



THE MOBILE GAME ADVERTISER'S

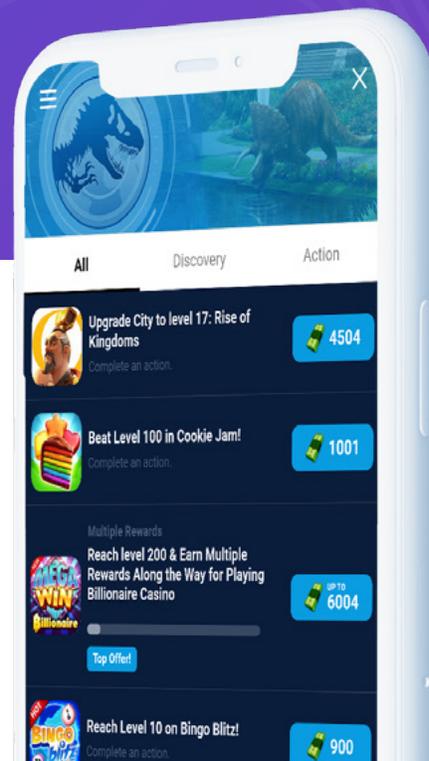
# GUIDE TO CPE ADVERTISING



*Tapjoy*

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# UNDERSTANDING COST PER ENGAGEMENT

## What is CPE advertising?

CPE is short for Cost Per Engagement. An engagement is an in-app event completed by a user, like reaching a level in a mobile game or taking your first ride with a rideshare app. In CPE advertising, advertisers only pay when users complete the desired event. That means no wasted ad spend on impressions or clicks — you only pay for successful engagements.

$$\begin{array}{c}
 \text{Cost Per Engagement} = \frac{\text{Total Ad Spend}}{\text{Attributed Conversions}}
 \end{array}$$

## In-app CPE vs. CPA

CPE is easily confused with other in-app ad models, particularly CPA (Cost Per Action).

Though both CPE and CPA are hosted in-app, there are a few key differences in the conversion location and flow. CPE ads are only permitted to run on Android apps.

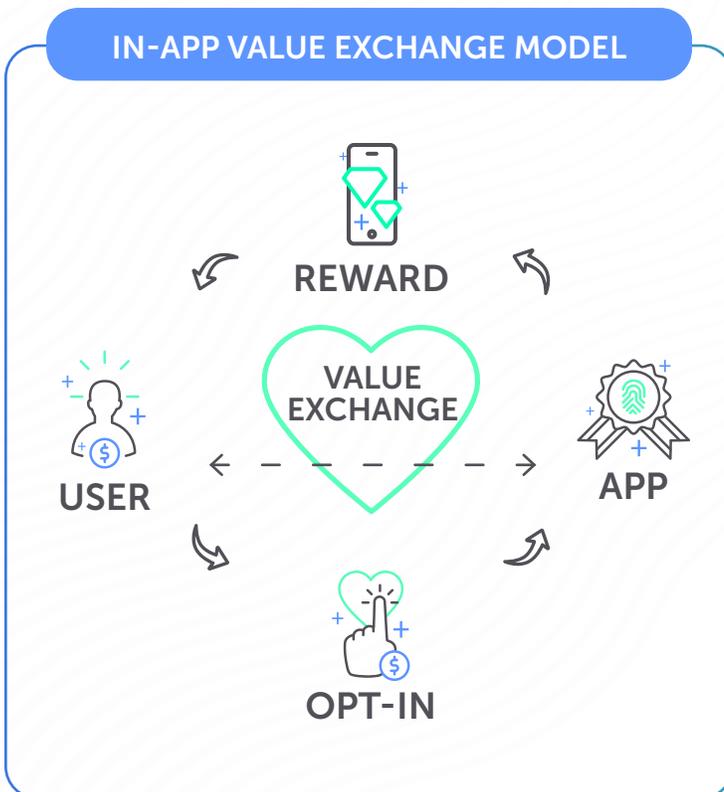
Advertisers typically use CPE ads to acquire users and encourage deeper app

use. CPE campaigns rely on a rewarded model, meaning that users receive in-app currency or other rewards for completing objectives. CPE ads usually appear in [mobile offerwalls](#). While effective across many kinds of apps, CPE hits its stride on mobile games. The rewarded exchange parallels how many games work, so it's no surprise mobile gaming is home to some of the most successful CPE campaigns ever run, and expectations of mobile consumers are a perfect match for this model.

