



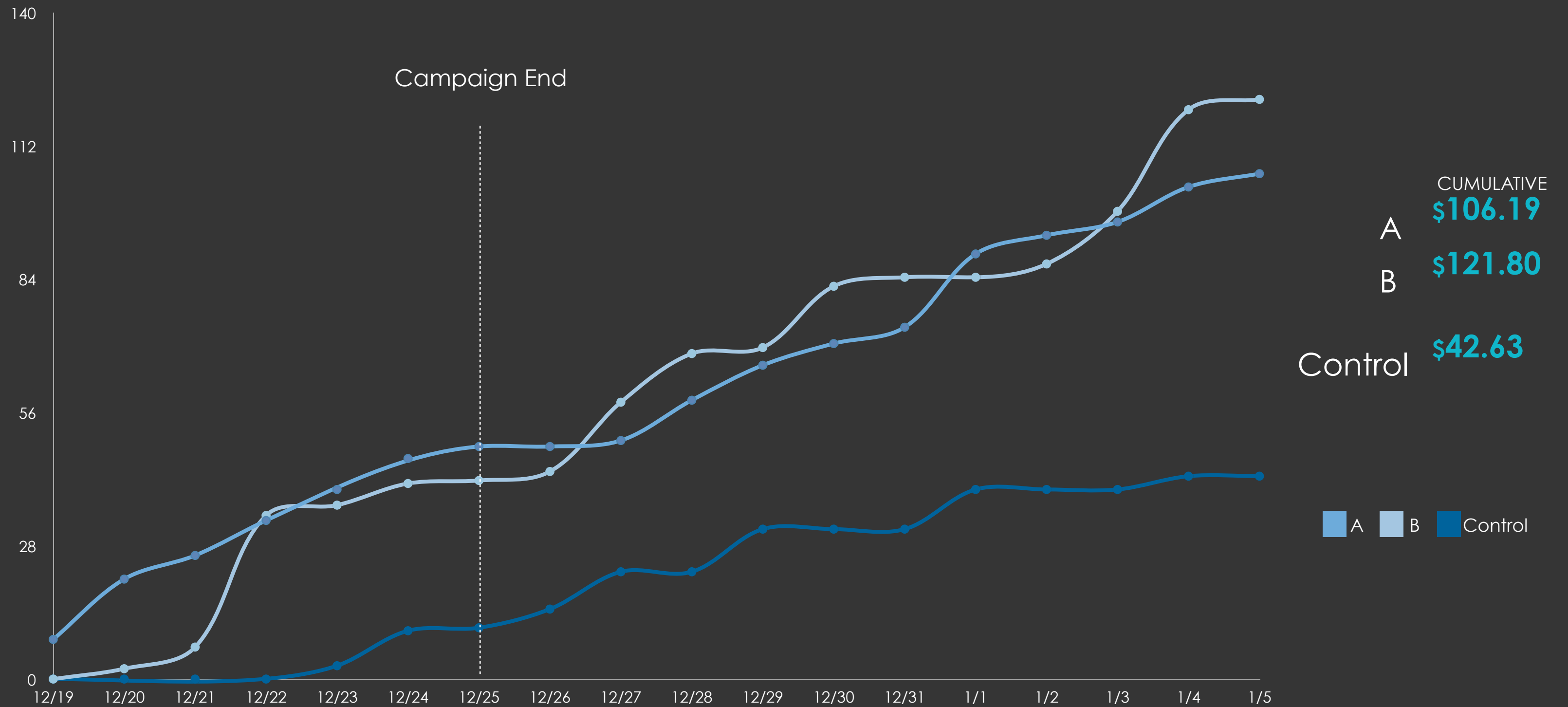
The Power of Adaptive Marketing for Games



About **Playnomics**

- Founded in **2009** with offices in San Francisco and New York
- Over **100M** Player Profiles and **30M+** Monthly Active Users
- Deep expertise in gaming, data mining, business intelligence, informatics, and marketing
- Venture backed by FirstMark Capital, x/Seed Capital, Metamorphic Ventures, and Vanedge Capital

What's the point of **predictive marketing**?

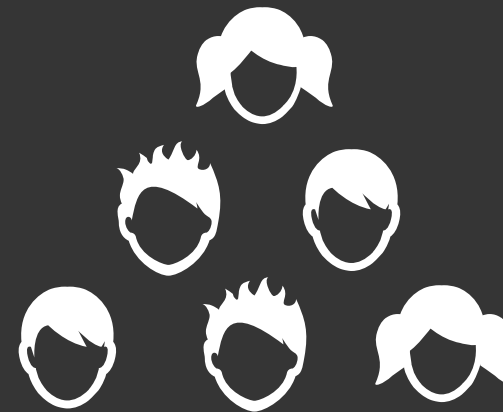


Problems Worth Solving



Nurture VIPs

Retain and optimize revenue potential from your loyal spenders.



Create Payers

Identify likely spenders and send targeted, effective promotions that grow your payer population.



Monetize Everyone

Few players will pay. Target non-spenders with revenue generating ads and earn from everyone.

All players are different.

How do you maximize the value of each one?

Mobile Monetization: is it as bad as it looks?

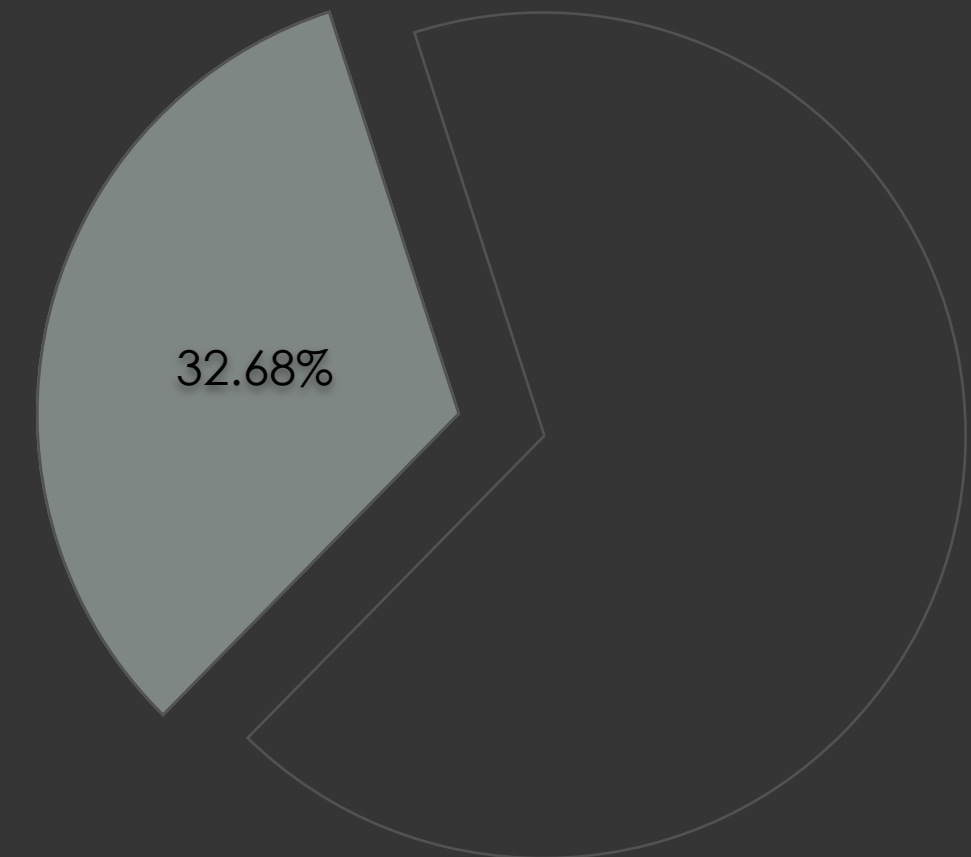
Our **Q1 2013 Engagement Report** examined over **1.7 million new players** who joined during the first 2 weeks of **2013**. For those players only, we observed their monetization behavior over the entirety of the first quarter.

Less than 1% Pay to Play

Almost 14,000 players in the cohort of 1.7 million had monetized, or **only roughly 0.77%**

OF THOSE 0.77%:

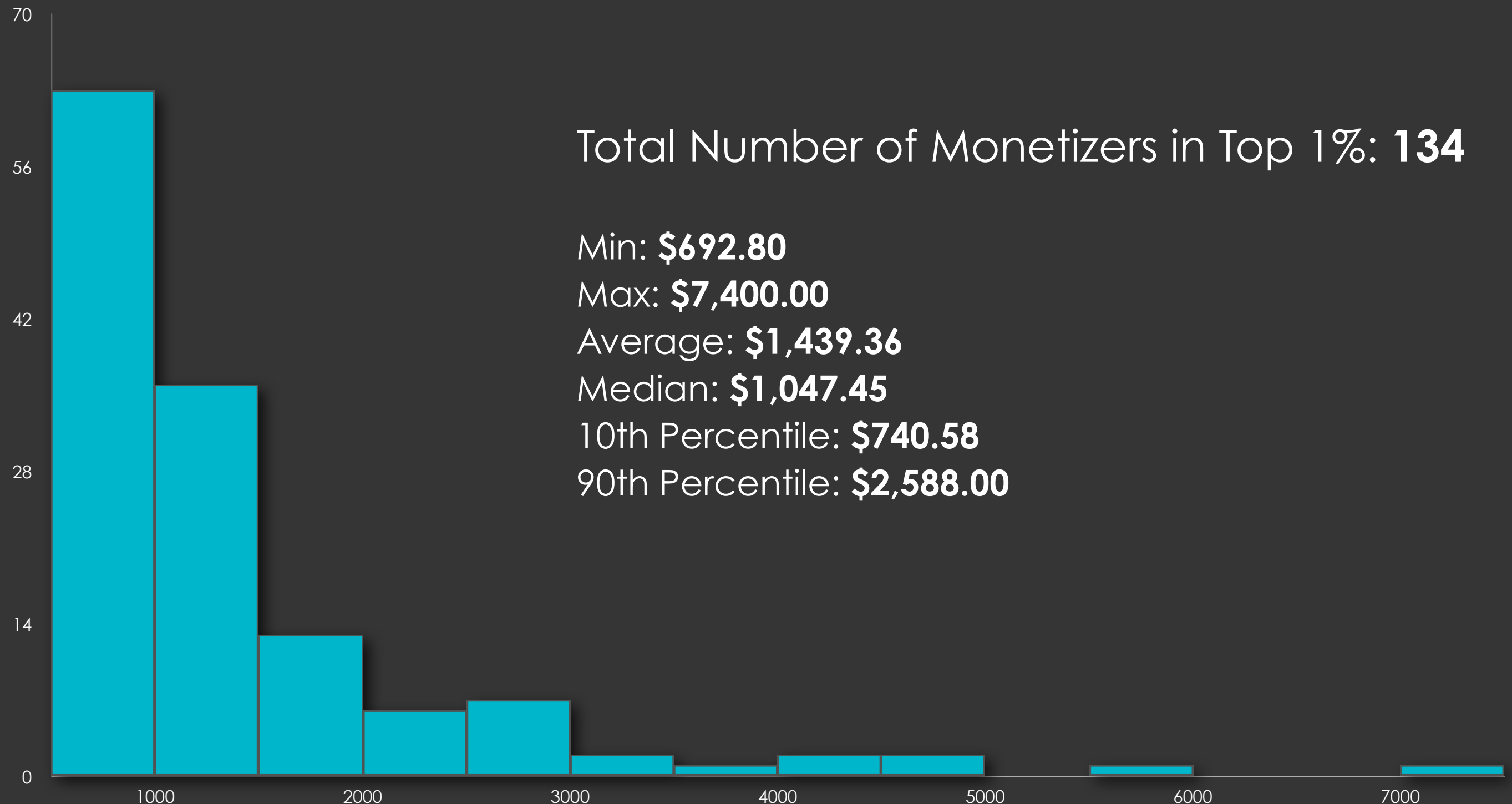
- Percentage of total spend accounted for by top 1%: **32.68%**
- Percentage of total spend accounted for by top 20%: **90.50%**
- Percentage of total spend accounted for by top 50%: **98.43%**
- Percentage of total spend accounted for by top 60%: **99.09%**



A very small group of players
are in control of an outsized portion of the revenue

A closer look at the top spenders

Not only is the distribution of LTVs highly skewed amongst all 14,000 monetizers, it is still significantly skewed even when we look at just the **top 1% of spenders**.



