What The Top 50 Apps Do With IAP That The Rest Of Us Don't

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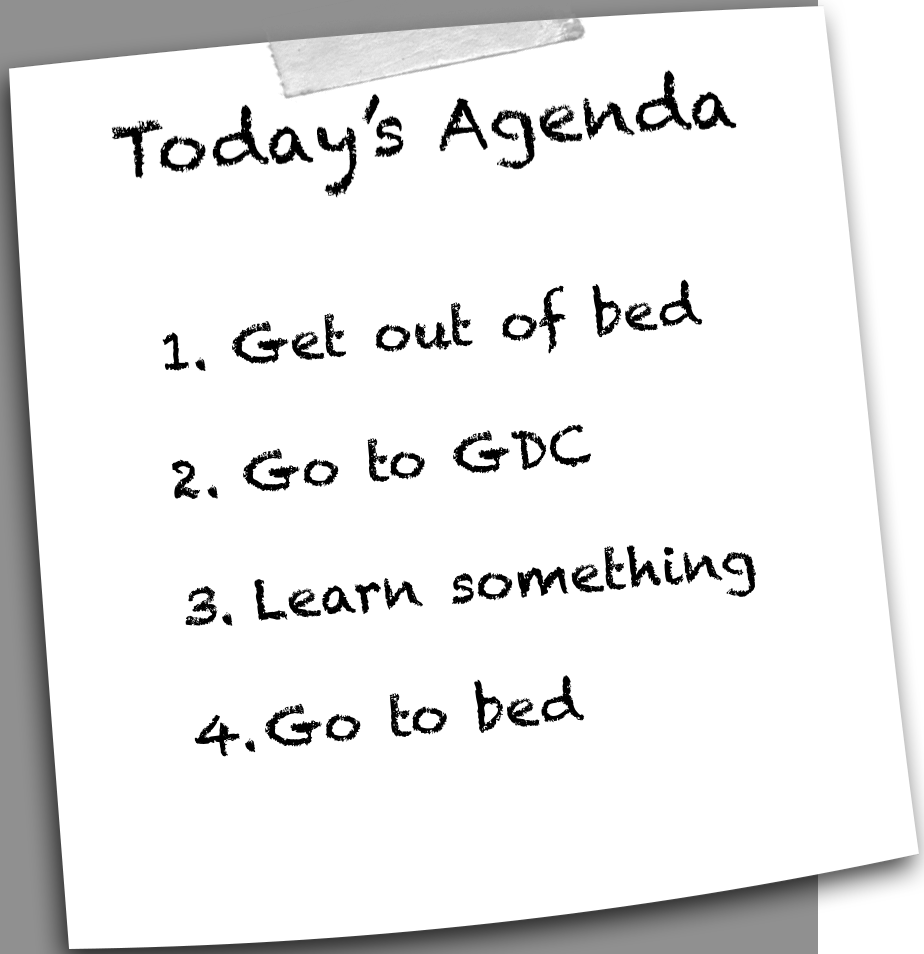
GAME DEVELOPERS CONFERENCE™ EUROPE
CONGRESS-CENTRUM OST KOELNMESSE · COLOGNE, GERMANY
AUGUST 3-4, 2015



