

What the top apps do that the rest of us don't

How the Top 50 Succeed With IAP

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INDEPENDENT GAMES
SUMMIT

GAME DEVELOPERS CONFERENCE™ EUROPE
CONGRESS-CENTRUM OST KOELNMESSE · COLOGNE, GERMANY
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Today's Agenda

1. Get out of bed
2. Go to GDC
3. Learn stuff
4. Go back to bed

IAP: Way beyond the item list

TODAY'S AGENDA

How the top 50 did vs. the rest of us

What the top 50 did differently

What you can do

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

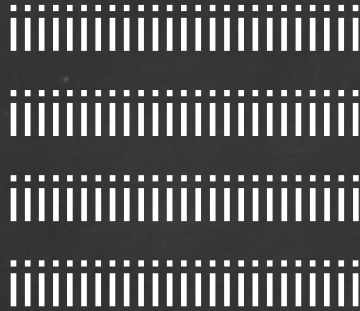
Cohort Analysis

Group **A**: Top-50 Grossing

Group **B**: Rest of Freemium

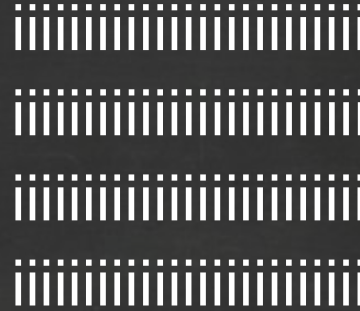
Day 0: Installs

Group **A**: Top-50 Grossing



100 100
install
d

Group **B**: Rest of Freemium



Day 0: Active Users

Group **A**: Top-50 Grossing



58 59
active

42 41
In
active

Group **B**: Rest of Freemium



Day 0: Uninstalls

Group A: Top-50 Grossing



58 59
active



18 13

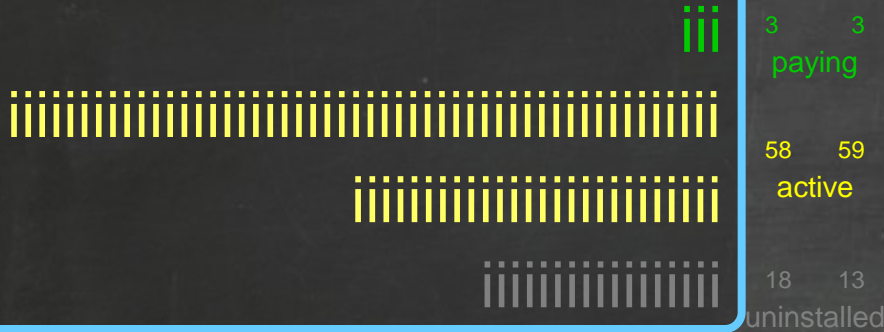
uninstalled

Group B: Rest of Freemium

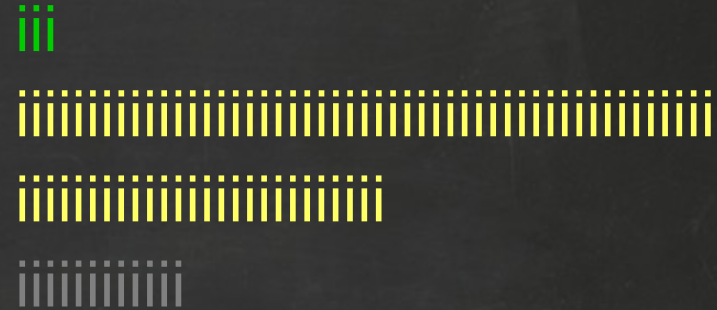


Day 0: Paying Users

Group **A**: Top-50 Grossing

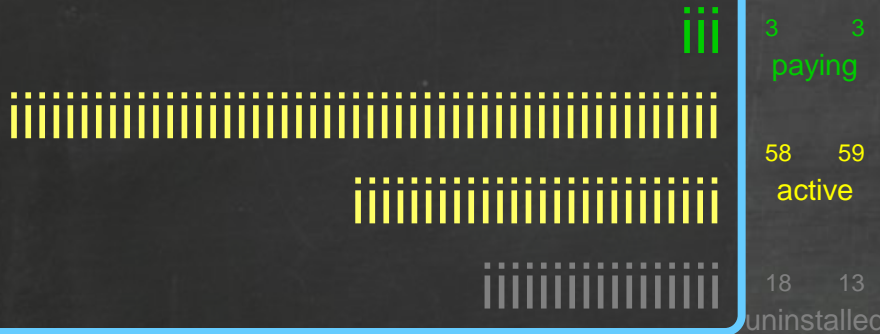


Group **B**: Rest of Freemium

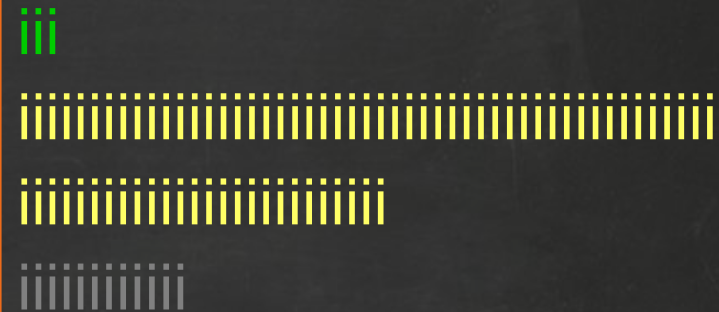


Day 0: Engagement

Group **A**: Top-50 Grossing

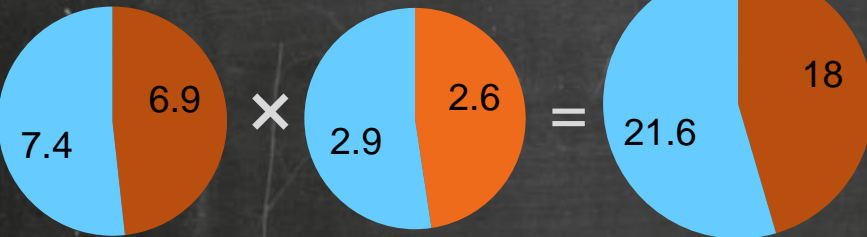


Group **B**: Rest of Freemium



avg. session length
(minutes)

