SEGA Games Co., Ltd. SEGA Networks Company: Succeeded in Increasing Game App Installations and LTV by Gleaning Micro-Moments of Users With High Interest

About SEGA Games Co., Ltd. SEGA Networks Company

A company within SEGA Games Co., Ltd. that runs two of its core businesses: games for consoles and PCs, and games for smart devices. The company plans, develops and manages titles such as "Puyo Puyo!! Quest" for smart devices.

• Website: http://sega-games.co.jp/
• Location: Tokyo, Japan

Goals

• Efficiently maximizes the number of installations of mobile gaming app
• Acquire new users with high life-time value

Summary

• Increased the number of general keywords bidding by 28% to capture all opportunities related to "I-want-to-game" moments
• Automated bidding by using target conversion price to maximize ads display in Google Play without the increase in cost

Results

• Increased the number of installations by 98% while maintaining the unit installation cost under the target level
• LTV of users acquired through general keywords is 5.5X higher than those acquired from general display ads

The number of mobile game apps in Japan increases year by year. The competition has become tougher and makes it more difficult for the company to retain users for a particular game. Therefore, to gain and retain users, the messages need to be tailored to individual users' interests while broadening reach among people with a high interest in games. This case study presents how SEGA Networks succeeded at increasing the number of installations while obtaining new users with a high LTV (lifetime value) by applying the concept of micro-moments marketing.

What were the issues faced by SEGA Networks?

SEGA Networks, one of the leading mobile gaming app companies, has succeeded to a certain level at maximizing the number of new gaming app installations. However, each year, it becomes increasingly difficult to obtain customers who will play a game app on a continual basis. In order to grow its business and keep its profitability, SEGA Networks needed to reconsider its promotion strategy to increase users' post-installation ARPU (average revenues per user) and improve LTV.

In the first half of the 2015 calendar year, the company changed its objective from "efficient maximization of installations" to "obtaining high-LTV customers."

New strategy for capturing optimal timing to prevent lost opportunities

Search-linked app installation ads (Android) are displayed on search networks, primarily Google.com, as well as in Google Play search results. Since the types of frequently searched words, tendencies, and bid prices differ between these pages, ads are not necessarily displayed on Google Play or delivered at the lowest possible bid price. To address this issue, the company implemented two campaign strategies.

First, the company introduced automated bidding with target conversion prices. Automated bidding enables SEGA Networks to make bids that properly correspond with target conversion prices and have more ads placed at Google Play. In order to maximize ads display on search results used for app installations—including Google Play—SEGA Networks needed to adjust bidding to the tendencies of both Google and Google Play.

Second, the company expanded the number of general keywords by the keyword tool to cover all game-related keywords searched for at Google Play. Furthermore, it expanded bid opportunities as much as possible by making all bids on broad matches. Since the automated bidding had been introduced already, the company could minimize the risk of a sharp rise in the installation cost.

From left: Hiroshi Yoshida, Yusuke Haga, Natsuhiko Matono

Digital Marketing Section, Marketing Department, SEGA Networks

Succeeded in vastly increasing LTV as well as installations

As a result, titles promoted after the execution of these strategies recorded a 27% increase in the number of keywords with ads displayed as well as a rise in ad impressions by 99% (see Figures 1 and 2).

Keywords with Ads Placed

+27%
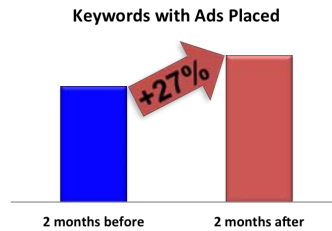
2 months before · 2 months after
(Figure 1) Change in Keywords With Ads Placed

Change in Ad Impressions
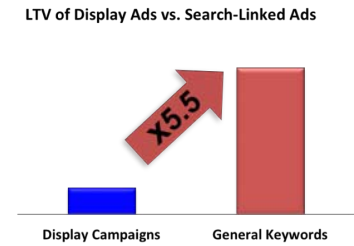
+99%
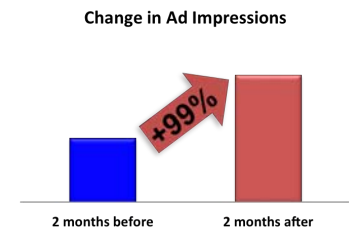
2 months before · 2 months after
(Figure 2) Change in Ad Impressions

In addition, the company succeeded in keeping the installation cost within the target value while increasing the number of installations by 98% (see Figure 3).

