

Reach • Engage • Earn

---

## WHAT THE TOP 50 DO WITH IAP THAT THE REST OF US DON'T

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# Today's Agenda

1. Get out of bed
2. Go to AnDevCon
3. Learn something
4. Go back to bed

Amazon Appstore

## **TODAY'S AGENDA**

How the Top 50 Did

What They Do Differently – Selling

What They Do Differently – Engagement

When to have a Sale

# 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

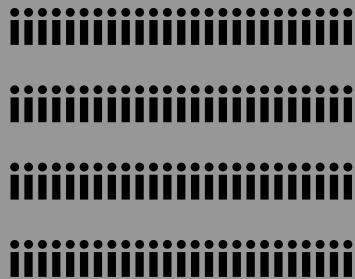
# Cohort Analysis

Group **A**: Top-50 Grossing

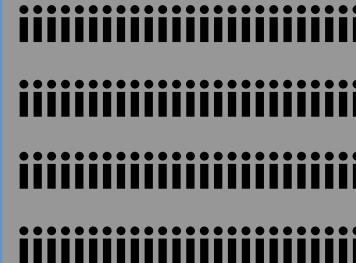
Group **B**: Rest of Freemium

# Day 1: Installs

Group A: Top-50 Grossing



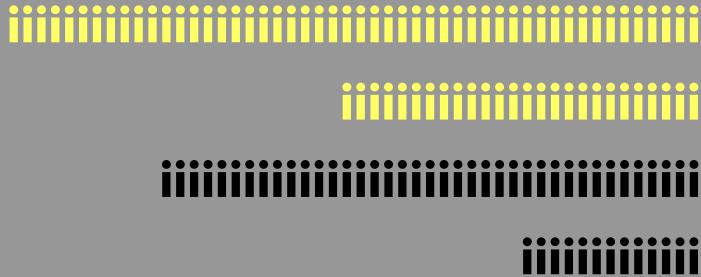
Group B: Rest of Freemium



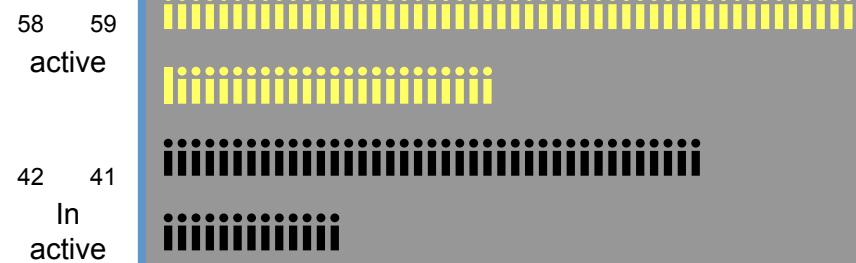
100 100  
installed

# Day 1: Active Users

Group A: Top-50 Grossing



Group B: Rest of Freemium



# Day 1: Uninstalls

Group A: Top-50 Grossing

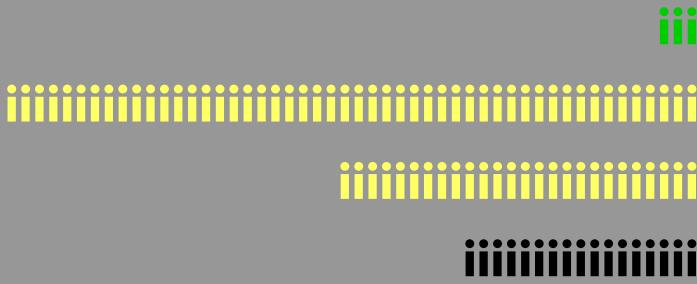


Group B: Rest of Freemium

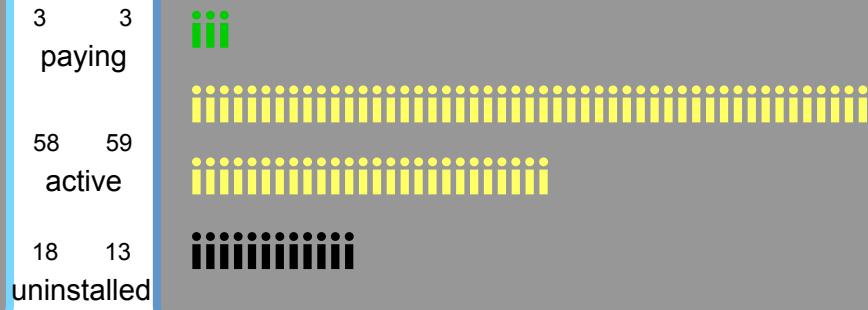


# Day 1: Paying Users

Group A: Top-50 Grossing

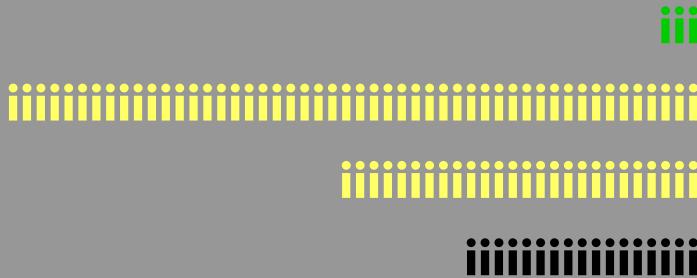


Group B: Rest of Freemium

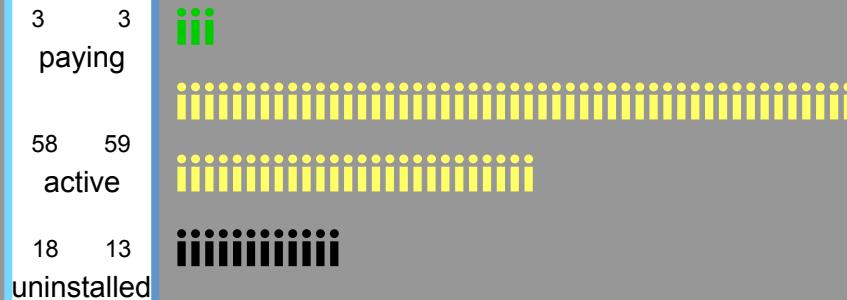


# Day 1: Engagement

Group A: Top-50 Grossing

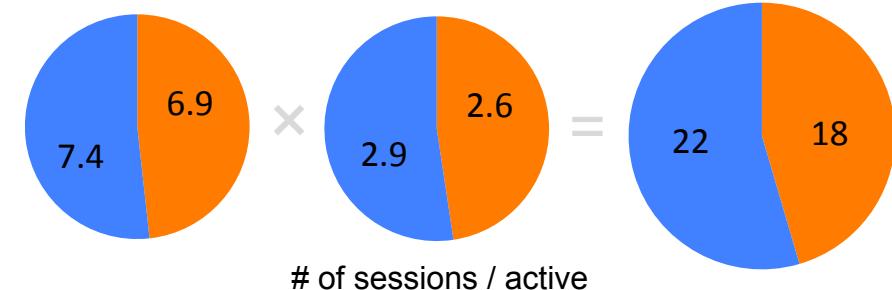


Group B: Rest of Freemium



avg. session length  
(minutes)

