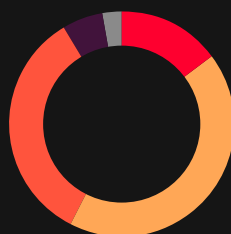
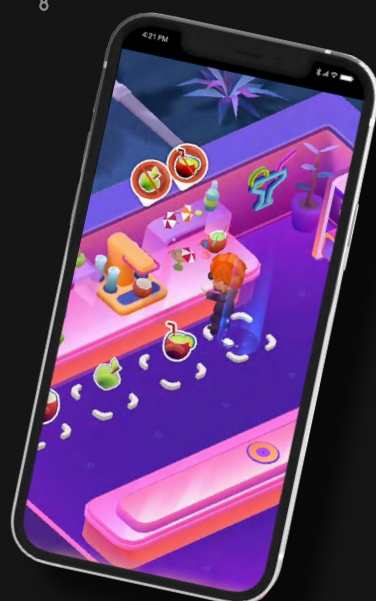


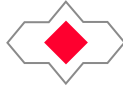
THE PUBLISHER PERCEPTION REPORT



 sandsoft

SUMMER 2024

CONTENTS



INTRODUCTION	01
FOREWORD	02
KEY FINDINGS	03
THE AUDIENCE	04
RAISING CAPITAL	05
PUBLISHER PERCEPTIONS	08
PUBLISHING PRIORITIES	11
THE SANDSOFT APPROACH TO PUBLISHING	13
THE MOBILE GAMES INDUSTRY	14
CASE STUDY: SANDSOFT BARCELONA	17
EMERGING MOBILE GAMING TECH	18
METHODOLOGY	20
ABOUT SANDSOFT	20

INTRODUCTION



If you're a developer considering whether to partner with a publisher for your next game – or a publisher looking to bring more value to the studios you serve – you're in the right place.

This report provides game makers with an overview of the contemporary publishing landscape. It considers the value publishers can, should, and must bring given that self-publishing has come to be seen as a key measure of success by many game developers. And it explores current trends when it comes to raising capital, the increased breadth of game marketing now required to expose titles to audiences, developers' priorities and perspectives on publishers, and more.

As such, it strives to provide an up-to-the-minute resource for game makers, informing and empowering them to grow their audience size, revenues, and business. Publishers that read this report, meanwhile, will gain a greater understanding of developers' expectations and needs, and how they understand the reality of publishing services.

To deliver this study, **Sandsoft** commissioned an independent market research agency, Atomik Research. The full methodology is on page 20.

FOREWORD



When you picture a mobile games publisher, do you see an opportunistic value taker – or a collaborative and valuable partner?

In a market where launching new games is exceedingly tough, if publishers are to provide value to game developers, they have to be a force for good.

At Sandsoft, we have devoted ourselves to being exactly that; we are born collaborators, and ultimately our business only works if it's based on creating value. But to ensure we serve the industry as best we can, we need an intimate understanding of the challenges developers are facing – not just those we work with directly, but across the industry.

At Sandsoft we're fascinated by the games developers make, the ways they work, and what they need from a publisher. We want to better understand their needs, hopes, and concerns so we can serve them better. So we asked them directly, and we're sharing the findings because we believe a rising tide lifts all boats. We want to see success across the mobile games industry, which means helping developers and other publishers better understand how they can work together going forward.

If you take one thing from this document, it should be that positivity and optimism endure among developers despite obvious challenges. In the quest to make fun and engaging experiences, nothing can be more important than that. Opportunities are plentiful, and collaboration can be powerful in seizing them.

If you want to talk to us about our publishing services – or tell us what you want and need from a publishing partner – don't hesitate to [get in touch with the Sandsoft publishing team](#).

David Fernandez
CEO, Sandsoft

KEY FINDINGS



Sandsoft surveyed over 450 senior mobile game developers to gain insights and data for this report. Here you can see the key findings of that research, before we take a deep dive into the numbers, and the industry realities they represent.



LEVEL UP

MARKETING SUPPORT

Is the most valuable publishing service



HYBRID-CASUAL

Is perceived as the most commercially viable game type

34%

Say publishers provide a valuable service




7.7/10

How mobile developers rate their experiences of working with a publisher




67%

Are concerned for their job security



81%

of mobile game developers are working on new titles



88%

Say diversity is an important characteristic in their publishing partner



83%

of respondents have raised capital to help develop, launch or market a mobile game



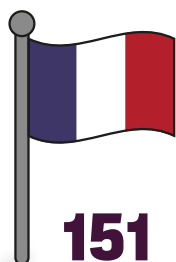
THE AUDIENCE



152
in the US



151
in Spain



151
in France

TO QUALIFY FOR THE SURVEY,
DEVELOPERS HAD TO HAVE A MINIMUM OF

5 YEARS'

EXPERIENCE IN MOBILE GAME
DEVELOPMENT SPECIFICALLY

Almost two-fifths of
those surveyed have been
in game development for
more than eight years

