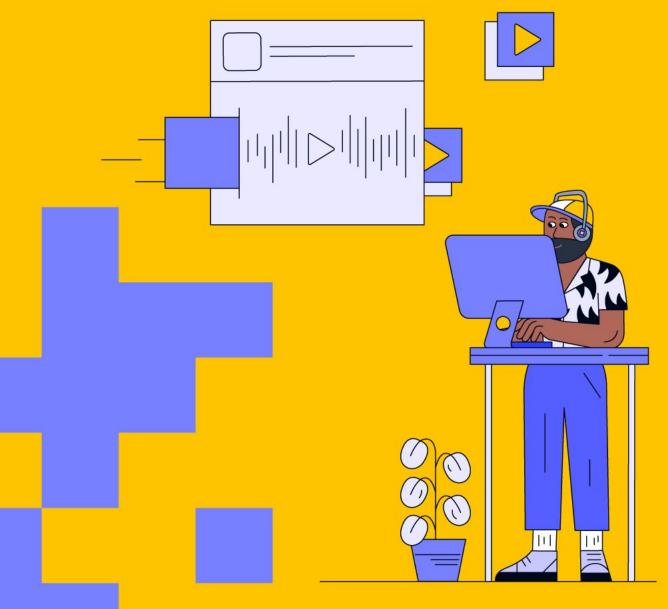


Mobile Ad Creative Index



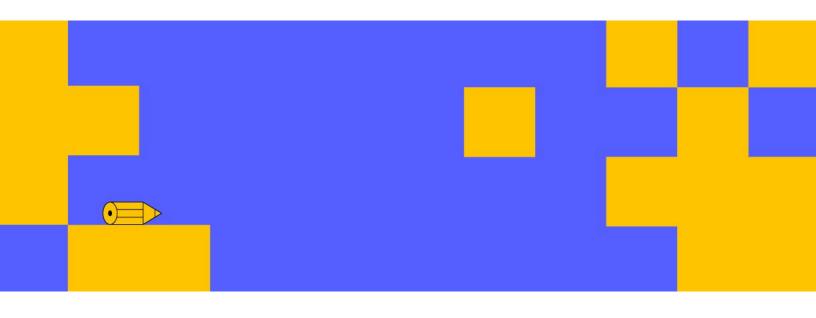




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Highlights & Methodology



Gaming

Gaming ads with a video or playable element are over 20x more likely to result in an install than banner ads.



E-Commerce

Native and banner ads are more cost-effective options. They're also better at driving purchases with install-to-action rates of over 30%.



Finance

Video and interstitial ads cost slightly more per install, but they are over 15x more likely to result in an install than banner ads.



Generative Al

Al is about scale and speed. Try using Al tools to generate voice-overs for video ads to boost engagement.



Longer Ad Experiences

Longer videos and triple-page ads perform better. To drive more ROI, focus on improving ad UX—don't try to trick users with deceptive buttons.

This report is based on data from

0020

602B 49.4B

144M

Jan 1 2023 - Jan 1 2024

Impressions

Clicks

Installs



Introduction

After a difficult past two years, the outlook for the mobile ad ecosystem—and the digital ad industry as a whole—appears to be changing. Insider Intelligence expects global ad spend to jump 10% in 2024, up from 6.3% in 2023. The rebound is encouraging—and so are the innovations.

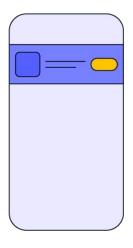
We've heard about the game-changing capabilities of OpenAI's ChatGPT. But AI investments are not only driving the conversation. They are also powering platform upgrades for top industry players to improve the scale and speed of creative production and optimization.

One of the key areas transformed by AI is mobile ad creative. AI tools from Bard to Midjourney are already changing how marketers design, test, and scale creatives. For ambitious marketers, now is the time to experiment.