Amazon Appstore

TODAY'S AGENDA

How the Top 50 Did

What They Do Differently – Selling

What They Do Differently – Engagement

Amazon's Large and Active Audience

Amazon Appstore reaches **FireOS, Android, and Blackberry 10** customers

The Appstore supports a large ecosystem

Customers are 1-Click purchase ready

Available on Android tablets and phones

The only store for Amazon devices

TOPIC 1

How the Top 50 apps did vs. the rest of us

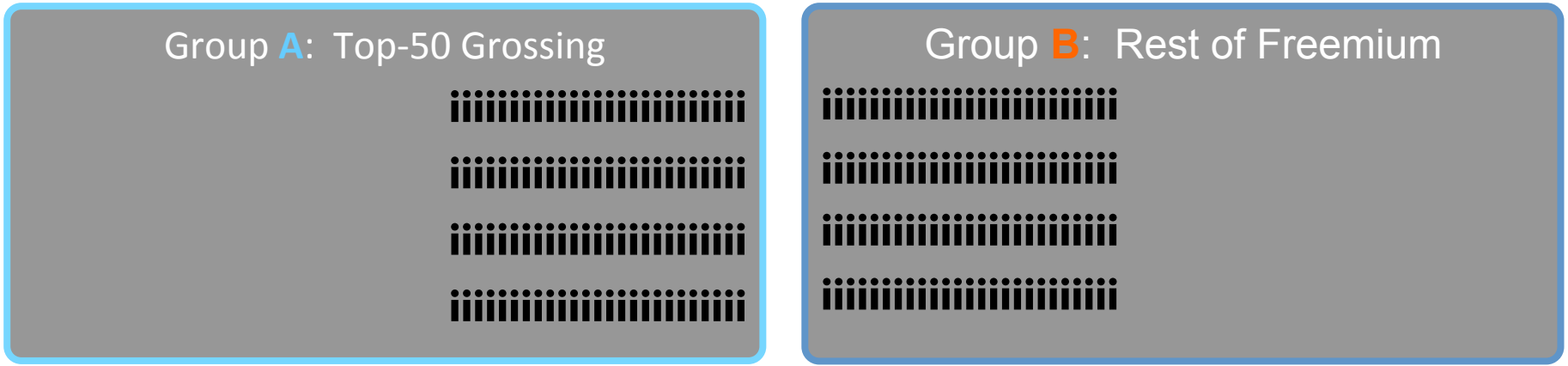
Cohort Analysis

Group A: Top-50 Grossing

Group B: Rest of Freemium

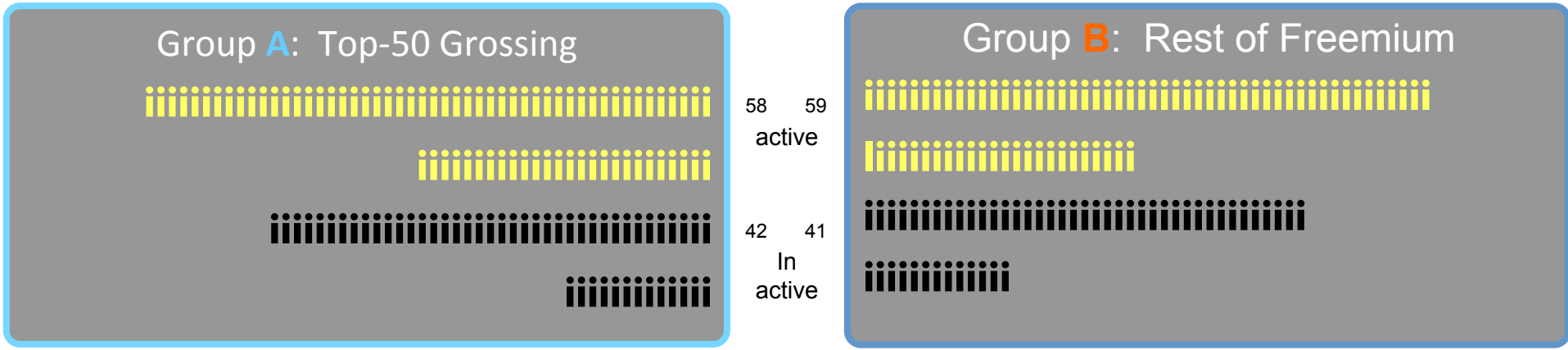
Source: Amazon Appstore, March 2014

Day 1: Installs



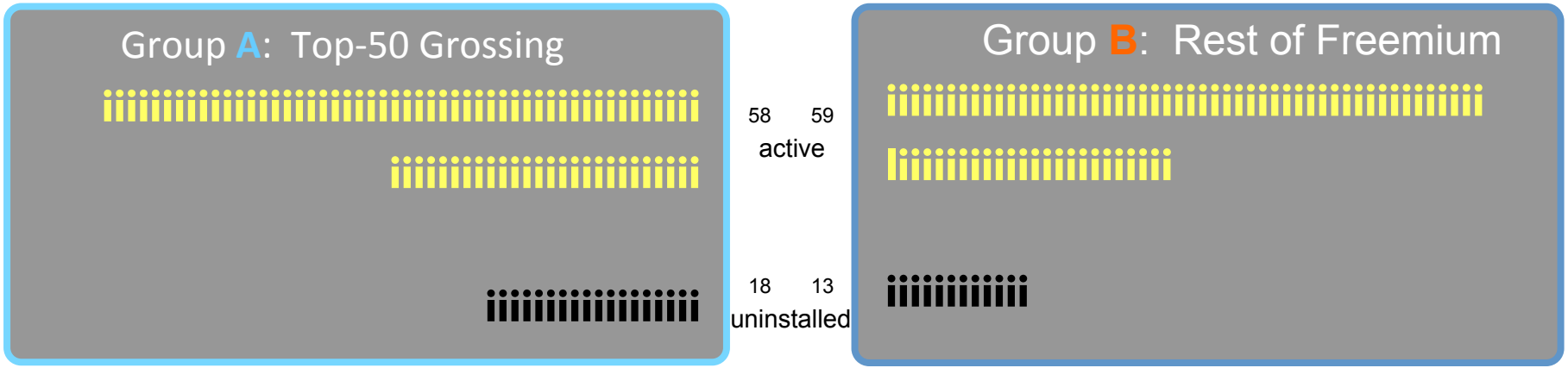
Source: Amazon Appstore, March 2014

Day 1: Active Users



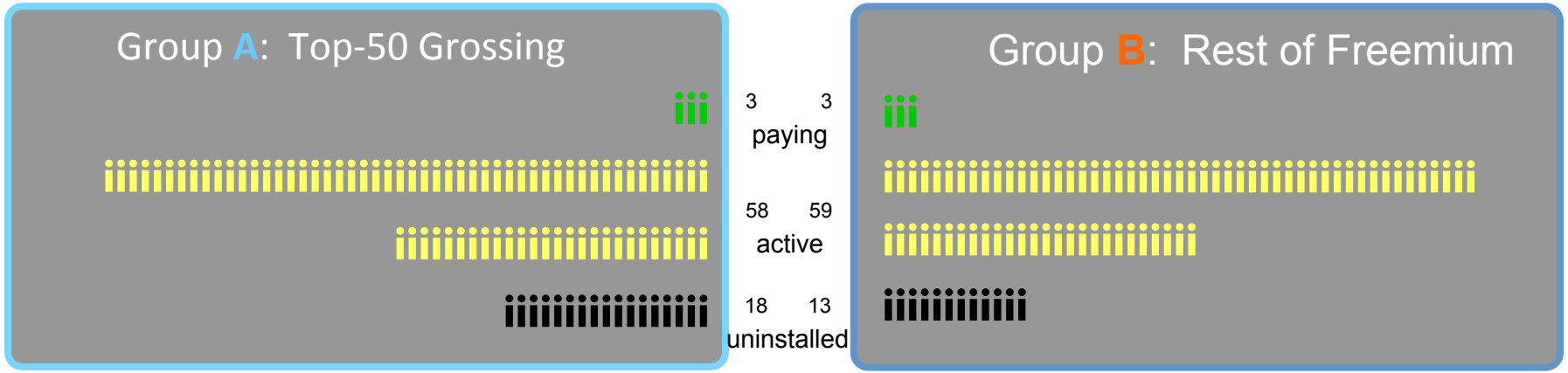
Source: Amazon Appstore, March 2014

Day 1: Uninstalls



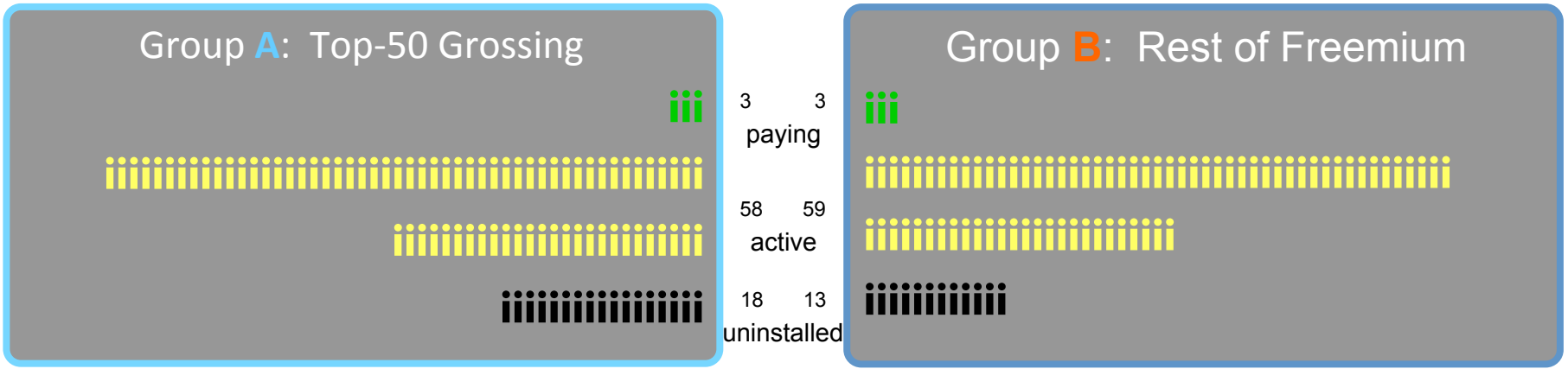
Source: Amazon Appstore, March 2014

