Apptica

Mobile User Acquisition Trends in 2020

Report & Infographics

Contents

Apptica is your primary source of comprehensive analytics on the mobile market.

The mobile industry has always been one of the most rapid-growing and competitive fields hosting thousands of professionals from all over the world. Best of them are always looking for new opportunities to expand their business - a secret weapon that will allow them to achieve more by paying less. In Apptica, we truly believe – that weapon is knowledge, and it's available to everyone.

Apptica provides mobile experts with accurate analytical data on mobile applications and in-app advertising - everything you wanted to know about your competitors performing on the market is uncovered. Gain competitive insights and drive your mobile app forward with Apptica!

This report unveils analytics on the state of the mobile market, current trends in advertising, ASO, development, design and much more.

> Methodology

The information is based on Apptica Intelligence – result-driving mobile analytics solution for your business.
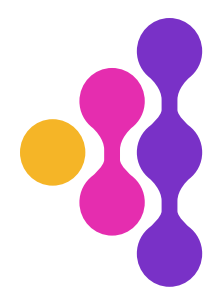
Figures in this report are calculated for the period from January 1 to December 31, 2019, in App Store and Google Play.

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1

Global Trends in 2020

At the beginning of the new millennium, mobile applications penetrated every business area. No matter who you are or what you're looking for, you can guarantee that 'there's an app for that.' Such a significant growth of the mobile field, considering apps have maintained their role as a critical revenue stream for the industry, made user acquisition a crucial part of product development. Too much competition on the market places UA managers in the face of numerous challenges, and this year is no exception mobile marketers seek for new ways to improve UA, maximize ROI or expand to the new market.

This report is intended to highlight the latest trends in UA and help professionals adjust their strategy in accordance with current market flows.

5G

2019 was the start of 5G technology adaptation. Of course, this process will be on a frontier in 2020 and, according to experts, by the end of the year, 5G will be successfully integrated in North America and other industrial countries. This technology will have a big impact on data security, app speed, and design.
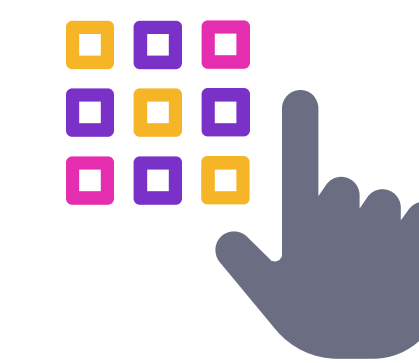
No-code technologies

This is a significant breakthrough in app development, which will also affect the UA managers' job. Along with no-code app builders, some companies offer a no-code playable ad service. This makes playable ads an affordable format with the highest CTR.
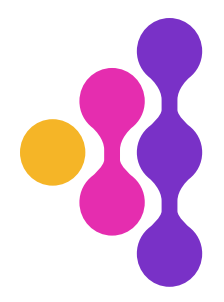
Social networks domination

Over the past 3 years, the share of social networks in the total volume of mobile advertising increased by 27%. With TikTok ads coming to the market, this number should increase even more in 2020.
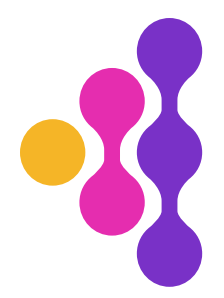
Apple Arcade & Google Free Pass

Special subscriptions that have been released by both stores in 2019 will have a big impact on the free-to-play gaming market. With the wide distribution of this subscription, experts will have to look for new approaches to in-app advertising.
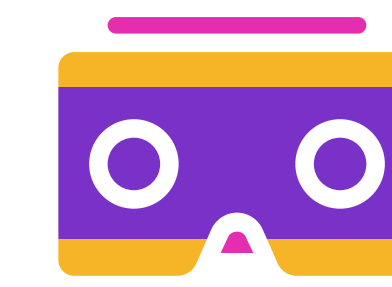
AR/VR

Augmented and virtual reality technologies have been a hot topic for some time now. However, in 2020 it comes with a new opportunity not only for game developers but also for marketers. We presume AR advertising to be the hottest marketing trend of the decade.

An app is nothing without users.

