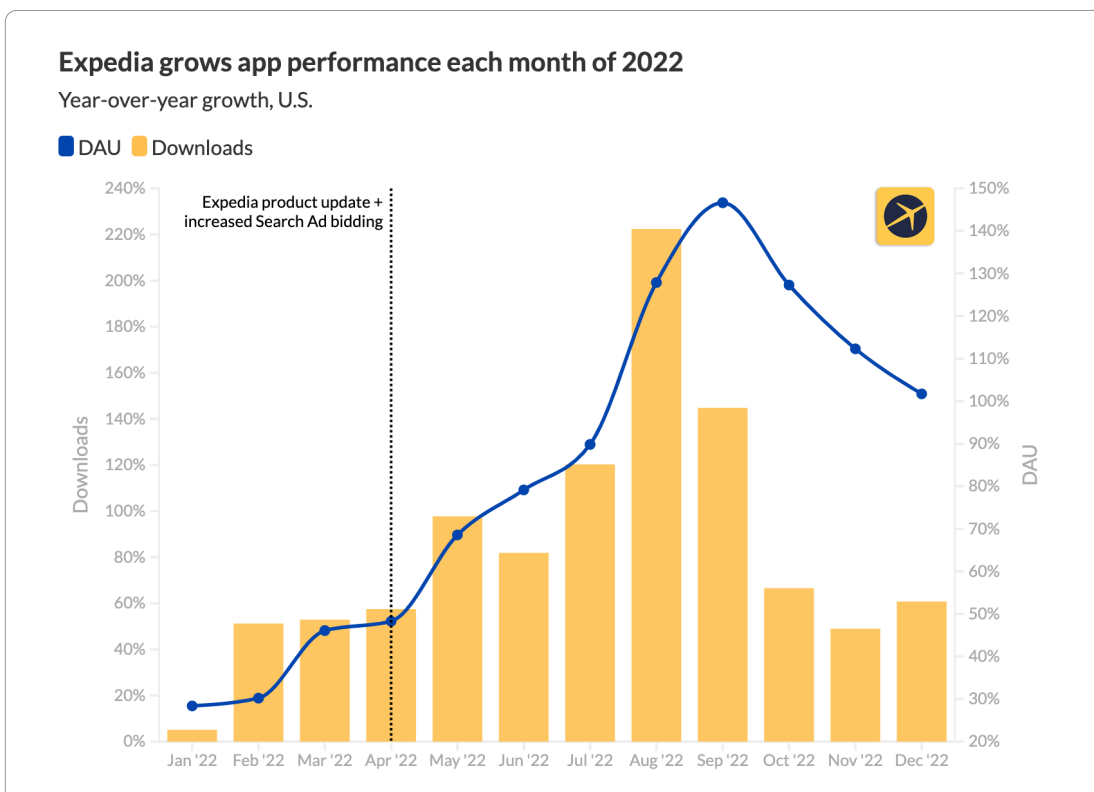


Expedia doubles downloads in 2022, leapfrogging the OTA competition

10 Most Downloaded Travel Apps in 2022 United States



Expedia grew 87% YoY in the U.S. in 2022 – more than any of the **10 Most Downloaded Travel Apps**. Alongside its UA growth, Expedia was **Playing Offense** on over 200 App Store Search Ads, which it increased to more than 250 in the second half of the year. As spend increased, growth and engagement improved as well.



Version Updates

Metadata changes

Version 22.17

Thanks for exploring the world with Expedia as your on-the-go travel companion! We're always working to improve the traveler experience. Here are some of our recent updates:

Price tracking, price prediction, and price alert notifications capabilities are now available to help you get the best deal on flights! Remove the guesswork out of booking your next trip. Our price prediction features will help you determine when to book to get the best fare. Turn on notifications to stay in the loop when prices change.

Virtual Agent will now enable travelers to change their hotel reservations. Travelers can update reservation dates, receive price details, change rooms, or cancel if needed.

Expedia also invested in product development in 2022, including a flight price prediction engine in April that was competitive to **Hopper's** signature offering. After the feature release in April, the two OTAs became more close competitors in product and marketing, as a Share of Voice battle played out in Search Ads between the two OTAs over the keywords "flights," "cheap flights," and related terms.



What can we learn?

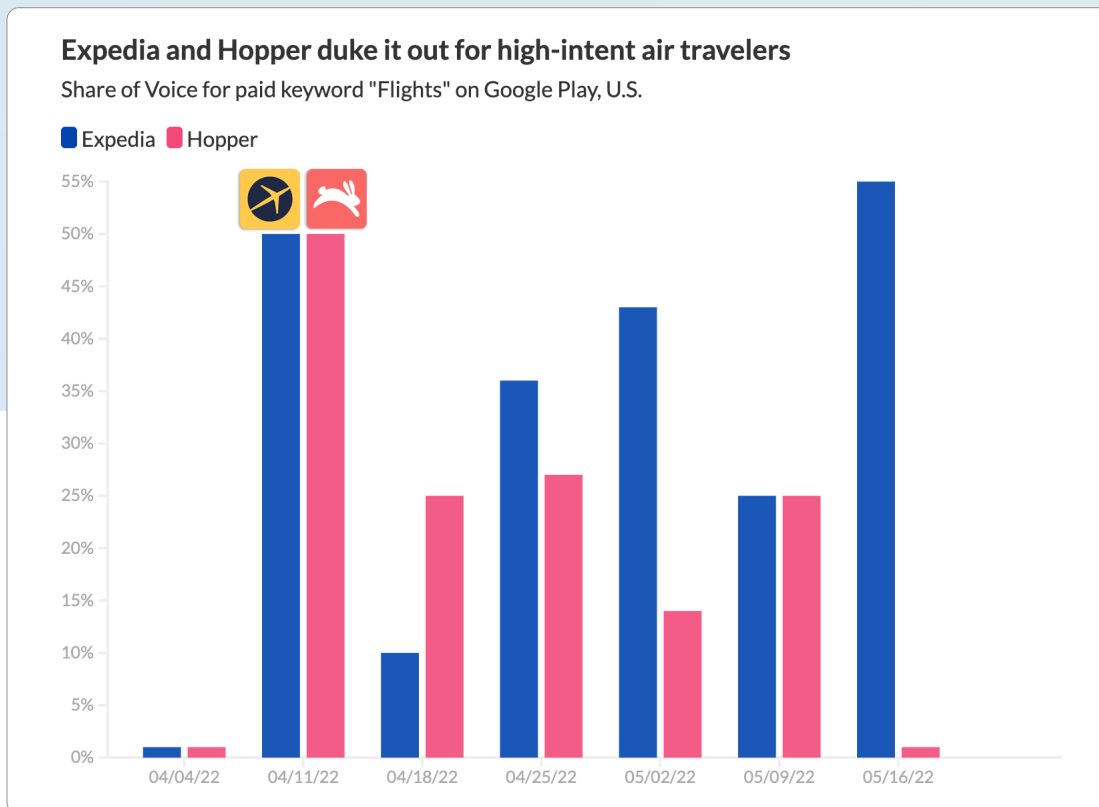
App Store Search Ads: Tracking your competitors is critical to efficient spend

Hopper initially gained share on the terms, and then pulled back, while still **Playing Offense**.

