AdQuantum x SocialPeta

THE STATE OF MOBILE GAME AND APP MARKETS

GLOBAL REPORT ON APP MARKETING FOR H1 2022

INTRODUCTION

"The mobile market is dynamic and volatile. Every year mobile publishers and marketers face new circumstances, innovations, and challenges in mobile advertising and 2022 is no exception. In this study, mobile performance marketing agency AdQuantum and Ad Intelligence Platform Social Peta combined their expertise to explore how the mobile market has changed in the first half of 2022 and what it looks like now.

Here we talk about the main trends that have evolved and strengthened during H1 2022, look at key patterns, and try to identify the trends for the future. Dive into this report to adjust your marketing strategy and make the most out of your mobile apps and games."

Igor Zavaruev
CEO
AdQuantum

About AdQuantum and SocialPeta

AdQuantum

Leading mobile performance marketing agency

We help mobile apps and games reach new revenue streams and scale their businesses with new paying users. Having extensive experience in acquiring premium quality traffic, we give a boost to mobile products by helping them achieve their performance goals.

SocialPeta

#1 Ad Intelligence Platform

With SocialPeta, you can spy on your competitors' ad data and get ad data from networks, media, and advertisers around the world to inspire you. SocialPeta covers 69 countries and regions and over 70 well-known ad channels worldwide such as Unity, Twitter, YouTube, Facebook, and TikTok. We provide nearly 1 billion ad creatives, updating millions each day. SocialPeta is the best source of inspiration for ads.

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METHODOLOGY

Our experienced colleagues from SocialPeta provided context and diverse data on the state of the mobile market and mobile marketing for the first half of 2022, whereas the AdQuantum team shared their practical insights, having analyzed the top-performing UA strategies, creative approaches, and traffic sources that brought the greatest value throughout H1 2022. For the analysis, we used data from the last year, comparing the period H2 2021-H1 2022. In particular, we provided a detailed analysis of the state of marketing for the following app categories: Finance, Health & Fitness, Casual Games, Education, Books, and Photo & Video.

What we have analyzed

SocialPeta's data

Time frame	January - June 2022
Platforms	iOS, Android
Traffic sources	over **70** global traffic sources
Mobile projects	**175,500** mobile apps and games

AdQuantum's data analyzed in detail

Time frame	January - June 2022
Platforms	iOS, Android
GEOs	over **100** countries
Traffic sources	over **10** traffic sources
Ad spend reviewed	**$30** million
Mobile projects	**75** mobile apps and games
Installs	**80** million

Metrics Glossary

CTR: Clicks/Impressions

CPM: Spend/(Impressions/1000)

CPI: Cost per Install

CR Trial: Trial/Install

CR Subscription: Subscription/Install

CR Purchase: Purchase/Install

TRENDS FOR THE MOBILE APP AND GAME MARKET IN H1 2022

Tier-2 and Tier-3 mobile app and game markets experience a significant growth

H1 2022 saw a decline of 2% YoY in the number of advertisers and a decline of 27.83% in total creatives, but there were increases of over 10% YoY in advertisers in the Middle East, South America, South Asia, and other emerging markets.

Predictive analytics is gaining popularity among mobile publishers and marketers

In the first half of 2022, a lot of app and game publishers tried out predictive analytic systems based on machine learning for the first time. This greatly simplifies the work of evaluating the effectiveness of ad campaigns and allows more rapid decision-making on traffic optimization. This is especially true for SKAdNetwork campaigns for which predictive analytics can serve as a tool that helps to correctly separate paid and organic traffic and calculate the return on investment for the first days of user behavior.

APAC still strong with engaged mobile gamers

APAC's mobile players are the most eager for new mobile games with 70% pre-registering for mobile games. Additionally, in H1 2022 we see the average gaming app session length in APAC surpass the global average of 30.5 minutes at 34.79 minutes per session. Adjust's data shows APAC's unwavering growth and so we predict additional growth in the region as more gaming apps invest in localization.

Elena Ivanova
Senior Account Executive, Gaming
ADJUST

TRENDS FOR THE MOBILE APP AND GAME MARKET IN H1 2022

A slump in the number of app advertisers in Europe and America and a surging number of app advertisers in Asia Pacificc

H1 2022 reported a 6.24% year-over-year (YoY) decline in the number of app advertisers and a drop of 27% month-over-month (MoM) in the number of creatives. Europe and America saw the most significant decline in app advertisers: Oceania had a YoY decline of 38% in advertisers, Europe had a YoY decrease of 30% in advertisers, and North America had a YoY decline of over 21% in advertisers. In contrast, Asia Pacific (except Mainland China) saw a significant increase in app advertisers, with an over 37% YoY increase of app advertisers in China's Hong Kong, Macao & Taiwan which was the most rapid growth around the world.

Working with iOS traffic will get much simpler

In 2022, the majority of advertisers AdQuantum has been working with were still adjusting their products to the non-IDFA reality. This is especially relevant for subscription-based apps. In particular, projects in Health & Fitness, Lifestyle, and Education categories have been able to combine the mix of SKAN and Web-to-App/Web funnels to create a diversified and increased marketing spread.

We expect that with the release of the SKAdNetwork 4.0 framework and the Crowd anonymity concept by Apple, working with iOS campaigns will get much simpler. Marketers will be able to receive postbacks on the ad campaigns' effectiveness in more precise detail, which will enable smarter decision-making in the marketing strategy.

User privacy over business

The App Tracking Transparency framework was just the beginning of a massive change in favor of user privacy. In view of recent developments, when user privacy is finally at the forefront, giving due importance to first-party data will become a critical business function for mobile publishers and ad networks.

So businesses in the mobile industry are starting to look for solutions enabling them to properly manage first-party data. We'll see new restrictions that will prevent companies from gaining direct access to user data. More big companies in the mobile industry and beyond will follow the "user privacy first" motto.

Lina Danilchik
Marketing & Communications Lead
SplitMetrics

TRENDS FOR THE MOBILE APP AND GAME MARKET IN H1 2022

Increase in the share of UGC-like creatives in mobile advertising

Comparing H1 2022 to H2 2021, we see an 1.5x increase in the share of UGC-creatives in the Games, Finance, and Health & Fitness verticals. A number of tests have shown that these creatives can compete with motion 2D and 3D videos and diversify marketing and creative strategy. This type of ad content prevails on TikTok Ads in the relevant content inventory.

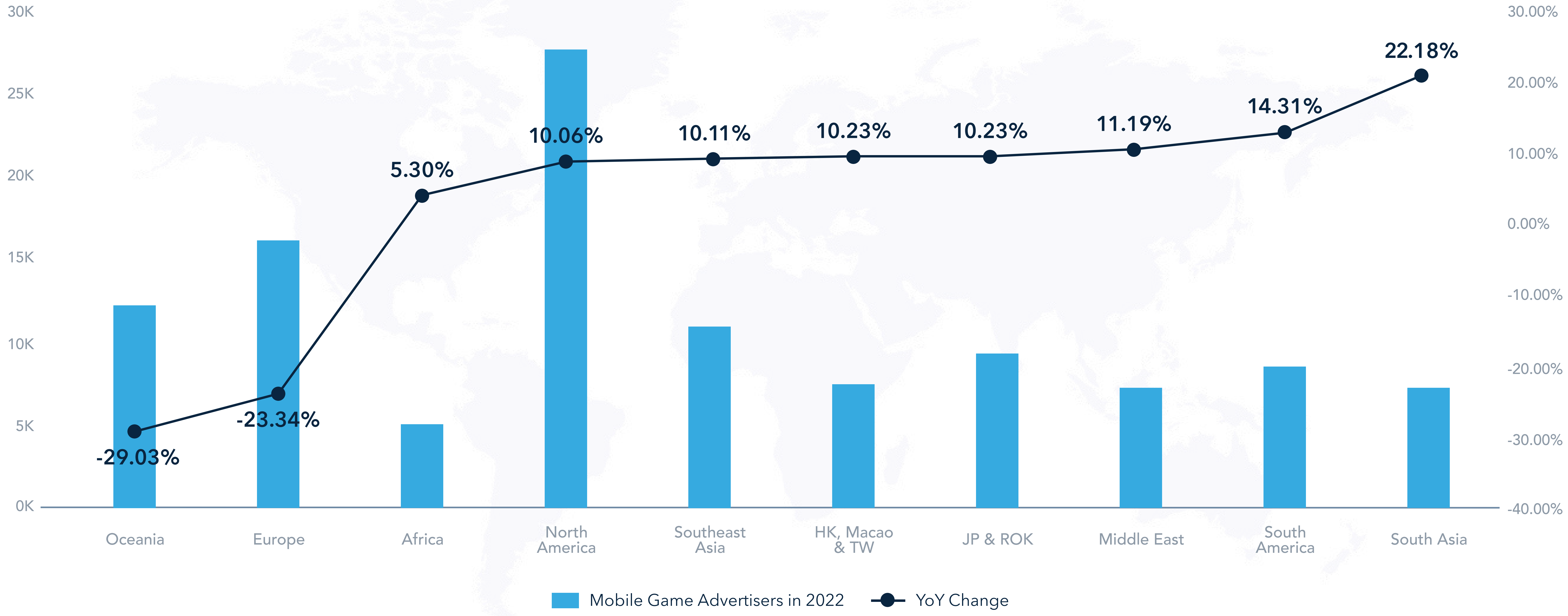
Depending on the mobile app vertical, these kinds of creatives can hit a certain need of a user. It may either motivate them to improve their lives in the case of fitness or nutrition apps, recommend an effective tool or methodology in the case of fintech and language learning apps, or inform a user about key gaming mechanics in the case of mobile games.

Advertising platforms continue to move toward automation

Automation and simplification of the targeting settings trend is getting stronger. We should expect that the majority of ad platforms will carry on focusing their main efforts around automated campaigns in the second half of the year. Most advertising platforms will abandon deep manual configuration in favor of automated solutions based on algorithms. We at AdQuantum are increasingly turning to auto-campaigns for our clients, especially for SKAN campaigns, as the final results are better than manual campaigns.

