

# THE OPPORTUNITY TO CHAT



Community chat increases engagement, retention and lifetime value.



So why think of chat moderation like a cost center?



Filter the negative. Built on the positive.



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# INTRODUCTION

A little chat makes communities better.

It's one thing to enjoy a swingset alone, quite another to visit Disneyland and hurdle along on a roller coaster with a bunch of strangers. You chat with the people nearby, realize you're having the same experience, and perhaps see the world through someone else's eyes for a moment.

In digital communities, it's a different kind of chat playing out and on a massive scale, but the metaphor stands. Perhaps it is that massive scale (and its business implications) that limit the conversation around chat moderation; no doubt you've heard much of the perils of censorship and the significant regulations to run afoul of, such as the EU's GDPR, or COPPA in the United States.

More than anything, chat moderation tends to be discussed as part of some dreary cost center. An unfortunate but necessary risk-inhibitor. It's smart, it's necessary, and even lawyers like it, but chat moderation as opportunistic? Turns out all good things really do come in moderation.

*All good things  
come in moderation*

According to our month-long study of the community of one of the top mobile games in the Action RPG category, chat and chat moderation drive clear business improvements in user engagement, retention, and lifetime value. We also know that positive chat experiences contribute to 'K Factor', or virality, i.e. the better the chat experience, the more likely a user is to share their satisfaction with a friend.

To be clear, there's no one-size-fits-all and great chat experience needs to be baked-in to your product and brand promise early-on to be at its best, but you heard it here first: moderated chat communities are a business advantage waiting to be unleashed.

Over the next few pages, we'll lay out some of the findings from our study and look at how moderated chat can both amplify business opportunity and improve user experience.

# OPENING REMARKS

The way chat and moderation is viewed has changed over time.

Before, we would just build a product and then sort out how to tack-on a community. Then, somebody figured out it's the experience that's important. Now, we know that sharing is the thing. That said, the conversation can get scary, fast.

Go back to our Disneyland metaphor. There's a reason Disney has great security and cameras everywhere, especially with so many kids among the thousands of daily visitors -- sometimes a small percentage of people will try to say or do bad things in communities.

In digital communities, where anonymity reigns and social consequences are few, and where there may be many millions of daily visitors, the impact of those with bad intentions is amplified. That's why it's essential that game publishers and others with active user communities become expert at understanding who users really are versus how they represent themselves.

*“Moderation is not seen anymore only as being there to enforce rules sometimes judged useless or unfair by users, but is appreciated for responsiveness, being there. It is not censorship anymore, it's part of the overall positive experience”*

– Elise Lemaire, Director of Operations, Rovio (makers of Angry Birds)

Simply put, the bar on safety and security does not drop because the user is conversing in a digital environment. Nor is every digital community the same and, as such, chat should not be moderated around a fixed set of rules. Flexibility is the key.

A chat message that mentions 'killing' probably does not mean the same thing in a Call of Duty community as it might in an educational community, i.e. context is important. Likewise, perhaps newer community members - who may not understand the rules - shouldn't be subject to expulsion for just typing a bad word, or some other act of hubris.

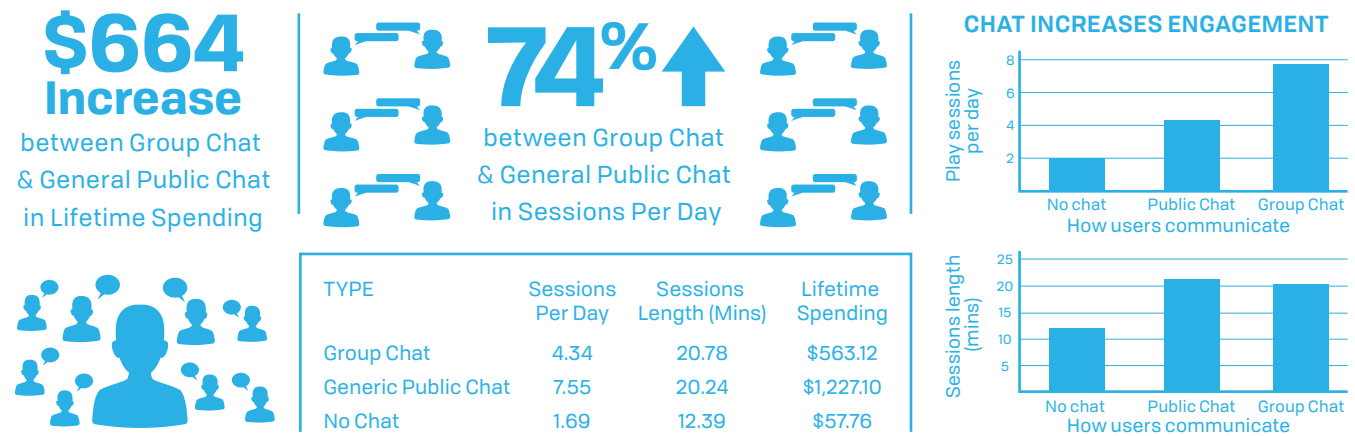
In fact, it is essential to move away from thinking of chat moderation as a tool for managing problems, and towards the realization that it's a way to identify your most influential and profitable users.

