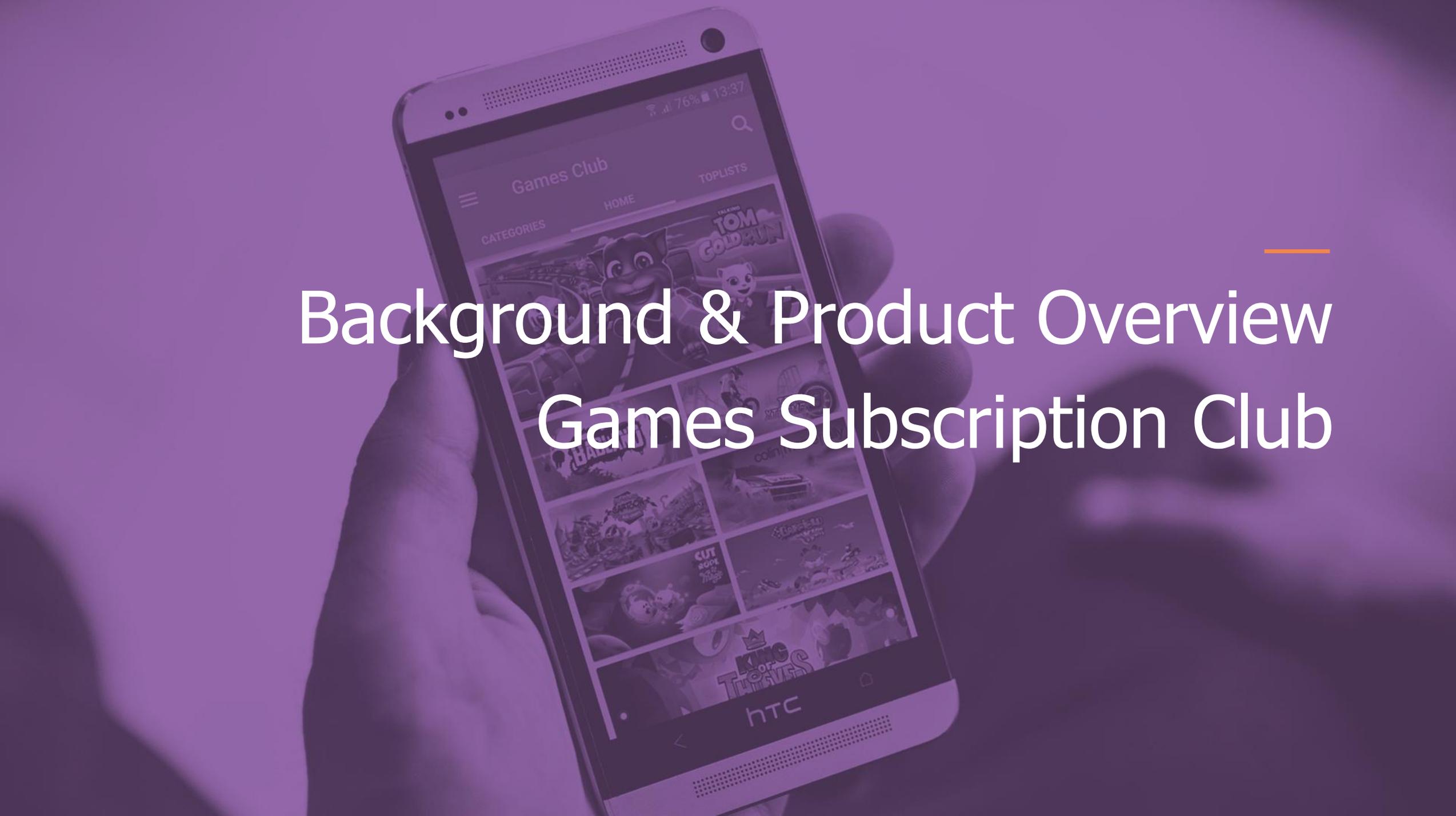# Agency / Marketing Brief
Games Subscription Club

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⛰️ Objectives & KPIs
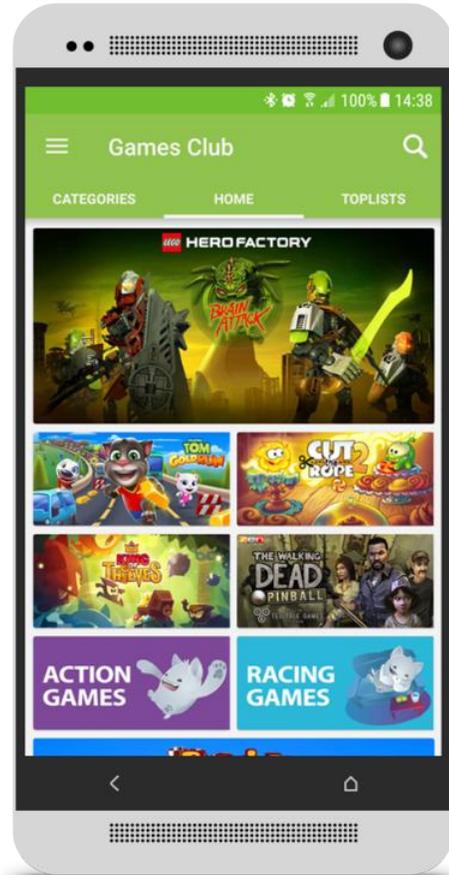
🦑 KPI Facts for Games Clubs in Other Countries

🔍 Scope

Background & Product Overview
Games Subscription Club

Games Subscription Club

Introduction

We offer The world's most popular Games as a Subscription Service

The Games Subscription Club is just like Netflix and Spotify, but with the best games. Consumers pay a fixed recurring fee and gets unlimited access to the games they love. We have removed all the negatives such as advertisements, timers, locks, requirements to do in-app purchases, etc.

Games Subscription Club
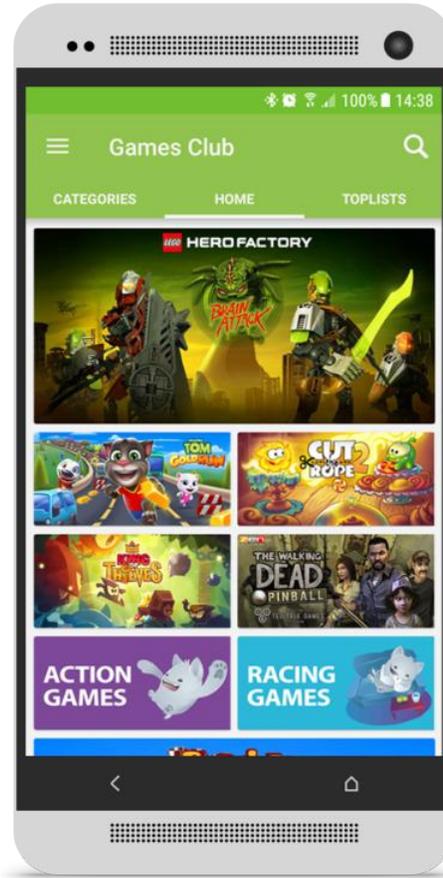
Consumer Value Proposition

The Best Games
Full versions. Ads removed, free in-app purchases

No Waiting
Endless gaming, no timers

Unlimited Fun
≈400 games. All included

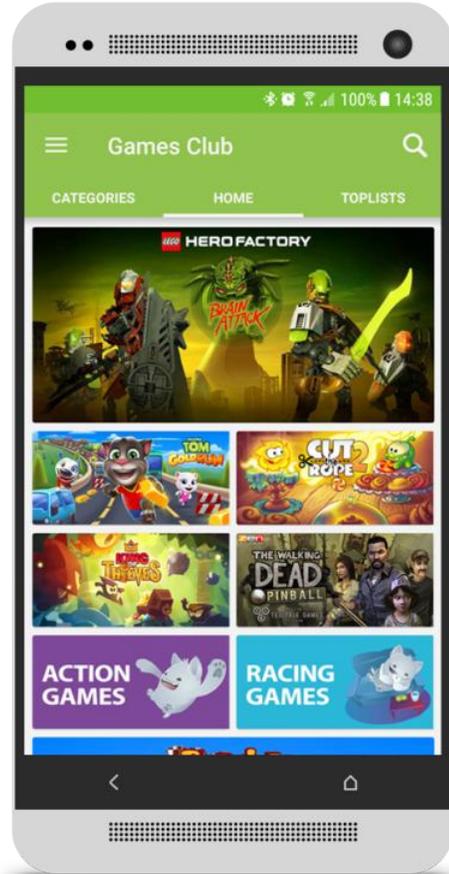**Free Trial**
Join free, cancel anytime

Games Subscription Club
Consumer Value Proposition

All You Can Eat Business Model
The consumers pay a daily / weekly / monthly fee and can install and play all games unlimited

The World's Most Popular Games
All games are handpicked, quality tested and have proven popularity all over the world

High Quality Solution
Competing solutions are low quality games and experience. We deliver top notch quality and experience

Games Subscription Club

Game Catalog

The Games Club contains 400 titles and we are continuously adding 10 titles per month.

Popularity of games is measured via App Annie Statistics (the biggest statistics tool for mobile apps and games world wide).

We manually test each title to ensure that they:

- ✓ Are running as expected
- ✓ Does not contain ads or in-app purchases
- ✓ Is truly amazing and ads value for the end user

Each title is also scanned for malware/virus.

Games Club Titles: 400*

Category	Titles
Action	40
Adventure	45
Arcade	45
Brain & Puzzle	60
Casual	37
Kids	90
Racing	35
Sports	28
Strategy	20
Total	**400**

Value of Game Catalog: $1,200

34% — **Reached Rank #1****

100% — **Reached Rank #100****

THE MATH BEHIND THE APP STORES — App Annie

* **Some titles** need channel approval and Minimum guarantee fee.

