

# Monetizing your App With Native Advertising

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SHANGHAI INTERNATIONAL CONVENTION CENTER

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# A team of business and technology experts



A team of **110+ mobile advertising experts**

Employees from 20+ countries, speaking  
**25+ languages**

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Headquartered in **Berlin** with offices in  
**San Francisco** and **Seoul**

Backed by Prime Ventures and HitFox Group  
with in **20m USD investment**

# Monetizing your app with native advertising

- 1 There are only so many ways to monetize game/non-game apps
- 2 Don't fool yourselves...analytics is key!
- 3 Challenges of traditional mobile advertising
- 4 Native is hot right now but...
- 5 Here's how it can be done
- 6 No SDK

# 1. There are only so many ways you can monetize games

1



## In-App Purchases

Monetizing through virtual goods is hard, only 1.5% of players monetize (Swrve)

2



## Rewarded video/actions

Becoming very tricky with Apple's latest crackdowns

3

## Advertising



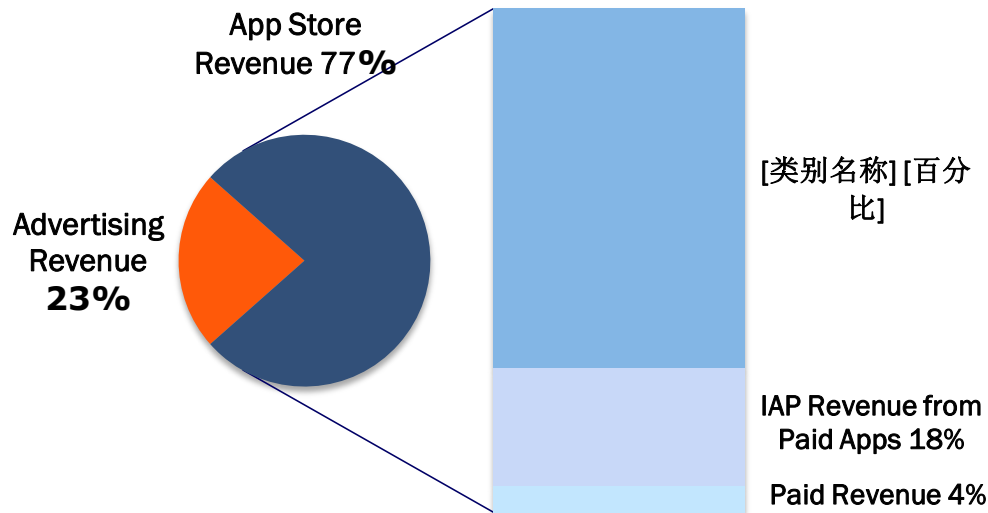
App Install Ads

Branding Campaigns

## 2. Don't be fooled: analytics is key

IAP still gets the bigger part of the pie in terms of **revenue**, but...

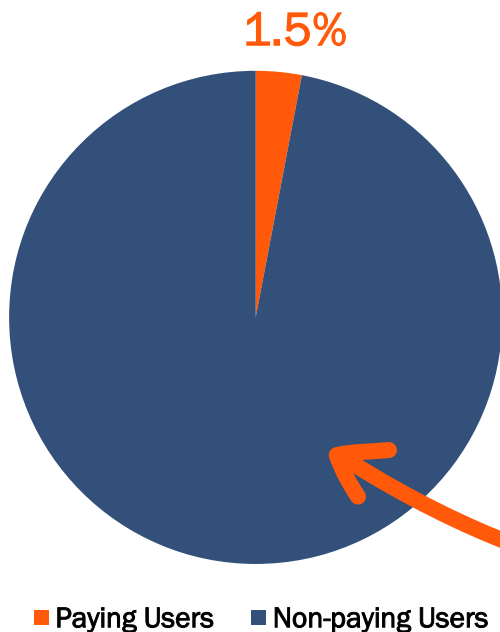
### Mobile revenue breakdown



Source: Flurry, Distimo

## 2. Don't be fooled: analytics is key

... **reality hits**: most of your users won't monetize through



### IAP monetization is hard

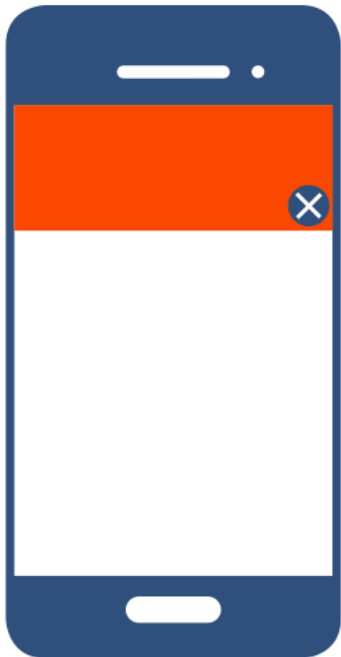
- On average, 98.5% of users do not monetize through IAP at all.
- Free-to-play mechanics are hard to master and are extremely data-driven.
- Advertising helps you monetize the rest of your user base.
- You need a Player Relationship Management tool to know which users to show ads to, and when.

