CUSTOMLYTICS

eBooks

Mobile Customer Relationship Management (mCRM)

This information was written by the Customlytics team for inclusion in the Mobile Developer's Guide To The Galaxy.

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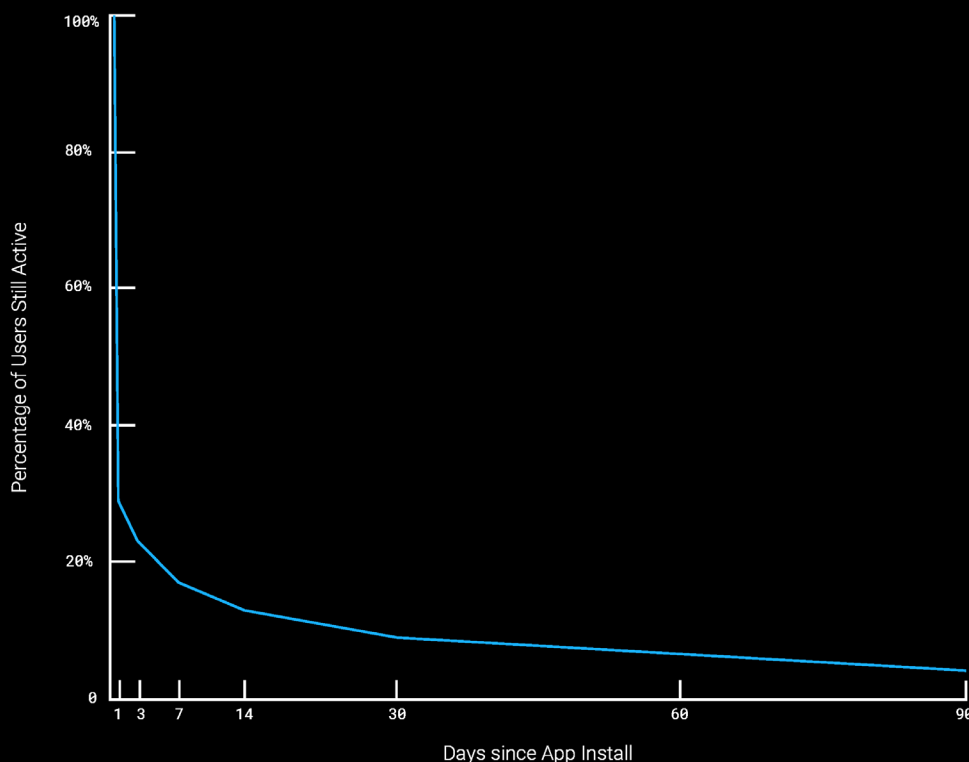# Table of contents

1   Introduction

Generating new users for your mobile app is only one side of the medal. If you set out to establish any kind of (successful) long-term app business, you need to build a robust foundation of loyal users that utilize your app continually and over a prolonged period. As we have learned from the previous sub-chapter on retargeting app users (which I highly recommend you to read in case you haven't done it yet, due to the significant thematic overlap), there are different ways to make users stick around in your app effectively. Without wanting to repeat too much of that content here, let's refresh ourselves with losing just a few words on the problem at hand again.

Mobile app users tend to become inactive (meaning they either uninstall the app or just stop using it) rather rapidly after the app install. According to different studies over the last years, you already lose around 80% of new users in the first three days after they installed the app on their smartphone [1].

1   Introduction (continued)

The technical term that describes the issue of users becoming inactive is user churn, and several countermeasures to the problem have gained popularity in recent times. After we have been looking at paid retargeting activities (i.e., showing ads to existing app users of yours inside of other apps or websites) as a counteractive measure in the last chapter, we will now move on to another popular countermeasure to user churn: Mobile Customer Relationship Management (mCRM).