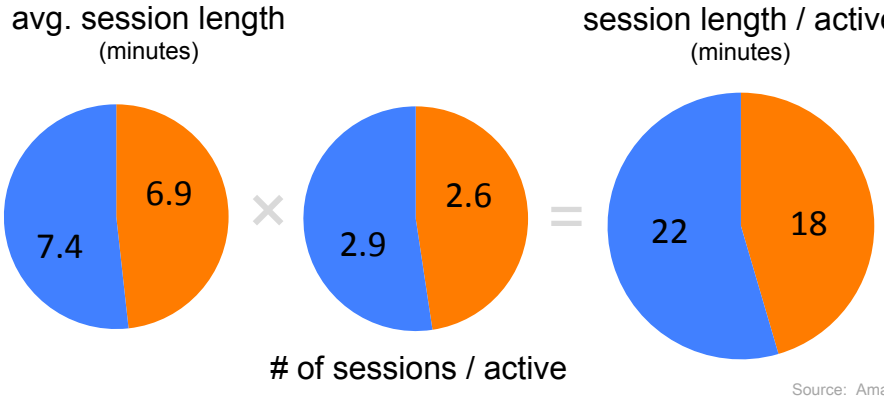
Day 1: Paying Users



Source: Amazon Appstore, March 2014

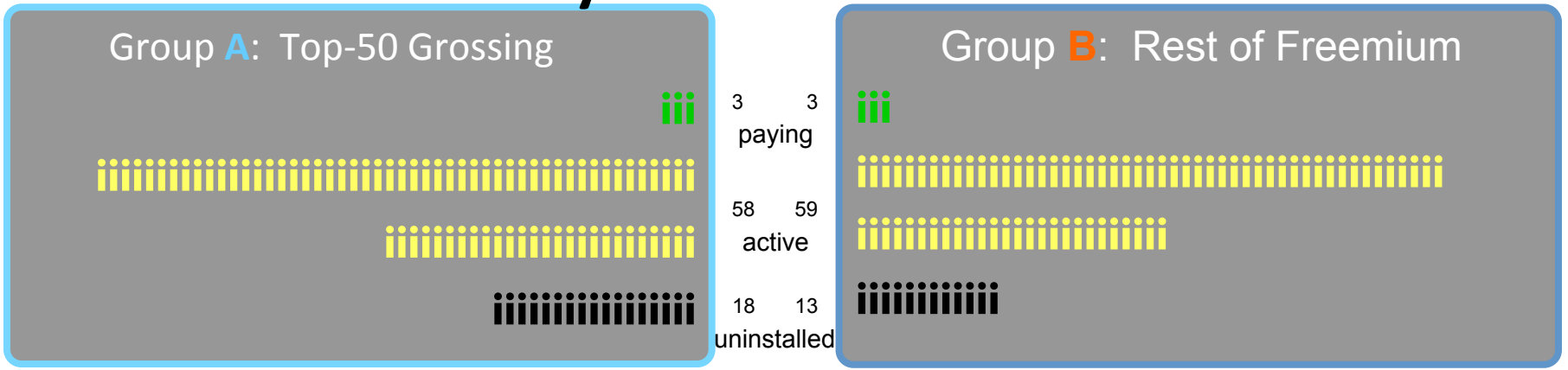
Day 1: Engagement

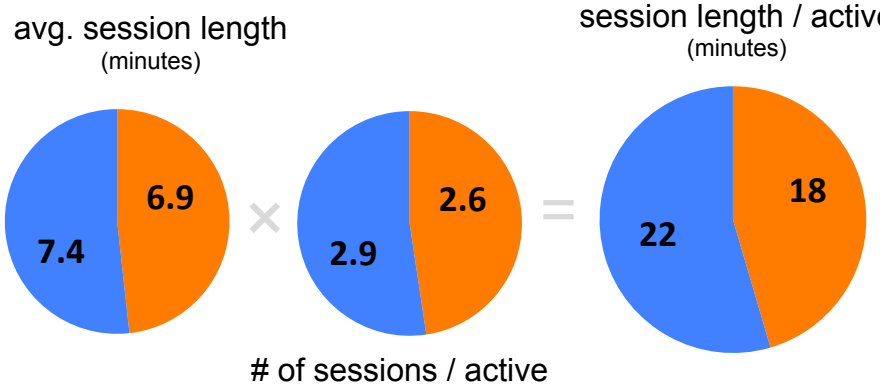




Source: Amazon Appstore, March 2014

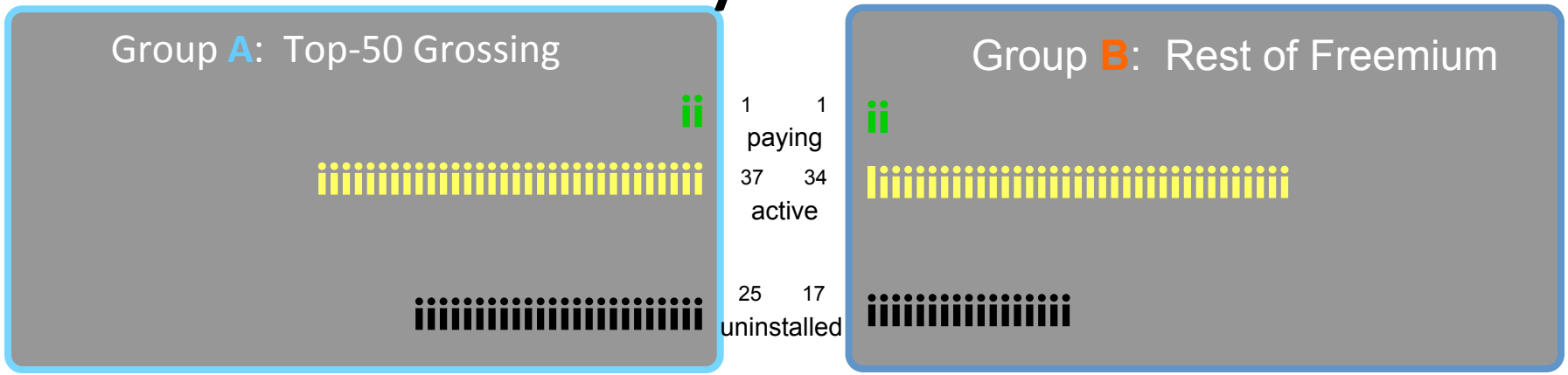
Day 1: Revenue



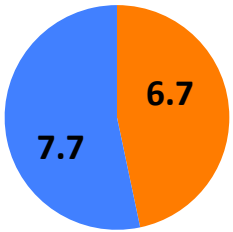


Source: Amazon Appstore, March 2014

1 Day Later…



avg. session length
(minutes)



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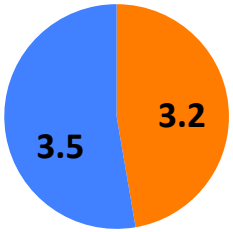

# of sessions / active

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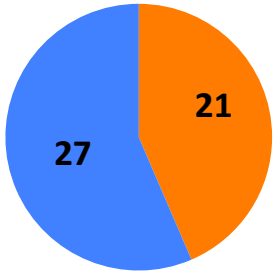
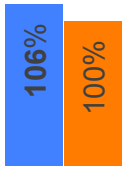
session length / active
(minutes)





# of items / paying

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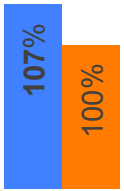

avg. selling price

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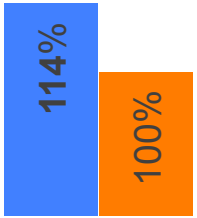