**PRMs can help you with non-monetizing users.**

Source: Swrve

### 3. Challenges of traditional mobile advertising

Banner Ad



Interstitial Ad



### 3. Challenges of traditional mobile advertising

App List



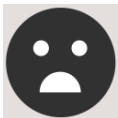
Video Ad



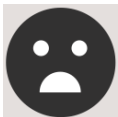
### 3. Challenges of traditional mobile advertising

Format type	Banner ads	Offerwalls	Interstitial ads	Video ads
User value	Intrusive	High user value	Rather Intrusive	High user value
Necessary amount of impressions	High amount of impressions	Very low amount of impressions	Lower amount of impressions	Very low amount of impressions
Average eCPM level	Low eCPMs	High eCPMs	Medium eCPMs	High eCPMs
Main pricing model	CPC	CPA	CPC, CPI	CPV (Cost per view), CPI

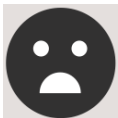
### 3. Challenges of traditional mobile advertising



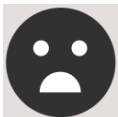
Disrupted user experience



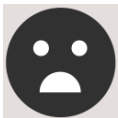
Lower click-through rates and eCPMs



Ad fatigue / ad blindness

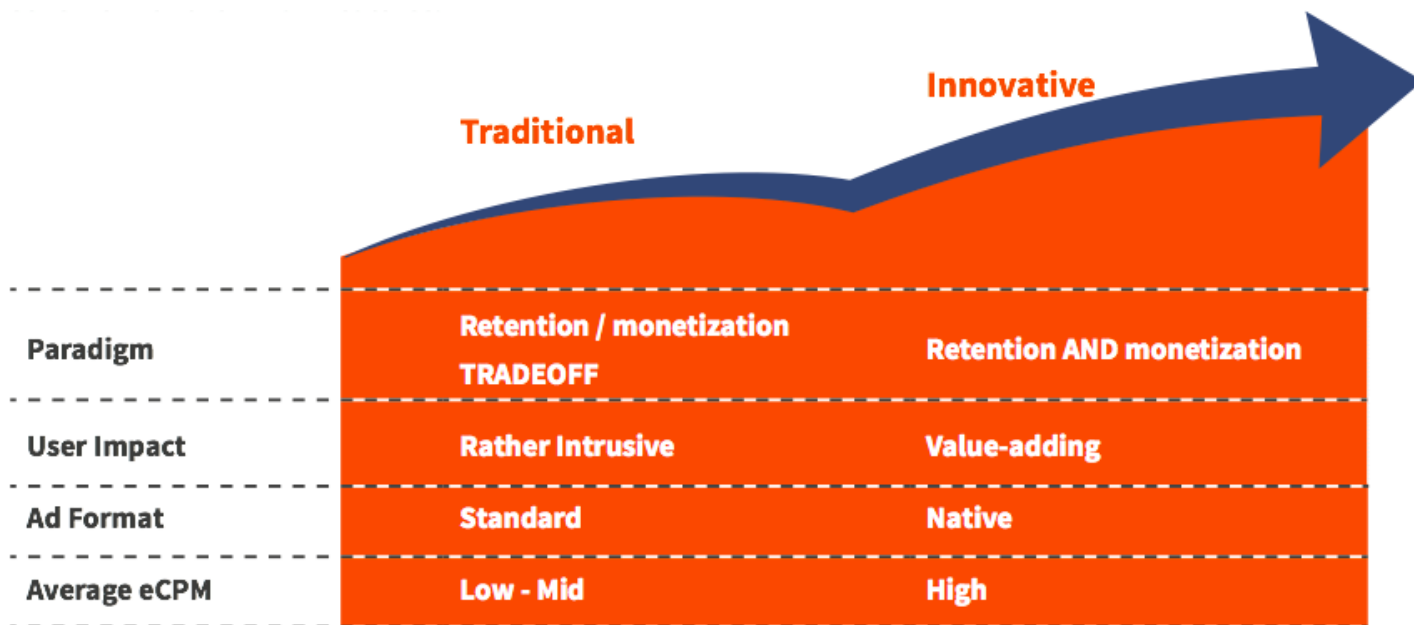


User churn and low retention



Bad app store reviews and user mistrust

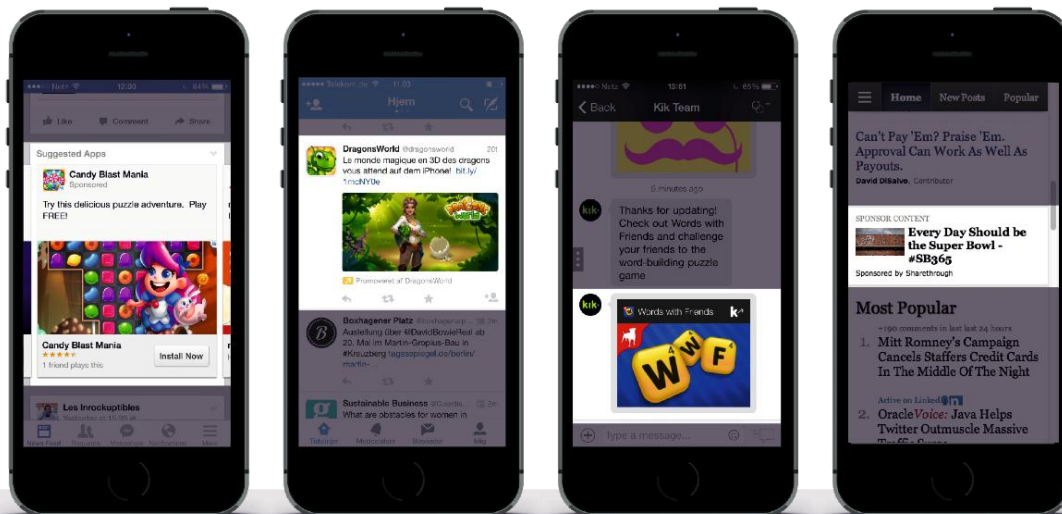
### 3. Challenges of traditional mobile advertising



## 4. Native is hot but...

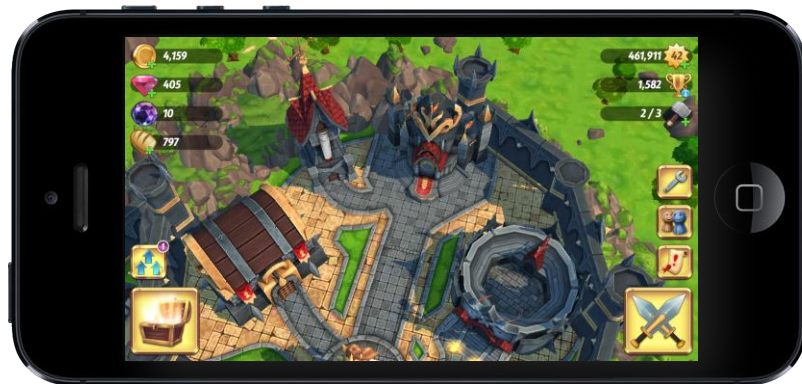
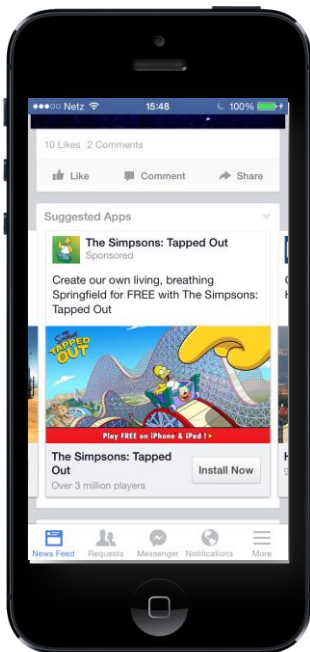
... “native advertising” is nowadays mostly used to describe  
**specific** and **existing** ad formats!

(mainly, in-feed or in-stream ads)



## 4. Native is hot but...

These “Facebook style” ad formats are served through templates which very seldom fit the user experience of mobile games or other apps



## 4. Native is hot but...

Native advertising is not just a different type of ad format, it is a **framework**.



