

H1 2023 Whitepaper

Play on™

The in-game audio revolution:
The current state of mobile
gaming and in-game advertising.

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Who is this report for?

This report is designed for those who are interested in learning more about in-game audio ad formats, including the latest advancements, growth trends, opportunities in the advertising industry, and the global mobile gaming audience.

Explore the opportunities for in-game audio ads and their future use, and take a look at the extensive insights into the current mobile gaming landscape.

Why do these findings matter?

As the advertising and gaming industries see rapid growth, with over 3 billion mobile gamers worldwide, in-game ads are becoming increasingly more powerful tools for helping advertisers and marketers reach and engage with audiences. In-game mobile ads have the potential to boost the growth of the mobile gaming industry by supporting the creation of more free-to-play games that let gaming companies monetize their games while also serving users.

Game developers favor in-game advertising over subscription and in-app purchase models as their primary form of monetization. Although, while in-game advertising is effective, it is the experience and relationship that the player has with in-game ads that determine how successful a game is.



In-game image, video, and interstitial ads still distract and pull gamers outside of the world they are playing in.

A successful free-to-play mobile game is one that can be monetized by engaging and retaining players. The longer a mobile game is played the more in-game ads can be served and viewed. This results in a positive impact on not only the revenue of the game but also on the brand being featured in the ad.

On the other hand, players will exit the game or even uninstall it entirely if they find in-game ads too disruptive, leading to a negative perception of the game and the brand. For instance, commonly used interstitial ads such as image and video ads frequently pop up mid-game, disrupting the player's experience.

Although contextual ad placements, such as a video ad placed on a billboard within the game's world, have been successful, in-game image, video, and interstitial ads still distract and pull gamers outside of the world they are playing in.

The concept and goal of audio ads allow game developers to monetize their games effectively without sacrificing the player's experience. Audio ads also let brands reach more lucrative, engaged, and dedicated mobile gaming audiences.

This research shows the size of lucrative audiences in mobile games, the maximum potential for incremental reach that audio ads can provide to advertisers for their ad campaigns, and the player's perception of in-game audio ads concerning brands they could hear through an audio ad.



What is Audiomob

We are an AdTech company providing a non-intrusive monetization solution for mobile games.

Our plugin technology seamlessly connects developers and advertisers to billions of hyper-engaged mobile gamers worldwide. Our non-intrusive ad formats produce stronger retention and engagement with consumers, resulting in a higher CPM for advertisers.

100%
User Consented.

0%
Damage to retention.



How was the research conducted?

The insights presented in this report are the result of a collaborative effort with third-party organizations.

Market research and data points were conducted in partnership with [YouGov UK](#), which surveyed 509 casual mobile gamers on their mobile phone and gaming habits as well as their experience with in-game ads. We also gathered behavioral and qualitative data insights through focus groups and 1:1 testing with [GoLiveTest](#), who recorded their feelings towards mobile gaming and audio ads by playing a mobile game featuring our audio ads and our demo game, 'Cannes de Rush.'

We also teamed up with the [Internet Advertising Bureau UK \(IAB UK\)](#) to promote the distribution of this whitepaper. This collaboration allows us to effectively share our research with individuals who want to stay informed about the latest developments and trends in audio advertising and ad tech.

Additional insights are also based on our previous [report](#), which provides an accurate representation of the current state of mobile gaming and the impact of audio ads rather than projections of their potential.

We are confident that our research provides valuable insights for advertisers, brands, monetization managers, marketers, and others related to the AdTech and gaming fields.

YouGov

YouGov surveyed a group of 509 UK-based individuals (253 males and 256 females) aged 18-55+ on their mobile gaming and audio activities, experiences with in-game advertising and feelings about different variations of in-game ads.

GLT GO.LIVE.TEST.

GoLiveTest surveyed a gender-balanced group of 30 UK-based mobile game players (50% women and 50% men) aged 18-40, also providing them with the opportunity to experience Audiomob's rewarded in-game audio ads while playing two popular mobile gaming titles (Cannes de Rush and Ice Cream Inc).

Expanding brand reach: The benefits of incorporating in-game audio ads to traditional advertising strategies.

Audio has been shown to create strong, lasting connections between brands and their audiences.

Studies indicate that **96% of brands**⁷ that incorporate audio into their identity are more likely to be remembered and sought out by their consumers. While traditional forms of audio advertising, such as radio jingles, have been used for decades, accurately tracking and measuring the effectiveness of these ads can be challenging.

