

Epic Win with In-Game Advertising

White Paper • January 2014



Overview:

Why You Should Be Monetizing with Video Ads

Globally, people spend over 3 billion hours a week playing video games. With video advertising, you can monetize your games in a way that is both appealing to users and maximizes returns on their engagement.

In-Game Advertising Best Practices:

Ways You Can Use Ads to Engage Users

Gamers represent a uniquely engaged demographic that is more receptive to advertising than any other viewing audience. Using these best practices, you can maximize your advertising revenue without alienating your user base.

Ad Solutions:

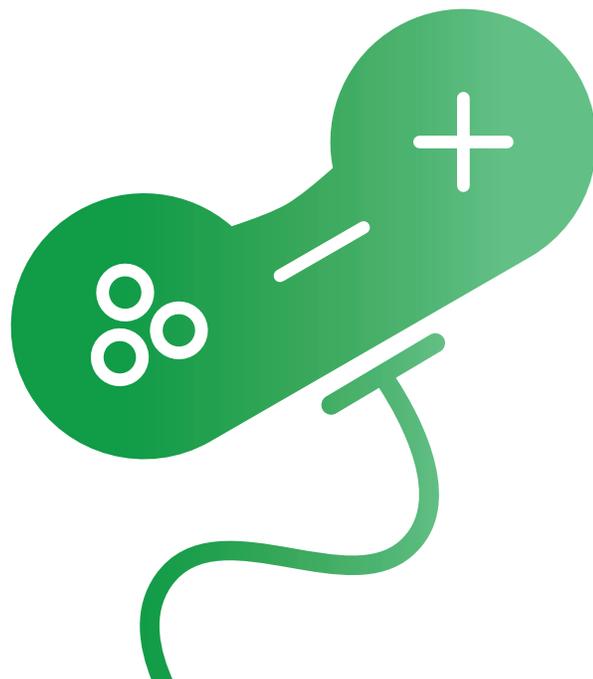
How to Implement Video Ads Inside Your Game

Implementing video ads inside your game can be easy and fun. Learn about the necessary technical components required to incorporate video ads in your game and discover which solution is best for you.

Gamers represent a unique demographic that is more receptive to advertising.

They are more engaged with content and more willing to interact with advertisements, particularly video ads.

Video ads are not only proven to be more effective, they also blend seamlessly into the gaming environment. Games typically have natural “cliff-hanger” moments within gameplay for ads to run, and the video format is the perfect fit for in-game content.



How Will Users React to Video Ads?

Good news for every gaming company wishing to monetize with in-game advertising – gamers as a segment are uniquely tolerant, even welcoming, of advertisements!

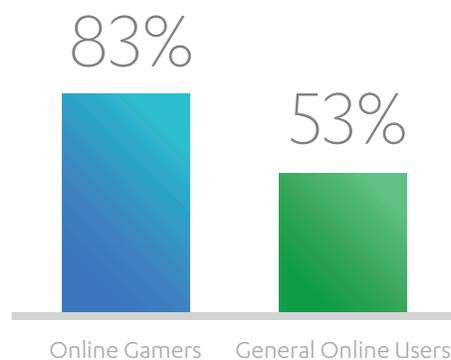
According to studies, online gamers are more receptive to advertising than regular online users. 83% of online gamers say they are open toward advertising.

Studies also show that gamers view watching an ad as an implicit form of payment for the gaming content.

This understanding means that gamers are often willing, even happy, to spend time interacting with an advertisement.

Video works particularly well in this case as the format blends seamlessly with the gaming environment.

Openness Toward Advertising



"2013 State of Online Gaming Report Released by Spil Games - Spil Games." Spil Games. N.p., n.d. Web. 21 Jan. 2014.

"Insight." 15 Mind-Blowing Stats About Online Video Advertising. IAB, n.d. Web. 21 Jan. 2014.