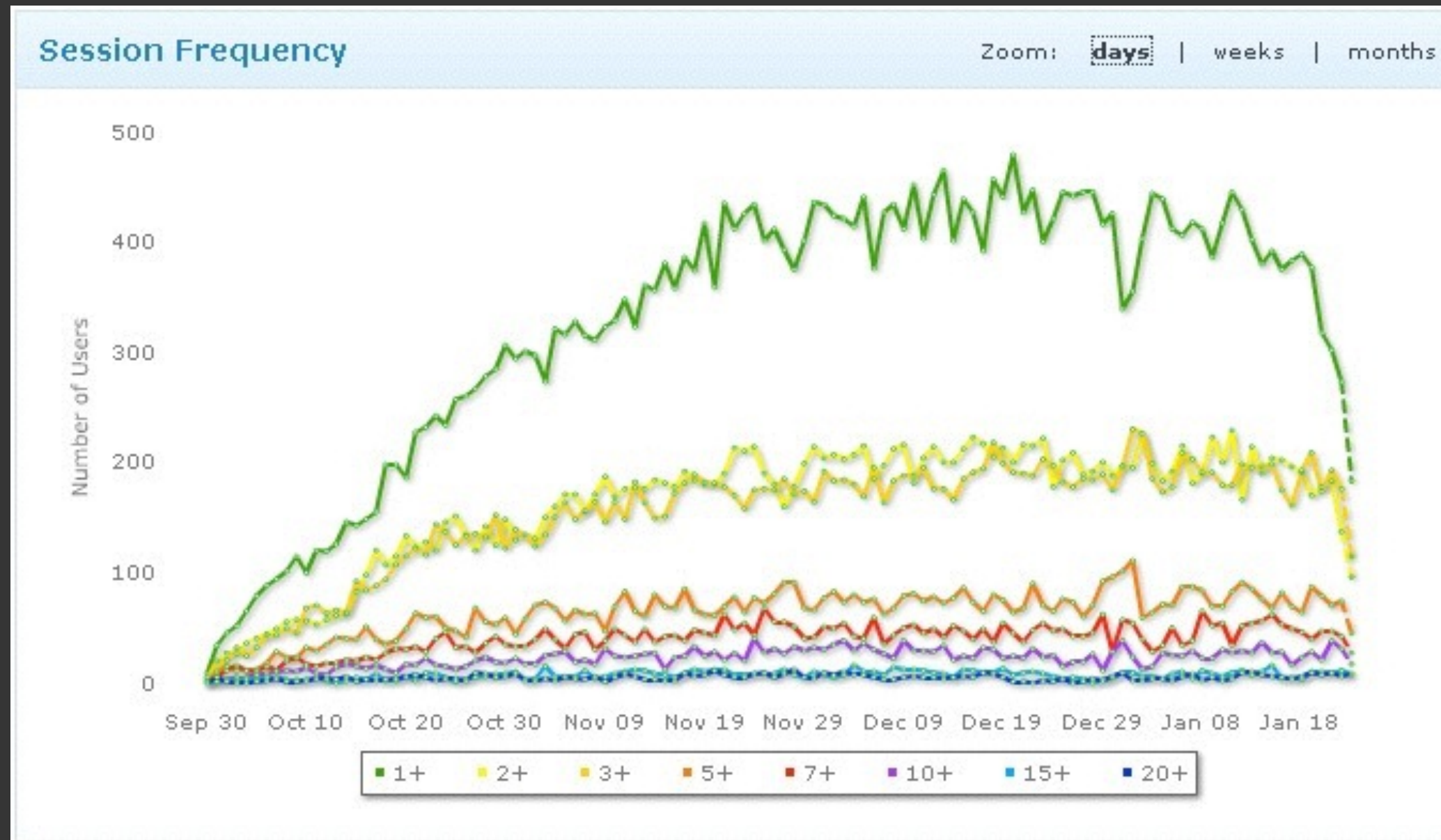
Why does this happen?

The cost of getting new users to try out mobile apps is getting more and more expensive, hitting an all-time high on the Apple App Store in July.



Spending for Installs

Why does this happen?



Analytics = Analysis. Lots of it.
Then what?

One size fits all?



Players are people too, **unique and different**

playRM™
Engagement Score



Psychographics



Competitor



Scientist

Likes & Interests



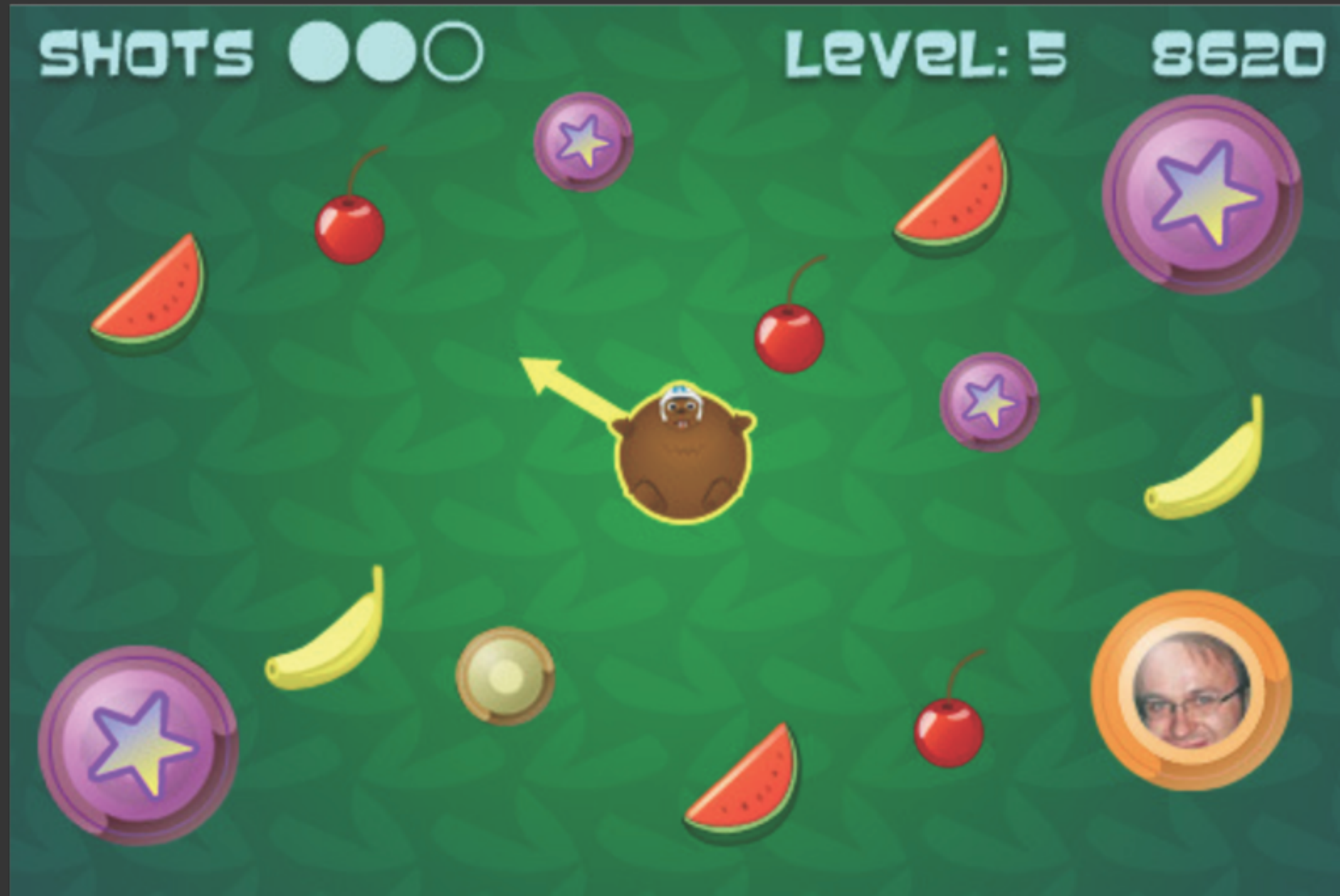
Brand
Offers



Viral
Invites



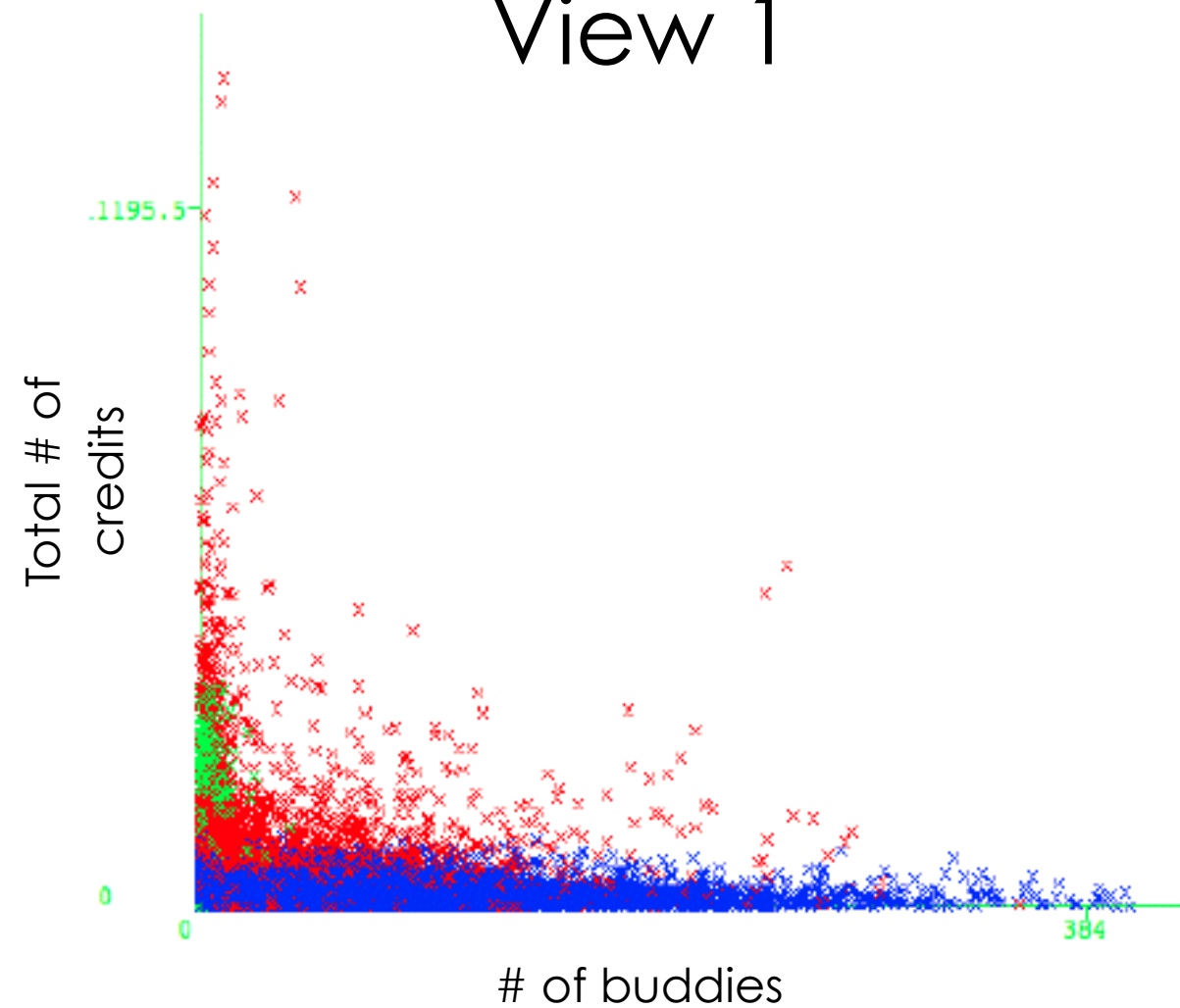
Simple game, right?