In this year's Mobile Ad Creative Index, Liftoff's Creative Studio team shares ways to embrace generative AI to move faster and rack up performance wins. We also explore new developments in well-known performance levers for ad creative.

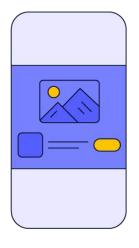
UGC has long been a staple for ad creative, but we break down the special touches that convert a promising UGC concept into a top performer. Gaming ads are frequently at the cutting edge of mobile advertising. Liftoff's GameRefinery team shares developments in trends like minigames and live events that can supercharge a UA campaign. Finally, we report the cost, conversion, and ROI benchmarks across four app verticals: gaming, e-commerce, finance, and entertainment.

Ad Format Definitions



Banner

Traditional ad units served at the bottom or top of a mobile device. Banners are one of the few mobile ad formats that can easily be implemented into nearly any mobile app.



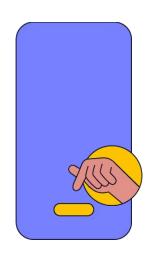
Native

Native ads fit seamlessly into the app experience. The most common native ad formats are in-feed, paid search, recommendation widgets, and promoted listings.



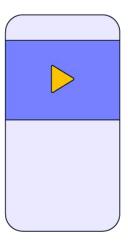
Interstitial

Full-screen ads that appear during transitions within an app. This provides a smooth change between two levels of a mobile game or between two stories in a news app, making them less intrusive and more engaging.



Playable

Interactive ads allow users to play before they buy. Those who view the ad can interact with it as a preview of what they could do in the app. A playable could show the first moments of a game, for example.



Video

This ad creative uses video to engage audiences. Rewarded video offer users perks and prizes in exchange for watching or interacting with an ad.

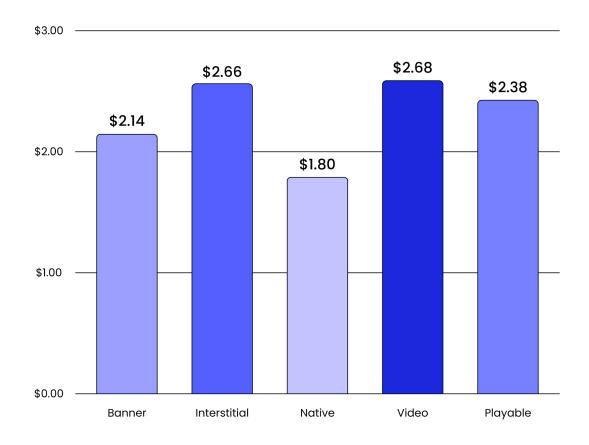


Ad Creative Benchmarks

- → Gaming CPI, Install Conversion Rates, & ROAS
- → E-Commerce CPI, CPA, & Install Conversion Rates
- → Finance CPI & Install Conversion Rates
- → Entertainment CPI & Install Conversion Rates



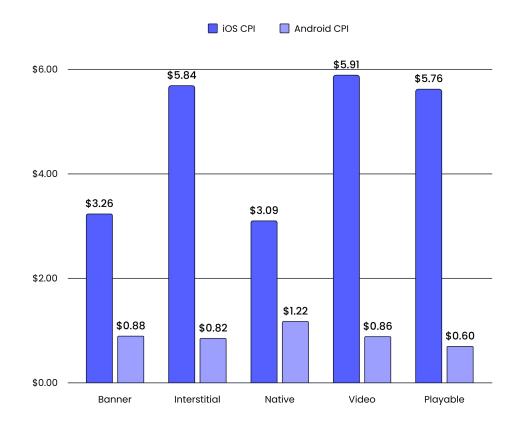
Gaming CPI by Ad Format



Overall, install costs are lower compared to Q1 2023. Costs per install (CPI) for gaming apps can differ greatly depending on the category of game, but breakdowns by ad format are a good indicator of where to find value when optimizing your campaigns.