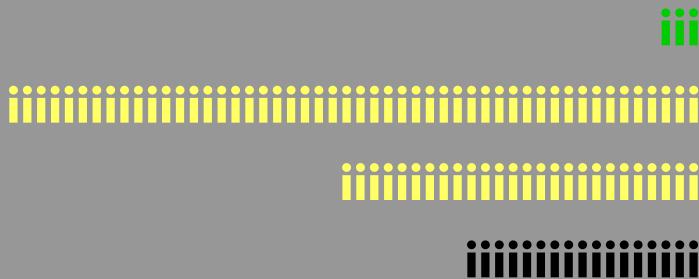
session length / active  
(minutes)



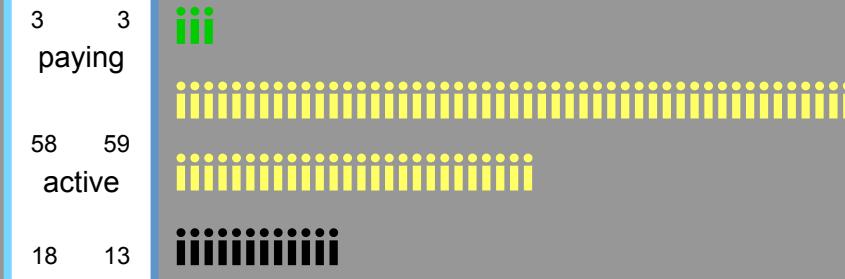
Source: Amazon Appstore, March 2014

# Day 1: Revenue

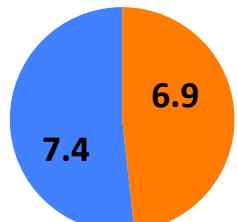
Group A: Top-50 Grossing



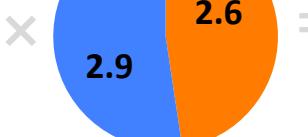
Group B: Rest of Freemium



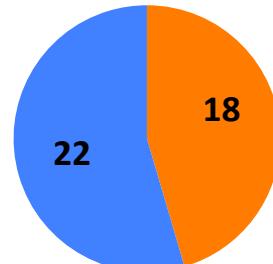
avg. session length  
(minutes)



# of sessions / active



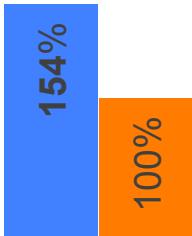
session length / active  
(minutes)



# of items / paying



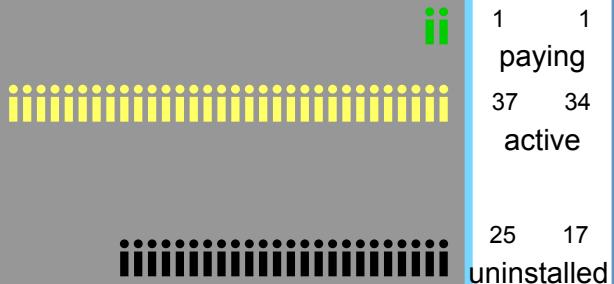
avg. selling price



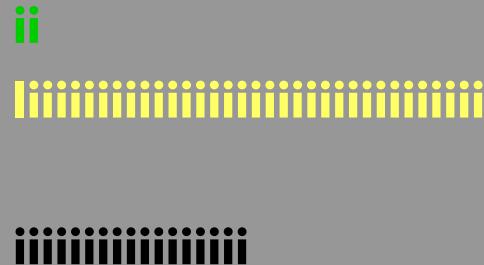
ARPPU

# 1 Day Later...

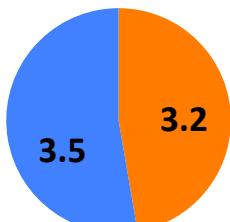
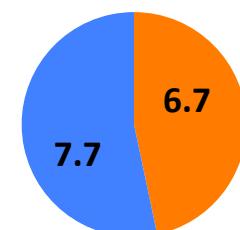
Group A: Top-50 Grossing



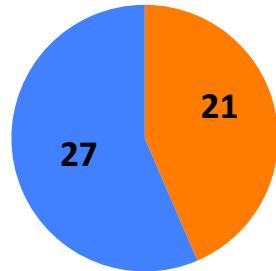
Group B: Rest of Freemium



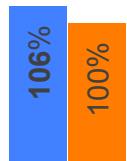
avg. session length  
(minutes)



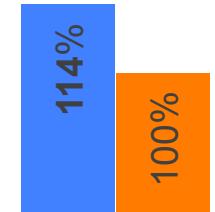
session length / active  
(minutes)



# of items / paying



avg. selling price



ARPPU

# of sessions / active

Source: Amazon Appstore, March 2014

# 3 Days Later...

Group A: Top-50 Grossing



23  
active

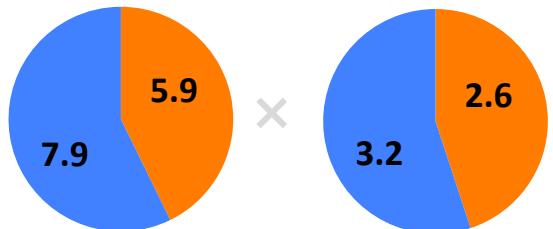


28  
uninstalled

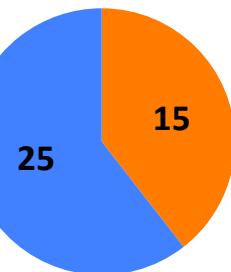
Group B: Rest of Freemium



avg. session length  
(minutes)



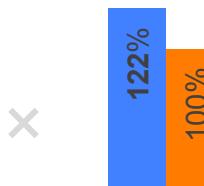
session length / active  
(minutes)



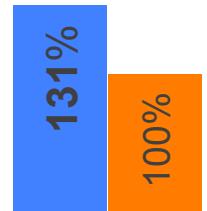
# of sessions / active



# of items / paying



avg. selling price



ARPPU

# 1 Week Later...

Group A: Top-50 Grossing



18  
active



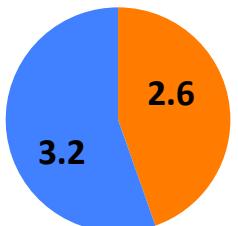
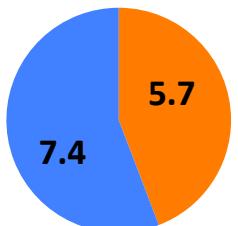
32  
uninstalled

Group B: Rest of Freemium

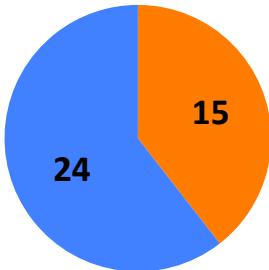


20  
uninstalled

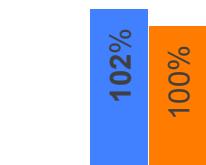
avg. session length  
(minutes)



