GAMESFORUM

INTELLIGENCE

MOBILE GAMES CHALLENGES REPORT 2024

USER ACQUISITION & AD MONETIZATION

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GAMESFORUM MOBILE GAMES
CHALLENGES REPORT 2024

INTRODUCTION:

Mobile game user acquisition (UA) and ad monetization (Ad Mon) have been the subject of great change and challenge in the first months of 2024. New privacy regulations, an increasingly crowded marketspace and big moves from App Stores have dominated UA and Ad Mon managers' workload.

In this report, we will shed light on the greatest challenges facing both UA and Ad Mon, with our findings coming from the experts themselves. The Gamesforum team undertook research calls with our community to outline their top challenges. We then took these challenges and put them into two surveys, one UA and one Ad Mon, to have a hundred respective experts rank the challenges based on their experience.

You can find the results below...

METHODOLOGY:

Twenty-five UA experts and twenty-five Ad Mon experts were asked to share their top five challenges on research calls. We collected the top five challenges and created a list of the ten most frequently mentioned challenges for UA and Ad Mon.

These are listed below in no particular order:

UA Challenges	Ad Mon Challenges
Privacy Changes	Audience Segmentation
Working with Product Teams	Ad Quality & App Health
Increasing CPIs	Redistributing Revenue Split
Market Competition & Consolidation	(IAA & IAP) CMP Integration Fallout
Prioritising High LTV Users	New Bidding Landscape
Creative Ideation & Testing	Exploring & Testing New Ad Formats
Data Usage & Segmentation	Managing Mediation
AI in Marketing Processes	Macro-Economic Landscape
Protecting the UA Journey	Relationships with Networks
Building a UA Team	EU & DMA Privacy Changes

The top ten challenges were then placed into a survey and sent out via email and social media to the Gamesforum community.

We asked the community to rank the list of ten challenges from one to ten, with one being most challenging and ten least challenging, based on their experience.

One hundred UA and one hundred Ad Monetization experts filled out the survey and the team have analysed the results.

Each challenge has been given an aggregate score out of ten based on how the challenge ranked across all one hundred responses.

In the pages following, you can view the results of our surveys. This will appear in two parts.

First will be a UA segment analysing the responses of our UA survey. Then will follow our Ad Mon survey results, with a conclusion at the end on the challenges faced by mobile games UA and Ad Mon managers.

USER ACQUISITION IN TABLES:

Table One

Table One depicts the challenges ranked in order of their aggregate score.

The aggregate score consists of how each challenge ranked across all the respondents' rankings.

Creative Ideation & Testing and Data Usage & Segmentation drew for the greatest challenge for UA managers with a score of seven.

The third and fourth greatest challenges were also close, with 0.01 separating Privacy Changes & Increasing CPIs.