** **Rank is defined** by App Annie's highest ranking within the game's category (e.g. Action, Strategy, Racing, etc.)

Titles Great for Marketing that
Casual Gamers Love

Titles

Casual Gamers Love

Table Top Racing

Rank
#1 in **89 countries**

Rating
4,3 of **5**

Downloads
10,000,000

Link to Graphics

Talking Tom Gold Run

Rank
#1 in **84 countries**

Rating
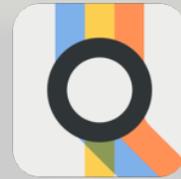**4,6** of **5**

Downloads
500,000,000

Link to Graphics

Mini Metro

Rank
#1 in **99 countries**

Rating
4,8 of **5**

Purchases
100,000

Link to Graphics

Colin McRae Rally

Rank
#1 in **93 countries**

Rating
4,0 of **5**

Purchases
500,000

Link to Graphics

Cut The Rope Series

by Zeptolab

ZeptoLab is best known for the game "Cut the Rope". The "Cut The Rope series" has been downloaded over 800,000,000 times since their initial release

Cut The Rope	**500M**
Cut The Rope 2	**100M**
Cut The Rope Magic	**50M**
Cut The Rope Experiments	**50M**
Cut The Rope Timetravel	**100M**

Link to Graphics

Badland

by Frogmind

BADLAND

#1 DOWNLOADED GAME IN 83 COUNTRIES

21,625,000 PLAYERS WORLDWIDE

PLAYING TIME 4,726 YEARS

4.7 APP STORE AVERAGE RATING
★★★★★

35 BILLION TOTAL CLONES DIED
71 262 000 CLONES DIE DAILY

Link to Graphics

Bus Rush

by Play365

The hottest endless runner on the Android market right now is Bus Rush with over 100,000,000 downloads and Rank 1 in 48 countries per App Annie Statistics
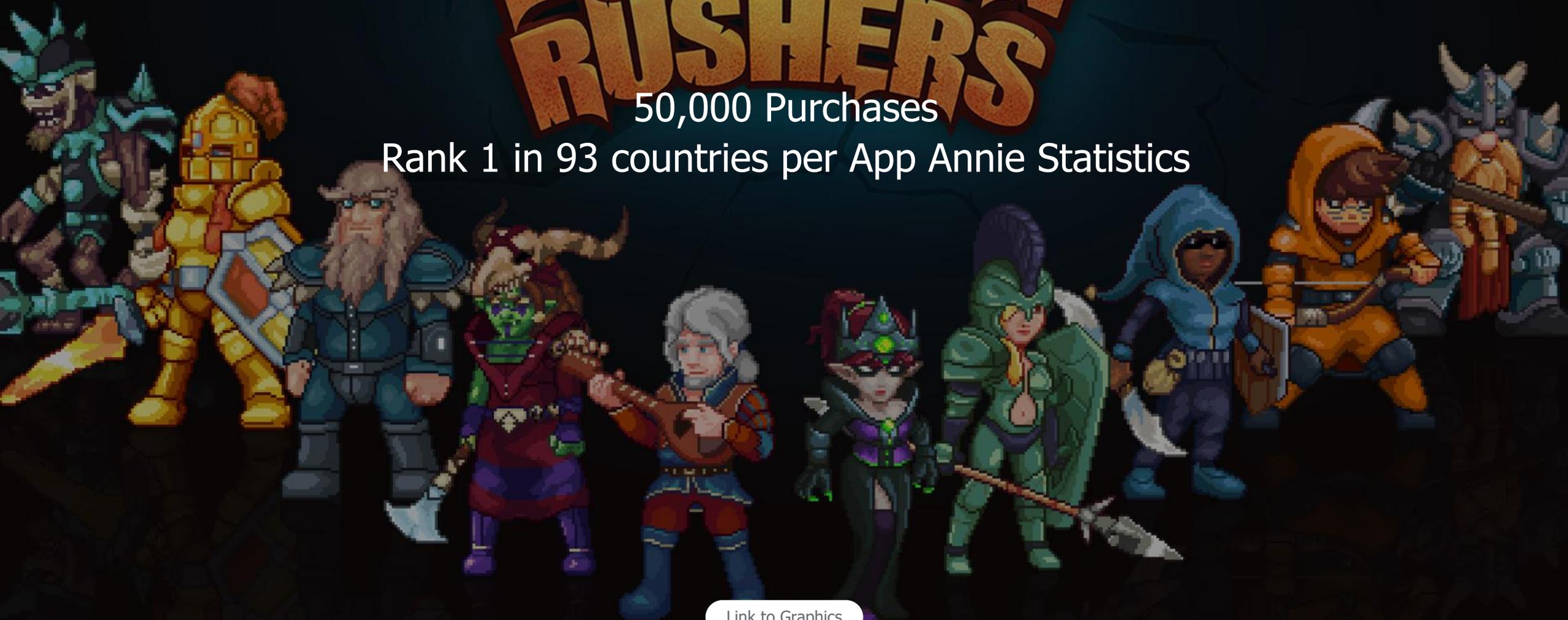
Link to Graphics

Dungeon Rushers

by Mi-Clos Studio

50,000 Purchases
Rank 1 in 93 countries per App Annie Statistics

Link to Graphics

Top Content Providers

Premium Titles Without Ads & In-app Purchases

Target Audience
Casual Gamers

Gamers

Dedication Spectrum & Definition

Casual Gamer

Casual gamers play games designed for ease of gameplay, or play more involved games in short sessions, or at a slower pace than hardcore gamers. Casual gamer demographics vary greatly from those of other gamers, as the typical casual gamer is older and around 50% are female

Core Gamer

A player with a wider range of interests than a casual gamer and is more likely to enthusiastically play different types of games

Hardcore Gamer

Gamers interested in action, competition, complexity, gaming communities, and staying abreast of developments in hardware and software

Source: Wikipedia wikipedia.org/wiki/Gamer

Games Club Customer Profile

Customer Profile - Casual Gamers

The Moment We Want to Play Casual Games

When We Transit, are Waiting or When We Want to Relax, We are Looking for Entertainment

We pick up our phone and choose between Facebook, Instagram, YouTube and other services. The games club is truly fun, pain free and high quality entertainment that men and women are looking for. There is no disturbance, tricks, viruses or crashes. Just the best casual games in the world. As a casual gamer I want selected games that are proven globally to be fun.

Target Consumer

Casual Gamers age 24-55
48% Women

The Moment

Consumer pick up their phone 50-150 times per day. In this moment they sometimes want to play games

Competitors

Entertainment apps like Facebook, Instagram, YouTube, etc.

Customer Profile Games Club

Best Quality Entertainment When I Have Time Over

Job to be Done

Best Quality
Entertainment
When I Have Time
Over Without Pain
or Interruptions.
I Want What is
Proven to be Fun

Gains Consumer are Looking for...

- Best Casual Games
- Full Versions
- Entertaining
- Known Cost
- Selected Content

Pain Relievers

- No Ads or In-App Purchases
- No Virus or Malware
- Quality Tested Games
- No Tricks
- No Social Pressure

Gamers Demographics

Statistics

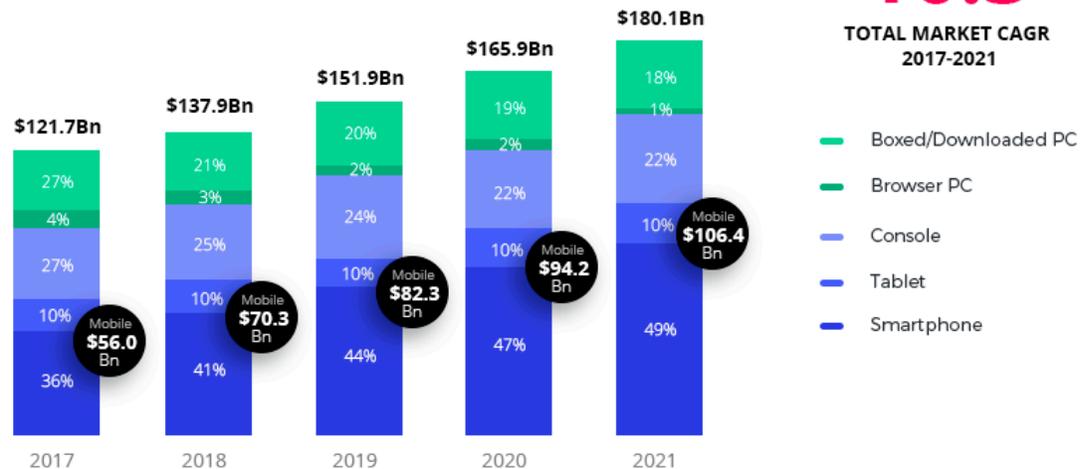# Yes, Almost Everyone Plays Mobile Games – an Estimated 1.9Bn People Worldwide

According to Newzoo

Market Value
10,3% Growth per Year

2017-2021 GLOBAL GAMES MARKET
FORECAST PER SEGMENT TOWARD 2021

+10.3
TOTAL MARKET CAGR 2017-2021

- Boxed/Downloaded PC
- Browser PC
- Console
- Tablet
- Smartphone

In 2021
The total games market is expected to be $180.1 Bn*. The **mobile games** market is estimated to be **$106.4 Bn** or **59%** of the global market.
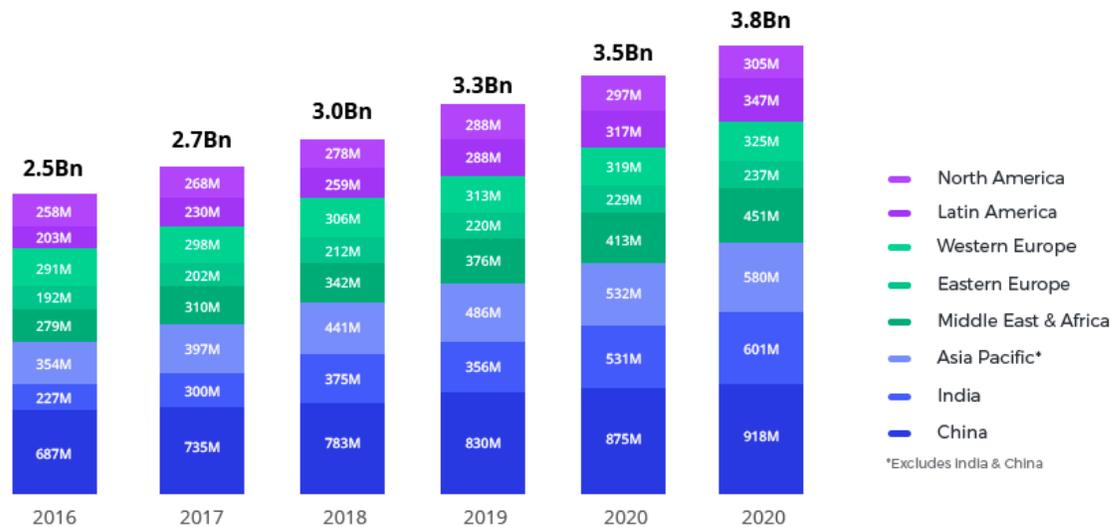
*Statistics from Newzoo Global Mobile report www.newzoo.com

Market Value

3 Billion Active Smartphones

3.0BN ACTIVE SMARTPHONE USERS GLOBALLY

ACTIVE SMARTPHONE USERS PER REGION | 2016-2021

Smartphone Users
The number of smartphone users globally will reach **3.0 billion*** this year, and **3.8 billion by 2021.**
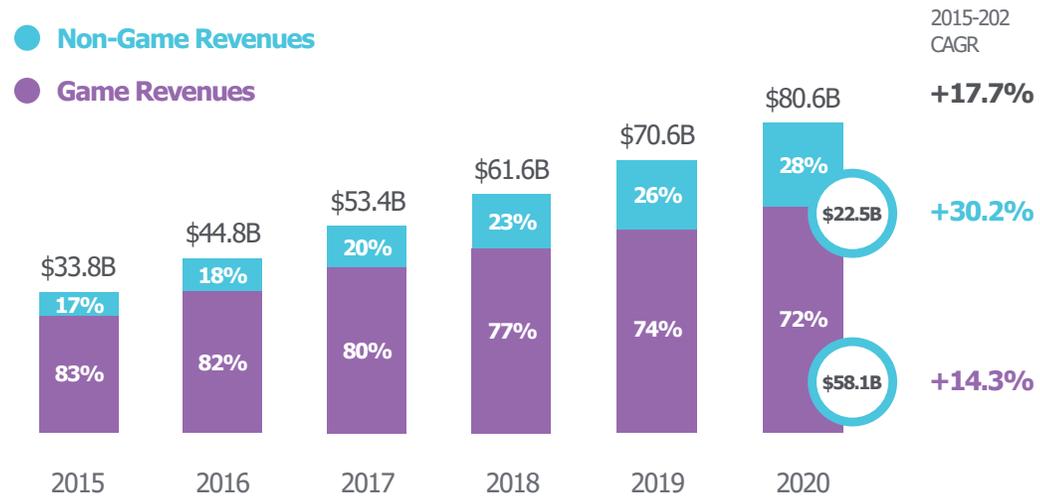
*Statistics from Newzoo Global Mobile report
www.newzoo.com

