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H1 2024 US Whitepaper

Exploring the Impact of In-Game Audio Ads.

US Global Mobile Gaming Market.

Featuring our Case Study with:



PEPSICO



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Who is this report for?

This report is for anyone looking to understand the latest developments and opportunities around advertising to the global mobile gaming audience, particularly via the newly emerged in-game audio ad format. This research will help advertisers, brand owners, marketers, and others in related fields better understand the potential and suitability of audio ads to their campaigns and as such provide insight into planning future campaigns. The report also provides a general overview of the in-game ads landscape today.

Why do these findings matter?

In-game mobile ads provide an opportunity for brands to connect with a global mobile gaming audience of 2.8 billion players. As such, they allow games to be published for free to consumers, enabling game companies to monetize by serving users ads in-game. While other monetization models exist in gaming, such as premium (the user paying upfront to access the game) and in-app purchases (where a free game lets players spend real money on in-game items), advertising has become a dominant and successful format in the space.

However, a player's relationship with these ads — and their perspectives on them — can significantly impact how successful those games are alongside a given ad's reach and impact. Free mobile games endeavor to monetize by engaging and retaining players.

The more frequently players visit a given game and the longer the period they have a relationship with the game (over days, weeks, or months), the more ads will be served and viewed in total. That has a positive impact on both brand reach and game monetization.

However, if ads frustrate or intrude on the player's gaming experiences, they can push that player away from the game, ending engagement and retention. In some cases, players can even develop negative associations with the advertised brand.

Video ads and visual banner ads are the most common forms of ads in mobile games but in most cases, these ads prevent the user from playing while they're served. While there are alternative approaches, such as 'in-play' forms where a video could be placed in context within a game world (like on an in-game television), there can be challenges in measuring engagement. As such, audio ads present the potential to lift monetization and ad engagement without interrupting gameplay, by running in the background as a user plays.

The research detailed below was conducted to explore the reality of that potential. The findings provide an independent perspective of mobile game players' attitudes toward various forms of in-game advertising, as well as their opinions on audio.

 Insight

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

What is Audiomob

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

Audiomob lets brands connect with the global audience of highly engaged mobile gamers, by offering a means to place audio ads in free-to-play mobile games. The Audiomob format is the first of its kind and provides a powerful alternative to conventional interruptive video ads. Audiomob's non-intrusive audio ads let mobile users continue to play a game as they engage with a brand.

Find out more at www.audiomob.com

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.

The findings shared here are based on collaborations with the third-party, independent quality assurance and software test management consultancy Go Live Test. Go Live Test conducted thorough focus group behavioral testing in the US to garner more insight into the relationship between users and in-game advertisements. All participants were aged between 19 and 51 and played mobile games regularly.

Additional insights are based on real-world, working examples of the deployment of Audiomob's technology, which went live in Q1 2020. This report details the real impact of the audio ad format, rather than projections of potential.

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).



Why not traditional ads?

Video ads present a major challenge for game companies and brands.

On-screen video ads pause the gameplay and usually take over the entire screen which can frustrate players, causing negative associations with brands and games. Ultimately this damages user retention within a mobile title leading to lower monetization.

Traditional banner ads are less intrusive but have limited engagement. Audio ads, meanwhile, deliver brand impact without interrupting play. The following feedback captured from the Go Live Test focus group validation presents common responses and reactions to audio and video ads in mobile games.

Key stats: Framing the Audio Ad Opportunity.

All players continue to play while hearing an audio ad.

100% of players carried on gaming while the audio ad played.

75% of players did not feel that the banners impacted their gaming experience.

It's become clear that audio ads do not negatively impact or deter gameplay.

50% of users expressed a preference for audio ads over video ads...

...while the remaining 50% were split between having no particular preference or preferring video ads.

Of the 50% who preferred audio ads, they wanted the ability to skip video ads and found the disruptions to their gameplay experience to be **'frustrating'**.

Audio ads beat video ads in brand recall:

100% of players were able to recall the on-screen banner and the ad being played.

All users also recognized the banner as being interactable with half choosing to engage with the banner.