User acquisition against the backdrop of a highly crowded market and a fast pace of technology development may become a real struggle for marketers. We listened to the experts talked about their main professional pains and scooped the main 5 UA challenges in 2020.
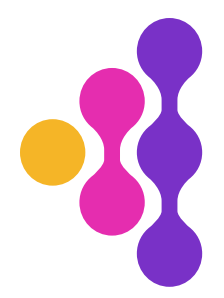
UA challenges in 2020

1. Growing cost of UA

2. Combating Ad Fraud

3. Team management (when working over many apps with very different needs and budgets)

4. Misleading creatives

5. Structuring multi-channel UA campaigns

Today, the biggest challenge in User Acquisition within the gaming field is that there are too many mobile games competing with each other for the same audience. This year, one of our main goals is a constant testing of new channels and technologies in order to get high quality users for our apps in a timely manner. Also, we will keep experimenting with new creative concepts to be even more competitive in this fast-growing industry.

Gulnaz Saitova,
User Acquisition Team Lead at
Azur Games

AZUR GAMES

A cutting edge approach to the soft-launch

In the situation when the current soft-launch markets are becoming more and more costly in terms of UA, it's time to pay attention to non-obvious but promising countries where testing will not cost you a fortune.

1

Russia

Although Russia is considered as a Tier 2 country, it is a large territory where many mobile game lovers live. In Q3 2019, Russia ranks second right after the United States in the list of countries with the largest volume of ads in mobile games (Android). Russia is also #9 contributing country in the App Store*.

* – Mobile Advertising and App Intelligence Report Q3 2019 by Apptica

2

Middle East

The Middle East is showing a great opportunity for gaming, says AppsFlyer*. Saudi Arabia and Egypt are among the fastest-growing markets in Hyper-casual and Midcore categories.
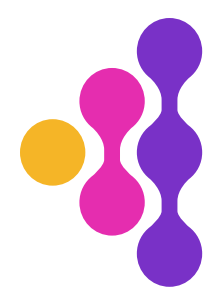
* – The State of Gaming App Marketing 2019 by AppsFlyer

3

Australia and New Zealand

According to the latest statistics, Oceanians happened to be big fans of mobile casinos*. Among 5 the most profitable apps in the Oceania region in 2019, 4 are slots. Thus, specific game categories may benefit more from these countries than others.

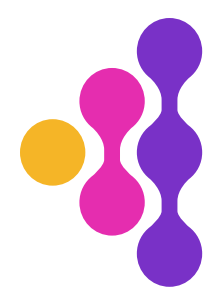* – How did users pay for mobile apps in 2019? by MarComm News

4

Latin America

According to AppsFlyer, Brazil is the top growing country in 4 of 5 categories (Hyper-casual, Casual, Midcore, Hardcore, Social Casino). Other LATAM countries perform well too: Mexico in Casual, Colombia, Chili in Midcore, and Colombia in Hardcore. When expanding the search to the LATAM region, publishers find users with unique behavior and the potential to download and play mobile games.

5

Netherlands

When it comes to the soft-launch, many gaming publishers choose Canada due to its cultural and behavioral resemblance to the US. Although Canada isn't a cheap country to run advertising in, so publishers with no big budgets may pay attention to the country that has been similarly influenced, for example – Netherlands. Almost the entire population of the Netherlands speaks English, and the Netherlands is a European business center, where people from different countries come to work, which creates a multicultural background. At the same time, advertising in the Netherlands is much cheaper than in Canada.

A cutting edge approach to the soft-launch

Despite the fact that Canada has remained the most popular soft-launch country in 2019, we already see some of the new countries coming into the picture. In 2020 we expect the Netherlands, Singapore, Russia, Korea to rise in this ranking.
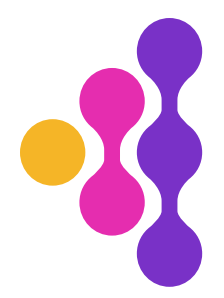
Top soft-launch countries in 2019

iOS

1. 🇺🇸 United States
2. 🇨🇦 Canada
3. 🇦🇺 Australia
4. 🇳🇿 New Zealand
5. 🇨🇳 China
6. 🇫🇷 France
7. 🇳🇱 Netherlands
8. 🇸🇬 Singapore
9. 🇬🇧 United Kingdom
10. 🇷🇺 Russia

Android

1. 🇨🇦 Canda
2. 🇺🇸 United States
3. 🇦🇺 Australia
4. 🇰🇷 South Korea
5. 🇷🇺 Russia
6. 🇯🇵 Japan
7. 🇳🇿 New Zealand
8. 🇬🇧 United Kingdom
9. 🇧🇷 Brazil
10. 🇮🇳 India

Social networks have always played a significant role in the life of mobile users. And every year, social networks are becoming an increasingly important marketing tool. In 2020, we expect **TikTok** to increase its market share and become a go-to advertising tool. Facebook and Instagram keep their market, but still remain expensive platforms for many publishers. Facebook's strict advertising policy also prevents some advertisers from collaborating.

