Social Impact: Leveraging Community for Monetization, UA and Design
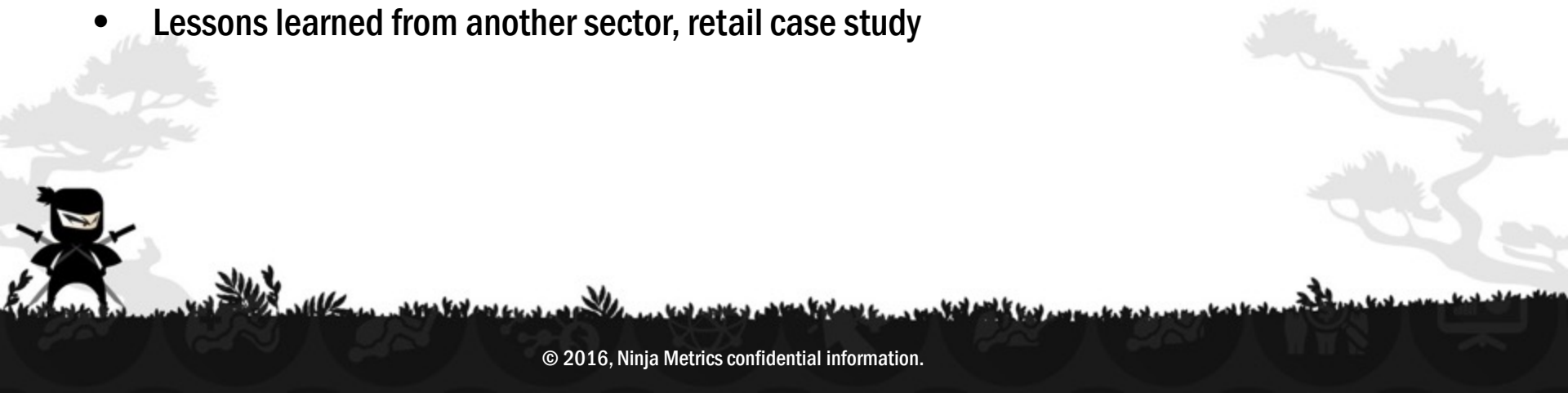
GDC 2016

**Dmitri Williams, President**

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Talk Overview

- Social Value background: explanation and validation

- Examples and common patterns from game data

- Game mechanics and social outcomes

- UA applications and benchmarks

- Case study on user acquisition

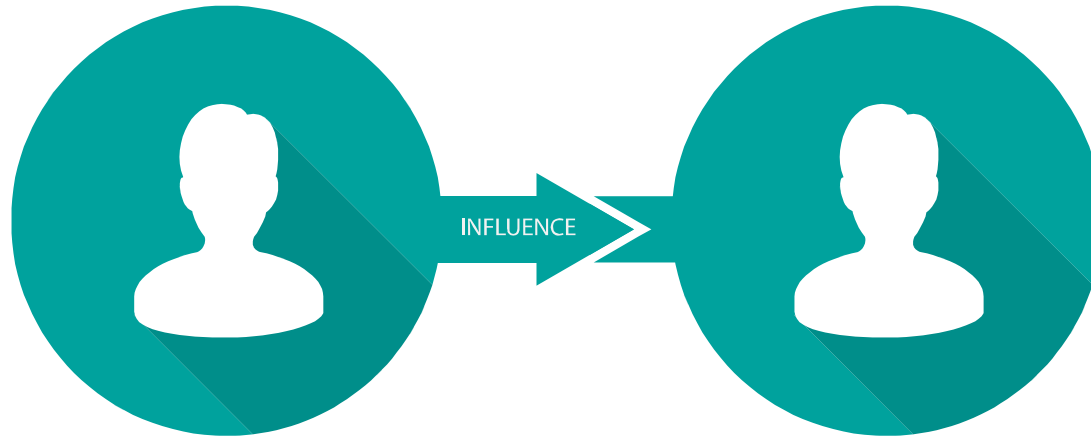- Lessons learned from another sector, retail case study

Network Signature

"Cooler" people are more important
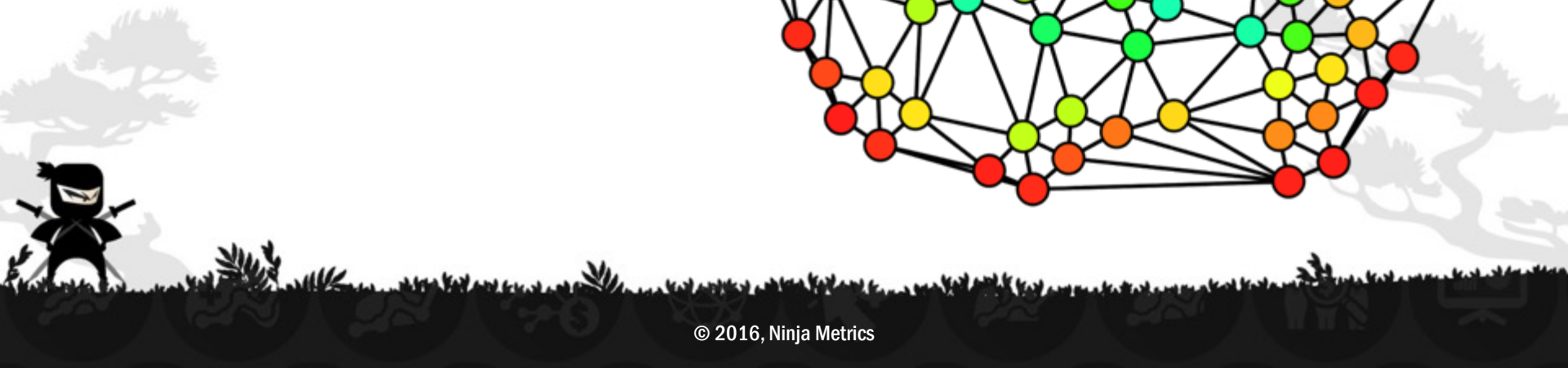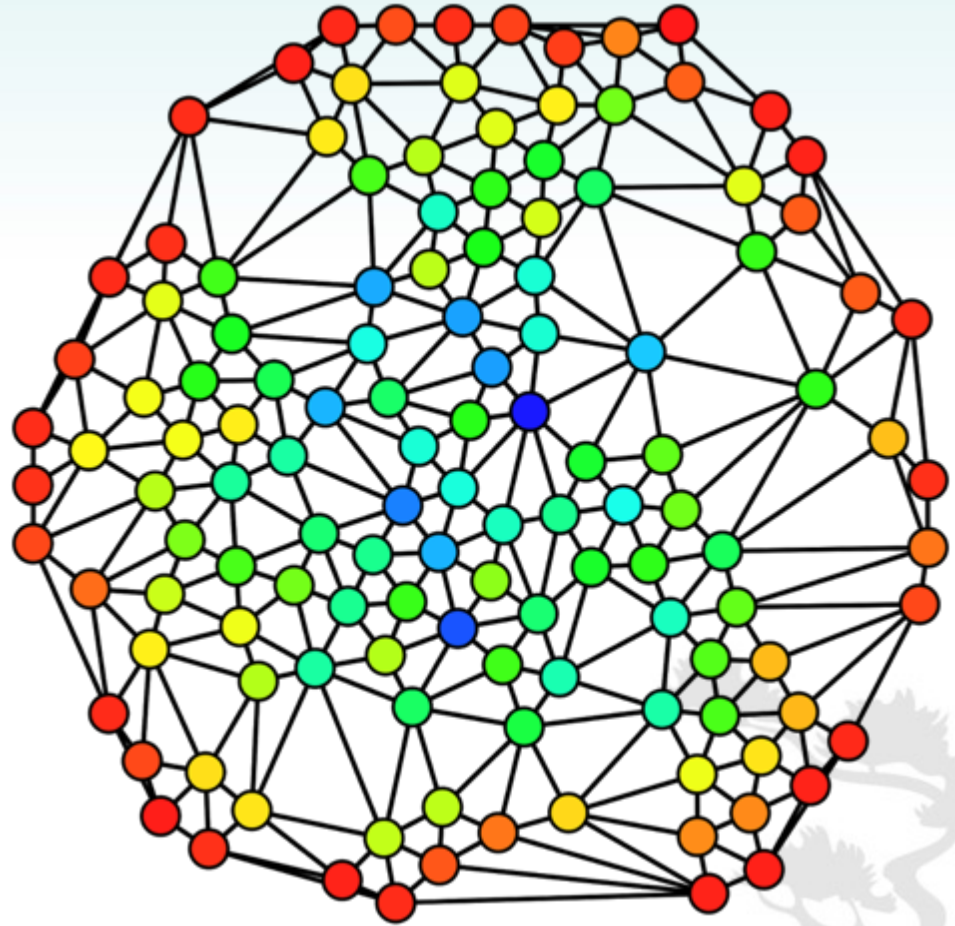
Let's zoom in.

