



MOBILE AD FORMATS PERFORMANCE REPORT:

# Benchmarks for Casual Games



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## Executive Summary

To help casual game marketers budget their advertising spend and creative investments more effectively, MOLOCO analyzed **+1B ad impressions** across **100 ad campaigns** from **32 different casual games**.

The resulting **+675k installs** and **+162k first time purchases** were measured against the specific ad formats and platforms used to produce them, giving marketers the insight they need to prioritize the formats and platforms most likely to help them accomplish their goals.

1. Video ads see the highest number of installs per impression compared to other ad formats – often 4X more than the average IPM (installs per mille).
2. Interstitial ads drive installs that result in the fewest average days before first purchase.
3. Banner and video ads have the lowest cost-per-payer of all formats.
4. Retention on iOS devices easily surpasses that of Android platforms across all timeframes.
5. Payers are relatively equal across Android and iOS platforms up until the 30-day benchmark.





## Introduction

Those on the front lines of the programmatic revolution know that while behavioral and contextual signals play an immense role in effective algorithm building, they're not the only meaningful variables at play. Attracting high-value players comes down to delivering the right ad at the right time, and in many cases, that depends on the strategic prioritization of ad formats that enable the kind of creative most likely to resonate with a target audience.

The tried-and-true ad formats that have always powered the world of mobile advertising aren't likely to change, especially as organizations like IAB continue to push for standardization. As targeting capabilities fluctuate, mobile DSPs like MOLOCO will adapt their targeting algorithms to rely on whatever data is available, but the efficacy of

formats remains comparatively constant. By honing in on the most effective ad formats and optimizing targeting with machine learning, mobile game advertisers can achieve greater ROAS and retention.

This report shares the latest insights from our platform, with a specific focus on casual game user acquisition. We chose to focus on casual games because the category represents a major area of opportunity. It's been steadily growing over the past decade, and recently experienced a **45% surge in downloads** as a result of the COVID-19 pandemic. The data that follows reveals which mobile programmatic ad formats drive the most installs and IAPs for casual games. We also explore the effectiveness of certain ad formats on key metrics like ROAS and retention.

# Mobile UA Glossary

## Mobile Ad Formats

### Banner

Banner advertisements are clickable images displayed within a portion of the app interface, usually at the bottom of the screen. In most cases, banners are either sized at 320x50 or 640x100 resolutions.

### Native

Native advertisements are ads designed to match the visual style of the host app. Native ads typically appear in-feed, or as promoted listings.

Native ads on the MOLOCO platform consist of the following elements:

- A 256x256 resolution app icon
- A 1200x628 resolution image
- A 6 to 100-second video in portrait or landscape orientation

### Interstitial

Interstitial advertisements are full-screen static images that briefly cover the entire app display to maximize user attention. Interstitial sizes will vary based on device type and region.

### Video

Video advertisements are 6 to 100-second videos that promote an app. Some in-app video ads offer users rewards in exchange for viewing or engaging with an ad.

## Mobile UA Metrics

### Installs per mille (IPM)

Installs per mille tracks the number of completed app installs for every thousand ad impressions. Advertisers typically use IPM to measure the success of acquisition campaigns.

$$IPM = \text{number of installs} / (\text{impressions} / 1000)$$

### Install to purchase rate (Conversion Rate)

The install to purchase rate measures the percentage of users who install an app and proceed to make a purchase. It offers a general perspective of how many active users ultimately convert by completing an in-app action.

$$\text{Install to purchase rate} = (\text{paying users} / \text{installs}) \times 100$$

### Cost per payer (CPP)

Cost per payer refers to the amount of ad spend necessary to acquire a single user and lead them to complete an in-app purchase. A low CPP ensures that advertisers are running a cost-effective campaign.

$$CPP = \text{total ad spend} / \text{total paying users}$$

### Return on ad spend (ROAS)

Return on ad spend refers to the percentage of revenue you will make for every dollar an advertiser spends. This measurement is used to determine how successful a marketing campaign actually was.