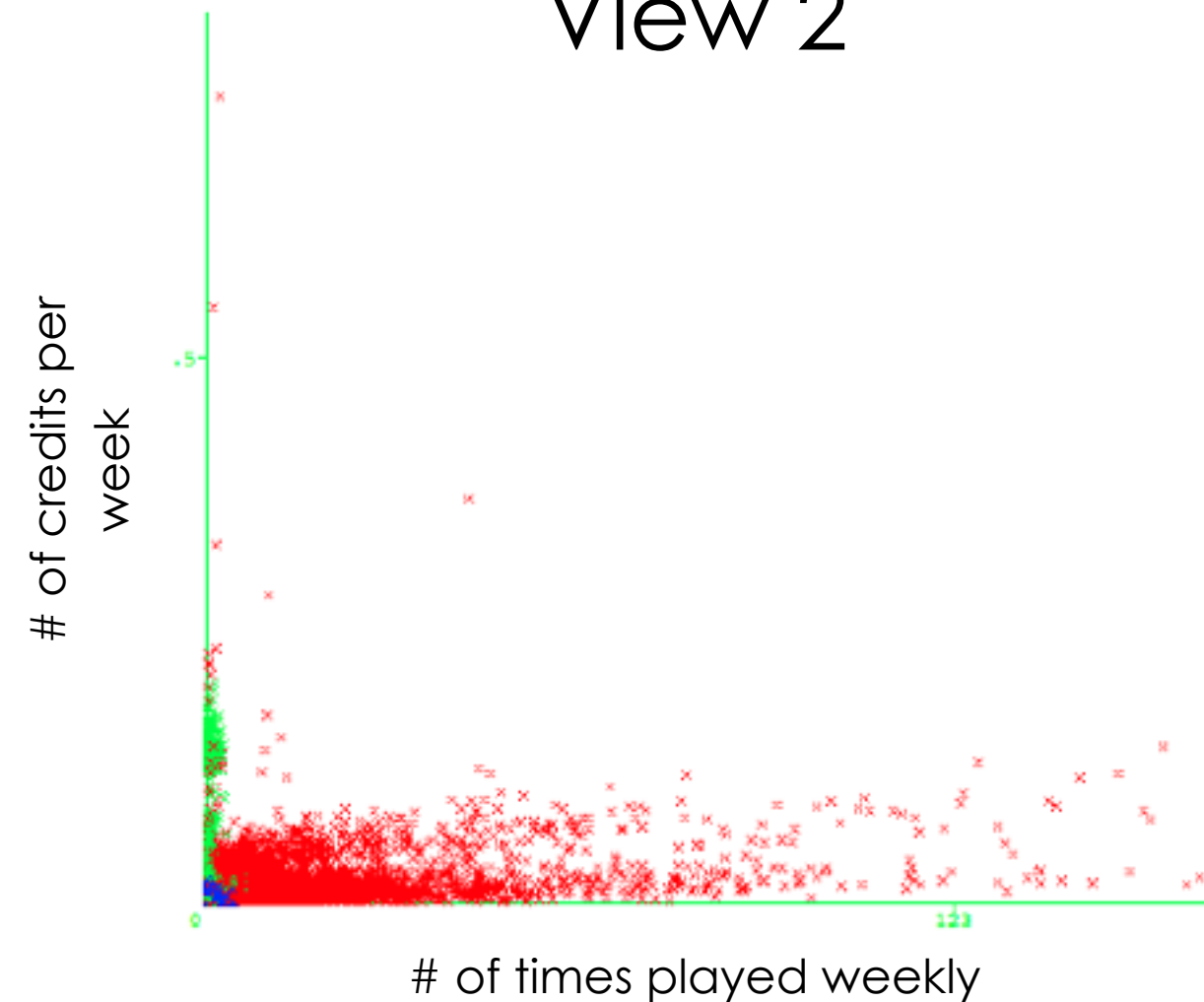
Not so simple motivations

Collectors Socialites Competitors

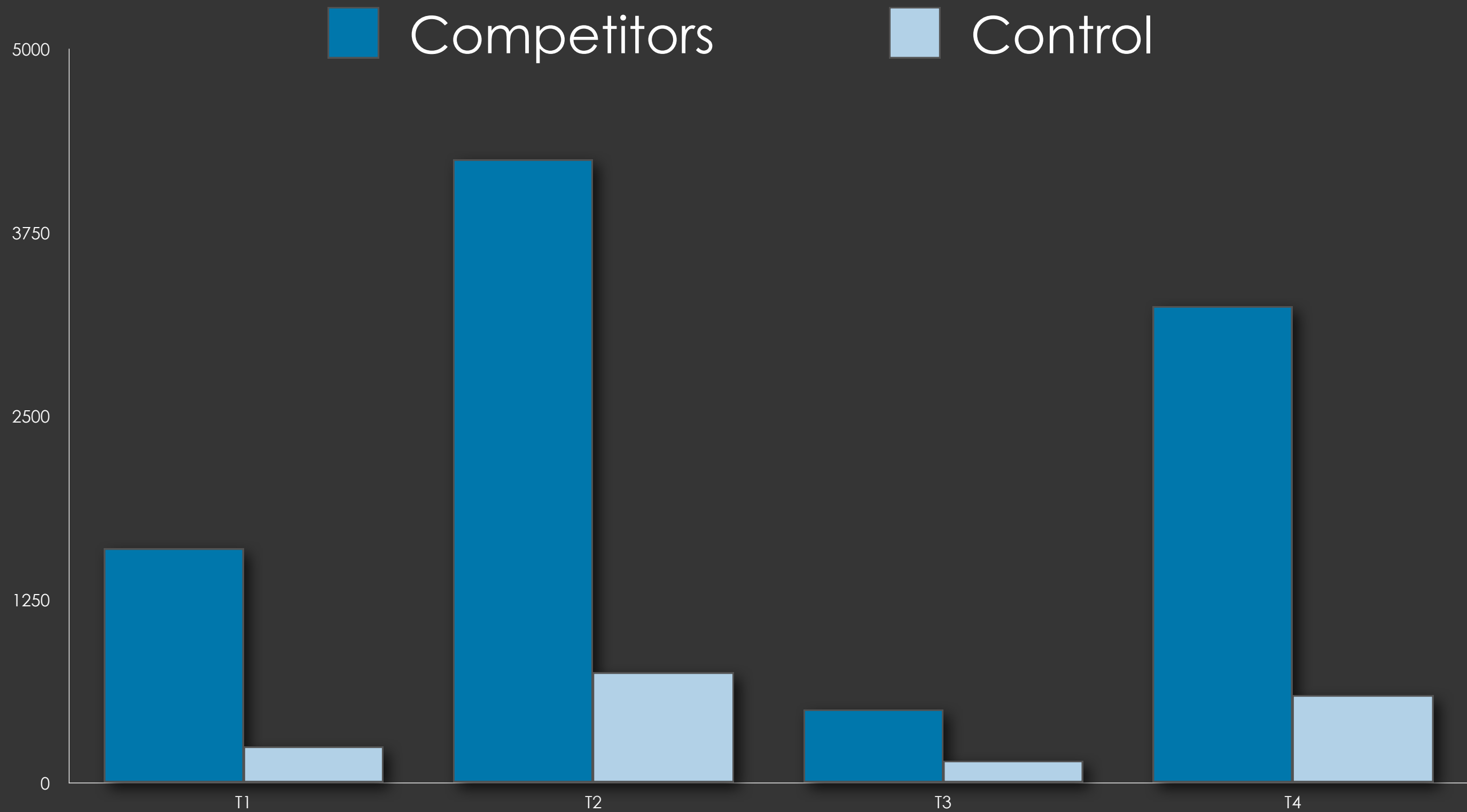
View 1



View 2



Big difference in outcomes from marketing



Players are **different!**

Millions of users, all want something different



Predictive Marketing: the right message for the right person at the right time

...monetize non-payers by delivering highly-targeted and relevant ads.

Marketing
Managers



Game
Managers



Understand, segment, and target your vast and diverse audience, so you can...

...reward payers with personalized incentives, messages, and rewards. Identify paying audiences for upsell and convert them to higher-spending categories.

Valuable (right) person?

Entry Funnel

Active Today
D1, D7, D14, D30
D1, D7, D14, D30 Monetized
D1, D7, D14, D30 Non-Monetized
D14, D30 Lapsed

Engaged

D30 Active
Newly Engaged
Highly Engaged
Non-Engaged

Location

North America
Europe
MENA
APAC
Latin America

VIP

Recently Monetized
Highly Engaged Monetized
High Monetizer
Highly Viral
Recently Viral
Influencer
Non-Monetizing

Milestones

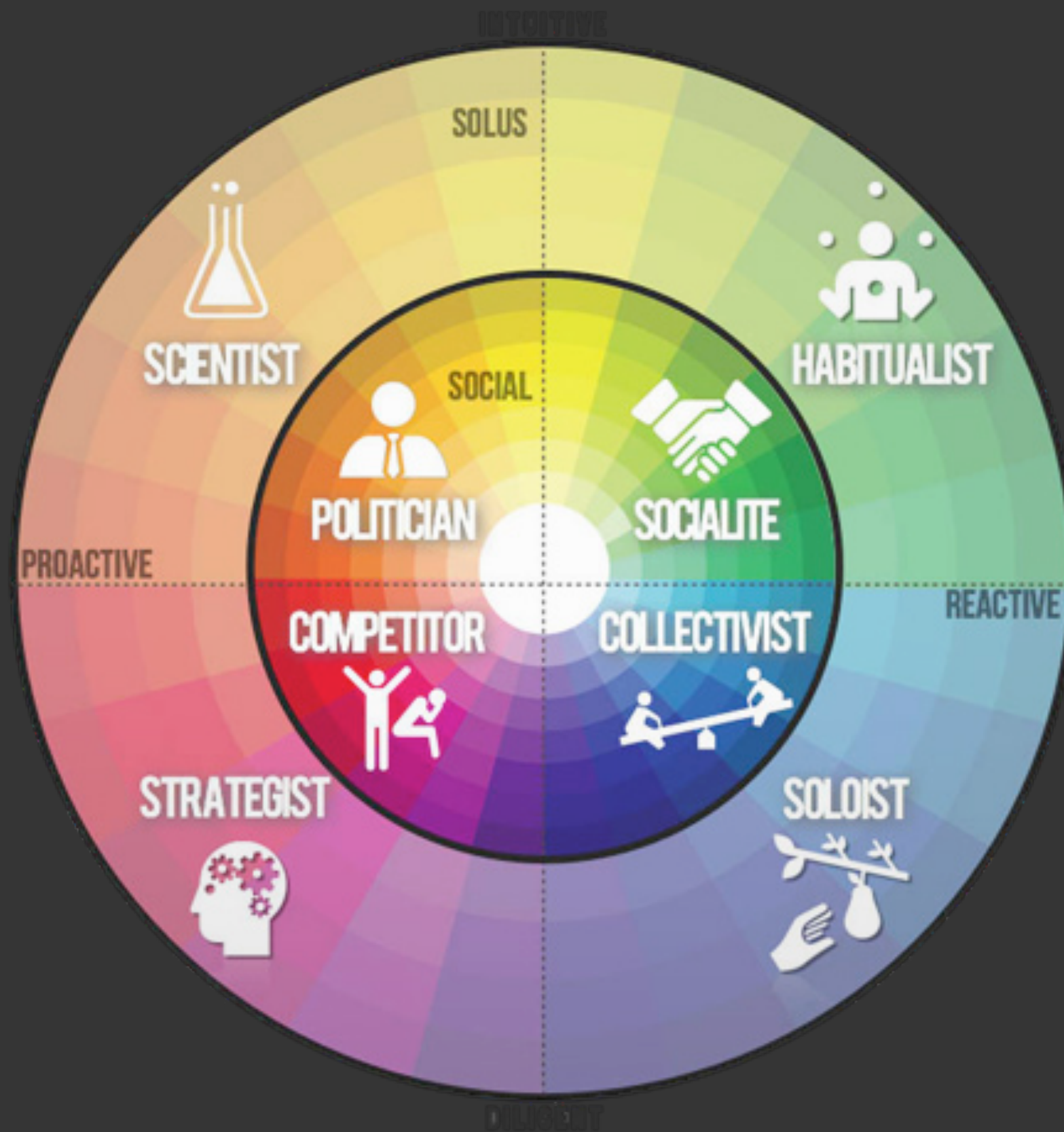
Tutorial Started/Complete
Reached Level X
X% Level Complete
Achievement Gained
Collection Incomplete

Predictive

At Risk Engaged
At Risk Monetizer
Likely to Churn
Likely Engager
Likely Monetizer
Likely Viral