Compared to paid retargeting, you can think of mCRM as the owned media counterpart, so to speak. The general approach in mCRM is to make use of communication channels that come with your app (e.g., push notifications or in-app messages) or are rather easy to get into like e-mail, trying to convince the user that he should come back to your app. In contrast to paid retargeting where you have to pay for every ad impression that is served to a user, mCRM relies on channels that typically do not incur any (or just minimal) incremental costs per message sent (say push notifications). Generally speaking, there are development resources (and hence costs) attached to setting up an mCRM system in almost all cases though. Typical content that you would deliver to your users as part of your mCRM activities would be new product improvements, special promotions, relevant external events (if applicable) or even just a general introduction to some features that the customer was not using until this point. If you want to succeed in the mCRM domain, it is almost inevitable that you use a technology provider that handles user segmentation, message delivery, campaign triggering, and reporting for you.

With CRM in itself being a traditional marketing discipline, it is fascinating to see what kind of symbioses it forms with the actual product experience in the mobile app realm. It is impossible to draw a clear line between what is still considered as the product user experience (typically dictated by product managers and UX designers) and what is already mCRM (managed by the marketing managers). When done right, your users will not be able to tell that the friendly onboarding they are receiving is already the very first part of your set of mCRM campaigns.
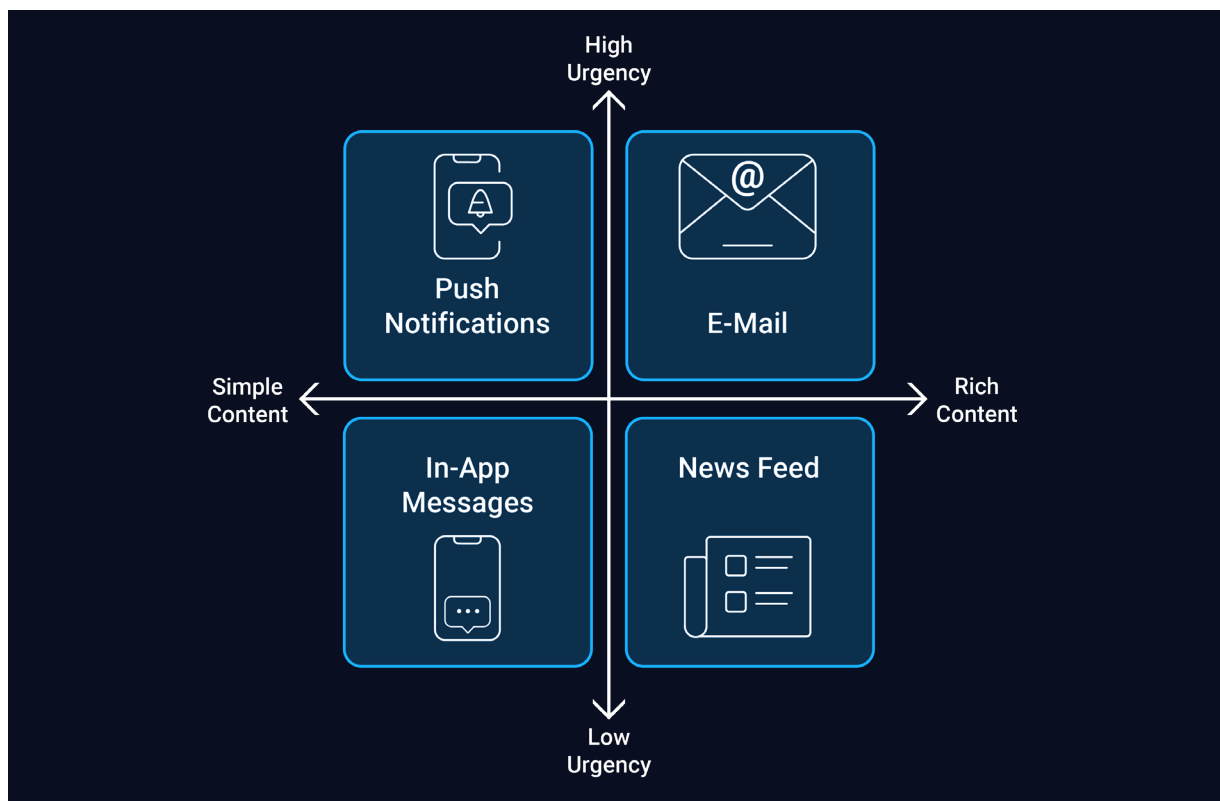
1   Introduction (continued)

