

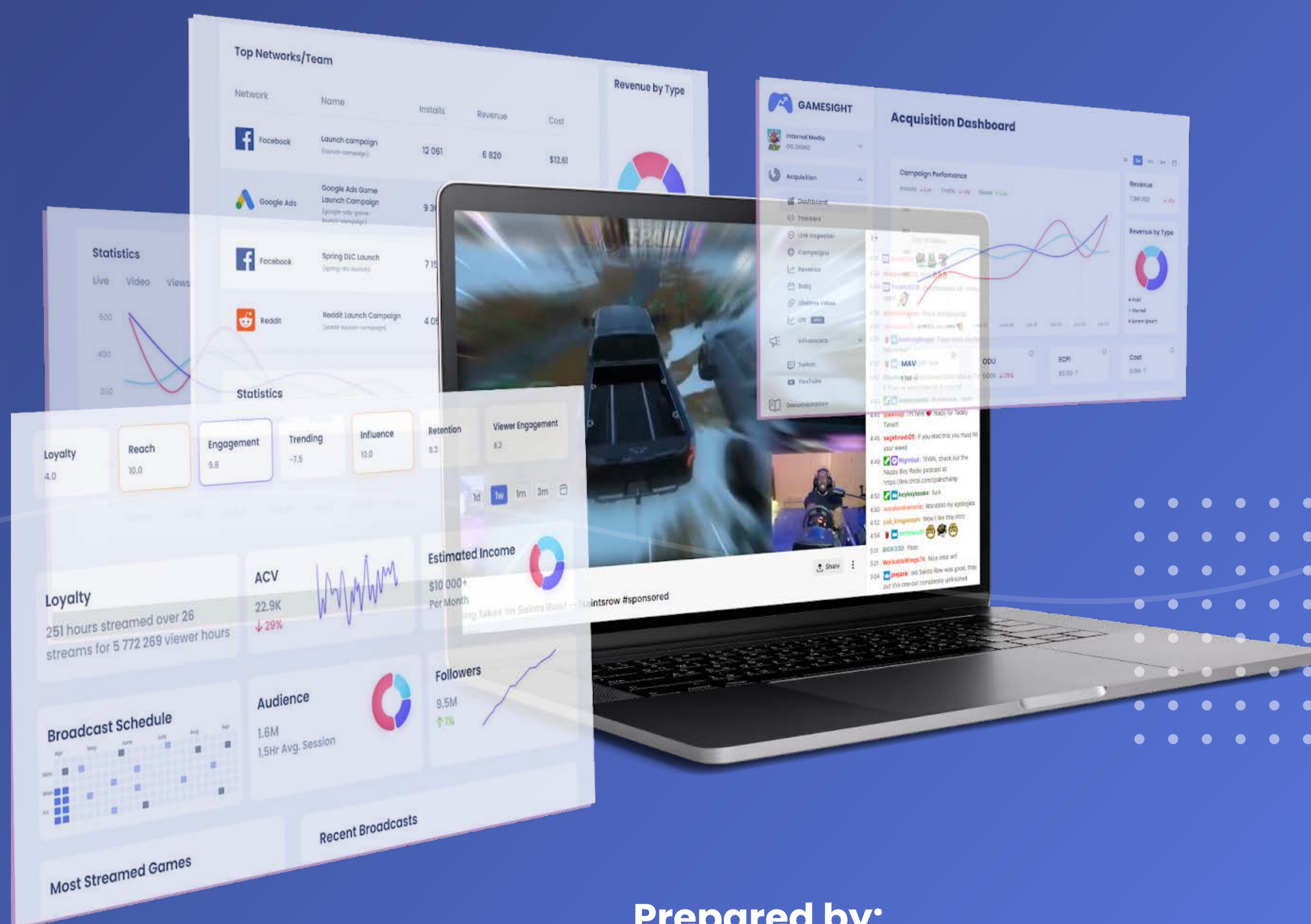


GAMESIGHT

AD NETWORK REPORT 2022

An Analysis of the Gaming Market
For PC, Console, & Mobile

Industry Report
December 9, 2022



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GAMESIGHT

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About Gamesight

Gamesight is a growth engine specializing in PC and console games. Our technology platform combines proprietary data, enterprise-grade software, and market expertise to allow advertisers to connect to their audience.

Gamesight works with some of the top gaming brands in the world like Warner Brothers, Microsoft, Wizards of the Coast, Capcom, Bungie, Riot Games, Square Enix, Bandai Namco, SEGA, and more. In 2022, Gamesight worked with thousands of influencers and ran many of the largest influencer campaigns on Twitch and YouTube.

Gamesight was founded in 2015 in Seattle, Washington. To learn more visit www.gamesight.io or follow us on Twitter or LinkedIn @gamesight.



gamesight.io



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Overview

As experts in the digital marketing sphere, Gamesight is strategically positioned to answer a common question we regularly receive from our customers, which is “What is the most effective marketing channel?”.

Everyone is continuously searching for the best methods to optimize ad spend, and this analysis aims to answer those questions in broad strokes. This report offers an in-depth look at the most popular advertising platforms for PC and console gaming, ranking them using data gathered from the Gamesight engine.

While reading this report, remember that every game is unique. We’re reporting the trends that we see across many of our customers’ games. It is critical to test different channels, platforms, and strategies for your game in particular. In the end, we hope this report gives you a baseline of where to begin your next marketing campaign. Every year marketing within the gaming world evolves. If your goal is to evolve alongside it, reach out to us for a demo on how we can integrate all your marketing data into a single measurement platform to create a holistic view of interactions driven by your marketing efforts.