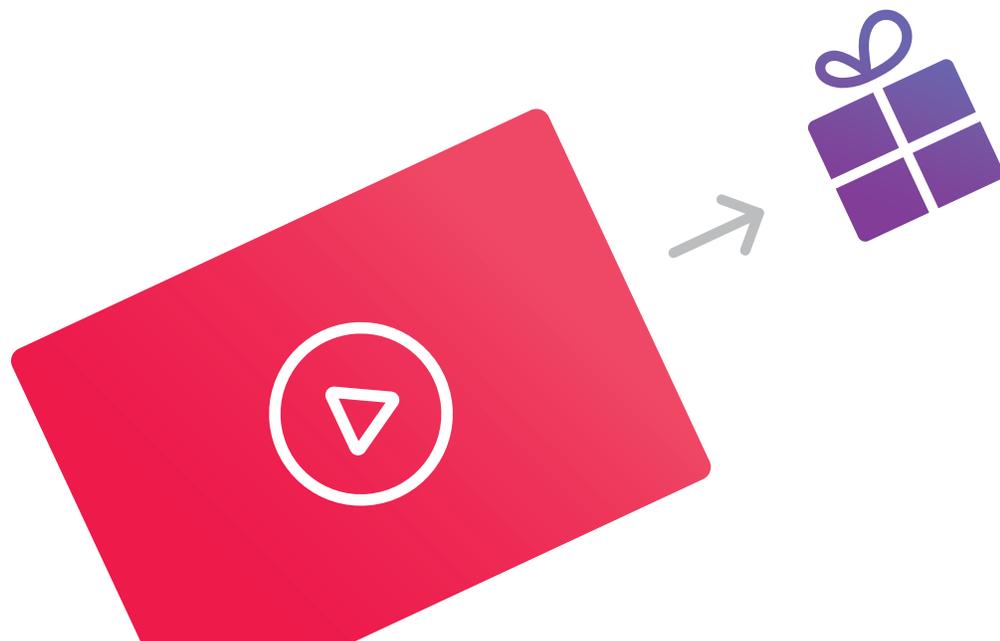
S.Shunmuga Krishnan and Ramesh Sitaraman, Understanding the Effectiveness of Video Ads: A Measurement Study, accessed Jan. 14, 2014 and UMass Amherst, Researcher Quantifies the Effectiveness of Video Ads, Oct. 24, 2013.

"Gamasutra: Consumers Are Uniquely Engaged with Advertising in Tablet Games." Gamasutra Article. Gamasutra, n.d. Web. 21 Jan. 2014.

In-game video advertising outperforms traditional display advertising and will enable you to maximize your ad revenue.

There are many techniques you can use to maximize the effectiveness of your video ads and minimize the advertising fatigue of your users.

Incentivized advertising is the most effective way to engage your users. Not only do incentivized ads elicit positive feelings from gamers, they also perform significantly higher when it comes to CTR and advertising revenue earned.

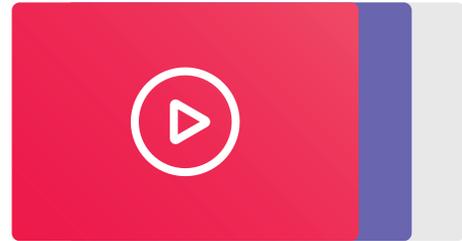


Best Practices for In-Game Video Ad Usage



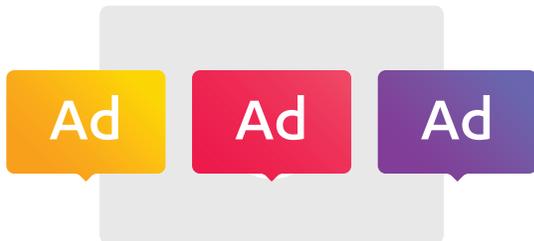
Targeted Ads

Use advertising targeting tools where available in order to make content relevant to the intended audience.



Skinned Ads

Improve your brand experience by skinning your video ad player to integrate seamlessly into your games.



