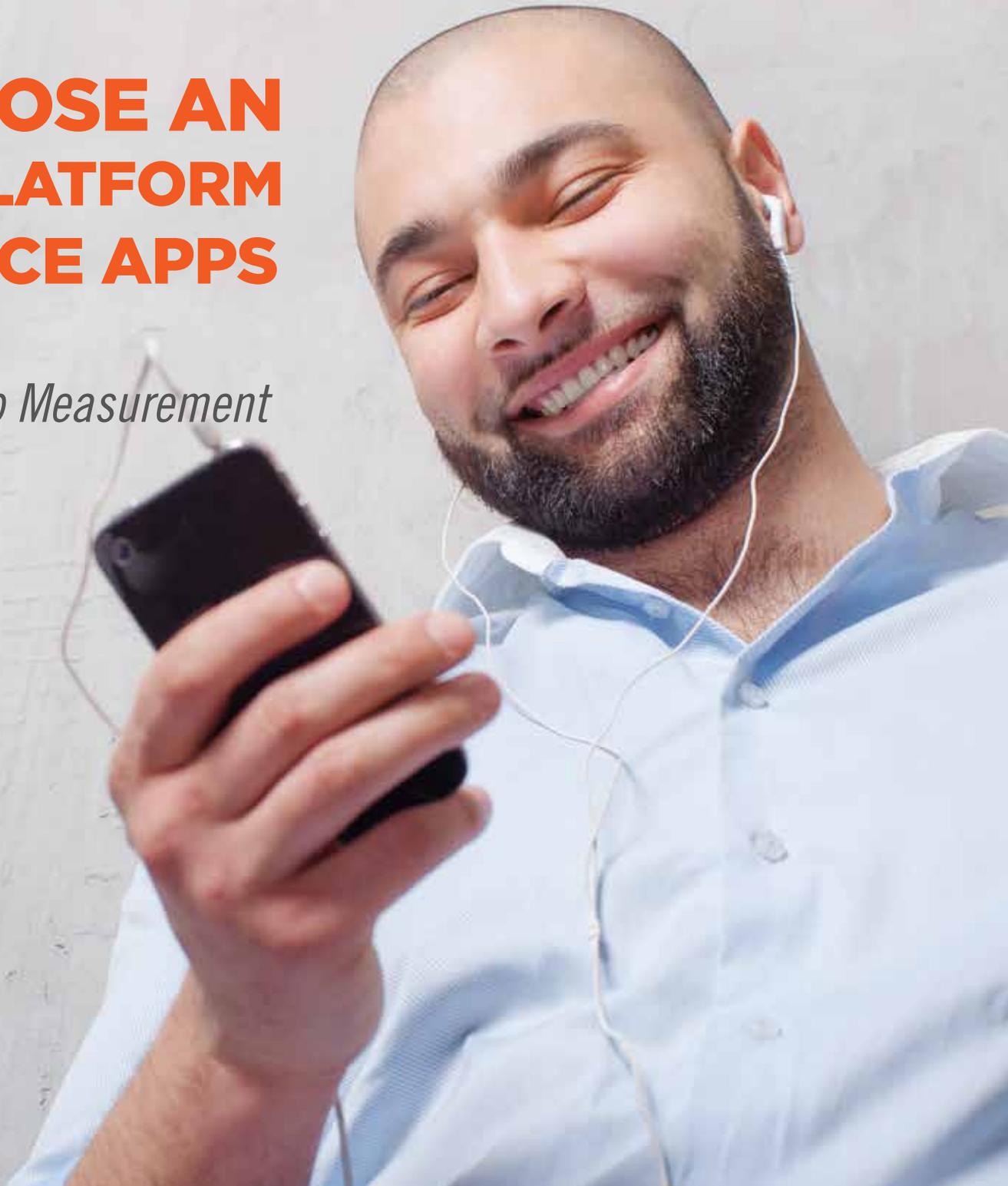


# HOW TO CHOOSE AN ATTRIBUTION PLATFORM FOR MCOMMERCE APPS

*The Eight Essentials  
for Robust mCommerce App Measurement*

by Michael Oiknine  
Co-Founder and CEO, Apsalar



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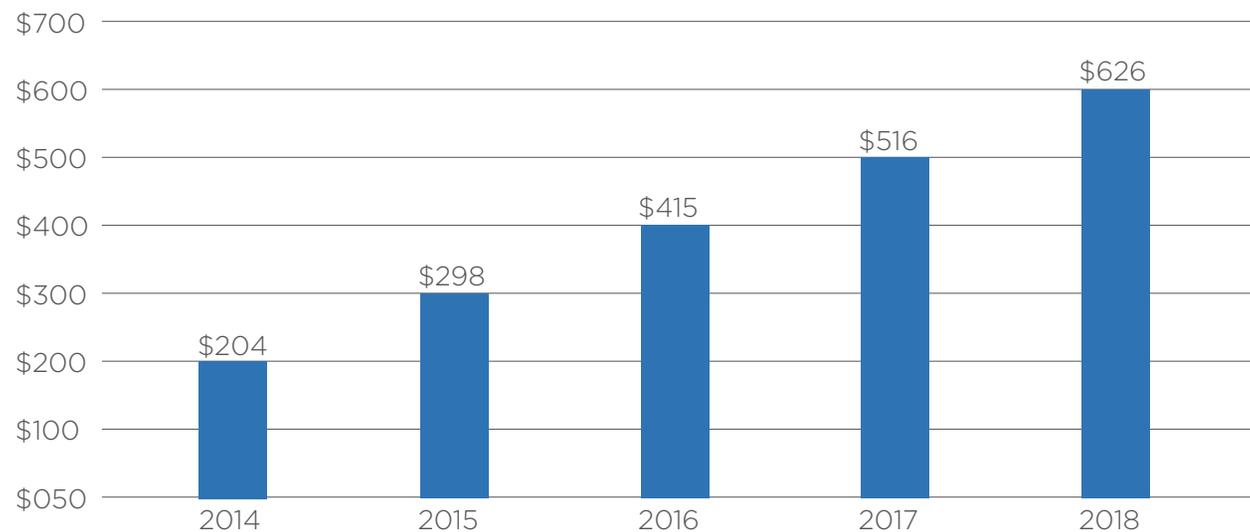
# INTRODUCTION

It's no secret that mcommerce sales are on the rise around the globe. According to Goldman Sachs, global mcommerce sales will rise to well over half a trillion US dollars by 2017.

This app economy is changing rapidly to reflect this incredible growth. While games once represented the lion's share of mobile app revenue, their share is declining as more companies embrace in-app shopping and commerce. The mobile app attribution industry is changing as well. Mobile app attribution is different from traditional cookie-based measurement that has been used so successfully across the PC web for more than a decade.

A number of companies offer in-app measurement capabilities - most are focused on the specific needs of the gaming industry, where the majority of the business still comes from. Gaming companies have relatively simple needs compared to merchants using apps for commerce. mCommerce merchants want ongoing business relationships with their customers. As such, continuing to market to users after the install is often just as important as the acquisition itself.

## Global M-Commerce Sales (\$Millions of US Dollars)



Source: Goldman Sachs 2015



From the beginning Apsalar has focused major attention on understanding the needs of mcommerce app measurement and how they differ from the needs of gaming companies. Our solution is designed to meet the specific needs of four leading mcommerce business types: ecommerce companies, retailers, travel companies, personal finance companies, and on-demand services.

Whether or not you choose Apsalar as your attribution and measurement provider, choosing a product that is right for mcommerce will make a big difference to your business. There are eight questions that we believe you need to ask potential attribution partners in order to suss out which solution is right for your business:



Our solution was designed to meet the specific needs of four leading mcommerce businesses – ecommerce companies, retailers, travel companies and personal finance service providers.

