



Building Houseparty 2.0 for Gen Z

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Houseparty's Rise to Fame

METRICS	PEAK PERFORMANCE
Downloads	17.2 million in March 2020 (2,902% spike in one month)
Top Rankings	#1 Social App in 82 countries
Total Users	50 million+ by April 2020
Demographic	Dominated by Gen Z & students aged 16-25
Avg Session Time	60 minutes+ per session (vs. Zoom/IG ~20-30 mins)

UNIQUE SELLING POINT (USP)



“Drop-in” video chats
– no need to call or
schedule.



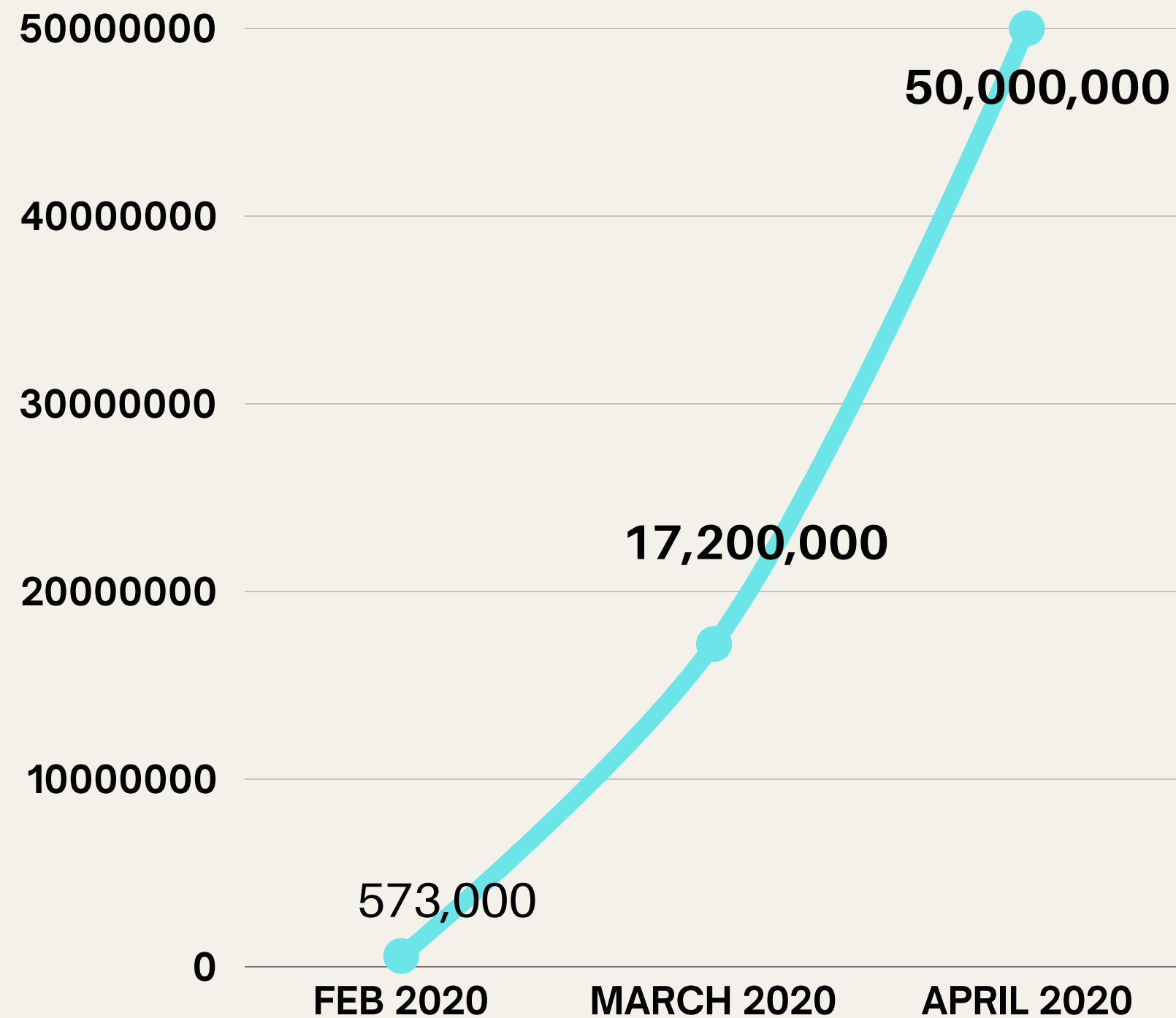
Multiplayer
Games
(Heads Up,
Trivia, Quick
Draw)




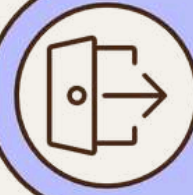


Real-time
Presence

Users loved it for being casual, fun, and instantly social — like a digital version of hanging out on the couch.