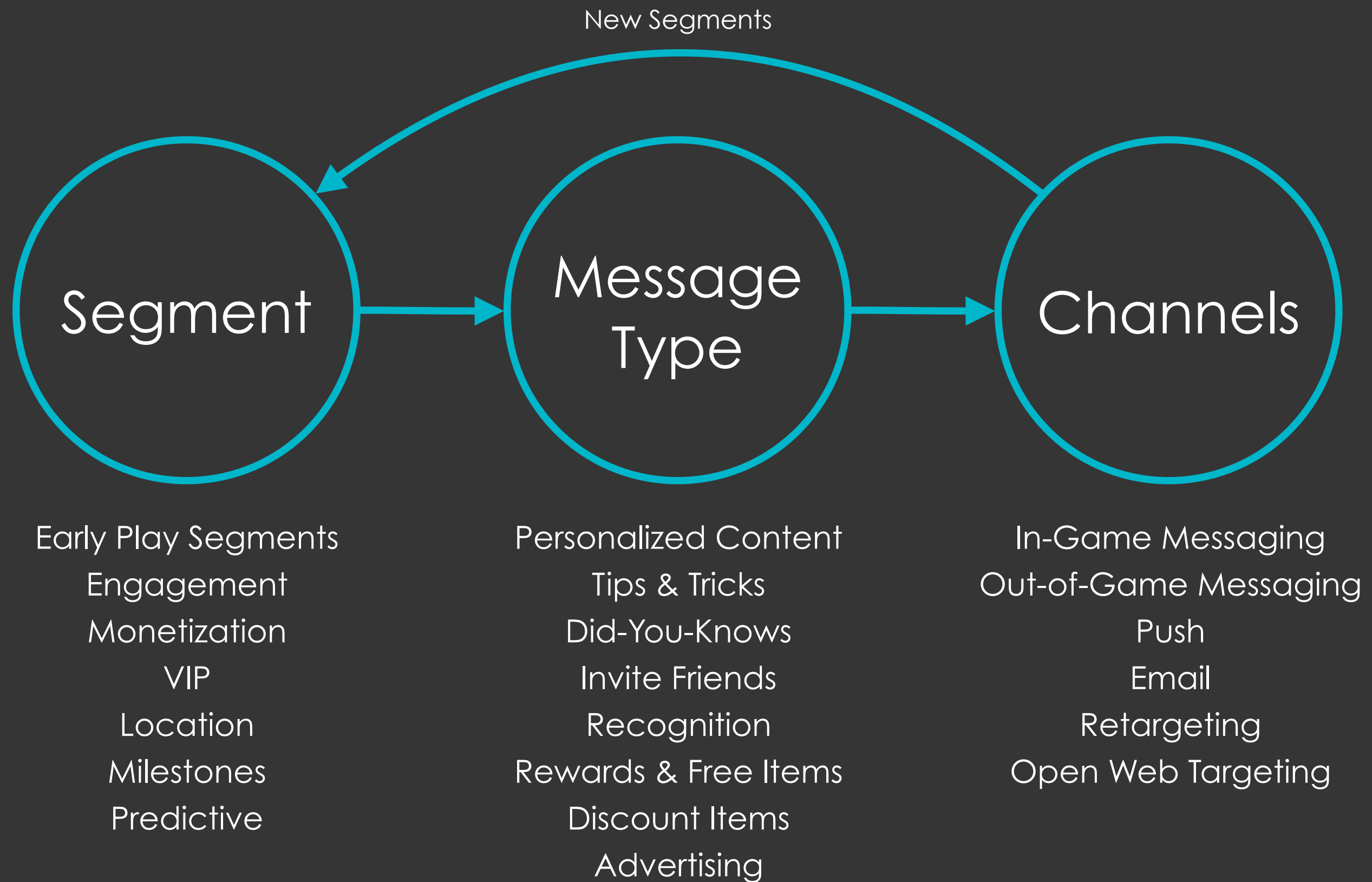
Can also be **personality based**

PLAYER



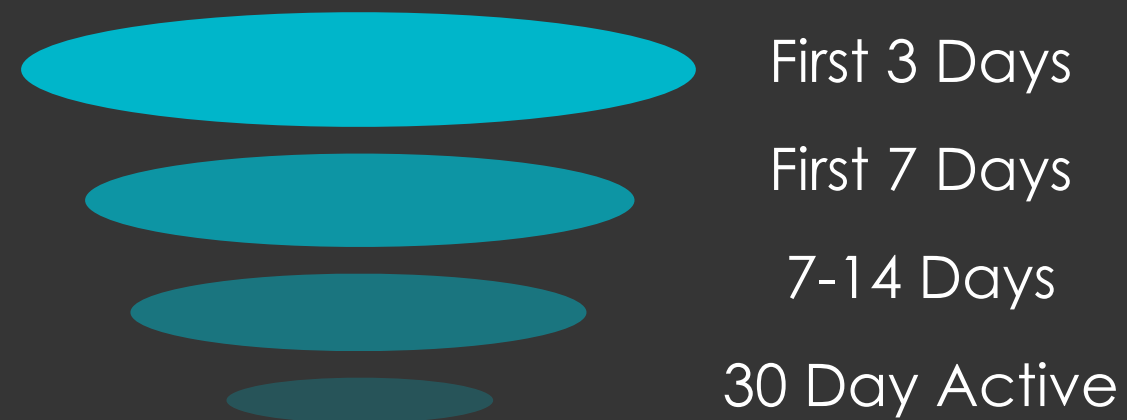
TYPES

Right message = **hard**



Right time = **hard**

Early Retention



Monetized



Milestones



Non-Spenders



Digital audiences present unique challenges

In the age of free mobile applications, engagement is the key in order to spur retention and monetization. Your customers are different and require unique experiences to stay engaged and loyal.



Early Engagement

Time-consuming, costly,
and hard to measure
returns



Retention & Loyalty

Difficult to create unique
experiences and promote
engagement



Monetization

Not all users pay, and
hard to predict user
lifetime value

Speak uniquely to audiences

Shaping behavior starts with understanding it. We begin with deep data and meaningful analytics that enable us to **behaviorally segment and target app users**, providing **predictive** insights and the ability to act on them in real time.



Everyone in your audience is different...

...so we segment and target them intelligently.

First find the right metrics, the right person

Avg sessions per player in last 7 days

15.0

Avg gap between plays in days

1.0

Avg actions per session in last 7 days

714.0

90

Loyalty  **+0%**

2 of 3 factors that measures with what regularity people play your game and can be counted on to play every week, every day and even multiple times a day.



Users in last 7 days that also played the prior week

98.9%

Avg gap between plays in days

1.0

Avg days of week played

6.0

88

Attention  **-1%**

1 of 3 factors used to understand how a player spends time with your game by analyzing the time component of players accessing your content.



Avg sessions per player in last 7 days

15.0

Total hours played in last 7 days

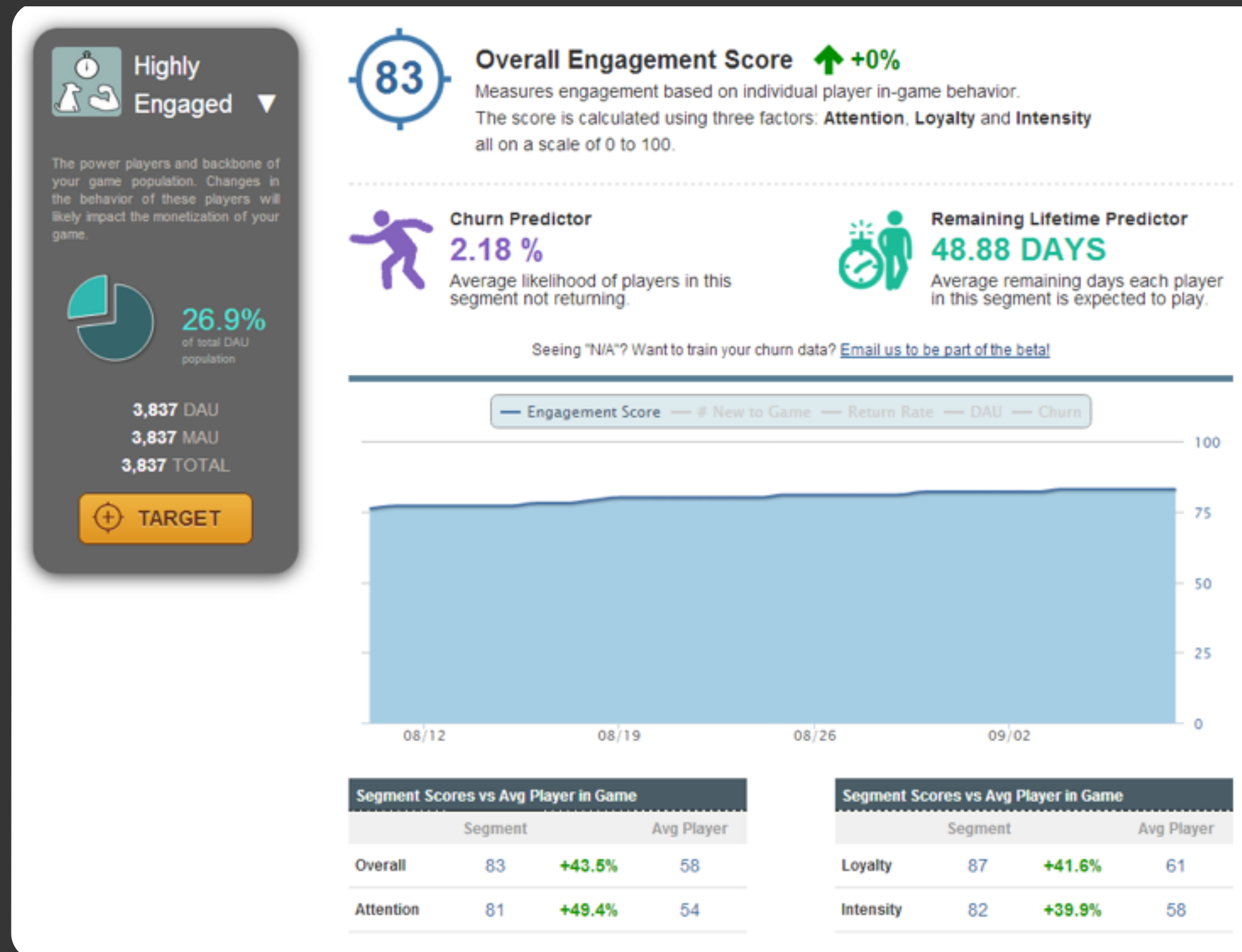
2,224,964

Avg session length in minutes in last 7 days

71

Target Like-Minded Players

Hyper segmentation drives monetization. We aggregate the holy grail of consumer motivations, loyalties, and incentives, creating a rich behavior graph of targetable users, profiled by the incentives they respond to.



Targets galore



Retention

Segments based on where a player falls in their lifecycle

Segment	Engagement Score	DAU	MAU	Monetization Score	ARPPDAU	Revenue Today	In-Game Status	Target
Active Today	23 ▲	99,232	99,232	0	\$0.00	\$0.00	●	
Everyone	23 ▲	99,232	2,725,815	0	\$0.00	\$0.00	●	
First 3 Days	22 ▲	78,682	212,861	0	\$0.00	\$0.00	●	
First 7 Days	22 ▲	80,547	426,538	0	\$0.00	\$0.00	●	
First 14 Days	22 ▲							
First 30 Days	22 ▲							
Newly Engaged	36 ▲							
Lapsed 15 Days	0							
Lapsed 30 Days	0							



Onboarding Funnel

Segments based on different stages of the onboarding funnel

Segment	Engagement Score	DAU	MAU	Monetization Score	ARPPDAU	Revenue Today	In-Game Status	Target
Load Start	29 ▼	65,757	132,469	0	\$0.00	\$0.00	●	
Title Screen	30 ▼	63,237	127,229	0	\$0.00	\$0.00	●	
Instruction Screen	n/a	n/a	n/a	n/a	n/a	n/a	●	
Level Select	34 ▲	26,360	51,933	0	\$0.00	\$0.00	●	
Game Start	37 ▼	38,867	77,575	0	\$0.00	\$0.00	●	
Game End	37 ▼	33,015	65,441	0	\$0.00	\$0.00	●	

Even more targets



Engagement

Segments based on a player's level of engagement

Segment	Engagement Score	DAU	MAU	Monetization Score	ARPPAU	Revenue Today	In-Game Status	Target
Highly Engaged	81 ▲	121	121	0	\$0.00	\$0.00	●	
Highly Intense	45 ▲	28,530	28,530	0	\$0.00	\$0.00	●	
Highly Loyal	62 ▲	125	179	0	\$0.00	\$0.00	●	
Highly Attentive								
At Risk								



Geography

Segments based on a player's geographic location

Segment	Engagement Score	DAU	MAU	Monetization Score	ARPPAU	Revenue Today	In-Game Status	Target
APAC	14 ▲	24,749	886,475	0	\$0.00	\$0.00	●	
Europe	25 ▼	12,785	325,891	0	\$0.00	\$0.00	●	
Latin America	26 ▼	23,249	536,519	0	\$0.00	\$0.00	●	
MENA	24 ▼	5,843	182,130	0	\$0.00	\$0.00	●	
North America	28 ▲	31,914	779,645	0	\$0.00	\$0.00	●	

Then, the **Right Message**

Send the right message to the right person at the right time using **playFrames™**, engineered to allow for both in-app purchase promotions or rich, third-party advertising.