- On average, native continues to be the most cost-effective format at \$1.80.
- Banner is a close second at \$2.14 per install.
- Video, interstitial, and playable ads each cost around \$2.50 per install on average, with video topping out as the most expensive option.

Gaming CPI by Ad Format, Android vs. iOS

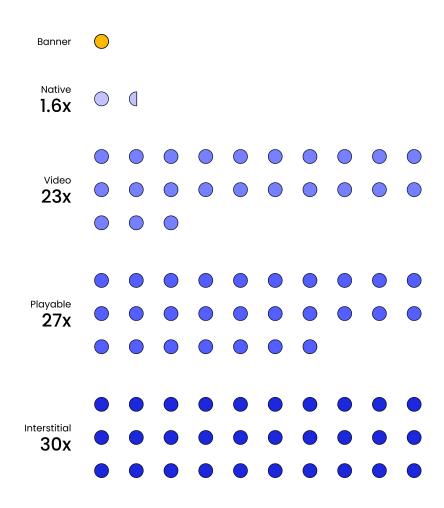


The picture for average CPI changes if we look at costs by platform. Since Apple's ATT rollout, Android costs have been consistently lower than costs on iOS and this trend continues:

- Native ads are the most cost-effective option on iOS at \$3.09.
- By contrast, playables are the best cost option on Android (\$0.60) and run at less than half the cost of native ads (\$1.22).
- Video, interstitial, and banner ads however cost about the same per install on Android, while interstitial, video, and playable ads have similar costs on iOS.

Despite higher costs on iOS, developers and marketers should keep in mind that post-install, iOS gamers can also be valuable spenders.

Gaming ITI Conversion Rates by Ad Format Comparison

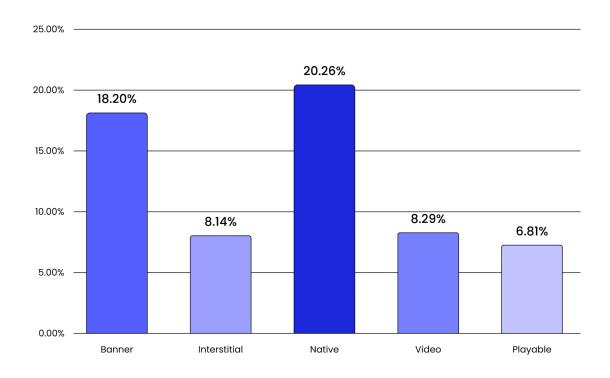


While CPI is useful as an ad spend metric, impression-to-install (ITI) conversion rates are a more accurate gauge of the success of an ad creative. For gaming apps, banner has the lowest ITI rate.

Comparatively, video and playable ads are over 20x more likely to result in an install than banner ads. Interstitial ads have the highest success rate and are 29x more likely to convert than banner ads.



Gaming Day 7 ROAS

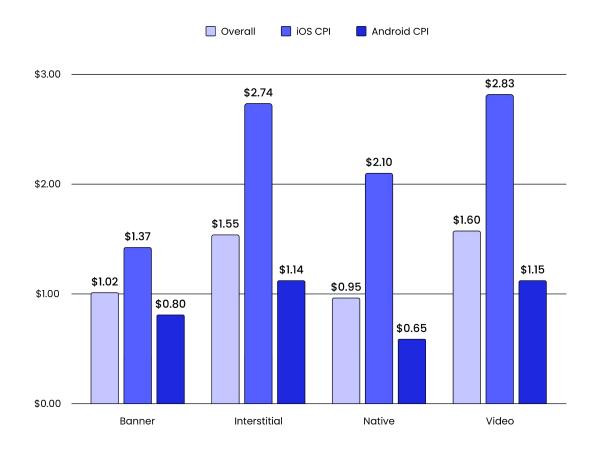


In our latest survey of over 500 app marketers, we found that ROAS continues to be the top metric prioritized by gaming marketers. We compared day 7 ROAS across five ad formats and found:

- Native and banner ad formats generated the most ROI by a significant margin.
- While video and playable ads had lower costs per install on Android, they also posted lower ROAS by day 7.
- It's important to note that while average rates offer a general benchmark, ROAS
 goals differ significantly depending on the game, target audience, and
 advertiser reach. Outcomes also differ depending on the specific combination
 of ad formats.



