

# A Playbook on Mobile Ad Mediation App Monetization Insights for Game Developers

Q1, 2018



# Report Objective

This report has been created to help game app developers understand-

- Ad Mediation
- The Evolving Landscape of Mobile Gaming
- How Digital Ad Spends are Impacting In-App Ad Economy
- Latest Insights from Chocolate Video Ad Mediation Platform

## What is Ad Mediation

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## How is Ad Mediation SDK better than any other ad network SDK?

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Ad Mediation is a technology that maximizes the advertising revenue for mobile app developers by managing end-to-end processes for monetization. This technology increases monetization by ensuring competition between different demand sources/ad networks. It also provides enhanced reporting, easier on-boarding of different ad networks and algorithms for yield management

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Developers vows in spending countless hours creating a game and then even more towards monetizing it optimally are addressed by Ad Mediation SDK, it -

**Creates competition and increases your CPMs:** Ad Mediation Platform gives you the ability to add and manage multiple ad networks/demand partners and let them compete with each other for your supply. If there are more ad networks competing for your supply, you are likely to generate more revenue. A good mediation platform does exactly that for you.

**Saves time and effort to integrate multiple SDKs:** You don't need to worry about managing and adding multiple advertising SDKs from different partners. The mediation platform offers you a one-stop, one-integration solution. A good Mediation Platform comes pre-packaged with different Ad networks - SDKs. This saves your huge efforts and time and adds greater convenience. You have to just integrate one SDK and you are ready to go. It also manages future updates and troubleshooting for you.

**Simplifies management and pay-outs from multiple networks:** A smart ad mediation platform aggregates the payment from all different ad networks and enables a single-point for billing. This makes the pay-out process faster, reliable and hassle free allowing you to utilize your time efficiently on other more important aspects like user acquisition, engagement etc.

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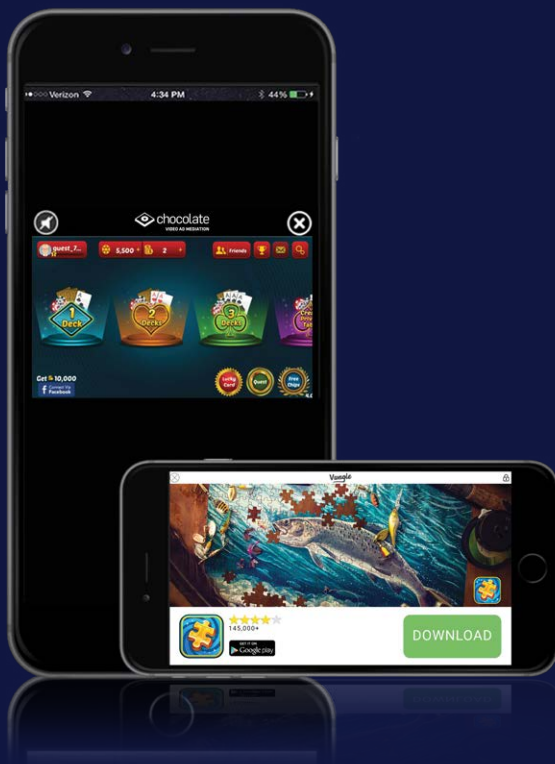
## What is Universal Auction Technology?

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**Universal Auction** eliminates the challenges posed by traditional waterfall models. Universal Auction selects the highest demand source across all mediating networks instead of picking bids from any preferred network, thus, alleviating any revenue loss and maximizing revenue. This real-time bidding happens programmatically in fraction of secs and assures developers that he is receiving the best price for his ad space at all times.



# Evolving Landscape of Mobile Gaming Apps.



## 209

million mobile phone gamers in US by 2019

## 4

average no. of gaming apps users have on their smartphones

## 78%

of game app users access them everyday

## 55 minutes

per day are spent on game apps

## 25%

smartphone owners use casual games each month

## Top Game categories



Casual



Puzzle



Arcade



Sports



Strategy

Source: eMarketer 2016, IPSOS MORI, 2017

A background image showing a group of five diverse young adults sitting outdoors on a bench, looking at their smartphones and tablets. The image is overlaid with a dark blue semi-transparent rectangle containing the title text.

