ADACTION

A BEGINNERS GUIDE TO MOBILE GAME APP ADVERTISING

Customizing Your Strategy to Your Vertical: RPG, Casual, Social Casino, and Card Games

ARE YOU READY TO PLAY AND WIN AT MOBILE GAME MARKETING?

It's no secret that the gaming category in the app stores is competitive. After all, it's where mobile app users spend most of their time.

Check out these data points from the State of Mobile 2021, Deconstructing Mobile & Tablet Gaming 2021, and the 2021 Gaming Spotlight. They illustrate the massive scale of mobile gaming.

More Time Playing and More Players

In 2020, users engaged with mobile apps, on average, over four hours a day. Of that time, gaming represents 55% of time spent. This was an increase of 35% from 2019. Additionally, the genre picked up 12% more players and is seeing a 30% increase in downloads in 2021.

Mobile Gamers Are Big Spenders

It's also where they spend their money. Mobile gaming spending was over $100 billion in 2020, and the numbers for 2021 are showing that the trend will continue. 2021 numbers were strong with a record-breaking $1.7 billion per week in Q1, with expectations for 2021 increased to $120 billion.

These numbers confirm that the future of gaming is mobile. While it's a strong vertical, it's also extremely competitive. So, what's it going to take to slay mobile game marketing?
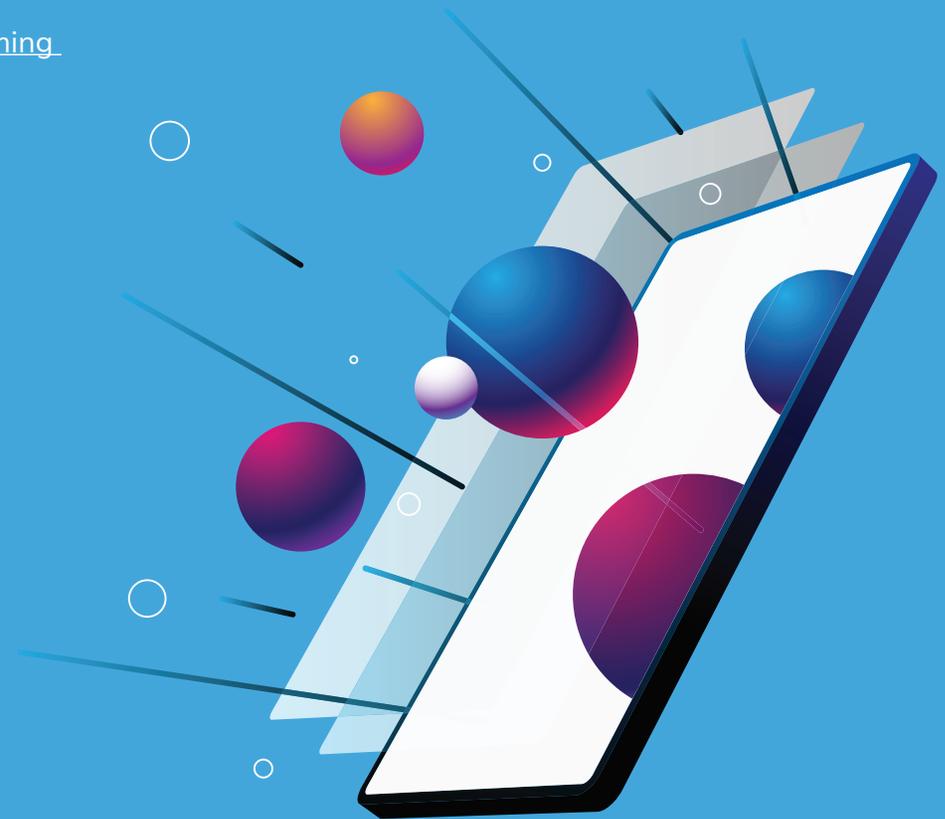
What's Inside

- 2021 Mobile Gaming Trends
- Mobile Gaming Categories and Advertising Structures
- Mobile Gaming Metrics That Matter
- Using AdAction's Advertising Solutions to Scale Your App

55%
of mobile app time is within gaming apps

12%
increase in mobile game users throughout 2020

30%
increase in mobile game downloads in 2021

$100 billion
was spent on mobile gaming in 2020

$120 billion
projected gaming app spend in 2021

WHAT'S IN PLAY FOR 2021 AND BEYOND

Let's look at the trends shaping the vertical and what you can learn from them.