How do you measure the impact of players on each other?
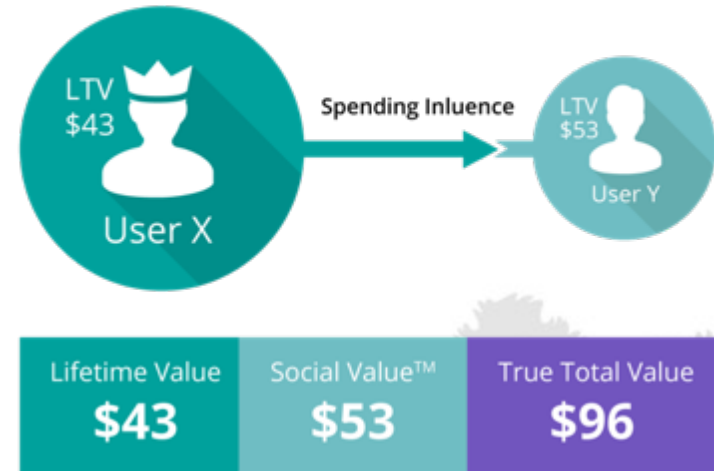
INFLUENCE

What is Social Value (SV)?

- The extra behavior created by someone across their social graph

- Spending, time or sessions

- Social Value vs. Asocial* LTV

- Add the two: true total value

- $43 + $53 = $96 (Opportunity Cost)

- Language: Asocial is non-social, not antisocial

Socially Influenced Spending

Lifetime Value	Social Value™	True Total Value
$43	$53	$96

How to validate

Prior to User Churn

Social Value
$243.66

Influence

User Churns

Drop in Neighbors' Spending
$236.86

*Case accuracy 97%

Understanding Social Whales

- What are they?

- They require others to have value—context dependent.

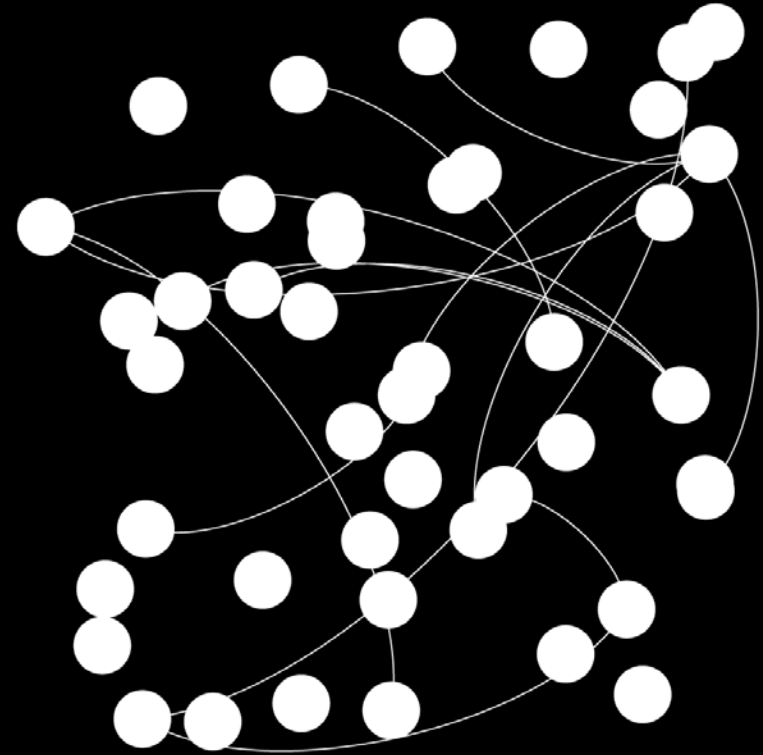- Biggest white whale to date: ~$1.5k/month in others' spending

Social Whale™

One person can be vital. Two real cases.

Before Social Whale Joins

Community Total Value:
$147.82

Social:	Asocial:
71%	**29%**

Social Whale Joins Group

This player's Asocial Value:
$0

This player's Social Value:
$91.37

Community Total Value:
$147.82 + $239.19
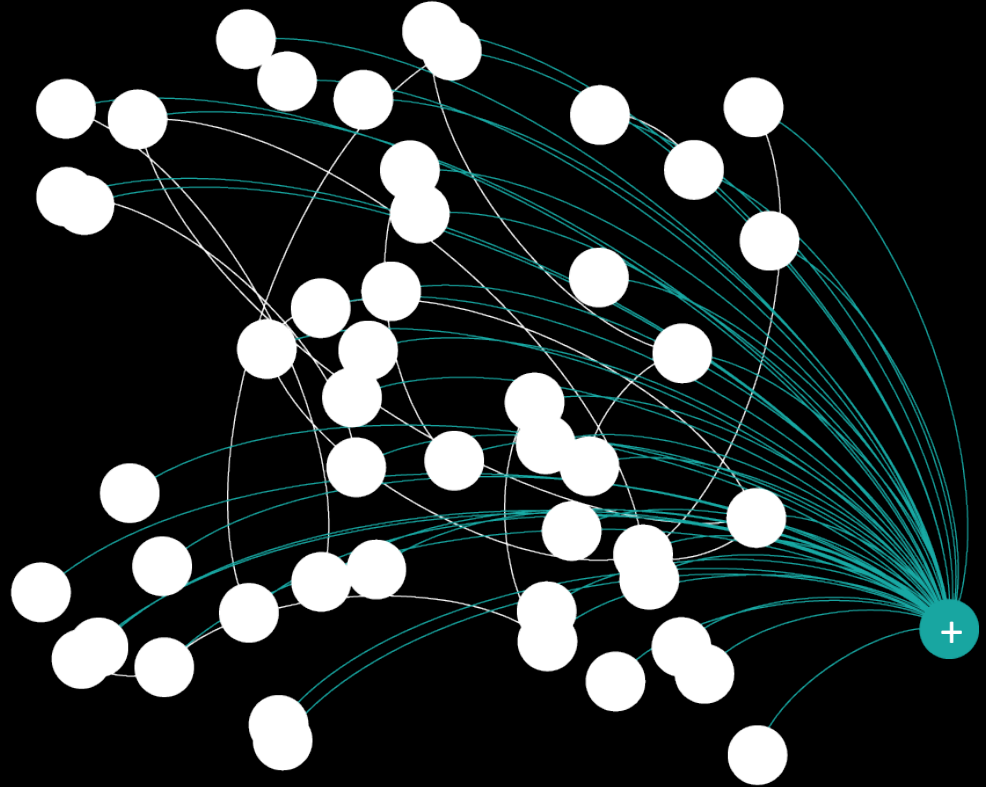
Social Value:	Asocial Value:
69%	31%