By late 2019, TikTok reached 800 million monthly active users worldwide. It has exceeded 1.5 billion downloads worldwide on the App Store and Google Play. TikTok has become a major force on the mobile platforms, almost by stealth. Despite TikTok's high usage numbers, most people over 25 still claim that they haven't heard of it.
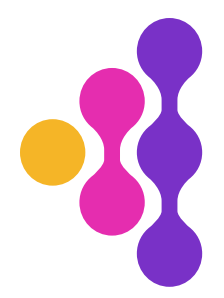
But to many Generation Z and the Millennials, TikTok has become an essential part of their everyday life. With this rise in popularity, marketers are unsurprisingly clamoring to advertise on the platform.

Although late to take advantage of this, TikTok has finally established a formal marketing platform, that operates in much the same way as the Facebook / Instagram advertising network.

TikTok ads are likely to explode in 2020, as more youth-focused brands recognize the potential of TikTok advertising. Many of today's marketers are too old to have used TikTok (or its predecessor Musical.ly). As more young marketers enter the industry and gain prominence in the marketing teams of brands, TikTok is likely to become a natural marketing channel for them to find their target audience.
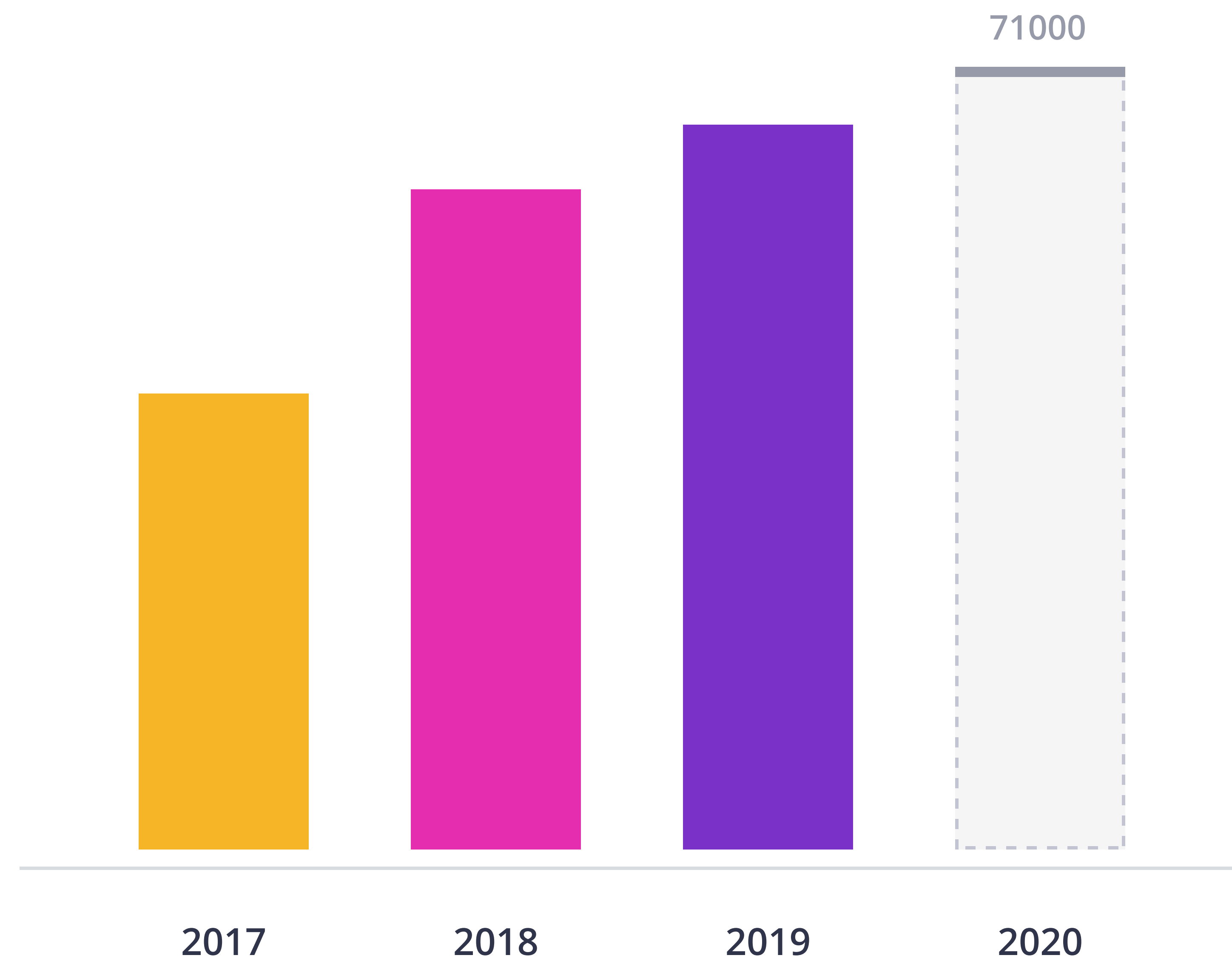
Werner Geyser,
Founder at **Influencer Marketing Hub**

