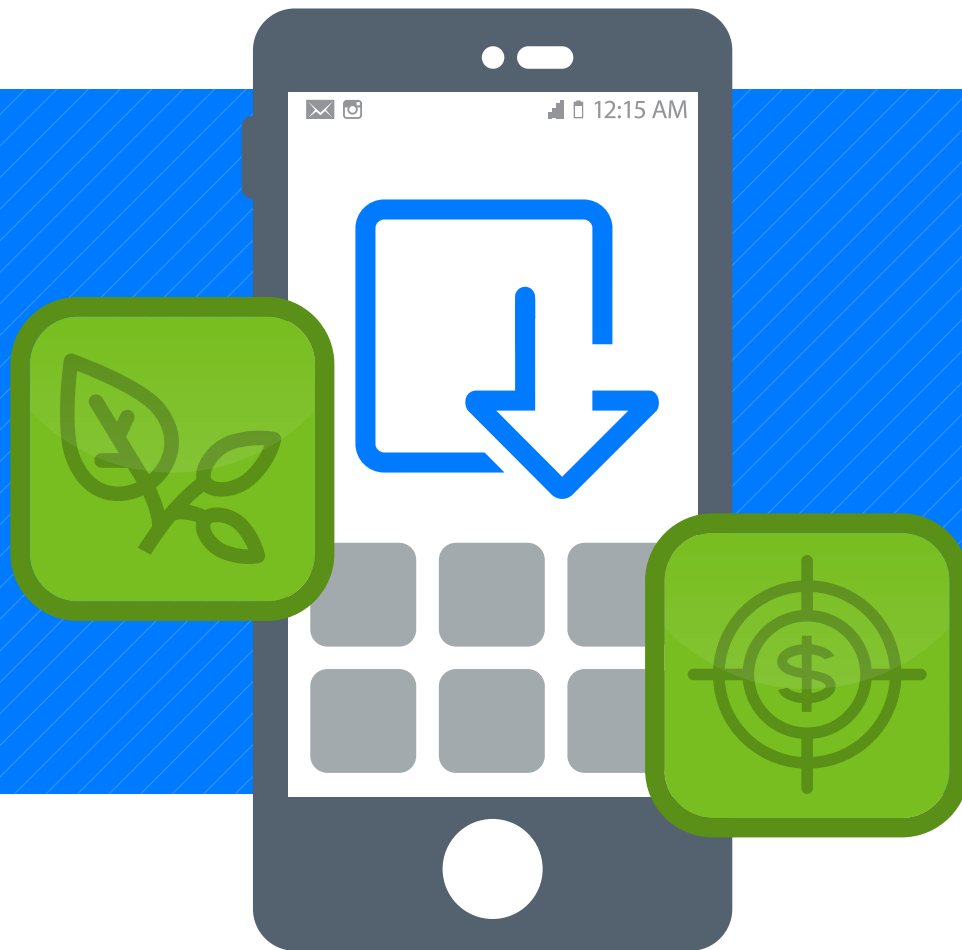


# Understanding the Relationship Between Paid and Organic Installs

A STUDY ON HOW PAID DOWNLOADS IMPACT ORGANIC DOWNLOADS



**MOBILEDEV**HQ  
by **TUNE**

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### ABSTRACT

The following white paper covers a study conducted by TUNE (parent company of MobileDevHQ and MobileAppTracking).

**The goal of the study was to answer the question: for every paid install, how many organic installs can an app expect to see?**

The results indicate that there is a significant positive correlation between paid and organic installs, and also show that the direct impact on organic installs varies depending on the category and operating system (OS) of the app. Read on to see how many organic installs an app can expect to see for each paid install, segmented by category and OS.

Compared to online or digital marketing, mobile app marketing is still in its infancy. Although relatively young in years, it has matured and evolved at an astounding rate. This evolution has largely been driven by consumers spending more time on mobile devices and within apps, which has led to a significant shift of time, money, and other marketing resources towards these areas. As this transition continues, and organizations focus more on marketing their apps, it's becoming increasingly important for brands to clearly understand the implications of their ad spend - particularly as it pertains to the unique relationship between paid and organic marketing.

The balance between paid and organic marketing that exists in the online world, seems to have been lost somewhere along the way in app marketing. In certain instances, a one-sided approach has worked and resulted in very successful apps.

Apps that rely heavily on paid marketing usually have an extremely accurate lifetime-value (LTV) measurement and marketers know exactly how much they can afford to spend on paid installs. It makes sense for them to tap a reliable and steady source of downloads through a publisher such as Twitter. Other apps, like Flappy Bird, have zero marketing spend and still manage to dominate the Top Charts purely through organic installs.

