



LIQUID&GRIT

Casino Report

Competitive research and actionable product recommendations

TABLE OF CONTENTS

GDPR ANALYSIS

4

Potential Impact

REVENUE PRODUCERS

6

Lottery Systems
Post-Round Mini-Games
Content Releases with Cash Wheel

MARKET WATCH

19

Notable Features I
Notable Features II

APPENDIX

22

Player Motivations
Data Collection Process

APRIL

2018

INTRODUCTION



Dear Product Owner,

The Expected Value (EV) of GDPR changes are likely minimal, ranging from an estimated impact of 0.4% to 3.6% on total app revenue. Since the EV of a penalty can be severe, Product Leads should ensure compliance ... particularly in smaller revenue apps (p. 4).

Lottery Systems, a highlighted feature in this report, produced a +77% WoW spike in revenue for Huuuge Casino. Like *Collection Sets*, this feature is deeply integrated into the entire app (p. 7).

If you are unsure that your players will respond to full *Collection Sets*, look at the *Post-Round Mini-Games* that gave Bingo Blitz a +41% WoW bump in revenue (p. 11).

To improve the revenue impact of a big machine release, review *Content Releases with Cash Wheel*. POP! Slots saw a +25% WoW in revenue when they paired a strong machine release with an event that included a post-purchase mini-game (p. 15).

"Only heavier doses of brains and thought and wise courage can cure." - Henry Ford

A handwritten signature in black ink that reads "Brett Nowak".

Brett Nowak
Editor-in-Chief

GDPR ANALYSIS

POTENTIAL IMPACT

The estimated impact of the GDPR is calculated:

(chance that features impact users) * (impact of features) * (% of users impacted)
+ (chance of non-compliance fine) * (cost of fine)
= Expected Value (EV)

Let's assume 50% to 90% of users will opt-out of data collection. According to Eilers & Krejcik Gaming, EU players generate 8% of overall revenue. With an aggressive range of 10% to 50% impact, the EV of feature changes would range from 0.4% to 3.6% on total game revenue (see EV of Feature Changes Sensitivity Analysis).

The EV of non-compliance is based on the % of revenue that your game generates relative to the overall revenue of the company. The *smaller* your game's revenue relative to overall company revenue, the *greater* the EV of non-compliance. The penalty is also tiered based on the impact of the infractions.

If your game ranges from 20% to 100% of overall company revenue, and the penalty ranges from 2% to 4% ... with (currently) a 100% chance of a penalty, the EV of non-compliance ranges from 2% to 20% (see EV of Penalty Sensitivity Analysis).

The goal is to match the EV of the penalty with the EV of feature changes, producing an overall EV less than 3.6% (at a minimum).

For apps with a smaller percentage of overall company revenue, the EV on that app's revenue goes beyond 4% (assuming that app will carry the entire penalty). Therefore, smaller apps should be monitored closely for compliance ... since the fine is based on company revenue and, "up to €20 million, or 4% of the worldwide annual revenue of the prior financial year, whichever is higher" ([GDPR.org](https://gdpr.eu/)).

EV of Feature Changes Sensitivity Analysis

		Range of Impact				
		10%	20%	30%	40%	50%
% of Users that Opt-Out	50%	0.4%	0.8%	1.2%	1.6%	2.0%
	60%	0.5%	1.0%	1.4%	1.9%	2.4%
	70%	0.6%	1.1%	1.7%	2.2%	2.8%
	80%	0.6%	1.3%	1.9%	2.6%	3.2%
	90%	0.7%	1.4%	2.2%	2.9%	3.6%