E-Commerce CPI by Ad Format

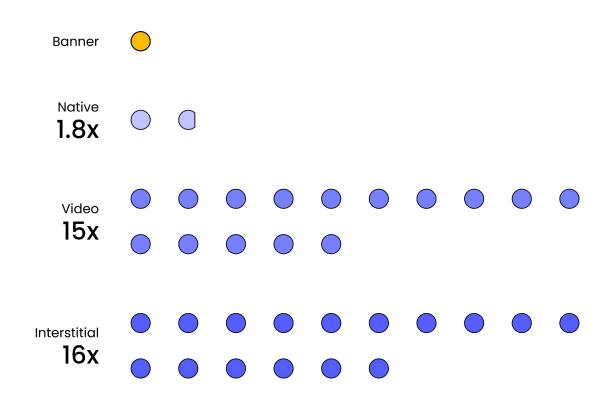


CPI for e-commerce apps vary seasonally and by platform. While overall costs hover around \$1.00 to \$1.60, costs across the two platforms vary significantly.

- Android costs are lower across the board. Native ads on Android offer the best option at \$0.65.
- On iOS, banner ads are the most cost-effective by a notable margin of \$1.37.
- Video ads see the most significant disparity in cost between iOS and Android.
 Video ads on Android average \$1.15 per install, while ads on iOS average over twice as much at \$2.83.



E-Commerce ITI Conversion Rates by Ad Format Comparison



CPIs and CPAs are useful as spend metrics, but ITI conversion rates are a more accurate gauge of the success of an ad creative. For e-commerce apps, banner ads have the lowest conversion rate.

Comparatively, video ads are 14x more likely to drive an install than banner ads. Interstitial ads have the highest impression-to-install rates, and they are 15x more likely to convert than banner ads.



E-Commerce CPA, ITA by Ad Format

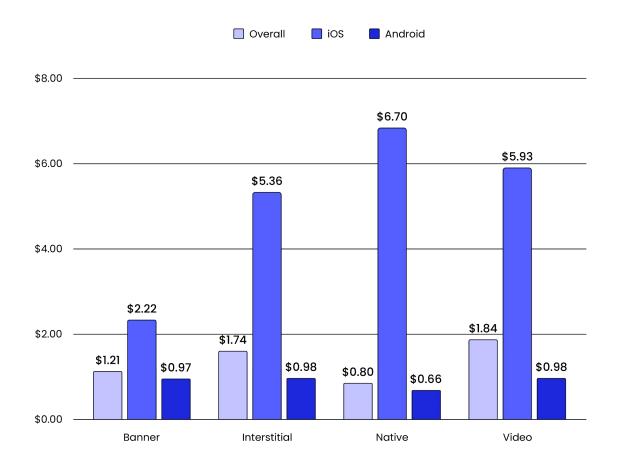


While CPIs play a key role when scaling an app, for e-commerce apps, driving continual purchases is key. Costs per action (CPA) indicate which ad formats are driving purchases beyond the initial install.

- Native and banner ads are better at driving first purchases post-install with install-to-action (ITA) rates of over 30%. By contrast video and interstitial ads see lower rates at around 16%.
- At \$2.57 and \$3.23 per action, native and banner ads are also comparatively more cost-effective when looking at first purchases post install.