Regardless of these more theoretical questions, it was proven over and over again that the best mCRM campaign experiences are crafted when the marketing teams work very closely with the responsible product teams (or are represented by the same person(s) even).

2   Communication Channels

There is a large variety of messaging channels that can be utilized for mCRM activities, reaching from the usual suspects like push notifications to corner cases like SMS (in most countries) or even physical mailing. Depicting all of them would go way beyond the scope of this chapter, meaning we will focus on the most popular and most widely accepted ones for now.

It helps to look at the different messaging channels in a matrix between urgency (how urgently do I want to have this communication being delivered to my customers) and content richness (how much content does the message contain). This concept was first brought up by mCRM tool vendor Braze [2] and subsequently found quite a bit of public interest in the mCRM field.

2   Communication Channels (continued)

In the illustration, you can see the four most extensively practiced messaging channels in mCRM and how you would use them depending on the nature of your messaging. This way of thinking goes back to one of the core concepts of mCRM in general: You would always plan the content and goal of your message first and then look for the adequate messaging channel - not the other way around.

A second general rule of thumb in mCRM is to always start with the least intrusive messaging channel for whatever communication you want to deliver and then to only gradually increase the obtrusiveness by selecting one of the more intimidating messaging channels as required by external circumstances (i.e., you would send somebody an e-mail with your latest summer sale first, and only if the user does not open the e-mail, you would maybe want to think about sending a reminder as a push notification a few days later - not the other way around).

Let's take a look at those four most popular messaging channels in greater detail and discuss some of the more uncommon cases right after that.

2.1 Push Notifications

Traditional push notifications are by far the most widely adopted means amongst all the mCRM messaging types whatsoever. Everyone that has ever used a smartphone (i.e., the majority of the population) is familiar with the little notifications delivered directly to the home screen via the operating system, and for most users, it's a bit of a love-hate relationship these days. Marketers have realized pretty early on, that push notifications are a very direct (and hence fairly intimidating) way of communicating messages to their users, despite both Apple and Google (in their respective developer guidelines) explicitly prohibiting push notifications that can unmistakably be identified as advertising or possess an overly commercial character.
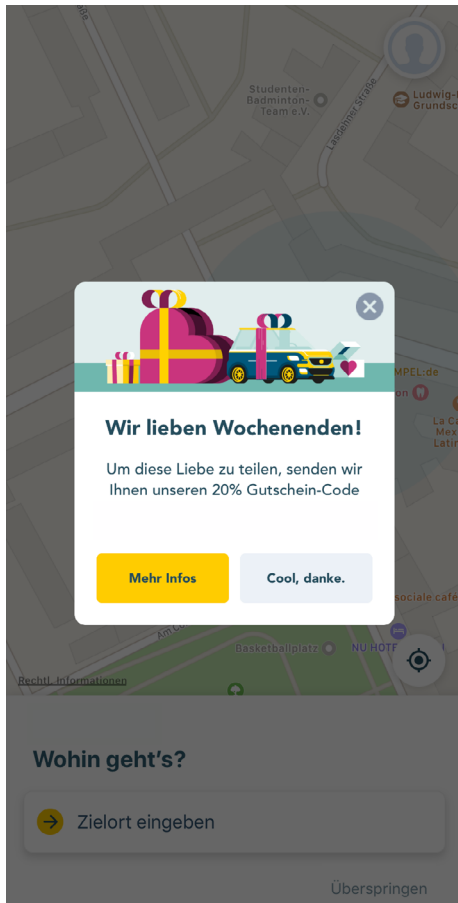
Push Notifications (continued)

Push notifications have been the subject of ongoing debates in the past and what is socially acceptable with your users, in particular, depends heavily on the geography (e.g., push notifications with marketing content are more accepted or at least tolerated in Latin America while the acceptance threshold for most European users will be much lower) as well as other factors like your app vertical.

