

THE REAL MONEY GAMES

I PLAYBOOK

Engagement and Retention Strategies for Mobile Games

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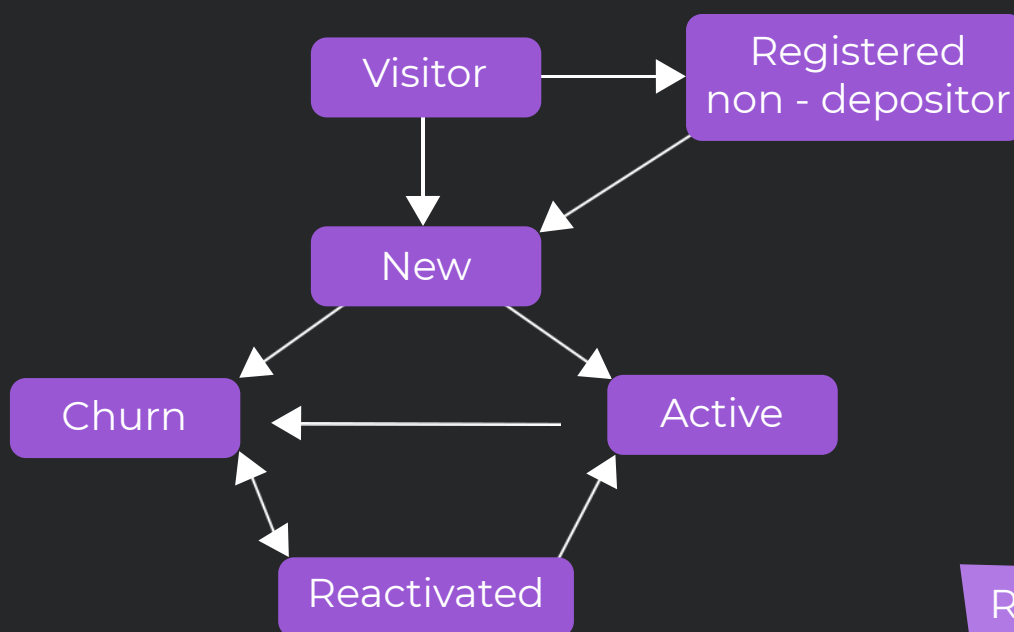
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Real Money Games (RMG) is a very different consumer business. The user's lifecycle doesn't start when they register, unlike other common B2C apps, but after their first deposit. Some players make their first deposit as soon as they register while for others that might take weeks or sometimes even months, if not intelligently nurtured.



RMG Lifecycle

Although registered users still fall under a specific “registered non-depositor segment” (more on this in the cohorts section) that needs to be constantly nurtured, it's the other segments of new and active gamers who are more important for RMGs.

And this time period - the length of time until their first deposit, can have wide-ranging effects on your users' retention, their lifecycle and subsequent spend patterns.

Let's dive in!



7.5 HOURS

weekly duration of gameplay aged 26-35

₹ 150-1500

amount spent by RMGs to acquire users

50-55%

expected YOY growth in market size for RMGs



The background is a dark grey or black field. It is decorated with several geometric elements: large, overlapping triangles in a vibrant purple color; smaller, sharp triangles in white and purple; and two clusters of small, light grey dots arranged in a triangular pattern. The overall aesthetic is modern and graphic.

DEPOSITS

THE HOLY GRAIL OF RMGS

When it comes to deposits, there are predominantly two things that RMGs consider, once a player registers for the first-time.



If and when the player would make the 1st deposit



If and when the player would make the 2nd deposit

And that's about it.

1st deposit for obvious reasons, it being the USP of the product but the reason why **2nd deposit is important** is that it differentiates between casual and active gamers and is an indication that your users are finding value in your offering.

Everything else such as user experience, game appeal, ease of transactions, already fall on the right side of the fence, the moment a player does the 2nd deposit.



THE 1ST DEPOSIT CONUNDRUM


With every new signup, there are a bunch of questions, marketers of RMGs need to scratch their head on.

1. Should the initial focus be on maintaining daily activity or getting the 1st deposit?
2. How long should you wait before your 1st push for deposit?
3. How often should these pushes be made thereafter?
4. What should be the nurturing strategy for active but non-depositors?

After scouring through our RMG clients, we found that, on average



60% of casual players who convert (i.e make a first deposit), do so within the first two days from registration. After two days, there is a sharp drop-off in the number of casual players who make a deposit.



If you're a RMG business, this should indicate your “window of opportunity” to keep your new players in the game. Quickly engaging these players into making their first deposit, within this window, through a mix of simple nudges and incentivised offers, is very crucial to their attention and retention.

What needs to be remembered is, players are not excited about doing the deposit, but about winning money, which is an emotional experience. And taking advantage of the emotional elements of the game to make the casual users transform into regular and active players is the key.

It's also worth noting the importance of tutorials in getting deposits which also goes on to positively affect retention of gamers, by as much as 10%.

THE 2ND DEPOSIT CONUNDRUM

For every RMG app, the 2nd deposit should be made a “Growth Goal”.

In our findings of our RMG clients, we observed that



Players who make more than one deposit tend to remain engaged for longer than one-time-only depositors, and also have a higher lifetime value

And this is regardless of the total amounts the player deposited or won.



10 Players



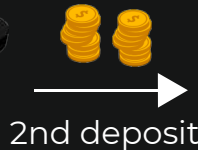
1st deposit

(Retention = 50%)



Real Money Games

Drop-off = 5
Remaining = 5



2nd deposit

(Retention = 80%)