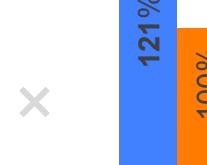
session length / active  
(minutes)



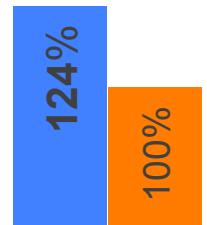
# of sessions / active



# of items / paying



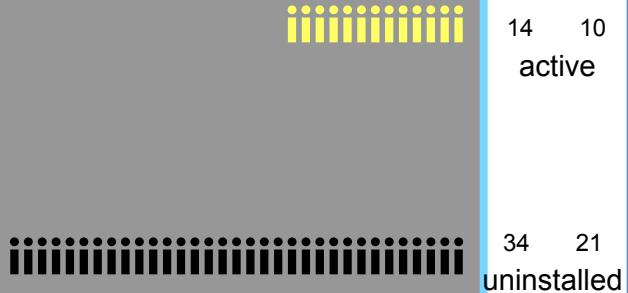
avg. selling price



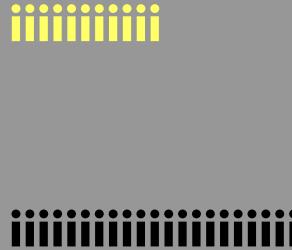
ARPPU

# 2 Weeks Later...

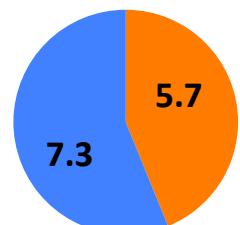
Group A: Top-50 Grossing



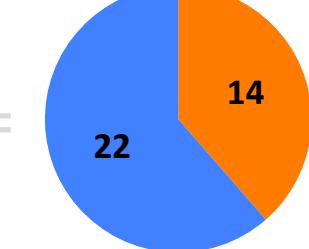
Group B: Rest of Freemium



avg. session length  
(minutes)



session length / active  
(minutes)



# of sessions / active

×

3.1

=

7.3

22

14

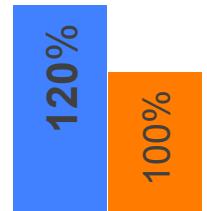
# of items / paying



×



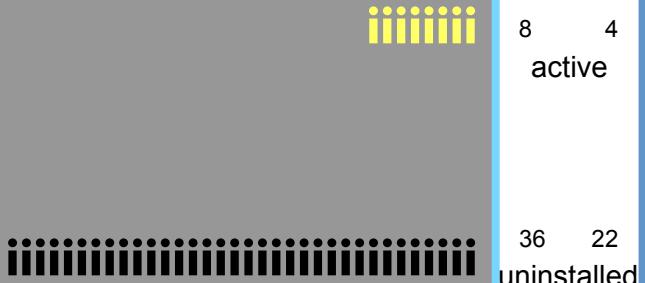
avg. selling price



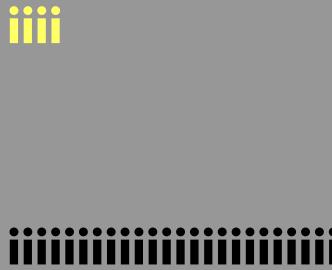
ARPPU

# 1 Month Later...

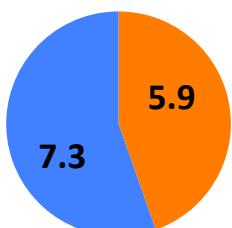
Group A: Top-50 Grossing



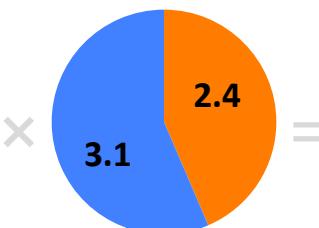
Group B: Rest of Freemium



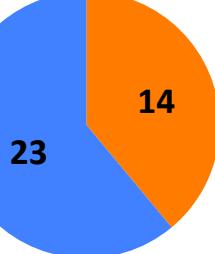
avg. session length  
(minutes)



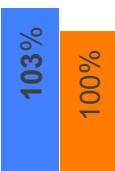
session length / active  
(minutes)



