Xsolla

2025 Q1

The Xsolla Report

State of play

Foreword

Chris Hewish
Chief Communications & Chief Strategy Officer Xsolla

As Chief Strategy Officer at Xsolla, I'm pleased to present Volume 6 of the Xsolla Industry Report – our latest in-depth exploration of the trends, challenges, and opportunities shaping the global gaming landscape in 2025.

The past year has been pivotal for gaming. Shifts in mobile gaming, cloud technology, payments, and investment patterns are reshaping how developers and publishers navigate the industry. As these factors evolve, they will be influenced by emerging regulations, economic conditions, and technological advancements that redefine how games are created, distributed, and monetized.

✦ Let's continue shaping the future of gaming together

This edition examines the state of play in 2025, offering expert insights and regional data to help industry professionals anticipate what's ahead. We highlight key players driving innovation and explore the latest tools and solutions to assist developers in adapting to change. From the rise of direct-to-consumer web shops to the impact of new payment regulations, this report comprehensively analyzes the forces shaping the gaming business.

This volume also highlights trailblazers in gaming–changemakers, innovators, and creators who enrich the diversity and equity of our communities, from development studios to executive boardrooms. Their contributions are transforming the industry in meaningful and lasting ways.

At Xsolla, we aim to connect developers with the strategies, resources, and partnerships they need to thrive. As we hit the ground running in 2025, we remain dedicated to fostering growth across the global gaming ecosystem – providing actionable insights, innovative solutions, and expert guidance to help our partners succeed.

I invite you to explore this edition of *The Xsolla Report* to explore valuable perspectives from industry leaders, market data, and expert analyses.

Executive summary

✦ Let The Xsolla Report be your guide

The gaming industry is poised for continued growth and change in 2025. Mobile gaming continues to dominate, while the Asia-Pacific region leads the global surge in player numbers. With **projected revenue growth of 7.25% annually through 2029**, industry leaders have abundant opportunities to tap into emerging markets and leverage player behaviors.

The overall investment landscape remains robust, with established companies like Activision Blizzard, Electronic Arts, and Microsoft poised to drive growth in 2025. With their solid franchises and emerging technologies, these industry giants are well-positioned to capitalize on the expanding gaming market. Additionally, companies like Unity and NVIDIA are set for long-term growth, particularly as AR and VR technologies gain momentum and the demand for next-level gaming experiences continues to rise.

In *The Xsolla Report: Q1 2025 Edition*, we focus on the data and trends shaping the future of gaming. We examine how industry giants leverage established franchises and emerging technologies to drive growth and how companies like Unity and NVIDIA are poised for long-term success.

Additionally, we explore how game developers increasingly use in-game data as a core engagement tool, with more developers expected to integrate official data portals and interactive insights for casualand esports audiences. The report also highlights the growing importance of direct-to-consumer strategies, especially with the rise of web shops, as key tools for monetization and player loyalty.

So take a closer look at these topics, explore fresh data, and uncover insights from global experts to help shape your business strategies and decisions in the year ahead.

In the news

Recent industry news

[How the EU's DMA is changing Big Tech]

The Verbe

[90% of Africa's games industry revenue generated by mobile games]

gameindustry.biz

[Payments laws apply to online games, CFPB says]

Payments Dive

[Cloud Gaming news for Xbox Owners]

Forbes

[Gaming Market size to increase by USD 100.8 billion between 2024 to 2029]

Yahoo Finance

Industry updates

What's new across game industry sectors

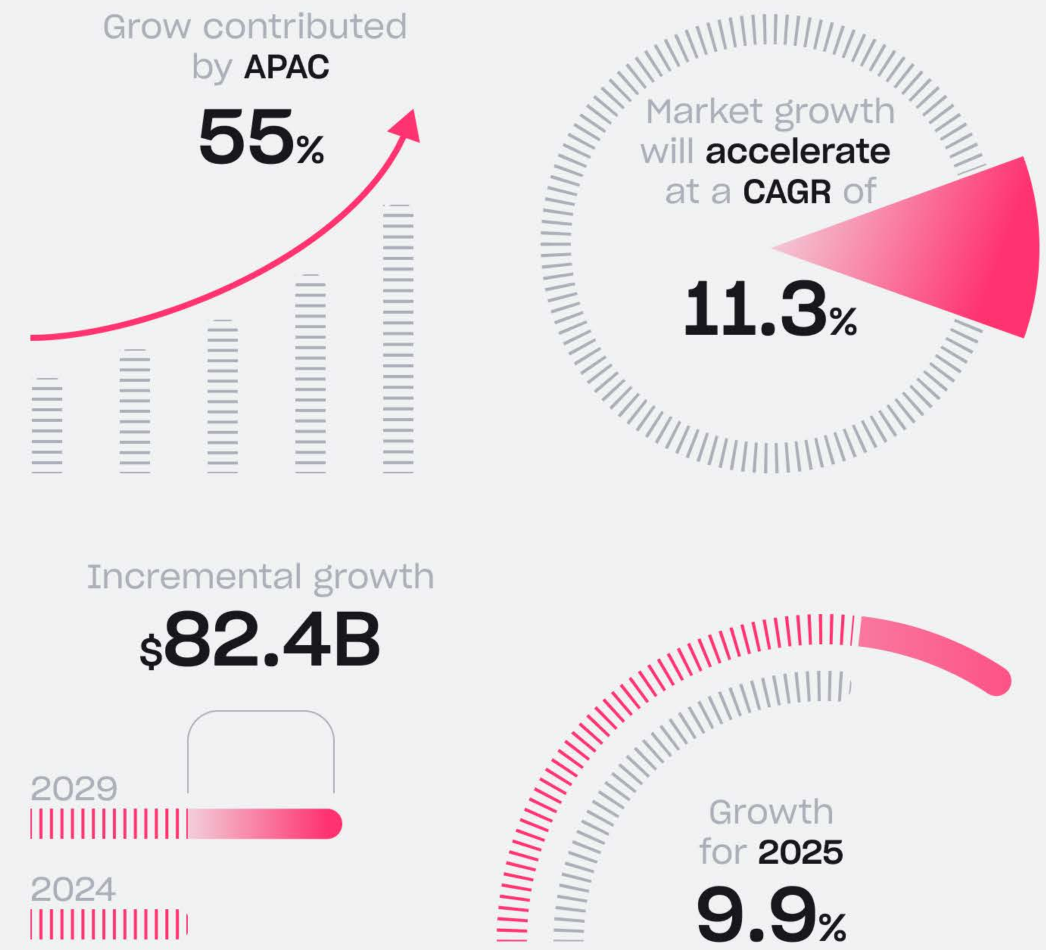
Mobile gaming

The mobile gaming market is expected to accelerate at a compound annual growth rate (CAGR) of 11.3%, with **9.9% growth projected for 2025** alone.

