App Marketer Survey

liftoff

Contents

Taking the Pulse of
500+ App Marketers

Survey Highlights

◆ How do app marketers feel about the past year? Almost 60% have a positive or neutral view of 2022.

◆ A majority of industry professionals (59%) have more aggressive KPIs than they did in 2021. But a little less than half (48%) of respondents are struggling to reach those targets.

◆ Privacy is the central theme of this report—43% of all respondents cite user privacy as their top challenge of the past year, and the biggest issue of 2023.

◆ Marketers are planning to spend more in 2023: 52% say they will increase their overall ad budget. Only 12% anticipate a reduced ad budget in the next year.

◆ Our survey reveals a divide in expectations about the future. 37% have a positive outlook, just one percentage point more than those who feel negatively (36%) about the year ahead.

Introduction & Methodology

What will advertising be like in 2023? What are my—and my competitor's—biggest challenges? And what do we make of new privacy initiatives? We all have similar questions about how the industry is doing, and it's rare to find a resource that offers any real, deep insights into the app marketing world at large.

eMarketer tells us mobile ad spending worldwide will be $452.26 billion by the end of 2022, and **Sensor Tower** predicts in-app spending will reach $233 billion by 2026. While bird's-eye views like these are helpful, they can also feel far above the day-to-day issues most marketers face. And while they're easy to cite, these statistics lack the nuanced perspectives that only industry professionals can provide.

To take the pulse of the mobile marketing industry after a momentous year, we conducted our first major survey, compiling responses from over 500 mobile marketing professionals globally. The resulting report offers a detailed look at what it's like to run mobile marketing campaigns for an app right now—and what marketers expect to happen in the future.
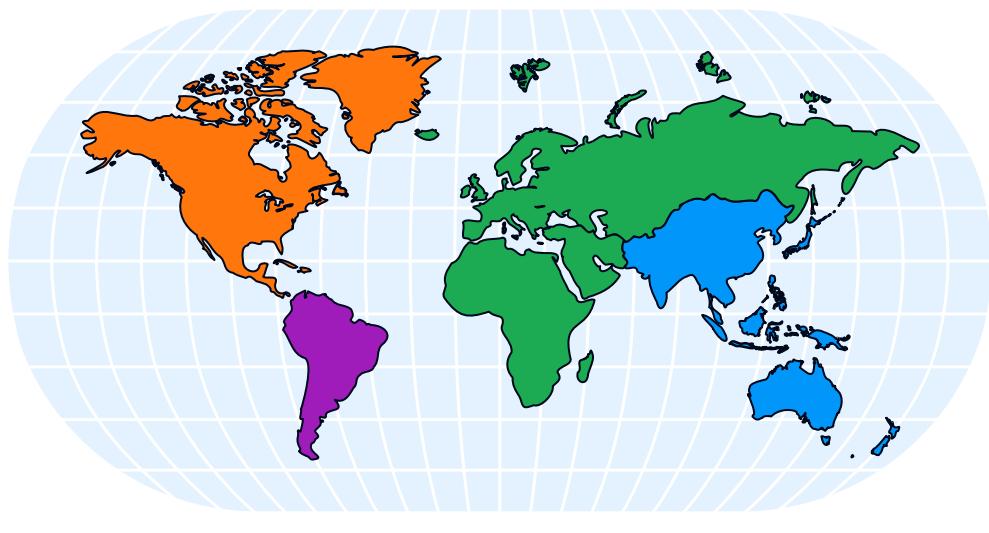
We asked marketers questions ranging from the impact of App Tracking Transparency (ATT) to their knowledge of SKAN 4, to changes in ad campaign budgets. We were also curious to know where app marketers are planning to spend their ad budgets next year.

Whether you're running a one-person mobile marketing operation or managing a team with millions of dollars to spend per month, Liftoff's 2022 App Marketer Survey offers a rare snapshot of what your mobile marketing peers are thinking—and doing—as they head into 2023.

This report is based on data from:

500+
Survey Responses

liftoff

# About the Survey Respondents

Location

10-249
Avg. company size

5-9
Avg. team size
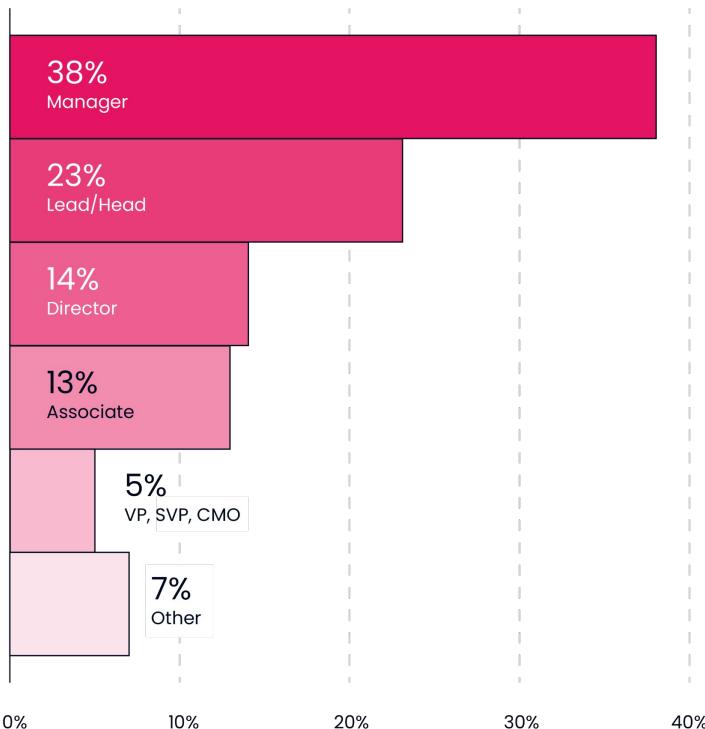
- 37% APAC
- 39% EMEA
- 15% N. AMERICA
- 10% LATAM
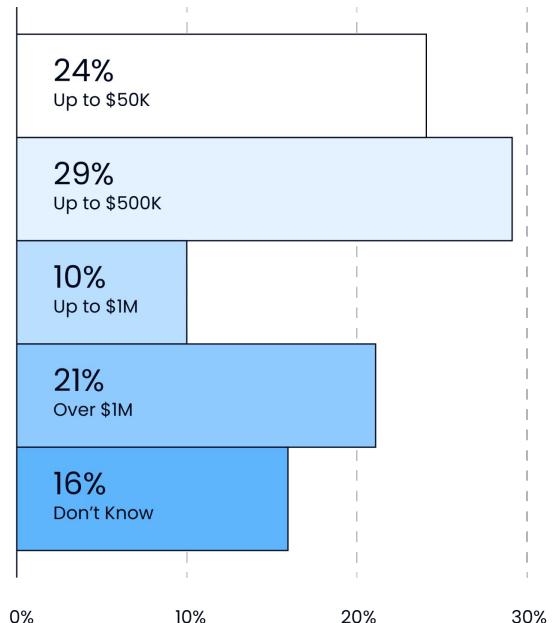
Job level

- **38%** Manager
- **23%** Lead/Head
- **14%** Director
- **13%** Associate
- **5%** VP, SVP, CMO
- **7%** Other

Monthly budget

- **24%** Up to $50K
- **29%** Up to $500K
- **10%** Up to $1M
- **21%** Over $1M
- **16%** Don't Know

About the Survey Respondents

Apps Published

- 25% — 1
- 31% — 2-4
- 17% — 5-9
- 27% — 10+

(0% / 10% / 20% / 30%)

App Category*

*Many respondents work in multiple categories

- 48% Gaming
- 25% Business & Finance
- 20% E-Commerce
- 19% Entertainment
- 8% Social & Dating
- 7% Travel
- 2% Other

38% Gaming Only

(0% / 10% / 20% / 30% / 40% / 50%)
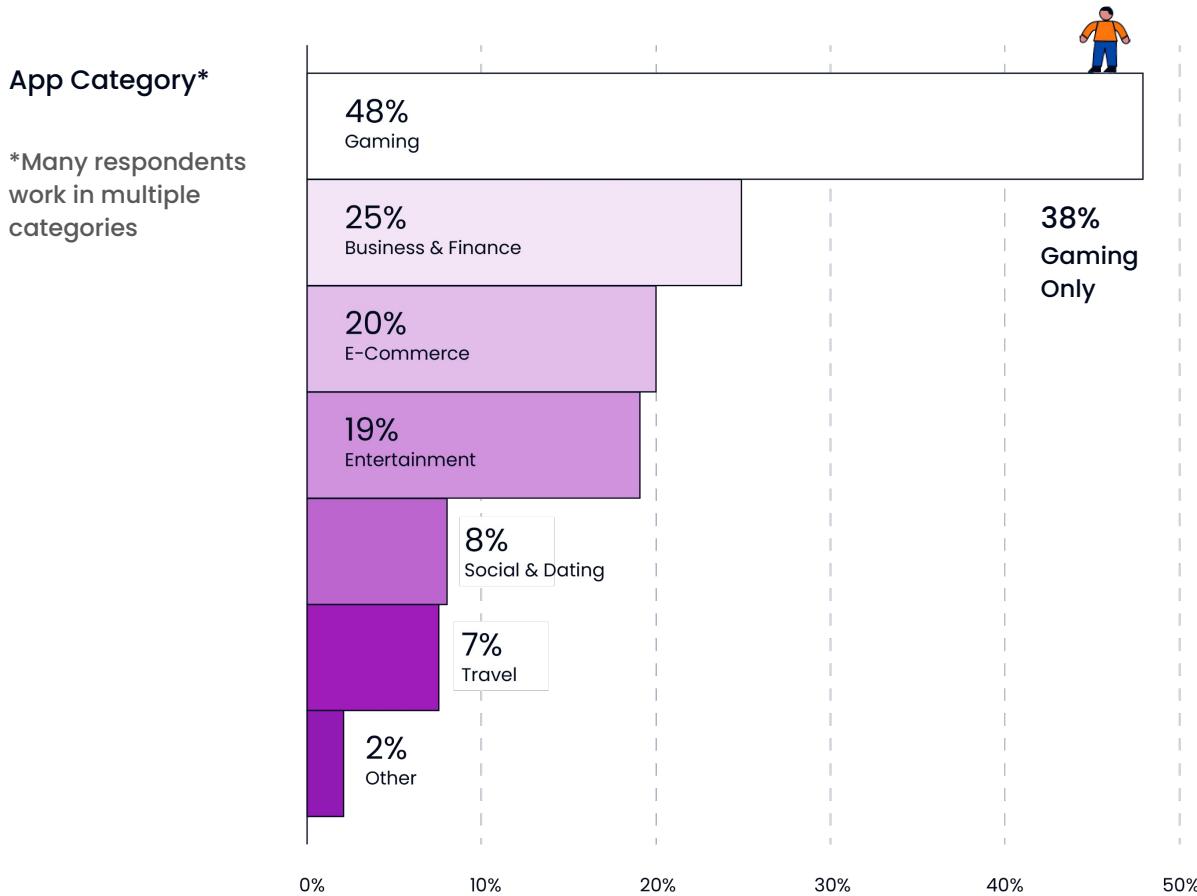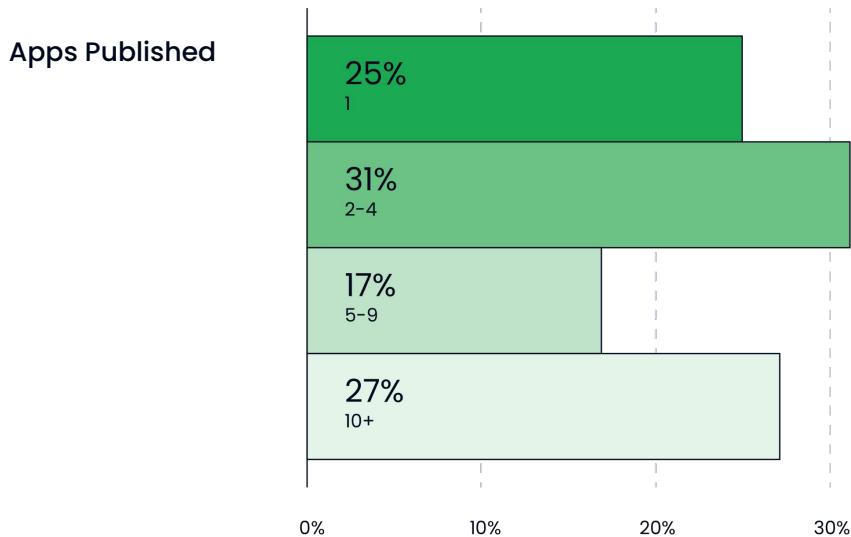
Mobile Marketing Challenges