# How are Digital Ad Spends Impacting In-App Economy?

**3X increase**

on in-app ad spend by 2021

**\$201 Billion**

Total In-app ad spend estimated by 2021

**Source:** App Annie, Aug 2017

Video is  
leading the  
exponential  
growth in  
in-app  
advertising

**\$22.5 Billion**

Global ad spend on mobile video in 2018

**25%**

growth in mobile video ad spend  
in 2018 vs 2017

## Most Effective App Monetization Methods

**75%**

Rewarded Video Ads

**63%**

In-App Purchases

**44%**

Interstitial Video Ads

**32%**

Playable Ads

**31%**

Interstitial Display Ads

**26%**

Native Ads

**24%**

Banner Display Ads

**22%**

Preroll Video Ads

**14%**

Paid App Downloads

**14%**

Paid Subscriptions

**13%**

In-feed Video Ads

**6%**

Affiliate Programs

**Source:** Zenith, July 2017, IDC Report, 2017



A background image of a person holding a smartphone, with a dark blue overlay and a white rectangular frame containing the title text.

# Partnering with a Video Ad Mediation Platform to be the Key to Monetization for Game Developers

# Checklist for picking the right video ad mediation SDK for your gaming app

Ever since software development kits (SDKs) arrived on the scene, it's become easier for developers to integrate their apps with other services. However, given the sheer number of SDKs out there, choosing the one that has the right balance of quality and features can be a difficult task.

Mobile video ad mediation SDKs in particular need to have an ideal mix of features, transparency, quality, reliability, documentation, and ease/speed of integration. A wrong choice can cause frustration for both the developer and end user – and eventually make or break your app.

Let's look at the factors one needs to evaluate before zeroing in on a video ad mediation SDK:



## Ease/speed of integration

Developers greatly appreciate easy-to-understand and well-documented SDKs and APIs to integrate with their apps. Always read the documentation to understand how the SDK is structured, what dependency management tools it supports (Maven, CocoaPods or similar), and whether it offers support for popular gaming frameworks such as Unity or Cocos2d-x. This knowledge will reduce the time and effort you spend during final integration.



## Choice of ad networks

Mobile ad SDKs and mediation platforms should offer developers a choice of ad networks and demand sources. The more the demand sources, the better the chances to get improved fill rates. It should also be easy to add/remove ad networks from the SDK as required, without the need to contact the account manager or the SDK platform.





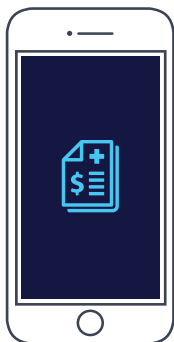
### Continuous SDK updates

Mobile video ad SDKs should be updated regularly with bug fixes, feature additions, support for multiple ad units, and addition of new ad networks or demand sources. A high frequency of updates is an indication of a good and robust mobile video ad SDK. You can refer to changelogs to see how frequently the SDK updates are rolled out by the mediation platforms



### Support for various ad units

Online ads come in various shapes and sizes. Developers select the best ones keeping in mind their apps. For instance, gaming apps prefer video ads in exchange for in-app virtual currency or credits, also known as rewarded video ads. Before choosing an SDK, developers should know what ad units it supports across various ad networks. That way, they can run different types of ads on their apps and attract more advertisers.



### Analytics, reporting, and billing

Modern ad mediation platforms offer convenience to developers by eliminating the need to integrate multiple SDKs and log into various dashboards to review ad performance and other metrics. A good SDK will have unified single-view reporting to show data and insights of ad performance from various ad networks. Billing and payment can also be consolidated into a single dashboard to speed up and simplify payouts.



### Focus on end-user experience

Mobile ad SDKs should be nimble and have a minimal footprint on the app. Developers should look for SDKs with efficient RAM and data network usage. This helps in reducing latency and ensuring an overall better experience in serving ads on users' smartphones. Additionally, the SDK file size should also be considered during the evaluation stage; to ensure that the app remains lightweight