## Methodology



**1 billion  
impressions**



**100 ad  
campaigns**



**32 casual  
gaming apps**



**675,401  
installs**



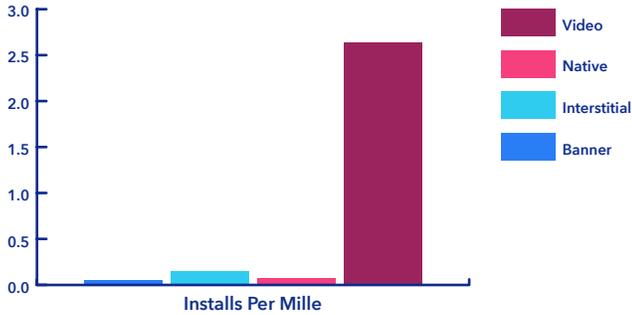
**162,928 first-  
time purchases**

- We analyzed **1 billion impressions** for roughly **100 ad campaigns** for **32 casual gaming apps**.
- The campaigns ran from **January 1, 2019** to **June 1, 2020**.
- These impressions led to a combined **675,401 app installations** and **162,928 first-time in-app purchases**.
- Impression data was drawn from MOLOCO accounts using **Cost Per Action (in-app purchase)** as its secondary conversion event.
- Retention rates were calculated based on **app opens** during recurring 24-hour windows.

# Creative Format Insights

## Conversions

Which ad formats yield the highest number of conversions for casual games?

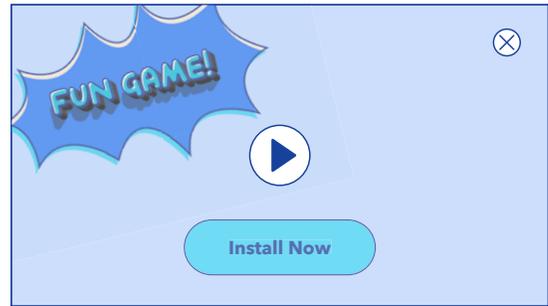


The format winner when it comes to conversions is video, which drives an IPM well above other formats. During the study period, video ad creative generated an IPM rate of 2.63. From this, we can draw two conclusions:

- Video ad creative is the best way to capture user attention.
- Mobile gameplay footage is a far more powerful draw than static imagery.



It's important to note that movement alone isn't enough to garner installs. The majority of mobile ads we reviewed used live gameplay in the context of the video. The highest impact ads also told a story, taking the viewer through a narrative and emotional arc. By having ads that show the game's



mechanics, users tend to get a real sense of what it would be like playing the game which encourages downloads. This approach is particularly effective for social casino games – showing a jackpot or a big win can entice new users to play themselves.



Video's success does not mean other creative ad formats should be ignored.

Interstitial stands out as a format with the **quickest days before first purchase average (0.72 days)**. Unfortunately, interstitial ads are not without drawbacks – in the casual games market, it claims the lowest three, seven, and 30-day ROAS rates of ad creative. For comparison, video has the second-highest days before first purchase average at 2.19 and a higher ROAS.

At 2.8 days, native ads show the longest average number of days before first purchase. One potential reason behind this trend is that users encounter native ads in the middle of other

content. Unlike when a user watches a video, or notices a banner ad above or below their content, native ads often disrupt the flow of their attention. Those who did divert their attention likely stopped scrolling because the ad creative triggered an impulse – but impulse installers aren't always quality users over the long term.