	IN-APP CPE VS. CPA				
	Ideal Audience	Conversion Location	Conversion Flow	Conversion Point	Distribution Platforms
CPE	New app users	In-app	Click + open app + engagement	In-app milestones, level completion, etc.	Android apps
CPA	High-intent mobile consumers	Mobile web	Click + action	First purchase, subscription, signup, etc.	iOS & Android apps

## How CPE ads work in-app

Unlike many other UA-focused ad formats, CPE ads connect with users at the perfect time: When they're already playing. The rewarded model also benefits both the user and the advertiser — that's why it's called a value exchange.



On Tapjoy's in-app network, users have the freedom to select the offer that's right for them. And their engagement earns them rewards that improve their gaming experience and keep them in the zone.

Unlike CPE on social media or other platforms, Tapjoy CPE campaigns do not charge on CPM. Instead, advertisers set a target engagement and only pay for conversions on that event.

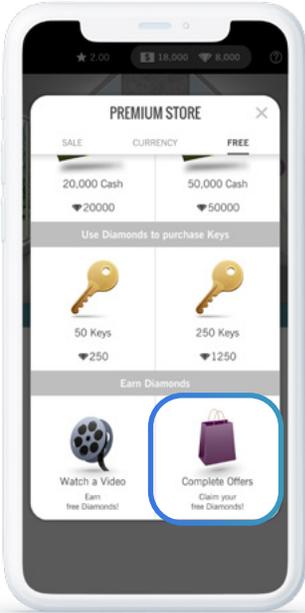
### USER BENEFITS

- 100% opt-in engagement
- Fun and entertaining offer objectives
- Time and energy is rewarded
- Rewards enhance gameplay

### ADVERTISER BENEFITS

- Meets users in the right mindset
- Encourages strong retention
- Only pay for valuable app engagement
- Drives acquisition and ROAS at scale

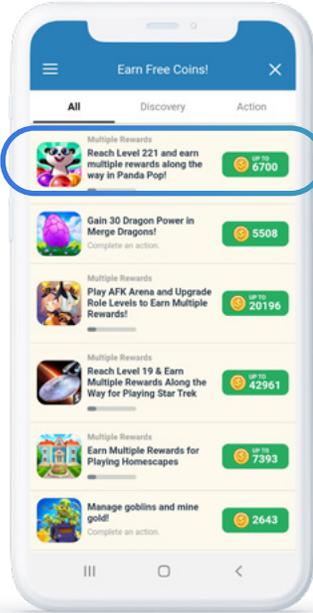
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## In-game

A user plays a mobile game and needs in-game currency. They visit the Tapjoy Offerwall, located natively in the store or menu.

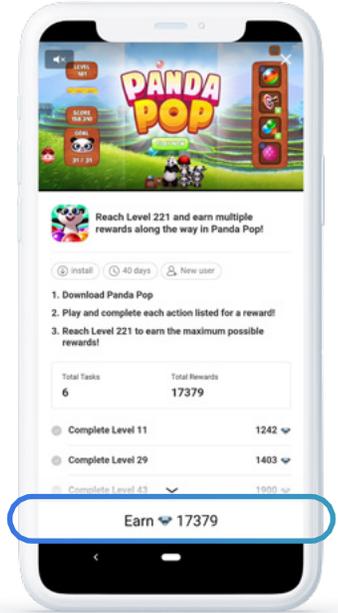
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## Offerwall

The Offerwall is an interactive hub of rewarded ad offers. The user chooses the offer that interests them most.

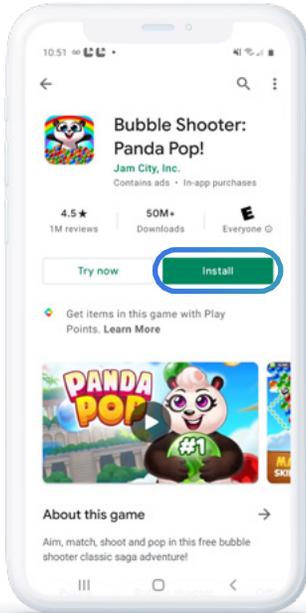
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## Instructions

The user sees an instruction page explaining the offer terms and rewards in detail. They click on the call to action to continue.

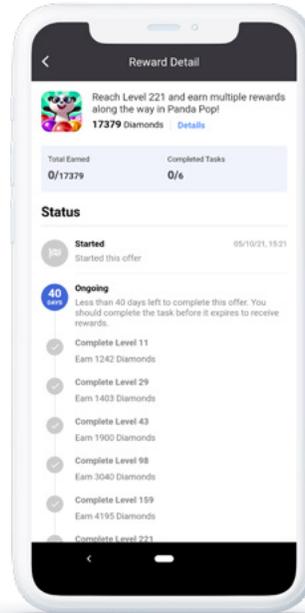
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## App store page

The user is taken to the Google Play page and they open the app on their device and proceed.