Real Money Games

Drop-off = 1
Remaining = 4

PROBLEM

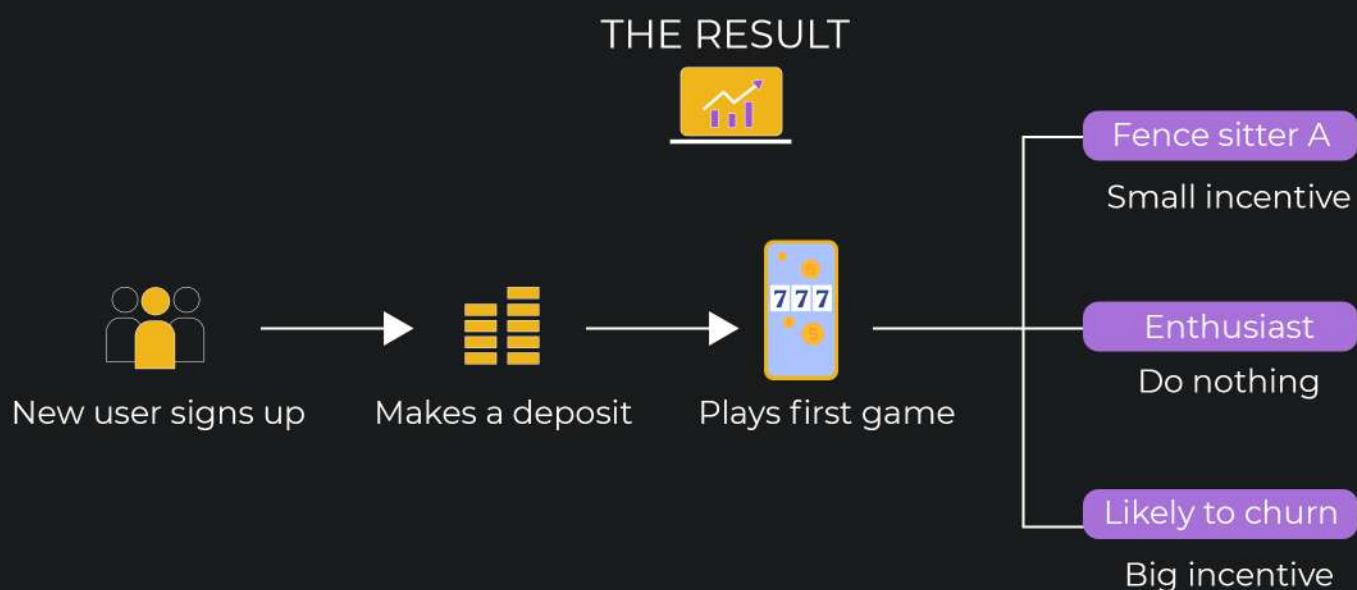
A significant proportion of players do not last beyond the first deposit.

SOLUTION

Offer a strong incentive to players sitting on the fence to return to play with the 2nd deposit.

APPROACH

Identify which players are likely to return and which players are potentially one-timers.



For getting your gamers from 1st to 2nd deposits, apart from earnings, what's also very crucial is their daily activity and behavior right after the 1st deposits. More activity days (more on this under RFM section) initially increases the likelihood of the 2nd deposit. Using these attributes, segment users into fence-sitters, enthusiasts, and likely to churn.

The background is a dark navy blue. It features several large, overlapping geometric shapes in a vibrant purple and a clean white. These shapes include triangles, polygons, and a large curved band in the upper left. Scattered throughout are smaller, sharp white triangles and purple triangles. In the bottom left and top right corners, there are clusters of small, light grey dots arranged in a grid-like pattern.

BEHAVIOURAL SEGMENTATION & COHORT ANALYSIS

Games aren't just a buy /no-buy business and there's a huge play around engagement and rewards (often which is merely abstract)!

A player who hasn't made a new deposit but continues to play via virtual chips or through their payouts, isn't discarded as dormant but the same isn't true for a lot of consumer businesses. For these reasons and many more, RMGs are usually required to track quite a number of cohorts and segments so as to analyse all the player behavior and data that's coming through their systems.

There are a number of user attributes and events RMGs use to build segments and carry out cohort analysis. Some of the most common user analyses are done on the basis of gamer types (of which there could be many), RFM, churn prediction, lifetime value, retention, etc.

COHORTS



A group bound by a **common event and time period**, such as women born in 1989.

SEGMENTS



A group bound by any condition as a basis, **not necessarily time and event-based**, such as all women.



Understanding your gamer types is one of the ways to do this. Here, they can be classified broadly into 4 categories.

THE CASUAL GAMER

Registered but not deposited

WHAT THEY DO

Usually spend time either playing with virtual currency or watching tutorials/ practicing and are good at keeping your DAUs up.



WAYS TO ENGAGE

Make direct pushes for deposit through incentives and showing the value proposition of the game.

THE ACTIVE GAMER

At least 1 deposit & recent activity

WHAT THEY DO

For this segment, the push should be either towards the 2nd deposit or greater activity on the platform.



WAYS TO ENGAGE

Campaigns employing gamification techniques, such as, leaderboards, time-bonded plays, etc, can be very useful.

THE INACTIVE GAMER

Only 1 deposit & no activity within a (pre-defined) time period

WHAT THEY DO

The key here is to bring them back to activity and hence, to deposit, by offering attractive bonuses or other offers. However, refrain from giving valuable offers to players who have churned and returned more than once.



WAYS TO ENGAGE

Push towards reactivating players via a new deposit, as they're more valuable and likelier to remain active for a longer period of time than those who reactivate through free bonus.

THE REACTIVATED GAMER

Churned but returned

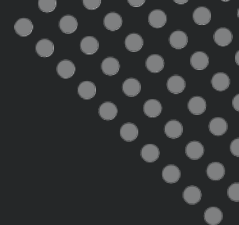
WHAT THEY DO

Targeting players based on how they reactivated, is key here. Sub-segment the churned players basis the no. of times they have churned and returned, and gradually decrease the promotions offered."



WAYS TO ENGAGE

Rather than big bonuses, re-engage these players by reminding them of why they engaged with your brand in the first place and/or to continue from where they stopped last time.