On our podcast, Somewhat Mobile, Head of UA at Hopper, Makoto Rehault-Kihara, speaks to **App Store Optimization's (ASO) inherent growth cap** at the bottom of the funnel and what he knows about his competitors' - including Expedia's - search spend. Unlike in the

case of The Home Depot and Lowe's, where one competitor was not spending at all, Hopper has competitors willing to outspend, which makes the marketing channel inefficient after a certain point.

Though Hopper's growth fell in 2022, it grew engagement by 14% YoY after a 141% increase in 2021. It will be interesting to see whether Expedia can follow suit in 2023!



Makoto Rheault-Kihara

Head of User Acquisition

HOPPER



“

[ASO] was a decent volume but it's capped out at this point because [Search Ads] is so brand keyword based.”

[LISTEN IN HERE →](#)

While Expedia is very search-based for its growth strategy, according to Rheault-Kihara, Hopper grows through Paid Social and Product Led Growth that focuses on building trust with the user over a longer life cycle.



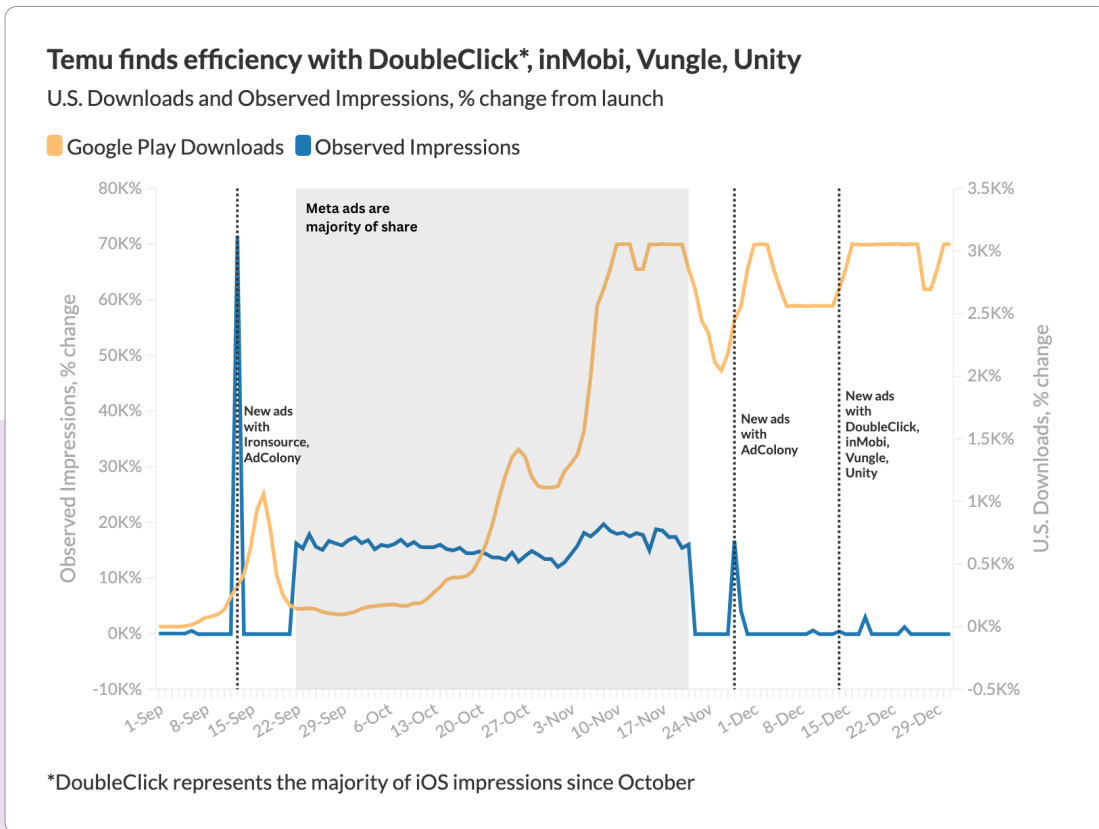
02 ACQUISITION

Curating the Right Ad Network Mix

The optimal **Ad Network mix** can serve up acquisition acceleration – and it's an ongoing experiment today. Apps with the bandwidth to do **Mixed Media Modeling (MMM)** are constantly introducing variability to **Ad Network mix, Ad Creative messaging, and Ad Formats**, among other variables, to measure ROI in this post-IDFA world. But the truth is all app marketers should be testing and iterating whether or not you can perform MMM.

Read on for experimentation insight on Temu and Fetch Rewards.

Temu makes the top 10 most downloaded shopping apps after September launch



Pinduoduo launched Temu, its U.S. eCommerce app, in September 2022. Despite not existing for 8 months of the year, it ended up as the **8th most downloaded Shopping app** in the U.S. at the end of 2022.

A secret to Temu’s UA success? Experimenting to find the right Ad Network mix.

Temu tested ROAS on Google Play from September and used it to inform spend on iOS and Google Play:

- › Temu tested Ironsource, AdColony, AppLovin, Unity, and Startapp in September on Google Play.
- › From October through November, Temu used Meta Ad Network for the majority of its Google Play advertisements.

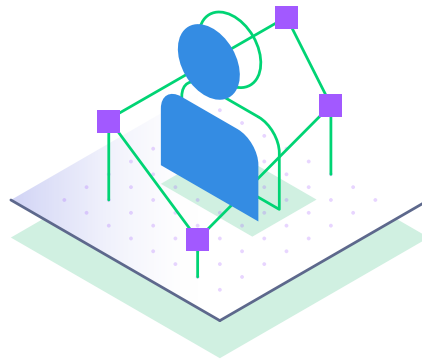
In November, Temu spent 28 days ranked in the top 10 Free Apps across both app stores – nearly half of those days at #1 – but optimization did not end there.

What can we learn?

Advertising is an art and a science

Late November, Temu ended ad campaigns through Meta Ad Network and started testing again with AdColony, DoubleClick, InMobi, Vungle, and Unity.

In early December, DoubleClick, InMobi, Vungle, and Unity ads garnered less impressions for the same lift in downloads, indicating ad spend efficiency/ROAS.



This case study is not to say that DoubleClick trumps Meta. With any mobile advertising effort, many variables impact an app's Ad Network choices, including but not limited to:

- › Ad Creatives (What are you saying?)
- › Ad Formats (How are you saying it?)
- › Ideal Customer Profile (Who are you saying it to?)
- › App Growth Stage (Who are YOU to them?)
- › Sales Funnel (How long after user acquisition do you make a sale?)



Birk Cooper

Chief of Marketing

FETCH REWARDS

“

Creative is one of the levers you can pull, but we recognize that **one creative might not work on one display partner, but could work on another.** We watch all of our go-to-market channels all the way down funnel, which ties in the creative. We don't look by creative all the way down funnel, but we do look by channel. By default, this lets us know what creative is working best to retain users.”