5



## In-game

The user engages with the app. When they meet the terms of the offer, they receive the reward.

# The next level: Multi-Reward CPE

## What is it?

Multi-Reward Cost Per Engagement encourages users to go even deeper into an app by rewarding them at several points along their journey. To help users orient themselves, a visual progress bar appears in the Offerwall so they can see where they are in the process.

## Why was it developed?

The traditional CPE model gives users one reward for meeting one in-app milestone. While single-event CPE is still very effective, it's challenging to drive deep-funnel app engagement with only one incentive. Tapjoy created Multi-Reward CPE to meet this need.

### HOW DOES IT WORK?

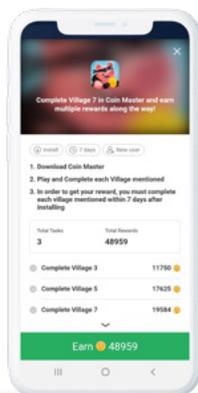
#### Step 1:

User selects Multi-Reward Offer from the mobile offerwall



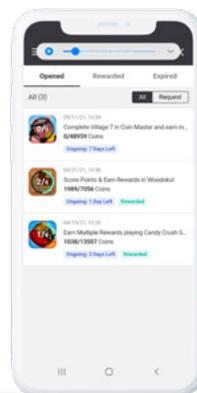
#### Step 2:

User reads offer instructions & reviews multiple rewards available



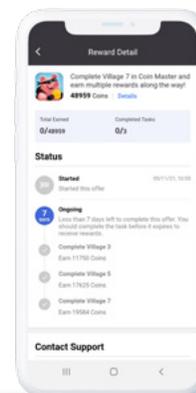
#### Step 3:

Once Multi-Reward is in progress, users see a progress bar and time remaining for completion



#### Step 4:

Users can review the status of all of their offers in the "Reward Status" section



## Who uses it?

Huuuge Games has relied on single-event CPE advertising for years to successfully drive user acquisition. Not content to rest on their laurels, the publisher wanted to see how multi-reward CPE might help them improve their ROAS and increase volume and scale in key markets.

"CPE is one of our most effective and high-performing ad units when it comes to ROAS so we're delighted to see continued investment in the product, especially when it comes to user experience. Multi-Reward CPE also allows us to scale our UA campaigns while reducing the number of live offers we have to manage day-to-day."

Magda Z, Senior User Acquisition Manager, Huuuge Games

## RESULTS

# 81%

boost in offer starts vs. single-event CPE

# 17.7%

Day-30 ROAS



**PRO TIP:** For an in-depth look at how Huuuge Games blew away their goals with Multi-Reward CPE, read [this case study](#).

# WHY USER ACQUISITION PROS CHOOSE CPE

## CPE differentiators

### 1 No wasted ad spend



CPE campaigns ensure that advertisers don't blow their budget on ads that never gain any traction with their intended audiences. If new users simply install the app and don't engage, the advertiser doesn't have to pay.

### 2 Low cost opportunity to scale



When compared to mainstream channels like Facebook, in-app ad networks have a stake in the game. Tapjoy, for example, reaches more than 1.5 billion mobile users monthly. A key difference? They're all gamers, meaning they love to play and are willing to engage with new apps. You can scale in-app CPE campaigns at a significantly lower cost.

### 3 Higher ARPDAU



By driving quality engagement, CPE ads supercharge the revenue generated per user. This is even more true of Multi-Reward CPE ads, a model that specializes in creating deep user experiences with an app.

### 4 User-first experience

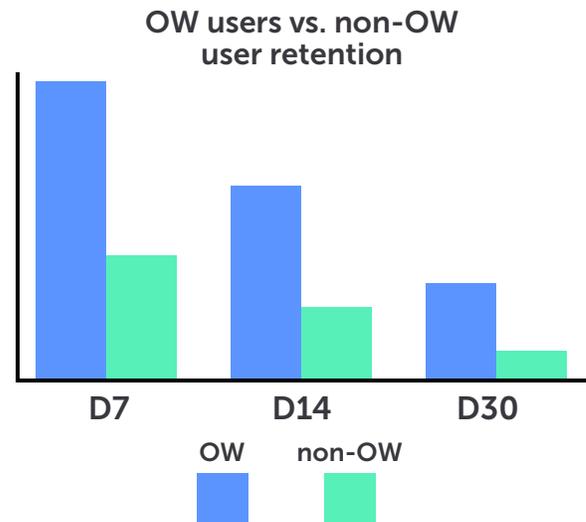


The app market is saturated, making it even more difficult to acquire quality users. Because the rewarded CPE process is opt-in, the new users generated by these campaigns are more likely to be genuinely interested and engaged.