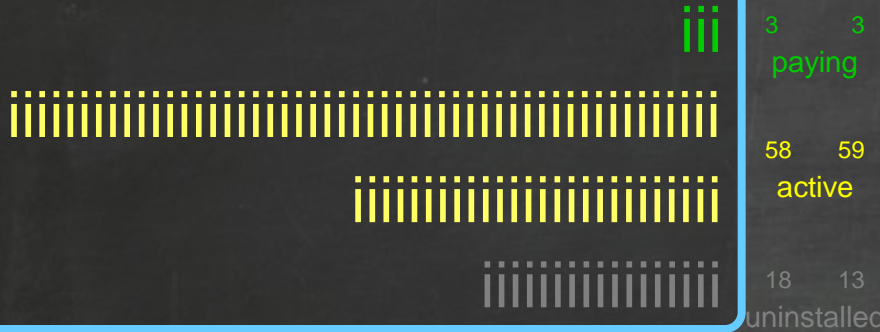
session length / active
(minutes)



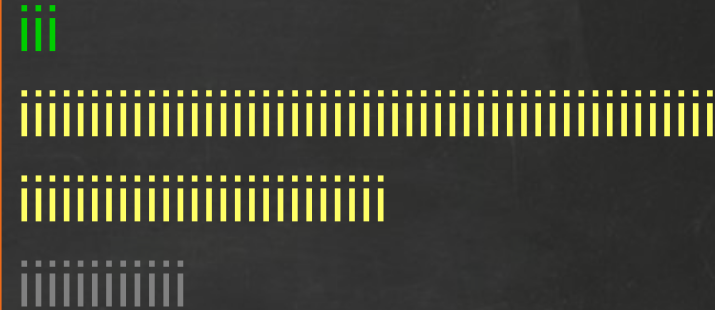
of sessions / active

Day 0: Revenue

Group **A**: Top-50 Grossing

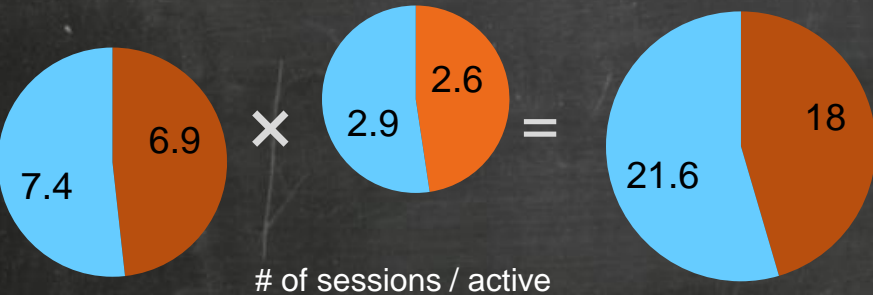


Group **B**: Rest of Freemium



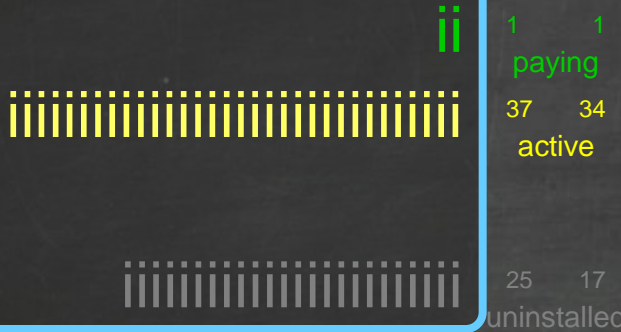
avg. session length
(minutes)

session length / active
(minutes)

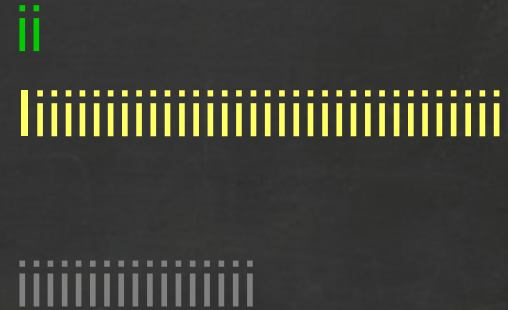


1 Day Later...

Group **A**: Top-50 Grossing

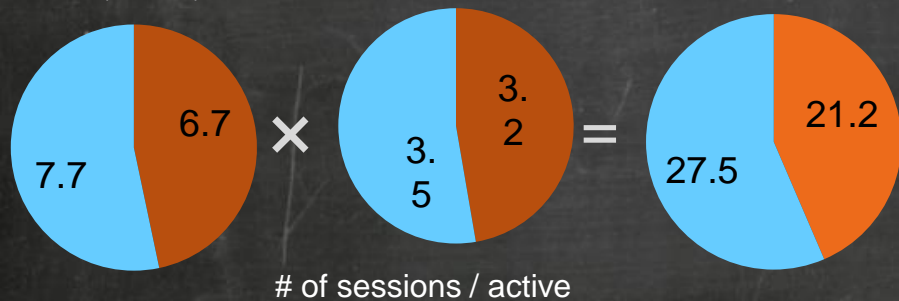


Group **B**: Rest of Freemium



avg. session length
(minutes)

session length / active
(minutes)