Influencer
MarketingHub

Paid UA: **Advertisers**

The number of advertisers in the market is growing steadily every year. In 2019, advertisers in App Store and Google Play were more than 60 thousand. According to our forecasts, in 2020 this number will increase by 12%.
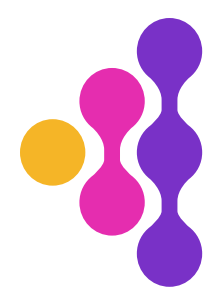
The amount of advertising in the categories varies from year to year. The GAMES category led with more than 56% of advertising on App Store and 41% on Google Play. Whereas in 2018 it had 59% and 44% of the market accordingly. The most popular gaming category is Arcade.
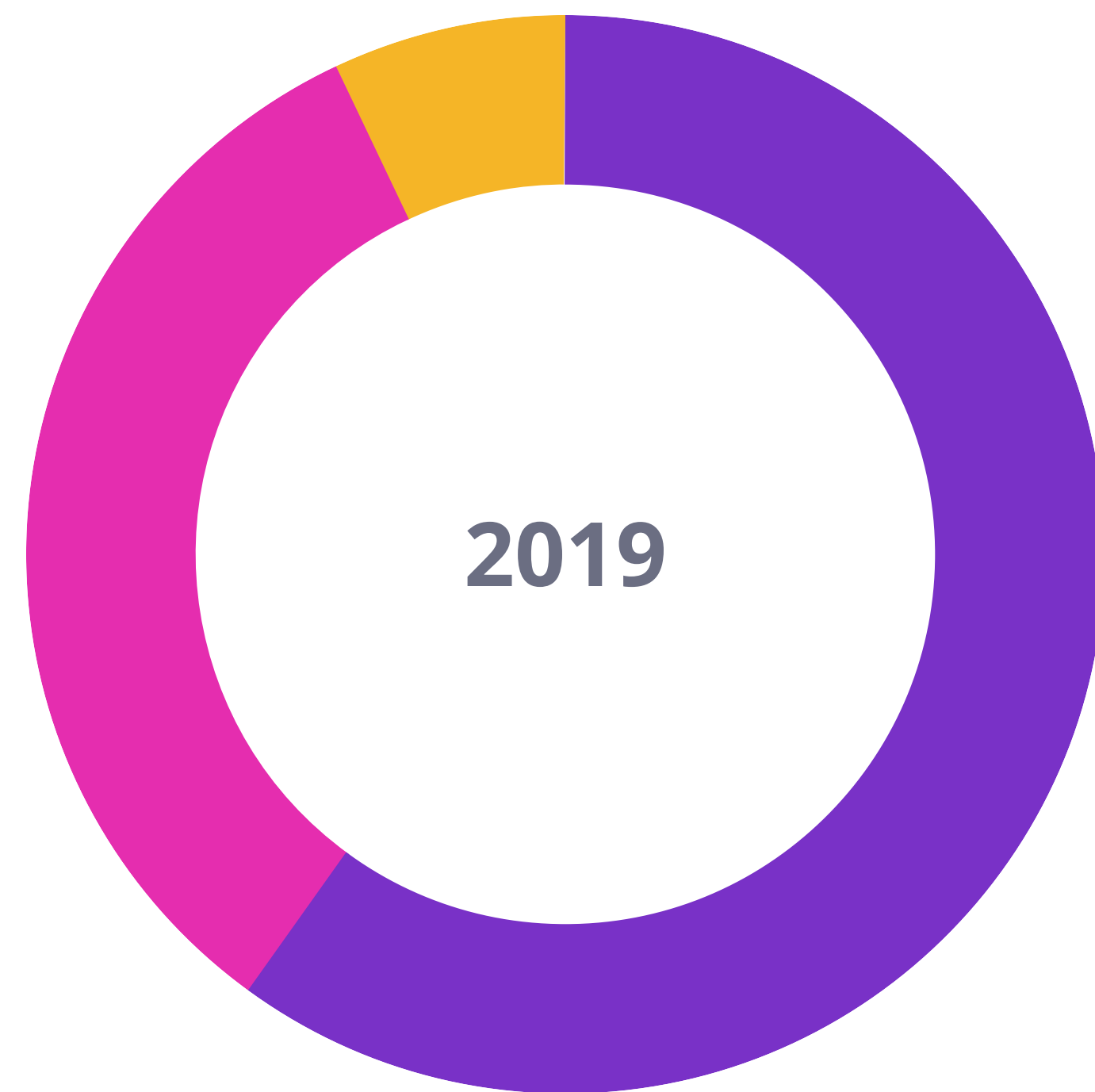
Number of Advertisers