In-stream ads are **rarely a good fit** for games. (unless they have a feed)



For mobile games specifically, native advertising means **adapting** and **customizing** the ad unit to the user experience and user interface of **each specific game**, so as



### Native advertising is a framework:

- For instance, in-feed ads are **per se** an **ad format**. Whether they are native or not depends on the context of **their integration** within the app.
- Conversely, a banner can be native **if it has the right integration** (stay tuned...)

## 5. How it **can** be done (Game)

Sweets Mania by Webelinx



## 5. How it **can** be done (Game)

Happy Mall by Happy Labs



1. Click Image banner



Result

CTR 4 ~5% (vs. banner ad 0.6%)

2. Display Native Ad format



## 5. How it **can** be done (Game)

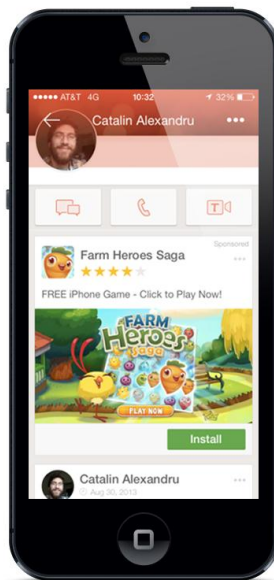
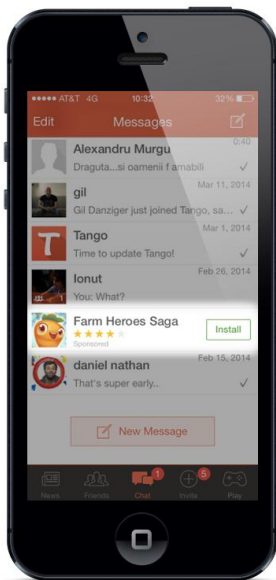


## 5. How it **can** be done (Game)

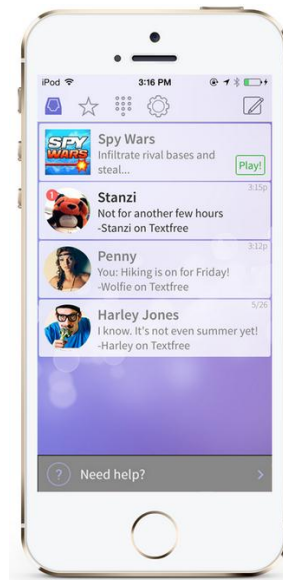


## 5. How it **can** be done (Messaging)

Tango

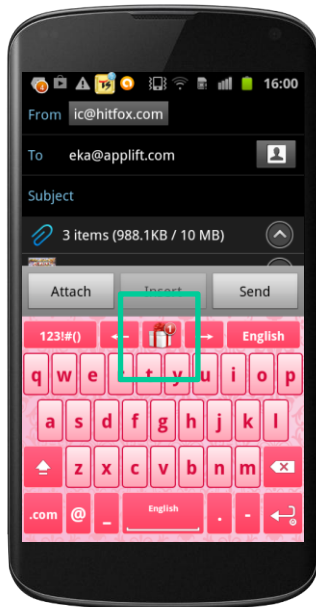


Pinger

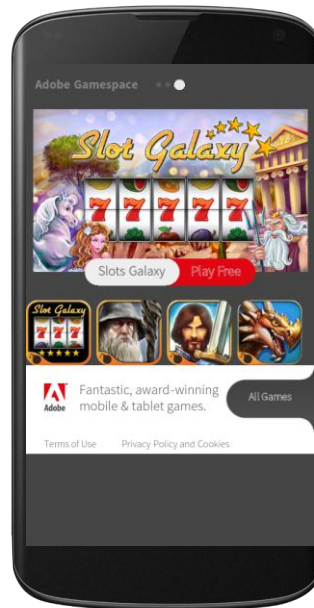


## 5. How it **can** be done (Others)

My Pink Keyboard









Adobe Air



## 5. How it can be done (Results)

Overall **native performance**  
for the main countries

	CTR	CR	eCPM
 Canada	3.56 %	6.16 %	\$ 4.65
 France	5.66 %	3.06 %	\$ 4.88
 Germany	4.32 %	4.96 %	\$ 3.73
 Russia	11.27 %	2.06 %	\$ 2.81
 UK	4.49 %	10.21 %	\$ 8.12
 US	3.67 %	8.47 %	\$ 5.60
R.O.W average	4.56 %	5.49 %	\$ 1.77

VS

Average performance  
for traditional formats

	CTR	CR	eCPM
Banner	0.23 %	0.17 %	\$0.13
Interstitial	1.20 %	2.34 %	\$ 0.90
Offer Wall	1.32 %	1.98 %	\$ 0.88
Video	2.42 %	3.79 %	\$ 2.98
Other Rich media	2.13 %	3.14 %	\$ 2.25

## 6. No SDK

Native advertising does not require the integration of a **third-party SDK**...  
...as a matter of fact, it goes against it!