3 Days Later...

Group **A**: Top-50 Grossing



23 19
active



28 19
uninstalled

Group **B**: Rest of Freemium



avg. session length
(minutes)

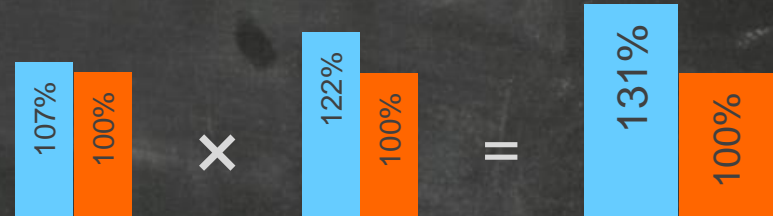
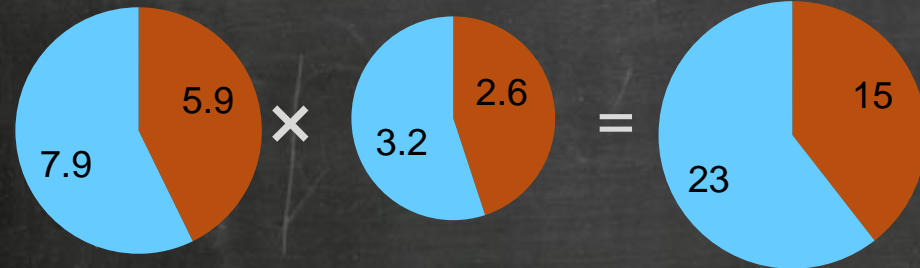
session length / active
(minutes)

of sessions / active

of items / paying

avg. selling price

ARPPU



1 Week Later...

Group **A**: Top-50 Grossing



18 14
active



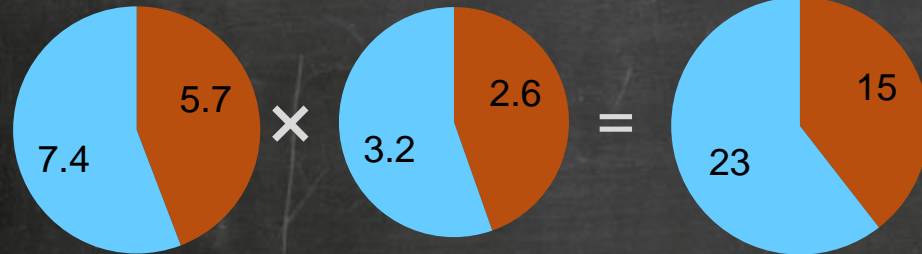
32 20
uninstalled

Group **B**: Rest of Freemium



avg. session length
(minutes)

session length / active
(minutes)



of sessions / active



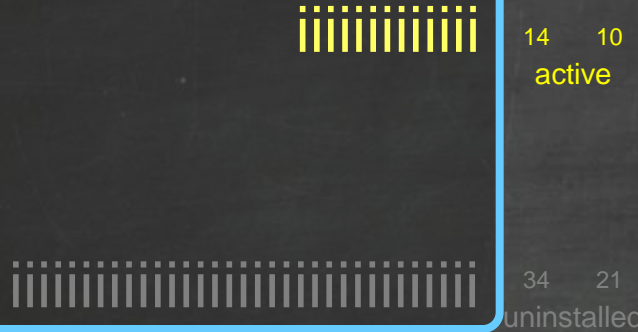
of items / paying

avg. selling price

ARPPU

2 Weeks Later...

Group **A**: Top-50 Grossing

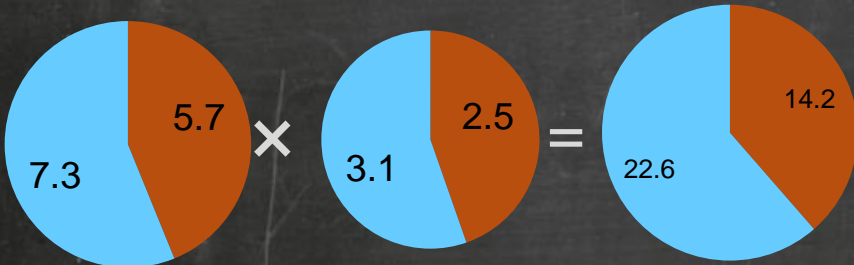


Group **B**: Rest of Freemium

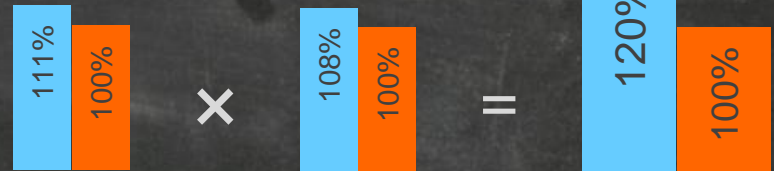


avg. session length
(minutes)

session length / active
(minutes)



of sessions / active



of items / paying

avg. selling price

ARPPU

1 Month Later...

Group **A**: Top-50 Grossing

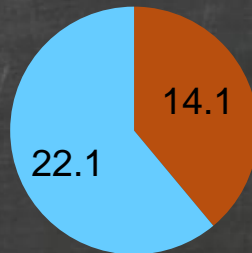
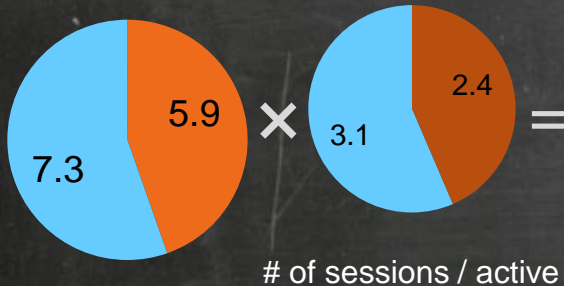