9.9% growth projected for 2025

Global gaming market, 2025 to 2029

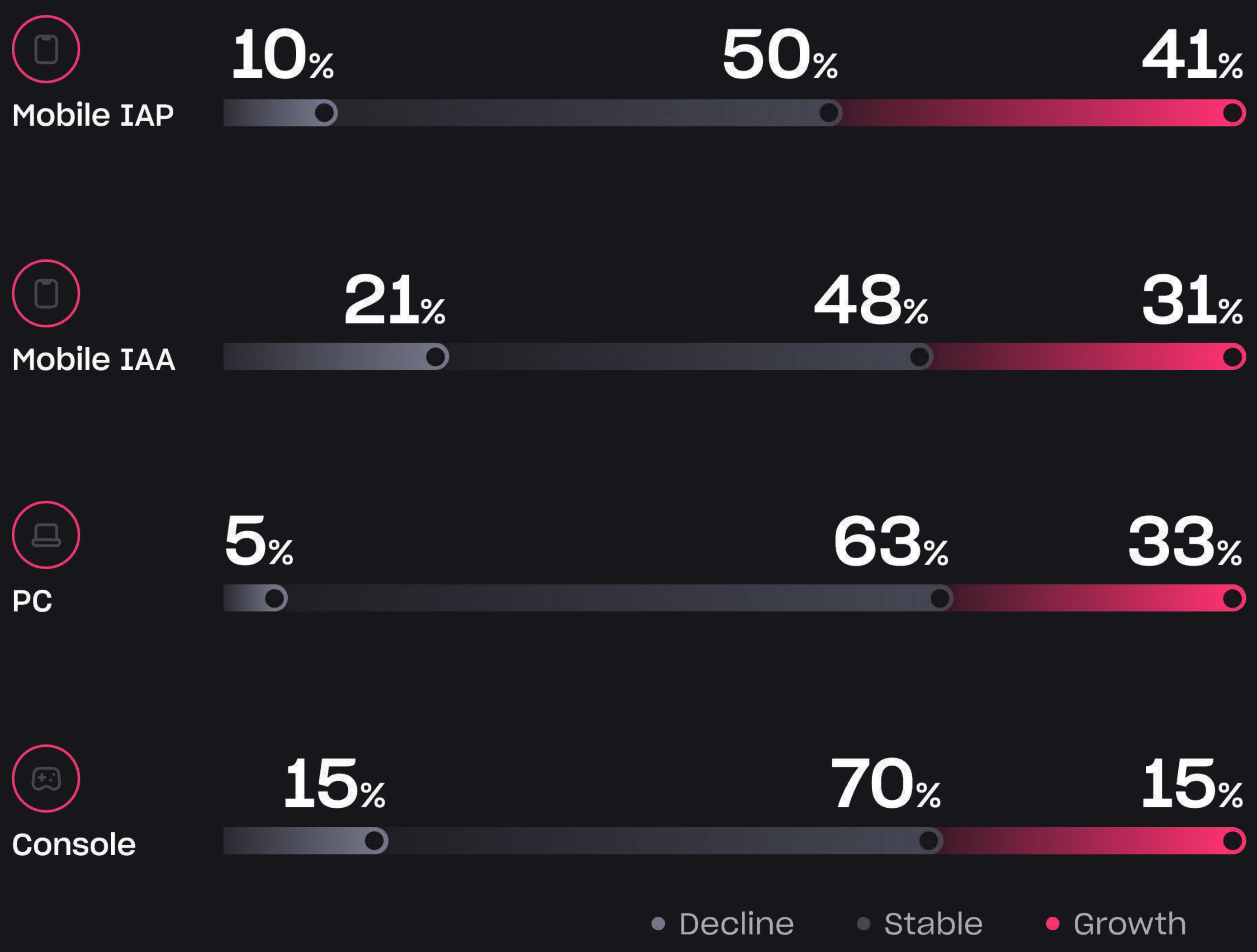
Source



Market outlook: 2025 market growth across gaming segments

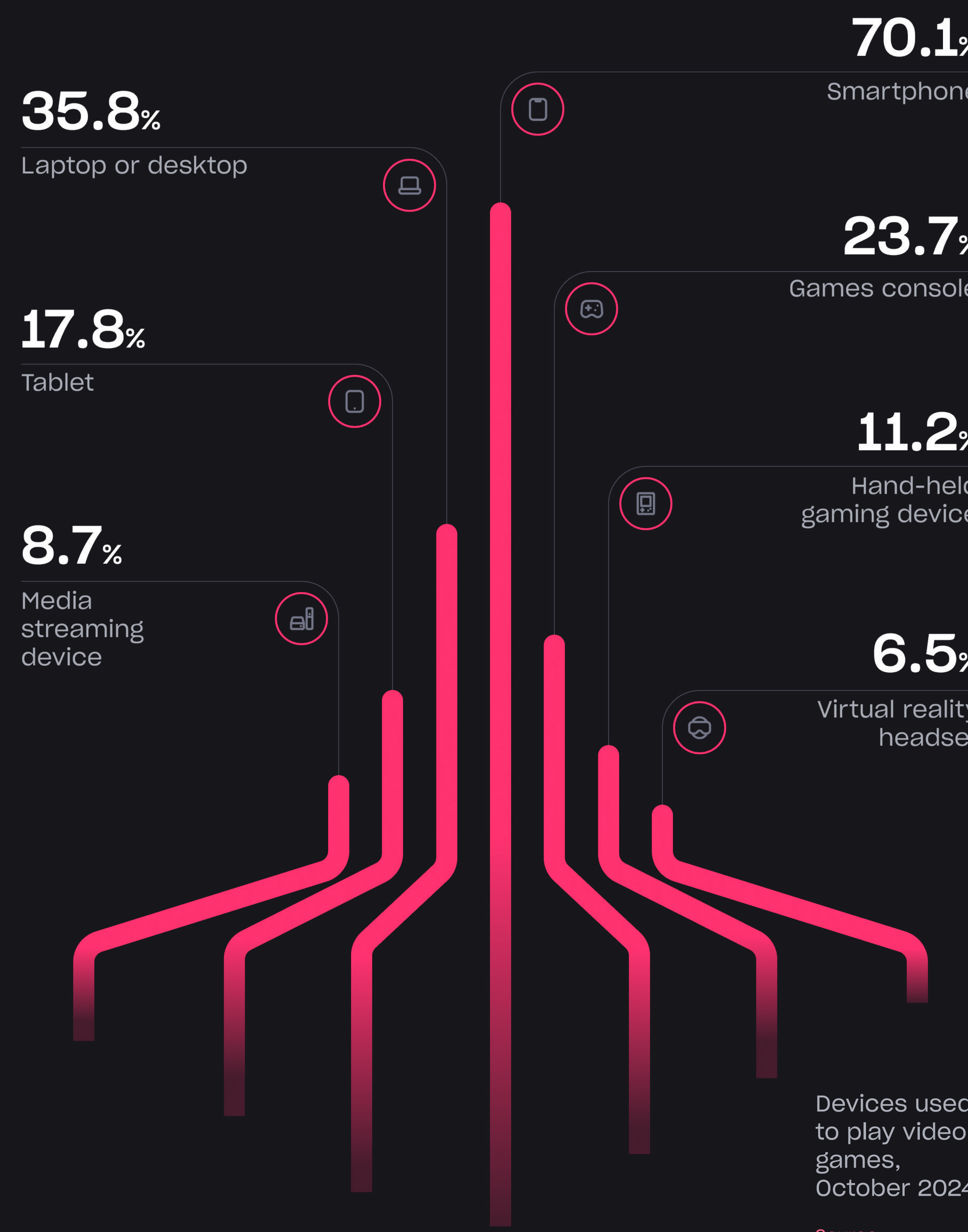
Source

A recent Aream & Co. survey across gaming segments revealed that mobile gaming is expected to see the most growth in 2025, with **41% of executives forecasting an increase in in-app purchases and 31% predicting higher advertising revenue.**



70.1%
of users preferred playing video games on smartphones

In Q4 of 2024, **70.1% of users preferred playing video games on smartphones**, with the highest growth in usage seen among mobile devices, especially smartphones and tablets; virtual reality headsets have the lowest popularity overall.



Devices used to play video games, October 2024

Source

Top mobile games by revenue and downloads, November 2024

Source

In November 2024, *Honor of Kings* led mobile game revenue with $142.2 million, 97% of which came from iOS in China. *Pokemon TCG Pocket* followed closely with $141.4 million in its first full month, with 42% of its revenue coming from Japan and 27% from the US.

Top Free

Game	Publisher	Download
Pokemon TCG Pocket	The Pokemon Company	30,258,661
Block Blast!	Hungry Studio	26,193,640
Mini Games: Calm & Relax	Galaxy Top Games	20,472,499
Tik Tap Challenge	XGame Global	14,865,333
WinZO: Ludo, Carrom, Solitaire	Tictik Skill Games	14,423,236

Top Grossing

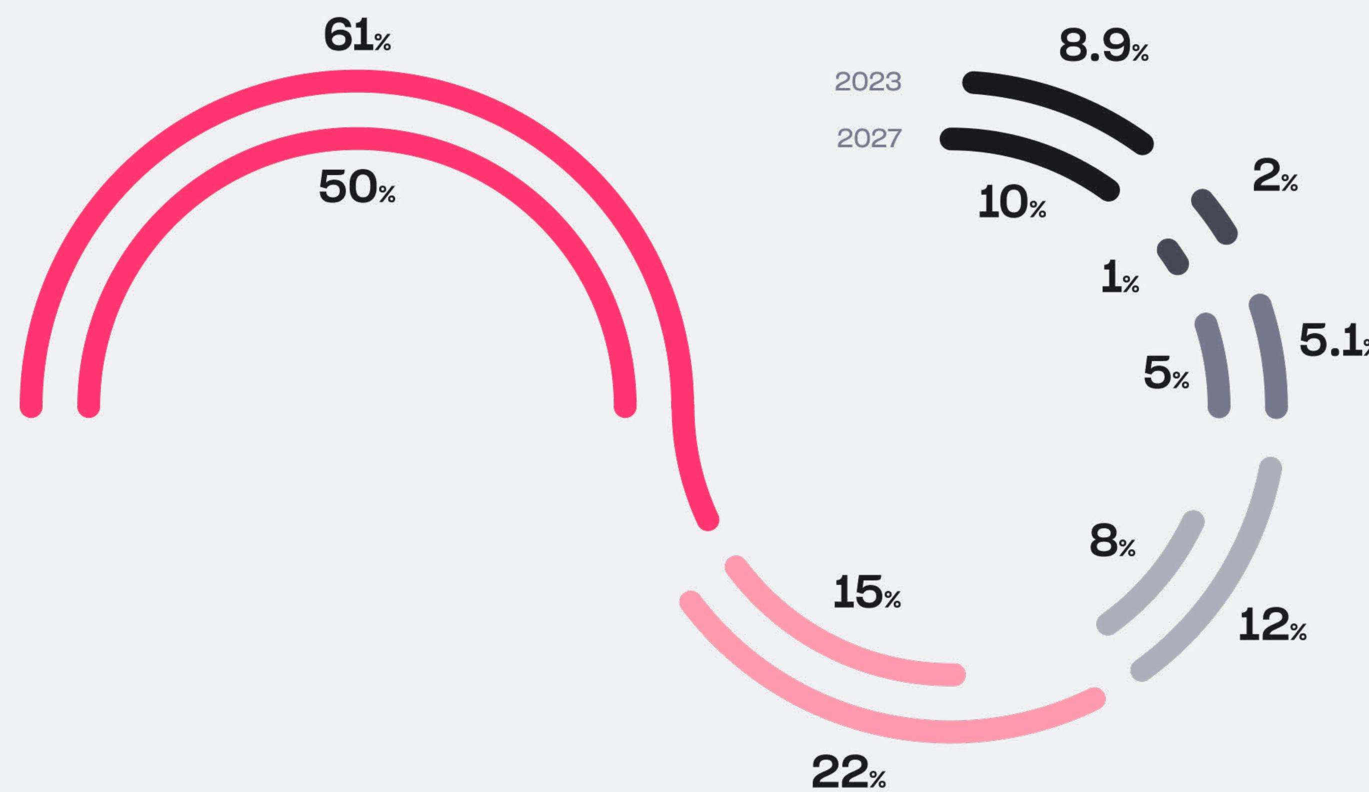
Game	Publisher	Revenue
Honor of Kings	Shenzhen Tencent Tianyou Technology Ltd	$142,178,859
Pokemon TCG Pocket	The Pokemon Company	$141,431,499
Royal Match	Dream Games	$118,229,807
Last War: Survival	FUNFLY PTE. LTD.	$118,173,158
Whiteout Survival	Century Games PTE. LTD.	$109,668,578

Payments

Growth of digital payment methods, 2023 to 2027

Source

Digital wallets are expected to become more widely adopted, growing **from 50% of ecommerce transaction value to 61%** between 2023 and 2027, reflecting a 14.9% CAGR. Additionally, global marketplace platforms are seeing increased demand for disbursements to digital wallets, particularly in emerging markets where mobile banking is more popular than traditional banking.



Ecommerce transaction value growth from 50% in 2023 to

61% in 2027

- Digital wallet, including mobile money
- Credit card
- Debit card
- Buy now, pay later (BNPL)
- Cash on delivery
- Other

Hybrid monetization achieves the highest D90 average revenue per user (ARPU)

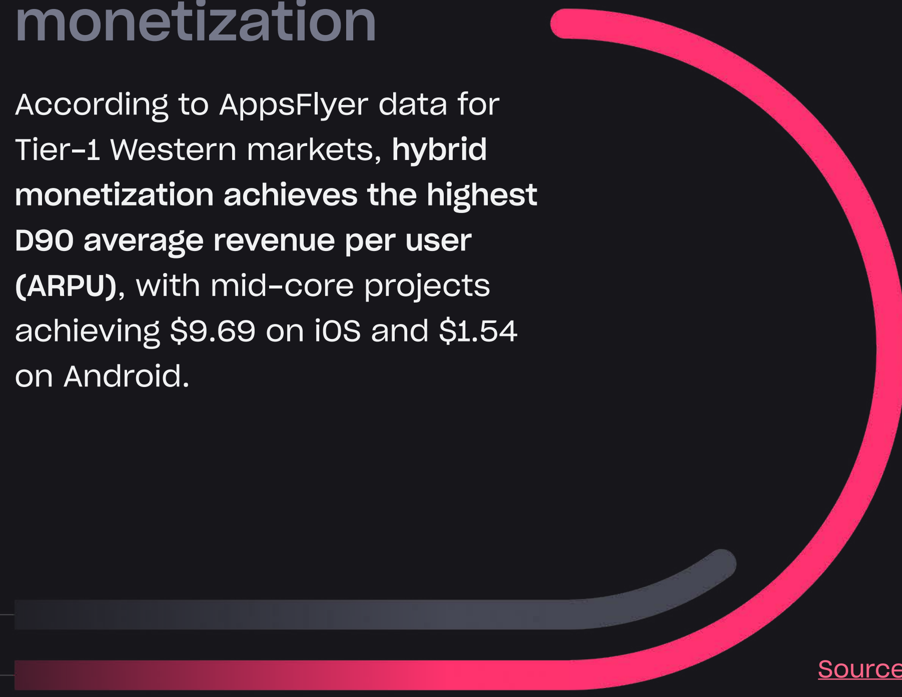
Midcore game monetization

According to AppsFlyer data for Tier-1 Western markets, **hybrid monetization achieves the highest D90 average revenue per user (ARPU)**, with mid-core projects achieving $9.69 on iOS and $1.54 on Android.

ARPU

$9.69
iOS

$1.54
Android



Source

Casual game monetization

Meanwhile, in-app purchases (IAP) models perform best in casual games, with a D90 ARPU of $3.15 on iOS and $2.15 on Android. In-app advertisement (IAA) monetization shows the weakest results at $1.26 (iOS) and $0.81 (Android).