EV of Penalty Sensitivity Analysis

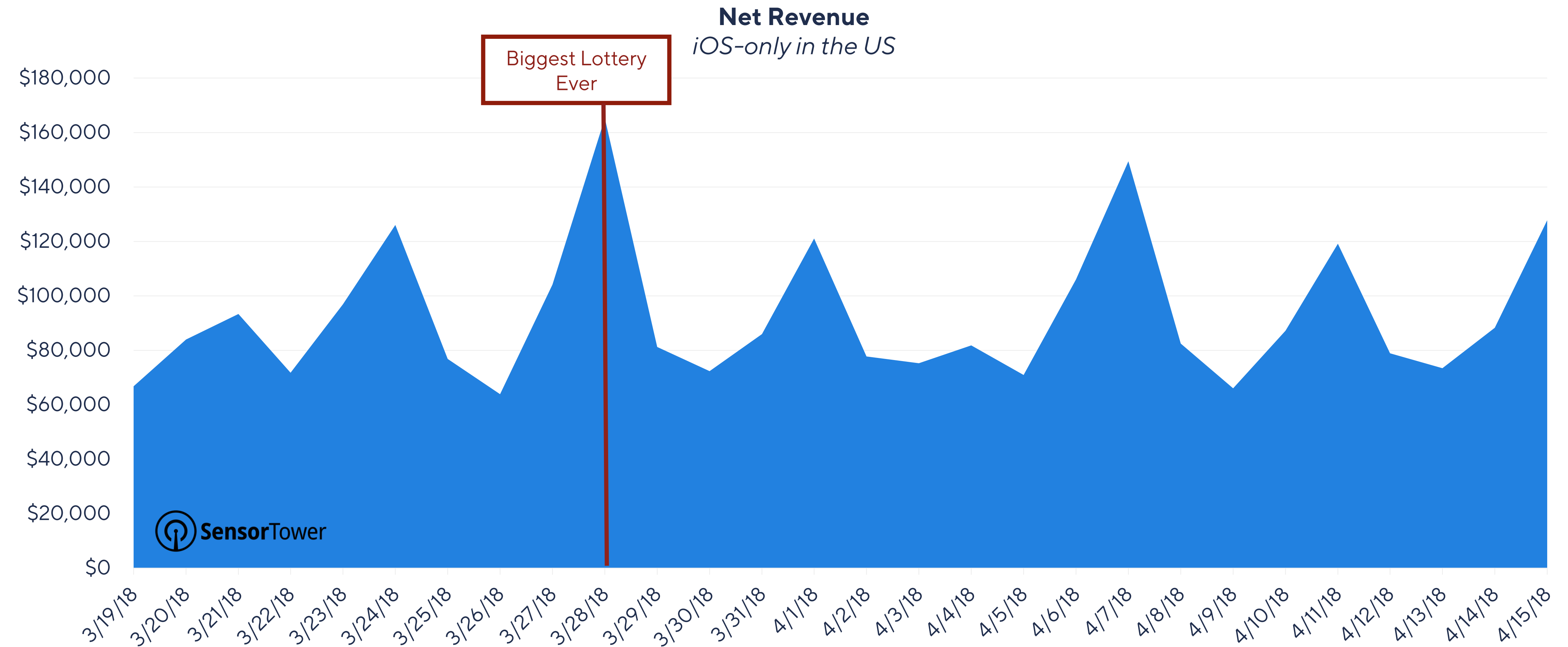
		Penalty				
		2.0%	2.5%	3.0%	3.5%	4.0%
App Revenue as a % of Total Company Revenue	20%	10.0%	12.5%	15.0%	17.5%	20.0%
	30%	6.7%	8.3%	10.0%	11.7%	13.3%
	40%	5.0%	6.3%	7.5%	8.8%	10.0%
	50%	4.0%	5.0%	6.0%	7.0%	8.0%
	60%	3.3%	4.2%	5.0%	5.8%	6.7%
	70%	2.9%	3.6%	4.3%	5.0%	5.7%
	80%	2.5%	3.1%	3.8%	4.4%	5.0%
	90%	2.2%	2.8%	3.3%	3.9%	4.4%
	100%	2.0%	2.5%	3.0%	3.5%	4.0%

REVENUE PRODUCERS

LOTTERY SYSTEMS

IMPACT ANALYSIS

Huuuge Casino *Biggest Lottery Ever* event spiked revenue +77% WoW, and +64% compared to the following two midweek revenue measures



Revenue data comes from Sensor Tower

FEATURE ANALYSIS

Once the *Lottery System* is built, *Lottery* events create short, but meaningful, spikes in revenue for very little development cost. *Lottery* events may be released weekly, as seen in Huuuge Casino, making them also highly repeatable

Additional Information

- KPI: Revenue
- Player Motivations: Thrill, Ownership

Related Features

- [Ticket Tumbler](#) Hit it Rich!
- [Ticket Exchange](#) Bingo Pop
- [Gumball Goodies](#) Candy Crush Soda

