The rules of the games

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Google Play*

Google

1 The math is always the same

2 Rule 1: Focus on the engagement cliff

3 Rule 2: Embrace your app's multiple-personality disorder

4 Rule 3: Sell umbrellas where and when it rains

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Making money on apps is harder than games

- Paying for games is generally more accepted

- Games monetization mechanics are more flexible

- In game purchasable content is almost infinite
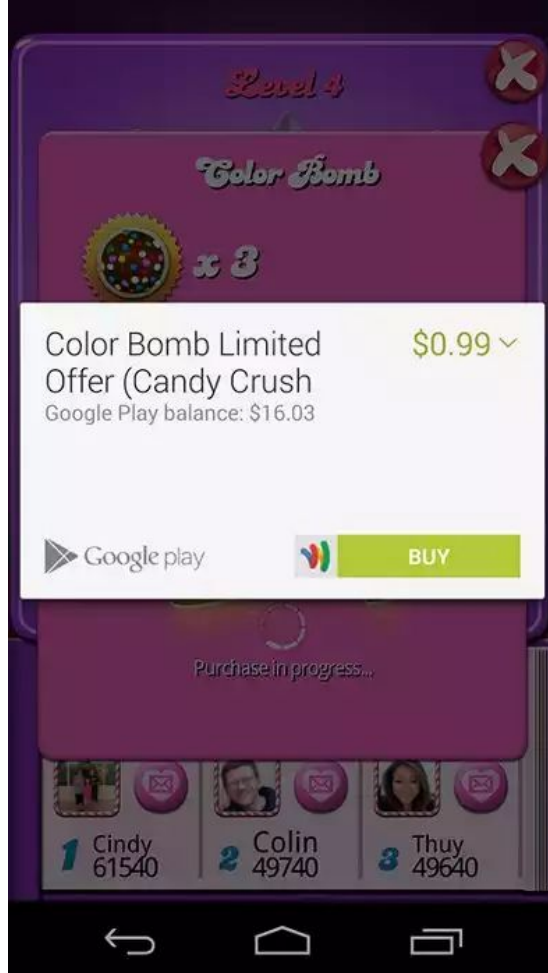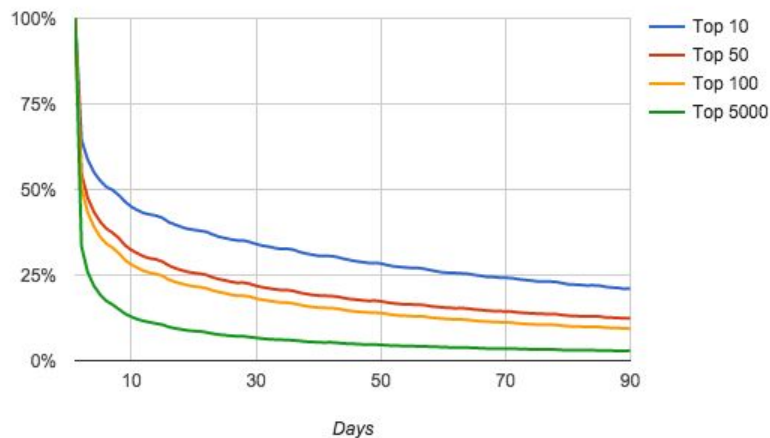
But the math is always the same

- Freemium is the dominant model

- Apps and Games face increasing competition for store visibility

- As a result the average CPI is rising

- Retention and engagement drive conversion

CPI <= LTV

where
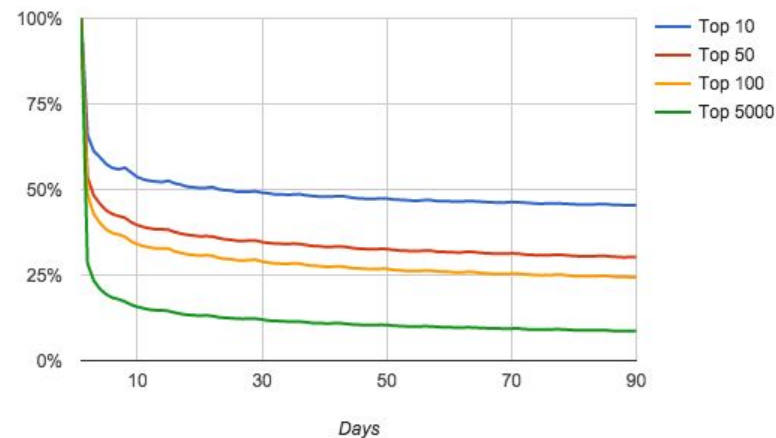LTV = f(Retention, Engagement, Monetization)

