

How Quidco & Groupon Unlocked New Revenue on Mobile

Quidco, the UK's largest cashback platforms, and Groupon, one of the largest ecommerce marketplaces, have long valued the partnerships channel. *eMarketer* cites partnerships drove \$70 Billion in sales in 2017, and partnerships play an increasing role in the marketing mix. Add mobile to the picture and the need only proliferates; mobile app users account for 47% of all ecommerce sales and more than double those on mobile web. Unfortunately, businesses struggle with app user acquisition and mobile partnerships today, in part because the tools aren't there. While the partnerships landscape has changed dramatically over the past decade, especially with the rapid adoption of mobile,

the technology has been slow to catch up.

The partnerships channel was initially built and optimized for desktop, so mobile has presented a range of unique challenges for the performance partnerships space. In a survey we conducted, we found on average it takes 151 taps from decision to complete a purchase to purchase complete—and that's once the user is already on the merchant property. The journey to get to that point can be even longer.

Universal Links—A Universal Problem

To power their mobile partnership, Quidco and Groupon relied on Universal Links, which

are any links that, when tapped, should take the user directly to the app. However, Universal Links can be unpredictable and don't fully understand each unique user; oftentimes a user will have an app installed yet still be sent by a Universal Link to a mobile web page, or worse an install sheet on mobile web encouraging an app download.

Additionally, when a user is sent to an app there are two options in the top right corner, one allowing you to go the mobile website instead. If a user hits this button once, any time they tap a Universal Link in the future they will be sent to the app store and required to tap "open" instead of being deeplinked. Overall, the user experience is poor, resulting in low conversion rates, even lower return rates, and a negative connotation with the associated brands. Worst of all, Quidco and Groupon were leaving revenue on the table.

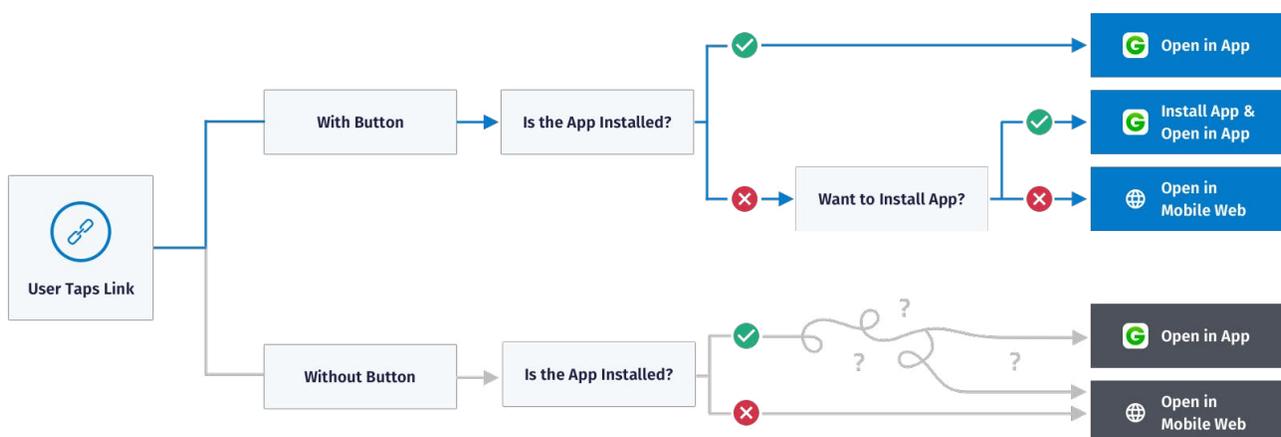
Enabling A Better User Experience

In October 2016, Quidco and Groupon upgraded from Universal Links and launched

their partnership in the Button Marketplace. Button's enhanced links rely somewhat on scheme based links, which are app first in nature. This is fundamentally different than Universal Links which are designed to open within a browser, but may (but not always) be picked up by the OS and opened within the app if the app is installed. On their own, scheme based links aren't perfect—they don't always have graceful fallback mechanisms if the app isn't installed (i.e. it could trigger an error, or just nothing happens at all). Luckily, the Button SDK steps in and:

1. Allows us a fallback if the app is not installed, which means we can use scheme based links without fear of an error if the app isn't installed
2. Turns Universal Links into "app first" links by targeting the app directly, making them behave like scheme based

Based on these technical facts Groupon, Quidco, and Button believed that Button links would far outperform Universal Links and unlock new revenue.



“Button sits at the moment of purchase intent, and when a user installs an app through they show a peak conversion rate. Button is the only service that focuses on app user acquisition from the partnerships channel (and gets it right!)”

-Chris Howarth, Chairman, Quidco

Unlocking New Revenue

Button has a sophisticated experimentation framework that enabled Button and Groupon to conduct tests on nearly every permutation of the mobile user flow, including our patented AttendInstall. In this case, we compared our dynamic link routing (Button Optimized Flow) and attribution services versus the standard link flow that thread together many pre-existing partnerships (Standard Link Flow).

We leveraged our A/B testing framework to validate that AddendInstall and Button has a sizable impact across the most important metrics:

- **Conversion Rate** = Total Orders / Total Taps
- **Unique Conversion Rate** = Unique Users who Purchase / Unique Users who Tap
- **GMS per Tap** = Total GMS / Total Taps

- **GMS per Tapper** = Total GMS / Unique Users who Tap

We took a scientific approach to the design of the user groups, ensuring that we could achieve results that were reproducible and reliable:

- Test groups are randomly generated by Button’s proprietary testing framework
- User behavior is tracked through a persistent hash of Button’s unique session identifier
- Verified statistical significance

And the results spoke for themselves

35%

Higher Conversion Rate

31%

More GMS Per Tap

Across the board, Groupon is projected to realize millions in revenue through a Button optimized partnership in 2018.

Conclusion

Marketers can rest assured that with a Button flow, their brand is always safe and users will have a consistently positive experience.

“Button has been an incredible partner for scaling our partnerships effort to mobile. Button is an integral part of Groupon’s mobile strategy helping us unlock the full potential of mobile. With Button optimized flow we’ve seen revenue increase significantly and anecdotally love the user experience.”

-Brian Nevin, Head of Affiliate Marketing,
International, Groupon

This flow has optimized the experience significantly for all parties involved including the merchant, the publisher, and most importantly the user. A consistently positive experience means users are more likely to return and transact again through the same flow, benefiting both partners involved.

Mobile partnerships, when powered by Button, are an incremental, optimized acquisition channel proven to increase revenue while maintaining a positive user experience. With Button, Quidco and Groupon see a **35% better conversion rate** when comparing to Universal Links, and **31% more GMS per tap**. Ultimately this experience leads to a **40% repeat purchase rate**, leaving marketers with high lifetime value users.



Partner With Us

Button’s exclusive marketplace is growing and we’re always looking to optimize new and existing relationships. **Reach out to us today** to start driving incremental sales on mobile and enhance your current mobile flows.