Impact



Longevity



Repeatability



Skinnability



Cost



IMPLEMENTATION

Huuuge Casino drives large purchases with weekly *Lottery* events focused on collections. These events are built upon the *Lottery System* feature

Feature Explanation

- New players receive 1 puzzle piece for each of the 3 puzzles (1)
- Additional tickets are acquired by making a purchase, collecting a daily bonus, winning the *Lottery* feature, and leveling up (2)
- During weekly *Lottery* events, prizes for completing a puzzle are 5x greater. The top prize is worth \$2,222 in chips for a new user, and \$750 for experienced players at level 1,000 (3)
- During events, ticket bundles are discounted. Ticket and package prices are not impacted by player level and are expensive, ranging from \$20 to \$100 (4 & 5)
- The *Biggest Lottery Ever* event increased puzzle prize awards by 7.5x (6 & 7)
- A ticket bundle released with the event includes more *Gold Tickets* for a higher price point of \$59.99, at the same average cost per ticket of \$0.53 (8)

Key Takeaways

- For the largest impact, integrate *Lottery Systems* into the game's design—from new user, to live events. Then, run a sink event prior to the *Lottery* event to drive revenue
 - The day before a *Lottery* event, the [Love Puzzles](#) event is released to sink the *Gold Tickets*, which players typically save for *Lottery* events
 - These sink events award players who collect the most puzzle pieces ... but the puzzle completion awards are normal
 - When the main *Lottery* event runs, players have either already used their *Gold Tickets* on the *Love Puzzles* event, or are 1 puzzle piece short
 - With the increased prize amounts, players are driven to purchase because a completed puzzle set is worth more than store purchases

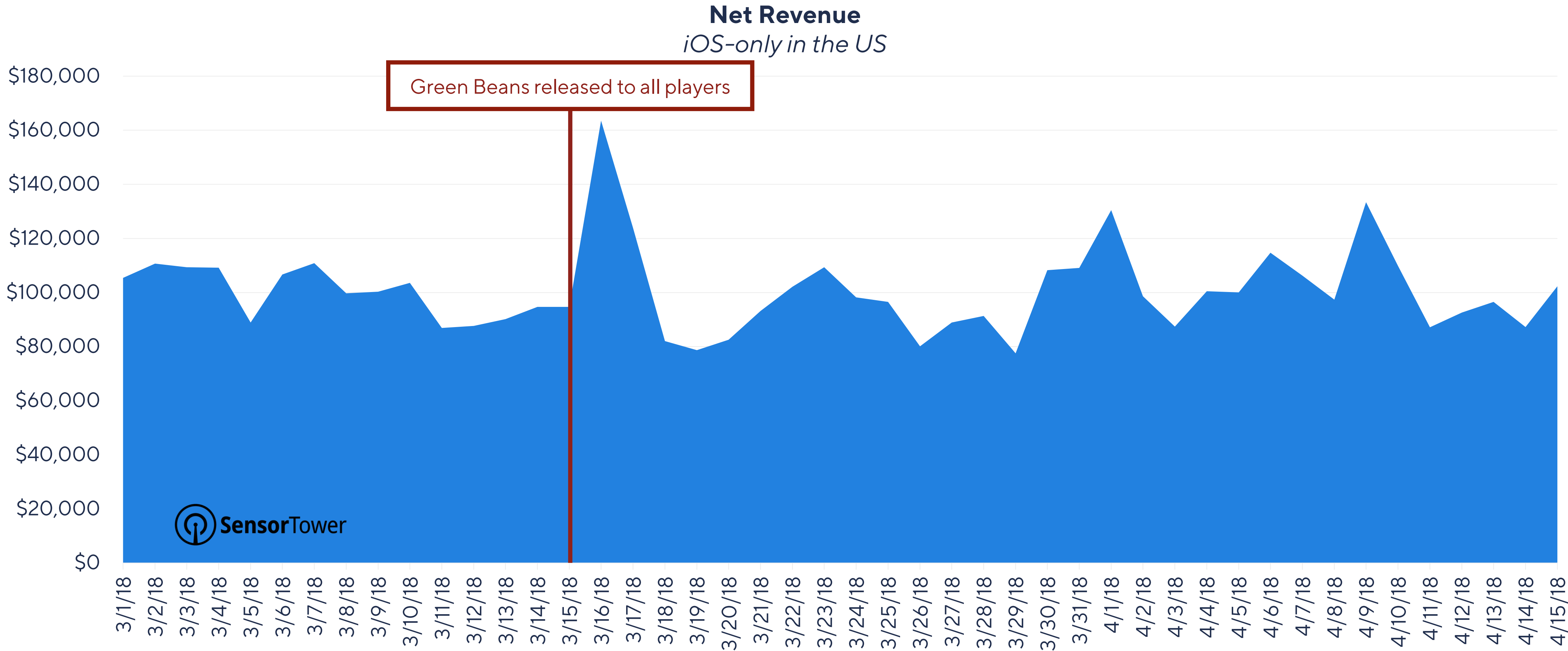
[Click here for more on Biggest Lottery Ever or Love Puzzles >>](#)