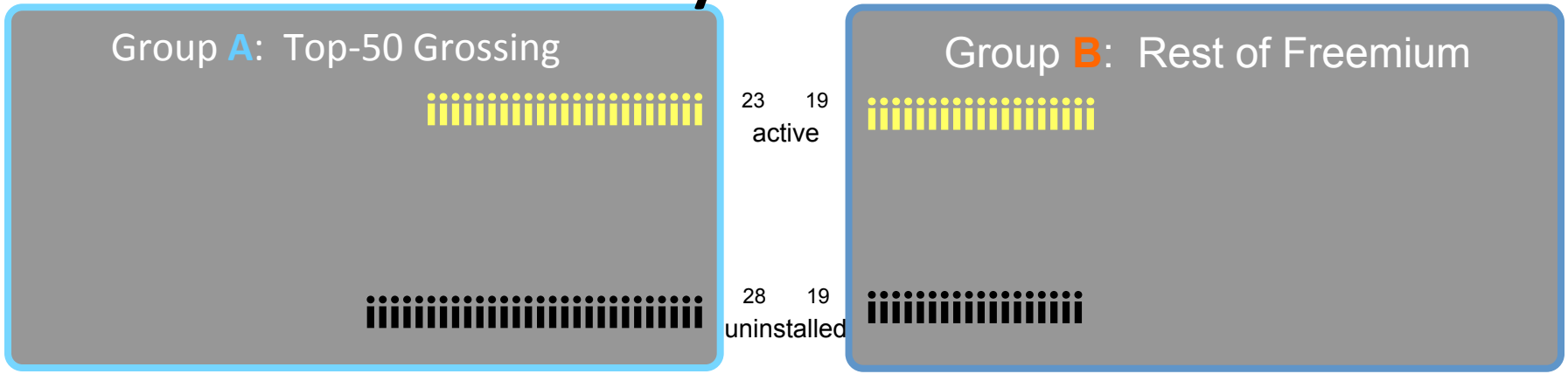


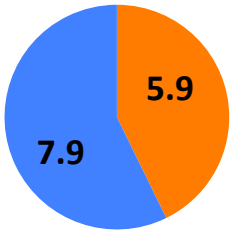
ARPPU

Source: Amazon Appstore, March 2014

3 Days Later…



avg. session length
(minutes)



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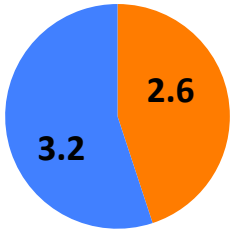
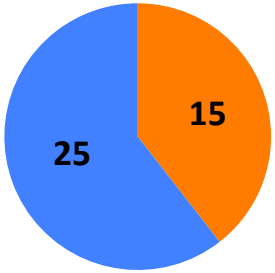
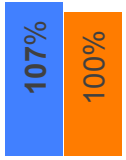


# of sessions / active

=

session length / active
(minutes)





# of items / paying

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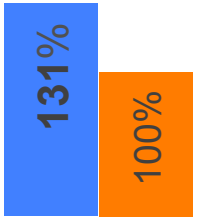
avg. selling price

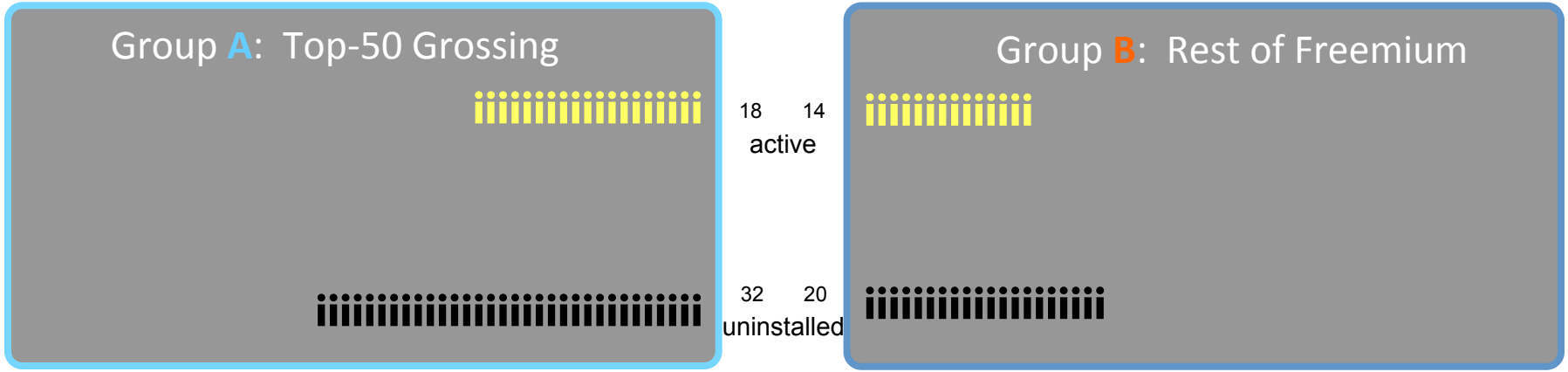
=

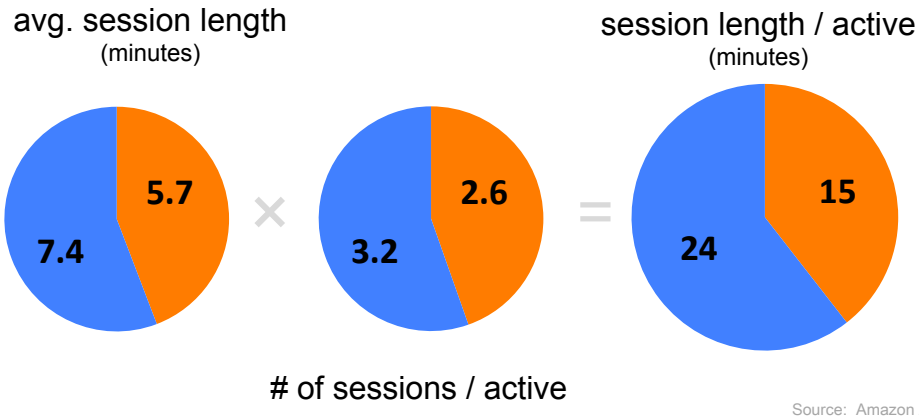


ARPPU

Source: Amazon Appstore, March 2014

1 Week Later…





Source: Amazon Appstore, March 2014

2 Weeks Later…

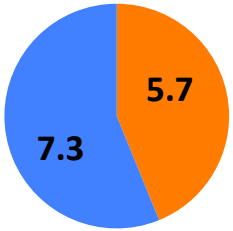
Group A: Top-50 Grossing

Group B: Rest of Freemium

14 10
active

34 21
uninstalled

avg. session length
(minutes)