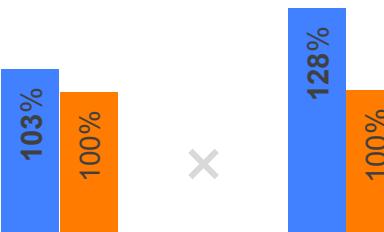
=



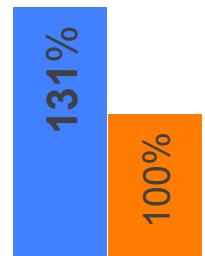
# of sessions / active



# of items / paying

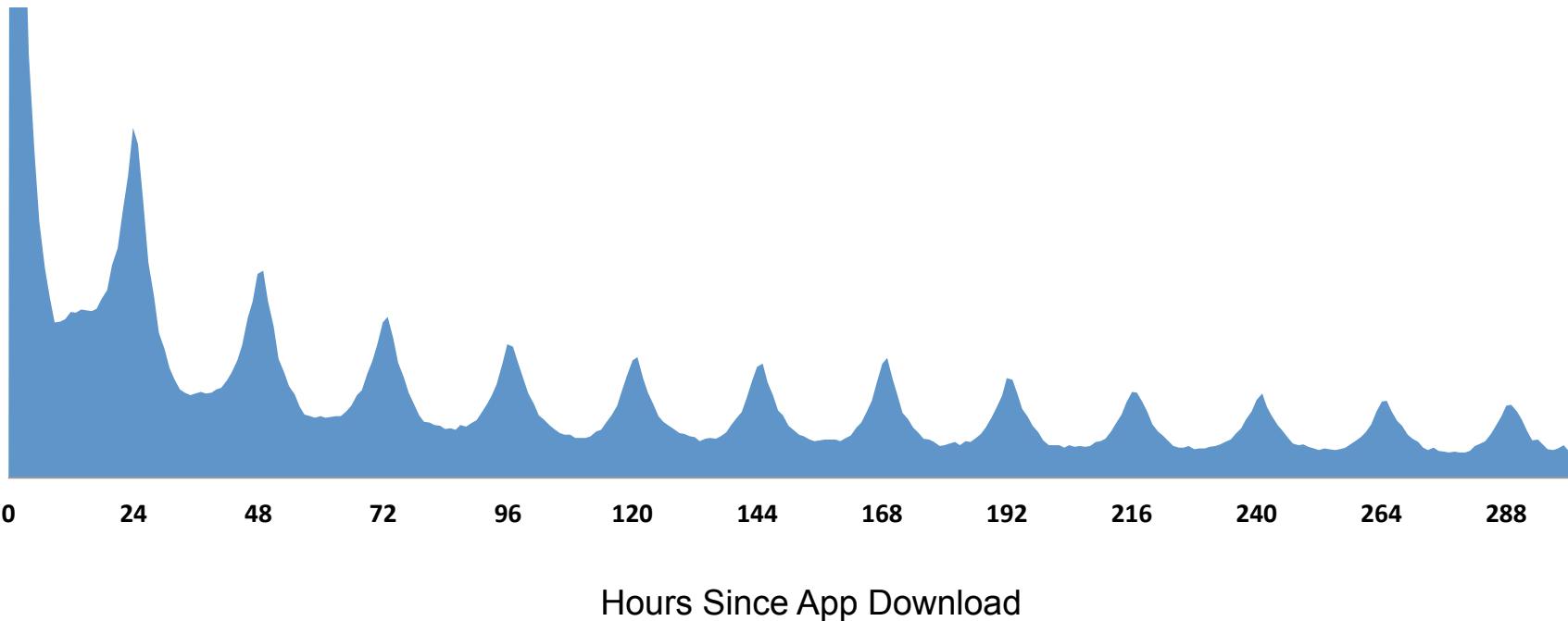


avg. selling price

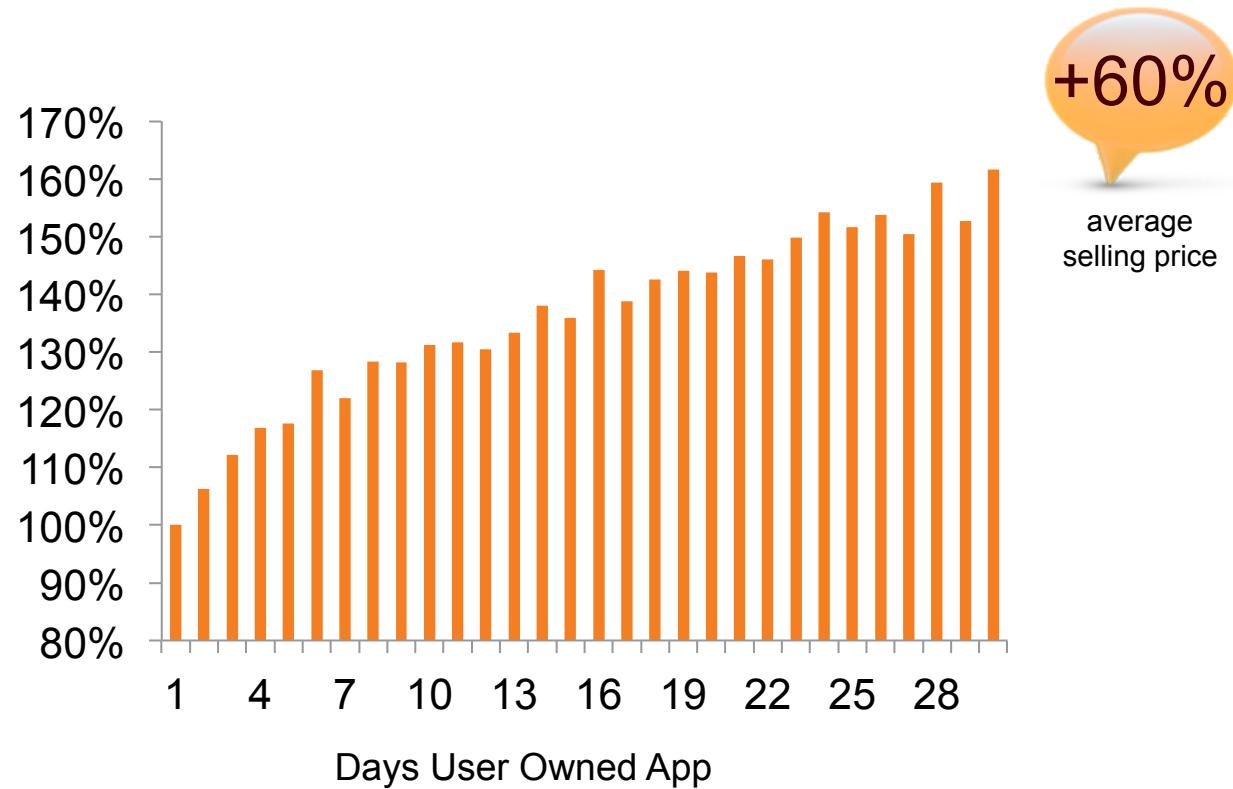


ARPPU

# IN-APP PURCHASING BY HOUR



# PRICE INCREASES OVER TIME



# 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.

## **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

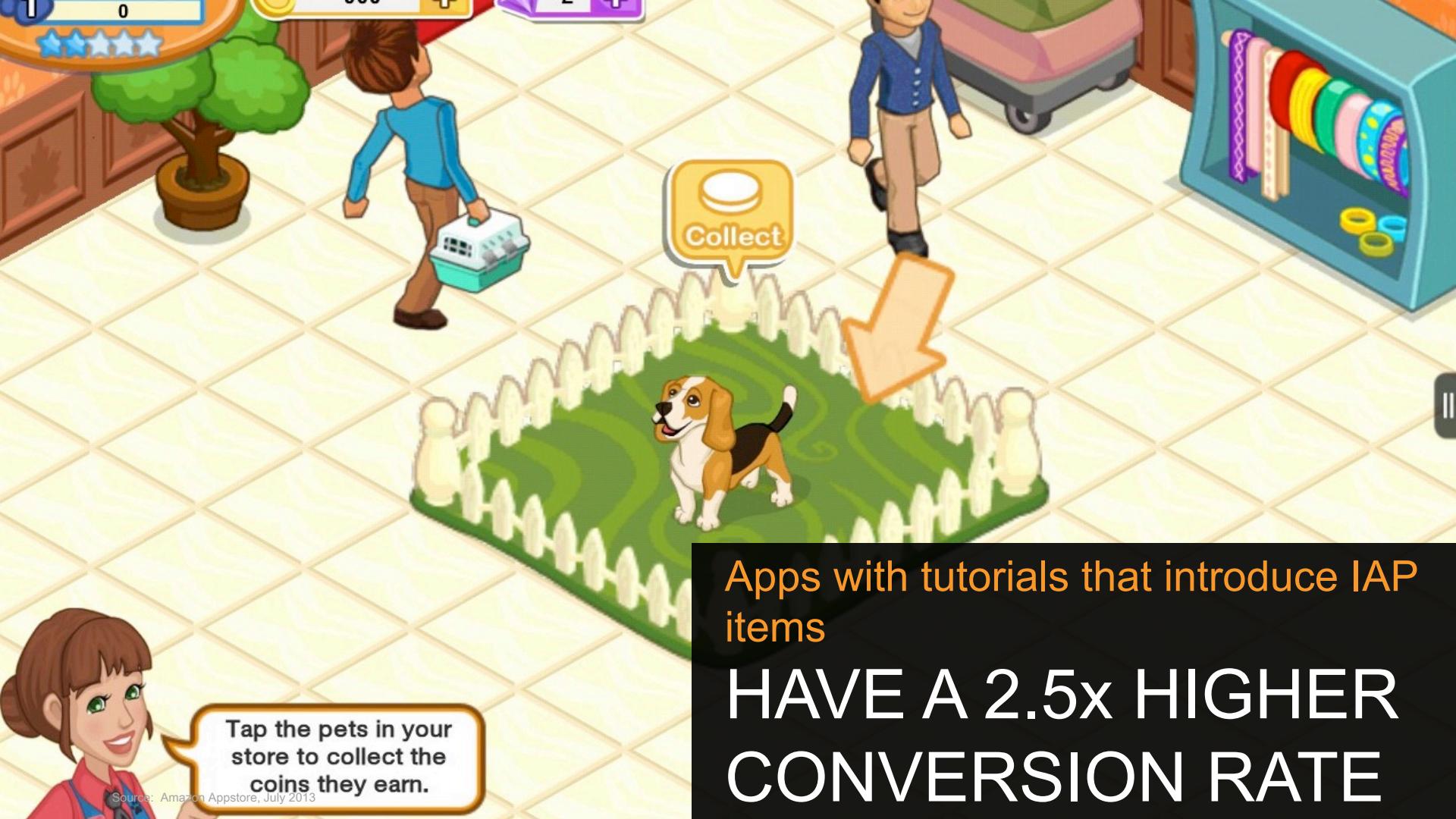


64% of revenue comes from 3rd order +  
74% of revenue occurs after first 7 days  