Insights into Global Mobile Game Marketing

Significant increase in advertisers in T2 & T3 markets

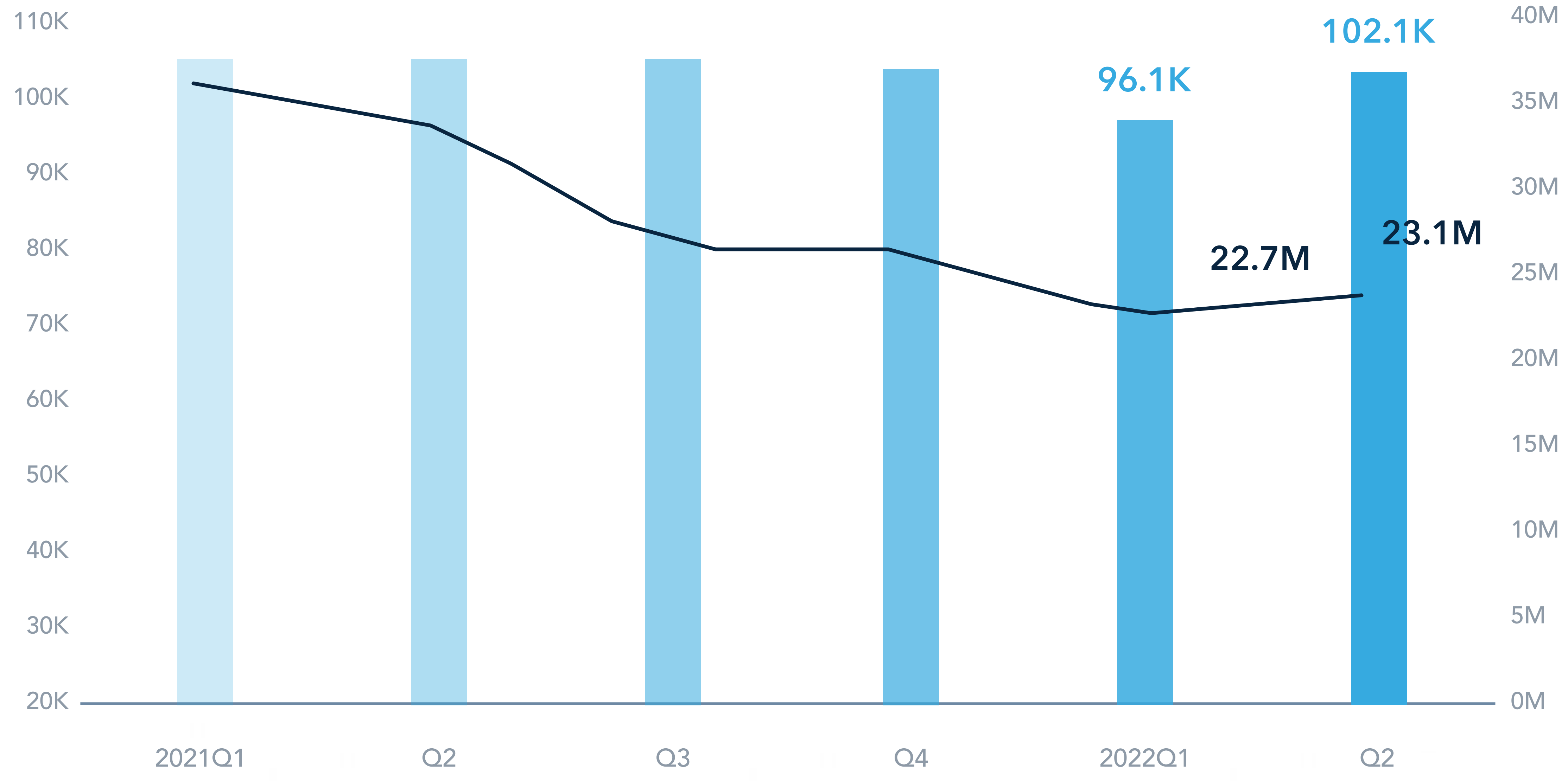


Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

AdQuantum x SocialPeta

Insights into Global Mobile App (Non-Game) Marketing

Mobile marketing focuses more on quality which leads to a drop in total ads



Mobile App Advertisers in H1 2022

130K YoY ↓6.24%

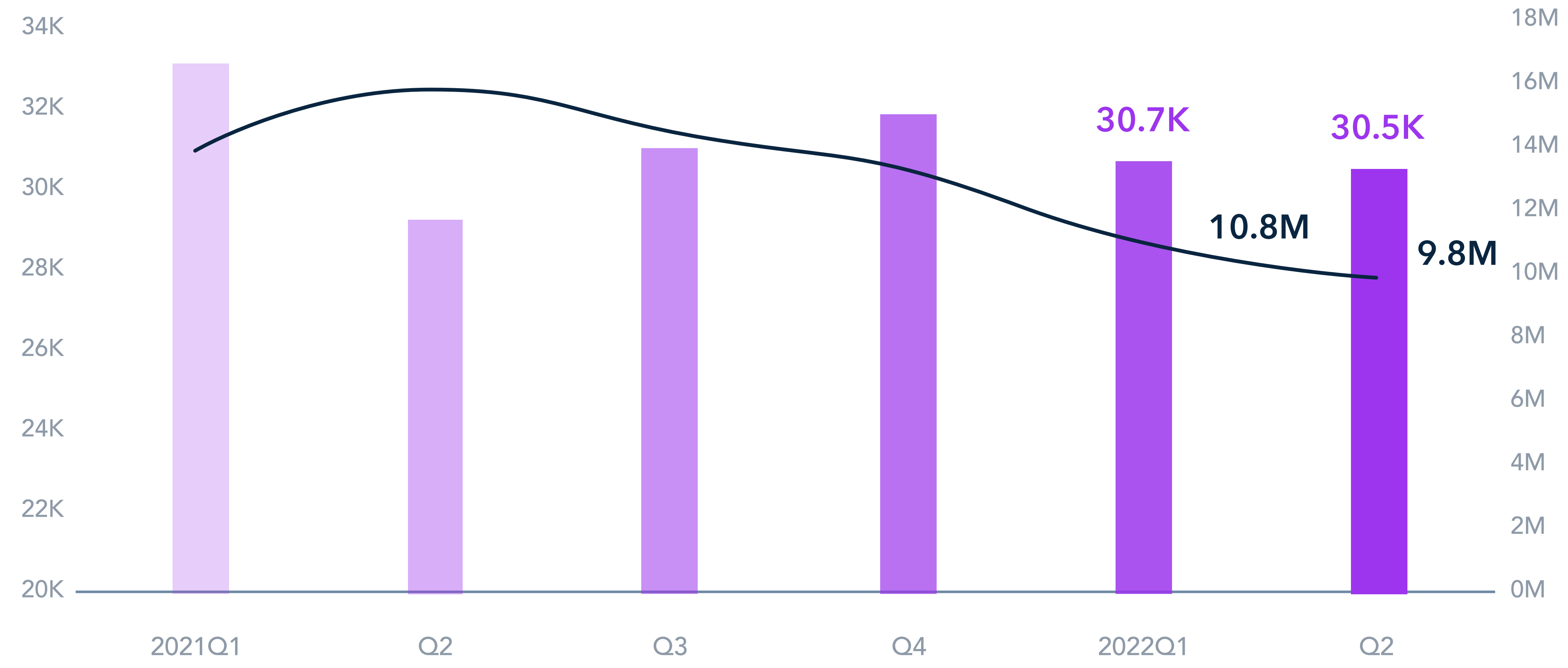
Mobile App Creatives in H1 2022

40M YoY ↓27.02%

Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

AdQuantum x SocialPeta

Insights into Global Mobile Game Marketing



Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

Mobile Game Advertisers in H1 2022

45.1K YoY ↓2%

Mobile Game Creatives in H1 2022

15.8M YoY ↓27.83%

Marketers now focus more on the quality of ad creatives rather than on quantity. If earlier they tried to explore the audience of an app or game through multiple ad creative variations and determine the audience's boundaries, now there is more knowledge and many more tools to identify a deliberately false direction in the earlier stages without having to produce multiple creative variations.

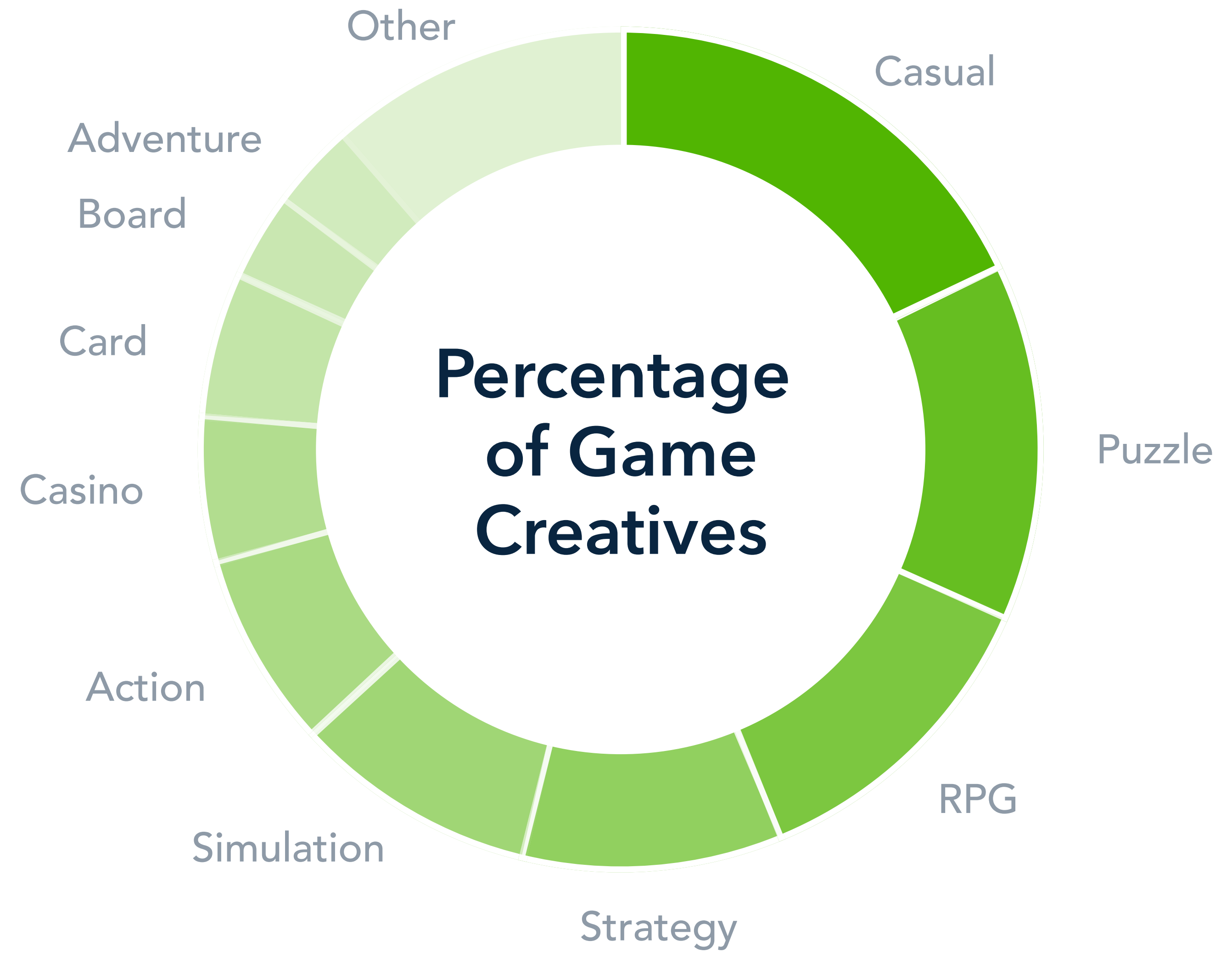
TOP AD APPROACHES

H1 2022 saw a YoY decline of 27.83% in the total number of mobile game creatives. As we mentioned earlier, that is because of the global focus that shifted from quantity to quality. Yes, by producing high volumes of traffic you will likely get just as high volumes of new users. But what about the quality of those users? Are they a good fit for your product? Would they eventually pay in your app? Instead of focusing on the number of users, marketers started to focus on their quality.

There were 45,100 advertisers in H1 2022, not much change compared to the same period last year. However, the total number of game creatives was 15.8 million, representing a YoY decline of nearly 30%. There were 10.8 million creatives in Q1 2022, down 22.83% YoY; and 9.8 million creatives in Q2, down 38.43% YoY.

