Golden Goal IAP Strategy Recommendation

Executive Summary

This report presents an analysis of a two-week experiment in our mobile game, specifically examining a feature called 'Golden Goal.' We conducted a test where players were split into three groups to explore different pricing and reward structures: one group experienced the usual setup, another had lower prices but standard rewards, and the third had usual prices but double rewards. The aim was to decide if we should change the cost or rewards of the 'Golden Goal' in-app purchase based on this test. Key findings indicate that the strategy of **doubling rewards** outperformed both the reduced-price strategy and the original pricing setup in terms of effectiveness. This document will guide you through the findings, strategy recommendations, and explain the data-backed reasons behind the offer.
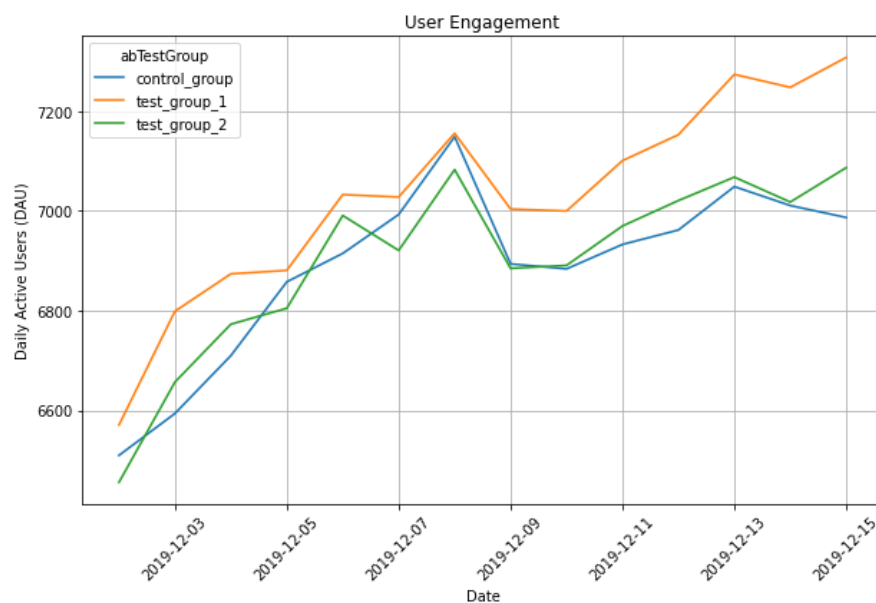
Insights