● Aggregate score out of 10

A - Creative Ideation & Testing
B - Data Usage & Segmentation
C - Privacy Changes
D - Increasing CPIs
E - Market Competition & Consolidation
F - Prioritising High LTV Users
G - Protecting the UA Journey
H - Building a UA Team
I - AI in Marketing Processes
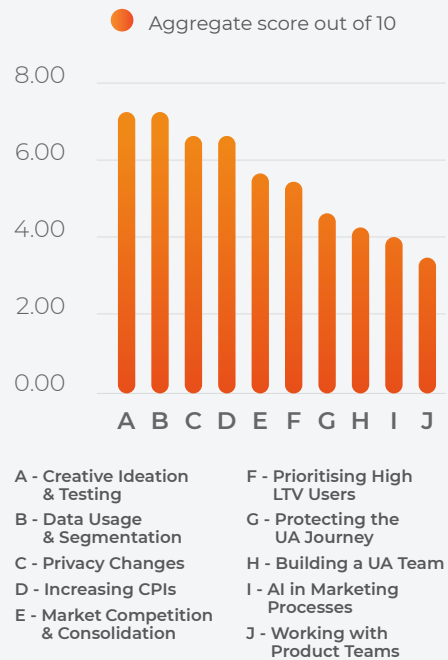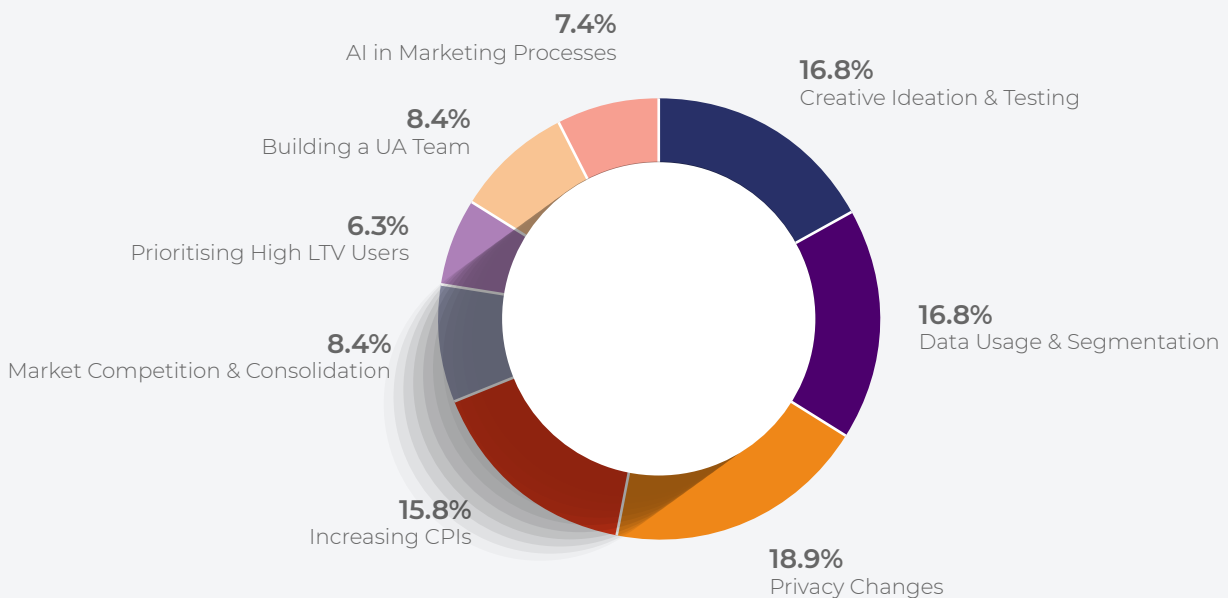J - Working with Product Teams

Table Two

The pie chart in **Table Two** shows the frequency with which each challenge was ranked as the number one challenge by respondents.

Despite placing third in its aggregate score, Privacy Changes received the greatest number of votes as the number one challenge.

Notably, Protecting the UA Journey did not feature as any respondent's number one challenge.

7.4%
AI in Marketing Processes

8.4%
Building a UA Team

6.3%
Prioritising High LTV Users

8.4%
Market Competition & Consolidation

15.8%
Increasing CPIs

16.8%
Creative Ideation & Testing

16.8%
Data Usage & Segmentation

18.9%
Privacy Changes

# USER ACQUISITION IN TABLES:

Table Three

Table Three shows the total number of times the top five challenges appeared across respondents' top five rankings.

Data Usage & Segmentation appeared in seventy-four respondents' top five challenges.

Creative Ideation & Testing appeared sixty-nine times despite receiving an equal aggregate score to Data Usage & Segmentation.

Privacy Changes and Increasing CPIs were tied third and fourth for times mentioned in all respondents' top five challenges.
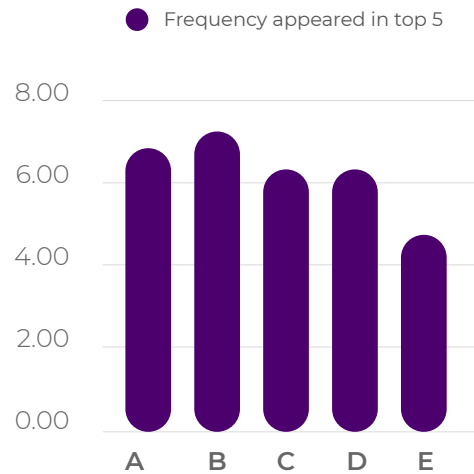

● Frequency appeared in top 5

A - Creative Ideation & Testing
B - Data Usage & Segmentation
C - Privacy Changes
D - Increasing CPIs
E - Market Competition & Consolidation

Table Four

Table Four shows a side-by-side comparison of Privacy Changes and Increasing CPIs ranking across all respondents.

