



Consumer driven platform
to be replaced by unified
audience platform for mobile
user growth

Game on: A Marketer's Guide to Winning Mobile Gaming



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Transformation of the gaming industry from ‘playing with friends and families confined within a room’, to ‘strategizing with multiple players that exist in completely different time zones’ has brought about a significant change in the gaming vertical.

Gaming industry grew to almost 2.3 billion gamers in the year 2018^[1]. With a growth rate of 13.3% in the year, the total money spent by the gamers reached \$137.9 billion. While the overall industry is growing at a rapid pace, mobile gaming is acquiring more space within it.

In 2018, mobile gaming (includes smartphone and tablet devices) amounted to \$70.3 billion which is 51% of the total gaming industry revenue. While tablet’s (\$13.6 billion) year-on-year gaming revenue scaled by 13.1%, the growth for revenue generated over smartphone (\$56.4 billion) games was 29%.

By 2021, mobile games revenue is expected to soar up to 59% in an industry that would be worth \$180.1 billion. As expected, gaming app developers have flooded the app stores to leverage this booming market. Within Apple App Store, there are 3,353,199 apps of which 292,472^[2] are gaming apps. Google Play Store has 2,625,911 apps^[3] with more than 367,725 gaming apps^[4]. With a number of third-party app stores available for Android users, the overall app population grows further.

By 2021

59%

Growth In Mobile Gaming Revenue

\$180 Bn

Expected Mobile Games Revenue

Number Of Gaming Apps



292,472+

Apple App Store



367,725+

Google Play Store

Popular Mobile Gaming Categories

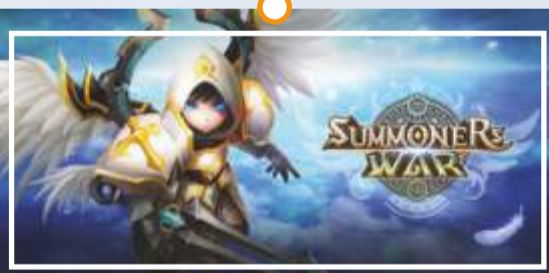
The mobile gaming industry, which generates more than \$100 billion of annual revenue, is segmented into different categories depending on the playing models and rules. Some of the leading mobile gaming categories in terms of revenue and market share are:



Role-Playing Game (RPG)

Gamers in this segment assume the role of fictional characters in the game. The gamer has to take the responsibility to accomplish objectives of the character by competing or interacting with other gamers or machines.

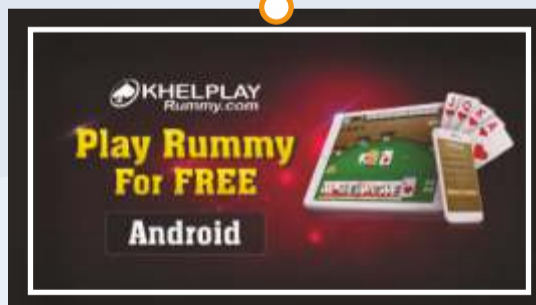
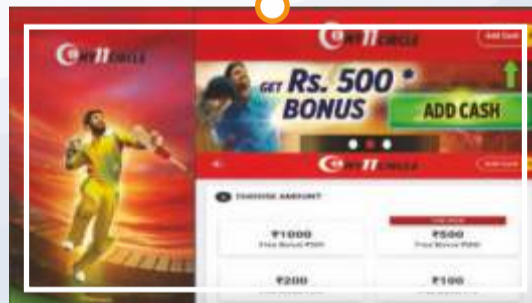
Popular Games



Real Money Game (RMG)

As the name suggests, games in this segment involves real money contests. The gamers can add real money to play and use their skills to compete with other players to win real money out of it.

Popular Games



Casual Gaming

In the casual gaming, the gamer has to follow simple rules that do not demand significant time and effort for learning. Usually, such games maintain a leaderboard while live competition between the players is minimum.