Source

IAP

$3.15
iOS

$2.15
Android

IAA

$1.26
iOS

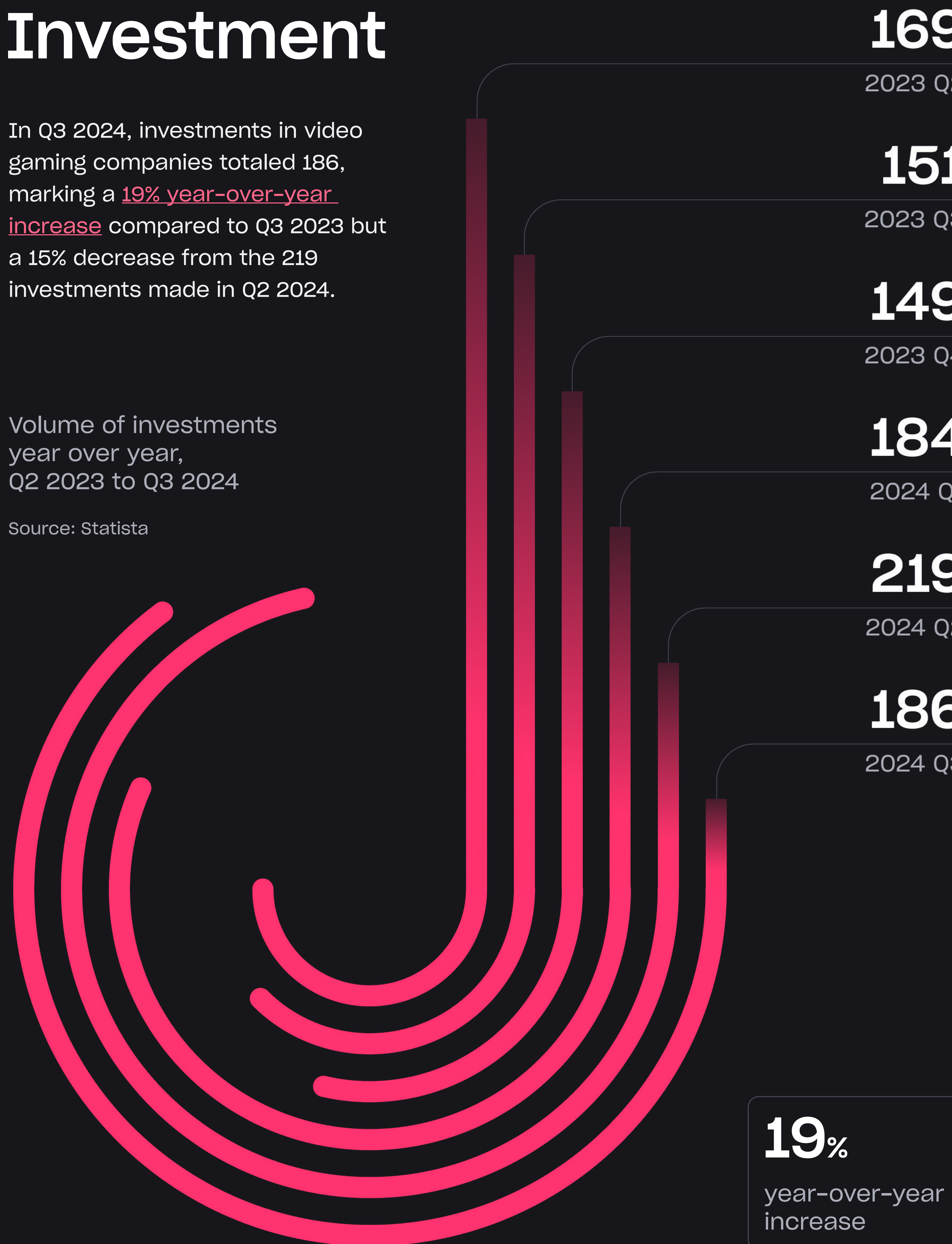
$0.81
Android

Investment

In Q3 2024, investments in video gaming companies totaled 186, marking a 19% year-over-year increase compared to Q3 2023 but a 15% decrease from the 219 investments made in Q2 2024.

Volume of investments year over year, Q2 2023 to Q3 2024

Source: Statista

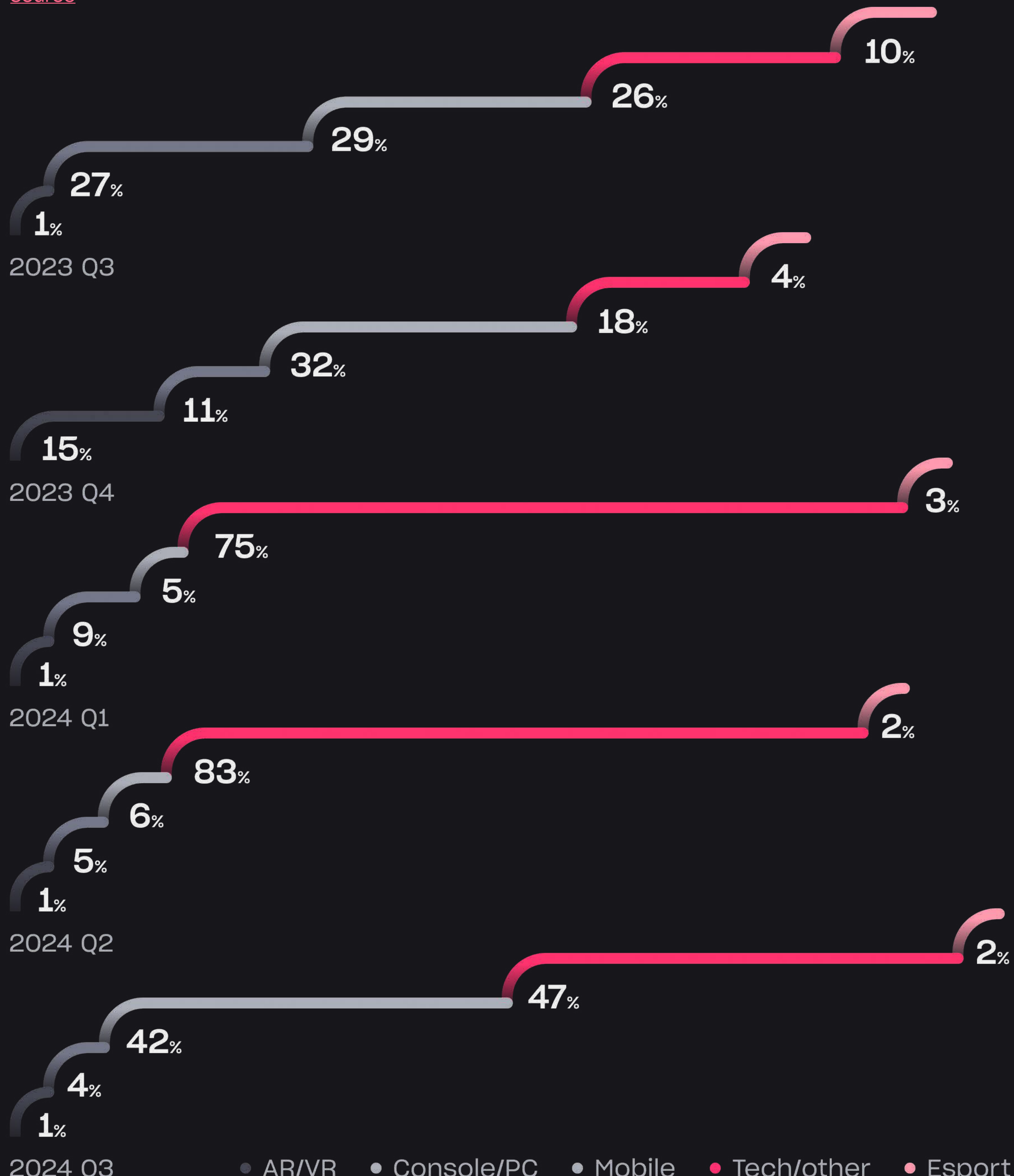


19%
year-over-year increase

Distribution of investment value, Q3 2024

Source

In Q3 2024, tech and other segments accounted for 47% of gaming investments, while the AR/VR video gaming segment represented the lowest with 1% of investment value in the gaming sector.



2025 gaming industry investment potential

Source

The gaming industry's growth in 2025 is likely to be driven by established companies with strong market positions with solid franchises and emerging technologies in their portfolios. Meanwhile, companies like Unity and NVIDIA are poised for long-term growth, especially as AR and VR technologies gain traction and the demand for enhanced gaming experiences continues to rise

Company	Strengths	Growth drivers
Activision Blizzard (ATVI)	Call of Duty, upcoming releases, esports initiatives	High growth potential with upcoming titles and esports
Electronic Arts (EA)	FIFA, Madden NFL, diverse portfolio, big cash flow	Steady revenue from popular franchises
Take-Two Interactive (TTWO)	Grand Theft Auto, GTA VI, acquisition of Zynga	Strong growth from GTA VI, mobile gaming expansion
Microsoft (MSFT)	Xbox division, cloud gaming initiatives	Significant growth with cloud and gaming ecosystem
Roblox Corporation (RBLX)	User-generated content platforms, younger audiences	High potential from increased user engagement
NVIDIA (NVDA)	Leading GPUs, gaming graphics and experiences	Continuous growth in gaming hardware and tech
Unity Software (U)	Tools for game development, AR/VR applications	Future growth in AR/VR and game development tools

Section

01

Industry Feature

Industry spotlights

We asked industry insiders – Xsolla team members, trusted partners, and friends from across the gaming ecosystem – to weigh in on what's ahead for 2025. From market shifts to the next big player trends, they're sharing the key developments they're keeping an eye on.

Whether it's bold predictions or unique perspectives, here's a snapshot of what's fueling the industry's momentum:

Over 18 000 games launched on Steam last year, and 14 000 earned less than

$5,000

Justin Berenbaum

VP Strategic Planning at Xsolla & GM Xsolla Funding Club

"The video game market shifted from a growth market to a mature one almost overnight, concentrating revenue among the top-performing titles. As an indie evangelist, it pains me to say, but there's simply too much content – over 18,000 games launched on Steam last year, and 14,000 earned less than $5,000. And **with player engagement down about 30% from pandemic peaks**, something has to give. Though I firmly believe that indie games are the bastion of creativity and risk-taking for countless reasons, the games that are most likely to succeed will have a plan when it comes to the business of making games.

What the industry really needs is a bit of a catalyst, as uncertainty is the enemy of investment. But there's reason for optimism – we saw a modest but promising uptick in game investments in Q4, and I expect that trend to continue into Q1 and Q2 of 2025. Total revenue is also creeping upward, signaling potential stabilization ahead."

✦

There was an uptick in game investments in Q4, and I expect that trend to continue into Q1 and Q2 of 2025

Susanna Pollack

President, Games for Change

"One of the interesting trends we've seen in gaming is a shift from consumption to active creation powered by in-game development tools. Platforms like Minecraft, Roblox, and Unreal Editor for Fortnite are revolutionizing how people engage with games by empowering them to be creators, lowering boundaries to content creation, and enabling more diverse voices to tell their stories through this medium.

✦ As these tools become more accessible, a new generation of changemakers will emerge—young creators who naturally turn to games as T a medium for addressing community challenges

This democratization of game development signals an exciting future for social impact gaming. As these tools become more accessible, a new generation of changemakers will emerge—young creators who naturally turn to games as a medium for addressing community challenges.

At Games for Change, we're actively supporting this evolution by expanding our awards program to recognize platform-based games and developing resources for young creators and educators. Looking ahead, as this collaborative, creator-driven ecosystem expands, our focus must be on ensuring these spaces remain inclusive and purposeful while maintaining what makes games powerful - their innate ability to engage and inspire through play."