Before Social Whale Leaves

This player's Asocial Value:
$3.87

This player's Social Value:
$54.18

Community Total Value:
$156.13
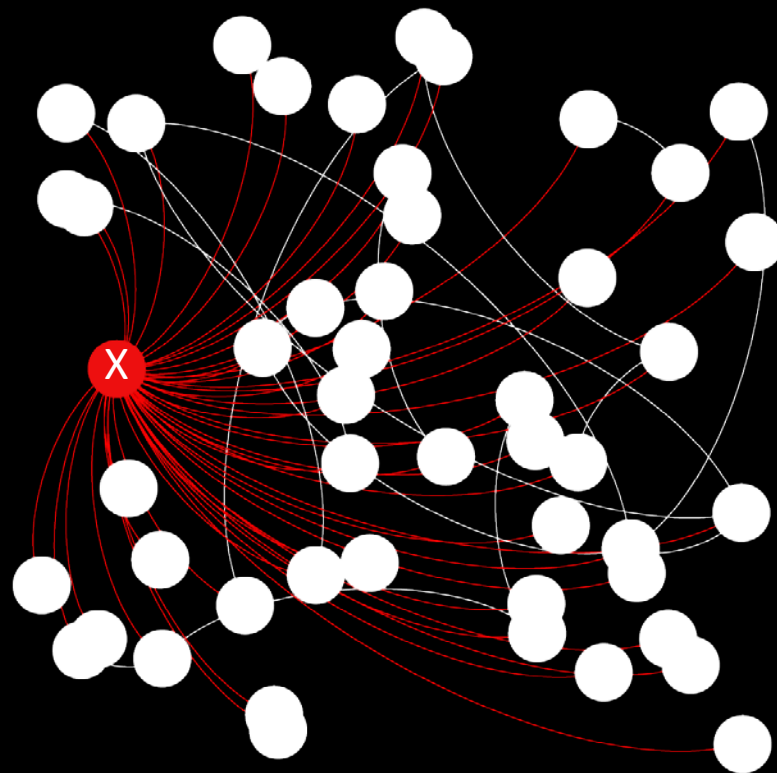
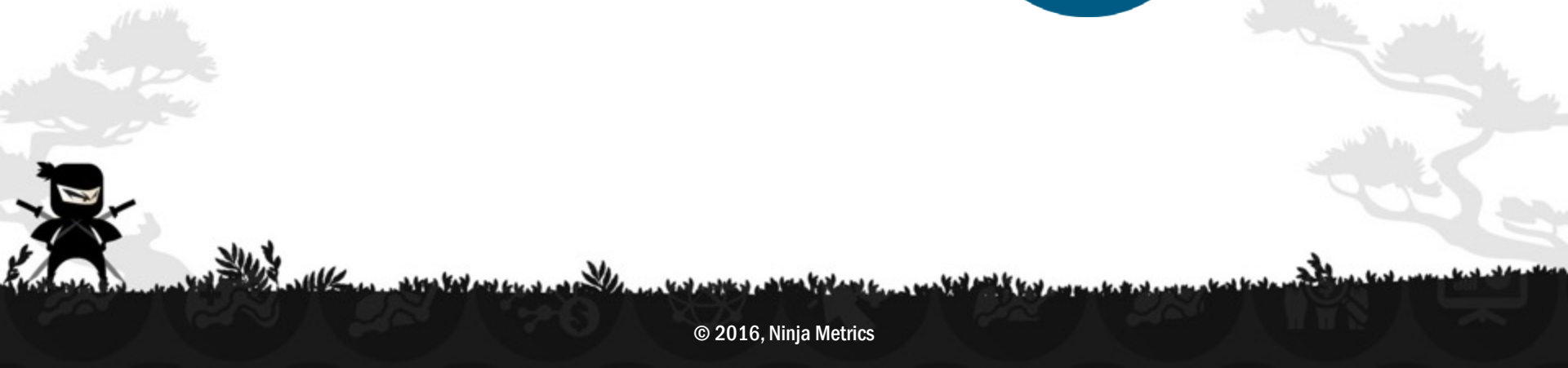| Social:	Asocial:
40%	**60%**

General report statistics

- Data size: 850m accounts, 2013-present

- Statistical significance

- Accuracy rate: 85%

How much SV is there overall?

Looked at:

- ✓ Mobile single player

- ✓ Mobile social games

- ✓ PC hardcore multiplayer

- ✓ MMOs

Big range. Why?

Mobile Single Player Games
Average is 6%

Mobile Social Games
Average is 28%

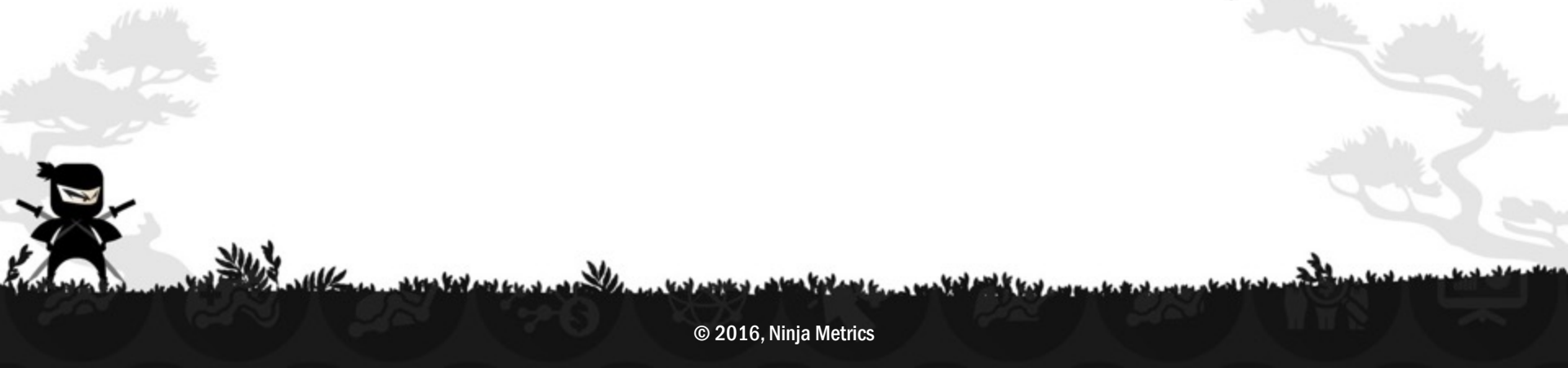**PC Hardcore Multiplayer**
Average is 30%

MMOs
Average is 60%

Distributions

- How concentrated is SV?

- Is it like spending?

- Sample of 5 titles

Top % of players by SV

|	Top 5% of players	Top 10% of players	Top 20% of players
Mobile mid-core	97%	100%	100%
MMO	90%	99%	100%
Shooter	56%	75%	92%
Mobile card/gambling	53%	74%	92%
Mobile social/casual	44%	60%	77%

Mechanics and SV

- What correlates with higher and lower SV? Unsurprisingly it's the most social things, but beware correlation vs. causality.

- Baseline case is leveling.

