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What developers think about **InGame** Advertising

Exclusive findings from Pocket Gamer's 2020 Trends Survey

AdInMo

Introduction: InGame Advertising 2021

The mobile games industry has been around for over 20 years now - we know because we were there at the start (yes WAP games...). The market is continually propelled by innovation - be that new devices, tech or game design, but it's the monetization strategies that must now strive for innovative new ways to balance creativity, retaining players and paying the bills.

In this year's [Pocket Gamer Mobile Games Developer Trend Report](#) new monetization models were cited as the number one opportunity in the 12 months ahead (47.6%).

This paper is based on exclusive insights from the study and takes a closer look at one of the models driving this trend: **InGame advertising.**

Advertising in mobile games is of course not new and revenues from advertising are second to only In-App Purchases for free-to-play games.

The potential for growth is clear: Brands are actively shifting their ad spend to digital channels to gain better access to the ever-elusive cord-cutting millennial and gen-z audiences.

Global reach and diverse audiences make mobile games attractive to advertisers fuelled by how much time is being spent playing games on smartphones.

However, there is increasing pressure on existing InGame advertising performance models. Developers question impact on retention. Meanwhile, advertisers face decreasing effectiveness with the rise in adblockers, ad blindness with traditional video or banner ads as well ongoing concerns over ad fraud.

And of course Apple's game-changing plans to get rid of the Identifier for Advertisers – IDFA will make it harder for advertisers to target consumers, effectively ripping up the rule book for the free-to-play games and advertising ecosystems.

So it's perhaps not surprising that developers think that **dynamic InGame advertising where ads are seamlessly integrated into gameplay** may be the answer, with 46.3% of developers citing it as a key opportunity for 2021.

This paper looks at what's driving the trend towards a new monetization channel of immersive click-free ads.

Non-interruptive advertising formats is the number one feature developers demand of a monetization platform with 75% of developers wanting to use ads that do not interrupt gameplay and risk impacting player engagement.

46.3%

of developers think
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InGame advertising is
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2021

75%

of all developers
want to use
InGamePlay ads that
do not interrupt
gameplay

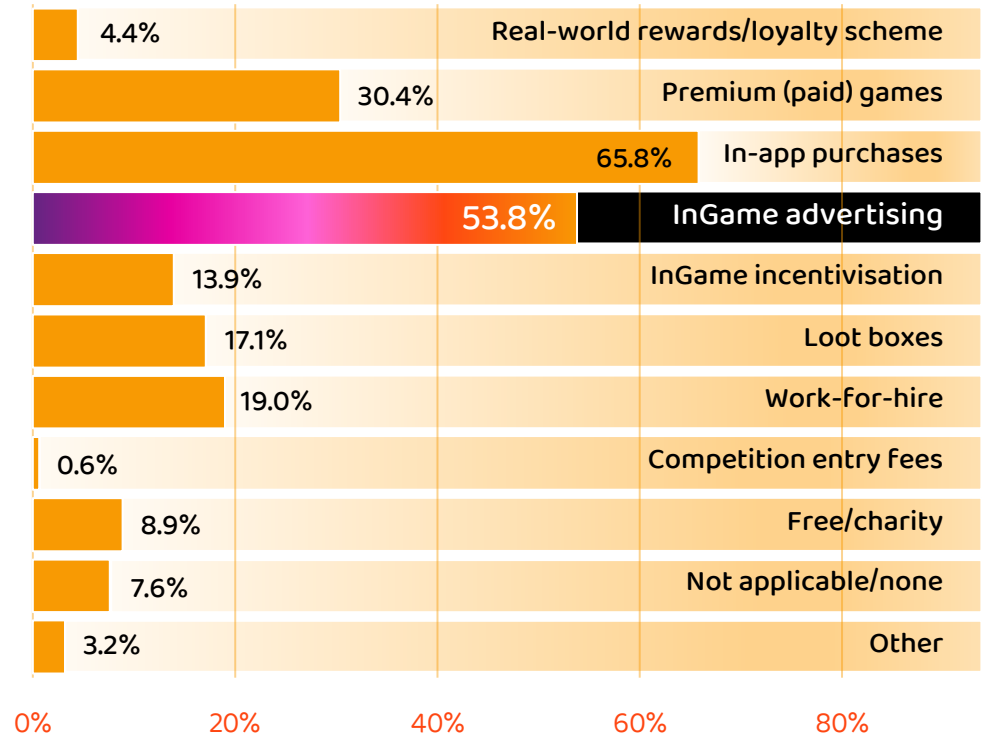
Innovation in business models

The mobile games market has always been driven by its global reach and ability to attract a very broad audience.

Monetization success relies on developers working out the balance between gameplay, monetization and player retention.