liftoff
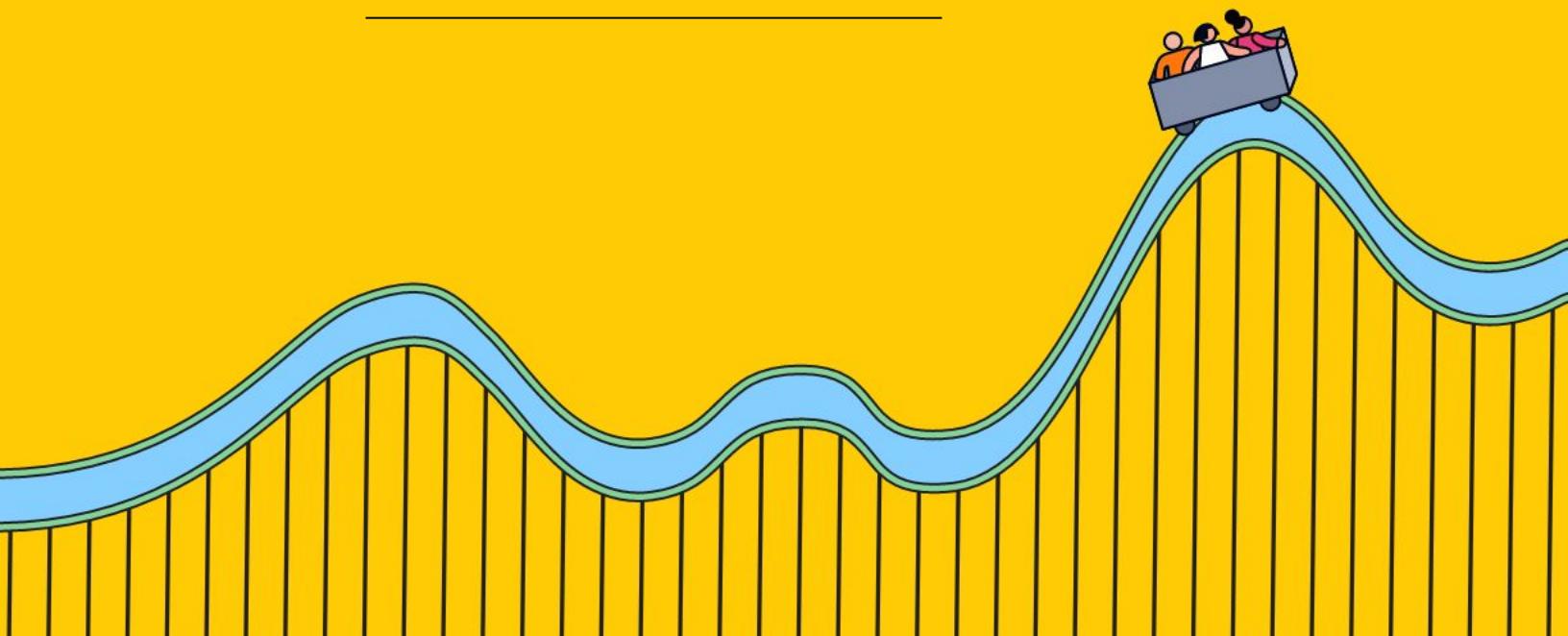
The State of App Marketing in 2022

Marketing has been made tougher by a number of different factors, and we wanted to gauge how issues from privacy to industry consolidation have affected user acquisition experts. Our survey started by asking marketers how they feel about the state of app marketing following a year of dramatic change.
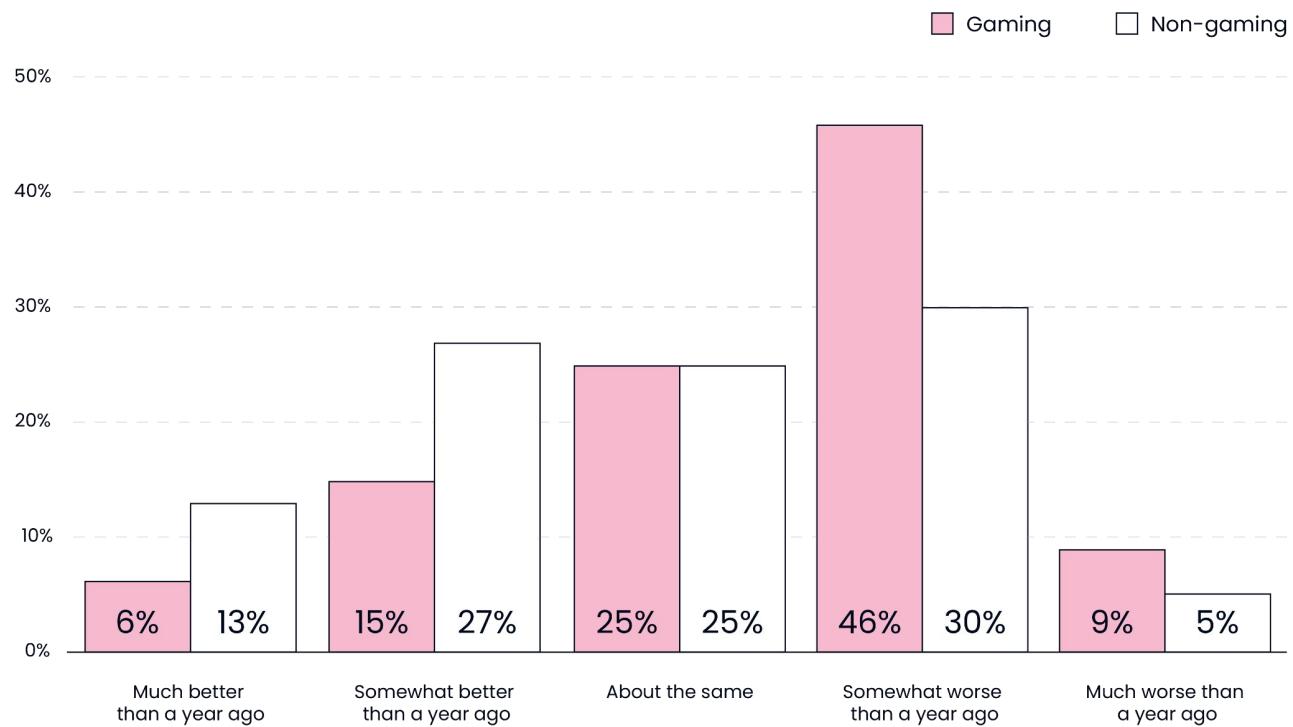
"Compared to 12 months ago, how do you feel about the state of app marketing?"
(All respondents)

11% Much better	
22% Somewhat better	
25% About the same	
36% Somewhat worse	
7% Much worse	

We found a roughly 60% versus 40% split between positive and negative sentiment. Although the highest percentage of respondents (36%) feel that the past 12 months have been "somewhat worse," 58% of marketers felt their job had stayed the same or improved in the past year.

A breakdown by app category reveals that non-gaming marketers are feeling more upbeat about the previous year. A sizeable 65% of non-gaming respondents reported a positive or neutral outlook on 2022.
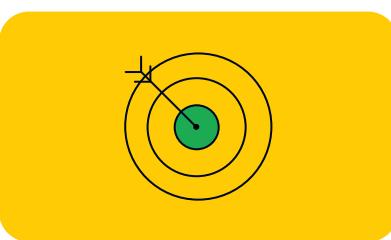
"Compared to 12 months ago, how do you feel about the state of app marketing?"
(Gaming vs. Non-gaming marketers)

Gaming | Non-gaming

	Much better than a year ago	Somewhat better than a year ago	About the same	Somewhat worse than a year ago	Much worse than a year ago
Gaming	6%	15%	25%	46%	9%
Non-gaming	13%	27%	25%	30%	5%

Shifting Targets and Squeezed Budgets

Every company uses key performance indicators (KPIs) to measure their success, but do marketers think they're on target, or have their objectives adjusted in the past year?
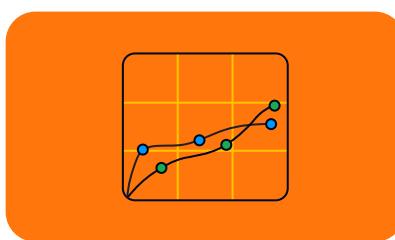
By asking app marketers how they are performing, how their KPIs have shifted, and if their budgets have increased or decreased, we can better understand how the industry is weathering the times.

KPIs

↑ **56%** have more aggressive KPI targets
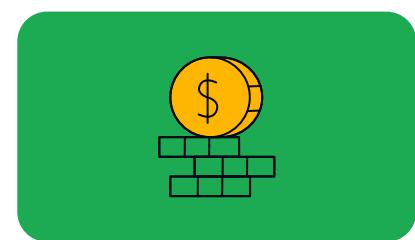
↓ **17%** have less aggressive targets

KPI Performance

↑ **33%** are reaching their KPIs

↓ **46%** are close to hitting their KPIs

Budget

↑ **31%** have a larger budget than last year

↓ **37%** have a smaller budget than last year
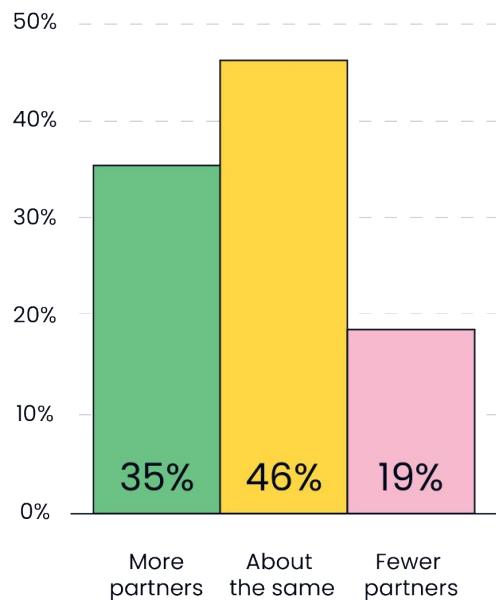
◆ Despite recent dips, it's noteworthy that the majority (59%) of industry professionals have more aggressive targets than the previous year.

◆ KPIs grow along with budget size—65% of respondents with budgets over $500K say they have "more aggressive" goals.

◆ While privacy changes add a layer of complexity to reaching KPI targets, app marketers seem confident in their ability to achieve their goals.

How Are Marketers Buying Their Ads?