POST-ROUND MINI-GAMES

IMPACT ANALYSIS

Bingo Blitz *Green Beans* release drove a +41% in revenue over the 2 day event period (3/15/18 – 3/16/18)



Revenue data comes from Sensor Tower

FEATURE ANALYSIS

A Post-Round Mini-Game produces a nice bump in revenue for a few days, but is fairly costly as it is tied to several features and includes a collection system

Additional Information

- KPI: Revenue
- Player Motivations: Ownership, Surprise

Related Features

- [Copenhagen](#) Bingo Blitz
- [Battleship Bingo](#) Bingo Bash

Impact



Longevity



Repeatability



Skinnability



Cost



KEY TAKEAWAYS

Bingo Blitz's new room has a *Post-Round Mini-Game* with a collection mechanic. Early access is given with purchase or *Elite Membership*

Feature Explanation

- *Green Beans* bingo room is released with early access to *Elite Members* ... or those purchasing a timed early access pass (1 & 2)
- Purchasing *Card Boosts* increases round rewards and chances to trigger the mini-game (3)
- Players daub spaces containing *Clovers* to unlock the *Shake a Surprise* mini-game (4)
- *Shake a Surprise* awards credits, coins, chests, boosts, or a *Golden Egg* (5)
- Completing the collection of *Golden Eggs* awards \$100 worth of credits (6)

Key Takeaways

- Combining a collection system with gameplay rewards makes a feature more compelling to all player types (and not just Completionists)
- To drive revenue, make the collection system difficult to complete without making a purchase ... or without substantial in-app currency investment
- Give early access to high value players and recent purchasers to boost the value of purchases ... and to increase repeat purchases

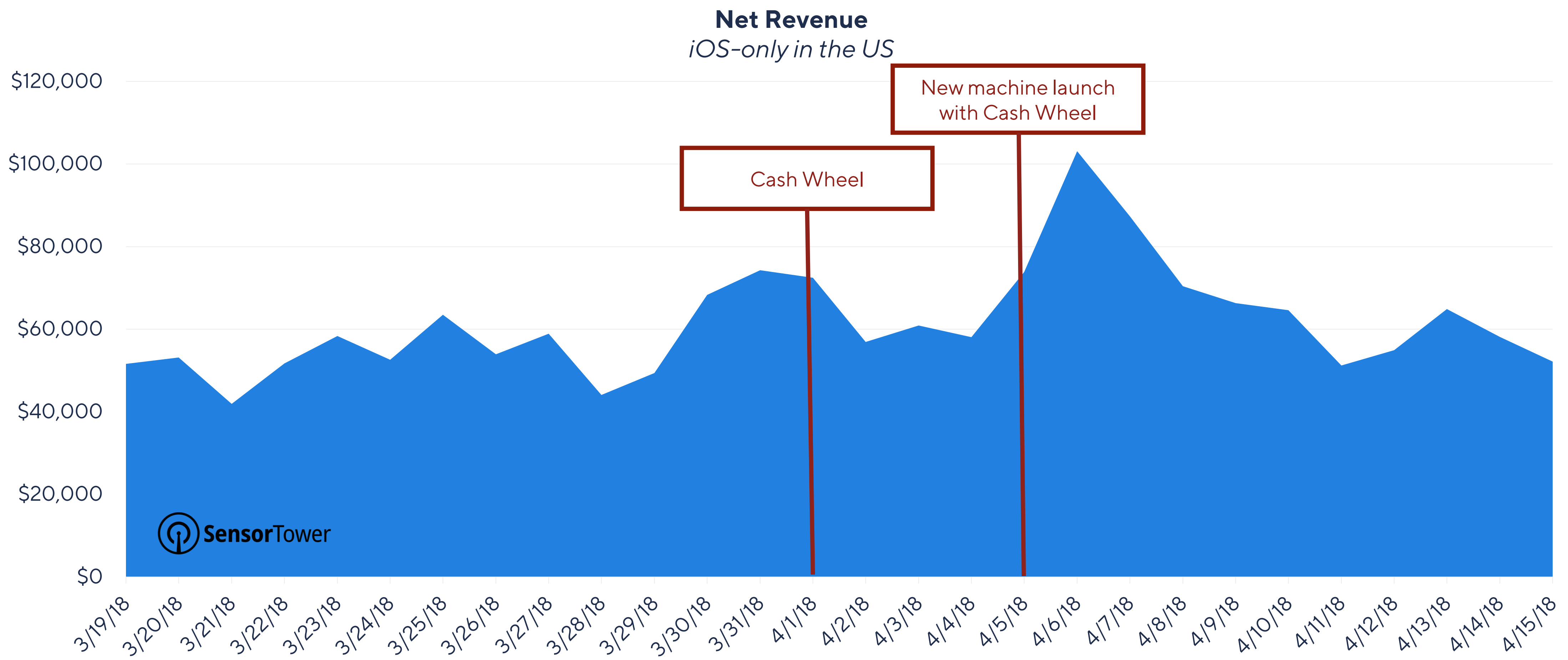
[Click here for more on Green Beans >>](#)