### 5 Stronger retention



Putting ads for your gaming app in front of users right when they're gaming increases the likelihood of long-term retention. Tapjoy's Offerwall is particularly good at creating sticky users: Its users have [two to three times higher retention](#) than non-users at the 7, 14, and 30-day marks.



## HEARD ON THE TAPJOY NETWORK

*"[Multi-Reward CPE offers] are the future. Those are the ones that you know are going to be rewarded. And if they're not, you know the problems early so that you don't have to wait 'til the end to find out if it's something that's going to be advantageous or not."*

JARVIS, WWE CHAMPIONS USER

*"I quite enjoy [Multi-Reward CPE offers] because I'll commit to playing the game for a bit and if I get bored and quit halfway through, I still get some of the payout."*

MEGAN, COVET FASHION USER

## Top app categories for CPE ads

Cost Per Engagement ads help app advertisers across all major categories drive down-funnel engagements at a fraction of the cost of networks like Facebook and Google. If your app falls into any of the following categories, CPE could be a perfect fit:

### Strategy games:

Strategy games invite users to build cities, wage wars, and execute plans of attack. Examples of strategy games include *Clash of Clans* and *Rise of Kingdoms*. An ideal CPE event for this type of game might be the completion of the onboarding cycle or fighting a first battle.

### RPG games:

Role-playing games allow users to slip into the shoes of a character and engage in world-building. Examples of RPG games include *Idle Heroes* and *West Game*. An ideal CPE event for this type of game might be designing an avatar or completing a level.

### Casual games:

Casual games are simple by nature. They're easy to play in stolen moments and typically engage the brain with puzzles or mini-challenges. Examples include *Merge Dragons!* and *Kitten Match*. An ideal CPE event for a casual game might be completing your first five rounds.

### Simulation games:

Simulation games are social by nature, allowing users to take on a persona. Examples include *Covet Fashion* and *Party in My Dorm*. An ideal CPE event for a simulation game might be completing a contest, designing a custom item, or simply creating an avatar.

### Social casino games:

Social casino apps recreate the thrill of the casino with simulated slots and spinning wheels. Examples include *Club Vegas Slots 2020*, and *Billionaire Casino*. An ideal CPE event might be playing a certain number of rounds of slots.

### Non-gaming games:

Non-gaming apps still glean value from the CPE format. Services apps can tie CPE events directly to ROI very successfully. Examples include *Lyft* and *Postmates*. An ideal CPE event might be completing your first ride or order.

The table below shows the average Cost Per Engagement for events across various app categories. The data is all based on US campaigns.

CATEGORY	TIME TO COMPLETE	AVG. BID RANGE	TOP 10% BID
Strategy	7-21 days	\$28-\$97	\$120
RPG	7-21 days	\$2-\$65	\$129
Casual	4-14 days	\$5-\$37	\$106
Simulation	4-5 days	\$17-\$87	\$147
Social Casino	4-14 days	\$28-\$64	\$97
Non-gaming	1-3 days	\$0.72-\$11	\$29

## Top use cases for CPE campaigns

### When you are expanding your user base or breaking into new markets

*You can't get growth without creativity.*

Gram Games, the brains behind Merge Dragons! and Merge Magic!, were set on taking their games global. So they decided to try something new: Multi-Reward CPE. The format delivered far above their expectations, [driving 4X more user downloads](#).

"With CPE and Per-App Bidding, we've been able to push high-performing sources and reduce spend on lower-performing sources. This has saved us both time and effort and would recommend that other advertisers leverage this feature."

Anushka Mukherjee, UA Associate,  
Gram Games

"Tapjoy's new product, Multi-Reward CPE, has enabled us to reach new, high-value users, bringing us quality and scale. Since implementing Multi-Reward Engagements, we've almost doubled the number of new players in Rise of Kingdoms, and we're seeing higher conversion rates and ROI."

Shi Tang, Head of Global Traffic Development, Lilith Games

### When you want higher ROAS

*Few advertising models can drive meaningful returns.*

Lilith Games wanted to [maximize 7-day ROAS](#) on one of their best games. They opted for Multi-Reward CPE, which enabled them to both encourage engagement in the first week of play — as well as deeper into the game. The result: 200% growth rate in 7-day ROAS.