Targeted **Video Ad**

INSIGHT

Highly engaged but non-paying players are uniquely suited for rich media ads

MECHANISM

In-Game Video Ad

SEGMENT

Highly Engaged, Never Monetized Users

Incentivize **Engagement**

INSIGHT

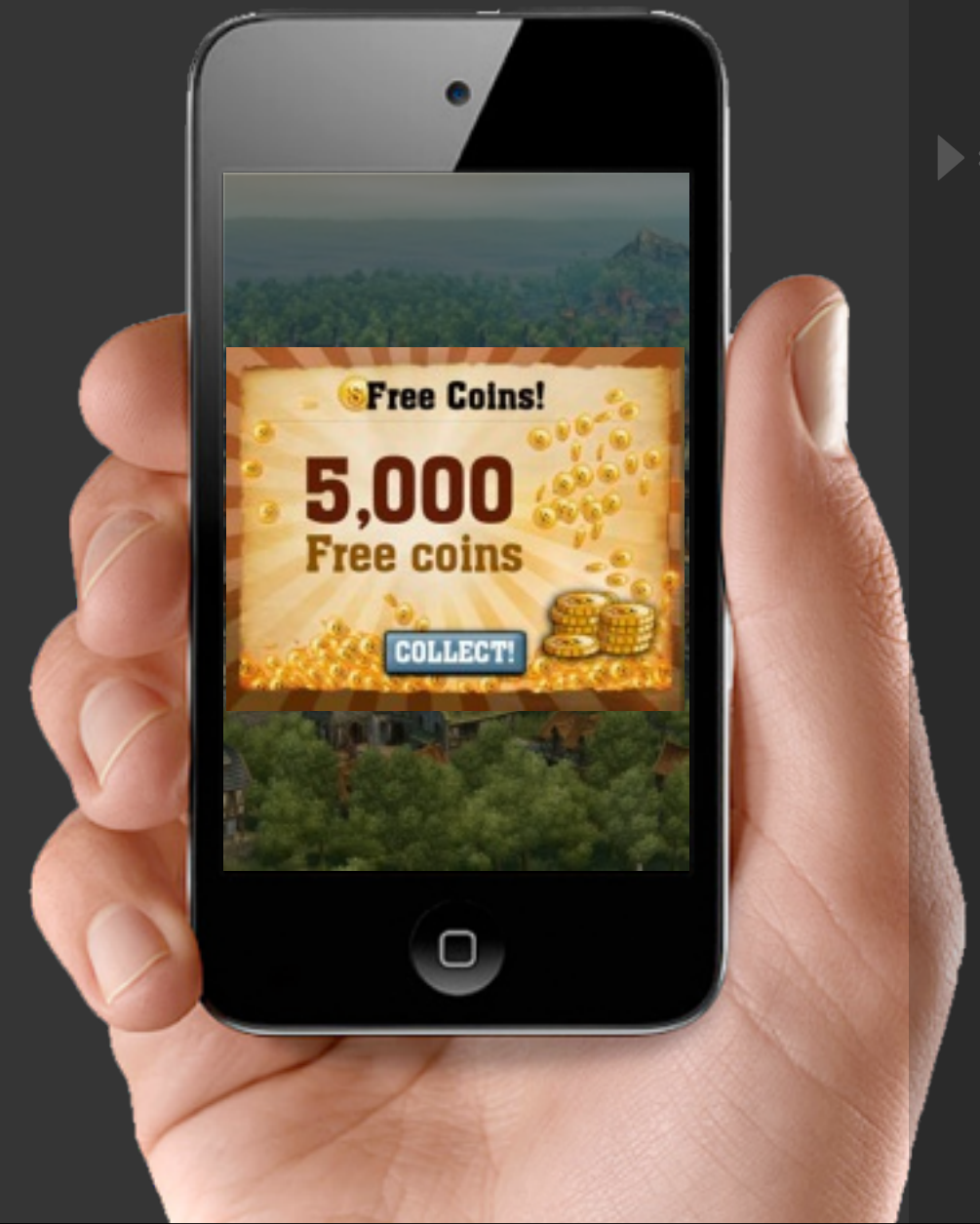
Users early in their lifecycle respond positively to free giveaways

MECHANISM

In-App Promotion

SEGMENT

Newly Engaged Users



Even behavioral push

Applications

Reports

Messaging

Marketplace

Acquisition

Age Of Monsters - iOS

Messaging Summary > Age Of Monsters - iOS > First 3 Days

Manage Experience for First 3 Days Segment

SEGMENT

First 3 Days

PRIORITY LEVEL

1

Actions

CAMPAIGN

new campaign (04/16/13 - 04/19...

START

04/16/2013

END


04/19/2013

STATUS: ACTIVE

Run indefinitely

BANNERS

PUSH MESSAGES



Your push message will reach

23,456 players

Opt-Ins to Push Notifications

11% 23,546

Opt-Outs Will Not Receive

89% 201,567

MESSAGE

75 characters left

SOUND

ENTER FILENAME

SCHEDULE (based on UTC)

SEND IN

Morning 6am - 12pm

SET FREQUENCY

MAX MESSAGES

A Day

SAVE

LOCK SCREEN VIEW

Your App Name

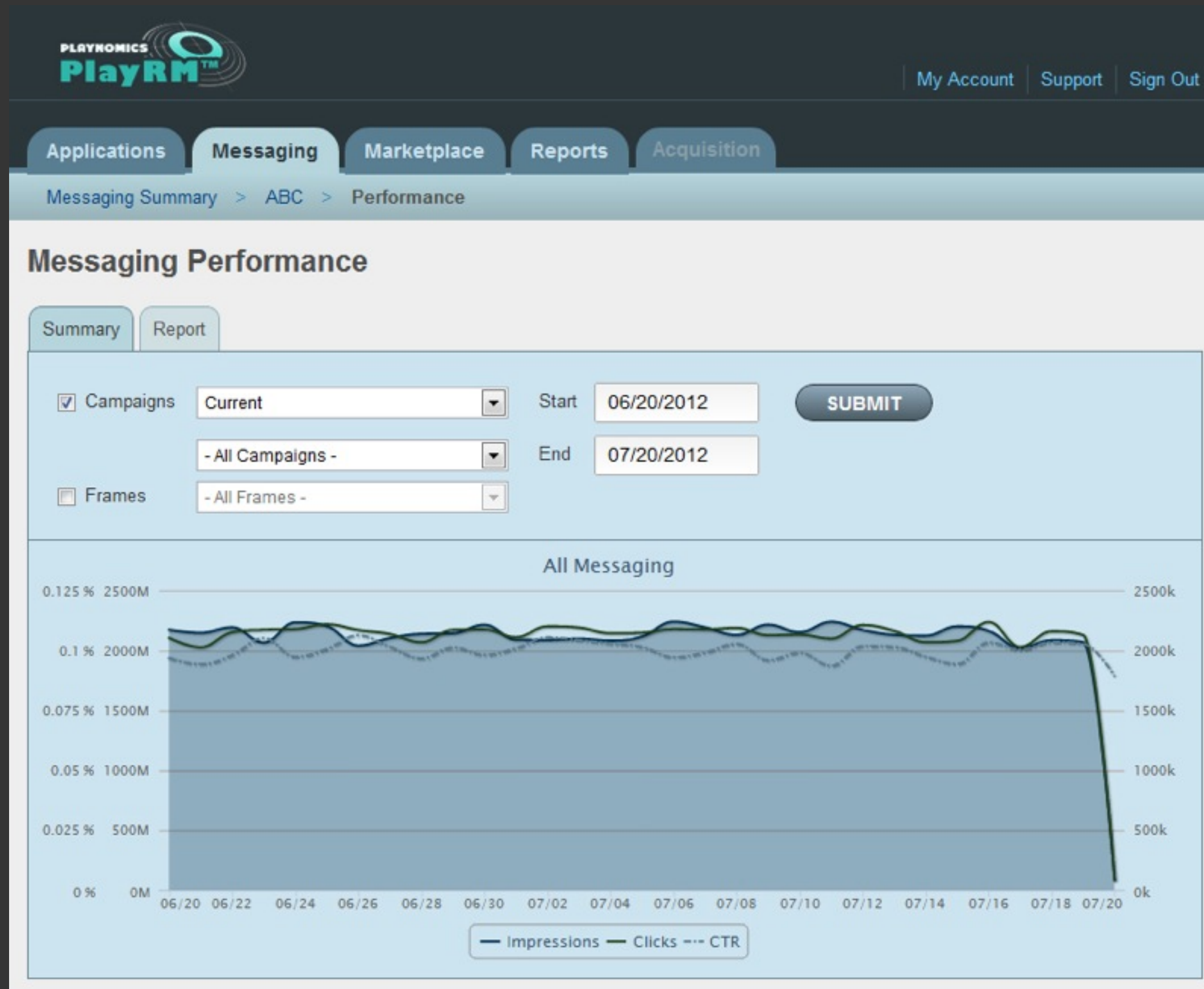
ALERT BOX VIEW

Your App Name

Cancel

Continue

Do it again and again - adapt



Case study: promote retention of new users

Developer of mobile game utilized **playRM™** to target new users with specialized offers and messaging to increase gameplay time.

Campaign Setup

INSIGHT

Segmentation revealed key behavioral patterns amongst first time users

TARGETED SEGMENTS

Targeted players in the **First 7 Days** of their lifecycle

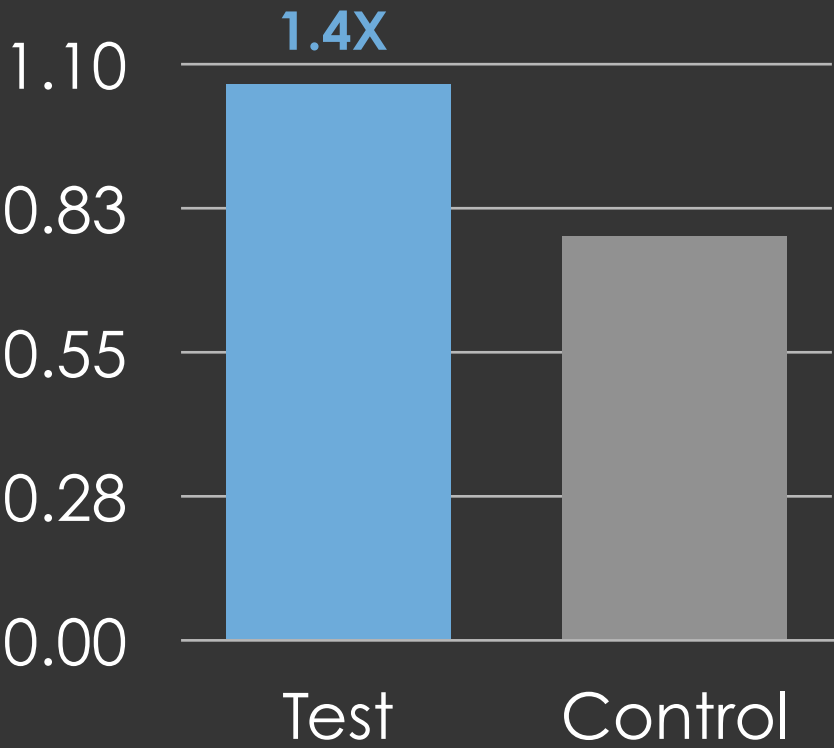
CONTROL & MEASURE

A/B test configured comprised of **Test Group** (75% of players) vs. **Control Group** (25% of players)