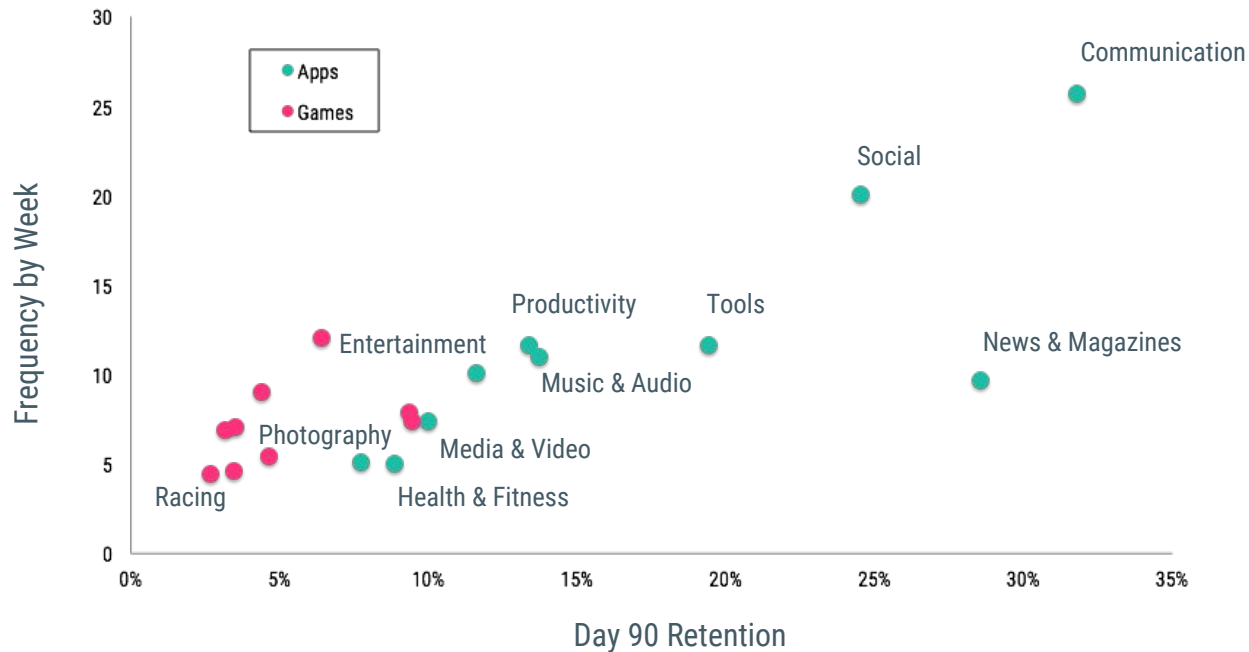Google

Retention is king

Games

Apps

Source: Quettra, Aug 2015

Source: Quettra, Aug 2015
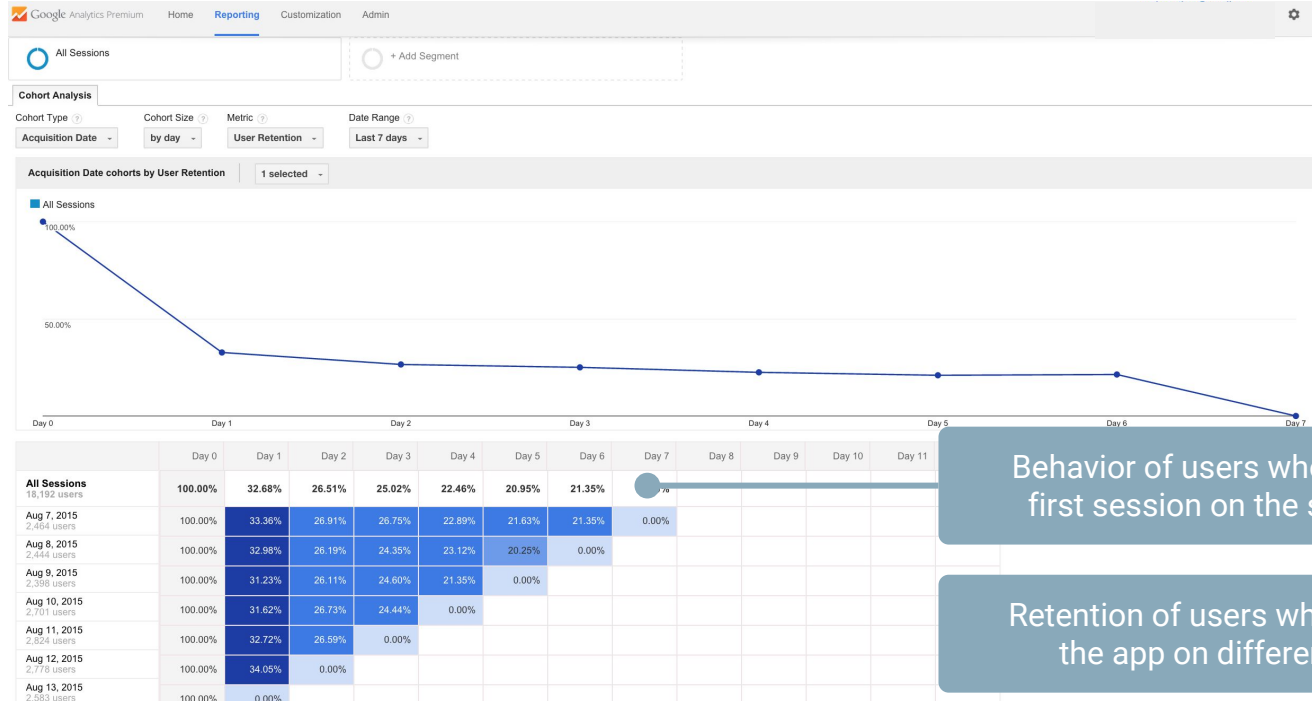
Google

Frequency drives retention

Source: Quettra, Aug 2015

Google

Games optimize for retention before investing in installs
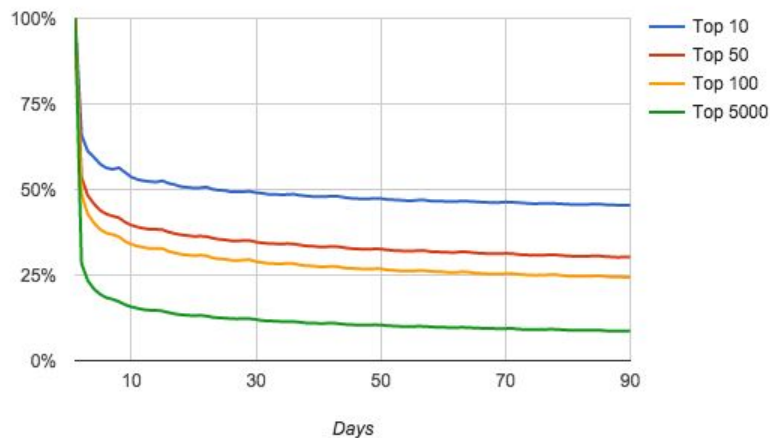
Retention in Google Analytics

Behavior of users who had their first session on the same day

Retention of users who installed the app on different days

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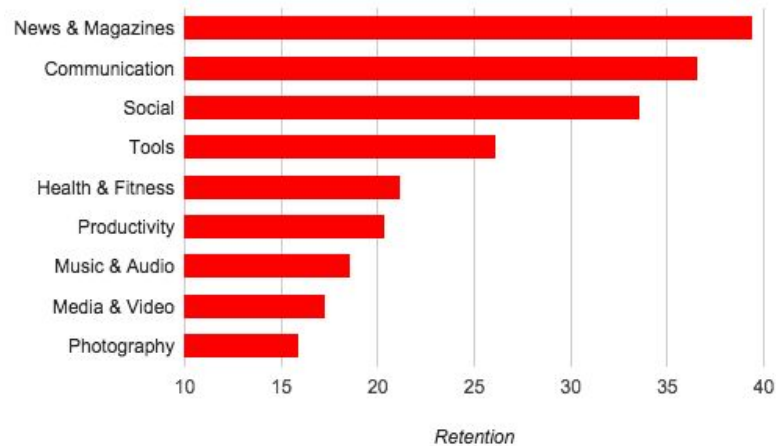
4 Rule 3: Sell umbrellas where and when it rains

Google

Days 1−7 are most critical

Top Apps Retention

Top 10