Group **B**: Rest of Freemium

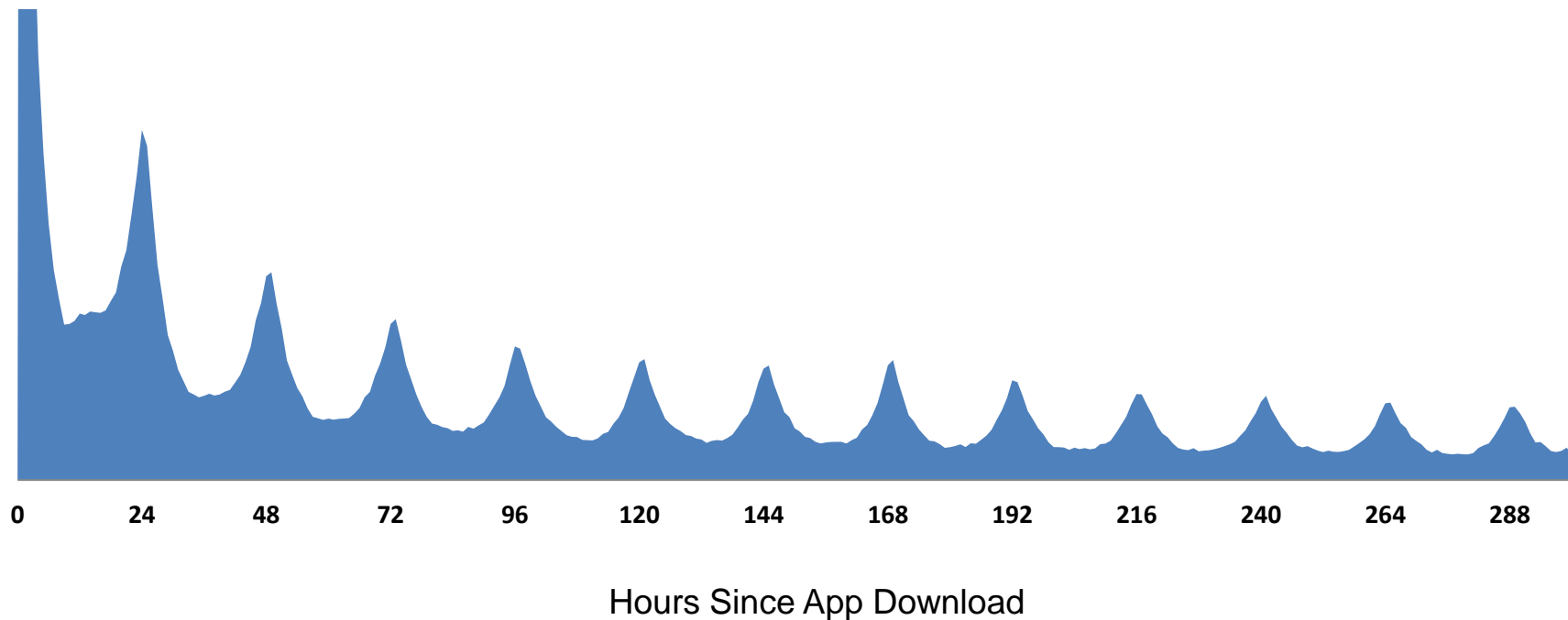


avg. session length
(minutes)

session length / active
(minutes)