- 1 DOES THE SOLUTION OFFER A COMMERCE-FRIENDLY PRICING MODEL?
- 2 CAN THE PLATFORM TRACK INTENT AND CONVERSION EVENTS THROUGHOUT THE CONVERSION FUNNEL WITH GRANULAR EVENT META DATA AND PARAMETERS?
- 3 BEYOND EVENT TRACKING AND BASIC REVENUE METRICS, DOES THE TOOL OFFER ALTERNATIVE WAYS TO MEASURE CAMPAIGN PERFORMANCE, SUCH AS LIKELIHOOD TO CONVERT, ENGAGEMENT, USER QUALITY AND FRAUDULENT INSTALLS?
- 4 DOES THE TOOL OFFER NECESSARY SECURITY CONTROLS TO PREVENT 1<sup>ST</sup> PARTY DATA LEAKAGE AND OVER-SHARING?
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- 6 DOES IT ENABLE FLEXIBLE COHORT REPORTING FOR STANDARD METRICS (I.E. RETENTION, LTV) AS WELL AS CUSTOM CONVERSION EVENTS?
- 7 DOES IT OFFER REAL-TIME DEPLOYMENT TESTING FEATURES?
- 8 DOES THE PLATFORM OFFER ENTERPRISE GRADE CUSTOMER SUPPORT DURING AND AFTER IMPLEMENTATION?

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A complete explanation of each is provided in the following pages.

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# 1

## DOES THE SOLUTION OFFER A COMMERCE-FRIENDLY PRICING MODEL?

It might seem odd to start a discussion like this with costs, but pricing models vary considerably in app attribution and warrant significant attention. All attribution vendors bill on volume, and often incorporate monthly minimums into contracts. The key differences in pricing models come from what sorts of actions they charge for.

As you evaluate pricing from vendors, there are six types of customer events to consider. Compare vendors based upon which they charge for, and how much they charge for each event.



- ① -- **Non-Organic (Paid) Installs:** A paid install takes place when a customer downloads and installs an app as a result of marketing activity, like clicking on an ad. Every leading enterprise-level vendor charges for paid installs.
- ② -- **Non-Organic (Paid) Re-Engagements:** A re-engagement takes place when a customer re-launches an app (for the first time) as a result of a marketing activity, like clicking on an ad. All vendors charge some fee for these, although it usually fits under another classification or combination of actions, such as a click event.
- ③ -- **Ad Clicks:** Ad clicks take place when a customer clicks on an ad for your app. While paying for a few clicks may not seem like a big deal, in reality the number of ad clicks per install can be astronomical depending upon your app and region. In the US, the aggregate ratio of click-to-install counts exceeds 50:1 and some of our clients report more than 600 clicks per install. Incredible but true. mCommerce businesses tend to pay lower total fees if the partner they choose does NOT charge for ad clicks. Clicks are perhaps the most important billing unit to consider, given the volatility and unpredictable nature of click numbers in a largely CPI-driven media market.
- ④ -- **Organic Installs:** When a customer goes directly to the app store to download your app – without having been driven there by marketing activity, we call that an organic install. No major vendor typically charges for these events.
- ⑤ -- **Organic In-App Events:** An organic in-app event takes place when the user was not acquired or re-engaged by a marketing campaign, but takes actions (like browsing products) after the install. Some platforms charge for these events, while others don't. This is a particularly important consideration because every browsing action a consumer takes over their entire lifetime counts towards your bill. mCommerce companies who choose a vendor that charges for organic events can reduce their costs by simply defining fewer events for tracking, but the downside to that is that they may not have the necessary data granularity to truly understand key business drivers.
- ⑥ -- **Non-Organic In-App Events:** Non-organic events occur when a user that is acquired or re-engaged by a marketing campaign completes an in-app event that your attribution partner is tracking. Any action that occurs over the user's lifetime adds to incremental costs. Most attribution platforms charge for each paid in-app event, but some don't. Again costs for paid events can really add up over the long customer lifetime in mcommerce applications.

Pricing also varies in that some charge more for Facebook and Twitter events than other events, while others do not. In addition some companies charge for BOTH marketing driven (non-organic) events and naturally occurring (organic) events while others charge only for the non-organic events. Companies that charge for more types of actions tend to charge less per event. But be careful, as all of that “nickel and diming” adds up.

# 2

## CAN THE PLATFORM TRACK INTENT AND CONVERSION EVENTS THROUGHOUT THE CONVERSION FUNNEL WITH GRANULAR EVENT META DATA AND PARAMETERS?

For a commerce business, what content people are browsing, searching, and buying is mission-critical knowledge. Let me give you an example: If you operate a fashion retail app and a customer adds something to their cart, you'd likely want to know the SKU, category, size, color, brand, price, discount, gender of intended wearer, and any or all of a host of other item characteristics.