Percentage of Creatives by Game Genre

Genre	Percentage of All Genres	YoY Change
Casual	**18.14%**	**+1.07%**
Puzzle	**13.67%**	**+0.74%**
RPG	**12.14%**	**-1.50%**
Strategy	9.78%	**+0.21%**
Simulation	9.12%	-0.52%
Action	7.61%	**+0.13%**
Casino	5.76%	-0.40%
Card	5.62%	**+0.13%**
Board	3.49%	**+0.19%**
Adventure	3.20%	-0.30%



Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

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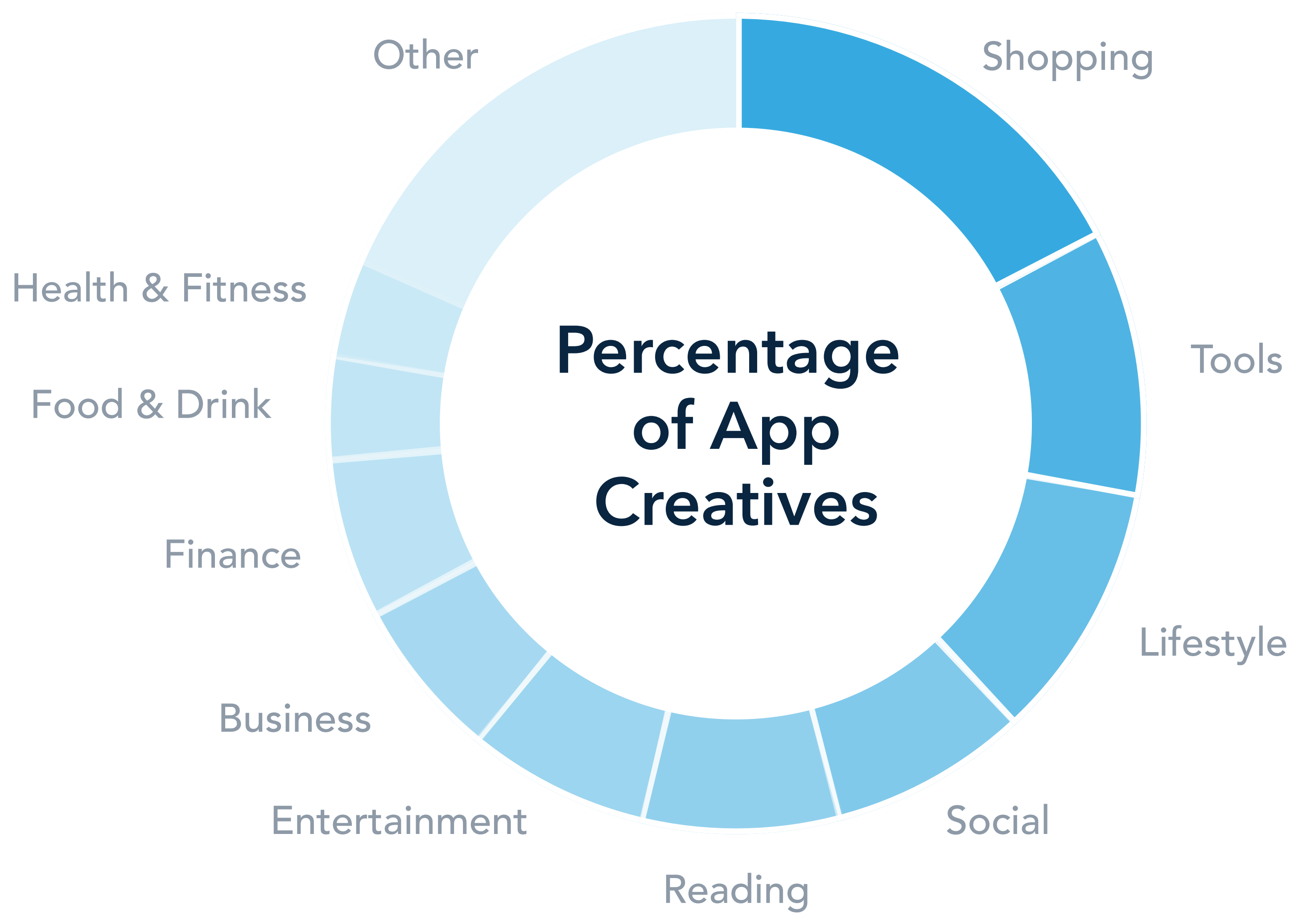
Percentage of Creatives by App Vertical

Genre	Percentage of All Genres	YoY Change
Shopping	**17.19%**	-2.06%
Tools	**10.59%**	**+2.55%**
Lifestyle	**10.21%**	**-2.21%**
Social	7.89%	-1.01%
Reading	7.74%	**+3.2%**
Entertainment	7.19%	-0.65%
Business	6.42%	**+0.82%**
Finance	6.32%	**+1.94%**
Food & Drink	4.13%	**+0.49%**
Health & Fitness	3.85%	**+1%**



Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

Top-performing ad creatives by vertical

Let's consider the top-performing and depictive ad creative mechanics for these app verticals. Here we put a spotlight on three app verticals on mobile: **casual** gaming vertical represented in the idle genre, **fintech**, and **fitness**. We consider the mobile app verticals in which AdQuantum has the most expertise.

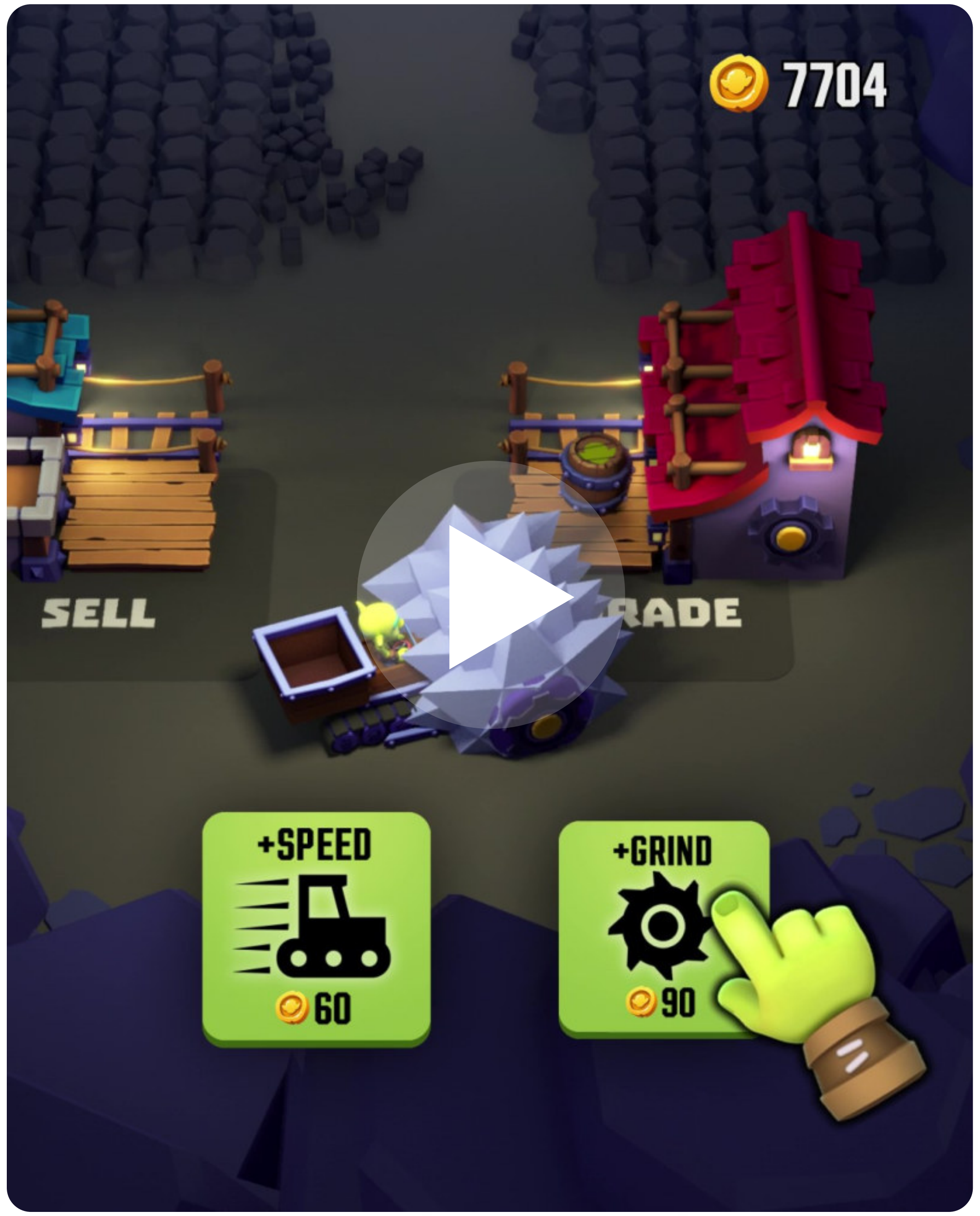
These three app and game categories continue to demonstrate growth and provide tremendous prospects for marketers and developers.

Some tips to make a campaign successful even during such economic situations? The app itself is of course very important, as well as the bid used to buy traffic, but something that brands tend to forget is, how important ad creatives in a paid media campaign are! Don't forget to conduct A/B tests on a regular basis in order to find the best converting creatives and lower costs. Thanks to tests, you are able to scale with your creatives giving a real added value.

Mickael Boine-Azoulay
Co-founder and Chief Mobile Officer
Adkomo
Smart Ad Technology

Top-performing ad creatives by vertical

Casual games: best ad creative



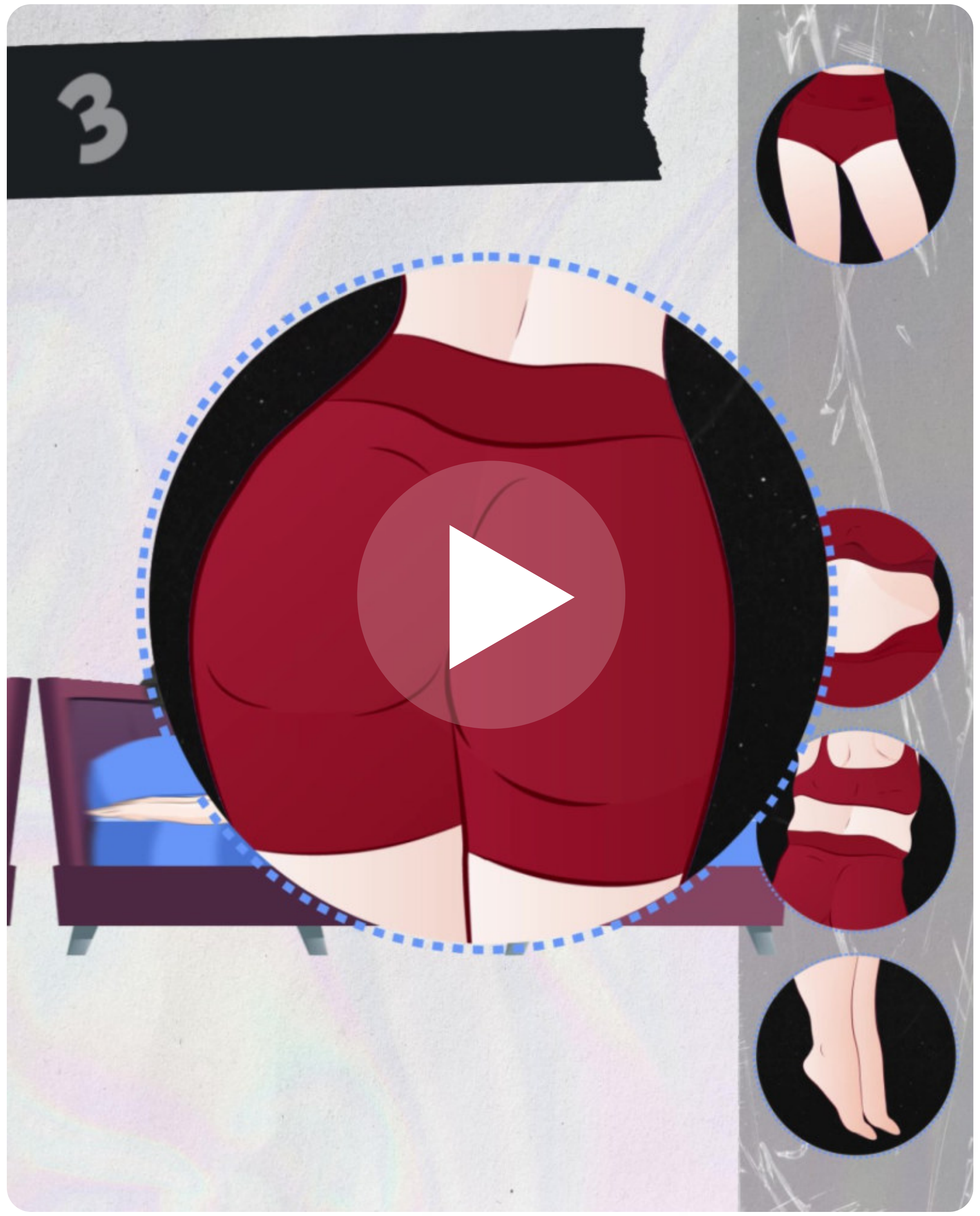
Casual game creative

The first frame of this creative shows its essence: the character collects a resource and uses the proceeds to improve production. This fully correlates with the game mechanics, although in a slightly simplified form.

The loot itself is a little exaggerated. This makes it easier for the user to perceive how big and significant the reward they receive is. For the same purpose, the process of improvement is simplified. This ad creative focuses on the main triggers of the game's target audience: efficiency, improvements, and the desire to get to new levels of difficulty.

Top-performing ad creatives by vertical

Fitness category: best ad creative



Fitness creative

This creative demonstrates a set of simple exercises that a large percentage of users will be able to complete. In this case, we also simplify the mechanics in order to hook the user with simple mechanics and reach as many layers of the audience as possible. We also place many various goals in the frame to cover the most common needs of different people. In this way, we aim to attract the most diverse array of users.