Mobile gaming is dwarfing all other gaming mediums on spending, which means it's the primary growth driver. For those that have a stake in multiple platforms, this likely means prioritizing mobile.

The U.S. and Germany had the highest growth in market share for mobile in 2020. APAC still represents the biggest region for mobile gaming. With opportunities in the former two countries, this may also influence where you spend ad dollars.

Players love real-time online features, as they dominated the grossing charts in the first part of 2021. The most appealing were player-vs-player (PvP) and cross-play features (the ability to access game progress across devices).

This trend is part of the current environment. People are spending more time at home but want new ways to connect with others. The takeaway is that if your game offers these, you should make that apparent in your ad language and app profile.

X'S AND O'S: MOBILE GAME CATEGORIES AND ADVERTISING STRUCTURES

There are numerous mobile game categories. In this section, we will review Strategy/RPG, Casual, and Casino Social and Card games.

STRATEGY AND ROLE-PLAYING GAMES (RPG)

Fast Facts

- This category describes games where users can learn, analyze, strategize, and take actions typically through a character or a role-playing scenario with an avatar or character.
- The RPG segment grew [130% in 2020](#).
- RPG and strategy combined [had revenue growth in 2021, compared to 2020, of over 47.6%](#).
- These games feature many common themes that PC and console games also share. They have detailed storylines and present intricate worlds. Many are based on branded IP (intellectual property), movies, books, or other console games.
- Mass Multiplayer Online (MMO) RPGs are seeing greater adoption because of the social aspect and community focus.

Strategy/RPG Advertising Structure: What Drives Revenue

Numerous ad options for this genre drive UA, improve app ranking, enhance search visibility, and foster retention.

In-App Purchases

Strategy and RPG players are the most likely to make IAPs since they are so engaged with gameplay. These in-app stores can provide them with a host of valuable items.

Offerwalls

For those non-paying users, offerwalls are an alternative. They don't look like ads, so people don't dismiss them. They provide an offer, like in-app currency, in exchange for the user completing an action.

In-App Ads

As they disrupt gameplay, they are not prevalent in RPG/Strategy. However, some engaged players may choose to opt-in for ads if there's a reward behind it.

CASUAL GAMES

Fast Facts

- Offers the easiest type of gameplay with simple mechanics.

- Appeals to a wide variety of consumers because they are so easily playable.

- Represents 20% of downloads globally, 23% of spend, and 43% of time spent in 2020.

- Arcade games had the highest growth in 2020.

Casual Games Advertising Structure: How Free Games Make Money

In-App Purchases

Casual gamers are the least likely to make IAPs, but there are opportunities.

- Loot boxes:
  These treasure chests can boost gameplay and include highly desired items that would normally require hours of gameplay. One app doing this well is Go Knots 3D.

- Limited time offers:
  These bundles are time-sensitive and ideal for offerwalls. Make sure the offer makes sense to the player and that it's really a deal. Happy Glass is a good example of this IAP tactic.

- Boost items:
  These components are critical to core gameplay and help users with difficult levels, so they are very desirable. Just don't let it turn into a pay-to-win model because they will be unappealing for many.

Offerwalls

These non-intrusive ad units can help monetize those who don't make IAPs by rewarding them for completing an action.

In-App Ads

Gamers prefer 30-second ads over the course of 10 minutes, with 79% of U.S. players saying they're open to seeing them. Rewarded ads typically have the best return.

App Referrals

App referrals were the source of 66% of hyper casual game downloads. Most developers have multiple games. Cross-promotion is a solid way to gain more players.