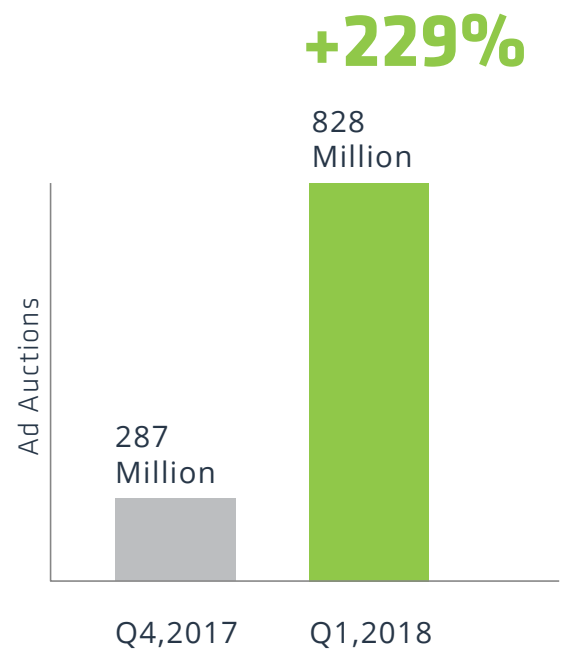
As indicated various factors come into play while evaluating a mobile video ad mediation SDK. Striking a balance between quality and features while choosing one, is the key to your game app's successful monetization.



# Latest Insights from Chocolate Ad Mediation Platform

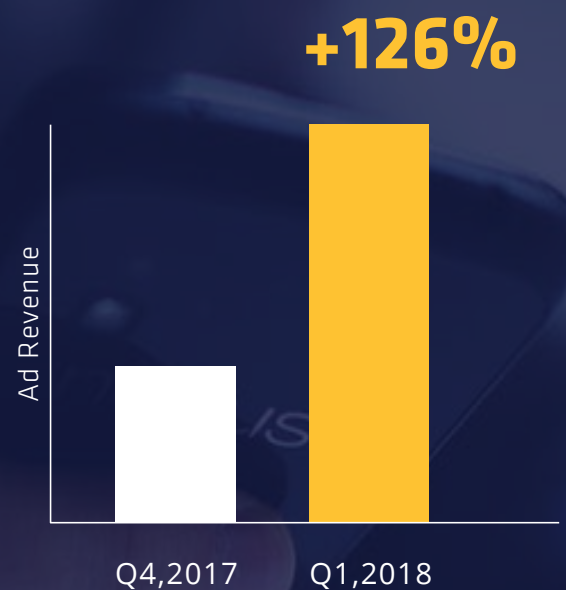
# In-App Ad Requests

Getting higher ad revenues, keeping user satisfaction intact is of paramount importance to app developers. We have seen more and more developers adopting mediation as the core ad monetization tactic. At Chocolate, we offer 16+ ad networks combined with Universal Auction Technology, with a single aim to drive maximum revenues and eCPM for app developers.



# In-App Ad Revenue

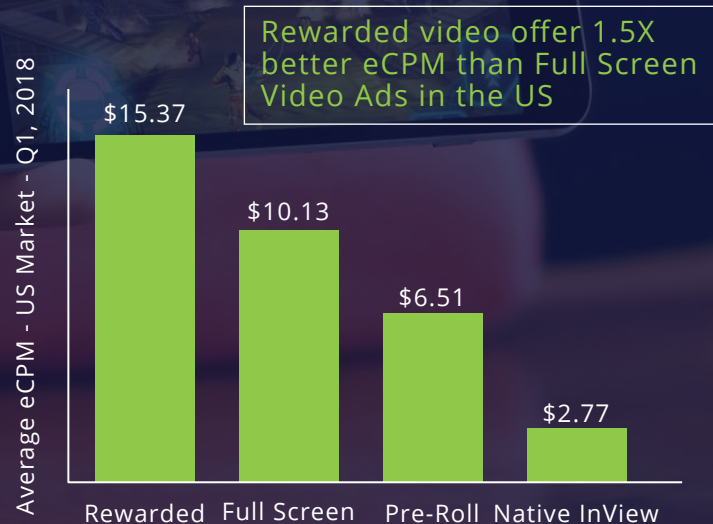
Mobile gamers across the globe are on an average spending 55mins a day playing games. This has been seen as a significant opportunity by marketers to increase investments in apps and capture consumer's attention where they are spending the maximum time. This has unfolded great potential for game developers to monetize and earn increased revenues from their app.