If you manage to deliver relevant and helpful content to your users that does not annoy them in their everyday life, though, push notifications can be a highly potent communication tool between you and your users. This golden rule applies to all messaging channels we are looking at here but push notifications are clearly the type of message that is the most prone to annoy users, given that it is delivered so directly to the screen of the device and competes with a multitude of other notifications there (supposedly from family & friends because of all the messenger apps). On that account, it is no surprise that opt-in rates for push notifications (which users have to grant in your app using a pre-defined permission prompt before you can send them proper push notifications, at least on iOS) will be meager if you do not manage to deliver meaningful content to the user. You are all set up for a terrible start already if you do not give the user clear and reasonable arguments as to why he should be allowing you to send push notifications in the first place (which you should display prior to the default system-side permission prompt). In addition to that, the user can opt-out from push notifications in the system settings on both Android and iOS at any time. The opt-out situation also symbolizes the most significant downside about traditional push notifications as a channel for mCRM - if you lose (or never get) the user's consent, you will not be able to send him any push notification whatsoever.

2.2 **In-App Messages**

Another pretty popular messaging channel for mCRM is the utilization of so-called in-app messages. Here you can see an example:

They come in many different shapes and sizes (from interstitial to full screen to floating at the bottom/top of the screen), meaning that you have pretty much endless possibilities in designing and testing them.

What they all have in common: They are displayed inside of the app, which means they are only visible for users that are already using your app (ruling them out for virtually any campaign that is aiming to bring users back into the app, which you would potentially do with push notifications instead).

The real beauty of in-app messages lays in the fact that the marketer can create and run them using one of the mCRM tools we will look at below, without having to bother the developers to touch the code of the app again (let alone having to wait for the next app release and until users have adopted the new version).

Very often in-app messages are used alongside regular push notifications to present some additional information to the user inside of the app after he clicked on the push notification (a critical aspect of providing meaningful content to the users).

2.3 **News Feed**

Think of a blog (with any information you as a marketer want it to carry) that lives right inside of the app. This is the so-called news feed (sometimes also referred to as the app inbox).

The news feed is a functionality that (the better) mCRM tools in the market offer today, and that is integrated into the app once (same as with the in-app messages). Typically the news feed would live somewhere in the side menu as a news or updates section (to be decided upon integration).

Again the significant advantage is that the marketer can deliver content to the app without having to touch the code or even ask the developers. In contrast to the in-app messages, the content of the news feed is even more persistent, meaning you can put information there which users might refer to again at a later point (say voucher codes).

2.4 **Email**

Measured by opens, the overall e-mail messaging channel is dominated by mobile devices today. Depending on which figures you look at, the point at which more e-mails were opened on mobile devices than on desktop computers has been reached somewhere between 2015 and 2017 [4]. Regardless of the exact time, it is without a doubt that today, any e-mail campaign that you send will be opened predominantly on mobile devices, meaning mobile has become the norm. You should design any e-mail that you compose accordingly. In particular, this means a mobile-friendly design as well as using (universal) deep links wherever possible to redirect users straight back into your app when they click on one of the links.

2.4 Email (continued)

If you have an attribution provider (so-called MMP) integrated with your app, it is advisable to use tracking links with appended deep links in your e-mails to track what users are doing after they click on any of the links in your e-mail. From an mCRM campaigning perspective, it is vital to include e-mail as a channel for reaching mobile app users in your planning so that the messaging they receive, feels in line with what they get on the other mobile channels (push notifications, and so on).