We want to ensure these spaces remain inclusive and purposeful while maintaining what makes games powerful - their innate ability to engage and inspire through play

If you aren't doing D2C, then in 3 years you aren't going to compete with the superior margin profile of publishers

Michael Lewis

President, DeOs

"We'll look back at 2025 as an inflection point in the growth of mobile D2C. At major game publishers, D2C is going from a side project to a pillar of the business, and we're starting to imagine a world in which D2C is our largest sales channel. This reminds me of the way publishers regarded digital sales in 2024/2025 when I was starting my career in games. For years, there was a lot of talk about retail channel conflict and whether digital would ever hit 10% of sales; less than a decade digitalwas the lion's share of sales. We're seeing the same thing again on an accelerated timescale. If you aren't doing D2C, then in 3 years you aren't going to compete with the superior margin profile of publishers who are investing into this strategy now. The playbook is clear - get payments integrated into your games, get users onto your community sites, and start scaling aggressively."

Digital was the lion's share of sales

"The mobile games industry is facing a period of stagnation, largely due to the dominance and high margins imposed by traditional app stores. With user acquisition costs rising and revenue shares squeezed, developers and publishers are increasingly looking beyond these 'walled gardens'. We're seeing a surge of interest in Web shops, direct-to-consumer destinations and alternative app stores, alongside innovative UA strategies like rewards-based platforms. These shifts signal a potential transformation in how mobile games reach and engage players. I hope this movement will challenge the status quo, fostering a more open and competitive ecosystem that reignites the industry's rapid growth."

Asi Burak

Chief Business Officer, Tilting Point

There is a surge of interest in Web shops, direct-to-consumer destinations and alternative app stores, alongside innovative UA strategies like rewards-based platforms

Danny Moy

Chief Strategy Officer, SciPlay

"Advanced data analytics will empower game developers to move beyond traditional player segmentation and deliver truly hyper-personalized experiences. Real-time adaptation will be key, with dynamic quests, tailored rewards, and even narrative adjustments responding to individual player behavior. This shift from cohort-based personalization to unique player journeys will create more engaging and immersive sessions, fostering deeper connections between players and games.

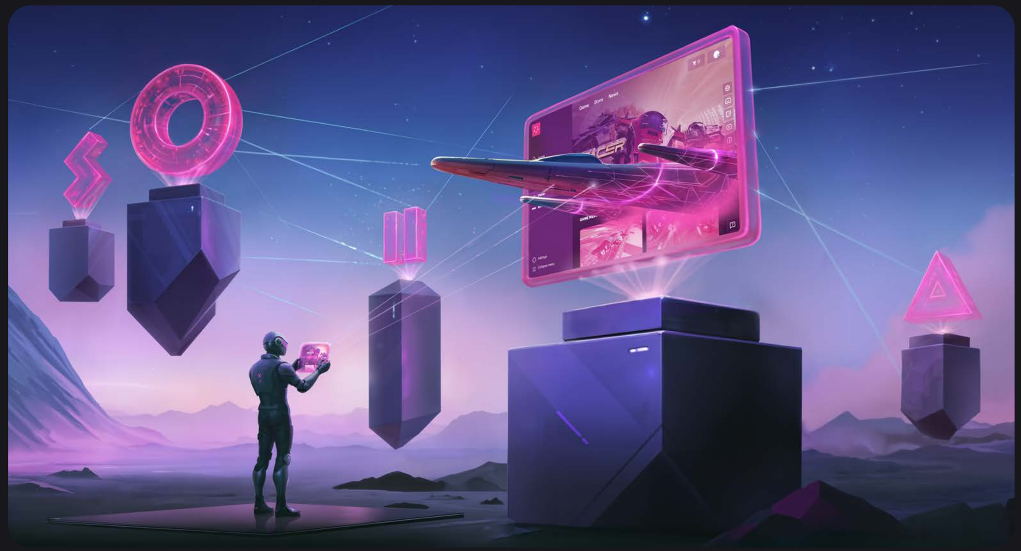
Imagine a game where the gameplay shifts based on your choices, where challenges are calibrated to your skill level in real time, and where rewards are precisely what you desire. This level of personalization will be achievable in 2025, driven by sophisticated AI and machine learning. Developers will be able to analyze vast amounts of player data to understand individual preferences, playstyles, and motivations. This granular understanding will allow them to craft bespoke experiences that maximize enjoyment and encourage long-term engagement.

This data-driven approach is projected to significantly improve key performance indicators, including player satisfaction, retention, and monetization. By creating a more personalized and rewarding experience, developers can foster a stronger sense of community and increase player LTV (lifetime value). Ultimately, hyper-personalization will not only redefine player engagement but also reshape the very landscape of game design and development."

Developers will be able to analyze vast amounts of player data to understand individual preferences, playstyles, and motivations

Foster a stronger sense of community and increase player LTV (lifetime value)

The gaming industry state of play: 2025 and beyond



2025 to 2029 (CAGR)

7.25%

As we kickstart 2025, the gaming industry continues to evolve and transform

From mobile gaming's dominance and global player growth to the surge of the Asia-Pacific market, industry leaders are shifting their strategies to take advantage of the new opportunities, shifting player behavior, and emerging markets.

The gaming industry's global revenue is projected to grow at an annual rate **(CAGR) of 7.25% from 2025 to 2029.** Alongside this financial growth, the market's users are expected to continue rising to reach 3 billion gamers by 2029.

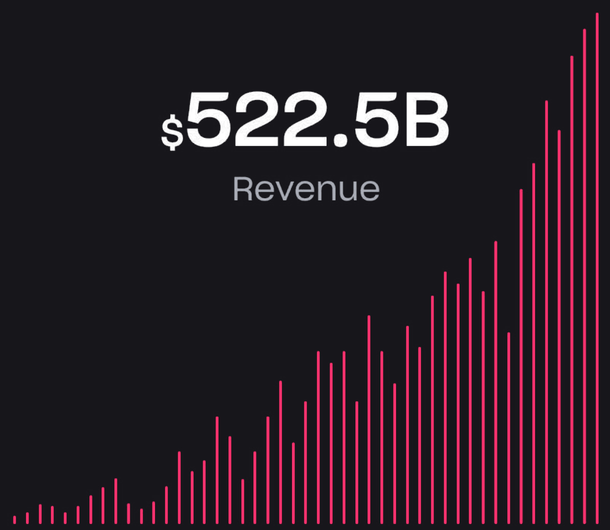
$522B
in revenue by 2025

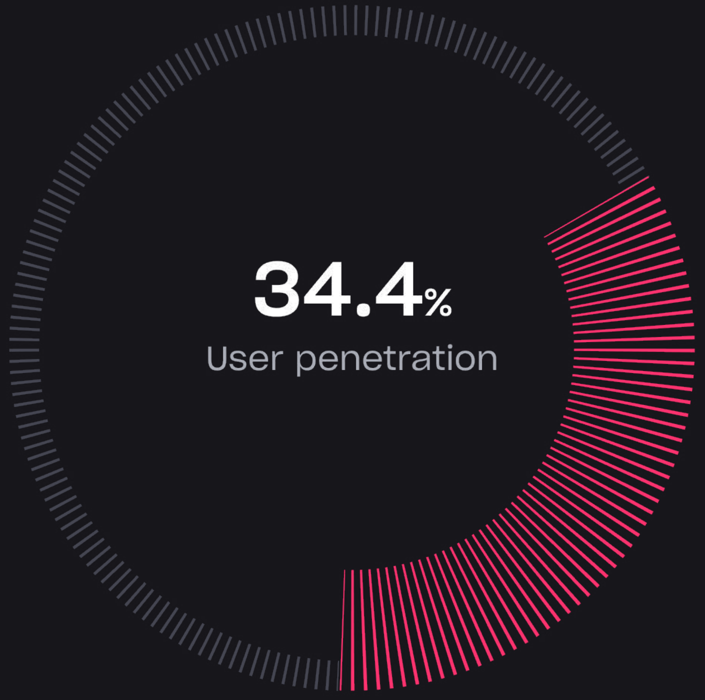
The global market is also on track to reach over **$522 billion in revenue by 2025**, with the United States poised to be the largest contributor - accounting for approximately $141 billion of that total.

So, which trends will define and influence this growth in the coming year? Let's explore the key shifts driving the future of gaming.

2025 Gaming Industry Projections*

Source





* Revenue projection includes gaming hardware, in-game advertising, physically sold video games, cloud gaming, mobile games, gaming live streaming, download games, gaming networks, and online games

The state of play: By region

The growth of players is impacting every region, with some areas experiencing particularly significant increases.

North America

$154.7B
projected revenue

Projected revenue

$154.7 billion in 2025

Gaming platform

A strong preference for console gaming persists, with the Nintendo Switch leading the U.S. market at 35% share

Spending habits

Across platforms

- **PC:** 50% of gamers spend less than $30/month, 17% spend over $100/month
- **Smartphone/Tablet:** 34% spend less than $30, 20% spend over $100
- **Console:** 42% spend less than $30, 26% spend over $100

Other

5G adoption is expected to significantly enhance mobile gaming experiences, offering faster speeds and lower latency

Latin America

$20.3B
projected revenue

Projected revenue

$20.3 billion in 2025

Growth

Fastest growth in global gaming markets, with a +6.2% increase in 2024

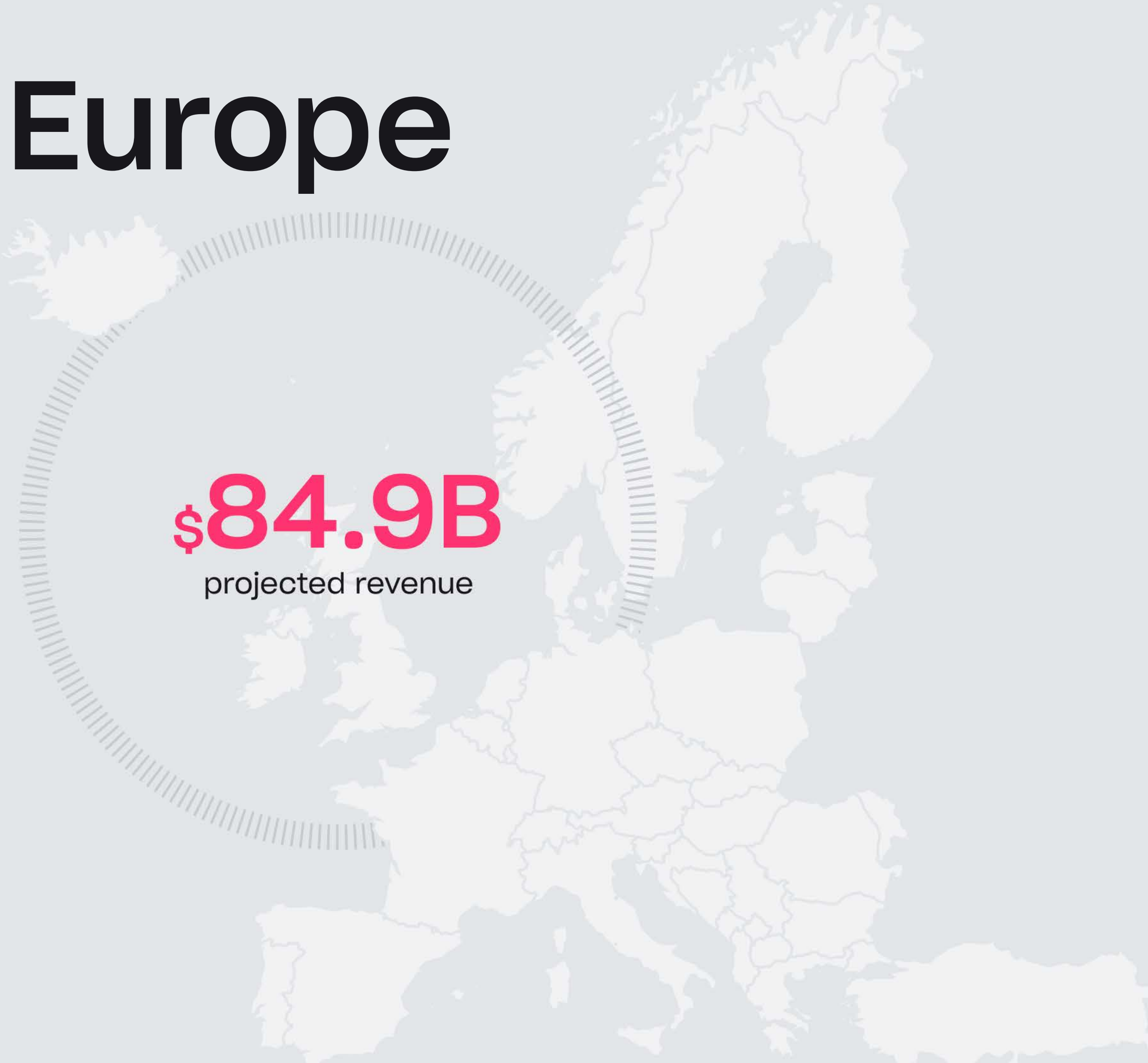
Payments

77% of LATAM gamers under 20 don't own credit cards, highlighting the importance of alternative payment methods (APMs)