IN-APP PURCHASING BY HOUR



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

GIVE THEM A
REASON TO
COME BACK



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

MAKE IT
EASY TO
COME BACK



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

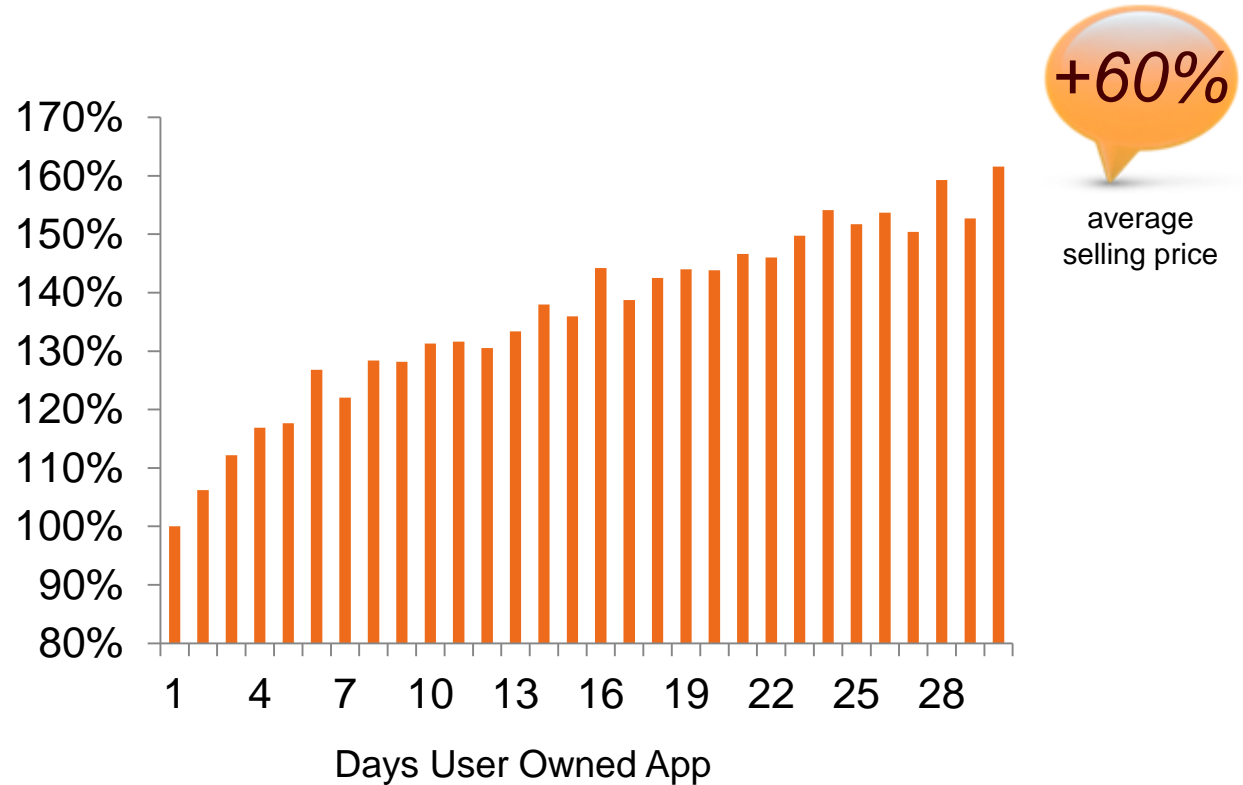
ENGAGE
CUSTOMER
EARLY

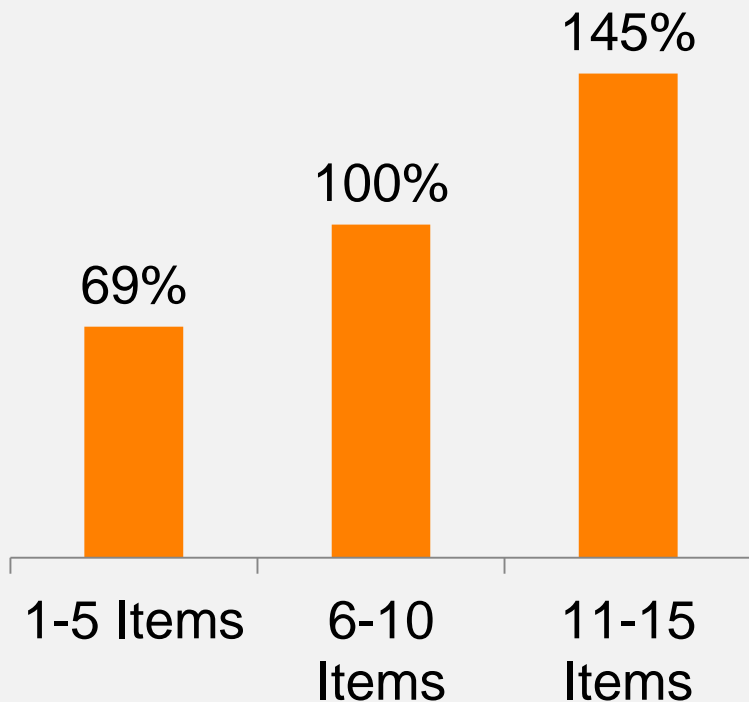


37% of users who will purchase, purchase