Market Value

Global App Revenue: 82% Games

Global App Store Revenues

2015-2020 | Game & Non-Game Revenue Split | 2015-202 CAGR

● **Non-Game Revenues**
● **Game Revenues**

2015-202
CAGR

+17.7%

$33.8B	$44.8B	$53.4B	$61.6B	$70.6B	$80.6B
17%	18%	20%	23%	26%	28%
83%	82%	80%	77%	74%	72%
2015	2016	2017	2018	2019	2020

$22.5B **+30.2%**

$58.1B **+14.3%**

Source: 2016 Global Mobile Market Report - Newzoo

$44.8B Global App Revenues

Global direct consumer spending on apps reached $44.8 billion in 2016 and will grow to $80.6B by 2020. The share of app revenues from games is expected to decrease from 82% to 72% in the same period
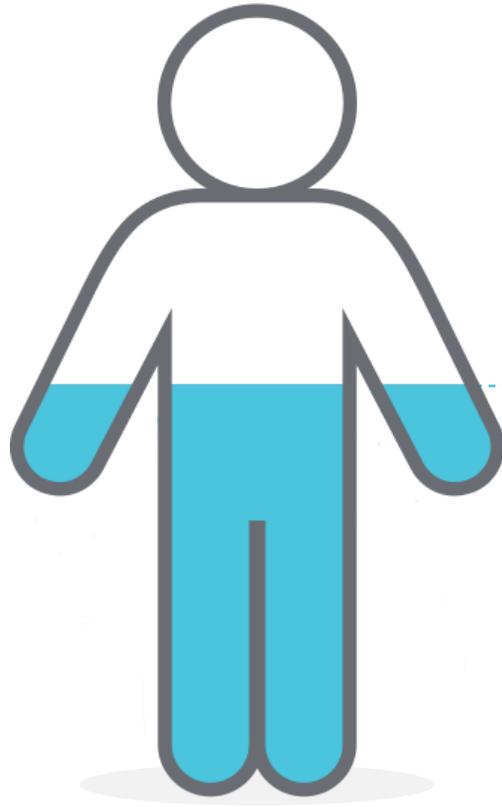
Male vs. Female
Source: Newzoo 2017 | 16 Countries

Mobile Games are Almost Equally Popular Among Men and Women
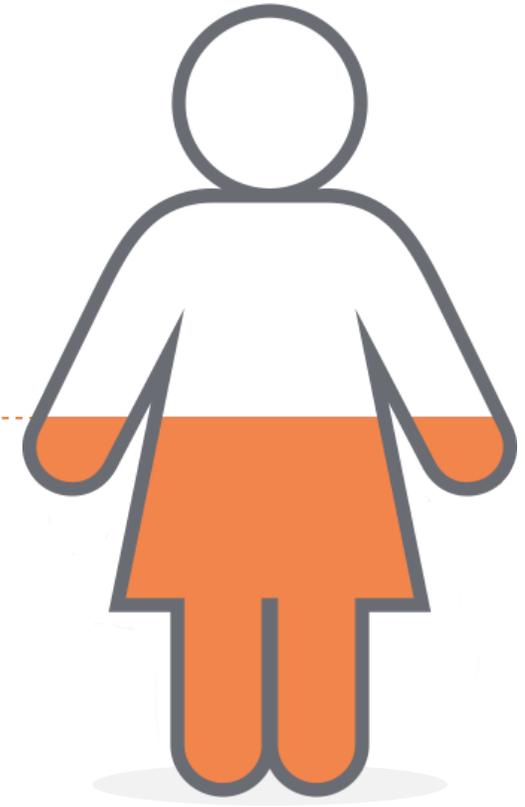
Source: https://newzoo.com/insights

Countries in Research: United States & Canada, United Kingdom, Germany, France, Spain, Italy, Netherlands, Belgium, Poland, Turkey, Sweden, Russia, China, Japan, South Korea

52% men

Among those playing mobile games more than once a month 52% are men
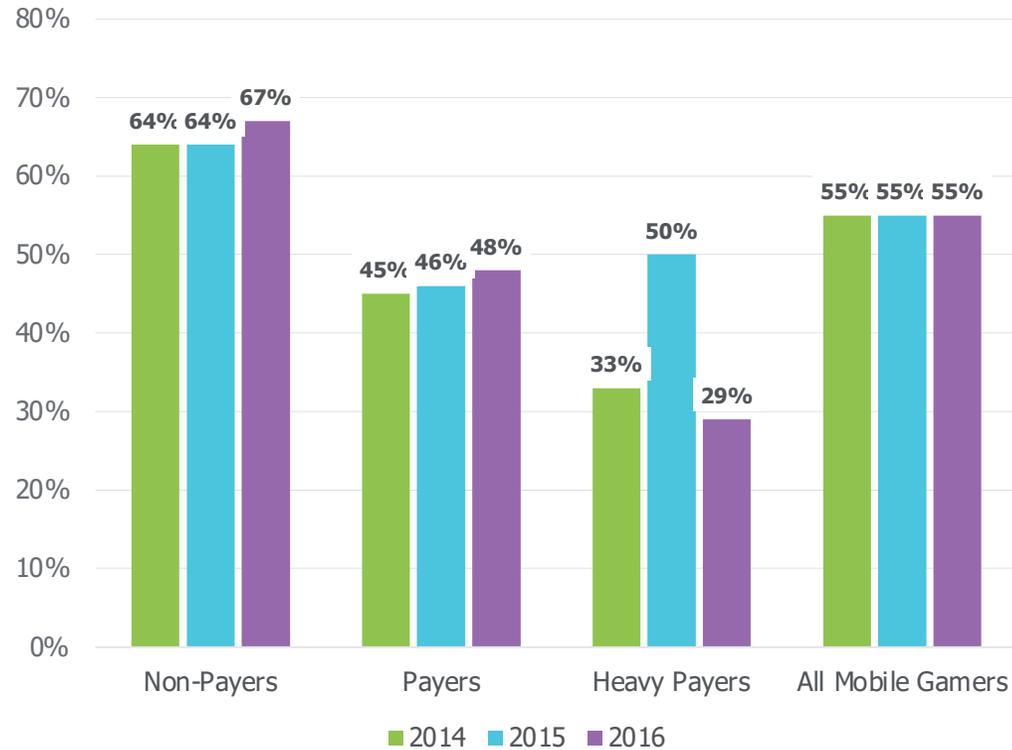
48% women

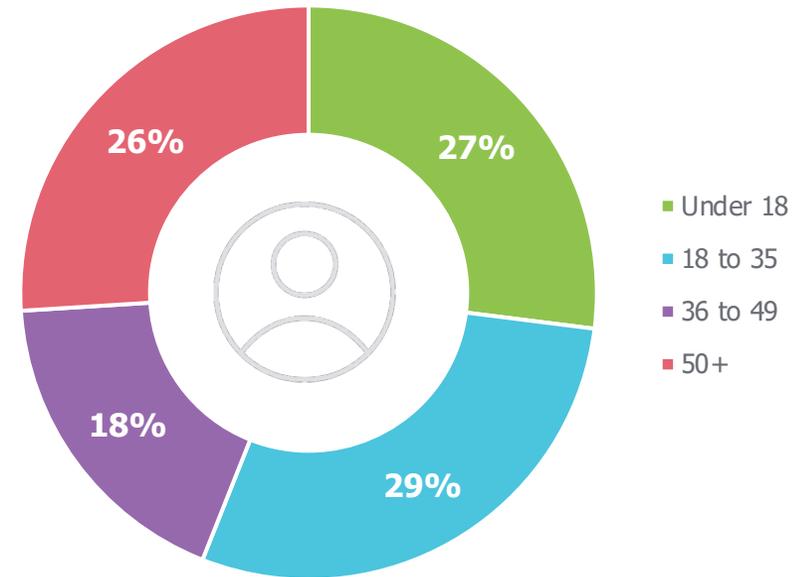Among those playing mobile games more than once a month 48% are women

Male vs Female

Game Industry Data - EEDAR Presentation - North America

Female Gamers by Mobile Spending Segment

2014 – 2015 |NA | Active Mobile Gamers | Age 18+

| Segment	2014	2015	2016
Non-Payers	64%	64%	67%
Payers	45%	46%	48%
Heavy Payers	33%	50%	29%
All Mobile Gamers	55%	55%	55%

■ 2014 ■ 2015 ■ 2016

Age of Game Players

- 27% Under 18
- 29% 18 to 35
- 18% 36 to 49
- 26% 50+

■ Under 18
■ 18 to 35
■ 36 to 49
■ 50+

Source: http://www.neogaf.com/forum

Age Distribution

RealityMine Distribution Gamers

Age Distribution of Mobile Gamers

Source: http://realitymine.wpengine.com

- ■ Age 16 - 24
- ■ 25 to 34
- ■ 35 to 44
- ■ 45 to 54
- ■ 55 to 64
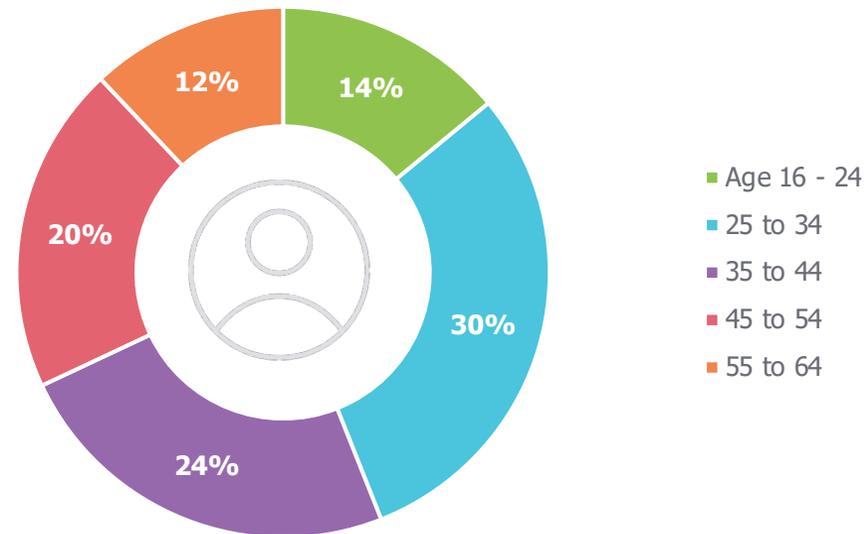
Income

