StoreLab

An industry whitepaper

Everything you need to know about Push Notifications

Brought to you by **storelab.app**
© 2023 StoreLab. All rights reserved

Great to see you here!
hello@storelab.app

@storelabapp
storelab.app

Table of contents

E-commerce today p3

Why push notifications stand out p7

Key benefits p9

Main types p16

Best practices p18

How StoreLab can help p25

E-commerce Today

The e-commerce industry flourished during the pandemic. In the US alone, e-commerce sales increased by $244.2 billion or 43%, in 2020[1]. According to McKinsey[2], the sector has grown five times faster in the UK than before the pandemic hit.

Now, with things returning to normal, people started to flock to physical stores. However, a profound change in buying behaviour has happened since 2020. Customers enjoy the convenience of receiving goods at home, and with smartphones becoming more popular than ever, shoppers have the biggest mall on at their fingertips.

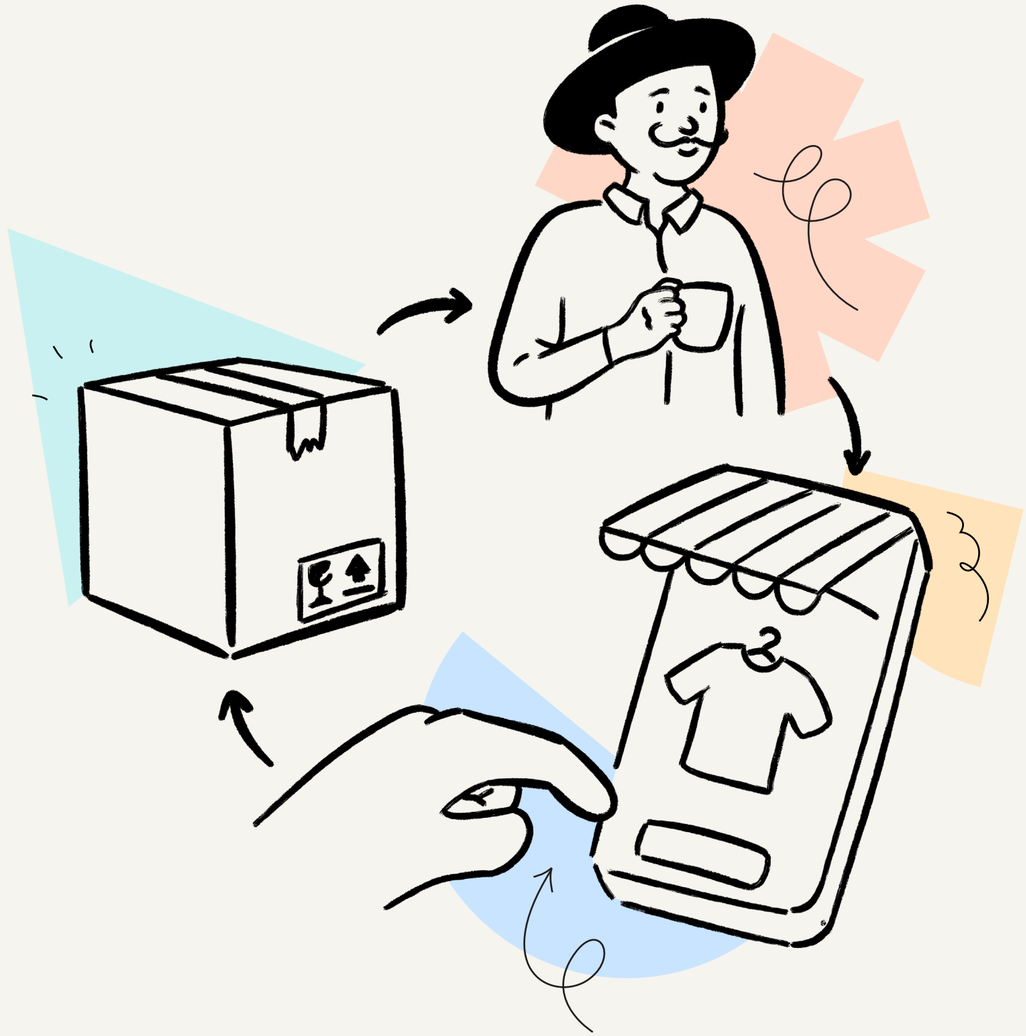
Contrary to what some may believe, Forrest's research[3] shows that 46% of consumers are spending the same amount of time on their mobile phones than during the lockdowns - and 39% are spending even more hours!

The e-commerce market is absolutely gigantic – and it keeps growing fast.

In 2021, retail e-commerce sales amounted to approximately 4.9 trillion U.S. dollars worldwide[4]. Statista forecasts this figure will increase about 50% over the next four years, reaching 7.4 trillion dollars by 2025.

With this new gold rush, potential shoppers are flooded with advertisements right on their phones, where they're exposed to countless products and brands. Instagram, Pinterest, TikTok, Google Ads, you name it: users are bombarded with ads.