The free-to-play model continues to dominate with In-App-Purchases leading the way and InGame advertising revenues the second most popular way to engage players who can't or won't pay .

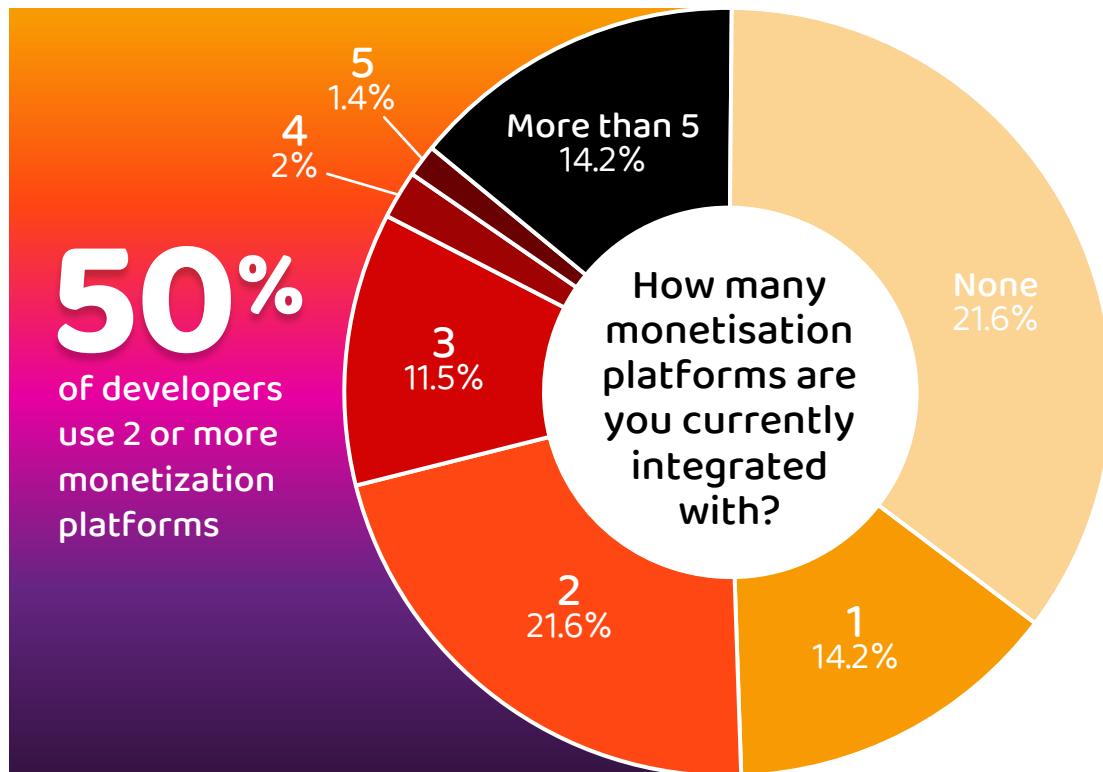
What business models do you use?



Multi-channel approach to monetization

The need for a multi-channel strategy and the growing sophistication of developers' monetisation approach can clearly be seen with the number of platforms and ad networks mobile game developers integrate with.

Nearly a third of developers use 3 or more platforms.



Casual Games leading the shift to dynamic InGame Advertising

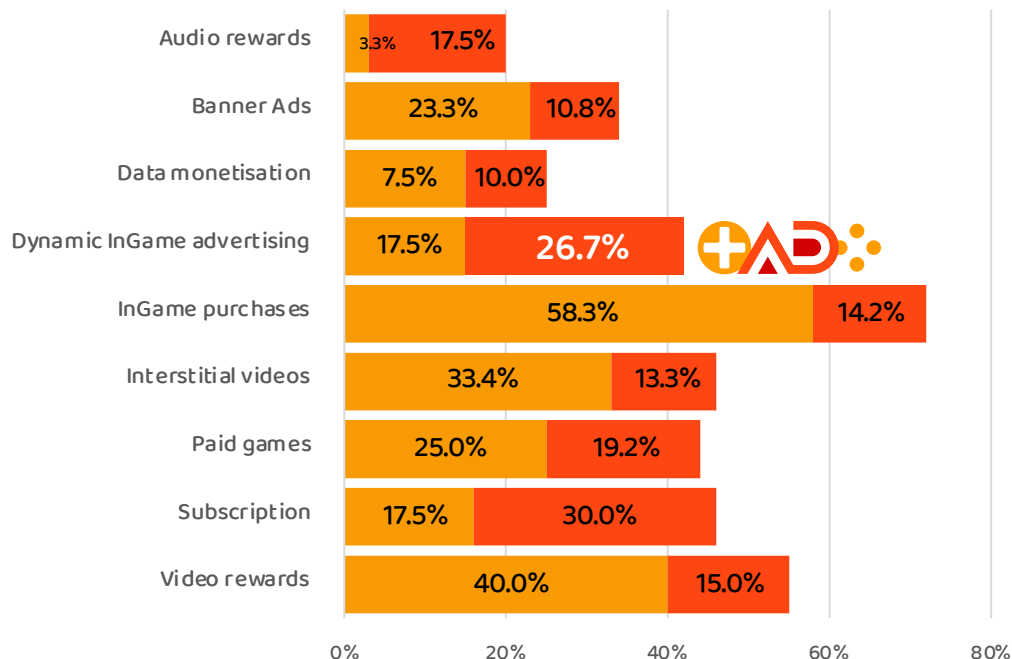
Today, the most popular InGame ad formats are interstitials (33%) and rewarded videos (40%). One of the monetization opportunities attracting the most attention is dynamic InGame advertising; where banner ads are seamlessly integrated into gameplay with ad units authentic to the player experience.