Methodology

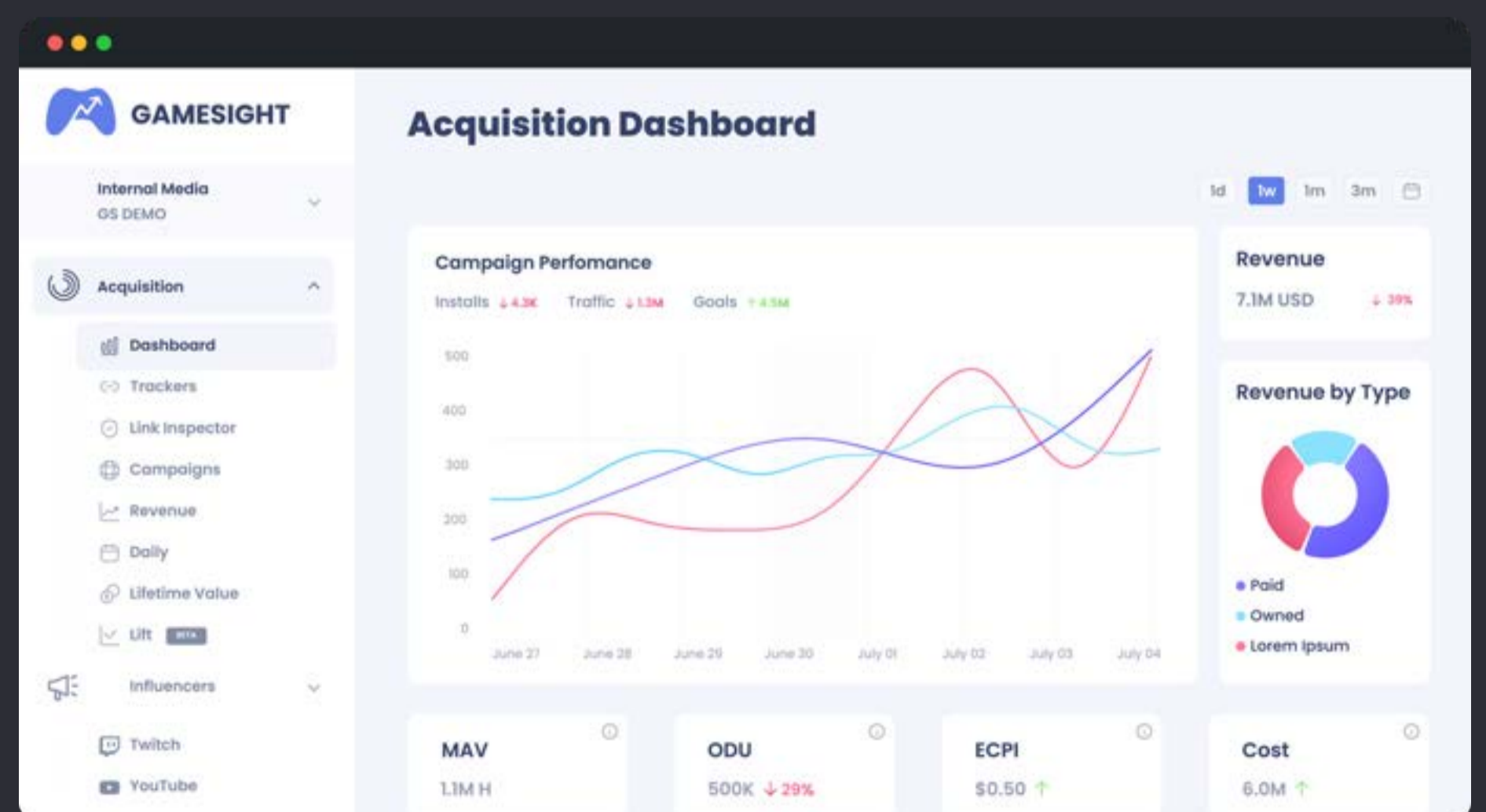
Data capture:

The goal of our research was to uncover which ad platforms offered the highest value to PC and console game publishers. The following is a brief overview of some of the methodology we used for calculating many of the scores, values, and percentages included in this report. To determine value, we used several crucial metrics to grade performance including:

Prevalence – Frequency, reach, and volume run through the platform.

Performance – Click-through, conversion rates, and game fit of players referred.

Retention – How long the average player referred by this platform was retained in the game.



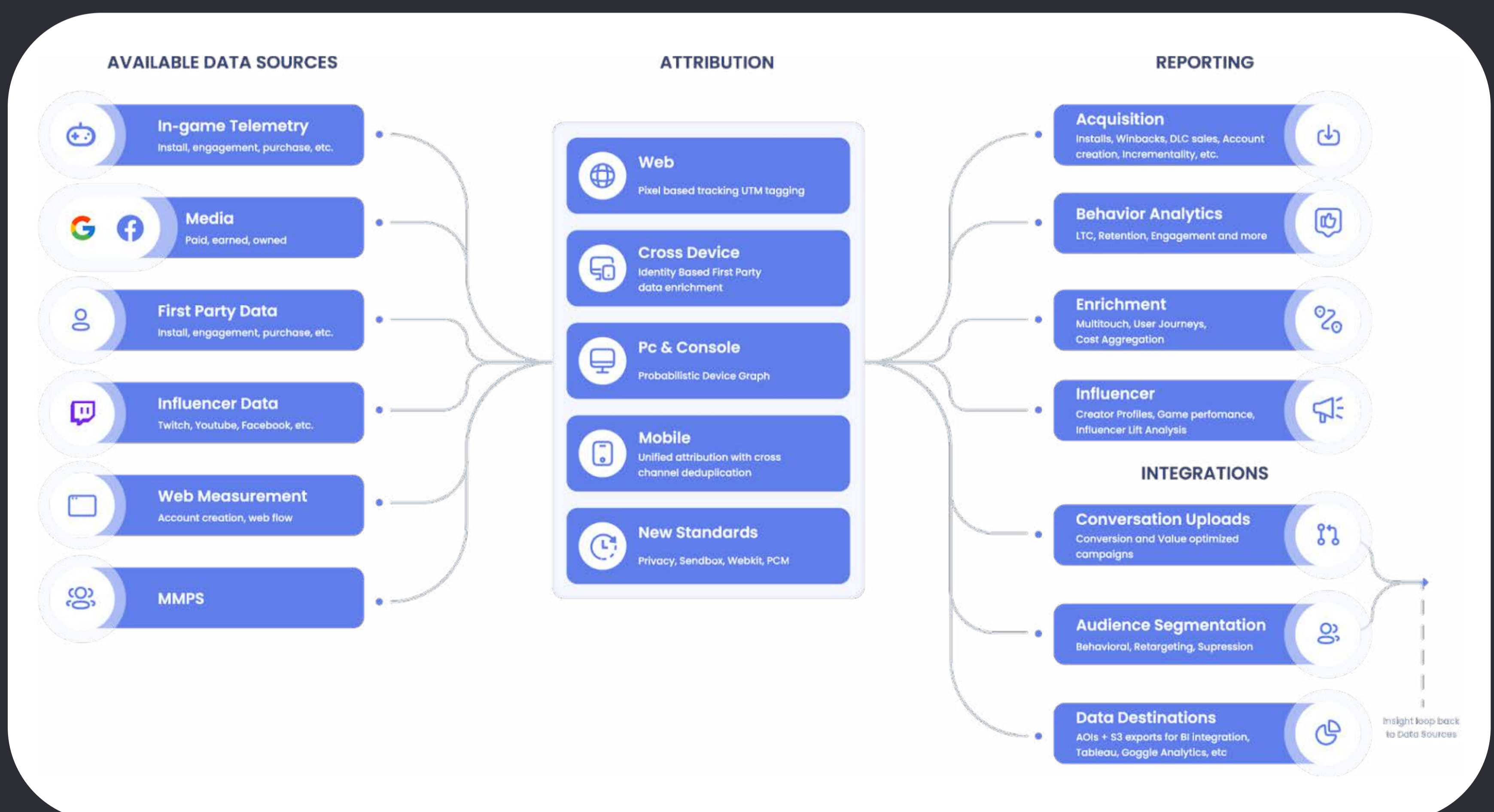
To measure these traits, we used the Gamesight platform to examine the frequency of individual ad platforms, what platforms grossed the highest engagement, and at what rates they converted players.