We wanted to understand how user acquisition professionals approached ad space in the past year. Given combined budget constraints and more aggressive KPIs, we predicted that marketers would be working with fewer partners.
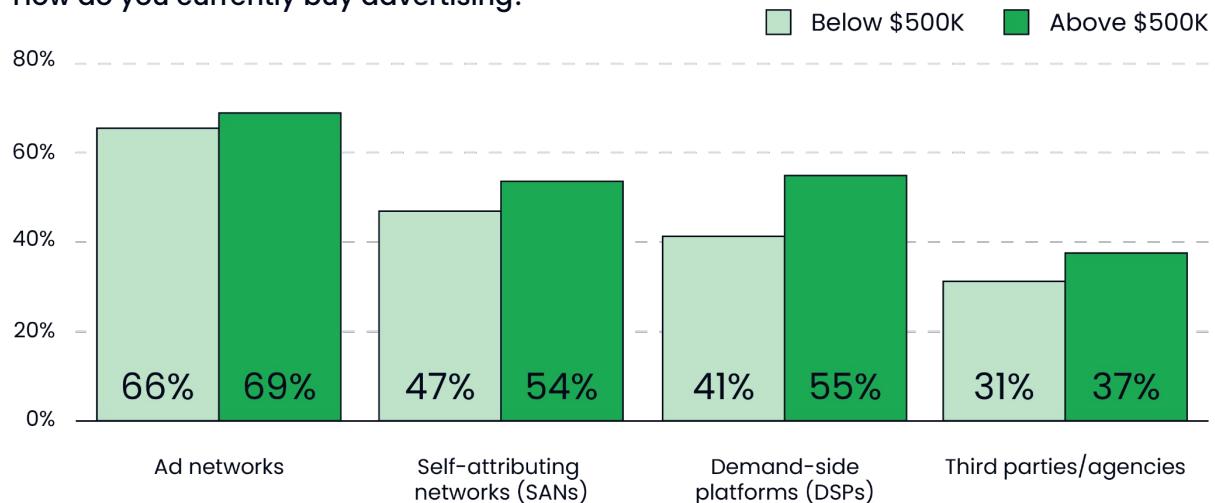
However, 81% of those surveyed report that they're using the same amount of partners or more.

This consistency could be a direct response to privacy changes. Self-attributing networks (SANs) appear to have been impacted the most by ATT coming into effect. App marketers are responding by either continuing to spend at pre-ATT levels or by diversifying, spreading their bets across multiple channels.

How has the number of partners changed in 12 months? (Overall)

Ad networks are currently the place where most marketers purchase their ads, with 69% citing them as a top priority.
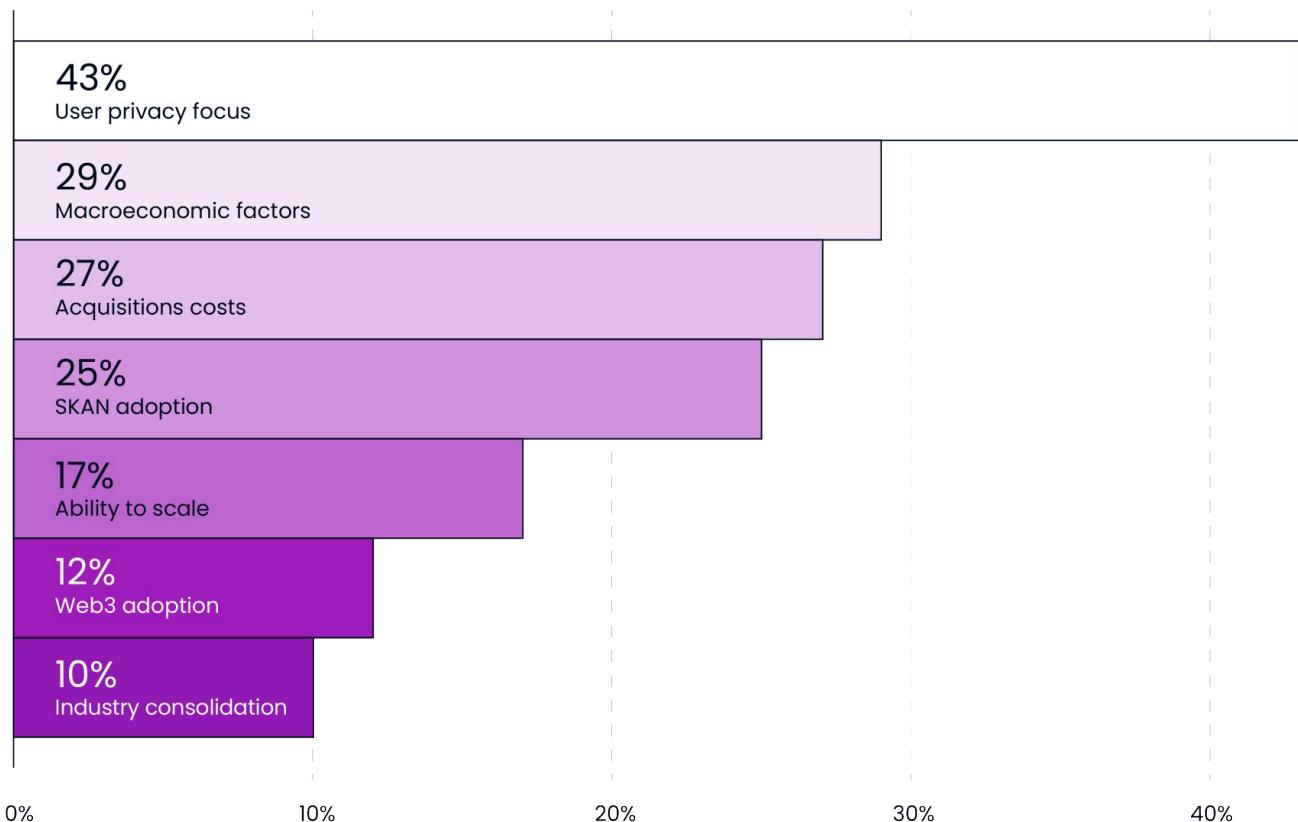
Broken down by ad budgets above and below $500K, advertisers with over $500K per month to spend view demand-side platforms (DSPs) as their second-place priority. For marketers with less budget, SANs are the second-tier priority.

How do you currently buy advertising?

Ranking Industry Challenges

Every day could bring a new challenge for mobile app marketers—at least, that's what it can feel like. For example, industry-changing updates to user privacy continue to roll on, and a global recession could be on the horizon. We asked industry players what they think will be the main challenges for the year ahead, out of seven different categories.

How do you rank these industry challenges by importance?

43% User privacy focus	
29% Macroeconomic factors	
27% Acquisitions costs	
25% SKAN adoption	
17% Ability to scale	
12% Web3 adoption	
10% Industry consolidation	

0%   10%   20%   30%   40%
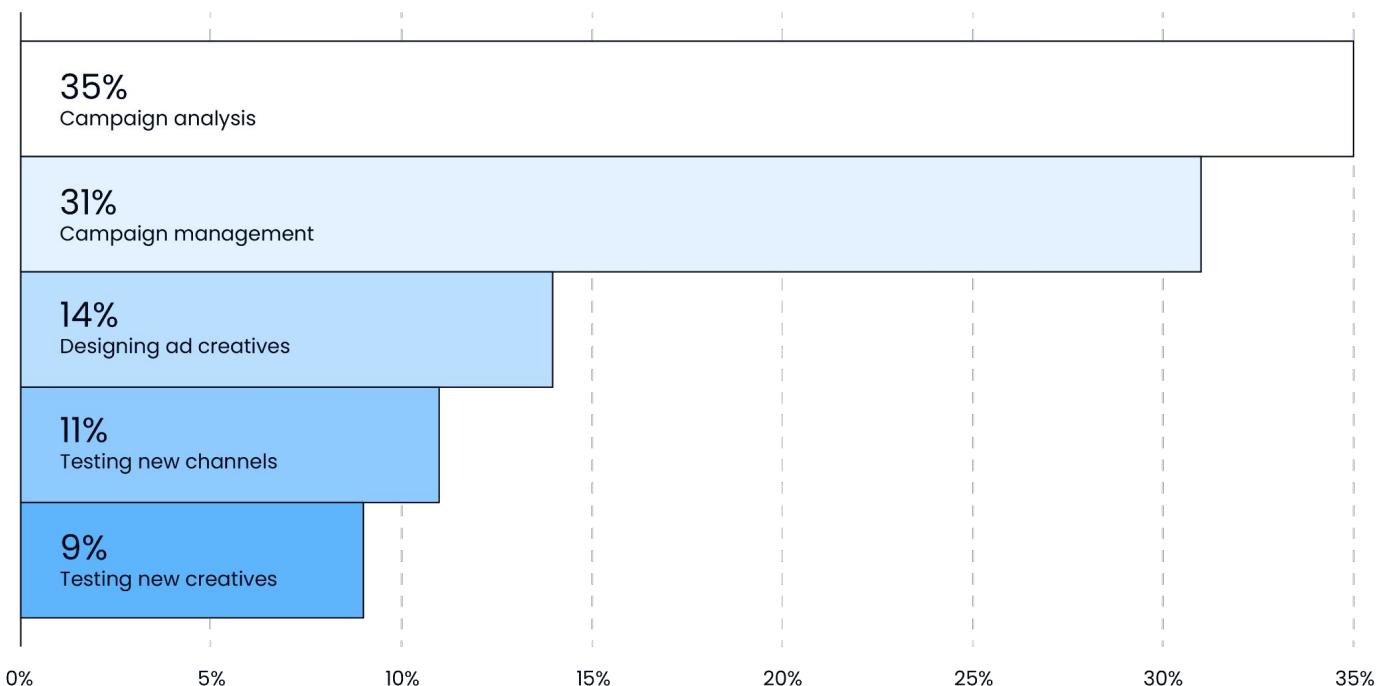
◆ A total of 43% of respondents select user privacy as their top challenge.

◆ Macroeconomic factors (29%), acquisition costs (27%), and SKAN adoption (25%) all group closely together as mid-tier issues.

◆ Ability to scale (17%), web3 (12%), and industry consolidation (10%) rank as low-tier challenges for the industry.

What Do Marketers Do Every Day?

App marketers have a varied to-do list. To determine which tasks are getting the most attention, we asked what app marketers prioritize on a weekly basis.

**How do you rank your weekly tasks in order of priority?**

Priority	Percentage
35% Campaign analysis	35%
31% Campaign management	31%
14% Designing ad creatives	14%
11% Testing new channels	11%
9% Testing new creatives	9%

0%   5%   10%   15%   20%   25%   30%   35%

◆ 35% of respondents say campaign analysis is their top focus.

◆ Campaign management is the second highest priority for 31% of respondents.

◆ Creatives receive less attention, with 14% of respondents choosing "designing ads" as their most important priority. Only 9% pick testing as their top priority.

Due to ATT and other privacy initiatives, user acquisition managers are trying to understand the effectiveness of their campaigns with limited data. In this context, increased focus on ongoing management and analysis is no surprise.