As an RMG, you'd most likely have one of the following goals for every engagement campaign that you'd run,



DRIVE ECONOMY

Make subsequent deposits



DRIVE PROGRESSION

Move to the next level



DRIVE CHALLENGE

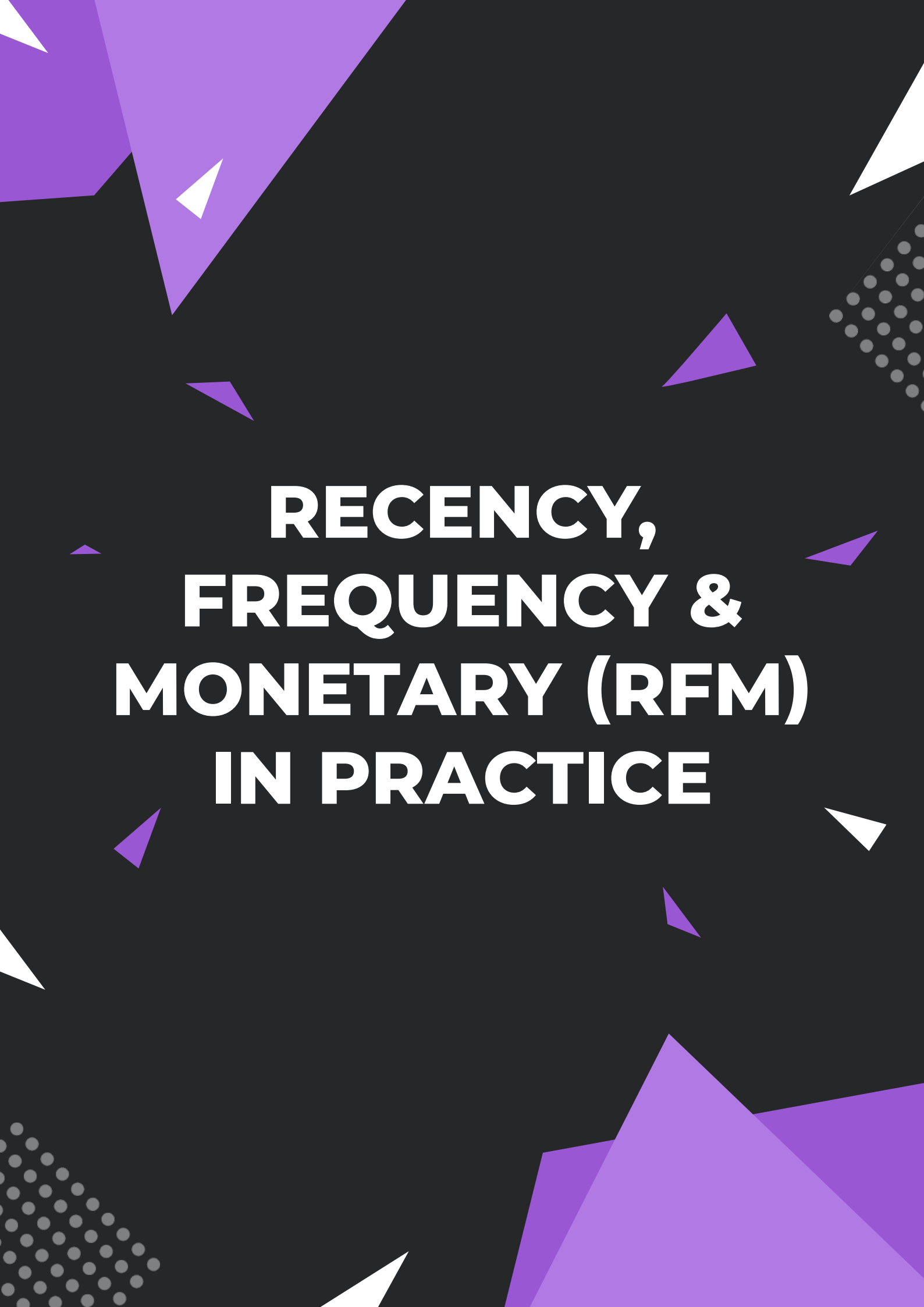
Play a match against other players



DRIVE ADVOCACY

Invite friends





RECENCY, FREQUENCY & MONETARY (RFM) IN PRACTICE



As we talked about in segment and cohort analysis, there are a multitude of factors that go into making the right engagement and retention strategy for your gamers and your RFM analysis will act as the bedrock to inform these strategies.

RFM segmentation allows you to target **specific clusters of customers** with communications that are much more relevant for their particular behavior – and thus generate much higher response rates from them.

For details on RFM, read our [blog here](#).



RECENCY



How recently the customer took a particular action (deposits in this case)
(HR, MR, LR)

FREQUENCY



How many times was the said action taken within a given period
(HF, MF, LF)

MONETARY



Value of the customer's transactions/purchases during a given period
(HM, MM, LM)

INACTIVE GAMER



John

LR, HF, HM

Campaign - Enters a Reactivation Journey for loyalty programs. This user needs to be retained.

REGISTERED NON-DEPOSITOR



Sarah

HR, MF, LM

Campaign - Enters the thoughtfully designed Welcome Journey to understand the game and drive repeat purchases.

*(H - High, M - Medium, L - Low)

Let's have a look at some examples of RFM in practice.

ACTIVITY


There are more than one ways to define Activity for RMGs. It could mean either or all of the following:

- ▶ Daily purchases on the platform (RMGs need to go beyond ensuring a healthy DAUs/ MAUs/ Stickiness on their platform)
- ▶ Last log-in, games played, deposits, etc over a weekly/ monthly period
- ▶ Complex batch-wise activity scores for various user groups

You can segment your players using RFM for insights on how to communicate with them. Some of the questions it can answer are,

- ▶ Who are your strong/ weak players?
- ▶ Which players play very frequently?
- ▶ Which players have high total wagers on the one hand, but are also at the risk of churning?
- ▶ Which groups of players offer the highest profitability?



We found that a gamer  with **>5 activity days** is likely to remain active and make a **2nd deposit**.

 ACTIVITY DAYS	 OBJECTIVE	 CAMPAIGN EXAMPLE
1-2 Day	Get the 1st deposit	Deposit now to win \$100 everyday
3-7 Day	Continue the activity days	Beat the leaderboard to become Hold'em champion
7-12 Day	Encourage for 2nd deposit	The \$1000 tournament starts today. Deposit to win
12-15 Day	Invite a friend	Refer your friends and you both will win \$10 on successful referral.