The data we calculated for retention and conversion percentages is attributed via conversions from ad campaigns run through the Gamesight platform in 2022. Conversion rates include DLCs and reactivations, while retention rates do not. Retention and conversion rates were log normalized across the various games under each platform to prevent high volume titles from having a disproportionate influence over the final rankings. We only looked at platforms that had broad adoption across our customers to prevent a handful of small campaigns from skewing the overall results. Additionally, for both conversion and retention rates, we filtered out any platform data that had low adoption across our customer games for similar reasons.

F2P vs Premium statistics were manually vetted and decided by game title and not necessarily by the promotion itself. Conversion volume was decided by the amount of conversions for applicable titles under each platform. Reach score was decided by the total countries present across all applicable campaigns for each platform.

Non-programmatic data collection:

All data unrelated to campaign performance was collected from publicly available sources, or in response to specific inquiries. We endeavored to use as many primary sources (game websites, publisher press releases, official statements, etc.) as possible. However, in many cases, we pulled from credible journalistic sources to fill in gaps. We have cited all our sources in our endnotes section. If you are a developer or publisher of a game in this report and would like to provide us with corrections or updated data, please reach out to info@gamesight.io



Key Definitions

Ad Platform - An ad platform is an app, program, or company utilizing technology for monetizing online traffic. Generally, they serve as middlemen between digital publishers and advertisers.

Impressions - The point at which an ad is viewed once by a visitor or displayed once on a web page. The number of impressions of a particular advertisement is determined by the number of times the particular page is located and loaded.

Clicks - The number of times a user has engaged with an advertisement after having it appear in their web browser.

Conversion - The act of converting an ad viewer into an install or purchase.

Retention - The rate at which users continue to return to and engage with the product advertised.

Search Ads - Relevant advertisements that return following input to a search engine.

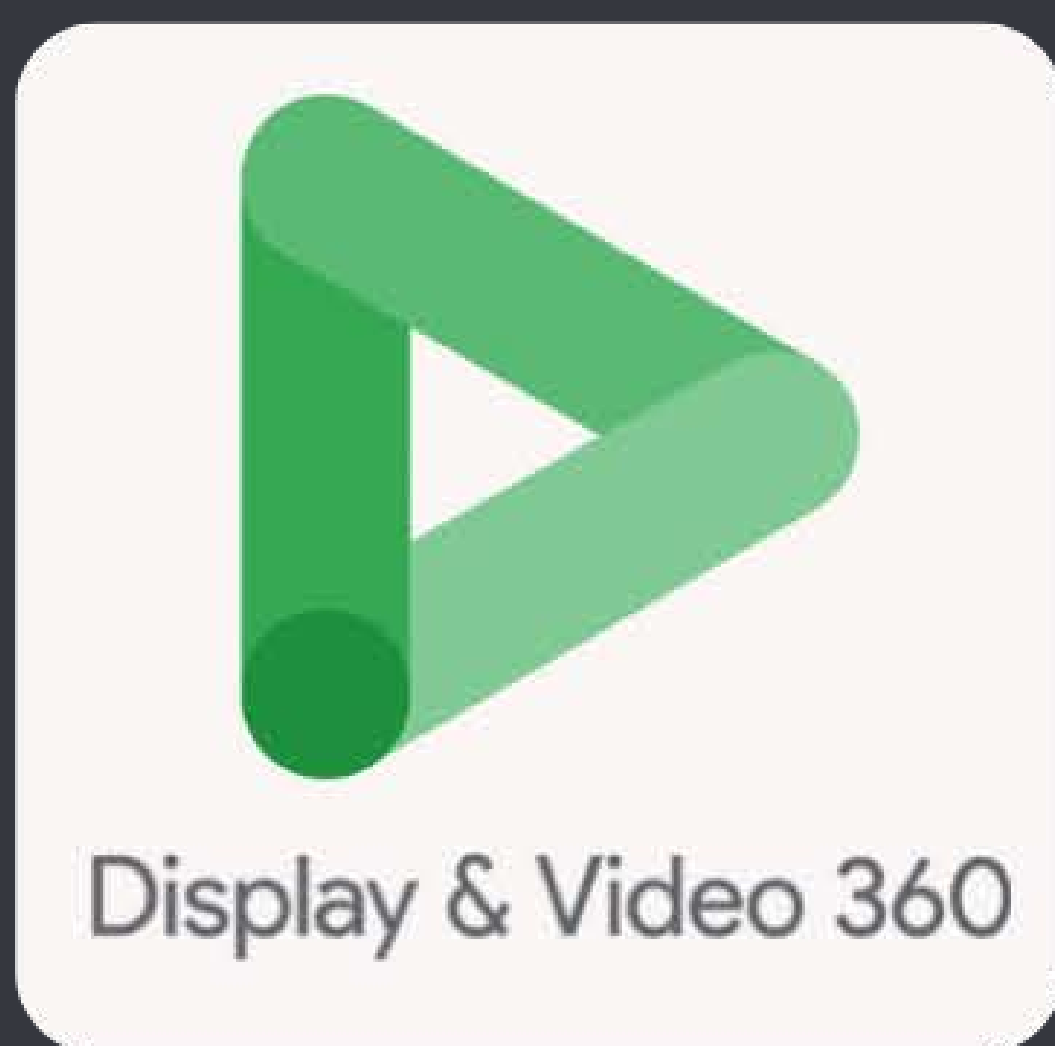
Display Ads - Display ads (also known as banner ads) are designed images that appear at the top of a web page or are intertwined throughout the content.