2.5 Edge Cases (SMS, physical mailing...)

Numerous additional messaging channels can be utilized as a part of your mCRM strategy. For a telecommunications provider owning the associated infrastructure, SMS might make perfect sense as a messaging channel, for example. The same might hold true for physical mailing (i.e., letters) if your target group dictates that.

The general rule of thumb for all of these channels: The more uncommon they are, the more often you will not see them as default out-of-the-box offerings from the mCRM vendors. Rather than that, these additional channels will most likely be made available via some API from the mCRM vendor to a 3rd party tool that is much more focused on the specific channel (like Twilio for SMS [3]). In any case, you should make sure that the communication you send via these alternative channels is in line with what you present to your customers using your more traditional online mCRM channels and ensure that you track the results of the campaign in these other channels if possible.

3 Campaigns

All activities in the mCRM realm follow the same logical structure. You will always have a campaign that is being sent to a particular group of users (the user segment). A campaign can consist of different messages and can make use of different messaging channels (like push notification and e-mail) at the same time. The user segment describes a group of users that share the same characteristics (like gender) or possess a similar behavior (like having made a purchase before).

For every campaign to be sent, you need at least one message to be contained in the campaign. What you want to receive once the campaign is completed (i.e., after the messages were sent) is the campaign performance data, showing you the results of your campaign. Data that you would expect to be included in this would be clicks on the push notification (if applicable), push notifications sent (if applicable), e-mail opens (if applicable), app opens, as well as particular actions that the user takes in your app after receiving the message (which you defined upfront as the goal of your campaign). While you can theoretically run mCRM campaigns without this campaign performance data, there is not much of a point in doing so as it would be a complete stab in the dark with no way of optimizing anything, really.

In the next sub-chapters, we will take a closer look at all the components of mCRM activities mentioned above.

3.1 User Segmentation

It all starts with the user segmentation. This is the first step to any mCRM campaign. Here you would define, which users you want to target with your campaign. Segmentation typically happens based on user attributes (like age, gender, location, and so on) as well as user behavior (usually tracked in the form of events like „placed an order", „signed up for the newsletter" or „completed registration form"). For most use cases, you will want to run the segmentation dynamically - meaning that the segment of users is not just a mere snapshot of all users that fall into the criteria when the segment is created.

3.1 User Segmentation (continued)

Rather than that, you want to have the defined requirements for the users to fall into the segment being monitored on an ongoing basis so that you have the most up to date list of recipients when the campaign trigger occurs (see next sub-chapter). The information that you base your user segmentation on has to be tracked/captured for each user first though (typically via the event & user attribute tracking of your mCRM vendor).

3.2 Campaign Triggering

The campaign trigger, as the name already implies, is the actuator for your campaign to start sending the messages. The more ordinary campaign triggers evolve around time with the utmost basic trigger being the exact moment when you hit the „launch campaign" button.

More sophisticated triggers are based on different events to happen, and they can also carry a delay if required (e.g., „send the user the onboarding push notification 2 hours after he first opened the app" or „remind the user of the item in his basket if he does not proceed to checkout within 30 minutes after adding it to the cart"). The information that you want to base your triggers on has to be tracked/captured for each user first though (typically via the event tracking capabilities of your mCRM vendor).

3.3 Messaging & Personalization

The messaging is the content of your mCRM activities. As such, it is mission-critical, and you should invest a good amount of consideration into what kind of content would be relevant for the user as well as what the exact caption should be for each message.

The other question you have to answer here is which (combination of) channels you want to use to transmit your message to the user. The last important aspect to mention in this area is the personalization.

3.3 Messaging & Personalization (continued)

There are two points to it:

- Personalizing the kind of content you send to the user based on his behavior and preferences (take a look at what Netflix does for their apps with push notifications around recommendations and suggestions for content based on your previous behavior)

- Personalizing the actual caption using placeholders for supposedly personal information. If you send messages at scale, it becomes unfeasible to contact every user you got manually and to put his or her first name into the first line of the message (not that this would be recommend anyways). Instead, you should make use of smart placeholders that allow you to send messages at scale and in an automated fashion, while still appearing to be super personal for the user. The information that should be available in the placeholders has to be tracked/captured for each user first though (typically via the event & user attribute tracking of your mCRM vendor).

