Who Am I?

- Founder and CEO of Iron Horse Games

- Former VP of Publishing at Kongregate

- Worked on F2P titles since the days of Myspace

- Experience with a broad range of genres

Who is this for?

- Small Teams!
  - Small teams or solo developers

Who is this not for?

- Human Calculators!

Why Model At All?

- Stifles the creative process
- This is a side project so I don't need the title to make revenue
- There are too many variables to get an accurate forecast anyway so it's going to be WRONG!
- Well...I'm not a math wizard

Don't Constrain Me With Money Talk SUIT FACE

- Creation of Boundaries is Important! It can help to answer the following questions:

  - How much time should you spend making it?

  - How long should you live operate it?

  - Which features should I build?

Don't Go Overboard

- Financial Projections shouldn't be your only consideration

This is a side project…I don't need it to make money!

- What about…
  - Art
  - Sounds
  - Localization
  - Marketing
- You can budget these in relation to the potential revenue generated on the project

Too Complicated and Probably Wrong

- "No battle plan survives contact with the enemy"
  - Helmuth von Moltke
- "In preparing for battle I have always found that plans are useless but planning is indispensable"
  - Dwight D. Eisenhower

Lack of Math Wizardry

- You don't need to be a math wizard! Ultimately, for your model to be reliable, it has to be built on strong assumptions as opposed to complex mathematics.
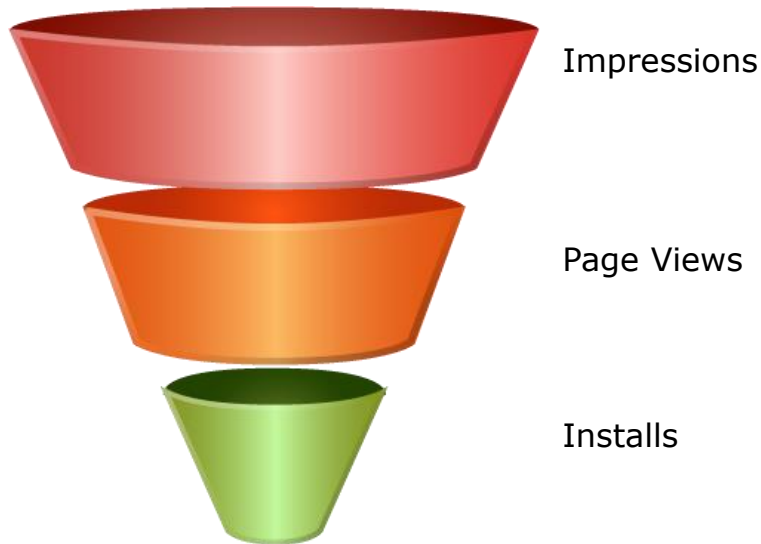
How Does One "Model"

- The key metrics that you're going to need to start ARE:
  - Installs!
  - Retention (Day 1, 7, 30)
  - ARPU (Average Revenue per User)

The Funnel of Endless Sadness

- Impressions
  - All of the people who saw your icon
- Page Views
  - All of the people who saw your landing page
- Installs
  - Everyone who installs your game

Impressions

Page Views

Installs

You can't spell Installs without Impressions…

- With a great feature, you can get upwards of 100 MILLION Impressions!
  - The more countries you are featured in, the better the feature position, the more impressions you get
  - Main Page > Game Page > Sub-Category Page
- With an okay feature, you can get upwards of 50M Impressions!
- With no feature, you can get … NOTHING!

Page Views

- Real Talk…you are going to be lucky to see 2-3% of those impressions hit your landing page.
  - This is a pretty standard Click Through Rate (CTR) for a marketing campaign…and it applies to the App Stores as well.
- At this stage, about 1.25 million folks are still coming to your landing page! That's still a huge number, right MIKE?!

Installs...Prepare to be Judged.

- Alright, your prospective users have made it through the gauntlet. For the first time ever, they are going to see the information that you've presented on your game! How exciting!

- 80-95% of them won't give you a chance!

- That's right...take your over 1 MILLION users and whittle them down to a cool 250,000. And that's if you have a F2P game.

- For a premium title, you are looking at .5% to 3%

No Feature, Big Problem.

- You get nothing.
  Low impressions,
  lower pageviews,
  trivial installs,
  infinite sadness.

Day 1 Retention...More Funnels

- A typical D1 range for mid-core and hardcore games is between 25% and 40%
  - Depending on your genre!
- What's you should know is that for most titles, there is an absolute free FALL between D1 and D3 and that most games have a D7 retention that is less than half of their D1 retention.
- The good news is that if your users have made it through with you past D7...you are only going to lose about half of them by D30!
  - Note: if you're wondering where on the spectrum you fall...look at how broadly appealing the genre you are working with...or drop me an email!

D1

D7

D30
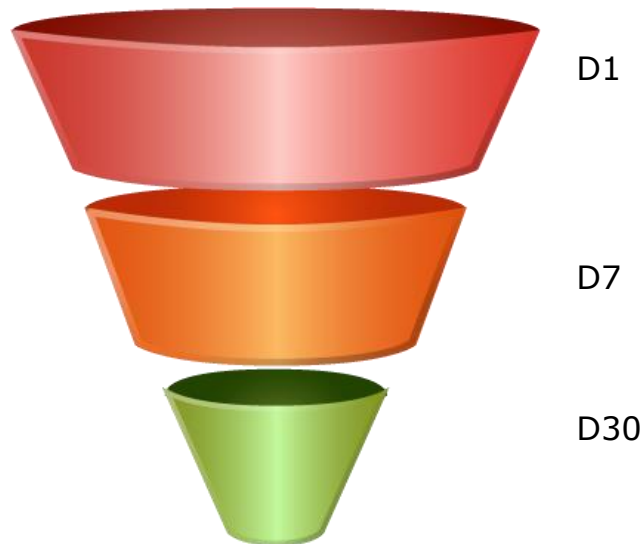
ARPU!

- Conversion Rates
- ARPPU
- ARPDAU

Conversion Rates

- 1-3%
  - Depending on the Genre
  - Depending on the Aggressiveness of your Monetization

ARPPU

- If someone is going to buy, how much will they spend on average?

ARPU

- Calculate Revenue per User using your projected installs

Idle Armies!

Where Was I Wrong?

- Installs (almost 3x what I'd forecast)
    - Much Bigger Feature driven by Impressions (can't control)
    - CTR (very strong)
    - CVR (very strong)
- Revenue: wrong on ARPU
    - Off on In Game Monetization
    - Low on Ad Rev

Where was I Right:

- D30
    - Strong D30 Retention driven by Idle Mechanisms
- Forecasting for only one feature
    - Strong assumption is to forecast the worst case scenario

Conclusion

- Worst case scenario doesn't ALWAYS happen…just most of the time.

- How to work this into your decision making?