on the first day

THE TOP DEVELOPERS KNOW THE NUMBERS

PRICE INCREASES OVER TIME





ARPPU by # of IAP items for sale

Games with bigger selection

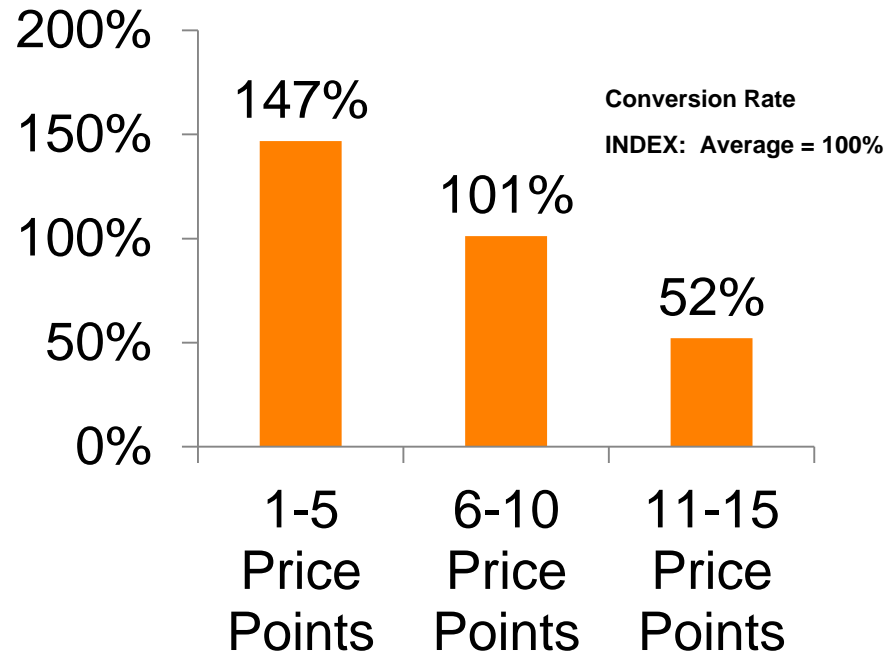
RECEIVE MORE ORDERS PER CUSTOMER

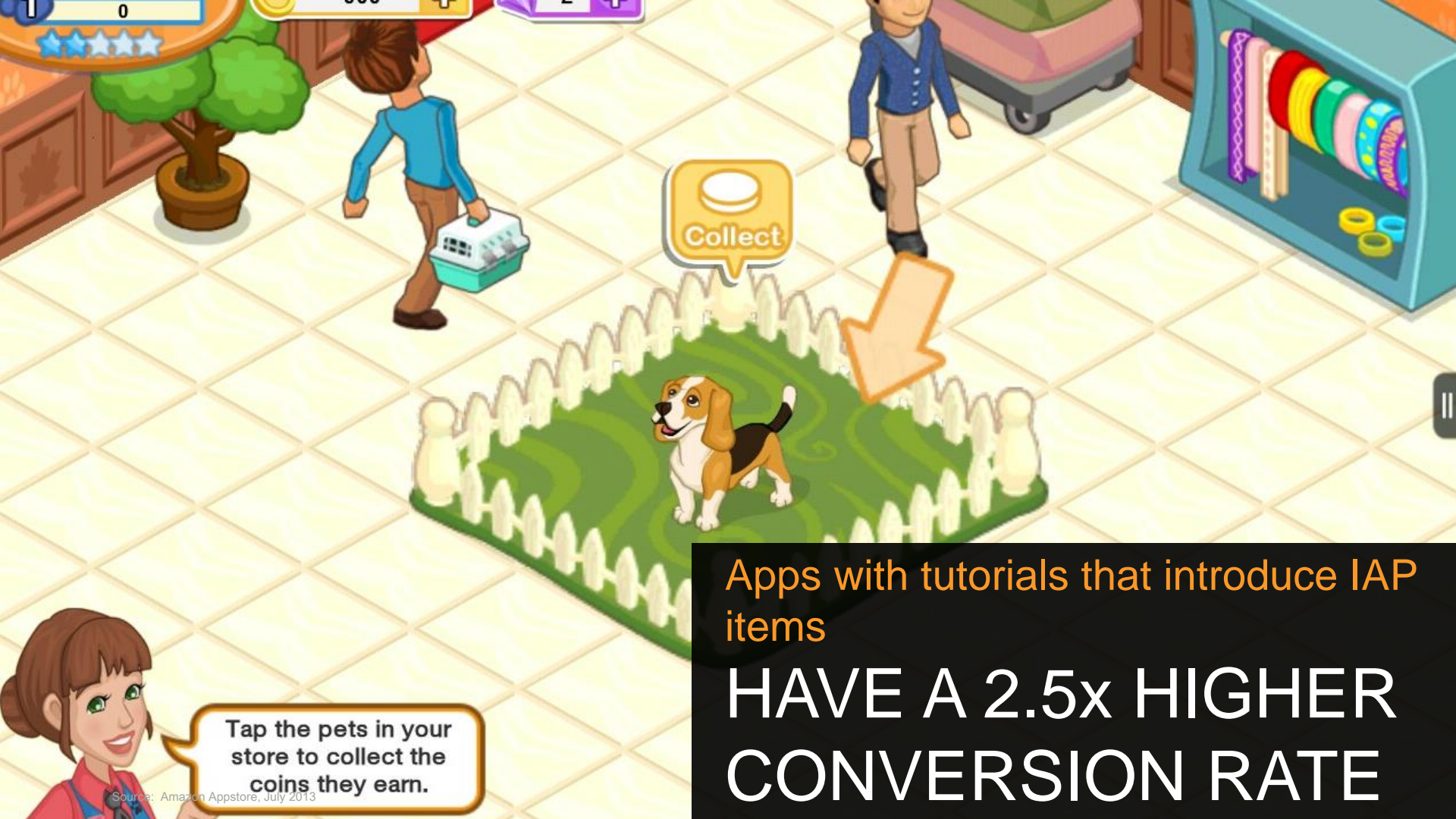
Developers that add new items regularly are able to re-engage their paying customers. 1.14% of the customers generate 30% of sales.