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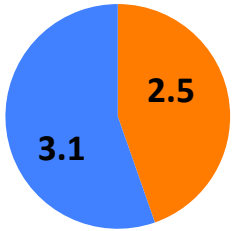

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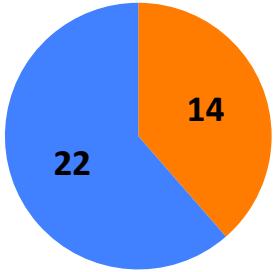
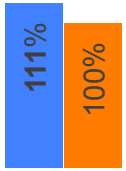
session length / active
(minutes)



# of sessions / active



# of items / paying

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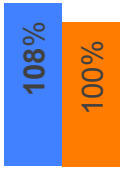
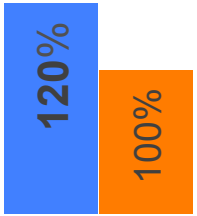


avg. selling price

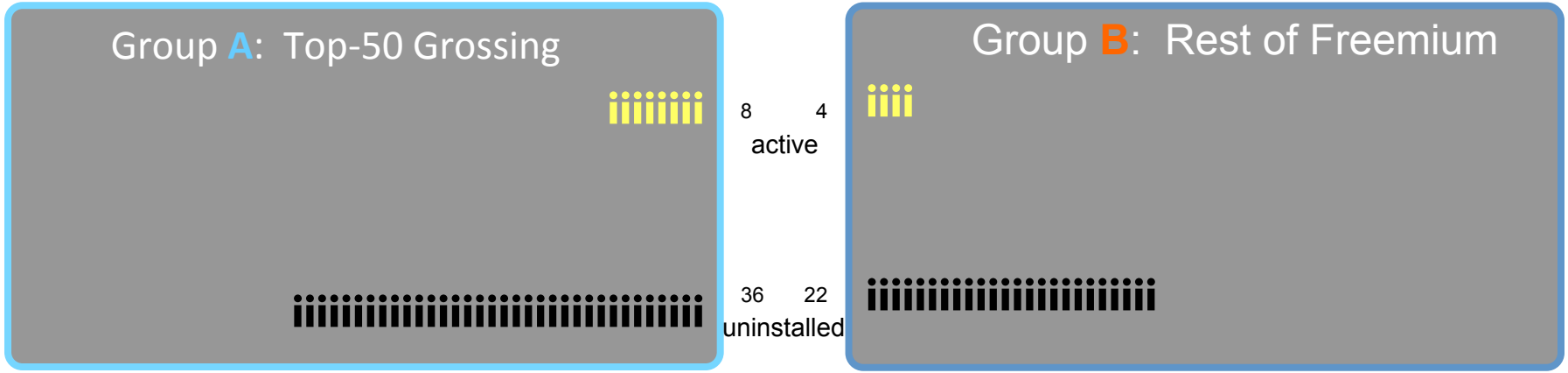
=

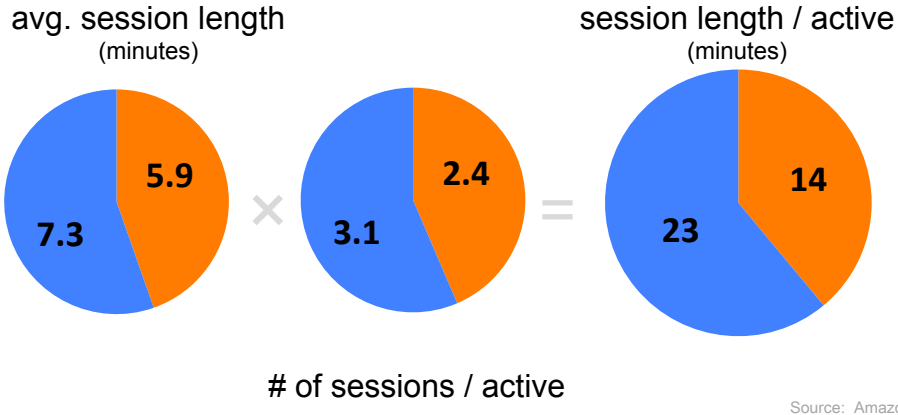


ARPPU

Source: Amazon Appstore, March 2014

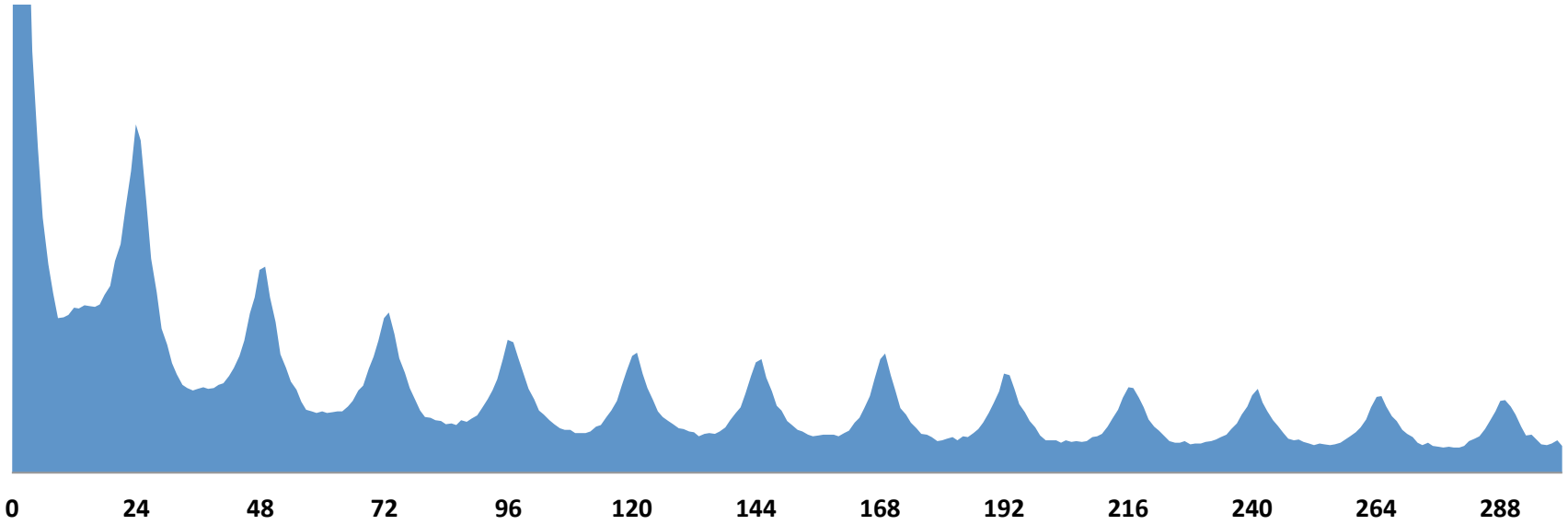
1 Month Later…





Source: Amazon Appstore, March 2014

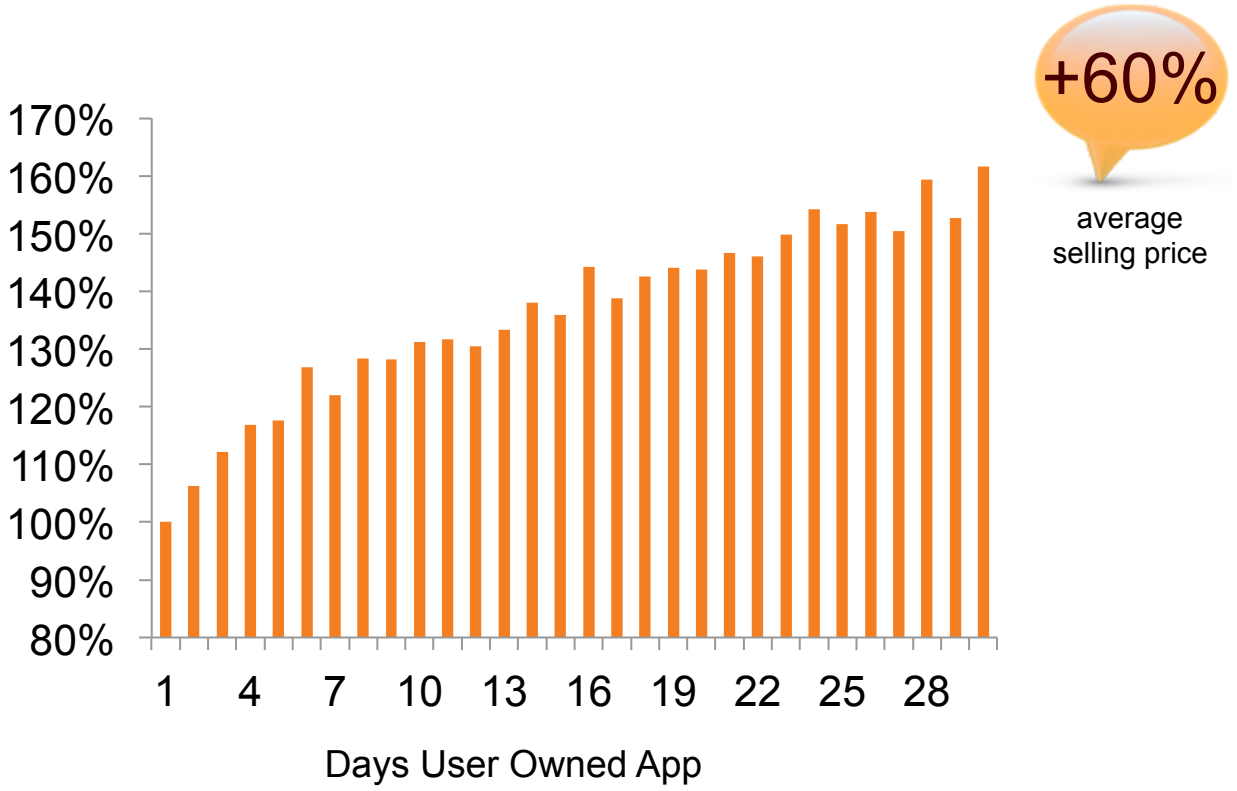
IN-APP PURCHASING BY HOUR



Hours Since App Download

Source: Amazon Appstore, March 2014

PRICE INCREASES OVER TIME



Source: Amazon Appstore, March 2014

WHAT WE LEARNED

The top have higher average price points

You can charge more in the right place and time.

Session length and count are important

Retention is not the only important metric.

2

TOPIC 2

What the top 50 do differently -- Selling

GIVE THEM A REASON TO COME BACK

MAKE IT EASY TO COME BACK

ENGAGE CUSTOMER EARLY

64% of revenue comes from 3rd order +

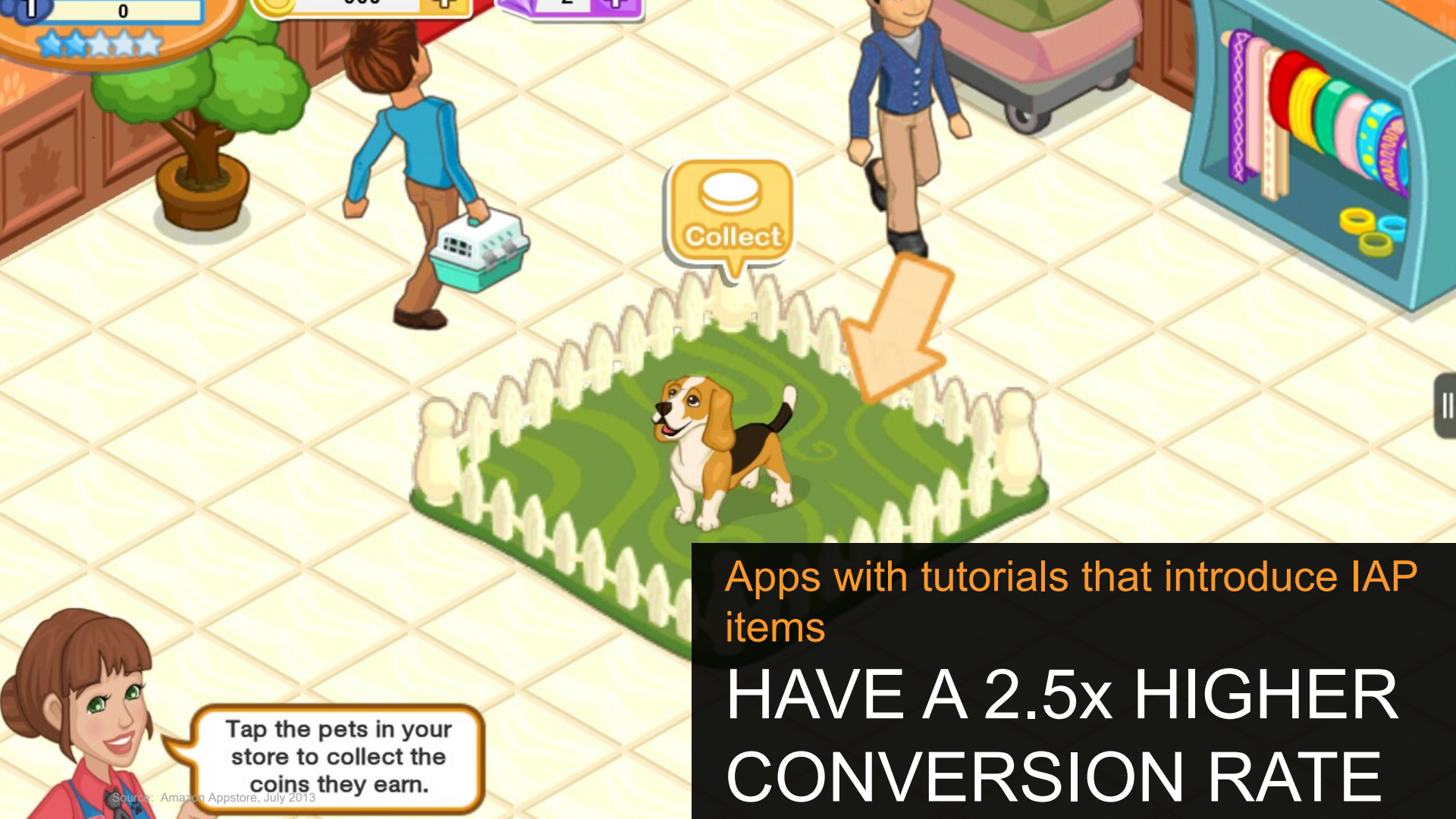
74% of revenue occurs after first 7 days