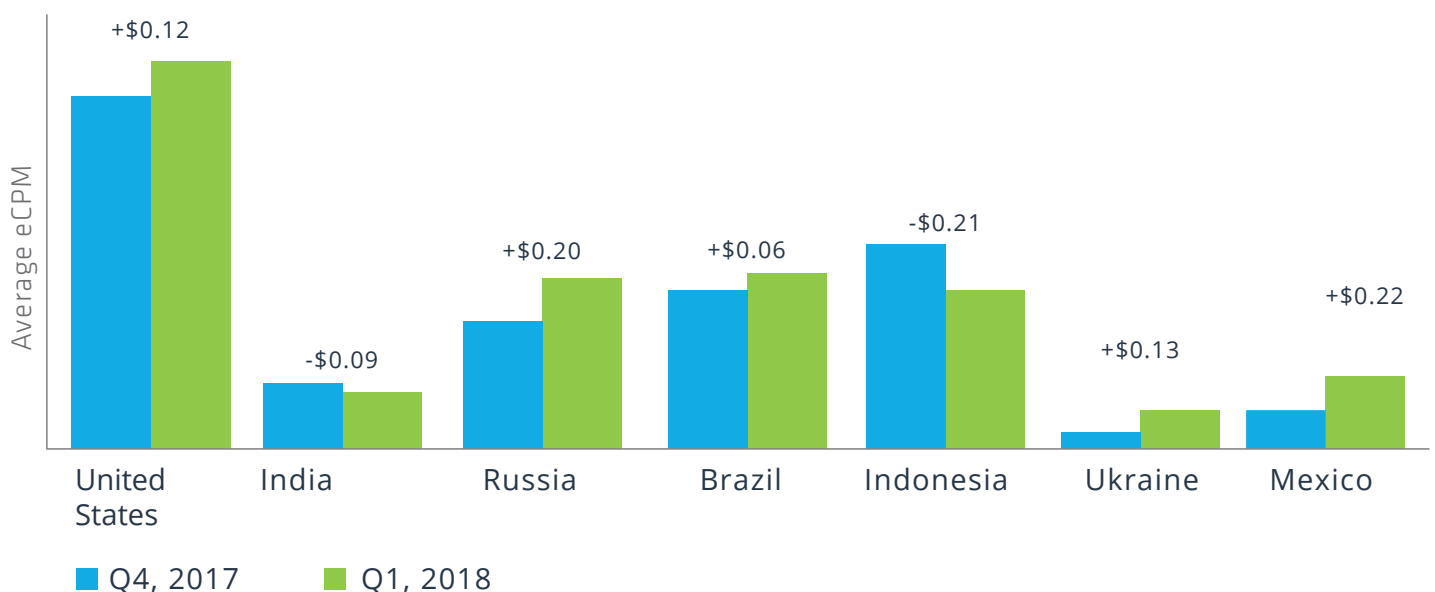
# Top Ad Formats

Studies have shown in-app video ads to perform significantly better than normal banner ads. Our innovative ad formats fetch higher eCPM for developers while maximizing conversions for advertisers. Rewarded video ads have been our best performer, contributing to increased revenues for developer and being the preferred choice of players.