Top 50
Top 100
Top 5000

100%
75%
50%
25%
0%

10   30   50   70   90

Days

Source: Quettra, Aug 2015

Day 7 Retention for Top 100 apps by category

News & Magazines
Communication
Social
Tools
Health & Fitness
Productivity
Music & Audio
Media & Video
Photography

10   15   20   25   30   35   40

Retention

Source: Quettra, Aug 2015

Google

Pixelberry

"By the time the users finish our tutorial we are hoping that they are already caught up in the lives of these characters"
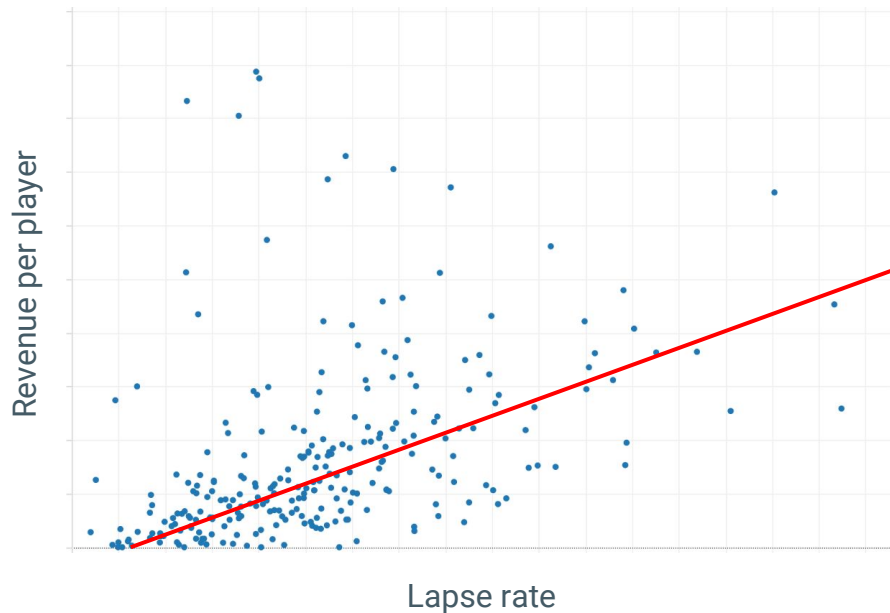
+75%
tutorial
completion

Google

Playdots levels the playing fields

- It's not only about the tutorial

- Two Dots looked at each level and measured Lapse rate and Revenue per Player.