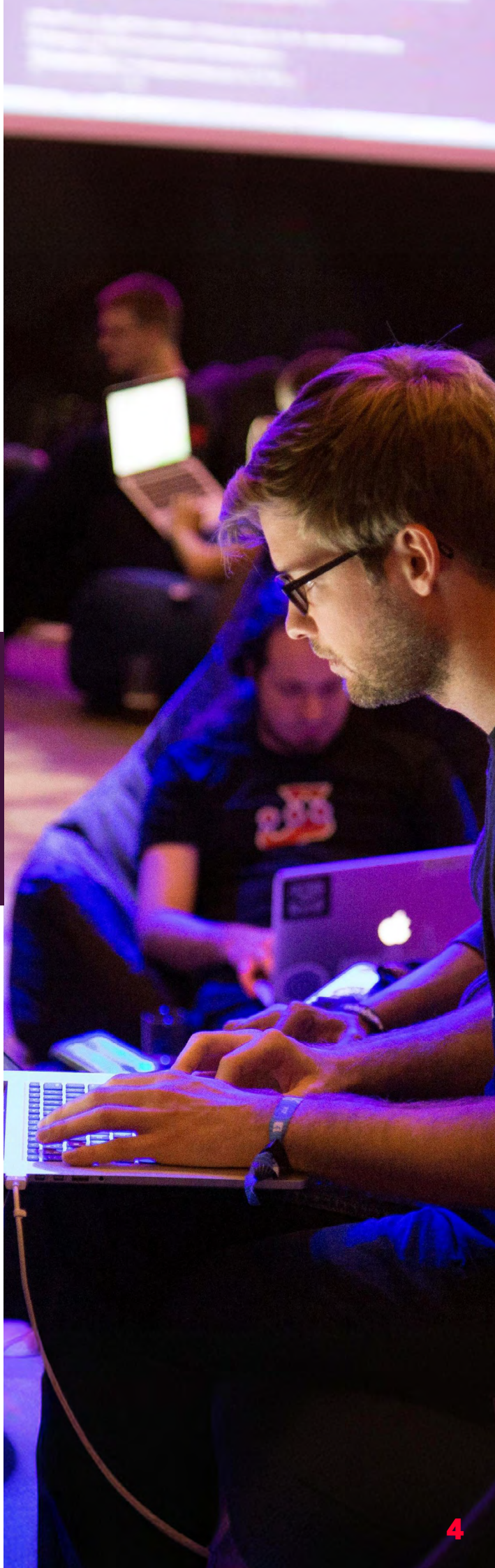


39%



70%

of respondents work
at studios with more
than 50 employees



RAISING CAPITAL



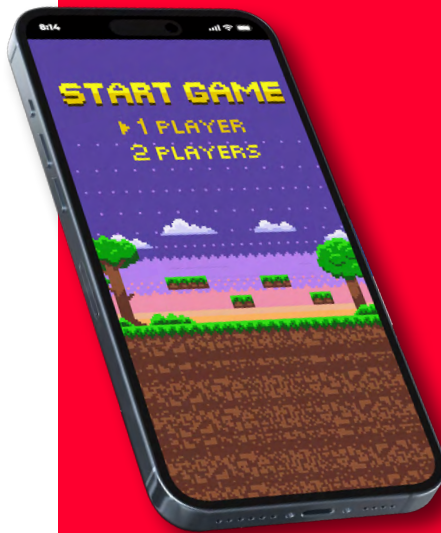
In this section we take a deep dive into the numbers of mobile developers actively working on new games, the most popular genres, and the current state of the mobile game development funding landscape – all with a view to better understanding the opportunities and options for game developers, while framing the landscape publishers must serve.

Four-fifths of mobile game developers today are working on new titles, the majority of which are in early stages of development. Just 13% are working on hypercasual titles, with genres such as sports, strategy and shooters much more prevalent. 83% have raised capital towards their in-development mobile game. They have done so at various points in the game's development journey, and they're open to various sources of funding.

NEW GAME DEVELOPMENT

The marketing challenges of launching new titles have been notorious in recent years, contributing to mass layoffs and numerous studio shutdowns. Major companies such as Playtika announced pauses on new game development, with players sticking with established live service favorites. At the time of writing, just two of the current 10 [highest grossing mobile games](#) were released in the past year.

Despite this, 81% of the respondents in our survey are currently working on new titles. The majority (47%) are testing a prototype, while 27% are already seeing positive metrics from multiple market tests. 7% have games in soft launch. The remaining 19% are focused on promoting games already in the market and aren't working on new games – with many of that group likely serving existing live games. It's hugely reassuring and also exciting that, despite headwinds, new game development is continuing at pace.



81%

OF MOBILE GAME DEVELOPERS TODAY ARE WORKING ON NEW TITLES

Is your team currently engaged in new game development activities?



47% Yes, we are in the process of testing a prototype

27% Yes, we have conducted several market tests and are observing promising outcomes

7% Yes, we have soft launched our new game

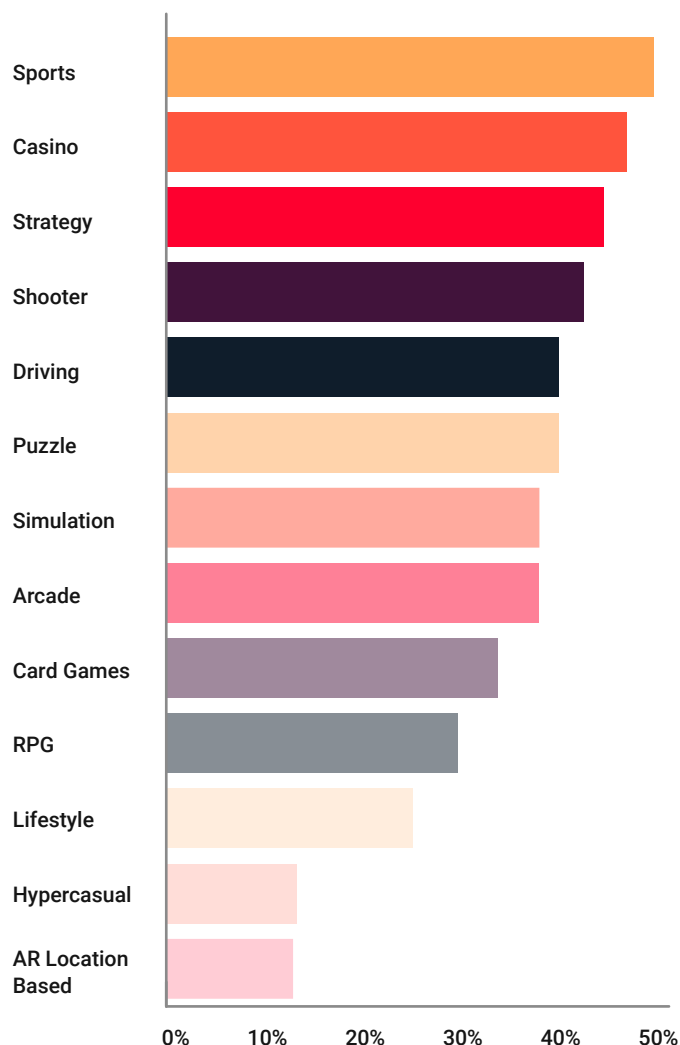
19% No, we are currently focused on promoting game(s) already available in market

**ONLY
13%
OF EXPERIENCED
MOBILE GAME
DEVELOPERS ARE
WORKING ON A
HYPERCASUAL TITLE**

GENRE SPECIFICS

Hypercasual was, of course, once the dominant genre of mobile games. Looking at the data below, we can clearly see how far it has fallen out of favor, with only AR and location-based games being less popular – perhaps because of the dominance in that space of one title: Pokémon GO. Yet while hypercasual has declined significantly, its legacy is very much alive in the form of hybrid-casual, which is spread across a number of genres such as arcade, simulation and puzzle. Hybrid-casual combines its predecessor’s significant in-app ad revenue and easy learning curve with a deeper metagame which supports IAPs.