Most Mobile Gamers in the U.S. Earn More than $50,000, with 37% Earning more than $75,000. 42% have Discretionary Income of Between $30-50,000
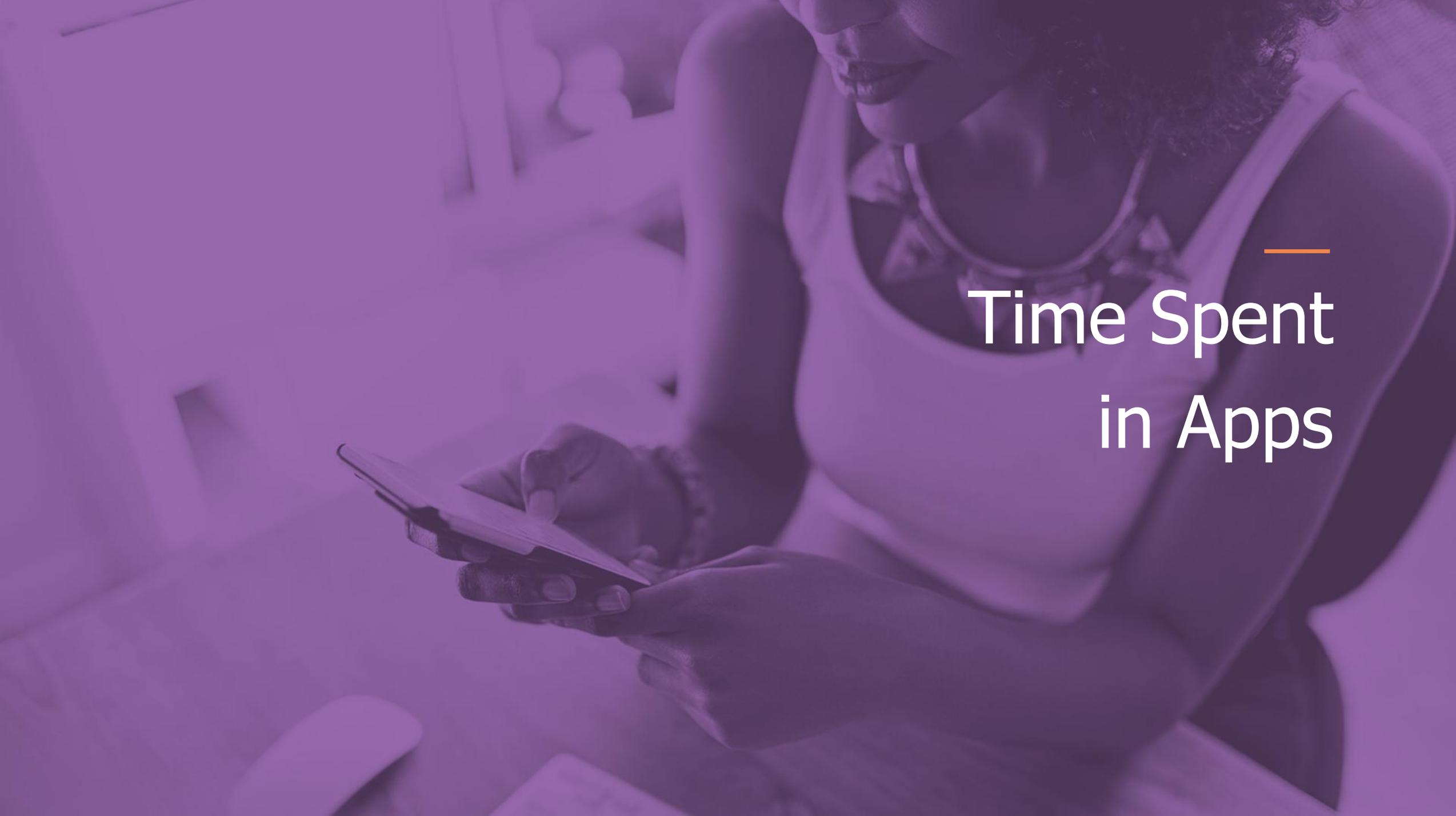
According to May 2017 Research from Chartboost

CONCLUSION

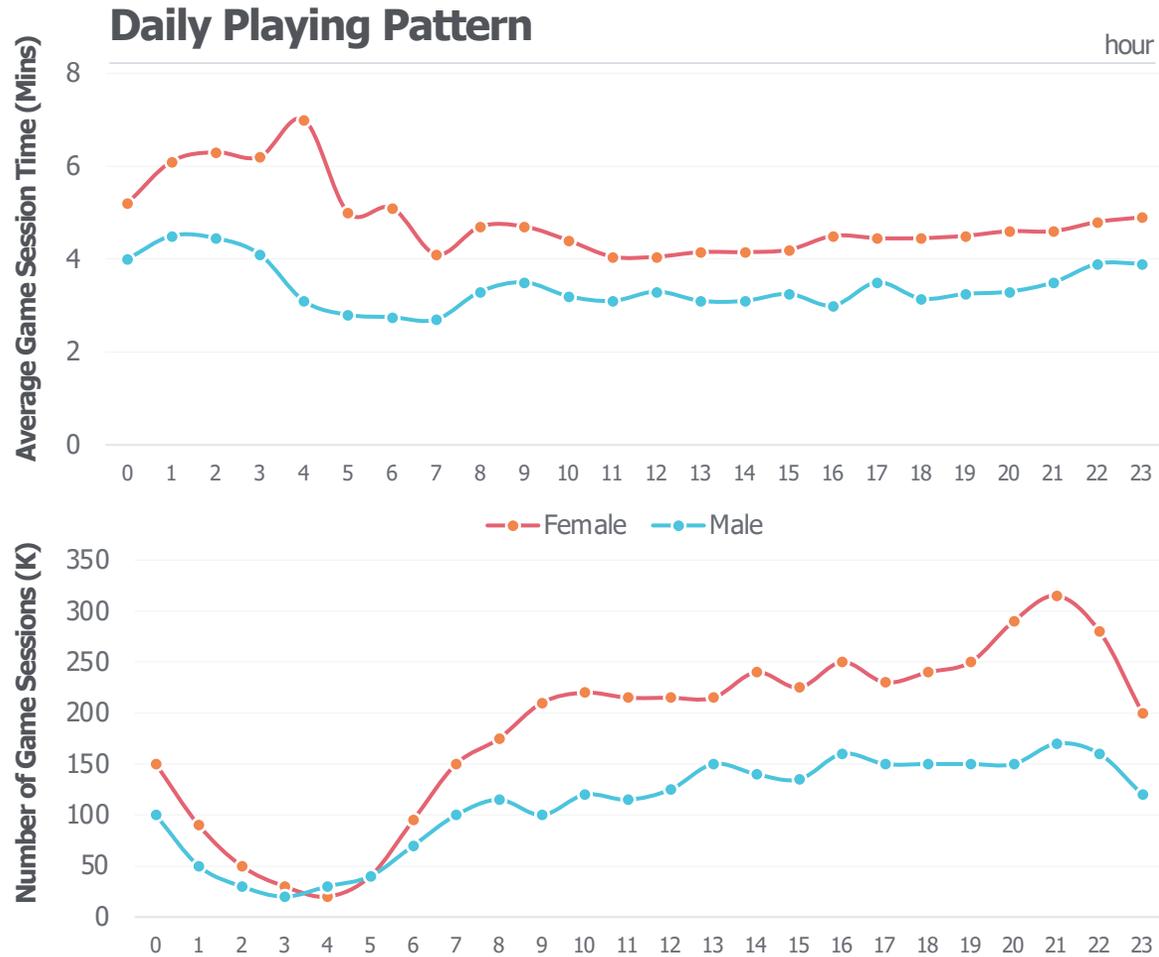Mobile gaming is popular among both men and women. The average gamer is ~35 years old

Time Spent in Apps

Daily Playing Pattern

Daily Playing Pattern

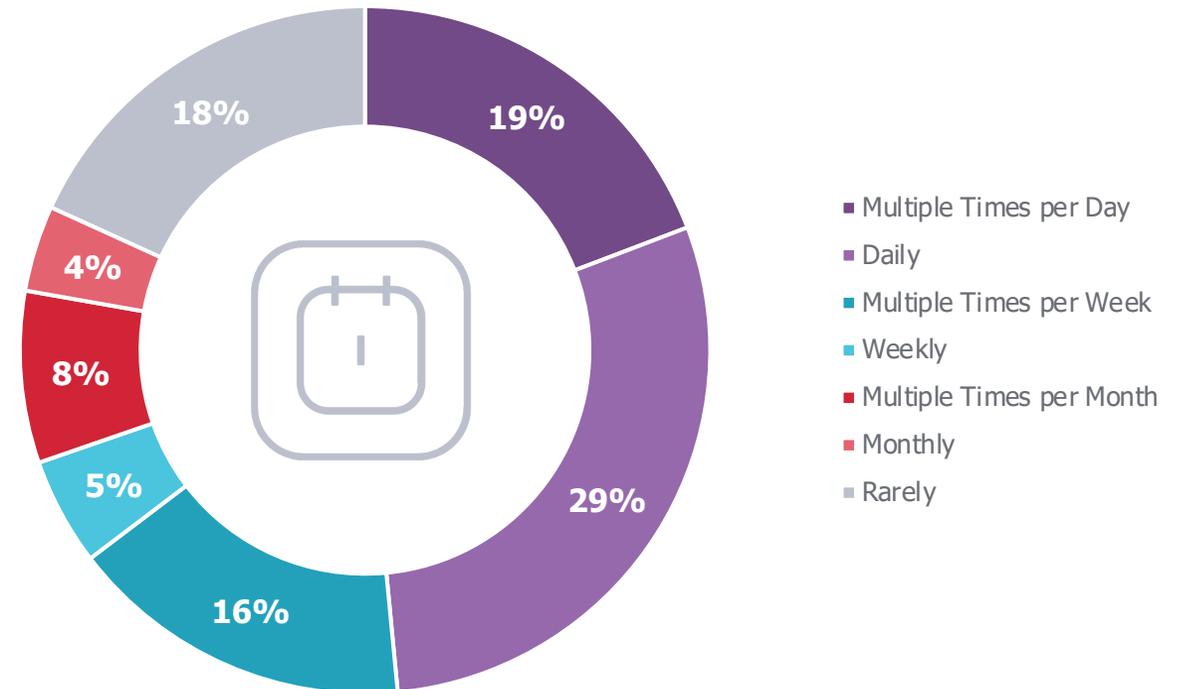Gaming sessions slightly and continuously increase from 8am until 9pm, with peaks at lunch time and during commuting times