Despite having an aggregate score separated by 0.01, the two challenges plot wildly differently. As mentioned, Privacy Changes received the highest frequency of votes as the number one challenge, yet dropped off considerably when it came to fellow respondents' rankings at second and third.


● Privacy Changes   ● Increasing CPIs
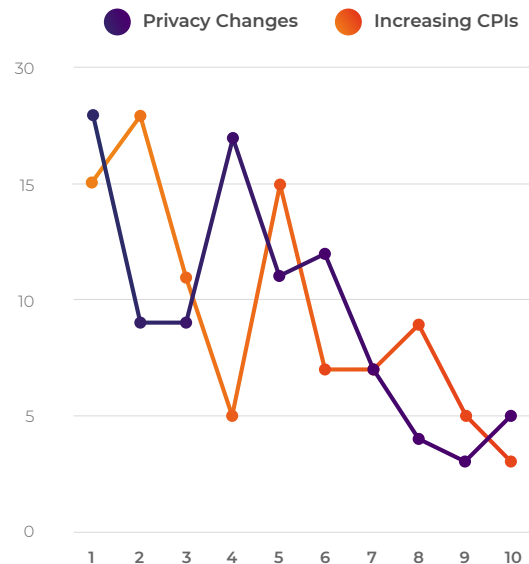
USER ACQUISITION IN TABLES:

Table Five

Table Five shows how creative marketing ranked in our 2023 and 2024 annual report. In both reports, creative marketing ranked as the number one challenge for UA managers.

When looking at the plotting across the ten places, 2024's Creative Ideation & Testing plotted more erratically amongst respondents.

2023's Creative Optimisation received close to a quarter of all respondents' ranking as the number one challenge. By comparison, 2023 Creative Optimisation received only sixteen votes as the number one challenge.
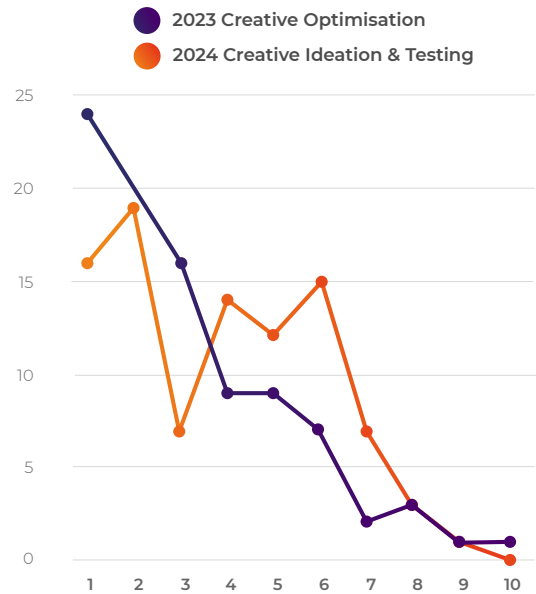
TOP FIVE USER ACQUISITION CHALLENGES:

1. Creative Ideation & Testing

Creative Ideation & Testing was ranked as one of the greatest challenges for UA managers. During initial research calls, creative marketing was frequently mentioned as a top five challenge.

The prevalence of Creative Ideation & Testing as a challenge for marketers comes as a consequence of the other challenges. With privacy regulations tightening data access, marketers now need to focus more on using the data available to inform exciting creatives designed for a broader audience. There is a greater need to use the first-party data as effectively as possible.

Likewise, the window for successful competitor analysis and copy-catting creatives is short. So to chase success, teams need to have a team built for very quick turnarounds or explore the possibilities of Generative AI.

The challenge of creative marketing has continued from 2023, where it also ranked as the greatest challenge for UA managers. Its persistence speaks to the evolving challenges presented by creative teams under pressure in an increasingly crowded market space.