PERCENTAGE OF REVENUE FROM SOCIAL
VALUE BY LEVEL

Hardcore PC — Mobile Social Casual — Gambling/cards — Mobile Social Casual #2
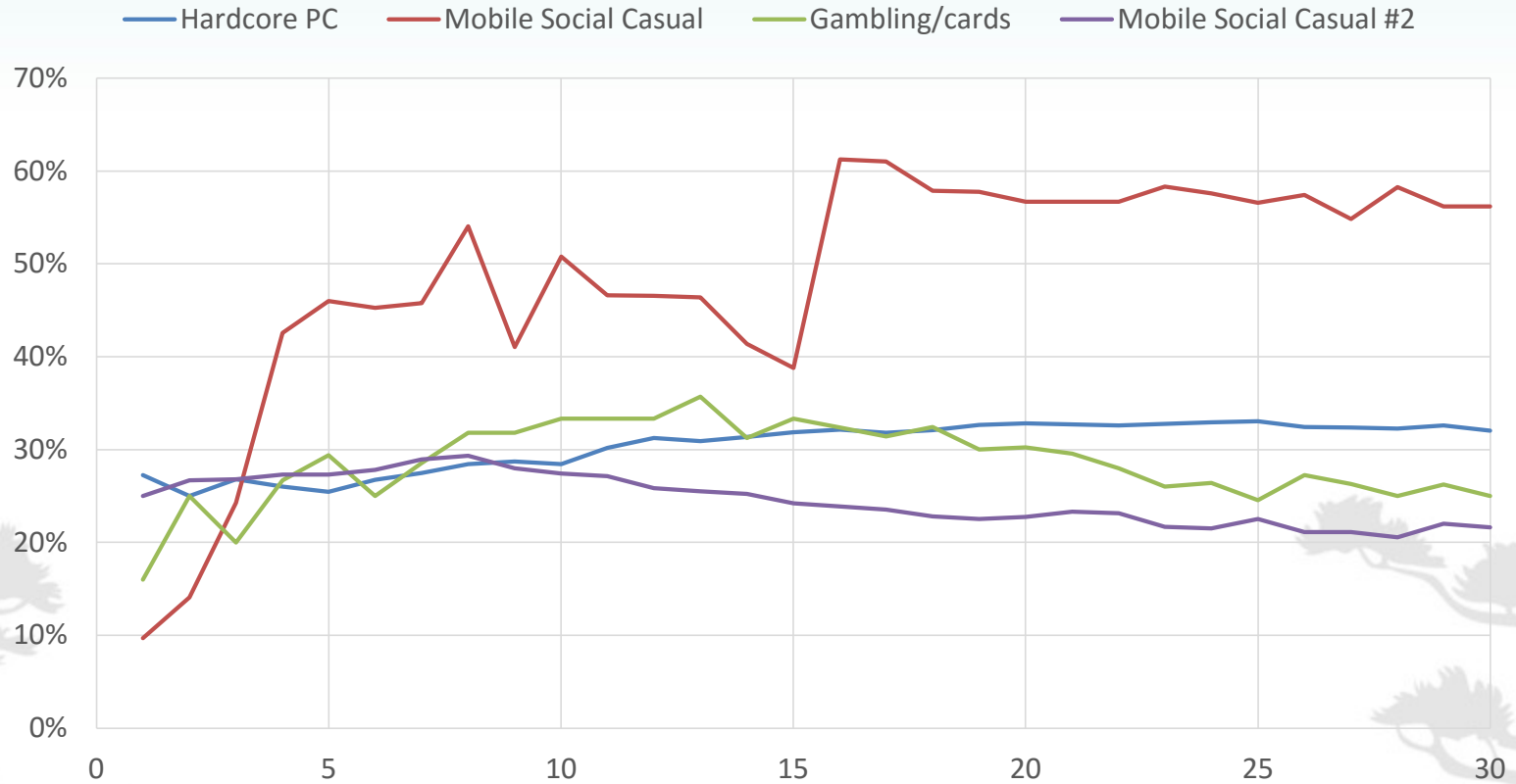
Things always associated with high SV

- Across every title, the harshest social actions have high correlations with SV, e.g. Removing a friend, booting from a guild

- Why? When you care enough to protect the group, there's a group that's worth protecting

- How to use this badly: cause booting! (Don't!)

# Things always associated with high SV

- Long-term group invitations are usually fairly high.

- In-game temporary groups are almost totally irrelevant—they don't signify a real social connection.

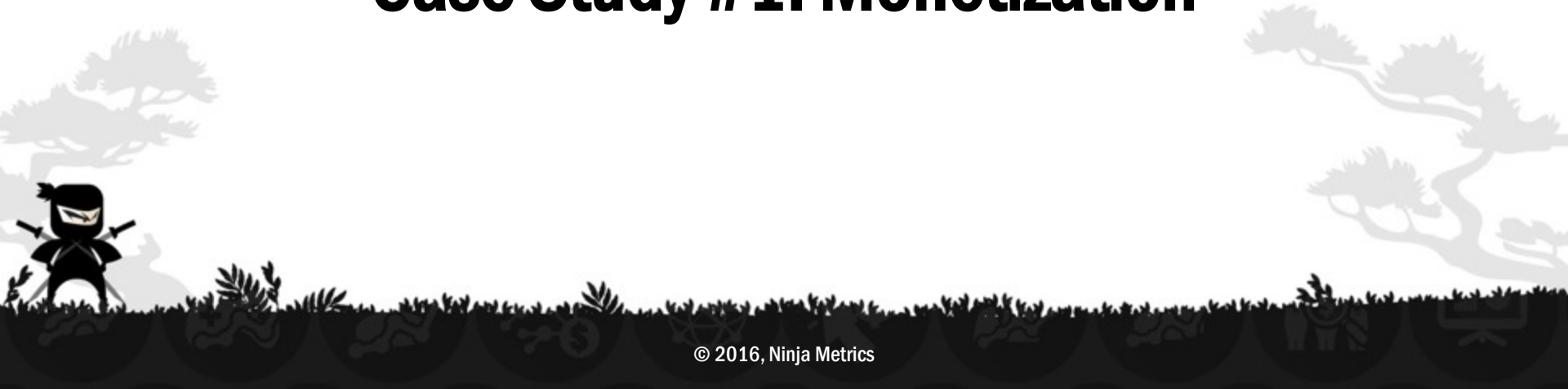- Corrollary: if Enter/Exit values are low, your groups don't matter to players
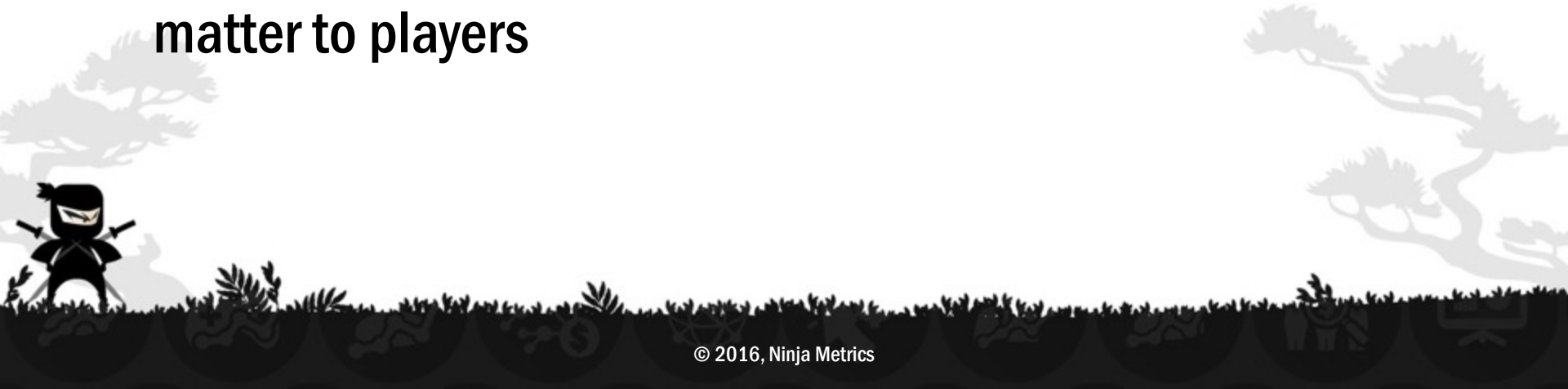
Map values, example case (Shooter)

- 9 major maps

- Average SV was $4.25, meaning the players who spent time on that map had that SV.