Listeners may become distracted or not fully engage with the ad, limiting its impact. As a result, brands and advertisers are exploring new and innovative ways to reach and engage with their audiences.

One area that has seen tremendous growth in recent years is the mobile gaming industry. With over **3 billion mobile gamers**⁷ worldwide, mobile gaming has become an attractive medium for advertisers looking to connect with consumers.

In-game advertising, in particular, has become popular as it allows advertisers to integrate their brand messaging into the game experience. Mobile games also have the ability to spark **heightened levels of emotional engagement**⁷, encouraging a powerful association between the content and its recipients.

In-game audio ads offer a powerful combination of messaging and communication within a highly engaging medium played by billions of gamers worldwide. Now that mobile gaming has been established in the advertising world as a lucrative market, improving how audio ads are served is guaranteed to give brands incremental reach and more accurate campaign measurement. Especially through the enhanced technology available through mobile games.

This white paper will explore the current mobile gaming and in-game advertising landscape, examine mobile gamer behaviors and perceptions of in-game ads, and highlight how audio ads, combined with Audiomob's volume detection technology, provide incremental reach to brands, alongside traditional radio advertising.

96%

of brands that incorporate audio into their identity are more likely to be remembered and sought out by their consumers.



Insight

Mobile games have the ability to spark heightened levels of emotional engagement, encouraging a powerful association between the content and its recipients.



The current state of mobile gaming and in-game advertising.

Mobile gaming is a popular pastime for people of all ages and backgrounds. According to a survey conducted by YouGov, it's the 5th most popular activity users engage with on their phones.

64%

of gamers prefer to play in shared spaces such as living rooms and dining areas.

61%

prefer private spaces like bedrooms.

39%

play in waiting areas (e.g. at a doctor's office).

27%

play on public transport.



When most players are gaming in controlled and relaxed environments, such as their homes, 69% of gamers feel relaxed, 36% feel focused, and 25% feel happy. This suggests that mobile gaming can positively impact players' emotional states, helping them to unwind, concentrate, and feel good. As a result, advertisers have a better chance of successfully engaging with consumers who are playing while happier and more focused.

However, despite the potential benefits of in-game advertising, over 70% of participants expressed dislike towards video and image in-game ads. This shows that players generally have a negative perception of in-game ads and that advertisers need to find ways to make their ads more appealing and less intrusive.

77% of players stated that video ads (pop-up or full-screen) are the most common type of in-game ad that provokes these negative feelings, followed by 69% for display ads and 59% for mini-game ads.

Negative feelings toward ads leave gamers frustrated, which can have a negative effect on both a gaming developer's business and an advertiser's positioning. Developers and advertisers should focus on more engaging and less intrusive ad formats to avoid bringing up these negative feelings in gamers.

The solution to this challenge is in-game audio ads. In GoLiveTest's study, 80% of players reported that they liked how audio ads in [Cannes de Rush](#) did not interrupt the gameplay. This suggests that players appreciate how audio ads are seamlessly integrated into the game experience and do not detract from their enjoyment of the game.

Moreover, 66% of players expressed a positive attitude towards receiving an in-game reward for listening to an audio ad. These players state that audio ads would entice them to play more. They also claim that receiving rewards during pivotal moments of gameplay would be the only reason they decide to engage with an ad. This shows that incentivizing players is an effective way to increase player engagement and create a more positive perception of ads.

 Insight

96%

of players expressed a positive attitude towards receiving an in-game reward for listening to an audio ad.



In-game audio ads and traditional radio advertising.

Before Audiomob's volume detection and audio passback technology, there was no way of knowing whether listeners temporarily muted or lowered the volume whenever an ad played over the radio.

As a result, advertisers struggled to track and measure the performance of ad campaigns accurately.

The same issues arise with contemporary audio ad mediums such as in-game ads. There are billions of gamers worldwide, but how can advertisers know for sure whether an ad has been listened to?

Volume Detection

Audiomob's [Volume detection](#) can track the player's listening and audio behaviors while gaming. If the volume drops too low while an ad is being played the ad will pause and the player will receive an 'unmute prompt' on their device. The player can either manually increase the volume or click the prompt to automatically raise the volume so that the ad is heard, they can then receive their in-game ad reward.