56% of revenue occurs after first 30 days

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

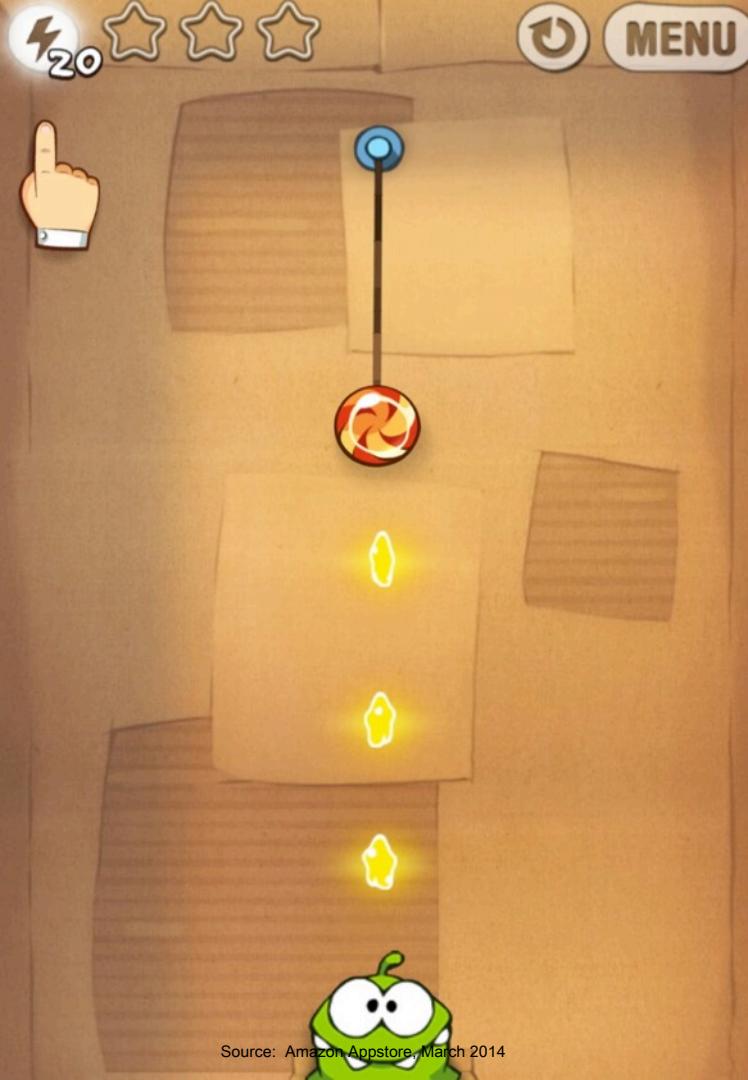
37% of users who will purchase, purchase  
on the first day

THE TOP DEVELOPERS KNOW THE NUMBERS



Apps with tutorials that introduce IAP items

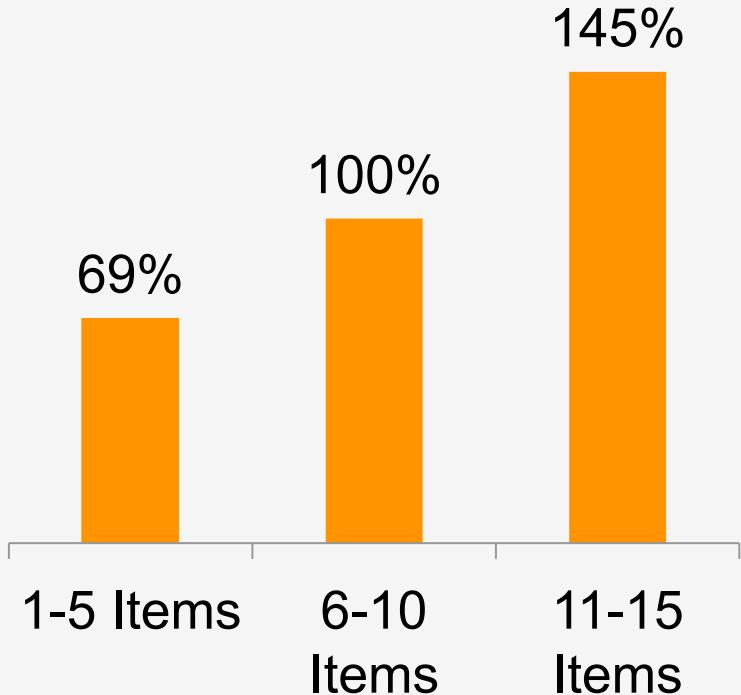
HAVE A 2.5x HIGHER  
CONVERSION RATE



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.



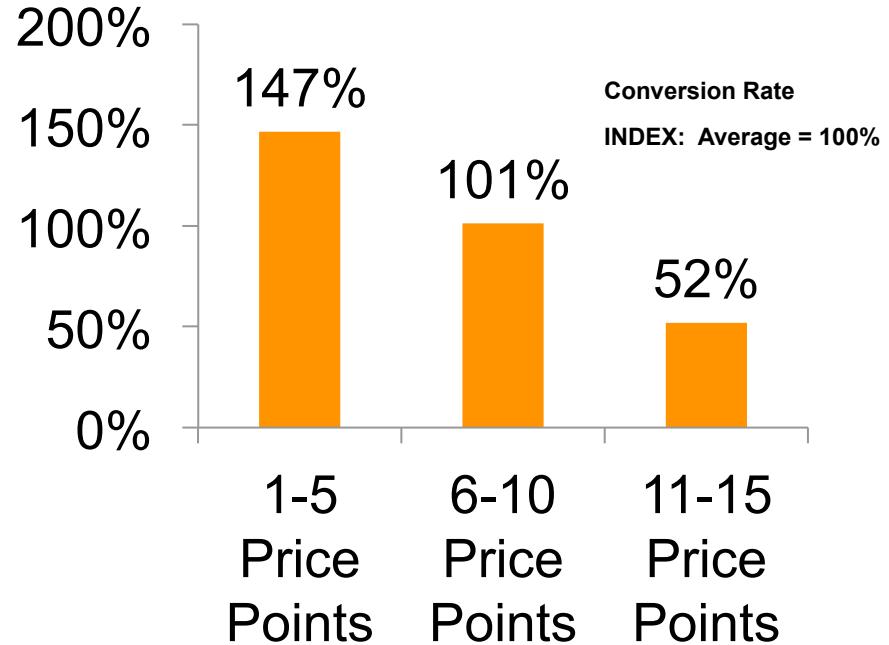
## Games with bigger selection RECEIVE MORE ORDERS PER CUSTOMER