What genre(s) of mobile game does your company currently develop?



FUNDRAISING

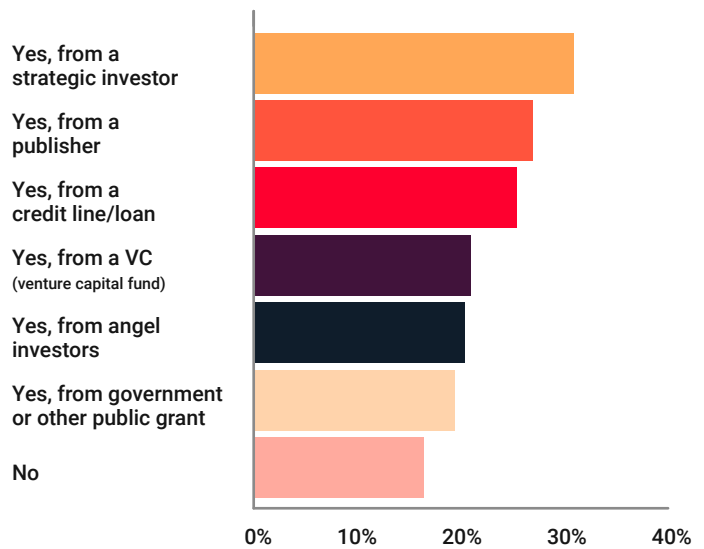
As well as providing varied publishing services, publishers are also an important source of funding for mobile games. The developers in this study are more likely to have received capital from a publisher than from VCs, angel investors, loans or public institutions.

83% of respondents have raised capital to help develop, launch or market a mobile game. They have done so from a variety of sources, with the most common being strategic investment (31%), from a publisher (27%) and from a credit line / loan (25%). They are most likely to raise capital at production stage (35%) followed by pre-production (28%) and concept stage (27%).

When it comes to capital to invest specifically in user acquisition, game developers are also most likely to seek strategic investment (34%) followed by funds from a publisher (26%) or credit line / loan (26%). They are least likely to consider VC funding (14%), perhaps because VC funds tend to require game developers to deliver a successful exit from their business to deliver a return on investment.

83% OF RESPONDENTS HAVE RAISED CAPITAL TO HELP DEVELOP, LAUNCH OR MARKET A MOBILE GAME

Have you ever raised capital (funding) for a mobile game?



KEY TAKEAWAYS

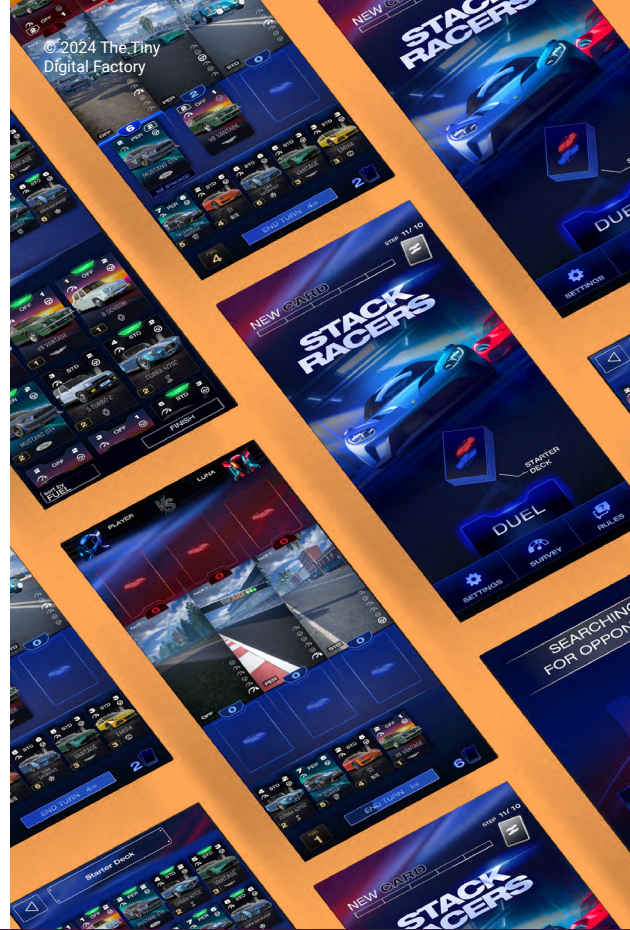
While 2024 has proven one of the game industry's toughest periods in terms of layoffs and closures, the data from this research reveals a proactive, forward-facing mobile development community busy working on creating or maintaining games; an attractive proposition for publishers, and a promising foundation for success for developers and publishers together.

In terms of genres, there appear to be sizable opportunities across several categories, rather than a dominant leader. That should give developers more options to deploy a breadth of specialties, rather than stretch to serve a popular genre outside of their focus or experience. When it comes to funding, as well as strategic investors, publishers are clearly a key provider of capital to mobile game developers; a prime value proposition they provide.

PUBLISHER PERCEPTIONS



The majority of mobile game developers are largely positive towards publishers, and yet over a quarter (27%) feel publishers currently take more than they give. They find a range of publishing services useful, with marketing support being the most popular. Agreeing terms with a publisher is developers' biggest pain point and – unsurprisingly – deal terms are the most important factor in choosing one. The vast majority of developers feel diversity is an important characteristic in their publishing partner.