### When you want to increase ARPAU

*There's no getting around the bottom line.*

After falling short of revenue targets, Ignition M needed to rethink its UA strategy. They wanted to drive users deep into the gaming experience, so they decided to try Multi-Reward CPE. The tactic was a perfect fit for their goals, [increasing in-app purchases by 6.5 times](#).

"Tapjoy's CPE and Multi-Reward CPE are great advertising methods that can motivate the users to play the game before install. Especially Multi-Reward CPE can allow us to set multiple events for one campaign, and this makes it easier to focus on the LTV and ROAS performance. Actually optimized after the test flight, we tripled our new users and brought in more than six times as much revenue in Japan from in-app purchases."

Takafumi Masuda, CEO, IGNITION M



## When you want stronger retention

*Who doesn't want more loyal users?*

DHGames' hit RPG Idle Heroes had paid users hooked, but the developer wanted to boost engagement among their freemium user base. Always ready to innovate, they believed Multi-Reward CPE was the retention lever they were looking for. The approach improved the gaming experience of players of all levels and [drove up retention by 37%](#).

"Tapjoy's Multi-Reward CPE allows us to acquire valuable users at scale. We've reached 85% ROAS increase and also 37% retention increase through this CPE."

**Tiantian Xie, Overseas UA Director,  
DHGames**

# BEST PRACTICES FOR CPE ADVERTISING

## Best Practice #1: Choose the right KPIs

ROAS and retention are what our partners typically focus on for their CPE campaigns, but the precise KPIs differ by genre. These categories are casual, mid/hardcore, and casino.

### KPI EXAMPLES BY GENRE

GENRE	EVENT COMPLETION WINDOW	KPIs
Casual	Up to 3 days	7-day ROAS & Retention
Mid/Hardcore & Casino	Up to 2 weeks	30-day ROAS & Retention

"We increased each game's budget to emphasize CPE after noticing users from Tapjoy's CPE campaigns drive high ROI and retention rates."

**Alex Zhang, Head of Global Marketing, GOAT Games**



**PRO TIP:** Keep your eyes on your offerwall rank. Because it determines the order in which offers are displayed, your rank has a huge impact on campaign performance. Your rank is determined by your campaign's eCPM, so higher conversion rates make scaling easier.

## Best Practice #2: Test different CPE events

Where you place your event(s) is largely determined by two things:

- The genre of game
- The points during the game where users are most likely to complete a purchase

It's a good idea to place the event just beyond the purchase point. For example, if most users make a purchase seven days after installing, it's best to run an event that would take eight days to complete.

"Tapjoy has been an invaluable part of our success. Thanks to Tapjoy's suggestions, we were able to optimize our campaigns and ensure a high ROAS."

**Sooyeon Jeun, UA Manager, Bagelcode**

### HOW TO TEST MULTI-REWARD CPE EVENTS BY GENRE

GENRE		ESTIMATED TIME TO COMPLETE	EVENT EXAMPLE	RECOMMENDED SETUP STRATEGY
Casual	EVENT 1	30 min	Tutorial Complete	Start with at least 3 events, that take between 30 minutes and 2 days. Optimize by adding & removing events to retain more users.
	EVENT 2	3 hrs	Reach level 10	
	EVENT 3	1.5 days	Reach level 20	
Mid/Hardcore	EVENT 1	1 hr	Reach level 5	Start with at least 3 events, that take between 1 day and 7 days. Optimize by adding & removing events to retain more users.
	EVENT 2	3 days	Reach level 15	
	EVENT 3	6 days	Reach level 30	
Hardcore	EVENT 1	2 days	Reach Level 20	Setup with at least 3 events. Optimize by planting the main incentive at the deepest point in the game and build event breadcrumbs backward from there.
	EVENT 2	7 days	Reach level 50	
	EVENT 3	14 days	Reach level 70	
Casino	EVENT 1	4 days	Reach level 10	Start with at least 3 events that take between 4 days and 14 days. Optimize by adding & removing events to retain more users.
	EVENT 2	10 days	Reach level 20	
	EVENT 3	14 days	Reach level 30	



