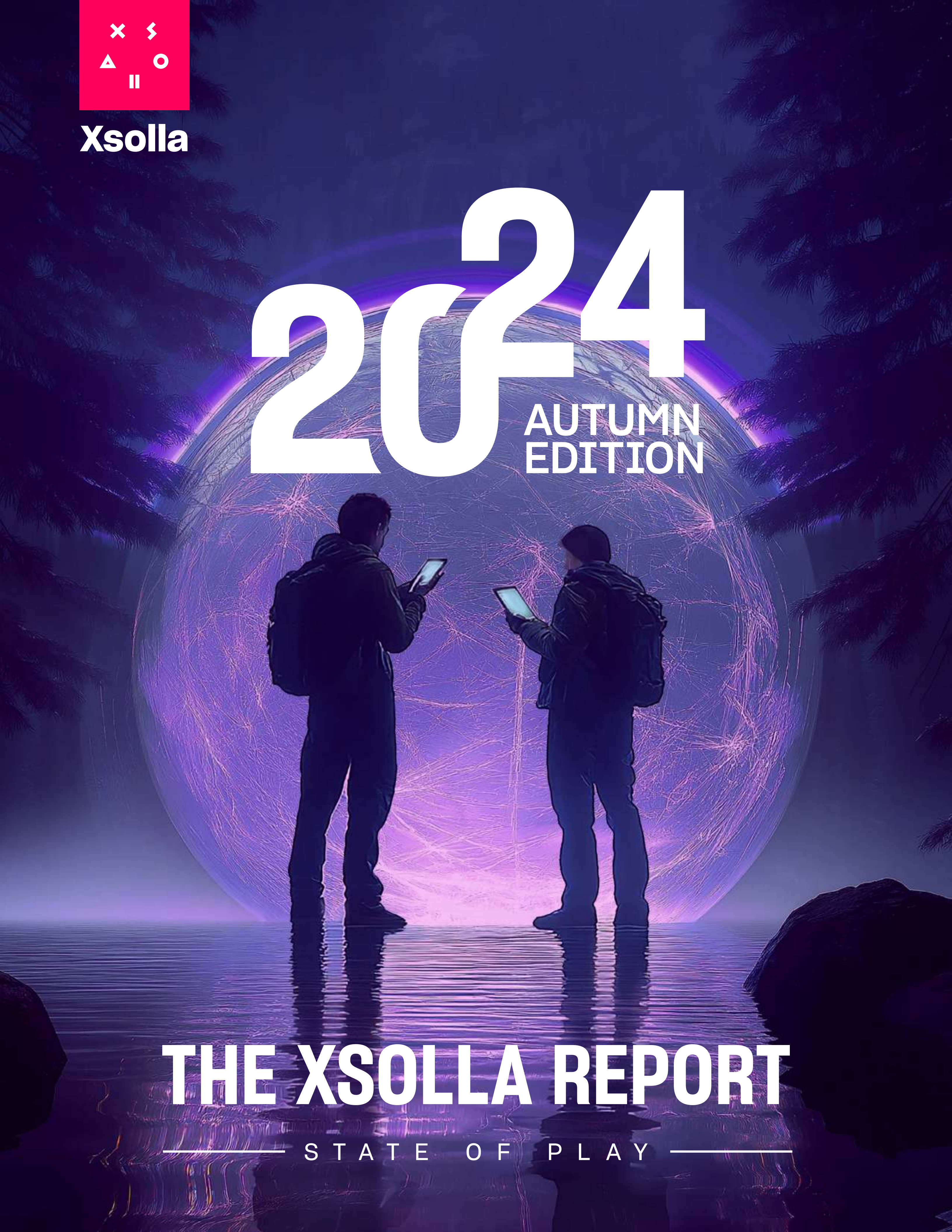
Xsolla

2024
AUTUMN EDITION



THE XSOLLA REPORT

STATE OF PLAY

FOREWORD

BERKLEY EGENES
Chief Marketing & Growth Officer
Xsolla

As the Chief Marketing & Growth Officer at Xsolla, I am honored to present the Autumn 2024 Edition of *The Xsolla Report: State of Play*. This edition comprehensively offers the evolving trends, insights, and opportunities shaping the global gaming industry. It is an essential resource for game developers, publishers, and industry stakeholders navigating this dynamic landscape.

The gaming industry is a testament to innovation and growth, with mobile gaming at the forefront of this transformation. In 2024, mobile gaming is projected to generate **$98.7 billion in revenue, with Asia contributing $65 billion**. Regions like Africa, Latin America, and the Middle East are also emerging as key players, reflecting the sector's increasing global influence.

This report delves into the rise of direct-to-consumer web shops, reshaping how developers engage with their audiences and optimize revenue. As **77% of gamers now purchase through web shops**, this model offers a powerful alternative to traditional app stores. We also explore the impact of the Digital Markets Act (DMA), which unlocks new opportunities by giving developers greater control over distribution and monetization.

Educational initiatives remain essential for the future of the gaming industry. Platforms and programs designed to bridge the skills gap empower a new generation of creators from all corners of the world. As more diverse voices enter the industry, more gaming experiences emerge.

Diversity is not just a goal but a necessity for sustainable growth. The increased representation of women in gaming as players and industry leaders demonstrates the importance of inclusion in shaping the sector's future. This report highlights their impact, from leadership roles to streaming platforms, and how their contributions drive change.

At Xsolla, we are committed to supporting developers and partners as they embrace these new opportunities and challenges. Our tools, expertise, and insights are designed to empower you to grow and succeed in today's rapidly changing environment.

I invite you to explore this edition of *The Xsolla Report: State of Play* and discover global gaming experts' latest trends, data, and insights. Let this report serve as your guide as we navigate the future of gaming together.

Enjoy the game,
Berkley Egenes.

EXECUTIVE SUMMARY

The global video game industry continues to experience unprecedented growth, with innovations in technology and shifts in consumer behavior driving engagement across diverse gaming platforms. As gaming becomes an increasingly integral part of daily life for millions around the world, the industry also continues to transform, offering new opportunities for developers, investors, and stakeholders alike.

In this edition of The Xsolla Report, we're honing our focus on the mobile gaming sector, which is projected to generate an impressive **$98.7 billion in revenue globally in 2024**. Asia is leading the charge as the world's largest mobile gaming market – expected to contribute about $65 billion in revenue by the end of this year – but we'll also explore the countless other emerging markets around the world.

$98.7B

in global mobile gaming revenue projected in 2024

77%

of players report purchases through web shops

We'll also highlight the rising trend of web shop usage since **77% of players report purchases through web shops**, emphasizing their growing acceptance and convenience for mobile game developers.

Additionally, we'll navigate the impact of women in the gaming industry, who are reshaping the landscape through their leadership and contributions, as well as the continued impact of the Digital Markets Act (DMA) on the mobile gaming landscape.

So dive deeper into these topics, explore new data and trends about mobile gaming, and discover insights and analyses from global experts that will help inform your mobile strategies and decisions as the year comes to a close.

IN THE NEWS

RECENT INDUSTRY NEWS

EPIC IS SUING GOOGLE AND NOW SAMSUNG, TOO

The Verge

WHAT DOES THE DIGITAL MARKETS ACT MEAN FOR MOBILE GAME DEVELOPERS?

GameIndustry.Biz

AFRICA TAKES AIM AT THE VIDEO GAME MARKET

Le Monde

BOSS LEVEL: THE GAMING ECOSYSTEM POWERS UP

JP Morgan

CLOUD GAMING, SHIFT TO NEW MODELS OF MONETIZATION AND 5G INTERNET CONNECTIVITY DRIVE GROWTH – A $346.7 BILLION MARKET BY 2028

Yahoo Finance

INDUSTRY UPDATES

WHAT'S NEW ACROSS GAME INDUSTRY SECTORS

Why gamers prefer instant winnings, 2023

Source

69.9% Speed/guarantee of good funds

66.3% Convenience

36.5% Security

28.0% Easier to know when money will be received and can be spent

26.1% Do not have to worry about being paid and having a check bounce

17.2% Do not have to pay check-cashing fees

PAYMENTS

70% of gamers value instant payouts

THE IMPORTANCE OF INSTANT PAYOUTS

Almost **70% of gamers value instant payouts** for their speed and convenience while 36% value their security.

17% of users plan to adopt VR/AR payments

VR/AR PAYMENTS

While **17% of users plan to adopt VR/AR payments** within the next two years, lack of knowledge remains a significant barrier for 28% of consumers. Despite this, investor interest in consumer VR/AR applications, including gaming, is expected to remain high in 2024.

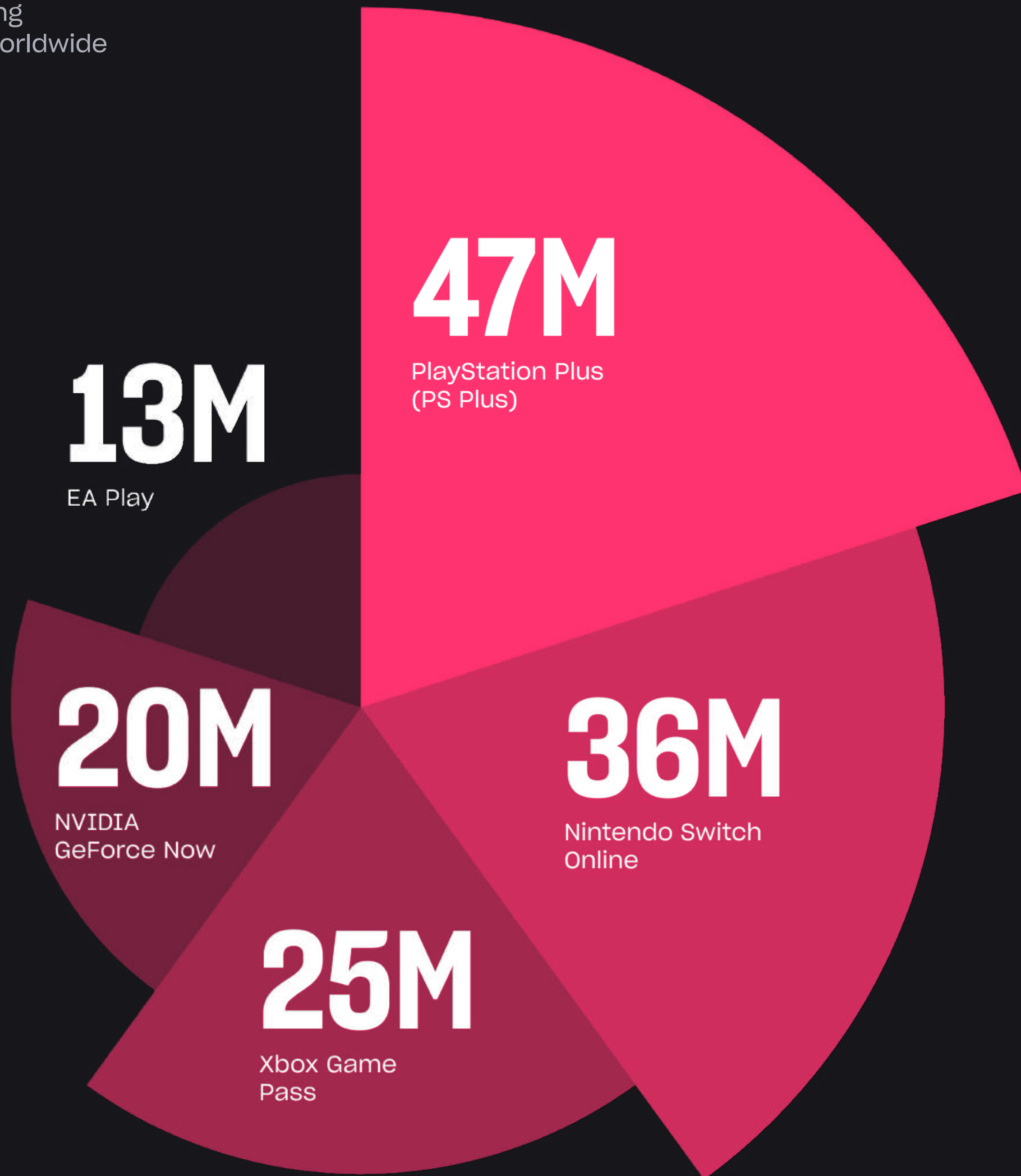
Consumer sentiment on AR or VR payments in 2023

Source

Characteristic	Virtual reality (VR) payments	Augmented reality (AR) payments
I do not know enough about this to use it	28%	29%
Will use this to purchase goods in the next two years if this becomes more widely available	17%	18%
I will not use this to purchase goods, as it does not seem safe	12%	12%
I only see myself using this in the next two years if I learn more about it	10%	10%

Growth of gaming subscriptions worldwide

Source



GAME SUBSCRIPTIONS ARE ON THE RISE

Xbox Game Pass and PlayStation Plus have gained significant traction, offering "all-you-can-play" access to a wide range of games for a monthly fee. This model has contributed to subscriber growth, with over 25 million Xbox Game Pass subscribers and over 47 million PlayStation Plus subscribers in 2023.

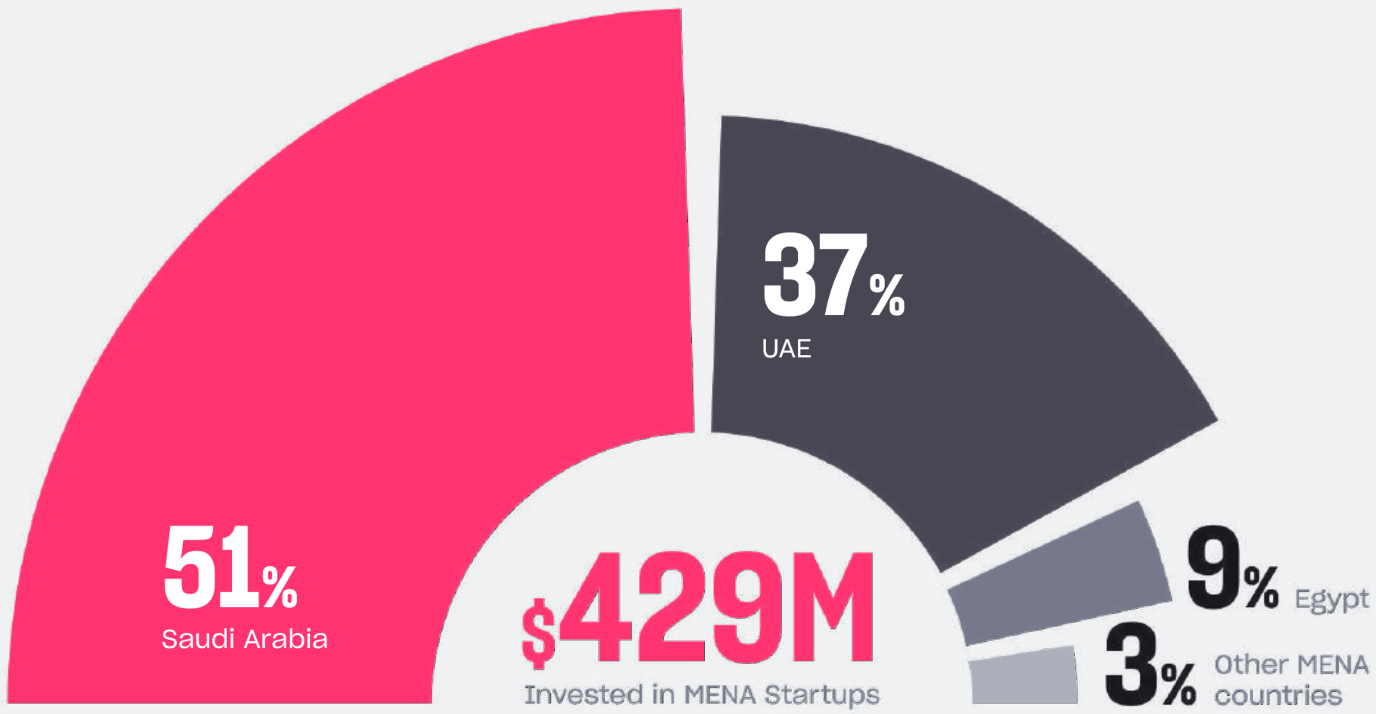
INVESTMENT

SAUDI ARABIA'S VISION 2030

Saudi Arabia led the MENA region in investment volume in Q1 2024, securing 51% of the $429 million invested across 163 deals. Backed by a $38 billion investment from the Public Investment Fund (PIF)'s Savvy Games Group, it aims to become one of the top three gaming nations by 2030, with $8.3 billion already invested.

Q1 2024 MENA investments, by territory

Source



TRANSACTIONS WITH FUTURE IMPACT

EQT Group's **$2.2 billion acquisition** of games service provider Keyword Studios is expected to close in Q4 of 2024.

INCREASED INVESTMENTS

The first half of 2024 has seen a significant increase in investments, suggesting renewed activity and confidence in the sector. Both Q1 and Q2 of 2024 each recorded over $2 billion in investments, nearly doubling the $4.5 billion total investment volume reported for the entirety of 2023.

2024 H1 game industry investment comparison

Source

	Total Investments	Total M&A Transactions
Q1 2024	$2.3B (184 deals)	$2.1B (42 deals)
Change	+32.1%	-58.9%
Q2 2024	$3B (222 deals)	$0.8B (40 deals)

MORE ATTENTION ON WEB3

Blockchain and mobile games developer/publisher Animoca Brands announced they're considering going public in 2025 on a Hong Kong or Middle East Exchange.

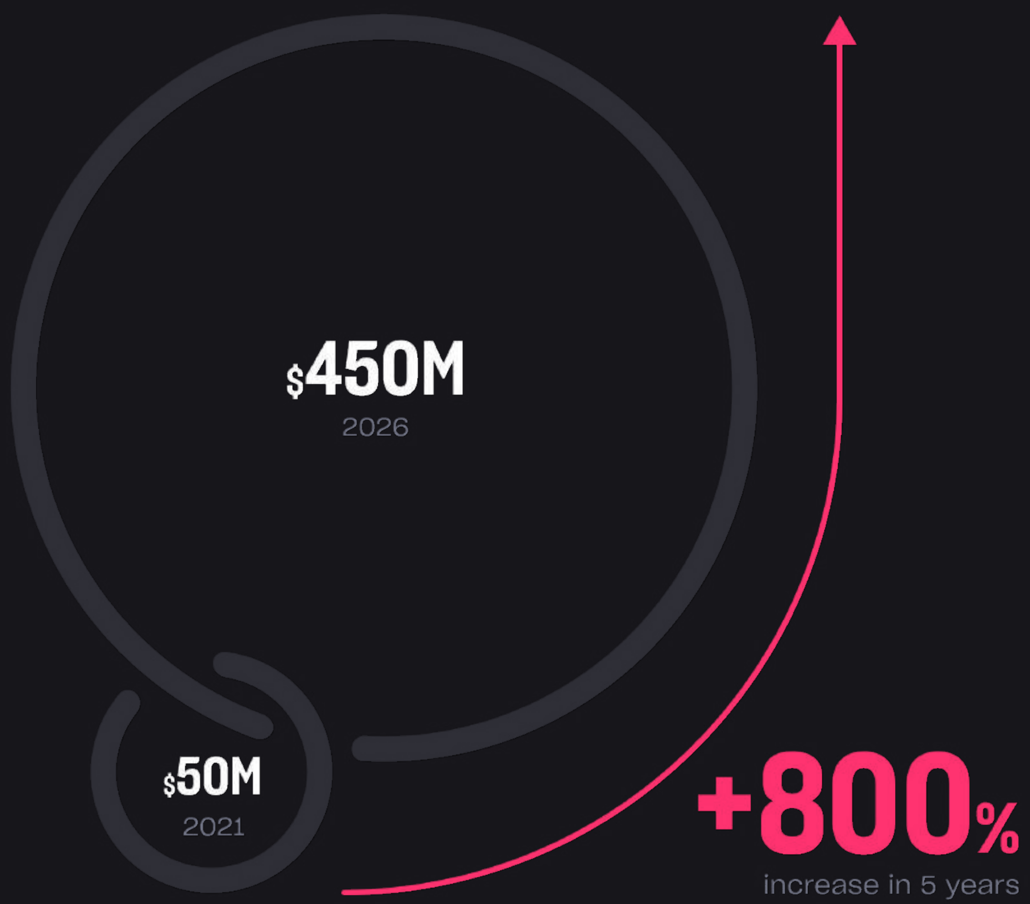
CLOUD GAMING

MICROSOFT'S XCLOUD GAMING SERVICE

Projected to reach an annual revenue of $450 million by 2026, a significant increase from $50 million in 2021.