With fierce competition, businesses must be creative to cut through all this noise, and marketing efforts should cover every available avenue. Nowadays, an effective marketing strategy is omnichannel: social media, e-mail marketing, SMS… but there is one channel that, when used smartly, can effectively outshine all others: **mobile app push notifications.**

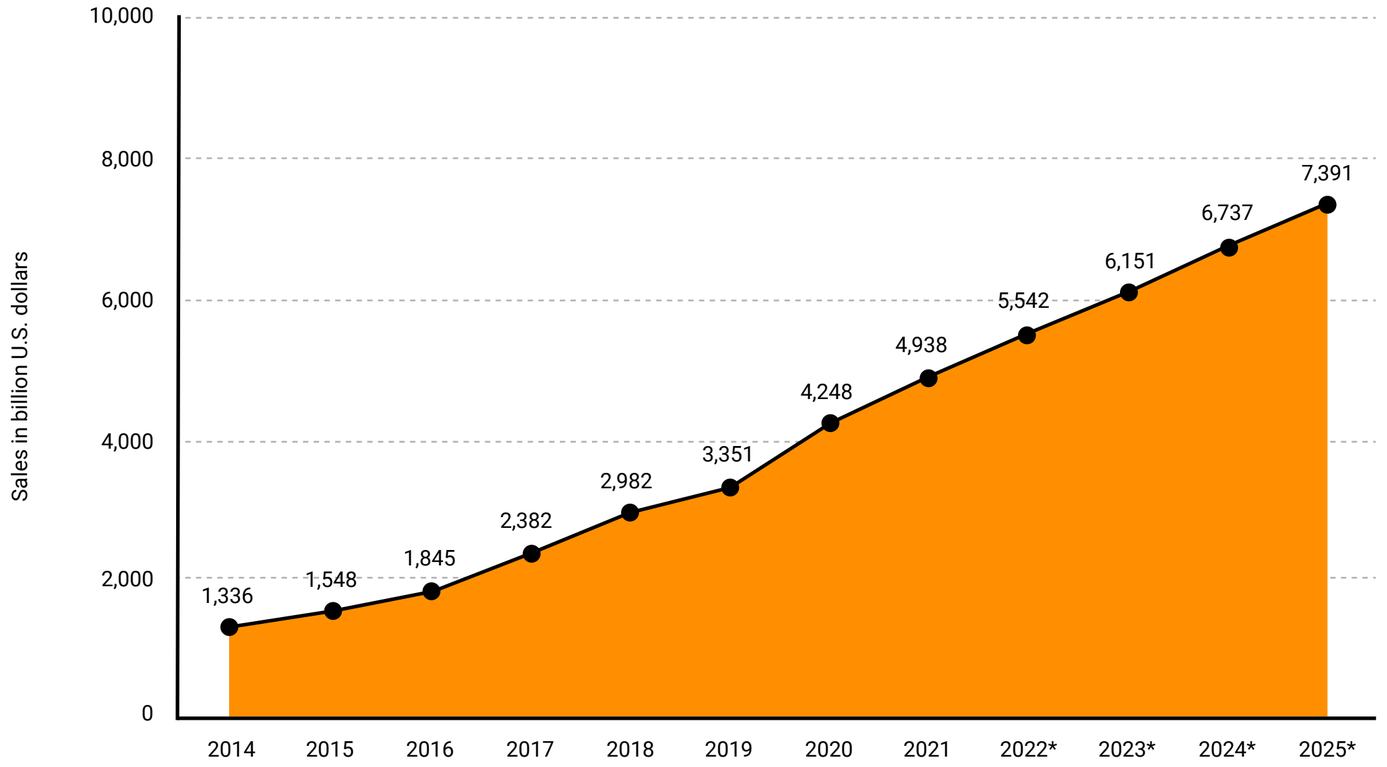


E-com Projections

Retail e-commerce sales worldwide from 2014 to 2025

(in billion U.S. dollars)

In 2021, retail e-commerce sales amounted to approximately 4.9 trillion U.S. dollars worldwide. This figure is forecast to grow by 50 percent over the next four years, reaching about 7.4 trillion dollars by 2025.