Finance CPI by Ad Format

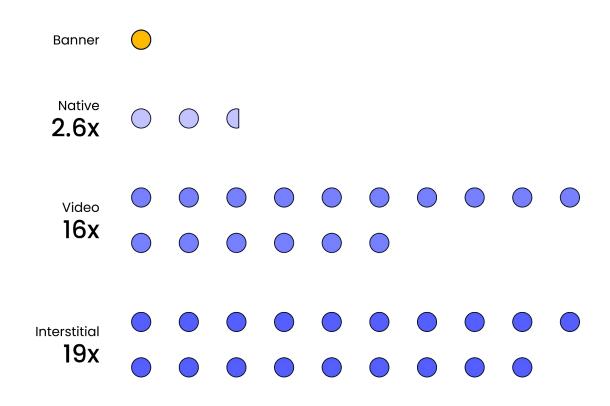


While average install costs for finance apps are lower than other app verticals, install costs also differ significantly between iOS and Android platforms.

- While Android costs average just under \$1 across ad formats, iOS install costs for three of the four ad formats average over \$5.
- Video and native ads cost about 6x on iOS as on Android. Interstitial ads on iOS cost over 5x.
- At \$2.22, banner ads are by far the most budget-friendly ad format on iOS. Native ads are the best cost option on Android.



Finance ITI Conversion Rates by Ad Format Comparison

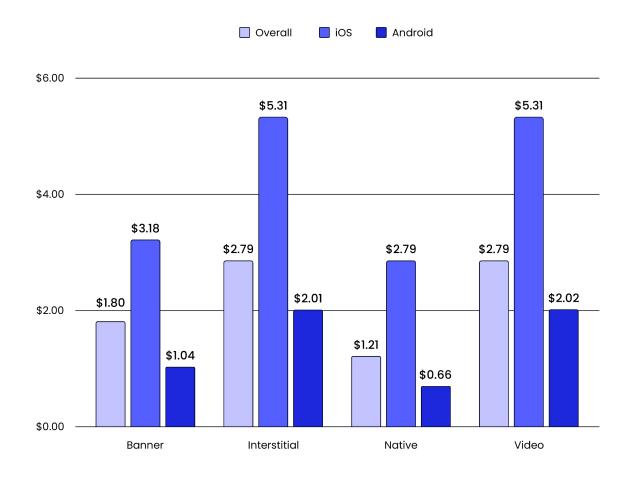


To accompany cost metrics, we also looked at ITI conversion rates to gauge the success of an ad creative. Like the other app verticals we examine, for finance apps, banner has the lowest ITI rate.

Impressions from video ads are over 15x more likely to drive an install than impressions for banner ads. Interstitial ads have the highest success rate and are 18x more likely to convert than banner ads.



Entertainment CPI by Ad Format

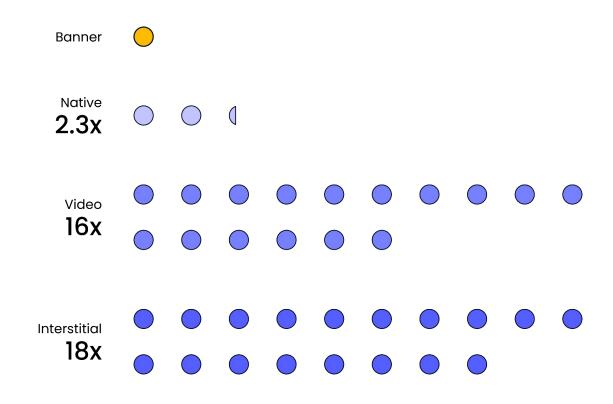


For entertainment apps, banner and native ads offer more favorable install costs compared to other formats. As expected, install costs vary greatly on iOS and Android.

- Video and interstitial ads both average about \$2 per install on Android, while they average over twice as much at \$5.31 on iOS.
- CPIs for banner and native ads on iOS average over 3x as much as on Android.



Entertainment ITI Conversion Rates by Ad Format Comparison



To close out, we looked at ITI conversion rates for entertainment apps to determine which ad formats are driving install conversions. Like the other app verticals we examine, banner posts the lowest ITI rate.