2,902% SPIKE IN ONE MONTH



WHY IT WORKED?

-  **Perfect Timing**
Provided a way for isolated people to connect.
-  **No Pressure**
Allowed users to join and leave calls freely.
-  **Social Bonding**
Combined games and video for enhanced interaction.
-  **Low Friction**
Simplified access with no logins and instant alerts.

45%

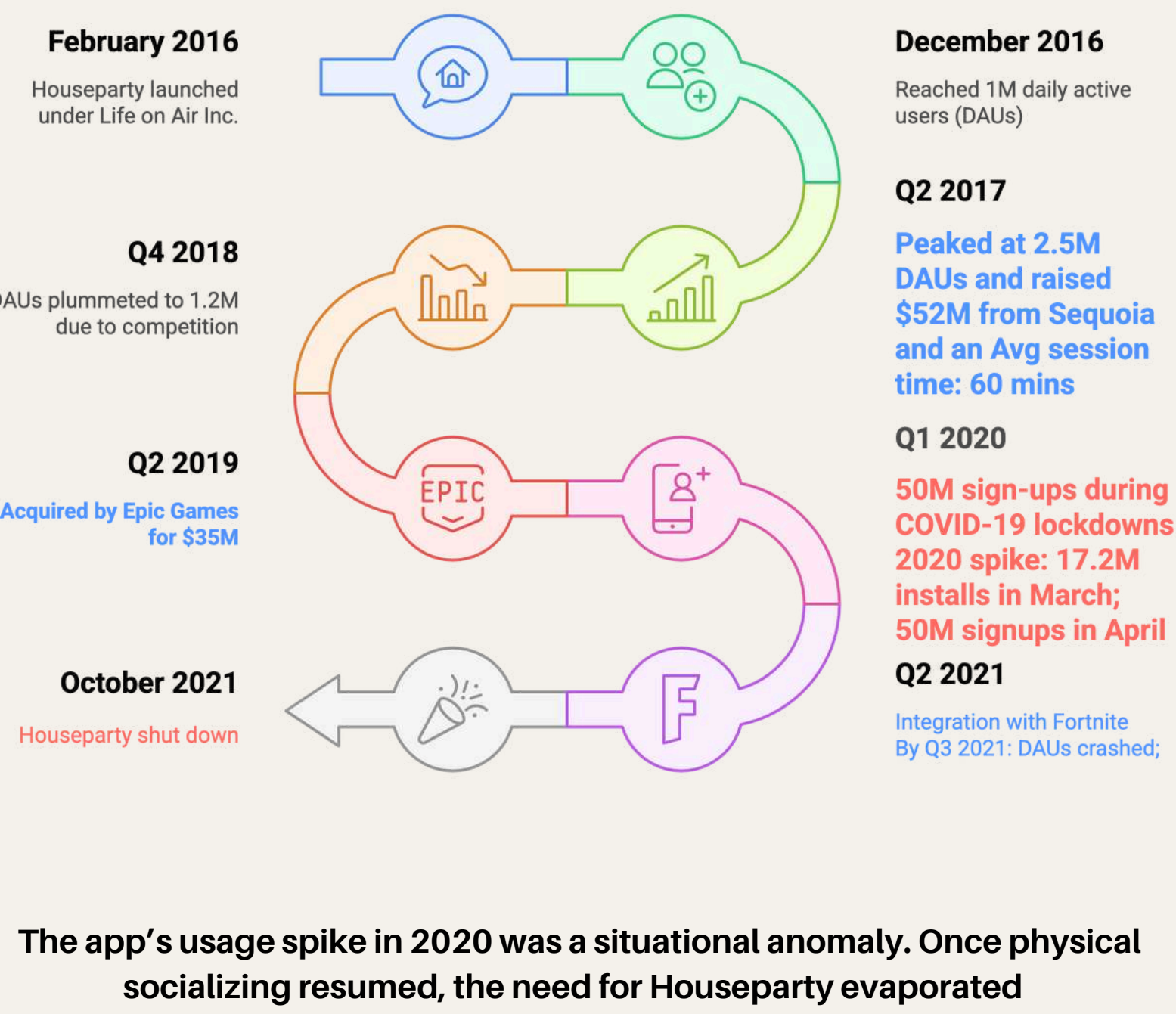
churn rate

USERS DROPPED
OFF WITHIN 3
MONTHS OF
INSTALL

**HOUSEPARTY
SHUT DOWN IN
2021**

It was the digital living room of a generation.