56% of revenue occurs after first 30 days

48% of repeat purchases happen within one hour of a previous purchase

37% of users who will purchase, purchase on the first day

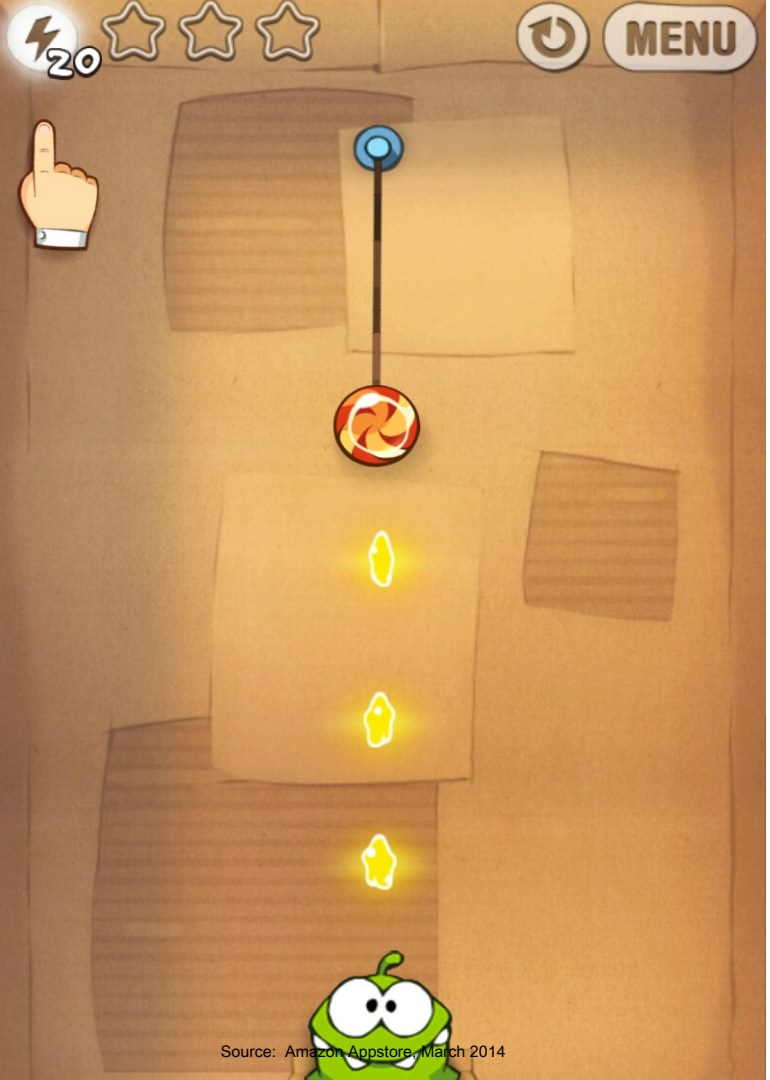
THE TOP DEVELOPERS KNOW THE NUMBERS



Apps with tutorials that introduce IAP items

HAVE A 2.5x HIGHER CONVERSION RATE

Source: Amazon Appstore, July 2013

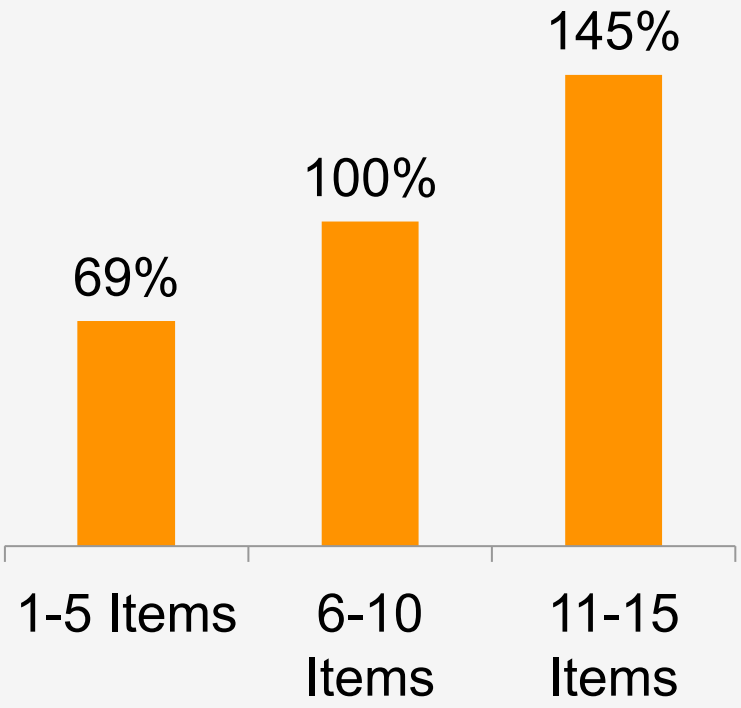


Source: Amazon Appstore, March 2014

Apps showing users how to “consume”

GET MORE REPEAT ORDERS

Games that providing a post-purchasing tutorial generated **65%** more repeat orders than the market average.



ARPPU by # of IAP items for sale

Source: Amazon Appstore, March 2014

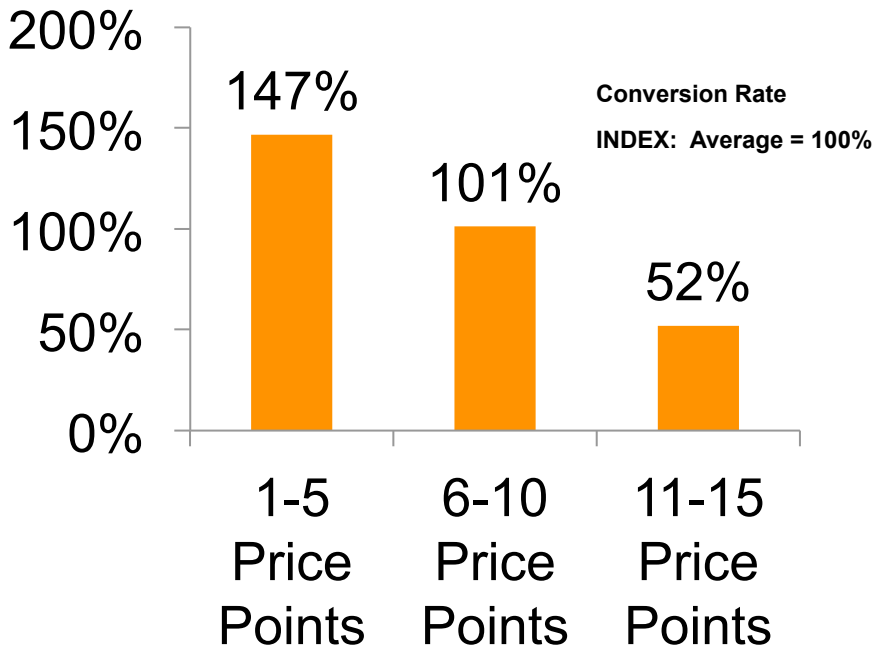
Games with bigger selection

RECEIVE MORE ORDERS PER CUSTOMER

Developers that add new items regularly are able to re-engage their paying customers. 1.14% of the customers generate 30% of sales.

Don’t confuse your customer

OFFER VARIETY, BUT NOT TOO MUCH



Source: Amazon Appstore, March 2014

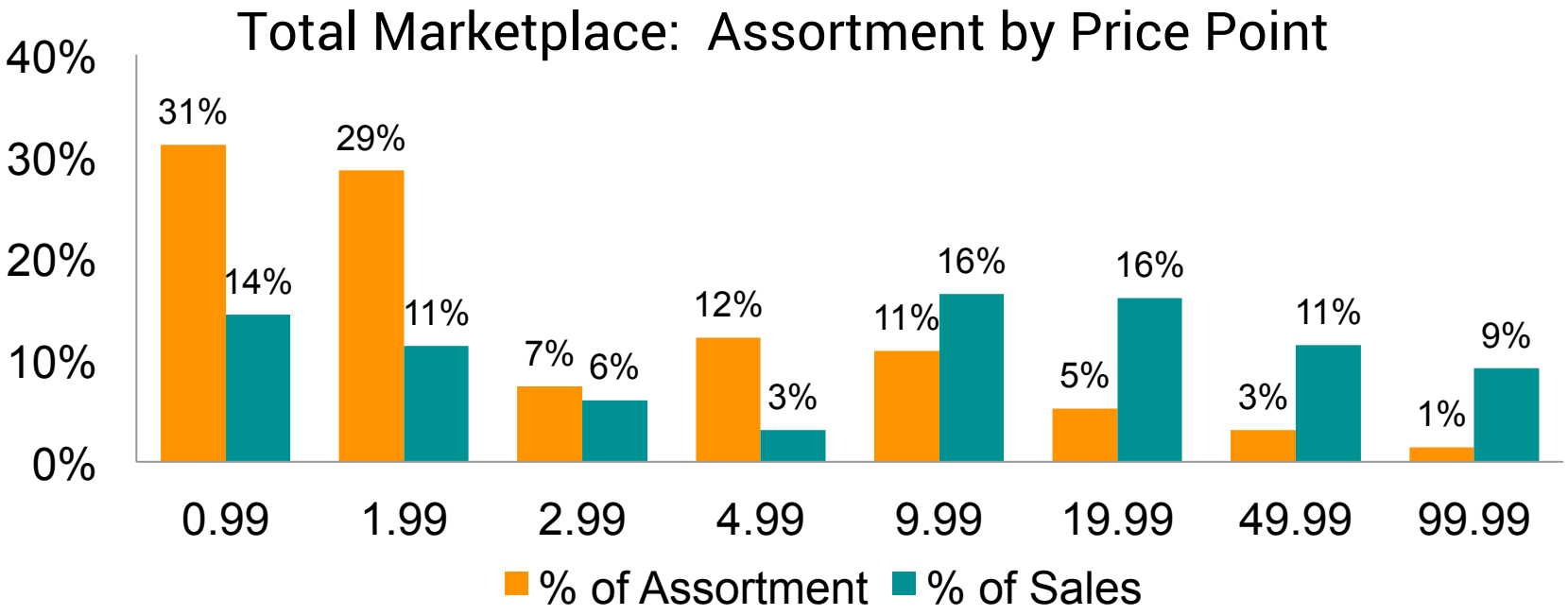
To sell more IAP items,

BE CLEAR ABOUT VALUE

Make it obvious what the benefit is for buying different price items. Confused customers don't buy anything.

