



## Gaming leader maximizes revenue by refocusing advertising spend

The gaming industry has grown by leaps and bounds since the turn of the millennium. According to the World Economic Forum, gaming has grown from a mere 100 million gamers in the 1990s to 2.6 billion today. In 2019, this global market generated revenue of over \$152 B, a 9.6 percent year-on-year increase. While this is all good news for gaming companies, it makes the market highly competitive. According to GameRevolution, there are close to 30,000 registered games on the Steam app store alone.

One of the fastest growing companies in this market is the maker of a very popular and profitable franchise that has spanned decades. They are no stranger to competition and were spending a good deal on advertising their video games. However they did not know where their advertising was most effective and had no reliable way to separate out the effects of ongoing promotions, holidays, and other external influences (such as the global pandemic).

### **Strategic optimization of revenue**

While this highly successful game development company was already making good money, their growth-oriented leadership team wanted to know specifics on how they could more intelligently invest their advertising dollars to strategically optimize their revenue.

The company's chief revenue officer was bullish on his company's products and hungry to grow revenue but skeptical about applying advanced

“The data could point in one direction or another but Incite was able to temper the data with their market insights and understanding of business conditions.”

math to digital marketing data. Not only did he doubt the ability to extract meaningful insights from the sea of noise he was receiving, he was also tired of hearing grandiose promises from a number of data scientists and analytics companies vying for the company’s business.

### A different approach to analytics

The gaming giant decided to give Incite a try. Incite, a thriving analytics company with a mindful engagement approach, was already successfully working with their parent company on other unrelated projects.

Incite took their usual holistic approach, taking time to really understand the gaming company’s business and connect with people throughout the organization. This allowed Incite to fully comprehend the extent of their challenges before developing a solution to meet their needs.

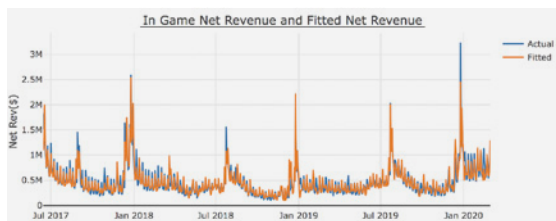
What Incite developed was a media-mix model that worked to identify the clear causes behind sales upticks and dips. By processing the large amount of data from sales channels, media spends, promo activity, and external influences,

Incite was able to tease apart the impact of holidays from promotions, determine how much the COVID stimulus checks were boosting sales, and see which media buys were highly effective and which were wasting advertising dollars.

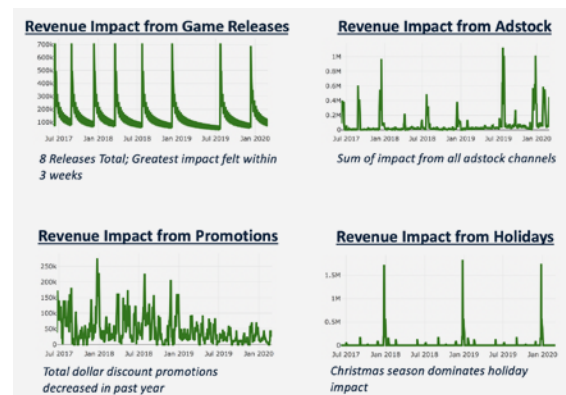
The game development company liked the fact that Incite didn’t claim to know all of the answers, were open to sharing information, and approached the problem collaboratively. They appreciated that Incite was deeply engaged in business discussions, challenged their built-in assumptions, and helped them navigate through lots of variables. According to the CRO, “the data could point in one direction or another but Incite was able to temper the data with their market insights and understanding of business conditions.”

### Analyzing and experimenting

The game developer and Incite are currently in the test and measurement phase, playing around with their new media-mix model, analyzing spending, and experimenting with optimizations to their media spend. They know they are on the road to getting the best bang for their advertising buck.



Incite’s findings show how revenue calculated through the constructed mathematical models tracks extremely well against actual revenue data.



Incite is able to separate game revenue into distinct causes, allowing the management team to understand the most important impacts and adjust ad spending accordingly.

“What I most appreciated about Incite’s approach was their attention to detail, their ability to apply market understanding and knowledge to the process, and a very straightforward and concise presentation of their findings.”

As a result of working with Incite, these game wizards also feel they know their business that much better. They are more in tune with what’s important and what’s not. For example, they’ve moved away from excessive importance on impressions and have begun reallocating budget to their highest performing channels. The CRO explained that despite his reticence around engaging with yet one more analytics company, this one was worth it. “I admit I was skeptical going into this endeavor but Incite has delivered above expectations.”

### New enhancements

Fueled by the success of their early insights, phase two is already underway. This leading game company and Incite are working together to make enhancements to the media mix model to further understand the influence of the pandemic. They are also incorporating a detailed understanding of their players based on segmenting their audience into international markets and player types (novice, experienced, lapsed, etc). This will allow them to fine-tune their advertising even more, better drive in-game purchases, and hopefully attract lapsed players back to the game.

### Optimized reach

The hit game developer has been very happy with the results and has in turn recommended Incite to other corporate subsidiaries. Again, their CRO explained, “What I most appreciated about Incite’s approach was their attention to

### SOLUTION OUTCOMES

- › Media-mix model that separates the effects of marketing campaigns and promotions from holidays and natural cycles
- › Identification of which marketing channels, advertising, and social media outlets are most important for growth
- › Understanding of how external forces like the pandemic are influencing customers
- › Segmentation of audiences to allow for better targeting

detail, their ability to apply market understanding and knowledge to the process, and a very straightforward and concise presentation of their findings.”

Making a best-selling game requires a lot of software engineering expertise. But it also needs powerful marketing muscle behind it to expose the game to interested players and encourage people to buy it. With Incite’s analytics, this game company is now able to maximize the dollars they spend on awareness, optimizing the reach of their world-class games.