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Increasing Your Bottom Line Through Leveraging an Understanding of User Engagement

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User engagement is essential to increase the life-time value of your users. By improving your understanding of user engagement you can have a major impact on your bottom line.

Problem to Resolve

There is still money in this economy, and the money rests with the user. Not just any user, but a quality user that will have a long, life-time value. There are many reasons to engage the user.

1. A repeat user costs less than acquiring a new one; more profit for you.
 2. A loyal user spends more money and generates larger transactions.
 3. Growing a large user base is a key to sustainability.
 4. They are stronger evangelists for your business with a circle of influence of 50 to 300 people; no cost sales reps.
 5. A user will only listen, when they acknowledge their need and are ready to act; you are there when they are ready.
- So, how do you increase engagement and nurture your users?

Overview

There are many steps to increase user engagement. At any point in time, you can focus on one or another, but if any are missing, the process falls apart. For example, if you have invested a large amount of time in the installation, but nothing in the initial click, it may not matter whether your users are engaged in the installation because they will never get there.

It is important to think of this in a repeating cycle from development to meas-

urement and continuous improvement. The transition of the user from tenure back to the initial click is the one that provides a high quality user at the lowest possible cost.

Initial Click

This will not be a discussion of SEO, finding the right network, or any of those specialties. This is a discussion of the difference between getting users to the page versus getting users through the page. There is a combination of usability, marketing and salesmanship that comes into this process.

The users coming to a page must be able to understand what is expected of them in order to complete this installation. An example are the system requirements; having a dynamic screen that recognizes basic requirements (e.g. browser type or version) and provides the user with their options given that information.

This should also meet some basic level of usability. The recommendation is to put this through the VIMM[1] testing model. This model evaluates the site on **V**isual cues and aesthetics, **I**ntellectual logic in the layout of the page, **M**ental Model matching to ensure it makes sense with the rest of the Internet and **M**otor requirements.

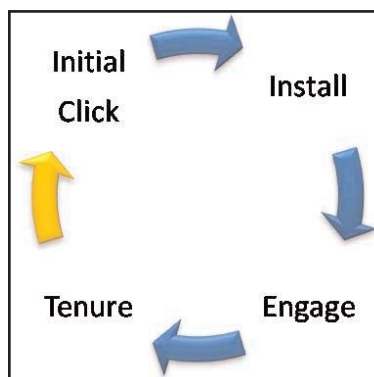
It also must be appealing enough to the user so that there is a value in installing this information. There is an interesting formula for conversion: $c=4m+3v+2(i-f)+2a$ [2] where:

- c = Probability of conversion
- m = Motivation of user (when)
- v = Clarity of the value proposition
- i = Incentive to take action
- f = Friction elements of process
- a = Anxiety about entering information

These models get used in all aspects of the user engagement process, so their discussion in this section should not limit their use in only this function.

While any values assigned to this are ambiguous at best, this will provide an excellent model to use when evaluating your landing page for use.

It is important to be able to measure these views of the page against the people who have completed the initial engagement



by initiating a download. With all the methodologies attached to this process, true multivariate testing gives the best results; however, the cost/benefit may justify old fashioned trial and error.

Installation

This is probably the most obvious, but also the most overlooked aspect of the process. With the ease of many companies and their installers, many people don't think too much about this process, whether they are bundling their software with offers or not.

The installation is a major point of abandonment for the user. There is a lot of dead time; downloads that slow down other Internet processes, with basically nothing interesting going on, or at least, nothing related to what the user was doing in the first place. This is simply not the situation that you want for your users.

Make sure your installation process clearly informs the user about what is happening, what is required of them and keep their interest. W3i has seen lifts in installation by making the installer consistent with the Web page that the user arrived from and by informing the user of the process as they going through it. It is a simple concept that usually gets lost in the focus of the installers that are available.

There are two metrics that can be used to understand the impact the installation process has on user engagement. First, and most important, is attrition rate. Attrition is the rate at which users uninstall your application over a period of time. By making improvements to the installation process, you may be able to improve your attrition. The second metric is abandon rate. Analyze where users drop off in the installation process and make improvements respectively to curb abandonment.

Engagement

Engagement has many meanings, often even within the same company. It is such a critical issue that there are patent applications in the attempt to provide a metric standard. There are several elements that can be used to show a user's engagement with an application[3].

- Attrition rate
- Clicks
- Page views
- Usage time

First, understanding this means being able to identify your users. Not with personally identifying information specifically, but to track the usage of a single user or persona is critical. At this point you are not measuring your market penetration, but the mind penetration you have with the personas. You will want to carefully choose a persona that represents enough market share to keep you afloat. Know your users.

This is also a critical point to ensure that the usability of the system is strong and engaging. This means a balance between cool and functional, and will vary from persona to persona again, so the question is how to match those needs.

One method is to allow users to customize content to meet their needs. Since many users will not take the time to customize, you might start off with a more functional solution

whereby you alter the content based on what you know is most desired for each persona.

For example, consider the toolbar. Users are looking to the toolbar for improved convenience for routine activities. By knowing routine activities for each persona you can maximize the user engagement for each by offering the most relevant content and customization options. If a persona doesn't routinely travel, then a travel feature will not satisfy their toolbar needs. If a persona routinely consumes your application, such as a game, than your application may satisfy their toolbar need.

It can also be done through targeting so that only the personas who are most engaged are marketed your product. The important thing to remember is that only in satisfying your personas needs will you get the highest level of engagement. Measuring each of these will pertain specifically to the application and its goals.

Tenure

Tenure is the length of a customer relationship. A benefit of maintaining the relationship is the ability to present cross-sells, promotions and upgrades, to keep your brand top of mind so the user thinks of you when they are in the market for your type of product, and to generate more user activity over time.

If your users are engaged, you now have access to high quality customers that will return for more products, starting your revenue cycle all over at a lower customer acquisition cost.

Again, in order to measure this, you must have the ability to track users either individually or by persona to fully understand what makes a quality customer and under what conditions they are most likely to return to you for more applications or upgrades.

Conclusion

All aspects of engagement must work together to create the best opportunity for you to increase revenue. If one link is weak in this engagement cycle, it will impact the others.

Initial Click: get the users through the page, not just to the page

Installation: keep the user informed and not surprised

Engagement: all about mind penetration, not market penetration

Tenure: the best quality and the lowest cost

Use each link to your advantage and keep your user coming back for more.

References

[1] www.humanfactors.com

[2] www.marketingexperiments.com

[3] *Measuring User Engagement, with Examples from Yahoo!*, William Slawski, on October 20th, 2007

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