Selective Ads

Interactive ads where the viewer is allowed to choose from a selection of ads tend to outperform traditional pre-roll ads, with click-through rates (CTR) 106% higher than pre-roll.



Incentivized Ads

Ads where users watch a video in exchange for some in-game value not only return the highest CPM, they also elicit positive feelings in gamers. Incentivized Ads have an average CTR of 11%, over 100x higher than the CTR of standard banner advertising campaigns.

Types of In-Game Video Ad Methods



Pre-Game, Mid-Game, Post-Game

Social and mobile gaming video ads have an average CTR of 3%, 30x higher than the CTR of standard banner advertising campaigns. *



Ad Gating

Ad-gating (where a player must watch an ad before continuing in the game) ensures 100% completion of ads.



Incentivized Ads

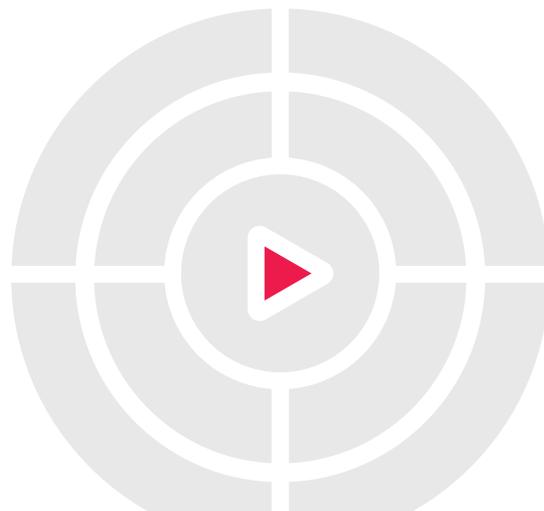
Social and mobile gaming incentivized ads (users receive a reward for viewing the full ad) see an average CTR of 11%, over 100x higher than the CTR of standard banner advertising campaigns.

* The MediaBrix Social and Mobile Gaming Reports. MediaBrix, n.d. Web. 24 Jan. 2014. www.mediabrix.com/wp-content/uploads/2013/09/FINAL_MBReportH12013.pdf

Whether you're new to in-game advertising or looking to upgrade your current advertising strategy, always think about how a solution fits your goals.

With so many different in-game advertising solutions out there, it may be difficult to figure out which is best for your needs.

There is no right answer for every gaming company, but you should always be asking the right questions. Finding a flexible solution is the key to advertising monetization success.



What Factors Should I Consider When Choosing an In-Game Video Advertising Solution?

1

Implementation:

How quickly and easily can I start using video ads to monetize my games?

2

Flexibility and Control:

What if I need to make changes to my ad solution?

3

Ad Network:

Which one is best for me?

4

Revenue:

Will I have to share my advertising revenue with anyone?

5

Consistency:

How will my solution work across web and mobile?

6

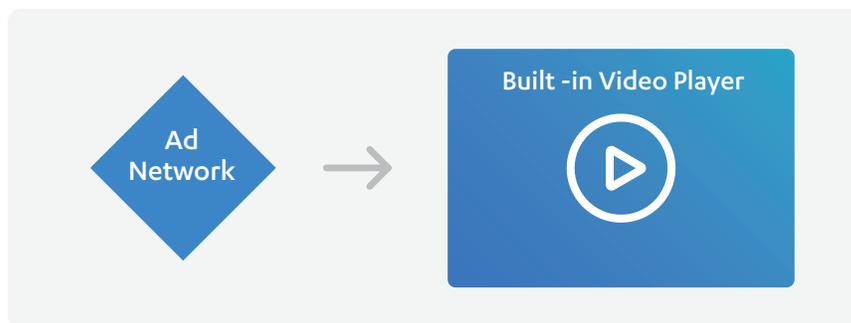
Support:

Who will help me if I get stuck?