Source: http://www.realitymine.com

Mobile Gameplay Frequency

48% of Consumers Play
Mobile Games Every Single Day,
and 70% Play Every Week

Source: AdColony Consumer Sentiment Survey - Fall 2017

19% — Multiple Times per Day

29% — Daily

16% — Multiple Times per Week

5% — Weekly

8% — Multiple Times per Month

4% — Monthly

18% — Rarely

- Multiple Times per Day
- Daily
- Multiple Times per Week
- Weekly
- Multiple Times per Month
- Monthly
- Rarely

Mobile Gameplay Frequency

56% Play More than 10 Times per Week

69% Play 3 to 5 Times per Day

In the U.S., People who Play Mobile Games Play an Average of 55 Minutes per Day

Baby Boomers are Just as Likely to Play a Mobile Game at Least Once a Day as Centennials, at 48%

51% of People Play Mobile Games for More than 30 Minutes Daily

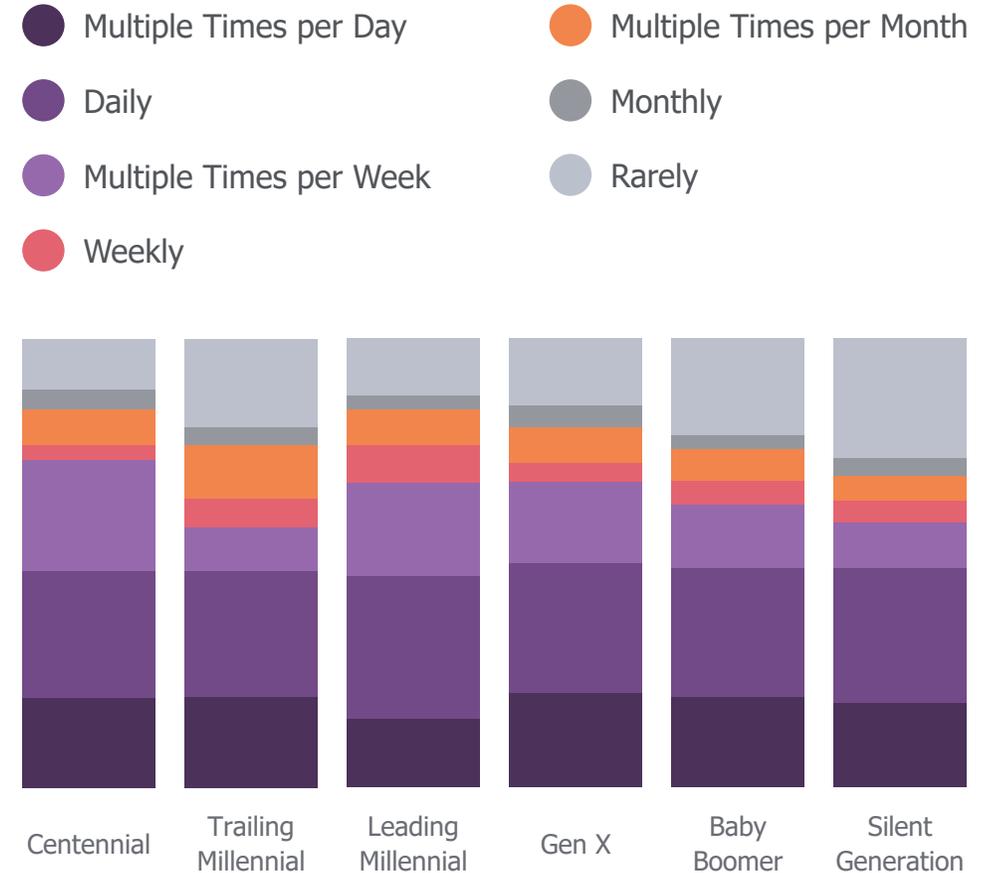55% of People Play Mobile Games Daily, and 60% of Women Play Daily

Games are the #1 App Category across All Ages and Genders, and Women Prefer Gaming Apps Slightly more than Men

Source: MMA Leveling Up Report - A Marketer's Guide To How to Win at Mobile Games, October 2017

Mobile Gameplay Frequency by Age

Leading Millennials Play the Most
Frequently, Followed by Centennials
and Generation X

Source: AdColony Consumer Sentiment Survey - Fall 2017

Legend:
- Multiple Times per Day
- Daily
- Multiple Times per Week
- Weekly
- Multiple Times per Month
- Monthly
- Rarely

Categories: Centennial, Trailing Millennial, Leading Millennial, Gen X, Baby Boomer, Silent Generation

Number of Games Installed

Most Users are Loyal to Only
a Handful of Games

Source: AdColony Consumer Sentiment Survey - Fall 2017

1% 1% 2%

5%

7%

14%

51%

- 1 to 5
- 6 to 9
- 10 to 19
- 20 to 29
- 30 to 39
- 40 to 49
- 50+
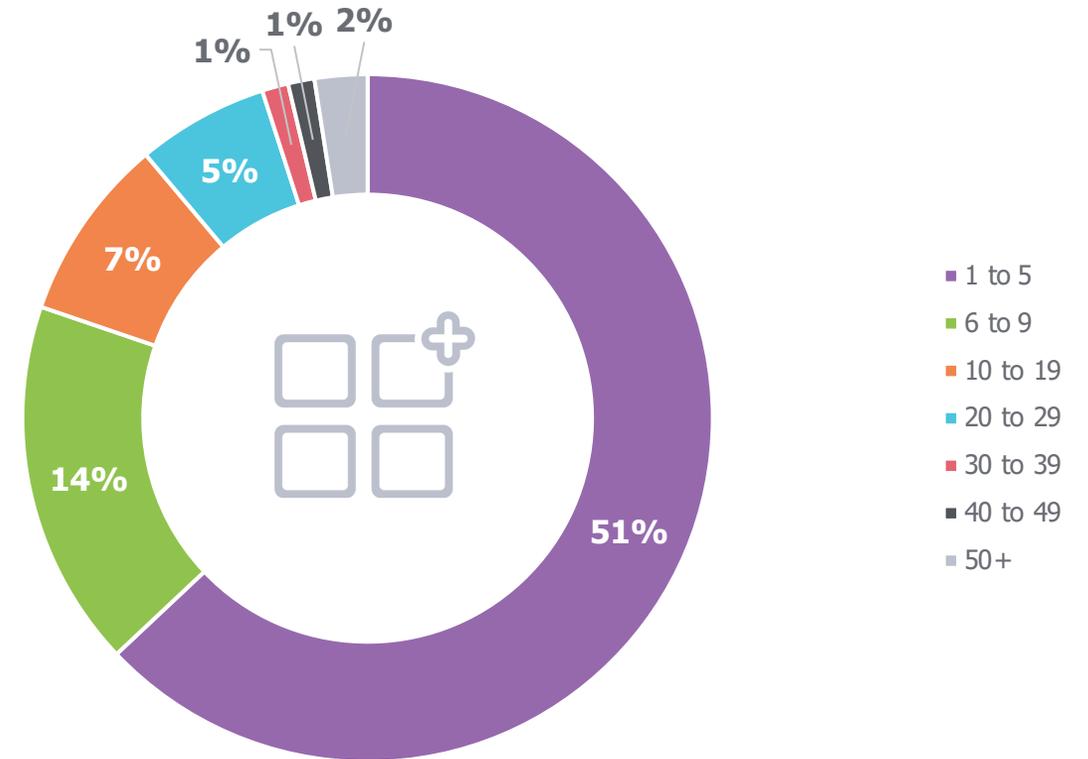
Number of Games Installed by Age

Younger Audiences are Most Likely to have 10+ Games Installed on their Mobile Phones

Source: AdColony Consumer Sentiment Survey - Fall 2017

Legend:
- 30+
- 10 to 29
- 1 to 9
- None

Categories: Centennial, Trailing Millennial, Leading Millennial, Gen X, Baby Boomer, Silent Generation
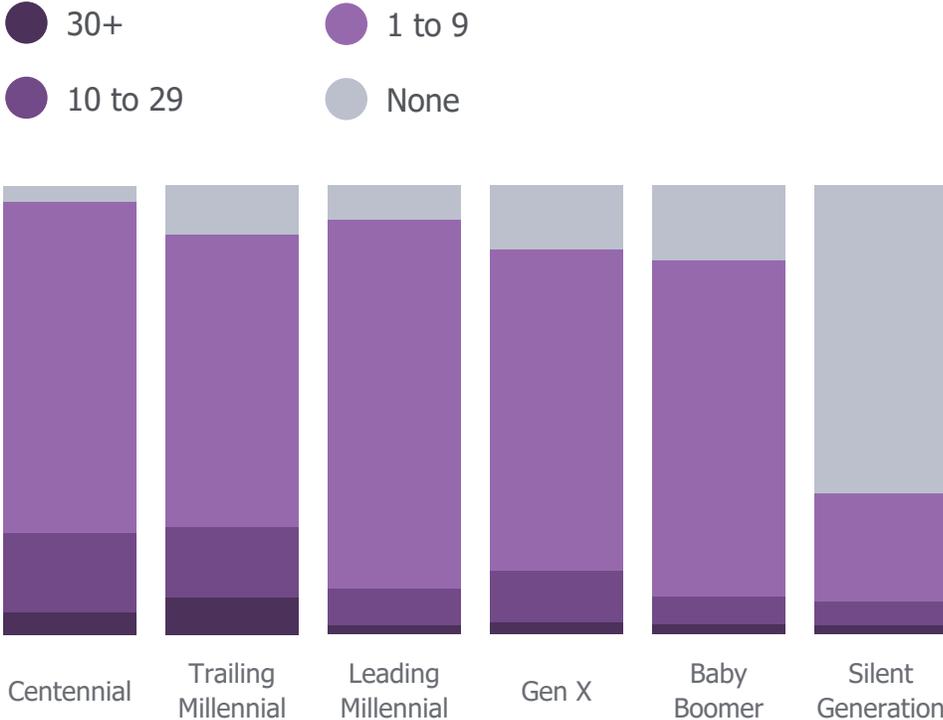
CONCLUSION

Consumers are Spending More Time in Apps, and Users Play from 8am until 9pm, with Peaks at Lunch Time and During Commuting Times

70% of Consumers Play Every Week

Most Users are Loyal to Only a Handful of Games

Understanding Preferences

Male vs. Female

Source: Newzoo 2017 | 16 Countries

Favorite Genres

| MAN	WOMAN
Strategy	Puzzle
Sports	Strategy
Shooter	Arcade

Source: https://newzoo.com/insights

Countries in Research: United States & Canada, United Kingdom, Germany, France, Spain, Italy, Netherlands, Belgium, Poland, Turkey, Sweden, Russia, China, Japan, South Korea