> "To optimize creative and determine the best forms of testing, look at WHY are you doing it, then ask WHAT are you hoping to learn from the responses, and that will help guide HOW you can achieve it. Creativity and testing can't be done in a vacuum.
>
> **Tina Shaw,** Associate Creative Director, **Activision**

> "Companies are experimenting with new AI tooling for various use cases, but none more prevalent than creative ideation. From reskinning existing ads to generating new concepts - there's a lot of innovation the new technology has unlocked. Let's share test samples?
>
> **Gus Viegas,** VP of Marketing, **Cosmic Lounge**

2. Data Usage & Segmentation

Data Usage & Segmentation tied with Creative Ideation & Testing in aggregate score. While privacy restrictions have restricted access to as much data, there remains a lot to play around with.

The primary change has stemmed from the way in which the UA managers now analyse and assess campaigns. More networks than ever are vying for UA traffic spend, so using tailored rewarded platforms or reengaging a network with differing cost models can allow for more accurate tracking, understanding of users and campaign success.

> "With the increase of audience segmentation and content filtering options for the users, it is highly crucial to assure having the best match for your campaigns. Opt for cross-learnings of user segmentation between campaigns of the same network, to better understand how the target audience behave towards your game's ads in order to improve your cost efficiency."
>
> **Claudia Trujillo,** Senior Growth Consultant, **Phiture**
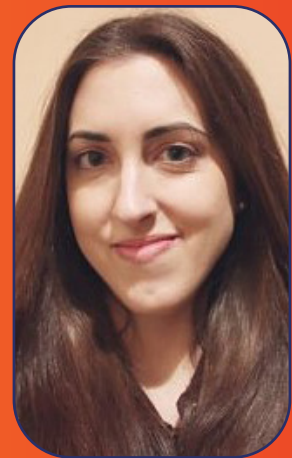
> "Analytical UA teams are flexible in their data analyses, making sure they apply the correct analysis to each campaign. Different cost models require different methods of analysis and data usage, and we see many teams shoehorning all media into CPI analytics, creating false alarms or false signals of success."
>
> **Tanner Hanson,** President, **RevU**

3. Privacy Changes

Privacy Changes falls in as the second greatest challenge for UA managers.

The ever evolving landscape of privacy restrictions and manifests leaves marketers chasing updates, removing the possibility to be proactive and instead reactive to the latest desires of the AppStores.

Google Privacy Sandbox remains evasive and, as of writing this report (May 9th), Apple are yet to announce an update on fingerprinting, keeping developers in the unknown for even longer. No clarity has been provided on next steps, so it is no wonder that privacy has persisted as a challenge for UA managers.

> "The changing privacy environment has become particularly challenging for marketers as more than ever we are experiencing both regional legislation from governments as well as privacy enforcement at the operating system level. what makes the situation increasingly complex is the lack of information around the enforcement of these changes (eg, SKAN vs fingerprinting) and the shifting times lines of Google privacy sandbox.

David Philippson, CEO, **Dataseat**

4. Increasing CPI's

Increasing CPI's fell 0.01 below Privacy Changes in aggregate score, placing second overall.

Rising costs have led to diversification in UA strategy but also the role of a UA manager. Ensuring CPIs remain below user LTV has led to a refocus on retention and reengagement of users, prioritizing user experience to keep players playing, and segmented to maximise IAA and IAP revenue.

Increasing costs have turned marketing teams to explore alternative strategies for growth, be it organic with ASO and CPP, or building a narrative with an internal game brand or partnering with external IPs to leverage communities. While some have explored game diversification to attract a new audience alike, the trends seen from hyper to casual.

> "Most ad networks are not particularly well optimized to provide creative feedback as a standard course of practice in evergreen campaigns. Effective creative optimization requires a dedicated budget (and time to test) which has become extremely difficult to allocate due to increasing CPIs; which has put UA margins of evergreen campaigns at risk of not breaking even."
>
> **Alex Kozachenko,** CEO, **HyperBeard**

> "Higher CPIs are likely due to the sheer competition, there are so many great games out there, CPI's will likely continue to rise. I think the best way to combat this is by creating an amazing game and user experience for players. As well as diversifying user acquisition activity with more sources."
>
> **Craig England,** VP of Sales, **Prodege**

5. Market Competition & Consolidation

Market Competition & Consolidation fell into fourth place.

AppStores are only becoming more crowded, with each game competing against the pool of four million apps across Google Play and iOS stores. Sticking out is getting harder and harder.