PAYOUTS

A lot of your targeting decisions will be based on players' payout - The amount your players bet and the amount they win in return. And when considering payouts, there will be three ways to categorize them,



WINNERS

those whose final payout is more than their bet



BREAK-EVEN

those whose final payout is almost same as their bet



LOSERS

those whose final payout is less than their bet

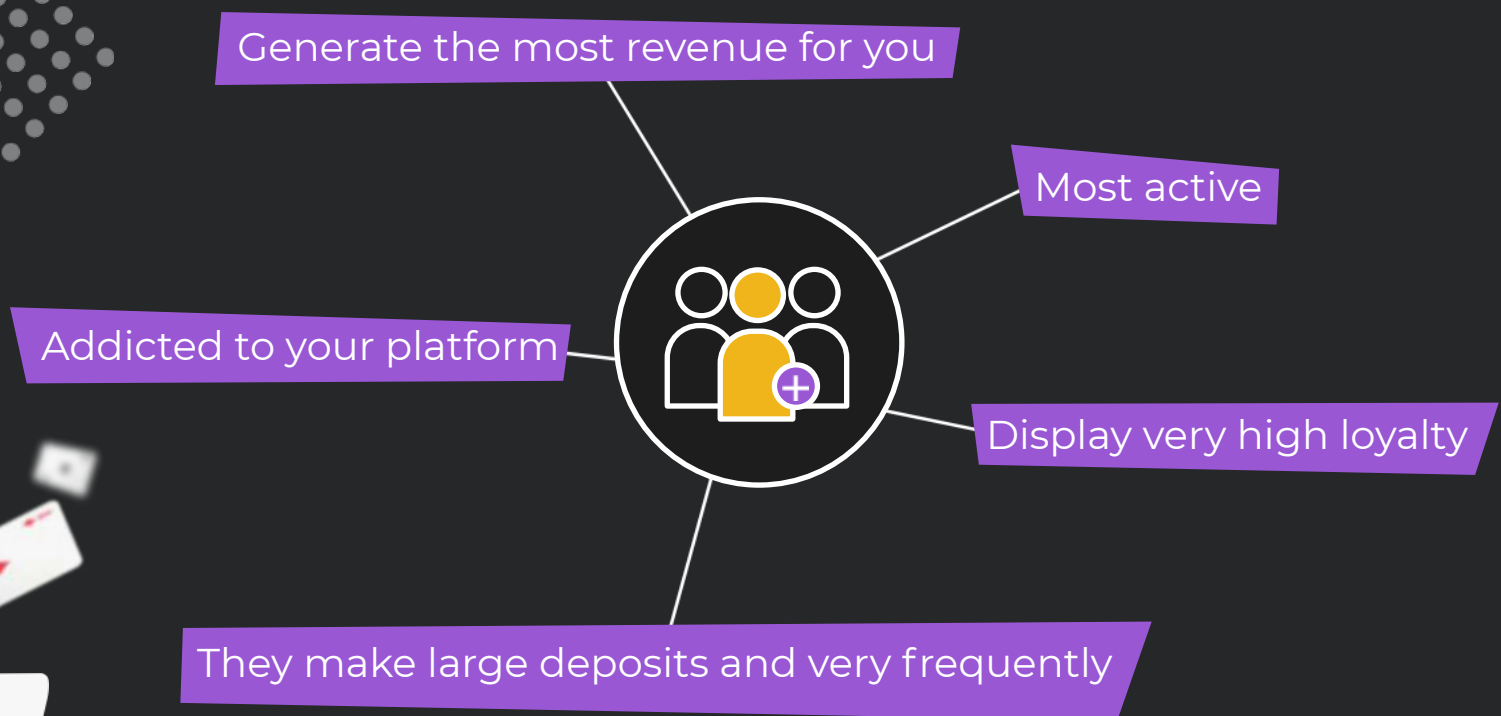
We have found that players close to the breakeven point stay on the platform as long as Winners. For this reason it's important to nurture both the segments appropriately.

So let's add Payout Ratio as a dimension to the previous table and see how your strategy changes for your players.

ACTIVITY DAYS	PAYOUT RATIO	OBJECTIVE	CAMPAIGN EXAMPLE
1-2 Day	-	Get the 1st deposit + encourage certain activity levels	Deposit now to win \$100 everyday
3-7 Day	Winners	Raise bet amounts	Beat the leaderboard to become Hold'em champion
	Break-even	Increase playing frequency	Get two \$20 bonus, expires 12 midnight Beat the leaderboard to become Hold'em champion
	Losers	Increase playing frequency	Get two \$10 bonus, expires 12 midnight
8-12 Day	Winners	Encourage subsequent deposits	The \$1000 tournament starts today. Deposit to win.
	Break-even	Offer more winnings per lost bet	Offer \$20 bonus on the next five \$20 deposits (slightly higher deposit amounts for them)
	Losers	Offer more	Offer \$10 bonus
12-15 Day	Winners	Invite a friend + discourage withdrawals	Refer your friends and you both will win \$10 on successful referral
	Break-even	Offer loyalty bonus	Get up to \$20 every week just for playing Live Casino games
	Losers	Incentivize on deposits as well as lost bets	Get a chance to continue playing with a 50% refund of your bet amount, on

VIPS

For RMGs, VIPs (or VIP accounts) are simply your most important players.




The concept was first conceived in real-world casinos, and is now used by all leading RMG apps.





“Be it real-world casinos or online RMGs, every single platform derives most of their revenues from VIPs, which usually do not make up more than 2% of the total paying population on such platforms.”

WHY DO YOU NEED TO IDENTIFY YOUR VIP ACCOUNTS?

There are 3 super solid reasons for that.

- 

1. You'd want to keep the VIPs happy and facilitate a top-notch user experience for them, so that they continue to generate strong revenue growth for you and not churn.
- 

2. VIPs exhibit a very specific type of behavior and patterns that you can benchmark to understand how to get more users inside this segment. Growing revenue will be a consistent goal and the easiest way to do that is to encourage more people to replicate effective benchmarked behavior.
- 

3. It's this group of users who'd most want to see you succeed. Hence, they will often be the first to point out irregularities or enhancements, while at the same time, be a strong advocate for your brand.

It's for these reasons that RMGs should worship this coveted segment of their users and give them a personalized treatment. And for that you need to first identify such accounts.



But identifying your VIPs and segmenting them is anything but a piece of cake!