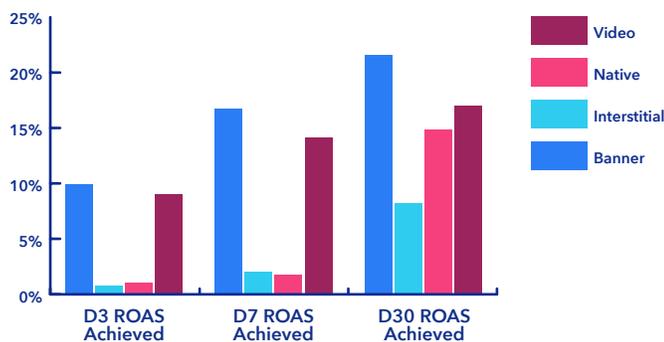
## Cost & ROAS

Which ad formats are the most cost-effective for casual games?



## Cost per Payer

When it comes to cost efficiency, banner and video ads have the lowest CPP of all ad creatives. By contrast, interstitial ads have the highest CPP due in part to the format's low install-to-purchase rate. The high CPP of both interstitial and native ad formats suggests that users respond poorly to creative that actively disrupts their content.



## ROAS

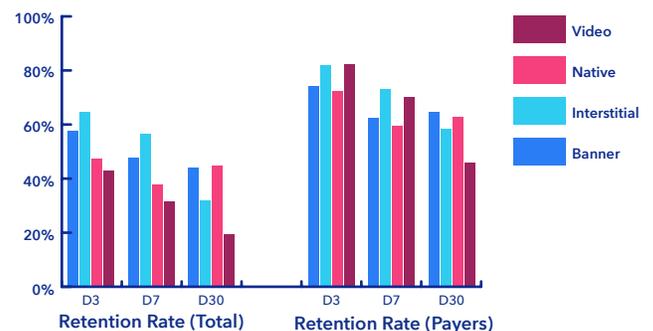
ROAS can fluctuate significantly over time, depending on how many users remain engaged

with the app while making in-app purchases. When looking at the three, seven, and 30-day windows, banner and video ads consistently rank as the top two creative formats.

Banners have the highest 30-day ROAS at 21.58%. However, they have a comparatively low impressions per mille (IPM). This dynamic may suggest that banner ads are more susceptible to organic poaching – a **type of ad fraud** in which organic installs are mis-attributed for the benefit of a publisher. Consequently, we always recommend advertisers candidly discuss their goals with growth partners like us and decide together on an optimal attribution window that makes the most sense for the paid vs organic acquisition goals.

## Retention

Which formats attract players for the long haul?

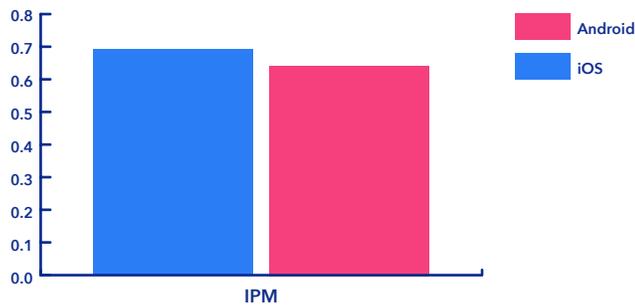


When analyzed as a whole, users are most likely to retain an app after installing through an interstitial or banner ad. Video ad retention appears lower by comparison, which seems to clash with ROAS findings at first glance.

The difference resolves itself once we consider in-app payment events. Users who install apps by clicking on video ads are retained at an above-average rate for the first week. After thirty days, an impressive 45.92% of users remain with the app, highlighting the continued value and efficiency of video ads.

# Platform-Specific Insights

## Conversions



Ad format differences aside, iOS tends to see slightly more installs compared to the Android platform. The average iOS IPM during the study period sits at 0.69, while Android’s IPM is 0.64. This data does not correlate with other [industry statistics](#), which show that Google Play downloads exceed App Store downloads and are growing at a faster rate. However, the variation in IPM is slight so it should not significantly impact UA strategy.



While iOS acquires slightly more users, Android appears to have more conversions when it comes to casual games, which makes sense given their broad appeal and low barrier to entry. The Android install to purchase rate for the study period is 9.63% compared to 7.27%.

This data also contradicts popular assumptions that iOS users are more likely to convert. According to [a recent study from AppsFlyer](#), over 70% of iOS users make at least one in-app purchase each month, compared to just 4.6% of Android users.