With the simplified mechanics, we show users that their goal is quite achievable and does not require a huge effort. Users neither have to purchase additional equipment nor do they have to have any special skills or qualities. This is again about simplifying the mechanic shown in the ad.

Top-performing ad creatives by vertical

Finance apps: best ad creative

Finance app creative

The creative again displays a simplified app interface. This way, we focus the user's attention on the key elements: interface, graphs, and balance. This allows us to not to burden the user with information from the very start and to convey the essence of the app in a simple form. This is how we try to increase the number of potential audiences.

There is also a tip that reflects the functionality of the application shown in the ad. This has a section with training that increases user loyalty. That's how it works: a user feels that it becomes easy and accessible for them to work with the app, so they have a greater desire to learn the functionality in more detail. As a result, they install the app and dive deeper into the contents.

H1 2022 TOP PAID TRAFFIC SOURCES

GEOS, BENCHMARKS, REVENUES, AND STATISTICS

It’s been over a year since the iOS 14.5+ release. Back then, many mobile companies started looking for new ways to acquire users without sacrificing performance. They also started seeking new traffic sources. The post-ATT era changed a lot in the mobile media business.

Here’s the answer on what traffic sources we defined as the top-performing in different app categories, GEOs, and purposes in H1 2022.

Adapting to privacy changes

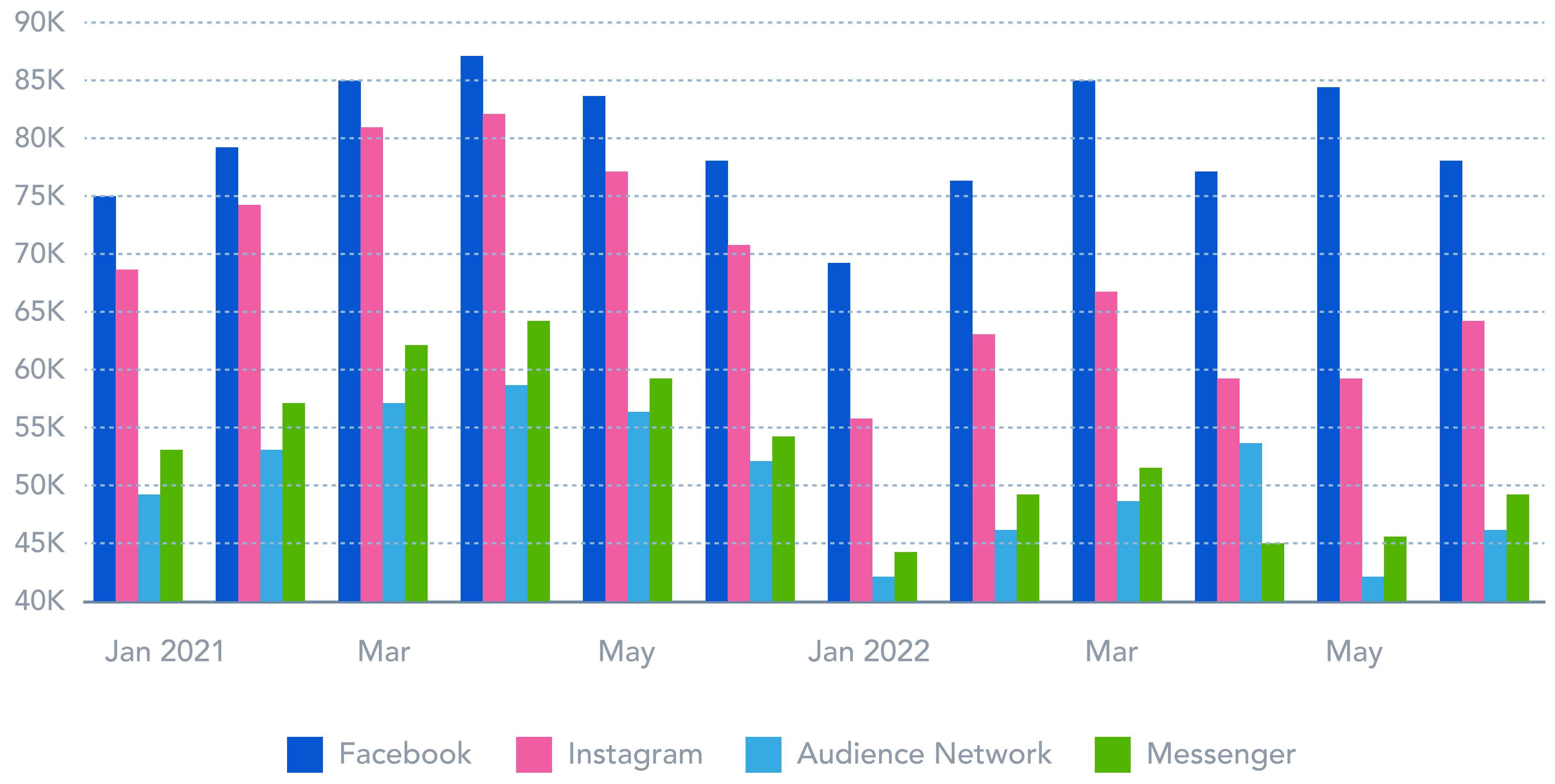
In 2021, Apple introduced iOS 14.5, which presented significant challenges for gaming marketers, in particular, those who have historically been very reliant on user-level data for measuring and optimizing their campaigns. At the start, there was a shift to Android when it came to user acquisition but it seems to have evened out and Apple is back to roughly the level it was before. However, ATT forced many companies to focus on improving retention through owned media sources and pushed forward cross promotion thinking. How can companies utilize their existing audience and move them from game to game? We’ll likely continue to see this thinking going forward.

Michael Zaitsev
Country Manager (CIS)
AppsFlyer

Analysis of Mobile App Advertising on Meta Platforms

In H1 2022, Facebook had over 128,000 app advertisers

	Total Advertisers	Monthly Advertisers
Facebook	128.4K	77.7K
Instagram	110.8K	61.1K
Audience Network	80.9K	46.6K
Messenger	87.0K	47.6K



Meta

The number of app advertisers declined by 9.42% as compared to H1 2021

Meta remains the main mobile paid traffic source in 2022, taking the lead by a wide margin from its competitors. However, this is more relevant for non-gaming apps.

Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

AdQuantum x SocialPeta

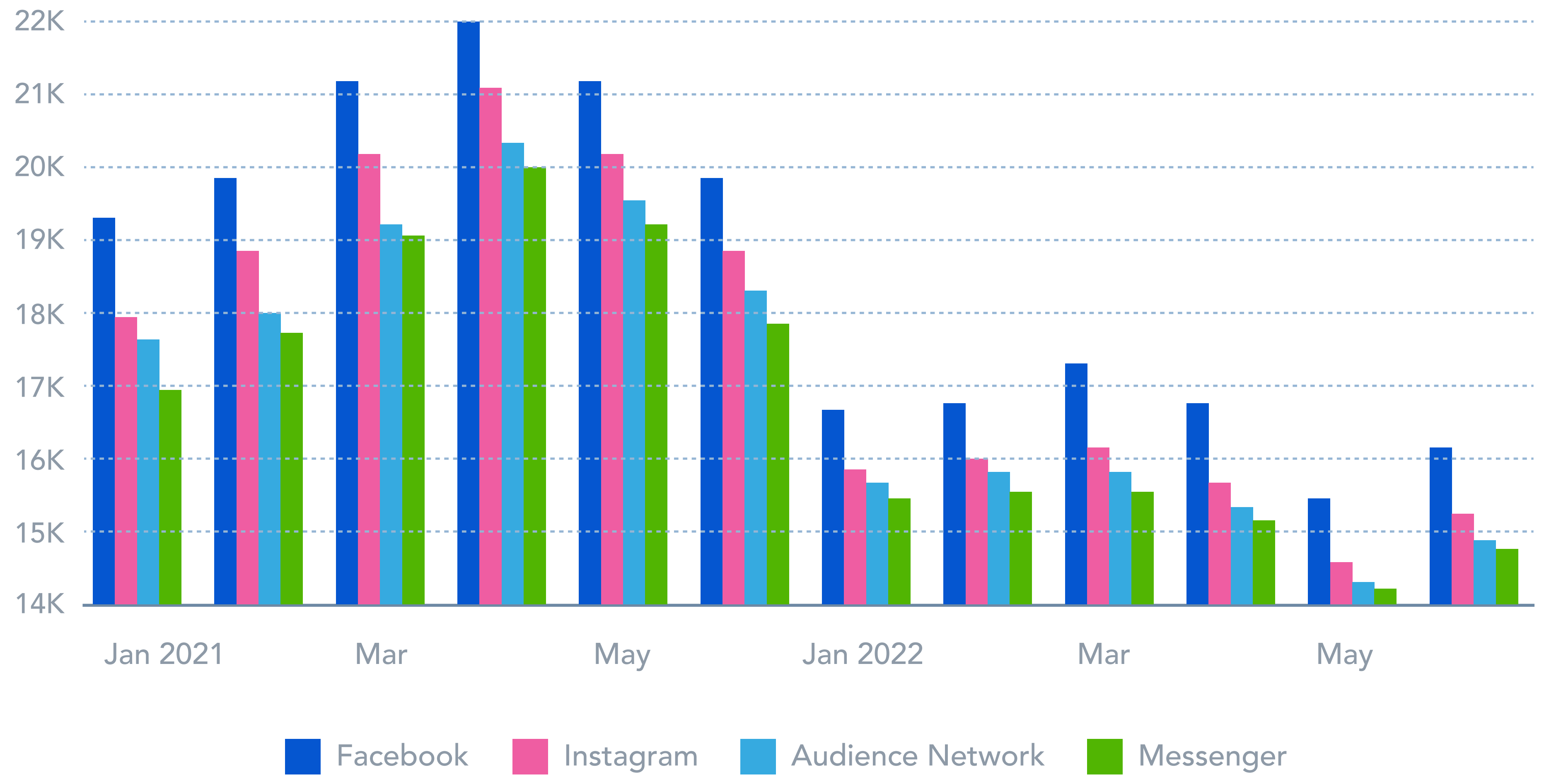
Analysis of Mobile Game Advertising on Meta Platforms

In H1 2022, Facebook had over 135,000 game advertisers

	Total Advertisers	Monthly Advertisers
Facebook	35.2K	16.5K
Instagram	33.5K	15.6K
Audience Network	32.9K	15.3K
Messenger	32.7K	15.1K