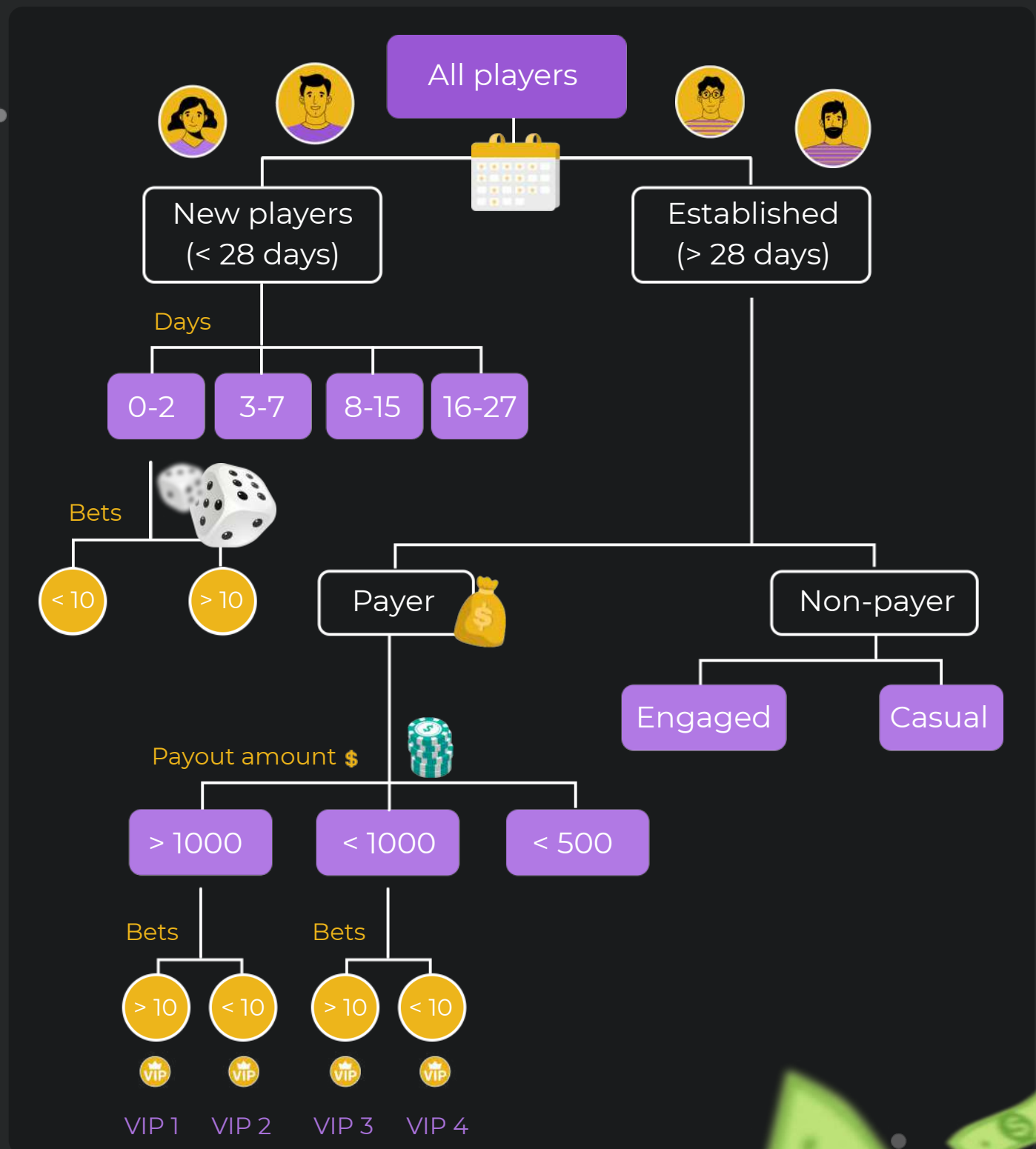
You might either unknowingly create a very small segment of VIPs, overlooking some very valuable and very important customers, or you can end up creating a very large segment of VIPs, sending very generous offers to customers that are not necessarily worth these offers.

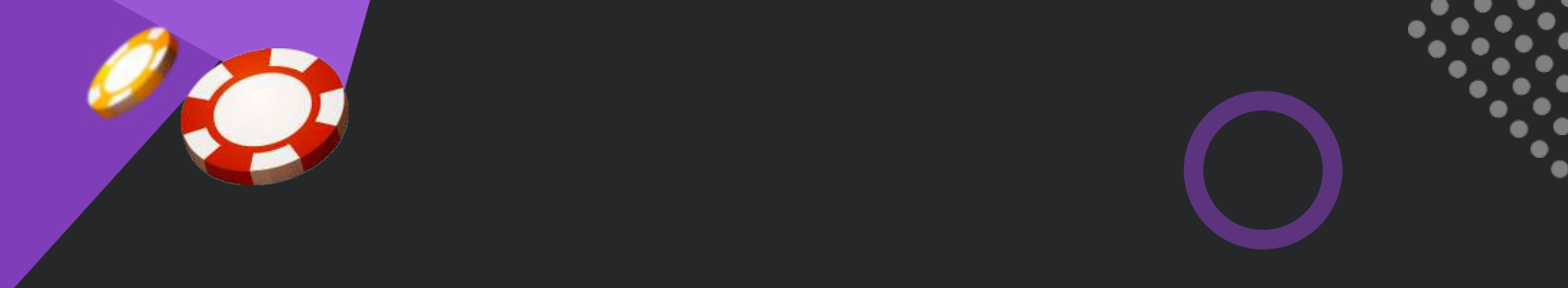
An effective way to tackle this problem is a tiered VIP program.

TIERED VIP PROGRAMS

These tiered systems differentiate between the most high-profile players through a points-distribution method. This method assigns points for various actions like, deposit amount, purchase frequency, activity, daily game-time, no. of games played, etc.

SAMPLE RUNDOWN OF A TIERED VIP PROGRAM





There's no limitation to how many VIP groups of players you can have; however, there should be clear metrics for bucketing players into various VIP segments.

Often the highest tier of the VIP accounts (VIP 1) is also referred to as “Whales” -

are gamers who make big payments regularly, which is another method to segment your audience - by payment amounts.

In the same classification, RMGs also use Minnows —

those who make small regular payments

and Dolphins —

those who make larger payments but are less frequent when compared to Whales.