- By rebalancing the difficulty of every level below the red line Two Dots obtained **better retention and ARPPU**

Revenue per player (y-axis)
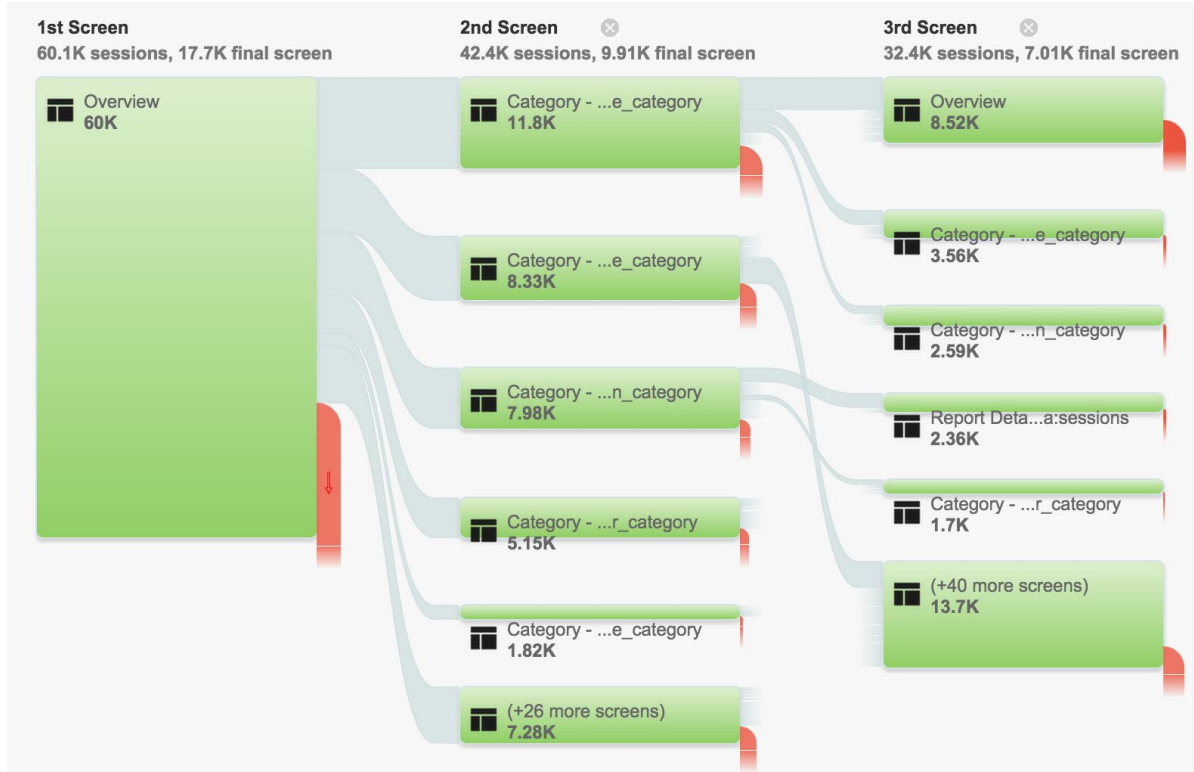
Lapse rate (x-axis)

Rule 1: Climb the engagement cliff

- Find features that create value without much engagement from the user and put them upfront.

- Define activation moments that are gradually more invested. If possible expose them to users gradually.

- Carefully manage appearance of paywalls in the first few sessions.

Flow reports in Google Analytics

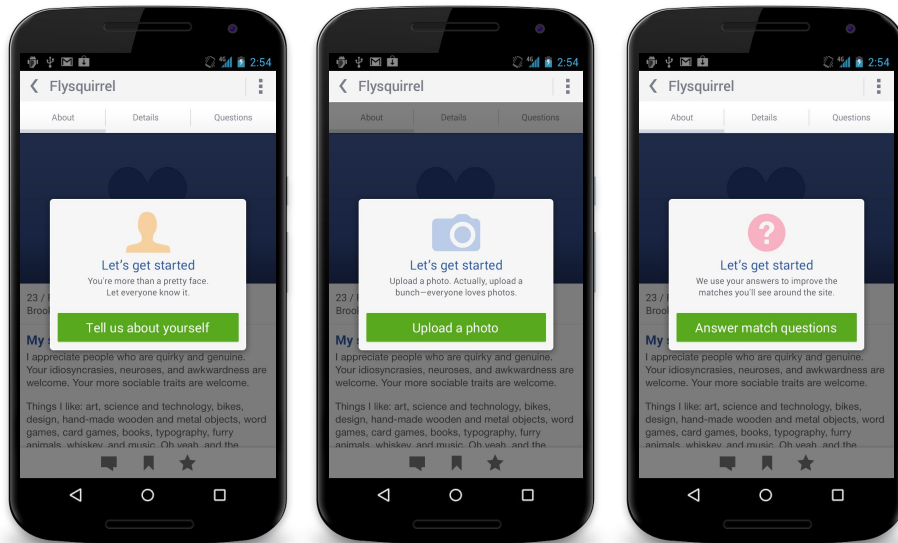# OkCupid taking it
step-by-step

- OkCupid redesigned the onboarding experience by breaking it in steps

- Every step is easy, enjoyable and skippable

- Even if one of the tasks is not completed the app can be experienced

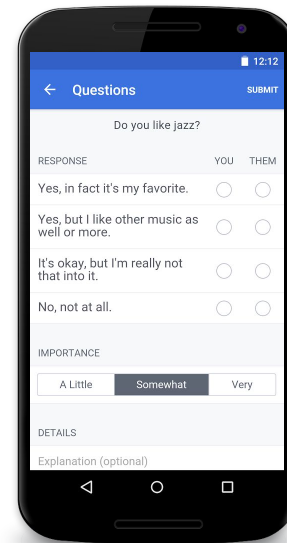- Positive feedback is provided to the user as they move through the flow