- Low map: $2.43

- High map: $6.45

- Why? Context matters. Usually it's a mechanic that incentivizes people to work together as complementary pieces
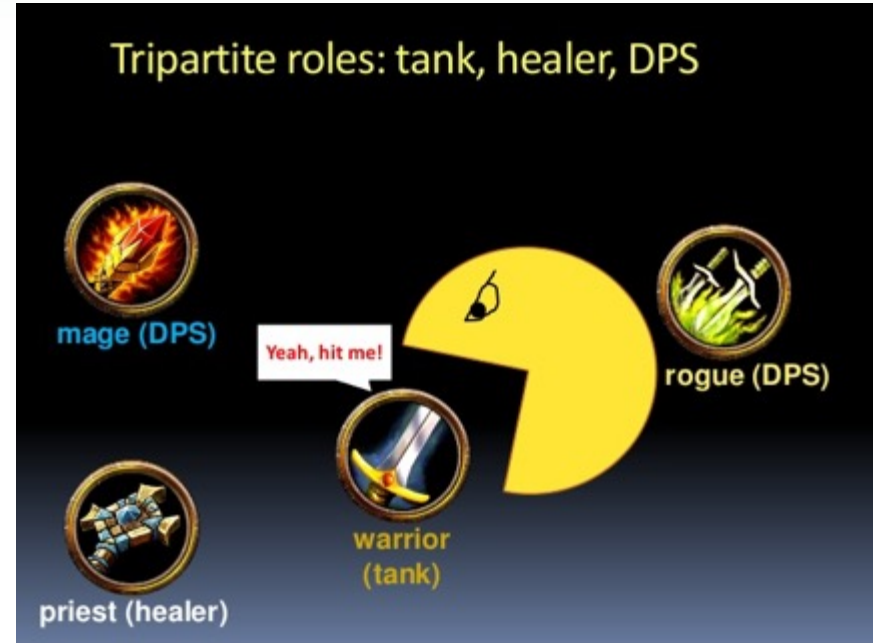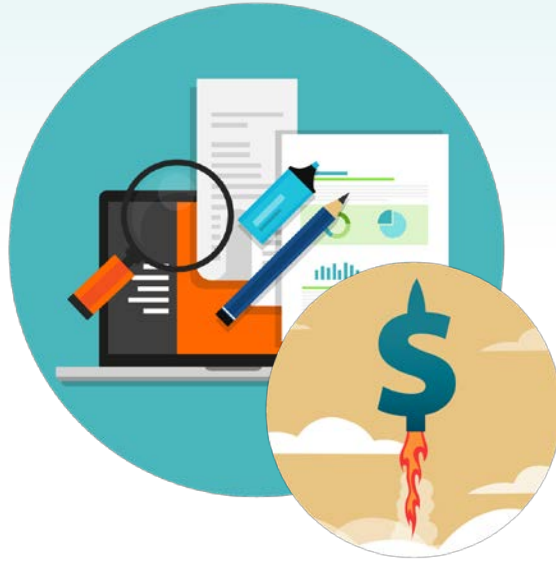
Case Study #1: Monetization

Case Study: Group identification drives revenue

Baseline:
Team-based MMO, revenues were flat-lined.

Case Study: Group identification drives revenue
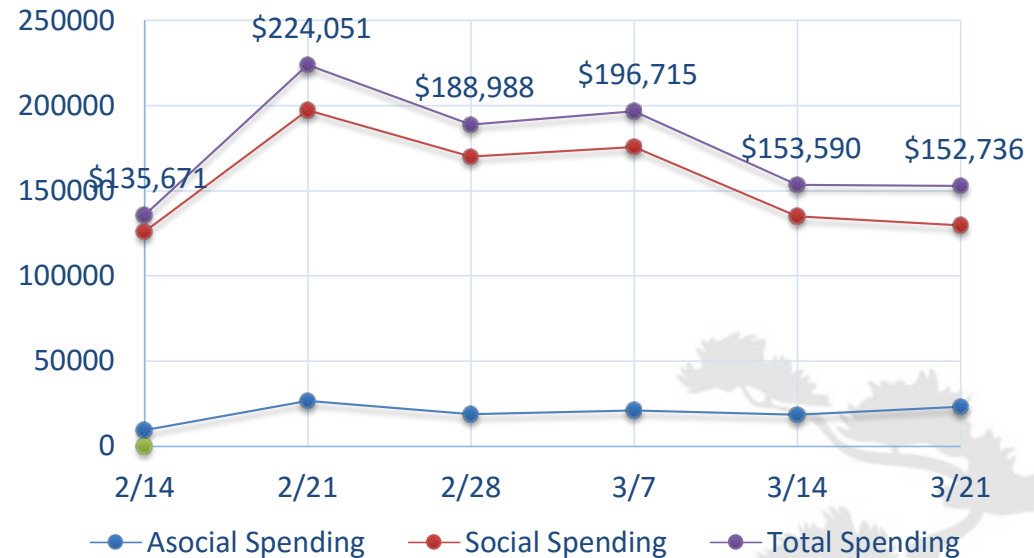

Intervention:

A 2-week community-oriented promotion—akin to team jerseys in sports

Case Study: Group identification drives revenue

Results

- Spending spiked 165%

- Increase almost all from social spending

- $265k in extra revenue

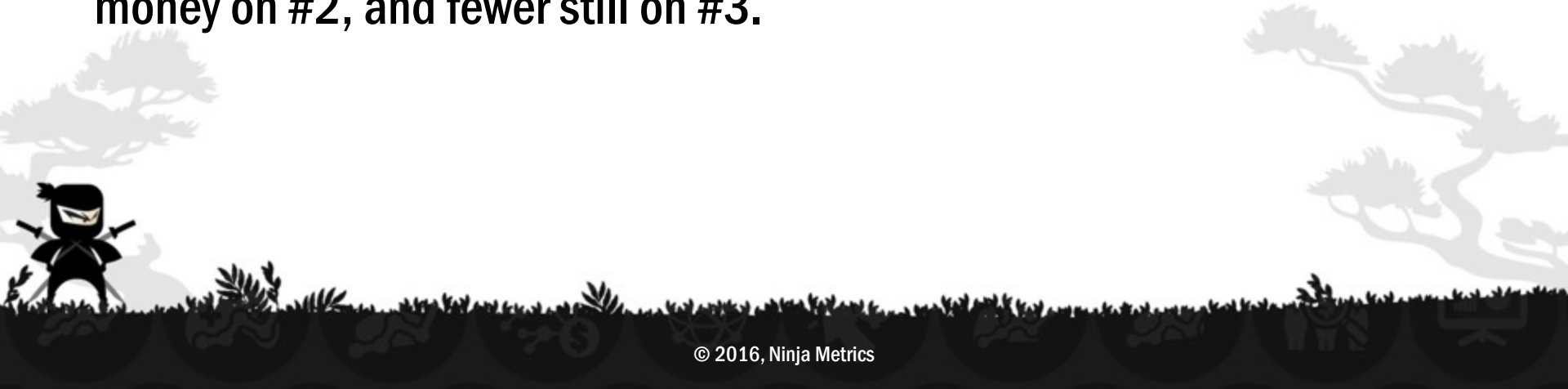- New spending baseline is higher

Spending changes during promotion period

What matters, in order

1. Players want to belong

2. Players want to be recognized as a valuable member

3. Players would like their group to be recognized vis a vis other groups

Many will spend time and money on #1. Fewer will spend time and money on #2, and fewer still on #3.
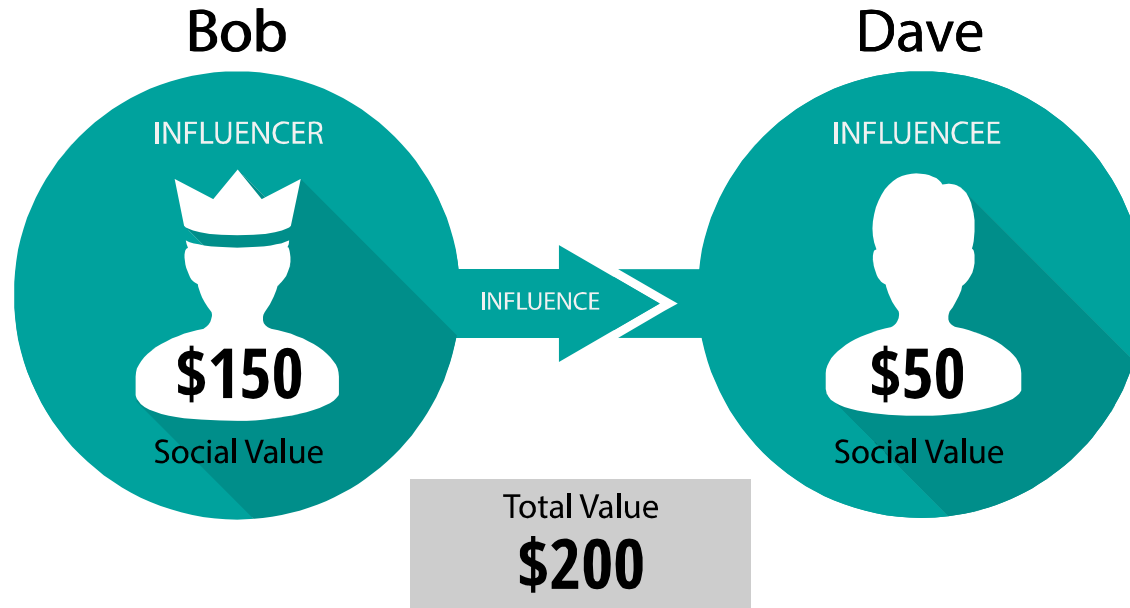
Group identity is powerful

Applying Social to UA

- Detect, and then go back to the source

UA Benchmarks

- How to interpret: this is an adjustment for Social Value. It is not an ROI.