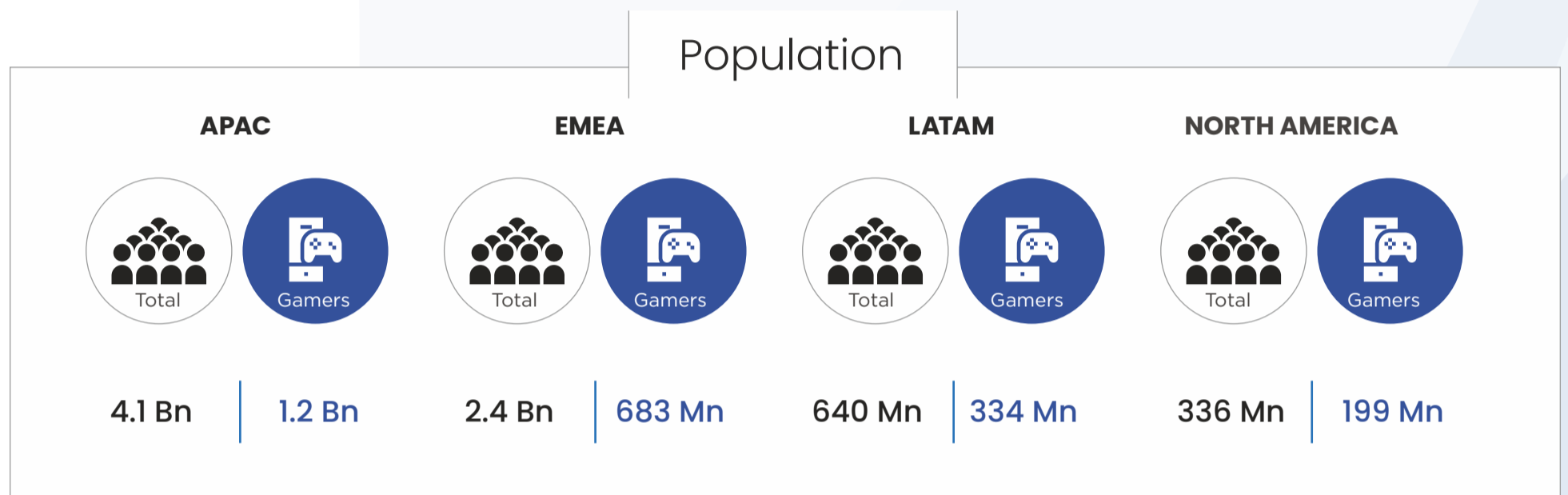
Popular Games



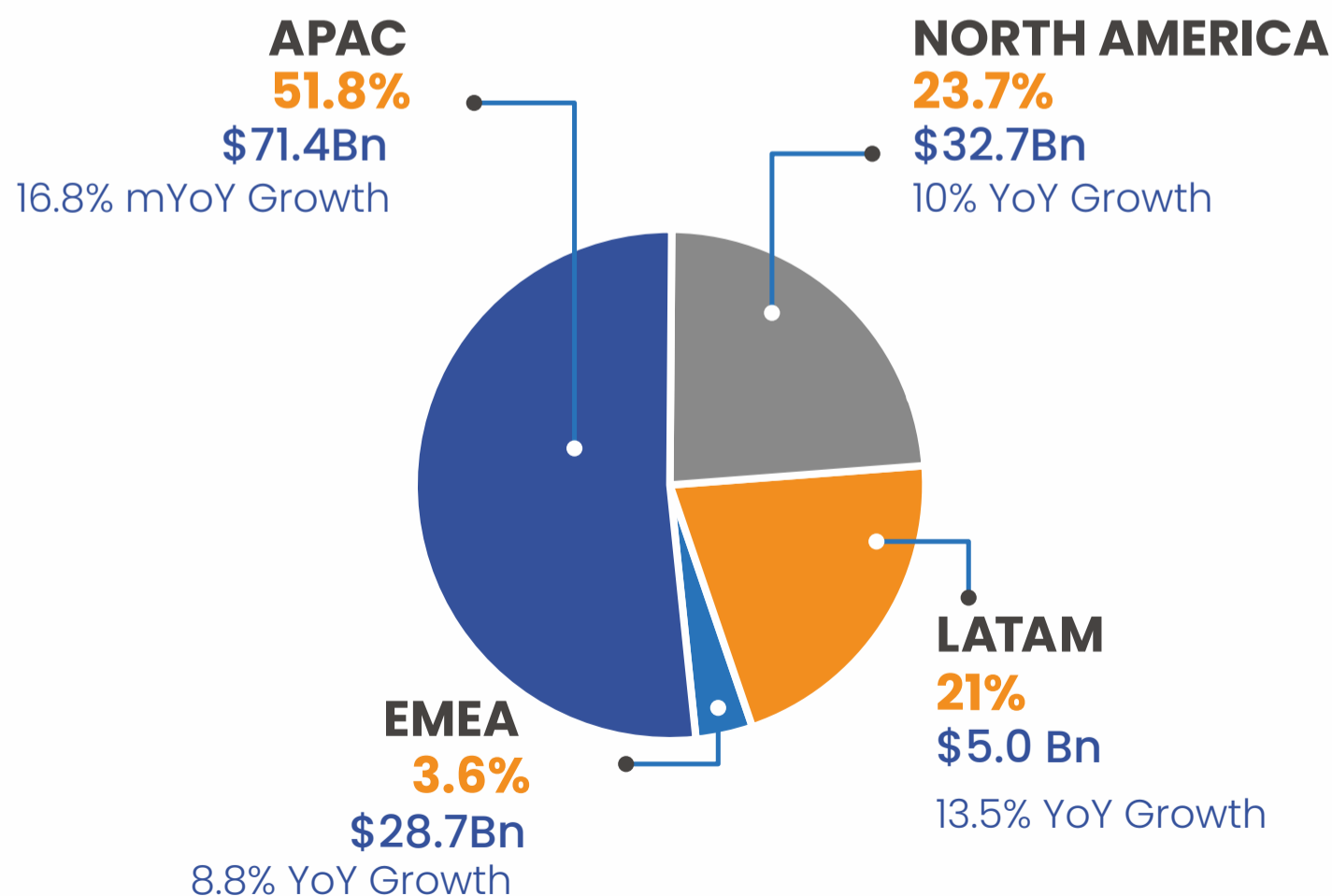
Numbers That Matter for Gaming Apps

In the competitive space of gaming industry, acquiring more users and monetizing the app requires a well-thought marketing plan that includes the understanding of relevant audience base and potential markets. Here is a global distribution of the gaming population that can help marketers identify the relevant audience and key opportunities.