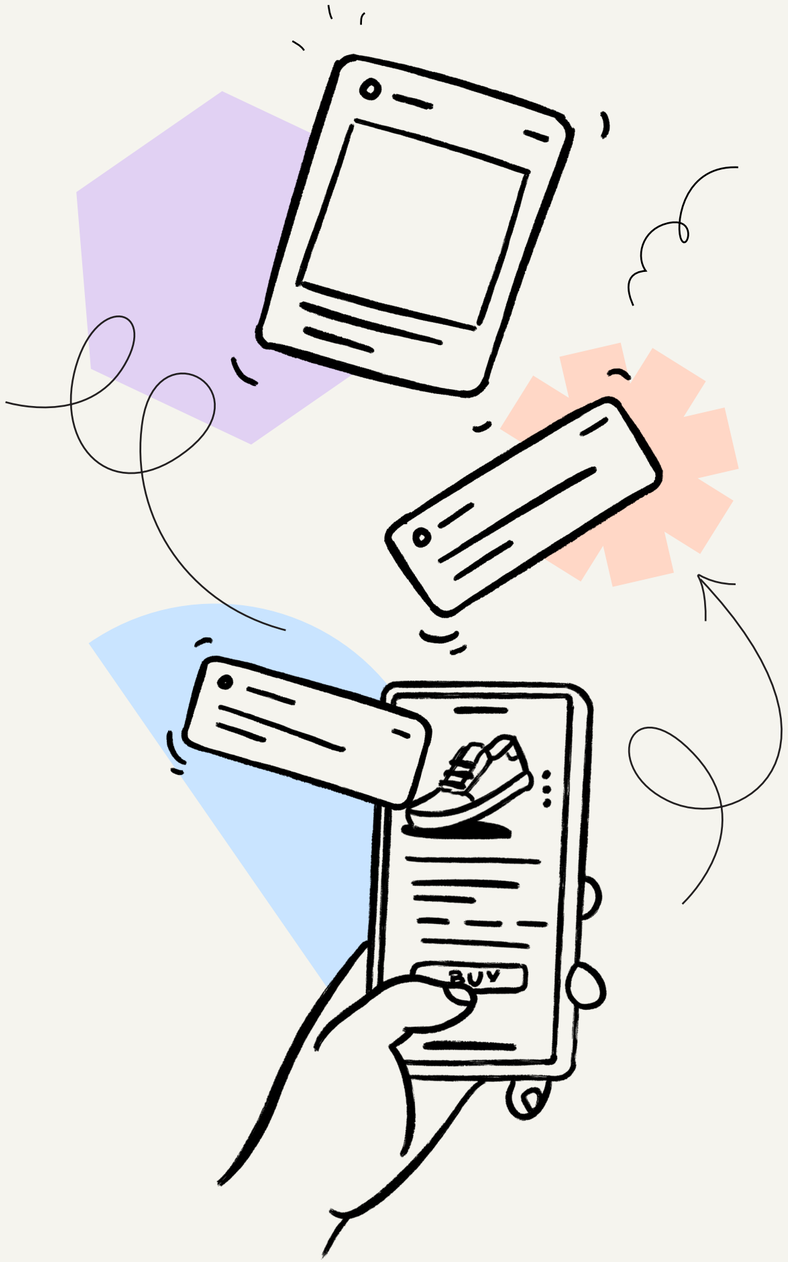


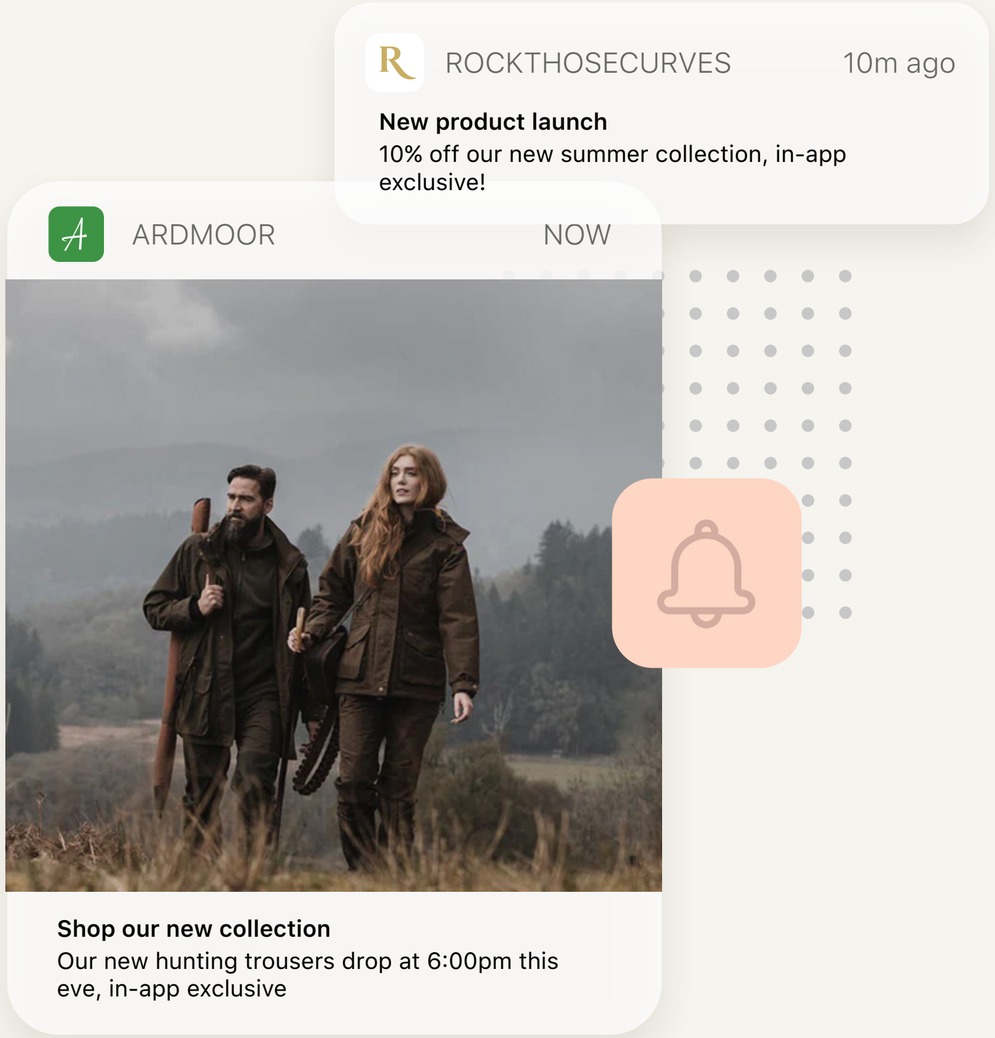
Note
Includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets. 2014 to 2019 data are from earlier reporting.

* Forecast
Additional Information Worldwide; 2014 to 2021
Source eMarketer (c) Statista 2022

"As the adoption of mobile devices is progressing at a rapid pace, mobile integration will continue to shape the shopping experience of the future."

E-commerce worldwide - statistics & facts, Statista, Feb 2022





Why Push Notifications Stand Out

Push notifications are messages sent directly to a user's mobile device, usually for free, regardless of whether the app is running or not. They simply pop up on the screen, alerting potential customers immediately.