However, we think marketers should put more focus on discovering new creatives, as do Mobile Heroes. Read **Danika Wilkinson's**, Product Manager at Socialpoint, blog, **"Making Ad Creative the Core of Your Mobile Marketing Strategy"** to learn why.
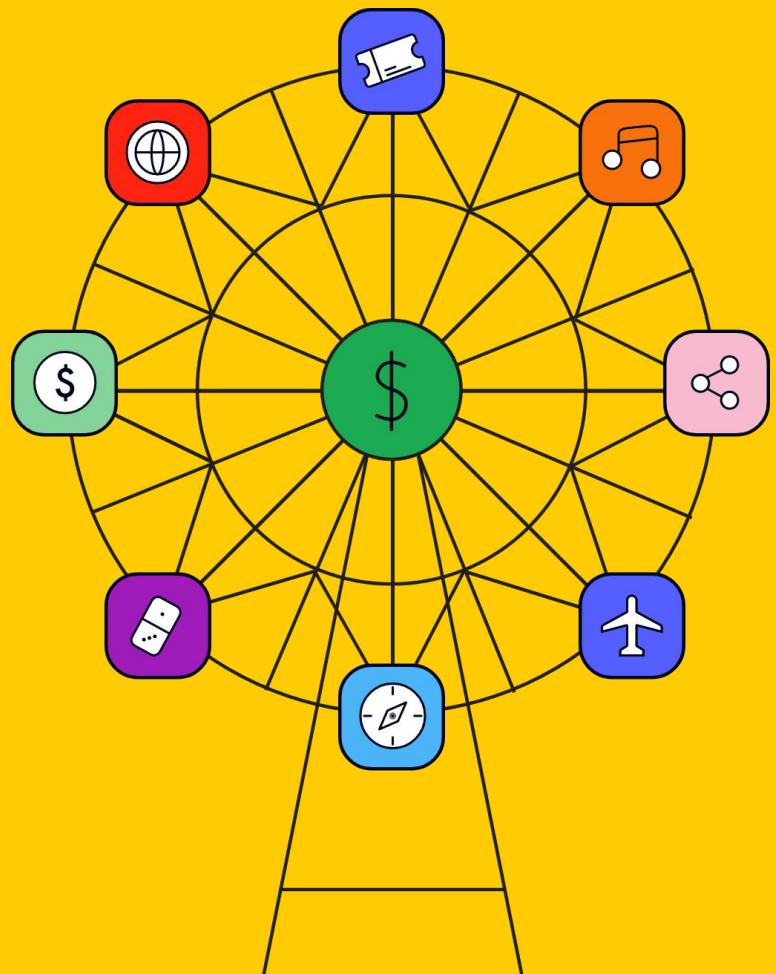
Becoming a Privacy-First Industry

Gauging the Effects of Privacy Changes

Mobile marketers have had a lot of time to digest the recent user privacy push by both platforms and regulators, but evaluating the effects of these decisions is a relatively new prospect. To uncover current sentiment around how privacy is changing the industry, we asked our audience to what extent they agree or disagree that privacy changes have been a good thing for both app marketers and app users.
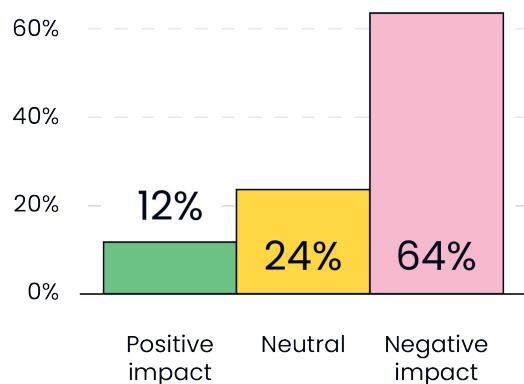
How strongly do you agree or disagree that recent privacy changes (e.g. ATT) have been a good thing for marketers/users?

Legend: ■ For marketers   ■ For app users

	Strongly agree	Somewhat agree	Neither agree or disagree	Somewhat disagree	Strongly disagree
For marketers	5%	20%	20%	33%	21%
For app users	19%	40%	22%	14%	4%

- ◆ Respondents report a clear split between what's good for marketers and what's good for users.
- ◆ Only 25% agree that privacy changes are a good thing for app marketers.
- ◆ Meanwhile, a whopping 59% agree that the changes have been beneficial for app users.

App marketers will need to get creative about how they execute and measure user acquisition campaigns going forward. Many cite a lack of data as a significant barrier, but marketers also say they are up for the challenge and are actively exploring innovative ways to attract new users.
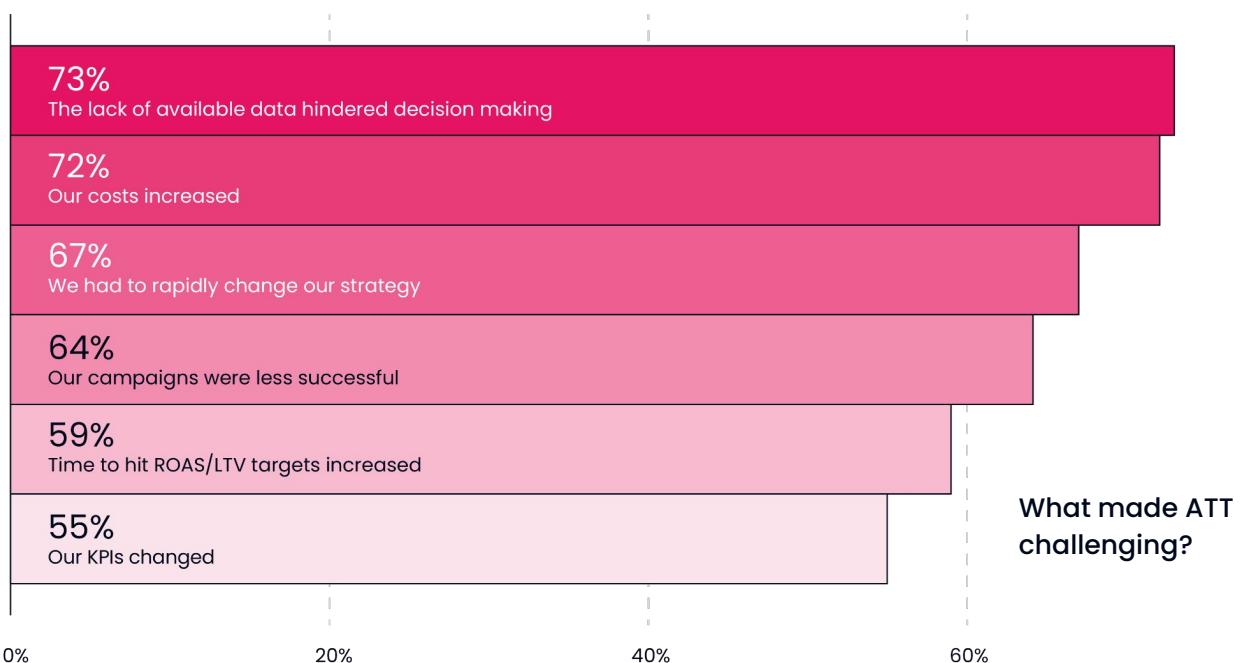
App Tracking Transparency in Detail
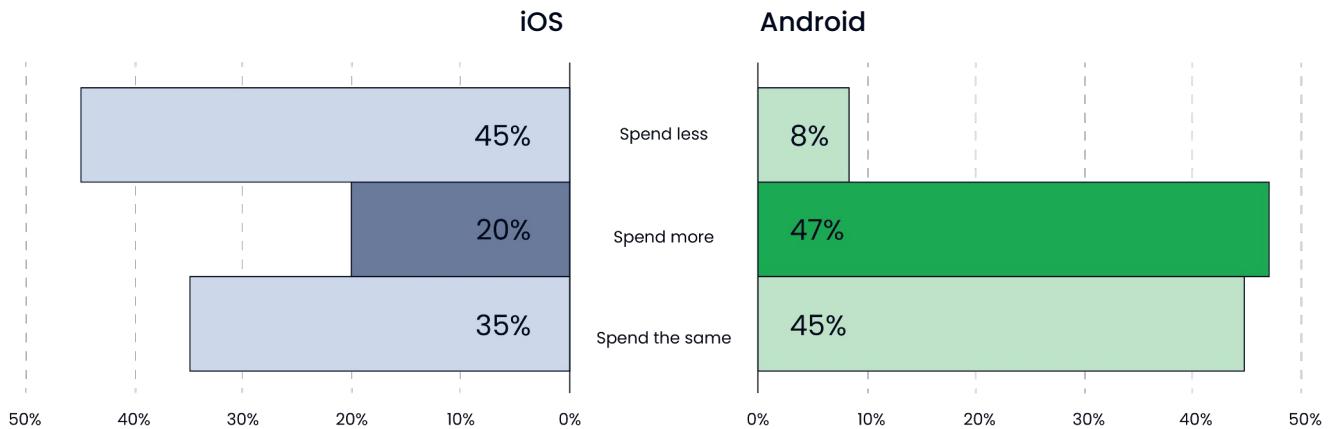
Since 2021, privacy changes brought about by ATT have transformed the industry. Allowing users to choose what they share has substantially limited the volume and variety of data available to marketers. We wanted to find out marketers really think about this seismic shift.

When asked how ATT changes impacted user acquisition campaigns specifically, a majority (64%) of app marketers say that ATT has had a negative impact on their user acquisition campaigns. Only 12% report a positive impact.

Chart showing impact percentages:
- Positive impact: 12%
- Neutral: 24%
- Negative impact: 64%

◆ For most, the lack of available data is the top concern. Without easily accessible information, 73% of marketers report feeling left in the dark when making key decisions.

◆ Equally concerning are the increasing costs associated with the lack of data. 72% cite this as their biggest issue.

◆ 67% of marketers encountered a rapid about-face in strategic decision-making, but only 55% of respondents changed their KPIs as a result.

73%
The lack of available data hindered decision making

72%
Our costs increased

67%
We had to rapidly change our strategy

64%
Our campaigns were less successful

59%
Time to hit ROAS/LTV targets increased

55%
Our KPIs changed

What made ATT challenging?
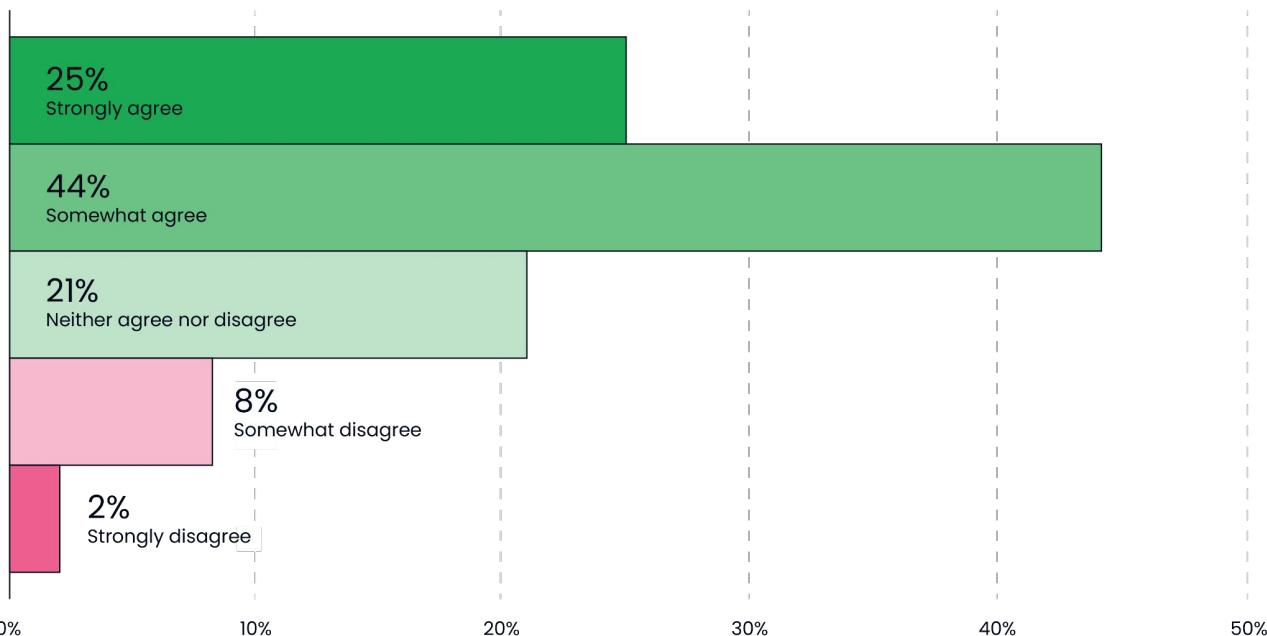
◆ ATT changes impacted spending on iOS campaigns far more than those on Android.