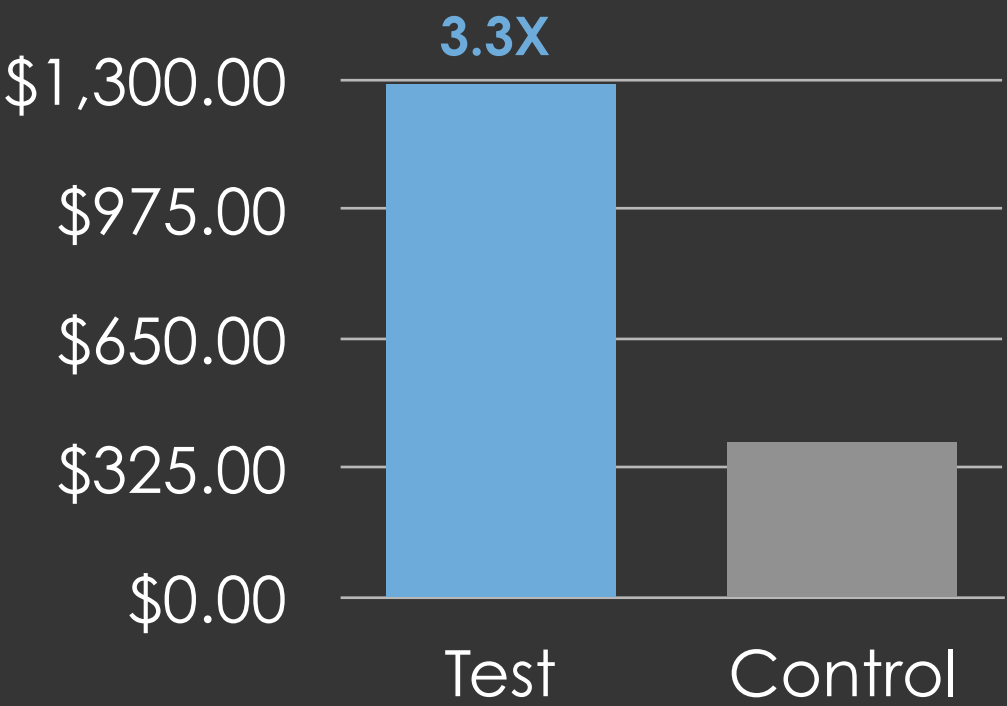


Result: user retention & monetization

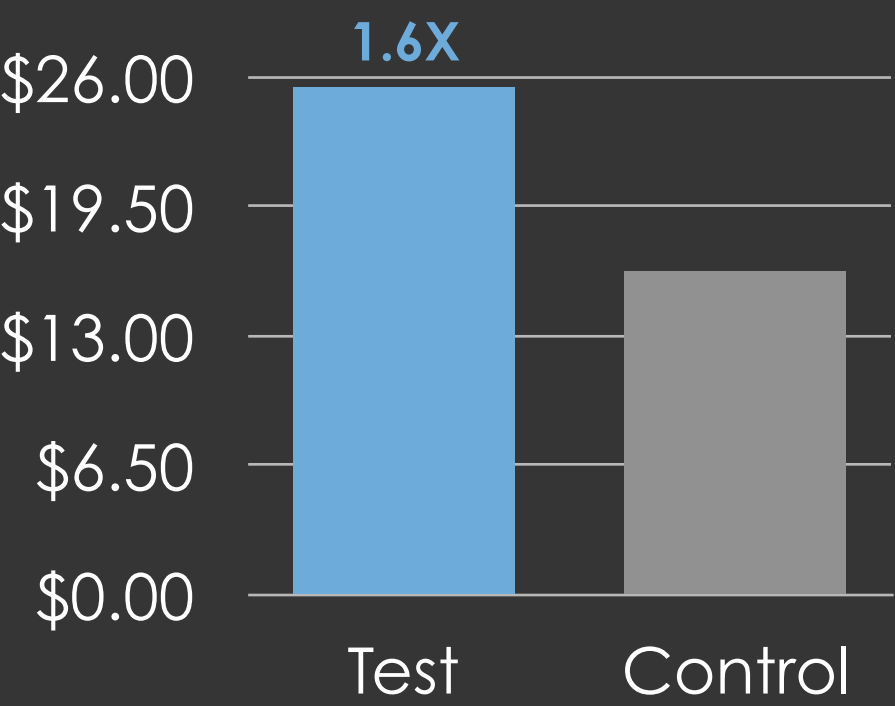
Total Hours Played / DAU



Normalized Revenue



ARPPU



User Retention



37% Increase

Test Group's average of 1.06 hrs played per day outperformed the Control Group's 0.77 hrs

Monetization



231% Increase

Normalized revenue of \$1,293.04 for Test Group vs. \$390.60 for Control Group

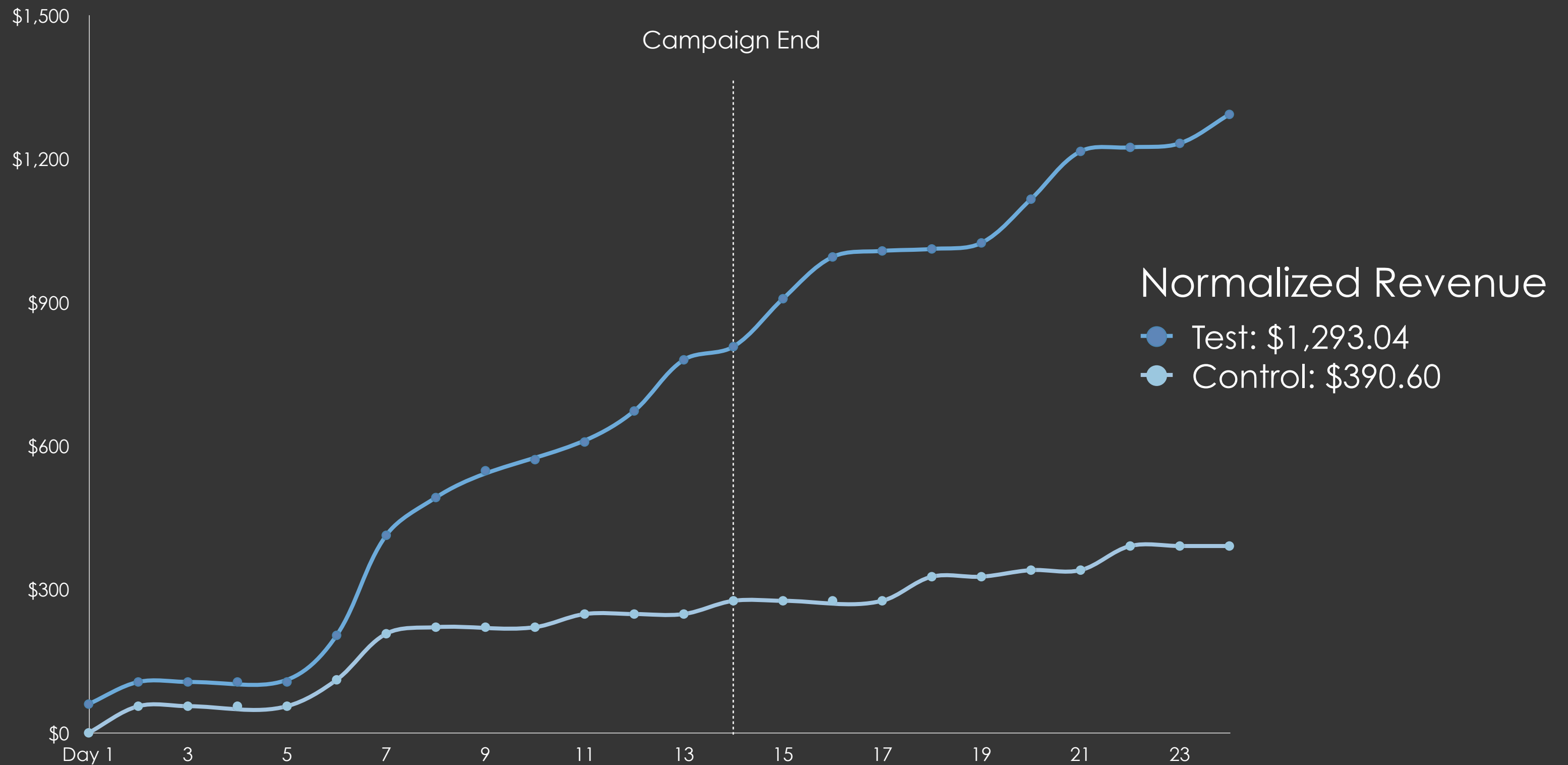


57% Increase

The Test Group's ARPPU of \$25.52 exceeded Control's \$16.28

Performance gains increased over time

Even after campaign end, the Test Group continued to far outperform the Control Group's performance.



Case study: predict behavior to protect VIPs

Developer of web-based game utilized **playRM™** to target highly engaged and attentive users who started to exhibit early signs of player fatigue and were predicted to show drop-off in gameplay.

Campaign Setup

INSIGHT

Predictive segments revealed early signs of player fatigue amongst specific high-value players

TARGETED SEGMENTS

Targeted players classified as **At Risk**

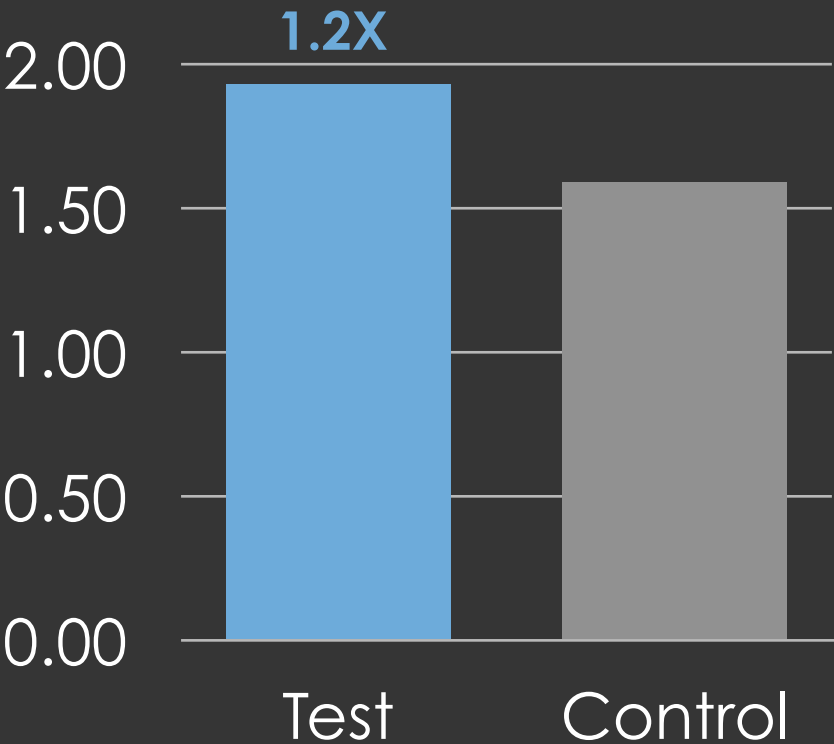
CONTROL & MEASURE

A/B test configured comprised of **Test Group** (50% of players) vs. **Control Group** (50% of players)

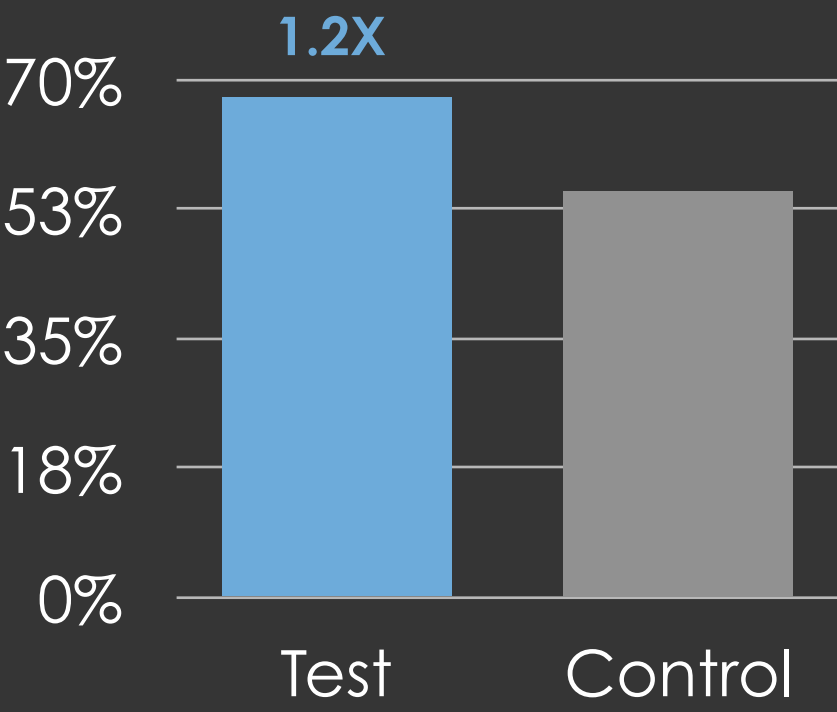


Results: retention & engagement

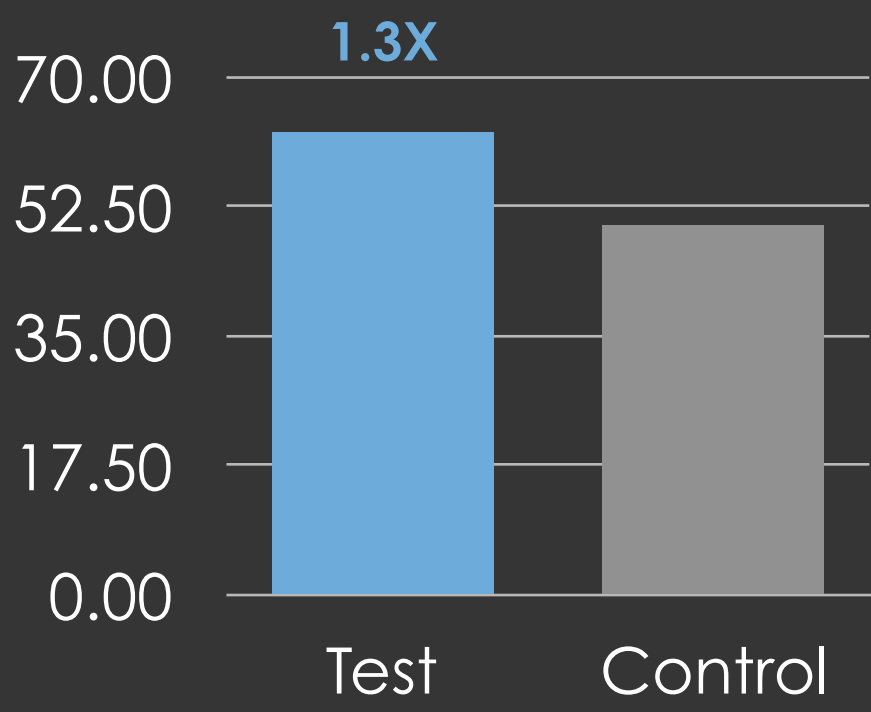
Total Hours Played / DAU



Return



Average Engagement Score



User Retention



23% Increase

Test Group's average of 1.93 hours played per day outperformed the Control Group's 1.59 hrs