[BIRK COOPER ON SOMEWHAT MOBILE →](#)

03 ACTIVATION & ENGAGEMENT

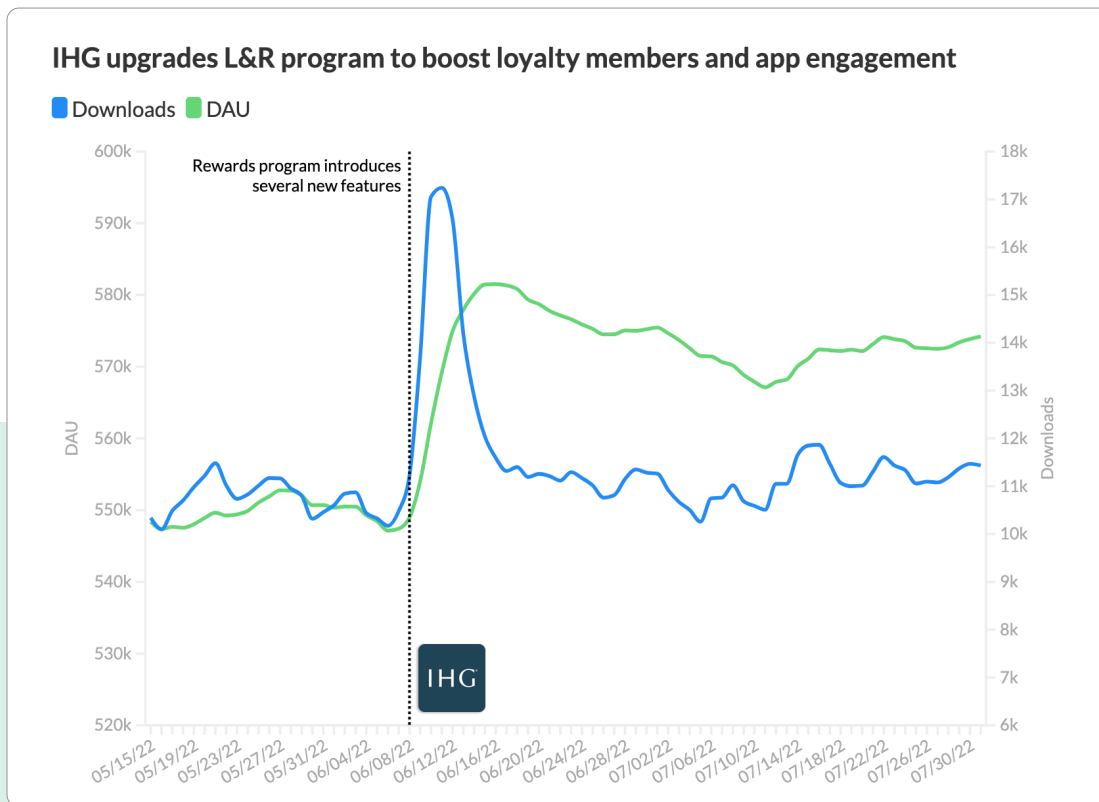
Acquiring Quality Users into Your Loyalty & Rewards Program

In the first half of 2022, the macroeconomic environment increased consumer interest in coupons. At the same time, the post-IDFA pinch on consumer data increased apps' desire for richer customer data.

Enter the Loyalty & Rewards program boom:

- Metadata updates including the word “rewards” increased 12% year-over-year in Q2 2022, more than any other quarter.
- Amid increasing competition, Loyalty & Rewards programs must have that sticky factor – or else those acquired members won't be loyal for long. This section will provide inspo for luring loyal users.

IHG leads the top U.S. Hotel apps in engagement with mobile hospitality



In June, IHG (International Hotels Group) updated its rewards program with the addition of several new features. The biggest change was providing members with input by letting them choose the rewards that matter most to them. This gives users a sense of control, leading to a better program experience.

The hotel chain also **gamified** the experience via an in-app rewards tracker to show how far members are from reaching another level in its newly introduced **tier-based membership** program. Another much-loved enhancement was reducing the number of points required to start earning rewards, engaging members earlier than it had previously.

There was an immediate burst of new installs, **growing 7%** month-over-month, **more than any other hotel chain in June.**

Daily active users of the app increased by about 5%, which held steady for months after the upgrade went into place. In May, Marriott Bonvoy had led the top 5 U.S. hotel apps in engagement, but from August through the end of the year, IHG held the top spot.

Sam's Club bakes loyalty into the bottom line via mobile app features. Listen to VP of Product Management, Vipul Govil, explain on [Somewhat Mobile](#).

What can we learn?

Earning an experience is a reward

The chance to get something first. The ability to provide input. A certain “status” with a brand. These **experiential rewards** create more of a relationship and less of a transaction with fans of a brand.

Experiential rewards evoke emotions. For example, gratification when qualifying for faster shipping, and pride when getting special treatment. The stickiest Loyalty & Rewards programs **require action by consumers in order to earn the reward**. Furthermore, these programs have the potential to **unlock unexpected consumer spending**, in the same way that airlines motivate rewards members to take an additional trip before the year's end to earn or maintain their flier status.

Consider what the norm is for your industry from the list below. For a travel app like IHG, **tier-based membership** is the norm, but to stand out, it chose to also leverage **Ownership/Input and Gamification**.

Experiential rewards done well on mobile

REWARD	APPLICATION	WHY IT WORKS
Gamification	Designing game-like mechanisms for user activity to accumulate points or value.	Motivates engagement via progress and/or competition.
Tier-based Membership	Members qualify for varying levels of rewards opportunities, based on quantity of loyalty points.	Motivates continued engagement via emotional perks, such as status, exclusivity, and comfort.
Ownership/ Input	Membership opportunity to personalize product/perks and/or vote on a company decision.	Increases depth and experience of, and attachment to, the brand, which motivate continued engagement.
Exclusivity	An experience or product only available to rewards members.	Makes users feel special. Can capitalize on 'fear of missing out.'



How Taco Bell used exclusivity to increase engagement 14%

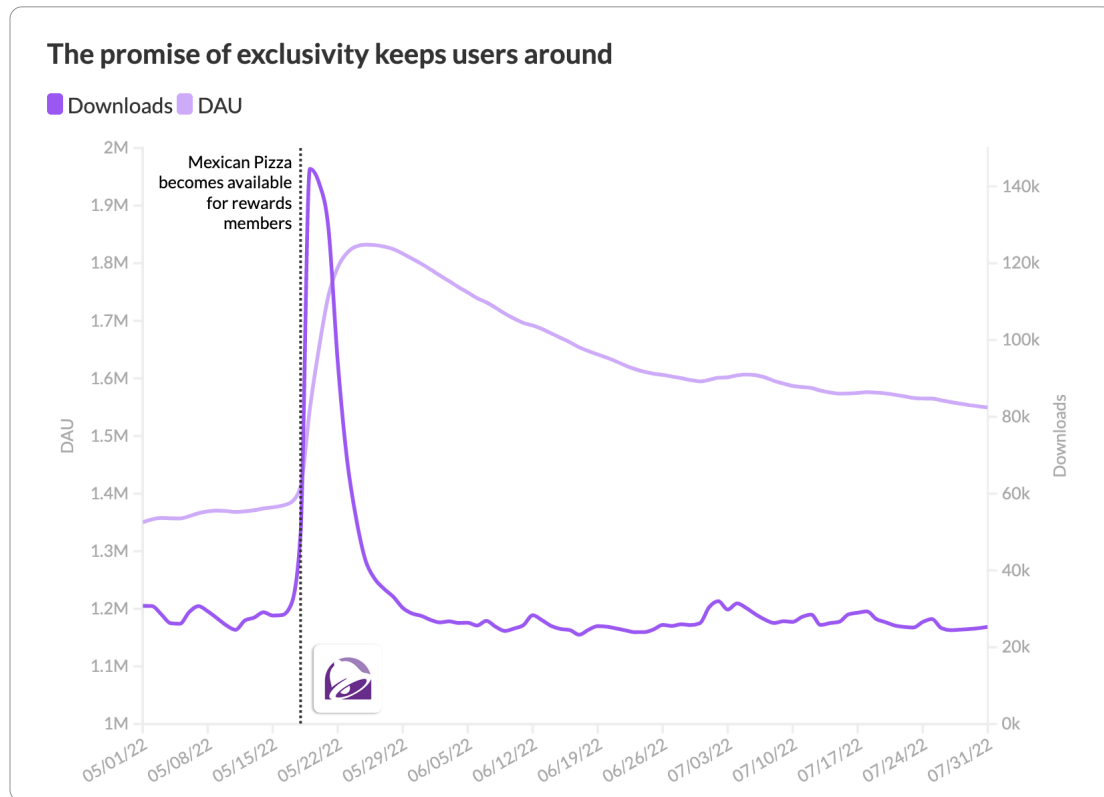
10 Most Downloaded Food & Drink Apps in 2022 United States

7



Taco Bell
10.4M

When **Taco Bell** launched the return of its beloved Mexican Pizza, it let rewards members access **the menu item two days before the general public**. Rather than give rewards members the Mexican Pizza for free, Taco Bell was offering **exclusive access as the reward**.