SOCIAL CASINO AND CARD GAMES

Fast Facts

- These games are free to play. Users often play casino-inspired games with online friends. Players bet and win in-game currency, not real money. The major sub-categories are poker, slots, and table games (Roulette, Craps, etc.).

- 11% of gaming revenue for 2020 belonged to this bucket.

- The market is worth $6.2 billion.

- The average value of an IAP is $11.92.

Social Casino and Card Advertising Structure: What to Bet on for Revenue

In-App Purchases

Features a store with in-game currency available to purchase to continue gameplay, benefit the player experience, or for content like bonus options.

Offerwalls

For those not making IAPs, an offerwall that presents some of the same rewards as IAPs can work on offerwalls. The action they take to receive the offer can drive players to stay in the game longer.

In-App Ads

Prevalent in poker and cards.
Most often for those that opt-in and in the medium of interstitial ads or banners.

Subscriptions, Memberships, and Premium Versions

Some players will have a strong dedication to the game. For those players, in-game currency packages and special offers are appealing.

MOBILE GAME METRICS THAT MATTER

To continue winning at mobile game marketing, you'll need to keep an eye on these analytics.

Installs

Install metrics are critical for benchmarking your UA tactics. It's a base number that you need to calculate additional metrics. The number represents how many unique users download your app. Tracking by device type is important, too.

Installs = Number of Users Who Downloaded the App over a Time Period

CPI

CPI calculations inform how you'll grow, increase revenue, and choose advertising methods. CPI only looks at the cost of the initial install, not what happens to those players later.

CPI = Ad Spend/Number of Installs

Daily Active Users (DAU) and Monthly Active Users (MAU)

DAU provides you with information on how many users are opening the app daily. MAU looks at it from a 30-day perception. With both calculations, you can now evaluate stickiness. This ratio will let you know the number of days an average player logs in over the month.

DAU = Number of Users Opening an App a Day
MAU = Number of Users Opening an App in a 30-Day Time Period
Stickiness Ratio = DAU/MAU
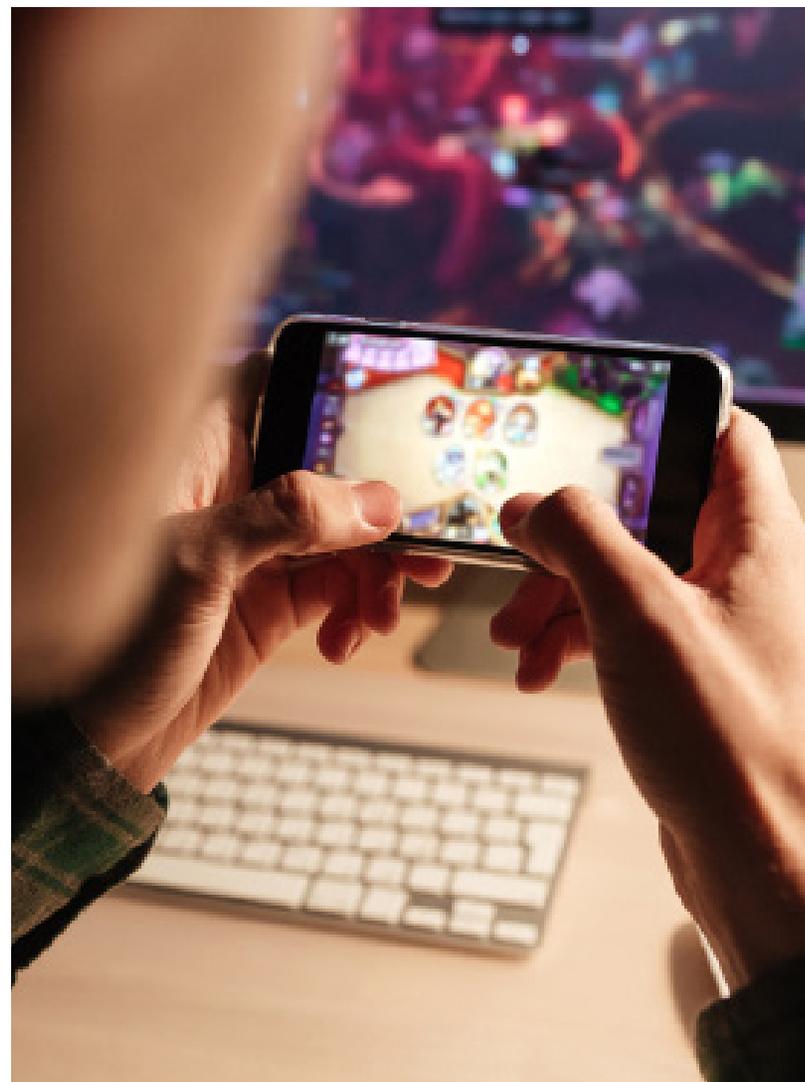
Session Length