Meta

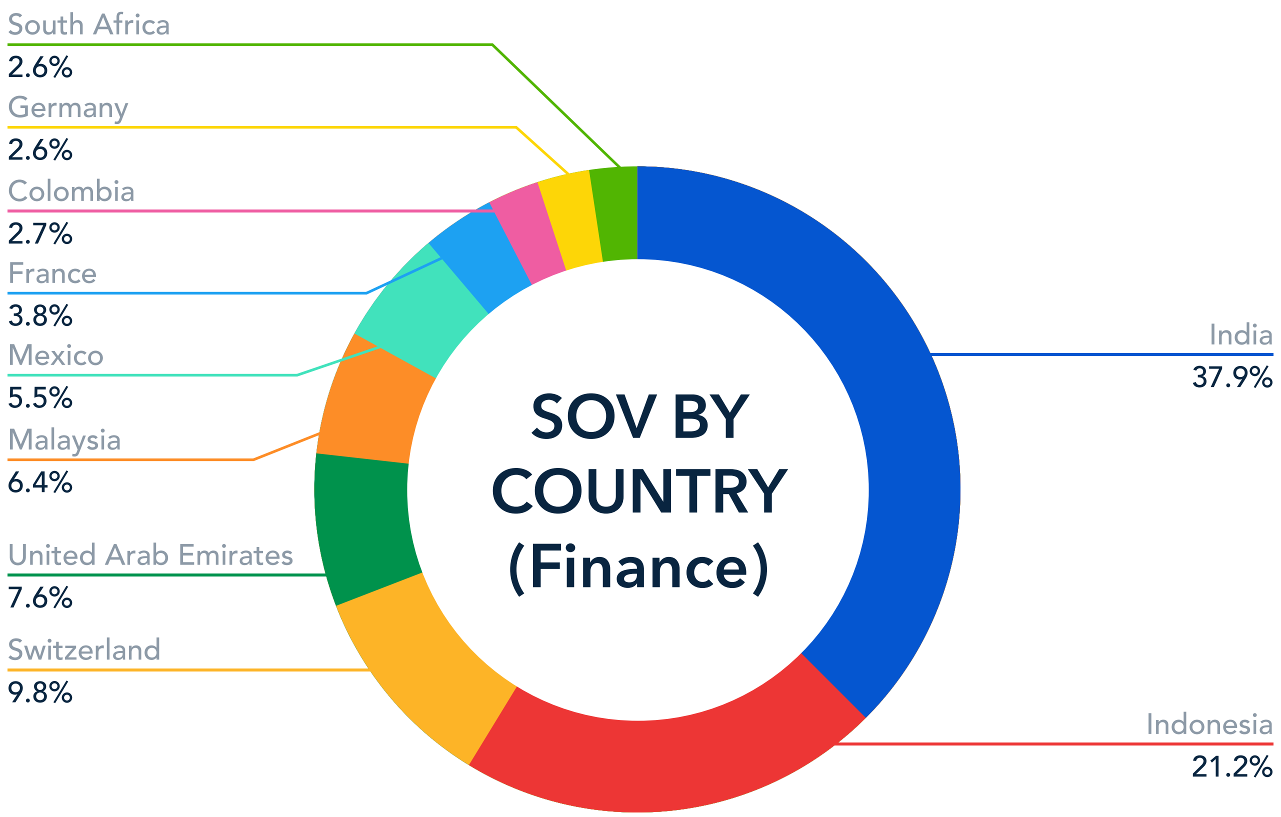
H1 2021 saw a sharp decline in the number of game advertisers

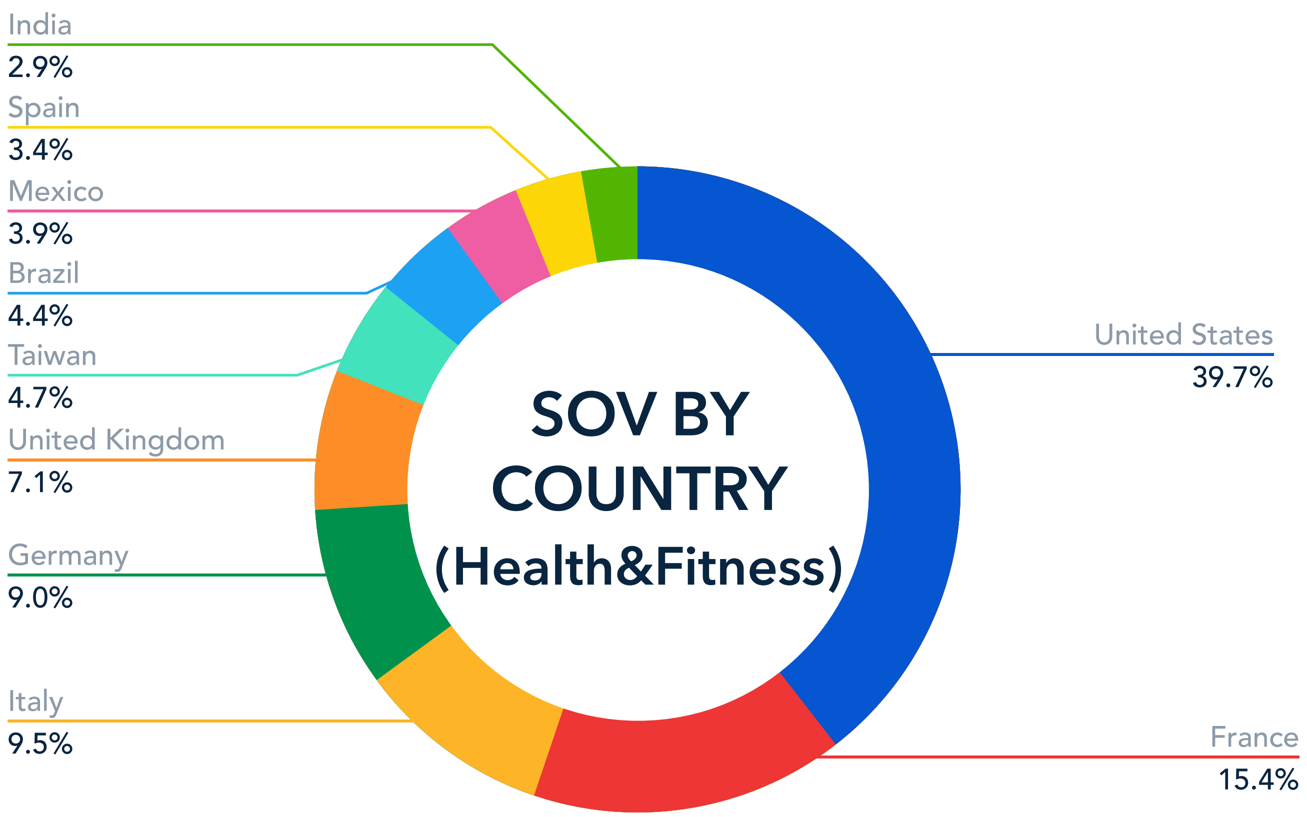


Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

AdQuantum x SocialPeta

Share of voice of paid social traffic sources by country





Finance app category

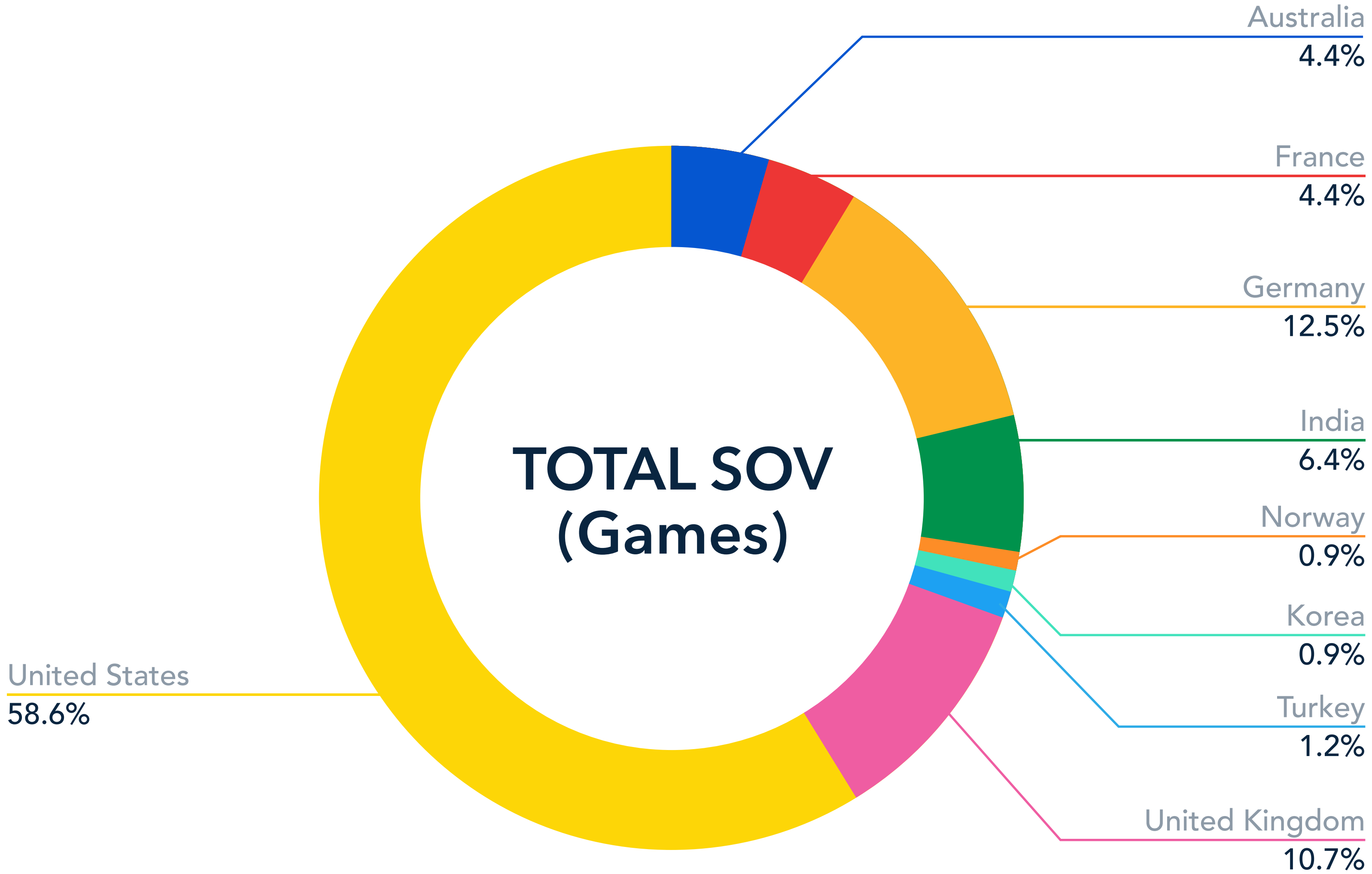
India and Indonesia remained the leaders in the finance app vertical by the share of voice in paid social traffic sources compared to the previous year. These are large countries and the capacity of their advertising auction allows various fintech projects to coexist in it.

They are followed by Arab and European countries, which is not a clear trend and rather depends on the mobile project itself.

Health & Fitness

The undisputed leader in this category is the United States, which has a high conversion rate compared to other countries and a huge auction capacity. Most of the projects in this category focus on the US market as typically over 70% of the revenue will be generated in this GEO. The remaining positions are shared by European countries (France, Italy, and Germany). It can be boldly stated that the share of voice by GEOs in this segment repeats the previous year's trend.

Share of voice of paid social traffic sources by country



Games

We have collected data from three different paid social advertising platforms to look at the current trends in user acquisition within specific GEOs. As we can see from the Share of Voice chart, US traffic still holds a dominant share on every platform due to its significant audience size and quality of traffic. High-LTV players of this GEO may be acquired through various strategies. One of them is to add the US to a tier of countries to lower the so-called “cost pressure”, allowing your campaign to allocate its budget more efficiently. Consequently, Tier-1 and Tier-2 countries, such as Australia, Germany, South Korea, the United Kingdom, and France, comprise pretty much the rest of the traffic.

However in some cases, we see a shift towards low CPM GEOs, like Turkey and India. The audience size-quality ratio of these countries can take advantage of various UA strategies for a decent ROI outcome on significant budgets. Their total traffic volume will probably increase, as worldwide strategies are becoming more and more popular among UA teams due to the increasing efficiency of learning algorithms of paid social ad platforms.

Ad Networks

The analysis was based on the data obtained from large casual idle mobile games monetized with in-app ads and in-app purchases. As with many other traffic sources, Tier-1 countries are the top-performing ones by value and profit, however, we can also note some non-Tier-1 countries such as Japan, Korea, and India.

It should be taken into account that the ad campaigns we considered here were run on large volumes of traffic, so even a small share of voice in real terms exceeds $20,000. This is significant, for example, for such relatively inexpensive traffic as from India. Below you can see metrics and graphs showing the distribution of budget and income from different countries.

In today's post-GDPR, post-IDFA world, it's become more important than ever for gaming apps to rethink their approach to user acquisition. It can't just be a volume play, and if you're chasing cheap CPMs then you're bound to see lackluster results. Privacy-first options like contextual targeting, incrementality, and creative testing are now table stakes, but how can you find the needle in the haystack? Today, it's more important than ever before to leverage the power of machine learning to find and acquire the best users, the ones that will help you see quality return on ad spend.