Downloads on the day of release were **424%** higher than the average of the past 30 days. This is in line with the results of a transactional reward – or free product – promotion, which we show on the next page. However, the difference is seen in the engagement. About 90 days later, **DAU was up 14% from pre-promotion levels.**

Positive reviews also increased by 70% in May, from April, as “Mexican Pizza” became the 4th most used keyword with a Positive Sentiment score attached.

5.0 ★★★★★

I really love how I get early perks. It's really user friendly and organized. The only thing I'd change is the ability to customize your drink (no ice, light ice or extra ice) so then I could get point for the drinks I order without ice over the speaker. The other side of that would be have a bar code linked to my account for speaker orders. Thanks for being back the Mexican Pizza! 😊

Language: English

Version: 7.42.0

Sentiment: Positive

Intent

Design

Feature Requests

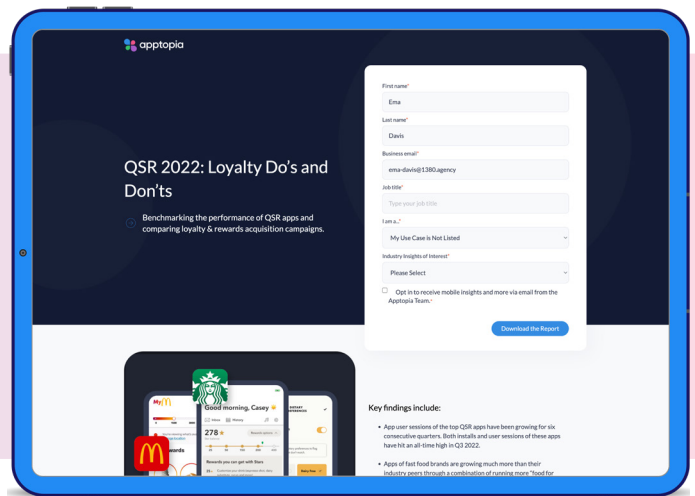
Login

Keywords

mexican pizza

Related research

QSR Loyalty Do's and Don'ts

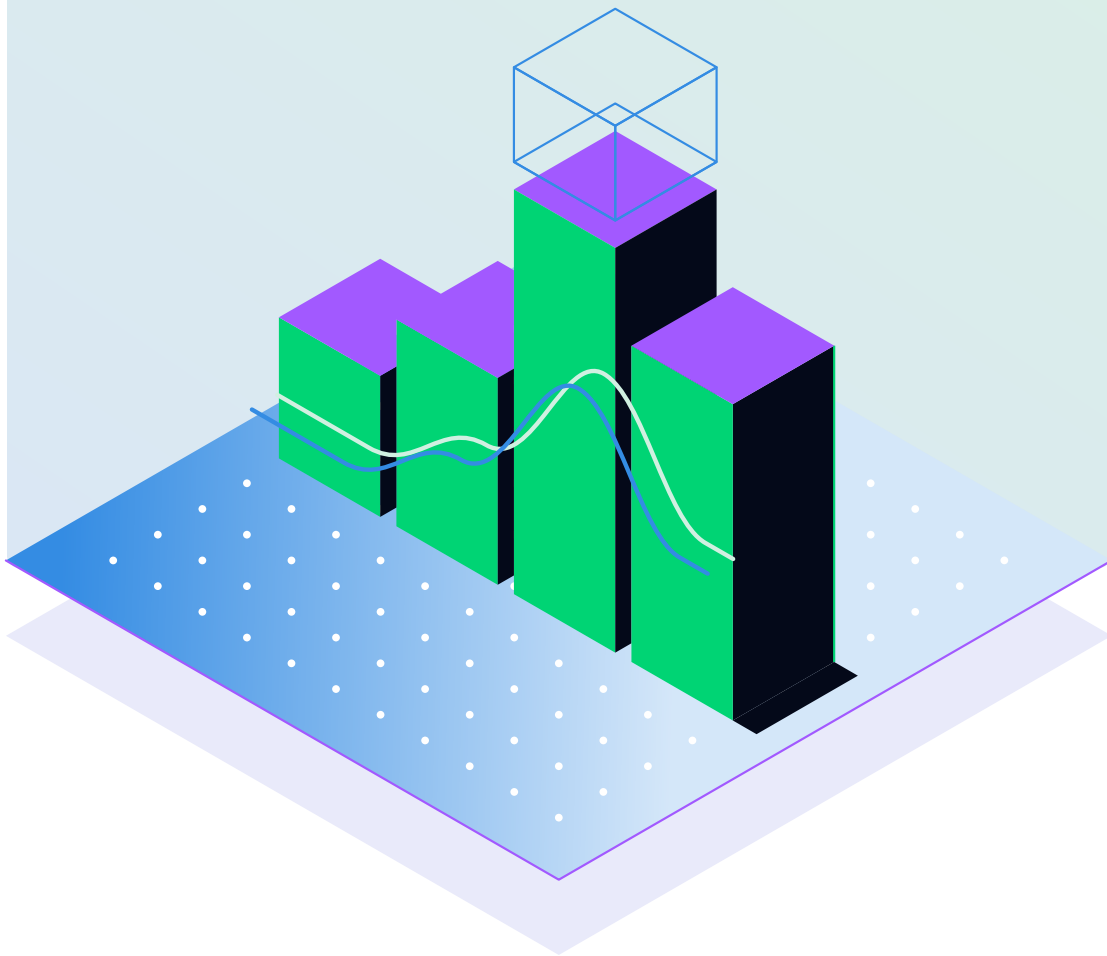


What can we learn?