Social Ads - Ads designed specifically to run social media platforms, often resembling organic content.

Video Ads - Promotional videos generally displayed before, during, or after watching an online video.

F2P - Acronym for "free-to-play." Games that are free to play but monetized through in-game purchases.

Premium - Games that are sold for a fixed amount upfront.



THE TOP AD NETWORKS

The top platforms were selected using a combination of both prevalence, performance, and their success across various titles. In this report we will focus on the Top 5 Ad Networks for deeper analysis.

Key Takeaways

1

Short form content is on the rise, with a catch. Tiktok's usage is up 115% from 2021, demonstrating short video's powerful ability to raise brand awareness by sheer volume of ads in front of users. However, TikTok's conversion rate has dropped from 2.65% to 0.96% – a consequence of the fast-paced nature of TikTok's media as well as Gen Z's disinclination towards corporate marketing.

2

Social Ad platforms are the reigning rulers of retention. On average – Tiktok, Twitter, Facebook, YouTube, and Snapchat's retention rate was 40% higher than non-social platforms. While many factors could be driving retention, these ad platforms are successfully aligning games with their target interested audiences.

3

TikTok is YouTube's antithesis: the former had high volume but low conversion, while YouTube had low volume and high conversion. While they share similar retention and audience reach, the two video platforms exhibited a different relationship with their audience. Essentially, TikTok introduces ads to a much wider audience, but people tend to swipe quickly past rather than engaging. Meanwhile YouTube Ads have fewer impressions overall, but convert users at a higher rate.

4

Gaming Ads had a 43% higher conversion rate on desktop compared to mobile. Tiktok was the only platform that performed better on mobile – 9x better than desktop. Adwords was the only “balanced” platform in the top 5, where the pc conversion rate (22.2%) was only 13% higher than the mobile conversion rate (19.65%).



Wide Reach / High Volume Google Ads



Google Ads had the Widest Reach and Highest Conversion Volume among ad platforms in 2022.

Google Ads (the Google Search Network, Google Display Network, YouTube Network) remains the most used ad platform for advertising PC and console games.

The aggregate conversion rate for Google Ads rose from 2.81% to 3.79% in 2022. Overall the F2P conversion rate remained steady, but the premium conversion rate increased from 1.27% to 3.70%.

The Google Ads ecosystem is large so it is difficult to identify just one contributing factor, but here are some key changes we have observed:

- A few F2P titles found extreme success. On average, F2P converted users 20% better than premium titles.
- Wide adoption of new campaign types such as “Performance Max”. When enabled with Gamesight’s conversion postbacks, less manual campaign optimization was required.
- Advertisers built broader signals for campaign optimization by utilizing their first party identity data alongside Gamesight’s integration with Google Ads’ new “Enhanced Conversions for Leads”.
- Typically search ads have a higher conversion rate than display ads, since the former connect advertisers to customers already actively looking for their product. However, the opposite holds true in the gaming industry: the highest conversion rates are actually video ads at 6.87%. Users that engage with video ads convert at a much higher rate than other creative types (like display or search).