Microsoft gaming service revenue growth, 2021 to 2026

Source

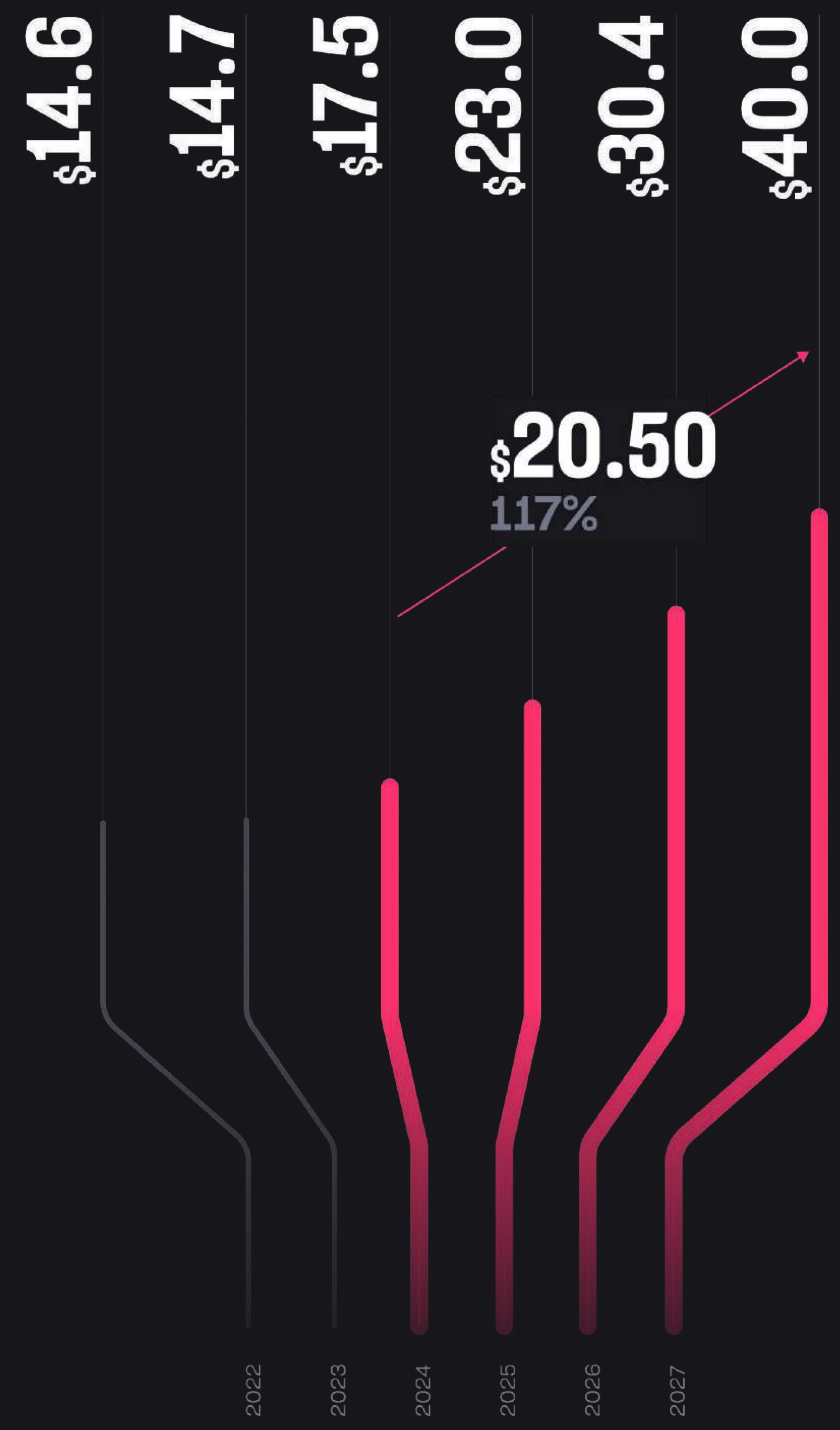


AVERAGE REVENUE PER USER (ARPU)

Expected to increase by $20.50 in total between 2024 and 2027, to reach a peak of $37.95 in 2027 - **an increase of over 117%**.

Global cloud gaming ARPU, 2022 to 2027

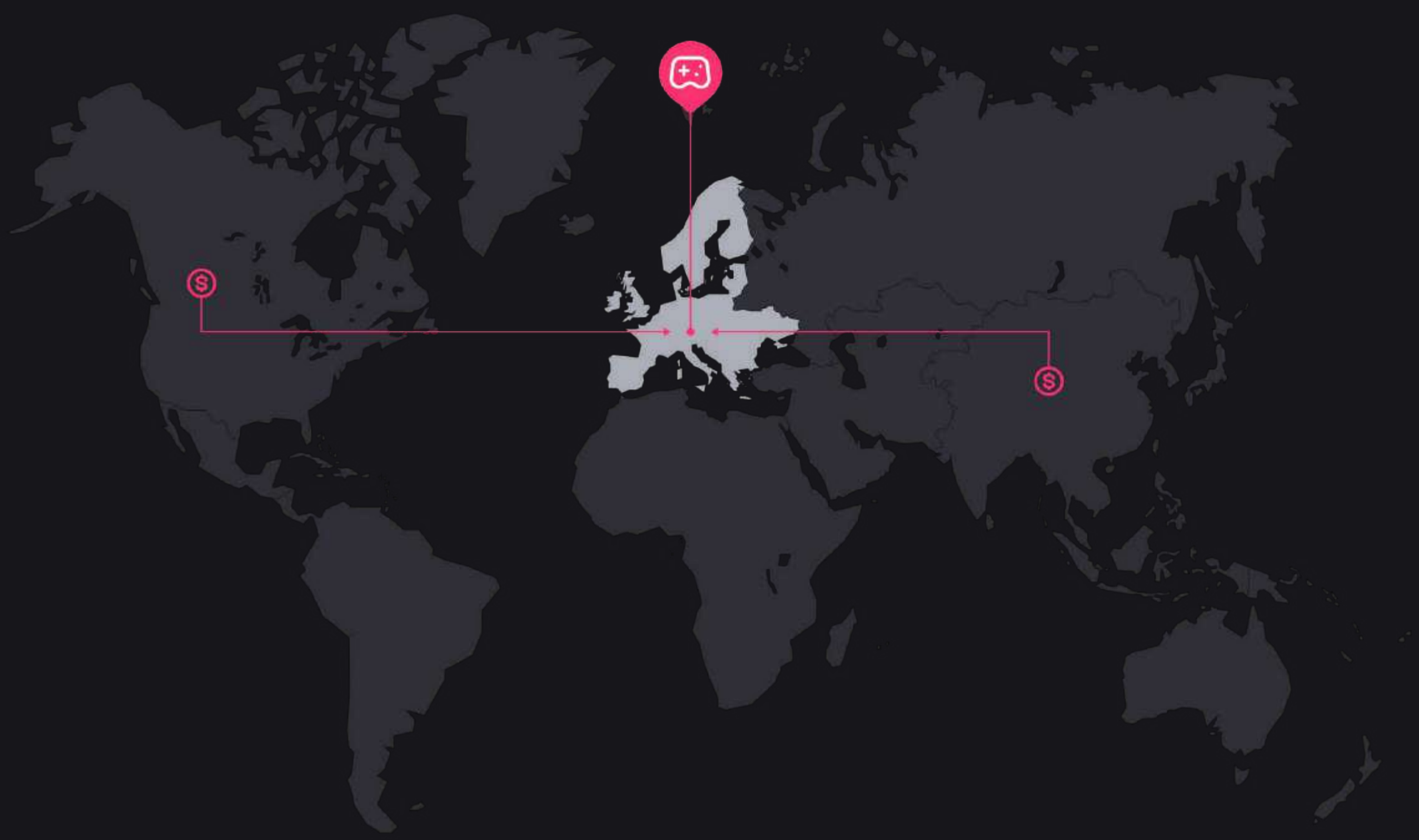
Source



DEVCOM/ GAMESCOM 2024: OUR TOP TAKEAWAYS

devcom/gamescom 2024 was a whirlwind of announcements, trends, and some surprising changes within the gaming industry. The event showcased the resilience and creativity of game developers, and also highlighted some upcoming trends and obstacles the industry will be experiencing.

Here's a look at our key takeaways from this year's event:



MORE MERGERS AND ACQUISITIONS

The buzz around the event suggested that a couple of major billion-dollar deals are in the pipeline, with a broader wave of acquisitions likely to occur over the next few years. As game studios struggle with funding gaps and financial pressures, especially those that have raised debt, we expect to see increased consolidation across the industry. And venture firms are gearing up by bringing in experts specifically to guide these mergers, signaling a transformative period ahead.

SHIFTING INVESTMENT FOCUS TO EUROPE

On the topic of investment, while venture capital in gaming has recently gravitated toward Asia, publishers from Asia seem to be showing a growing interest in Europe. Many are redirecting their investment efforts from North America to European studios, primarily driven by cost-efficiency and the region's expertise in console game development. This trend could lead to Europe becoming a more popular hub of game innovation.

THE RISE OF CROSS-MEDIA PROJECTS

gamescom also underscored the growing synergy between gaming and other entertainment sectors. The highlight was Amazon's announcement of Secret Level, an anthology series inspired by popular video games, directed by industry heavyweights. This move, along with other cross-media endeavors like Netflix's partnership with Monument Valley, signifies a broader trend of blending gaming with mainstream entertainment, bringing games to new audiences in innovative ways.

THE DECEMBER GAMING RUSH

Finally, it looks like we're gearing up for a packed December release schedule peaking this holiday season. Major titles like *Marvel Rivals* and a new Indiana Jones game are slated to launch just before the holidays. And with The Game Awards becoming a major promotional event, the industry seems to be ditching the traditional year-end lull. This indicates a growing trend toward continuous releases and year-round engagement.

gamescom 2024 was a showcase of the gaming industry's vibrant potential and innovative spirit. Looking ahead, game developers, publishers, and investors are set to lead the way in shaping the future of gaming. As new opportunities emerge, creativity and adaptability will continue to drive success in this changing landscape.

Section

01

INDUSTRY MOVERS & SHAKERS

REPRESENTATION IN THE GAMES INDUSTRY

87%

of women play mobile games weekly

64%

of those women make in-app purchases

WOMEN AS MOBILE GAMERS

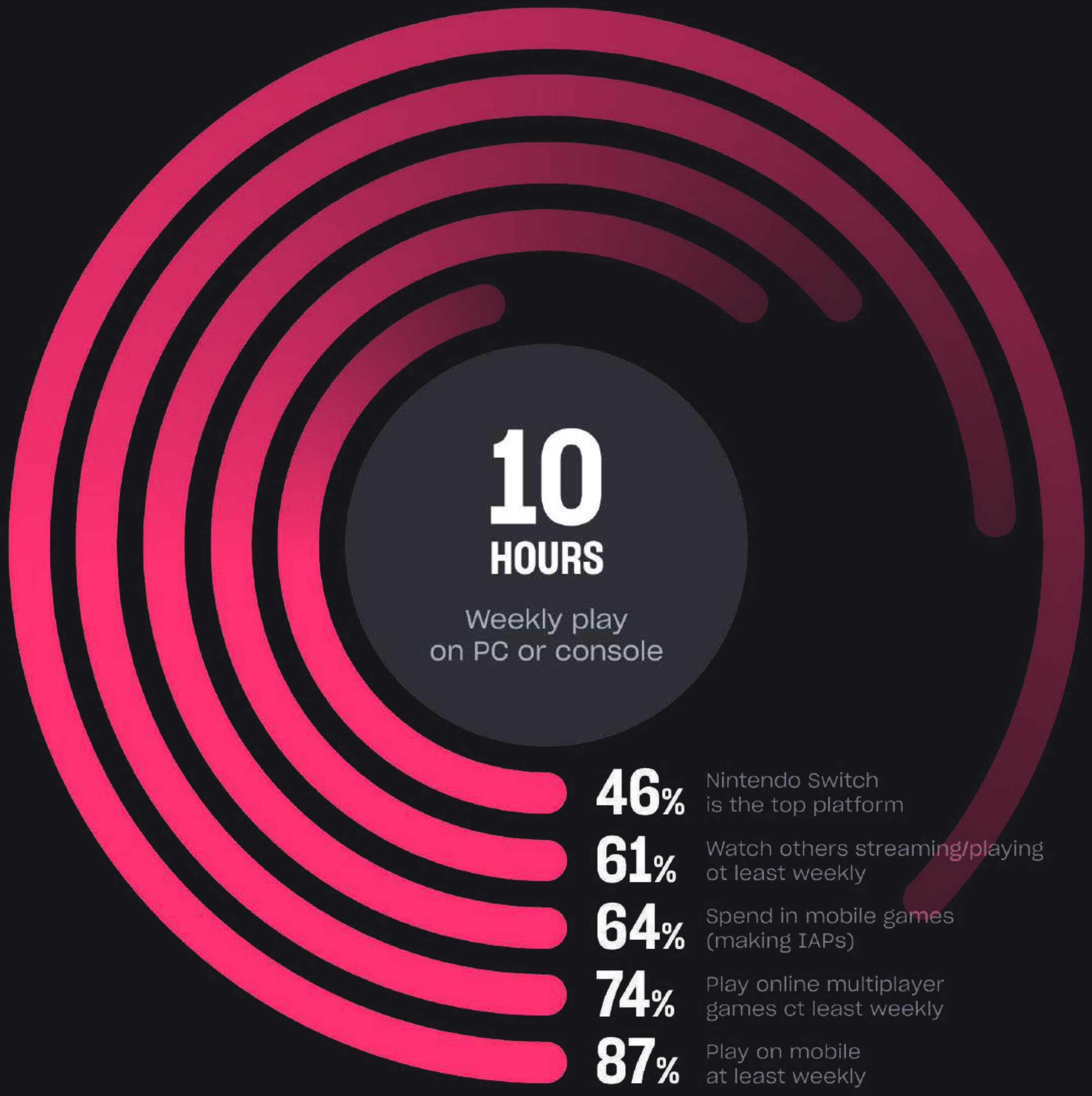
Women represent a big portion of mobile gamers, with **87% playing at least weekly** and **64% of those women making in-app purchases**. Nintendo Switch is also a popular platform among women, with 46% of female gamers playing on the console.

BRANDS ARE INCREASINGLY TARGETING FEMALE GAMERS

Companies like NYX Professional Makeup and E.l.f. Cosmetics are increasingly **partnering with esports organizations** and creating content specifically for female gamers, recognizing their representation in gaming.

Key insights:
Women who game

Source



Most watched female streamers in Q2 2024

Source

Most watched female streamer:
Japanese Vtuber, Pekora Ch. 兎田ぺこら

>19.2M
hours watched in 2024 so far

WOMEN IN THE STREAMING SCENE

Japanese Vtuber Pekora Ch became the most-watched female streamer in Q2 of 2024, generating **9.6 million hours watched over three months–totaling 19.2 million hours watched in 2024 so far**. Miko Ch. on YouTube is second, with 12.28 million hours watched this year.

FEMALE ESPORTS PLAYERS

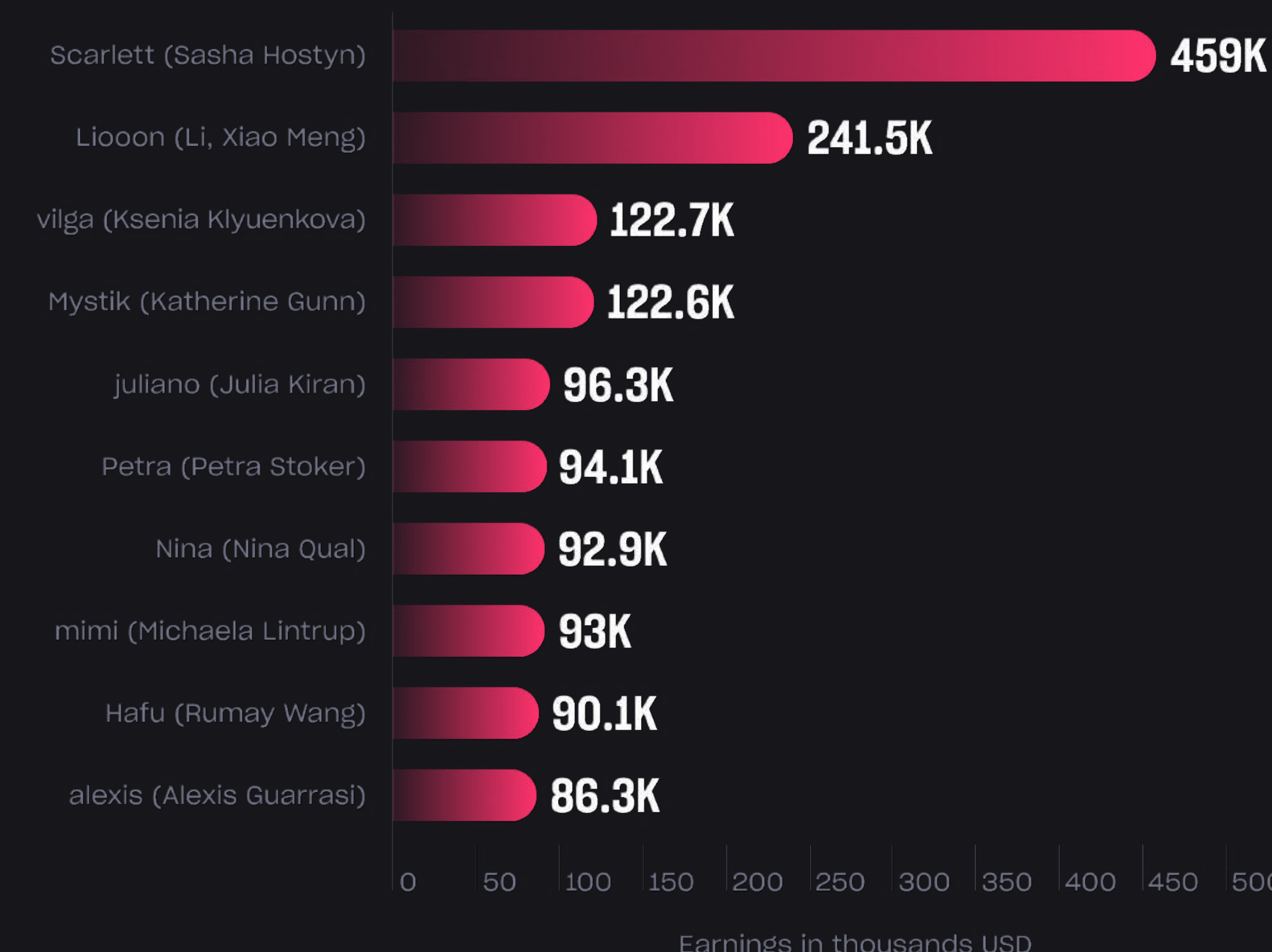
Sasha Hostyn from the US, also known by her alias Scarlett, was the leading female esports player worldwide **as of February 2024, earning over $450,000** throughout her recorded professional gaming career. Li Xiaomeng from China, known by her alias Liooon, comes in second with more than $240,000 in career earnings.

Leading female esports players worldwide by overall earnings (as of Feb. 2024)

Source

Career earnings of leading esports player
Scarlett (Sasha Hoystyn)

>$450K



01 Article

A CONVERSATION WITH LAURA TECLEMARIAM

LAURA TECLEMARIAM
Senior Director
of Product Management,
LINKEDIN

BIO

Laura Teclemariam is a trailblazer in the intersection of technology and creativity with a dedication to crafting groundbreaking products that captivate and inspire users on a global scale. At LinkedIn, Laura spearheads the consumer products division helping over a billion users worldwide, overseeing the Profile, Messaging, and Groups teams with a keen eye for innovation and user-centric design. Prior to her tenure at LinkedIn, Laura held pivotal roles at some of the gaming industry's most influential companies, like Electronic Arts (EA) and Glu Mobile, as well as companies like Netflix and Warner Brothers.

1

YOU'VE HAD A VERY PROLIFIC CAREER, TOUCHING SEVERAL INDUSTRIES. HOW WOULD YOU CHARACTERIZE YOUR PATH SO FAR?

My craft has been the same, but I have spanned three adjacent industries–tech, media, and entertainment which has been my core vertical for two decades. Even in my early days as an undergrad, I researched facial recognition and how to use it in video and entertainment.

2

HOW DID YOU GET YOUR START IN GAMING? IS THERE A SPECIFIC GAME OR EXPERIENCE THAT HAS SIGNIFICANTLY INFLUENCED YOU?

In the early days, I worked at a company called Tapjoy. We were focused on mobile advertisement. I fell in love with the problem set of games that were struggling post-launch that everyone thought would monetize but weren't. So, helping to monetize games through advertisement became a core passion of mine, and from there, I realized it wasn't just the advertising that I loved, but the games too. Through the lens of advertisement, I then studied games, and that's how I originally started.

I worked with game founders to understand the mechanics in each of their games and why those mechanics weren't monetizing. Then, I became a designer to figure out how to build in advertisements in a way where you're not just throwing ads on a product but actually eloquently designing the ads for better monetization. I became really good at designing for monetization, and some of the games I have worked on have gone on to become top 25 games.

3

WHAT BARRIERS HAVE YOU FACED IN THE GAMING INDUSTRY, AND WHAT DO YOU THINK WOULD MAKE IT MORE INCLUSIVE? WHAT INITIATIVES OR PROGRAMS DO YOU THINK ARE MOST EFFECTIVE IN PROMOTING EQUALITY?

There are definitely many barriers in the industry. I started in games over a decade ago, and I think one of the biggest barriers is not knowing what to do. I'm not unique in facing that barrier, but when I think about how we can make the industry more inclusive, I go back to a model from 20 years ago by having more apprenticeship programs.

One solution could be bringing back apprenticeship programs, which have always allowed new industry entrants to learn the craft through a rotational program. If we had that, people would 1) learn how to do the job, 2) build their portfolio, and 3) build relationships –keys to getting hired for future roles. Apprenticeship will help unlock not just understanding the craft and how to tackle it, but also building your portfolio and getting to know people.

