



Developing a winning ad strategy



Next Games engages users, while generating over 40% of revenues from mobile ads



Next Games is a Helsinki-based games studio founded in 2013 by a team of industry veterans representing market leaders such as Rovio, Supercell, and Disney. Focused on crafting visually impressive and engaging titles, Next Games' mission was clearly applied to their top-grossing title, *Compass Point: West™*, a visually-rich 3D action strategy game set in the Wild West. The free-to-play title employs a card-collecting mechanic built into the heart of the game design. From the outset, Next Games saw ad monetization as an integral part of their overall business strategy. As a result, they were thoughtful not only in selecting a monetization partner, but also in deciding how to integrate ads into their overall gameplay.

Key Findings

\$0.05

ARPDAU

\$20

Average eCPM

60%

DAU engaging with at least one ad

4-5

Average video completions



“Selecting a reliable mediation partner is as key to your overall ad strategy as the integration itself. After testing multiple providers, we strongly believe that Fyber is the best possible choice for mediation. Not only is their technology strong, but their team knows the market, is highly responsive, and will truly partner with you to make your title a success.”

JOAKIM ACHRÉN, CHIEF PRODUCT OFFICER, NEXT GAMES

Mediation matters

The decision to integrate ads into *Compass Point: West™* was a relatively easy one: Next Games' team knew that ads would provide a more stable revenue stream than in-app purchases (IAP), especially given that aggressive user acquisition spending and the influx of brand dollars to mobile are driving up industry eCPMs. They also believed that rewarded video ads, if implemented correctly, could invigorate the game's economy and encourage additional spending from players.

The first step to executing a solid monetization strategy was to select a mediation partner. Next Games knew that working with multiple ad networks would drive competition, and therefore boost eCPMs, and that working with a mediation platform could help them optimize their returns across demand sources on a

per-impression basis. Furthermore, mediation would ensure optimal fill rates, streamline the integration of multiple ad network SDKs, and save precious resources for ongoing maintenance.

After testing multiple providers, Next Games ultimately chose to work with Fyber due to the quality and responsiveness of the account management team, the reliability of the technology, and the strong performance that Fyber was able to deliver relative to others. Fyber currently handles mediation for *Compass Point: West™*, and will also be integrated in Next Games' upcoming title *The Walking Dead: No Man's Land*, the official mobile game based on AMC's record-breaking hit TV show "The Walking Dead."





A winning integration

Next Games knew from the outset that ads would be an integral component of their monetization strategy for *Compass Point: West™*. They therefore made a strategic business decision to invest in the development and design of a “deep” video ad integration that would match the look and feel of the game, going hand-in-hand with the title’s gameplay.

Rather than interrupting gameplay with an intrusive pop-up or requiring users to “dig” for ads through a complicated menu, Next Games incorporated them into the game’s core loop. The Traveling Show wagon is positioned as a regular object in the game, indicated by a floating movie reel icon. By tapping the icon, the

user is prompted to watch a video in exchange for a random card. The user can pick from one of four mystery cards in the Traveling Show deck. After making a selection, the three remaining cards are revealed so that the player can see which ones they missed.



1

“Traveling Show” wagon appears when a user can access rewarded ads (up to three times every eight hours)

2

User is prompted to watch video

3

After completing video, user can select one of four mystery cards



Throughout the development process, Next Games employed three key tactics that influenced the success of their integration:



1 Taking UI and UX into consideration

If ads feel fundamentally out-of-place in a game, it's a recipe for trouble. Encouraging engagement and retention is challenging enough, without putting additional obstacles in the user's way. Every aspect of Next Games' ad integration was designed to engage and delight the user: From the attractive design of the interface, to its positioning within the natural flow of the game. Not only are users encouraged to re-engage by revealing the cards that they missed, they are also directed to this spot within the game on a daily basis, and provided an extra bonus for returning. The Traveling Show wagon is only shown when users have the option to watch a rewarded ad (up to three times every eight hours), rounding out a user experience that is designed to influence and encourage repeat engagement.

2 Offering a reward that entices the user

Rather than offering users a reward that directly correlates to their ad payout, Next Games decided to provide users with a high-value reward that equated to about \$0.30 of in-game value. This was intended to not only increase the likelihood that users would continue to engage with ads, but also boost the chance of an IAP by providing gamers with a "taste" of what they could receive. Of course, it takes a good amount of experimentation to find the payout that perfectly complements your in-game economy. Fyber encourages its clients to run A/B tests to pinpoint the payout that works best, and to explore offering a reward that is unique and cannot be earned any other way. Our Monetization and Growth team works closely with clients to develop the ideal reward implementation for each title.

3 Infusing fun into the ad experience

Who says the ad experience can't be fun? Next Games' integration proves that, when executed correctly, rewarded ads can provide an interaction that mirrors the playfulness of the game itself. In *Compass Point: West™*, the "lottery style" rewarding mechanism infuses an element of gaming and excitement into the overall user experience, as players are left to chance in terms of the reward they will receive. Furthermore, employing a card collection mechanism encourages re-engagement, as users are tempted to collect as many as possible.



Results

1 Rewarded ads are a perfect complement, rather than a detriment, to IAP

Next Games spent significant time testing various ad strategies and ultimately found that the integration of rewarded ads increased overall IAP spending, rather than cannibalizing it. They noted that even the game's highest-spending players would typically max out the allotted number of rewarded ads allowed per day. While this indicates that even the most lucrative users found value in the content provided by rewarded ads, it did not deter their willingness to spend.

2 Ads provide a significant and reliable revenue stream

Rewarded ads provided Next Games with a more stable source of revenue than IAP – and in fact, this revenue stream was so significant that it accounted for more than 40% of their total revenue for *Compass Point: West™*. Furthermore, 60% engage with video ads daily, which allows Next Games to significantly increase percentage of players that are monetized.

3 Players enjoy and find value in rewarded videos

The final benefit that Next Games noted from integrating rewarded ads can perhaps be considered the “cherry on top.” Not only did ads establish a healthy revenue stream and encourage IAP – they found that players genuinely liked them! In fact, about 10% of users that leave a positive App Store review specifically mention video ads.

\$0.05

ARPDAU (average revenue per daily active user)

\$20

Average eCPM

60%

Percent of DAU (daily active users) that engage with at least one ad per day

4-5

Average video completions per day

Across the board, Next Games demonstrated exceptional performance KPIs for *Compass Point: West™*. Their ARPDAU and average eCPM were **double** the industry benchmark for games in the same genre. Engagement rates also soared at 60%, while even top performers in their genre usually achieve closer to 30-40%.