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

**ARPPU by # of IAP items for sale**



Don't confuse your customer  
**OFFER VARIETY,  
BUT NOT TOO MUCH**



Source: Amazon Appstore, March 2014

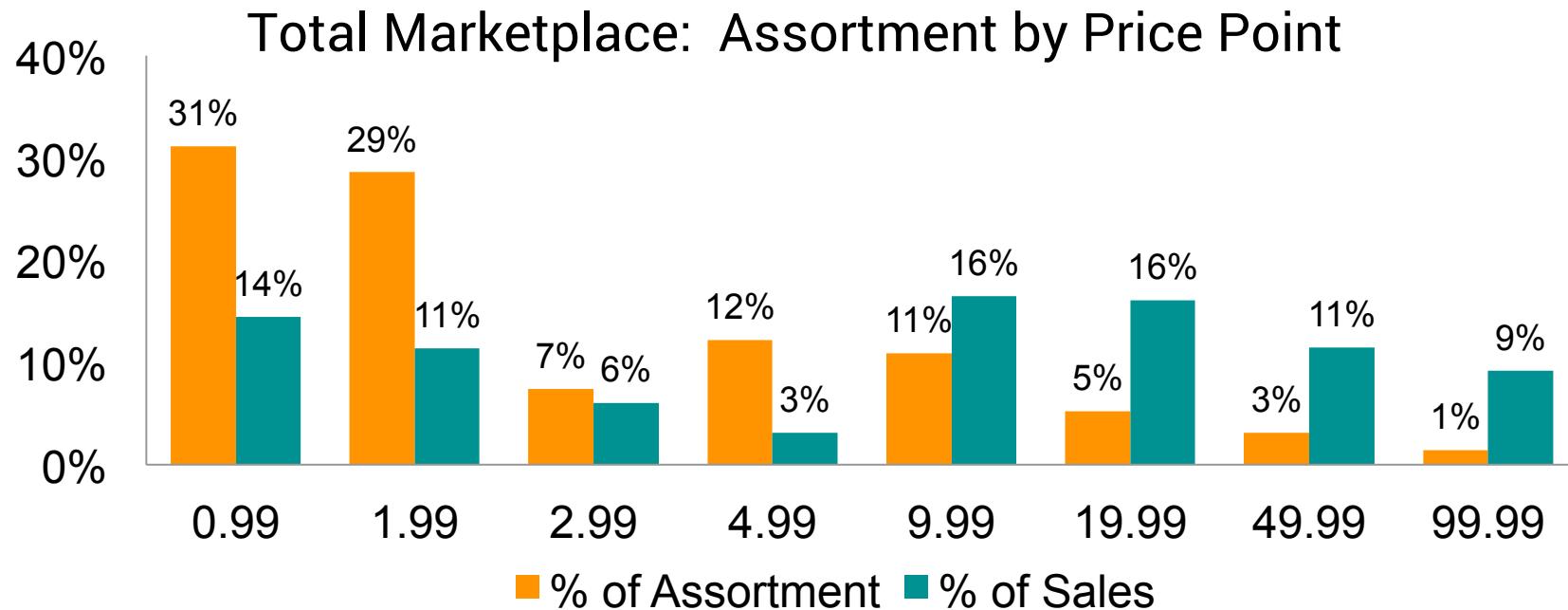


# To sell more IAP items, BE CLEAR ABOUT VALUE

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

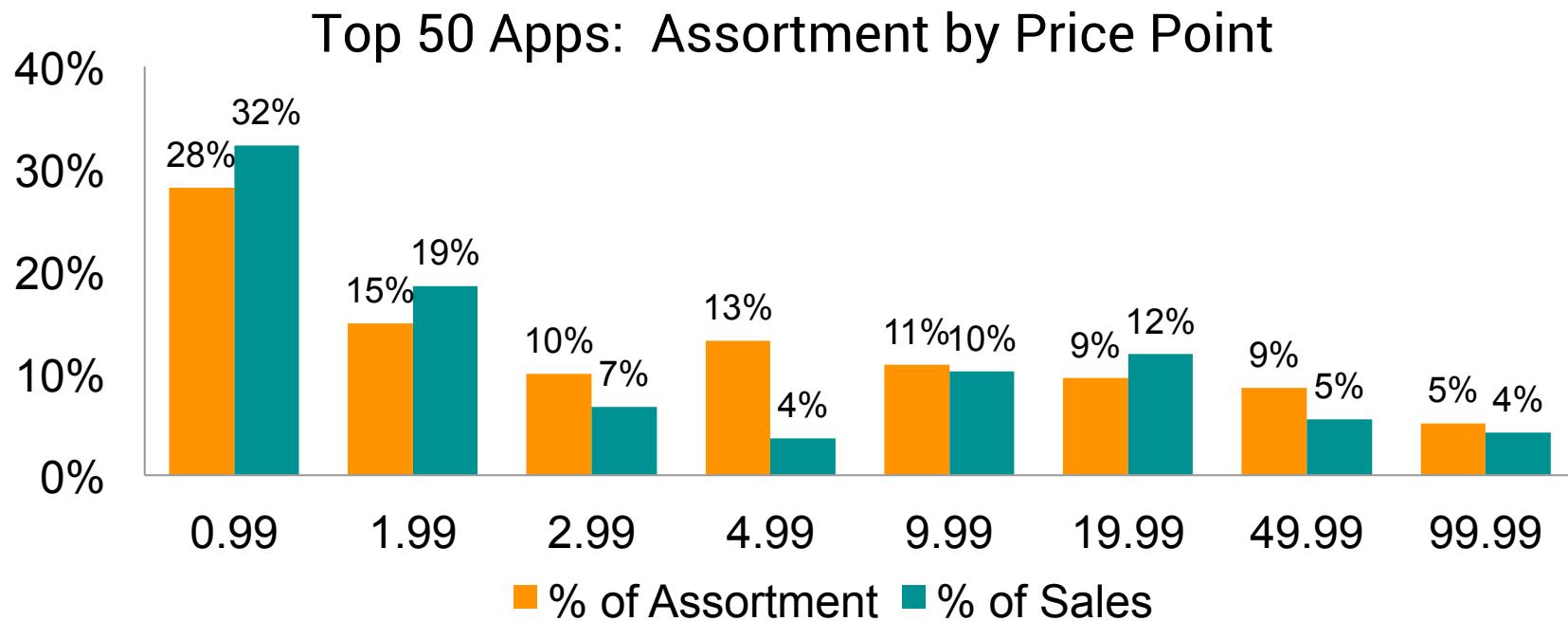
Most of us have too much

# CONCENTRATION ON LOW PRICES



We find that the

# TOP GAMES ARE MORE BALANCED



# WHAT WE LEARNED



1.14%

of paying customers generate  
30% of sales

Games with bigger selection  
**RECEIVE MORE ORDERS**

Tutorials that introduce in-app items  
**HAVE HIGHER CONVERSION**

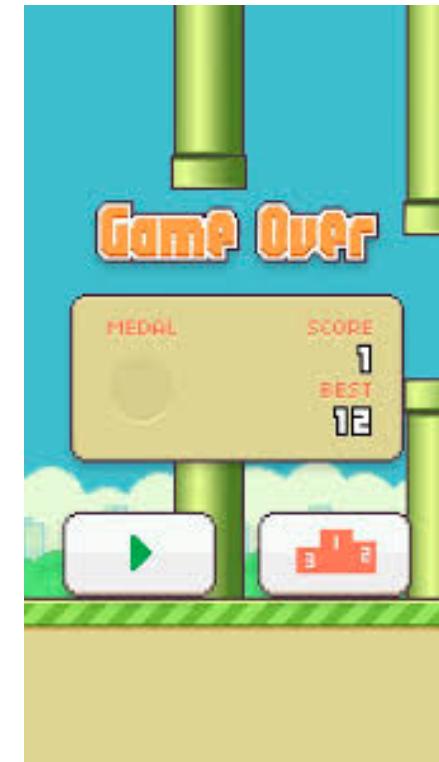
Showing users how to “consume”  
**GETS REPEAT ORDERS**

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.

The image displays two side-by-side screenshots of mobile game leaderboards. On the left is the 'Temple Run' achievement screen, showing various achievements like 'Steady Feet' and 'Money Bags'. On the right is the 'Doodle Jump Plus' leaderboards screen, showing a list of players and their scores.

**Temple Run Achievements:**

- Jun 30, 2012  
Steady Feet  
Ran 2,500m without tripping
- Jun 30, 2012  
1/4 Million Club  
Scored 250,000 points
- 91% complete  
Money Bags  
Collect 1,000 coins
- 77% complete  
5K Runner  
Run 5,000 meters
- 77% complete  
No.Trip.Runner  
Run 5,000m without tripping
- 72% complete  
1/2 Million Club  
