Subject code: I.6(3)	Subject name: Economics of mobile applications and computer games

Study load: 3 ECTS	Load of contact hours: 50	Study semester: Autumn	Assessment: Credit / No credit

Objectives:	The goal of this course is to gain basic knowledge of available models and methods of monetization of apps and games, concepts of product management and A/B testing.

Course outline:	Topics covered: 1. Product management basics 2. Unit - economy 3. The cost of hypothesis 4. Basic prioritization model 5. A/B testing basics 6. Customer Development 7. Conversion and conversion funnels 8. Freemium monetization model 9. Paymium monetization model 10. SaaS monetization model and subscriptions. 11. Organic and paid traffic 12. Advertisement platforms and marketing basics 13. Cohorts and cohorts analysis 14. Churn rate and retention 15. Retention loop 16. Gamification 17. Customer Journey Maps 18. COGS 19. The time to scale 20. Soft launch 21. Top markets 22. Platforms and Stores 23. Localization process Contact lessons will be divided into two parts: lectures and workshops with individual and team tasks.

Learning Outcomes:	By the end of the course students (in the terms of knowledge, skills, and attitudes) should be able to: 1 – critically analyze and evaluate the product management basic concepts; 2 – critically analyze and evaluate monetization models and how to select the one which will fit product needs; 3 – do customer development and A/B tests; 4 – perform hypothesis generation and prioritization to increase cash flow; 5 – select appropriate markets, languages and advertisements platforms; 6 – use retention loops to increase retention; 7 – critically analyze and evaluate the product economy and metrics like ARPU, ROI, COGS, etc.
Assessment Methods:	Assessment is split into two parts: tests, individual tasks and team tasks during course.
Teacher(s):	Vladislav Polyanskiy
Prerequisite subject(s):	None
Compulsory Literature:	Nir Eyal. «Hooked: How to Build Habit-Forming Products» Eliyahu M. Goldratt «The Goal: A Process of Ongoing Improvement» Rob Fitzpatrick. «The Mom Test» cleverism.com «Ultimate Guide to Unit Economics»
Replacement Literature:	Eliyahu M. Goldratt «Critical Chain» Eliyahu M. Goldratt. «Theory of Constraints»
Participation requirements:	Lower limit of lectures attendance is 80%, each test and individual project must be presented by end of the course.

Independent work:	1. Market research. Top companies. 2. Create basic economy model for any app or game by choice 3. Point of growth research 4. Retention loop samples research 5. Final presentation of monetization/growth strategy group project
Grading criteria scale or the minimal level necessary for passing the subject:	<table><tr><td>Failed</td><td>< 50 points</td></tr><tr><td>Passed</td><td>>= 50 points</td></tr></table> **Points distribution:** Tests: 25 points Individual Tasks: 10 points Homework reports: 10 points Point of growth group report: 15 points Select of appropriate monetization model report: 10 points Hypothesis prioritization group test: 10 points Pitch session: 5 points Final presentation of monetization/growth strategy: 15 points
1) Date 1	**Lecture 1** Classroom presentation: Product management basics. Classroom presentation: Unit - economy
2) Date 2	**Practical class 1** Group classroom task: Teams creation and building basic unit-economy model for online service
3) Date 3	**Lecture 2** Classroom presentation: The cost of hypothesis & Basic prioritization model
4) Date 4	**Practical class 2** Business game: Generating and prioritization of hypothesis Homework: Additional hypothesis generation
5) Date 5	**Practical class 3** Business game: Unit-economy building for uber-like services and growth hacks. Homework: Growth hypothesis generation

6) Date 6	**Lecture 3** Classroom presentation: A/B testing basics Homework: Build A/B test prototypes
7) Date 7	**Lecture 4** Classroom presentation: Customer Development basics. CJM.
8) Date 8	**Practical class 4** Classroom task: Corridor testing. User testing.
9) Date 9	**Lecture 5** Classroom presentation: Conversion Funnels.
10) Date 10	**Lecture 6** Classroom presentation: Monetization models.
11) Date 11	**Practical class 5** Business game: Marketplaces and monetization models prioritization.
12) Date 12	**Lecture 7** Classroom presentation: Marketing basics. CPA. Market estimates. Homework: Marketing strategy creation.
13) Date 13	**Practical class 6** Classroom task: Marketing growth hacks research.
14) Date 14	**Lecture 8** Classroom presentation: Cohort analysis, churn rate and retention. LTV.
15) Date 15	**Practical class 7** Business game: Work with user cohorts. Segmentation.
16) Date 16	**Lecture 9** Classroom presentation: Retention loop & Gamification.
17) Date 17	**Lecture 10** Classroom presentation: COGS, 1st sale cogs, The time to scale. Homework: find an economy which is easy to scale and reason why.
18) Date 18	**Practical class 8** Work with different economics to find growth points.
19) Date 19	**Lecture 11** Classroom presentation: Platforms, Stores, Market Shares.
20) Date 20	**Practical class 9** Team work. Research for estimation of apps and games revenue.

21) Date 21	**Practical class 10** Work with team projects. Search for correct monetization model. UX and UI talks.
22) Date 22	**Practical class 11** First session design.
23) Date 23	**Lecture 12** Classroom presentation: What do investors want? How to get round A and seed investments.
24) Date 24	**Practical class 12** Localization and its impact on app revenue.
25) Date 25	**Practical class 13** Students presentations: Pitch sessions, projects demonstration and discussion