34% OF EXPERIENCED MOBILE GAME DEVELOPERS SAY PUBLISHERS PROVIDE A VALUABLE SERVICE

GIVE OR TAKE

34% of experienced mobile game developers say publishers provide a valuable service, with marketing seen as adding the greatest value. On the other hand, 27% feel publishers take more than they give due to concerns about unfavorable deal terms and revenue share, or loss of creative control. The remaining 39% simply feel publishers are a necessary part of mobile gaming, implying the value exchange is generally balanced.

Among developers that have worked with a publisher previously, sentiment is largely positive in terms of how the partnership performed (an average rating of 7.7/10 across a range of publishing services). While all metrics were positive, the highest performing service was strategic advice and guidance, while the lowest was localization and culturalization.

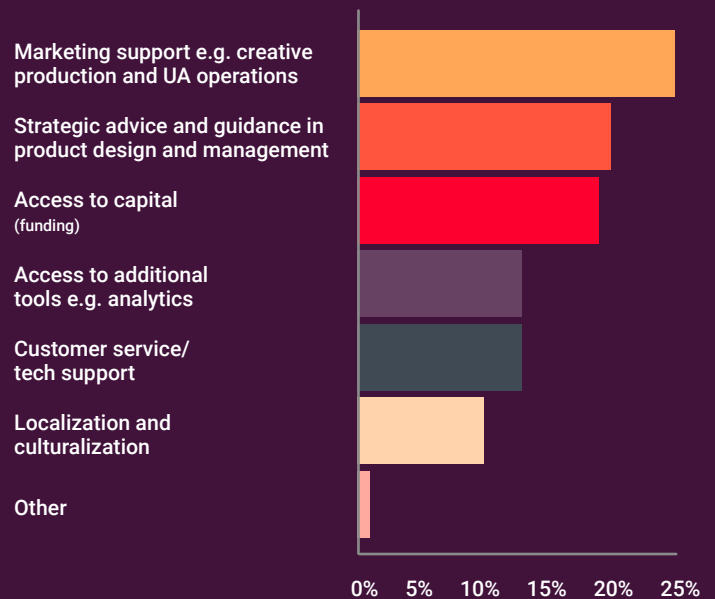


GAIN VS PAIN

The most valuable service provided by publishers, according to mobile developers, is marketing support such as creative production and UA operations (25%), reflecting the marketing challenges inherent in the current market. This is followed by strategic advice and guidance in product design and management (20%) and, again, access to capital (19%)

Providing insight on the perceived reasons to pursue self-publishing, mobile developers' biggest pain point with publishers is agreeing terms (20%), followed by concerns about losing creative control (18%), finding a publisher in the first place (16%) and giving up revenue share (16%).

What is the most valuable service provided by mobile game publishers?



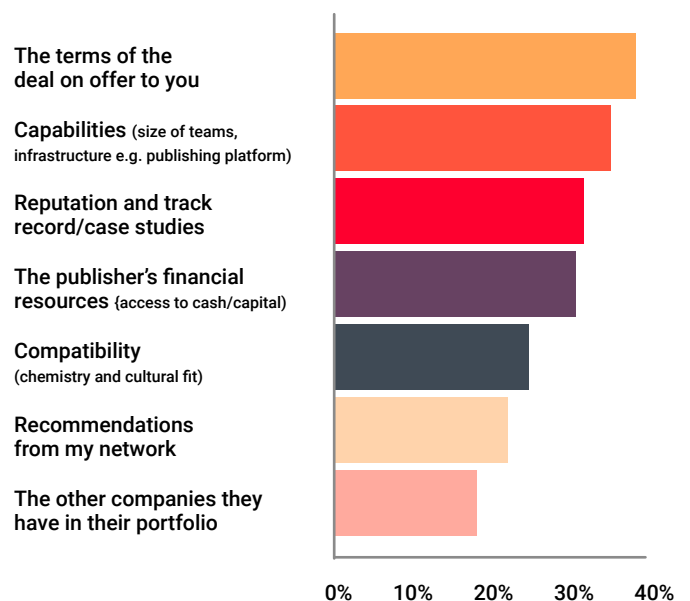
25% OF MOBILE DEVS SAY MARKETING SUPPORT IS THE MOST VALUABLE SERVICE PUBLISHERS PROVIDE

CHOOSING A PUBLISHER

The deal terms on offer are the single most important factor in how mobile game developers choose a publisher, cited by 39%. Other key factors are the publisher's capabilities including team size and infrastructure (35%), their reputation and track record (32%) and financial resources (31%). Interestingly, they are least likely to take into account the other companies currently in a publisher's portfolio (18%).

88% of mobile game developers say it's important that their publishing partner has a diverse team (49% very; 39% quite). 8% say it's not very important, and 4% feel it is not important at all. Clearly, to best serve developers, publishers must not only be in-step with creative, technological and market trends, but also cultural and ethical issues presently concerning developers.

What are the most important factors in choosing a publisher?





KEY TAKEAWAYS

We can see here that there is some contradiction in how publishers are perceived. While game makers clearly appreciate publishers' provision of marketing services, access to capital and strategic advice, a minority do hold a negative perception of publishers. Self-publishing continues to be seen as more credible in sections of the industry; an understandable phenomenon, considering the prevalent independent creative spirit that culturally frames indie game development, for example. While it's typically larger companies that have the resources and expertise to self-publish, it's still a viable option for developers who have secured the funding required to invest significantly in marketing.

However, with game publishing, technology, services, distribution and monetization having changed so much in recent years, developers may be reconsidering their perceptions of publishing. Things have changed significantly. What is best for a studio's games and its revenues should always guide decision making here – and for devs, much can be said for finding a publisher that can stand as a creative collaborator you are excited to work with. No two publishers are the same, and many will adopt approaches that entirely contradict many of the aging negative perceptions around their role.