Resist the temptation of quick-hit transactional rewards

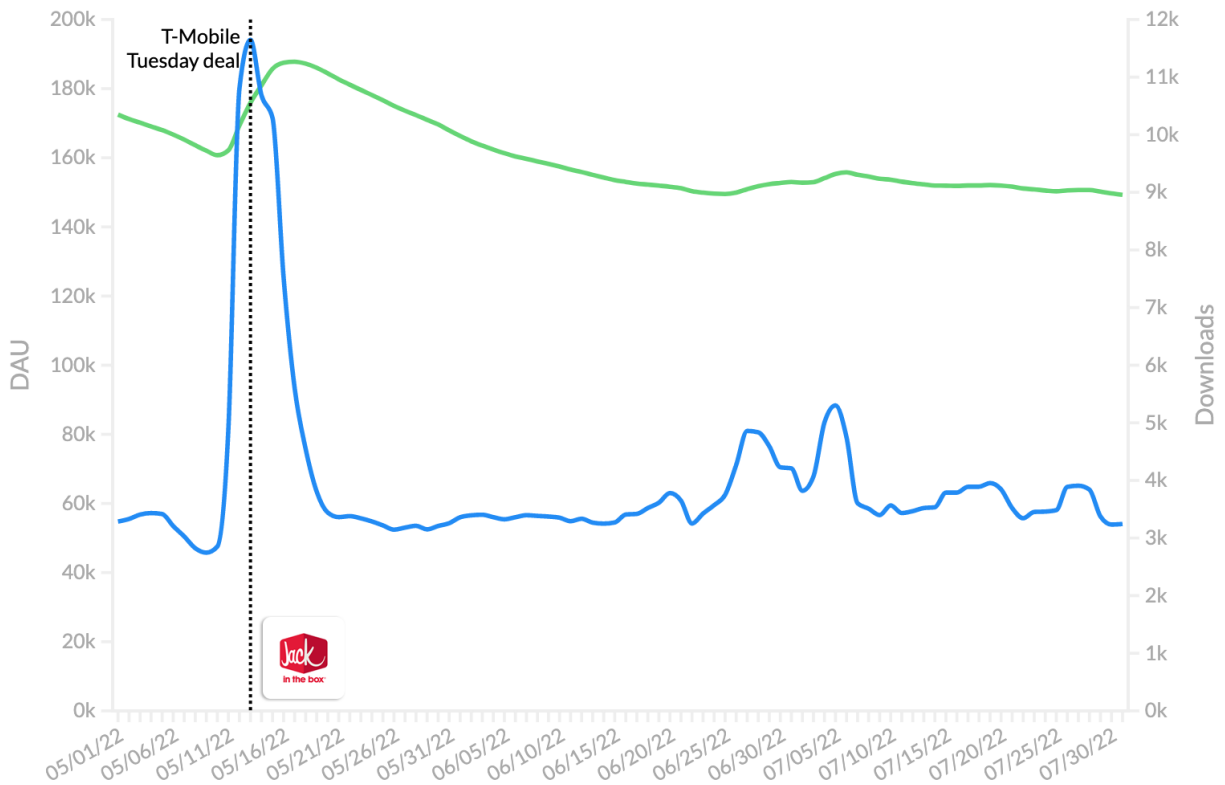
In 2022, **Moe's Mexican Grill** and **Jack in the Box** launched transactional rewards campaigns with T-Mobile. T-Mobile users were pushed the promotion, which required downloading each QSR's respective app to redeem. Daily average downloads increased by 433% and 280%, respectively.

However, those users did not stick around. Jack in the Box ended up with **fewer daily active users after the campaign** than it did before launching it.



Short term rewards mean short term user gains

■ Jack in the Box Downloads ■ Jack in the Box DAUs



While the easiest way to juice downloads of any app is to offer free or discounted product, the performance from such campaigns indicate that the consumer experience with transactional rewards are just that - transactional. No emotion invested, which leaves no guarantee that the redeemer of the freebie or discount is coming back when your product or service is full price.

In today's competitive environment when your competitors are running similar promotions, your 'loyal' customers could very well be going door-to-door for discounts.

04 ACTIVATION & ENGAGEMENT

Teaming Up with Another Brand to Unlock New Fans:

Teaming up with a non-competitive brand is a smart way to introduce yourself to a new, likely high-quality, audience via a brand they already know and trust. For example, a high-end coffee chain partnering with an airline could be a big win. Inflation has hit consumers hard, so they are likely to pull back on items that are not a necessity, like their daily cappuccino. However, with travel in high demand (it's the fastest-growing app store category by downloads, growing 27% YoY), consumers can better rationalize their coffee spend because they're banking airline miles and coffee chain loyalty points).

Read on to see real examples of how top apps leveraged partnerships to activate new audiences in 2022.

#1 Education app Duolingo dabbles in the metaverse

10 Most Downloaded Education Apps in 2022 United States

1



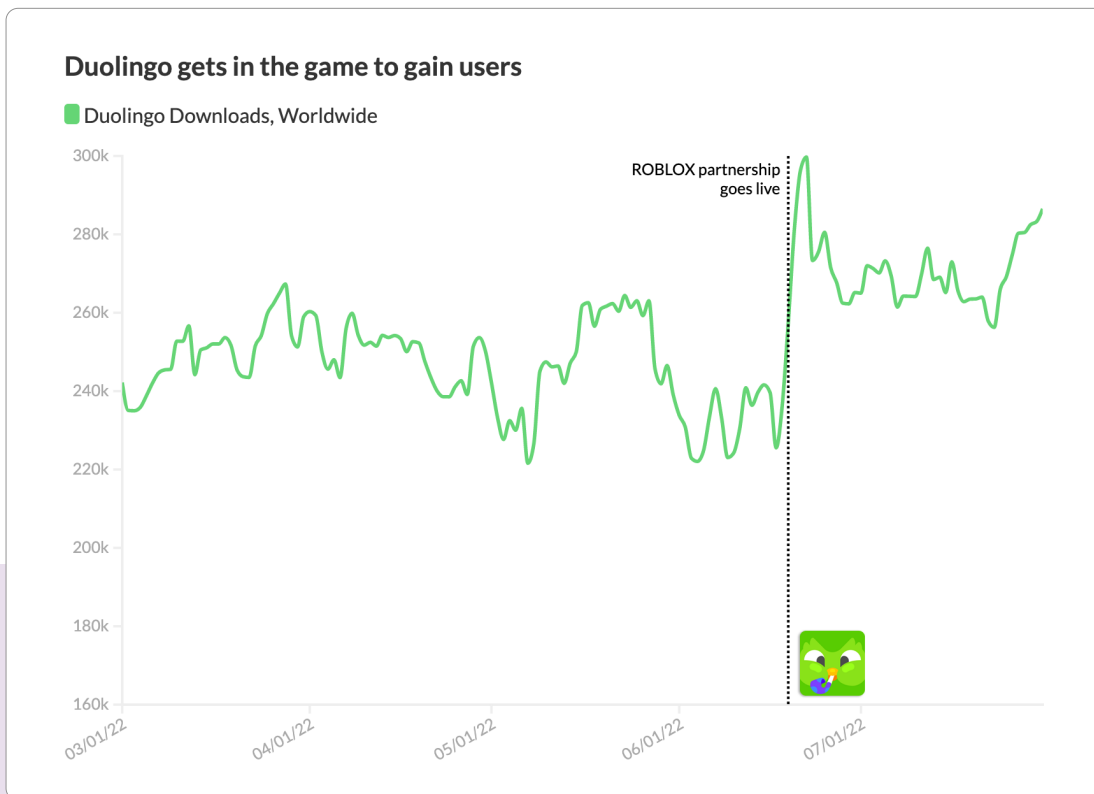
Duolingo
16.5M

Language learning app **Duolingo** was the most downloaded Education app in 2022 and has been in the top five for the past five years. The app has grown its DAU by 200% over the past five years, in no small part due to its **gamification** tactics of using points, streaks, and achievements to motivate users.

In 2022, **Roblox** players organically began creating Duolingo-themed games and avatars within the app. Wisely, Duolingo capitalized on the idea, launching a “game jam” where players could submit their games to be featured in its virtual Roblox space. Any currency earned in-game could be used to buy virtual Duolingo branded merchandise like backpacks or hats.