Gaming Statistics Across Regions

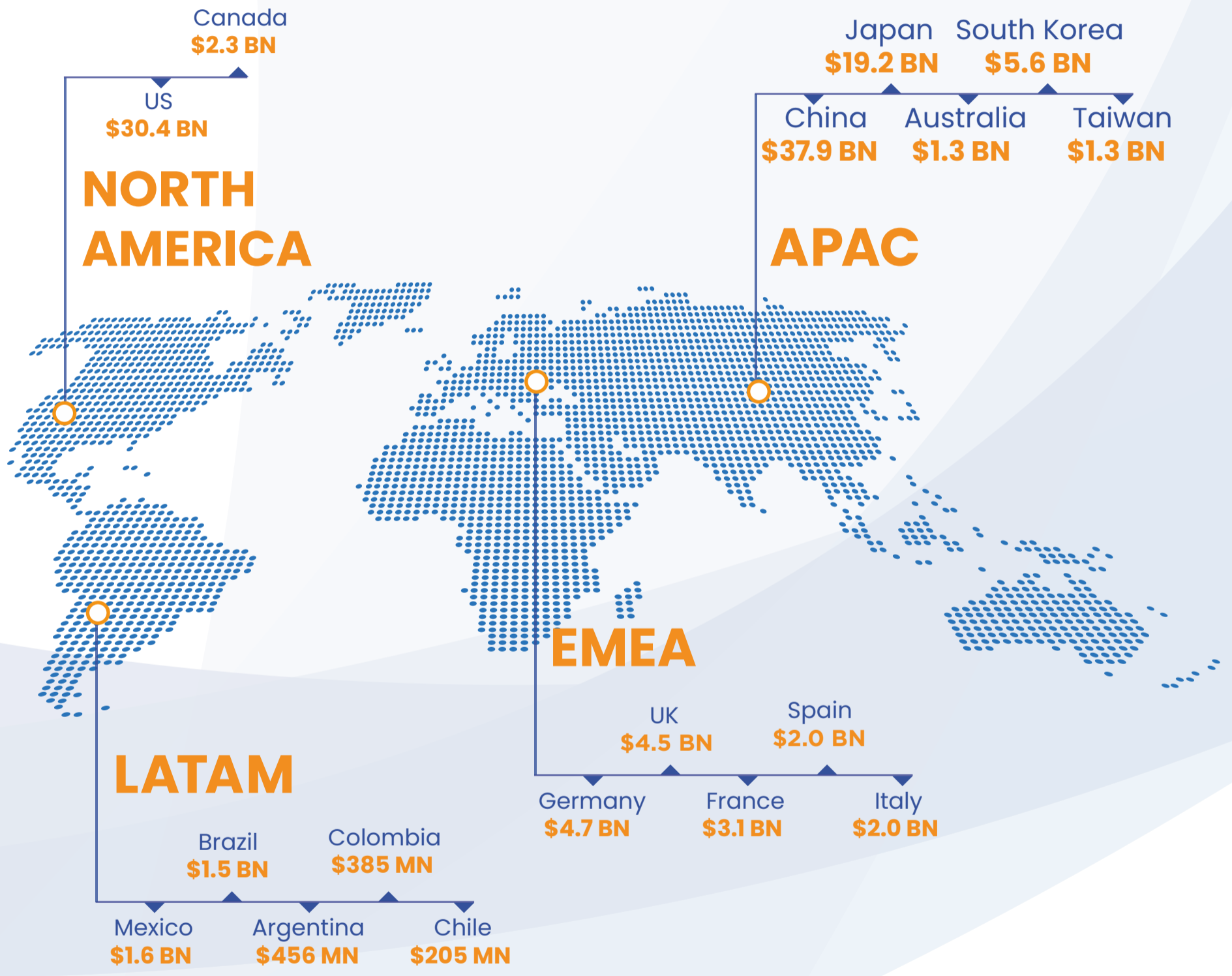


Region-wise Gaming Revenue at a Glance



*From 2017 to 2018

Top Revenue Generating Countries in the Region



China: The Largest Revenue Source With Challenge Of A Unique App Store Model

When it comes to mobile apps, China easily draws the attention of marketers for various reasons. With the highest number of mobile gamers, China was the largest source of mobile gaming revenue that amounted to \$37.9 billion in 2018.

However, the challenge for marketers comes with the app store model which is different from the traditional method that relies mostly on Play Store and App Store. Android has a user base of 75%^[5] in the largest gaming market and the absence of Google's Play Store in this region opens up new marketing opportunities for gaming app developers. Among the top Android app stores in China, 30% are gaming stores (exclusive for gaming apps). Moreover, WeChat's mini-game program makes advertising even more complex.

**Revenue
\$37.9 Bn**

in 2018

Japan: Highest Per Gamer Revenue

Japan is the second largest revenue market in the APAC region. Additionally, the country has the highest average spent per gamer - amounting to \$371. Compared to the USA, it is 3.5 times higher^[5].

Average Revenue Per Paying User (ARPPU) for Japanese gamers is \$24.2 for iOS and \$26.2 for Android with 3.7% conversion rate for both platforms. Marketers approaching Japan with a data-driven user acquisition plan offer themselves one of the most rewarding opportunities in the gaming industry.

\$371

Average per Gamer Spent

India: Opportunity To Leverage Growth of Real Money Gaming

From \$290 Mn in 2017, the online gaming market in India is looking to reach \$1 Bn by 2021 ^[6]. A major contributor to this growth is the Real Money Gaming segment, which rides on card games (poker and rummy) and fantasy sports (cricket).

The massive popularity of sports and card gaming makes India an attractive opportunity for game developers. Rummy and poker are already popular RMG categories in the region, while cricket is one of the biggest celebrations here. With the onset of different world cup formats and premier leagues, the fantasy sports category offers a lucrative market to acquire gamers with high intent on RMG.

Along with the rise in the number of gaming users, the Indian economy is witnessing a swift increase in the number of digital payment users. It adds to the growth potential of mobile gaming revenue. Combining the twin-fold value of increasing gamers and paying users, India is emerging as an attractive destination for gaming not only for RMG but also for casual and other gaming categories.