Some in-app measurement and attribution tools don't allow this, or limit the amount of data and parameters you can tie to an event. Imagine how that limits the insight you can gather from that consumer action. As you consider alternative partners, ask them specifically what data can be collected and passed in a post-back to your vendors or internal database. How many parameters? How many characters? Are there additional limitations?



3

**BEYOND EVENT TRACKING AND BASIC REVENUE METRICS, DOES THE TOOL OFFER ALTERNATIVE WAYS TO MEASURE CAMPAIGN PERFORMANCE, SUCH AS LIKELIHOOD TO CONVERT, ENGAGEMENT, USER QUALITY AND FRAUDULENT INSTALLS?**

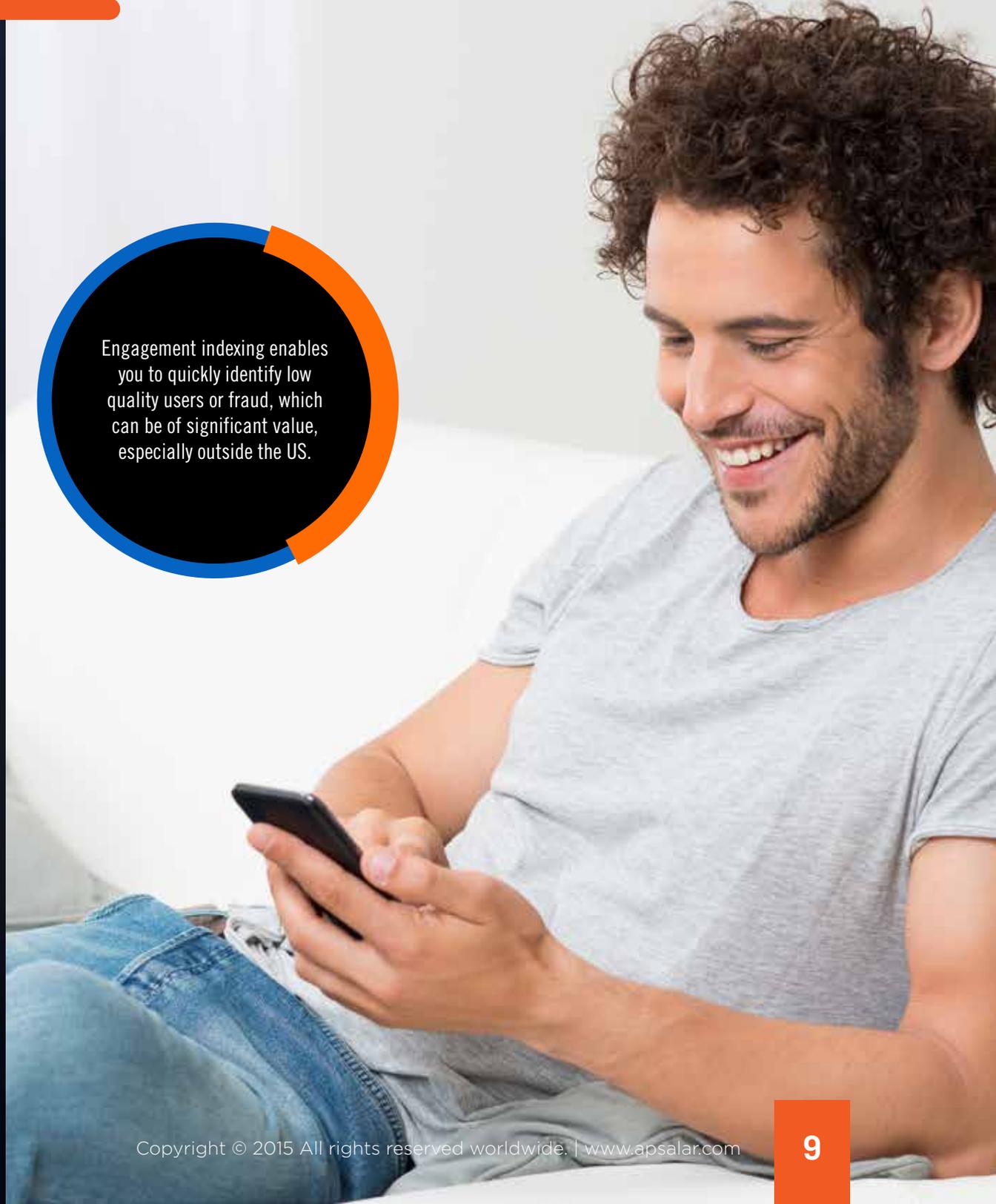
Mobile marketers must be extremely nimble when they test new campaigns and media vendors. Waiting weeks for data to determine relative effectiveness of different partners simply isn't an option in many cases. So mobile marketers need to take shortcuts, but that can pose problems. For example, using seven day revenue figures when the typical customer takes longer than that to convert can be problematic. And measuring the occurrences of a single proxy metric like registrations or product searches can't capture all of the information you need when consumers may take many avenues to purchase.