Maura Welch, VP of Marketing at Together Labs, breaks down the opportunity for brands in metaverse platforms on [Somewhat Mobile](#).





Average daily downloads increased by 18% the following week. One month later, Daily Active Users were up 5% from before the partnership.

What can we learn?

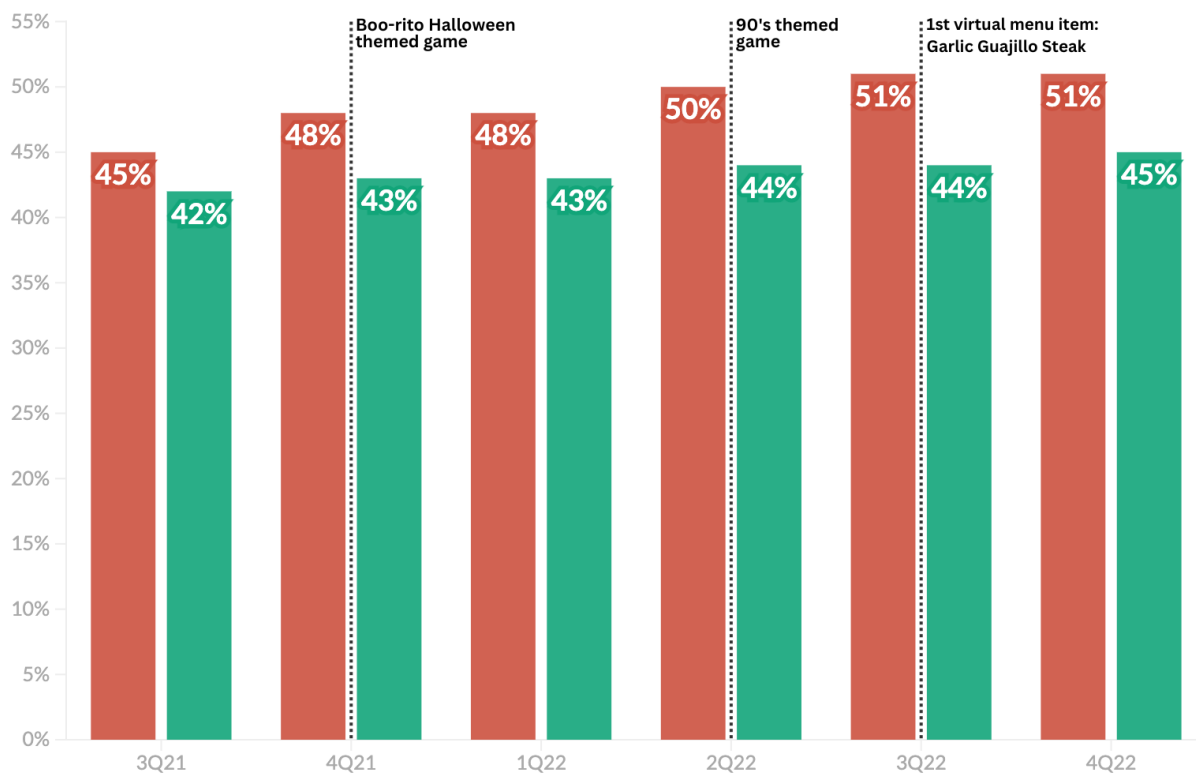
Games help provide interactive experiences for brands

Playing video games over the past decade has evolved from something that “gamers” do to something that almost everyone enjoys. Roblox, in particular, is popular with the youngest digital natives and has become a popular entry point for brands to meet the younger generation in the metaverse. It may seem counterintuitive to send users to another platform; however, the savviest initiatives are designed to get players to boomerang back to the app and physical store.

Chipotle jumped into the metaverse via Roblox, creating a virtual restaurant and themed game for its 2021 “Boorito” promotion, which resulted in 79% more downloads than the promotion the year before without Roblox. Since then, it has stayed consistent in the effort, launching another themed game in the spring and, this month, being the first to launch a menu item in the metaverse – the guajillo steak. The innovation and partnership are paying off: Chipotle will have the highest Engagement (DAU/MAU) for three consecutive quarters.

Chipotle's Roblox games correlate with Mobile Engagement gain

■ Chipotle Engagement ■ Average Engagement of Top 5 Most Downloaded QSRs



Merchant partners help keep Cash App on top in the bear market

10 Most Downloaded Apps in 2022 United States

4



Cash App
66M

In a year when consumer stock and crypto trading interest fell off a cliff, **Cash App** made gains from merchant partnerships. The well-rounded fintech app had existing relationships with QSRs and retailers to increase merchant adoption of Cash App Pay. However, Cash App appears to have wanted a more direct appeal to customers of these select brands. In 2022, it ran 'Cash-Back-Through-Cash-App' promotions with **Chipotle** multiple times, as well as **Shake Shack** and **Auntie Annie's**.

Cash App's highest month-over-month growth rates correlate with the months it ran these merchant partnerships, indicating user acquisition success.



Partnering with QSR brands was a savvy pivot on Cash App's part:

The **same economic conditions that froze retail investing ignited consumer interest in dining at QSRs**. In July, the top 36 QSR apps in the U.S. grew 42% year-over-year, as combined downloads for the group reached a new record.



What can we learn?

Partner with brands that have fans

The only merchant that Cash App worked with repeatedly was Chipotle, a QSR with impressive fandom. When evaluating partnerships, consider whether the brand has an **audience** or a **fanbase**.

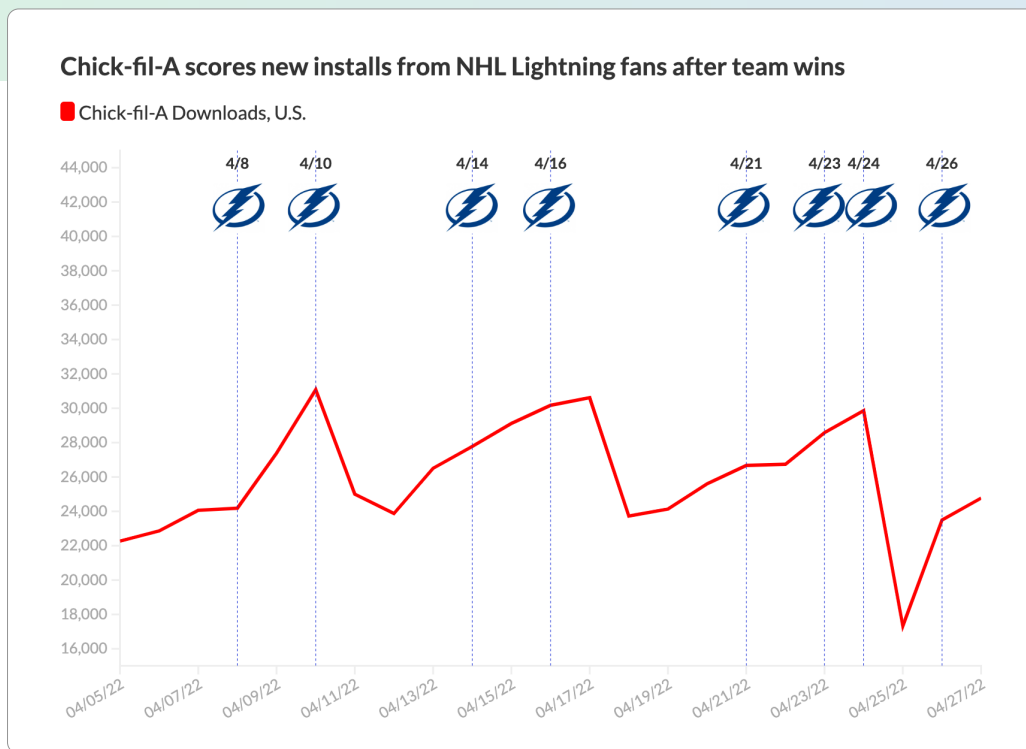
Audience

An example of a partnership with an audience is found in the [Loyalty & Rewards section](#), where we show Moe's Southwest Grill and Jack in the Box partnering with T-Mobile to offer rewards through each respective app. This was a strategic play to get in front of a large audience (the T-Mobile Tuesday app has 28% more lifetime downloads than Chipotle, to compare with Cash App's choice). But the partnership did not produce longer-term engagement with the T-Mobile Tuesday audience for either app.