Regulations

Regulatory changes in Brazil aim to manage the rapid expansion of online gambling while balancing its economic benefits - this can potentially impact the revenue for developers and publishers that leverage in-game purchases heavily in their games (such as loot boxes) that are similar to gambling

Europe



$84.9B
projected revenue

Projected revenue

$84.9 billion in 2025

Gaming platform

Mobile is the highest-grossing platform, estimated to reach $49 billion in 2025, due to the almost universal adoption of smartphones

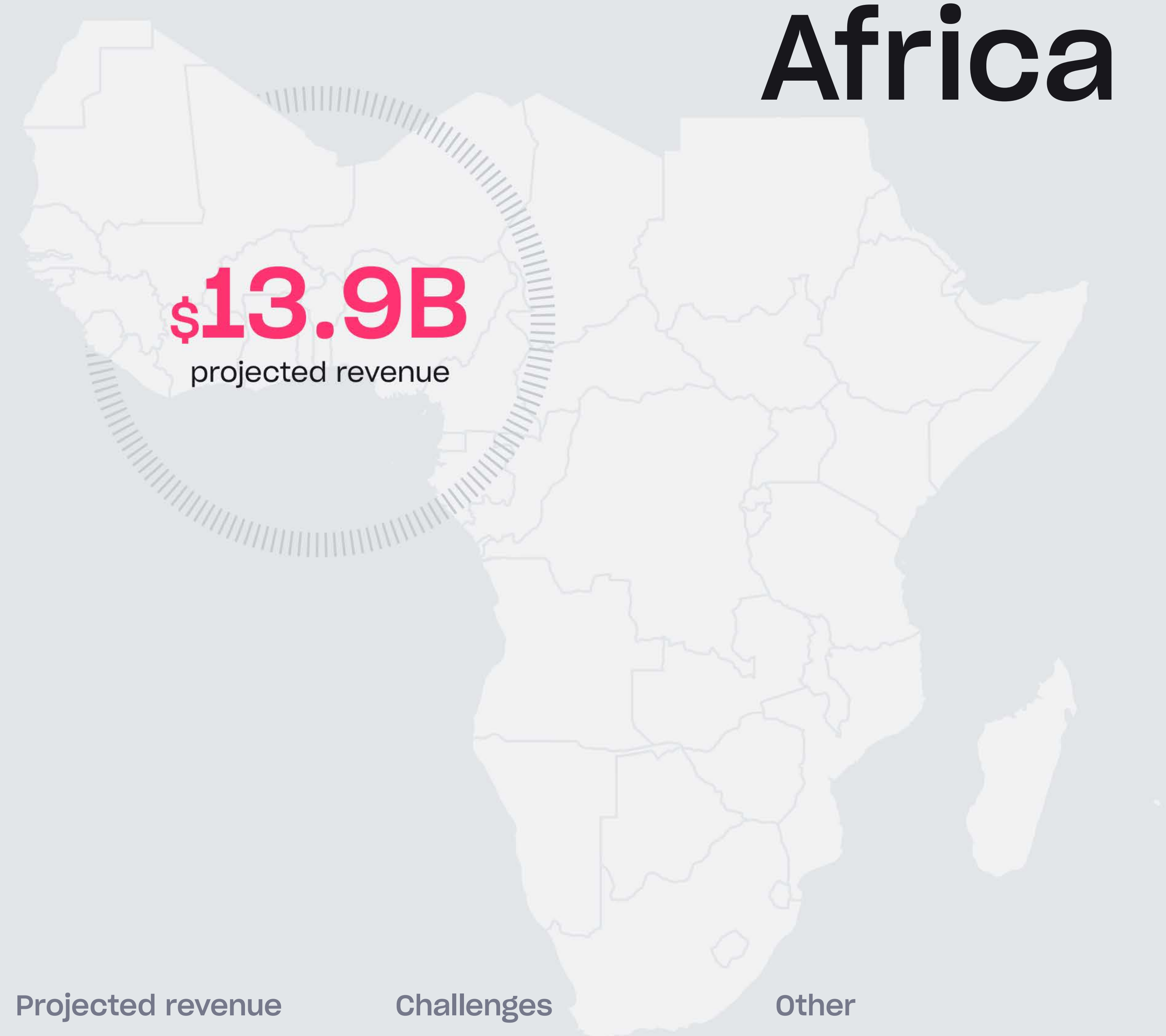
Growth

The UK and Germany dominate the European market, with the UK leading the market with $14.6 billion in gaming revenue

Regulations

The fragmented regulatory landscape in Europe, shaped by varying national laws and the enforcement of the Digital Markets Act (DMA), creates complex barriers to entry for non-European platforms, requiring adaptation to diverse legal frameworks across countries, particularly in areas like data protection, intellectual property, and content regulation

Africa



$13.9B
projected revenue

Projected revenue

$13.9 billion in 2025

Gaming platform

Mobile gaming dominates the African market, with Nigeria seeing the most significant growth in gaming revenue (+454% from 2019 to 2024)

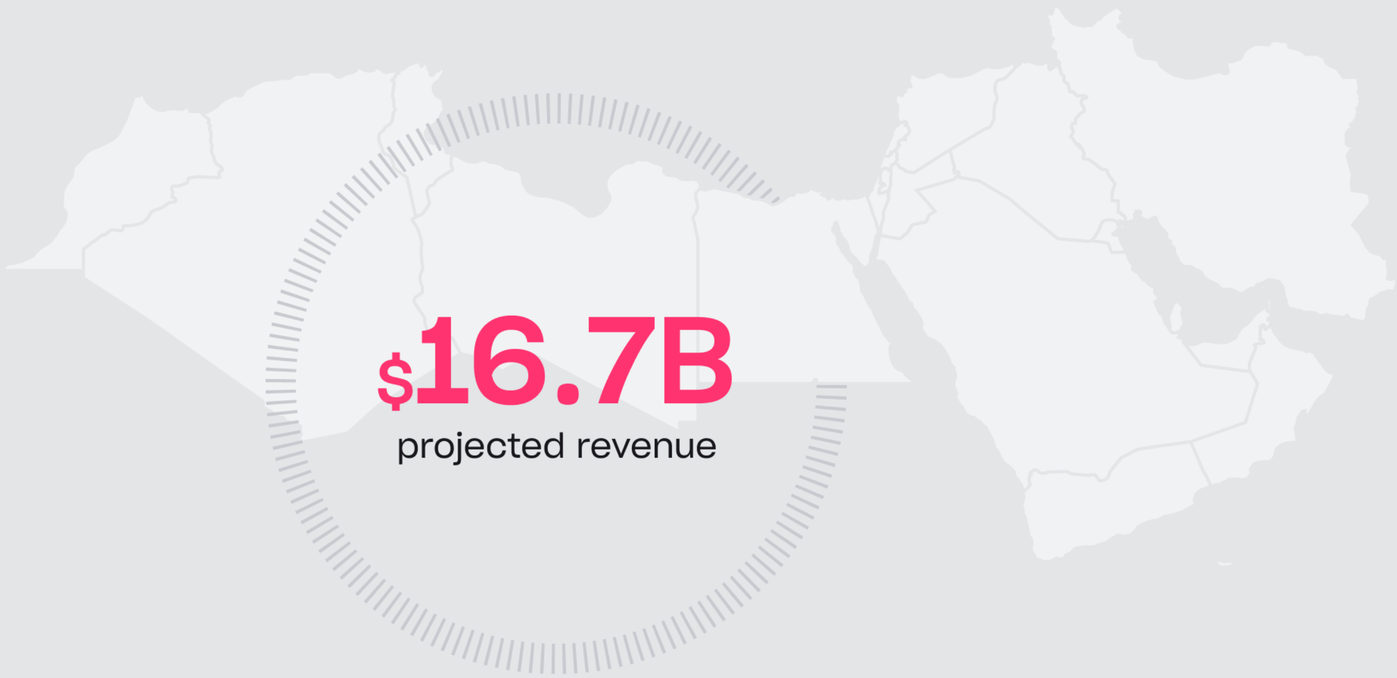
Challenges

African developers face challenges in securing funding and infrastructure support, with only 59% of developers receiving external funding

Other

Maliyo Games partnered with Disney to create *Iwájú: Rising Chef*. Kiro'o Games became the first Black African studio to release a title on Xbox

Middle East



$16.7B
projected revenue

Projected revenue

$16.7 billion in 2025

Leaders

Saudi Arabia is leading the charge in the region, with substantial investments in e-sports infrastructure

- Egypt consists of almost 59% of MENA-3 gamers with a significantly higher percentage of under-25 gamers