+21%
D7 retention
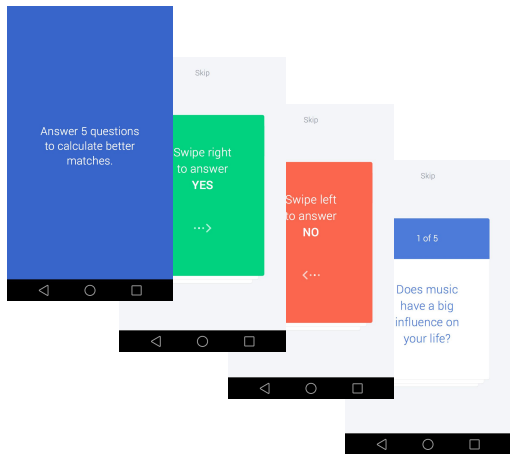
OkCupid before the redesign

Actions to complete are presented in a series of modal windows with no clear sequencing.

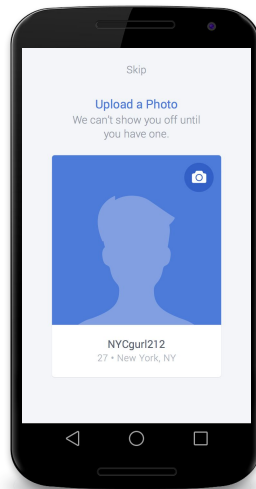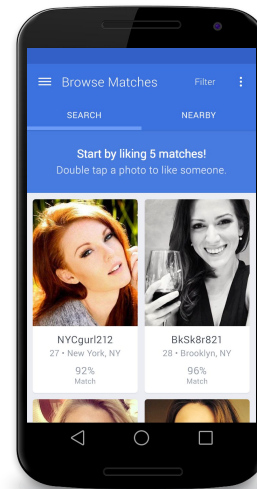Task require relevant level of commitment and engagement

OkCupid after the redesign

Easy and fun yes or no questions.
No other options available. Skippable.

Upload photos. No other
options available. Skippable.

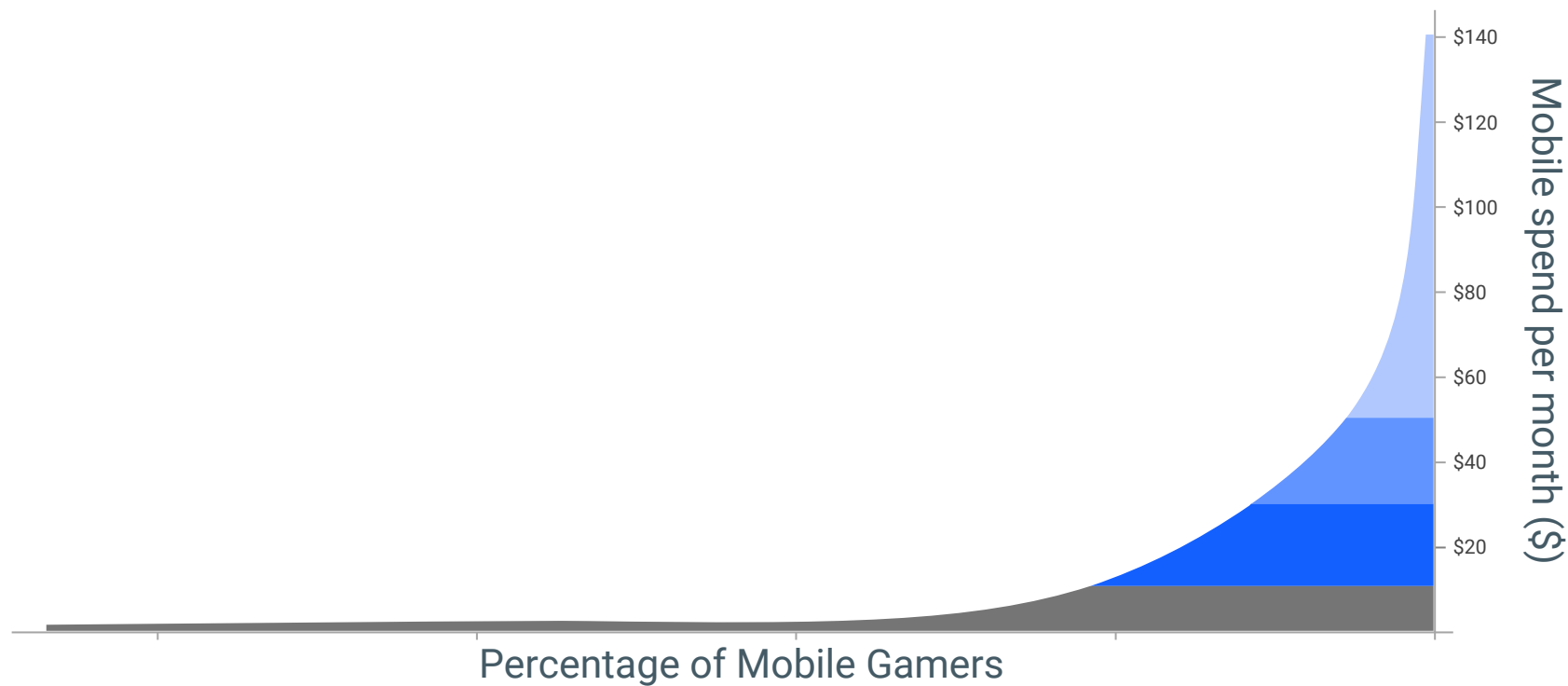Full in app experience with
reminders for further actions.