3.4 Campaign Performance Measurement

With the campaign performance measurement and reporting part, we've come full circle. This data that will tell you how your campaigns did, how many users clicked on your push notification, how many opened your e-mail, and so on. Your mCRM vendor typically captures all of this. With this information, you can make informed decisions to optimize your campaigns and potentially even trigger new campaigns, depending on whether the user opened that one e-mail or not.

It's also what you will have to report if someone higher up in your organization asks you whether the uplift you are getting from your mCRM campaigns is really worth all the efforts of the integration (of the tool). On this occasion, it is also helpful if you have set up a global control group of users (we recommend ~ 10%) that never received any messaging from you to prove, that the ones who did are indeed generating more revenue than the control group.

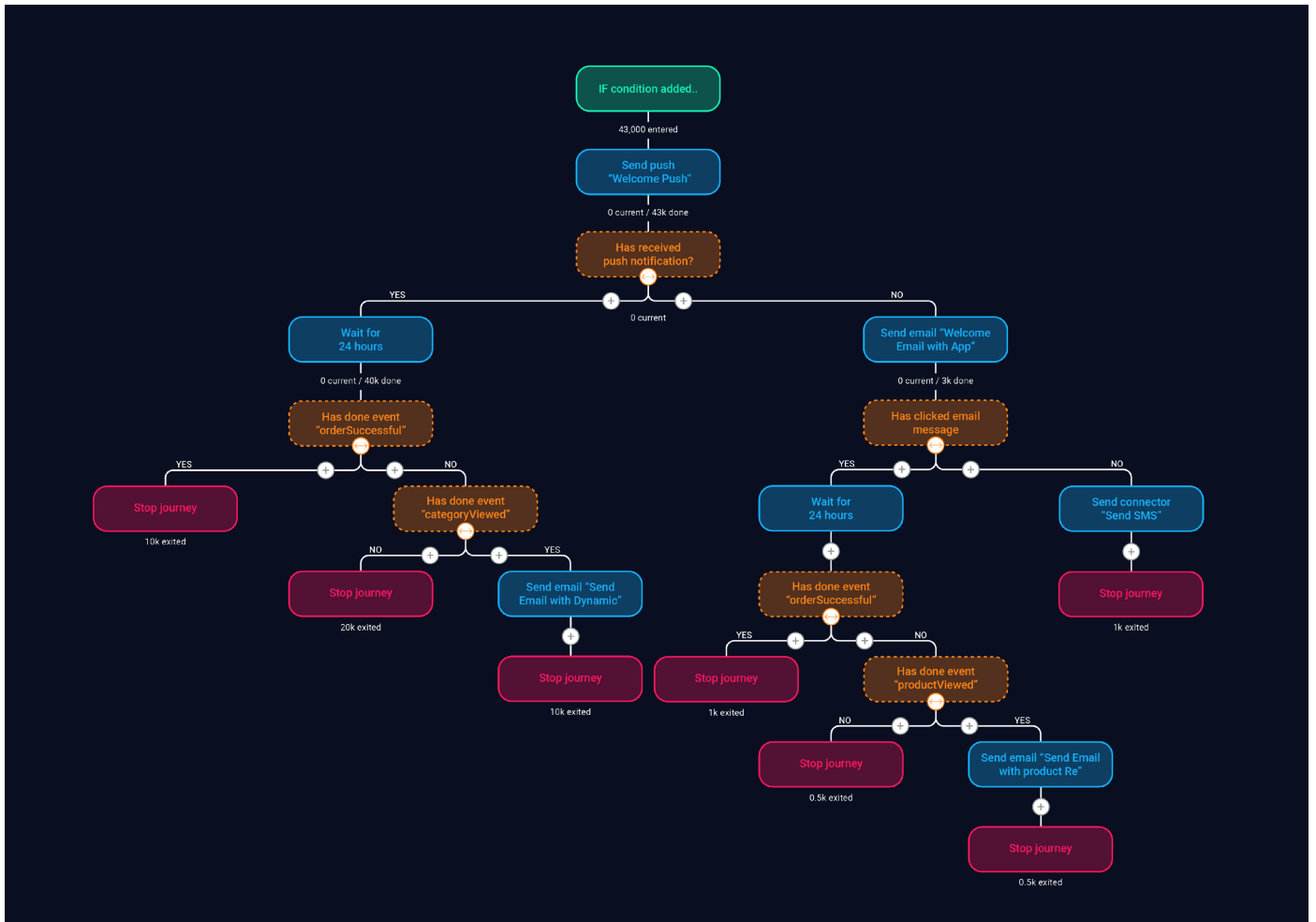# 4   Automation (or why you need a tool for mCRM)