Audio Passback

If a player is listening to music through an app in the background, our [Audio Passback](#) technology temporarily pauses or lowers the volume of apps it detects in the background (e.g. Spotify, Apple Music, and radio) when an ad plays. The background app's audio will return once the ad is complete, after which the player can claim their in-game reward.

Insight

In-game audio ads can enhance traditional radio advertising by creating incremental reach for brands.

Utilizing these two forms of technology alongside incentivizing players with in-game rewards allows advertisers to more accurately track the listen-through rates of their ads — something that cannot be done with radio. Advertisers can obtain a better understanding of who their audience is and how well certain ads perform across different games. This can also help with targeting for future ad campaigns.

Furthermore, in-game audio ads can enhance traditional radio advertising by creating incremental reach for brands. 64% of gamers do not listen to any audio channels while playing mobile games, so by implementing audio ads into campaigns, brands can reach a wider audience that they may not have otherwise reached through radio advertising alone. Radio ads also have a much lower rate of radio listeners in today's modern age, alongside the inaccuracy of tracking the rate of radio ads listeners (by users lowering the volume, etc.).

Audio ads in mobile games offer a better brand recall since players are more focused on the content they are consuming while gaming vs. listening to music passively while engaged in another activity, such as driving, as most radio listeners do.

Every player that hears an audio ad with a clickable banner recalls the advertised brand. [100% of players in a focus group assembled by GoLiveTest](#) from our previous study noticed the audio banner ad on the screen, and all could recall what was advertised.

100%

Of players in a focus group could recall what was advertised.



Summary.

In-game audio ads are a compelling avenue for brands seeking to augment their traditional radio advertising strategies by creating an incremental reach.

By integrating audio ads into mobile games, brands can increase their reach and employ a more targeted advertising approach. Through the offering of in-game rewards, players can foster a more favorable perception of ads and enhance brand engagement. As the mobile gaming industry continues to expand and evolve, in-game audio ads will become an increasingly critical medium for advertisers to leverage.

With Audiomob's innovative volume detection technology, advertisers can more accurately measure the effectiveness of their campaigns and optimize their ad targeting to further enhance their results.

Overall, the potential benefits of in-game audio ads make them a highly attractive option for brands looking to connect with consumers engagingly and effectively.

Key stats.

When playing games, players feel:

69% Relaxed

36% Focused

25% Happy

This suggests that mobile gaming can positively impact players' emotional states, helping them to unwind, concentrate, and feel good.

Mobile gaming is commonly enjoyed in 4 types of settings.

64% prefer shared spaces
e.g. living rooms and dining areas.

61% prefer private spaces
e.g. bedrooms

39% enjoy playing while waiting
e.g. doctors office

39% play mobile games in public
e.g. public transport

66% of players felt positive and accepting of receiving an in-game reward for listening to an audio ad.

They also stated that audio ads would entice them to play more and that (in-game rewards) would be the only reason they engage with audio ads.

Incentivizing players with in-game rewards can be an effective way to increase engagement and create a positive perception of ads.

Out of 326 people:

64% Overall would feel content if they were rewarded with a bonus life/extra points for listening to an in-game ad.

Strongly agreed (23%)

Agreed (41%)

This indicates that incentivizing players to view ads can be an effective strategy for increasing engagement and creating a win-win situation for both the player and the advertiser.

80% Liked how audio ads in Cannes de Rush didn't interrupt the gameplay.

Players appreciated how audio ads are seamlessly integrated into the game experience and do not detract from their enjoyment of the game.

Over 70% of participants expressed a dislike to (video/image) in-games ads.

The most common types of ads that elicit these feelings were:

Pop-up / full ads (79%)

Display ads (69%)

Mini ads (59%)

Players generally have a negative perception of in-game ads and that advertisers need to find ways to make their ads more appealing and less intrusive.

This highlights the need for advertisers to focus on creating more engaging and less intrusive ad formats.

Out of 286 people:

56% Overall agreed they would rather continue playing their game and listen to an audio ad than see a video ad.

Strongly agreed (25%)

Agreed (31%)

Players seem to prefer audio ads over video ads as they do not disrupt the gameplay experience as much.

The two most popular games types are:

73% Puzzles

36% Hyper-casual

Players tend to gravitate towards these game types as they offer a fun and engaging way to pass the time while also providing a challenge.





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