CONTENT RELEASES WITH CASH WHEEL

IMPACT ANALYSIS

POP! Slots released a new machine *Enchanted Wall* with an event *Cash Wheel* that increased revenue by +25% WoW (4/5/18 - 4/9/18)



Revenue data comes from Sensor Tower

KPI SUMMARY

The backend logic and math behind *Cash Wheels* may be used with a new feature layered on top ... but this type of design work can be costly

Additional Information

- KPI: Revenue
- Player Motivations: Thrill, Ownership

Related Features

- [Bonus Spin](#) my KONAMI
- [Deal of Fun](#) House of Fun
- [Lucky Spin](#) Slotomania

Impact



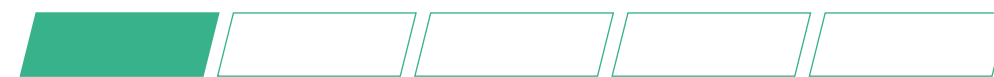
Longevity



Repeatability



Skinnability



Cost



KEY TAKEAWAYS

POP! Slots new machine release coincide with a purchase event that awards players a wheel spin for higher purchases

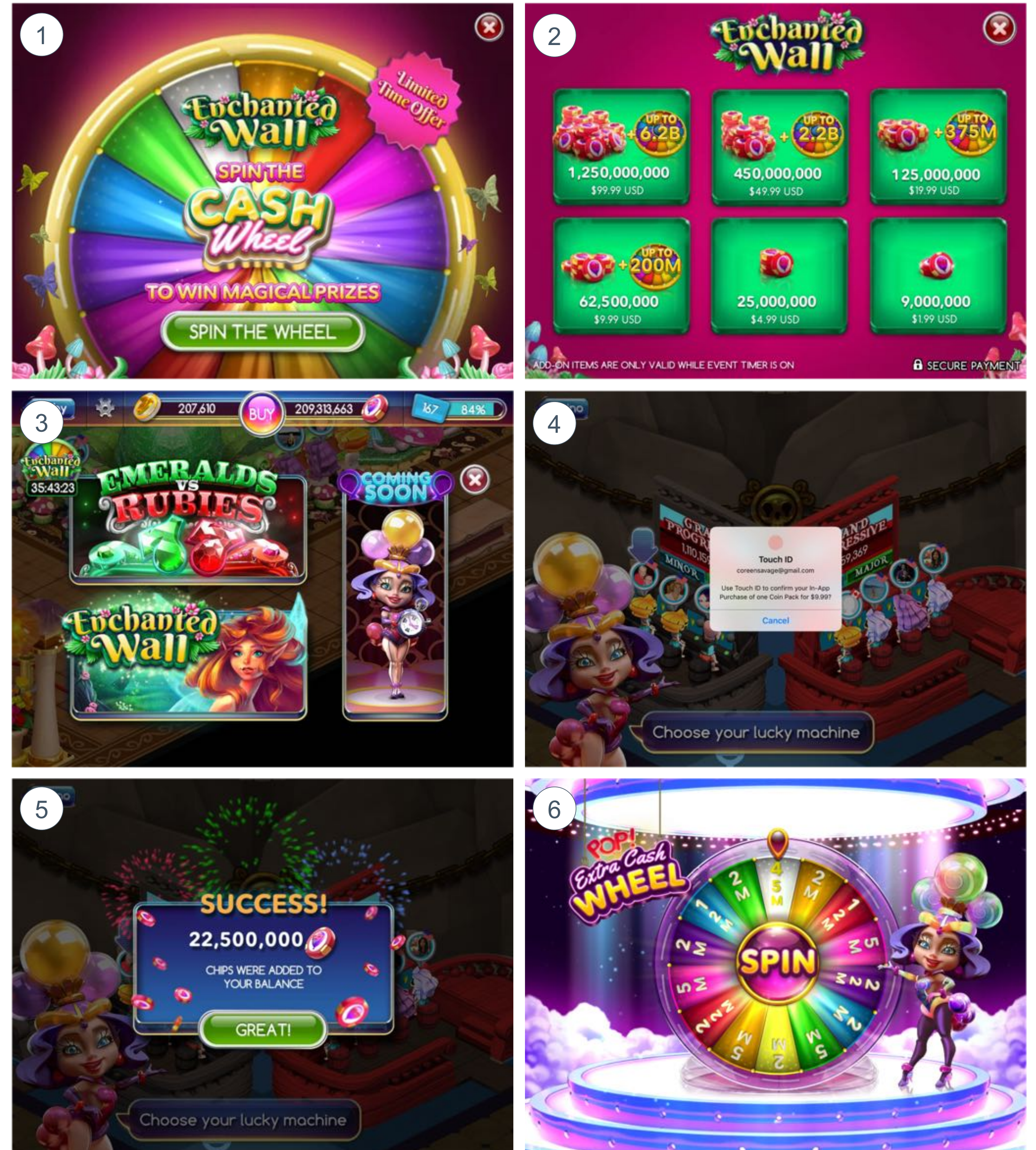
Feature Explanation

- New machine content with a purchase event is marketed at app-entry (1)
- Players are awarded 1 spin of the *Cash Wheel* with a qualifying purchase. *Cash Wheels* have different payouts based on purchase value (2)
- The event icon is visible with a timer from the lobby screen (3)
- Purchasing chip packages of \$9.99 or higher qualifies for the add-on feature (4)
- After a qualifying purchase, a 'Success' dialogue appears, followed by the *Cash Wheel* screen (5 & 6)

Key Takeaways

- Post-purchase mini-games drive an increase in transactions because 1) players *feel* like they are receiving more than just chips, and 2) the mini-game appeals to players seeking a gambling thrill ... since the wheel is *very closely* associated with purchases
- These mini-games need content updates, so build mini-games that are either easy to *design* (like a wheel), or are easy to *reskin* (like card-based games)