4

HAVE YOU EVER DEALT WITH IMPOSTER SYNDROME? IF SO, HOW DID YOU OVERCOME IT? WHAT ADVICE DO YOU HAVE FOR WOMEN FACING SIMILAR CHALLENGES?

In my early years, absolutely. When it comes to advice, and what I've found to be true, it's really easy to stay closed off to yourself. It's very hard to open up, but imposter syndrome comes from being secretive and in your head. The first step in overcoming imposter syndrome is to open up and talk to people, friends, or people you feel comfortable around.

The second part is to know your people. For me, it was other female leaders who had achieved in the space. Especially in gaming, most women are open to having a conversation.

The last step is to take a leap of faith–break out of your comfort zone. There's research that says women wait till they're 100% qualified for the role before they go for the job, while men wait until they're 60% qualified. Women tend to be more conservative on their stretch abilities, whereas men are not, leading to that disparity.

5

WHAT TRENDS ARE YOU WATCHING IN THE INTERSECTION OF SOCIAL MEDIA AND GAMING? HOW CAN THIS RELATIONSHIP PROMOTE INCLUSION? WHAT CONCERNS DO YOU HAVE?

I remember when social media took gaming by storm. Initially, I didn't think it was such a large aspect of games, and I say that I was naive and did not know enough. Now, it's clear that social media is a crucial part of the gaming ecosystem.

Games are no longer just a single-player experience or something isolated between the player and the game maker. Social media has introduced a third element: audience watchers. Even people who don't play games can now participate by watching them, becoming part of the gaming industry. This shift has opened the door for new users and is helping the industry grow in the long run.

6

WHAT CHANGES HAVE YOU SEEN OR HELPED LEAD IN DIVERSITY AND INCLUSION WITHIN MOBILE GAMING? WHERE WOULD YOU LIKE TO SEE THE INDUSTRY HEAD?

I want to highlight two organizations: Gameheads, where I serve on the board, and Black Women Gaming. I've invested in both because they provide a community for underrepresented individuals and bring diverse developers into the gaming ecosystem. My personal vision, and why I've invested in those organizations, is that they help not only tell different narratives of the world but also help bring diverse game developers so that you can have authentic storytelling of those narratives.

When I reflect on where I would like the industry to go, it would be getting to the point where every person can work in the gaming industry and experience what it's like to be in an inclusive, diverse team and deliver a successful AAA game. Right now, the industry can feel repetitive with the same characters, stories, and teams, and I don't think the industry will get to that next two, three, four, five X growth without reaching this aspiration of mine.

7

IN A PREVIOUS TALK AT BERKELEY HASS, YOU DISCUSSED HOW YOUR CHILDHOOD EXPERIENCES INFLUENCED YOUR CAREER, FROM YOUR MOM'S VIDEO GAME REWARD SYSTEM TO NOTICING THE LACK OF REPRESENTATION IN THE GAMES AND SHOWS YOU ENJOYED MOST GROWING UP. IF YOU COULD GIVE ADVICE TO YOUR YOUNGER SELF, WHAT WOULD IT BE? HOW WOULD YOU TRANSLATE THAT TO ADVICE FOR OTHERS?

Every morning, I woke up to watch Saturday cartoons, and I started to wonder why I didn't see myself represented. Having that mindset, if I were to speak to my younger self or even my three young daughters now, I would say your mind is much more powerful than you think. I love *Star Wars*, so it's like a Jedi mind trick you can play on yourself. Start by writing down the change you want to see on a piece of paper. Put it somewhere where you'll see it every day and then be the change. Oftentimes we are waiting for change to happen, not realizing we can make that change ourselves in our own daily lives.

Now, my daughters watch the slate of shows I helped with animation when I was at Netflix, and I feel a sense of honor when I look back at that paper I had on my wall about seeing my story reflected in these Saturday morning cartoons. It brings me joy to know those are actually there.

8

WHEN YOU REFLECT, WHAT HIGHLIGHTS ARE ESPECIALLY PIVOTAL TO HOW YOU HAVE SHAPED YOUR CAREER? WHAT DO YOU HOPE TO IMPART TO THE NEXT GENERATION OF YOUNG INDIVIDUALS LOOKING TO MAKE THEIR MARK ON THE GAMING WORLD?

One of my principles that I cherish is that I'm obsessed with my failures. I believe failures are the best learning blocks that help you become successful. The first time I tried to launch an economy mod, I didn't know how to do economy design, and I almost had a boycott within the community blogs around pricing points and the difficulty with tuning it. Had I not gone through that, I wouldn't have understood how to design mods, release them, and take them to market, especially for whales and advanced players who are further along in the game's lifecycle.

I see failures as enablers because the next time around, you can iterate and better understand the systems. Mastery comes from overcoming complex challenges, so if all you see is success throughout your career, maybe you haven't tried hard enough.

9

YOU WORK ON TWO FRONTS: AS A PROFESSIONAL AND AS A PARENT. AS A CHILD WHO DEVELOPED AN INTEREST IN GAMES AND LATER WORKED IN THE GAMING INDUSTRY, HOW DO GAMES SHOW UP IN YOUR LIFE NOW AS A PARENT?

Too many! All my kids play games. My eldest daughter is a first-person shooter gamer. My middle daughter is a *Minecraft*, open-world type player. And my younger one, I think is still finding a sense of what genre that she likes.

My kids have games that have sparked an element of mastery and competitiveness. I think they wouldn't have learned that had they not played games and been exposed to it early and I love it. We laugh about it—we celebrate the wins, we celebrate the losses, and we have great sportsmanship.

And for me my beloved gaming console was the NES, so, of course, I was thrilled when Mario Brothers made their comeback, and they had all the new experiences.

Section

02

MOBILE GAMING

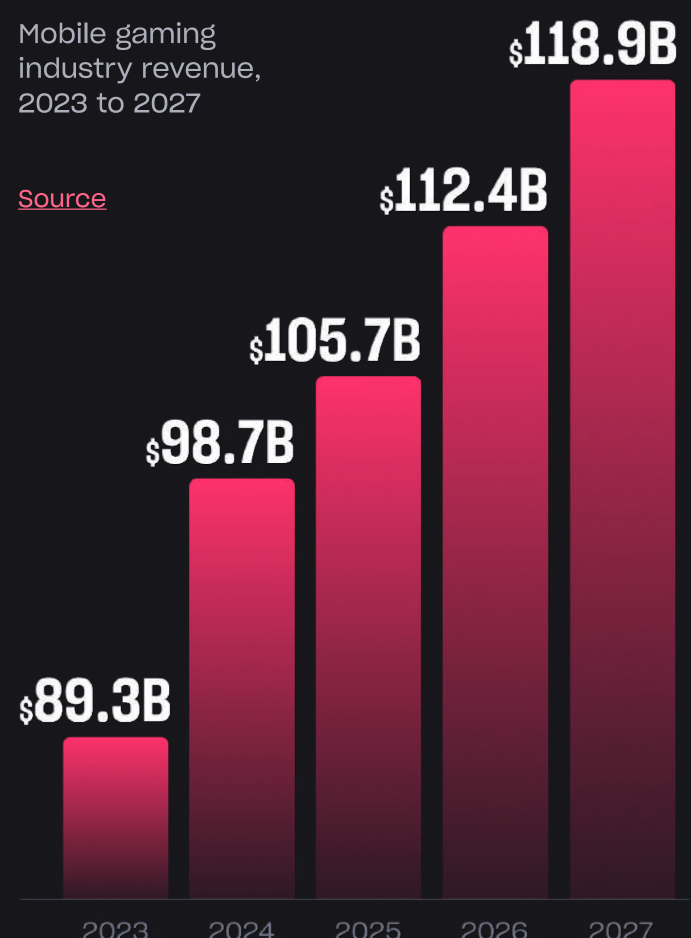
LATEST TRENDS IN MOBILE GAMING

$98.7B

projected mobile gaming market revenue in 2024

Mobile gaming industry revenue, 2023 to 2027

Source



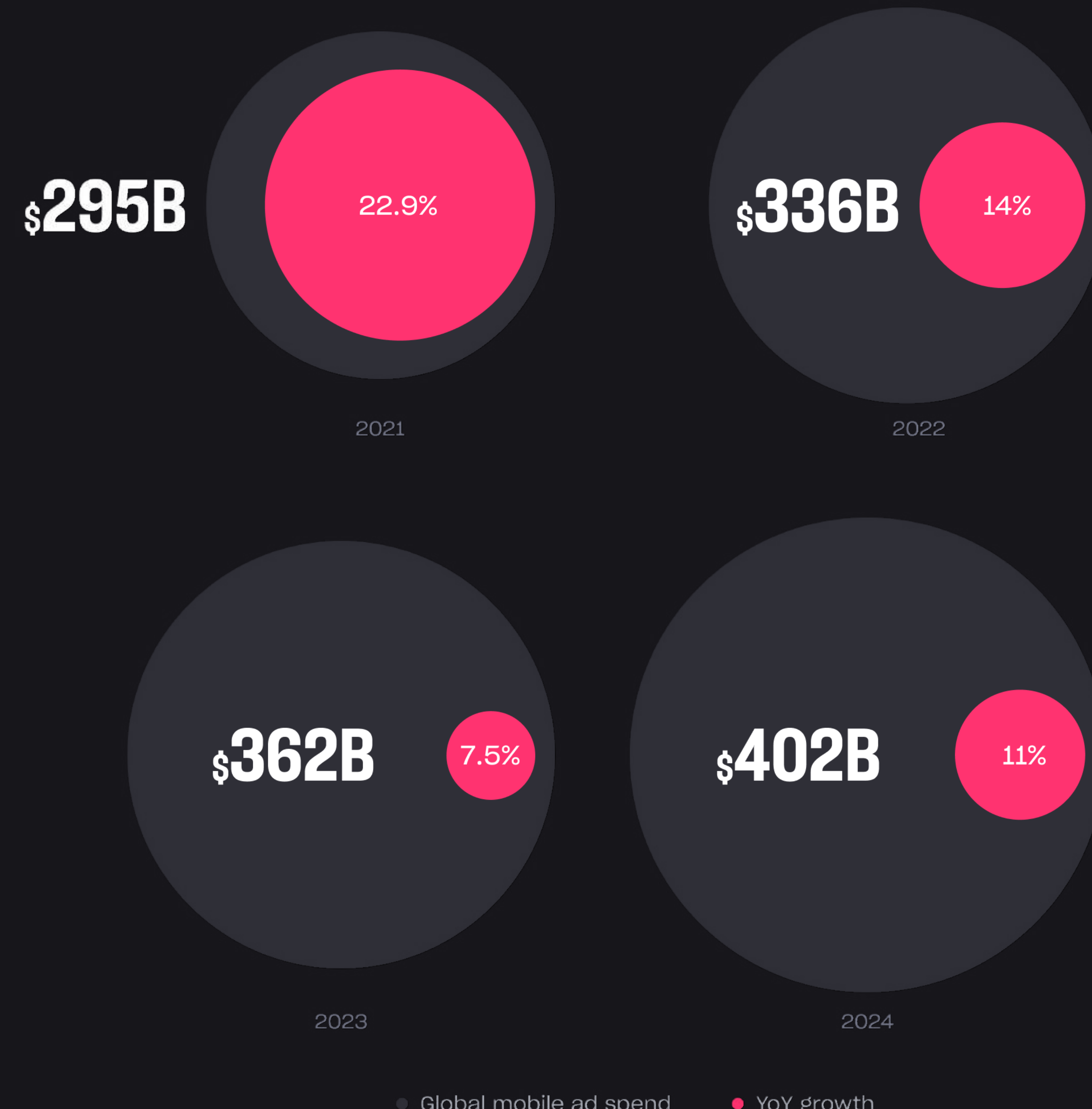
The global mobile games market is projected to generate **$98.7 billion in revenue in 2024**, with an anticipated compound annual growth rate (CAGR) of 6.4% from 2024 to 2027, reaching an estimated **$118.9 billion by 2027**. China is forecasted to lead the market, generating $34.6 billion in revenue in 2024.

Global mobile ad spend

Source

MOBILE ADVERTISING

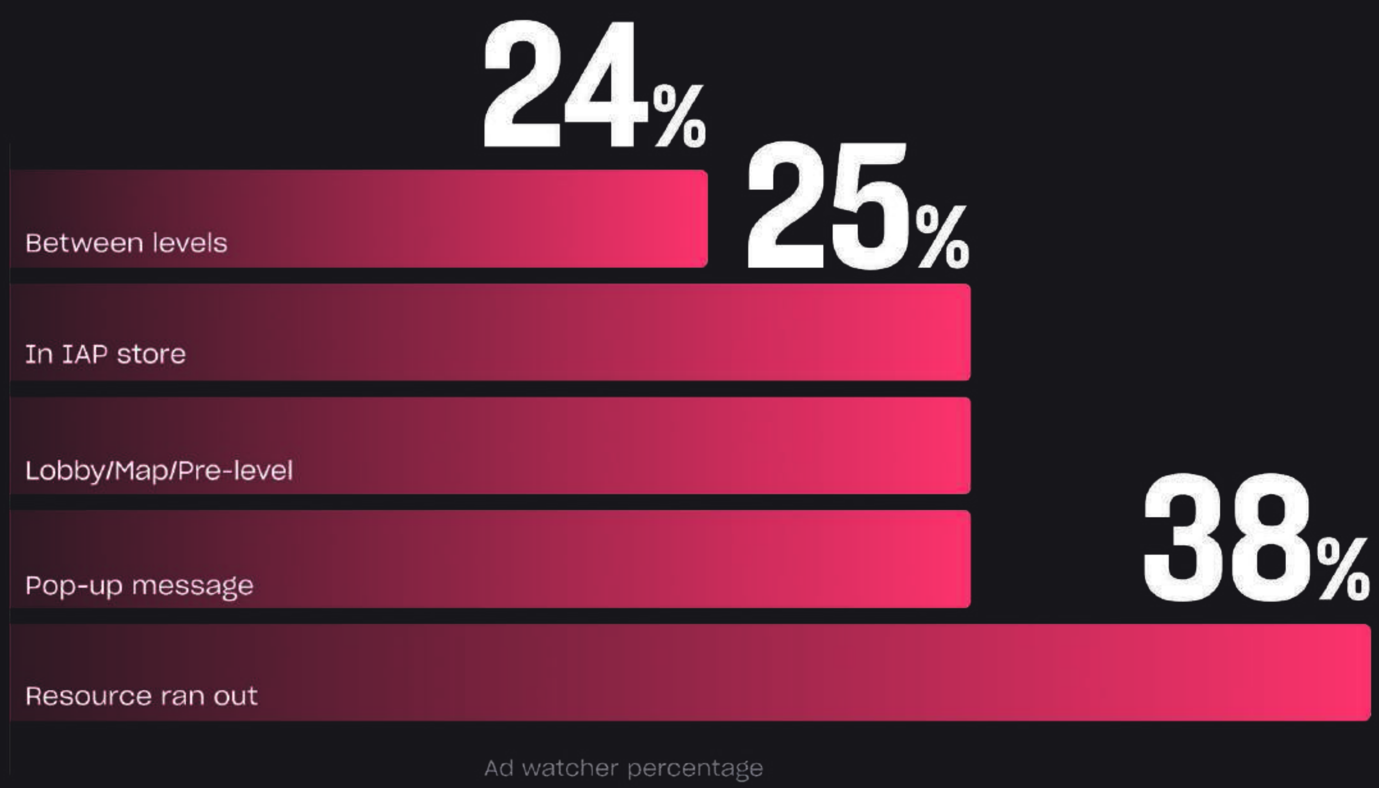
Spending on ads is predicted to grow as users spend more time in apps, with Android phones reaching 5.1 trillion total hours in 2023. While ad spend growth will recover from the slowdown in 2023, it will still trail behind the higher growth rates seen from 2019 to 2022.



Ad watch engagement, by placement location

Source

As economic challenges limit users' willingness to pay for in-app purchases (IAPs), ads are becoming more valuable, offering a viable alternative for accessing in-game content. Rewarded video engagement is particularly strong word, role-playing, and casual game genres,with context-sensitive ad placements–such as when users run out of resources–leading to a **38.1% view rate among players**.



38%

ad view rate with rewarded video engagement

DIGITAL MARKETS ACT (DMA) UPDATES

In September 2024, the European Commission opened new proceedings under the Digital Markets Act (DMA) that will see the bloc instruct Apple on how to comply with its interoperability obligations. Meanwhile, Bloomberg reports that EU officials are preparing “a formal chargesheet,” taking issue with how it presents rivals on search services.

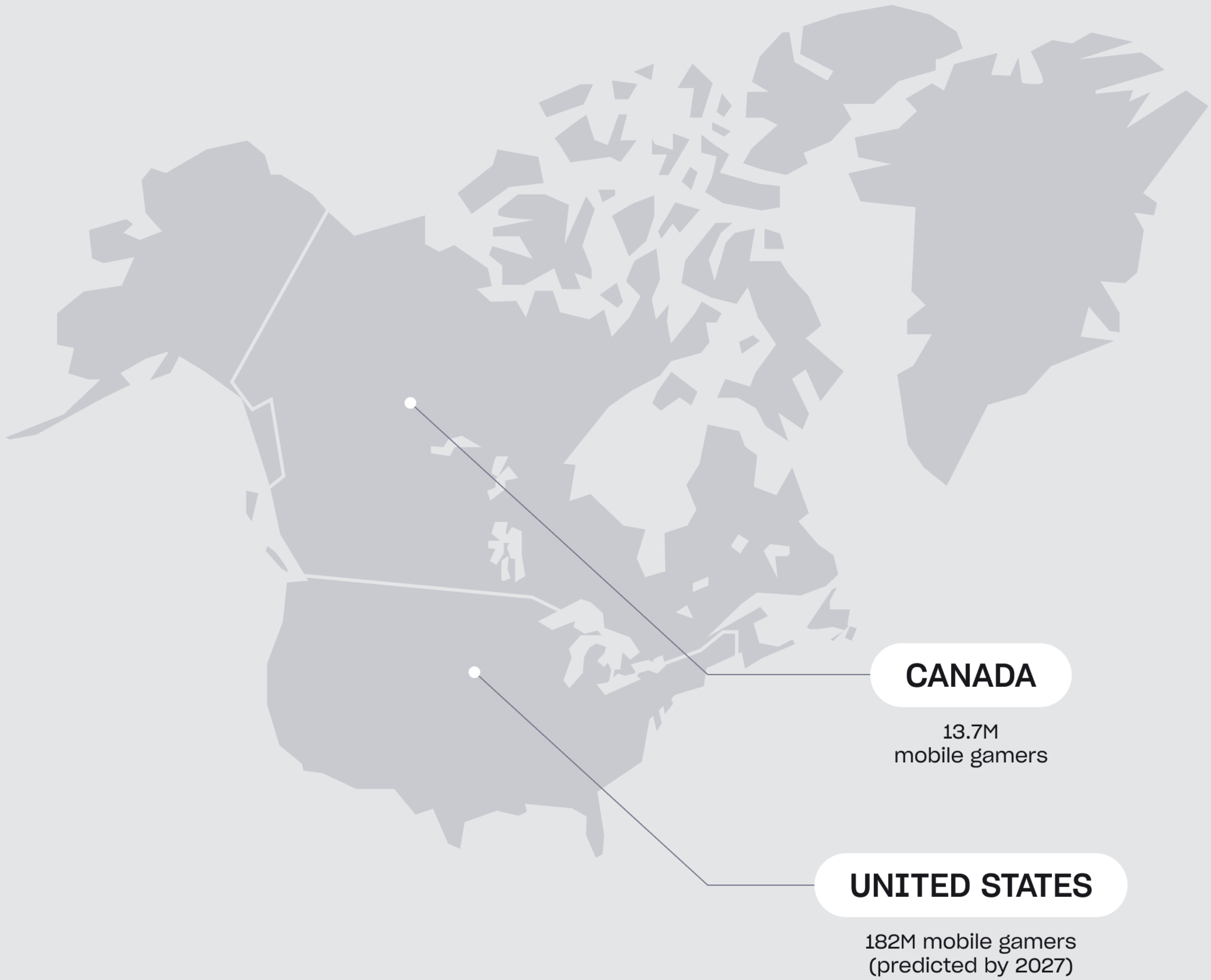
01 Article

THE STATE OF THE MOBILE MARKET

A journey around the world

Mobile games have become a global phenomenon, driving revenue growth across diverse markets. From the massive user base in Asia to the emerging opportunities in regions like Africa and South America, each area offers unique dynamics that shape the future of the industry.

As developers and publishers look to expand their reach, understanding regional trends is crucial for capturing new audiences and maximizing profits. Let's take a journey around the world and explore the latest data and opportunities in each region.