Impressions from video ads are over 15x more likely to drive an install than impressions for banner ads. Interstitial ads have the highest ITI and are 17x more likely to convert than banner ads.



2024 Trends in Creative

- → Bring Scale and Speed to Creativity With Gen Al
- → Optimize UGC for Top Performance
- → Innovate on Familiar Trends: Minigames and Leaderboards
- → Build Connections With Longer, Immersive Ad Experiences

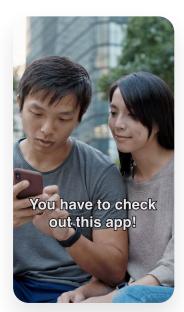


Bring Scale and Speed to Creativity With Gen Al

Since OpenAI released ChatGPT, a new caliber of generative AI tools exploded onto the scene. In years to come, we expect Gen AI to fully transform the levers that drive creative performance.

As we see it—the Gen AI revolution is about speed, efficiency, and scale. Here are a few recommendations from Liftoff's Creative Studio team to help you implement gen AI to build performance-driven ad creative.

- Supercharge your brainpower with AI tools. We see AI as a new partner in the room—not a replacement for creative minds.
 - Pro Tip: Use AI to source new ideas—but be selective about what you test.
- **Generate images and copy at scale.** One of the great roles AI can play is to expand production.
 - Pro Tip: Be careful about generating assets from scratch, as they may need to be brand-compliant.
- Speed up creative optimization with AI tools. Gen AI
 enables designers to iterate on imagery quickly and
 at scale.
 - Pro Tip: To capitalize on seasonal trends, use AI to iterate on high-performing copy and imagery with variations of holidays and special events.



Easily translate voice and copy with gen Al

Did you know?

91% of organizations expect their productivity to increase from implementing generative AI.

-Deloitte's 2024 "State of Generative AI in the Enterprise Report"



- Accelerate localization with AI. Localizing content can provide a welcome performance boost. Easily adapt your content by leveraging AI to translate subtitles and visual elements.
 - Pro Tip: Details matter—localizing key elements like CTA copy can provide a performance boost to campaigns serving global geos.
- Easily add voice-overs to your videos with AI.
 Adding a voice-over element to an ad can boost campaign performance. Al-generated voices can create a fast and scalable walkthrough for your app.
 - Pro Tip: Gen Al voice-overs are far more scalable and cost effective than traditional dubbing.
- Go from 2D to 3D—and back again. Improve ad performance by adding another dimension to your ad creative.
 - Pro Tip: Converting a 2D asset into a 3D one can enhance a playable element or a CTA, leading to a boost in performance.



Use AI to add another dimension



"When it comes to gen AI, the name of the game is efficiency. It's completely redefining what's possible regarding the speed and scalability of creative ideation and production."

Aidan Quest Senior Director, Gen. Al, Liftoff

Optimize UGC for Top Performance

UGCs have long been a staple for ad creatives. They can provide social proof for your product or service, build trust with your audience segment, and set you apart in a competitive app vertical with similar UX.

That said, successful UGC ads depend on optimization. Here are a few practices—honed by testing—to help you optimize your UGC ad.

- Prioritize relatability and authenticity. Choose content that's relatable to your target audience. Users are more likely to connect with real-world individuals who share similar experiences. Keep it authentic—they're looking for transparency when it comes to product recommendations.
- Add an interactive element. Adding a playable helps capture user attention, making the ad more memorable and engaging. With the right combination, the user will want to explore further.



Build a connection with a product recommendation



"Your users are already engaging with social media and influencer content daily. Elevate and ensure your performance marketing creative resonates by utilizing UGC. UGC is relatable and can bring your apps value props to life in a native and authentic way."