Don't confuse your customer

OFFER VARIETY, BUT NOT TOO MUCH



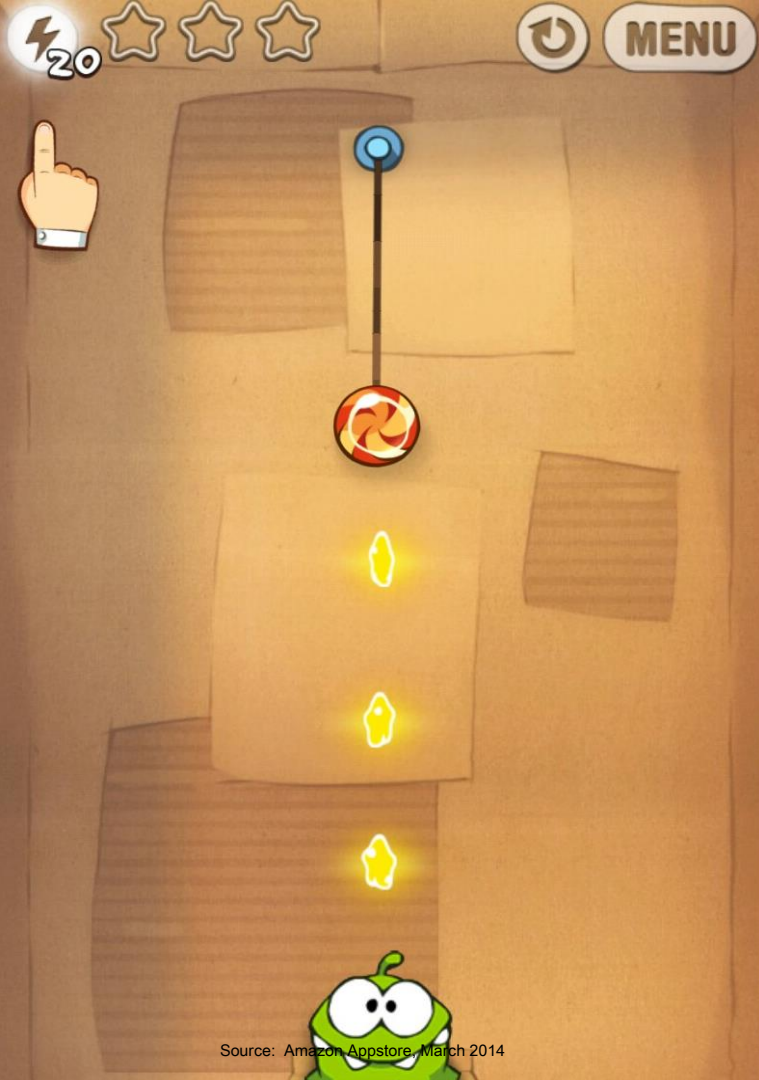


Tap the pets in your store to collect the coins they earn.

Source: Amazon Appstore, July 2013

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.



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.

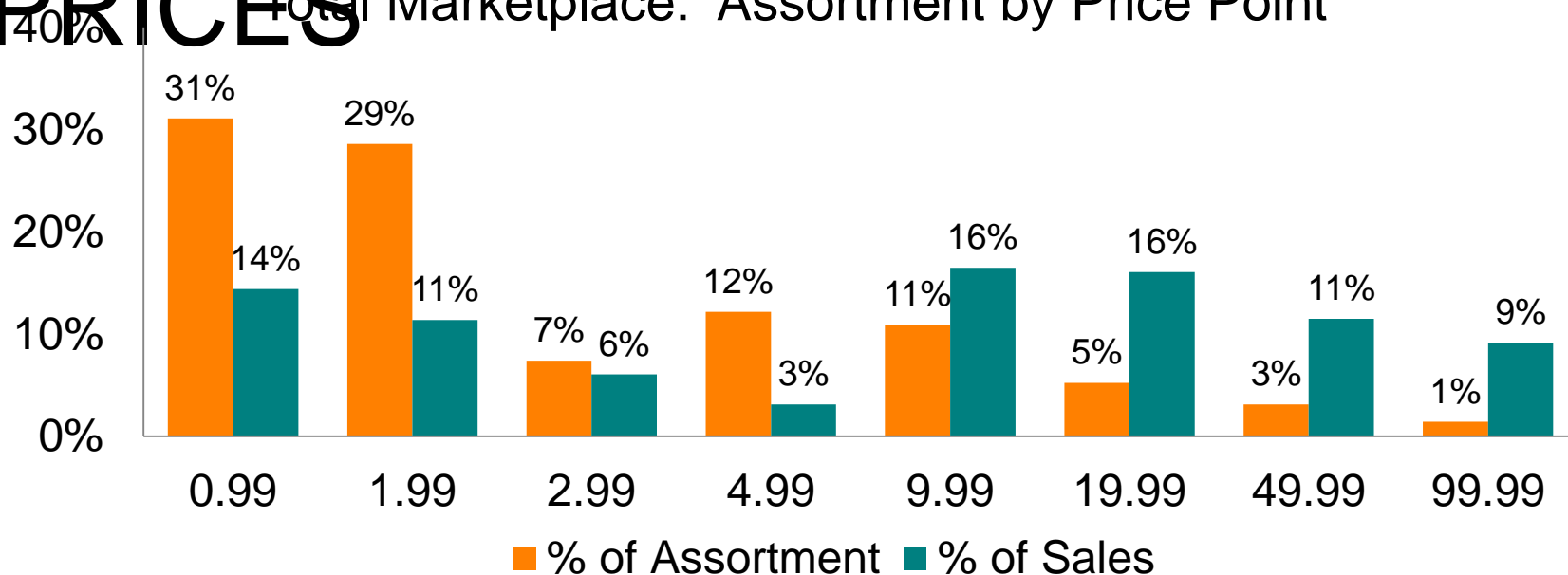
Apps that made it easy to shop

INCREASED REVENUE 75% (ARPPU)