Enter Engagement Indexing. With engagement indexing, marketers can assign relative weights to a variety of different event types. For example, searching for an item might be worth one point, viewing it could be worth 3 points, putting it in a cart 5 points, and so forth. You assign these points based upon the predictive value of each type of event in leading to a future purchase or other desired consumer action. A user's engagement index accrues over their lifetime (like revenue/LTV) and values are attributed to their source campaigns. By providing a cumulative tally of all of the values together, you can compare partners, campaigns, and media vendors by the total engagement their campaigns drove - quickly and accurately. This gives you a fast and effective way to assess relative performance rather than waiting weeks for purchase data. It also enables you to quickly identify low quality users or fraud. That insight can be of significant value, especially outside the US.

In short, find a vendor that enables engagement indexing.



Engagement indexing enables you to quickly identify low quality users or fraud, which can be of significant value, especially outside the US.



# 4

## DOES THE TOOL OFFER **NECESSARY SECURITY CONTROLS TO PREVENT 1ST PARTY DATA LEAKAGE AND OVER-SHARING?**

The data in post-backs meets important needs, like ensuring that the partners get paid (under cost per install buying.) It can also power retargeting partner algorithms to optimize and improve their advertising campaigns, as well as many other uses.

The data needs of partners vary based upon the type of program that you are fielding with them. For example, when a partner is focused on cost per install only, you would likely prefer to limit the data you pass back to them to the installs they're credited with driving. If, on the other hand, you are using a vendor for retargeting, you will likely want to pass them data from many events (along with detailed event parameters) so they can power user targeting and dynamic creative tools to feature the right items and offers in ads.

All of the leading platforms enable post-backs, but the controls you have over those post-backs vary markedly by vendor. Some offer post-backs only in an all-or-nothing manner - you either share all of your information, or none of it. Others share the same set of data with all vendors you choose, regardless of their actual information needs or which partner drove the event/conversion. Others give control over the data in post-backs to the media provider themselves.

As you consider alternative vendors, dig into the level of flexibility and control that they can deliver. It matters when you're dealing with sensitive customer data.

# 5

## CAN THE TOOL TRACK AND ATTRIBUTE REMARKETING CAMPAIGNS?

App retargeting is a very popular and effective marketing tactic for mcommerce apps. Getting attribution right for retargeting events can be tricky if you choose a partner that hasn't spent enough time and resources preparing for this use case.

Both acquisition and remarketing attribution are necessary for comprehensive business and vendor analysis.

Some tools attribute all purchase events, including remarketing-driven purchase events, to the vendor that drove the initial install. This can be valuable for calculating the LTV of customers by source, but obviously misses or double credits the performance derived from re-engagement. Other tools silo the reporting for acquisition and remarketing performance – duplicating credit when a user falls into both buckets. The most simplistic and problematic model consists of completely forgetting a user/device exists, and re-counting their return to the application as another install.

Both acquisition and remarketing attribution are necessary for comprehensive business and vendor analysis. You need to identify a platform flexible enough to allow for both LTV analysis attributing all dollars to the partner that drove the install, AND a platform that attributes incremental performance due to remarketing efforts.

# 6

## DOES IT ENABLE FLEXIBLE COHORT REPORTING FOR STANDARD METRICS (I.E. RETENTION, LTV) AS WELL AS CUSTOM CONVERSION EVENTS?