◆ A striking 47% report increasing spend on Android since the rollout of ATT.

◆ Only 20% report spending more on iOS, though 35% say they spend about same amount on the platform.

iOS / **Android**

	iOS	Android
Spend less	45%	8%
Spend more	20%	47%
Spend the same	35%	45%

Ultimately, marketers support the idea of increased privacy, even if the new conditions created difficulties in their day-to-day operations.

We asked marketers whether they agree with the statement, "As an industry, we have become too dependent on the granularity of performance data to accurately gauge campaign success." Well over 70% of app marketers either strongly or somewhat agree with this statement. Just 10% disagree.
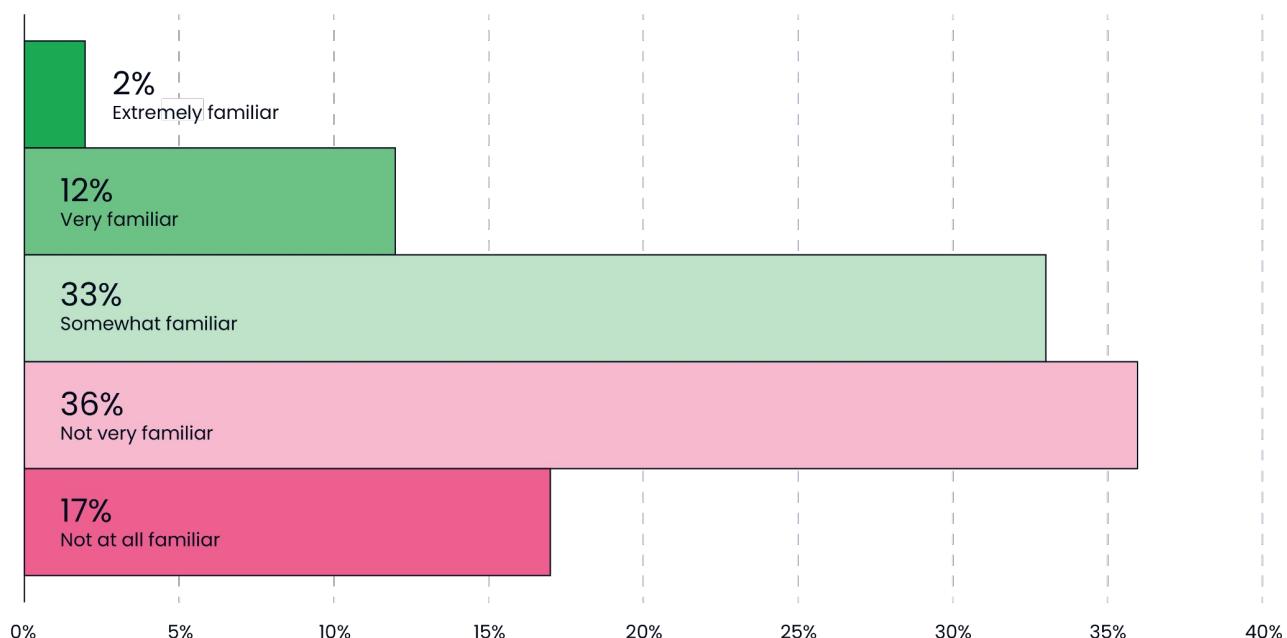
"As an industry, we have become too dependent on the granularity of performance data to accurately gauge campaign success."

25% Strongly agree	
44% Somewhat agree	
21% Neither agree nor disagree	
8% Somewhat disagree	
2% Strongly disagree	

liftoff

What's the Status Quo of SKAN 4?
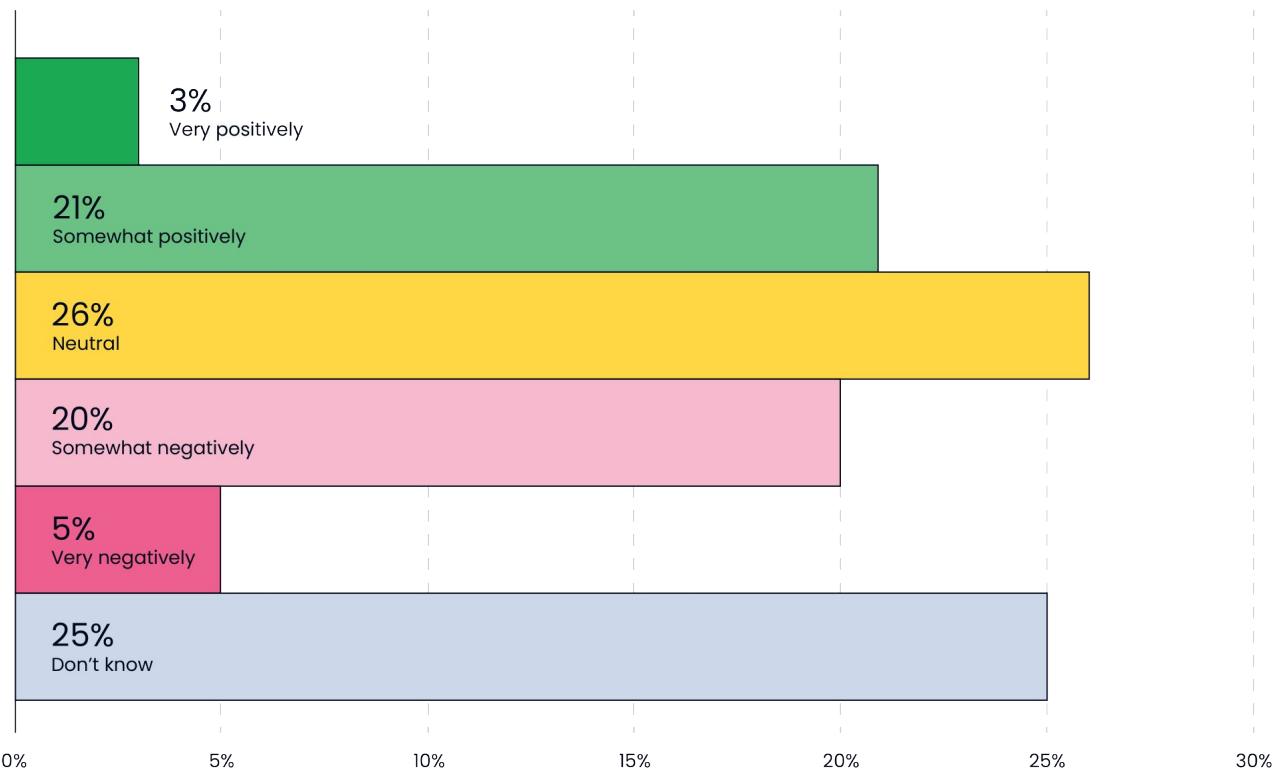
At the time of conducting the survey, Apple had announced its plan to release a new spec for SKAdNetwork (SKAN 4). In anticipation of the update, we asked marketers how familiar they are with the update and how they would rank SKAN 4 features in order of importance to them.

How familiar are you with SKAN 4?

2%
Extremely familiar

12%
Very familiar

33%
Somewhat familiar

36%
Not very familiar

17%
Not at all familiar

Only 47% of marketers report some level of familiarity with SKAN 4. The majority of respondents have little to no familiarity with new developments. Many marketers may feel that they have much to learn about the upcoming change, or they could be experiencing a sense of burnout from multiple successive updates.
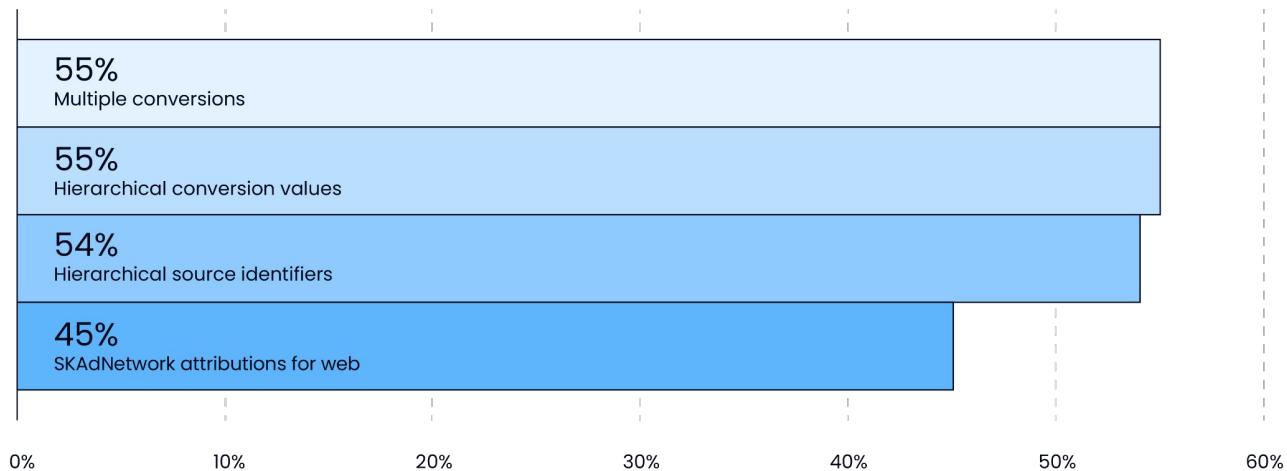
How will SKAN 4 affect user acquisition on iOS?

3%
Very positively

21%
Somewhat positively

26%
Neutral

20%
Somewhat negatively

5%
Very negatively

25%
Don't know

0%	5%	10%	15%	20%	25%	30%

Marketers are unsure whether SKAN 4 will be helpful or not. Only 24% of respondents believe SKAN 4 will have a positive impact on UA. 25% "don't know," and 26% remain neutral.

When asked to rank SKAN 4 features, marketers rated "Multiple conversions" and "Hierarchical conversion values" equally as "very valuable."
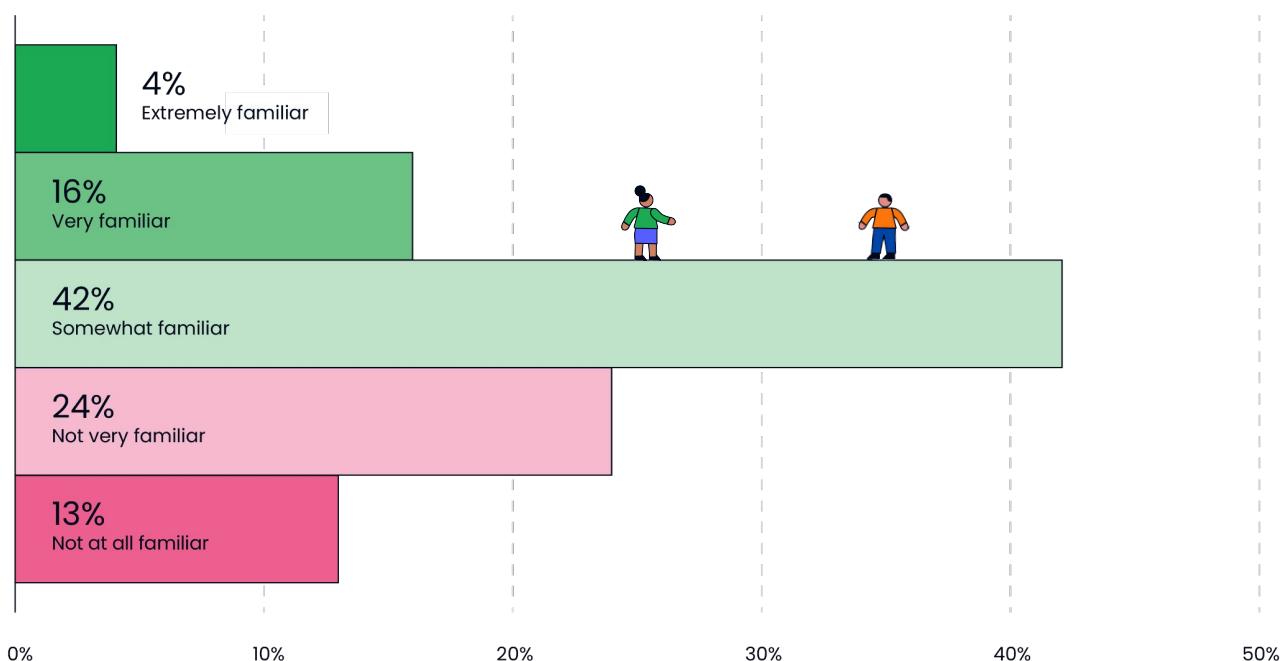
Which new SKAN 4 feature is most important to you?