NORTH AMERICA

CANADA

PLAYERS

13.7 million mobile gaming users in 2022

REVENUE

Expected to reach $1.2 billion by the end of 2024, as the largest segment of Canada's video game market in revenue earnings

GROWTH

Approximately 1.3 million downloads for mobile games in Canada, making it average more downloads than its global counterparts

SPEND

Canada had the highest per capita spending growth among the 10 largest markets at the start of the pandemic, indicating a quick shift to mobile apps

UNITED STATES

PLAYERS

182 million mobile gamers expected by 2027

REVENUE

Reached a record $47.3 billion in 2023

GROWTH

This year the US is driving mobile gaming growth worldwide, with player spending rising by 12.3% year-over-year to $13.3 billion in the first half of 2024

SPEND

7 of the world's top 10 grossing games had the US as their most lucrative country for App Store and Google Play user spend

GAME GENRE

Casual and hybrid-casual mobile games are driving the revenue resurgence, with casual games alone making up 60% of total in-app purchases in the last year

LATIN AMERICA

MEXICO

PLAYERS

58.2 million users are predicted by 2027, a new peak after the country's fifth consecutive year of growth

REVENUE

Expected to reach $230.7 million in 2024 and is forecast to continuously increase by 18.6% between 2024 and 2027

SPEND

23% day 1 retention rate for mobile game apps, the highest retention among all app downloads. To increase user retention in Mexico's app market, mobile games should prioritize community features

GAME GENRE

Adventure and shooter mobile games were the two most popular among gamers in Mexico, with 71% and 66% preference respectively

ARGENTINA

PLAYERS

12 million mobile gamers and estimated to reach 14.1 million users by 2027. Additionally, 68.8% of users in Argentina say they play mobile games

REVENUE

Projected to earn $37.5 million

SPEND

Brands invest an average of $500 million per year in the gaming industry, which is lower than the global average of $4 billion annually

GAME GENRE

Strategy, shooting, roleplaying, and simulation games contributed more than 60% of the revenue among the top-grossing games

BRAZIL

PLAYERS

Mobile accounts for 51.7% of Brazil's estimated 103 million gamers, making it the 5th largest games market in the world by active players

REVENUE

Brazil stands out among LATAM countries, with mobile gaming revenue forecast to continuously increase by $87.9 million between 2024 and 2027

GROWTH

The rest of Latin America and the US are Brazil's most prominent commercial partners for games. But Western Europe is on the rise, with 54% of Brazil's game studios now doing business with that region

SPEND

Only the 10th biggest market for games spending due to the nation's taste for free-to-play mobile games and the smaller console market

GAME GENRE

Action-adventure and Action (e.g., platform games, fighting games) are the top two mobile game genre choices among Brazil's consumers in 2024

EUROPE

UNITED KINGDOM

PLAYERS

Reached 10.8 million in 2023, and 34% of gamers said that their phone was their primary method of playing.

REVENUE

Projected to reach about $1.4 billion in 2024 and accounts for 23% of the region's market size in the mobile gaming segment

GROWTH

The second largest player in the mobile gaming market from the region (just behind France) with a share of $1.8 billion. Mobile game sales saw some of the strongest growth in 2023, up 4.5%

SPEND

Publishers monetize apps primarily through mobile advertising (69% vs. 73% globally) and in-app purchases (50% vs. 33% globally), highlighting diversified revenue strategies

GAME GENRE

Casual games led the mobile gaming market in the first half of 2024, generating 87.2 million downloads, closely followed by Puzzle games with 86.7 million downloads

FRANCE

PLAYERS

18.9 million mobile gamers in 2023

REVENUE

Games also account for a substantial 43% of all mobile app downloads, with revenue achieving $830 million at the end of 2023

GROWTH

France is the market leader in mobile gaming in Europe, with a value of $1.8 billion in 2021. The mobile video gaming market in France grew by 14.3% in the same year

SPEND

Approach monetization cautiously, especially with in-app advertising (IAA) since consumers have a low tolerance for mobile ads, with 40% preferring alternatives (compared to the global average of 20%)

GAME GENRE

Casual games dominated mobile gaming in France with 90.1 million downloads, followed by Puzzle games with 88.7 million downloads

GERMANY

PLAYERS

24.6 million played mobile games in 2023 and 40% of the game multiple times a day

REVENUE

Estimated to reach $1.6 billion in 2024

GROWTH

98% of mobile game-related revenue last year pertained to in-app purchases

SPEND

Consumer spending totaled $3.2 billion (or 2.9 billion euros) in 2023, up 4% year over year and almost doubling from 2018

AFRICA

EGYPT

PLAYERS

Projected to reach 30.9 million users by 2029, with 92% among 16–24-year-olds and 94% among 25–34-year-olds engaging in mobile gaming

REVENUE

With a projected growth from $665.4 million in 2023 to $740 million in 2024, Egypt holds the **largest market share in mobile gaming**

GROWTH

Has seen its mobile gaming sector grow by 25% annually

SPEND

With approximately $212.6 million spent in 2023, Egypt boasts the highest number of active spenders at 20.2 million

GAME GENRE

Strategy and Puzzle games are the leading genres, with multiplayer and social networking features serving as key selling points that enhance player interaction

NIGERIA

PLAYERS

By 2027, the projected number of users is 104.9 million

REVENUE

Expected to reach $12.84 million

SPEND

With approximately $229.7 million spent in 2023, mobile gamers in Nigeria recorded the **highest expenditure in Africa**, supported by a robust community of 14.7 million spenders

SOUTH AFRICA

PLAYERS

85% of players are mobile gamers, with gamers expected to amount to 16.9 million users by 2027

REVENUE

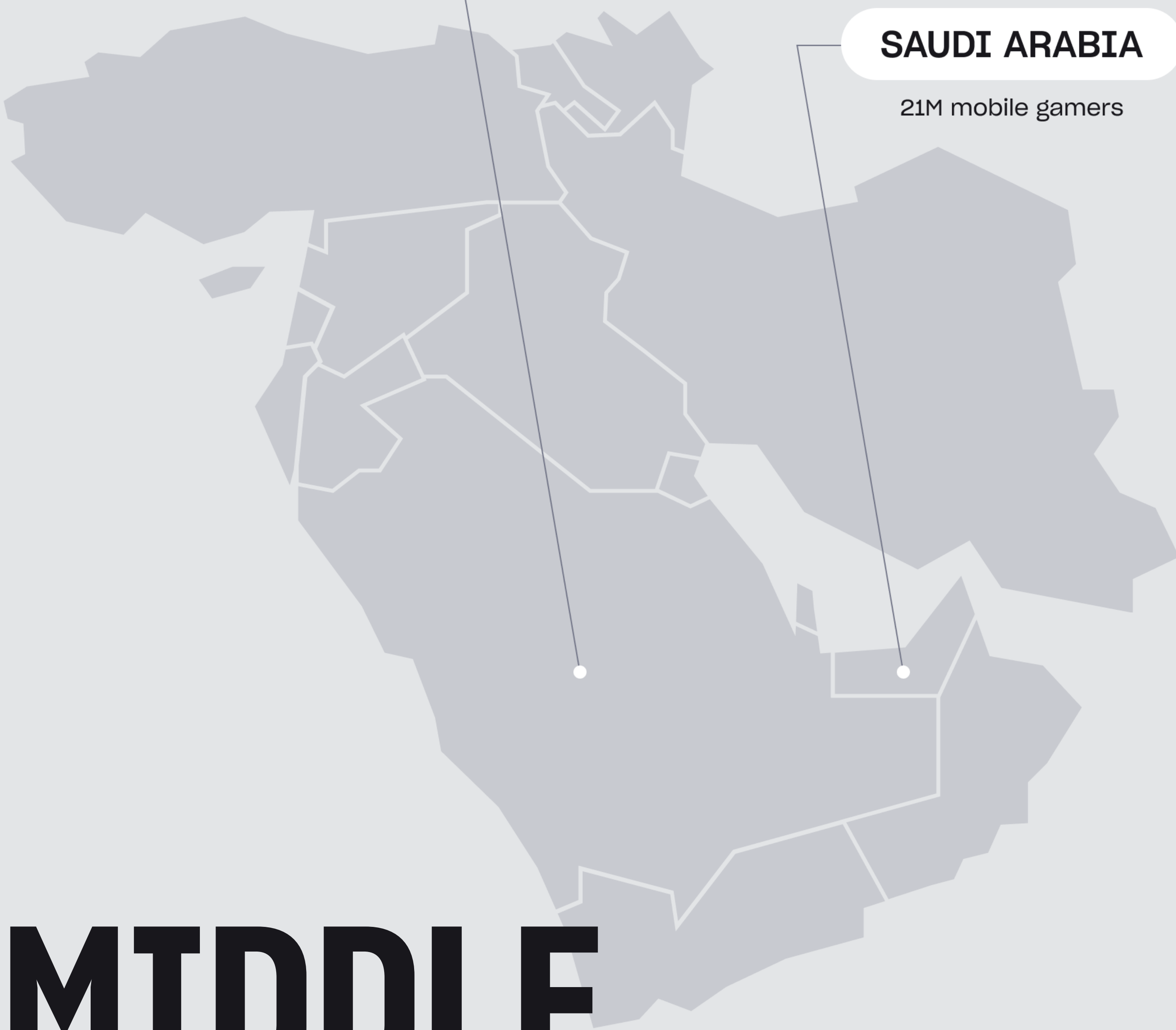
91% of its $266 million in gaming revenue was spent on mobile games

GROWTH

The supply and demand of mobile games are on the rise, with 78% of game developers saying they are working on mobile games

SPEND

Leads the region with an average revenue per user at $12 per year



MIDDLE EAST

UNITED ARAB EMIRATES (UAE)

PLAYERS

Expected to reach 2.3 million users by 2027, with gamers playing an average of 20 to 40 minutes per day

REVENUE

Projected at $173.6 million by the end of 2024

SPEND

39% of gamers in the market spend on mobile games, and many gamers in UAE are more than willing to pay for their mobile gaming experiences

GAME GENRE

In 2020, its most popular genre on mobile was puzzle, followed by racing and shooter

SAUDI ARABIA

PLAYERS

With just under 21 million mobile gamers in 2021, nearly 25% of the online population in Saudi Arabia plays mobile games 5 or more days a week

REVENUE

Valued at $1.8 billion, capturing a 45% share of the Middle East and North Africa (MENA) region, with one of the highest average revenues per paying user (ARPU) at over $80 (higher than China's $32)

GROWTH

The highest penetration of internet users and gamers, making it the 19th largest online gaming market worldwide

SPEND

Savvy Games Group has spent $8.3 billion of $38 billion in funding and is projected to spend moreon mobile gaming in its commitment to make Saudi Arabia one of the top 3 gaming countries in the world by 2030

GAME GENRE

The most popular types of mobile games are puzzles (39%), sports (34%), racing (31%), and adventure (29%)

ASIA-PACIFIC

CHINA

PLAYERS

Peaked at around 657 million in 2023

REVENUE

Forecasted to reach $34.6 billion in 2024, making it the global leader in the mobile gaming sector

GROWTH

By 2029, the number of users is expected to reach 700 million users

SPEND

73% of the domestic gaming market sales volume of $20.4 billion is attributed to mobile games

GAME GENRE

Sports and strategy mobile games saw the highest growth in monthly active user base in 2023

SOUTH KOREA

PLAYERS

Expected to reach 27 million users by 2029, with mobile gamers in their forties making up the largest age demographic at 22%

REVENUE

Forecasted to reach US$6.12bn in 2024

SPEND

44% are more likely to spend in-game with the prospect of increased rewards or loyalty programs

GAME GENRE

20% of gamers favor role-playing games (RPGs), followed by puzzle and matching games

SOUTHEAST ASIA (SEA)

Includes countries like the Philippines, Thailand, Cambodia, Indonesia, Malaysia, Singapore, and Vietnam

PLAYERS

Indonesia leads the way as the largest consumer and producer in the region with over 70 million users, with the entire region hosting more than 150 million users

REVENUE

Expected to reach $3.14 billion in 2024, making Southeast Asia the fastest-growing mobile gaming markets in the world

SPEND

Indonesia and the Philippines surpassed Japan and South Korea, with RPGs as the top marketing genre. The entire region boasted more than 21,000 average monthly advertisers in summer 2024

GAME GENRE

39% of users are mobile gamers, with the most popular gaming genre being Strategy games.

AUSTRALIA & OCEANIA

AUSTRALIA

PLAYERS

9.2 million mobile gamers with a user penetration rate of 33.6% – since smartphones are only the second popular choice for gaming (70%), while consoles are the most popular (81%)

REVENUE

Projected to reach $930 million million in 2024 with a 6.4% CAGR between 2024 and 2028

GROWTH

55% of games developed are mobile games, which saw a 55% increase in subscription revenue last year

SPEND

Though mobile isn't the most popular gaming device, it's still the biggest revenue generator, contributing $475.6 million from in-game transactions

GAME GENRE

Action and adventure games are most played by mobile gamers

NEW ZEALAND

PLAYERS

Estimating 1.6 million gamers by 2027

REVENUE

$107.5 million in mobile gaming revenue predicted in 2024

GROWTH

Market grew by 2% in 2023, reaching $229.8 million, which was supported by 53 active gaming startups

GLOBAL MOBILE GAMING TRENDS BY CATEGORY

Now that we have a global perspective, let's dive deeper into mobile gaming trends by focusing on specific categories. We'll look at key areas like revenue, app store downloads, play sessions, and in-app purchases to better understand player behavior and market preferences. By breaking down these trends, we can identify the games and monetization strategies that are driving the most engagement and profitability.

Global mobile gaming revenue, by region

Source: Statista

Revenue

In Asia, the world's largest mobile gaming market, revenue is expected to grow from **$65 billion in 2024 to $77 billion in 2027**. North America follows with an increase from $21 billion to $25 billion during the same period. In South America, Central America, and other regions growth remains steady, with respective increases in projected revenues, highlighting the expanding influence of mobile gaming worldwide.

Region	Projected revenue	
	2024	2027
Europe	$8.23B	$10.00B
North America	$21.03B	$25.59B
Asia	$65.08B	$77.86B
Middle East	$3.45B	$4.23B
Africa	$2.05B	$2.57B
South America	$930M	$1.14B
Central America	$553.4M	$692.3M
Australia & Oceania	$1.05B	$1.27B

Asia is the world's largest mobile gaming market

$65B in revenue in 2024

Google Play

25.6B

app downloads in Q1 2024

iOS AppleStore

8.4B

app downloads in Q1 2024

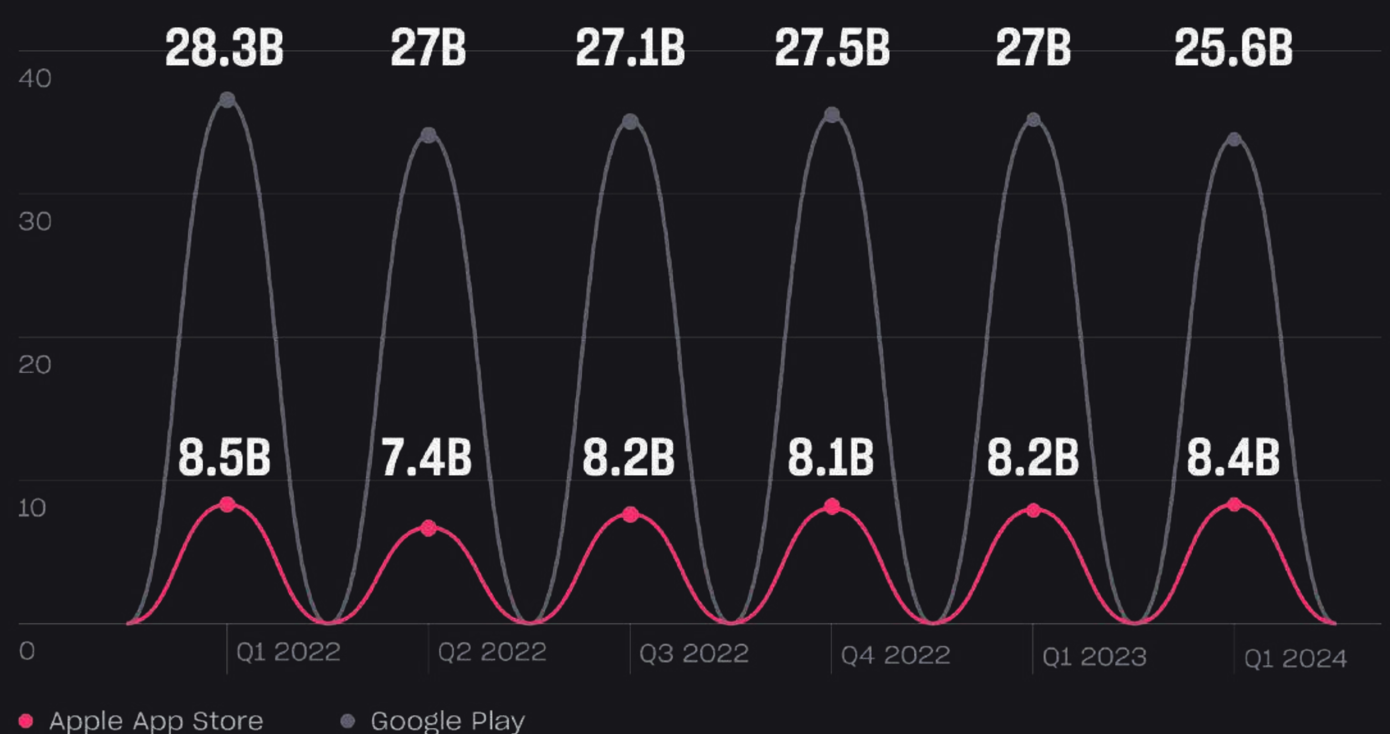
App store downloads

When it comes to app downloads, Google Play continues to dominate, with users downloading approximately **25.6 billion apps in the first quarter of 2024**. Although this marks a slight decline from the 27 billion downloads recorded in the same period last year, Google Play remains well ahead of the Apple App Store, which saw around **8.4 billion downloads**.

Despite Google Play's lead in download volume, the Apple App Store remains stronger in terms of revenue generation, highlighting each platform's strengths in the mobile app market.

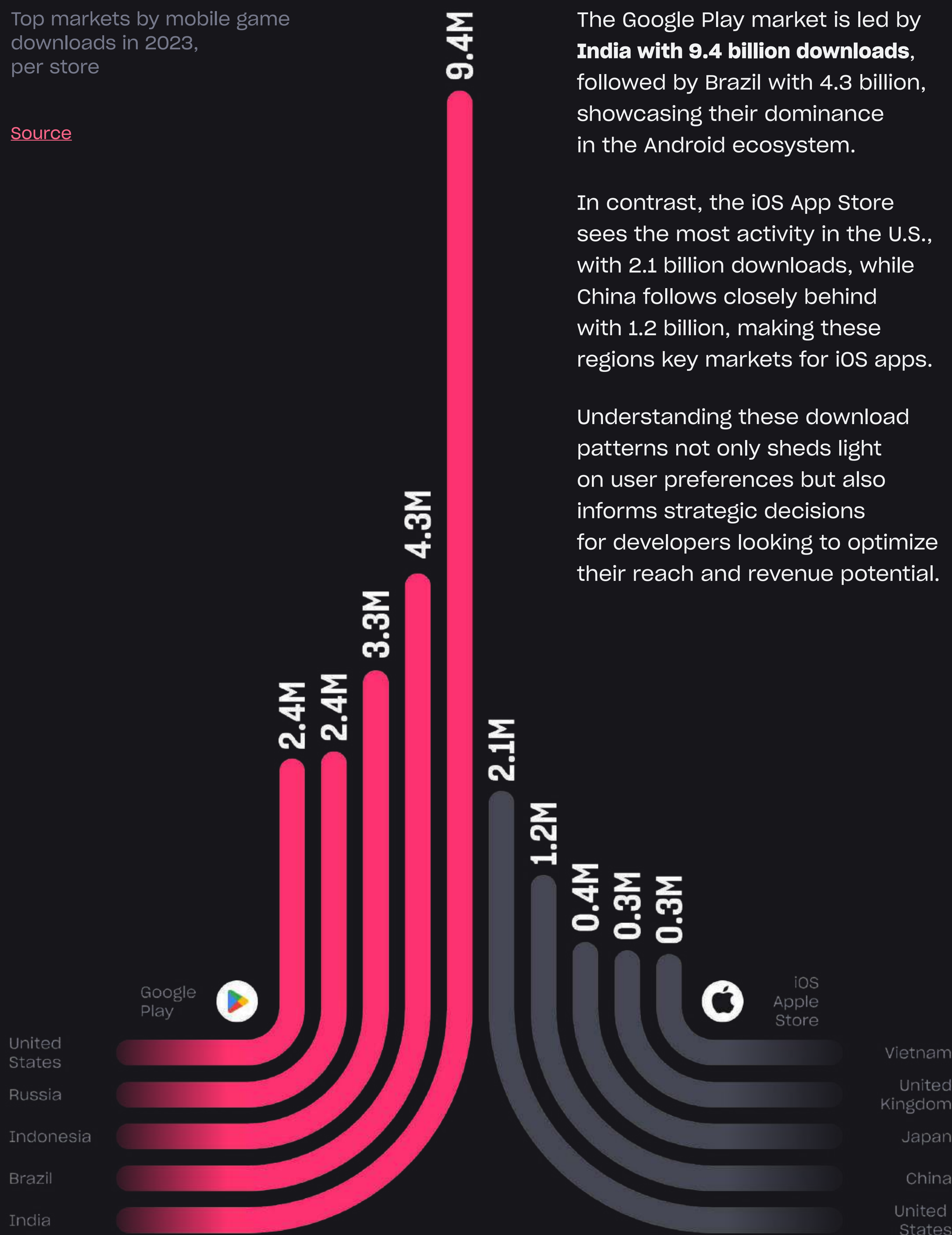
Global mobile app downloads, Q1 2022 to Q1 2024

Source



Top markets by mobile game downloads in 2023, per store

Source



The Google Play market is led by **India with 9.4 billion downloads**, followed by Brazil with 4.3 billion, showcasing their dominance in the Android ecosystem.