The purpose of push notifications is to keep users engaged with the app by providing them with timely and relevant information. As a result of a well-thought schedule and strong call-to-actions, push notifications lead to higher click-through rates and boost conversions.

Push notifications can increase app engagement by 88%, and 65%[5] of users return to the app within 30 days after the message is sent.

Compared to e-mail marketing, the success is undeniable: push notifications' open rate is 10 times higher than e-mail.

65%
Return Users

88%
Engagement Rate

10x
Higher Open Rate Than Email

Key Benefits of Push Notifications

Boost Conversions

Increase User Engagement & Retention

Improve ROI

Boost Conversions

In the world of e-commerce, one of the biggest challenges is getting customers to return to your store.

Push notifications can help to boost conversions by reminding users of items they're interested in, providing them with special offers, and generally keeping the app at the top of their mind. In addition, push notifications also create a sense of urgency and encourage impulse buys.

Push notifications are instrumental in overcoming one of the most challenging hurdles in e-commerce: cart abandonment. According to recent statistics, almost 70%[6] of online shoppers abandon their carts. This means online stores lose $18 billion in sales revenue each year because shoppers add items to their cart but exit the store without completing a purchase.

Push notifications have an excellent track record of recovering such almost-lost sales, as some customers could have been busy before completing the purchase or simply changed their minds at the last minute.

A message reminding them of the product or even offering a discount can help make them go all the way through checkout.

Increase User Engagement and Retention

According to Airship's research on Push Notifications & Mobile Engagement, sending push notifications can increase 90-day app retention by 190%[7]. Retention rate is the number of users that opened the app at least once during a specific date range.

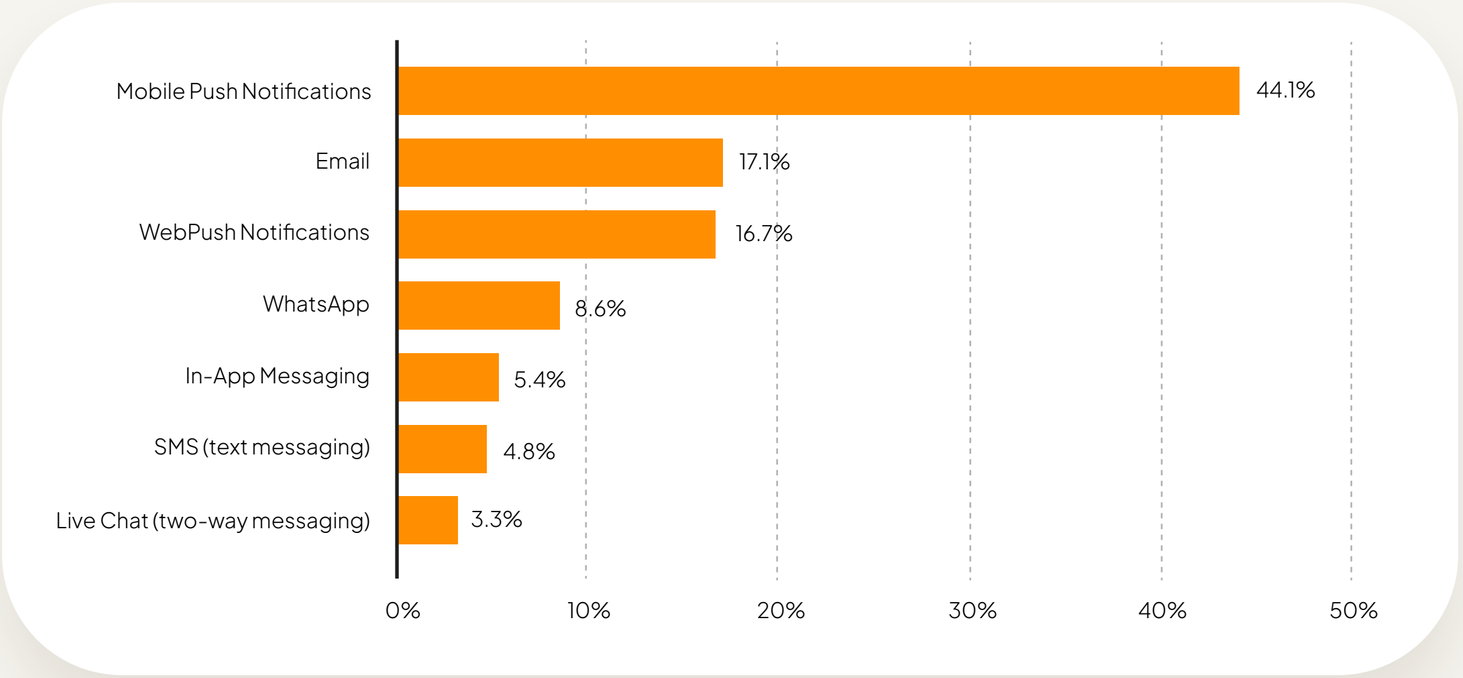
And what's the best way to engage these customers? Giving them a reason to come back and spend time within the app. This is easily achievable with push notifications offering discounts or creating FOMO, for example. It does work: a survey carried out by OneSignal found out that mobile push notifications are the most important channel for engagement for 61%[8] of businesses.

It costs 6-7 times more to attract a new customer than to retain existing ones[9]. With push notifications, businesses can directly contact loyal customers, enticing them with discounts and exclusive deals. Bringing shoppers back to the app, upselling and cross-selling products and services is one key benefit of push notifications.