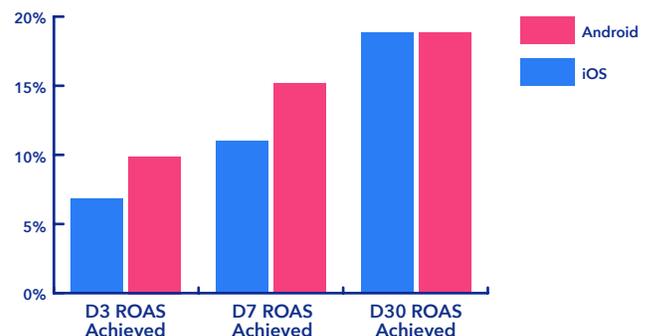
The study also observes that iOS users spend about 2.5 times more money in-app than Android users. This impression data deviates from the broader industry pattern, but serves to illustrate that effective machine learning engines can target high-value users regardless of platform.

## Cost & ROAS



Despite the slightly higher install rate for iOS, the average CPP (**\$145.65**) is significantly higher than Android (**\$95.08**). Apple devices do make up for this cost in terms of long-term quality indicators, as we will explore in the next section.

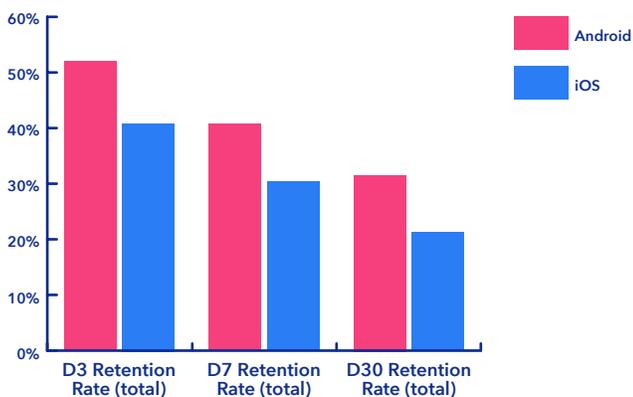
On **iOS devices**, the most cost-effective formats are banner ads at **\$81.86** and video creatives at **\$143.93**. For **Android**, the dynamic flips – video stands out with its **\$67.12**, while banner comes second at **\$193.66**.





Android benefits from a strong short-term ROAS thanks to its relatively low number of days to first purchase. By the 30-day mark, iOS ads catch up to match Android with **an equal ROAS of 18.82%**.

## Retention



When it comes to total retention, ads deployed on iOS devices easily surpass Android across the three-day, seven-day, and 30-day timeframes. The competition becomes somewhat narrower when looking exclusively at payers, where both devices are relatively equal until iOS surges ahead to **64.10%** at the 30-day mark – as opposed to Android’s **50.70%**.

A closer analysis by ad format reveals other differences by platform:

### iOS

- Video ads consistently perform at above-average ROAS and payer retention during the first week of a campaign.
- Interstitial ads also boast high ROAS, but consistently underperform with low retention rates.

### Android

- Video ads claim high short-term retention of valuable paying users but tend to falter somewhat at the seven and 30-day marks. That being said, video offers the highest IPM, a modest CPP, and effective ROAS, making it a valuable format for any casual game campaign.
- Native and interstitial ads claim the highest retention rates.

# Best Practices

Creating a successful ad campaign requires far more than choosing the video format or focusing on iOS devices. App marketers must design creatives that resonate with a target audience – be they casual game players or otherwise – encouraging them to install an app to see what it has to offer. For this reason, it's crucial to consider the following best practices to maximize the impact of any campaign:

## Identify and target high LTV users

1. Be on the lookout for ROI indicators that reflect your target audience personas.
2. Use impression-level data to identify market gaps and opportunities for your target audience – the higher the estimated LTV, the better. Impression-level data is available exclusively from MOLOCO Cloud.
3. Any data you have on current payers can help you better understand future users. Use relevant data points on valuable users to train your machine learning models faster and more accurately. Such data points may include which regions or demographics spend the most time in-app, which segments show the most churn, seasonality trends, and more.