Click for [Enchanted Wall & Cash Wheel](#) and [Cash Wheel](#) >>

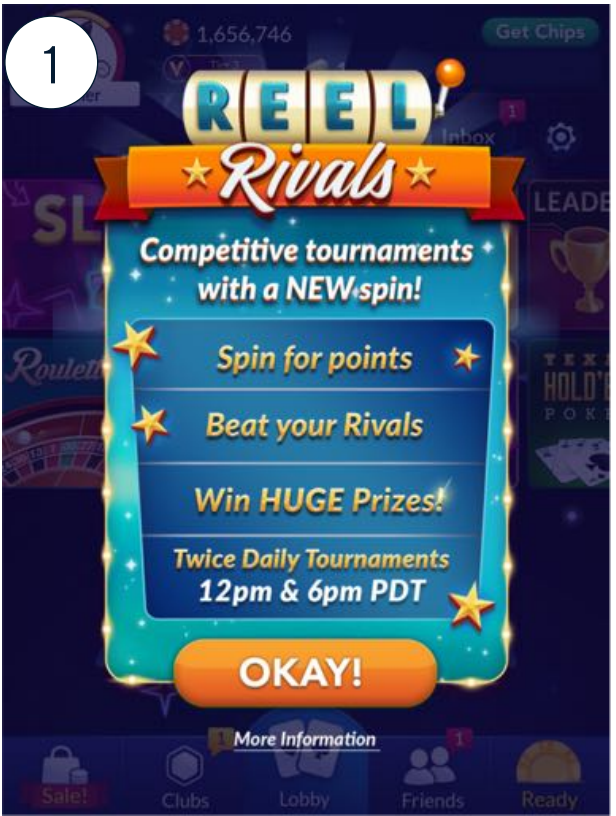


MARKET WATCH

3/15/18 - 4/14/18

NOTABLE FEATURES I

App	Notable Release	More Information
Big Fish Casino	Reel Rivals	15 minute tournaments now offered 2x a day for free or buy-in entry (1)
Gold Fish	Mermaid's Cove	New area with map, collection feature, pick 'em, and chests (2)
Jackpot Party	Daily Bonus Update	New daily bonus with a wheel and mini-stepper mechanic. First tested in November, now has replaced the daily bonus wheel (3)
myVEGAS Slots	Egg Hunt Easter Party	Reskin of staged quest with the addition of a new bonus wheel to multiply stage bonus awards
Bingo Party	Tetris	Alternative play mode: Bingo when players uncover 3 blocks
Slots Era	Easter	Collection event with purchase options for 3 wheels



NOTABLE FEATURES II

App	Notable Release	More Information
Bingo Pop	Clubs	Clubs added with exclusive club leaderboard, daily bonus, and store (1)
Bingo!	Super Championship	Team tournament event for prizes (2)
Scatter HoldEm Poker	Jackpot Arena	<i>High Roller Club</i> event reskinned to include a new game mode played in a jackpot room (3)
Mega Hit Poker	Red Poker	Cash table event with a new style of poker play using only <i>Diamond</i> and <i>Heart</i> cards
PokerStars Play	Poker Challenges	Daily and weekly challenges added for chip rewards. Completing all 3 daily challenges unlocks <i>Surprise Bonus</i>



[Click here](#) for the full list of content released this month with links to more in the [Feature Database](#)

APPENDIX

PLAYER MOTIVATIONS



Understand emotional motivations to generate growth. The most impactful features are those that trigger strong, positive, emotional responses

“Most companies segment their markets by customer demographics or product characteristics and differentiate their offerings by adding features and functions. But the consumer has a different view of the marketplace. She simply has a job to be done and is seeking to 'hire' the best product or service to do it. Jobs aren't just about function—they have powerful social and emotional dimensions.” - Clayton Christensen, co-author of the [Jobs to be Done framework](#)

To create new innovations, focus on the emotional jobs that people want accomplish. This is very applicable to our industry, where there is little *practicality* about playing a non-paying casino game. Therefore, we have to know the emotional drivers of our players.

Liquid and Grit has formulated key player motivations. This is, and likely always will be, a work in progress. So please feel free to email me at brett.nowak@liquidandgrit.com for suggestions or comments.

Player Emotional Motivations

- **Achieve** - Players who want to accomplish a goal
- **Thrill** - Players who want the excitement and stress of taking a risk
- **Surprise** - Players who want to uncover an unknown, see new opportunities, and try new things
- **Awe** - Players who want to experience quality production value
- **Flow** - Players who want to get into the zone and escape
- **Relationship** - Players who want to connect with other people
- **Association** - Players who want to identify with something for familiarity and comfort
- **Ownership** - Players who want to have things belong to them
- **Create** - Players who want to be creative and produce something

DATA COLLECTION PROCESS



Recommendations, information, and data come from market research, app intelligence tools, and deep analysis of the apps

Market Research

- Each app is reviewed daily for updates, regardless of whether the app has been updated through the App Store
- Transaction information comes from the iOS App Store's In-App Purchases tab. These transactions are ranked based on the number of transactions
- Trending revenue, downloads, and package-rank data come from Sensor Tower Store Intelligence

Game Information

- App information comes from a deep-dive analysis of each app
- In the Economy Analysis and economy-related slides, the currency value is determined by converting currencies into money using \$5 worth of non-sale purchasable currencies in each app
- For example, if an item costs 1,000 of the primary currency and players can purchase 500 for \$5, the value of the item is \$10. For apps without a \$5 package, the next closest package is used

“Only heavier doses of brains and thought and wise courage can cure.”

– Henry Ford

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