Figure 1. User Engagement

In our game's two-week test, lowered prices (orange trend) significantly boosted player activity, suggesting it's a smart move to attract more engagement. Extra rewards (green trend) also increased interest, but not as consistently. These findings point to a clear advantage in adjusting our pricing strategy to keep players more involved (*Figure 1*).
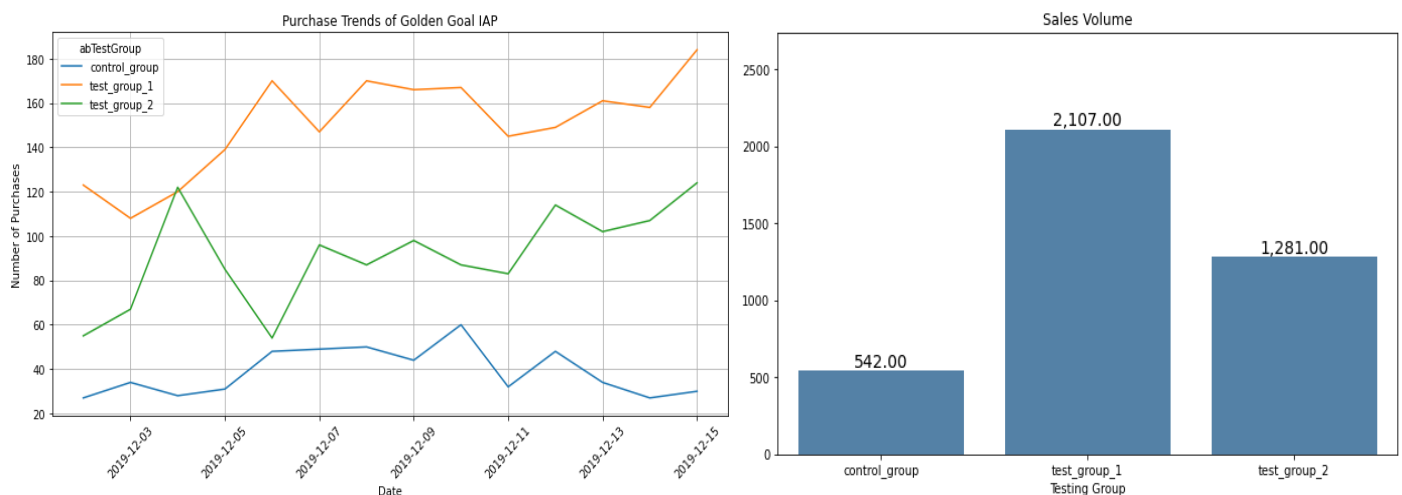
Figure 2. Purchase Trends
In our game's purchase trends, the standard offerings (blue trend) led to the fewest daily buys, indicating room for improvement. The reduced-price group (orange trend) saw a notable uptick in purchases, highlighting the effectiveness of lower prices in boosting sales. Meanwhile, the double-rewards group (green trend) did outperform the standard, yet didn't attract as many purchases as the reduced-price group, suggesting that while extra rewards are attractive, lower prices may be the stronger incentive for this audience *(Figure 2)*.
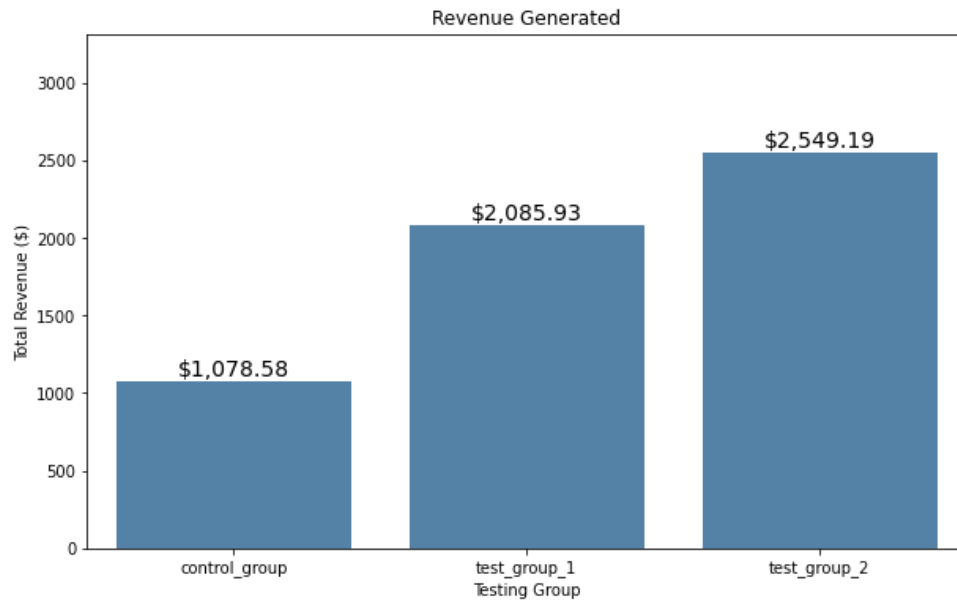
Figure 3. Revenue Generated
Revenue analysis shows that while the standard offerings (Control Group) resulted in the lowest earnings, reflecting fewer purchases, the group with reduced prices (Test Group 1) saw more purchases but didn't lead in revenue, likely due to the lower price point per sale. The group with double rewards (Test Group 2), however, achieved the highest revenue, suggesting that the added value from the rewards enticed more standard-price purchases, underlining the strategy's effectiveness in revenue generation *(Figure 3)*.
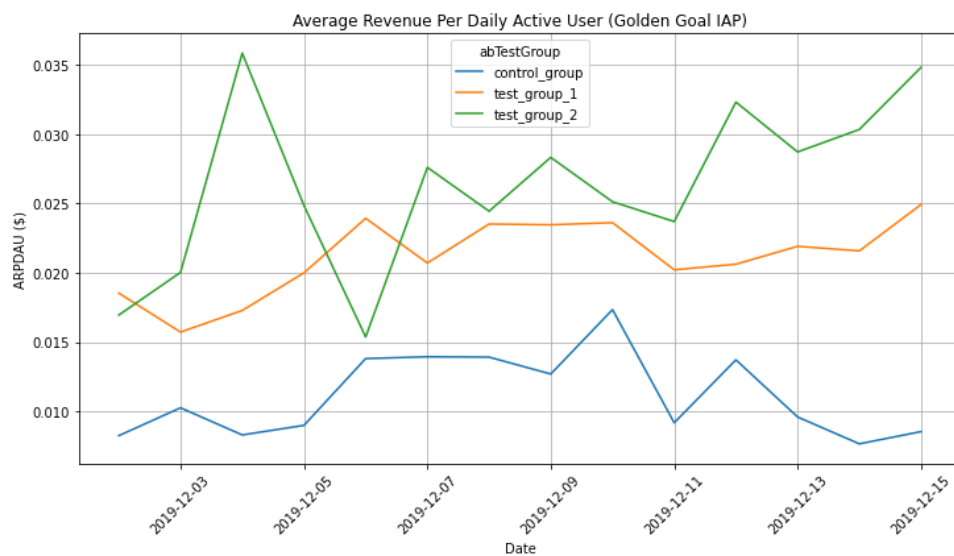
Figure 4. Average Revenue Per Daily Active User
Above graph shows that earnings from the initial group (blue trend) remained modest, under $0.02 daily. The reduced price (orange trend) shows a gradual increase in revenue, suggesting