Most of us have too much

CONCENTRATION ON LOW PRICES

Total Marketplace: Assortment by Price Point

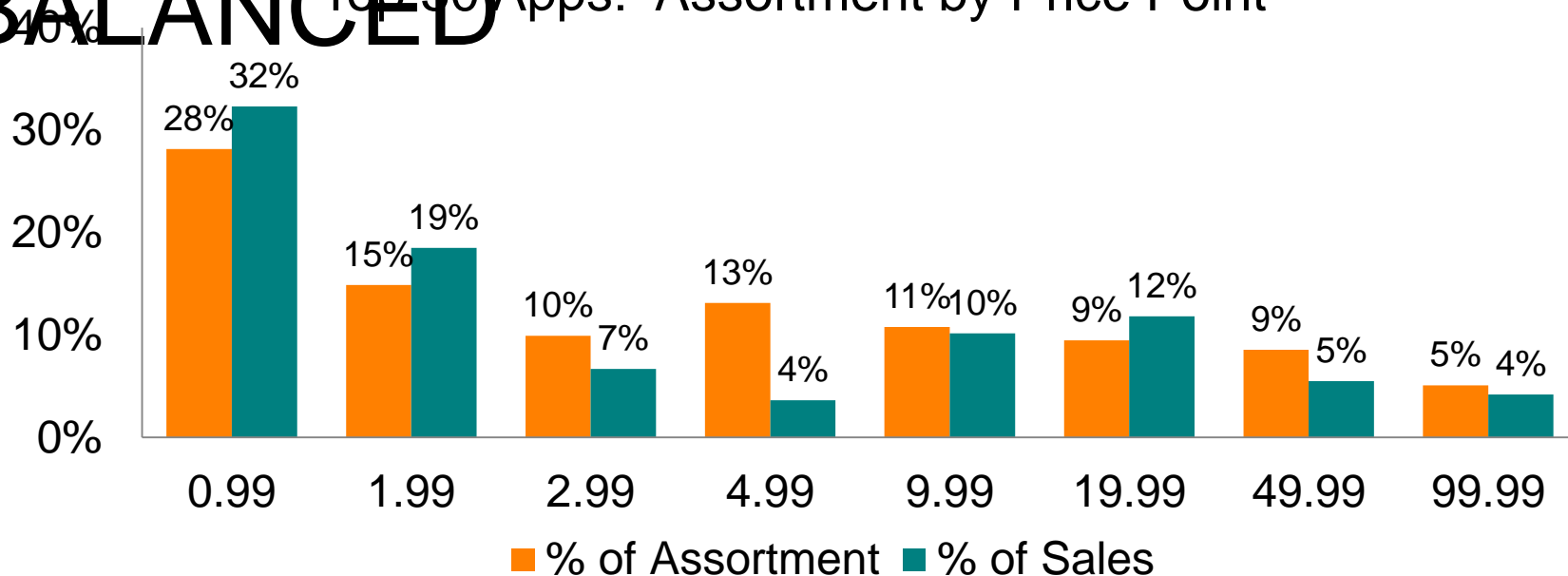


We find that the

TOP GAMES ARE MORE

BALANCED

Top 50 Apps: Assortment by Price Point



WHAT WE LEARNED



1.14%

of paying customers generate
30% of sales



+60%

Increase average
selling price over 30 days

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

How you can increase session
count and minutes per session

REDUCE BARRIERS TO FREQUENT





Tuning Game Difficulty

WILL ENCOURAGE LONGER SESSIONS

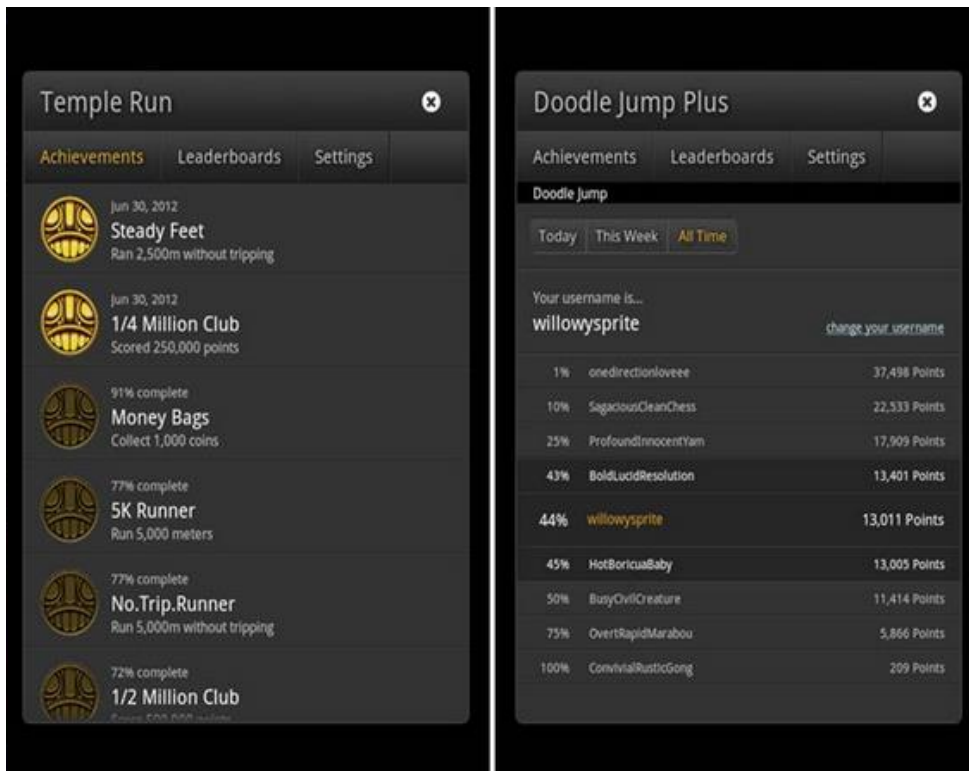
Too hard, and users will abandon. Too easy, and they can get bored. Just right, and it becomes addictive!



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**



Hosting Special Events

WILL ENCOURAGE MORE ENGAGEMENT

Offering special levels and unique item rewards during a specific time window will generate excitement and participation.



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.

To be in control,

HAVE A LOT OF LEVERS

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



amazon



Market your app to all customers BE IN ALL THE STORES

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

<https://developer.amazon.com/public/resources/marketing-tools>

WHAT WE LEARNED

Add social and tweak app design and behavior to

**INCREASE TIME AND COUNT OF
SESSIONS**

Cater to your best customers with clear value

DIFFERENTIATE YOUR IAP CATALOG

See behind the scenes and give yourself levers

IMPLEMENT ANALYTICS AND A/B TESTING



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