7 DAY RETENTION

28.37%

AVG CONVERSION

3.79%

PREMIUM CONVERSION

4.42%

F2P CONVERSION

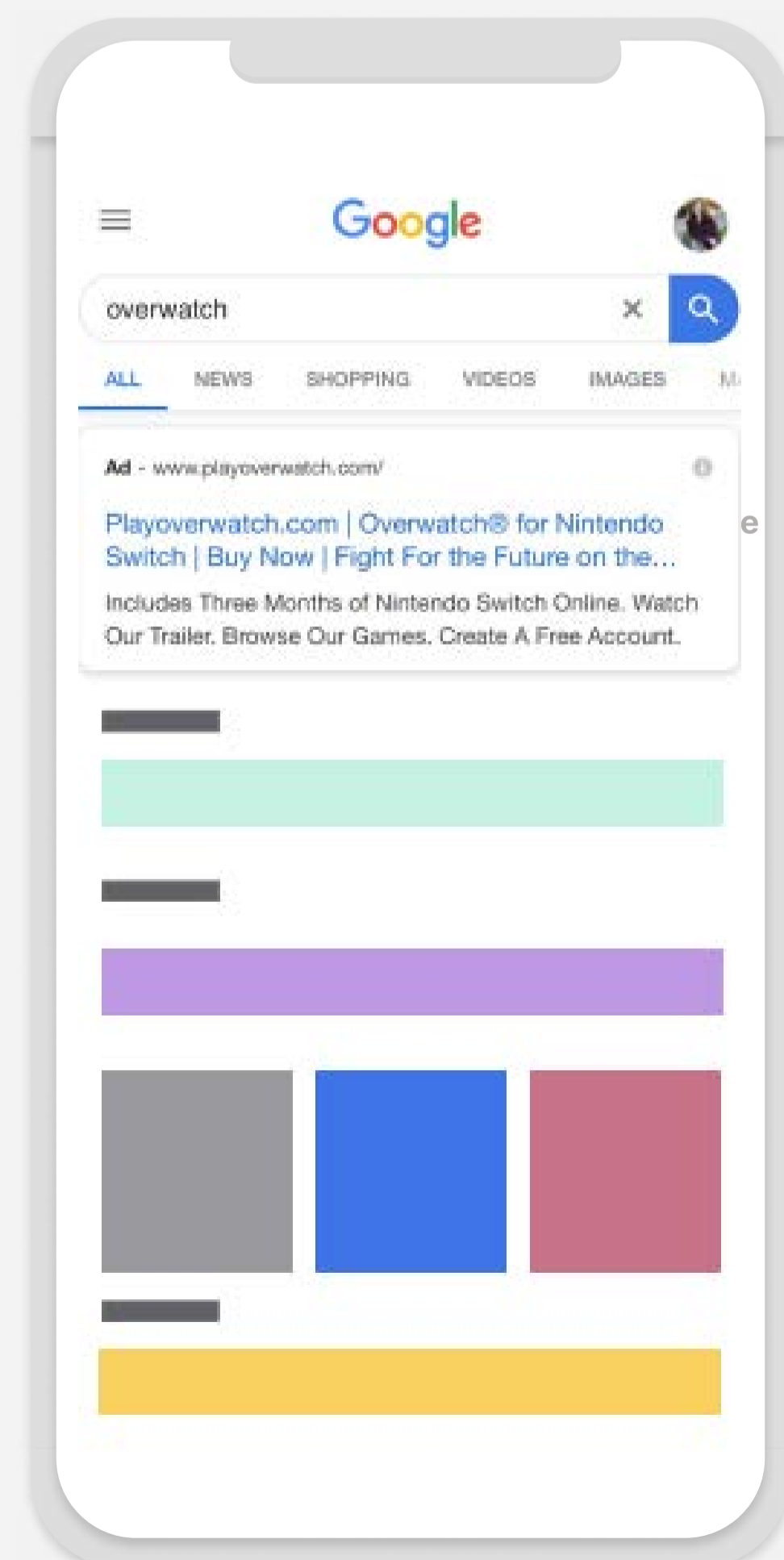
3.24%



Retention Score

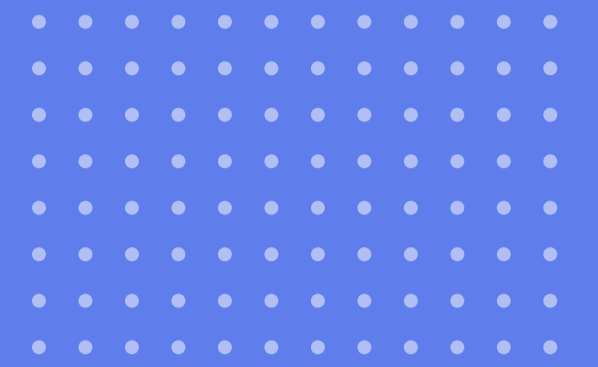


Volume Score





High Retention / High Volume Twitch Ads



Twitch had the Highest Conversion Rate and Retention Rate amongst ad platforms in 2022.

Twitch is a gaming-focused livestream hosting platform that fosters distinct engaged communities. These segmented communities based on categories like game genre fans or hobby enthusiasts are great at capturing specific demographics for your game.

By default when clicking into a stream, new viewers are required to watch 30 seconds of unskippable ads, with an extra charge to advertisers for a 60 second mid-roll.

As of June 2022, creators receive ad offer options, allowing content creators to choose the volume of ads. Twitch also increased the ad payouts to 55% of the revenue received, further incentivizing streamers to implement ad breaks. This also goes for affiliates too, with the stipulation that they set three minutes or more per hour (effectively removing pre-rolls).

- Twitch's aggregate conversion rate is 5.50%, second highest among the Top 5.
- Twitch saw growth in its 7-day retention score from 2021 to 2022, rising from 17.68% to 44.44%!
- Of our Top 5, Twitch has the highest overall 7-day retention rate, as well as highest Premium conversion rate.

While these stats focus on traditional advertising, Gamesight also runs influencer marketing campaigns on Twitch like Twitch drops, stream sponsorships, and game key distribution. These methods circumvent adblock and usually generate positive community sentiment and engagement.



7 DAY RETENTION

44.44%

AVG CONVERSION

5.50%

F2P CONVERSION

2.84%



Retention Score

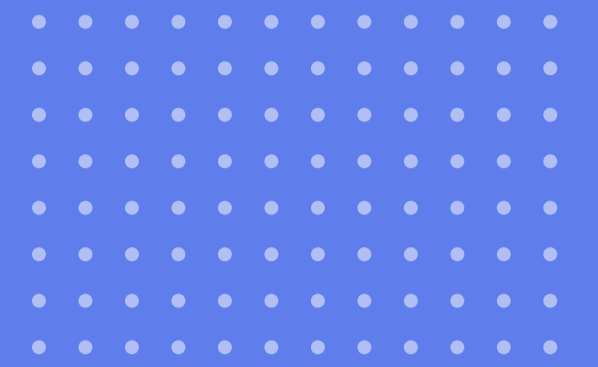


Volume Score





Wide Reach / High Volume Facebook Ads



Facebook had the 2nd highest Conversion volume and reach amongst ad platforms in 2022.

Facebook has a sophisticated targeting system that allows advertisers to optimize their ads for players who are likely to make in-game purchases after installing a game, thus maintaining a healthy return on ad spend (ROAS). Facebook has also increased their value for PC games by refining their conversion API, which allows us to use their data efficiently and unlock the powerhouse of their feedback loops.

- Facebook’s 7-day retention rate has increased from 28.05% in 2021 to 32.54% in 2022.
- Also of note is Facebook’s increased aggregate conversation rate of 3.48% – up from 1.41% last year.
- Through Facebook’s Conversion API (CAPI), Facebook is able to serve ads to players that are most likely to convert. This postback feature is standard within the Gamesight platform and we’ve seen advertisers utilize it to better optimize their campaigns
- Some advertisers are also taking advantage of identity matching by sending additional first-party data to Facebook and Google to notify those platforms of who is converting through other channels. These data points are strong matching parameters that Facebook can leverage to further optimize campaigns thanks to their knowledge about their considerable user base.