Category Share
Google Play Revenue

Understanding Local Preferences is Key

Google Play Revenue, Category Share, 1H 2017

|		
Role Playing	Strategy	Action
Puzzle	Casual	Casino
Other		
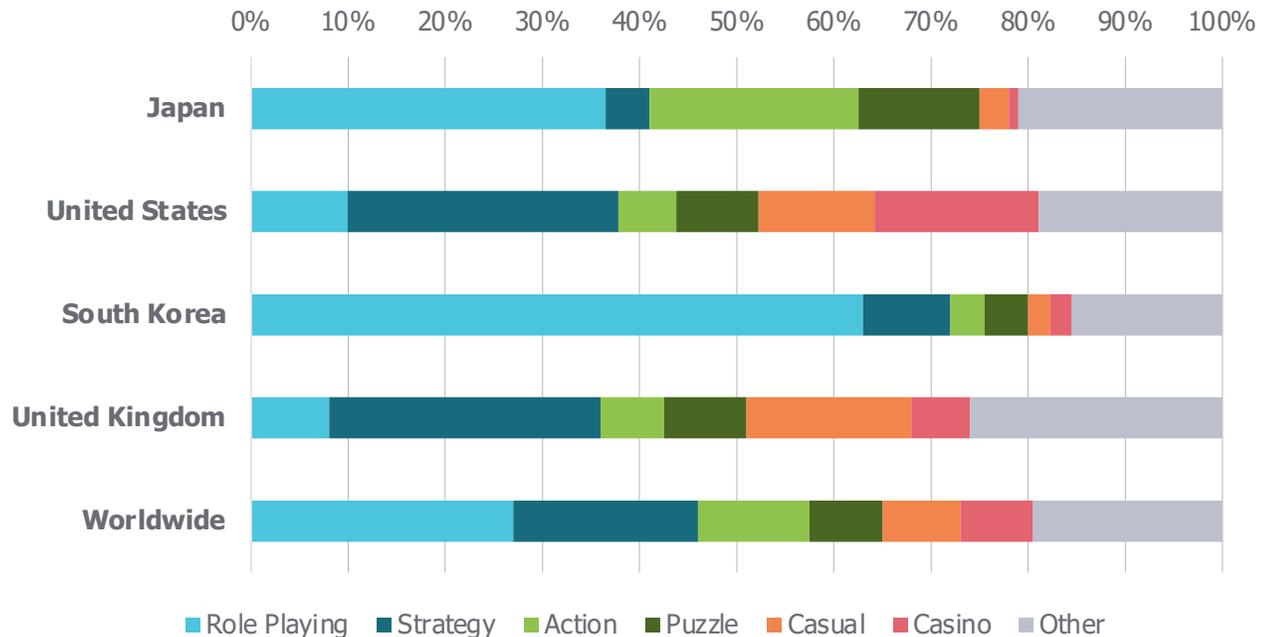
RPG and Strategy games are the most popular worldwide and together account for close to 50% of Google Play revenue, but when you look at how revenue by genre breaks down by country, the differences among countries are stark: preference for RPG in particular in South Korea and Japan are quite pronounced. In terms of Google Play revenue, RPG has increased from about 40% to over 60% in South Korea in the past two years, while in Japan, it has increased from about 20% to 35%.

Source: https://www.appannie.com

Audience Composition
Selected Mobile Games

Audience Composition - Selected Mobile Games

Legend: ■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 45+
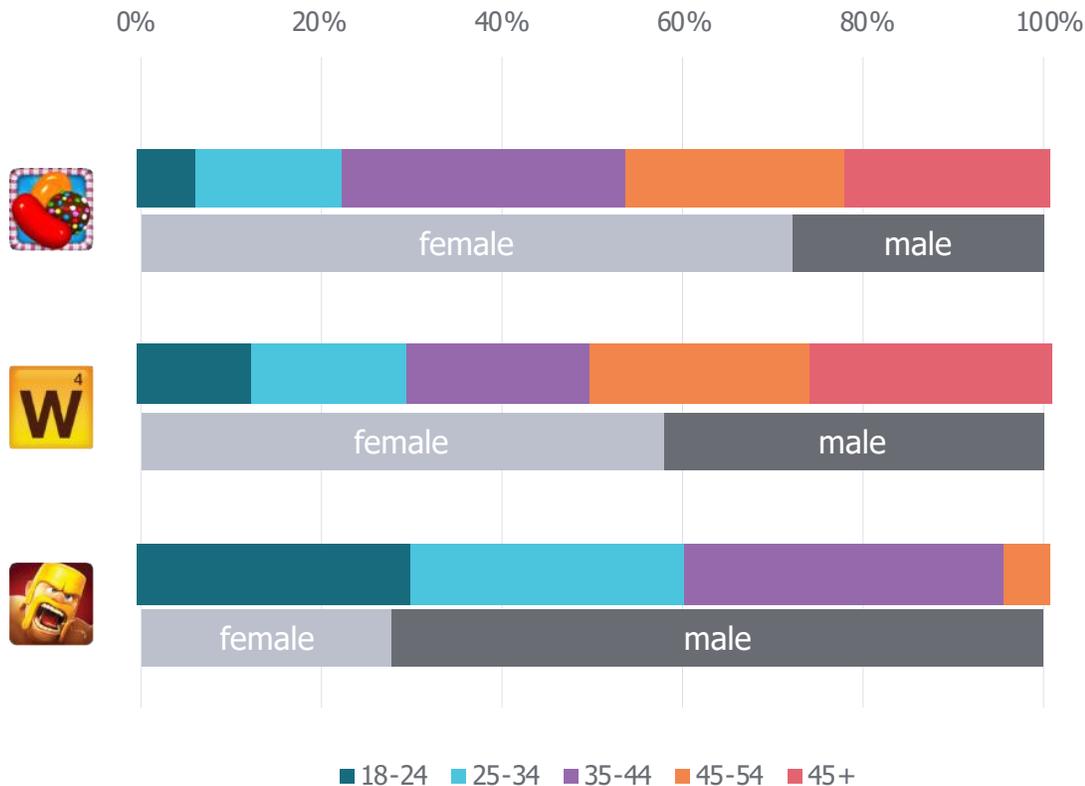
Source: vertoanalytics.com

Based on these three titles, the typical mobile gamer is a woman older than 35. Both **Candy Crush Saga** and **Words with Friends** skew female, and lean heavily towards an older audience - in fact, nearly half of of the adult player base for both **Candy Crush Saga** & **Words with Friends** is above the age of 45.

Moving over to **Clash of Clans**, we see a different demographic profile - there's a younger male audience engaged here, but there's still a significant proportion (about 40%) of players over the age of 35.

CONCLUSION

Preferences are Complicated and Good Data is Missing

CONSIDERATIONS *for* MARKETING

Make sure men and women
can find genres they like and prefer

If you market a certain type of game make
sure you consider who would like the game

Reaching the Casual Gamer

Casual Gamers Are Not Gamers

Although Consumers from Every Age, Gender, Country and Background Play Mobile Games Consistently, More than 2/3 of them do not Consider themselves "Gamers"
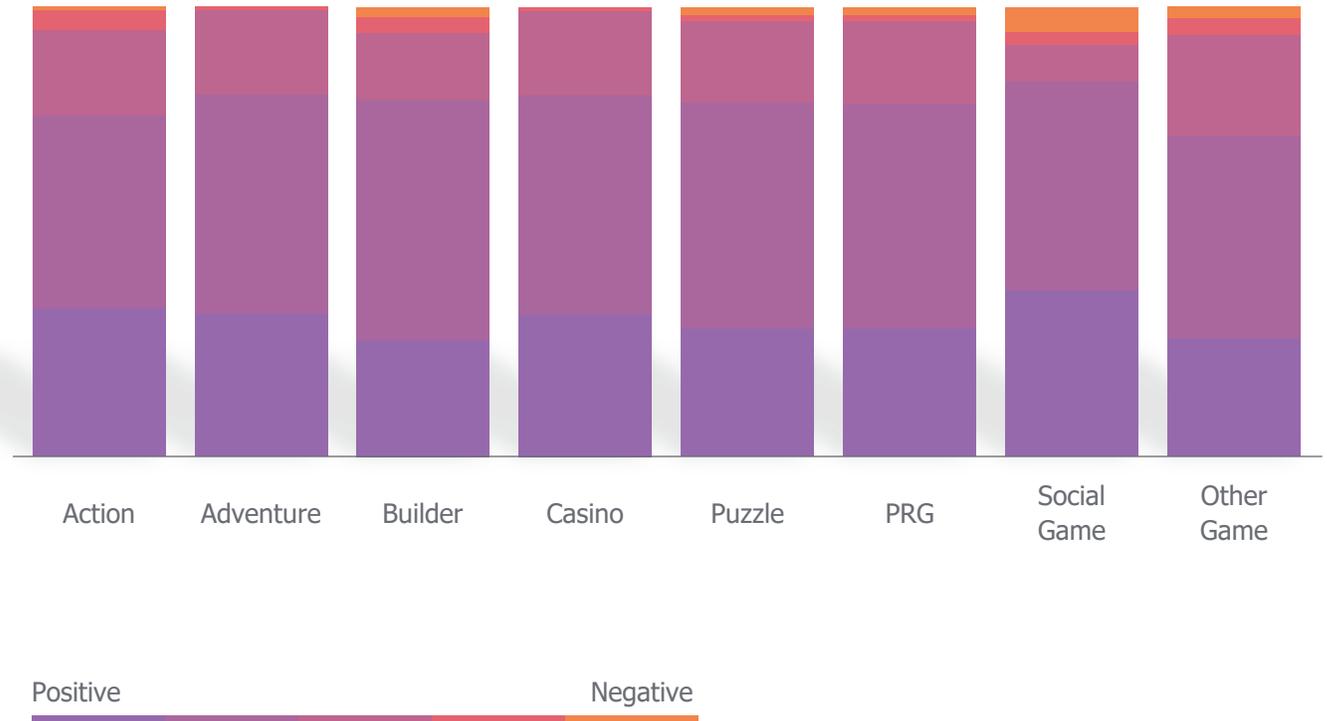
According to Tapjoy's 2017 Modern Mobile Gamer Research Report

Current Mood by Game Genre

Consumer Happiness
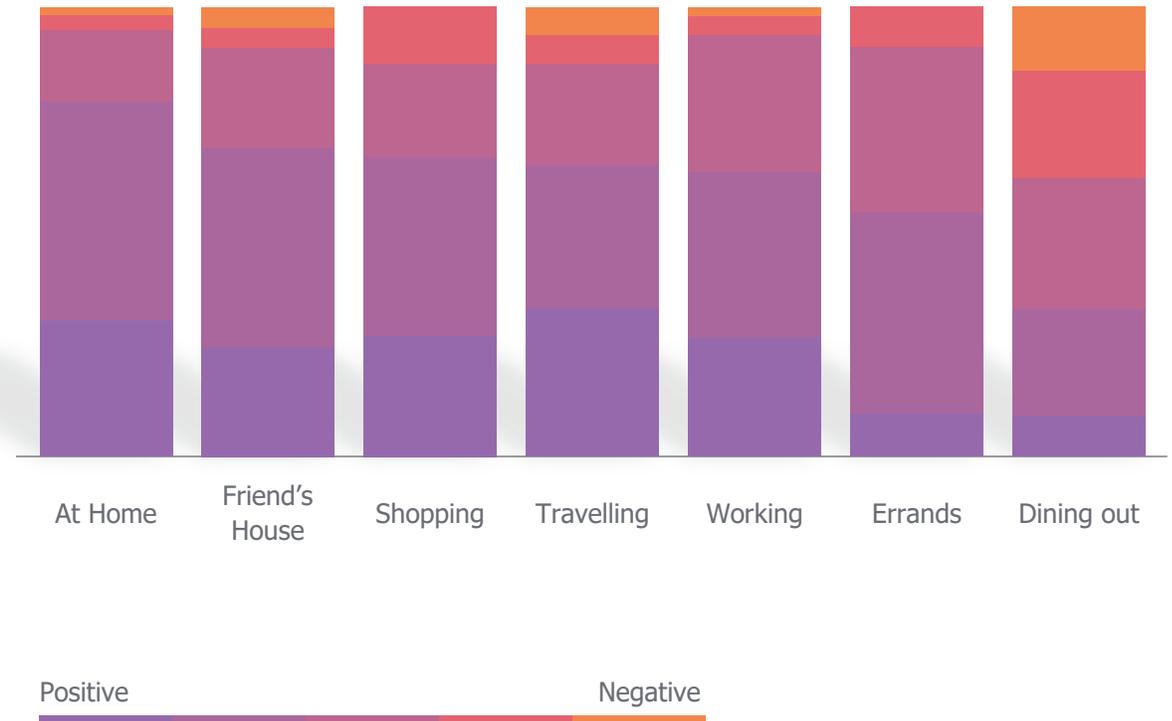is Relatively Consistent
across Game Genres