In contrast, the iOS App Store sees the most activity in the U.S., with 2.1 billion downloads, while China follows closely behind with 1.2 billion, making these regions key markets for iOS apps.

Understanding these download patterns not only sheds light on user preferences but also informs strategic decisions for developers looking to optimize their reach and revenue potential.

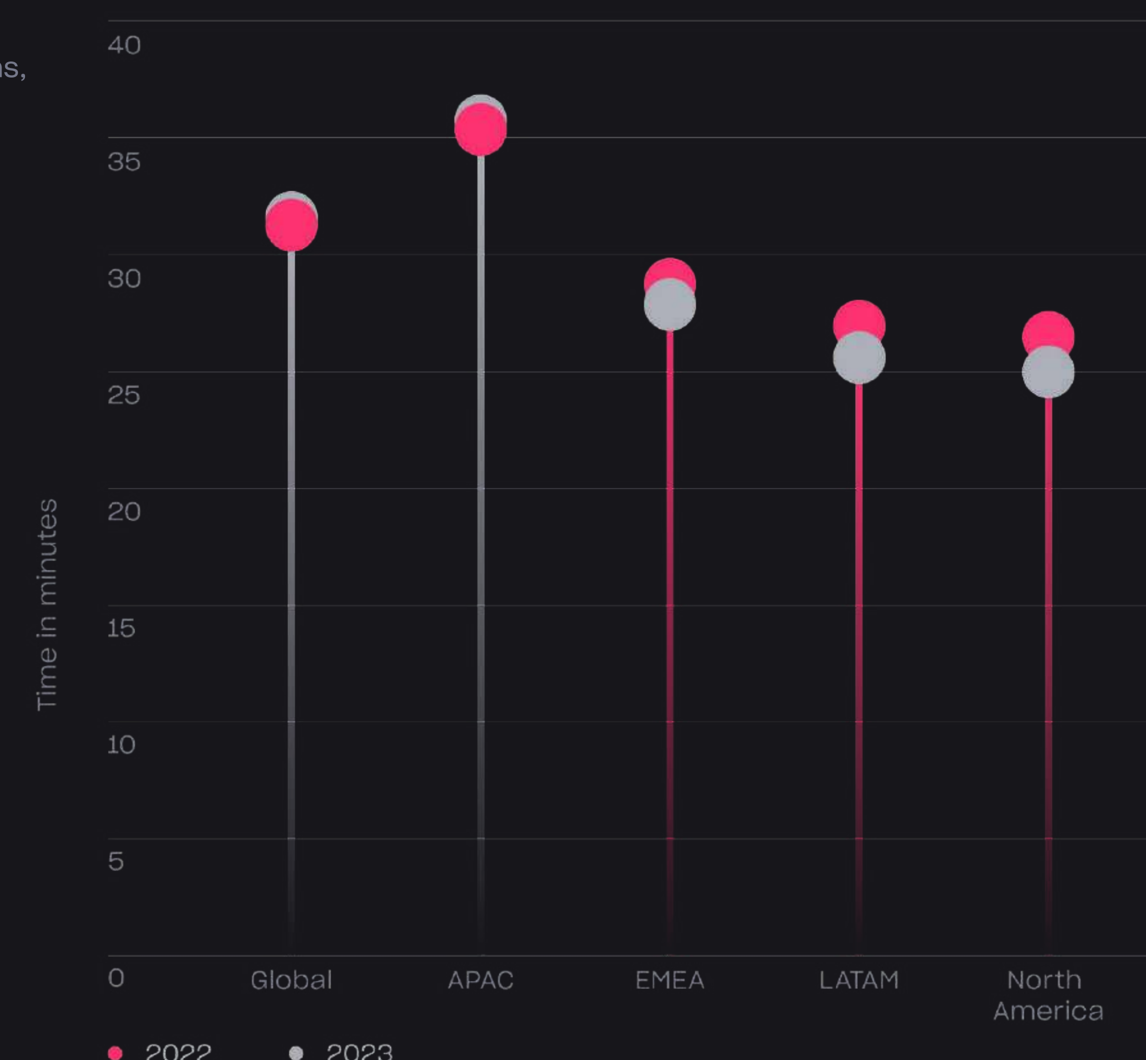
Play sessions

The average session length for mobile games remained steady year-over-year from 2022 to 2023, at 32 minutes per session. The **Asia-Pacific market had the longest session lengths**, increasing from just under 35 minutes to slightly over that mark. Meanwhile, Latin America – the only region to see overall year-over-year growth in both session lengths and installs – experienced a decrease from 27 minutes to 26 minutes per session.

When examining session lengths by genre, action games took the lead with an average of 45.7 minutes per session, followed closely by role-playing games (RPGs). However, hyper-casual games recorded the shortest session lengths, emphasizing the varied engagement levels across different game types.

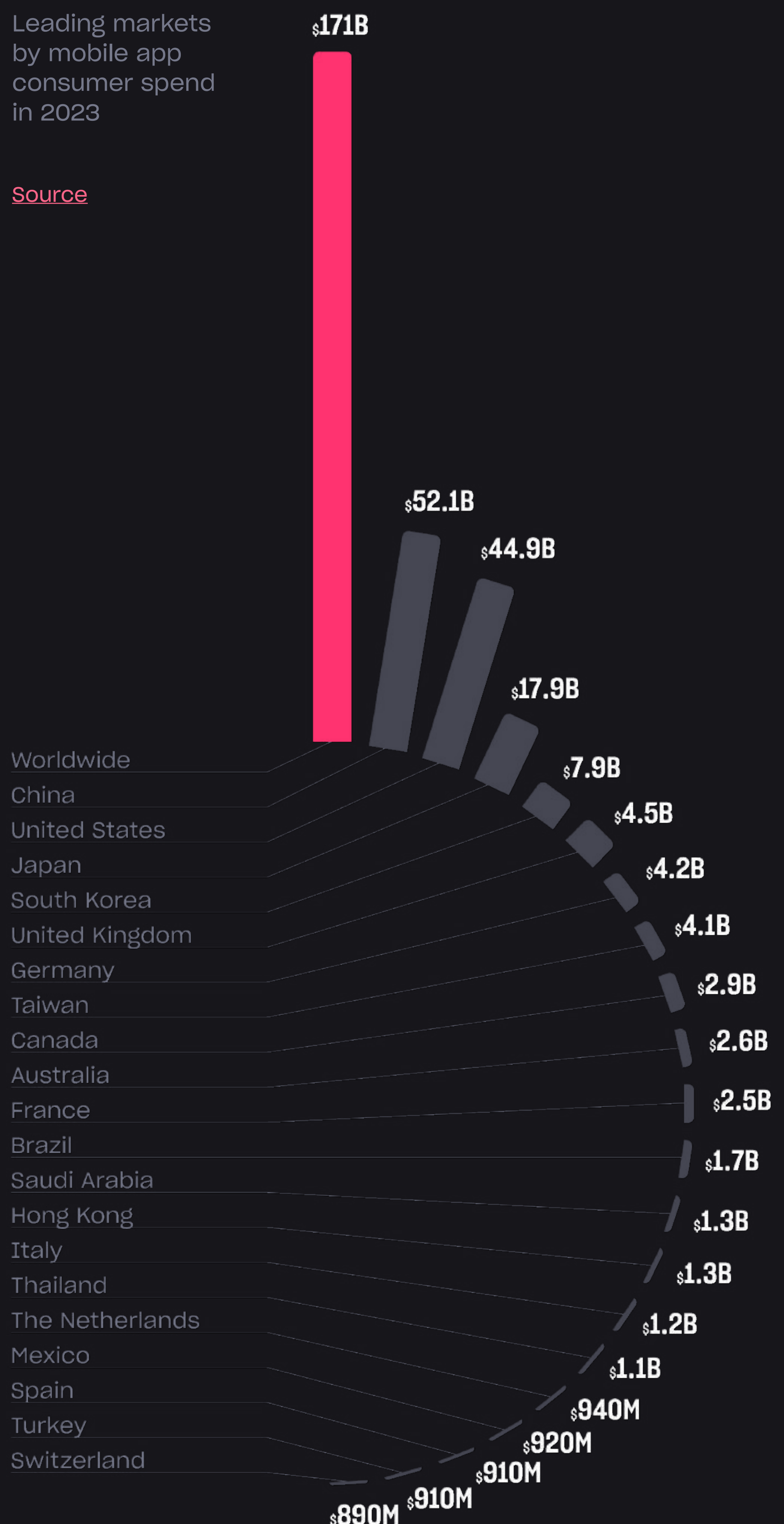
Gaming app session lengths, 2022 to 2023

Source



Leading markets by mobile app consumer spend in 2023

Source



In-app purchases

In 2023, global consumer spending on mobile apps reached $171 billion, with **China leading the charge at $52.1 billion** and the U.S. at $44 billion.

China has the highest consumer spend on mobile apps in the world

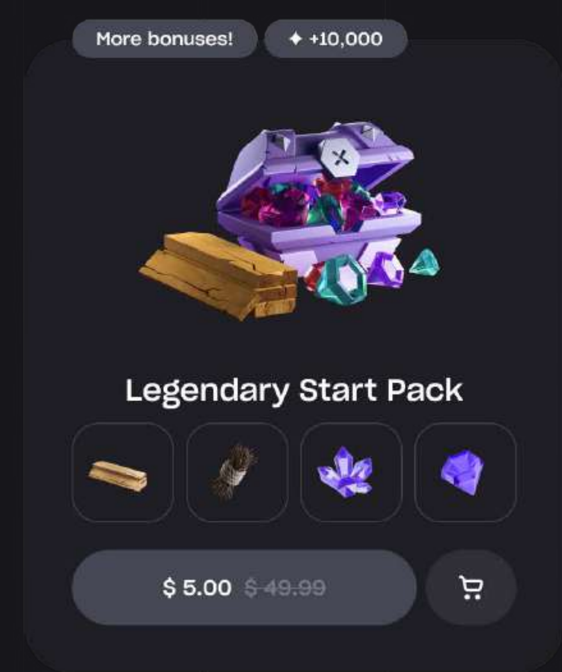
$52.1B

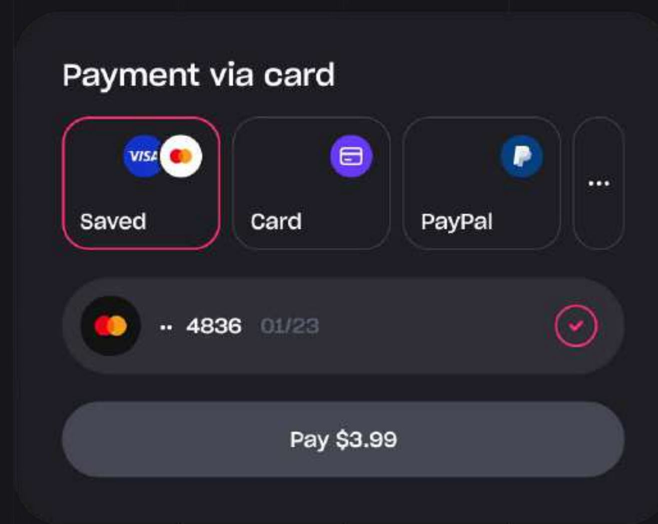
User behavior reveals a strong inclination to continue investing in in-app purchases (IAPs) once they begin. Approximately 26% of additional purchases occur within the first 30 days of the initial transaction, marking this period as a critical window for boosting user engagement.

However, after this initial phase, only 1.37% of users are likely to make another purchase between 31 to 60 days, highlighting the importance of time-sensitive engagement and re-engagement strategies.

From all corners of the world, the mobile gaming sector is full of opportunity and growth. Asia-Pacific stands as the largest mobile gaming market, with China and India leading the way in both user numbers, revenue, and the highest-grossing mobile game of 2024, *Honor of Kings*.

From Asia's powerhouse markets to the untapped potential in regions like Africa and South America, the global growth of mobile games is creating new opportunities for developers and publishers to innovate and expand.





02

Article

EXPLORING THE MOBILE LANDSCAPE IN A POST-DMA WORLD

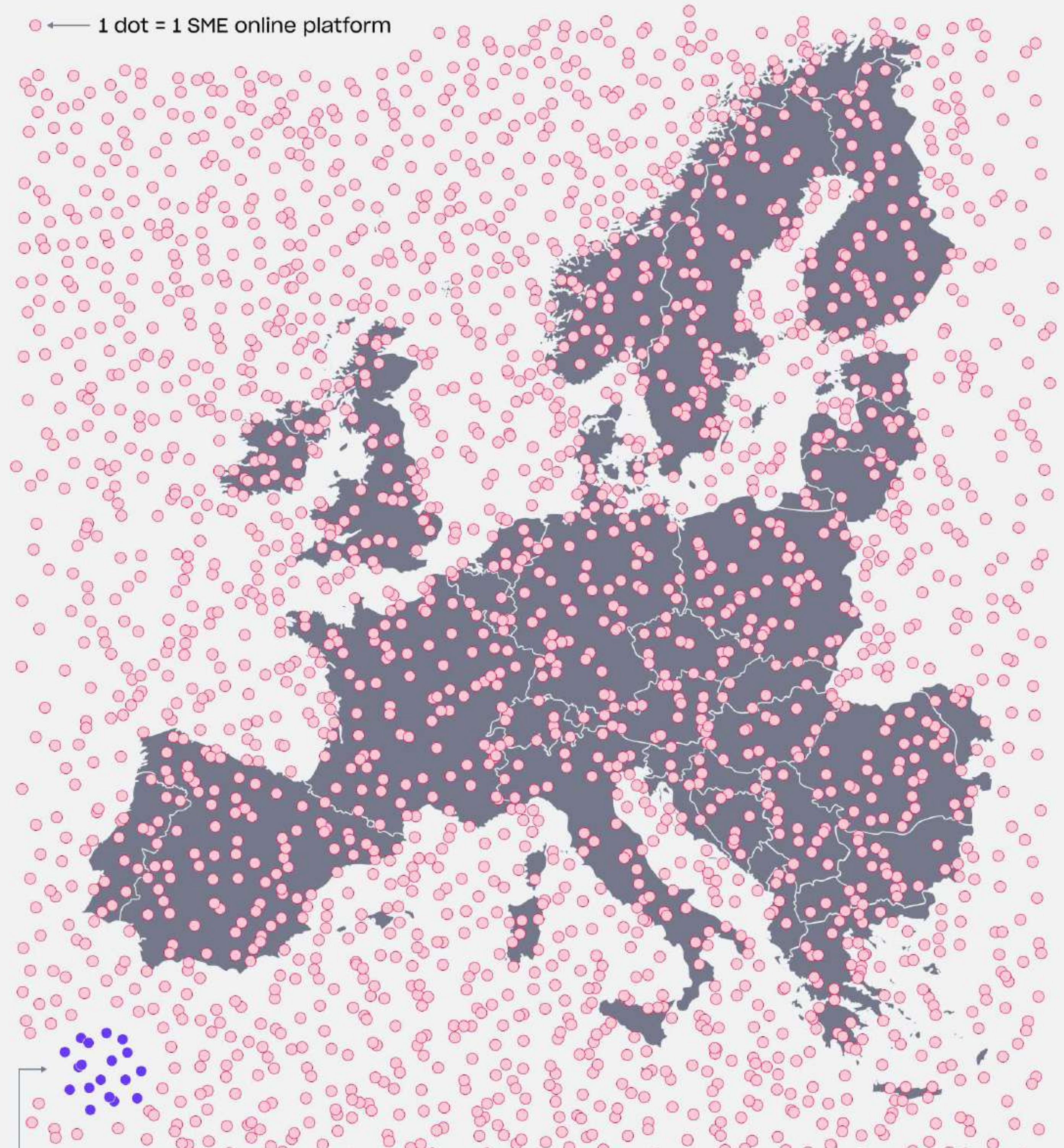
The Digital Markets Act (DMA) has significantly reshaped the mobile landscape, especially mobile gaming. It grants game developers greater autonomy while challenging the dominance of tech giants. Since its implementation in November 2022, the DMA has introduced a series of qualifications aimed at creating a fairer digital marketplace. Let's dive into the key ways in which the DMA is influencing the mobile landscape.

Impact on mobile searches

25%
year-over-year increase in non-gatekeeper engagement

One of the most noticeable shifts has been in mobile search engagement, particularly with non-Google-owned properties.

A comparison of data from January and February 2024 ("Pre-DMA") with Post-DMA figures reveals a significant change. Engagement with these non-Google-owned search results within DMA-regulated countries saw a 25% increase – **growing from 138% to 163% year-over-year**.



JUST A SMALL NUMBER

of large online platforms, known as 'gatekeepers' have the biggest share of the market

TODAY, OVER 10,000

online platforms operate in the EU's digital economy

GATEKEEPERS ARE DIGITAL PLATFORMS

With >45M active end users each month

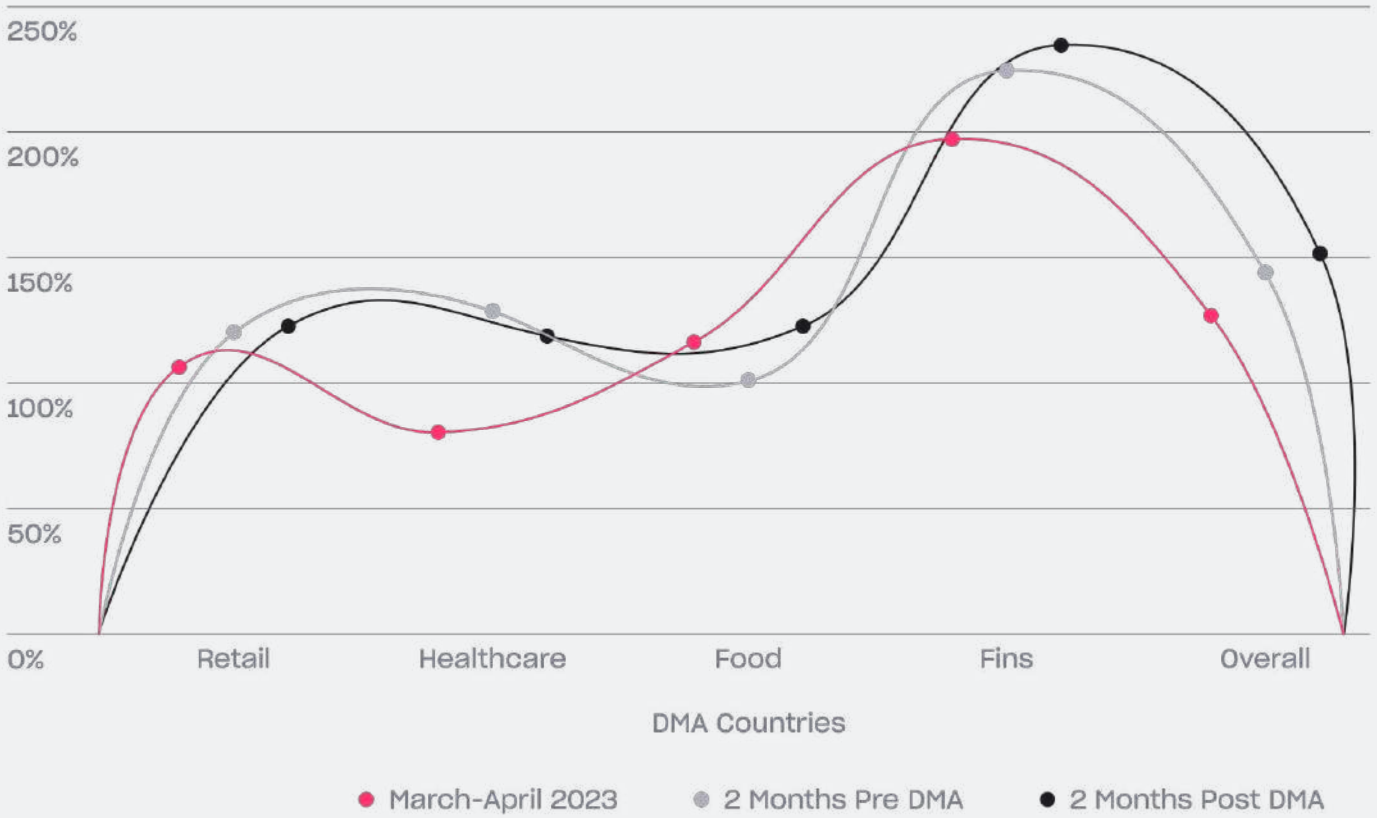
With a turnover of €7.5B or more in the last three financial years

Source

Pre-DMA v. Post-DMA
non-Google property
engagement,
year over year

Source

This trend suggests that either user behavior or the prioritization of search results is evolving in response to the DMA's regulations. By leveling the playing field for all digital platforms, the DMA is helping increase competition and providing more opportunities for smaller tech companies to gain visibility and traction.