7 DAY RETENTION

32.54%

AVG CONVERSION

3.48%

PREMIUM CONVERSION

3.28%

F2P CONVERSION

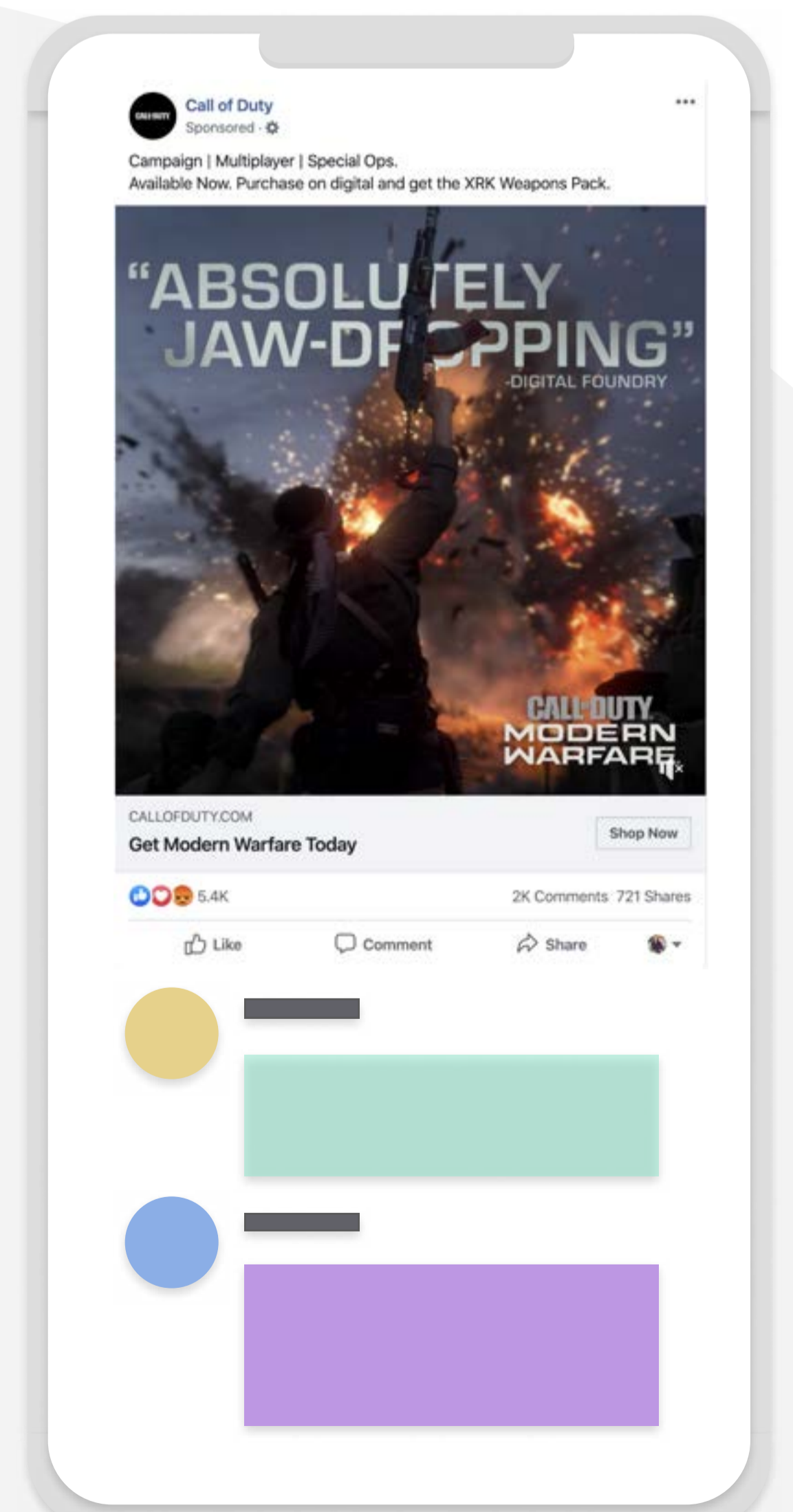
3.69%



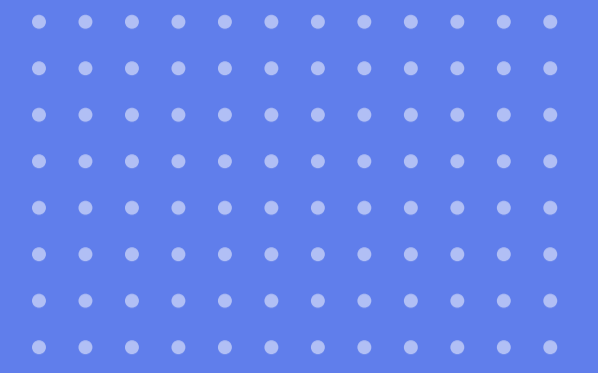
Retention Score



Volume Score



The All-Rounder Twitter Ads



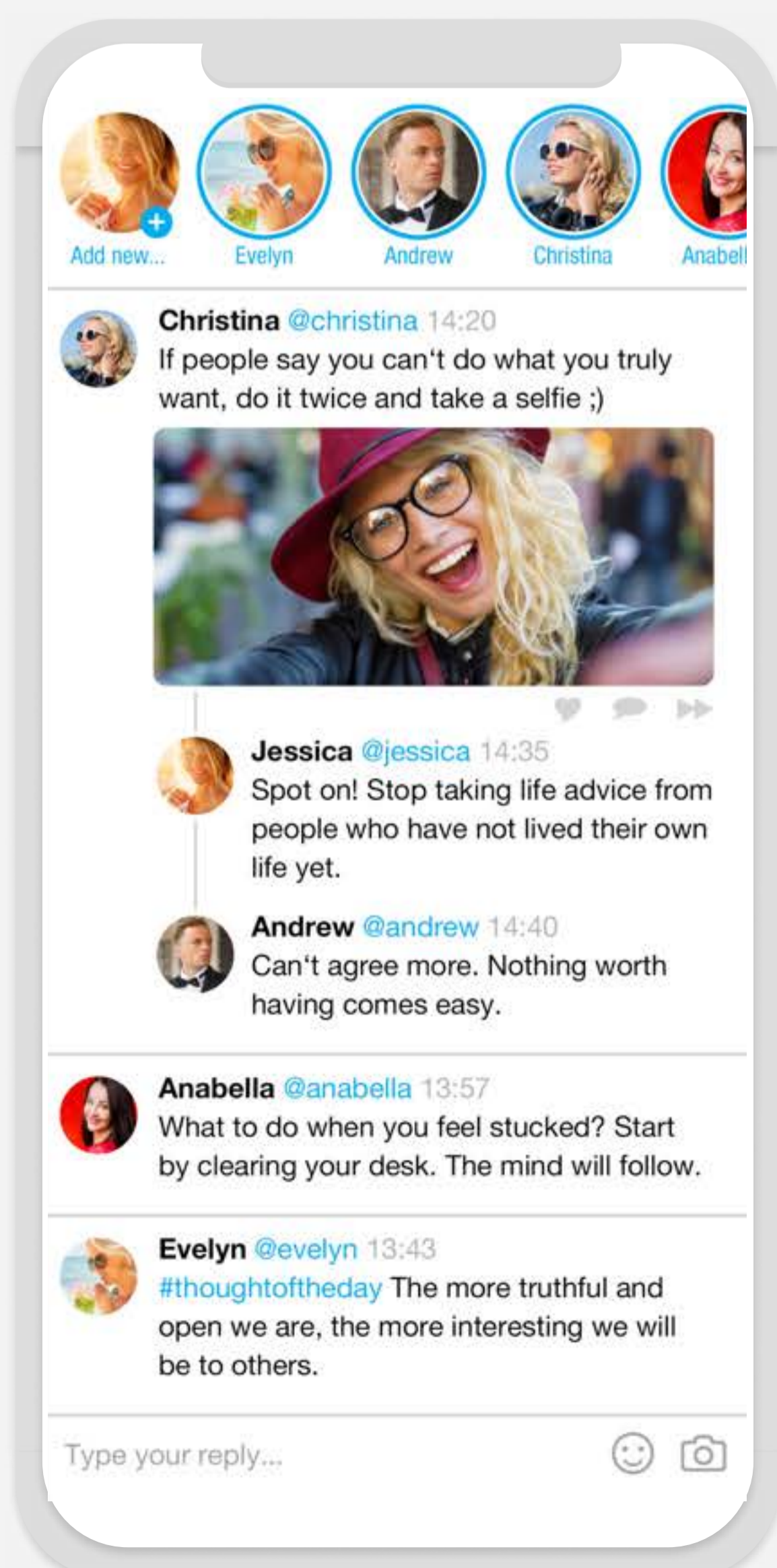
Twitter wasn't the highest in any category, but instead scored well across all measured metrics.