Source: AdColony Consumer Sentiment Survey - Fall 2017

Action   Adventure   Builder   Casino   Puzzle   PRG   Social Game   Other Game

Positive   Negative

Current Mood by Situation

Consumers are Most
Receptive to Ads when
Relaxing & Least Receptive
when Dining out

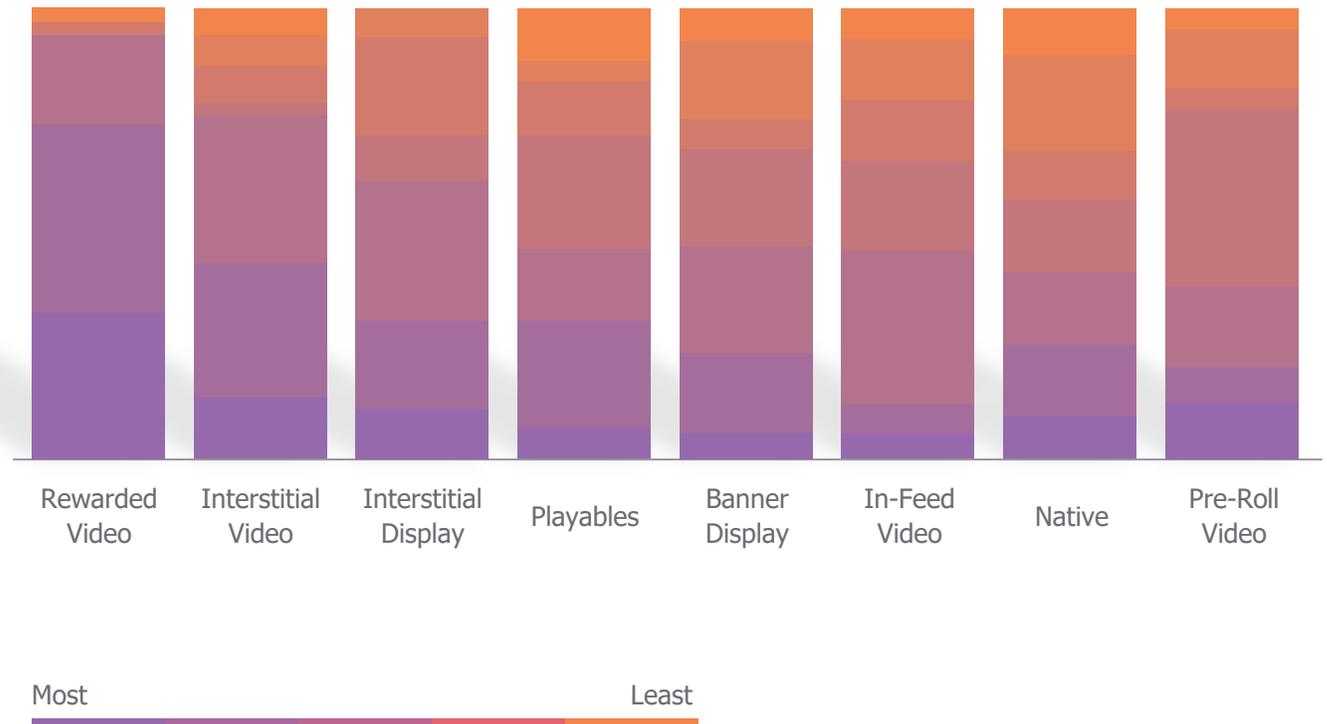Source: AdColony Consumer Sentiment Survey - Fall 2017

At Home | Friend's House | Shopping | Travelling | Working | Errands | Dining out

Positive   Negative

Ad Monetization Effectiveness

According to Content Providers Rewarded Video, Interstitial Ads, and Playables Rank as Most Effective Ad Monetization Methods

Source: AdColony Consumer Sentiment Survey - Fall 2017

Rewarded Video | Interstitial Video | Interstitial Display | Playables | Banner Display | In-Feed Video | Native | Pre-Roll Video

Most   Least

Understanding Games & Gamers

What Makes Games Fun?

What Things are Fun?

THE THINGS THAT ARE FUN

🏆 Winning

🀄 Problem-solving

👣 Exploring

🏖️ Chilling

🤝 Teamwork

🤩 Recognition

🎉 Triumphing

⛏️ Collecting

🎆 Surprise

🐉 Imagination

💖 Sharing

🧛 Role Playing

⚙️ Customization

😈 Goofing off

> In every job that must be done, there is an element of fun. You find the fun and snap! The job's a game.
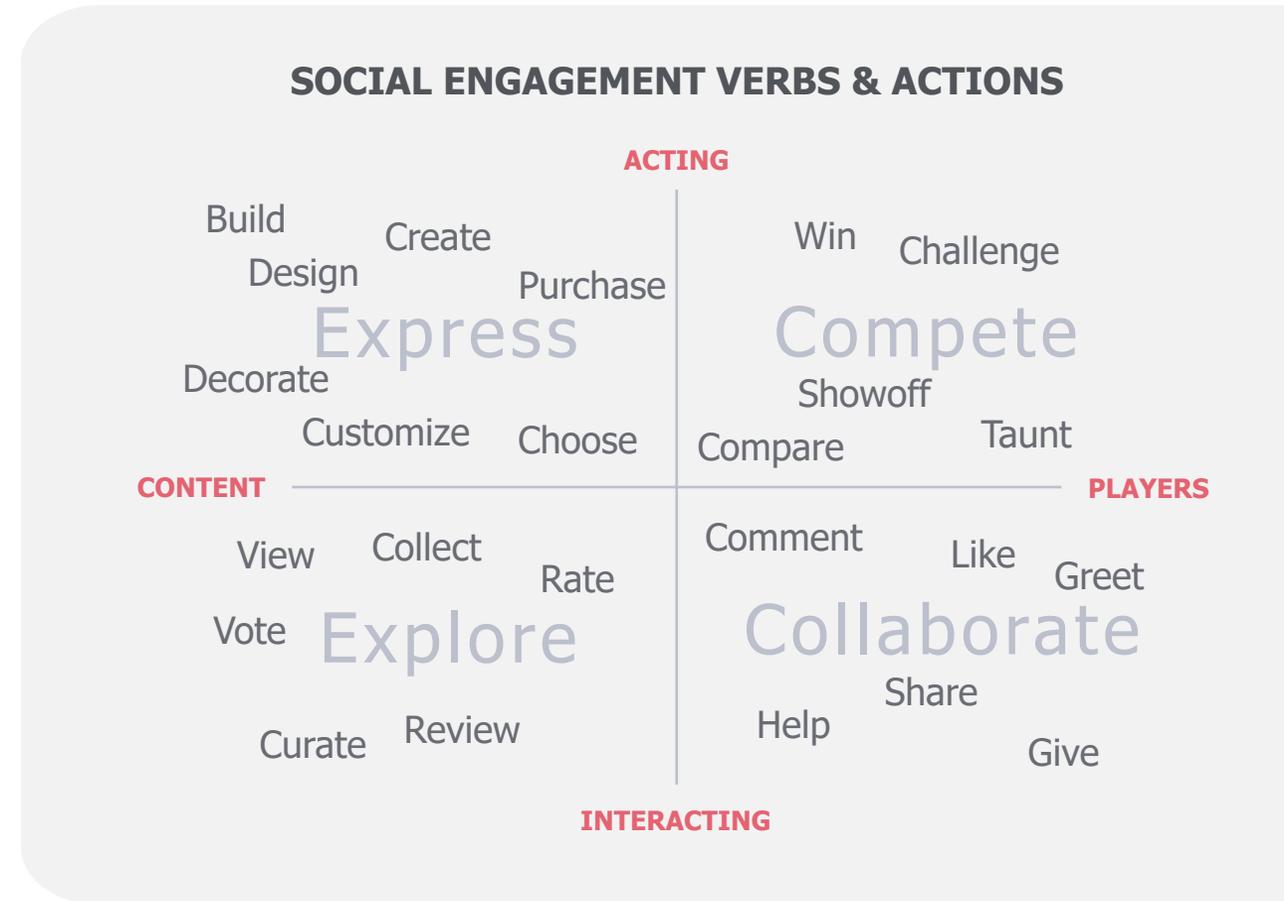>
> **Mary Poppins**

Game Theory – Player Types

Kim's Social Engagement Verbs (2010)

Different People Enjoy
Different Types of Fun

"Social Engagement Verbs" captures the motivational patterns seen in modern gaming.

Learn more here.

SOCIAL ENGAGEMENT VERBS & ACTIONS

ACTING

Build
Create
Win   Challenge
Design
Purchase

Express   Compete

Decorate
Showoff
Taunt
Customize   Choose   Compare

CONTENT   PLAYERS

Comment
View   Collect   Like   Greet
Rate

Vote   Explore   Collaborate

Share
Help
Curate   Review   Give

INTERACTING

Why do we Play Games?

There are **Three Core Reasons** Why People Play Games

Reason 1: **Fun & Happiness**

Consumers feel it is fun, relaxing and playing games makes them happy. They like that there are no constrains like in real life and that they can immerse into play. They like experiencing, creating and customizing a character, to play in the unique story, the artistry of the game, the interactivity, etc.

QUOTES FROM CONSUMERS

Why do You Play Games?

The possibilities of a digital space never cease to amaze

To have fun

Entertainment

To immerse yourself into something

Games help us tap into positive emotions like curiosity, optimism, creativity, and even love. These emotions stay with us up to 24 hours after we play

Why do we Play Games?

There are **Three Core Reasons** Why People Play Games

👀

Reason 2: **Escape**

Consumers have a moment of boredom when taking public transport or waiting for friend and pick up the phone looking for games to play. Some consumers play when they are stressed and life is chaotic. Games help them escape the situation they are in. They find it calming and relaxing.