- Minimum 10,000 accounts. Average in the report is 200,000

- Examined 40 ad publishers

- Overall average across all must be 1.00

- Volume is important! Not everyone can deliver a gazillion impressions.

UA Benchmarks

- Example: Playhaven

- Sample size ~500,000 installations

- Revenue Generated, 1 month: $287,948

- Net Social Value from those users: $18,440

- Total Value: $306,388

- Playhaven's Social Value factor is 1.06, so every dollar you get from them becomes $1.06.
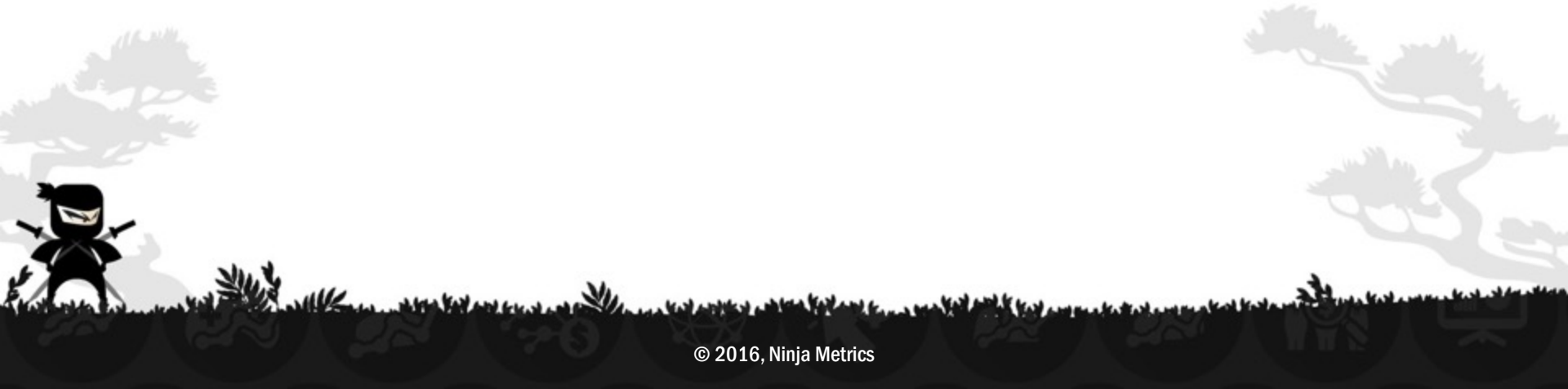
Why?

- Could be process

- Could be messaging

- Playhaven's spread: .96 to 2.25

- Very little down-side! Suggests that either the developers only put their good ads there, or more likely Playhaven does a better-than average job with the same ads as everyone else

Report Benchmarks

Overall net Social Value

Counting down from the top 10

Unknown   10th: 1.06   *applifier*   7th: 1.14

9th: 1.06   *Tapjoy*   6th: 1.17

playhaven

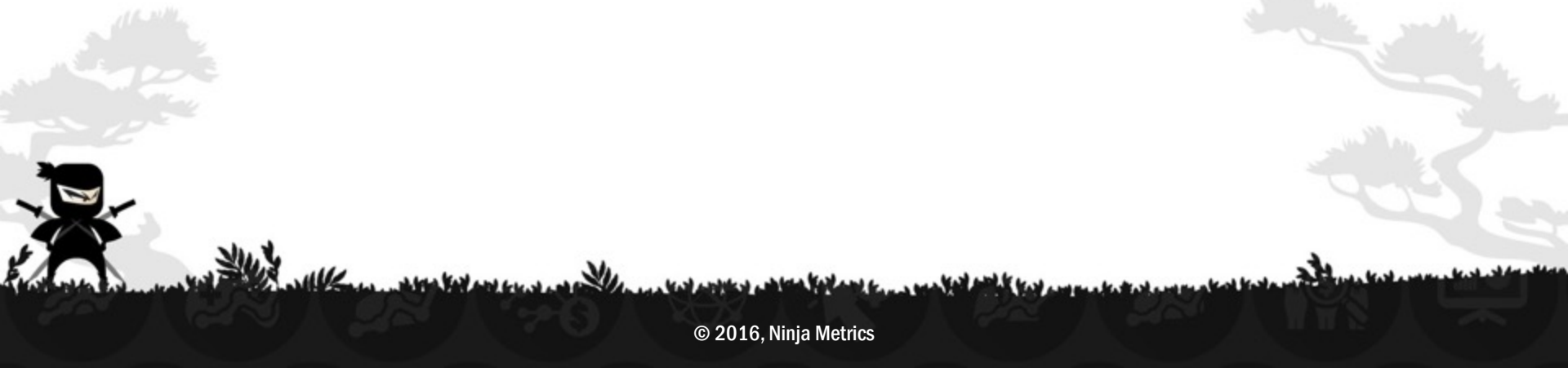Chartboost   8th: 1.13   *Tango*   5th: 1.25
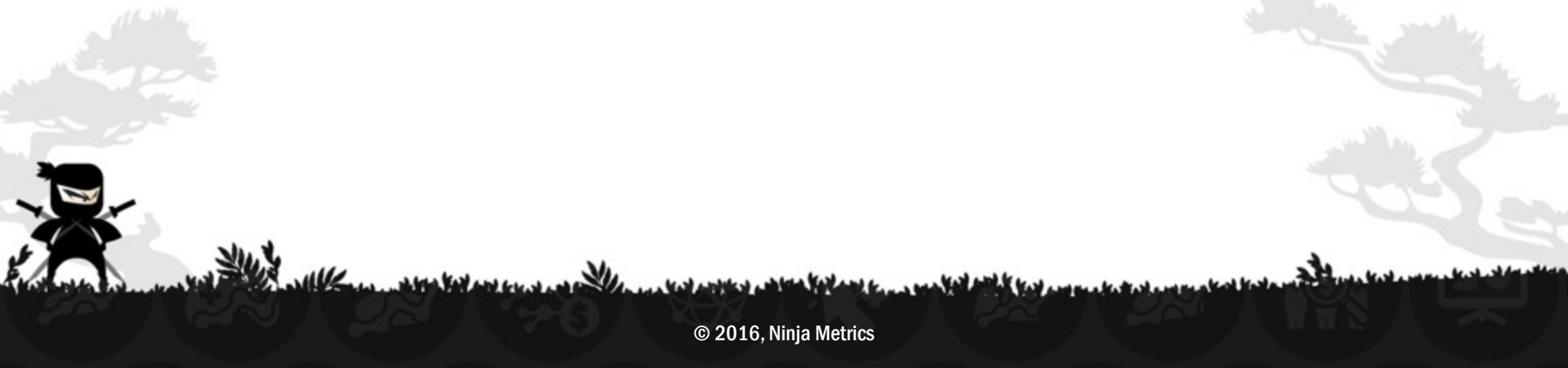
4th place