## Best Practice #3: Bid competitively

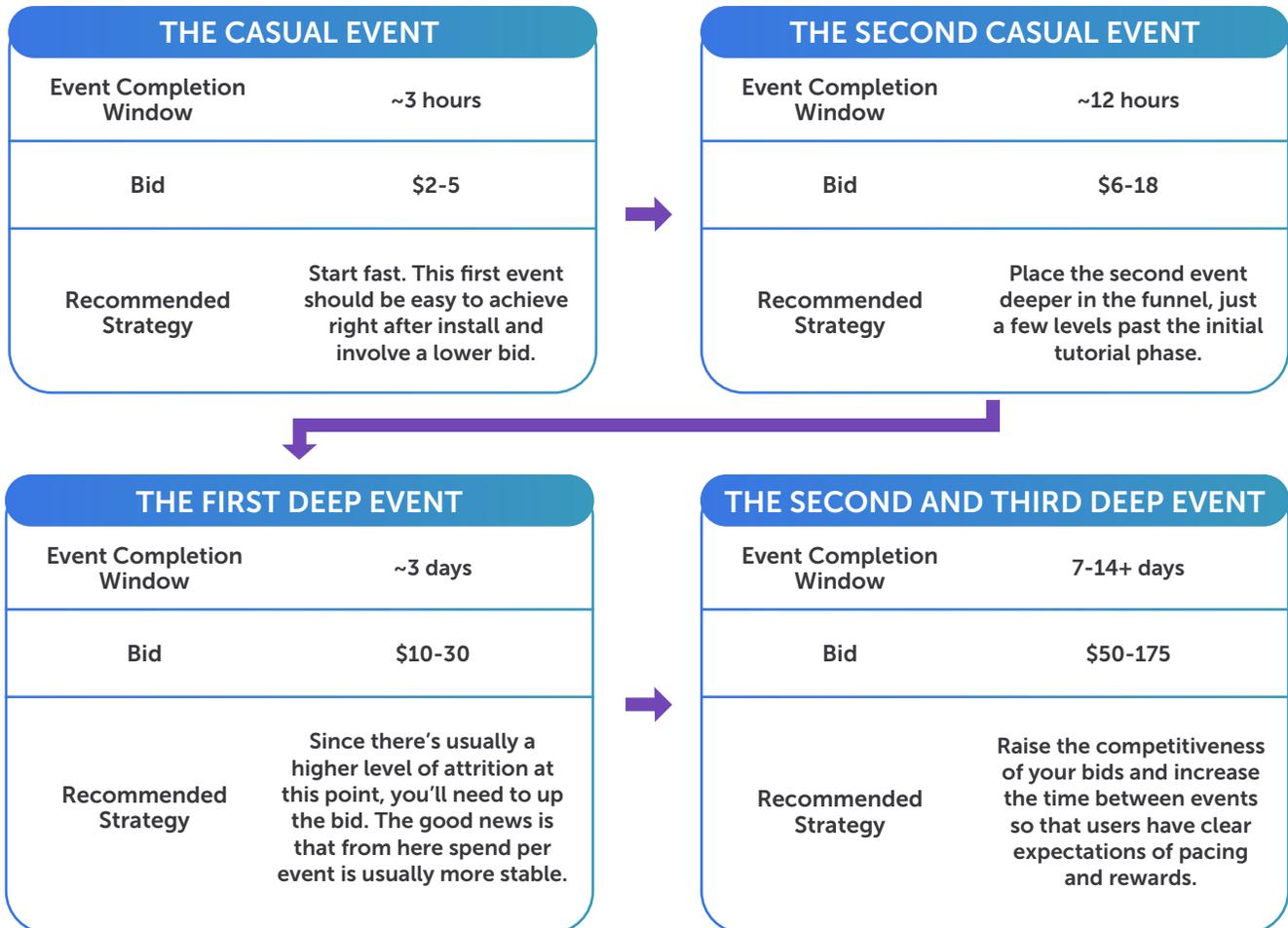
Just like with event placement, bid recommendations vary according to the genre of the game and the time involved to complete an event.

### HOW TO BID SINGLE-EVENT CPE BY GENRE

GENRE	EVENT COMPLETION WINDOW	RECOMMENDED BID
Casual	2-10 hours	\$5-10
Mid/Hardcore	10-72 hours	\$28-85
Hardcore	4-14 days	\$100-250
Casino	7-21 days	\$35-250

### How to bid Multi-Reward CPE

Structuring bids in Multi-Reward CPE is a bit more complex. How about an example?



**PRO TIP:** Optimize bidding even further with Per-App Bidding, a feature that allows advertisers to bid a different amount per publisher app. [Gram Games](#) tested PAB and increased install volume by 4X, indicating that stronger bids enticed more offer starts on key apps.

## Best Practice #4: A/B test creative

When explaining your offer, the right instruction format can be the difference between confusion and conversion. To make sure you get this crucial component right, Tapjoy lets you test image gallery, video, or text instructional formats.