represents citation [7] here

To Reach
\$1 Bn

in 2021

No. of Users

Card Games
FY 2017 : 16.37M
FY 2018 : 20.69M

Fantasy Sports
FY 2017 : 17M
FY 2018 : 50M

SEA: The Fastest Growing Gaming Economy

Revenue of mobile gaming in Southeast Asia (SEA) was 3.3 Bn in 2018. With YoY growth of 29.1% ^[8], the SEA region is the fastest growing mobile gaming market. The growth trend is speculated to stay strong for more years to come - giving mobile gaming app developers an opportunity to make use of the growth prospects.

48% of the population in SEA is connected to the internet, which gives a vast scope of growth in internet penetration. Existing metrics and potential growth make SEA lucrative marketing for gaming as a category.

29.1%

YoY Growth
Fastest Growing
Gaming
Economy

48%

Population
Connected
to Internet

Game, Set, Match: Build an Effective Marketing Strategy for Mobile Gaming App

Level 1: Leverage Varying Psychology of Gamers

Different segments of the gaming apps attract players of varying psychology. Understanding the psychology of gamers that attract to your app segment can enable a marketing plan for user acquisition.

Trait	Casual Games	Role Playing Games RPG	Real Money Gaming RMG
What Does The Gamer Look For?	Fun & Entertainment	Self Satiation & Accomplishment Social Recognition	Profit
Engagement	Low	High	Medium
Complexity	Low	High	Medium
Monetization	Ad Monetization Can Perform As Publishers	In-App Purchases Subscriptions	In Game Purchase
Community / Social Involvement	Low	High	Medium
Volume Of Players	High	Low	Medium
Audience Outreach	Even works on social media	Very Specific Inventories	Social + Focused Inventories
Player Types	Mostly Single Player	Multi Player	Single Player, But Has Community Influence
Skills Required	Very Low	Very High	Medium
Mode Of Game	Fun Based	Strategy & Planning	Strategy
Cross-Gaming Marketing Within The Game	Low	High	Medium
External Communication During Game	Very Less With Players High On Social Media	Very High With Players Very Low on Social Media	Average Communication
Gender	Female-dominated	Male-dominated	Male-dominated
Additional Remarks	Exhibits Gradual User Growth(needs continuous marketing plan)	Very High Involvement Game Ranking for Self and Social Recognition	Conversions and transactions witnessed during weekends - More earnings on iOS - Works best on sports publishers

