

THE SECRET TO CPA ADVERTISING

Here's how big game studios like IGG & Epic Action drive **growth with rewarded CPA campaigns**

The Challenge

Drive user base growth to increase revenue

In today's increasingly competitive user acquisition environment, advertisers are facing difficulties with driving traffic volumes of engaged users while keeping associated financial risk to a minimum.

With incent CPI campaigns, large numbers of installs can be generated quickly. But those campaigns usually drive little engaged audiences to your app.

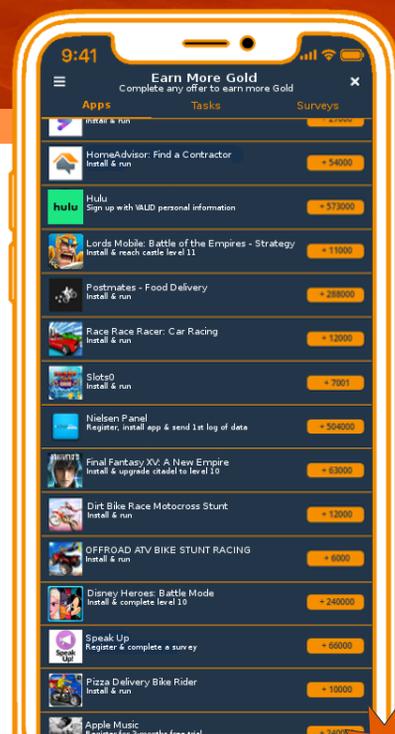
When driving high volumes via non-incent CPI campaigns, the likelihood of getting engaged users is much higher, but so are bids and ad spend. If you want to tap into even bigger supply sources, you usually

have to buy traffic based on CPC or CPM pricing. For those campaigns another challenge is to get enough installs and engaged users from each click or impression batch you buy.

While advertisers strive to find the ideal recipe, we believe that incent CPA is your key to success.

Goals:

- **Pay only for engaged users who are likely to spend money in your app.**
- **Set up risk-free and scalable campaigns.**



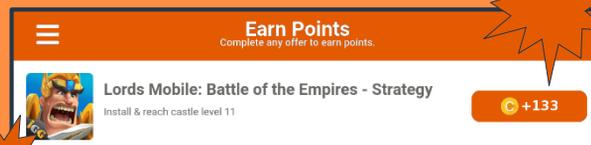
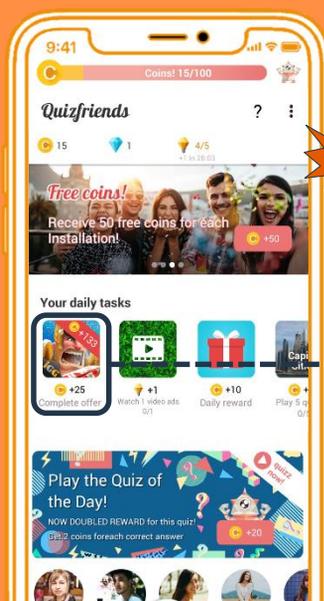
The Solution

Cost-Per-Action Campaigns

The secret to rewarded CPA advertising is defining a conversion event, after which users are loyal and tend to spend money in your app.

In the context of incent CPA, advertisers have to pay when a user successfully completes a predefined action (e.g. reaches a level or score, or registers), which is why incent CPA advertising generally decreases the risk carried by advertisers.

Let's say 1,000 people click on your ad and 7 of them actually convert, in this case you only pay for those 7 conversions. CPA means you stop wasting money on the wrong clicks.



By using these predefined action parameters, you can be sure about the level of engagement of your acquired users. CPA is a direct reflection of the profitability of a campaign and leaves minimal cost risk with the advertisers.

It is crucial to pay close attention to the selection of your conversion events; **make sure that users who engage to the chosen event, regularly turn into profitable users.** It is also helpful to set multiple events in order to track the users' paths.

How big game studios like Epic Action & IGG leverage CPA campaigns to acquire engaged users and drive growth

Epic Action and IGG, two renowned strategy game developers, have set up their CPA campaigns to acquire new users for their games while maintaining a positive return on investment.

Publishers of MMORPG games usually choose a conversion event that takes several days to complete. After engaging for that long, users are likely to turn into loyal, long term users with big yields on ad spend for those game developers.

In order to analyse the success of a campaign, publishers have to keep track of the following two different paths that a user can take:

- The user completes the offer. After engaging for such a long time, the user is likely to genuinely like your app and continue to use it while spending money.

- The user doesn't reach the conversion event. You won't have to pay for a conversion, while still generating an install and being able to monetize the user in the levels prior to the conversion event.

While conversion rates are usually very low for difficult-to-reach events, the publishers in our best practice scenario use high bids to attract high traffic volumes.

It is important to note that the setup described above is IGG's and Epic Action's sweet spot of ad spend versus scale and return.

For CPA advertising in different genres like Casual, Hyper Casual or Trivia, the constellation of average time to conversion (for selected conversion event), conversion rate and CPA bid in order to reach the sweet spot, may vary.

App Details	
App Name:	Final Fantasy / Lords Mobile
Publisher:	Epic Action / IGG
Category:	Strategy
Conversion Event:	Install & complete certain level
Ø Conversion Time:	40h - 150h
Conversion Rate:	1% - 7%
CPA Bid:	\$8 - \$25




The Implementation

Learn how to get started with CPA campaigns!

Metrics play a crucial role in the process of running a successful CPA campaign. That's why first and foremost, complete these steps before getting started with CPA campaigns:

1. Implement one of the tracking providers shown below:

2. Analyse your current audience

Where is your sweet spot for the current mix of user acquisition channels? At what point do 80, 90 or 95% of your users turn into loyal, long playing users?

What are their LTVs? Separate your users into payers and non-payers. What are their time-dependent paths to purchase? Identify events that encourage and interfere with purchases.

3. Define Events

Based on your analysis, define the events that you would like to test for your CPA campaigns.

Keep in mind that incnet users behave differently than your current user base. So keep track of revenue data from your different advertising channels. Incnet and non-incnet users might have different average purchase- and ad revenue-rates.

It is best to define several conversion events to track and test your campaigns with.



The Optimization

How to find the sweet spot and scale accordingly

Ensuing your tests of different conversion events, ask yourself the following questions in order to analyse your data:

- ☀ Is there an event for which users are more likely to stick to your app?

☀ How much return do you get from:

- converted users?
- free users that installed the app but didn't convert?

☀ How many new users are referred by the users you acquired with the campaign? How much money are they worth for you?

Once you know the data, you can calculate the maximum amount of money you are able to pay per conversion. You have to decide on the exact bid and conversion event combination, which produce the best results for your individual goals. Be clear on whether you want to maximise volume or optimize return on ad spend.

Scaling time - how ad networks evaluate your campaigns:

Ad networks evaluate campaigns based on eCPM or EPC. Campaigns with high eCPMs/EPCs are listed at the top of offerwalls. With 50 or more offers, you want to save yourself one of the top spots as only a few users scroll down below the fold.

If your campaign has a low conversion rate, one of two changes will increase the scale:

- Increase bid
- Change conversion event to a simpler one at unchanged bid