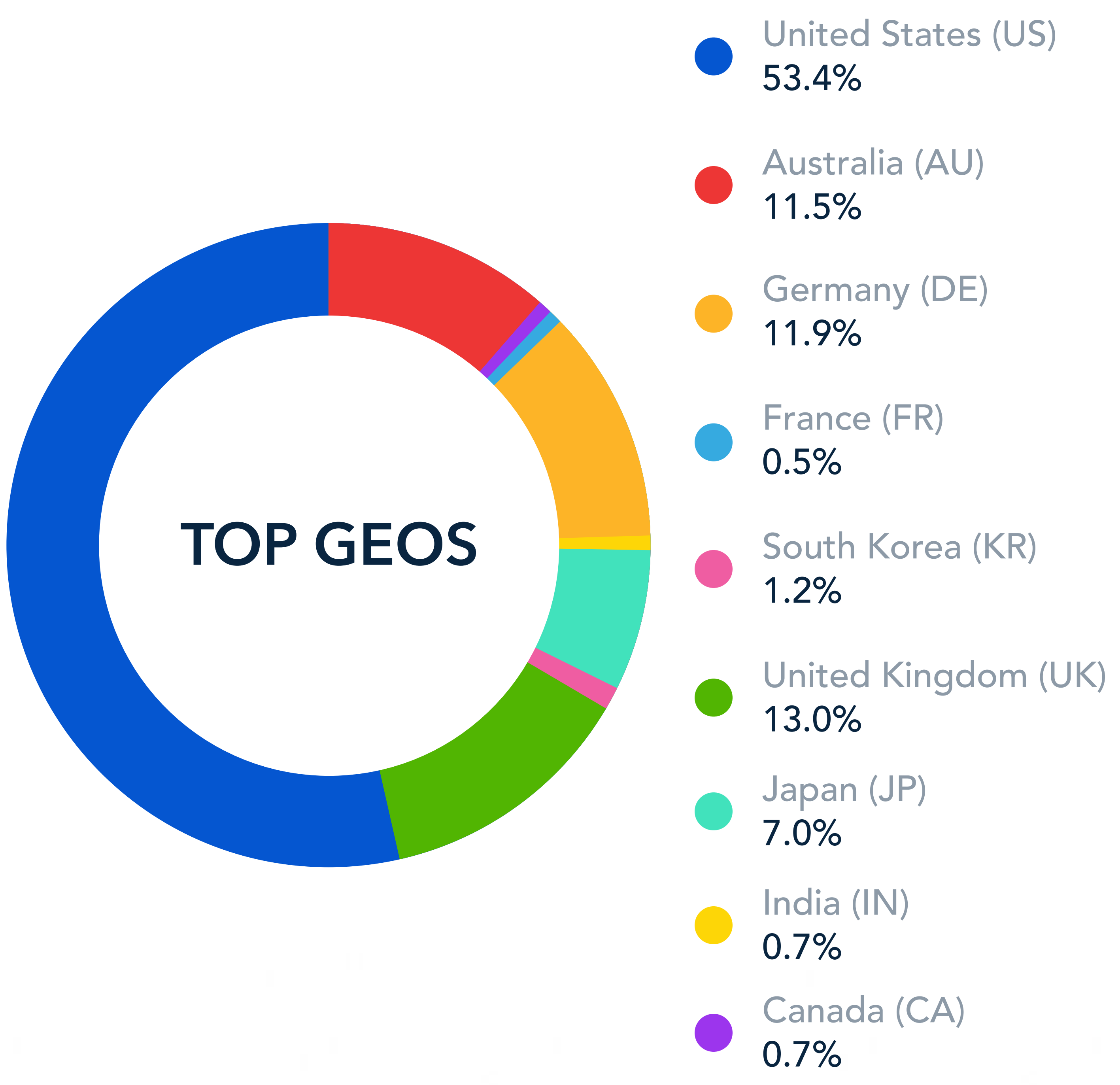
David Goodman
Agency Growth Director, EMEA
MOLOCO

Share of voice of ad networks by country

The total ad networks share of voice by GEOs. The chart represents the countries in which ad networks perform the best in terms of casual mobile games.

Network: **All**

Country	Installs	Cost	Revenue	CPI ($)	ROI	SOV
Australia (AU)	89609	552515.16	602281.14	6.17	109.01%	11.49%
Canada (CA)	15598	32404.42	66356.61	2.08	204.78%	0.67%
France (FR)	13005	24880.82	27069.04	1.92	108.79%	0.52%
Germany (DE)	246353	574062.24	744488.45	2.33	129.69%	11.94%
India (IN)	460589	32992.09	36856.49	0.07	111.71%	0.69%
Japan (JP)	85688	337839.92	413590.08	3.94	122.42%	7.03%
South Korea (KR)	17690	58984.27	63602.74	3.33	107.83%	1.23%
United Kingdom (UK)	175883	624782.19	716952.13	3.55	114.75%	12.99%
United States (US)	559956	2570002.57	3353028.18	4.59	130.47%	53.45%
Total		**4808463.68**				



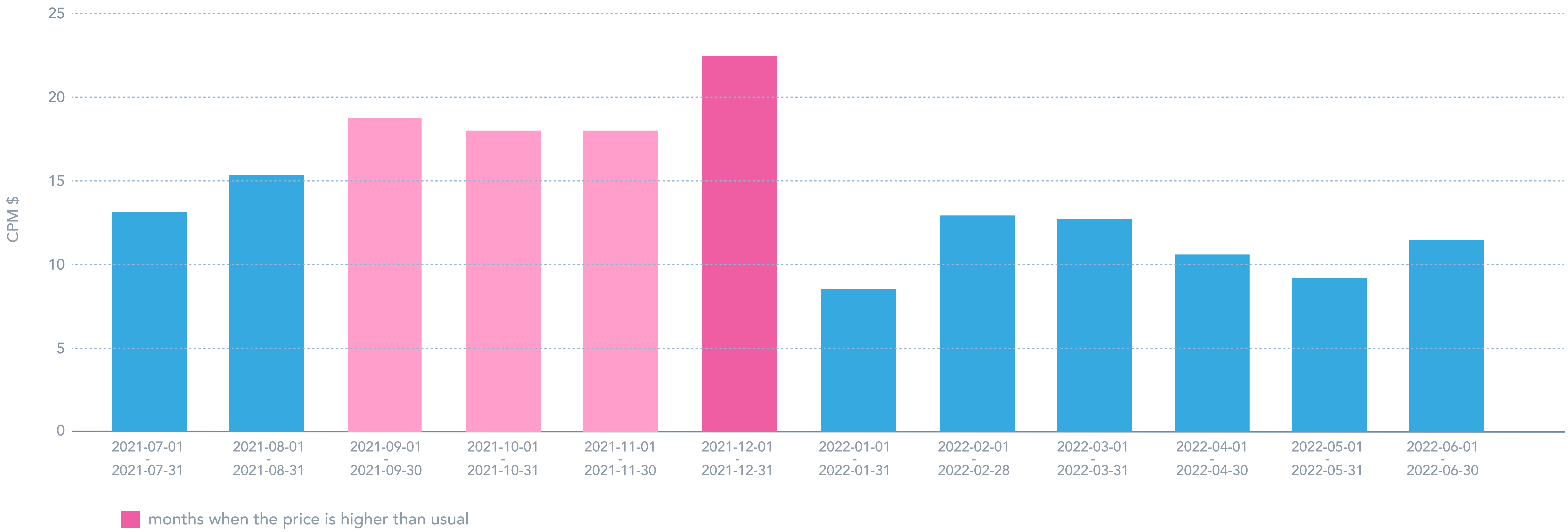
SEASONAL CHANGES IN UA CAMPAIGNS

Year to year we keep on observing the same trend in CPM volatility on paid social sources, H1 2022 is no exception. After analyzing mobile traffic in the US, we see a clear picture of the CPM rise during the fall period. In December, we see a peak CPM rise of almost 2 times compared to the average CPM throughout the year. However, this is followed by a decrease in January and February leading back to normal.

This trend is most relevant for platforms where, in addition to performance campaigns, there are noticeably active media and brand activities which increase the volumes of traffic by the fall and winter holiday seasons.

In advertising network auctions where the main pool of advertisers are mobile products, and in particular games, this kind of auction behavior is almost imperceptible since the competitive environment is different from media platforms like Facebook, YouTube, and TikTok.

Seasonal changes in UA campaigns



The chart analyzes how the cost per 1,000 impressions (CPM) has changed in the US comparing the same periods of time in 2021 and 2022.

AdQuantum x SocialPeta

TOP-PERFORMING UA STRATEGIES

For mobile games, CPM in the US remained Top-1. Speaking of the average CPM, it was over $20 in all of the top 10 countries/regions. Mobile games in the US had the highest advertising cost, with an average CPM of $27.54, CPC of $4.22, and CTR of 1.16%. In addition to the USA, CPM surpassed $25 in the 5 countries/regions including Australia, Japan, Hong Kong (China), and South Korea. Japan had the highest advertising cost among all the other countries/regions in Asia Pacific, followed by Hong Kong (China) where the CPM beat that of South Korea to become the second highest in Asia Pacific.

As for mobile apps, CPM in the US remained Top 1 just as well. It was over $9 in all of the top 10 countries/regions. In the US, the average CPM was $11.88, CPC of $1.8, and CTR of 2.79%. CPM surpassed $10 in 3 countries/regions including Australia and Singapore. Singapore had the highest advertising cost among all the other countries/regions in Asia Pacific, followed by South Korea and Japan.

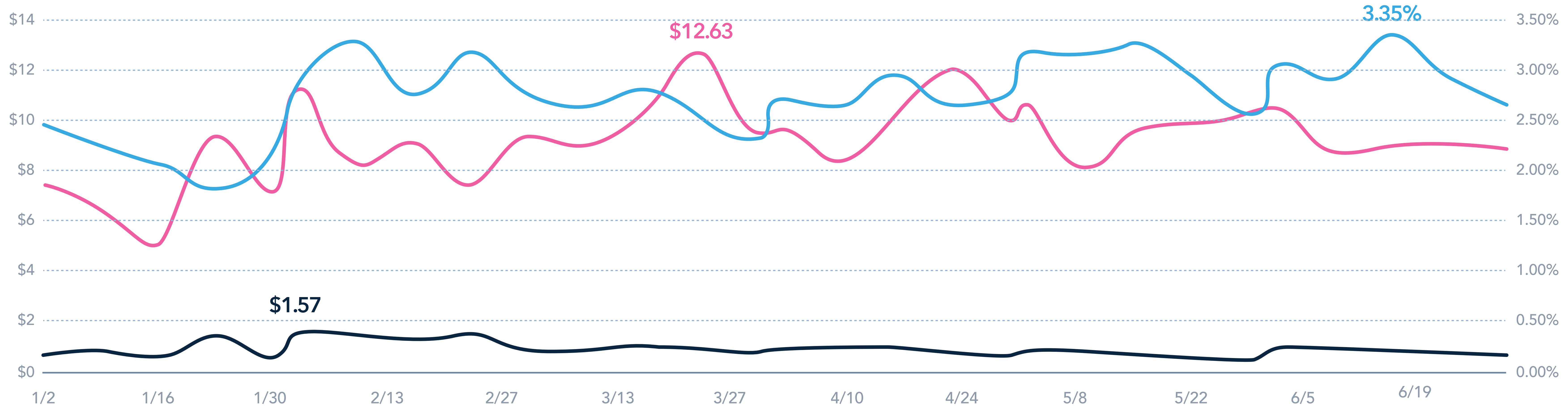
Shifting budgets

Globally, the economic climate is far from stable and many countries are on the precipice of a recession. This is likely to affect UA spending over the next 6 months. Having said that, there's an argument that some gaming companies will increase spend while CPIs are lower and other companies are pulling back.

Michael Zaitsev
Country Manager (CIS)

Trends of Mobile Apps (Non-Game)

Advertising cost for mobile non-gaming apps **continued to rise**, reaching a CPM of $9.16 for mobile apps, up 64% MoM (compared to the previous half-year, H2 2021).