Level 2: Keep Them Engaged & Bring Them Again

Based on time spent, the mobile phone is the primary gaming device across the globe - out doing gaming console, computer, and tablets. That gap widens even further if mobile phones and tablets are combined considering most mobile gaming apps are compatible for both of them.

Various factors including improved device performance, graphics, and network capabilities attract users to play high-end games on mobile devices. As these capabilities reach more users, a larger number of gamers get onboard to play games of their choice, be it for fun such as casual games, or role-playing games for seeking digital accomplishment.

The marketing strategy to reach such a large audience with varying preferences requires a data-based approach. Some of the key considerations to acquire and retain users on your gaming app are:

Understanding of gaming preferences

Relevancy of publishers

User-specific push notifications

Casual Games - Reach Them Across Right Platforms

An active gamer, who plays several casual games, is likely to lose attention for a particular game after the installation. To keep such gamers engaged, you need to target them across platforms with a relevant message. Here are some of the key actionable insights that work to enhance re-engagement in casual games:

Programmatic Ads: Display (more specifically video-based) ads have a great impact on the mobile gaming segment. It helps the gamers retain the gaming experience on the app, which can pull them back to playing the games. Gaming apps in similar verticals perform better as inventory for casual games.

Push Notifications: Custom and personalized push notifications can be used to remind the users about the levels, rewards, and challenges in the game. By adopting a push notification service in the app that considers the user's timing and behavior of playing, you can enhance the chances of re-engagement.

Social Sharing: Social sharing can deliver great results at gaining users as well as engaging the acquired users. By building a social network of gamers, you can entice them into an added feel of competitiveness.