71000

2017   2018   2019   2020

Advertising distribution by Categories

iOS

2019

- ● Arcade   12%   ● Strategy   7.2%
- ● Puzzle   11.5%   ● Adventure   4.9%
- ● Role–Playing   10.3%   ● Family   4.7%
- ● Action   10%   ● Card   4.1%
- ● Simulation   7.8%   ● Others   27.5%

## The most popular mobile ad format is video

2019

- Video – 60%
- Banner – 33%
- Interactive – 7%

Misleading Ad

Fake advertising, which was widely implemented by some publishers of mobile games, became one of the main trends of 2019. Today, this is a hot issue, as some believe that fake advertising is a future of UA in mobile games, while others hate it (there is even a petition on change.org). So far, the Stores withhold comments and this turns up the pressure. However, no matter what position you hold, this is an important trend that you need to think about.
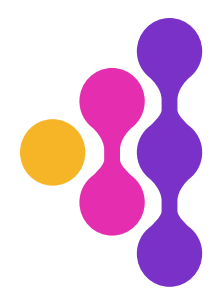
No-code

In 2020, we expect playable ads to increase due to no-code technology. It allows marketers to design interactive ads with no need for special skills. This simplifies the process of creating an ad, which sometimes takes several weeks, and boost ROI.

> *Playable creation can be an expensive process with most established app studios having to hire HTML5 developer or outsourcing the build. AppOnboard Studio reduces the cost per playable massively and able to export to all the major ad networks.*

Sean Parmenter,
Sales Director at **AppOnboard, Inc**

> *To effectively advertise on mobile and across digital platforms, it is essential that marketers have the ability to rapidly iterate, test, and assess multiple creative to drive the best results. This is especially true when it comes to playable/interactive ads since there are so many potential adjustments within the experience that can impact positive results.*
>
> *To support such speed and complexity to efficiently find the "winning" playable ad, the teams responsible for the business outcomes absolutely require tools/platforms to enable this iteration/ testing without the need for costly and time consuming coding and development work.*