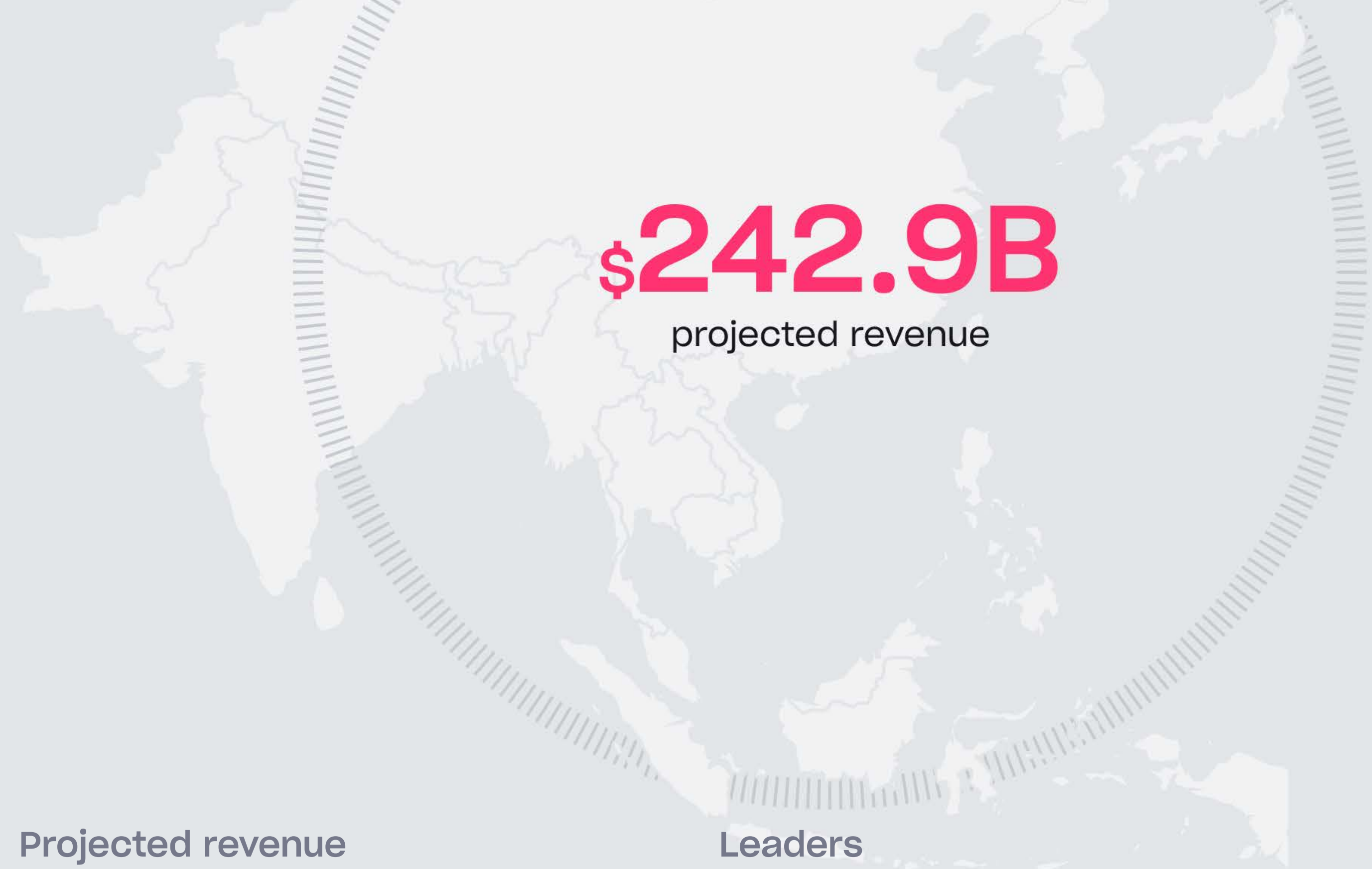
Vision 2030

The region's Vision 2030 aims to boost the gaming market value to $2.5 billion by 2030, with increasing government support

Other

Governments in the Middle East are actively investing in the gaming industry to diversify their economies

Asia-Pacific



$242.9B
projected revenue

Projected revenue

$242.9 billion in 2025

Gaming platform

Mobile gaming is a dominant force in APAC, with a $12.8 billion revenue growth (over 19%) between 2024 and 2027

Users

The largest gaming market, with over 1.48 billion active players, more than any other region

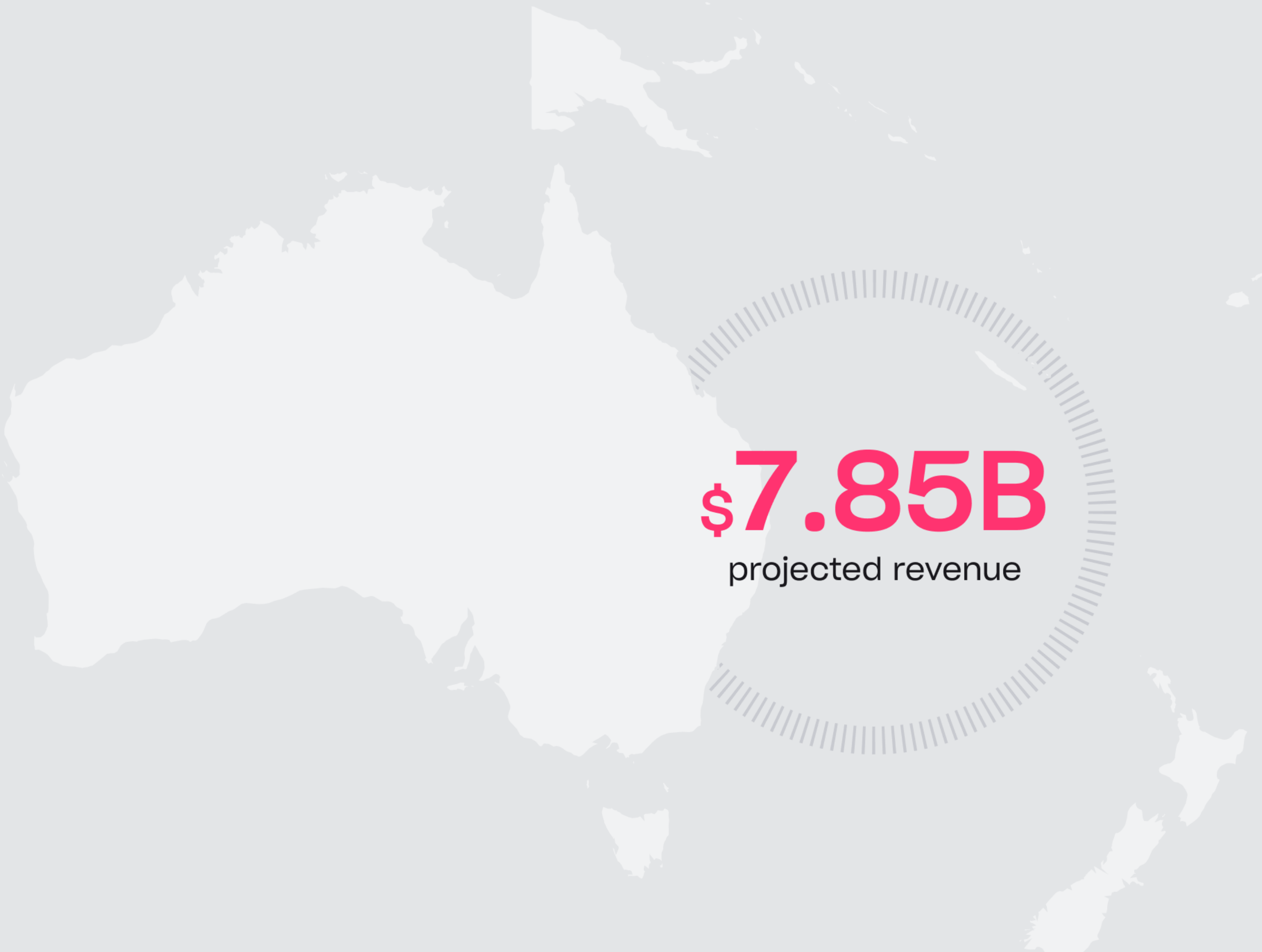
Leaders

Countries like China, Japan, and South Korea are leaders in the APAC market, while emerging markets such as Thailand are exploring new regulatory changes that could reshape the industry

Regulations

Policy-driven market dynamics are more pronounced in APAC compared to regions with more established regulatory frameworks

Australia & Oceania



Projected revenue

$7.85 billion in 2025

User penetration

High household gaming device ownership, with 91% of households owning a gaming device

Regulations

The Australian government is actively supporting the industry, with initiatives like the Digital Games Tax Offset encouraging local game development

The state of play: By sector

PC & Console

After two years of declining revenue and industry shakeups, the PC and console game software market is poised for a significant rebound, with **15% growth forecasted over the next four years** - climbing from $72 billion in 2024 to $83 billion by 2028. This signals renewed consumer confidence and spending power in premium gaming experiences.

Worldwide PC and console game software revenue

Source

15%

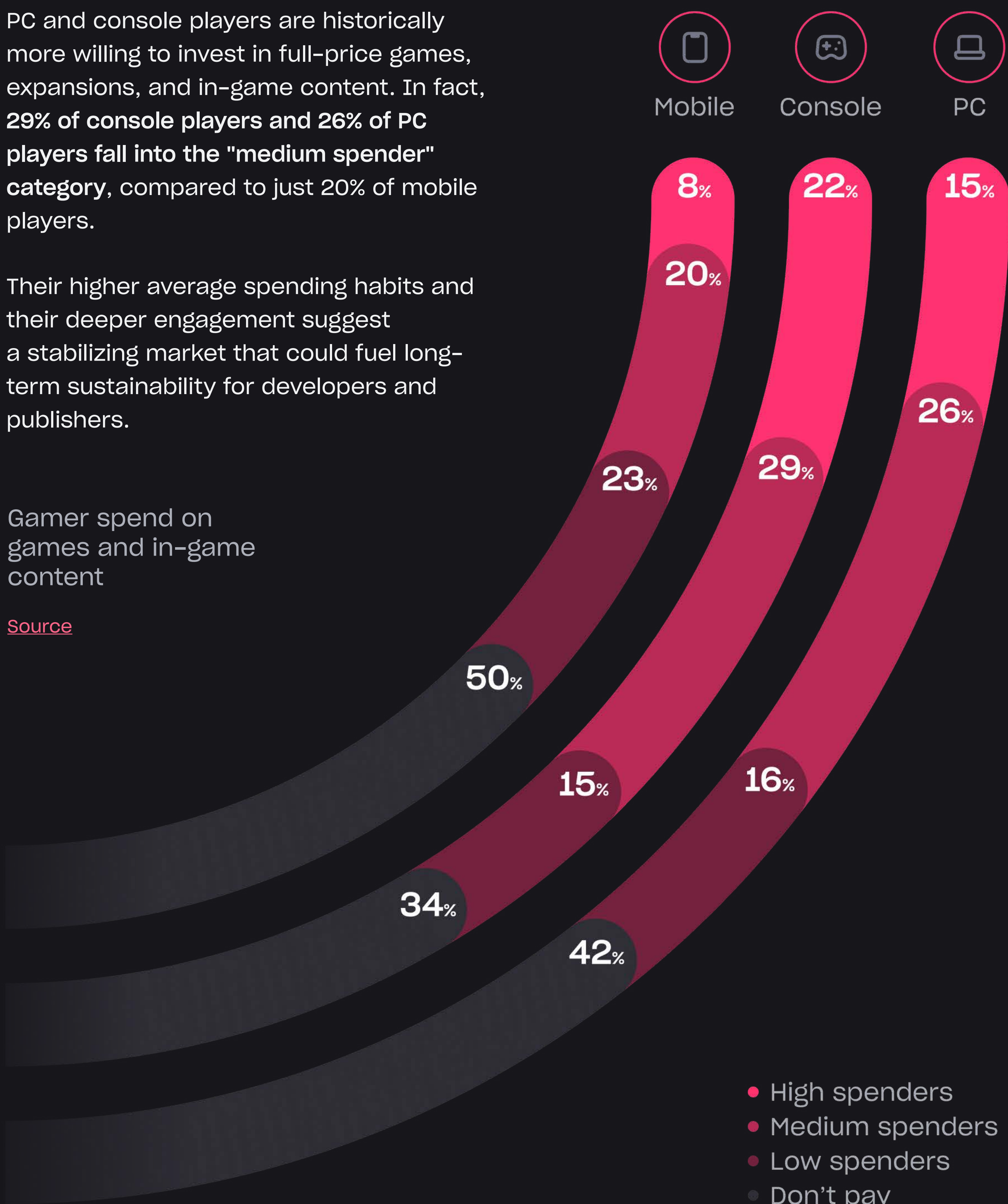
growth forecasted over the next four years

Unlike the mobile sector, where monetization relies heavily on microtransactions and ad-driven models, PC and console players are historically more willing to invest in full-price games, expansions, and in-game content. In fact, **29% of console players and 26% of PC players fall into the "medium spender" category**, compared to just 20% of mobile players.