Increase in ROI
from active & inactive users



Boost in monthly purchases
within 3 months

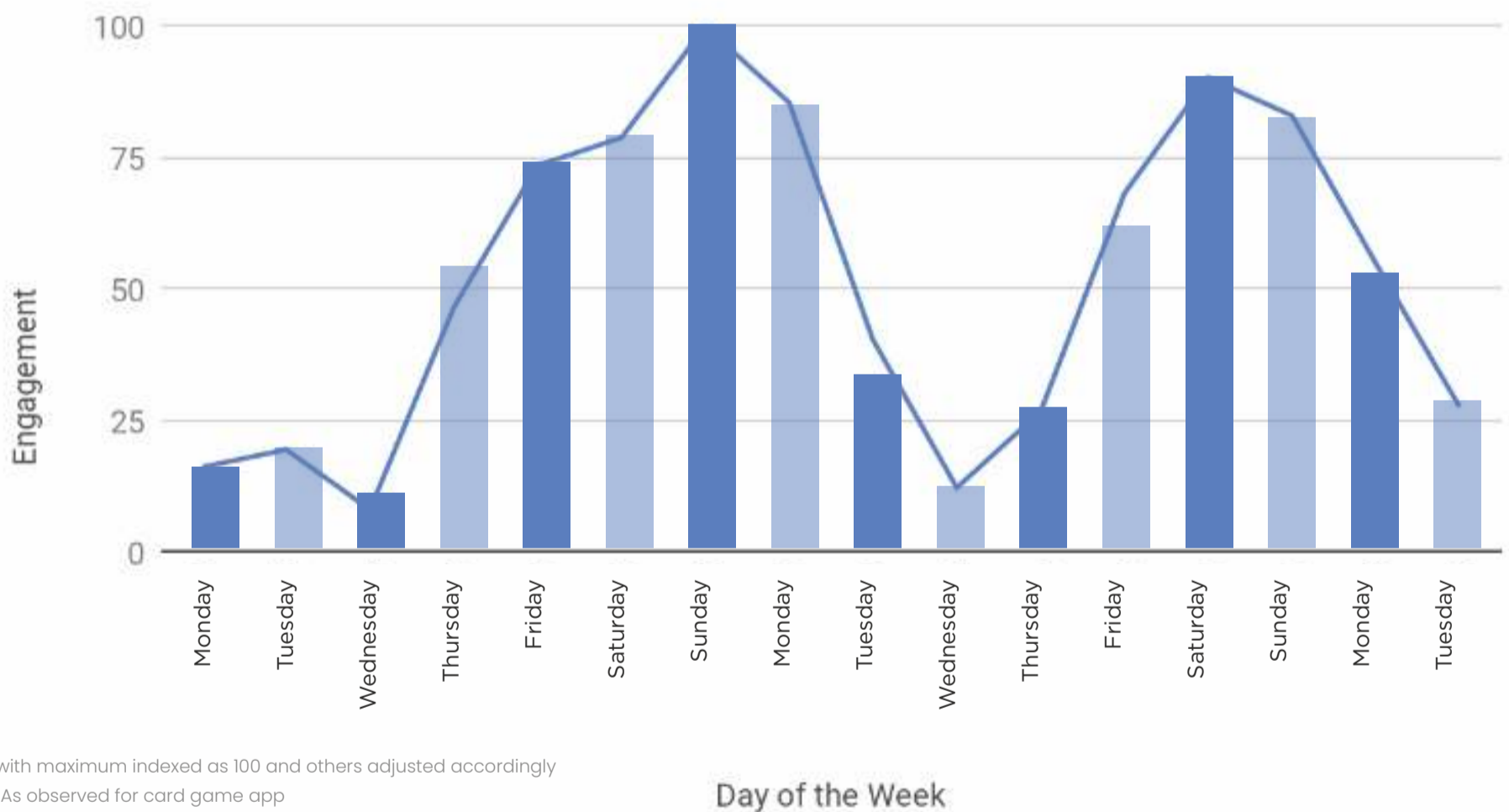
RMG - Planning Weekly is the Key

Real Money Gaming relies heavily on sports events happening across regions, be it football, cricket or even basketball. These sporting events bring a high potential for marketers to grow revenues by leveraging moment based marketing as these events are shortlived.

Our analysis of data revealed that there is growth during major sporting events like premier leagues or multination tournaments. Moreover, sporting events which happen on weekends shows a significant spike in in-app events and deposits.

Since the weekend is the prime time for major sports and users are more likely to have time to consume the games, the investment in fantasy games and betting games also grows. The performance drops at the start of the week and as the weekend comes closer, it rises again.

Engagement vs. Day of the Week



Actionable Insights for Marketing of an RMG App:

Customer Acquisition:

For an overall campaign to perform well on key metrics, it is important that you acquire more customers during the weekdays. Therefore, it is advisable for marketers to scale their user acquisition campaigns right at the start of the week (Monday) to ensure that they have the most number of gamers during the weekends. Once users are onboard, they could be targeted to drive actions which are more meaningful, such as in-app purchases and subscriptions.

Retention and Retargeting:

Retention plays a key role in defining the performance of a marketing campaign in the RMG industry. Most of the KPIs such as Registration Rate, In-App Purchase Rate would exhibit significant correlation with Day 7 retention, Daily Active Users and Monthly Active Users.

Ae's observations suggest that engagement starts increasing on Thursday as most of the major sporting events are scheduled for the weekend. Therefore, it is recommended for the marketers to scale up their retention and retargeting campaigns just before the engagement begins to rise.

Level 3: Pick the Right KPIs and Optimize Their Results

Category-wise Priority of KPIs

While the categories within gaming genre appear to be the same, they usually exhibit varying characteristics when analyzed closely. Since the psychology of gamers across gaming categories are varying, even the measurement parameters like key marketing metrics for each category exhibit varying benchmark. Here's a detailed analysis of Key Marketing metrics Vs Gaming Category:-

Gaming Category Vs Key Marketing metric

KPIs	Casual	RMG	RPG
Number of Installation	High	Medium	Medium
Number of Registration	High	High	High
Day wise Retention	High	High	Medium
Customer Acquisition Cost	Medium	High	Medium
Number of Sessions	High	High	Medium
Length of Sessions	High	High	High
Daily Active Users	High	High	High
Monthly Active Users	Medium	Medium	High
Average Revenue per User	Medium	High	Medium
Average Revenue per Paying User	Medium	High	High
Life Time Value	Medium	High	High
First Time Deposit	Low	High	Low
Return on Ad Spends	High	Low	Low