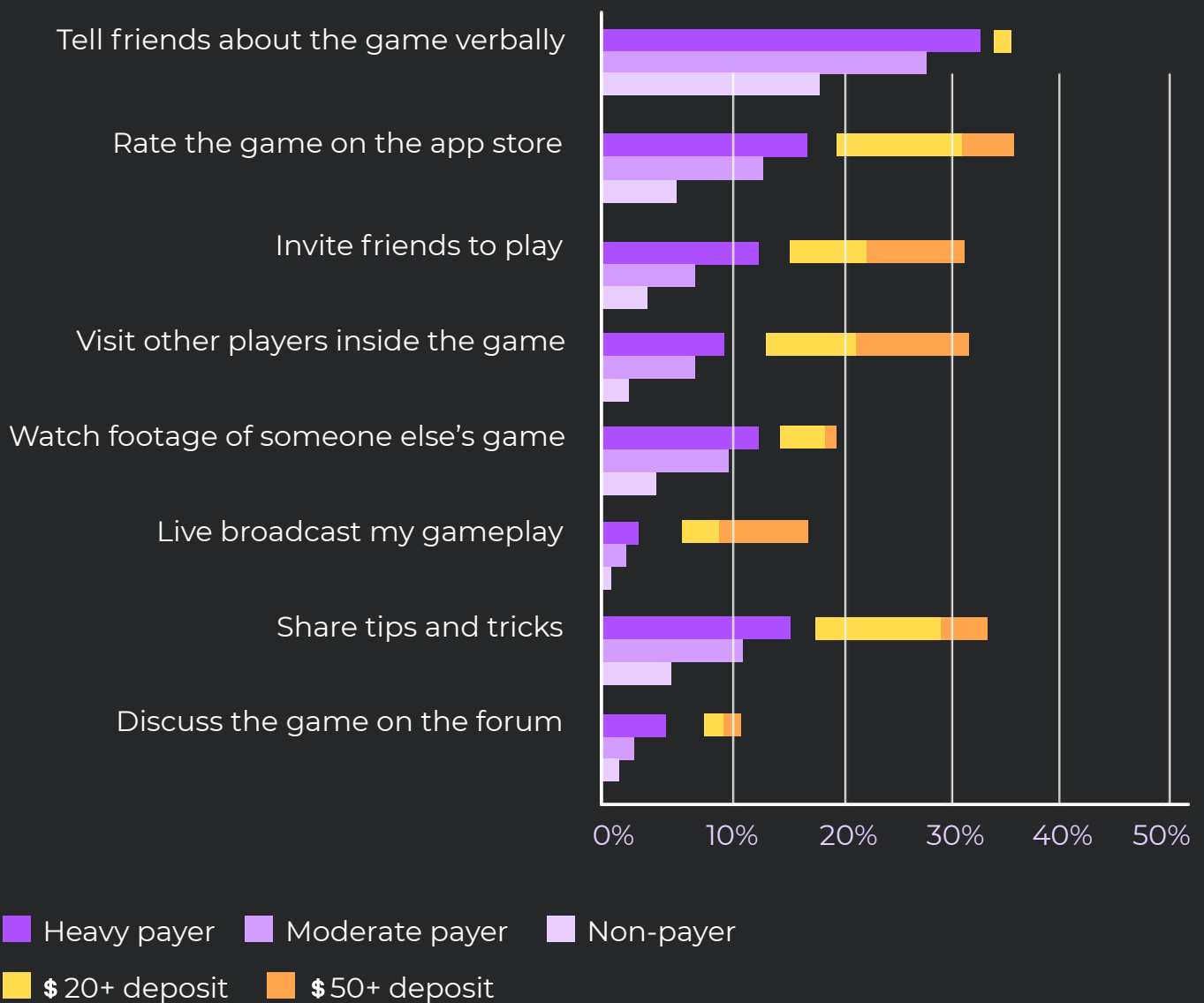
The biggest advantage of a tiered VIP system is that it lets you orchestrate your communication to give lower ranks of VIPs and ordinary players — minnows and dolphins — goals to strive for, while also maintaining your best user experience for the higher VIPs.

NURTURING VIPS

The biggest advantage of a tiered VIP system is that it lets you orchestrate your communication to give lower ranks of VIPs and ordinary players — minnows and dolphins — goals to strive for, while also maintaining your best user experience for the higher VIPs.

- ▶ This is a very highly skilled group of players.
- ▶ Actively seek out new games.
- ▶ As much as winning matters to them, so does great competition.
- ▶ They can continue to deposit money if that means good winnings but with great experience.
- ▶ They continuously seek newer and greater challenges.
- ▶ They can very easily exploit your referral programs.

In addition to the above, VIPs also display some other crucial behavior that could positively affect all parts of your gaming funnel.



WAYS TO ENGAGE:

1. Tournaments and contests
2. Special access to high-stake tables
3. Bonus wins
4. Gamifications - leaderboards, spin the wheel, etc

Always aim for personalized communication for your VIPs and make the communication aspirational for minnows and dolphins.

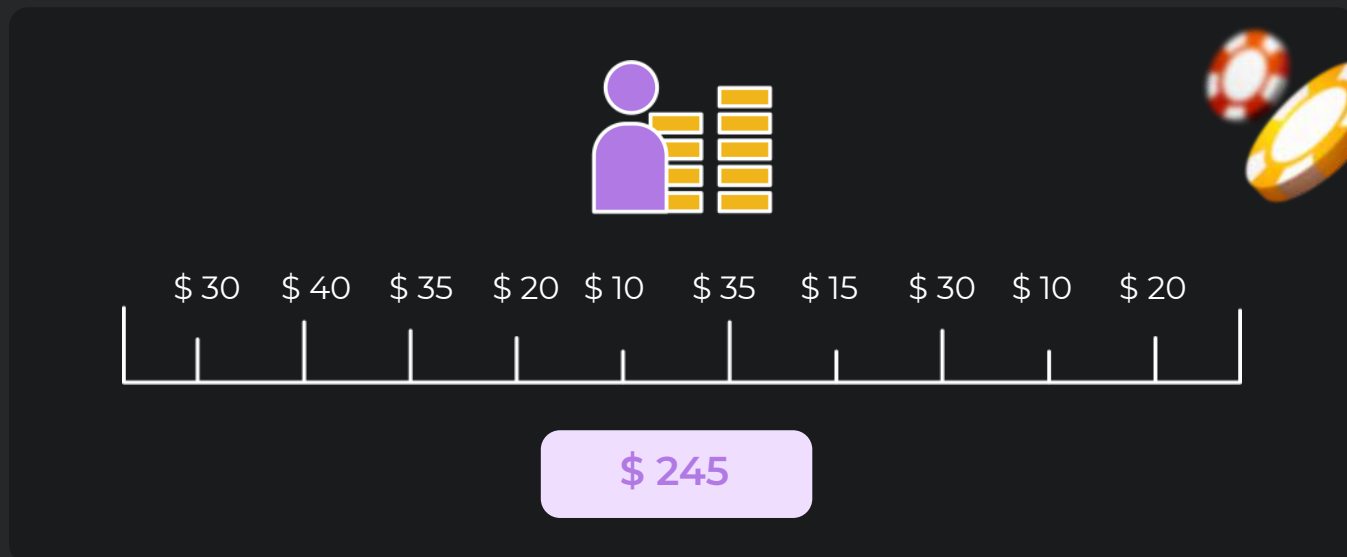
NOTE:

While targeting VIPs is crucial, do not leave out your Minnows. This happens to be the segment your competitors are most eager to entice away from you. To prevent this, be deeply familiar with their regular patterns and behaviors and nurture them throughout. Not knowing about a change in visit frequency until, say, 90 days has passed is a huge missed opportunity.

The background is a dark navy blue. It is decorated with several abstract geometric elements: large purple triangles of various sizes and orientations, some white triangles, and clusters of small grey dots in the corners. The text is centered in a bold, white, sans-serif font.

RETENTION & IMPROVING DAUs

LIFETIME VALUE (LTV)



LTV serves a very singular purpose - gives info on how much a player is worth to you, for the entire time they stay on your platform. So you can start working towards prolonging their retention on the app to the point where it offsets the cost of acquiring that user (called the break-even point).

This leaves you with more cash on your hands to re-invest in user acquisition while at the same time provides you with scale to cater to longer term usage.

HOW TO DO IT - DETERMINE LTV BY COHORT

3 cohorts

Monthly Acquisitions		Monthly Retention											
Month	Customers	M0	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11
M0	100	100%	60%	40%	25%	18%	10%	0%					
M1	100		100%	60%	40%	25%	18%	10%	0%				
M2	100			100%	60%	40%	25%	18%	10%	0%			
M3	100				100%	60%	40%	25%	18%	10%	0%		
M4	100					100%	60%	40%	25%	18%	10%	0%	
M5	100						100%	60%	40%	25%	18%	10%	0%

Monthly Acquisitions		Monthly Retention											
Month	Customers	M0	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11
M0	100	R0	R1	R2	R3	R4	R5	R6					
M1	100		R0	R1	R2	R3	R4	R5	R6				
M2	100			R0	R1	R2	R3	R4	R5	R6			
M3	100				R0	R1	R2	R3	R4	R5	R6		
M4	100					R0	R1	R2	R3	R4	R5	R6	
M5	100						R0	R1	R2	R3	R4	R5	R6

Monthly Acquisitions		Average Revenue Per Paying Customer											
Month	Customers	M0	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11
M0	100	Arp0	Arp1	Apr2	Apr3	Apr	Apr5	Arp6					
M1	100		Arp0	Arp1	Apr2	Apr3	Apr	Apr5	Arp6				
M2	100			Arp0	Arp1	Apr2	Apr3	Apr	Apr5	Arp6			
M3	100				Arp0	Arp1	Apr2	Apr3	Apr	Apr5	Arp6		
M4	100					Arp0	Arp1	Apr2	Apr3	Apr	Apr5	Arp6	
M5	100						Arp0	Arp1	Apr2	Apr3	Apr	Apr5	Arp6

► Calculating Customer Lifetime

$$\text{Player Life Time (PLT)} = R_0(1-R_1) \times 1 + R_0R_1(1-R_1) \times 2 + R_0R_1R_2(1-R_3) \times 3 + \dots$$



- ▶ Higher Player Lifetime Value + Faster break-even
- ▶ Higher the Cost of Acquisition you can afford
- ▶ Higher the scale and quality of your players

The best way to boost the LTV of your players is to run complete user lifecycle campaigns for them, addressing the factors that contribute to LTV such as:

- ▶ Transaction value
- ▶ Purchase frequency
- ▶ Payout ratio
- ▶ Profit margin

This eliminates the need to run standalone campaigns which are often disjointed and do not give the full scope of your users' engagement and interactions with the platform.



BONUSES




Similar to how discounting is very essential in e-commerce promotional campaigns, bonuses are an essential part of RMGs. While at their heart, they're just a mechanism to increase ARPU (in the form of purchases or deposits), they actually fall under one of the following three types.

- ▶ Get a (subsequent) deposit - Transactional
- ▶ Get back inactive users - Activity
- ▶ Complete your profile - Ancillary

Now, suppose you want to get your non-depositors to do their 1st deposit. You can easily pick the non-depositor segment to shoot your campaign, but can you send the same campaign to all of your non-depositors?





Not really! Your strategy for offering Bonuses will take the following into account:



The propensity of how much money your players would want to start with greatly varies across the segments, so target accordingly.



If the transactions are relatively rare, increase their size and offer bonus for volume purchases



Increase profit margins by raising rates, rather than lowering them and offer more value in terms of invites, referrals, etc.



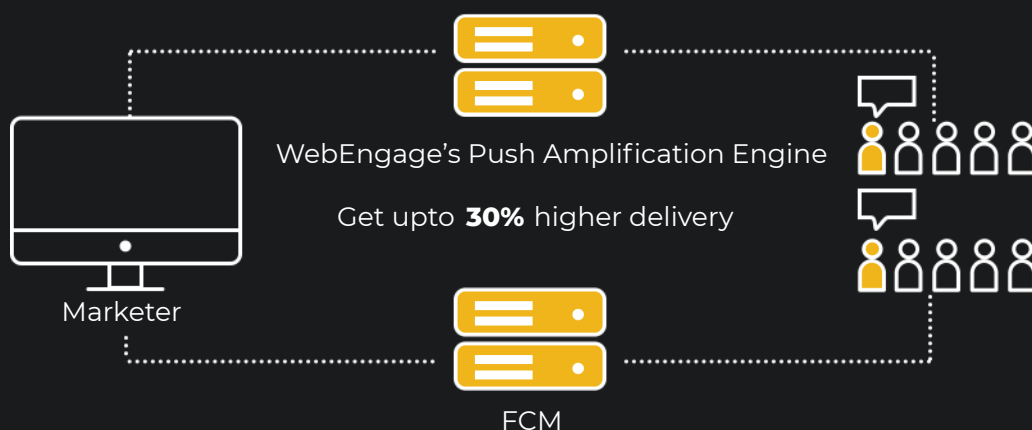
PUSH AMPLIFICATION - A REAL BOON!

