A Colorful Partnership: Appness Helps Pixite Lower Cost Per Action by 37%

"Every app is different, and each of them requires a unique approach to user acquisition. This is where Appness has provided an immeasurable amount of experience and talent. Their account managers work closely with us in order to get the highest quality installs at volumes that we thought were impossible. We've partnered with other agencies in the past, but Appness blows them all away from a CPA and ROI standpoint."

— Eugene Kaneko, Co-founder and Product Manager at Pixite

INDUSTRY Entertainment

COMPANY Pixite

Pigment
true coloring

Founded in 2009, Pixite has been at the forefront of mobile digital art apps. Eight of the Pixite's apps have been featured by Apple, three have been selected as Best of the App Store, and three have been official demo apps on iPhone and iPads in Apple Stores domestically and internationally. Pixite is best known for Pigment, an innovative coloring book app for adults, that simulates true pencil and brush strokes, offers over 1,500 hand-selected artworks of various styles, and is enjoyed by five million people worldwide.

CHALLENGE

At one point, Pixite was focused on the development, producing four new app titles per year, while updating all of their existing apps with new features. Although every app Pixite released to the App Store generated a significant amount of revenue at launch, that was unfortunately followed by a decline in sales. Because of this, Pixite was forced to create even more apps and was trapped in an endless cycle of development with no assurance of steady revenue. Without an effective user acquisition strategy, Pixite's future looked uncertain.

THE BUSINESS CHALLENGE

Every one of Pixite's app generated revenue, but they followed the same path of boom and bust: a big spike at launch following an equally large drop in sales. "We knew that user acquisition provided a path to sustainable revenue, but we didn't have the skills or the experience to execute a successful user acquisition strategy, because we were so focused on development," said Eugene Kaneko, Co-founder and Product Manager at Pixite.

When the team launched Pigment, they knew it was aimed at a larger market than their current market of what they call the "mobile artists market." Pigment is the premier coloring book app offering over a dozen different tools for an unrivaled digital coloring experience. Pigment is free to download and offers a paid subscription that unlocks premium pages and tools. "It was the first time we used a premium subscription model. The hope was to significantly increase the lifetime value of the product," explained Eugene. "We did not have any expectations at launch since this was a completely new business model for us, but were pleasantly surprised when Pigment grew from five to twelve times the LTV of our other apps."

As Pigment downloads tapered off after the holiday season, the company looked closer into user acquisition. Pixite started creating Facebook Ads, and as they found success in user acquisition, they made it a core part of the business. "From there we really saw Pigment take off. We were running Facebook campaigns and saw that it was working. Last year we spent close to $1M on user acquisition," said Eugene. "We started just on Facebook, trying to expand into other spaces and now we are back to it. Our major budget and strategy is Facebook," he added.

THE APPNESS SOLUTION

When it comes to Facebook Ads, there are a lot of nuances. For Pixite, setting up and managing Facebook campaigns were very time consuming. "It took around 10-20 hours per week to set up Facebook campaigns manually, and if they're not set up correctly, you will lose your money," stated Eugene.

Pixite worked with a few ad networks, however, their performance wasn't what the team had expected. "One of our business partners introduced us to Appness, and we saw they were doing high-quality work. I was intrigued by their platform that brought together talented ad buyers who competed for the job. The quality of customers is much higher than we had with any of our previous partners," said Eugene. Appness proved to be different, trying to gain a full understanding of Pixite's needs. "We don't see our relationship with Appness as a business client relationship. With Appness, it's more of a partnership," added Eugene, "Because each app is different, each requires a special strategy and attention. This is where Appness excels."

APPNESS

SOLUTION

In October, 2016 the Pixite team was introduced to Appness. Impressed by the high-quality work on the platform, the company shifted a majority of their Facebook Ad campaigns to Appness. The Appness account managers used their highly specialized media buying team to run Pixite's campaigns, saving the company about 8-16 hours a week of campaign management. The new campaigns delivered ROI results that were 110% better than those conducted by Pixite's internal team. In addition to the expertise Appness' account managers provided, Pixite was able to easily acquire and review localized performance-based creatives and get a deep insight into the campaigns' performance thanks to Appness' innovative user acquisition platform.

RESULTS

⊘ In three months Appness outperformed expected results with 88% ROI

⊘ With Appness the cost per action decreased by 37%

⊘ Within one month of switching to the CPA model, the volume of purchases increased by 220%

⊘ After Pixite has delegated most of their ad campaigns to Appness, the team saved about 8-16 hours a week

⊘ With the help of Appness media buyers, Pixite improved its creatives workflow, getting new performance-based videos and banners, which can be easily previewed and controlled

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Even though Pixite still manages some of their Facebook Ads with the help of the internal team, the company has delegated most of their campaigns to Appness. As a result, campaigns run by Appness now deliver better results than campaigns that were conducted by Pixite's team. "Previously, we ran 150 separate campaigns in 6 months for Pigment, and we were adding a few campaigns every month. Now we're shifting most of the campaigns to Appness. From an ROI standpoint, these campaigns perform 110% better than the ones we ran," said Eugene.

Pixite used to focus on cost per installs. After the company began working with Appness, it started paying more attention to purchases and high-quality users. Shifting to the cost-per-action model helped increase the company's revenue. Within one month of switching to the CPA model with Appness, the volume of purchases increased by 220%.

"We are trying new things now, leveraging Appness' expertise in user acquisition. For example, we are tracking many more actions that could lead to conversions and optimizing for them. Also, using Appness' CPA strategy, we launched the Android version of Pigment and have found unexpected success there," shared Eugene, "In terms of CPA and ROI, Appness cannot be beaten."

Leveraging the Performance Dashboard feature, Pixite's team can use comprehensive statistics to gain a clear insight into the campaign performance. "Unlike many analytics dashboards, Appness' lets you deep dive into all the data but is simple to use. I consult it on a daily basis," added Eugene.

THE RESULTS

⊘ **Increased revenue. Outperformed results with 88% ROI**

Pixite experienced significant boost in revenue after the company has shifted to the CPA model with Appness. "The return has been phenomenal. In three months, Appness outperformed all the ad networks with an ROI of 88%, which was about four times better than our own internal Facebook campaigns," explained Eugene.

⊘ **The cost per action decreased by 37%**

One of the main advantages of working with the platform was the superior quality of users that Appness campaigns drove. Non-Appness campaigns cost $43, while Appness cost per action was $27, that was 37% less than the others.

⊘ **Saving over 10 hours a week**

After delegating most of the campaigns to Appness, Pixite saved about 8-16 hours a week, which the team was spending on managing their Facebook Ads campaigns. This enabled the team to focus on other business priorities. "Setting up everything correctly and making changes on Facebook takes hours and hours. It's very time consuming," said Eugene, "Thanks to Appness, I am spending about 80% less time on user acquisition than before."

⊘ **Successful creatives**

Thanks to the media buying experts on the Appness platform, Pixite managed to boost their ad creatives workflow. With Appness unique 'Creatives Preapproval' feature, the team can easily preview all creatives submitted by media buyers, and select only the best ones.

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