LESS ENGAGEMENT .... **MORE ENGAGEMENT**

Google

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Google

Not every install is made equal

Percentage of Mobile Gamers

Mobile spend per month ($)

$140
$120
$100
$80
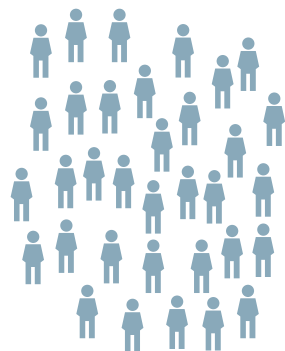$60
$40
$20

Google

Space Ape predicts the future

- User segmentation based on predictive LTV and spend pattern calculated on first 7 days behavior

- Targets different segments with customized offers

up to **2x** better conversion

Space Ape dynamic targeted offers

Medium LTV
High single spend point
Low spend frequency

Player behaviour is
tracked and stored

High LTV
Medium single spend point
High spend frequency

5 segments
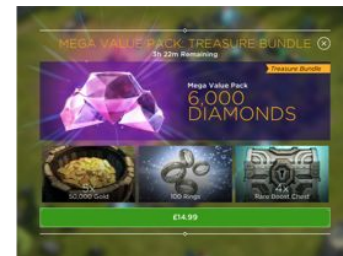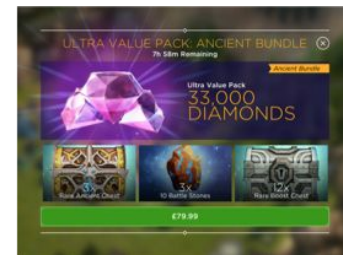
Rule 2: embrace your app's multiple-personality disorder

- Different types of users engage with your app. They will have a different value perception and inclination to purchase.

- By identifying different segments based on user behavior, you can tailor the experience and the IAP offers for each group.

User segments in Google Analytics

4E+47 OPTIONS!

Google

User segments in Google Analytics

All Sessions

+ Add Segment

| Segment Name | Save | Cancel | Preview | | Segment is visible in any View Change |

Behavior

Segment your users by how often they visit and conduct transactions.

| | Demographics |
| Technology |
| **Behavior** |
| Date of First Session |
| Traffic Sources |
| Ecommerce |
| *Advanced* |
| Conditions |
| Sequences |

Sessions ?　　　　　= ▾　[   ]

Days Since Last Session ?　　= ▾　[   ]

Transactions ?　　per user ▾　= ▾　[   ]

Session Duration ?　　per user ▾　= ▾　[   ]
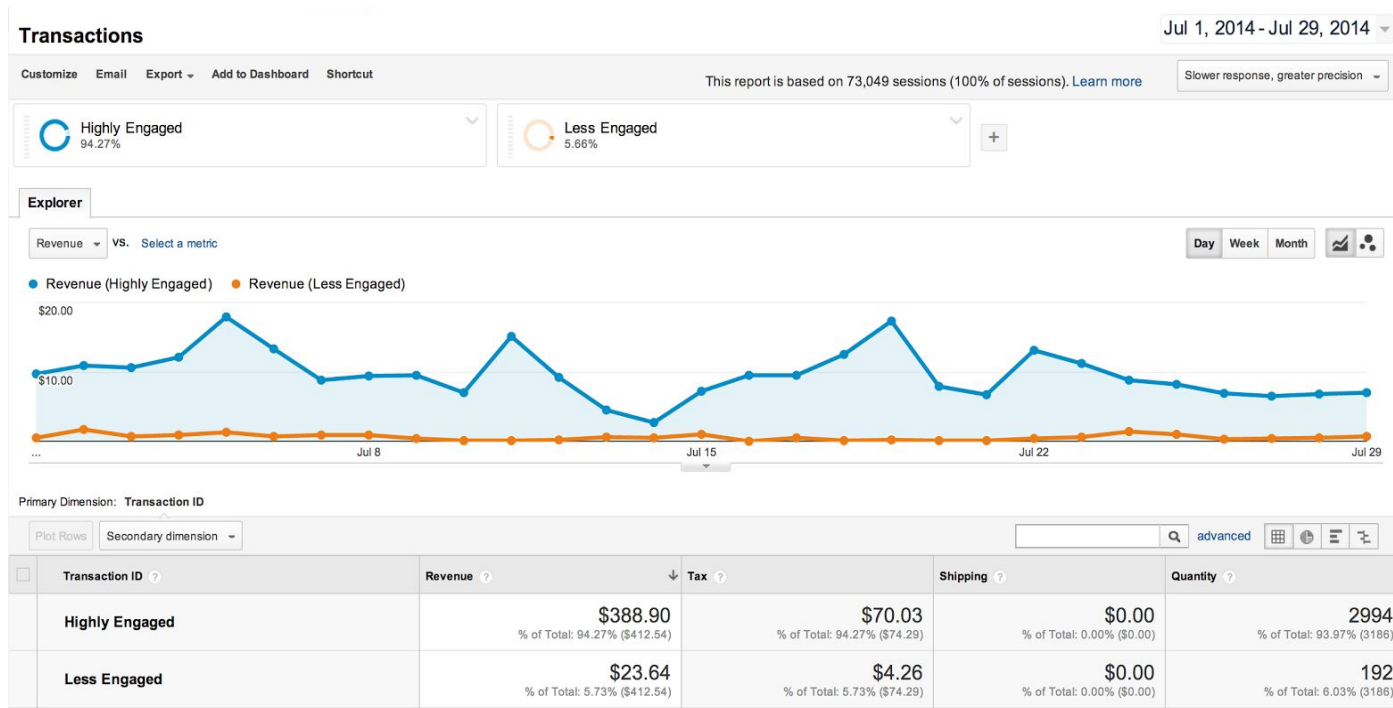
Summary