A peculiar problem with many Chinese devices is there's no guarantee that they will receive every single push notifications of yours.

WebEngage's push amplification system helps brands deliver every single push notification on any Chinese device, without fail. And brands can expect a **10% to 30% uplift in impressions** (and subsequently clicks, conversions, and revenues) on such Android devices.

Reach 30% more users with your push notification campaigns

Our push amplification engine boosts your notifications delivery by up to 30%. That's 30% more users you can now reach, engage, and convert who would otherwise be missed opportunities.



TOURNAMENTS



Entry

Free
Cash
RPs
Tickets



Tournaments



Cash
Merchandise



Prizes

Promotional tournaments come in a variety of forms, depending on the goal:

- ▶ Injecting liquidity into the system
- ▶ Increasing player engagement
- ▶ Boosting ARPU (Prize money to High Value players)

Let's say, you've ideated a new 15- day tournament for your players with a very high prize money. This gets over 30% of your entire user base to take part in it. Now, there will be several tournament instances that you'd want to notify your participants about - upcoming games, leaderboard changes, round winners, results, etc, some of them running on the same day

So, how would you like to notify your users about such events, given that it will be an enormous task?





OPTION A:

Get your entire workforce right from the office boys to the CEO to start working on the notifications.

OPTION B:

Use Relays.

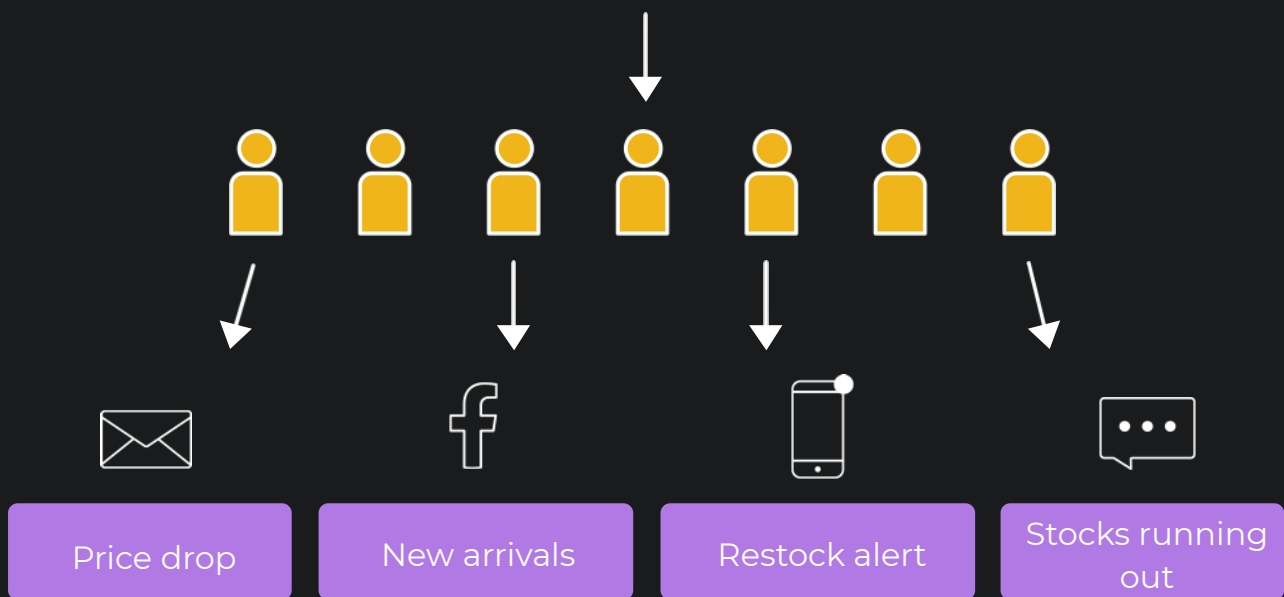
Relays remove the manual intervention required to notify your users whenever there's some change in your platform, or in this case, the tournament. You will already have set different events for your tournament so whenever that event is fired, called a

For example, as soon as the 1st round of the tournament is over, you might want to share the leaderboard with all the participants. So the system will check for the final rankings and will notify the winners accordingly.



Relays

Workflow comprising of a series of Push, Email, SMS, Web Push etc. campaigns



Relays are a great way to increase engagement by layering incentives, all while removing the manual legwork.

FINAL WORDS...

As a Real Money Gaming (RMG) business, you don't require anybody else telling you how unpredictable and complex the entire landscape is. Be it acquisition, retention, conversion, engagement or even referrals, they all need their own respective tools and strategies, to have any recognizable impact on your bottom line.

We, at WebEngage, have been very fortunate to be at the forefront of the rise of RMG in India, and have been actively supporting many of our gaming clients to solve their retention challenges, both in and outside of India.

With this ebook, we wanted to validate, for RMG businesses, all the predicaments and potential barriers to their growth and revenue aspirations, having identified, brainstormed and solved them, for many of our RMG clients.

We hope that you found it useful!



CREATE ENGAGING CUSTOMER EXPERIENCES THAT MATTER

Get in touch for a personalized demo of the WebEngage marketing automation dashboard.

Schedule my free demo



WebEngage is a full-stack marketing cloud which gives a 360 degree view of your users & your marketing efforts (& everything else in between). Loaded with cross platform & cross channel analytics, the suite makes it possible to drive user engagement & retention with data driven, personalized campaigns through multiple channels, including the revolutionary Journey Designer.

Thousands of online consumer businesses use WebEngage everyday to improve their engagement and retention. Why are you still hesitant?

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