Most of us have too much

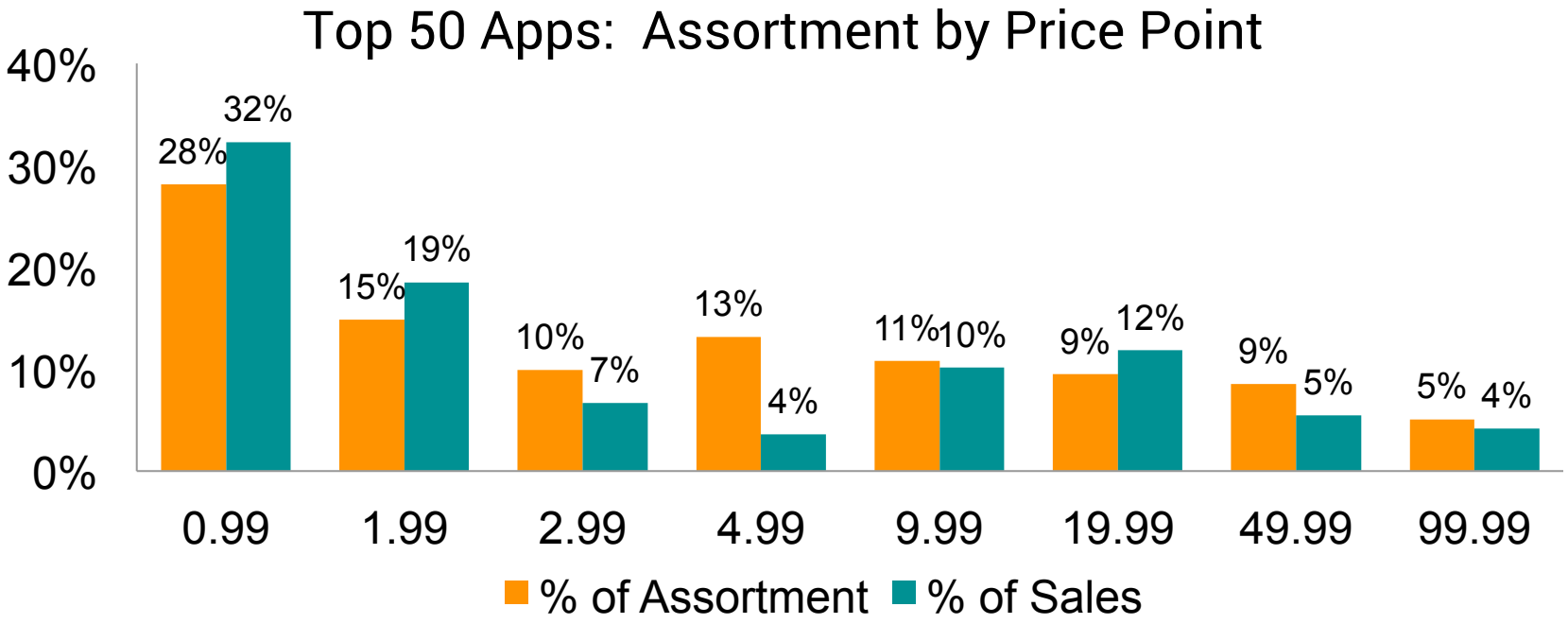
CONCENTRATION ON LOW PRICES



Source: Amazon Appstore, March 2014

We find that the

TOP GAMES ARE MORE BALANCED



Source: Amazon Appstore, March 2014

WHAT WE LEARNED

of paying customers generate
30% of sales

Games with bigger selection
RECEIVE MORE ORDERS

Tutorials that introduce in-app items
HAVE HIGHER CONVERSION

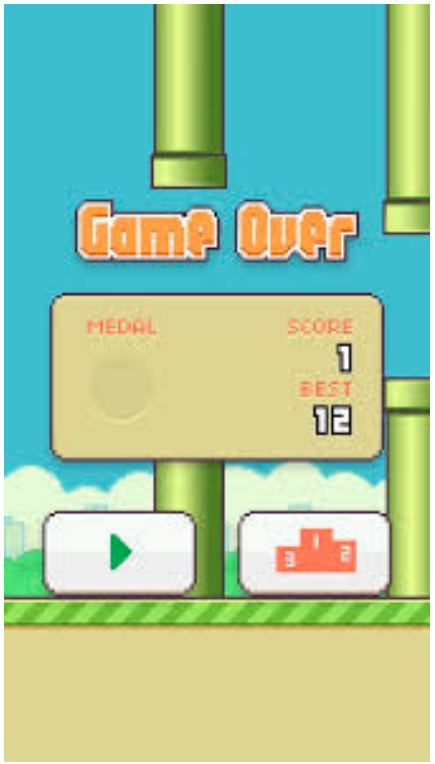
Showing users how to “consume”
GETS REPEAT ORDERS

Treating in-app items like a catalogue
MAKES IT EASY TO SHOP

TOPIC 3

What the top 50 do differently -- Engagement

REDUCE BARRIERS TO FREQUENT USE



Tuning Game Difficulty

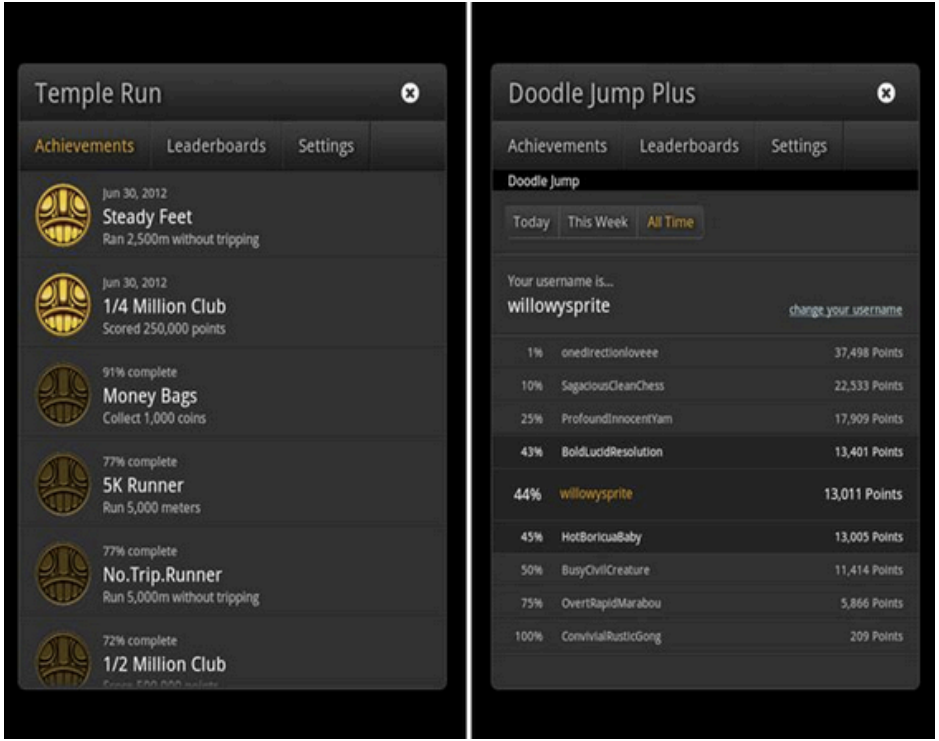
WILL ENCOURAGE LONGER SESSIONS

Too hard, and users will abandon. Too easy, and they can get bored. Just right, and it becomes addictive!

Adopting Social

CAN CREATE BUZZ AND KEEP USERS ENGAGED

This will result in more friend-to-friend marketing as players share their achievements and ranks. Players will also compete with friends and leaders and stay engaged.



Leaderboards and Achievements are

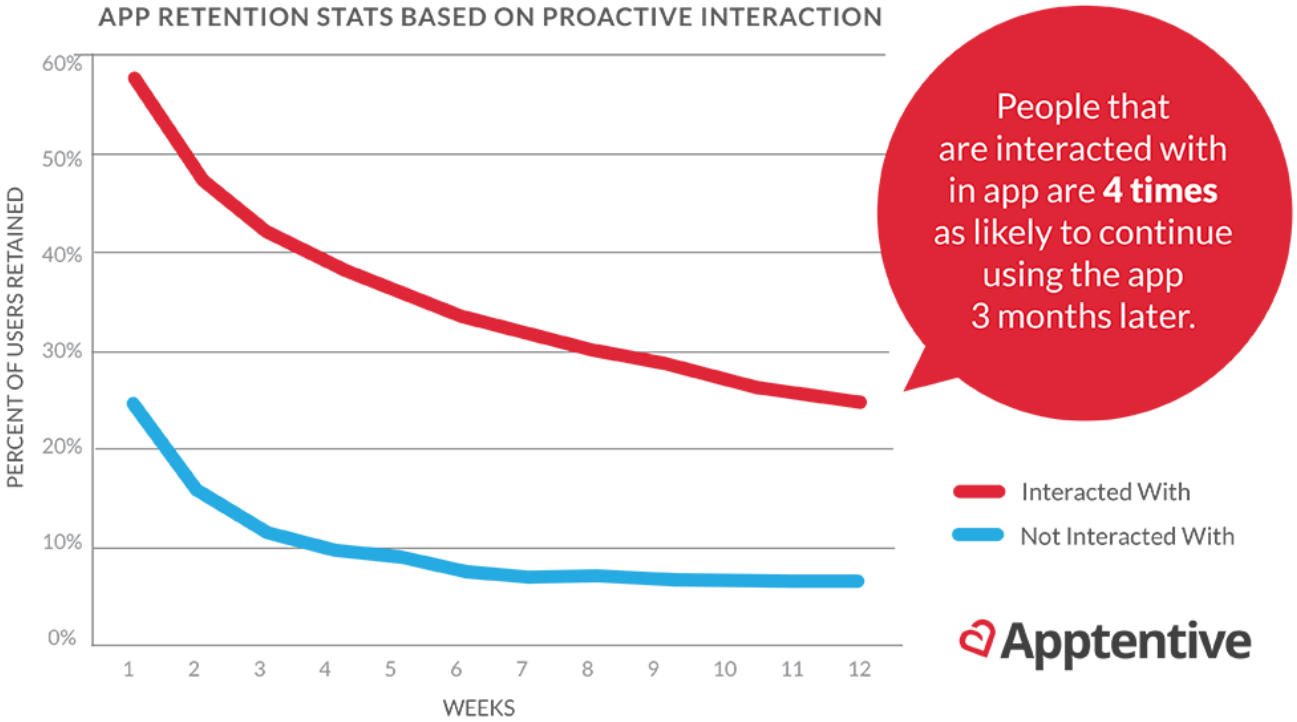
THE MINIMUM BAR FOR SOCIAL ENGAGEMENT

Everyone has a game services SDK.