55%
Multiple conversions

55%
Hierarchical conversion values

54%
Hierarchical source identifiers

45%
SKAdNetwork attributions for web

0%	10%	20%	30%	40%	50%	60%
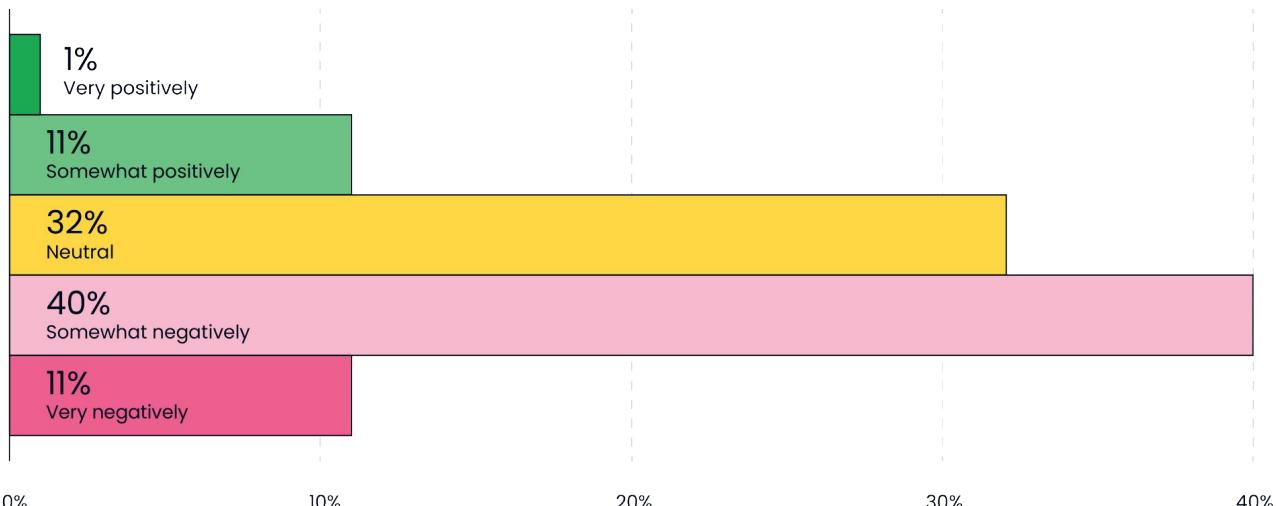
Are You Prepared for Google's Privacy Changes?

In March 2022, Google shared that Android will deprecate its user identifier for advertisers—the GAID (Google advertising ID)—by 2024. We wanted to know what marketers thought about Google's shift and whether they felt prepared for it.

How familiar are you with GAID changes?

- **4%** Extremely familiar
- **16%** Very familiar
- **42%** Somewhat familiar
- **24%** Not very familiar
- **13%** Not at all familiar

0%   10%   20%   30%   40%   50%

How will GAID deprecation affect UA?

1%
Very positively

11%
Somewhat positively

32%
Neutral

40%
Somewhat negatively

11%
Very negatively

0%   10%   20%   30%   40%
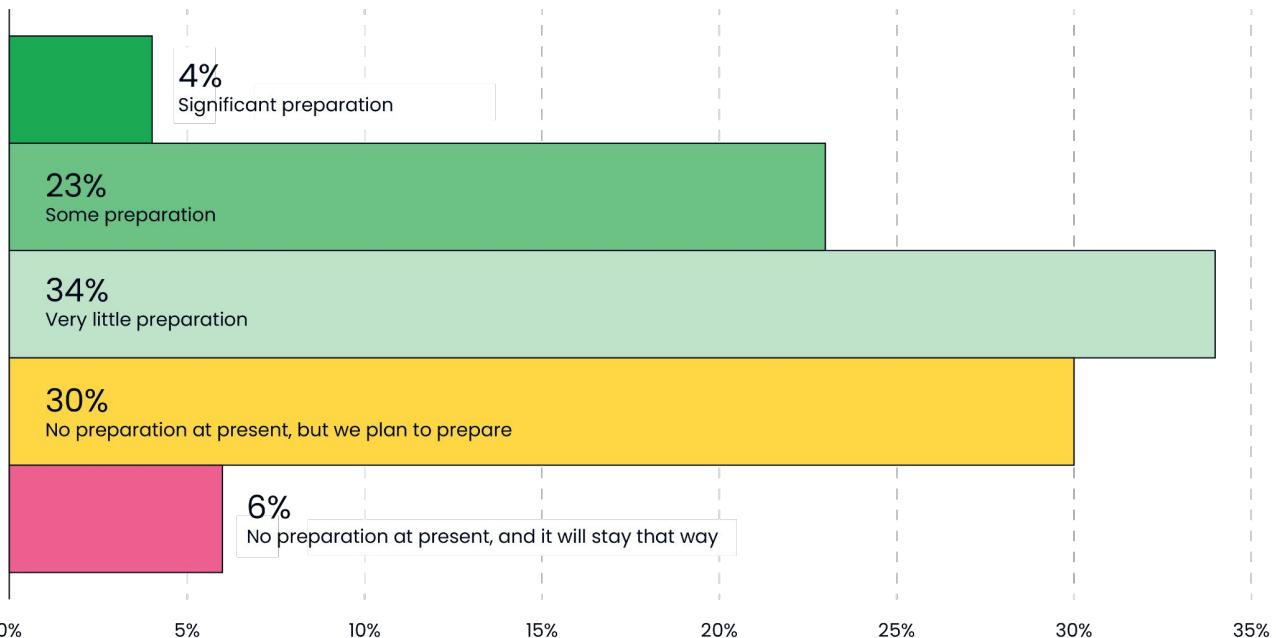
◆ Familiarity with GAID is relatively high, with 62% being at least somewhat familiar with the topic.

◆ The majority (51%) of industry professionals agree that GAID developments will have at least a somewhat negative impact on user acquisition. Only 12% expect a positive impact.

◆ Despite anticipating that GAID changes will have negative effects, 70% report little or no preparation at present. Only 4% report "significant preparation" and effort right now.

Are you preparing for GAID deprecation?

4%
Significant preparation

23%
Some preparation

34%
Very little preparation

30%
No preparation at present, but we plan to prepare

6%
No preparation at present, and it will stay that way

0%   5%   10%   15%   20%   25%   30%   35%
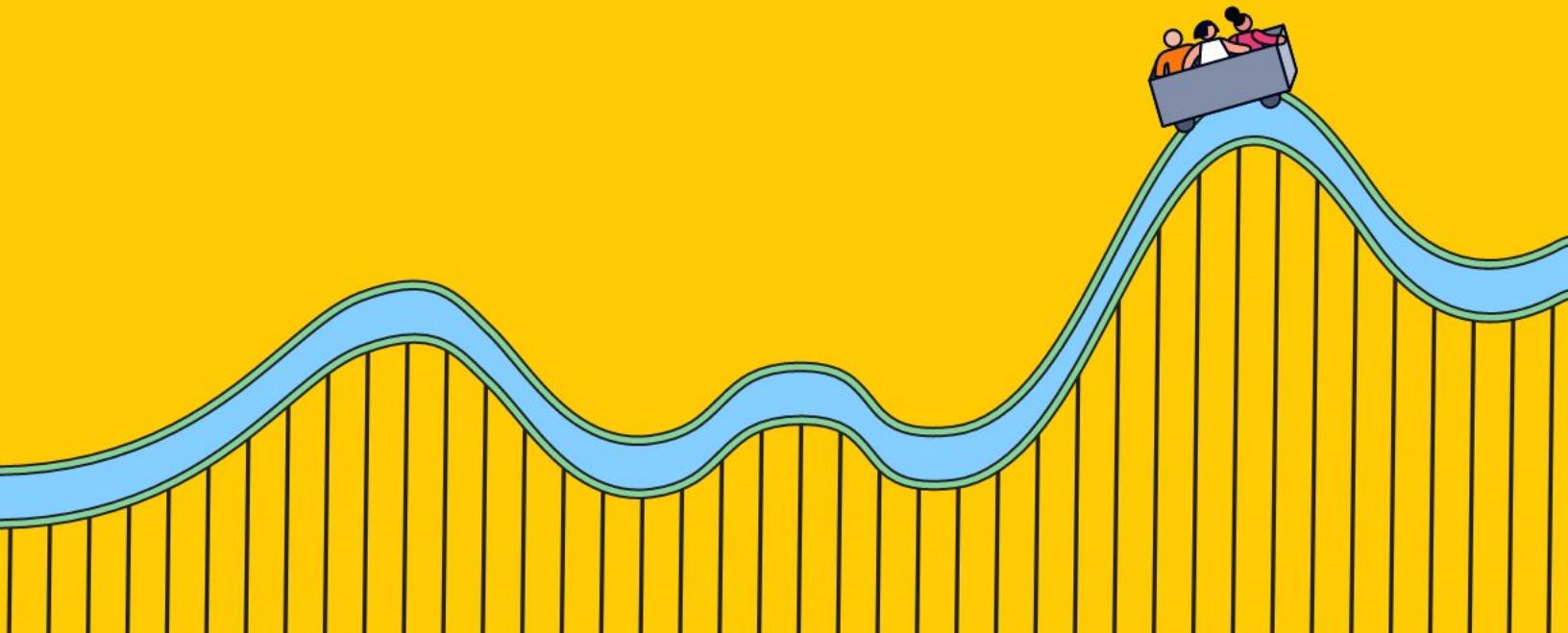
Growth Opportunities