Score 500,000 points

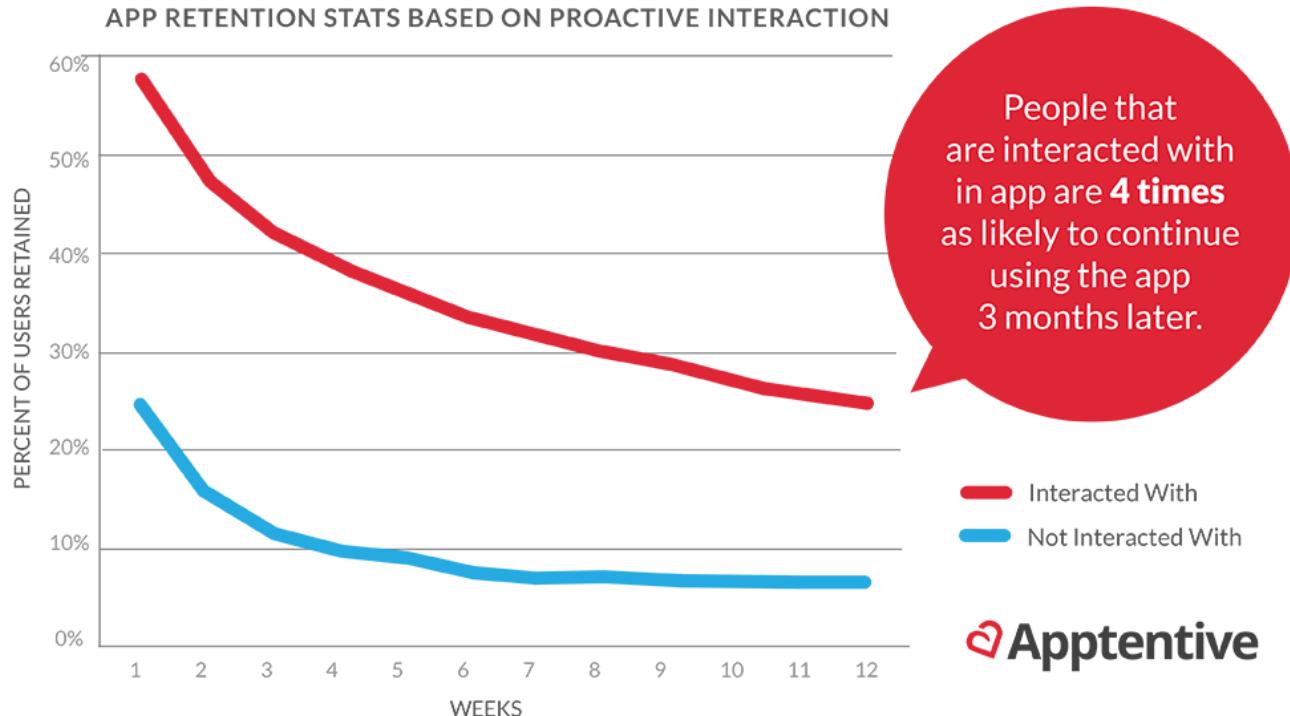
**Doodle Jump Plus Leaderboards:**

Rank	User	Points
1%	onedirectionloveee	37,498 Points
10%	SagaciousCleanChess	22,533 Points
25%	ProfoundInnocentYam	17,909 Points
43%	BoldLucidResolution	13,401 Points
44%	willowysprite	13,011 Points
45%	HotBoricuaBaby	13,005 Points
50%	BusyCivilCreature	11,414 Points
75%	OvertRapidMarabou	5,866 Points
100%	ConvivialRusticGong	209 Points

Leaderboards and Achievements are  
THE MINIMUM BAR FOR  
SOCIAL ENGAGEMENT

# INTERACT WITH YOUR USERS

Active listening and interacting



# BUILD ADVOCATES THROUGH INTERACTIONS

# Example of streaming during development

# SUPPORT ADVOCATES WITH PROMOTION

Give customers a place to show their love for your app

The screenshot shows the Disney Club Penguin website interface. At the top, there's a blue header bar with the Disney Club Penguin logo on the left and a yellow "Play Now!" button on the right. Below the header, there's a navigation menu with links for Membership, Blog, Safety, Parents, Products, Apps, and Help. The main content area is titled "Fan Art" and features several hand-drawn fan art pieces submitted by users. The art includes various characters from the game like penguins, polar bears, and a lion, in various settings like snowy landscapes and underwater scenes. Some drawings include text such as "Famous Penguins" and names like "Gary" and "Rockhopper".

Disney CLUB PENGUIN

Membership Blog Safety Parents Products Apps Help

Play Now!