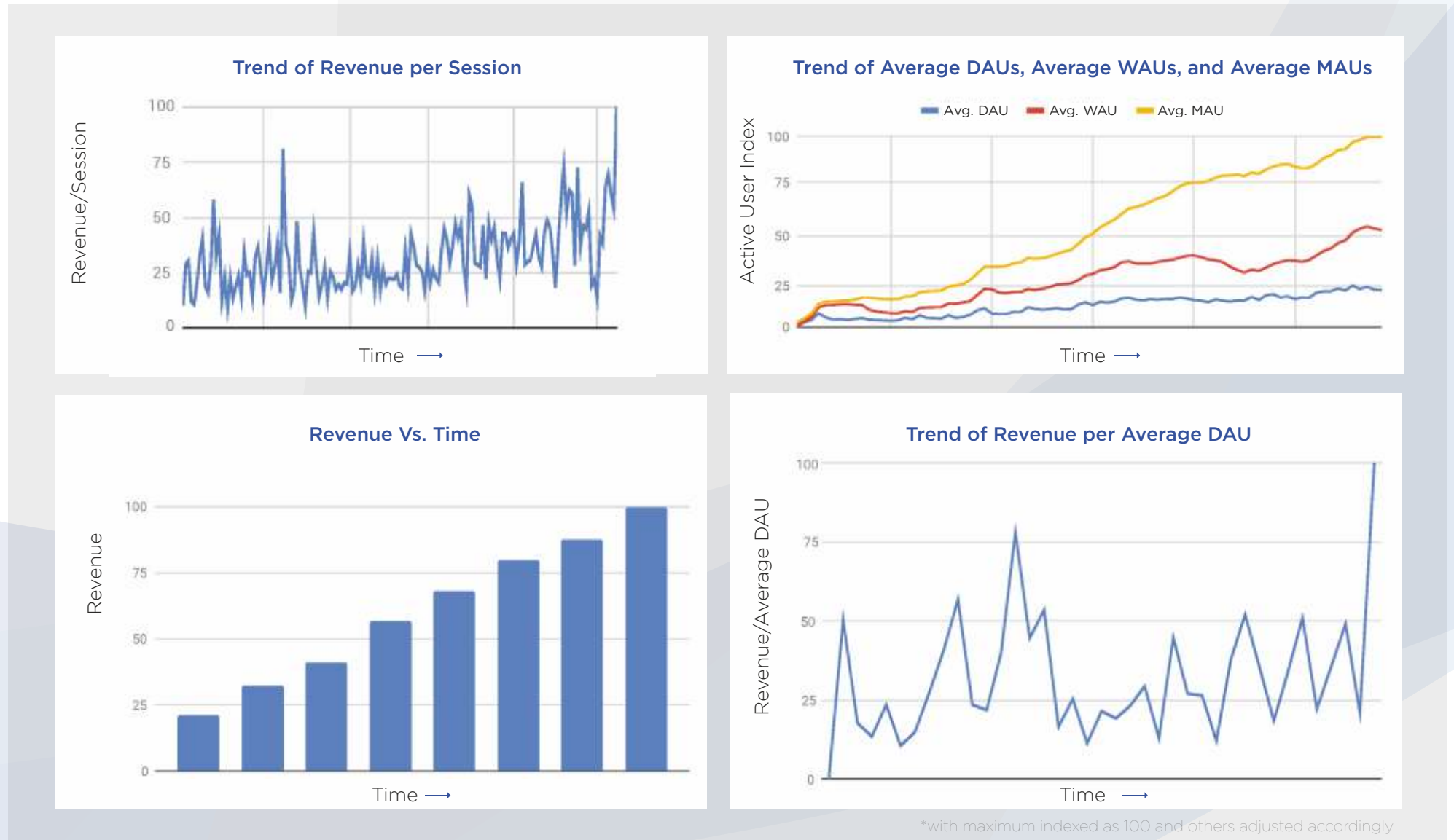
As observed in the gaming industry

Optimizing the KPIs

Compared to other app marketing verticals, gaming has some unique KPIs including First Time Deposit, Session Intervals, and others. A custom industry-specific marketing strategy is required to achieve such KPIs.

Observations from Gaming Campaigns

In this report, we have collected observations from campaigns done with some of the leading gaming companies across the globe. With these advertisers, our intelligence driven platform was able to not just acquire relevant users, but also provide strong performance on key metrics such as revenue per user, Day 7 retention, growth in Day 0 To Day 7 revenue and more. Here are some snapshots from the campaign metrics



Here are Steps to Optimize an Advertising Campaign for Mobile Gaming App:

★ Segment, Target & Run focused ads for the audience with interests in gaming. Audience intelligence is the key. Make use of a data-rich DMP.

★ Leverage interactive and video ads to drive higher engagement. Use ad formats that drive more engagement for gamers.

★ Grow and optimize inventory selection basis performance. This is a continuous exercise and should be revisited regularly to measure key metrics.

★ Monitor fraud and blacklist fraudulent sources. Fraud can burn your dollars. Make sure your 7 Day metrics vs registrations or installations are not heavily skewed.

★ Audit the campaigns both manually and with scripts to enhance LTV with re-engagement.