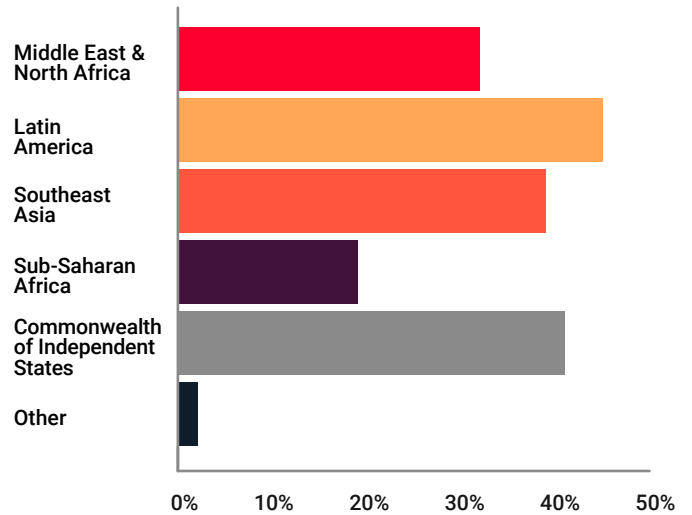
Finally, deal terms are everything here. Developers should take their time and resist being rushed, call on partners, providers or peers with relevant experience to help negotiate terms, and not be afraid of asking publishers questions and requesting changes.

PUBLISHING PRIORITIES



Mobile game developers are 50% more likely to pursue a publishing deal relating to a specific region (including **tier one western markets**) than they are a global publishing deal. Among emerging game development hubs, they feel Southeast Asia is producing the best homegrown content, while they're most interested in publishing their own titles in Latin America. Almost all say that localizing and culturalizing gaming content to local preferences is important, with characters, storylines and pricing seen as most important to tailor.

In which emerging mobile gaming regions are you most interested in publishing your title(s)?



60% OF EXPERIENCED GAME DEVELOPERS ARE MORE LIKELY TO PURSUE A SPECIFIC REGION OR MARKET PUBLISHING DEAL

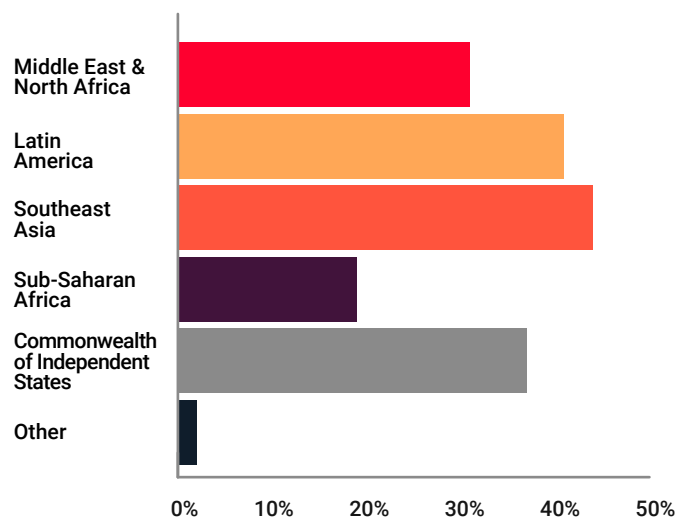
GEO PUBLISHING

Experienced game developers are more likely to pursue a publishing deal relating to a specific region or market (60%) rather than a global deal (40%), perhaps reflecting the emergence of numerous exciting and distinct mobile gaming markets globally.

However, this preference isn't confined to emerging markets. 84% of respondents have considered or would consider a publishing deal specifically to help them reach gamers in tier one western markets.

Nor is the flow of gaming content exclusively from west to east, or established to emerging. While the game developers in our study are interested in reaching emerging markets with their titles, they also rate the homegrown content that's being produced in those regions.

Which emerging mobile gaming regions do you feel are producing the most exciting home-grown content?



93%

OF MOBILE GAME DEVELOPERS SAY IT'S IMPORTANT TO LOCALIZE GAMES



© 2024 Oddiko

56%

SEE CHARACTER DESIGN AS THE MOST IMPORTANT ELEMENT TO CULTURALIZE

LOCALIZE AND CULTURALIZE

With the diversification of mobile gaming producers and audiences, 93% of mobile game developers say it's important to localize and culturalize their titles to different countries and regions (49% feel it is very important).

Character design (56%) is seen as the most important element to culturalize, reflecting both the need to be sympathetic to local sensibilities and to provide characters that are relatable to local audiences. Game balancing and pricing (48%) is also cited as very important, demonstrated by the prevalence of regional pricing as games go global. Tying in with character design, narrative storyline (37%) is also seen as important to culturalize in order to provide compelling story arcs that don't lean into stereotypes or tropes of good vs bad. Customer support (9%) is seen as the least important.



KEY TAKEAWAYS

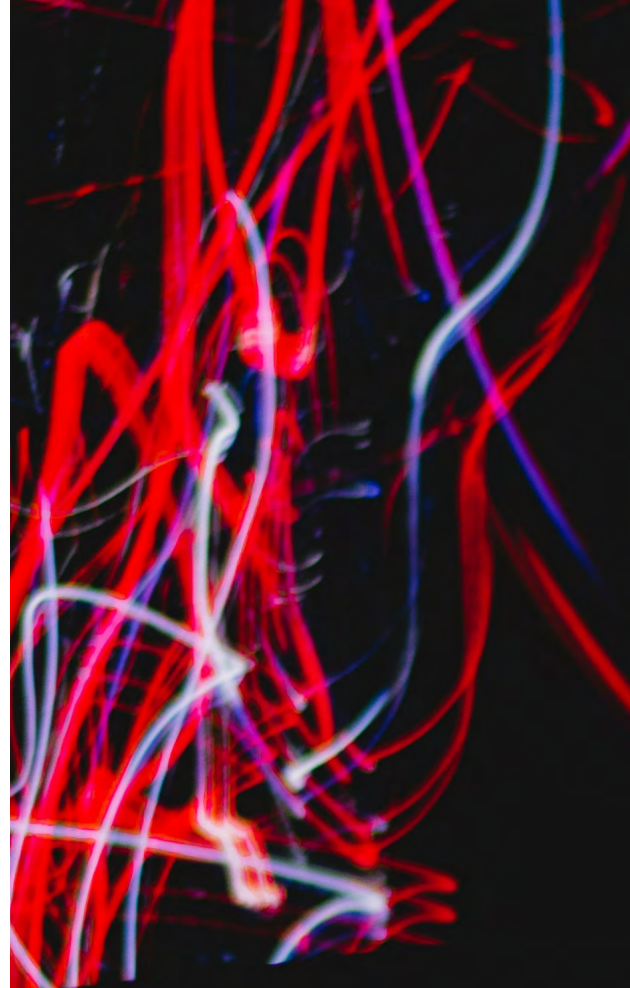
Today, mobile games are obviously a globally relevant medium. That's true in both the medium's most established markets, and emerging regions where mobile penetration far exceeds ownership of PCs and consoles. Looking at the data in this report, it is clear that developers are most often using publishers to target specific regions. Considering the many differences in culture, language, payment, tax and privacy laws, market preferences, and more seen across distinct regions this makes sense. It is worth noting here, however, that a number of publishers have expertise across a great many regions, enabling a single publisher to take an expert 'glocal' approach. That considered, a publisher can bring tremendous value which may be particularly impactful for content produced by studios in emerging markets.