Soren Steelquist
Creator Sales & Partnerships, Liftoff Influence



- When adding an interactive element, choose proven winners such as social scrollers. Familiar UI will draw users in, making the ad experience more immersive.
- Organic selfie videos still perform best. While produced videos can add a little glamour depending on your purpose, organic selfie videos build a sense of trust and break through ad fatigue.
- Use strong keywords that attract the best users. The basics still apply here. Users are attracted to obvious, no-strings-attached benefits such as: "no ads," "no wifi needed," "bonuses," "prizes," and "win".
- Combine an app walkthrough with UGC content. Featuring an influencer demonstrating how the app works builds trust and sparks curiosity, leading to a stronger call to action.



Selfie videos still pack a punch



A walkthrough highlights your value proposition

Want to improve your UGC ad performance? <u>Partner</u> with Liftoff Influence!

- UGC creatives built with Liftoff Influence saw 20% lower CPIs compared to other video creatives.
- Influence UGC creatives increased ROAS by 4x when tested against branded content.
- Influence UGC creatives saw an average of 152% increase in impression-to-install conversion rate.

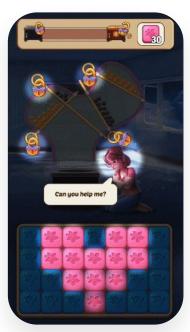
Innovate on Familiar Trends: Minigames and Leaderboards

Trends in mobile game development overlap significantly with trends in user acquisition. In this case, we've been tracking the ongoing rise of two proven strategies for driving new users—minigames and leaderboards.

When minigames first became popular in UA, their look and feel were modeled around an app's core gameplay. Successful ads closely reflected the app's experience. Now, minigames aim to hook users in a fresh way by adding variations to the game that are later integrated into gameplay.

To evolve your minigame strategy, we recommend:

- Use minigames as your app's entry point. Create fresh versions of simple games that will ease users into more complicated gameplay.
- Try newer mechanics that make your minigame more relevant. For example, we're seeing newer minigame mechanics like scavenger hunt and connect the dot in addition to existing ones like match3 or merge.
- Combine minigames with rewards or seasonal events to boost app's appeal. Players can collect rewards to use in the game more generally or as part of a seasonal event.
- Build on what you already know. If you find that a specific minigame from an ad resonates with audiences—integrate it with your gameplay.



Lily's Garden draws in audiences with fresh minigames

Did you know?

23% of the top 200 casual games and 47% of midcore games use minigames in their gameplay.



Another resurgent trend is competitive events. We noticed that competitive elements are a clear differentiating factor between the best performing casual titles versus others. And we know now that introducing a competitive element into your ad can tap into a key motivation versus many gamers.

A top-performing element we use is the solo leaderboard. 90% of the top 20 level-based casual games use leaderboards in their ads.

Our recommendations:

- Try adding a leaderboard to a high-performing video or playable to capture audiences motivated by competition.
- Depending on the game, iterate for both success and fail options.
- The leaderboard is easy to apply to existing ad formats without making the ad too atypical.
 Templatize the format so it can be applied at scale.



Angry Birds uses leaderboards to spark competition



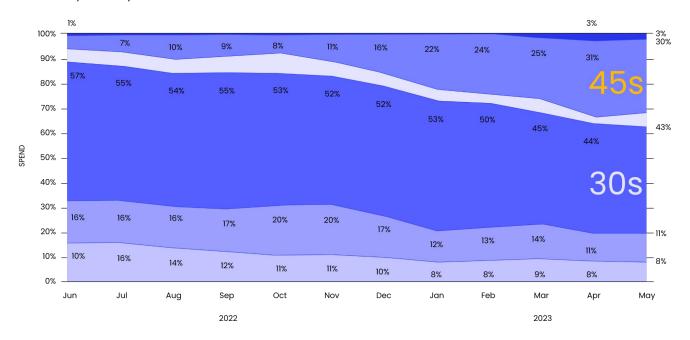
"Minigames and live events can be used in user acquisition by leveraging the allure of engagement and novelty. Minigames offer a fun preview to showcase specific game mechanics and live events create urgency and exclusivity, enticing users to dive into the game."