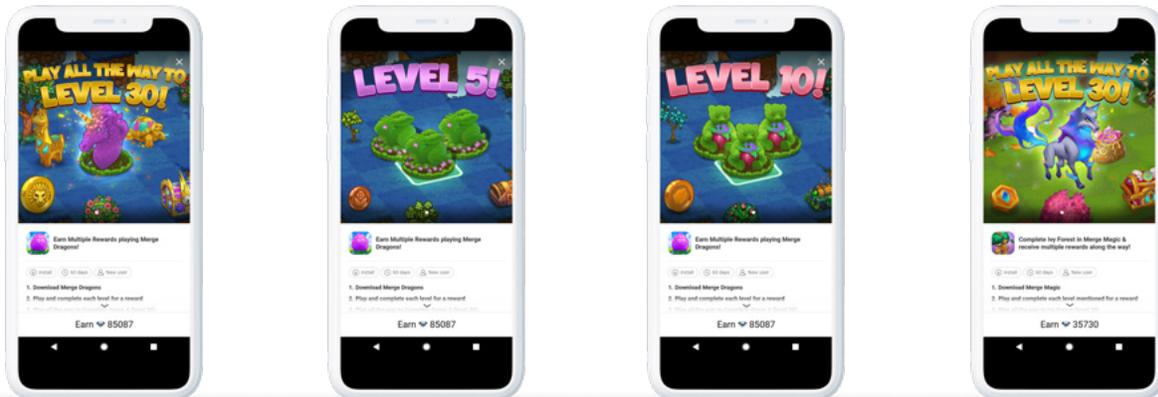


**PRO TIP:** We recommend testing different creative within the same format as well as testing across formats. When Mechanist Games tested gallery against video, they found that gallery had a 10% higher conversion rate.

### 1. Image gallery instruction

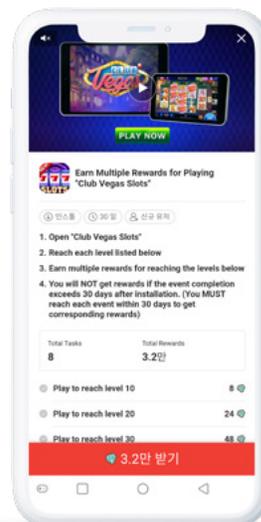
You have up to four images to play with here, and we recommend using them to highlight event checkpoints and showing the steps to completion.

#### MULTI-REWARD CPE IMAGE GALLERY EXAMPLE

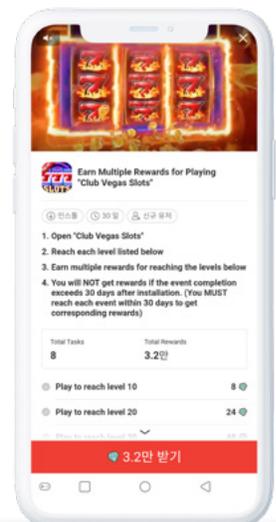


### 2. Video instructions

For this format, gameplay videos usually work best. You ideally want the video you use to line up with the events you want your users to complete.



PLAY TO REACH LEVEL 10



PLAY TO REACH LEVEL 20



### 3. Text instruction

This is the default format. Make your instructions as straightforward as possible, particularly if your event checkpoints have some complexity.

 **PRO TIP:** With so much testing, you need to work with a partner that makes it easy to spot winners. Tapjoy's A/B testing algorithm, for example, will identify what's working and what isn't with no manual work.

### POINTS OF PERFORMANCE

- Clearly list the steps the user needs to follow.
- Start each step with an action verb: open, reach, earn, etc.
- Be as concise as possible.
- Flag any restrictions on the offer to create urgency.

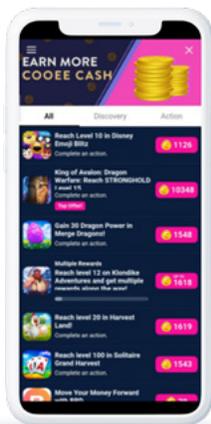
## Best Practice #5: Localize messaging & creative

Localizing ad messaging and creative is always a best practice, but it's even more essential for complex or multi-step CPE offers. Be sure to translate offer headlines and instruction text, and for an added boost, create gallery or video instruction creative that matches your target region. This consideration will ensure performance for multi-geo campaigns, as [Fundoshi Parade](#) saw with its recent push across the US, Japan, Korea, Hong Kong, and Taiwan. In total, the campaign helped the team triple UA by 3X.

## Best Practice #6: Capitalize on currency sales

Few things take a campaign to the moon like a special network-wide promotion — also known as a currency sale. During high-traffic weekends, like Black Friday, Tapjoy publishers multiply rewards to increase revenue and engagement.