Combine the crowded space with ongoing acquisitions and the merging of mobile games teams into one body, the mobile games industry, let alone the wider games industry, is becoming harder to navigate and find a winner.

"Good marketing can't exist without good product management. First focus on the experience you're giving to players, make sure it's good, or you won't be able to stand out in a saturated market.

Malize Evans, CMO, **Raftur Games**

"Navigating Market Competition & Consolidation. Campaign managers find it's getting harder and more complex to do media buys. Sometimes they may wonder if their competitors can get some secret traffic to get installed. They want to know more competitor strategies than ever.

Summer Liu, CMO, **SocialPeta**

AD MONETIZATION IN TABLES:

Table Six

Depicted in **Table Six** is our Ad Mon challenges ranked based on their aggregate score out of ten.

Audience Segmentation received the highest aggregate score, followed by Ad Quality & App Health.

Unlike our UA table, respondents ranking is not so closely contested. The exception being the tie for least challenging with Relationships with Networks and EU & DMA Privacy Changes receiving the same aggregate score.
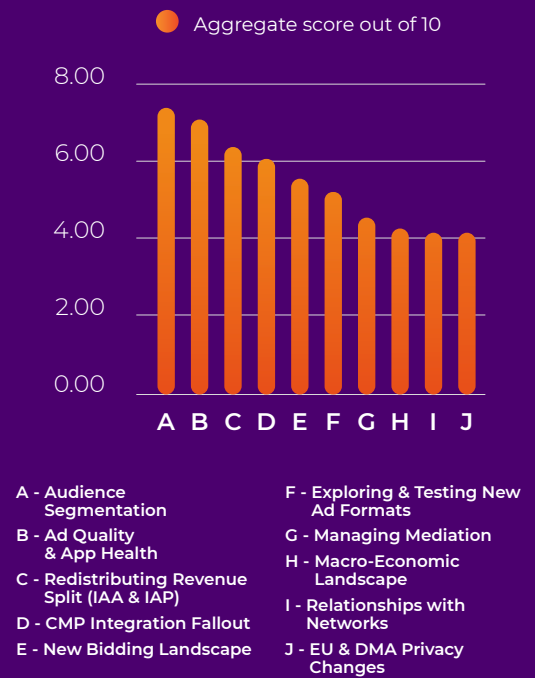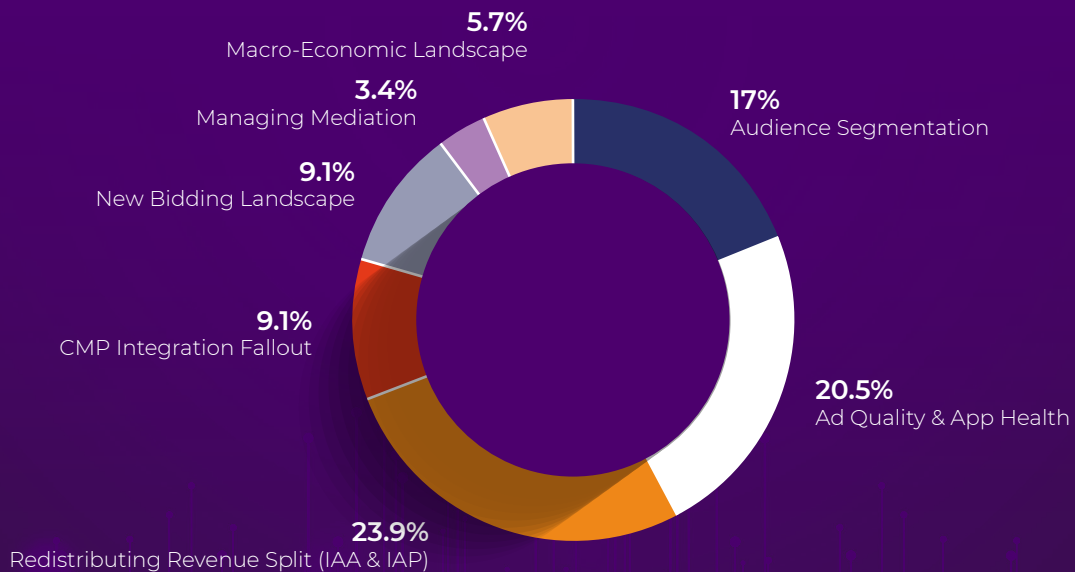