Twitter is a key social network platform for gaming conversations. From 2020 to 2021, Twitter found that 70 gaming related Tweets per second were sent.

Recent news around Elon Musk's purchase of Twitter has advertisers wondering about its future, but at this time Twitter still has the potential to reach an audience of over 400 million users.

Currently, Twitter is offering a "generous" ad incentive matching advertiser's 500K ad spend. After the holidays have wrapped, Gamesight will produce additional reporting that will take a deeper look into whether current events or Twitter's aggressive end-of-the-year promo result in any changes to the ad network's performance.

- Twitter's overall 7-day retention rate has stayed steady from 2021 to 2022 and performs well across both F2P and Premium retention.
- Twitter has the highest conversion rate (7.10%) among the Top 5, and the highest conversion rate among social networks.
- From 2021 to 2022, Twitter's average conversion rate increased by 4.47%.



7 DAY RETENTION

35.55%

AVG CONVERSION

7.10%

PREMIUM CONVERSION

4.83%

F2P CONVERSION

9.85%



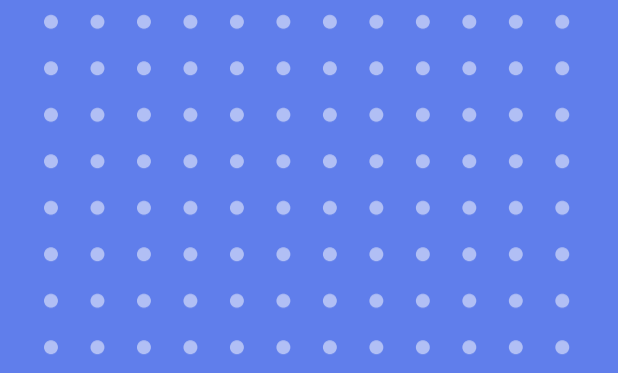
Retention Score



Volume Score



Highest Usage TikTok Ads



TikTok had the highest click volume amongst ad platforms in 2022.

TikTok is a fast growing entertainment app with over 1 billion users worldwide. Its full screen, short form video format is perfect for keeping users engaged. TikTok’s usage has increased 115% from 2021 to 2022. TikTok users spend an average of 89 minutes per day on the app.

TikTok is effective at spreading brand awareness by sheer volume of ads in front of unique users, especially in the Gen Z and millennial market. Over 80 percent of the Gen Z market identifies as a gamer or with gaming content, so the potential in this audience is huge for the right game. TikTok campaigns show video ads amidst the viewer’s organic content. TikTok is especially well known for connecting its users to curated niches within the platform.

Recently we’ve seen a push from TikTok to further invest in their ad platform and expand their gaming content. This year has seen a number of new features and expanded offerings, including the release of TikTok’s conversion API, which Gamesight is now integrated with.

- TikTok has seen a boost in its 7-day retention over last year, increasing from 23.19% to 36.24%. It has also evened out across F2P to premium.
- TikTok’s F2P 7-day retention rate increased to 35.63% - up from 14.32% in 2021.
- Its premium retention rate is now 36.99% - up from 30.92%.