The amount of time a player spends on your app can tell you a significant amount about engagement. You'll be tracking the player experience within a single session and could learn some insights about what keeps them playing, such as their interaction with offerwalls to earn more virtual currency.

In calculating, you should exclude idle time. By comparing session lengths for different cohorts, you can tap into why some are more engaged and account for IAPs. In addition, it could help you build out targets for UA campaigns.

Session Length = Amount of Time for One Continuous Gameplay

App Load Time

Can a slow app impact engagement and monetization? Yes, it could because it degrades the user experience. It can decrease session time and result in uninstalls. Think with Google estimates that the probability of a bounce increases 32% when load time goes from one to three seconds. To track this, you'll need to, at intervals, open the app in iOS and Android.

If you find your app is slow, can you correlate it to a decrease in session time, DAU, MAU, or uninstalls? It's certainly something you want to address and monitor.

App Load Time = Time It Takes for the App to be Usable by the Player

Retention

Retaining players after you acquire them ultimately determines the success of your app. You'll calculate this by segmenting users by their Day 0 (day of installation) then tracking how often the user opens the app. Popular days to follow are Day 1, Day 3, Day 7, and Day 30.

Day 1 information advises you or your app's first impression. At Day 7 players become more engrossed. Day 30 data will enlighten you on long-term retention.

Retention = Number of Players Using an App in a Set Time Period/Number of Players Using the App in the Previous Time Period

Churn Rate

Churn rate is a necessary evil in mobile game analytics. First, you need to know the percentage of players that abandon your app. Then, you can look at mobile app churn over the days identified above in retention.

You can see which intervals have the highest churn rate. For example, if you see high churn between Day 3 and 7, that tells you something about the experience after the initial install. It could help you position CPE campaigns that hook that back into your game.

Churn Rate = 1 - Retention Rate

Average Revenue Per Daily Active User (ARPDAU) and Average Revenue Per Paying User (ARPPU)

These metrics are also about the money you're making from users. ARPDAU defines the daily amount from a regular user. ARPPU is more specific, as it's looking at revenue from a set of players that spend in-app.

ARPPU will vary significantly, but that's normal. It's a direct response to your pricing model.

ARPDAU = Revenue a Day/Number of Players a Day

ARPPU = Total Revenue/Total Number of Paying Players

Average Transaction Value (ATV)

This next metric is a measure of revenue generation. It's the amount a user will pay for an IAP. Knowing this can help you determine the right pricing for upgrades, virtual currency, or subscriptions.

ATV = Total Value of Transactions/Number of Transactions

Lifetime Value (LTV)

LTV is one of the most critical mobile metrics. It can advise you of how much you should spend on CPI campaigns, which should be less than LTV.

LTV = ARPU x 1/Churn

USING ADACTION'S ADVERTISING SOLUTIONS TO DRIVE APP INSTALLS

Now that you have a good idea of what kind of advertising works for your gaming app vertical, and what your general goals are, it's time to run some campaigns!

AdAction has been helping app developers and user acquisition managers scale their app through customized UA campaigns since 2013. The two major ways we help apps acquire and keep their users is through CPI (cost per install) and CPE (cost per event) campaigns.