Commerce marketers dig deep into their data to identify insights and drive optimization. You need to be able to parse users into a really broad range of possible cohorts and analyze their performance against metrics unique to your business. Here are a couple of examples of how flexibility can make a big difference for your marketing analysis:

- If you sell both airline tickets and hotel rooms, you should be able to examine your revenue for these unique bookings as well as in total.
- If you wish to analyze your sales by category, you should be able to do so.
- If you are three days into a new campaign, you should be able to look at three days of data, not be forced into examining an entire week's worth.
- If your app features a unique conversion event you should have the capability to define your own success metrics, vs. bucketing these events into a generic set of metrics.

Some of the in-app measurement platforms don't have this flexibility. As you consider partners, dig into the types of cohort analysis they permit.

# 7

## DO THEY OFFER REAL-TIME DEPLOYMENT TESTING FEATURES?

The more ways the platform fool-proofs implementation and changes, the more likely you are to gain maximum insight and value from it.

Commerce-centric app marketers are more active in their app measurement platforms than game marketers. When you are setting up new campaigns and rules in your platform frequently, it can be incredibly valuable to have real-time testing capabilities built into the toolset.

Real-time testing enables you to define a rule and immediately ensure that you have done so correctly. This can prevent lost hours or days of data. The more ways the platform fool-proofs implementation and changes, the more likely you are to gain maximum insight and value from it.



# 8

## DOES THE SOLUTION OFFER ENTERPRISE GRADE CUSTOMER SUPPORT DURING AND AFTER IMPLEMENTATION?

When we ask clients what is most important in their getting full value from a platform, having a strong account management and implementation team is always at or near the top of the list. That's why we've spent millions ensuring that clients are well-served, and why we have a retention rate of almost 100%.

We've spent millions ensuring that clients are well-served, which is one reason why we have a retention rate of almost 100%.

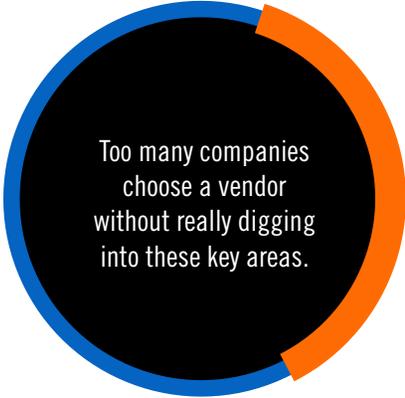
Some companies start off with good service but peter out once their platforms are fully deployed. We don't claim to be the only company that cares deeply about its clients. But we can tell you that, on average, churn in this category tends to be high, particularly for commerce clients. Make sure the vendor you choose will give you the commerce tracking experts you need to derive maximum value from the platform long after the sale.