Level 4: Monetize Your App

While an advertising campaign can enhance the number of users and their engagement rate, the revenue performance of your app depends on how you plan to monetize your app. Gaming app developers have various options for monetization and earning profits out of it.

Any gaming app developer could choose to:



Run In-app Ads:

In-app advertising is among the most popular practices in the gaming industry - especially casual gaming. Such ads can be strategically deployed as:

- ★ Gaming rewards
- ★ Display banners
- ★ Ads between session



Offer In-app Purchases

Almost every gaming app offers in-app purchases while their implementation may differ for different categories. For example, a casual game can offer in-app purchase to buy a hint to solve the game, while an RPG can offer extra life or special weapon. The purchase options can be distributed across the game at various stages to enhance the LTV as well as the gaming experience.



Utilize Subscription Model

Instead of charging the users a one-time heavy payment, subscription model charges the gamer on a time-based cycle such as monthly, quarterly, semi-annual or annual. The subscription model can be implemented using the app store's payment gateway as well, and hence it adds to the trust factor even if your gaming app is still not popular. It can be distributed across the game at various stages to enhance the LTV as well as the gaming experience.



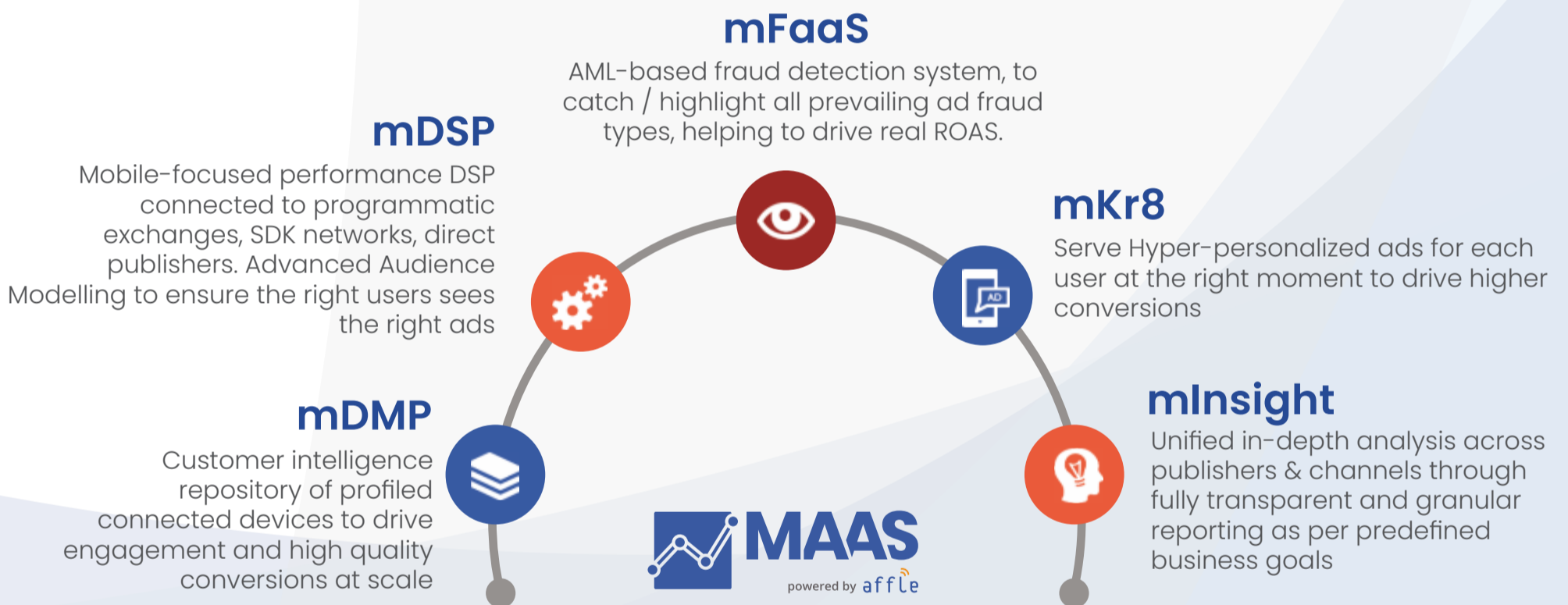
Utilize Direct Carrier Billing Model

Direct carrier billing allows the carrier to charge the users directly in their telephone bills. It enables faster payment. Along with that, the user does not have to share the payment details with the gaming app as well, which adds to the privacy.

About Maas

Affle's MAAS is a unified audience platform that enables mobile advertisers to acquire quality users at scale, across directly integrated publishers, programmatic platforms, and app recommendations on OEM app stores

MAAS | Diversified Technology Unified at One Place



Citations

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