Rob Grossberg,
CEO at **TreSensa**

APPFOLLOW

MOST FEATURED IOS APPS

AppFollow conducted research to find out which iOS apps Apple's editors give preference to. The company analyzed over 3,000 apps and games that appeared on the App Store main page across the globe in 2019.
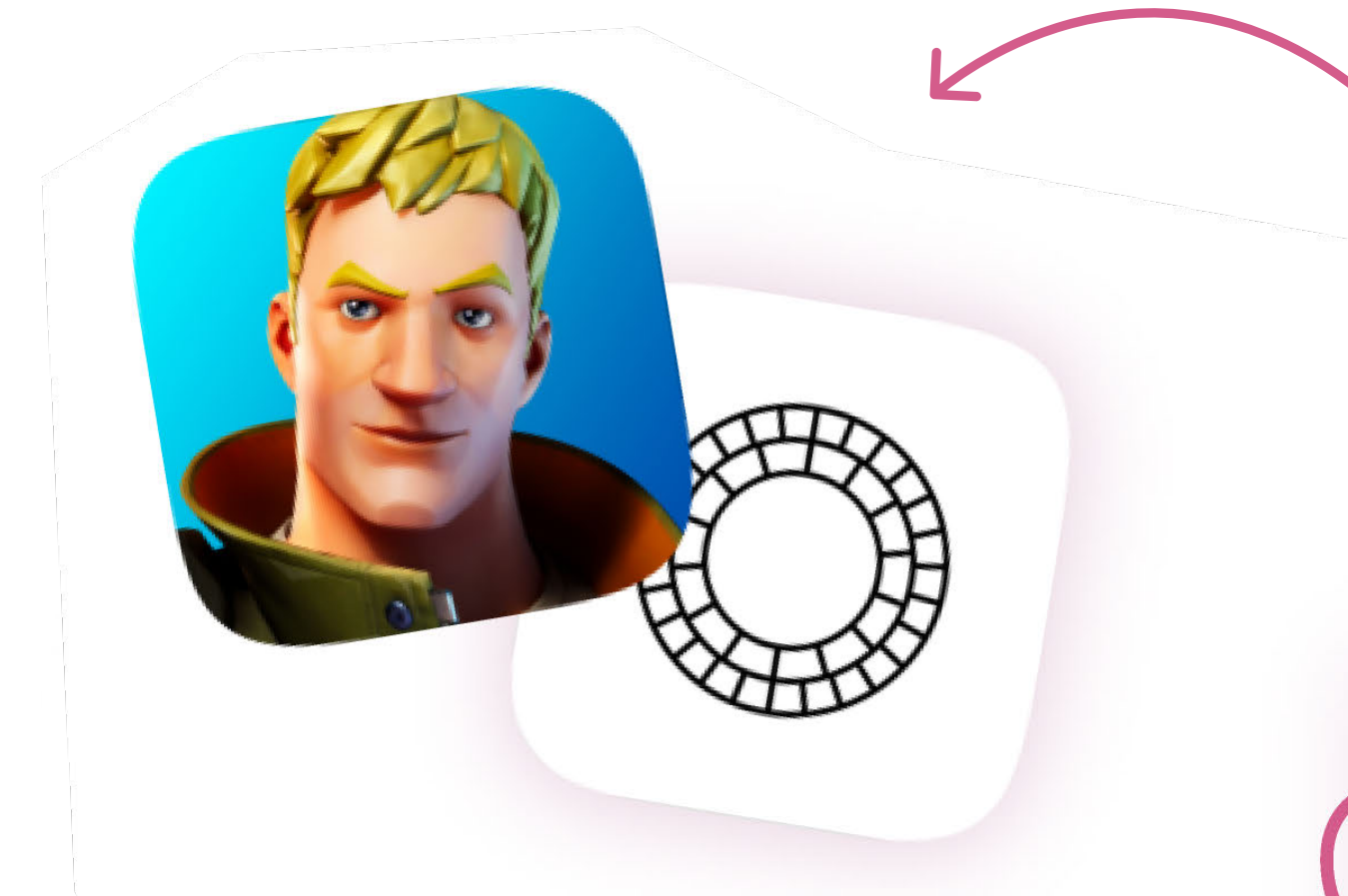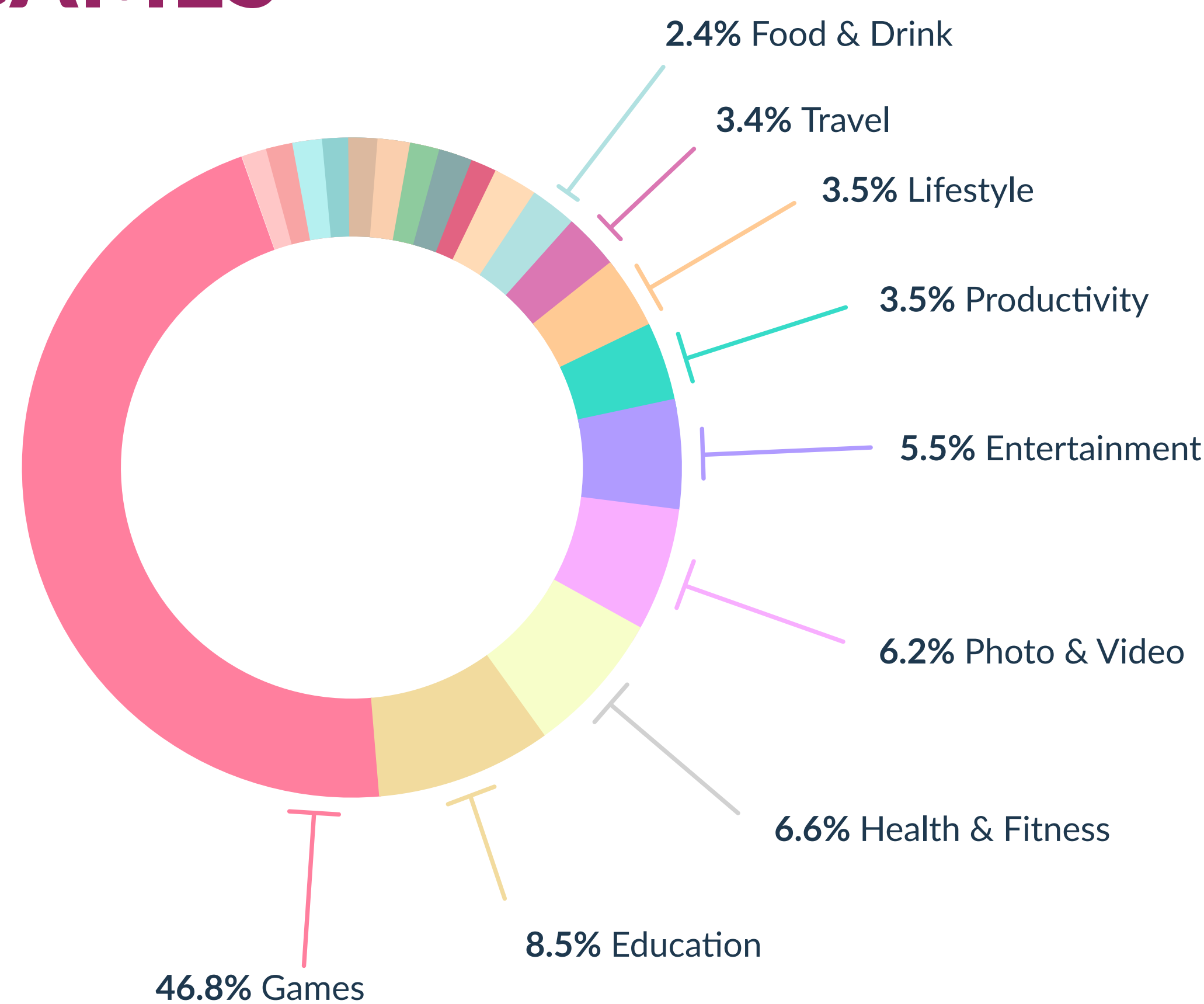
FEATURED APPS VS. GAMES