Impact on mobile advertising

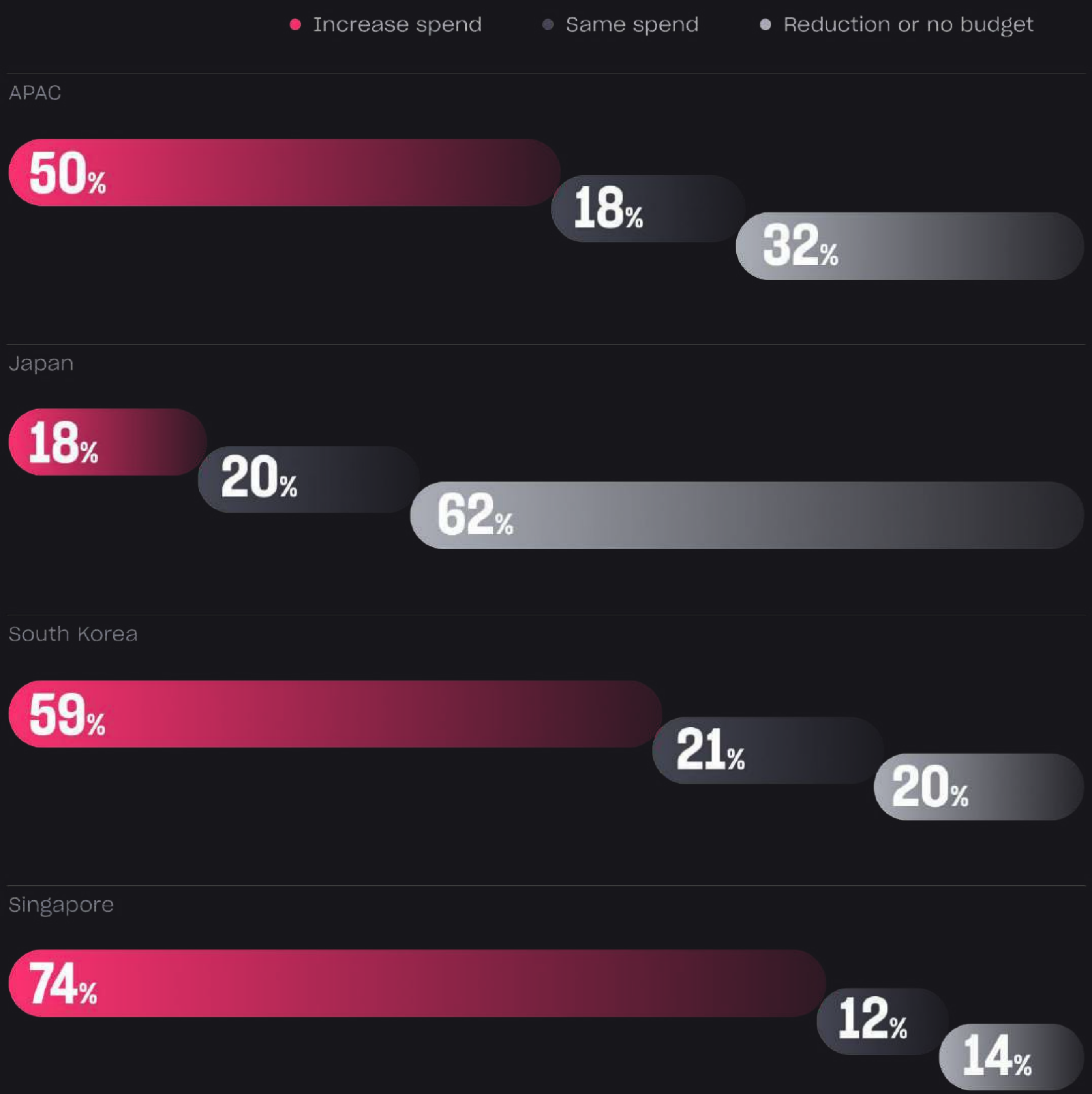
The mobile advertising landscape is evolving as the DMA influences market dynamics by fostering increased competition and shifting advertising strategies. With the new regulations, advertisers are reassessing their approaches to reach audiences effectively in a more diverse and competitive environment.

Spend changes
for in-game ads
in 2024,
APAC region

Source

In 2024, in-game advertisers in Singapore and South Korea – 86% and 80%, respectively – plan to increase or maintain their budgets for in-game advertising.

This trend presents publishers with more opportunities to attract ad spend from international buyers interested in investing in mobile games.



Share of marketers advertising in-app, by country

Source

In the Asia-Pacific (APAC) region, 7 out of 10 marketers are incorporating in-app ads into their marketing strategies. Advertisers in Singapore are the most likely to buy in-app ads, at 88%, while buyers in Japan show a lower rate, at 47%. Performance-focused buyers are more inclined to use in-app advertising than brand buyers.

Despite the differences in adoption rates, APAC marketers identify brand awareness as the leading benefit of in-app advertising, regardless of their primary advertising objectives. This highlights the role of in-app ads in enhancing brand recognition and engagement within a competitive mobile market shaped by the DMA.

Impact on game developers

The post-DMA era is significantly changing how mobile game developers operate, giving them more control and flexibility. Previously, developers faced limitations from major app store gatekeepers, which restricted their distribution options and revenue potential. However, the DMA has introduced key changes that empower them:

1 GREATER DISTRIBUTION CONTROL

One major change is the requirement for app stores to support in-game payments, out-of-store builds, and in-store processing for in-app purchases (IAPs) in side-loaded games and alternative stores. This shift allows developers to choose how they distribute their games and monetize their content, reducing reliance on traditional app store ecosystems.

2 DATA OVERSIGHT

Data oversight is another important aspect of the DMA. Developers now have greater control over their data, ensuring that gatekeepers can no longer use their data for their own benefit. This change enhances data protection and privacy, fostering trust between developers and their users.

3 ACCESS TO USER INSIGHTS

The DMA also unlocks developer access to valuable insights and analytics about user behavior. This information can be used to enhance user experience, optimize game design, and develop new and improved games.

Impact on web shops

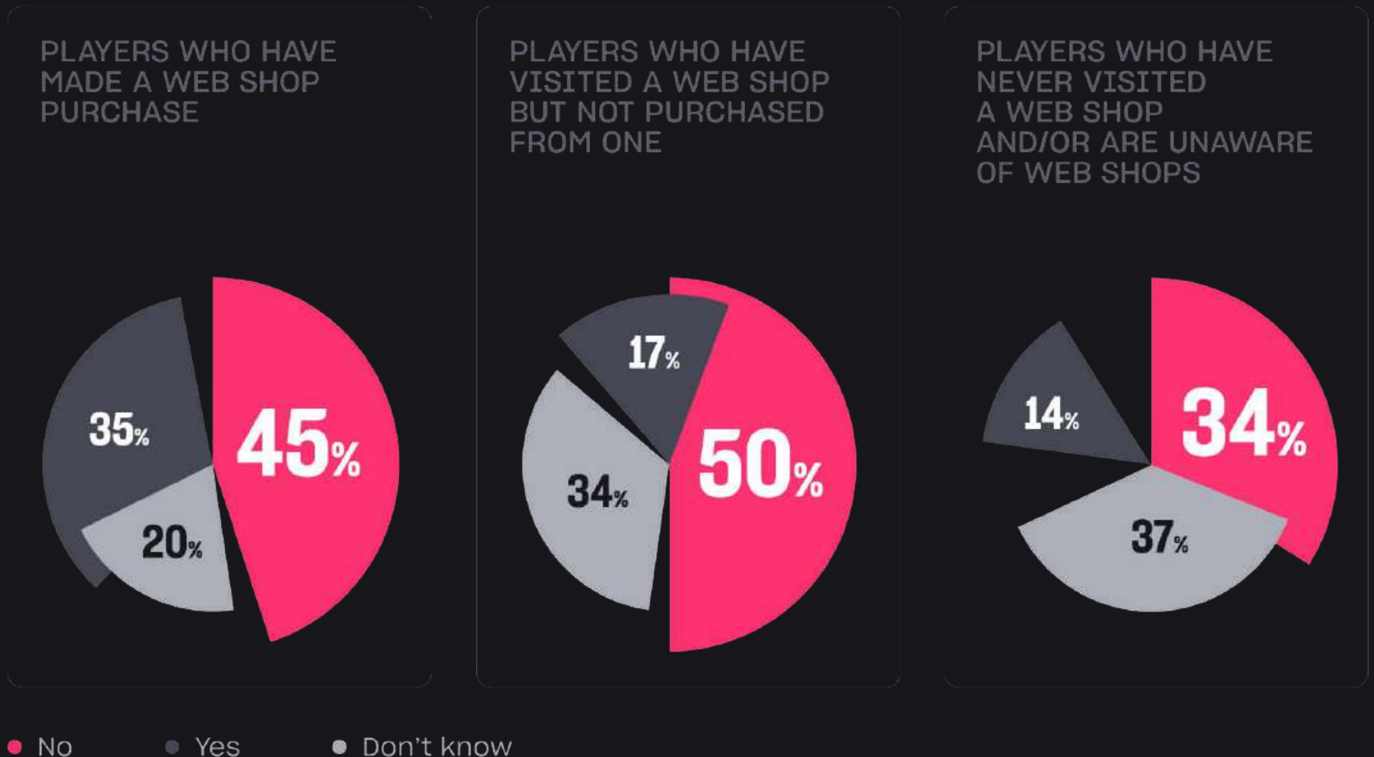
The DMA has fostered a more competitive landscape, prompting developers to explore new monetization strategies. New opportunities like direct-to-consumer sales and subscription services, are now not only becoming more viable but also more vital as revenue generators.

With 45% of players who have made a purchase from a web shop agreeing that it's unfair for Google and Apple to take a 30% commission fee, the data highlights an opportunity for developers to build deeper relationships by showing players the added value they get from buying directly. When players understand how these fees impact game development, they're more likely to support direct sales because they see the additional benefits like exclusive content, better deals, and a more personalized experience.

Sentiment of traditional app store fees, by player type

Source

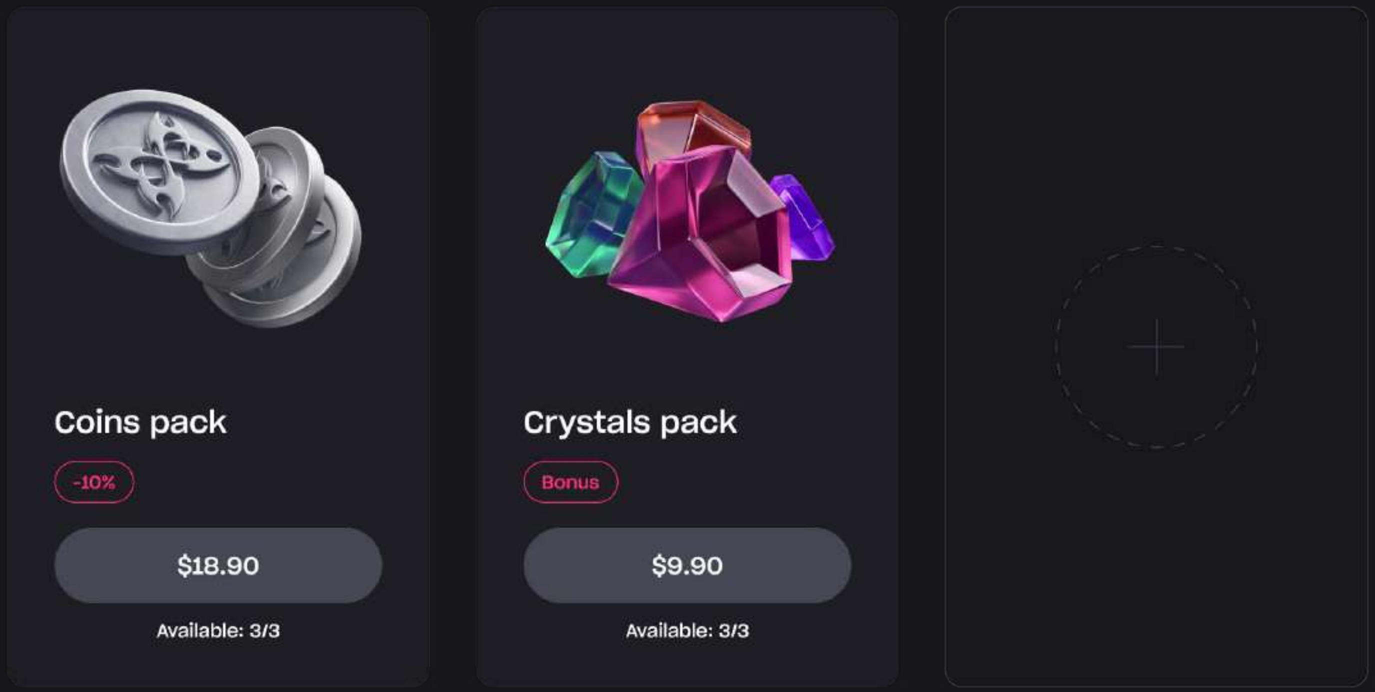
DO YOU THINK APPLE AND GOOGLE TAKING 30% IS FAIR?



With a more competitive landscape thanks to the DMA, developers are now motivated to explore more monetization strategies for their games. And working with the right industry partner can help capture dollars from diverse channels and geographies.

To capitalize on these opportunities, developers should consider direct-to-consumer (D2C) solutions that can help them retain more revenue and reduce costs like Xsolla Web Shop, which empowers developers to sell games directly to players, bypassing traditional app stores.

The implementation of the Digital Markets Act marks a significant turning point in the mobile landscape. It has influenced various aspects of mobile gaming, advertising, and developer operations. As the mobile gaming market continues to evolve in this post-DMA era, developers who embrace these changes and explore new monetization avenues will be better positioned to thrive.



03 Article

THE MOBILE DEBUT OF THE EPIC GAMES STORE AND ITS IMPACT

The Epic Games Store has officially expanded to the mobile gaming market, bringing popular titles like Fortnite, Fall Guys, and Rocket League Sideswipe to Android devices globally – and to iPhones and iPads within the European Union (EU) due to the Digital Markets Act (DMA).

This move enables crossplay across various platforms, including PC, console, tablet, and mobile, enhancing the gaming experience with seamless cross-progression.

Post-launch: The popularity of Epic Games Store

Players who download games from the Epic Games Store on mobile or the AltStore PAL on iOS in the EU can unlock exclusive in-game rewards. These rewards will remain available through other mobile stores until November 2, 2024, extending the incentive for players to explore different distribution options.

Since its official launch in August 2024, interest in the Epic Games Store on mobile has surged, with over **465 Google search queries** about the store within the first week.

AUG 17

+160%

465/WK

Epic Games Store, searches in 2024

Source

Surmounting obstacles

AltStore PAL

Aptoide for iOS

ONE Store on Android

Despite this popularity, Epic Games has faced challenges due to some poor-quality install experiences. Since the company has continued its legal battle with Apple and Google in order to regulate the anticompetitive terms set by both companies, the CEO of Epic Games attributes the negative installation experiences as imposed by Apple and Google, designed to discourage users from downloading apps outside their respective ecosystems.

In the meantime, Epic Games is leveraging partnerships with alternative third-party app stores, such as AltStore PAL, Aptoide for iOS, and ONE Store on Android, to expand its presence in the mobile market.

Looking ahead: Future growth

Goal of reaching

100M

new installs

Epic Games has set an ambitious **goal of reaching 100 million new installs** across iOS and Android by the end of 2024. Though this target is achievable, the Epic Games team acknowledges that Apple and Google have implemented measures that create significant hurdles for third-party app developers.

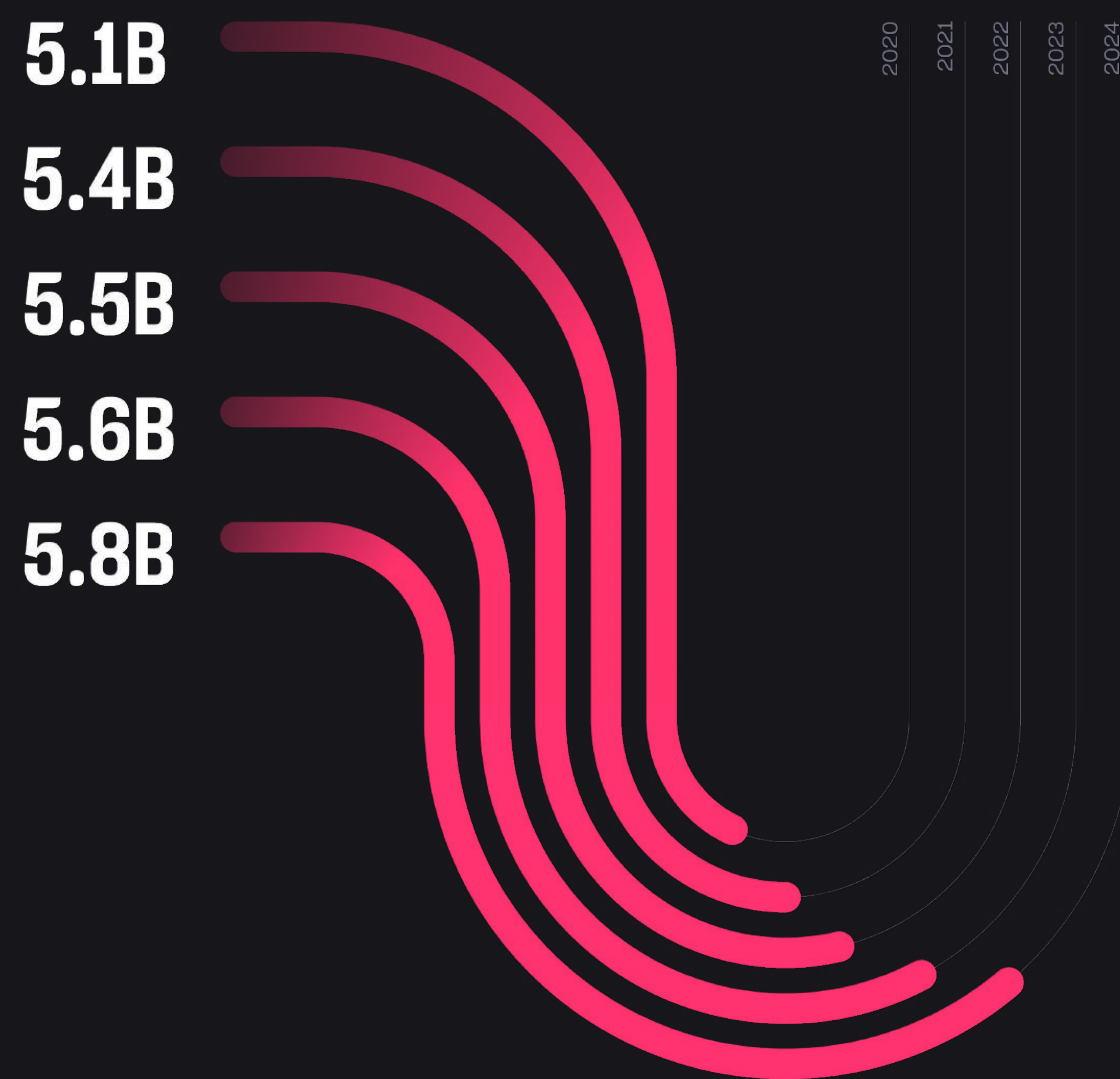
Currently, the Epic Games Store is available on iOS devices only in the EU, though there's hope that Apple's ecosystem will open up to other regions, including Japan and the UK, by next year, with further expansion plans in the works.

Effects on mobile gaming

Gross revenue generated by Epic Games worldwide, 2020 to 2024

Source

In 2024, Epic Games is projected to generate approximately $5.8 billion in gross revenue, up from $5.1 billion in 2020, and expected to continue growing after the store launch.



The mobile debut of the Epic Games Store is poised to redefine the dynamics of game distribution for both developers and players in the mobile gaming sector - not only by broadening opportunities for gamers but also opening new doors for developers seeking fairer and more diverse distribution options.

FOR GAME DEVELOPERS

Historically, developers have faced high fees and strict guidelines have limited their ability to monetize games effectively. With the Epic Games Store mobile launch, developers can now distribute their games through alternative channels and take more control over pricing, promotions, and in-game rewards.

FOR PLAYERS

The store's launch will enhance gaming experiences through crossplay and cross-progression features across different devices. And the introduction of in-game rewards exclusive to the Epic Games Store and other third-party stores encourages players to explore these new platforms.

Redefining mobile game distribution

The Epic Games Store's presence in the mobile market marks a significant shift towards a more open and competitive ecosystem.

As the company continues to expand its mobile reach and challenge the current norms, the company's efforts may lead to a more balanced mobile gaming landscape where developers and gamers alike can benefit from fairer practices and greater opportunities. This evolution could ultimately set the stage for future innovations, driving both the quality of games and engagement within the global gaming community.

WHAT DOES THIS MEAN FOR THE INDUSTRY?

As the global mobile gaming market expands, developers and publishers can expect a more diverse and competitive landscape.

The Digital Markets Act (DMA) has reshaped the mobile landscape, driving increased competition and encouraging developers to explore diverse monetization strategies. The increased focus on direct-to-consumer models and innovative monetization strategies will empower them to capture new revenue streams and build stronger connections with players.