THE SANDSOFT APPROACH TO PUBLISHING



Sandsoft provides a 360-degree publishing service to help developers to develop, publish and market their games to their target audience. Our unique advantage lies in our boutique-style development, publishing and marketing approach, with customized strategies for each game and developer. We firmly believe that partnering with the development team is crucial to maximizing the game's success in today's highly competitive market. Our suite includes access to our development and publishing resources with advanced marketing tools, creative development for various campaign types, and measurement services.

As well as marketing, this study has shown the importance of publishers as a source of capital for mobile game studios. Where this is supported by the right data, Sandsoft offers extensive UA funds for profitable growth. If it's right for both parties, we're open to investing in studios as well as individual titles.



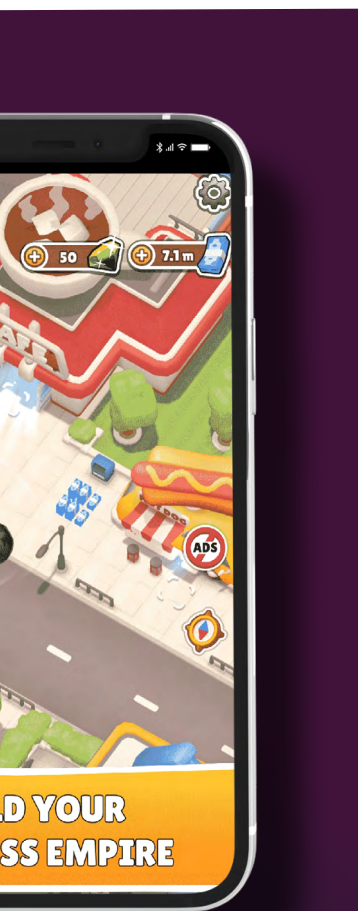
OUR PROMISE TO MOBILE GAME STUDIOS

- ◆ We offer access to our development, data and marketing tools and resources
- ◆ We invest at the level required to scale up your games
- ◆ We're marketing experts backed by the latest insights and tech
- ◆ We're diverse and global, with staff from around 30 countries
- ◆ We make games too, and we invest in your games exactly as we do our own

THE MOBILE GAMES INDUSTRY



When asked what's ailing the mobile games industry, mobile game developers cite a variety of factors rather than a single defining one. They're split when it comes to the trajectory of layoffs, and what has been driving [the mass of layoffs to date](#). Two-thirds (67%) of experienced game devs are concerned for their own job security. Hybrid-casual games are seen as most viable in the current market, with a constant flow of new content the biggest contributor to games' success.



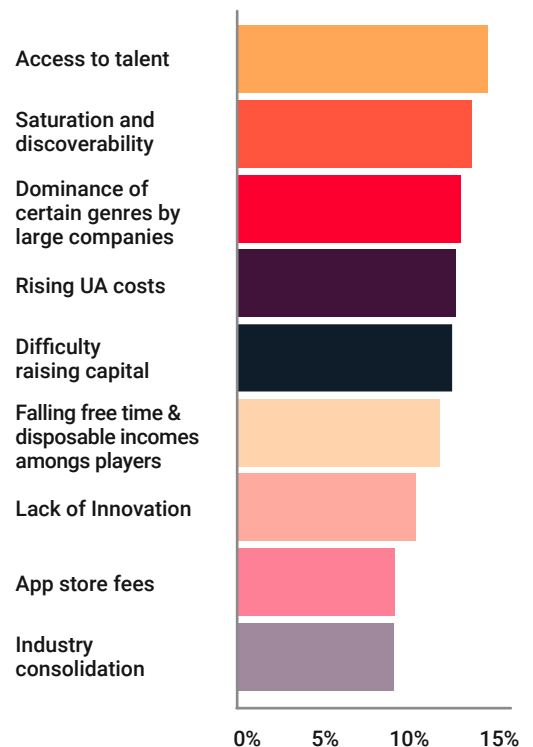
INDUSTRY CHALLENGES

Mobile game developers are very divided when it comes to their assessments of the biggest challenge facing their industry. Surprisingly, given large scale layoffs in 2023 and 2024, access to talent is the challenge cited most regularly, indicating [specific skills shortages](#). There is little consensus, however, with issues such as saturation and discoverability, dominance by large companies, rising UA costs and difficulty raising capital also cited. Looking at the chart below, it is clear a broad range of concerns are occupying mobile developers' minds, with most presenting a relatively similar level of concern.

14%

SAY ACCESS TO TALENT IS THE BIGGEST CHALLENGE, DESPITE LAYOFFS

What would you say is the biggest challenge facing the mobile games industry?





OPPORTUNITIES

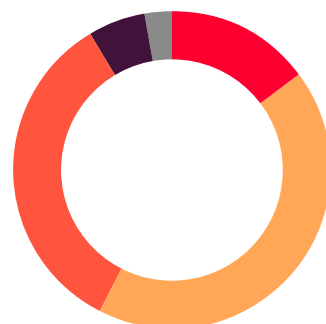
In light of the challenges facing the industry, there has been a significant shift in how games are monetized to reduce reliance on ad-supported models. Hybrid-casual (43%) and casual (34%) games are seen as having the best chance of commercial success in the current market. Just 15% say hypercasual is the most viable monetization model.