~53%

of the App Store featured placements were occupied by non-gaming apps

~47%

by gaming apps

2.4% Food & Drink
3.4% Travel
3.5% Lifestyle
3.5% Productivity
5.5% Entertainment
6.2% Photo & Video
6.6% Health & Fitness
8.5% Education
46.8% Games

TOP 5 FEATURED GAMES AND APPS

Name	Genre	Number of times featured	Rating
Fortnite	Adventure	1220	4.6
Asphalt 9: Legends	Sports	785	4.8
Sky:Children of the Light	Family	676	4.9
Archero	Action	609	4.7
Harry Potter: Wizards Unite	Adventure	599	4.6

Name	Genre	Number of times featured	Rating
VSCO: Photo & Video Editor	Photo & Video	673	4.4
Infltr — Infinite Filters	Photo & Video	645	4.6
Enlight Pixaloop — Move Photos	Photo & Video	603	4.8
Darkroom — Photo Editor	Photo & Video	588	4.8
SWEAT: Kayla Itsines Fitness	Health & Fitness	587	4.5

Fortnite and VSCO were the most featured apps in 2019 across all countries

59% of the apps featured by the App Store in 2019 have in-app purchases

21.5% are paid apps

AVERAGE RATING: APPS & GAMES

46% of featured apps and games have an average rating of

4.6 ★ or higher

3.0   3.5   4.0   4.5   5.0
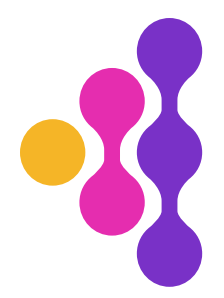
Top Contributing Countries in 2019