Fanbase

Chick-fil-A has partnered with a handful of local sports teams across different markets throughout 2022. It engaged select sports team fans to be their fans by giving away free chicken sandwiches *if that team won the game*. Of course, the other requirement is that fans had the Chick-fil-A app downloaded to their phone with location services turned on.

Most of the advertising for the promotion was done offline in the arena or stadium – which limited the audience – but hyped up the engagement. Chick-fil-A has improved its engagement rate quarter-over-quarter in 2022.



Learn more about offline partnerships In our [BRAG Index](#)

05 RETENTION

Ushering Users into a Core Loop

A core game loop is a series of actions in an app that organically follow one another. These are the actions you want app users to take and repeat over and over again. They should be simple, intuitive, and gratifying to complete. This is the foundation of app engagement and, most importantly, retention.

Ahead you'll see how you might create or enhance a core loop to keep users coming back to your app.



Sweatcoin adds value to its core loop

10 Most Downloaded Health & Fitness Apps in 2022 United States

2

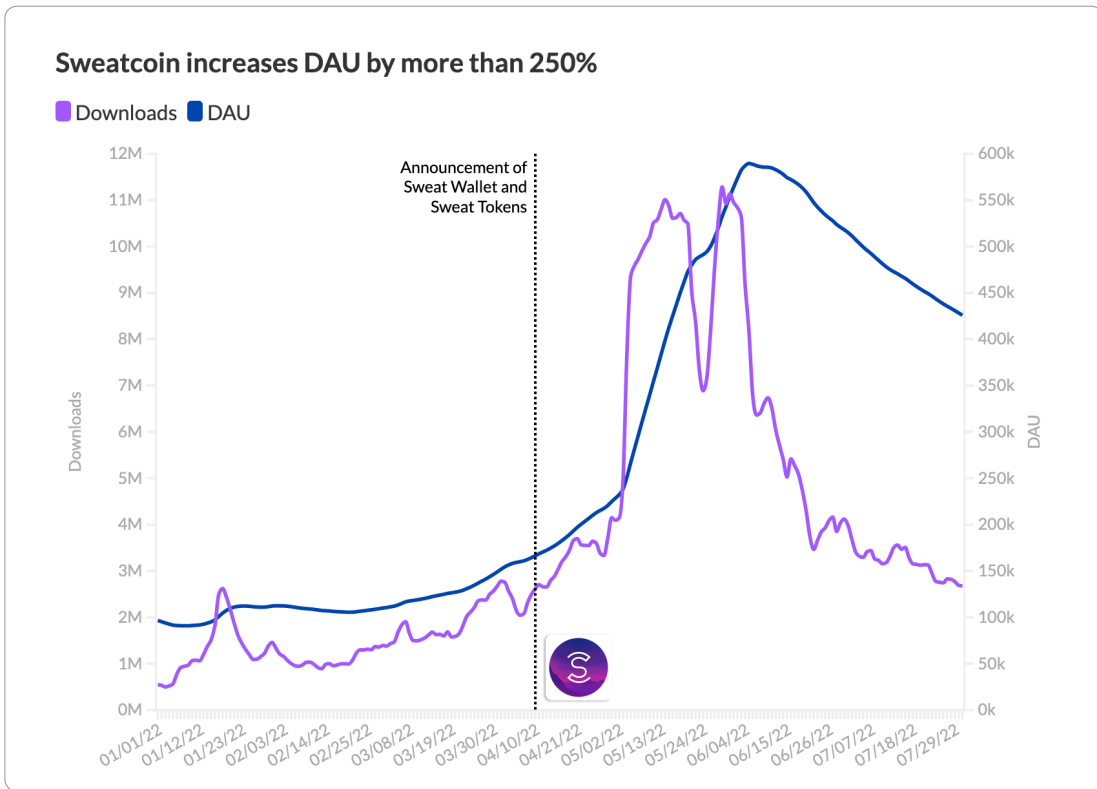


Sweatcoin
8.8M

Sweatcoin's gamified experience stems from its engagement loop, where users earn its brand currency (sweatcoins) by using the app (exercising). Users then redeem currency for prizes on Sweatcoin's marketplace.

In April 2022, Sweatcoin announced its brand currency would be minted as a cryptocurrency. Now, users are given a Sweat Wallet that generates fees by enabling a suite of decentralized finance functions, such as the exchange of Sweat tokens into other crypto, liquidity provision, and staking. Sweat tokens become harder to mint over time, rewarding early adopters with greater value obtained.





As a result of the innovation into its core loop, Sweatcoin increased its DAU by more than 250% after adding 22 million new app users within the first two months of the announcement.

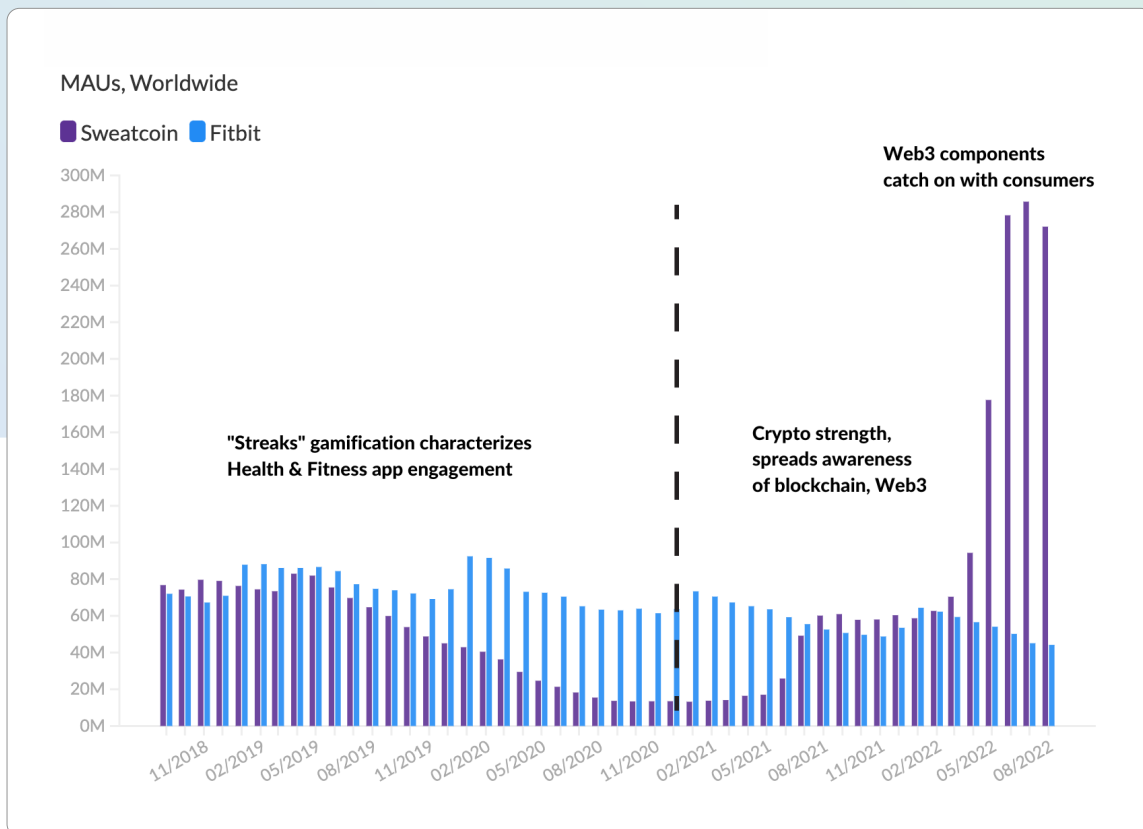


What can we learn?