How to Spend Your Ad Budget
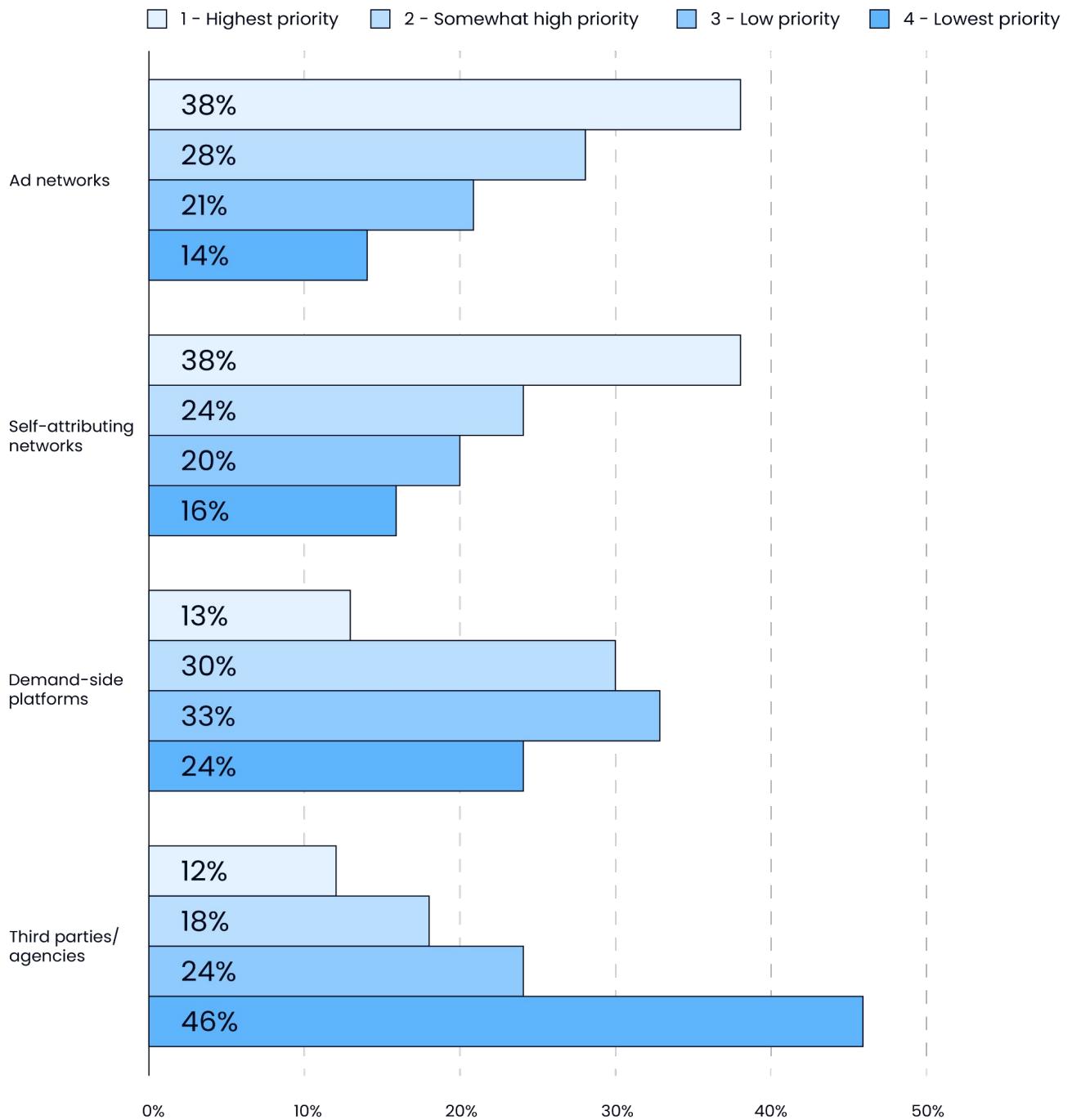
Where are marketers going to spend their campaign budgets? While 36% plan to keep their ad spend the same for next year, 52% say they will increase their spend in 2023. Only 12% expect to reduce their ad budgets in the coming year.

How do you anticipate your ad spend budget will change in 2023?

- **12%** We will spend much more
- **40%** We will spend somewhat more
- **36%** We will spend about the same
- **9%** We will spend somewhat less
- **3%** We will spend much less

0%   5%   10%   15%   20%   25%   30%   35%   40%

Analyzing spend allocation across media partnerships reveals that ad networks are neck-and-neck with SANs for the top spot—each received 38% of votes for top priority. Meanwhile, DSPs received the largest share of second-priority votes at 30%.
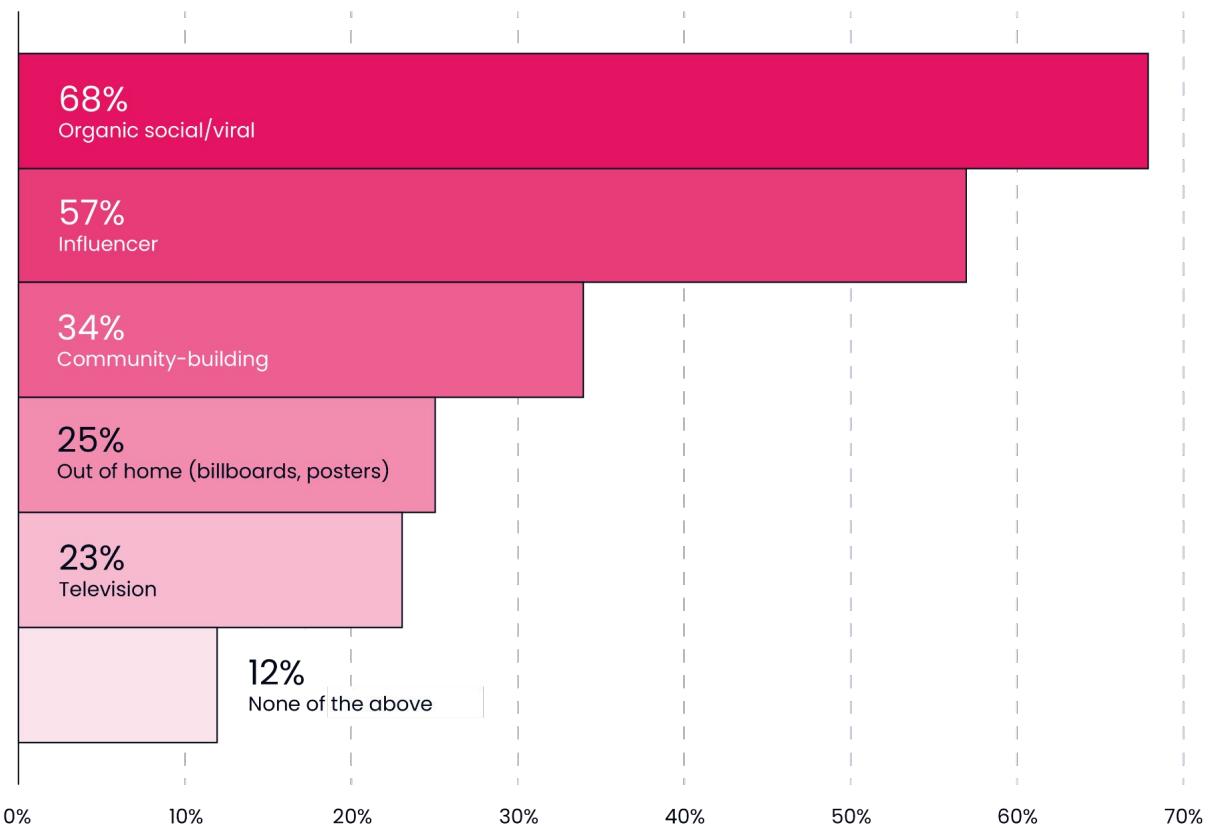
How do you rank your media partnerships by priority?

☐ 1 - Highest priority   ☐ 2 - Somewhat high priority   ☐ 3 - Low priority   ☐ 4 - Lowest priority

Ad networks
- 38%
- 28%
- 21%
- 14%

Self-attributing networks
- 38%
- 24%
- 20%
- 16%

Demand-side platforms
- 13%
- 30%
- 33%
- 24%

Third parties/ agencies
- 12%
- 18%
- 24%
- 46%

0%   10%   20%   30%   40%   50%

The Future of User Acquisition

Beyond strict user acquisition channels, marketers can get the word out in a variety of ways, from **influencer marketing** to community building. We selected a few popular channels to gauge where marketers are putting their ad dollars now and where they expect to allocate ad spend in the future.
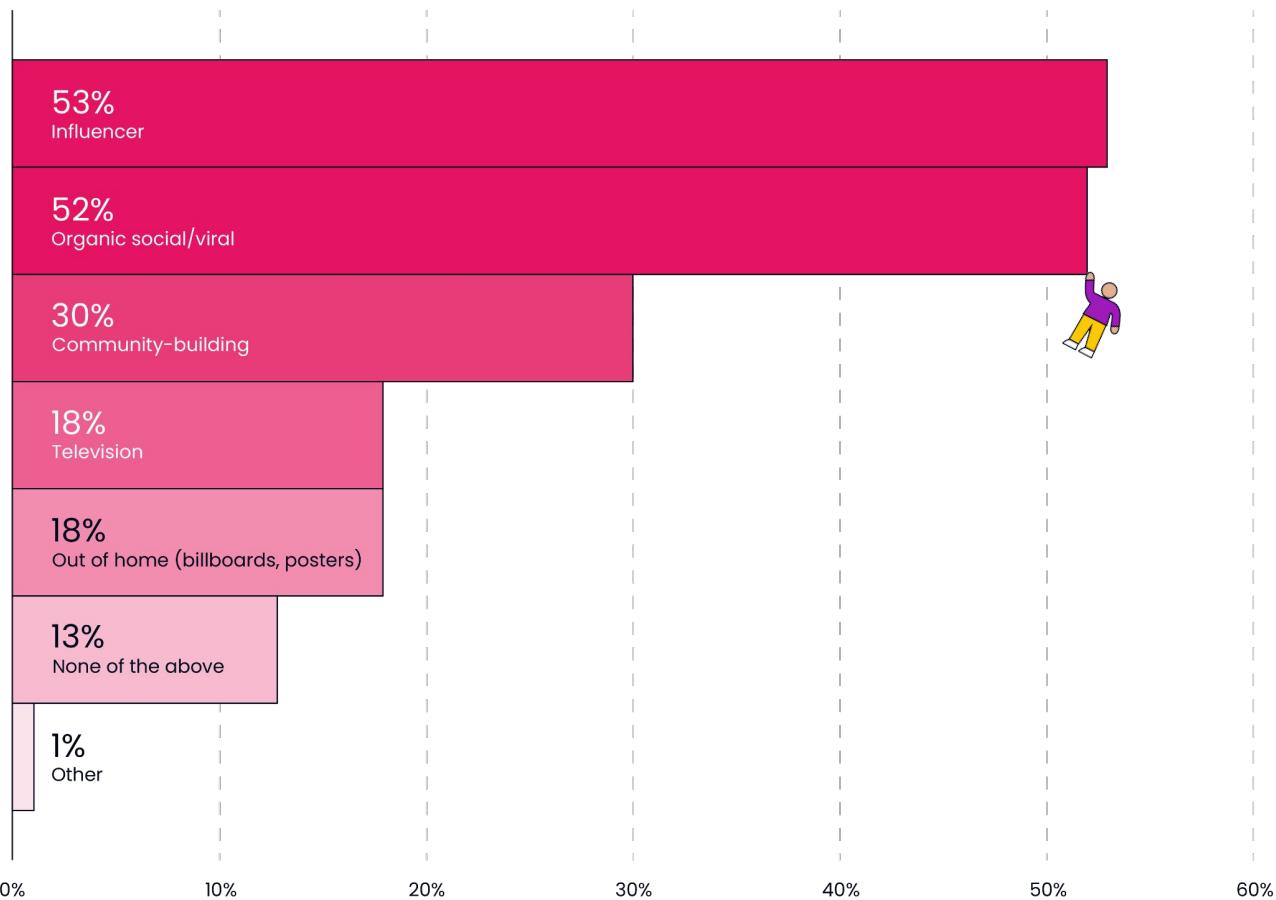
Which of the following paid advertising channels are you currently using?

- 68% Organic social/viral
- 57% Influencer
- 34% Community-building
- 25% Out of home (billboards, posters)
- 23% Television
- 12% None of the above

◆ Currently, 68% of app marketers prioritize organic/viral alternative ad channels.