# CONVERSATION KEEPS THEM COMING BACK

Wise leaders think about what they must do to make the next dollar, not how little they can invest to keep the dollar they have. When creating or scaling community, you must work from the same perspective. This brings us to the first key finding from our study: chat fosters user engagement.

## *Chat participation increases daily sessions more than 4x and session length by 60%*

Players who engage in chat play more and spend more. Conversely, players who do not participate in chat show less engagement, play less, and spend less. Specifically, chat participation increased daily sessions by more than 4x, and session length by more than 60%



The greatest opportunities for engagement in gaming environments come in the core loop -- the primary string of repetitive behaviors a gamer goes through as they complete their game quest (e.g. fight a monster, earn coins, exchange them for improvements, level-up, etc.) How often a player engages in the core loop, and for how long, tells game publishers much about their potential lifetime value, or LTV. What our study taught us was that whether or not someone engages in chat is an important factor in determining how often they come back to the core loop.

The exact equation to elegantly explain things is tough to nail down, but if you can assist a user to make two new connections a day, and engage in one or more meaningful chat exchanges per day, the odds of them making a near term return visit jump exponentially. So, in this case, chat is a tool that lets you start thinking of retention in terms of months and years, rather than hours or days, thereby opening a new realm of strategic marketing opportunity.

Follow that thread and you soon realize the latent power of chat (and chat moderation) waiting to be unleashed.

# MONEY TALKS

Anecdotally, we know that filtering the most disruptive chat experiences improves user engagement, with benefits for LTV. That said, the real conversation your organization needs to have around chat moderation is not about how to filter out antisocial behaviors. Instead, you should discuss how to encourage and scale the types of chat experiences shared by your most committed community members.

Don't just mute those who use bad words, pick out the positive things influential users chat about and see how they inspire others to engage and stick around. Discover what your most valuable, long-term users are chatting about and figure out how to surface those conversations for new and prospective users, sooner, and to greater effect.

*The LTV of players who chat is 10x to 20x higher of those who don't*

Great chat moderation is great attention to user experience. You're not censoring the conversation for a few users, you're improving the conversation for all of them. And business will get better as a result.

It's usually about here - when you add up the cumulative, quantifiable benefits - that the business value of chat moderation begins to crystalize. What seemed like another cost center is suddenly an opportunistic profit center and market differentiator. How opportunistic?

According to our study, the LTV of a player who did not participate in community chat was about \$57. The LTV of someone who participates in public chats was nearly 10x at \$563, while the LTV of those who participated in private group chats was greater yet, at more than \$1,200, or 20x non-chatters.

## CHAT DRIVES LONG TERM VALUE (LTV)

### CORE DATA



## THE FINAL WORD

The most important thing that came out of our study on how chat moderation affects business outcomes is that this technology is a business enabler often lying dormant in the organization, hidden in the guise of a cost center, and mistaken as a risk to manage rather than an opportunity to explore.

This is the conversation you could be having about chat moderation in your digital community. This is the market advantage you could embrace to engage new community members, keep the ones you have, and grow your business.

This is the chat we need to have about chat moderation.

## ABOUT TWO HAT

Two Hat's AI-powered content moderation platform classifies, filters, and escalates more than 30 billion human interactions, including messages, usernames, images, and videos a month, all in real-time. With an emphasis on surfacing online harms including cyberbullying, abuse, hate speech, violent threats, and child exploitation, we enable clients across a variety of social networks to foster safe and healthy user experiences.

As well, in collaboration with the RCMP, the federally-funded Build in Canada Program, a generous grant from Mitacs, and top Canadian universities, Two Hat developed CEASE.ai, a cutting-edge AI model that detects new child sexual abuse material for investigators and social networks.

**Want to learn how Two Hat can help increase user retention, amplify positive interactions, and encourage engagement on your social platform? Get in touch at [hello@twohat.com](mailto:hello@twohat.com).**