23% Increase

Test Group players returned 67.59% of the time, as opposed to 55.11% for the Control

Engagement

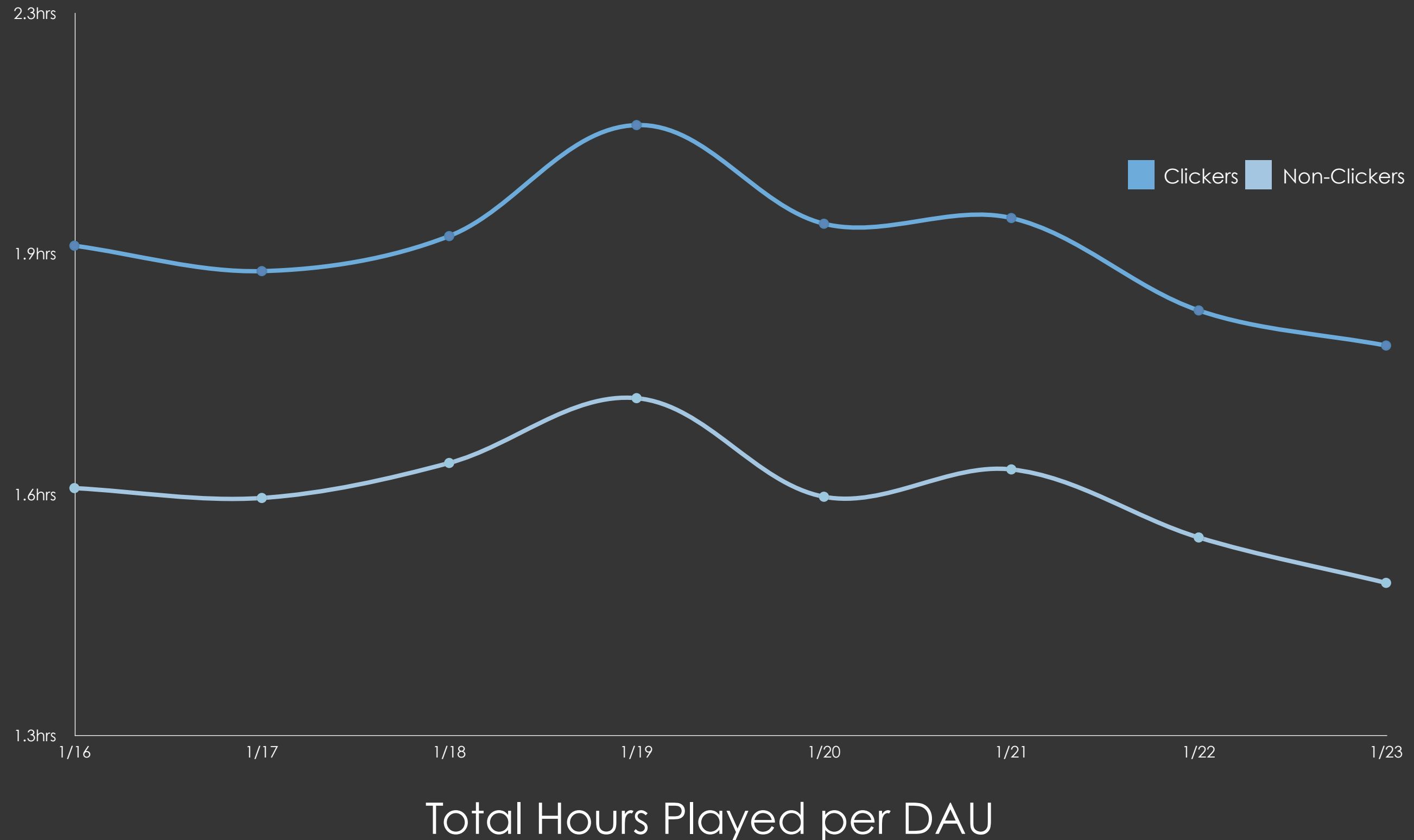


25% Increase

Average Engagement Score of Test compared to Control was 62.47 vs. 49.81

Player behavior remained **persistent**

Time-series analysis of various metrics starting three-weeks after campaign end show that messaging meaningfully impacted player behavior.



Case study: segment-targeted third party ads

Developer of free-to-play game, struggling to generate revenue through in-app purchases, utilized **playRM™** to show ads, relying on Playnomics segmentation solution to minimize game-disruption and quality of play.

Campaign Setup

INSIGHT

Segmentation identifies key behavioral patterns and monetization potential

TARGETED SEGMENTS

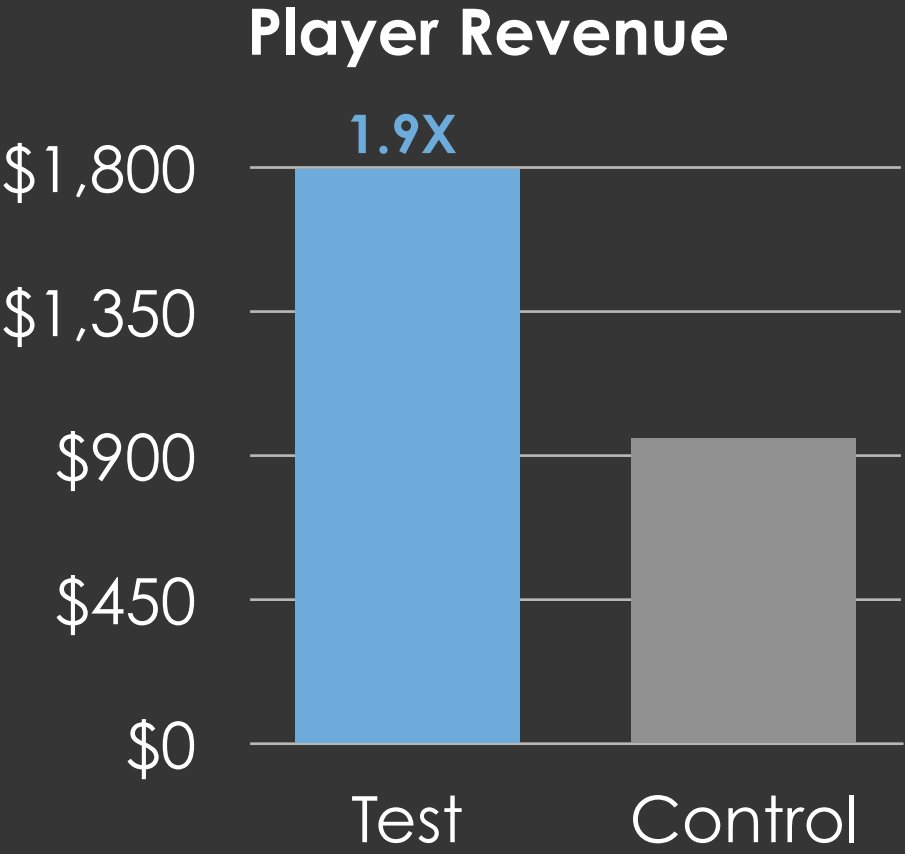
Targeted **Mature Never-Monetized** players to minimize game disruption

CONTROL & MEASURE


A/B test configured comprised of **Test Group** (90% of players) vs. **Control Group** (10% of players), with approximately **1.5m ad impressions** shown over period



Results: monetization increase...