Their higher average spending habits and their deeper engagement suggest a stabilizing market that could fuel long-term sustainability for developers and publishers.

Gamer spend on games and in-game content

Source



Player time spent on games

Source

Additionally, PC and console players not only spend more, but also dedicate more time per session than mobile users–though they engage fewer days per week. On average, they play **2.1 hours per day, 30 more minutes per day than mobile gamers**.

	Play times avg. days per week and avg. hours per week		**Hours spent each day playing** avg. hours per week by avg. days per week
Mobile	3.4 days per week	5.4 hours per week	1.6 hours per day
Console	2.6 days per week	5.4 hours per week	2.1 hours per day
PC	2.7 days per week	5.7 hours per week	2.1 hours per day

PC/Console gamers play

2.1 hours/day

which is 30 more min per day than mobile gamers

With PC and console players dedicating more time per session than mobile users, though playing on fewer days per week, the emphasis for success in 2025 will likely hinge on delivering compelling, long-form experiences with strong content roadmaps and strategic monetization models. Developers who can create deep engagement loops – whether through live-service elements, expansions, or community-driven content – will be well-positioned to capitalize on this market recovery.

Mobile gaming

New distribution models are reshaping how players access content within the mobile gaming industry. Subscription services like Netflix, Crunchyroll, and Apple Arcade are offering mobile games as part of their broader entertainment ecosystems, reducing the need for ads or microtransactions. This shift suggests that premium-quality mobile gaming experiences are gaining traction, potentially reducing player reliance on traditional free-to-play monetization.

For developers, exploring partnerships with subscription services could become an increasingly viable revenue stream while providing players with higher-quality, ad-free gaming experiences.

Beyond distribution changes, mobile gaming in 2025 is set to become more social, immersive, and personalized.

Social gaming features

Integrated chat systems, friend lists, and live streaming features are reinforcing the communal aspect of mobile play, making it easier for players to connect and share experiences in real-time.

AI-driven personalization

AI is also expected to shift mobile gaming experiences by adapting game worlds to individual player behaviors, offering tailored content that enhances engagement.

Immersive experiences

Advancements in haptic feedback - like *Dragon Mobile Assistant's* voice command integration and *Call of Duty: Mobile's* simulated gun recoil - are pushing the boundaries of mobile game immersion, making touch-based gameplay feel more dynamic and responsive.

Premium-quality mobile gaming experiences are gaining traction

These innovations indicate that mobile gaming is maturing beyond quick, casual experiences, with a stronger emphasis on deep, interactive, and social gameplay – potentially bringing it closer to the engagement levels seen in PC and console markets.

Mobile gaming taking up over

50%

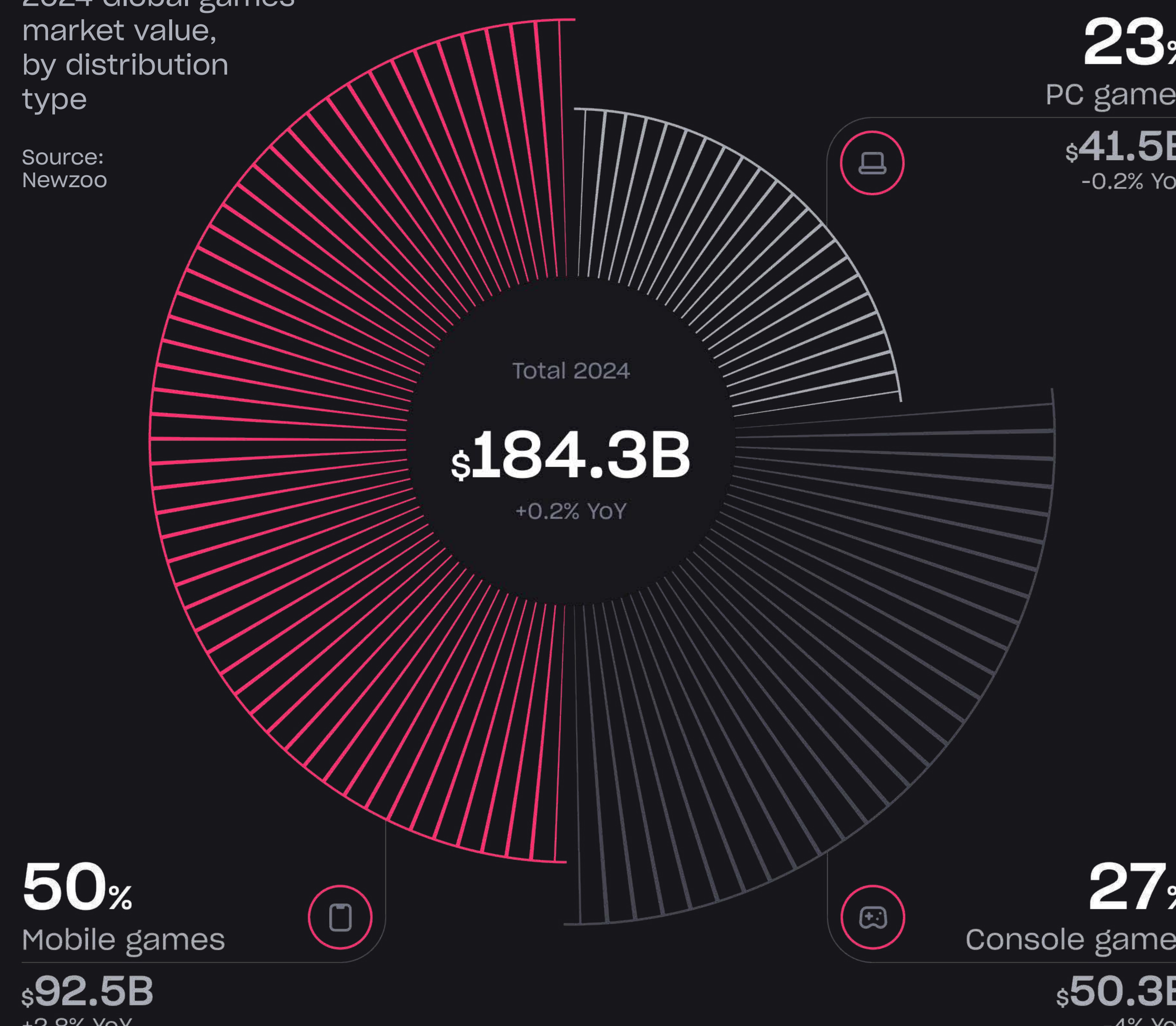
of the global gaming industry's revenue

Distribution and development

Digital distribution will continue to shape the landscape in 2025, influencing how players access games and how companies compete for their attention. While physical game sales remain relevant in certain regions and collector markets, digital downloads and cloud-based access are becoming the dominant method of distribution, with sectors like **mobile gaming taking up over 50% of the global gaming industry's revenue** volume, a 2.8% year-over-year increase.

2024 Global games market value, by distribution type

Source: Newzoo



Top game distributors, 2024

Source

While physical copies still hold value for collectors and specific markets, the majority of game sales now happen through digital storefronts like Steam, Epic Games Store, PlayStation Store, and Xbox Marketplace.

01

Without strong distribution channels publishers will not be able to get products to consumers efficiently

02

Console hardware manufacturers have significant distribution control

03

Battles for control of distribution will be the most important trend to watch

04

Google and Apple are major mobile distributors

✦

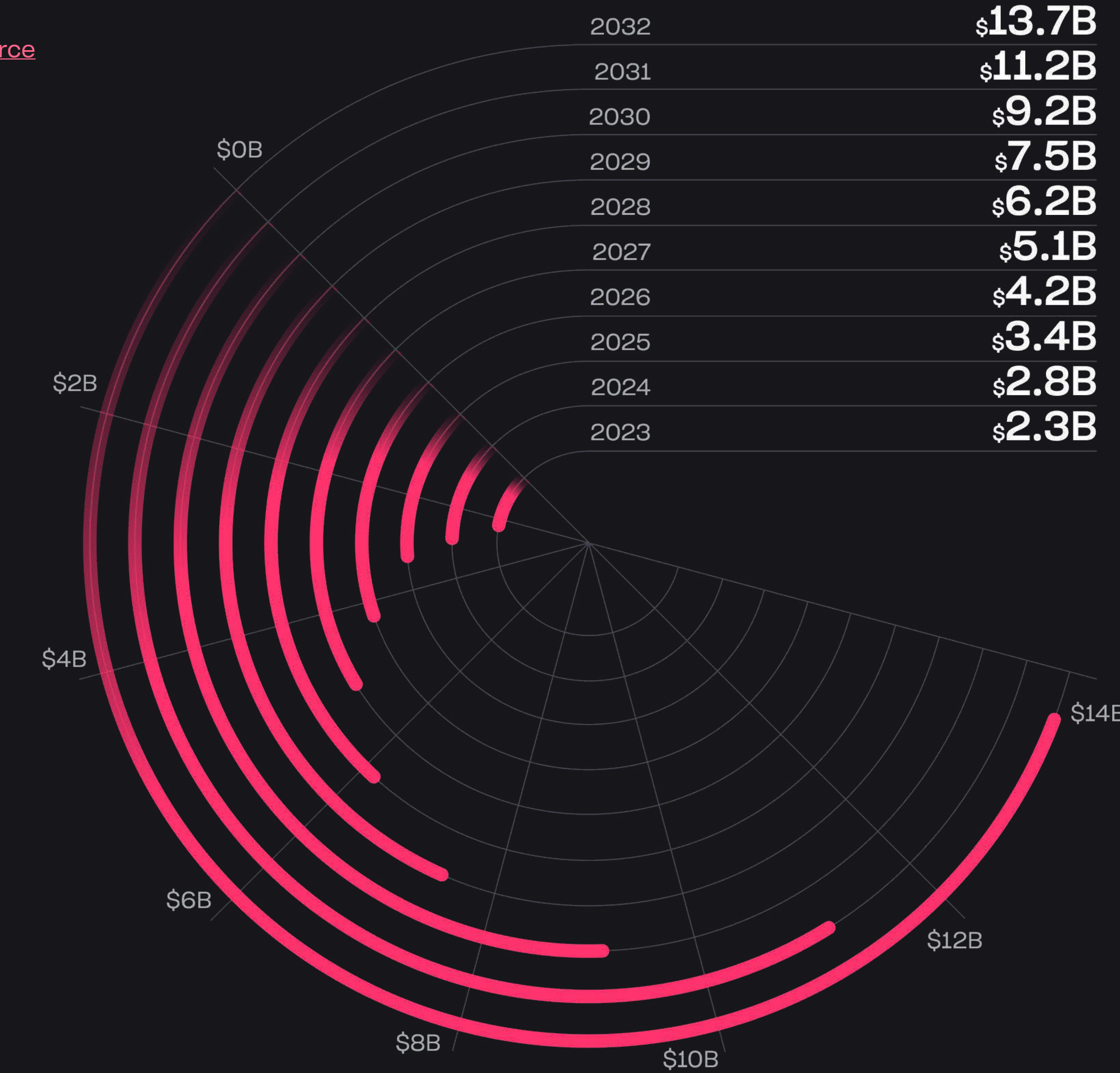
This is a sample list of the top game distributors. Note revenue from game distribution will exceed publishing revenue and market analysis requires careful seperation of roles to avoid double counting

As the industry moves forward, success will increasingly depend on how efficiently companies can deliver their games to players, whether through direct downloads, cloud-based access, or subscription services. The rise of cross-platform publishing, such as Microsoft's commitment to bringing more titles across ecosystems and Sony's continued push into PC gaming, is further blurring traditional distribution lines.