1 Implementation:

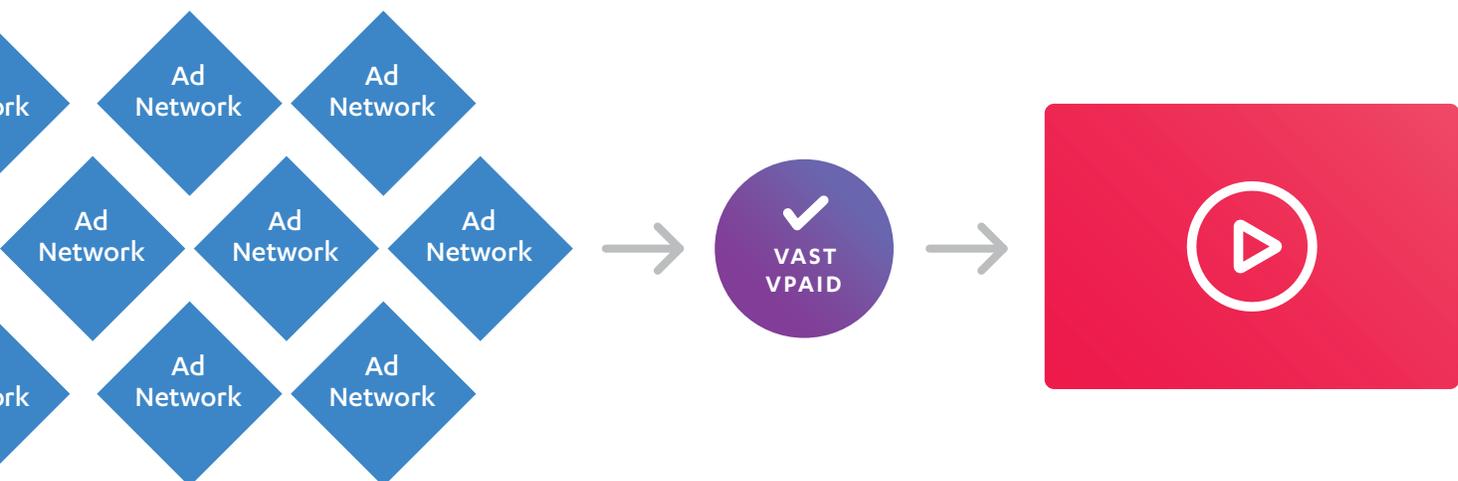
How Quickly and Easily Can I Start Using Video Ads to Monetize My Games?

All you need to start using video ads is a video player and an ad network. It's that easy!



You can choose an ad network with a built-in player tied to its services ...

Or, you can choose a video player-only, ad server-agnostic solution that allows you to partner with any ad network of your choice!



2 Flexibility & Control:

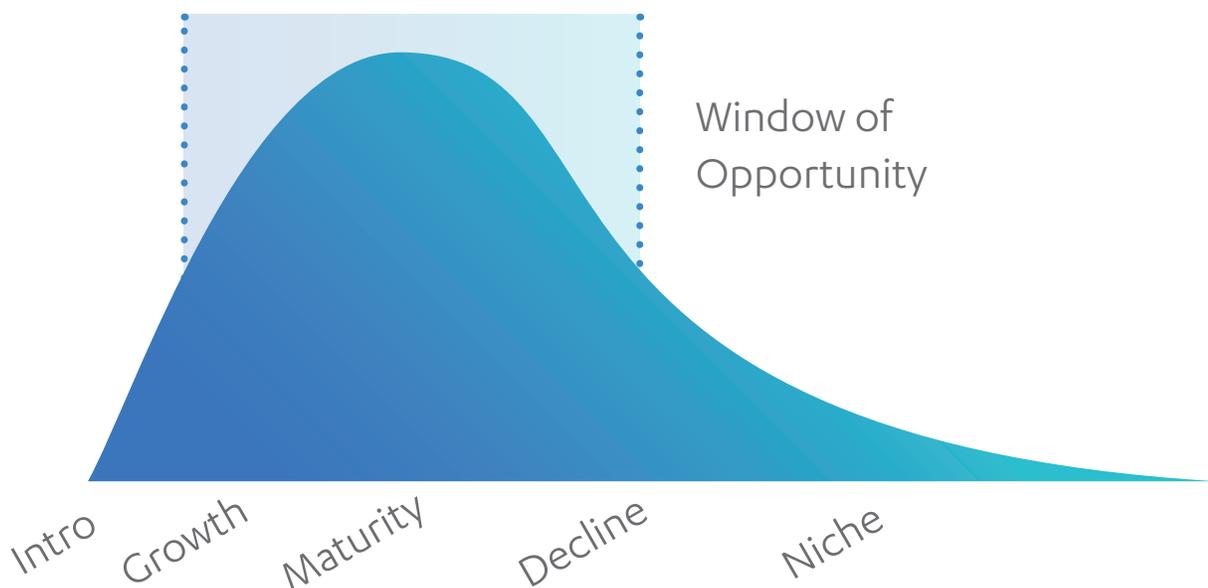
What if I Need to Make Changes to My Ad Solution?

