

CASE STUDY:

# Online Marketplace Bukalapak Activates App Installers

Indonesian Online Marketplace Turns Dormant Installs into Engaged Customers with In-App Personalized Advertising



*"Sociomantic's AppKit in-app advertising campaign has made a significant positive impact on the sales volume in our mobile app. It was also easy and quick for our mobile team to integrate Sociomantic's software development kit into our app. The campaigns have proven to be invaluable in helping us convert idle users back into app shoppers, effectively increasing our number of monthly active users. I'd like to congratulate Sociomantic on this successful product innovation."*

**Irena Nova Kusumandini,**  
Mobile Ads and Programmatic Media Manager,  
Bukalapak

## THE OBJECTIVE

Bukalapak differentiates itself from competition with its proprietary Android app as the main channel of commerce, which has become the number one shopping app in Indonesia one year since its launch. The customer-to-customer online marketplace was looking for a way to unlock the commercial potential of its large base of app installers, by increasing customer engagement with the app, and in turn, sales.

## THE CHALLENGE

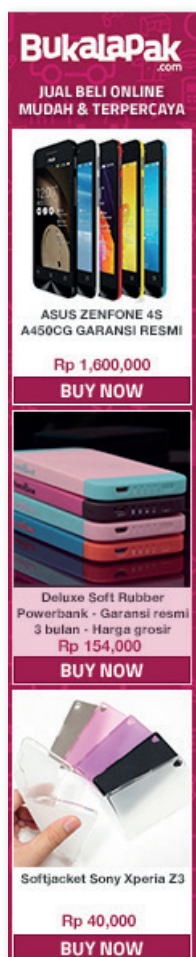
### Many Installs, Few Monthly Active Users (MAUs)

Bukalapak launched its proprietary shopping app on Android Play Store in March 2014. In just a year, the Bukalapak app has become the number one shopping app in Indonesia. Despite this achievement in number of installs, the number of MAUs was only half of total installs in March 2015. This means one out of two people who had installed Bukalapak's app had it sitting on their phone, inactive.

Much time and resource have been invested in developing the proprietary app and pushing it to be the top shopping app of Indonesia. Bukalapak needed to bridge the gap between the high number of installs and the low number of MAUs in order to maximize the potential of the app and its user base, and reap returns on the investment in the app.

### Ensuring Mobile Inventory Quality

Because Bukalapak was looking for an in-app advertising solution, mobile app inventory was a major concern. Bukalapak's in-app display advertising partner needed to be able to access quality mobile web and in-app inventory to guarantee that Bukalapak's marketing budget was effectively and responsibly spent.



## THE STRATEGY

Bukalapak worked with Sociomantic in an **exclusive partnership** to run in-app display campaigns starting from September 2015. The campaigns are ongoing as of May 2016.

### Re-Engage



Sociomantic's proprietary in-app marketing suite, AppKit, held the key to re-engaging idle users who had installed Bukalapak's shopping app but did not complete a purchase in-app. By integrating Sociomantic's proprietary SDK with its shopping app, Bukalapak's was able to track six in-app event types: app open events, category page events, product page events, add-to-basket events, sale confirmation, and customer ID.

Sociomantic's Re-engage campaigns use the data collected from the in-app events to inspire action from Bukalapak's idle users by finding these individuals as they use other apps, and displaying personalized in-app ads for Bukalapak that drive the user back to the shopping app. These include 1) users who have never opened the app after install and 2) users who have browsed in-app but never purchased.

For users who never opened the app, the Re-engage banners will display Bukalapak's category best sellers. For users who have browsed in-app, the personalized banners deeplink Bukalapak's users back to the last viewed product page in the app to increase the likelihood of conversion.

### Programmatic Buying (RTB & Sociomantic Direct)



With Sociomantic's proprietary real-time bidder, Bukalapak is able to calculate and pay the optimal price for each display banner placement by analyzing the retailer's in-app, performance, yield and CRM data. These first-party data help to inform Bukalapak which app users are most likely to convert and where they can be found on the web. Sociomantic's engine then bids the right price to serve Bukalapak's banner to the right person, at the right time. By bidding according to each user's value for Bukalapak, the marketing budget can be used more efficiently than in traditional display 'bulk' buying. This also ensures that only users who have installed Bukalapak's shopping app will be targeted for Re-engage campaigns.

### Programmatic Creative (DCO)

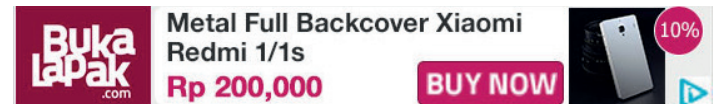


For each ad impression won by the real-time bidder, Sociomantic's Dynamic Creative Optimization (DCO) engine uses Bukalapak's first-party data collected in-app to generate and display personalized product recommendations for each person. This helps the online marketplace cater to individual shoppers' preferences by showing only products related to their interests, increasing likelihood of conversion.

To further capture the attention of idle users and encourage clicks, Sociomantic implemented static overlays on top of the regular dynamic banners, i.e., a static creative will swivel to alternate with the dynamically personalized banner elements.