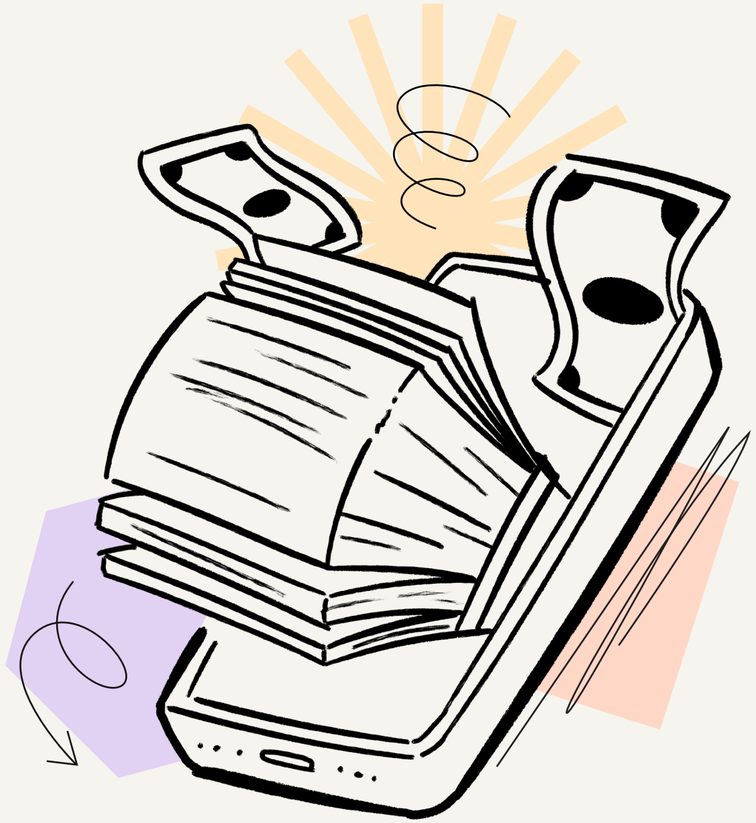
Most Effective Re-Engagement Channel

“This data shows that mobile is poised to be the primary channel to reach customers effectively, and brands offering more personalised, automated customer journeys will drive crucial improvements for customer engagement. Leveraging additional channels will grow your aggregate opted-in customer base and deliver immediate and sustained retention and loyalty gains.”

George Deglin, CEO of OneSignal



Source: OneSignal Survey



Improved ROI

First and foremost: Push Notifications are a marketing channel with the priceless advantage of targeting the most perfect audience. Besides, contrary to SMS and e-mail marketing, sending these notifications is extremely cost-effective.

But not only that: they are a direct and quick link with customers; any glitches on social media or sudden algorithm changes do not interfere with this valuable medium established between shoppers and businesses. Is Instagram no longer showing your very well-curated posts? Meta goes down? Not to worry: push notifications will still reach customers; it is a channel owned by the store that can independently decide how to use it.

Since 2021, with the release of iOS 14.5, apps need to request users' permission to track their activity across other apps. The data that once was collected and used for ad targeting purposes suddenly was then in the hands of users. And they did not want to be tracked: only 11%[10] of users agreed to share data on the day of the release.

With iOS 15, more privacy changes were introduced: users can protect their data with a unique and random e-mail address provided by Apple, block e-mail tracking pixels, and hide their IP addresses. Although many customers may welcome these changes to preserve their privacy, the new features disrupted digital marketing. Nowadays, it is much harder to target potential shoppers, which led to an exponential increase in the expenditure on marketing efforts.

For instance, the cost per click for paid search ads increased by 15%[11] between the second and third quarters of 2021, as reported by Shopify.

“Our July 2021 report showed a 15–20% drop in the advertising reach of Instagram in Europe,” says Kepios founder and CEO Simon Kemp. “That’s huge. Tens of millions of impressions disappeared because of certain kinds of laws and changes in Apple’s policies.” Users are increasingly concerned about how their data are used, and other features might soon be introduced.

The difference with push notifications is that customers have already decided to download the store app and opt-in to receive messages. They are the target market; there is no need to collect third-party data, as their behaviour within the store app already shows what their main interests are.

“Some brands are seeing ad costs go five times higher than [before] to drive the same amount of traffic."

Ben Jabbawy, Founder and CEO, Privy

And there it is, another marketing channel, a powerful one, where customers are contacted directly, with personalised messages, in the brand’s own tone of voice. Push notifications are incredibly cost-effective. Using them lower marketing costs, not only with SMS and e-mail marketing but, most importantly, with digital marketing advertising.

The benefits of push notifications are clear. But first of all, customers need to opt-in to receive these messages after downloading the app. A well-crafted welcoming message helps get permission to send notifications to users. Not only do they need to be enticed to accept it, but they also need to be aware of which kind of notifications they will get. But what would they gain with that? A survey reveals that "immediate value" is the primary motivation for opting in (35%)[12].

Statistics show that 91% of Android users accept receiving such messages, as the default is to accept them, whereas, for iOS users, the number drops to 44%[13]. It is still a vast and precious audience – they already know the brand and have downloaded the app. The next step is to convert more sales; push notifications help do just that.

Main Types of Push Notifications for E-commerce

Abandoned cart reminder

69.57% of online shopping carts are abandoned before check out. Push notifications reminding customers of the items left behind, encourage them to come back, helping increase conversions.

Products and collections updates

Reveal new products, collections and seasonal releases, sparking curiosity and driving traffic to the store.

Discount codes

According to Statista, a whopping 89%[14] of millennial shoppers in the US would try a new brand if offered a coupon or discount.