- 1.28 adjustment factor

- $1 translates to $1.28

3rd place
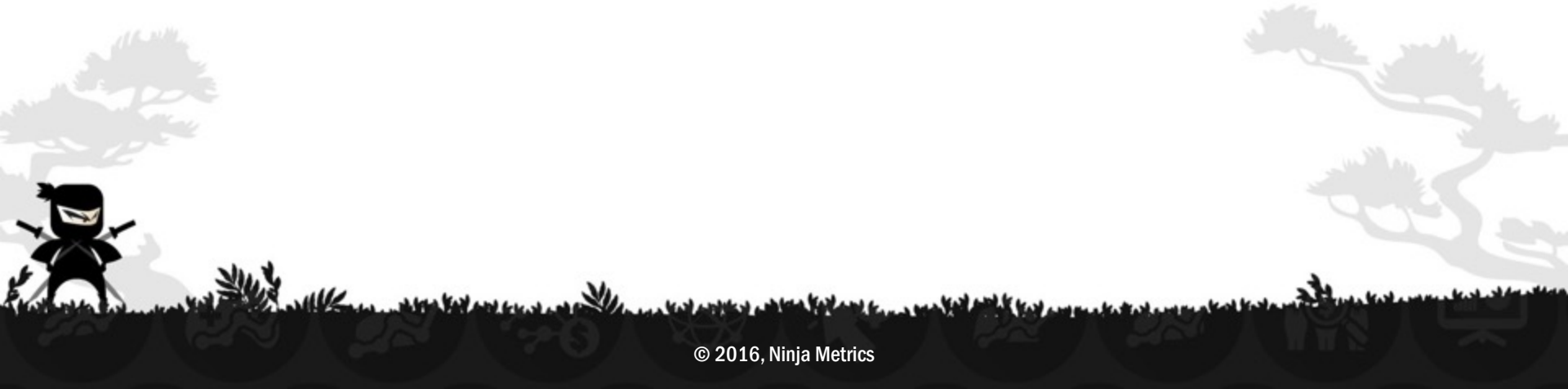

- 1.34 adjustment factor

- $1 translates to $1.34

Runner-up

- 1.36 adjustment factor
- Every $1 brought in translated to $1.36
- Possible explanation—a strong and support social network and community

And the winner is . . .

2015's best social channel

- **1.61 adjustment factor**

- Every $1 brought in translated to $1.61 in overall spending.

High-volume Notables

Google .96

facebook .95

YouTube .91

Bottom 10 for reference

10. 0.88

9. 0.87

8. 0.85

7. 0.83

6. 0.82

5. 0.77

4. 0.56

3. 0.52

2. 0.48

- 1. 0.46

- Double Rainbow
(What does it mean??!):
.46. For every $1 spent, .54c were caused by a player from another source.

Appeals by Psychology

3 Profile Types

- Standard Asocial Whale

- Trendsetter (Leader)

- Trendspotter (Follower)