Static creative overlay on one side of a banner



Dynamic personalized product recommendation on the flipside of the same banner

### Full Mobile Reach with HTML5



By leveraging Sociomantic's HTML5 banner technologies, Bukalapak was able to reach users with dynamically personalized ads across Sociomantic's full mobile app inventory — an element especially relevant for Bukalapak's business challenge to engage its app users.

### Lightweight, Fuss-Free SDK Integration



Sociomantic's proprietary software development kit (SDK) is directly integrated with Bukalapak's shopping app. This is an important factor for the success of the in-app campaigns. Every other vendor that Bukalapak has worked with for in-app solutions relies on third-party app trackers except Sociomantic to this point. The direct SDK integration with Bukalapak's app cuts out the middle-man, in turn reducing cost and hassle. The direct integration with Sociomantic's SDK also improves the accuracy of tracking in-app events data, hence driving better engagement and more sales for Bukalapak.

The SDK integration was completed in **less than four hours**. Being less than 100 kilobyte in size, the Sociomantic SDK is lightweight and does not impact the app load time. This protects the customer experience within the Bukalapak app, improving quality of engagement and lowering the app drop-out rate.

### Preferred Partner of App Inventory



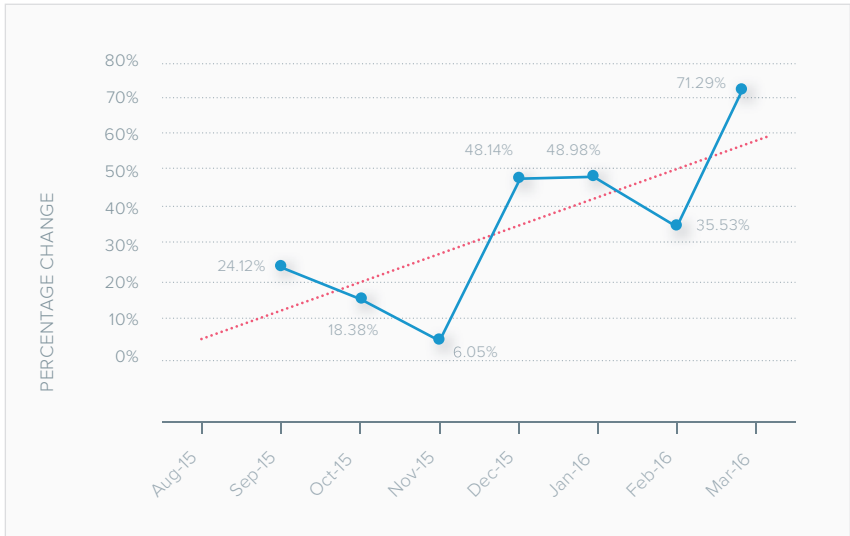
Besides having wide access to quality mobile inventory, Sociomantic is also the preferred partner of premium app publishers. Sociomantic's preferred deals with these publishers expand its access to premium mobile inventory. This enables Sociomantic's proprietary media-buying algorithm to reach the most important and highest-value users more easily than before, as it is now granted a 'first look' priority to reach these users before other advertisers without preferred deals. The premium inventory also improves viewability of AppKit display banners as premium app publishers implement on-scroll ads, i.e. ads are only displayed if a user scrolls, so it is more likely that the user sees the ads.

Overall, quality mobile inventory played a crucial role in improving Bukalapak's budget efficiency and campaign performance.

## THE RESULTS

Between September 2015 to March 2016 (seven months), Bukalapak ran in-app advertising **exclusively with Sociomantic** and achieved the following results, compared to pre-AppKit in August 2015:

### MONTHLY ACTIVE USERS



From September 2015 to March 2016:

- + 36.1% MAUs on average
- + 59.5% screen views on average
- + 81.9% in-app sales on average

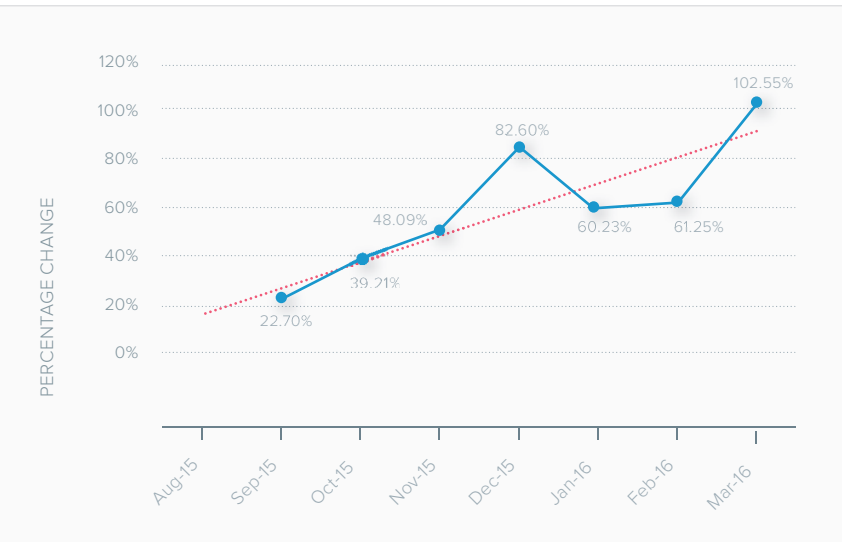
### Best Performing Month

March 2016 was the best performing month since AppKit Re-engage was launched for Bukalapak. Compared to pre-AppKit August 2015:

- + 71.3% MAUs
- + 102.6% screen views
- + 2.7 times in-app sales

Bukalapak typically considers March to be a low season for engagement and sales, which amplifies the effectiveness of AppKit in raising the baseline for these metrics. As the AppKit campaign is still ongoing as of May 2016, performance is expected to improve even more during the festive Ramadan season in June and July 2016.

