Pokémon-Go Presentation

Delivering recommendations to Niantic

In Brief: Delivering value to Niantic

Key trends we found

General Customer Profile

Customer Segmentation trends

Our Insights

Gaming & Financial trends

CRM strategies we recommend

Retention

Our strategy

Acquisition

Prevent Churn

General customer profile

All facts are based on summer 2018 player data

4,703 are active players

60% of players are male players

Median age is **27 years old** *(75% are less than 34)*

Players with all level of income are **equally represented** *(roughly 30 of each)*

Half the players joined the game less than a year ago *(end of summer 2017)*

Gaming and Financial Trends

$ Financial

Only ⅓ of the players bought something in-game

Those purchasers spent **11 euros on average**, majority were males (61%)

Purchasers were not frequent buyers : **95% of them made at most 2 transactions**, 5% made there last transaction during the last summer week

Gaming

25% of the players played more than **6** times

On average, their **last playing session** was **a month ago** *(assuming we are the 31/08/2018)*

In a single gaming session a player walks **4 kms,** has at least **1 social interaction,** plays up to **1 hour** and catches **19 Pokémons**

On average, a player have **5 social interactions** in total during the whole summer

Both

From our 4,700+ summer active players, **87% did not purchase** anything in fall. *(churn rate=87%)*

Only **17%** of the churners **received the fall bonus** at the end of the summer.

Customer segmentation trends

Age segmentation

Young Adults are the top active and frequent players

Children and Teen-agers are also parts of the top active and frequent players.
Middle-Age customers represent a significant part of the new players and shall not be forgotten.

Insights based on an classical age segmentation: (Children/Teen-agers/Young Adult/Middle Age Adult/Senior).

Income segmentation

More than 50% of new acquired players have low income

Customers who used to play a lot but are no longer active have the high income level.
By the end of the summer 2018, the most frequent and active players have the medium income level.

Insights based on a segmentation by income level of the active players (Low/Medium/High).

Customer Type segmentation

Top active and frequent players use Pokemon GO to exercice and have social interactions

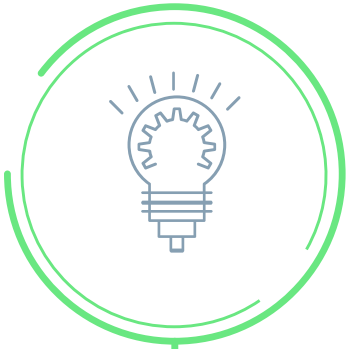
Social raiders and Walkers are the most interesting player segments : they play frequently and actively.
However, Miscellaneous players represent an important part of the new ones the application tends to be no longer used for its features.

Insights based on the customer type segmentation made by Niantic (Catchers/Social raiders/Walkers/Miscellaneous).

II- CRM Recommendations

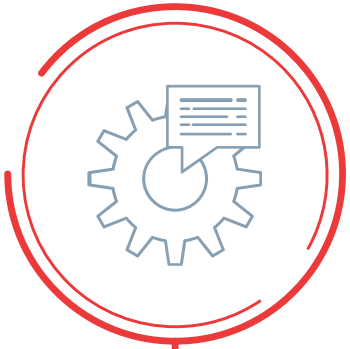
Acquisition Strategy

How to acquire new players?