Back in stock

The customer really liked the product, but sadly it was unavailable at that moment. When it is back in stock, a reminder for them to complete the purchase can easily convert the sale.

Recommended products

Upsell or cross-sell products when recommending related or similar items to those the customer liked or bought.

Shipping information

Efficient post-sale customer service is a significant part of a seamless shopping experience. Push notifications can keep shoppers updated on the status of their orders.

"Utilising marketing automation helps you communicate with customers who abandon their carts late in the purchase stage. By automatically triggering outreach to communicate the missed value and offer promotions, you can see an increase in conversion on abandoned carts to help drive revenue to your bottom line."

Charlie Terenzio, Newswire

Best Practices for Using Push Notifications

There are a few best practices to keep in mind when using push notifications. The most significant risk is to overdo it and send way too many messages. Getting a considerable amount of them will likely be annoying for users and may lead to them opting out of receiving future notifications. Studies show that in the U.S, a smartphone user gets 46[15] push notifications per day on average. A survey conducted by YouGov America found that nearly half of users feel like they receive too many of them. For 40% of app users, it only takes 3 to 6 messages a week for them to turn off push notifications. And if customers feel that they are excessive or spammy, 8% of users will delete the app entirely, thus shutting down a brand's valuable marketing channel.

As well as the frequency of sending notifications, another thing to bear in mind is when to send them. Ideally, reaching customers should happen when they are free to check their phones and click through the notifications. This will vary depending on the target market.

Overall, research by Airship discovered that 25% of customers are happy to receive notifications about expiration reminders of coupons and vouchers at any time of the day. Lunchtime is also an excellent choice to send messages, as well as in the evenings.

Although this changes from industry to industry, there are a few general tips to assess. First, the audience's time zone must be considered, especially with a global customer base. If data shows the best time to reach out to UK customers is in the morning, before work, this would be the middle of the night for customers based in California, for example.

That is why it is also essential to think about customers' daily routines. There isn't a one-fit-for-all when it comes to the best time to send push notifications. The only way to know what works for the business is to test and study analytics.

Top tips for creating an effective push notifications strategy

1 Keep push notifications short and sweet

The message should be brief and to the point. Customers will appreciate a message that is concise and easy to understand. For deals and discounts, for instance, the sweet spot is only 20 words – that can be complemented with a witty 🔥emoji.

2 Use rich media

This is when push notifications completely outshine SMS. That's because, with push, it is possible to use images, videos, or other forms of rich media, instead of just text. They make the message more engaging and attention-grabbing. Rich push notifications can raise open rates by up to 56%. In e-commerce, they boost the Click-Trough-Rate (CTR) from 5.8 to 6.7%[16]. What about emojis? Do they make push notifications more successful? Yes, they do, as long as they are in accordance with the brand's identity. According to Hubspot[17], push notifications with emojis have an 85% increase in open rates and a 9% in conversions.

3 Don’t overdo it

It is tempting to reach out to customers constantly. However, when users feel they receive too many push notifications, 39% turn off all notifications, and 8% delete the app[18]. Offering genuine value to customers and keeping an eye on the statistics for the industry is crucial.

4 Include strong calls to action

A compelling call to action (CTA) encourages the customer to return to the app and purchase. For example, it can be a link offering free shipping for a limited time. The message works best when it conveys scarcity, urgency and exclusivity. Using power words, like ‘exclusive’ and ‘running out’, can do miracles!

5 Make the notification relevant

Push notifications should relate to the customer's interests, and, most importantly, users must have a high value. This will ensure that they actually read and engage with the notification, following the CTA and going back to the app - potentially making a new purchase.

6 Personalise the message

This will make customers feel valued and appreciated - and more likely to engage with the app. According to Business of Apps, reaction rates improve by 400%[19] when messages are personalised.

7 Timing is everything

The message's timing is vital to ensure that it is seen by the customer. But not only that - they need to be available to complete the CTA, which usually takes them back to the app to complete a purchase. Try to send the notification when they likely have some free time to check their device.