Over a quarter of developers are planning to try non-intrusive dynamic InGame advertising in the next 6 months.

The largest growth is expected to come from casual games with 62% of developers of this genre planning to trial immersive InGame banner ads in 2021.

How do you monetise your games today?

What are you planning to trial in the next six months?

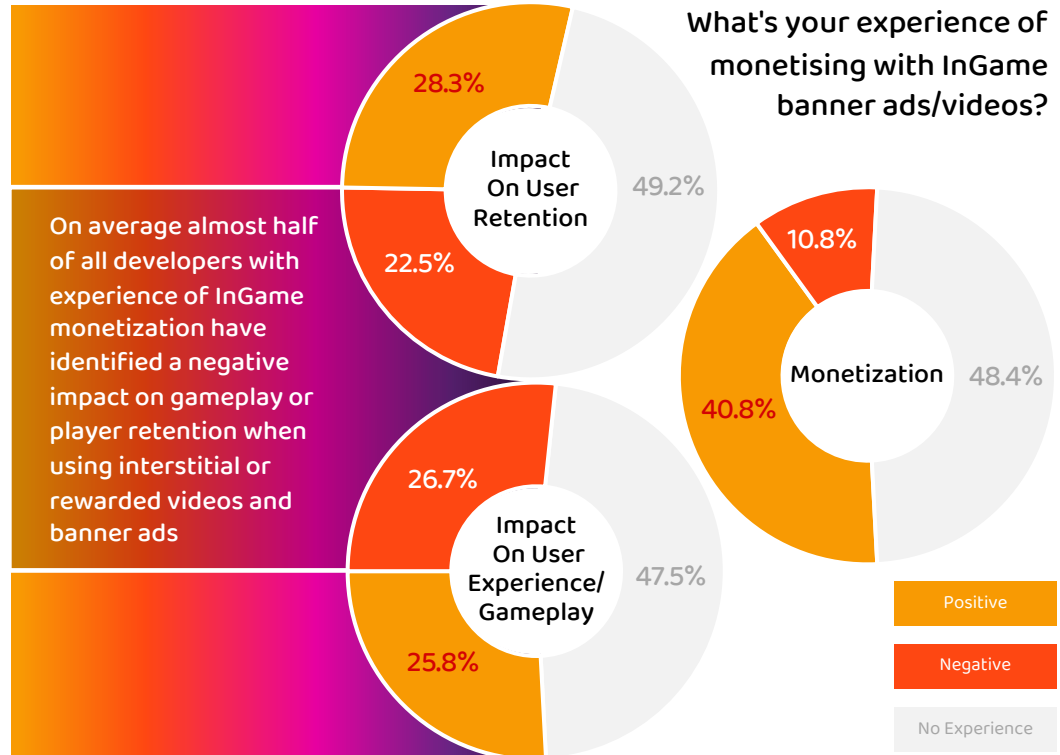


Impacts on Retention, Gameplay and Monetization

The majority of players are not payers. But if they can't or won't actively spend on InGame content, advertising remains the best method of generating revenue and is why monetization scores highly (40.8%) in terms of positive impact.

However its important to understand the possible negative impacts.

Almost half of all developers with experience of monetizing with rewarded or interstitial videos and performance banner ads have experienced a negative impact on gameplay or player retention.