It's important to remember that these types of apps are the outliers and not the norm. For the other 99.9% of apps, having a strategic mix between paid and organic marketing efforts is vital to success because of the unique relationship between paid and organic installs. In the app world, running paid install campaigns boosts two (of the many) specific metrics that impact an app's rank in the app store: total downloads and download velocity. With these paid campaigns, the boost to both metrics also increases the app's ranking in the Top Charts and search, which leads to greater visibility and more organic downloads.



Experienced app marketers are aware that, on some level, an increase in paid installs will lead to an increase in organic installs, which isn't ground-breaking news. But is there any way to quantify an approximate multiplier for the impact of paid installs on organic installs? Or in other words, for every paid install, how many organic installs can an app expect to see?



### Methodology

Using anonymized data from thousands of apps (data provided by TUNE), we were able to calculate a coefficient that significantly correlates paid and organic installs. We then ran a linear regression between the paid and organic installs. To validate the regression models, we checked residuals, adjusted R square, and p-values (an indicator of significance). Our requirement for the data to be sufficient was a correlation greater than 0.4 and a p-value less than 0.05.

We also segmented the data by different categories and operating systems because these factors affect the results, which show the impact of paid installs on organic installs across all apps. In addition, we created a table that highlights the impact of paid installs on several distinct app categories.



### Generalized Results: Is the Effect Real?

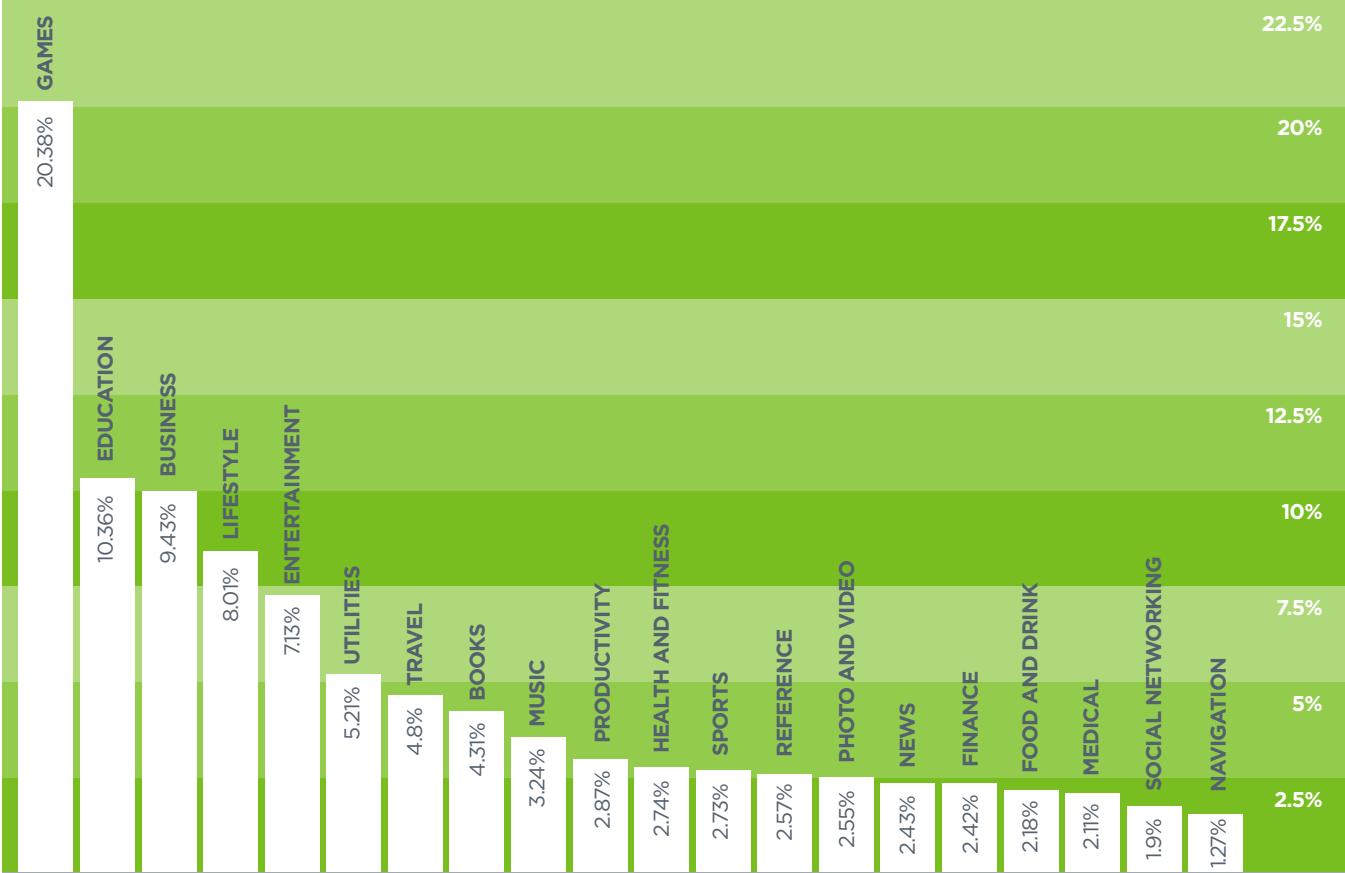
The first thing we wanted to test was the general impact of paid installs on organic installs across all categories and both app stores (Google Play and Apple). Essentially, we wanted to know if paid installs really do have a significant impact on organic installs. The Business Intelligence team at TUNE analyzed the relationship between paid and organic installs for thousands of advertisers (apps paying for installs) over the course of 245 days. They found an extremely strong relationship, and can say with 95% confidence that **for every paid install an app receives, it can expect to also acquire an additional 1.5 organic installs.**