Why the Party Ended




Category	Details	Impact
Monetization Failure Monetization failure: <\$5M revenue despite 50M users	Relied only on in-app game purchases (e.g. \$0.99 games); no ad model; revenue < \$1M/year	High infrastructure costs (video streaming) + zero meaningful revenue = burning cash fast.
Epic Acquisition	Focus shifted to Fortnite; social DNA of Houseparty neglected	Integration was niche. Epic never built a long-term roadmap for Houseparty.
Feature Stagnation Retention <20% (industry avg: 45-60%)	No major innovation post-2018; competitors copied core features (Instagram, Facebook, TikTok)	User boredom & churn
COVID Spike Drop-Off DAU drop: From 50M → 10M (80% decrease)	50M users during pandemic (Apr 2020), but engagement didn't last post-lockdown	Short-term users, no retention
Privacy Scandal	Viral rumors of hacking in 2020 despite denials; \$1M bounty failed to reverse damage	Eroded user trust and brand image Privacy ≠ optional. Perception killed trust.

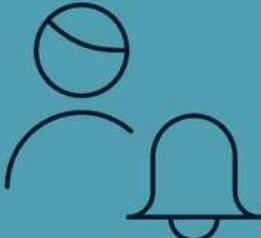
Feature Audit from **Reddit** – Real User Voice

What Users Loved?

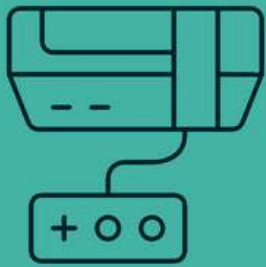
Drop-in Spontaneity
Allowed users to join conversations spontaneously, enhancing engagement.



Presence Pings
Notified users when friends were online, fostering connection.




Built-in Games
Offered interactive games for users to enjoy together, promoting fun.

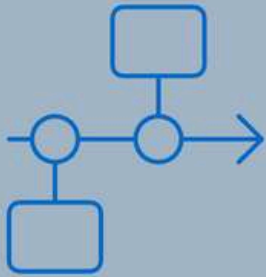


What Pushed Them Away?


Security Issues
Discussed rumors of a 2020 hack.



Roadmap Absence
Highlighted the lack of a long-term plan from Epic



Innovation Stagnation
Pointed out the decline in innovation after acquisition.



[deleted] · 5y ago

Answer: Apparently many people is reporting their Netflix, Spotify, Uber and even bank accounts have been hacked and link it to having the app installed and an active account in Houseparty. Screenshots are rolling in WhatsApp with people allegedly reporting it on Twitter, Facebook, messaging apps, etc.

I have not downloaded it, but all of my friends have and some have sent legit screenshots of unauthorized access to their Spotify accounts (specifically from Russia) in the last days. People in Twitter report unauthorized access from Poland and USA.

Hi all, hoping you can help. As question says in title, do you know of any similar games to Word Racers?

Me and my other half loved to play it and with Houseparty gone, we really do miss it.

Any help would be great!

Analyze **100 Reddit comments** → cluster into 3 major complaint themes

Privacy Fears	31
Lag/Bugs	22
Miss the Games	15

Ideal Customer Profile

Attribute	Details
Age	16-24
Geography	Tier-1 cities (India), US, UK, Canada, SEA urban zones
Tech Behavior	Active on TikTok, Twitch, Instagram, Discord, Snapchat
Use Cases	Late-night vibing, co-watching, chill gaming, study rooms

Rebuilding the Vibe

Feature	Problem Solved	Type	Impact
Ghost Mode + Vibes	Privacy concerns, status fatigue	Lets users hide or show presence + auto-set mood (like BeReal status + Discord)	↑ Retention (~15%)
Party Portals	Emotionless, flat video calls	Mood-themed virtual rooms with music and GIFs	↑ Session time (~20%)
Mini-Game Studio	Stale content, no user-generated games	Lets users create and remix games using templates (like TikTok, but for games)	↑ DAU (10–15%)
Ephemeral Party Snaps	No memory recall or post-call engagement	AI generates short story recaps after each group call	↑ Re-engagement via share loops
Cross-App Sync	App-switch fatigue, fragmented experience	Tap to join a Houseparty room from Twitch/Spotify/YouTube	↓ Drop-off (~25%)

Trust Recovery Strategy

Transparency isn't a PR move — it's a product feature.



Hire 3rd-party cybersecurity firms like **Trail of Bits** or **NCC Group**.

Release redacted audit reports.