Most “native” solutions usually offer a limited amount of templates (e.g. interstitials or in-stream ads to integrate within your app) **through an SDK**.

Even though templates can be customized to the app’s look and feel, they remain fixed **templates**.

Because each game is different, the only way to offer **truly native** ad formats is to create them **yourself**!



## 6. No SDK

SDK

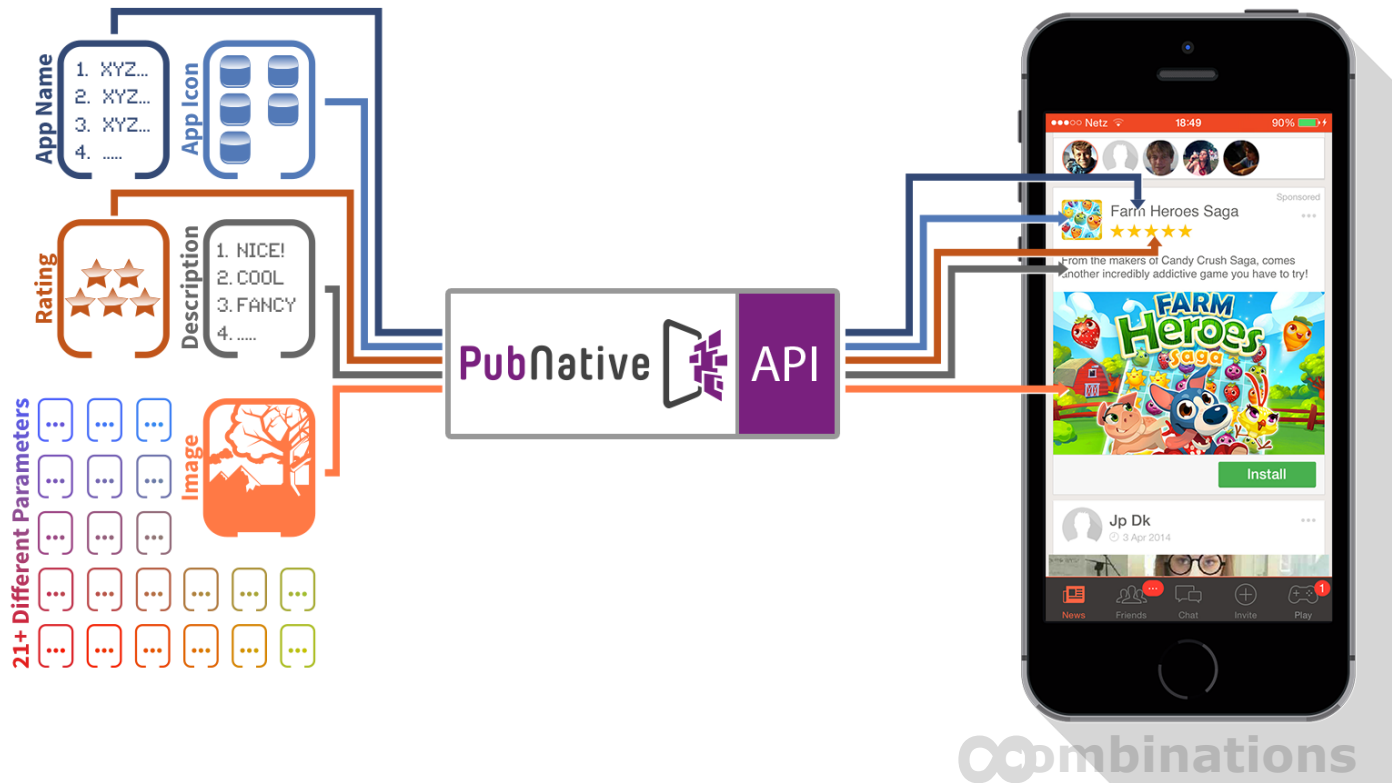


API

VS



## 6. No SDK



# Questions?