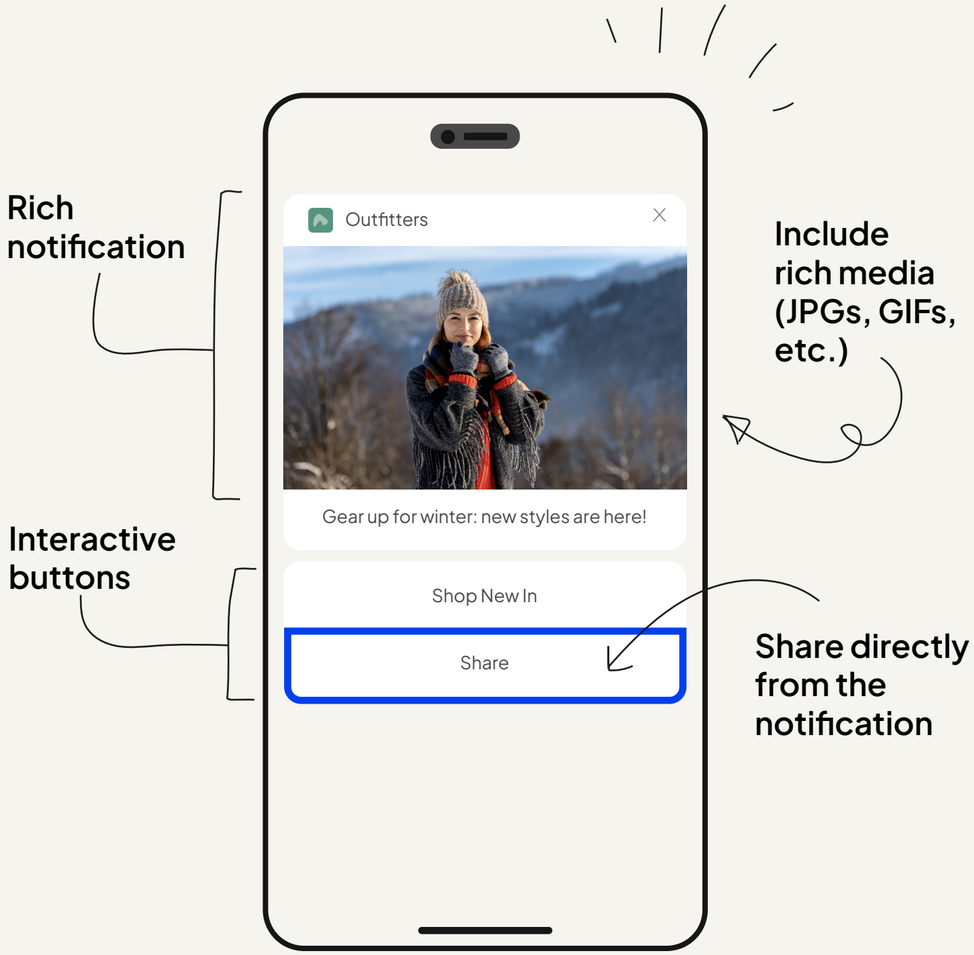
8 A/B test the messages

As A/B testing leads to a 15%[20] in message engagement, it is valid to try out different versions of messages to see which ones are most effective. Sometimes all it takes is to change the picture, include words that convey urgency, or create FOMO.

Push notifications vs SMS: which one is best?

The main difference between SMS and push notifications is the type of content that populates the messages.

Whereas SMS is restricted to text, push works with images and videos, plus text and CTA. Photos and videos add context to users - a picture of a coveted item that just got back into stock might entice the shopper to buy it. In such a competitive fight for the shoppers' attention, a good photo will pop up among dozens of notifications received each day. With SMS, this appeal does not exist; everything must be transmitted by words only. As a consequence, these messages can be easily ignored or overlooked.

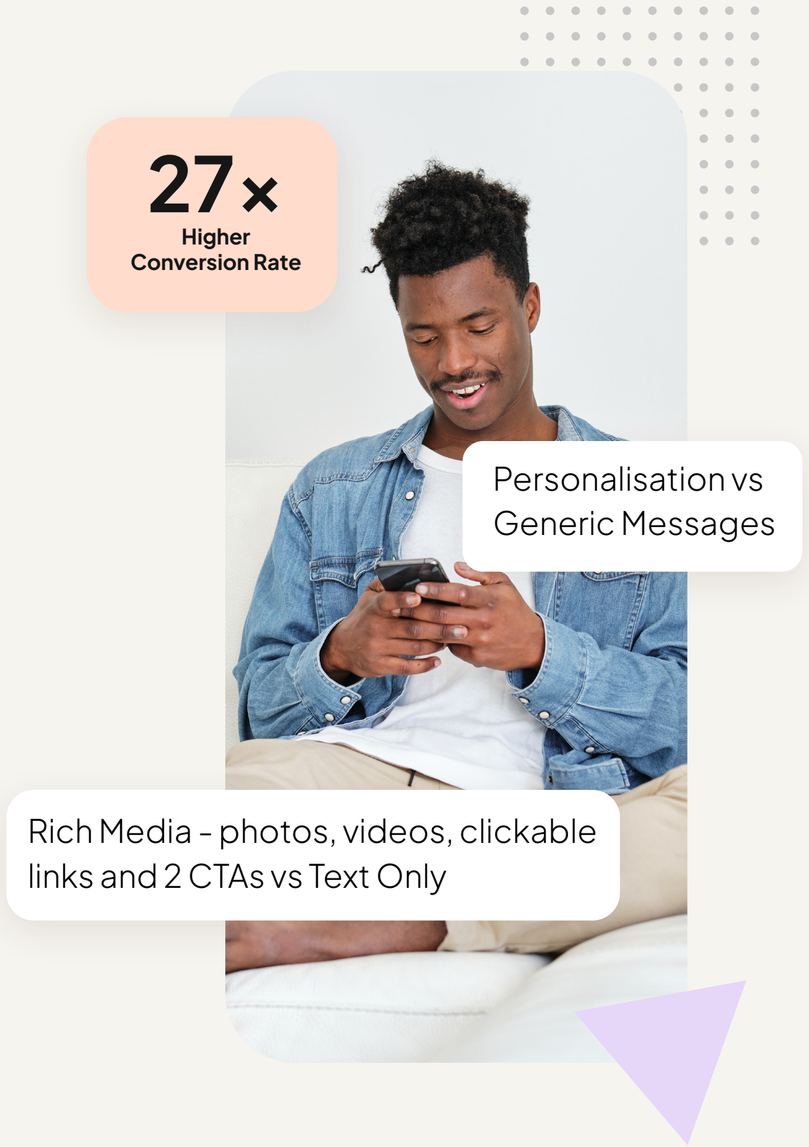


Another relevant distinction between the two is that SMS is sent to a customer's phone like regular messages, which means an extra expense to be carried out by the business. They are usually charged by the number of messages sent (and not necessarily delivered nor opened). In September 2022, the disbursement to send 10k messages revolves around £300 in the UK.