As we have learned above, there are many moving parts involved in creating a sophisticated mCRM setup to enhance the experience of your app users. With all the mechanics, technical infrastructure, logical operators, tracking data and rule engines needed to run mCRM campaigns at scale, it is important to stress again that virtually any company that wants to be successful with their mCRM efforts, ends up using one of the established SaaS vendors in the space sooner or later.

These tool vendors handle user segmentation, message delivery, (user) data capturing, campaign triggering, and reporting for you and all come with some sort of web-based GUI. It's no surprise that the development efforts that went into their solutions are far away from something that you might be able to build yourself in-house as a little side project. Big corporates with significant development workforce have failed miserably trying to do that, and it's even more unrealistic for smaller companies just starting off to succeed at this adventure. It's the same story as with a lot of SaaS vendors and companies trying to replicate their functionalities in-house today: If you actually manage to build a reasonable mCRM solution for mobile apps as a side project, you will most certainly be better off pivoting your entire business into becoming the new rising star on the mCRM SaaS sky (making your side project the new main project vs. continuing your previous business).

One area that is especially hard to replicate from the features that modern mCRM tools have on offer is the automation piece. Interestingly enough, marketing automation is even used as a synonym for mCRM sometimes, because automating your campaigns is such an essential part of the whole mCRM game. What marketing automation describes is the condition of having all your different mCRM campaigns lined up neatly in a way that they would all be triggered automatically (and often depending on each other) based on user behavior and other external events, without any manual human input. This is extremely difficult to achieve, and most marketing managers already fail at even just visualizing all the mCRM campaigns they run and the interferences between them.

4   Automation (continued)

The leading mCRM vendors can do the heavy lifting for you here, and all of them come with some kind of journey/flow builder that looks something like this:

In this case, the example is borrowed from MoEngage [5], but other vendors have similar offerings. This example campaign flow starts with a user first opening the app after the install (i.e., the onboarding) and runs through different decision trees of possible campaigns, depending on user behavior and other factors like simple time delays. It shows you in one illustration why it is so incredibly difficult to build all those campaign logics and interferences between campaigns yourself.

4   Automation (continued)

If you want to learn more about the many-faceted topic of mCRM, you should certainly take a look at the vendors that are leading the pack at the moment:

- Braze [2]

- CleverTap [6]

- Leanplum [7]

- MoEngage [5]

5   Footnotes

[1] https://andrewchen.co/new-data-shows-why-losing-80-of-your-mobile-users-is-normal-and-that-the-best-apps-do-much-better/

[2] https://www.braze.com/

[3] https://www.twilio.com/

[4] https://returnpath.com/newsroom/mobile-now-preferred-platform-reading-email-half-email-opens/

[5] https://www.moengage.com/

[6] https://clevertap.com/

[7] https://www.leanplum.com/