## Fan Art



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)

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 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

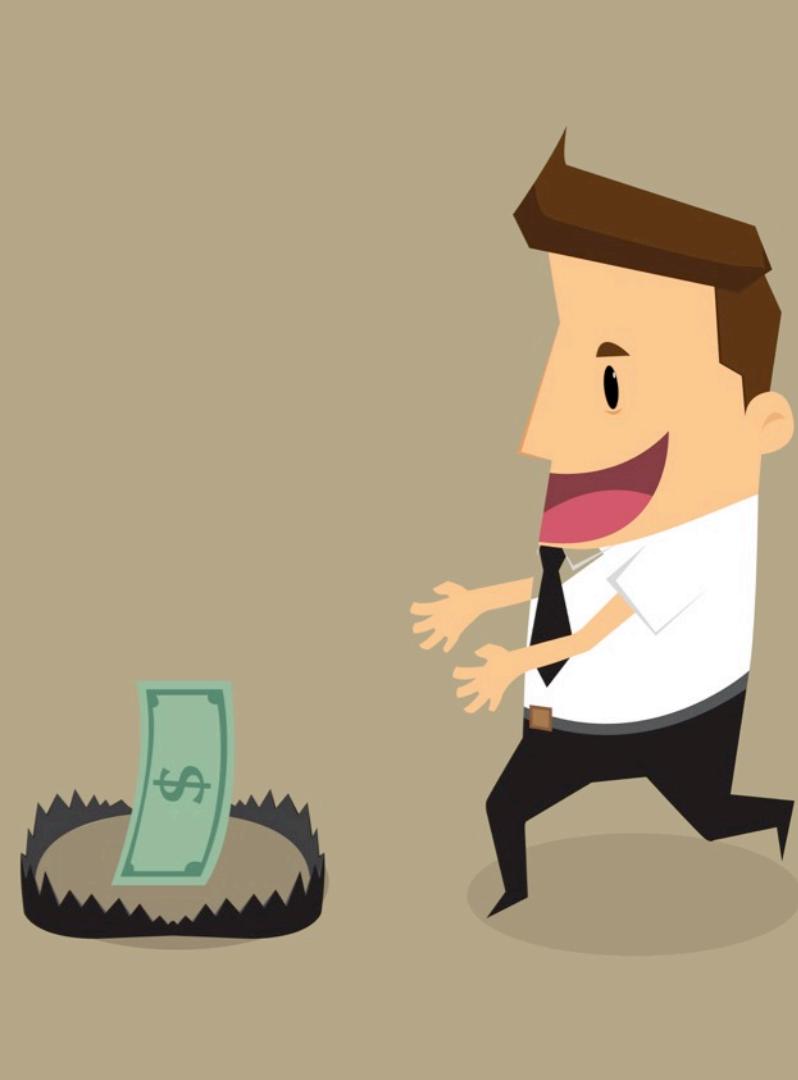
Make sure your IAP catalogs are

## CLEAR ABOUT VALUE



## **EXTRA CONTENT**

# When to run a sale



## When NOT to run a sale SALES CAN HURT IF THEY...

- ...train users to wait for sales
- ...postpone future revenue
- ...don't increase revenue
- ...don't retain users



## How developers make sales work SUCCESSFUL SALES HAVE...

- ...irregular cadence
- ...timing when user inventory is low
- ...ways to absorb new purchases

TRIVIA CRACK

3 Full 3 e 43

New Game

Pending approval

 @allyhines4 You Rival 0 | 0  
Pending approval  
Created 1 day ago

Their turn

 @chines.164 You Rival 0 | 0  
Round 2  
1 day left to play

Finished games

 Terry Sajdak You won! You Rival 6 | 4  
43  
Finished 23 hours ago

 @chines.164 You lost! You Rival 3 | 6  
16  
Finished 1 day ago

## Case Study

# WHAT GOES ON SALE?

Soft currency in terms of real \$

or

IAP items in terms of soft currency?

 HISTORY 22'

Who gave America the Statue of Liberty as a 100th birthday present?

Germany

Britain

France

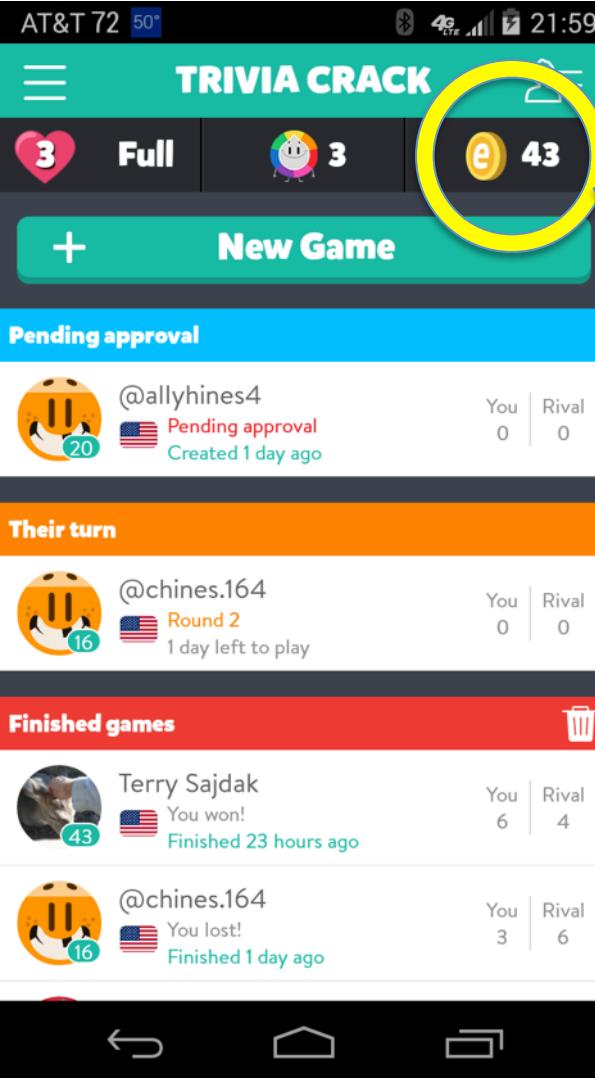
Spain

 0.1  0.5  0.5  0.3

## Case Study

# WHAT GOES ON SALE?

An IAP item and its cost



My Inventory of soft currency

## Case Study

# WHAT GOES ON SALE?



## How developers make sales work **SUCCESSFUL SALES HAVE...**

- ...irregular cadence
- ...timing when user inventory is low
- ...ways to absorb new purchases

Who gave America the Statue of Liberty as a 100th birthday present?

Germany

Britain

France

Spain

0.1 0.5 0.5 0.3

## Case Study

# WHAT GOES ON SALE?

Put IAP items on sale to absorb soft currency inventory

# WHAT WE LEARNED

For Sales without the remorse

**INVENTORY MANAGEMENT IS CRITICAL TO  
SUCCESSFUL SALES**

To absorb in game currency

**INTRODUCE NEW CONTENT FREQUENTLY**

To avoid training users to wait for sales

**TIME SALES USING OBJECTIVE TRIGGERS**



# AnDevCon

The Android Developer Conference

Please take a moment to fill out the class feedback form via the app.

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