more frequent purchases while offering double rewards (green trend), led to the highest earnings, with marked peaks on some days, showcasing the appeal of added incentives. This data supports revising our in-game offers to enhance user spending (*Figure 4*).

Statistical Evidence

To assess our Golden Goal IAP performance, we used ARPDAU (*Figure 4*), a metric that reflects both revenue and player engagement. We employed a statistical test, suitable for comparing multiple groups, to understand if our pricing strategies significantly impact revenue. Our hypothesis is to check if there's a difference in average revenue per user between the regular, discounted, and double-reward groups. This analysis reveal which strategy might be best to improve how well we monetise.

Multiple Comparison of Means - Tukey HSD, FWER=0.05						
group1	group2	meandiff	p-adj	lower	upper	reject
control_group	test_group_1	0.01	0.001	0.0061	0.0139	True
control_group	test_group_2	0.0152	0.001	0.0113	0.0191	True
test_group_1	test_group_2	0.0052	0.0069	0.0013	0.0091	True

Figure 5. Tukey HSD Test

Our statistical comparison shows that each group's spending is unique. Players in the Test Group 1 (reduced price) spent more than those in the Control Group (regular price and regular rewards). Test Group 2 (double rewards) players spent even more, outperforming both Test Group 1 and the Control Group. These differences are not due to chance, indicating that the pricing and rewards strategies indeed influenced player spending, with the strategy used in Test Group 2 being the most effective.

Strategy Recommendation

Our analysis of the 'Golden Goal' IAP suggests adopting the double rewards strategy to boost monetization. This approach led to higher engagement and revenue over the two-week test period, confirmed by our in-depth statistical analysis. The data shows that the **<u>double rewards strategy</u>** surpassed both the reduced-price option and the original pricing in effectiveness, making it the recommended course of action for enhancing our game's revenue stream.