The country's purchasing power is crucial information for every UA manager and strategist. No wonder, the US is #1 contributing country what leads to a high advertising price. The US is followed by China and Japan on App Store and Germany and the UK on Google Play.

iOS

1. United States
2. China
3. Japan
4. United Kingdom
5. Germany
6. France
7. Canada
8. Australia
9. Russia
10. Italy

Android

1. United States
2. Germany
3. United Kingdom
4. Australia
5. Canada
6. France
7. Italy
8. China
9. Japan
10. Brazil

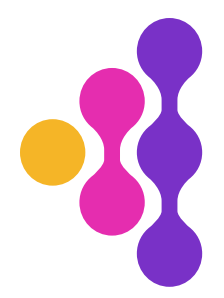# **Top Grossing Categories** in 2019

The past few years **Role-Playing** and **Strategy** games earn the most among all the applications. 2019 has been marked by the rise of hyper-casual games: we see the **Action** category (where the most of hyper-casual games are) on the 4th line of the list on App Store and on the 5th on Google Play. The only two APP categories that hit this top list are **Lifestyle** and **Social Networking** on App Store as well as **Social** and **Entertainment** on Google Play.

iOS

1. Role–Playing
2. Strategy
3. Lifestyle
4. Action
5. Social Networking
6. Puzzle
7. Simulation
8. Adventure
9. Arcade
10. Card

Android

1. Strategy
2. Role playing
3. Casual
4. Casino
5. Action
6. Puzzle
7. Simulation
8. Social
9. Adventure
10. Entertainment

# Performance and Influencer Marketing Trends

Along with the rapid growth of personalization and individual approach to user acquisition, development of own apps dedicated to relevant verticals, creation of specialized platforms with A/B testing for demonstrating and choosing the best promotion channel, as well as many other directions of performance marketing development in 2020, we've highlighted the following trends:

Brandformance. There is a combination of separate performance sources within the framework of the client's product promotion strategy. In addition to classic performance marketing tools, influencer marketing, native advertising, programmatic and DV360 are actively used. These tools work especially well in conjunction with a performance strategy. As a result, the outcome of an advertising campaign is much better.
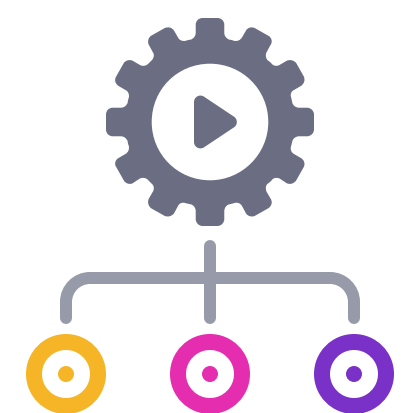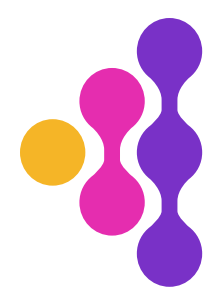
Automation. In any traffic source, creating and running advertising campaigns is associated with a number of similar routine processes. Automation of creation, optimization and scaling advertising campaigns is carried out to give time to media buyers to use creative approaches and test possible working hypotheses.
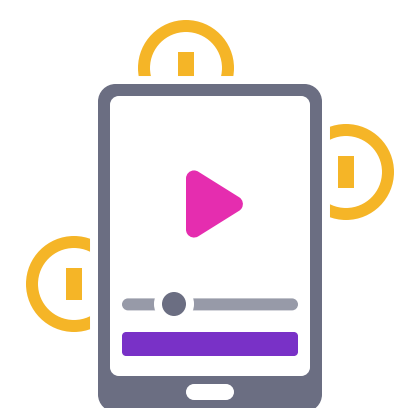
The increasing role of video advertising. Services like Tik Tok and Snapchat are gaining more and more popularity. Video advertising is the main format on such platforms. Moreover, even in classic sources (e.g. Facebook) it has been an the top of the advertising inventory for several years already.

Dmitry Myasnikov,
Head of Performance Marketing at **Zorka.Mobi**

ZORKA
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