◆ Influencer marketing is a close second, with 57% of marketers selecting it as their top focus.

◆ Community-building comes in at a distant third, at 34%.

Looking at future spend, social media is an increasingly important trend for UA managers:

Which channels are you planning to increase resources for in 2023?

Channel	Percentage
53% Influencer	
52% Organic social/viral	
30% Community-building	
18% Television	
18% Out of home (billboards, posters)	
13% None of the above	
1% Other	

◆ Influencer (53%) and organic/viral (52%) are the top two channels that app marketers plan to increase spend on in the coming year.

◆ With 30% of marketers listing it as an area of investment for next year, community building drops down four percentage points from current trends (34%).

◆ Television and out-of-home are ranked equally in priority, with 18% of the votes each.
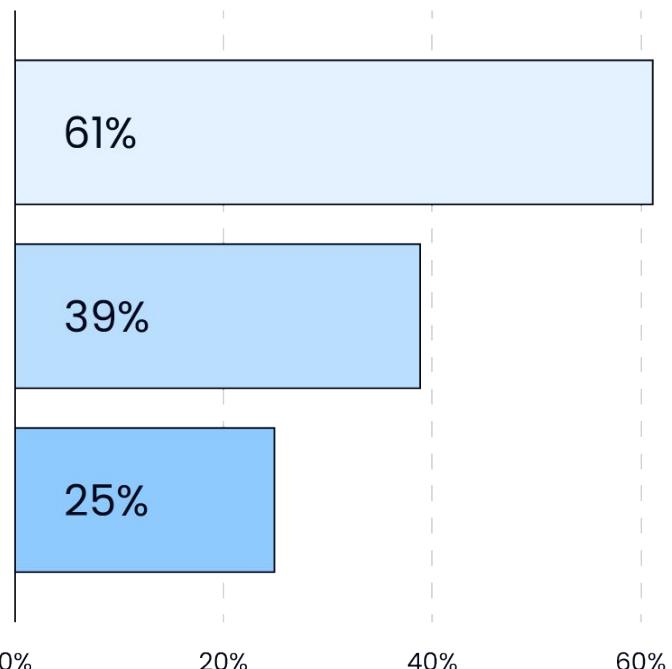
Which Channel Wins?

Of all the channels marketers are experimenting with, we looked at three in detail: TV, influencer marketing and web3. We asked marketers what they expected competitors to invest in and whether they plan to match those efforts.

*"I believe my competitors will **increase influencer marketing** spend through 2023 and beyond, so I should too."*

61%

*"I believe my competitors will **increase web3 focus** through 2023 and beyond, so I should too."*

39%

*"I believe my competitors will **increase television** spend through 2023 and beyond, so I should too."*

25%

0%   20%   40%   60%
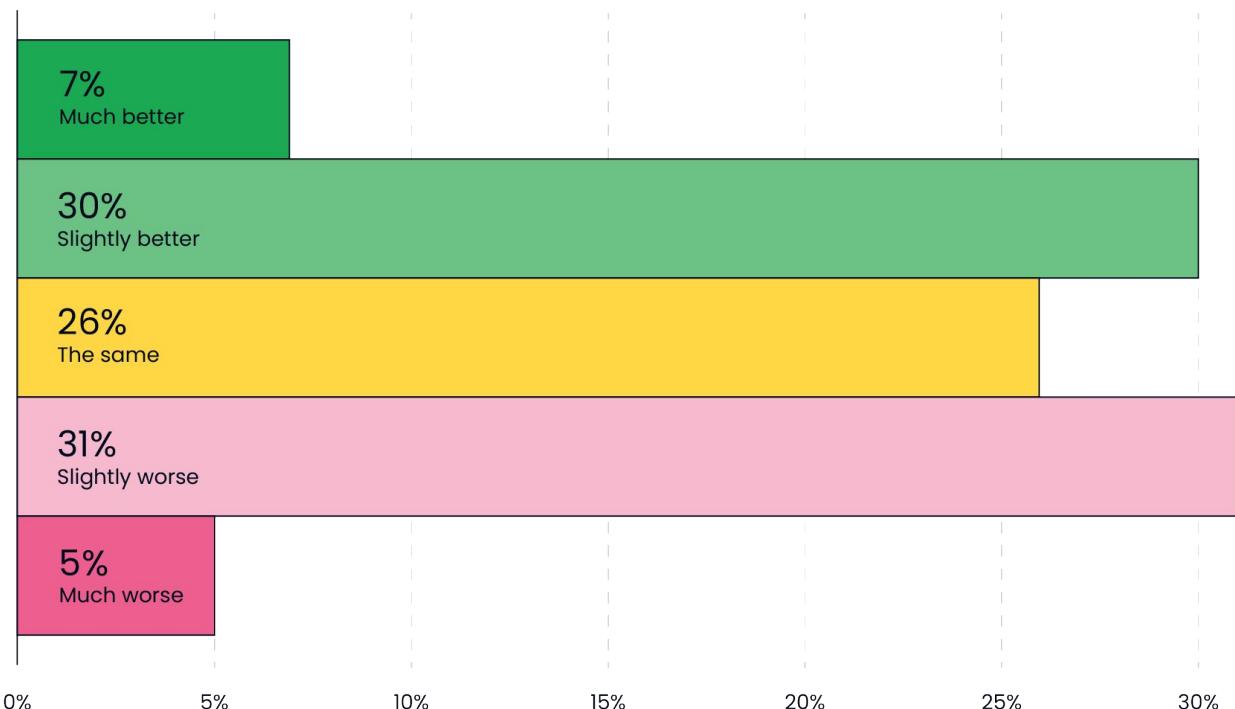
◆ We discovered that marketers are most focused on influencer marketing. Overall, 61% of respondents agree that they and their competitors will spend more on influencers.

◆ Latin America-based marketers are the most interested in influencer marketing: 76% agree that competitors will increase spend on the channel.

◆ Of all regions, North America is the most bullish about TV. 33% of marketers in the region say they plan to increase spend on TV advertising. The average—25%—is brought down by lack of interest in EMEA, where only 19% of marketers plan to increase their focus on TV.

liftoff

What Does the Future Hold?

We began the survey by asking marketers how they felt about the previous 12 months. To close, we asked about their expectations for the future.

"As a marketer, I feel the next 12 months will be…"

7% Much better	
30% Slightly better	
26% The same	
31% Slightly worse	
5% Much worse	

0% 5% 10% 15% 20% 25% 30%

◆ Though seemingly optimistic, the results are essentially split. Positive sentiments (37%) are just one percentage point ahead of negative ones (36%).

◆ Few marketers have extreme opinions. Only 12% of total respondents believe the state of marketing will be much better or much worse. Meanwhile, 26% do not expect anything to shift at all.

◆ Marketers are more positive about 2023 than about the previous year. In our first chart of the report, only 22% said that marketing in the present day is better than 12 months ago. But 37% think the future is bright for marketing, 15 percentage points higher than when asked about the past year.

liftoff

Survey Summary
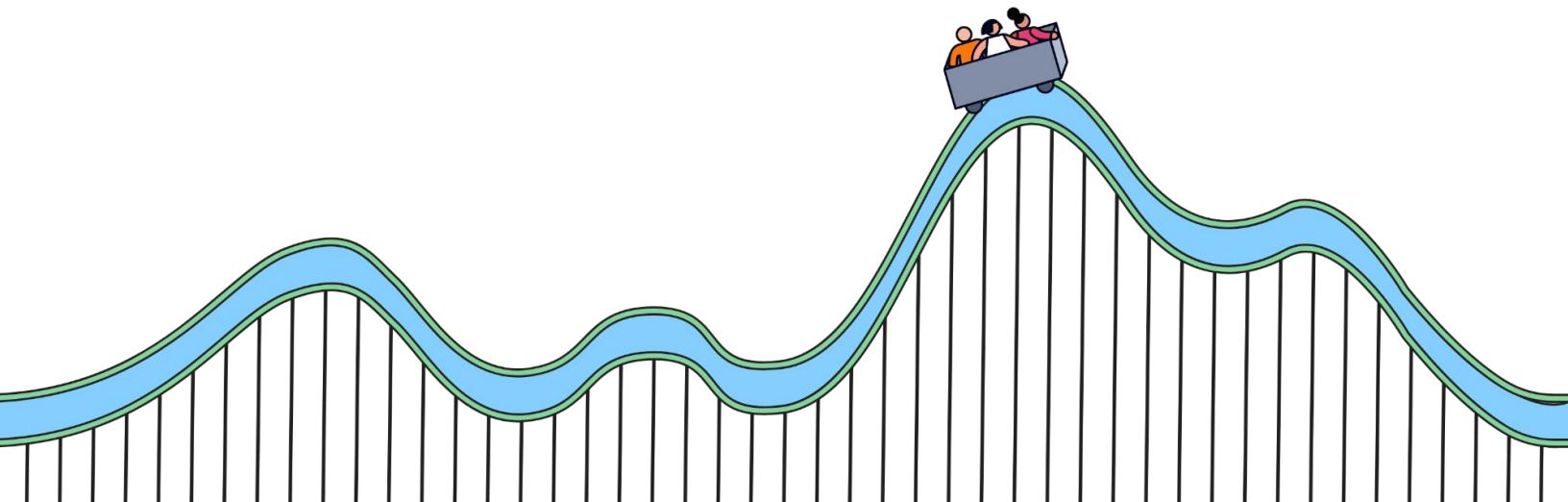
If there's anything to learn from our survey, it's that the future of marketing is still unclear. We know that app marketing is having a turbulent year—Covid-19 winding down, macroeconomic changes, and industry headwinds all combine to make life more difficult for marketers.

But that's not to say marketers are downbeat—our survey reveals that they're becoming more adaptive and rising to the challenge. Most respondents have more aggressive targets (59%) than the previous year, and 52% will raise their advertising budgets in 2023. That spend will also be distributed across various inventory types and channels, even as the industry consolidates.

Privacy changes add another layer of complexity. Though most marketers favor improved privacy for users—even if it makes their jobs harder—marketers do want more data. Without readily available data, 73% of marketers report feeling left in the dark when trying to make important decisions.

The industry may develop solutions in the next few years to deal with this data deficit. But, for now, marketers are turning to less trackable channels, such as influencer marketing, to reach new audiences. We'll see in our next survey whether the switch is a long-term trend.

Marketers are split on what the future holds. The mobile app economy is evolving at an accelerated rate. When marketers look back at this period, they will likely see a time of rapid, unexpected change. Trying to predict what's next isn't easy—but increased pressure usually gives rise to more innovation and, we hope, even better outcomes.

Accelerate your mobile revenue and growth.

For advertisers, publishers, game developers and DSPs.

Accelerate
Acquire high value users to scale app growth.

Direct
Directly access the best publisher inventory.

Influence
Activate meaningful growth with creator campaigns.

Monetize
Maximize your earnings with in-app ads.

Intelligence
Guide your development strategy with game data analytics.

Creative Studio
Maximize campaign performance with better ad creatives.

Vungle Exchange
Programmatically reach high-quality engaged users.

liftoff

Who is Liftoff?

Liftoff is the leading growth acceleration platform for the mobile industry, helping advertisers, publishers, game developers and DSPs scale revenue growth with solutions to market and monetize mobile apps. Liftoff's solutions, including Accelerate, Direct, Influence, Monetize, Intelligence, and Vungle Exchange, support over 6,600 mobile businesses across 74 countries in sectors such as gaming, social, finance, ecommerce, and entertainment. Founded in 2012 and headquartered in Redwood City, CA, Liftoff has a diverse, global presence.

f 🐦 in

www.liftoff.io

liftoff