Furthermore, the LTV of users acquired through the expanded number of general keywords was 5.5X higher than the LTV of users obtained through average display campaigns (see Figure 4). This clearly shows that the micro-moments strategy was effective in acquiring high-LTV users.

Change in Installations via Ads

+98%
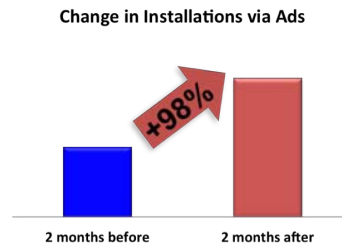
2 months before · 2 months after
(Figure 3) Change in Installations

LTV of Display Ads vs. Search-Linked Ads

x5.5

Display Campaigns · General Keywords
※LTV = calculated from continued play and payments after installation
(Figure 4) LTV of Display Ads vs. Search-Linked Ads

Currently, the search-linked ad approach is considered indispensable at SEGA Networks. In addition, it currently attempts to use YouTube TrueView ads tailored to each user segment's interests in order to glean micro-moments with optimal messages. The company plans to analyze data and ascertain the moments when users watch videos so as to maximize the effect by delivering an optimal message tailored to each individual user's interests.

Future outlook

"By executing sophisticated policies to glean the intent of users with a high disposition toward using our apps, we not only increased the number of installations, but also acquired more of our target high-LTV customers. Based on these results, we are considering policies that will give greater consideration to LTV. One policy will be engagement intended to retain more users after installation and raise active app usage. Another policy will be to analyze campaigns and channels that seem likely to get high-LTV users and invest more aggressively in them.

In the future I would like us to further develop effective promotions with these micro-moments modified according to our company's products to glean when the intentions of our target customers express themselves, send optimal messages and assess with appropriate metrics" (Hiroshi Yoshida, digital marketing section, marketing department, SEGA Networks).

Ateam Succeeded in Stimulating Demand for Smartphone Game App "Unison League" and Achieving Strong Engagement

Ateam Inc. released a new game app called "Unison League." To acquire new users more efficiently, ads were developed with two objectives: to stimulate demand for the app, and to make users' engagement with the game deeper. This document will present how TrueView video ads were successfully used with rolling out TV commercials.

About Ateam Inc.

Ateam's business centers around consumer services based on internet and mobile devices. This is split between the entertainment division, which handles planning, development, and operation of games and digital content, and the lifestyle support division, which deals with planning, development, and operation of comparison sites and informational sites that are intimately related to everyday life.

• Website: http://www.a-tm.co.jp/
• Location: Aichi, Japan

Goals

• Stimulate demand for smartphone game app "Unison League"
• Achieve stronger engagement with new users

Summary

• We rolled out TV commercials, TrueView ads and display ads with the idea of maximizing reach among potential customers and contacting them with ads via a cross-device approach including smartphones, PCs, TV and so on
• With TrueView we prepared separate videos for each gender and put out videos promoting the keyword "Unifure." While working to stimulate demand, we promoted the game's content and the videos and achieved stronger user engagement

Results

• Succeeded in spurring widespread demand for "Unifure" among users who are interested in the game as well as other people
• Keyword search volume: +253%
• App name search volume: +79%
• App install user from TrueView was up 70%, while ROAS went up 150% (Compared to banner ads)

Background behind introduction and strategy

The smartphone game app market is competitive, as many games are released every day. This is why it is difficult for companies to make many users aware of a game's existence and get them to actually play it.