While hybrid-casual still lacks a truly concrete definition or set of characteristics, it's clear that its potentially perfect blend of accessibility and engagement is tantalizing for game devs. On the other hand, onboarding into casual games (as well as midcore and hardcore) comes with extensive challenges, but the rewards from deeply engaged users are potentially enormous if initial hurdles can be overcome. Midcore and hardcore mobile games generate the most IAP revenue by some distance, but their high development costs and low success rate make them a risky play for studios, which is why they lag way behind more casual titles.

Mobile developers see a diverse range of features contributing to games' success. Among them, a regular flow of new content is the most important contributor in our games-as-a-service era, while third-party billing is seen as least important. Interestingly, cross-platform availability and high-fidelity graphics rank highly, as does online multiplayer, perhaps reflecting a gradual convergence of mobile gaming content with its PC and console counterparts.

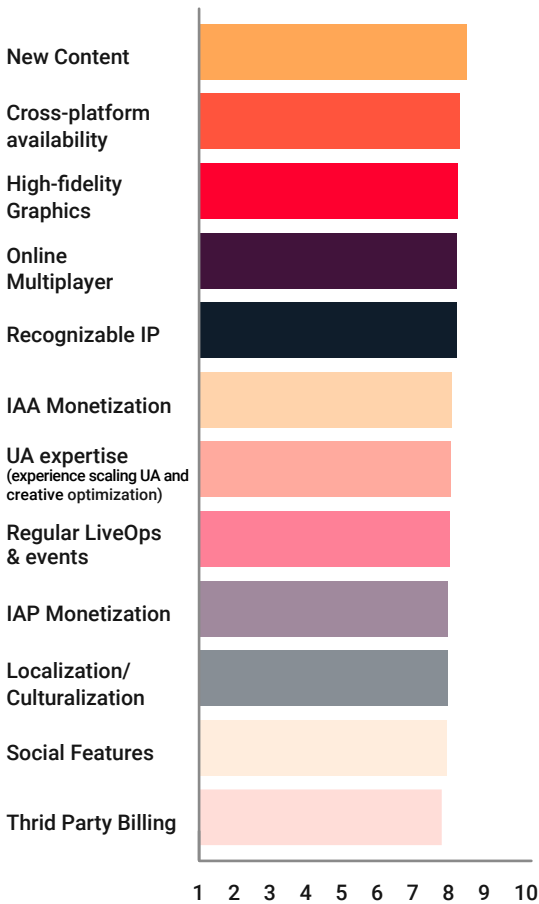
© 24Play 2024
© Sandsoft 2024

What type of game do you think is most viable in the current market?



- 15%** Hypercasual
- 43%** Hybrid-casual
- 34%** Casual
- 6%** Midcore
- 2%** Hardcore

On a scale of 1-10, how important are the following to a mobile game's success?



LAYOFFS

At a famously challenging time for the industry, mobile game devs are also split when it comes to layoffs. 51% are optimistic, feeling layoffs are mostly over for now, while 49% expect there to be further significant layoffs. A large minority of 44% feel layoffs are the result of over-hiring or mismanagement, while 56% feel they're a necessary response to a market correction.

67% of game developers are concerned for their own job security (27% are very concerned). 60% feel unionization among game developers is a positive thing, with only 3% saying it's negative. The remainder are neutral.



KEY TAKEAWAYS

Like much of the wider game industry, mobile game developers in 2024 have understandable concerns about layoffs, as well as perennial challenges in the space such as access to talent, discoverability, app store fees, rising UA costs, and more. Monetization has also become more complicated since the end of hypercasual's golden age. And yet there is optimism. Beyond the sheer numbers actively making games and securing funding explored in section 1 (RAISING CAPITAL), it is striking that a little over half of mobile developers are optimistic in terms of the worst of the layoffs being behind us. If games – in a time packed with so many challenges for the sector – are still being made and mobile developers are being ambitious and optimistic with regard to overcoming obstacles and the future, there is an obvious opportunity for publishers to bring value. Simply put, their scale, experience set, network and reach make them ideal allies if delivering a global game in a challenging time.

CASE STUDY: SANDSOFT BARCELONA



Looking at a single nation or region provides an opportunity for focus when considering how publishers can provide value to developers, and how game makers themselves perceive publishing services and their value; particularly in a global market. In December 2023, Sandsoft opened Sandsoft Barcelona, its European hub and first internal development studio outside Saudi Arabia. Barcelona has become a game development center in recent years, with Sandsoft joining other prestigious brands in the city – demonstrating how a rising tide can lift all boats.

- ◆ 46% of the Spanish developers in our study have been in game development for more than eight years; higher than the study's average of 39%
- ◆ They're less likely to be making hypercasual games (7% vs 13%) and least likely to say hypercasual is a viable monetization model (8% vs 15%). They are more likely than average to say hybrid-casual is the most viable monetization model (49% vs 43%) and also more convinced by the prospects of casual games
- ◆ When signing a publishing deal, they're less likely to be concerned about giving up revenue share (9% vs 16%) but more concerned about protecting their IP (18% vs 14%)
- ◆ Spanish developers who have worked with a publisher previously are positive about the collaboration, but slightly less so than the survey average (7.5/10 vs 7.7/10)
- ◆ They see Latin America as both the most interesting emerging region to publish their titles in, and the emerging region producing the most exciting homegrown content
- ◆ When it comes to mobile game development and publishing challenges, they're more concerned than average by saturation and discoverability, and with dominance by large companies. They're less concerned than average with UA costs and app store fees
- ◆ Spanish devs are much more likely to say layoffs are the result of over-hiring or mismanagement. They are much more optimistic, as they are less likely to expect further significant layoffs.

As we can see, specific markets have their own distinct attitudes and unique trends and challenges. Simply put, the global games market offers a tremendous variety, from how marketing content lands with consumers, to local payment conventions and culturalization priorities.

Typically, publishers have more capacity to meet this variety than devs; or more detailed, intimate knowledge of a specific region, market or country. That is something of critical importance to consider if gearing up for a global or multi-region game release.

EMERGING MOBILE GAMING TECH



Experienced mobile game developers are receptive to and experienced in adopting emerging technologies, so it is highly valuable to consider what options are interesting to today's studios – and where caution lies. They say AAA-quality PC and console style gaming needs to be available on mobile devices in future. A significant majority are now using AI in their development processes, while a third are using web3 technology.