Users were less likely to engage with video ads.

100% of players did not interact with video ads out of concern that they'd be taken to a new page and away from the game.

When asked what could be improved about video ads:

75% wanted shorter video ads or for them to be **removed entirely**.

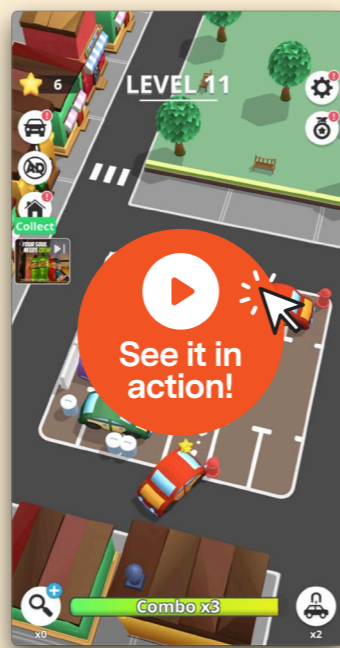
When asked:

"Did you click on the screen while a video ad was playing?"

"No, only because I know it will immediately open the app store and I hate having to deal with that."

Female user





Mountain Dew Skippable Ads
 Game: Car Parking Jam 3D: Move it!
 Developer: Indiez

In PepsiCo's recent Mountain Dew ad campaign, they strategically employed a blend of Rewarded and Skippable ad formats, complemented by clickable banners, to seamlessly integrate the brand into the gaming landscape. Notably, they leveraged advanced technology to precisely target users at optimal volume levels, ensuring maximum impact.

The campaign yielded impressive results across various regions, boasting remarkable click-through rates (CTR) and listen-through rates (LTR). Particularly noteworthy were Palm Springs with an outstanding LTR of 84.40% and Joplin-Pittsburg reaching an impressive 84.91% LTR, both surpassing benchmarks by over 20%.

Moreover, Mountain Dew ads demonstrated strong performance across diverse game genres, with notable examples such as Crossword Jam achieving a remarkable 3.74% CTR and Highway Drifter garnering an impressive 2.54% CTR.

With an outreach exceeding 29,800 users, the campaign underscored Mountain Dew's broad appeal, particularly within the gaming community. This success underscores the effectiveness of in-app audio ads in engaging elusive target audiences.

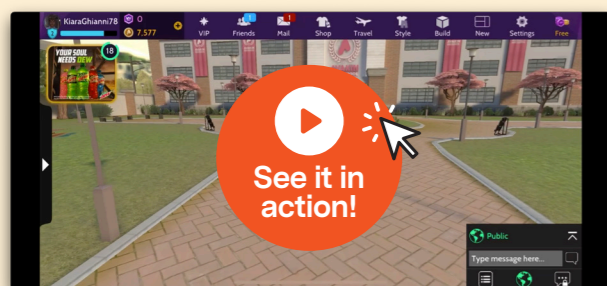
This campaign is a great demonstration of how in-app audio ads can more easily reach wider audiences, as well as users who are typically harder to reach for other ad mediums. Mountain Dew being largely synonymous with gaming and entertainment only further strengthened the use of our innovative audio ad solution.

At Audiomob, we believe in the power of audio and its potential to transform the way developers and brands connect with their audiences. We also believe that audio ads, by being non-intrusive, are key to improving how consumers across the world perceive and engage with ads.

Case study: PepsiCo

PepsiCo partnered with us to utilize our innovative audio ad solution for promoting their Mountain Dew brand across the US.

The campaign targeted DMAs in Palm Springs, California; Joplin-Pittsburg, Missouri; and Wheeling, West Virginia.



Mountain Dew Rewarded Ads
 Game: Avakin Life
 Developer: Lockwood Publishing Ltd

Rewarded Ad Performance



Listen-through rate (LTR)

98%

40% increase over Benchmark

Impressions

3 million

Reach

153k

Skippable Ad Performance



Listen-through rate (LTR)

80%

Impressions

27.3m

Click-through rate (CTR)

1.3%

30% increase over Benchmark



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