When a user actually downloads a game, the download usually happens after the user sees an already highly popular game app at Google Play. Therefore, a company has to stimulate widespread demand while also putting out ads on mobile devices that actually lead to downloads of the app. In order to tackle these issues, Ateam developed TrueView video ads used to promote its mobile app on YouTube.

Approach and key points

Ateam focused on the following two objectives:
1. Stimulating demand for the game title and concept
2. Achieving stronger user engagement

For the first objective, the company brainstormed keywords leading to Google and Google Play Store searches. It then created video content to create a strong impression. More specifically, since the best part of the game is that users are able to make friends, the company created the Japanese word "Unifure," meaning "friends on Unison League." And to get users to remember that keyword, it prepared different videos about "Unifure," one for men and one for women.

Objective	Description	Video Content by Target	
Spur demand for game title and concept	Promote keyword ("Unifure")	For men	
		For women	
Create engagement	Promote with focus on actual gameplay	For all users	

To achieve the second objective, the company also created a video to increase engagement by promoting actual gameplay. To achieve both of the objectives, it prepared three different videos, which were served as TrueView ads while using YouTube's trait targeting.

Post-implementation results

Regarding the first objective of stimulating demand for the game title and concept,* the company used brand interest measurement, a brand lift measurement provided by Google. The results showed that search behavior was stimulated by users who came into contact with TrueView ads along with the brand name, product name, and creative message. The results were a verified increase of +253% for keyword search volume for the term it created in the ads and an increase of +79% for keyword search volume for the app's name (derived from search lift measurement).

| Category	Search Terms	Organic Search Growth
Game title (brand-related search)	Unison League, Unison (both terms searched for in both Japanese and English)	+ 79%
Searches related to add content	Unifire, Unison League, Do you want to be a Unifire?	+ 253%

(Figure 1) Results of Ateam Brand Impact Measurement
Source: Brand impact measurement, Period: April 21 - May 31, 2015
Significance test (one-tailed test, significance level of 10%) result showed that there was significance.
*Please inquire with a sales rep about using this.

With regards to the second objective, the rate of new users who installed the game and continued playing it achieved through the use of TrueView ads was roughly 70% higher compared to users gained through display banner ads served over the same period (a comparison between users who have used the app for at least a certain period of time). ROAS (return on advertising spending, or sales from in-app purchases divided by advertising costs) was up approximately 150%, demonstrating a high rate of activity among users after installation.
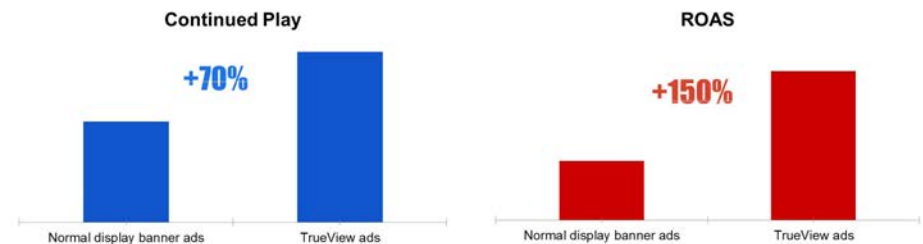
(Figure 2) "Unison League" Continued Play and ROAS
Source: Ateam

Future outlook

"With the steps we took this time we attempted to improve both the number of users we gained and their quality. Our approach with the content of the videos and messages, and our distribution methods, were a big stimulus for such behavior, and I feel that led many users to download the app.

In addition, we also discovered something from the fact that so many more of our new users became active users. And as for the volume of actual installs (or new users gained), our banners to encourage installs displayed on YouTube have become a big factor" (Takatoshi Wada, promotion team, marketing group, entertainment division).