Kalle Heikkinen Chief Game Analyst, GameRefinery

Build Connections With Longer, Immersive Ad Experiences

Last year, we explored the surprising success of long (40s+) video ads. Now, we're more confident than ever that longer ad experiences are here to stay. On Liftoff Direct, we saw long-form video spend grow 245% year-over-year.

The message is clear. Users prefer longer, more customized ad experiences to short, spammy ads.



While 30s videos still dominate, we're seeing 45s videos increase ad spend rapidly

Our tips for maximizing conversions through long-form video conversions:

- Showcase different types of content. Short-form videos can force you into a single concept. With longer videos, you can incorporate gameplay, UGC, and more without feeling rushed.
- Combine videos with other ad formats. To boost engagement, add an interactive element.
- Tap into multiple motivations for engagement. For example, longer videos
 can combine a leaderboard that appeals to competitively-minded gamers
 with an influencer walkthrough that provides social proof. (You can learn
 more about <u>player motivations here</u>.)

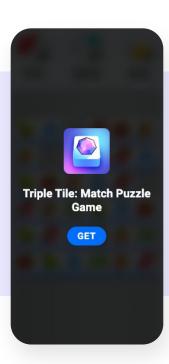


Beyond longer videos, we also saw success with <u>triple-page ads</u>. This format combines a video, playable, and end card with a clear CTA into a single ad experience

Liftoff Direct saw a 355% increase in ad spend for triple-page ads year over year.







This Triple Tile ad combines a video of gameplay, a playable, and an end card with CTA

The key to keeping users engaged in a longer ad experience is to put UX first. To provide the best user experience for triple-page, we recommend the following:

- Offer a transparent user experience. Place clearly marked icons and buttons that aren't misleading players about what they do. Users should have multiple opportunities to convert—but if they want to exit, make sure they can.
- Focus on hooking your audience. If you want your audience to engage with longer content, be smart about what you use. For example, if you're targeting experienced gamers, minigames with fresh gameplay may be a way capture and hold user attention.
- Experiment to find the best combination of elements. With triple-page ads, you can start with a short video (15s) and lead into a longer playable. Or alternatively, begin with a short playable that pivots a longer video. As always, testing is key.

Who is Creative Studio?

Drive better results with winning ad creatives backed by the latest creative technology.





Deliver the Most Engaging Ad Experience

<u>Liftoff Creative Studio</u> helps you drive better results with more effective creative decisions fueled by rich data sets, industry expertise, and technology advancements.

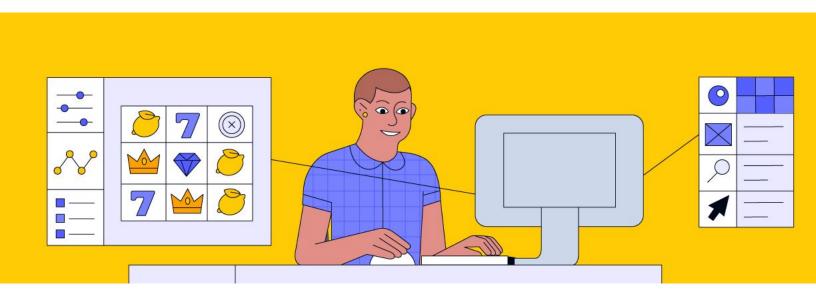
Build an emotional connection with the right audience. Get data-informed ads designed by experts. Stay ahead of the curve using industry-leading capabilities to deliver the most engaging ad experiences.



Who is GameRefinery?



Build better mobile games with intelligence from GameRefinery, the #1 trusted mobile game intelligence tool.



Intelligence to Build Better Games

<u>GameRefinery</u> speaks to game and product teams throughout the development process, from pre-production to LiveOps, to help them build better games. Leverage industry-leading market research, competitor intelligence, and player insights.



Who is Liftoff?

Liftoff.io 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.



www.liftoff.io