QUOTES FROM CONSUMERS

Why do You Play Games?

Escape from reality

I play video games because it's fun and it's a form of escapism, it got me through some rough times in my life

Real life is increasingly full of extremely tedious chores

Passivity makes me fidgety

Reduce stress

It's fun or escapism

Boredom

Calming retreat

Why do we Play Games?

There are **Three Core Reasons** Why People Play Games

🚀

Reason 3: **Challenge & Accomplishment**

Consumer is looking for a challenge and love the feeling of accomplishing something. Consumer likes to advance in the game, seeing the progression and competing with others.

QUOTES FROM CONSUMERS

Why do You Play Games?

I treat a lot of games like advanced puzzleboxes. I can flex my logic and problem solving, while also testing my reactions and my dexterity. Games are simply a good mixture of many things to engage myself with

To be challenged

Message

USPs

👑 **All You Can Play - Top #1**

Access the world's most popular games instantly,
and play as much as you want,
as often as you want

👻 **Guaranteed Fun**

All games are verified, free from tricks and
proven to be fun

⛔ **Ads Removed**

Play uninterrupted with no ads or waiting times

🌟 **Top Rated**

Access hundreds of top rated games

👩 **500,000 Happy Players**

Join our community of 500 000 happy players

🎒 **Free In-App Purchases**

Get coins, armour, swords and power ups.
Access to ALL levels and ALL add-ons for free

💵 **Worth More than $1,200**

For a small fee you play games worth more than
1,200 USD

⏱️ **Free Trial**

Try for free and cancel anytime

✋ **Cancel Anytime**

You can cancel the service anytime

📅 **New Games Every Week**

Play new Games every week

Key Benefits

🎁

Gains
Consumers Get

Best Casual Games

Full Versions

Entertaining

Known Cost

Selected Content

💊

Pain
Relievers

No Ads or In-App Purchases

No Virus or Malware

Quality Tested Games

No Tricks

No Social Pressure

Tone of Voice

🚌

Casual Gamers Love Their Quick Game Play...

...At the bus and before bed. But it has become harder and harder to find good games. The casual gamer dream about finding games as fun as Angry Birds, Cut The Rope and Super Mario

💎

The Casual Gamer has Tried Many Games...

...Lately but can't remove the feeling of being tricked and constantly get disappointed. Games aggressively push for in-app purchases with clocks, timers, and tricks. Ads are constantly popping up

🔮

We Bring Back the Fun, Curiosity, Optimism...

...Creativity, exploration, competition, challenge and all the things you love about games. There are no interruptions and tricks. Just Happiness!

Reasons to Belief

500,000
Happy Players

😃

Trust Icons

All Games
are Top Rated

⭐⭐⭐

AUDIENCE TAKEAWAY

Try the service!
You will have fun
and feel happiness

Resources

Resources

Download Resources & Build Amazing Campaigns

Advertisement Creatives and Texts

Game Graphics

Bulk SMS Examples

ALL MATERIAL CAN BE ACCESSED AT
drive.google.com/drive/folders/0B4HzKvieDPfqZXZJcnFkWklqWFU

Objectives & KPIs

Objectives & KPI

We Want You to Identify the Best Go-to-Market Model for This Product

Your job is to recruit XXXX new high quality subscribers per week and the Customer Acquisition Cost (CAC) <u>needs to stay below YYY USD</u> per consumer who signs up for the service.

High Quality Means consumers that will love the solution and stay as subscribers as long as we deliver an amazing product.

We use technologies such as AppsFlyer and similar to track and optimize users' acquisition funnel.
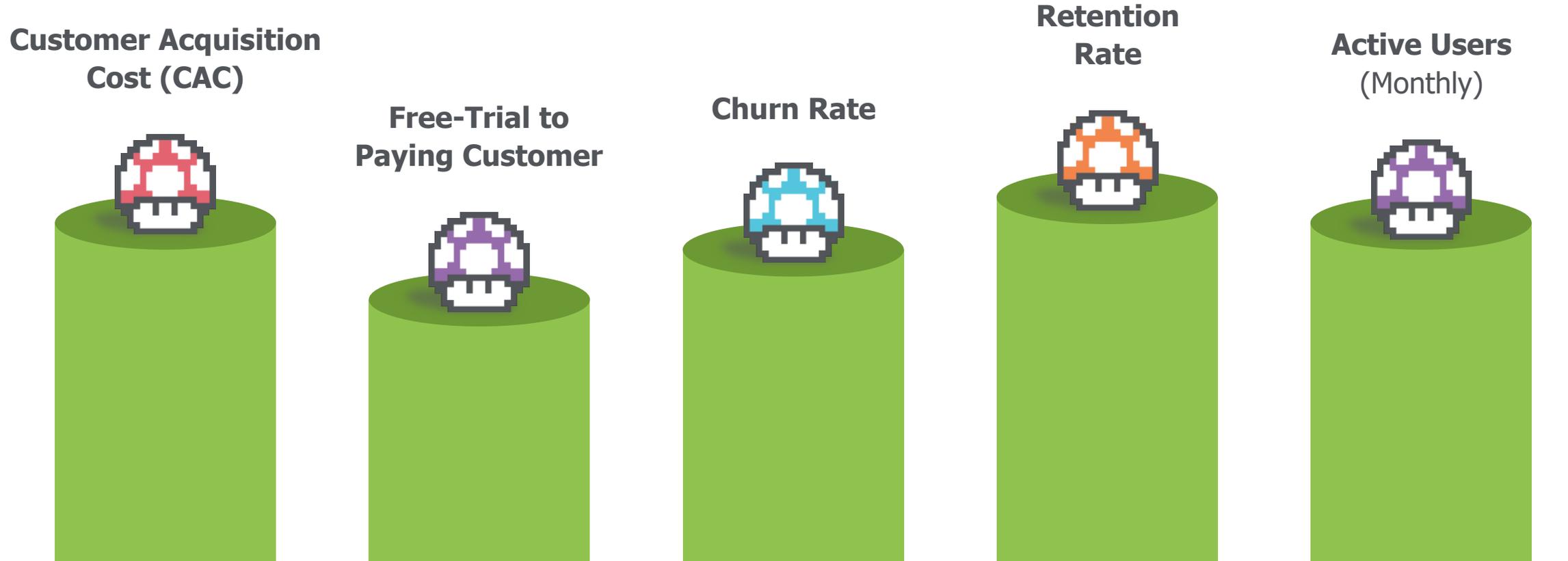
KPI Facts for Games Clubs in Other Countries

KPI Facts

This Section Will Answer Questions About Typical KPIs
for Digital Entertainment Subscription Clubs

Customer Acquisition Cost (CAC)

Free-Trial to Paying Customer

Churn Rate

Retention Rate

Active Users (Monthly)

Customer Acquisition Cost (CAC)

The real answer is unfortunately that **CAC depends on** many parameters:

- Customer Commercials (free trial, end user price, payment methods, etc.)
- Government Regulations (authorization, opt-in/out, recruitment, etc.)
- User Acquisition Channel (SMS, OEM pre-loads, digital marketing, etc.)
- Value Proposition (content, platforms, accessibility, etc.)
- User Experience (landing page, signup, conversions, etc.)

Fast rules for determining CAC could put you in a bad position if followed blindly.
You need to understand the economics of your particular business and go from there.

Having that said, a general "rule of thumb" is to optimize early-stage real CAC towards:

- Target CAC = LTV / 3
- Where LTV is your estimated Life Time Value (LTV), see next slide

Please also note that Value Added Service companies use different definitions of CAC:

- Cost for user who signs up to free trial
- Cost for user who does not unsubscribe during free trial (possible to try to bill)
- Cost for a subscriber who has been billed at least once

NETFLIX

CAC ~$35

Spotify

CAC ~$25

appland

CAC $0.5-5

Appland's partners report this CAC
based on their individual pre-requisites

Free Trial

💰 Free Trial

Free trial is only used in combination with opt-out subscription and performs in general 2x better than not using free trial

📅 3 - 7 Days Free Trial

Often it is most efficient to use 3 or 7 days free trial, but in debit/credit card cases a month free trial can be more efficient

🔓 Opt-in Systems

For opt-in systems we recommend to sell packages of 3, 6 and/or 12 months to get a working CAC vs LTV system

Life Time Value (LTV)

Also LTV depends on some parameters:

- Billing Success Rate (pre-/post paid, re-try charging, step-down pricing, etc.)

- Churn Rate (unsubscribe rate, regulations, etc.)

- Digital Merchandising (engage users via push notifications, competitions, etc.)

- Content (high quality, continuously add fresh content, etc.)

A simple way to estimate LTV is to assume Churn Rate and use below equation:

- LTV = Price / Churn

More sophisticated analysis is done with Cohort Analysis and Unit Economics, see Appland's Excel tool for Subscription Club Business Case.
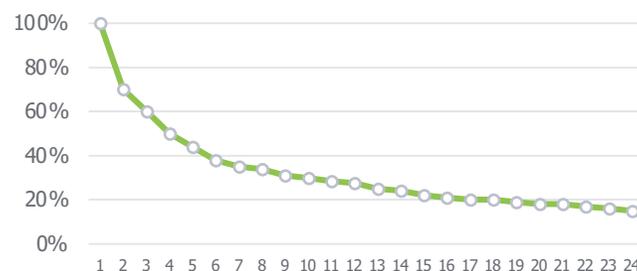
Appland's Partners churn varies but below can be used as an average:

Churn Rate
Instant: Within 1 Month
Mid: 2-6 Months
Long: >6 Months

30%

15%

5%

Long-Term Churn   Mid-Term Churn   Instant Churn
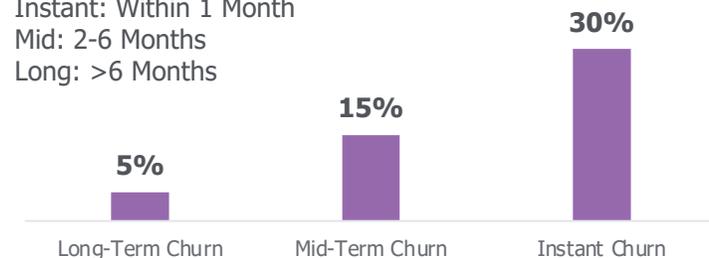
Churn Rate (in 24 Months)

7 x Price

Appland's partners report LTV 7 x Price in average based on price / churn

Retention Rate & Active Users

Retention Rate is defined as a user who returns to the club app or a game within the club at least 1x within 30 days.

Across all industries, the average mobile app retention rate is 20% after 90 days, according to Localytics global benchmark 2017.

The secret sauce for a high retention rate is quality and customer engagement:
- High Quality Service (nice club app, curated quality assured games)
- Fresh Content (10 new top games per month, local content)
- Digital Merchandising (send out push notifications with new content)

Appland partners retention rate per month varies, but a general "rule of thumb" is:
- Without customer engagement ~ 50% per month
- With weekly customer engagement ~ 70% per month

Scope

Scope

Budget

XXXXXXXX USD

Deliverables & Expectation

Please fill in

Schedule

First Campaign should
start January 1

Thank You!