## Customize ad deployments

1. Deploy the right ad format for the right audience. In this study, video ads consistently drove casual game installs at a low cost – an important detail to remember when targeting!



2. Account for format variation by platform or region. Just because one format succeeds in the United States doesn't mean it will thrive in Asia, Europe, or any other market.
3. Always A/B test ad creative. Take into account things like CTAs, demonstrating real gameplay, or even color palettes used in your ads. It's essential to understand how users engage with specific creatives to optimize for the greatest impact.

## Don't forget about retargeting

While a high-performing campaign can retain users into the 30-day range, most users still abandon new apps after the first use. Re-engagement campaigns allow you to reacquire users to close the marketing loop. In general, retargeting a lapsed user is more cost-effective than acquiring a brand new user, so it's a key strategy for UA managers. **According to data from Adjust**, retargeted ads show a 152% higher engagement rate and result in 37% more revenue events in the first 30 days. Re-engaged users also show 5% stronger retention. Always keep retargeting efforts in mind alongside ongoing UA efforts.



## Conclusion

Each creative format has its benefits and drawbacks when applied to casual games ad campaigns. On the whole, however, video ads stand out because they consistently drive installs and offer a strong ROAS at a reasonable price. Other ad formats – particularly banners – are ideal for reaching an audience that typically engages with the category, or is ready to re-engage.

Whatever the campaign, it's crucial for app marketers to target users with the most effective formats at scale to maximize ROAS. Your ultimate goal is to present the right app to the right person in the right ad format – which isn't always an easy task. Thankfully, several MOLOCO tools can help you achieve this goal:

### Dynamic creative

MOLOCO offers dynamic creative solutions both for user acquisition and retargeting. Use dynamic creative to customize art in real time based on live data.

### Programmatic user acquisition

Use your existing user data to **train machine learning models**. With a baseline on your highest converting users, our algorithms can build scalable and accurate lookalikes faster.

### AI-powered retargeting

One of the biggest oversights marketers make is neglecting users who abandon apps after a single use. These individuals already expressed interest in your app, and can usually be **reacquired with a retargeting campaign**.

### Optimize in real time with our self-serve interface

MOLOCO Cloud includes a self-serve interface that lets advertisers **test campaign strategies in real time** – an excellent tool for optimizing your efforts. MOLOCO Cloud even **grants access to impression-level logs** with contextual data which goes above the industry standard, to better understand your users and identify market opportunities.

Finding your audience in the fast-paced world of mobile advertising isn't easy, but you don't have to do it alone. MOLOCO has the tools and expertise to acquire and retain valuable customers by leveraging impression-level data no other DSP or ad partner can provide. With our help, you'll be able to deploy the right ad to the right users – acquiring loyal payers in the process.

[CONTACT US](#)



## About MOLOCO

MOLOCO is a programmatic advertising company that empowers mobile businesses to unleash the power of their data for fast, sustainable growth.

Founded in 2013, the company offers a complete suite of proprietary advertising solutions to help mobile companies optimize the performance of their acquisition, retention, and monetization efforts.

MOLOCO Cloud is a cloud-based advertising platform powered by proprietary machine learning algorithms that let digital marketers leverage first-party & contextual data across the

programmatic ecosystem to achieve their growth goals.

With access to more than **4B global devices** and **2.5MM publisher apps** via the industry's top exchanges and marketplaces, MOLOCO Cloud lets app marketers instantly plug into the entire programmatic ecosystem and start driving results.

MOLOCO is headquartered in Silicon Valley, with offices in San Francisco, Seattle, Jakarta, London, Seoul, Singapore, and Tokyo.

For more information, visit [www.molocoads.com](http://www.molocoads.com).