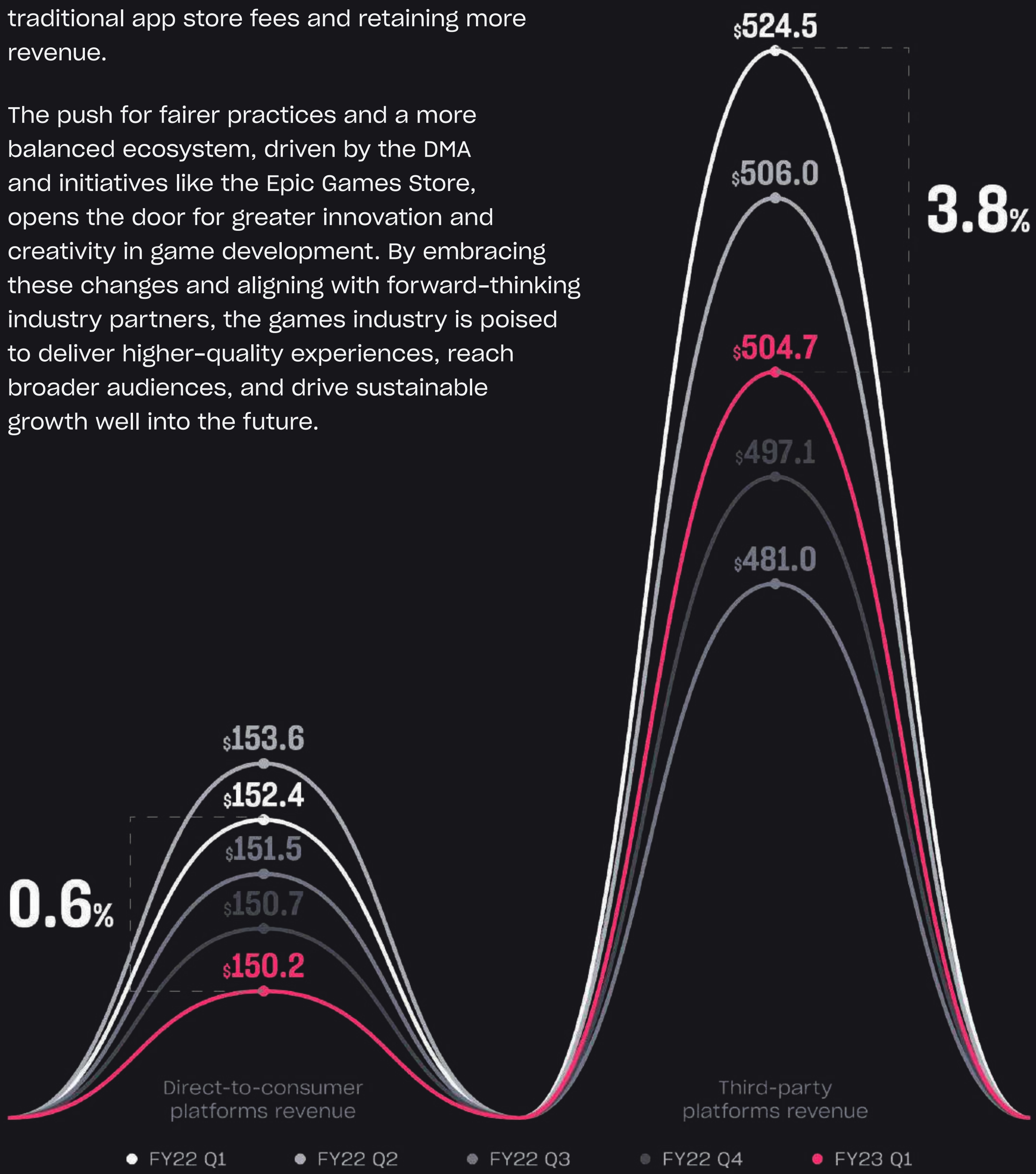
Mobile game development company, Playtika, for example, earned 25% of its revenue because of its direct-to-consumer platform. Their earnings report showcased that it generated $151.5M of revenue from its DTC platform in Q1 2023. In contrast, Playtika generated $504.7M of revenue from third-party platforms in Q1 2023.

As developers seek ways to maximize profits, partnering with the right industry leaders becomes crucial. Direct-to-consumer (D2C) solutions, like Xsolla Web Shop, enable developers to sell games directly to players, bypassing traditional app store fees and retaining more revenue.

The push for fairer practices and a more balanced ecosystem, driven by the DMA and initiatives like the Epic Games Store, opens the door for greater innovation and creativity in game development. By embracing these changes and aligning with forward-thinking industry partners, the games industry is poised to deliver higher-quality experiences, reach broader audiences, and drive sustainable growth well into the future.

Comparison of Playtika's revenue earnings, quarter over quarter

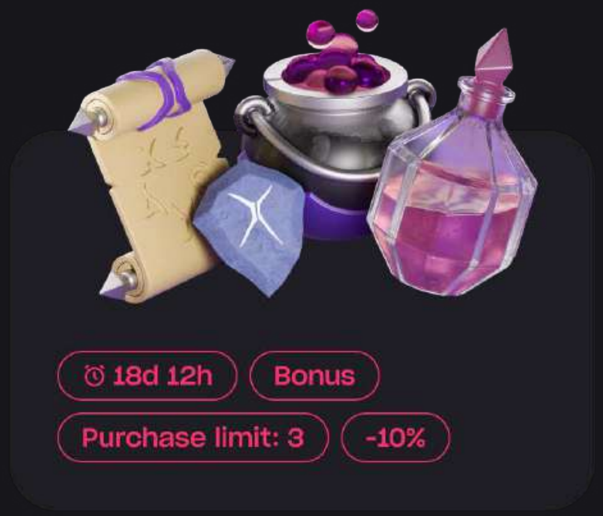
Source



INSIGHTS ON MOBILE WEB SHOPS

Mobile game players are very aware of mobile game web shops, with 81% of players saying they know web shops exist for some mobile games and have visited them.

81% of **5,000** surveyed users are aware of web shops and have visited one

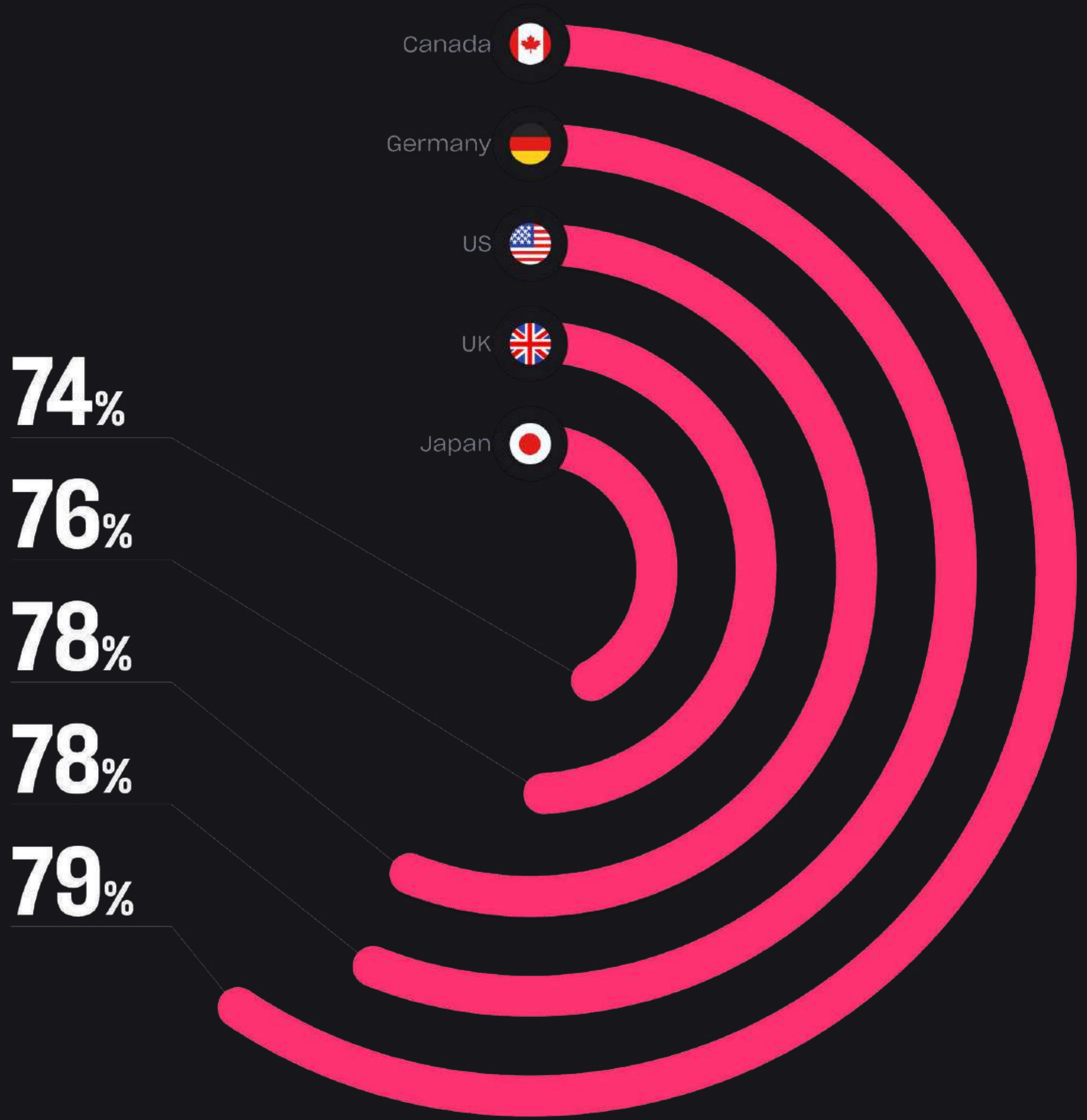


Percentage of players who've purchased via a web shop, by region

Source

WEB SHOPS ARE POPULAR FOR PURCHASES

On average, 77% of players have purchased through a web shop, which highlights their growing acceptance and convenience.

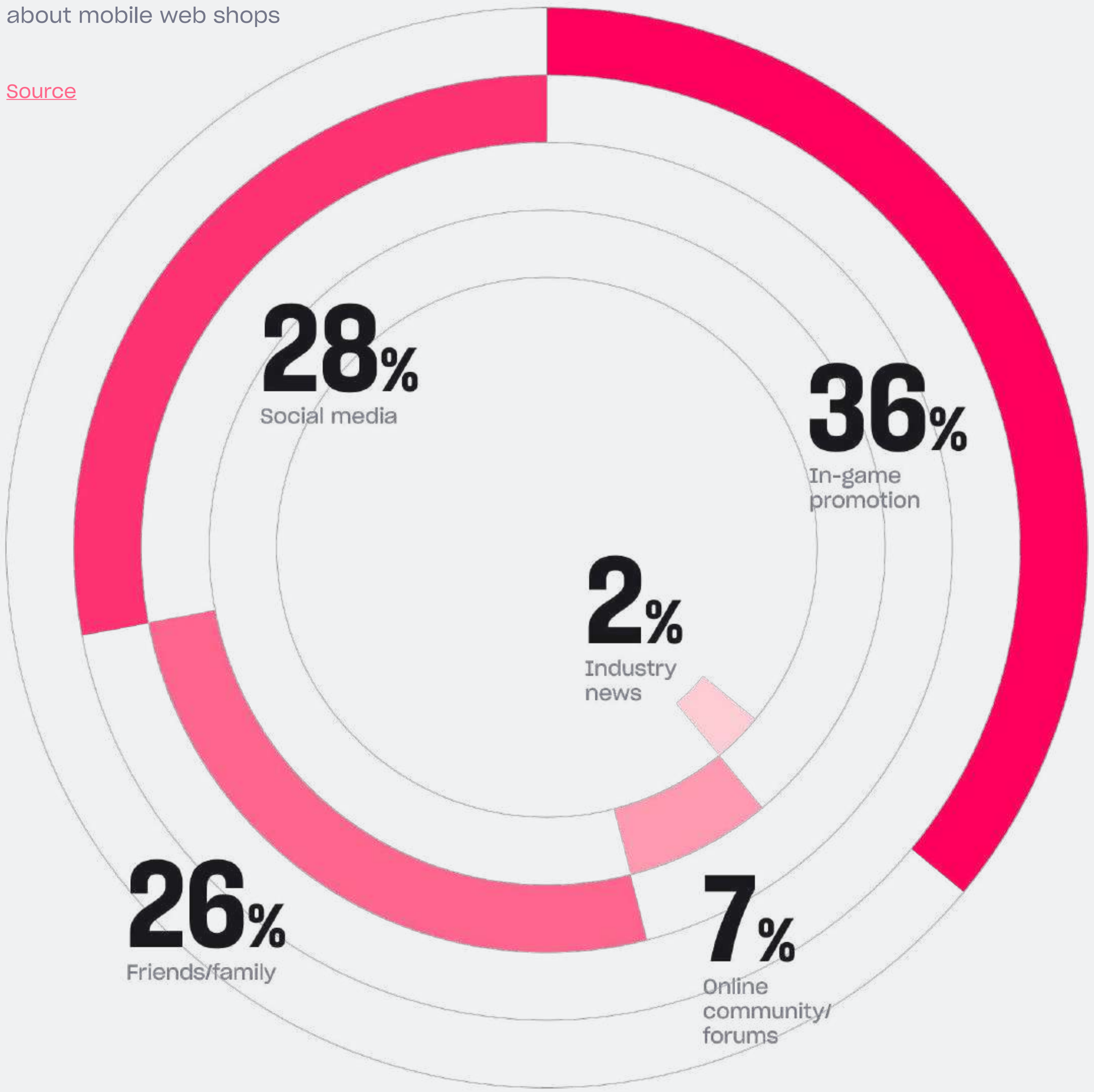


36% of players discover web shops through in-game promotions, making them the biggest driver of traffic to mobile web stores. While in-game promotions may not always align with App Store and Google Play guidelines, the data clearly shows that players often learn about a game's web shop through content or messages within the game itself.

36% of players are driven to web shops due to in-game promotions

How users learned about mobile web shops

Source



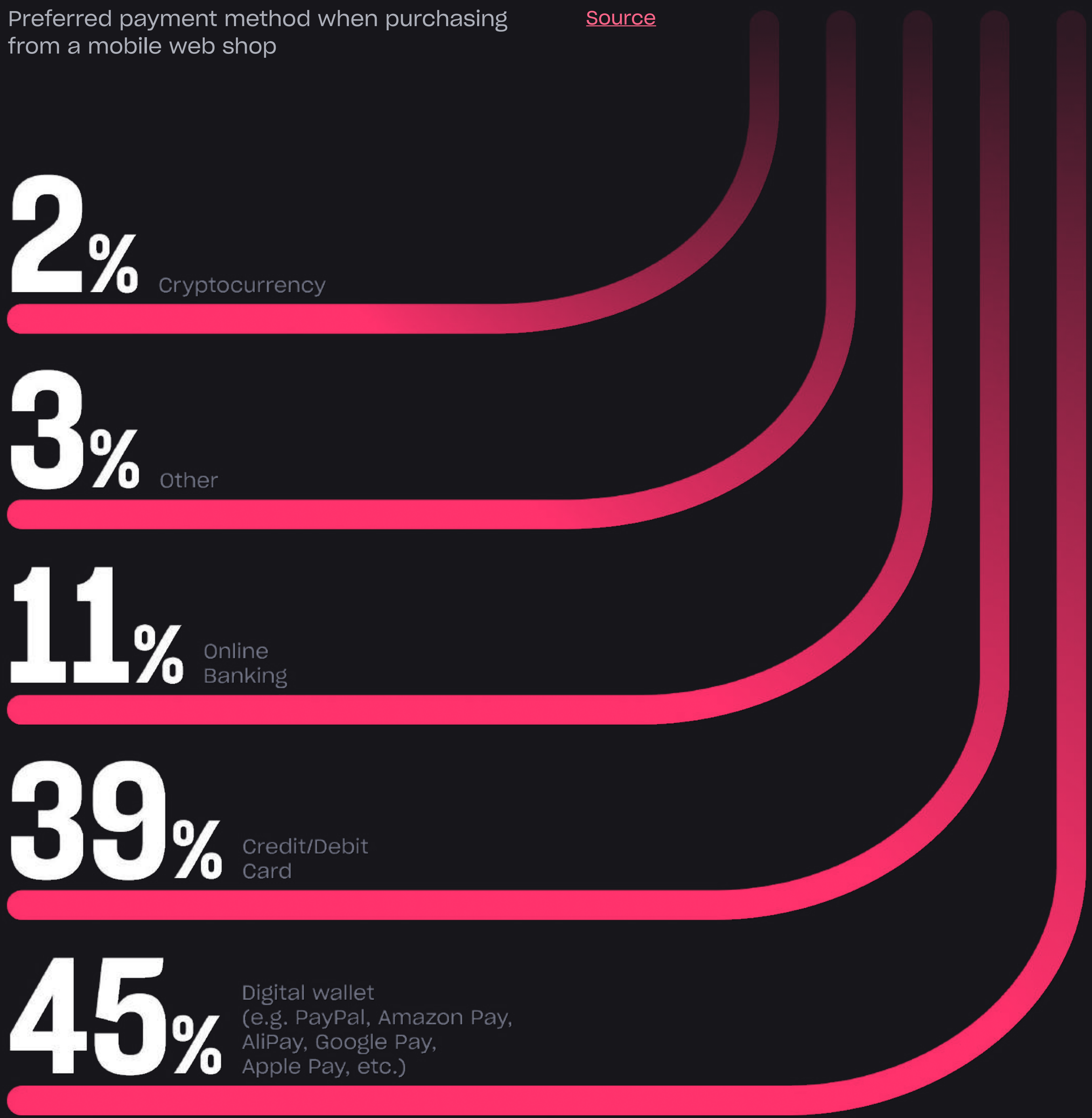
Digital wallets are the top choice for payments, with **45% of users** preferring them over other payment methods. With thousands of payment options available globally, it's crucial to integrate as many as possible and offer choices for players. Depending on your game and regional distribution, you can then expand into local payment methods thanks to solutions like Xsolla Payments.

45%

of users prefer to make web shop purchases with digital wallets

Preferred payment method when purchasing from a mobile web shop

Source

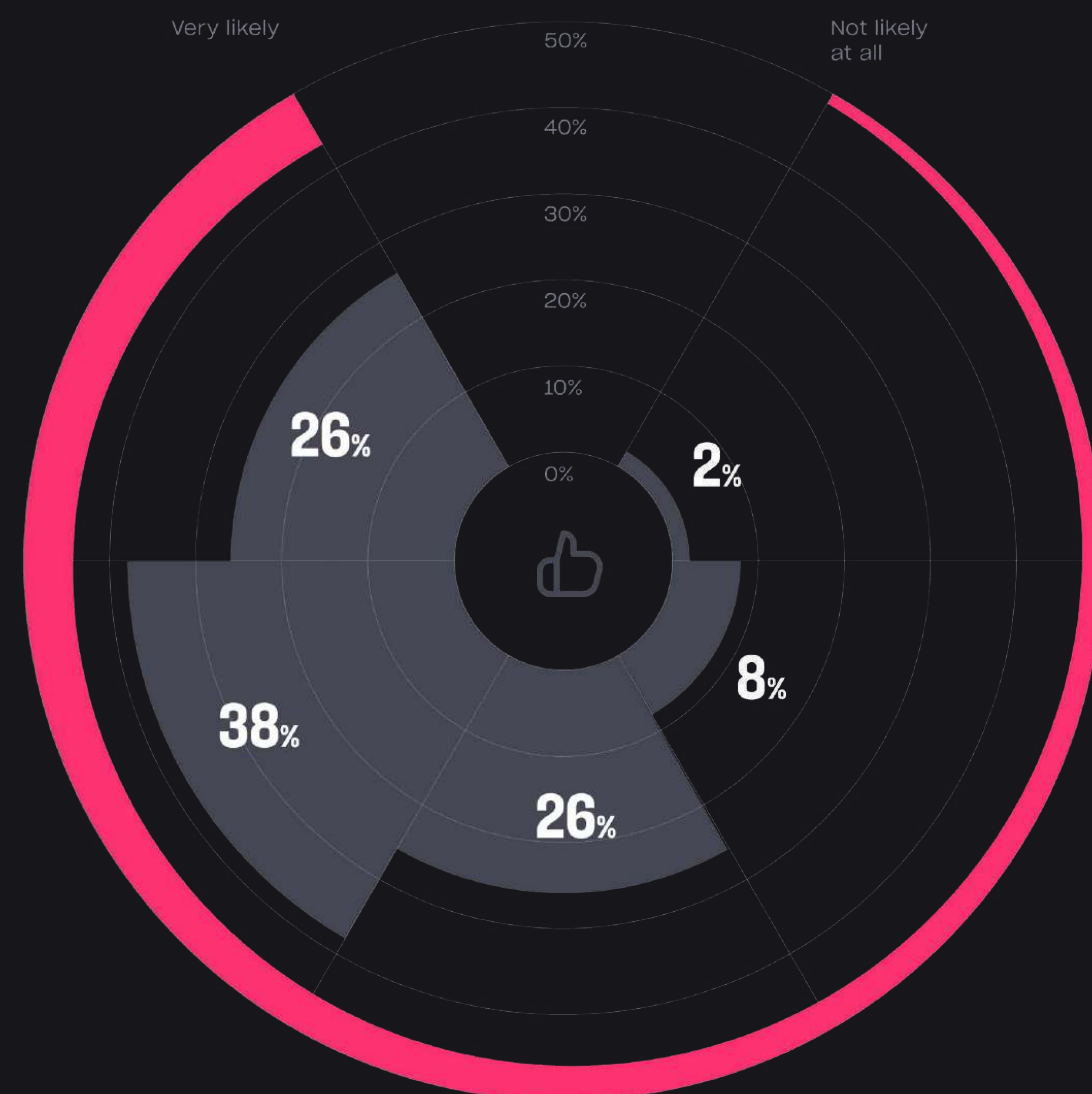


Likelihood of repeat purchases via a web shop

Source

90%

of players who've made a web shop purchase said they are likely to purchase from a web shop again



01

Article

A GUIDE TO BUILDING A SUCCESSFUL WEBSHOP:

The five golden rules

ARTEM LIUBUTOV

Director of Products (Monetization) at Xsolla

Original article written by VentureBeat

In a gaming landscape where revenue margins for developers are steadily shrinking, direct-to-consumer sales have emerged as a pivotal strategy for developers seeking to maximize their earnings. With the availability of affordable tools and platforms, game companies of all sizes can set up their own stores, connect with players directly, and achieve impressive results. At Xsolla, we've seen how even small and mid-sized studios can leverage these tools to compete on a level playing field with larger publishers.