7 DAY RETENTION

36.24%

AVG CONVERSION

0.96%

PREMIUM CONVERSION

1.88%

F2P CONVERSION

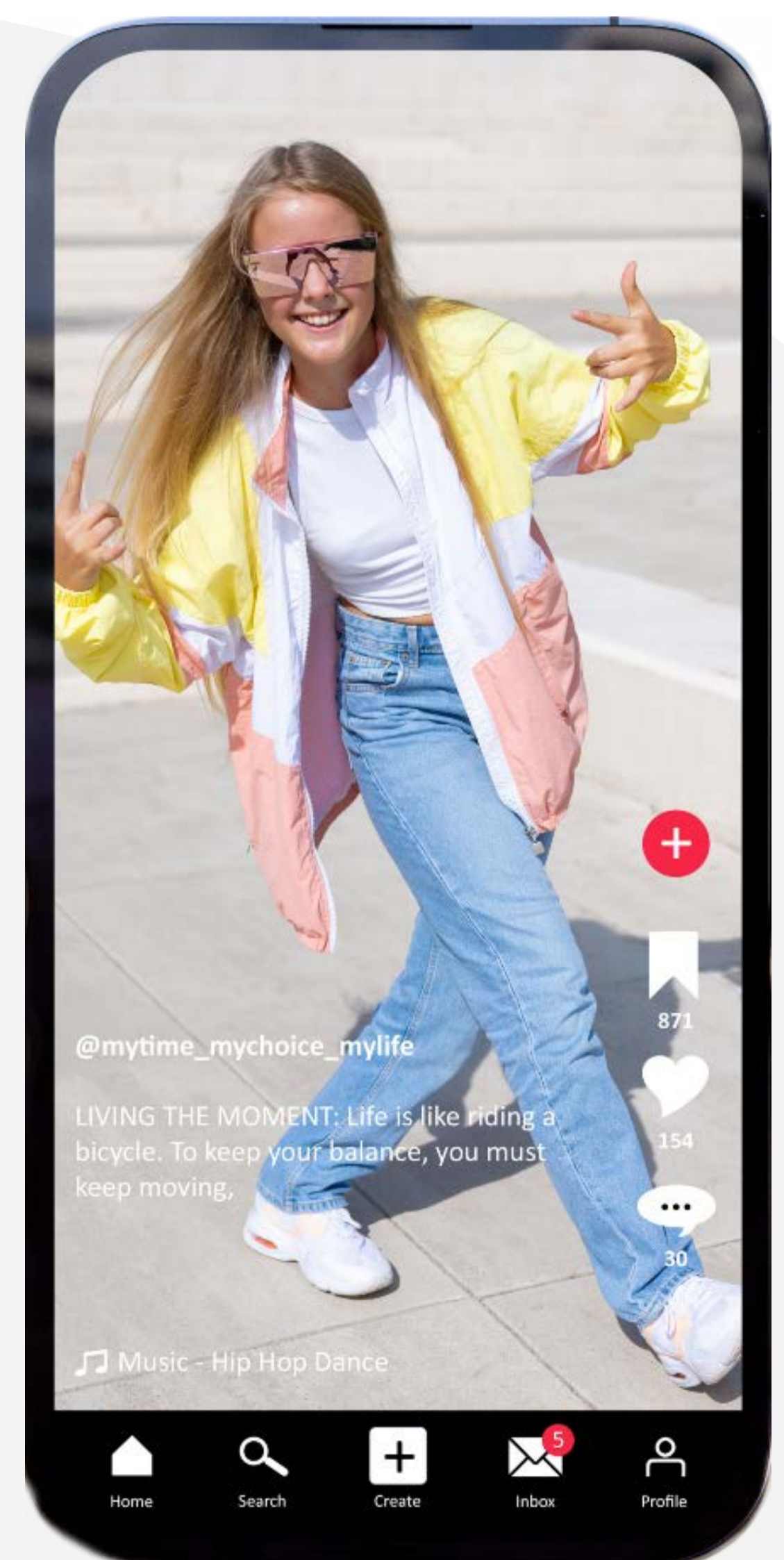
0.45%



Retention Score

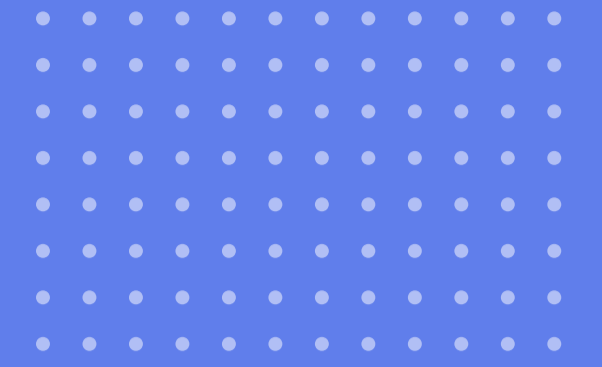


Volume Score





On Mobile and PC F2P vs Premium



Using only click data for mobile vs desktop conversion rate:

- On Mobile, F2P games performed 105% better than premium games.
- On PC, F2P games performed 40% better than premium games.

Working with both F2P and premium titles, we understand that it is more common for a free game to see higher conversion rates via advertisements than a premium, \$60 one. Accounting for these barriers to entry, we wanted to compare the overall data of both F2P titles as well as premium games.

Our Data indicates that F2P campaigns perform far better on search platforms compared to social platforms. Within the search platforms we tracked in 2022, the average conversion rate for F2P games was 8.84% vs the average social platform conversion rate of%. Premium content also yielded higher average conversion rates on search platforms (4.02%) compared to social platforms (2.77%).

- Twitter had the highest F2P conversion rate at 4.83%, closely followed by Google Ads at 4.42%.
- Social Networks had a 39.37% retention rate.
- Search platforms had a 4.02% F2P conversion rate, and 4.02% premium conversion rate.
- Social platforms had a 2.77% F2P conversion rate, 2.77% premium conversion rate.

PREMIUM CONVERSION

3.05%

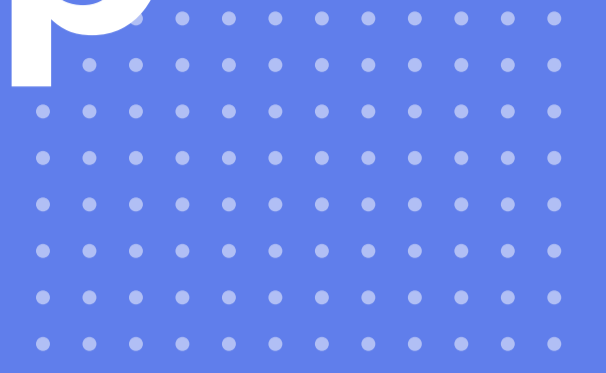
F2P CONVERSION

5.16%





Running ads for Mobile vs Desktop



Mobile traffic accounts for ~51% of click traffic on all ad platforms we tracked in 2022. While advertising PC games to gamers on their PCs is fundamental, mobile advertising is also important to consider in marketing strategy.

Gaming ad conversion rates performed 2.67x better on Desktop vs Mobile.

- TikTok was the only platform where gaming ads performed better on Mobile, with a 0.36% Mobile conversion rate vs 0.09% Desktop conversion rate (about 4x better on mobile).
- Twitch performed 2.63x better on Mobile than other ad networks with a 3.2% Mobile conversion rate.

Note: Data was found using only click data for Mobile vs Desktop conversion rate rather than merged clicks/impressions.

MOBILE CONVERSION

1.21%



DESKTOP CONVERSION

3.25%

Endnotes

1. <https://www.cpmstar.com/>
2. <https://ads.google.com/home/>
3. <https://twitchadvertising.tv/>
4. <https://www.facebook.com/business/ads>
5. <https://forbusiness.snapchat.com/>
6. <https://www.twitch.tv/p/press-center/>
7. <https://ads.reddit.com>
8. <https://ads.microsoft.com/>
9. <https://www.esports.net/news/esports-vs-sports-viewership/>
10. <https://www.bbc.com/news/newsbeat-56732659>
11. <https://ads.twitter.com/>
12. <https://venatus.com/>
13. <http://specs.webedia-group.com/>
14. https://www.youtube.com/intl/en_us/ads/
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19. <https://support.google.com/google-ads/answer/9888656?hl=en-GB>
20. <https://www.google.com/retail/solutions/performance-max/>
21. <https://twitchadvertising.tv/ad-products/twitch-premium-video/>
22. <https://blog.twitch.tv/en/2022/06/14/bigger-ad-payouts-to-more-creators-the-ad-revenue-upgrade/>
23. <https://newzoo.com/insights/articles/consumer-data-gen-z-millennials-baby-boomer-gen-x-engagement-games-esports-metaverse>
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27. https://ads.tiktok.com/marketing_api/homepage
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