● Aggregate score out of 10

A - Audience
    Segmentation
B - Ad Quality
    & App Health
C - Redistributing Revenue
    Split (IAA & IAP)
D - CMP Integration Fallout
E - New Bidding Landscape

F - Exploring & Testing New
    Ad Formats
G - Managing Mediation
H - Macro-Economic
    Landscape
I - Relationships with
    Networks
J - EU & DMA Privacy
    Changes

Table Seven

Table Seven depicts a pie chart with challenges ranked by the number of times they were placed the number one challenge by respondents.

Despite receiving the highest aggregate score audience segmentation was ranked the number one challenge by only 17% of respondents.

By comparison Ad Quality & App Health at second with aggregate score, received 20% and while placing third in aggregate score, Redistributing Revenue Split (IAA & IAP) was ranked the greatest challenge by near a quarter of respondents.


5.7%
Macro-Economic Landscape

3.4%
Managing Mediation

9.1%
New Bidding Landscape

9.1%
CMP Integration Fallout

23.9%
Redistributing Revenue Split (IAA & IAP)

17%
Audience Segmentation

20.5%
Ad Quality & App Health

AD MONETIZATION IN TABLES:

Table Eight

Table Eight shows the total number of times the top five challenges appeared in respondents top five rankings.

Audience Segmentation appeared in 75% of respondents' top five challenges.

Redistributing Revenue Split (IAA & IAP) and CMP Integration Fallout were neck and neck, both appearing in 50% of respondents' top five challenges.
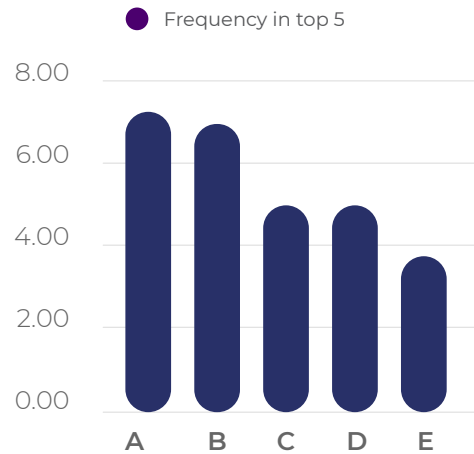
● Frequency in top 5

A - Audience Segmentation
B - Ad Quality & App Health
C - Redistributing Revenue Split (IAA & IAP)
D - CMP Integration Fallout
E - New Bidding Landscape

Table Nine

Table Nine depicts how the top three challenges plotted across the ranking.

As mentioned above, Redistributing Revenue Split (IAA & IAP) received the highest volume of votes as the greatest challenge. But alike Ad Quality & App Health, both challenges ranked as a low number of respondents' second and third greatest challenge.

By comparison, Audience Segmentation placed in the top three for over fifty percent of respondents.

● Audience Segmentation
● Ad Quality & App Health
● Redistributing Revenue Split (IAA & IAP)

AD MONETIZATION IN TABLES:

Legend:
- 2023 Ad Quality
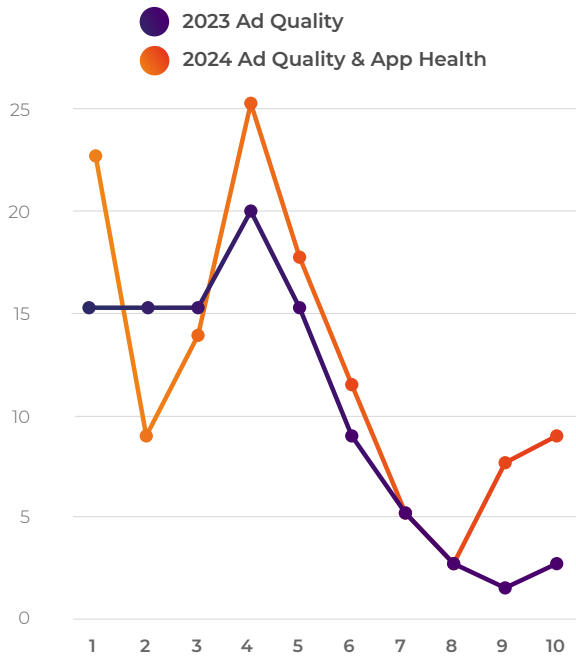- 2024 Ad Quality & App Health
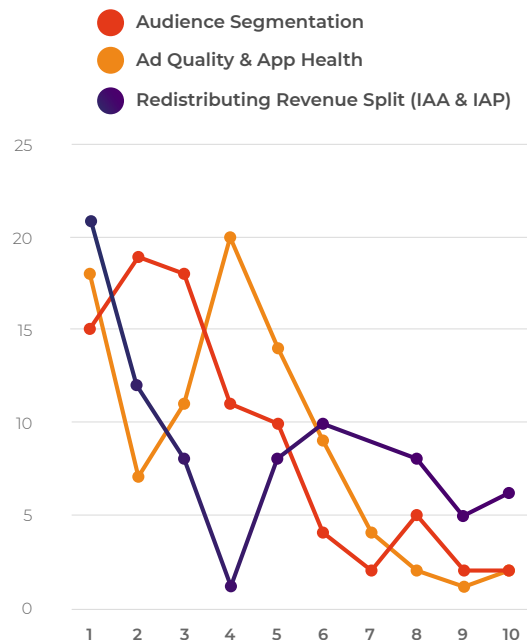
Table Ten

In **Table Ten** you can see a side-by-side comparison of Ad Quality as a challenge in our 2023 and 2024 reports.

2024 Ad Quality & App Health received a greater number of respondents ranking it as the number one challenge when compared with Ad Quality in 2023. This trend indicates that tackling bad ad quality has only become a more difficult challenge with a solution still to be found.

TOP FIVE AD MONETIZATION CHALLENGES:

1. Audience Segmentation

Audience Segmentation ranked as Ad Mon managers' greatest challenge.

Creating targeted ad experiences for gamers has become vital in maximising revenue. Be it segmenting users to target with rewarded ads, or dividing user bases by IAA and IAP monetization to reduce ads for high IAP users, monetization continues to be an economy game.

The trend of audience segmentation appearing as the greatest challenge speaks to changes in the Ad Mon landscape, with the move to real-time bidding and CMP integration negatively impacting CPMs, monetization teams are having to look at alternate ways of driving revenue. In most cases, the most clear cut way is to explore hybrid monetization, a challenge of its own as you can see in our third greatest challenge for Ad Mon managers.

> "Segmenting users and providing a different ad experience for different users is proving to be the most foolproof way to incrementally increase a mobile game's ad revenue. Starting with simple segments and gradually getting more complex over time can in my experience increase ad revenue by 20-100% if implemented properly.
>
> **Felix Braberg,** Ad Monetization Consultant & Co-Founder, **two & a half gamers**

TOP FIVE AD MONETIZATION CHALLENGES:

2. Ad Quality & App Health

Ad Quality & App Health ranked second in aggregate score.

Poor ad quality is synonymous with the mobile games industry for gamers. Ads that have false x's, run for over a minute or you cannot exit still plague the user experience and damage retention and consequently monetization potential.

Tackling poor ad quality is a demanding task requiring serious fire fighting power. While there is tech available to help contain the impact of negative ad quality, some have looked to forming coalitions of publishers as a way of making a stand against networks and building a pact to put pressure on advertisers to encourage better quality.

> "Long-term monetization potential highly depends on user trust and engagement. Ad quality control is essential, those who ignore controlling ad quality will lose their auditory in the long-distance run.
>
> **Katerina Maliaran,** Head of Ads Monetization, **Burny Games**

TOP FIVE AD MONETIZATION CHALLENGES:

3. Redistributing Revenue Split (IAA & IAP)

Redistributing Revenue Split (IAA & IAP) fell to third place.

Increasing CPIs and Decreasing eCPMs have caused a barrier in realising ad revenue potential. As a result, publishers are now exploring diversifying their portfolio, entertaining more casual and midcore games, while also diving deeper into audience segmentation based on LTV and preferred revenue split. Furthermore, publishers are prioritizing rewarded videos for those who are unlikely to spend, and tailoring the in-game experience accordingly.