Cost per install campaigns focus on acquiring users at scale by spreading brand awareness and driving installs through incentivized traffic. Some examples include:

- Installing your app for more currency/coins in the publisher's app
- Installing your app to access an extra level in the publisher's app
- Installing your app for an extra life in the publisher's app

Cost per event campaigns focus on in-app activity, where you pay for a designated event to happen post-instal. For completing that event, the user will get in-app rewards from the publisher's app. Some examples include:

- When a user gets to level 50 on your app
- When a user completes an IAP (in-app purchase)
- When a user registers for an account

As a subset of CPEs, cost per action (CPA) campaigns are ideal for lead generation, as they are web-based. Use them to entice users with free trials, subscriptions, donations, and other lead gen opportunities.

Depending on your gaming vertical, current UA strategy, and your advertising goals, we may suggest one of these major campaigns, or run a combination of the two, to get new users and get those users to stick around.

GAMING CPE CAMPAIGNS THAT WIN THE ROAS BATTLE

Based on AdAction's experience in the gaming vertical, these CPE (cost per engagement) campaigns drive the most scale and ROAS.

Deep-Level CPE: Reach the Most Engaged Users

- Requires users to spend considerable time in the app to qualify (5-7 or more days).

- Defines a pivotal event, usually reaching an aspirational level, that will lead to long-term loyalty.

- Drives scalability and reach.

- Accesses feature placements.

Mid-Level CPE: Drive Engaged Users with Optimal Events

- Focuses on engaged users at least one day into the game.

- Activates at lower-level accomplishments in-game.

- Uses a highly optimized source mix and bids.

Low-Level CPE: Attract Users with Potential High LTV

- Introduces users to the game (tutorials, character creation).

- Launches soon after install (within the first 24 hours).

- Improves rank and can contribute to organic uplift.

See note above about KW CPIs. This is a little more appropriate in this spot without a big leadin, but this is also still a fairly niche strategy that needs some explanation of how this is typically a rewarded campaign strategy (ex: facebook or other large display/video ad networks do not offer CPE campaigns, they offer CPC/CPM/CPI bidding with the advertiser optimizing the downstream events. thats a clear distinction to what we offer which is a "pay on event completion"

Also, in the details below, I'm not really following why we're differentiating deep vs mid vs low. Particularly since the distinguishing characteristics listed are not exactly mutually exclusive (ex: we can "drive scalability and reach" no matter what the CPE level) so the details we're providing are not particularly accurate.

KEYWORD CPI CAMPAIGNS: INCREASING VISIBILITY IN APP STORE SEARCH

All gaming categories can leverage keyword CPI (cost per install) campaigns to boost installs.

Some reasons to consider a CPI campaign:

- Improves discoverability in app stores for specific keywords.
- Applies to burst campaigns for those that want a high concentration of spend in a short time.
- Appeals to users with some game knowledge, so usually demonstrate affinity.
- Provides higher quality traffic since users are searching.

WHAT'S AN OFFERWALL?

Offerwalls, also known as reward platforms, are non-intrusive ad units that are key in user acquisition (UA). They also drive engagement at every stage of the user journey -- from top-funnel events like registrations and lead gen to deep-funnel events like paid subscriptions and purchases. The campaign you'd end up running simply depends on what part of the funnel you'd like to scale.

Offerwalls reward users for installs, engagement, and app activity with in-app currency. Offerwalls also serve as an alternative to get the attention of users that ignore traditional banner ads, as any action on an offerwall is optional.

How It Works

We customize our carefully curated portfolio of solutions to align with your advertising goals. These offerings are available for both iOS and Android. Our reward platform is a proprietary, performance-based medium, connecting advertisers with engaged audiences.