Core loop brings people on the product roadmap

While our first [Brand Relative App Growth Index](#) with Digital Turbine found that most people had not heard of Sweatcoin in 2022, it had been a top-ranking app in the app stores in 2017 and 2018. However, Sweatcoin's product roadmap walked toward the budding web3/crypto space. Sweatcoin wisely built its product experience to take users on a journey into the new era. It did this by making simple choices like naming its brand currency a 'coin' and holding auctions in its marketplace of goods (which is how NFT purchases with bitcoin work).

Of course, Sweatcoin benefitted from the crypto, NFTs, and Web3 hype in 2022, which helped its product resonate and get people excited. In fact, during this time, **Fitbit's** growth waned, presenting a question about whether "streaks" alone can motivate users through a core loop, or if consumers have grown too accustomed to them.



Klarna reaches all-time-high engagement with user missions

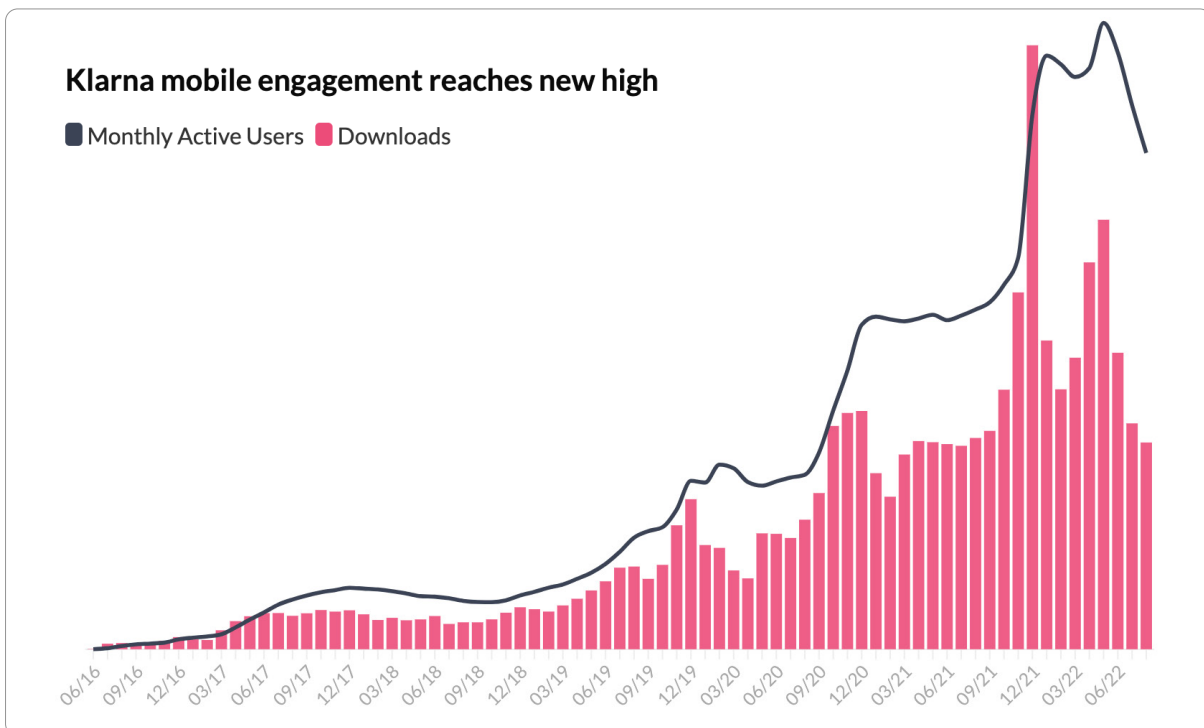
10 Most Downloaded Health & Fitness Apps in 2022 United States

12



Klarna
14.5M

In May, Klarna monthly active users reached a new record worldwide. It had also doubled the download growth of its competitors in the United States. App Store metadata and product images revealed a unique Core Loop within the fintech app. Klarna was executing a different kind of “move-to-earn.” It motivated users to progress through various in-app movements, to increase stickiness with the product. In other words, the ideal customer journey.



What can we learn?

Core loops create relationship between brand and user

The Missions, as **Klarna** called them, included actions that did one or both of the following:

- Opted users in to more communication from Klarna (e.g., “connect your email” and “get price drop alerts”)
- Motivated native use of Klarna to shop vs. using Klarna while shopping on another site (e.g., “connect a card”)

In all cases, Klarna can collect more first-party data from customers than when it’s used as a payment option on its merchant partners’ apps.

Unfortunately, due to macroeconomic conditions, Klarna’s progress in getting users through Missions was disrupted in June when the lender pulled back on giving out loans and rewards. Ultimately, the buy now, pay later leader dropped out of the Top 10 Shopping Apps for this reason.

Klarna had recently developed Live Shopping – imagine the major feat if it could motivate users with rewards to participate. It would have become one of the first Shopping apps in the West to encourage the behavior.

As shown in the Loyalty & Rewards section of this ebook, *earning* rewards is a powerful motivator to engagement and an experience that builds a relationship with the user. App reviews revealed users felt betrayed by the loss of rewards, and the performance data shows many churned to competitors Affirm and Afterpay.

CONCLUSION

There's no one way to UA anymore.

As mobile marketers work on **acquisition** tactics beyond mobile advertising – such as partnerships or Loyalty & Rewards – they are often a blend of **activation, engagement, and retention** strategies too. The result will be stronger and more sustainable mobile businesses.

The Download Leaders demonstrate the potential impact of the following focus areas:

- 1. Diversification.** Limit your exposure to risks by diversifying your own marketing channel mix, how and where you show up against competitors, and which apps you look to for inspiration.
- 2. Experimentation.** Whether or not App Stores introduce mobile-macro policy changes again, consumer behavior and preferences are always changing, as is the ideal customer profile you are pursuing and your product-market fit. Subscribing to performance estimates on your competition and the larger marketplace arms you with insights to form hypotheses for new tests.
- 3. Innovation.** From Ad Creatives to product features to Loyalty & Rewards programs, the stickiest examples challenge the status quo to stand out. As a reminder, you should look to competitors for inspo.

We said it once, and we will say it again – it's not always the first movers that win but those that do it best.



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- Total Time Spent In App
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- Demographics
- Cross-app usage
- Feature tagging
- User reviews
- App
- Store
- Day
- Country

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