There is now a bigger responsibility for product and Ad Mon teams to work closer together, designing ad placements in a way to positively impact the user experience with rewarded and in-game ads proving popular. There is a need to harmonise monetization and build a strong hybrid model.

> "For sure balancing our monetization mix is one of our top priorities. At 52 Entertainment, we have a variety of IAP & IAA split across our publisher portfolio. We are working hard to bring revenue diversification to all our business, which is key to reduce dependencies on the CPI wall our industry is facing.
>
> **Vincent Tessier,** CMO, **52 Entertainment**

> "The challenge is rather about how to change the mindset of your organization and create product-oriented monetization teams that work side-by-side with the game teams; where IAP & IAA driven features compete on one backlog and get executed without any bias; and more complex segmentation rules are being explored to build a captivating user experience with both ads and purchases equally available to our players."
>
> **Sofia Gilyazova,** Director of Ad Monetization, **Zynga**

TOP FIVE AD MONETIZATION CHALLENGES:

4. CMP Integration Fallout

CMP Integration Fallout placed fourth behind diversifying revenue.

Since the requirement of a CMP in January of 2024, teams have worked hard to implement a CMP suitable for their titles. However, this was not the greatest challenge of CMP implementation. The difficulty has come from navigating the impacts and looking at how to best reduce the impact of CMP integration on IAA revenue.

CMP Integration Fallout came at a time where the move to real time bidding was already set to restrict the revenue produced via ads, leaving Ad Mon managers to fight on two fronts. The latter of which will be discussed in our fifth greatest challenge!

> "Publishers should take much care when implementing the CMP solution into their games. Well-thought-through implementation, that follows best practices can make a big difference in ad revenue. The difference between ads served to users who consented and those that haven't can be as high as 3x.
>
> **Božo Janković,** Head of Ad Monetization, **GameBiz Consulting**

TOP FIVE AD MONETIZATION CHALLENGES:

5. New Bidding Landscape

Placing as the fifth greatest challenge for Ad Mon managers is the New Bidding Landscape.

Since the announcement from Google in Summer last year, confirming the move to real-time bidding and phasing out waterfalls from October 31st through January, the industry has been left to make up for one of the greatest Ad Mon hacks.

The delay from the original doomsday date of Halloween 2023 to the New Year allowed publishers more time to adjust to the new environment, but in the months since January there has been a concerted effort to make up for lost revenue. From creating a floor determining the minimum price to be met by an advertiser to exploring in-house mediation to compensate for external costs.

> "All the big players have soon opened up their bidders across all mediation platforms and this unifies the bidding landscape. It's interesting to see how many of them will still prefer hybrid setups and what will be the best tools to optimize the performance in the future.
>
> **Otto Simola,** Head of Game Economy, **Fingersoft**

CONCLUSION:

The mobile games industry continues to see a challenging, divisive evolution. For a young industry of twenty years, privacy changes, AppStore policy and the broader ecosystem have put a constant strain on how UA managers attain and how Ad Mon managers monetize users.

As seen in this report, creative marketing both in its creation by advertisers with Creative Ideation & Testing and its dissemination with Ad Quality & App Health continue to challenge mobile growth teams. Even more so than they did in our 2023 report. The importance of building efficient, effective creatives able to capture the imagination of users in a broader base has never been so prevalent.

Google's two latest declarations with the move to real-time bidding and CMP integration have closed some of the greatest Ad Mon hacks that have driven IAA revenue for years, so picking up the pieces has to no surprise, been a constant challenge for Ad Mon managers.

With the closing of Ad Mon hacks and new privacy regulations (with no real timeline for how they will be implemented) from the AppStores has left UA and Ad Mon teams guessing at what they can do to pre-empt and prepare for further restrictions.

As for what is next, the 2025 Mobile Game Challenges Report may look completely different, and hopefully some of the greatest challenges will have been solved! Or at least mitigated...

GAMESFORUM

THE HOME OF MOBILE GAMES INDUSTRY PROFESSIONALS

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UPCOMING GAMESFORUM CONFERENCES:

2024

Gamesforum Hamburg, 11 & 12 June

Gamesforum London, 17 September

Gamesforum San Francisco, 22 & 23 October

Gamesforum Vietnam, 27 November

2025

Gamesforum Barcelona, 5 & 6 February