For all of the findings in this study, one important factor is that this is a trend, and scale matters. Many of the conclusions drawn in this white paper are from apps with millions of downloads (e.g. for every one million paid installs, advertisers can expect to see an additional 1.5 million organic installs). So although the trend can be applied to apps paying for downloads on a smaller scale, the confidence levels and p-values come from numbers on a larger scale.

The following scatter plot shows the direct correlation between paid and organic installs.



These results were very encouraging, and allowed us to be confident in the underlying assumption that paid installs do have a strong positive correlation with organic installs. Although confirming the correlation can be useful, all app categories are not equal. We know that in terms of total number of apps and total downloads, some categories are more popular than others. For example, the following graph shows the distribution of iOS apps sorted by category.



Source: Statista

As you can see, the top five categories account for more than 50% of the total app population. So how strong or how varied is the correlation between paid and organic installs across different app categories and operating systems? The following section substantiates the coefficient across these factors.



On the other hand, a marketer for an iOS Game, working with the same knowledge about user quality, might decide they can risk using a less-reputable publisher, because they will receive five high-quality organic users for every one low-quality paid user. Does this mean Android Tools shouldn't be doing paid marketing? Absolutely not. It just implies they should be more conscious about which publishers they are choosing.

There are numerous other ways this information can be applied. But it's important to remember that these are trends based on larger scale, and they are averages. If an Android Casino app runs a one-time burst campaign for 100 downloads, we do not guarantee that they will see an additional 210 organic downloads.



### Bringing it All Together

The harmonious relationship between paid and organic marketing is something that is truly unique to apps. Because this relationship is so strong, app marketers cannot afford to only focus on one or the other. Having a strong balance between paid and organic efforts is key to thriving as an app marketer. We hope that this white paper has helped provide understanding around how app marketing is unique, why having a balanced strategy is important, and how the relationship between paid and organic installs works.

We will continue to update data and add new categories to this table in the coming months. If you have any questions, feel free to reach out to [research@mobiledevhq.com](mailto:research@mobiledevhq.com).

For more insights on app marketing strategies and app store optimization, please visit [www.mobiledevhq.com/articles](http://www.mobiledevhq.com/articles).

## About MobileDevHQ by TUNE

MobileDevHQ is the leading enterprise organic app marketing platform. We've been working with app marketers since 2009, and over and over again, we've met smart, hungry marketers looking for better ways to get downloads for their app. Tired of spending large sums of money on paid advertising (only to generate low LTV on those users), they're turning to organic channels such as App Store Optimization (app store SEO) for low-cost, high-quality installs with a high ROI.

If you're interested in learning more, feel free to sign up for a free account today, or reach out to [sales@mobiledevhq.com](mailto:sales@mobiledevhq.com) for a free demo!

## About MobileAppTracking

MobileAppTracking (MAT) is the industry standard for mobile app marketers to measure performance, and builds best-in-class tools to help marketers attribute their user acquisition, engagement, and retention campaigns to the appropriate channels and partners. MAT provides attribution for more than half of the top grossing apps in the iTunes and Google Play stores today. Customers include: Supercell, Spotify, Kayak, Uber, Square, EA, G5, Sephora, Hipmunk, LINE, Gilt, JackThreads, William Hill, Gumi, Nickelodean, Zoosk, eHarmony, and eBay Korea.

To learn more about MAT, you can visit their website at [www.MobileAppTracking.com](http://www.MobileAppTracking.com)