Co-launch Safe Rooms with creators (**special rooms with enhanced safety + monetization**)



Marques Brownlee



Pokimane



Emma Chamberlin



xQc

Engineering Trust as a Brand Asset

Party Cloak
Vanish except to inner circle

Trust Meter
Visual graph of how much *data* user shares

Live Notifier
Alert when mic/camera access triggers

FIXING LAG

Issue	Fix	Outcome
Latency due to central servers	Deploy edge nodes in major regions (via AWS Global Accelerator or Cloudflare CDN)	Lower ping times by 40–60%
Delayed video/audio streams	Upgrade to WebRTC + SFU (Selective Forwarding Unit)	Real-time group video with <100ms lag
Frame drops during games + calls	Use hardware acceleration for mobile GPUs	Smoother experience across devices

Fortnite x Houseparty integration (1 MILLION USERS AT ANY GIVEN POINT)

Epic bought Houseparty in 2019 for \$35M — but only 1 surface-level integration ever happened (**Fortnite Video Mode**).
2021 shutdown = wasted brand equity.

Integration Zone	What It Looks Like	Impact
Fortnite Social Hub	Pre-game “House” room with vibe status, party recap & voice hangouts	↑ Squad bonding & play frequency
Unreal Engine SDK	Devs add real-time social rooms inside indie games via drop-in Houseparty API	↑ Dev adoption & cross-game presence
Epic Launcher Boost	In-app presence bubbles show which Epic games friends are playing	↑ Game switching, ↓ friction
Epic Moments Engine	Record short collab stories during sessions (play, chat, react) and auto-create highlight reels	↑ Community sharing & virality

Shared social graph across all games → **platform-level stickiness**
Fortnite = **content + connection**, not just combat
Houseparty becomes Epic’s “party protocol” for **metaverse-scale intimacy**

Metrics That Matter (12-Month Goals)

Metric	Current (2021)	Target (2026)	Driver
DAU	0	6M	Ghost Mode + Party Portals
Retention	<20%	>45%	Smart status, games, trust
ARPU	<\$1	\$4–6	Subs + IAP + Ads
Trust Index	N/A	85%+	Privacy-first + transparency

With just 6 million monthly active users and a **\$3-5 ARPU**, we can hit **\$12-15 million in revenue per year** by Year 2.
Even at conservative conversion rates, our CAC to LTV ratio remains above **1:3**.

MONETIZATION STRATEGY

	Objective	Model	Acquisition Strategy	Key Metrics	Revenue Breakdown
Tier 1	Drive viral growth & user retention	100% Free Core and Paid Upgrades like customizations, premium templates and HD Party Portals.	1) Gen Z micro-influencer seeding 2) Waitlist FOMO & referral loops 3) Twitch & YouTube activations	MAUs: 100K to 1M CAC: \$1.50 LTV (12 mo): \$8 CAC:LTV: 1:5.3 Virality: 2.3 invites per user	-
Tier 2	Monetize superusers & casuals with differentiated value	In-App Purchases (IAP) + Ads	In-App Purchases <ul style="list-style-type: none">Premium Game Packs (\$1.99-\$4.99)Custom Party Portals (\$0.99) Ad Revenue <ul style="list-style-type: none">Skippable interstitialsSponsored "Party Portals" (e.g., Spotify, Red Bull)	MAUs: 3M to 6M Paying Users: 4% ARPU: \$1.75 CAC: \$2.25 LTV (12 mo): \$15-\$18 CAC:LTV: 1:7.5	1) In-App Purchases (60%): \$6.3M/month 2) Sponsored "Party Portals"(30%): \$3.15M/month 3) Rewarded Ads(10%): \$1.05M/month 4) Total Projected Revenue: \$10.5M/month
Tier 3	Build predictable revenue & cultural relevance	Subscription + IAP + Ads + Brand Collaborations	Houseparty+ Subscription (\$5.99/mo or \$49/year): <ul style="list-style-type: none">Unlimited AI RecapsCreator tools for custom Party GamesExclusive collab Portals (e.g., Netflix Lounge, Nike Lab) Brand Partnerships: <ul style="list-style-type: none">Branded mini-games (e.g., Netflix Trivia)Creator collabs with in-game merchExclusive access to virtual events & brand rooms	MAU: 8M to 12M Paid Subscribers: 6% (720K @ 12M MAU) ARPU (ads + subs + IAP): \$3.50 CAC (scaled): \$4.50 LTV (24 mo): \$45 CAC:LTV Ratio: 1:10	1) Subscriptions: \$3.6M/month 2) In-App Purchases: \$4.5M/month 3) Ads & Sponsorships: \$3.9M/month 4) Total Projected Revenue: \$12M/month

TEAM ANALYSERS



AKSHAT DHOTE
IIT-K



DRUSHTI SURKAR
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**THANK
YOU**