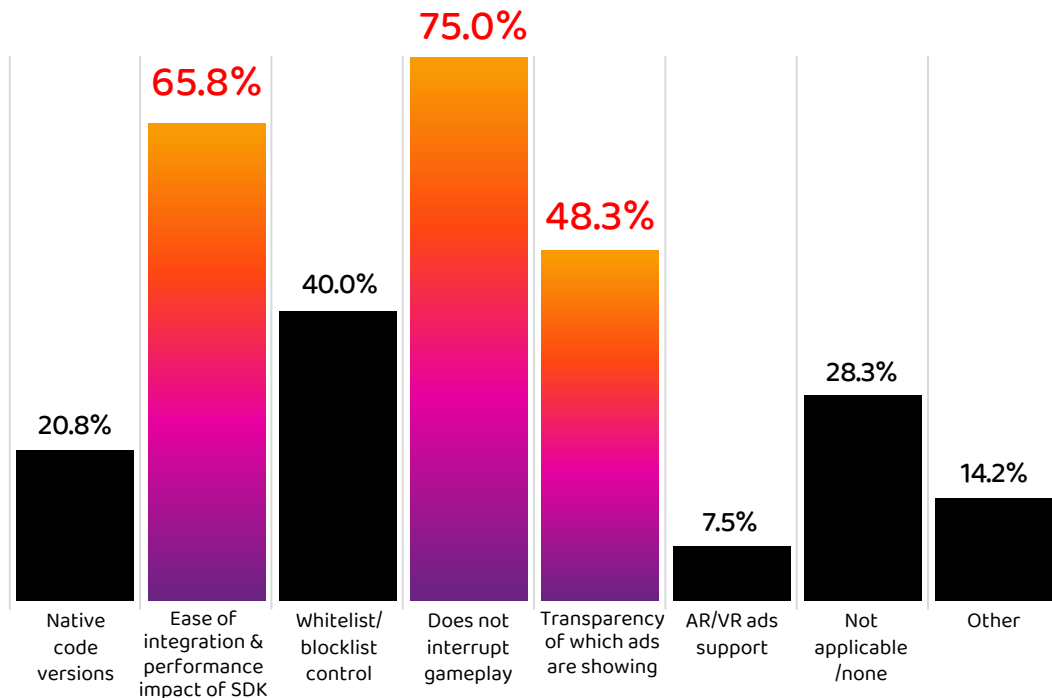


Developers want ads that do not interrupt gameplay

What are your top three features when integrating with a monetization platform?

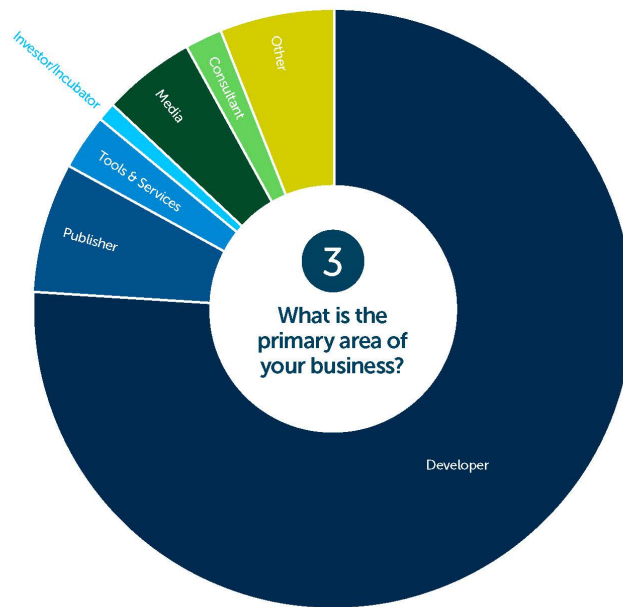
Three quarters of respondents in the survey rated 'does not interrupt gameplay' as their top feature of a monetization model, even higher than ease of SDK integration (66%).

The ability to use whitelists and blocklists to control advertising (40%) as well as more general transparency (48%) on what ads would be displayed also ranked highly.



About This Paper

This paper is based on survey data from Pocket Gamer's Mobile Games Developer Trend Survey carried out in August and September 2020.



COMPANY PROFILE

BUSINESS AREA	2020 RESPONSES	2018 RESPONSES
Developer	75.9%	63.5%
Publisher	6.9%	11.1%
Tools & Services	2.5%	9.8%
Investor/Incubator	1.3%	0.8%
Media	5.1%	2.9%
Academic	0.0%	0.8%
Consultant	1.9%	5.3%
Recruitment	0.0%	0.0%
Other	6.3%	5.7%

"Developers, developers, developers," as Microsoft's Steve Ballmer used to bellow in the good old days. Certainly developers remain the staple of the mobile game industry, accounting for more than 75 percent of respondents in this year's survey. It's also interesting to note the drop in publishers. Probably not statistically significant, nevertheless it does chime with a broader industry trend that pureplay publishing seems to be in decline.



Nonstop games:

Happy players ► greater viewability ► better monetization

AdInMo ads don't interrupt your game flow like interstitial or rewarded videos.
In-game brand advertising works with your game design, not against it.

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