The obvious drawback to using a specific ad network's video player is that you can't switch to another ad network very easily. An ad server-agnostic video player allows you to have greater control over your advertising choices. Just change the VAST tag and you're ready to go!



Games typically have a popularity lifecycle that peaks and then dramatically drops, all in a relatively short span of time.

That's why it's so important to have a flexible advertising solution, so you can test and optimize which ad networks are making you the most money and implement those changes on the fly.



3 Ad Network:

Which One is Best for Me?

Targeted Ad Networks based on user behavior help serve ads that will appeal to your specific viewer.

Gaming-specific Ad Networks may be more relevant to your user base, showing only ads related to gaming.



4

Revenue:

Will I Have to Share My Advertising Revenue with Anyone?

Non-revenue sharing ad solutions allow you to have full visibility of how your ads are performing and maximize the amount of revenue you keep.

Most ad networks require you to share a percentage of the advertising revenue with them. Many ad solutions skim right off the top, so you never even see the full potential of your advertising revenue and you only see what you pocket at the end of the day.

However, not all video players require you to share a percentage of your advertising revenue with them as well. If you opt for a separate video player, make sure to choose one that is licensed as software and requires no revenue sharing. That way, you'll only have a two-way revenue split as opposed to a three-way split!



5 Consistency:

How Will My Solution Work in Desktop and Mobile Browsers?

When looking at the browser based game landscape, the technology used to create games on desktop and mobile browsers is grouped into two categories: Flash based or JavaScript/HTML5 games.

For ads to be inserted into these gaming environments, a robust API must be available to detect key events during the user experience. These events will both trigger ads to start playing and let the game know when the ad has ended so the user can be brought back into the game. With an API that handles these endpoints, a gamer is seamlessly transitioned during the ad insertion points.

A video player that can detect the type of ad creative that is being requested will intelligently chose between an HTML5 or Flash video player, removing a publisher's need to be concerned if the media and ad impressions will work across mobile and desktop browsers.



6 Support:

Who Will Help Me if I Get Stuck?

Support is important when integrating a new feature like video advertising into your game. An ideal advertising solution is able to support you with technical expertise as well as business expertise, and is available to you when you need them.



Dedicated
Account
Managers



Live Chat



Email
Support



Technical
Experts



Globally, people spend over 3 billion hours per week playing video games! Tap into this incredibly engaged base of users with JW Player solutions.

We can help you use video ads to enhance the user experience and monetize your users' actions. With customers like Zynga, Kongregate, and BigPoint, we have proven expertise in the gaming industry and a reputation as the most flexible and effective solution for in-game monetization.

JW Player solutions also go beyond advertising, with video hosting & streaming, analytics, and the world's most reliable online video player. With our full stack solution, you can make the most out of all your gaming content, from game trailers to gameplay demonstrations to user-generated Let's Play videos.

