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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.

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This report is based on data from: 500+ Survey Responses
About the Survey Respondents

10–249
Avg. company size

5–9
Avg. team size

Location

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 app
- 31% 2-4 apps
- 17% 5-9 apps
- 27% 10+ apps

**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
Mobile Marketing Challenges

→ The State of App Marketing in 2022

→ KPIs and Budgets

→ How Are Marketers Buying Ads?

→ 2023 Challenges

→ What Do Marketers Do Every Day?
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.

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)
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.

<table>
<thead>
<tr>
<th>KPIs</th>
<th>KPI Performance</th>
<th>Budget</th>
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<tbody>
<tr>
<td>↑ 56% have more aggressive KPI targets</td>
<td>↑ 33% are reaching their KPIs</td>
<td>↑ 31% have a larger budget than last year</td>
</tr>
<tr>
<td>↓ 17% have less aggressive targets</td>
<td>↓ 46% are close to hitting their KPIs</td>
<td>↓ 37% have a smaller budget than last year</td>
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- 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.
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.

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.
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

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.
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.

What Do Marketers Do Every Day?

1. **Campaign analysis** is the top focus for 35% of respondents.
2. Campaign management is the second highest priority for 31% of respondents.
3. Designing ad creatives receive less attention, with 14% of respondents choosing this 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 blog, “Making Ad Creative the Core of Your Mobile Marketing Strategy” to learn why.
Becoming a Privacy-First Industry

- Effects of Privacy Changes
- App Tracking Transparency
- SKAN 4
- GAID
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?

- 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.
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.

- 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.

What made ATT challenging?

- 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
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.

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.”
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.
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?
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
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.
Growth Opportunities

→ How to Spend Your Ad Budget

→ The Future of User Acquisition

→ Which Channel Wins?

→ Final Thoughts on the Future
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
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?
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?

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

- 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.
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.

Which Channel Wins?

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

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

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

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.
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

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.
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.
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Guide your development strategy with game data analytics.

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Maximize campaign performance with better ad creatives.

Vungle Exchange
Programmatically reach high-quality engaged users.
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.

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