## CONCLUSION

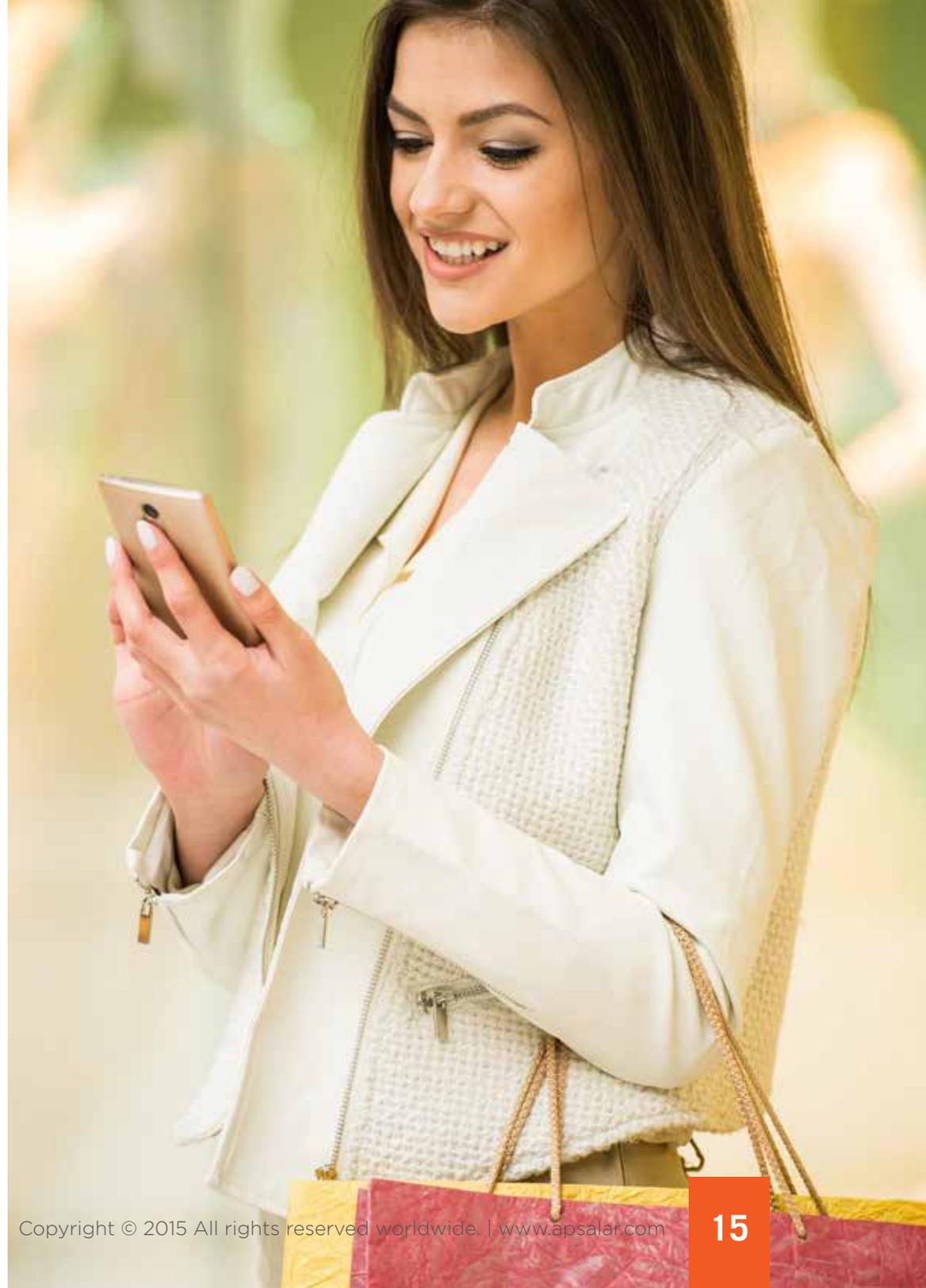
A cursory look at the various mobile app measurement platforms available might lead you to believe that they are all pretty similar. This is absolutely not the case, especially when it comes to the needs of mcommerce marketers. The eight questions outlined in this document provide a powerful means to get past the basic “box-checking” stage and into the specific and unique needs of mcommerce assessing capabilities in the context of app measurement and attribution.

Too many companies choose a vendor without really digging into these key areas – and live to regret their decisions. I hope that this document helps to make clear why these eight questions – and each potential vendor’s answers – are so critical, and why they should be a part of your mobile app measurement provider decision.



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without really digging  
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Apsalar



## ABOUT THE AUTHOR

Mr. Michael Oiknine co-founded Apsalar Inc. in 2010 and also serves as its Chief Executive Officer. Mr. Oiknine served as the Managing Director of GiSMo, a mobile payment startup owned by Millicom International Cellular and a Consultant with Altis, a consulting firm now owned by Cap Gemini Ernst & Young in Paris, France. Mr. Oiknine is a tried and true entrepreneur with over 15 years experience crafting and selling companies. As the co-founder and Chief Operating Officer of Kefta, Inc., Mr. Oiknine was instrumental in growing and shaping the business before its acquisition by Acxiom. Mr. Oiknine earned his MBA from Harvard to complement his MS in Engineering from École Centrale Lyon in France.



## ABOUT APSALAR

Apsalar, the leader in mobile data management, helps direct marketing brands get better marketing effectiveness by providing a mobile data management platform that delivers a true understanding of customer behavior in apps and across other marketing channels. The Apsalar Mobile DMP enables brands to measure marketing effectiveness, enhance, manage, enrich and segment profiles to build audiences, and easily and safely connect to other marketing partners so brands can confidently share their data and audiences. San Francisco-based Apsalar is privately held, with more than \$17Million backing from leading venture capital firms including Thomvest Ventures, DCM, Battery Ventures and DN Capital. For more information, visit [www.apsalar.com](http://www.apsalar.com).

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