Advertisers rely on AdAction to help them attain their UA goals by driving downloads, gaining loyal, engaged users, and increasing app store visibility with reward inventory that gets in front of their target audience. You can reach engaged audiences globally with our owned and operated reward platform as well as vetted rewarded partners. Our exclusive and incremental inventory enables our customers to lift engagement at all stages of the user journey.
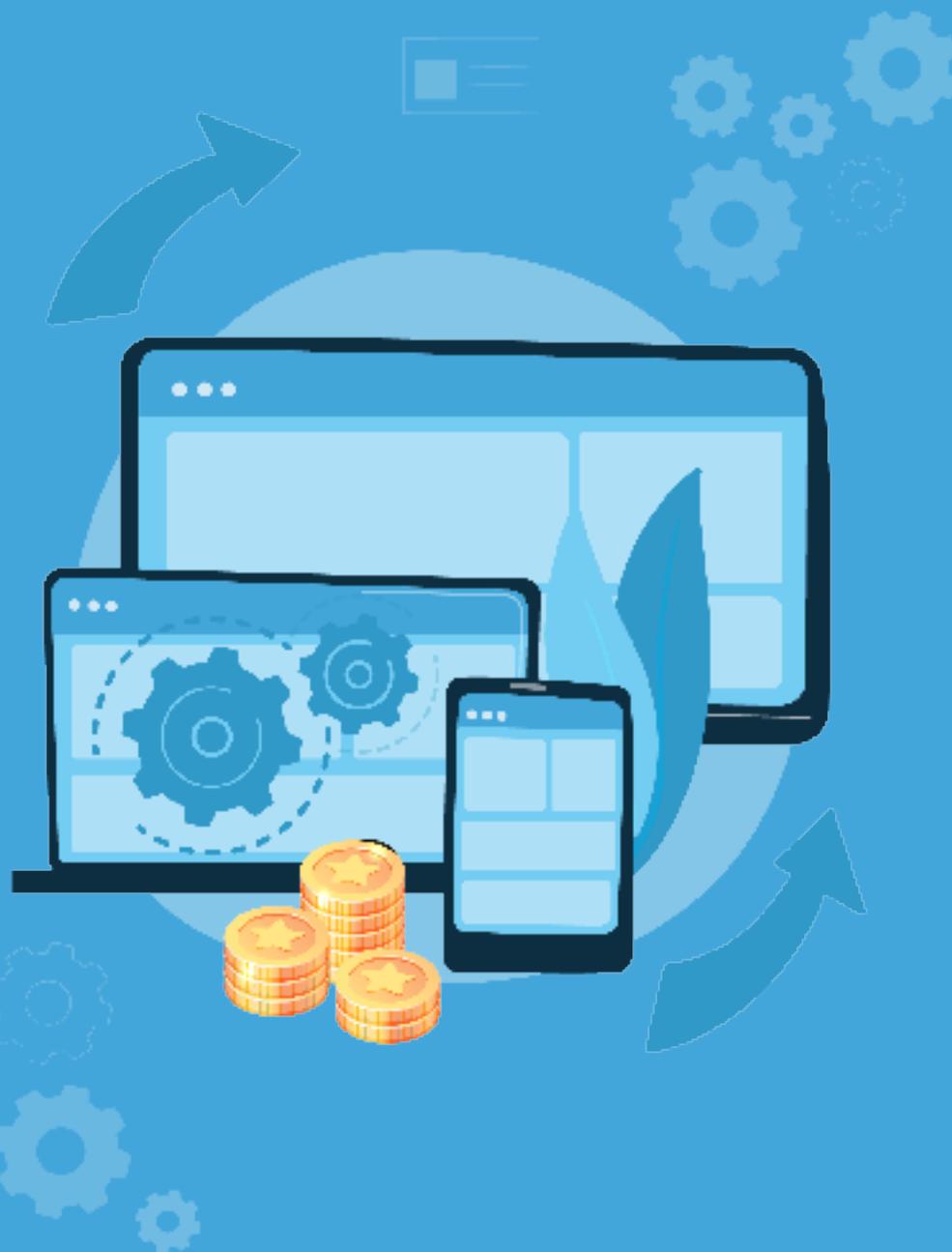
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