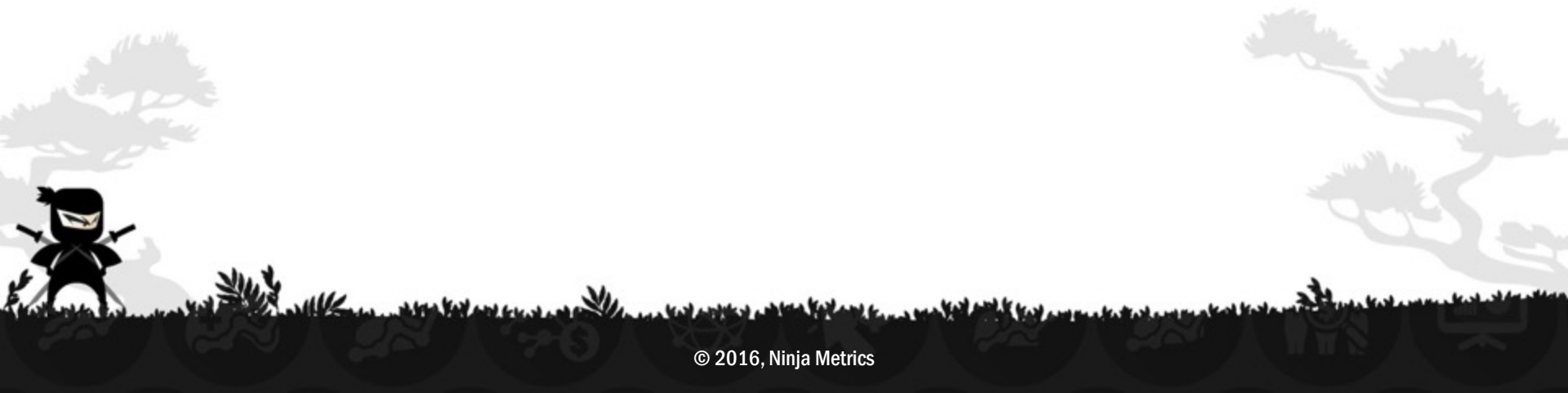# Follower Appeal

Social Whale Appeal
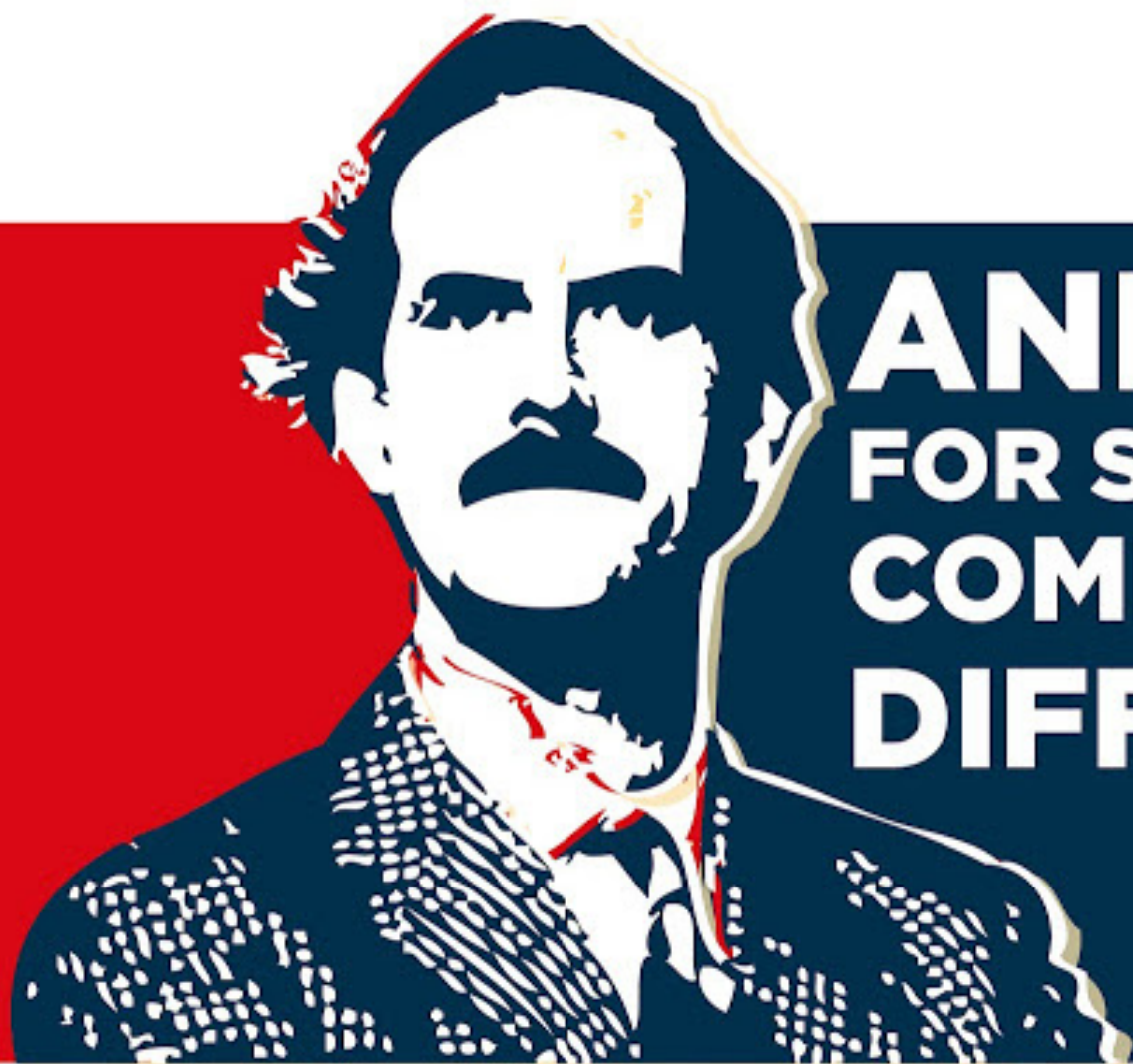
Typical Results

- CTRs, +20-30%

- CPC, 11-14% savings

- CPA, 22-28% savings

- CPM, 7-11% savings

- Reach, +8-11%

Lessons learned

- Appeals by profile type outperform demographics

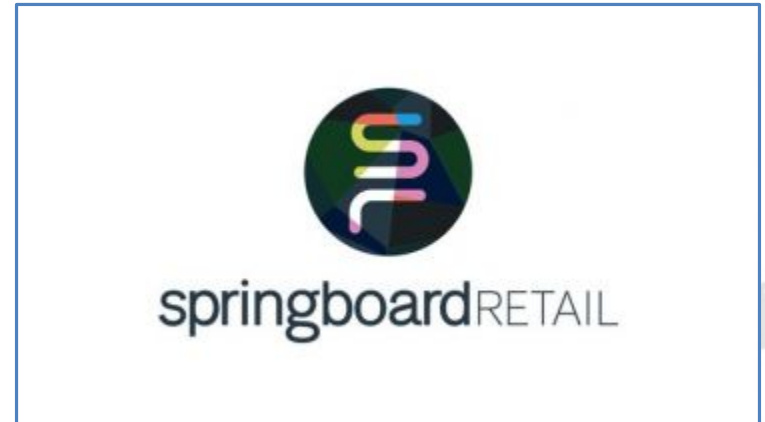- Facebook's lookalike technology functions *very well* here

AND NOW
FOR SOMETHING
COMPLETELY
DIFFERENT.

Case Study: Applications from retail

in the pink, a chain of stores around the greater Boston Area.
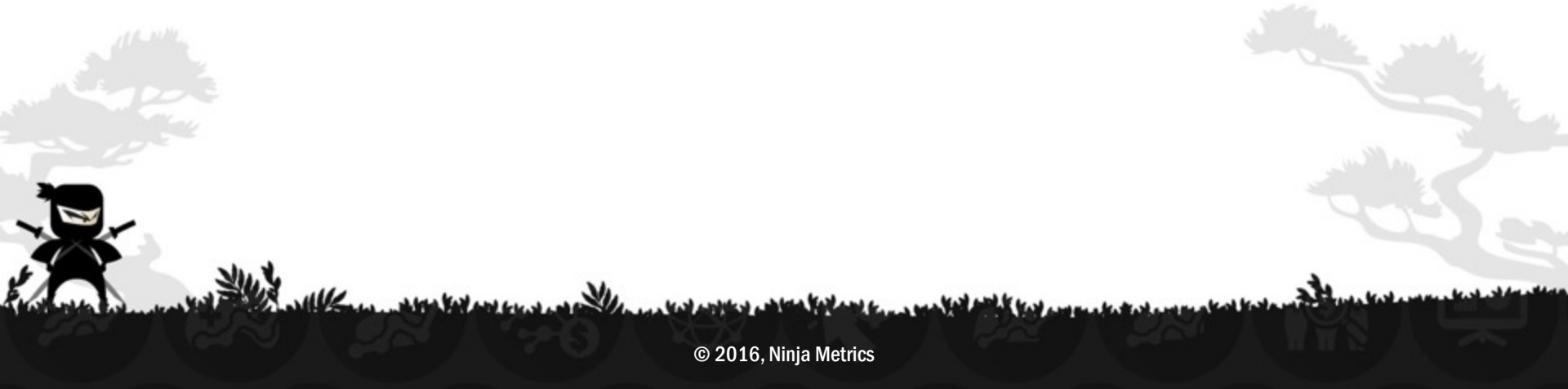
4 years of data

Identify "Tastemakers" and "Trendspotters"

Leveraging SV for Retail Revenue

- Use an appeal that is social in nature and give it to the Tastemakers

Results

- +11% revenue

- +16% new customers

- +17% more items per transaction
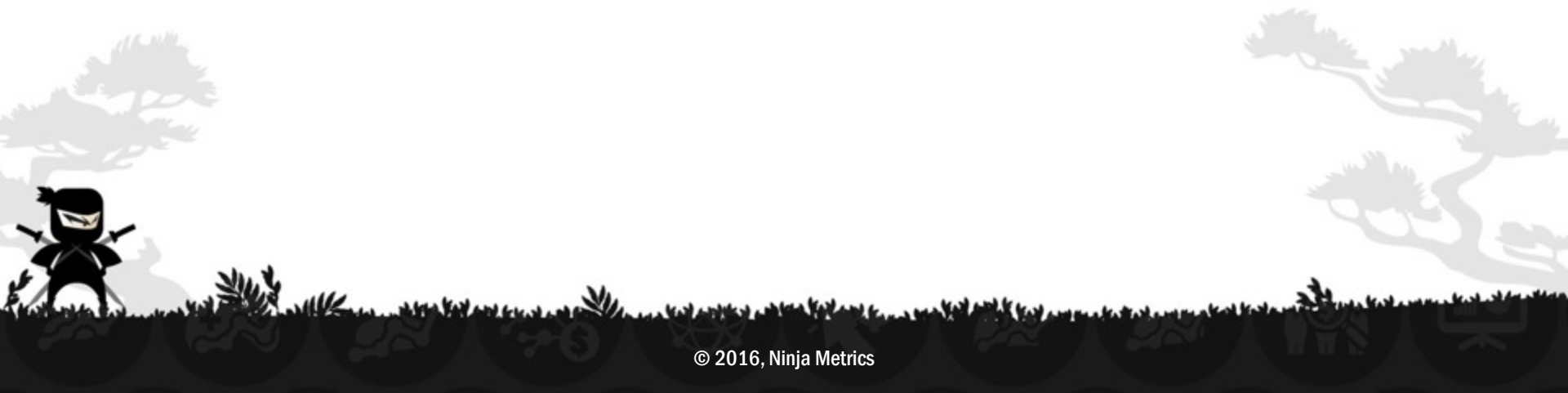
Sales Associate Tools

- PoS system doubles as a customer profiling system

- Shows buying habits, and SV levels

	ITEM COUNT OCTOBER 2015		ITEM COUNT SEPTEMBER 2015		CHANGE
	208,381		263,562		-55,181 ▼

10 ▼

Search...

Item Name	SKU	Category	Sub-Category	Number Purchased	Location	Asocial Value	Social Value	Total Value
ut	MjU0T80x88NNrI6z	Children	Pants	8	Cutler	$245.37	$696.98	$942.35
similique	TCdM3wDkh2pNb0HM	Young Adult	Socks	9	Cutler	$308.28	$115.63	$423.91
molestiae	lsm61mrPaJaRtsqc	Toddler	Shoes	9	Exeter	$248.89	$113.26	$362.15
laborum	nU1veJ8IJcEcHfGG	Young Adult	Socks	4	Cutler	$68.53	$92.73	$161.26
assumenda	0tW1xu19yhzngp4Y	Young Adult	Socks	4	Soulsbyville	$55.07	$77.06	$132.13
in	9bB4oxRvM1q5okCX	Toddler	Socks	3	Sonora	$73.22	$67.39	$140.61
itaque	8hWgUMGnp4Oow51p	Toddler	Socks	8	Sonora	$57.81	$66.57	$124.38
iure	rV51xo5mUaokEpvQ	General	Pants	8	Sonora	$335.44	$66.04	$401.48
doloremque	u3q8XI1ACCUTRkRT	Young Adult	Socks	5	Cutler	$172.49	$64.70	$237.19
est	SY181t4IHXnE9NJe	Young Adult	Socks	5	Sonora	$193.75	$64.04	$257.79

Showing 1 to 10

Prev 1 2 3 4 5 ... 14 Next

Takeaways

- The things that look most valuable aren't always

- Influence is universal

- Games are one of the best sectors to leverage it

- Supporting the relationship between consumers (players) outperforms brand-based or quality appeals

- Customer Service equivalent: Treat the Tastemakers well, and *make them look good!*

Dmitri Williams, CEO

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Special case: Negative SV

- Negative Social Value vs. LTV

- 5-10% of players

- 2% Super-bad apples

Examples:

- -$25 S.V. & $50 LTV: Net +$25

- -$25 S.V. and $10 LTV: Net -$15

- Troll Pool