On the other hand, push notifications are automatically displayed on a customer's screen even if they are not actively using the app. This makes them unlikely to be missed, ensuring that your message will be seen by potential shoppers. Usually, having a native app means businesses can send as many push notifications as they see fit to their target audience and industry. Some app builders offer free and unlimited push notifications as a part of their package services. This makes a tremendous difference in terms of budget spending on marketing.

But it is not only the cost of sending messages that must be considered. Push notifications also can be more targeted and personalised than SMS messages. After all, the customer has already downloaded the app, allowing the store to
collect data about their interests and purchase history.

With all the inherent benefits of push notifications, their average conversion rate is 27x greater than SMS messages.



50 Power Words to use on Push Notifications

- Amazing
- Bargain
- Before
- Best
- Best Selling
- Bonus
- Cash
- Claim
- Coupon
- Deals
- Delivery
- Discount
- Don’t miss out
- Essential
- Exclusive
- Extra
- Fast
- Final
- First
- Free
- Gift
- Giveaway
- Greatest
- Happy
- Hot
- Hurry
- Incredible
- Instantly
- Latest
- Last chance
- Last minute
- Limited time
- Love
- Money
- Now
- New
- Offer
- Opportunity
- Pass
- Popular
- Quick
- Running out
- Reward
- Ends soon
- Sale
- Save
- Trending
- Today
- Unlock
- While it lasts

How StoreLab can help

StoreLab is a powerful, no-code app builder that helps e-commerce store owners launch their own native mobile apps.

With StoreLab, you can quickly improve conversions and overall revenue with push notifications – an effortless, cost-effective solution that makes you get the most out of your mobile app.

There's no need to hire a costly developer or spend months coding – our platform makes it easy to create a fully functional, high-quality mobile app for your store in no time. All you need is a Shopify account and a few minutes to get started.

So why wait? Launch your own native mobile app today with StoreLab.

Bio & Contact info

StoreLab is a tech company that specializes in mobile app development platforms for e-commerce retailers and brands. We make it easy for you to build beautiful, native apps that engage customers and drive sales.

With StoreLab, you can create an app in minutes without any coding required. Our intuitive visual interface lets you drag and drop your way to a custom app that looks and feels like your own website.

We're committed to making mobile commerce simple and easy for everyone, so you can focus on what you do best: selling products online.

Contact us at: hello@storelab.app

www.storelab.app

Appendix

[1] U.S. Census Bureau. Annual Retail Trade Survey Shows Impact of Online Shopping on Retail Sales During COVID-19 Pandemic. https://www.census.gov/library/stories/2022/04/ecommerce-sales-surged-during-pandemic.html/

[2] McKinsey & Company. How e-commerce share of retail soared across the globe: A look at eight countries. https://www.mckinsey.com/featured-insights/coronavirus-leading-through-the-crisis/charting-the-path-to-the-next-normal/how-e-commerce-share-of-retail-soared-across-the-globe-a-look-at-eight-countries/

[3] Forrester. Post-Pandemic Media Consumption: Online Streaming Accelerates A New Content Experience. https://www.forrester.com/blogs/post-pandemic-media-consumption-online-streaming-accelerates-a-new-content-experience/

[4] Statista. Retail e-commerce sales worldwide from 2014 to 2025. https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/

[5] Airship. The Mobile Customer Imperative.

[6] Dynamic Yield. Shopping Cart Abandonment: An $18 Billion Opportunity. https://www.dynamicyield.com/blog/shopping-cart-abandonment-ebook-announcement/

[7] Airship. Push Notifications & Mobile Engagement.

[8] One Signal. State of Customer Messaging - 2022 Report.

[9] American Express. Retaining Customers vs. Acquiring Customers. https://www.americanexpress.com/en-us/business/trends-and-insights/articles/retaining-customers-vs-acquiring-customers/

[10] Flurry. iOS 14.5 Opt-in Rate - Daily Updates Since Launch. https://www.flurry.com/blog/ios-14-5-opt-in-rate-att-restricted-app-tracking-transparency-worldwide-us-daily-latest-update/

[11] Shopify. The Future of Commerce - 2022 Report. https://www.shopify.com/research/future-of-commerce

[12] Airship. Push Notifications & Mobile Engagement.

[13] Future Mind. Best Practices For Introducing Mobile Push Notifications. https://www.futuremind.com/insights/what-are-mobile-push-notifications

[14] Statista. U.S. shoppers try new brand if given discount by age 2020 https://www.statista.com/statistics/1154863/us-adults-try-new-brand-discount-coupon-coronavirus-age/

[15] Business of Apps. Push Notifications Statistics (2022). https://www.businessofapps.com/marketplace/push-notifications/research/push-notifications-statistics/

[16] Business of Apps. Mobile push notifications boost engagement. https://www.businessofapps.com/news/mobile-push-notifications-boost-engagement/

[17] Hubspot. Easy as 🍰: How to Boost Engagement with Emoji Push Notifications. https://blog.hubspot.com/marketing/emoji-push-notifications/

[18] Insider Intelligence. Most US smartphone owners won't hesitate to limit push notifications. https://www.insiderintelligence.com/content/us-smartphone-owners-limit-push-notifications/

[19] Business of Apps. Push Notifications Statistics (2022). https://www.businessofapps.com/marketplace/push-notifications/research/push-notifications-statistics/

[20] Airship. The Mobile Customer Imperative.

StoreLab

storelab.app

hello@storelab.app

@storelabapp