Across the 400+ web shops we've launched, we've consistently seen a minimum increase in game revenue ranging from 10% to 16%. Additionally, conversion rates—measured from when a player logs into the web shop to when they make a purchase—range between 40% and 60%.

Xsolla Web Shop, by the numbers

Source

Big publishers, mid-size publishers, and even relatively small mobile games can hit these numbers without spending heavily on marketing by taking a smart approach to setting up web shops. If a game studio has done things properly, if it has transferred paying players and avoided spending marketing money on transferring non-payers, these numbers are absolutely achievable.

30-40%
Capture rate

60%
Repeated purchases rate

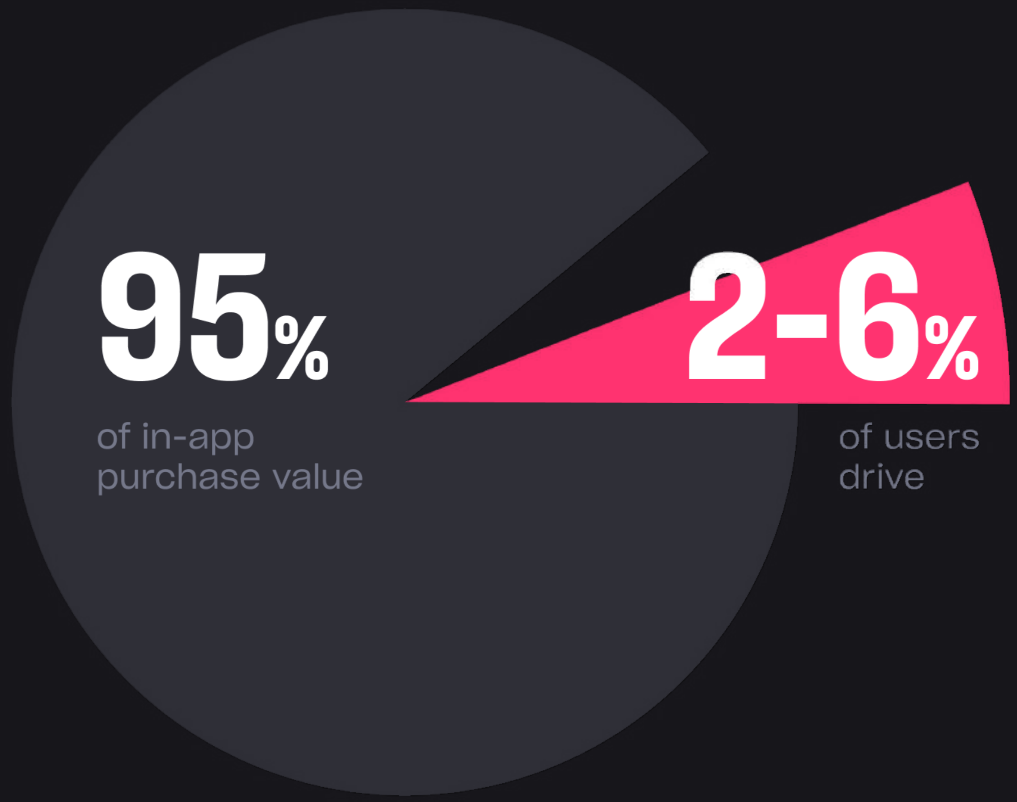
10-16%
Incremental revenue

40-50%
Conversion from visit to purches

Adding player value

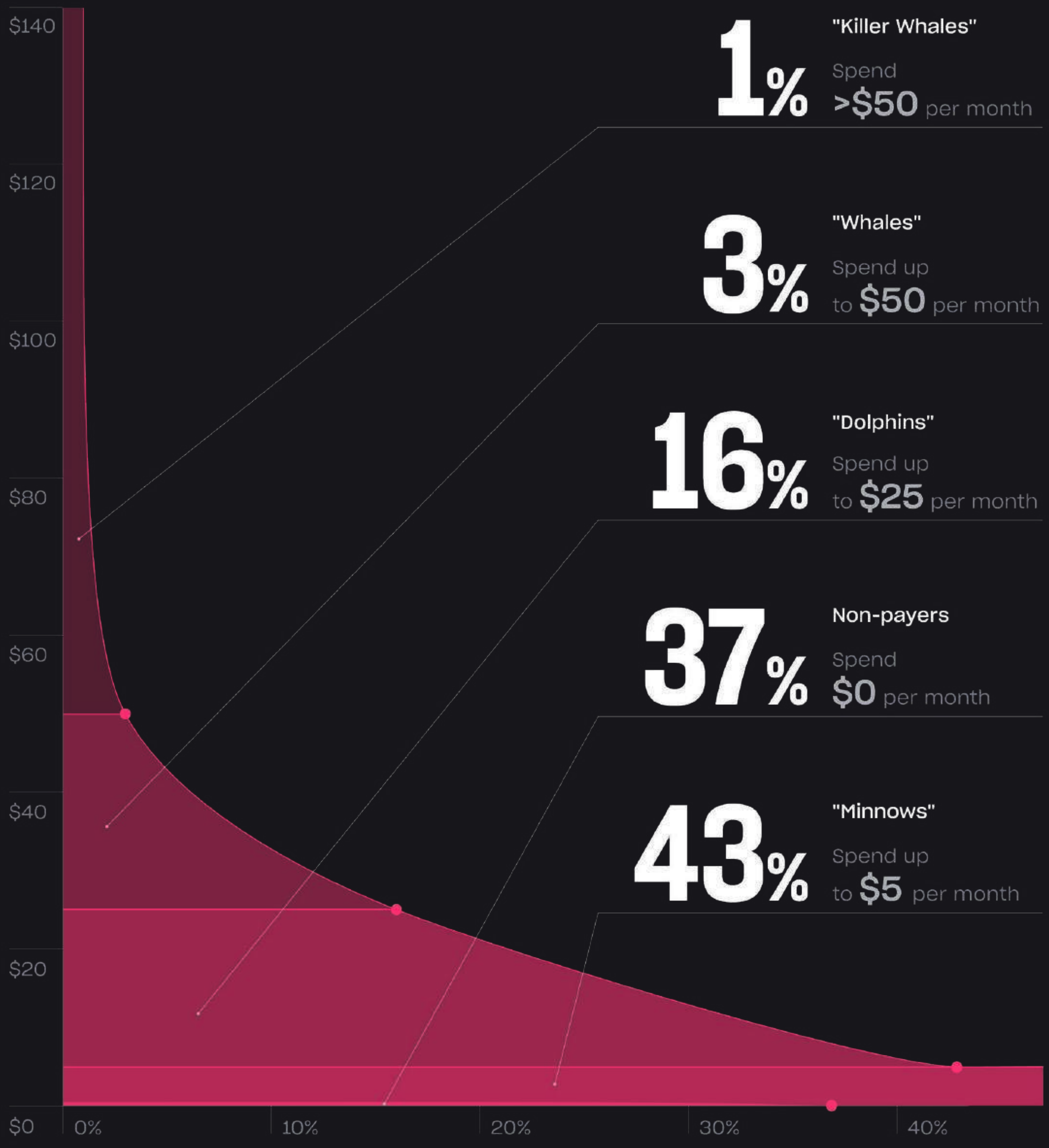
A successful web shop revolves around the concept of providing added value. It's not just about selling items; it's about offering unique content that enhances the player experience and stands out as something they can't get elsewhere.

Web shops cater especially well to high spenders, or "whales," who are motivated by the additional value these stores provide. In fact, **2-6% of users drive 95% of in-app purchase value**, making this segment of players critical to long-term success. These players are not only more likely to increase their average purchases but also make more repeat purchases, which boosts retention and lifetime value (LTV).



Types of mobile gamers by average monthly spend

The familiarity of the web shop purchasing experience helps players feel comfortable making larger transactions, which means they're more inclined to shift from moderate spenders to high spenders over time.



Getting started for success

Setting up a direct-to-consumer platform has never been simpler, especially with solutions like Xsolla Web Shop, which can get a web shop up and running in just 24 hours. But as straightforward as the process can be, doing it right still demands a bit of groundwork. Our team believes that the initial analysis stage is crucial, and we focus on three main areas to ensure success:

With web shops, the goal is to shift player behavior and create a new spending habit. We want to establish a new norm where mobile is the platform for gameplay, and the web is where transactions happen.

ANALYZING EXISTING WEB SHOPS

Particularly those in the same genre as the studio's game, while studying their pricing strategies, the types of promotions they offer, and how they handle live operations.

UNDERSTANDING YOUR TARGET AUDIENCE

By segmenting the player base, we focus especially on paying players since they're the biggest fans and most valuable customers. Knowing what drives their in-game behavior helps us tailor offers that resonate with each segment.

EVALUATING IN-GAME ITEMS AND OFFERS

To identify which ones generate the most revenue, we need to understand how different player segments respond to various price points. This enables us to create more targeted and effective offers.

The five golden rules of building a web shop

Our team of mobile experts has worked with developers of all sizes to create and launch successful web shops. Through our experiences, we've distilled our approach into five key principles that can help guide any developer to success:

1

TREAT THE WEB SHOP AS AN EXTENSION OF THE GAME

Consistency is crucial. Everything in the web shop – from the color scheme to the flow and the types of offers–should feel like a natural continuation of the game itself. We've seen how this familiarity significantly lowers the barrier for players when they first visit the shop.

2

CONTINUOUS COMMUNICATION IS KEY

It's not enough to just build the shop; you need to let players know it's there and keep reminding them of its value. Building a direct communication channel, whether through Discord, social media, or a dedicated forum, is an essential step for keeping the web shop front-of-mind for players.

3

MINIMIZE FRICTION TO REDUCE CHURN

Friction points like authentication processes, cumbersome payment methods, or a lack of clear value comparison between in-game and web shop offers can lead to drop-offs. Simplifying these aspects is key to maintaining a smooth user experience.

4

FOCUS ON VALUE

We recommend starting with a 10% increase in value or a 10% discount on offers to make the web shop's benefits clear. The perceived value of the items should far outweigh the cost, encouraging players to make more frequent and larger purchases.

5

LEVERAGE THE POWER OF LIVE OPS

While simply selling evergreen currency packages can drive a 10% revenue increase, a web shop's true potential lies in its ability to deliver personalized offers, loyalty programs, and targeted promotions. By integrating these live ops tactics, we've seen game revenues grow exponentially.

Following these five principles, combined with a focus on metrics, value creation, and live ops, can lead to substantial revenue gains. We've seen billion-dollar games make web shops their top priority because of the impact they've had on their bottom lines.

01

Article

TILTING POINT'S WINNING STRATEGY:

The success of its direct-to-consumer web shop

Xsolla

In an industry where innovation and adaptability are key to thriving, *Warhammer: Chaos and Conquest* stands has recently stood out for its success in leveraging both. Published by Xsolla partner, Tilting Point, as well as Hunted Cow Studios, the game has managed to generate 50% of its revenue through a dedicated web shop.

This achievement highlights the growing importance of direct-to-consumer platforms in mobile gaming. Web shops have become essential for developers looking to gain more control over their sales, deepen player engagement, and significantly boost revenue by cutting out traditional app store fees. In fact, a recent report found that **81% of players are aware of web shops**, while **77% have made purchases through them**.

And Warhammer: Chaos and Conquest's success showcases how incorporating direct-to-consumer strategies into monetization can transform a game's earnings.

Source

The results: Revenue growth and player engagement

Tilting Point's adoption of a direct-to-consumer web shop contributed significantly to its games' revenue and also played a vital role in fostering player engagement.

1 **Over 50% of repeat purchases** were made in key markets, including the U.S., U.K., Canada, and Germany.

2 **700+ payment methods** unlocked for players, including both popular and localized options like digital wallets, credit/debit cards, bank transfers, and more.

The web shop's user-friendly design and targeted **offers generated nearly 25% of *Star Trek Timelines* total revenue**, demonstrating the power of personalized experiences to drive repeat purchases.

Advantages to having a web shop

By providing a seamless purchasing experience, Tilting Point's web shop enabled them to engage with players on a deeper level. This opened the door to better deals, exclusive content, and personalized offers that significantly boosted player engagement and spending.

This approach offers several key benefits that set it apart from traditional sales channels:

ENHANCED PLAYER EXPERIENCE

The web shop allowed Tilting Point to reward top players with unique content, driving higher satisfaction and loyalty.

BETTER REVENUE POTENTIAL

The direct-to-consumer model opened new opportunities for Tilting Point to maximize profits, free from third-party fees.

LOW-FRICTION PURCHASES

By removing the barriers imposed by app stores, players could easily make purchases, enhancing the overall experience.

Following this success, Tilting Point applied a similar strategy to *Star Trek Timelines*, streamlining players' connection to multiple Tilting Point games through one online shop.

The rise of direct-to-consumer platforms in gaming

The success of Tilting Point's wen shop is not an isolated case – it's part of a broader trend sweeping the gaming industry. Developers are increasingly adopting web shops for several key reasons:

INCREASED REVENUE RETENTION

Direct-to-consumer platforms allow developers to keep a larger share of their earnings, which can then be reinvested into game development, marketing, and player support.

DIRECT CUSTOMER RELATIONSHIPS

By engaging directly with players through web shops, developers can offer targeted promotions, loyalty programs, and exclusive content that enhances the gaming experience.

GLOBAL REACH

A web shop can serve a global audience without the restrictions of regional app stores, making it easier to scale and cater to a diverse player base.

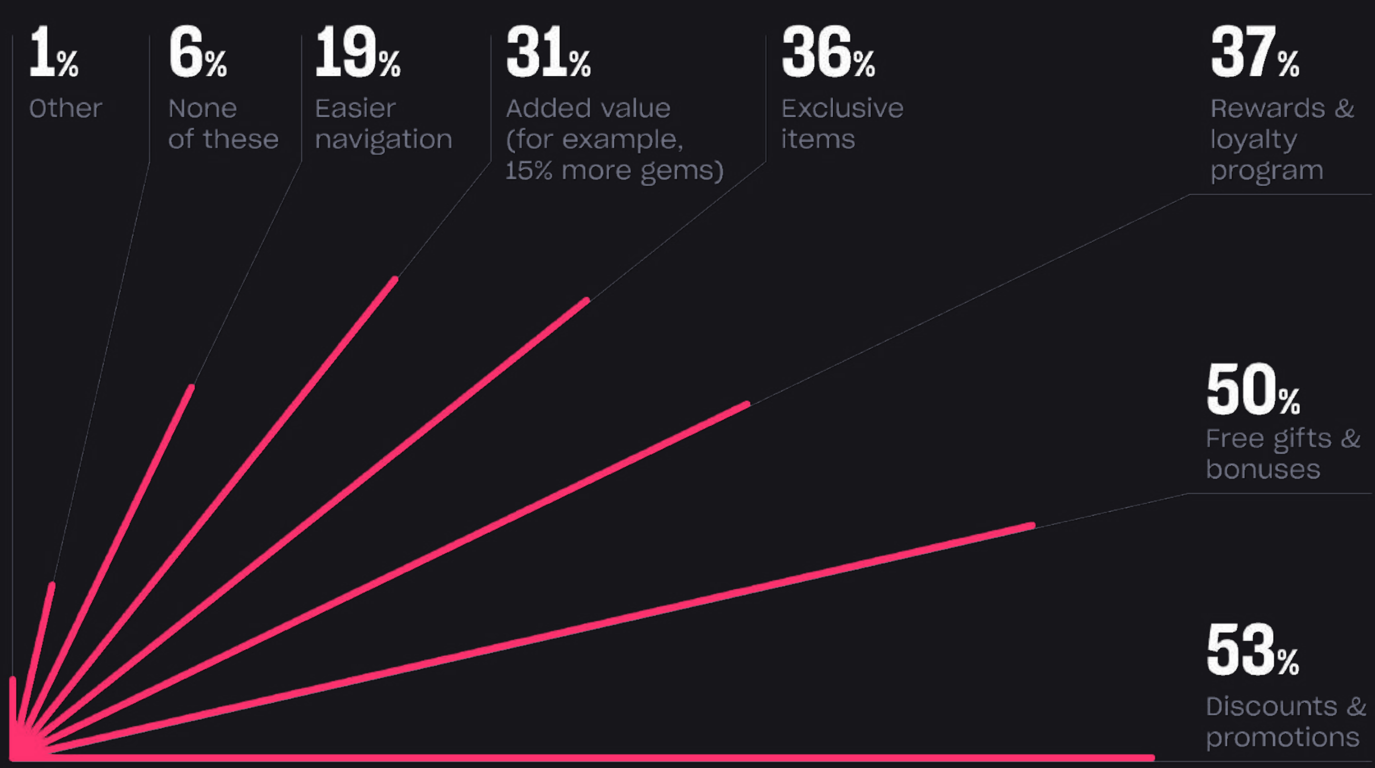
As the gaming industry continues to evolve, the ability to reach players directly through web shops is becoming an increasingly critical component of successful monetization strategies. Since its launch in 2021, Xsolla Web Shop has set the industry standard for mobile game sales, pioneering web-based solutions specifically designed for mobile gamers. In fact, 40 of the top 100 mobile games have their web shops powered by Xsolla.

Developers looking to expand their revenue streams and strengthen their player relationships may find that a direct-to-consumer web shop, like Xsolla Web Shop, could be the key to unlocking their game's full potential.

WHAT DOES THIS MEAN FOR THE INDUSTRY?

Web shop features that drive player purchases

Source



The rise of direct-to-consumer platforms in gaming signifies a shift in monetization strategies for mobile games. As developers increasingly adopt web shops, several key trends emerge:

1 DIVERSIFIED REVENUE STREAMS

Web shops allow game developers and publishers to sell directly to players, bypassing traditional marketplaces. This leads to better control over pricing, product offerings, and customer relationships, ultimately increasing profit margins.

2 CUSTOMIZED PLAYER EXPERIENCES

With web shops, developers can create tailored experiences, offering exclusive in-game content, bundles, and merchandise that cater specifically to their audience's preferences. Engaging players directly through can also offer personalized promotions, discounts, loyalty programs, and exclusive content, which are features that make **30% to 50% of players more likely to make purchases**. This fosters stronger relationships with players, enhancing satisfaction and encouraging long-term loyalty.

3 DIRECT-TO-CONSUMER SALES

Web shops are empowering game developers and publishers to connect directly with players, breaking free from the limitationsof traditional app stores. This direct-to-consumer approach gives developers complete control over pricing, product offerings, and customer relationships, leading to higher profit margins. By reaching a global audience through their own platforms, developers can tailor their content to diverse player bases, unlocking new market potential and providing personalized experiences that keep players engaged and loyal.

As the industry continues to evolve, the successful implementation of direct-to-consumer platforms will be essential for developers looking to maximize revenue, enhance player engagement, and remain competitive in a dynamic market. Adopting effective strategies, such as analyzing existing web shops, understanding target audiences, and evaluating in-game offers, will further empower developers to unlock their games' full potential.

30–50%

of players are more likely to purchase from a web shop when it has special offers

CONCLUSION

The Autumn 2024 edition of *The Xsolla Report* spotlights the growth and change in the games industry, primarily in the mobile gaming sector. Projected to generate an impressive $98.7 billion in revenue globally this year, with Asia leading the charge as the world's largest mobile gaming market, mobile gaming is expected to contribute approximately $65 billion by year-end.

The significant trend of web shop usage, with 77% of players reporting purchases through these platforms, reflects a growing acceptance and convenience for mobile game developers.

Additionally, the increasing influence of women in the gaming sector is reshaping the industry, alongside the ongoing implications of the Digital Markets Act (DMA), which has cultivated the growth of direct-to-consumer solutions for mobile game developers.

Changing consumer preferences, advancing tech, and growing gaming markets continue to transform the games industry. Xsolla remains at the forefront to navigate the trends and help publishers, developers, partners, and industry stakeholders navigate the challenges and take advantage of the opportunities. Through our commitment to innovation and strategic partnerships, we hope to innovate new ways to propel the gaming industry forward and shape the future of gaming.

ABOUT XSOLLA

Xsolla is a global video game commerce company with a robust and powerful set of tools and services designed specifically for the industry. Since its founding in 2005, Xsolla has helped thousands of game developers and publishers of all sizes fund, market, launch, and monetize their games globally and across multiple platforms. As an innovative leader in game commerce, Xsolla's mission is to solve the inherent complexities of global distribution, marketing, and monetization to help our partners reach more geographies, generate more revenue, and create relationships with gamers worldwide. Headquartered and incorporated in Los Angeles, California, with offices in Montreal, London, Berlin, Beijing, Guangzhou, Seoul, Tokyo, Kuala Lumpur, Raleigh, and cities around the world, Xsolla supports major gaming titles like Valve, Take-Two, KRAFTON, Nexters, NetEase, Playstudios, Playrix, miHoYo, and more.

For additional information and to learn more, please visit: xsolla.com

ENJOY THE GAME

XSOLLA.COM