Monetization



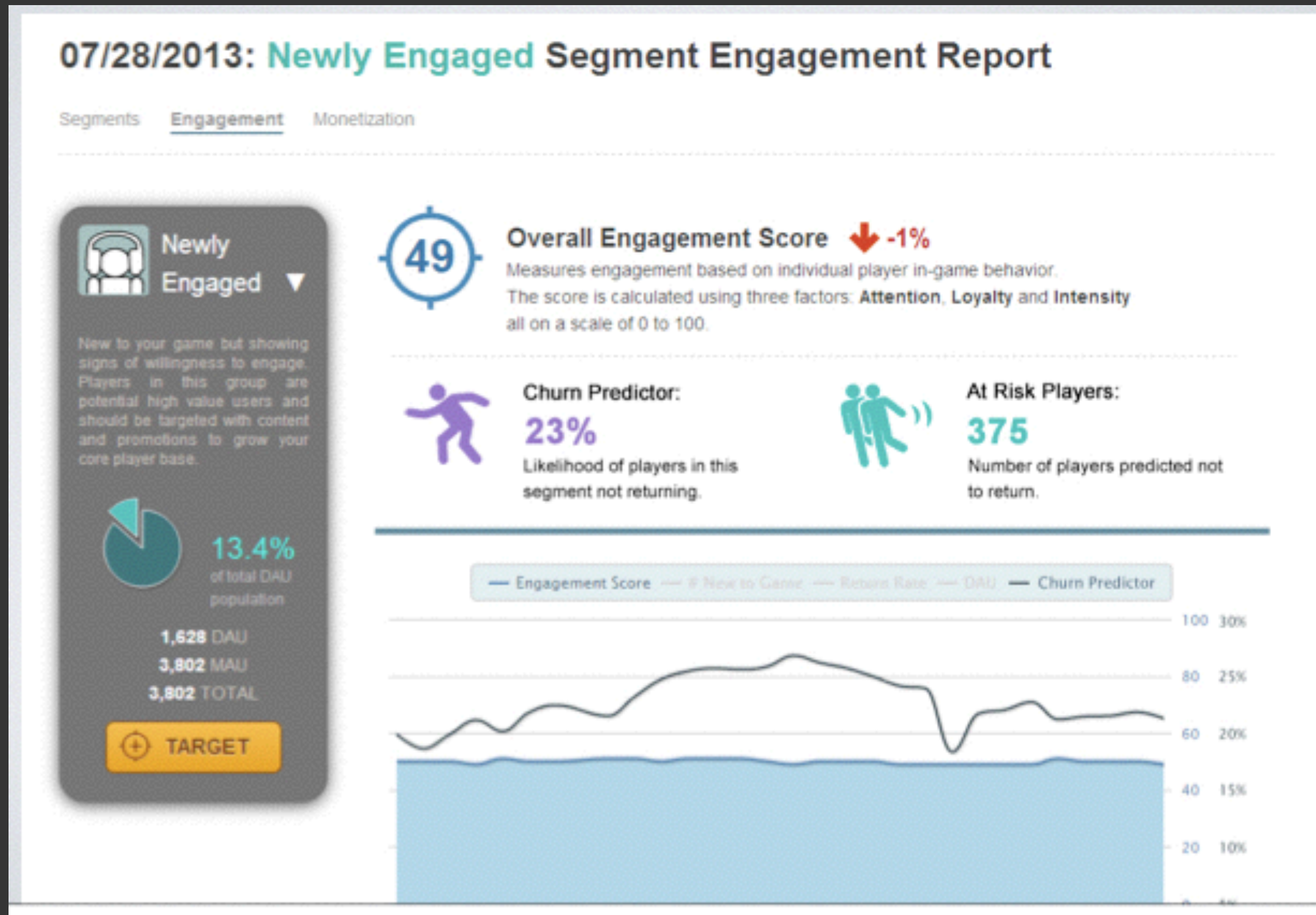
89% Increase

Ad revenue of \$1,800 exceeded Control Group's IAP revenue of \$950

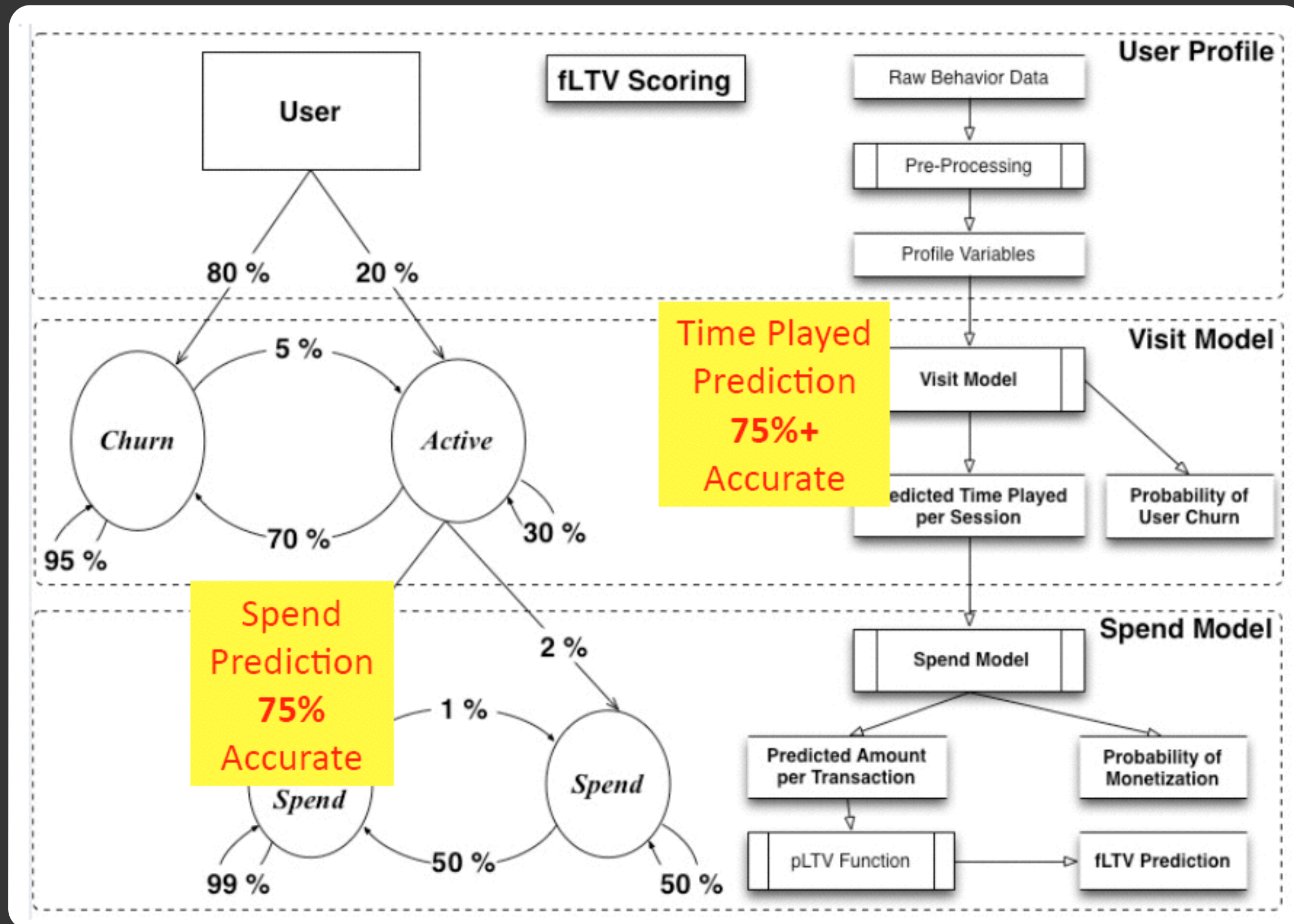
Test Group	
Engagement Score	Hours Played per Player
22.9	.56
Control Group	
Engagement Score	Hours Played per Player
15.8	.53

...with no adverse impact on engagement

The good (free) stuff: predicting churn



Behind the predictive scenes

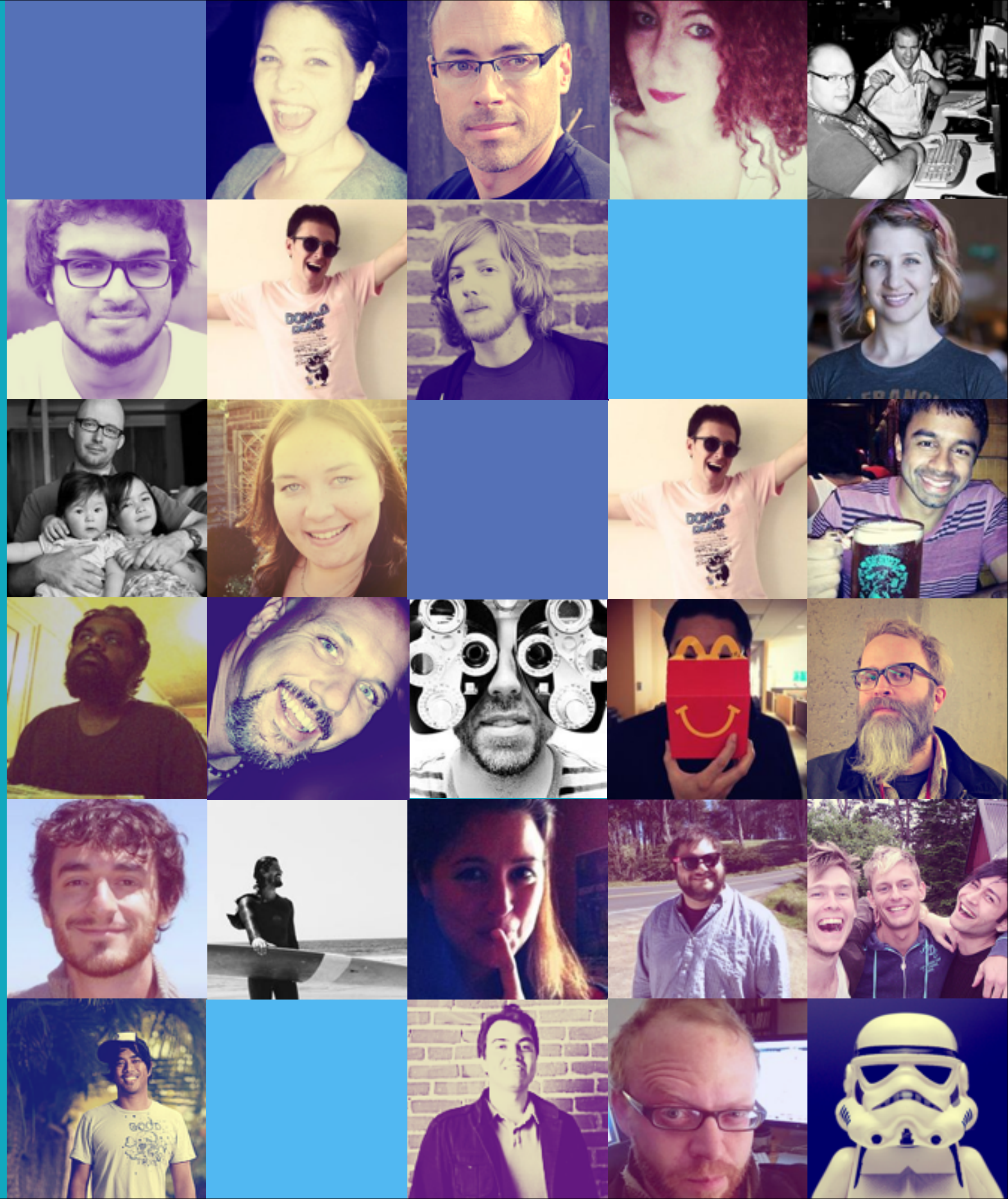


We believe predictive marketing **is the answer**

- Free to play games have had a big monetization problem for FIVE YEARS
- Spending money on the wrong users and looking at endless charts hasn't worked
- You have to get value out of each player continuously to have a profitable game
- Millions of players, all with their own unique value - it can't be done manually
- Instead, it has to be done continuously, and it has to be AUTOMATIC

WE HAVE A SIMPLE MISSION:

Help F2P Games
Earn from
Everyone



playn**o**mics
reinvent free



Thank *you.*

Case Studies



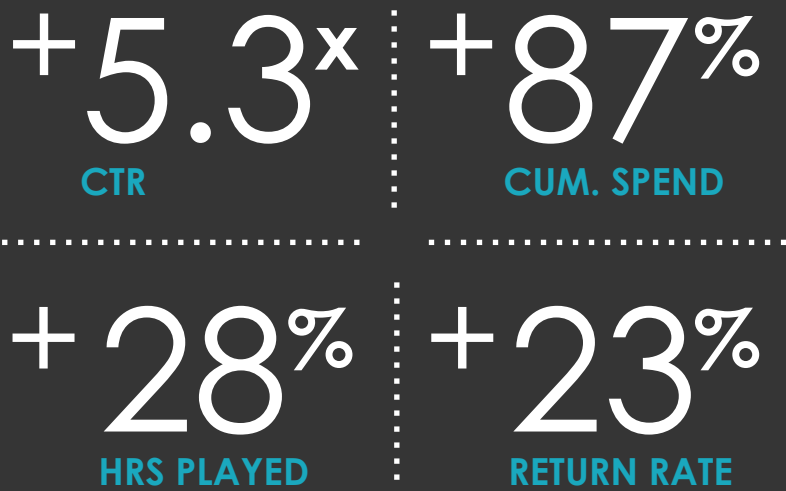
Campaign

Target players within First 3-7 Days with “50K Free Chips” and “100K Free Chips” to encourage player retention.

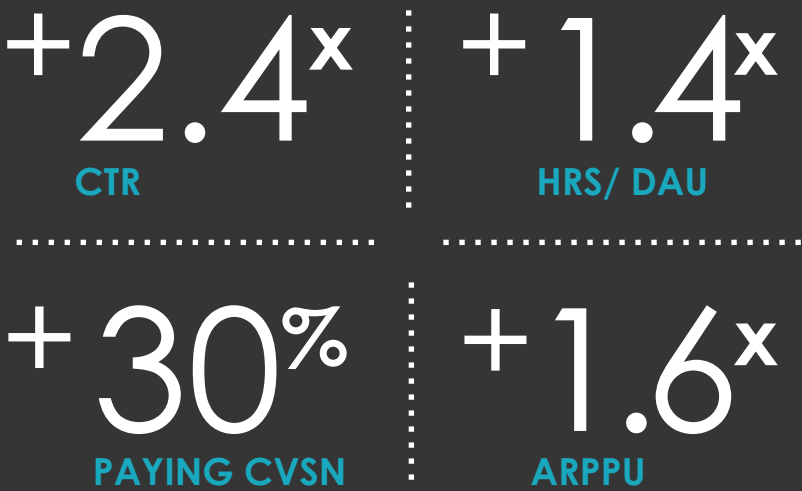
Encourage longer gameplay by targeting players in the First 7-Days of their lifecycle with personalized promotions.

Improve lifetime monetization by implementing targeted messaging to high value cohort tracking.

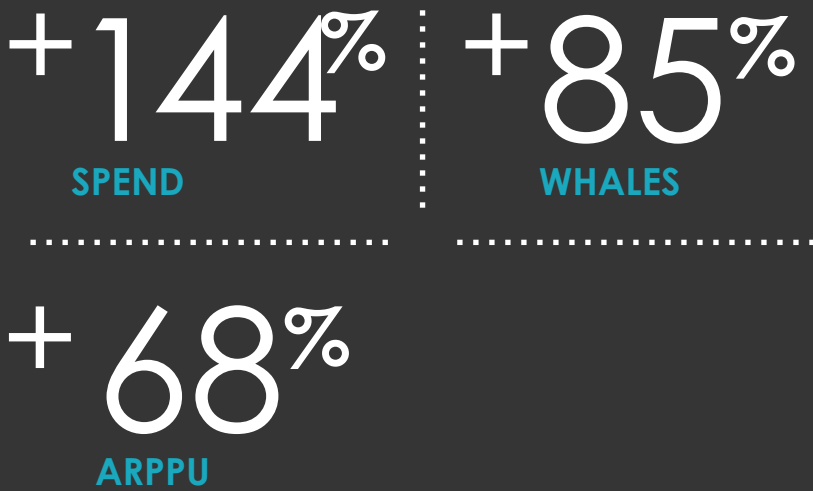
Results compared to control group



- Campaign was successful in increasing retention and monetization
- The 50K Free Chip offer outperformed the 100K Free Chip offer



- Longer Game Sessions
- Higher ARPPU & Conversion Rates
- Strong Correlation Between Monetization and Hours Played



- High Monetizers Responded Well to Have Greatest Impact on ROI
- Wider Segment Targeting Achieved Additional Lift in Aggregate Monetization