Metrics for Virtual Goods Businesses

**Intro & terms**
- Some key terms explained e.g. LTV = lifetime value
- Introduction to Whirled (three currencies, aggressive repricing needed)
- Puzzle Pirates (three currencies, money booking unclear)
- User requirements are crucial (audience theme, horizontally vs vertically)

**Puzzle Pirates**
- Roughly 4 M$ revenue
- Started in 2005
- Male/female 50/50
- Wide age range (7-70 year olds)

**Key metrics**
- Conversion rates vary a lot depending on the source of the user
- Top 10% of paying customers generate 50% of revenue

**What factors drive LTV?**
- Games are rare as they make money from end customers directly
- Directly buy traffic

**Cost per acquisition**
- Factors that drive LTV
- Average revenue per customer
- Customer retention metrics

**Funnel design**
- Must be testing all the time (A/B & multivariate)
- Viral marketing
- gotta have it, especially for Facebook games

**Viral marketing**
- Potential to drive down your cost per acquisition
- Focus on retention otherwise your newly acquired customer's LTV might really low

**Customer retention metrics**
- Customer retention: how fast do customers drop off
- Ad networks, diversity, A/B testing
- User requirements are crucial

**Billing payment breakdown**
- User requirements: they key figure to understand
- Factors that drive LTV
- Customer retention metrics

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