100.00%
of users

Users
-

Sessions
-
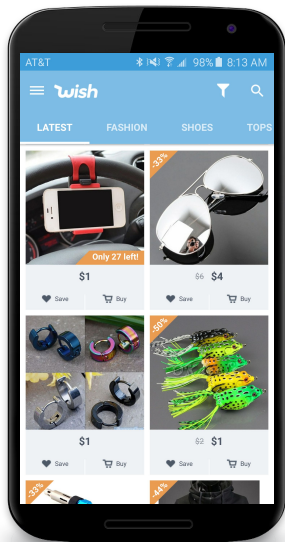100.00% of sessions

No Filters

Google
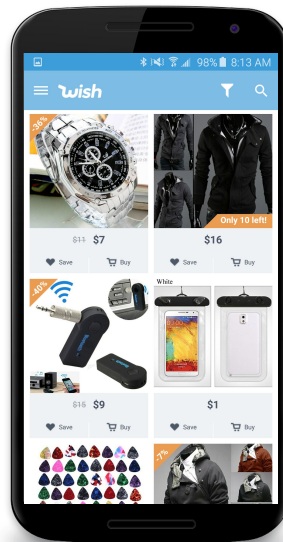
User segments in Google Analytics

Wish selects offers based on user engagement

10% conversion

Low engagement users see less expensive products.

Engaged users are also exposed to more expensive products

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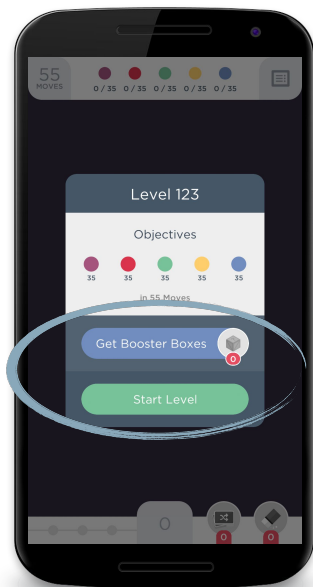
Google

It's not only about what you sell but also HOW

Playdots is making it relevant

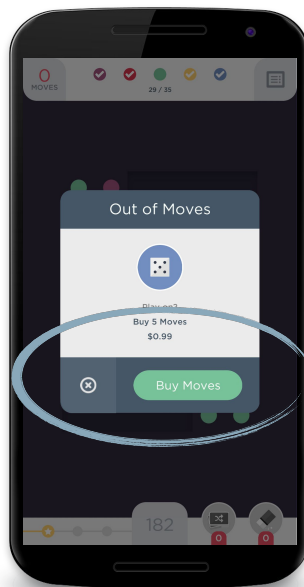Two Dots has revamped IAP across the whole game:

- New player offer
- Start screen purchasing
- In game purchasing
- Extra lives purchasing

+10%
ARPDAU

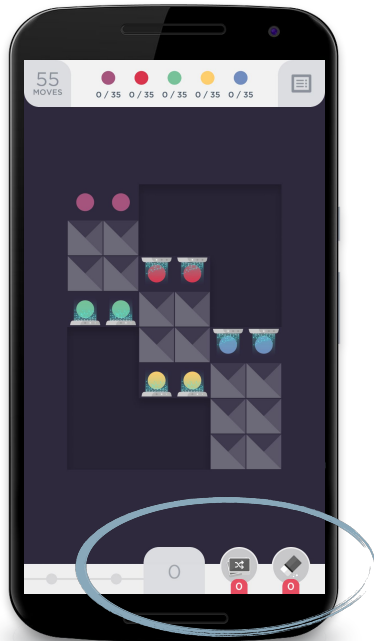# Two Dots case study

Start screen purchasing

Extra lives purchasing

+6%
Paying users

Google

Two Dots case study

In-Game Purchasing

This in-game purchase ability results in more purchases by allowing players to purchase Boosters when they need them the most.