### WHY YOU SHOULD TRY A CURRENCY SALE



- Currency sales are usually promoted with in-app messaging.
- Publishers typically earn 20-80% increase in offerwall revenue during the sale.
- Advertisers get a huge spike in conversions.
- It's the ideal time to raise your bid and boost your offerwall rank.

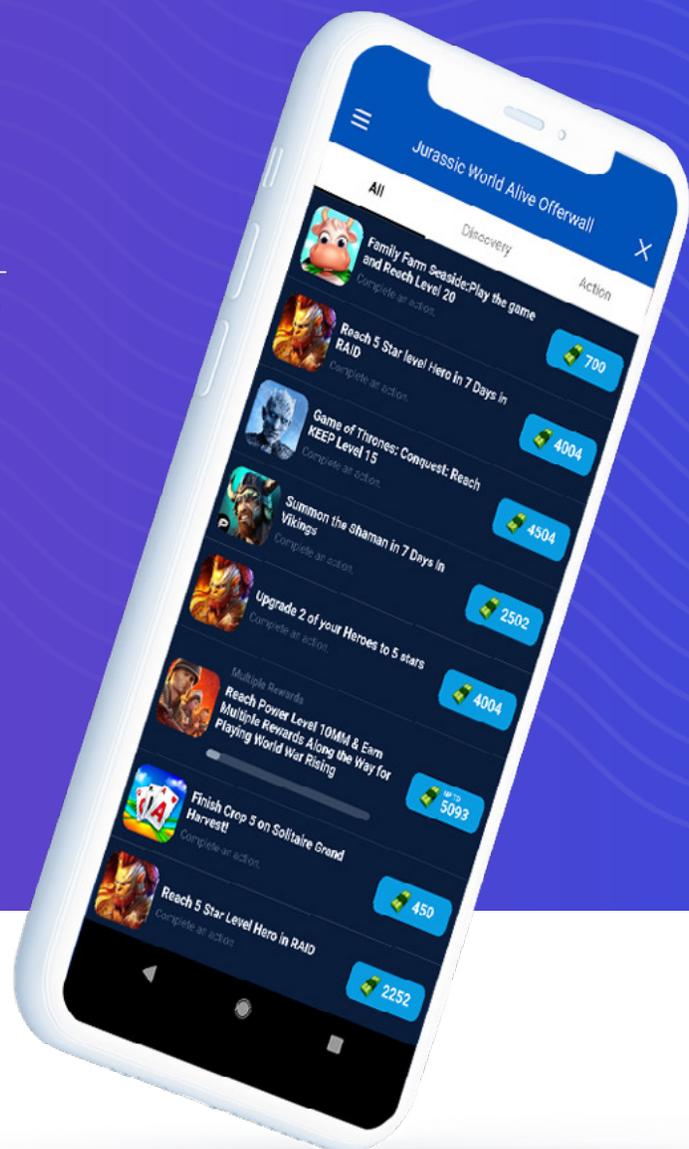
"CPE is absolutely one of the more effective ad forms we have used so far, based on the performance we have plans to introduce it to our new games going forward."

**Mandy Zhang, Marketing Director, Mechanist Games**

# CONCLUSION

Most things that seem too good to be true are. But every once in a while you run across a genuine ad experience. With the right approach, CPE can really work wonders for mobile game advertisers. They just need an experienced partner that understands their goals.

If you're ready to give CPE a go, we'd love to help take your ROAS and retention to the next level. **So start your test today** — our audience of 1.5 billion-plus engaged mobile users is waiting.



# ABOUT TAPJOY

Tapjoy is a leading mobile advertising and app monetization company. Our platform empowers advertisers to connect with over one and a half billion monthly active users through value exchange advertising that drives awareness, engagement, and the metrics that matter most to their overall growth. Meanwhile, companies such as Scopely, Glu, Ludia, and many of the Top 200 grossing app publishers trust our platform to monetize their content, grow their audiences, and reward their users. Founded in 2007 and headquartered in San Francisco, Tapjoy is a global organization with offices in Santa Barbara, Boston, London, Beijing, Tokyo, and Seoul. For more information, visit [www.tapjoy.com](http://www.tapjoy.com).

## TAPJOY'S MOBILE NETWORK REACH

**1.5B**

Global consumers

**1,900+**

Premium app publishers

**11,400**

of the highest rated & top grossing mobile games

The Tapjoy logo is written in a white, stylized, cursive font. The 'T' is large and loops around the 'a', and the 'j' has a long, sweeping tail that loops under the 'y'. The 'o' is a simple circle, and the 'y' has a small tail.