Retention & Development Strategy

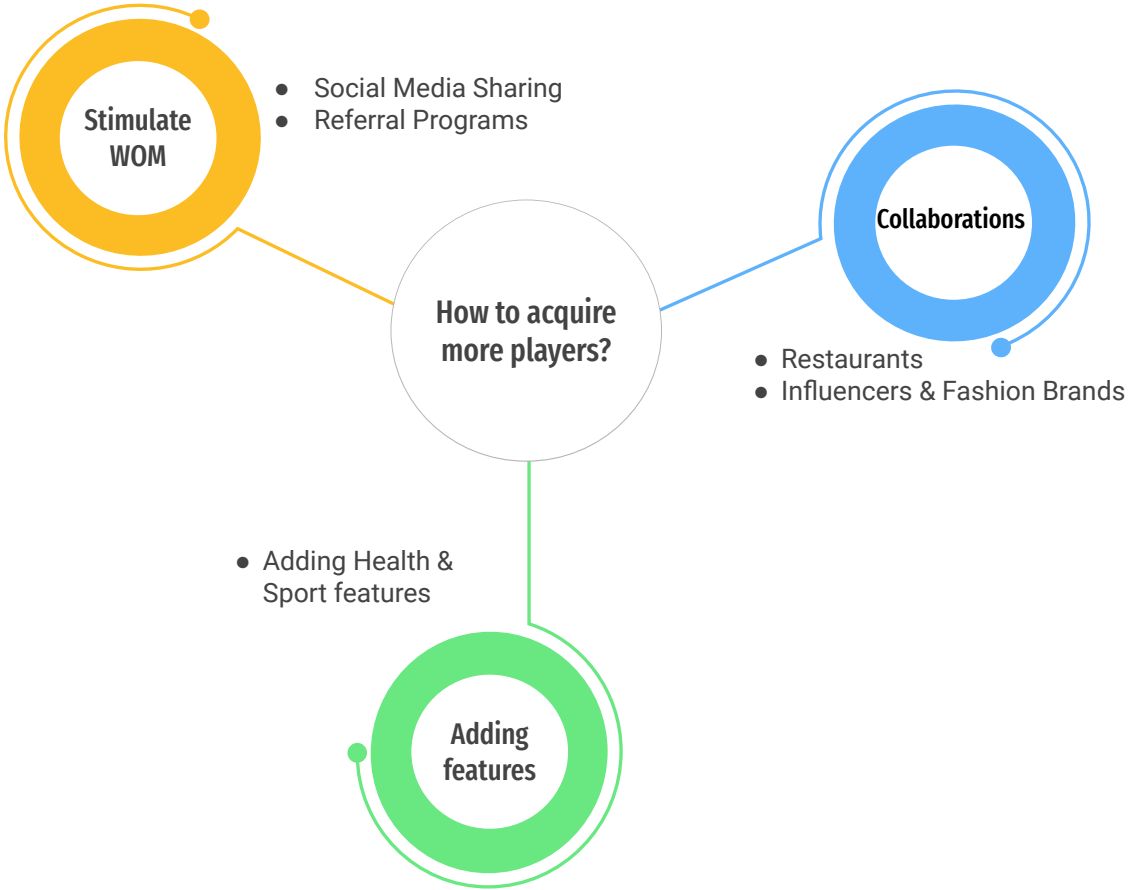
How to keep the players and ensure profitability?



Preventing Churn Strategy

How to deal with customer churn and minimize costs associated?

Acquisition strategy



Retention & Development strategy

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LP based on Transactions :

Creating 3 levels:

Premium players (1+ transaction)
Medium players (1 transaction)
Basic players (0 transaction)

Rewards and advantages system:

Getting better rewards according to the levels (based on the LCG financial)

Strategy of Gamification :

- Separation of the playing map into different territories.
- The best player in each zone wins the territory and gives it his name.
- The "territory" is put back into play each month.

LOYALTY PROGRAMS

Emailing campaigns

Adapted to the 3 different types of players premium, medium and basic players
(defined in the loyalty program)

TAILOR-MADE TOUCHPOINTS

Marketing actions

Advertising, direct marketing, promotions, etc.. can give importance in brand equity for retention.

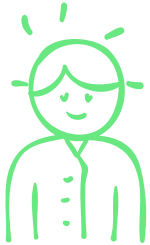
MARKETING ACTIONS

Preventing churn strategy: predictive model deployment

A customized model

Our model was trained on 3,300 Pokemon GO players
It is based on their gaming and purchasing behaviors.

Probability prediction & classification



It can predict the probability that an active player will stop purchasing in-game i.e. churning - using different characteristics of the customer.

- Playing frequency
- Amount of money spent
- Customer segment
- Promo received or not

A performant model

Model was tested on 1,410 players we knew their churn outcome.

The model is accurate : 89% correctly classified players as being churners or not.
The model is precise: 87% of the churn predictions delivered were right.

Improving profitability

For a churn prevention campaign of 1 €/customer, with churning players costing 3.4 €/customer to Niantic, we recommend applying a probability threshold of 0.41 in the model.

It will therefore minimize the total costs for prediction failures and increase profitability.

Thank you for listening !
Any questions ?

Presented by Team 15:
Charles Lietar
Omar El Hajjar
Charlotte Naepels
Aly Chour
Pauline Chomel de Jarnieu