- Amazon (compatible on all Android)
- Google Play (Google Play store compat.)
- Apple (iTunes store compat.)

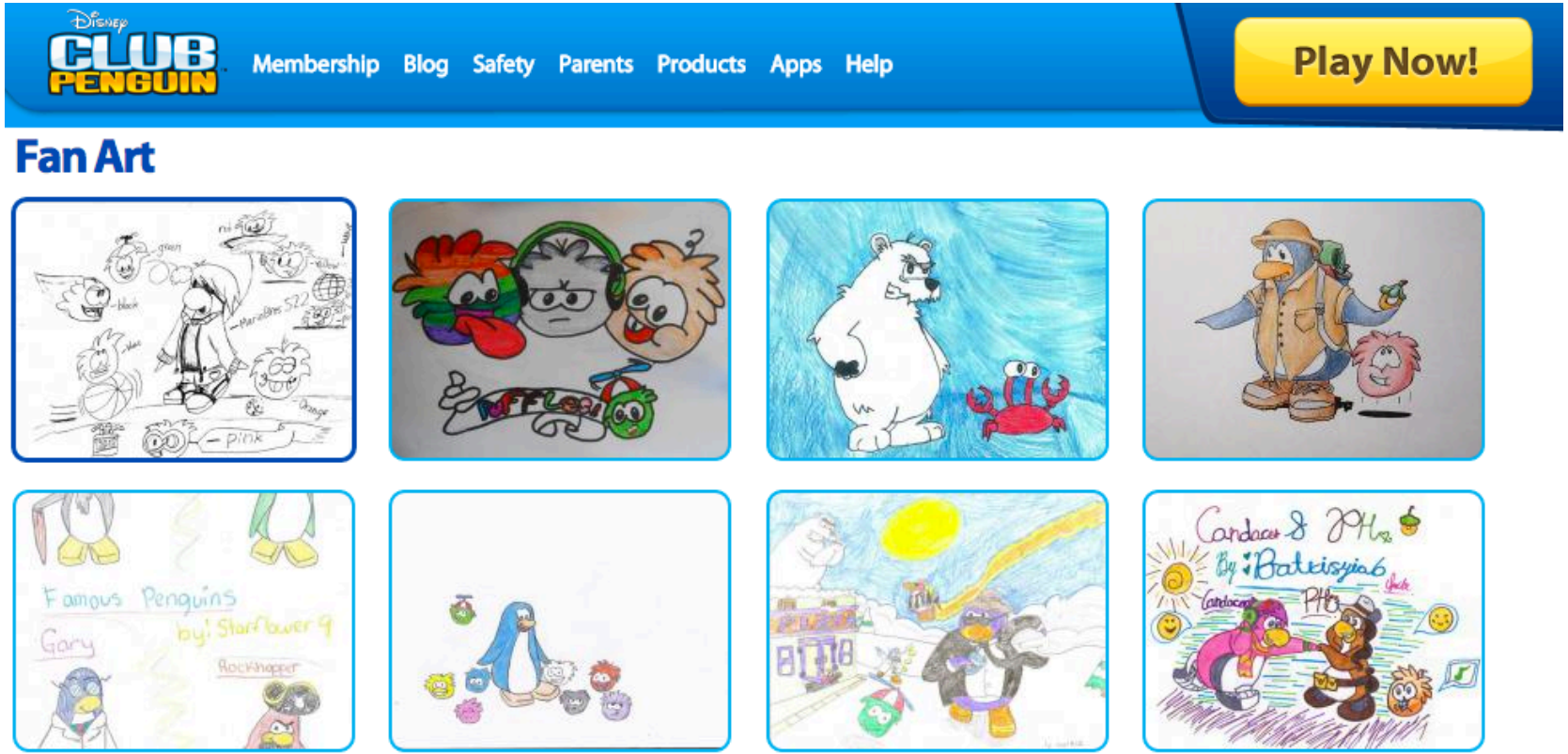
TOP DEVS INTERACT WITH CUSTOMERS

Active listening and interacting



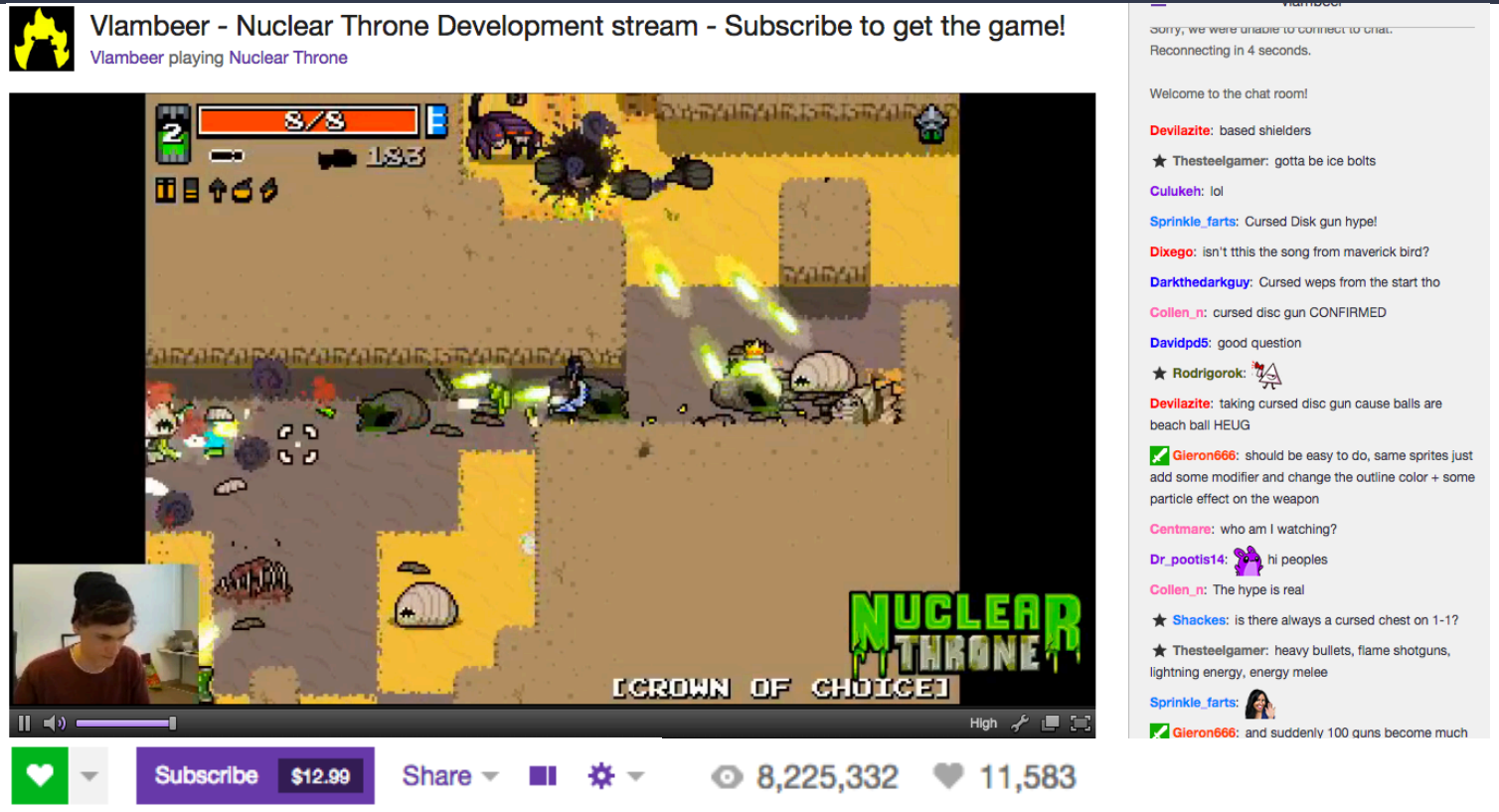
SUPPORT ADVOCATES WITH PROMOTION

Give customers a place to show their love for your app



BUILD ADVOCATES THROUGH INTERACTIONS

Example of streaming during development



Design IAP into the fabric of your game

MAKE IT EASY TO BUY

Offering ways to buy your IAP items when they are needed will increase conversion.

Apps that made it easy to shop

INCREASED REVENUE 75% (ARPPU)

Source: Amazon Appstore, March 2014

To be in control,

HAVE A LOT OF LEVERS

Use A|B Testing to fine-tune everything from game difficulty to IAP menu choices.

MORE STORES

Market your app to all customers

BE IN ALL THE STORES

If you've invested in building an Android app, sell it everywhere.

WHAT WE LEARNED

Add social, interact with customers, and tweak game difficulty to

INCREASE TIME AND COUNT OF SESSIONS

Cater to your best and longest customers with clear value

DIFFERENTIATE YOUR IAP CATALOG

Give yourself control of your game in the wild

IMPLEMENT A|B TESTING

IF YOU ONLY DO ONE THING…

Cater to your best and longest customers

DIFFERENTIATE YOUR IAP CATALOG

IF YOU ONLY DO TWO THINGS…

Cater to your best and longest customers

DIFFERENTIATE YOUR IAP CATALOG

Make sure your IAP catalogs are

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