

# Mobile still dominates the in-game ad landscape, but big changes are afoot

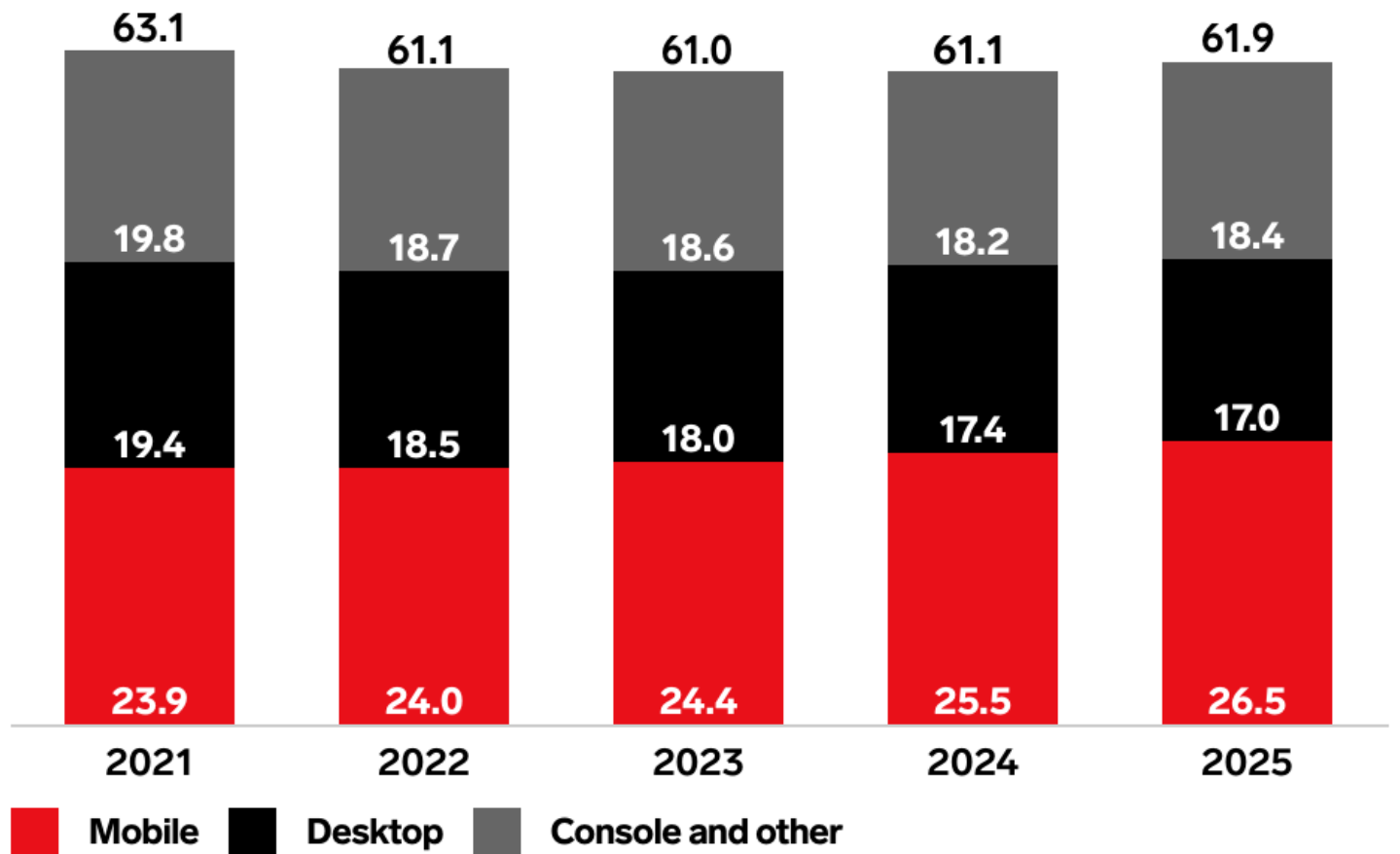
Article

The average US adult spends just over an hour playing video games per day, according to our estimates. Such a sizable share of attention offers a prime opportunity for brands to advertise in games—especially since traditional barriers to brand advertising have been lowered. Big changes have opened opportunities for brands across platforms.

- **Mobile games dominate in total users, but less so in time spent.** In the US, there are nearly two **smartphone game players** for every PC, tablet, or console player. The difference in time spent is much narrower, though. We estimate that the average US adult plays mobile games 24.4 minutes per day, or 40.2% of their total time spent on video games.
- **Mobile games rely less on advertising than in the past.** A large portion of mobile games were hypercasual games making money with ads for other games—but that’s changing. As developers seek to add **AAA** (high production value) games and increase the lifespan of their games, they’ve added more in-app buying options for subscriptions, game currency, and premium content. In 2023, US mobile games will generate over \$20 billion in **in-app purchases** (IAPs). Globally, **mobile games** earn half of all game revenues per year, according to Newzoo estimates.
- **But let’s not exaggerate: Mobile games remain ad juggernauts.** Mobile games are responsible for roughly 70% of ad revenues in mobile ad networks, not including the large social media walled gardens, according to Data.ai estimates. And mobile remains in-game advertising’s undisputed platform leader.
- **Consoles and PCs are getting more free games.** Just as mobile games have diversified, so have console and PC games. Consoles traditionally focused on AAA games monetized through game sales. A few had built-in product placements, but advertising was minimal. Cloud gaming and downloads have introduced free-to-play games, although premium games still dominate. **Microsoft** and Sony are working on ad platforms for Xbox and PlayStation 5, respectively, but ads in consoles remain mostly static—i.e., built into the games.
- **Games are becoming multiplatform.** As the differences between platforms blur, players often have the option of where they want to play their favorite games. And players themselves are also becoming more fluid: 72% of console or PC gamers play on more than one platform, according to Newzoo. At the same time, the number of platforms continues to grow as **connected TV** (CTV), **VR headsets**, and even **cars** add games.

# Mobile Playing Time Edges Out Time Spent in Other Gaming Platforms

*minutes of game time per day per US adult*



*Note: ages 18+; includes all time spent using gaming platforms via internet-connected devices; examples include desktop/mobile app and browser gaming, online console gaming, and gaming on portable internet-connected consoles*

*Source: eMarketer, May 2023*

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# In-Game Advertising 2023