Google

App Reengagement Success Stories: Mixi XFLAG Studio Successfully Increased the Number of Active Users and Profitability of Its Core Game App, "Monster Strike," by Bringing Back Dormant Users Into the App

About Mixi XFLAG Studio

Operates in the entertainment game business with apps such as "Monster Strike."
• Website: http://xflag.com/
• Location: Tokyo, Japan

Goals

• Convert dormant users into active users by driving reengagement strategy
• Increase the number of active users by reengagement strategy in addition to new customer acquisitions, and aim to contribute to profits by monitoring return on advertising spend (ROAS)

Summary

• Segmented the users based on their game usage history and served the banner ads with targeted message and creatives to dormant users who were inactive more than seven days
• Enabled the dormant users who had already installed the game app to open the app automatically by clicking the ads by leveraging the URL scheme-based ads format
• Bid different CPC for different remarketing lists, based on the analysis of post-click performance (CvR and ROAS) in order to maximize ad impressions during certain times

Results

• Achieved an ROAS of above 100% over a period of 30 days among returning dormant users
• Lower the retention cost after 30 days by 90% for reactivated customers compared newly acquired customers

Monster Strike, a native smartphone game offered by Mixi Inc.'s XFLAG Studio is a popular title with over 30 million users worldwide. As the competition heats up in the smartphone game market, in order to continue growing after launching an app and acquiring a certain number of users, it is becoming crucial to have strategies that tackle this issue from new angles in addition to improve efficiency constantly.

With Monster Strike, XFLAG Studio succeeded in not only gaining new users, but also increasing the number of active users through display engagement campaigns targeting "dormant users." This case study presents how this was done.

Understand the essence of the issues and formulate a plan

After its release in Japan over two years ago, Monster Strike is still adding active users, providing the game with an overwhelming support base of players. In order to stimulate further growth, XFLAG Studio made it a point from early on to get users who have stopped loading the game (dormant users) to start enjoying it again—in addition to making efforts to acquire new users—thus stimulating growth in the total number of users.

XFLAG Studio measures the return rate of dormant users on a daily basis, and their data proves that users who have not loaded the app for seven days or longer have a low likelihood of returning to the game. So XFLAG Studio ran an advertising promotion targeting users who have been dormant for at least seven days.

The company considered those users who did start playing the game again as new acquisitions. At same time, XFLAG Studio ran a promotion to get new users to install the game; the goal being to increase the number of active users and its contribution to profits.

In conjunction with this promotion effort, XFLAG Studio utilized Analytics 360 and Google BigQuery to conduct an in-house analysis of rates of continued gameplay as well as payment status from the time dormant users returned. They then examined the results.

Reengagement of dormant users

Creative: The important thing with reengagement is to push a message that sparks renewed interest among dormant users. What kind of wording and designs will resonate among them? Rather than lumping all dormant users together, XFLAG Studio segmented the users and produced separate banners with multiple messages and images (see Figure 1), based on the theory that the message that will make for an effective promotion will vary depending on how a user has played and made payments for the game. It then served these banner ads to users who had been dormant for at least seven days. This action resulted in producing a high CTR efficiency of over 20%.


(Figure 1) Reengagement Banners for Dormant Users

Furthermore, to encourage dormant users to return, XFLAG Studio used an advertising format with deep links in a display engagement campaign. When a user who has already installed the app clicks on an ad, this action automatically loads the game rather than sending the user to Google Play Store or the App Store.

Targeting: For reengagement, XFLAG Studio developed its own system to conduct daily updates to remarketing lists (see Figure 2). They arranged things so that, while executing reengagement, they could add users who had recently become dormant for seven days or longer and also push ads towards up-to-date lists of dormant users that, for example, excluded dormant users who had already returned.