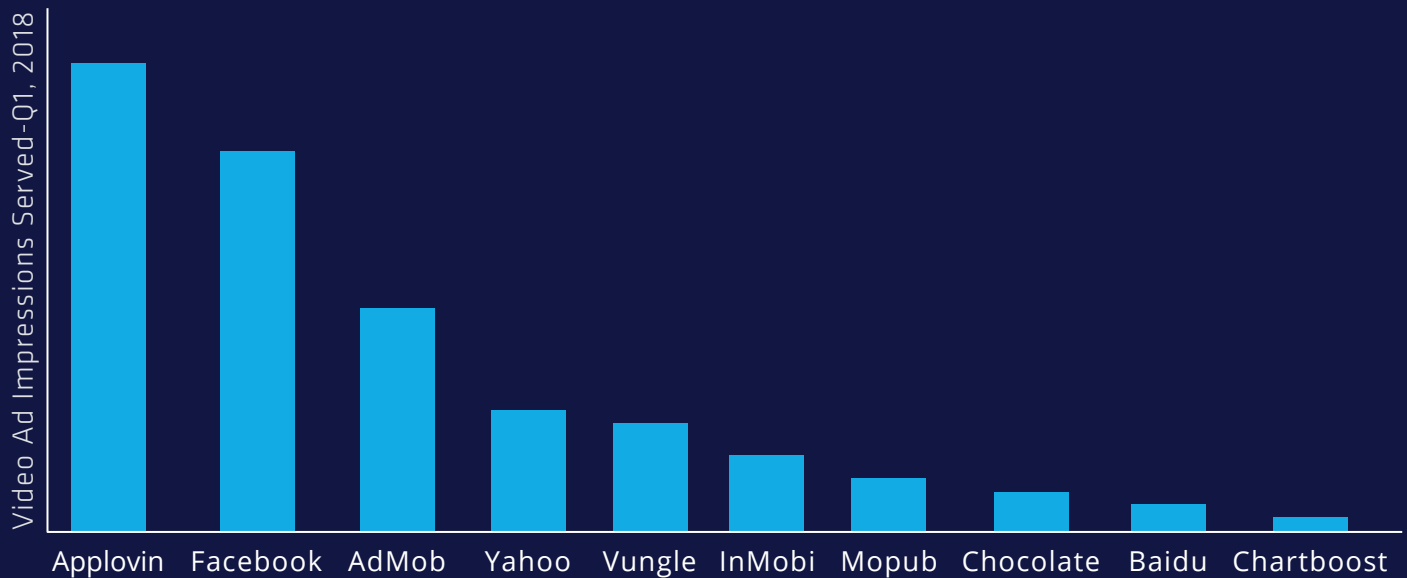
## Top Countries - Change in Average eCPM

Chocolate Ad Mediation observed a surge in eCPM across the globe in Americas, Europe & APAC.



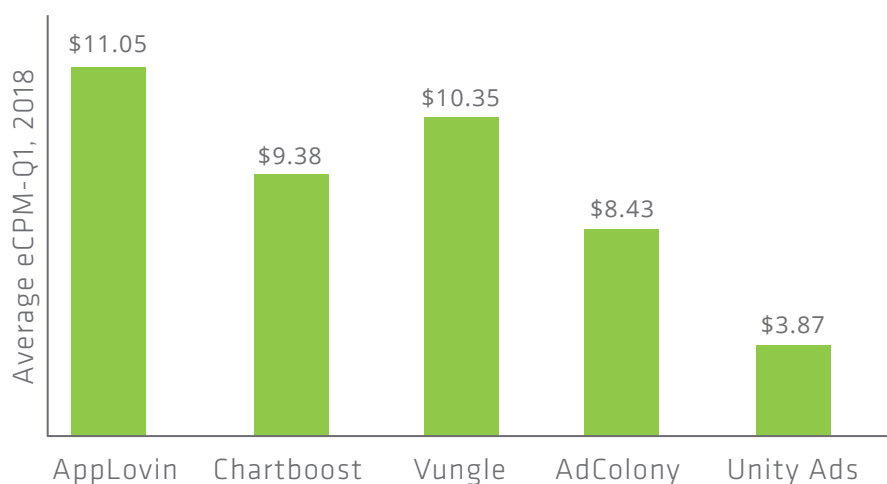
# Top 10 Demand Partners - Overall

Ad Mediation is all about building an ecosystem where we for one have partnered with leading players sourcing the best demand for game developers. Through just a single SDK integration, a developer in a hassle-free manner experiences high fill rates for their in-app ad inventory.



## Top 5 Demand Partners Rewarded Video Ads - US

In a survey 54% of the players cited to choose rewarded video ads specifically – as their preferred way to ‘pay’ for a mobile game. While in contrast only 18% of players prefer to put down money for a game up front or for an in-app purchase. Our platform offers in-app advertising model as an end-to-end monetization solution for developers. We contribute to developer’s ad strategy by providing simple and effective ad formats.





# About Chocolate

Chocolate is a global leader in mobile video advertising. Chocolate offers two core products, Chocolate Marketplace, a global programmatic buying and selling platform for mobile video advertising and Chocolate Mediation, an end-to-end monetization solution for app developers & publishers. Chocolate is a privately held, venture-backed company headquartered in Silicon Valley with offices in San Francisco, CA and India.

To Download Chocolate Ad Mediation SDK, [Click Here](#)

To know more about Chocolate Ad Mediation, [Watch Video](#)

For any questions, please write to us at [marketing@chocolateplatform.com](mailto:marketing@chocolateplatform.com)