SMALL SCREEN AAA

Tying in to their feelings on the importance of cross-platform gaming, the overwhelming majority of mobile game developers (90%) say it's important that AAA quality, PC and console style gaming is available on mobile devices in the future. This comes despite the recent struggles of iOS ports of Assassin's Creed, Death Stranding, and Resident Evil 7 – which is estimated to have attracted just [2,000 paid downloads](#).

AI IN GAME DEV

AI is of course the single most dominant tech topic of the last 12-18 months, and this shows no sign of slowing. A huge 84% of experienced game developers are using AI in their game development processes, with 38% saying it's a core component. 46% do so in a more limited capacity for specific features or tasks, while just 3% have no intention of using AI in their development.

How extensively does your development process incorporate AI?

38% AI is a core component of our game mechanics and gameplay

46% We use AI for specific features or aspects within our game

13% We are exploring the potential of AI but have not yet implemented it in our games

3% We have no intention of using AI in our development process



90%

SAY IT'S IMPORTANT THAT AAA, PC AND CONSOLE STYLE GAMING IS AVAILABLE ON MOBILE DEVICES IN THE FUTURE.

BLOCKCHAIN GAMING

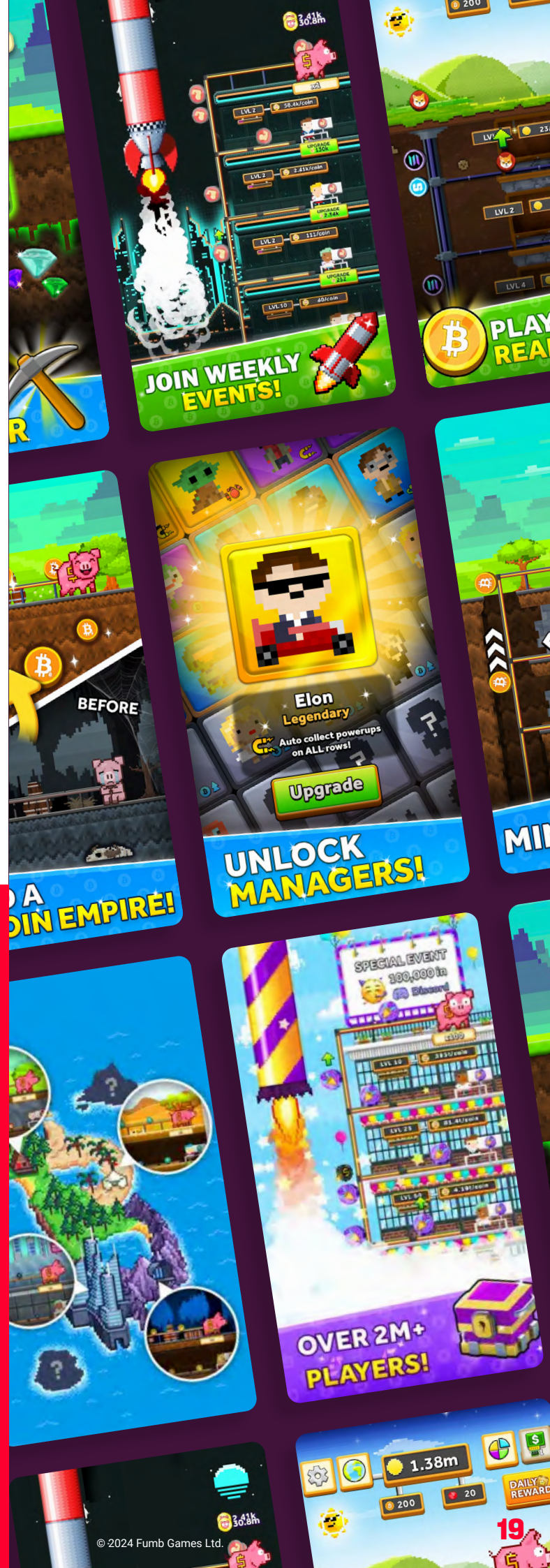
Despite the travails of blockchain gaming, the developers in our study remain receptive to the potential applications of blockchain/web3 technology. While the majority (66%) don't use the technology, only 6% have no intention of doing so. It would appear that – outside blockchain-specific game developers – much of the developer space is being cautiously optimistic about web3, watching the space and waiting for a little more market maturity. Even so, open-mindedness appears to dominate.

Which of the following best describes your company's involvement with web3/blockchain?

- 34%** We are actively developing games that use Web3/blockchain technology
- 43%** We are considering incorporating Web3 and blockchain into future projects
- 17%** We are open to Web3 and blockchain elements, but have no current plans
- 6%** We have no intention of exploring Web3/Blockchain Gaming in our projects

KEY TAKEAWAYS

Game developers of every type are extremely well-versed in adopting new technology, and separating hype from reality. Their rich experience in games appears to have positioned them well to embrace the emerging technologies such as generative AI and web3. Mobile developers are ambitious in terms of quality, as well as open-minded to exploring and deploying new technologies. That does mean that the waters of mobile game dev rarely settle for more than a moment. Publishers should give developers agency when it comes to tech, but that does not mean they have no role to play here. Publishers can bring innovation, top in-house tech and economies of scale in the buying of third-party tech to aid game mobile gaming growth.



METHODOLOGY



An online survey was conducted by **Atomik Research** among 454 respondents from across the USA, Spain, and France, all of whom are mobile game developers who have been working in the industry for a minimum of five years.

The research fieldwork took place between 4th June and 10th June 2024. Atomik Research is an independent creative market research agency that employs MRS-certified researchers and abides by MRS code.

ABOUT SANDSOFT



Sandsoft is a global, mobile-first game developer, publisher and investor powered by a diverse team of highly-experienced game makers and marketers. We're committed to providing engaging and entertaining gaming experiences to international audiences through our leading publishing services and first-party game development. Headquartered in Riyadh, Saudi Arabia, with a major internal studio in Barcelona and offices in Helsinki and Shanghai, Sandsoft aims to bridge continents, cultures, and people, fostering closer connections and contributing to the development of the global gaming ecosystem.