### SCREEN VIEWS

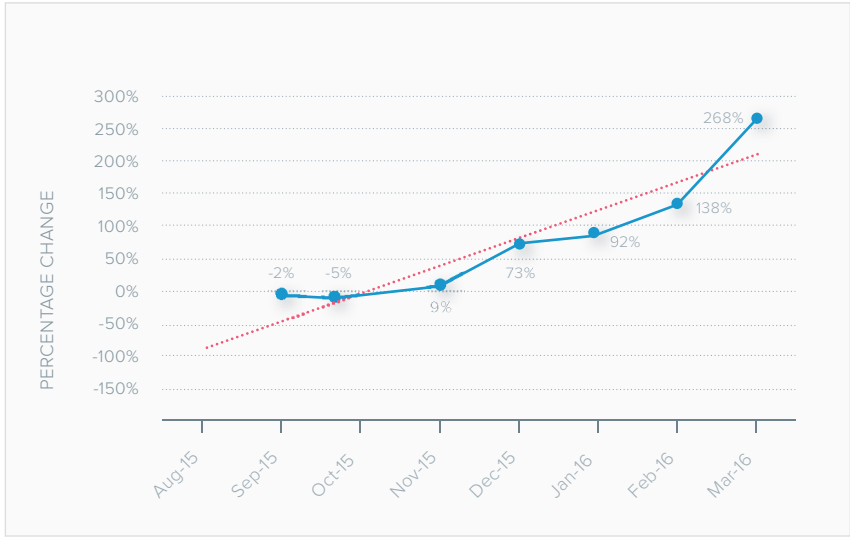


### March Promotion Period

During the promotion period in the last week of March 2016, Sociomantic ran static overlays with the sales promotion message in addition to dynamic banners displaying personalized product recommendations. As a result, compared to the first three weeks of March, AppKit achieved the following during the sales promotion week:

- + 69.6% conversion rate
- - 36.4% in cost per order (CPO)

### IN-APP SALES



### Android App vs. Mobile Website

Compared to Bukalapak's mobile website, AppKit helped the marketplace's app achieve the following results from September 2015 to March 2016:

- + 4.3 times the conversion rate
- - 37.0% in CPO

## NEXT STEPS

### iOS campaign



Given the huge success with its Android app, Bukalapak would like to extend its partnership with Sociomantic to run similar campaigns for its iOS shopping app.

### City-targeting (Greater Jakarta)



Bukalapak has a target focus on users in the region of Greater Jakarta. With the help of Sociomantic's geo-targeting capabilities, it is possible to concentrate Bukalapak's marketing budgets on Greater Jakarta campaigns to meet its business goals and higher ROI. Reasons: separate campaigns and promotions for users within and outside of Greater Jakarta.

### CRM segmentation



Sociomantic AppKit consists of four solutions in one complete in-app marketing suite. Advertisers are recommended to begin AppKit with the Re-engage solution to generate initial learnings and app traffic used to power subsequent solutions.

After reactivating idle users of its shopping app with Re-engage, Bukalapak plans to advance its app marketing strategy with Sociomantic to segment app users into custom-defined CRM segments for more effective and personalized advertising.

## Which type of companies should use AppKit to grow app engagement and sales?



Advertisers with proprietary apps



Advertisers in markets with strong mobile/app penetration



Advertisers who want to reach users on multiple devices

## ABOUT BUKALAPAK

Bukalapak is one of Indonesia's leading online marketplaces. Like any other online marketplace in Indonesia, Bukalapak provides a Customer-to-Customer (C2C) place for buying and selling online. Anyone can open an online store in Bukalapak and serve buyers from all over Indonesia for a single or many transactions.

Bukalapak stands by its promise of easy and reliable online buying and selling, with 100% money-back guarantee if items are not delivered by the seller. Its vision is to become the number one online marketplace in Indonesia and its mission is to empower small and medium enterprises throughout Indonesia.



## ABOUT SOCIOMANTIC LABS

Sociomantic Labs, a dunnhumby company, provides programmatic solutions for online, mobile web and in-app display advertising. The company's proprietary technology enables the world's leading advertisers to harness the value of CRM and other first-party data assets to deliver individually personalized, dynamic ads for the full customer journey. This results in broader reach, more new customers and increased loyalty of existing customers.

Sociomantic has been profitable since its founding in Berlin in 2009 and has grown organically to more than 250 employees serving over 70 countries across six continents today.

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