Average **CPM** $9.16 MoM ↑**64%**

Average **CPC** $0.93 MoM ↑**181%**

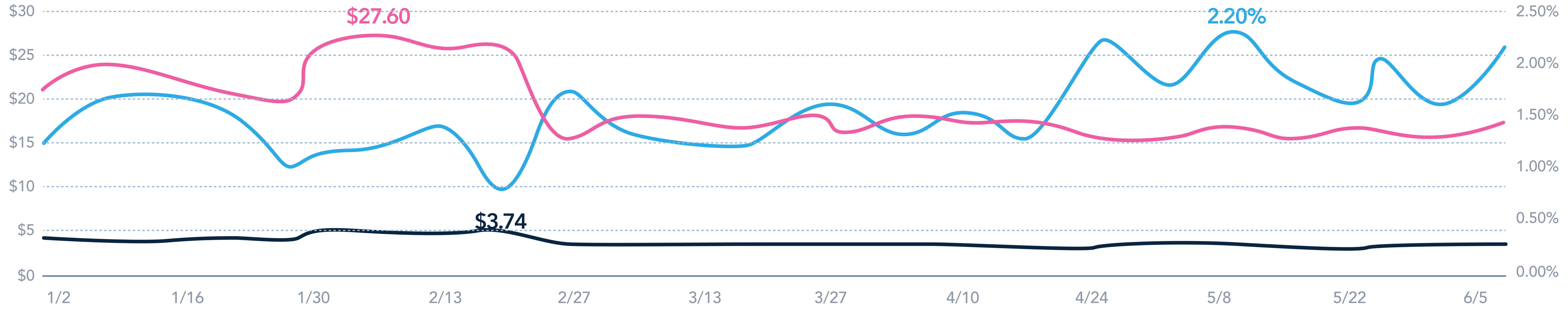
Average **CTR** 2.74% MoM ↑**22%**

Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

AdQuantum x SocialPeta

Mobile Games’ Cost Trends

Advertising costs **kept rising**, mobile games had a CPM of $19.31, up 18% MoM (compared to the previous half-year, H2 2021).



Average **CPM** $19.31 MoM ↑18%

Average **CPC** $2.57 MoM ↓3%

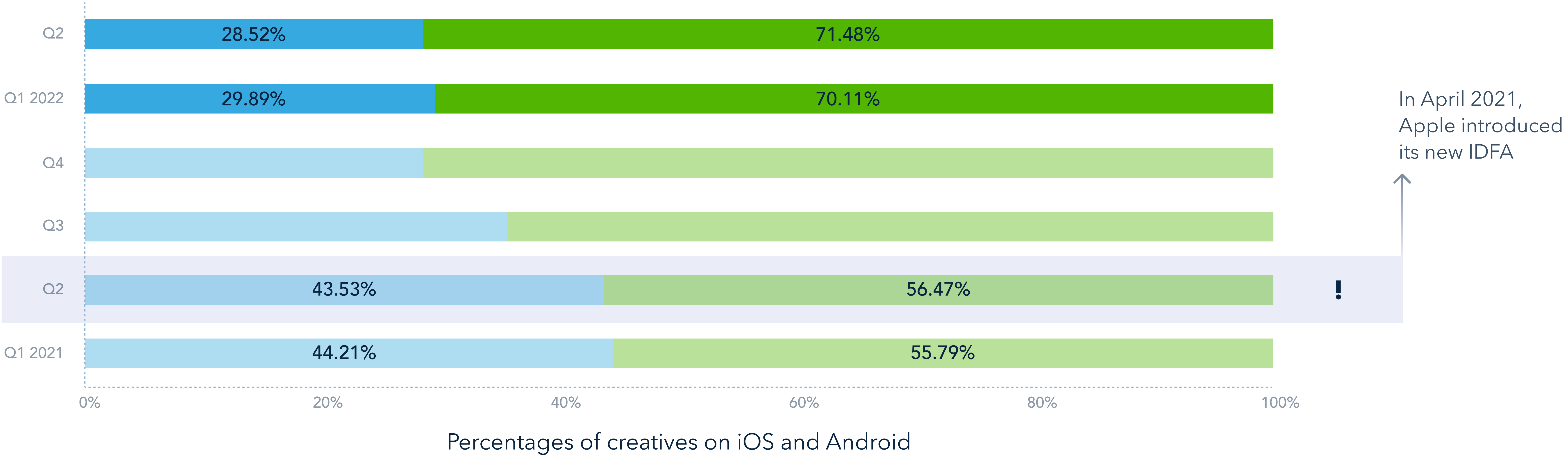
Average **CTR** 1.48% MoM ↑7%

Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

AdQuantum x SocialPeta

Mobile non-gaming apps advertising insights

Average app creatives on Android were 171 more than that on iOS



Apple's IDFA forced more and more companies to focus their advertising on Android. Advertisers on Android were about 60% of the total advertisers, but creatives on Android were over 70% of the total creatives.

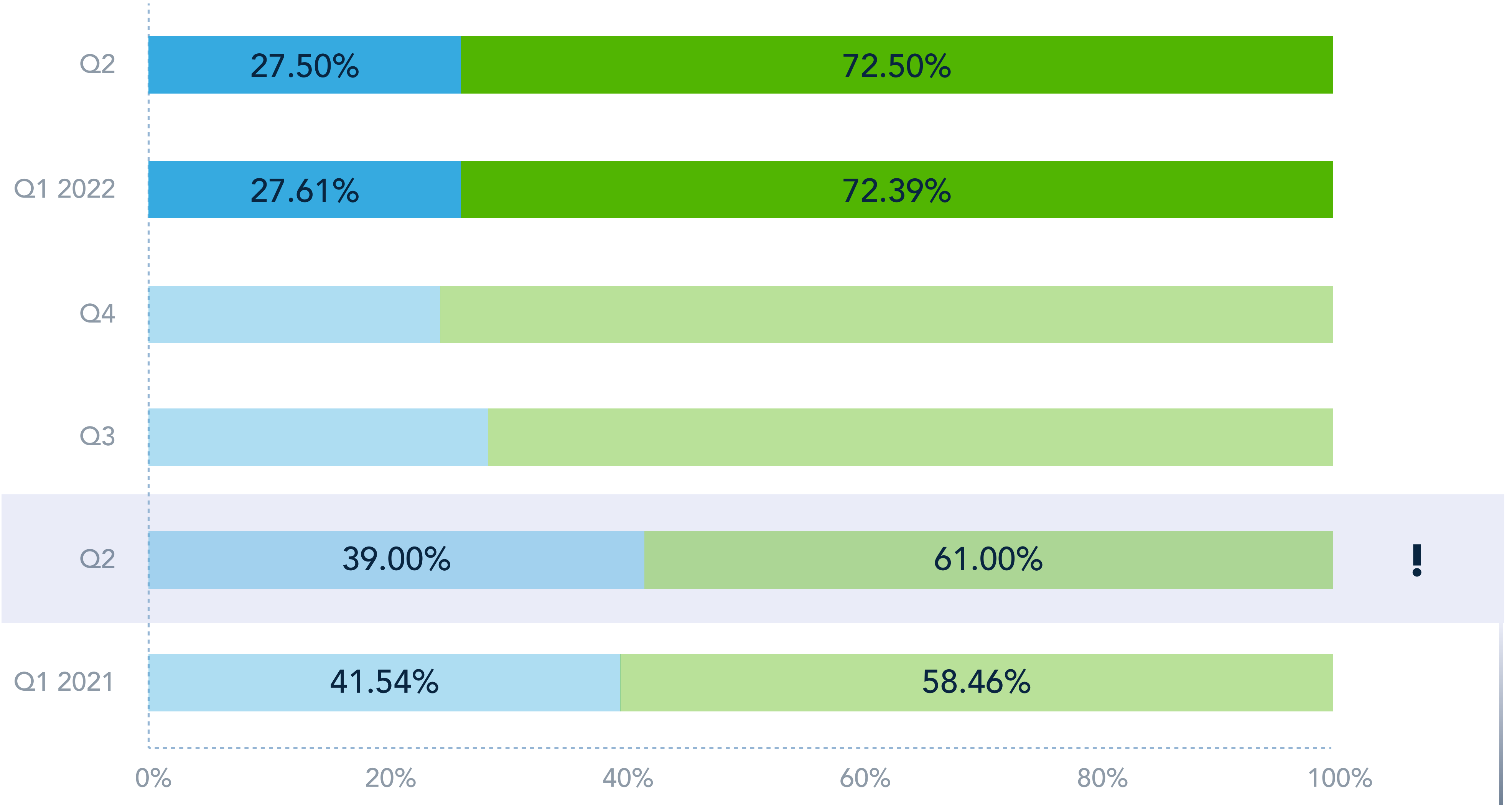
Android had about 70% of the mobile game advertisers and creatives and Apple's new IDFA forced more and more companies to focus their advertising on Android, as a result of which, the average percentage of creatives per advertiser on Android was 14% more than that on iOS.

Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

AdQuantum x SocialPeta

Mobile games advertising insights

Android had about 70% mobile game advertisers and creatives



Percentages of creatives on iOS and Android

In April 2021, Apple introduced its new IDFA

Gaming apps crush getting opt-ins

Operating in a post-ATT environment, gaming apps (particularly hyper casuals) have led the way in getting users to opt-in when asked if an app can track their activity. According to Adjust data, gaming apps currently boast a 34% opt-in rate, followed by social at 22%, and e-commerce apps at 21%. Hyper casual reaches as high as 51% in some regions.

Gaming apps understand they can better optimize their campaigns with first-party data and have found creative ways to ask mobile players for permission. Sometimes the opt-in prompt is built into a game's onboarding experience, and other times app developers will place a prompt after a trigger in the user journey, such as after the user completes a certain level.

This upward trend for opt-in rates among gaming apps will continue as mobile gamers seek out new games. These players understand that by opting-in, they will be served ads for new games which are similar to those they currently play.

Elena Ivanova
Senior Account Executive, Gaming
ADJUST

Source: SocialPeta, based on data retrieved from backend data sources
Date Range: Jan-Jun 2022

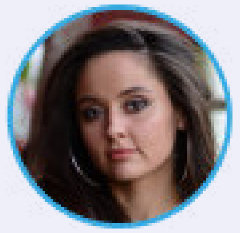
Apple’s IDFA forced more and more companies to focus their advertising on Android. Advertisers on Android were about 60% of the total advertisers, but creatives on Android were over 70% of the total creatives. Consequently, the average percentage of creatives per advertiser on Android was 14% more than that on iOS.

In 2022, App Store users have mostly downloaded apps from search results. According to Asodesk's study, 64.7% of app downloads come from search results and not from featured apps, ads, or other sources. This means that in most categories, publishers need ASO.

We also found that about 50% of users in the United States, France, Spain, the United Kingdom, Australia, and China search for apps using general queries not containing the names of specific brands. This suggests that app publishers can promote through ASO and get installs from search results, even if users are not familiar with their brands. However, the percentage of non-branded traffic depends on the specific app category.

Now app publishers are increasingly using a system of promotion methods and focusing on the coordinated work of all departments. In this way, UA and ASO departments in big companies constantly interact with each other and work on goals together. This is especially noticeable in the combination of App Store Optimization and Apple Search Ads.

Elizabeth Komarova
Customer Success Lead
asodesk



PAID SOCIAL TRAFFIC SOURCES

Trends by type of optimization

If we talk about the most popular types of ad campaign optimization in 2022, there is a clear divide by product category.

For non-gaming projects, over 60% of traffic goes to app event optimization which is expressed in trial or subscription depending on the product.

Also, recently campaigns with conversion value optimization showed high efficiency for non-gaming apps. This type of optimization brings traffic at higher CPM, but often CR in purchase/subscription for this audience is higher. Therefore, traffic pays off better in the long term.

Ad revenue optimization campaigns have been showing positive results during H1 2022 for gaming projects with hybrid monetization (based on the number of viewable ads in a product). The effectiveness of this traffic can be controlled by changing the target event (10, 20, 30+ views per day or total views for any period).

Subscription-based SKAN projects: more and more often blended events are used for optimization when several events (e.g. trial and subscription) are passed to a single event of the advertising platform. This way the training for the advertising platform is faster and the quality of the engaged audience remains at an acceptable level.

iOS subscription price is growing by 36.5% YoY

We at Adapty see a significant increase in the average subscription price in the last year based on our data.

The annual subscription price has increased by 33% while the monthly one got even higher – by 40%.