+5%
ARPU

Rule 3: sell umbrellas where and when it rains

- Make purchasing accessible easily from within the app and minimize taps especially where your IAP products are most relevant

- Even if the store is always accessible, a call to action for a specific IAP product should be triggered when it's most relevant

Google
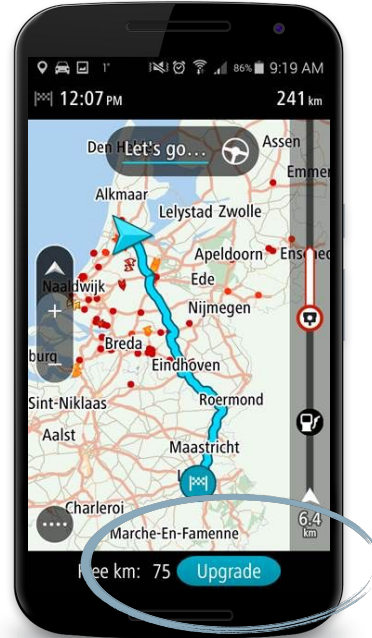
TomTom going from premium to freemium… the right way

- Hard paywall is first suggested and gradually forced with engagement

- Easy to purchase

- Clear call to action to purchase in relevant moments

2.4x paying users
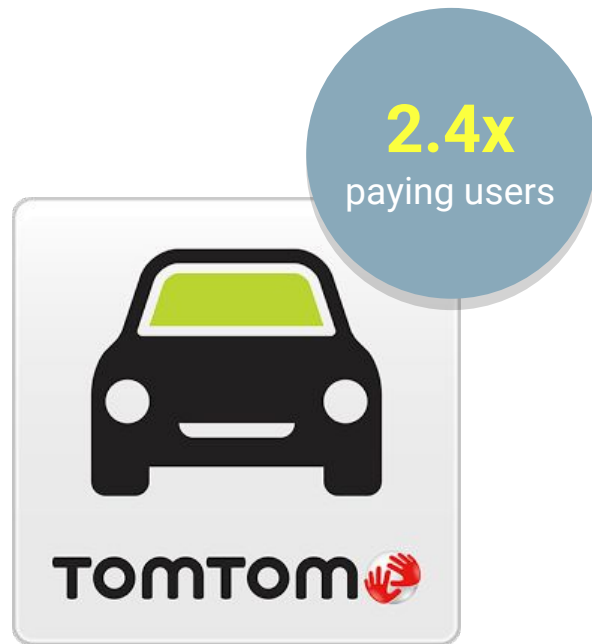
TomTom case study

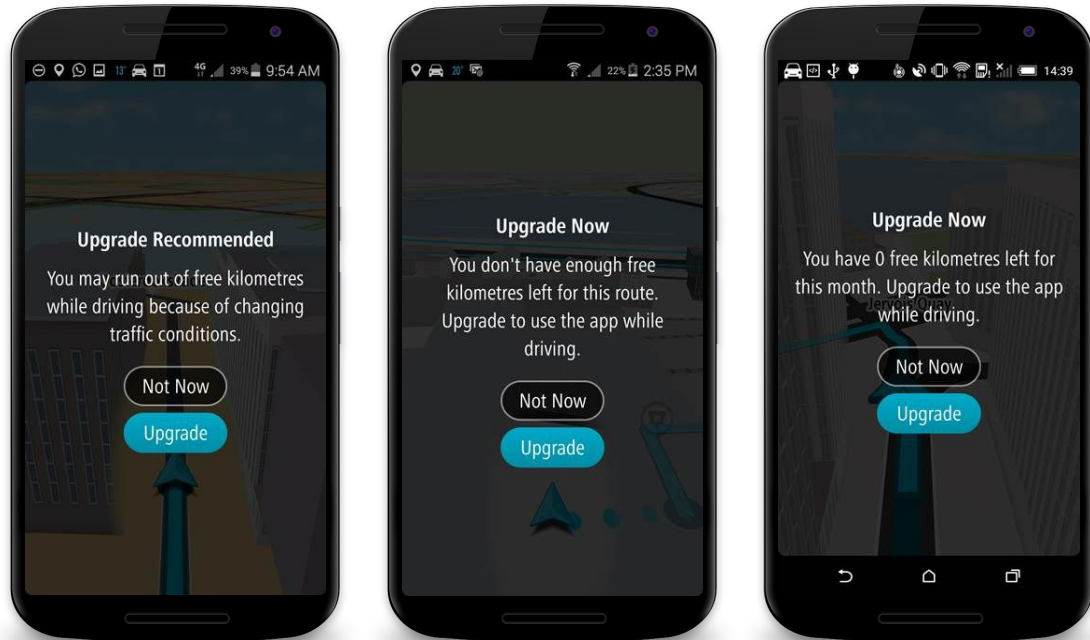**Countdown to in-app purchasing**

Free kms countdown always present provide a sense of urgency. Upgrade always one tap away.

TomTom case study

Timely call to actions

Screen recommending to upgrade, triggered when most relevant.

Google

Wrap up

Rule 1: Climb the engagement cliff
- Use Google Analytics to track and optimize D1-D7 retention
- Define activation moments that are gradually more invested and sequence them in the app

Rule 2: Embrace your app's multiple-personality disorder
- Use data to segment users by predicted LTV and spend behavior
- Target different user segments with different IAP offers

Rule 3: Sell umbrellas where and when it rains
- Position IAP items where they are relevant and easy to access
- Time your IAP call to actions when they are more compelling

Google

Спасибо

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