In addition, XFLAG Studio developed new tools of its own to streamline operations, such as the frequent posting and replacement of creatives using AdWords API. By cutting operator costs, they were able to deliver new promotions with very fresh content to users.
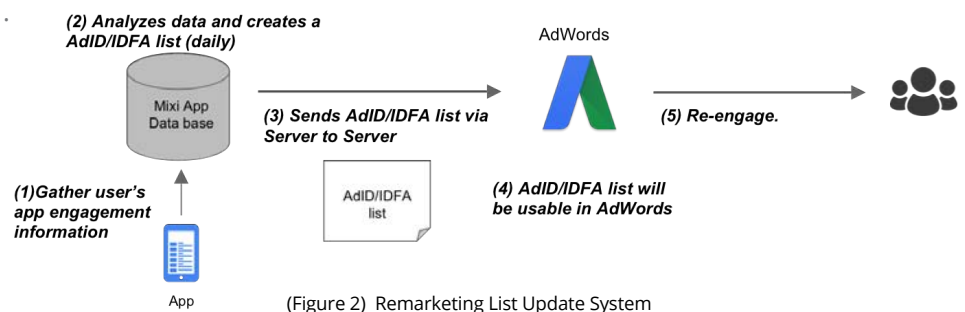
(Figure 2) Remarketing List Update System

Bidding: In order to maximize ad impressions during certain times, such as in-game events, XFLAG Studio bid permissible CPC for remarketing lists, based on analysis of post-click performance (CvR and ROAS).

In addition, XFLAG Studio is managing ads while making maximum use of AdWords features. For example, the company is ahead of the rest of the industry in terms of reengagement because it began serving engagement ads with the Conversion Optimizer, which allows them to bid for users likely to complete their preferred in-app actions.

Extraordinary cost performance achieved in bringing dormant users back to the game

As a result of their reengagement campaigns, it became clear that an ROAS of above 100% over a period of 30 days among returning dormant users is achievable, and that reengagement succeeded in contributing to profits in addition to helping add daily active users.

Furthermore, a comparison of the cost of acquiring users through conventional methods of getting new installs by rolling out ads—with the cost of retention 30 days after install (for remaining users)—showed that reengagement enables retention with a cost efficiency that is more than 10X better. XFLAG Studio is going to enhance its reengagement efforts in the future as well (Figure 3).

Retention Cost after 30 Days

-90%

New Installs   Re-Engagement

(Figure 3) Retention Cost After 30 Days
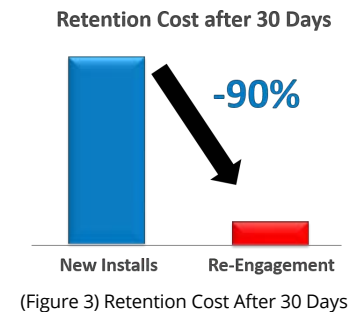
Future outlook

"In addition to vastly improving cost of acquisition, we confirm that reengagement of dormant users enables us to add to the number of active users and increase sales. I think the numbers prove the importance of strategies and messaging that conform to user context.

There is an incredible number of users we can serve ads to in Google's ad network and I really feel they've done segmentation right. I want to make heavy use of reengagement for Monster Strike promotions in the United States, where we are currently focusing, and in other countries as well.

"I want to be proactive in taking on this challenge, such as by analyzing the data we gained this time as we establish what the optimal creatives are for each segment and work on new ad formats. As the next step, I think we might also roll out the video ads for dormant users" (Yuji Matsuo, senior account manager, Mixi XFLAG Studio).
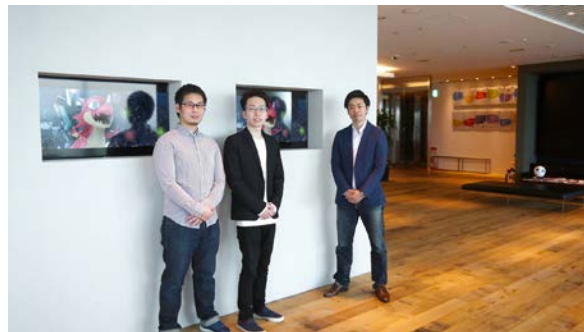
From left — Yuji Matsuo, Koji Kita, Ad Tech Studio, Mixi XFLAG Studio

— Kazuki Ishii, Google