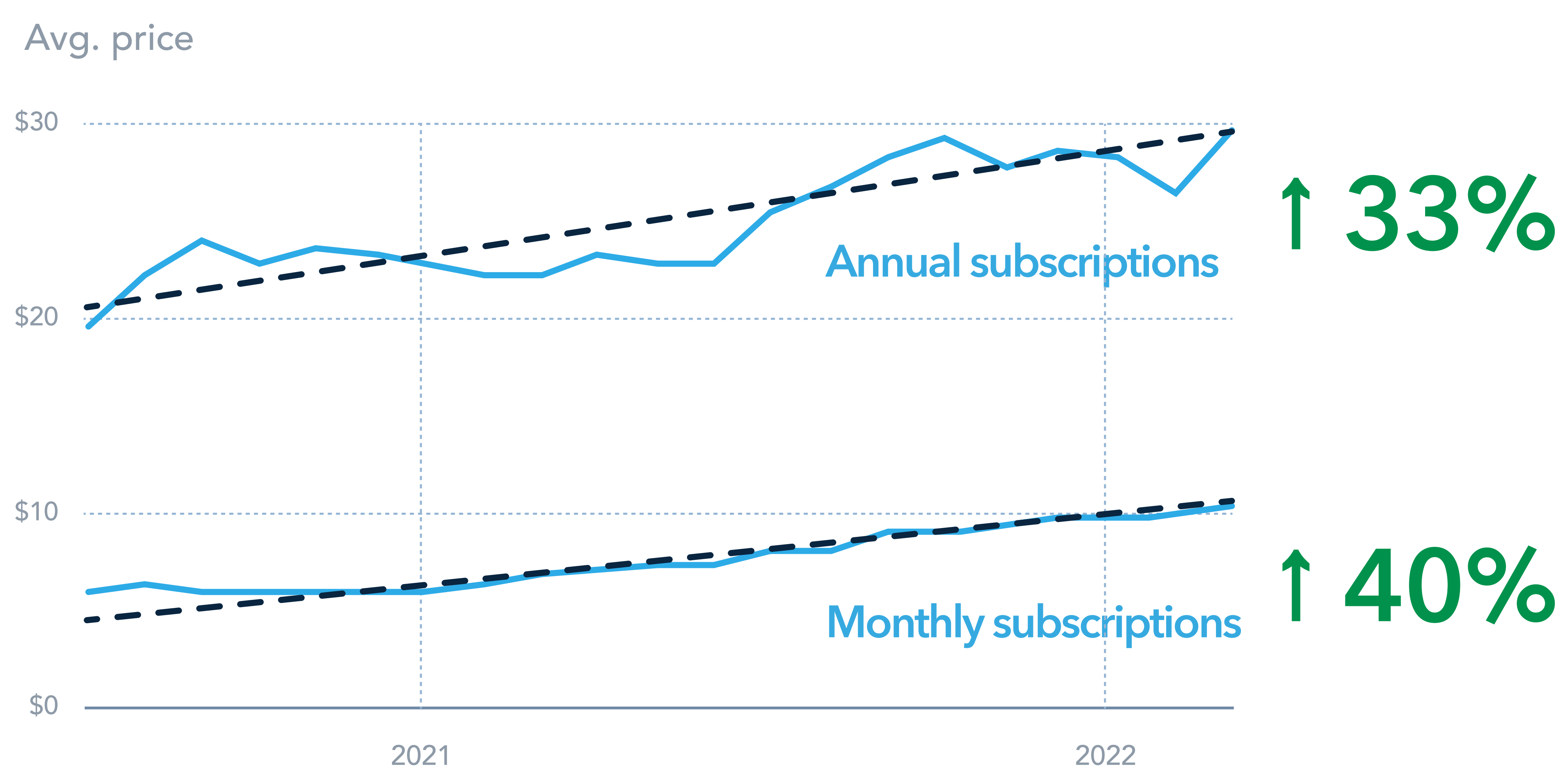
There are a number of possible reasons for that.

First reason: developers run A/B tests and find optimal pricing for their apps. Usually, developers tend to undercharge, but tools like Adapty help with running tests and optimizing prices. It's getting more common to run A/B tests on subscription prices, hence the growth.

Second reason: the current state of the user acquisition market. Since the iOS 14.5 release, the cost of UA has only grown. To compensate for this, developers make subscription prices higher and choose shorter periods. That's probably a reason for the monthly price growing faster than the annual. So, as Apple introduced more privacy, regular users end up paying for it with increased subscription prices.

Last reason: Apple's May Update. Now developers can increase the subscription price without the user's permission in some cases. Sounds wild, but there are limits: the increase cannot exceed $5 or 50% of the subscription price and cannot occur more than once a year.

Nikita Maidanov
Subscriptions expert
adapty



Source: Adapty

AD NETWORKS

In terms of casual mobile games, in H1 2022 we noticed that for major ad networks IAP ROAS, AdROAS, and Blended ROAS (in-app purchases + in-app advertising) optimizations historically worked well, as the games AdQuantum has worked with have both IAP and IAA types of optimization implemented. The CPP (cost per purchase) optimization also worked well on AppLovin.

The CPM on these kinds of traffic sources depends on the type of optimization and traffic source and can be much higher than on paid social traffic sources.

In addition to the basic concepts of traffic optimization, we are experimenting with an offerwall format which also gives positive results. Since this is the incentive traffic, it does not work like traffic on typical traffic sources. Therefore, it is important to pick the proper event to optimize and calculate the right attribution window for this event. You need to perfectly understand the user's behavior for your game and calculate which event correlates with the user payback. Below you can see the examples of metrics with appropriate optimizations that showed good results. We took our campaigns from Unity Ads and AppLovin as the largest ad networks among those we have used in general. As for the offerwall campaigns, we used TapJoy.

Offer	Network	Optimization	OS	CPI, $	CPM, $	ROI, %
Casual game 1	Ad network 1	iAP ROAS	Android	6.24	381.49	123
	Ad network 1	AdROAS	Android	1.64	109.9	107
	Ad network 2	iAP ROAS	Android	2.46	284.06	118
	Ad network 2	iAP ROAS	iOS	3.67	29.24	182
	Ad network 3	CPI	iOS	3	2.12	278
	Offerwalls 1	CPE	Android	N/A	N/A	161
	DSP 1	ROAS	Android	1.81	11.22	190
	DSP 1	ROAS	iOS	2.14	0.79	180
	Social_Network_1	VALUE	Android	32.91	43.53	265
	Social_Network_1	ROAS	Android	15.02	25.55	236
	Social_Network_1	PURCH	Android	9.07	18.04	306
	Social_Network_1	RV30	Android	2.56	5.76	123
Casual game 2	Ad network 1	AdROAS	Android	0.5	18.78	117
	Ad network 1	iAP ROAS	Android	7.5	798.34	110
	Ad network 1	AdROAS	iOS	1.13	1,482.23	109
	Ad network 2	Blended ROAS	Android	3.2	76.58	125
	Ad network 2	iAP ROAS	Android	9.05	411.33	122
	Ad network 2	AdROAS	Android	2.45	39.02	156
	Ad network 2	iAP ROAS	iOS	1.41	10.51	166
	Ad network 3	CPI	iOS	3.5	0.68	193
	Offerwalls 1	CPE	Android	N/A	N/A	566
	DSP 1	ROAS	Android	7.34	41.25	124
	Social_Network_1	VALUE	Android	7.9	25.56	176
	Social_Network_1	ROAS	Android	10.97	25.40	265
	Social_Network_1	PURCH	Android	5.36	15.14	173
	Social_Network_1	RV30	Android	1.48	6.68	184
	Social_Network_1	ROAS	ios	3.86	7.46	163
	Social_Network_1	RV30	ios	0.92	5.14	230
	Social_Network_2	PURCH	Android	7.46	15.20	178

WHAT LEADERS SAY ABOUT THE FUTURE OF THE MOBILE MARKET

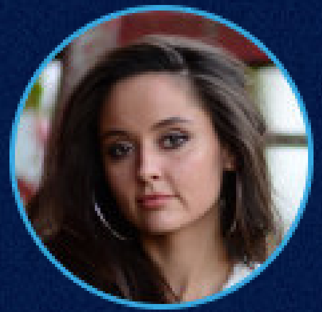
Michael Zaitsev
Country Manager (CIS)
AppsFlyer

Blockchain, NFTs, and cryptocurrency

Non-fungible tokens (NFTs), cryptocurrency, blockchain are all terms that have recently entered the public consciousness like never before. Hordes of famous figures have hopped onto the NFT bandwagon, with everyone from Ubisoft to EA declaring that "play-to-earn" (P2E) games are the future of gaming. Plenty of free-to-play (F2P) developers are now looking at the hype around P2E and mulling over a transition into the space.

However, despite the hype, it's worth remembering that blockchain gaming is still in its early-adoption phase. There are challenges to overcome with costs, sustainability, and even the logistics of having a marketplace for gaming NFTs. But blockchain technology will certainly bring a lot of use cases to light in the coming months and it will be fascinating to see who takes that next step towards making it a viable, desirable, and sustainable part of mobile gaming going forward.

WHAT LEADERS SAY ABOUT THE FUTURE OF THE MOBILE MARKET



Elizabeth Komarova
Customer Success Lead
asodesk

The competition in mobile marketing will increase

App publishers are starting to use promotion methods in a system due to stiff competition. More and more companies are now creating and developing their apps, and their success is affected by planning a clear strategy.

On the App Store, people install apps from search results more often because App Store Search is the easiest way to find and choose the right app for users. Therefore, in order not to miss a huge layer of the audience, publishers need to actively engage in ASO.

To beat the competition, publishers will have to master more complex ways of promotion and work on the interaction between departments.

Year after year, we conduct studies on search traffic and see that most installs continue to come from search results. I think that this trend will continue in the future.

Mickael Boine-Azoulay
Co-founder and Chief Mobile Officer
Adkomo
Smart Ad Technology

The current world situation is going to change marketers' habits

The world situation is impacting the app market. The economic slowdown and the post-covid pandemic life are for sure having a negative impact on marketers. As a result of the industry changes and the current world situation, the start of 2022 has been a challenge for most of the players involved. Looking at the industry trend, there is a drop of 12% in app installs. Therefore, marketing budgets have dropped.

What's next for our industry and what can be expected in 2023? I think that the app market is going to have some side effects due to the current situation and marketers will most likely struggle with their paid media campaigns. The economic slowdown and global inflation are a complicated period to forget for all the industry players, especially after many years of constant rise. The current situation in the world is going to change our habits.

WHAT LEADERS SAY ABOUT THE FUTURE OF THE MOBILE MARKET

Lina Danilchik
Marketing & Communications Lead
SplitMetrics

Apple Search Ads' continuous growth

According to our research reflected in Apple Search Ads benchmark reports, the average conversion rate in Apple Search Ads keeps growing year over year. This is due to several factors, including highly motivated users of the App Store and optimized strategies used by mobile developers and marketers. Being one of the most effective paid UA channels, Apple Search Ads keeps gaining momentum and drawing more and more publishers.

According to some forecasts, the Apple Search Ads market will keep growing and reach $20 billion by 2025, and I have no reason to doubt it. With new ad placements, the potential of this channel is growing as well. First, Search tab campaigns were introduced in May 2021, enabling mobile developers to reach out to users before they even start searching for an app. Then, custom product pages provided new opportunities for effective campaigns on the App Store. Now, at the end of September 2022, Apple Search Ads' inventory has expanded to new ad placements – on the Today tab and on the app product pages. I believe these additions will accelerate the channel's growth, making it an essential part of the mobile marketing strategy.

KEY TAKEAWAYS

1. Quality of ad creatives will prevail over quantity even more, which will lead to greater user pickiness for ad content.

2. Consider Twitter as an add-on traffic source if you're not already using it because it will continue to grow this year and next. At the same time, keep in mind the diversification of channels in general and look for opportunities to scale existing activities in Paid Social and Ad Networks.

3. CPIs will continue to rise which will lead to the necessity for marketers to reconsider their budgets.

4. Simplified app and game mechanics reflected in an ad are the keys to success.

5. Now is the best time to seriously consider BI and predictive analytics as important support tools for lifetime traffic analytics.

6. It’s crucial to still stay tuned to Apple's SKAdNetwork updates and be ready to make changes to your current MMP setup in time.

7. To avoid involution, turn to Tier-2 and Tier-3 markets. The financial technology, e-commerce, social interactions and entertainment, game, and other industries in many Tier-3 markets are worth much attention.

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