With barriers between platforms softening, the next phase of competition will focus on how games are delivered rather than just where they are played. Distributors will need to offer more than just exclusives to retain players, potentially leaning into personalized recommendations, improved cloud gaming experiences, and enhanced subscription perks.

Global esports market size forecast, 2023 to 2032

Source



$10B

in value by 2032

Esports

The esports industry is set for more growth in 2025, fueled by new technologies, increased sponsorship investments, and expanding tournament ecosystems. While long-term projections suggest the market could **surpass $10 billion in value by 2032**, the coming year will be crucial in shaping that trajectory.

Anticipated trends in the market:

Virtual reality (VR) integration

Expected to become more prominent, enhancing the player experience and redefining how audiences engage with live esports events. VR-powered spectator modes and immersive tournament broadcasts could bring a new level of interaction, making esports more engaging for both hardcore fans and newcomers.

Increase in brand involvement

With a continued rise in major tournaments and league expansions, esports is likely to see a surge in brand sponsorships, media rights deals, and mainstream partnerships—further legitimizing its role in the global entertainment industry.

Mobile gaming esports

Fueled by competitive platforms that now support large-scale tournaments. Games like Clash Royale and Garena Free Fire have established dedicated leagues, proving that mobile esports is no longer just a niche market.

Increased accessibility for viewers

Advances in tournament organization, spectator modes, and streaming tools are making mobile esports more accessible and engaging than ever before.

These trends mean that esports is no longer limited to high-end PC and console gaming, the player base is broadening, and new monetization opportunities are on the horizon.

Source

The state of play: By player base

More players means more payers

With the addition of more users, the pool of gamers who will spend money on games and in-game content will also grow. This surge in both players and payers will create new opportunities for developers, platforms, and publishers.

The Asia-Pacific region, already home to 1.8billion gamers (more than half of the world's players), is on track to lead this expansion, with more than **52% of revenue share** and a 4% year-over-year increase in 2024. The growth is primarily driven by Central and Southeast Asia, where rapidly increasing mobile connectivity and gaming accessibility are bringing in millions of new players.

52%
of revenue share in APAC

4%
year-over-year increase in APAC

Mobile-first regions like the Middle East and Africa (MEA) and Latin America (LATAM)

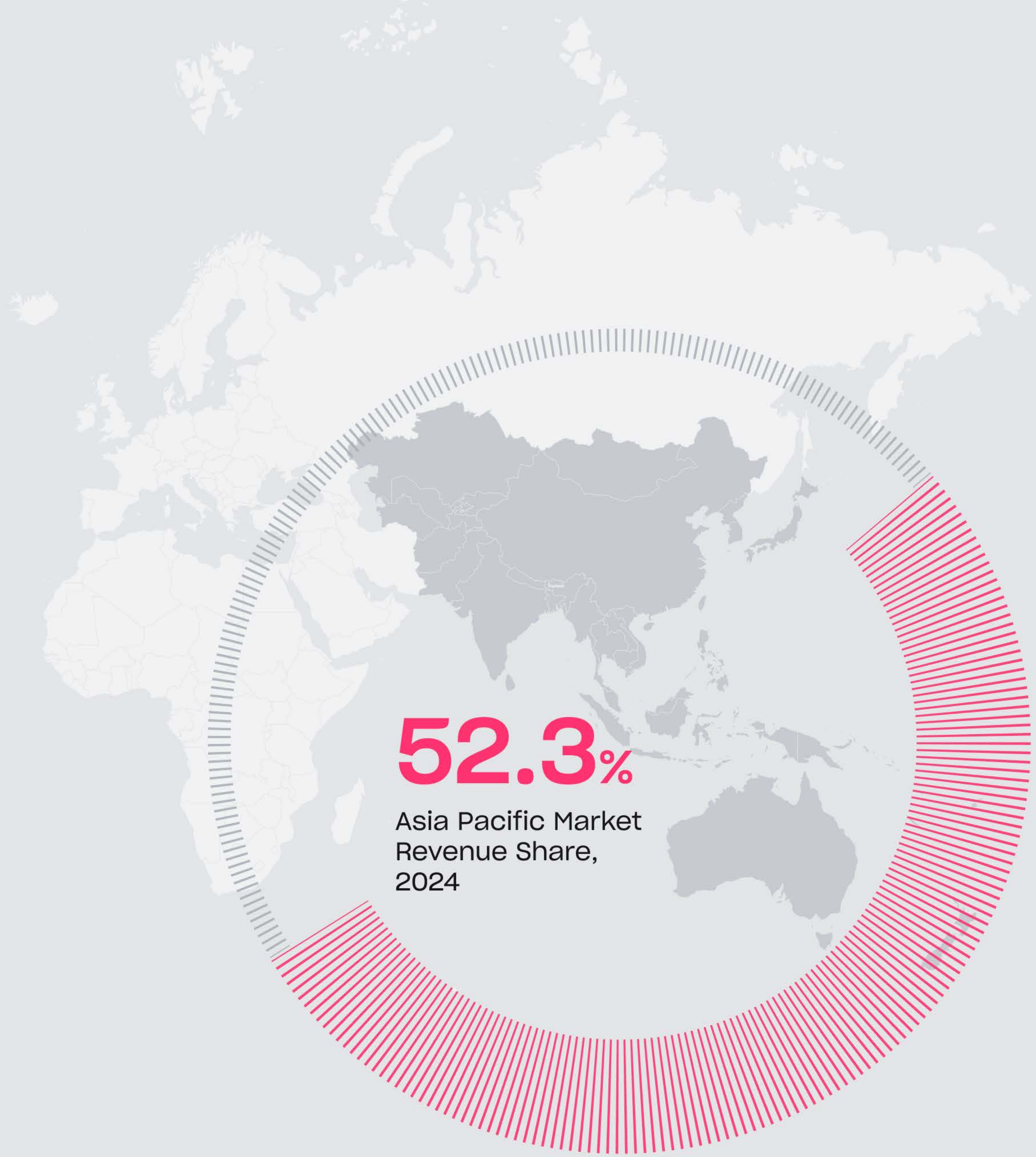
are key drivers of global gaming growth. Due to a younger, tech-savvy demographic and increasing smartphone access, mobile gaming continues to dominate.

And it's not just the number of players growing – gaming is becoming a more integral part of daily life, with 85% of consumers engaging with games, whether by playing or purchasing content. This indicates a strong, expanding market for higher-spending gamers, especially those invested in pay-to-play (P2P) titles.

As players become more engaged and invested ingaming, this momentum is expected to build over the coming year.

Asia-Pacific Market, 2025-2030

Source



>90%

of these consumers interact with games

Gen Z and Gen Alpha

Targeting Gen Z and Gen Alpha is becoming increasingly essential for game developers and marketers. These generations are not only the most engaged but also setting new trends in gaming consumption.

Over 90% of these consumers interact with games, representing new opportunities for industry leaders to tap into their interests and purchasing behaviors. **86% of Gen Z gamers have played games in the past year**, while Gen Alpha players spend more time on games than any other activity, including social media.

Unlike previous generations, Gen Z and Gen Alpha are digital-native, meaning they expect seamless, interactive experiences across platforms. Gaming isn't just a hobby for them; it's a central part of their social and cultural lives. This shift requires developers to create experiences that go beyond traditional gameplay and offer interactive, community-driven content that resonates with these younger, tech-oriented consumers.

Players as part of the game development process

Players are no longer just consumers - they're becoming integral to the development process itself. With the rise of user-generated content (UGC), personalized experiences, and community-driven games, **developers increasingly turn to players to help shape the worlds they create.**

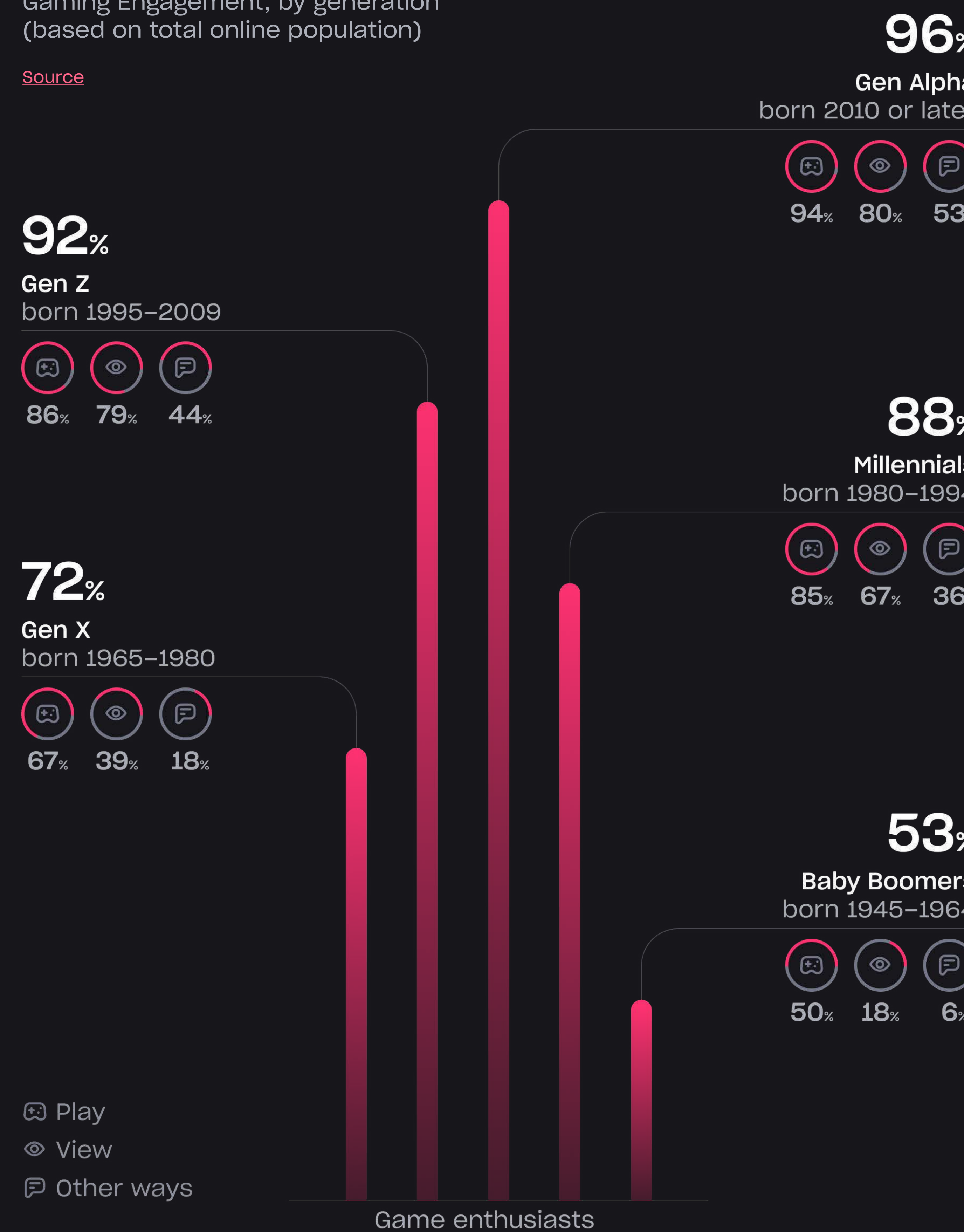
This not only empowers players but also reshapes how games are developed, with platforms allowing them to create in-game assets, characters, and even game mechanics. Games like Inzoi, a competitor to The Sims, empower players to generate content, fostering vibrant, player-driven communities.

86%

of Gen Z gamers have played games in the past year

Gaming Engagement, by generation (based on total online population)

Source



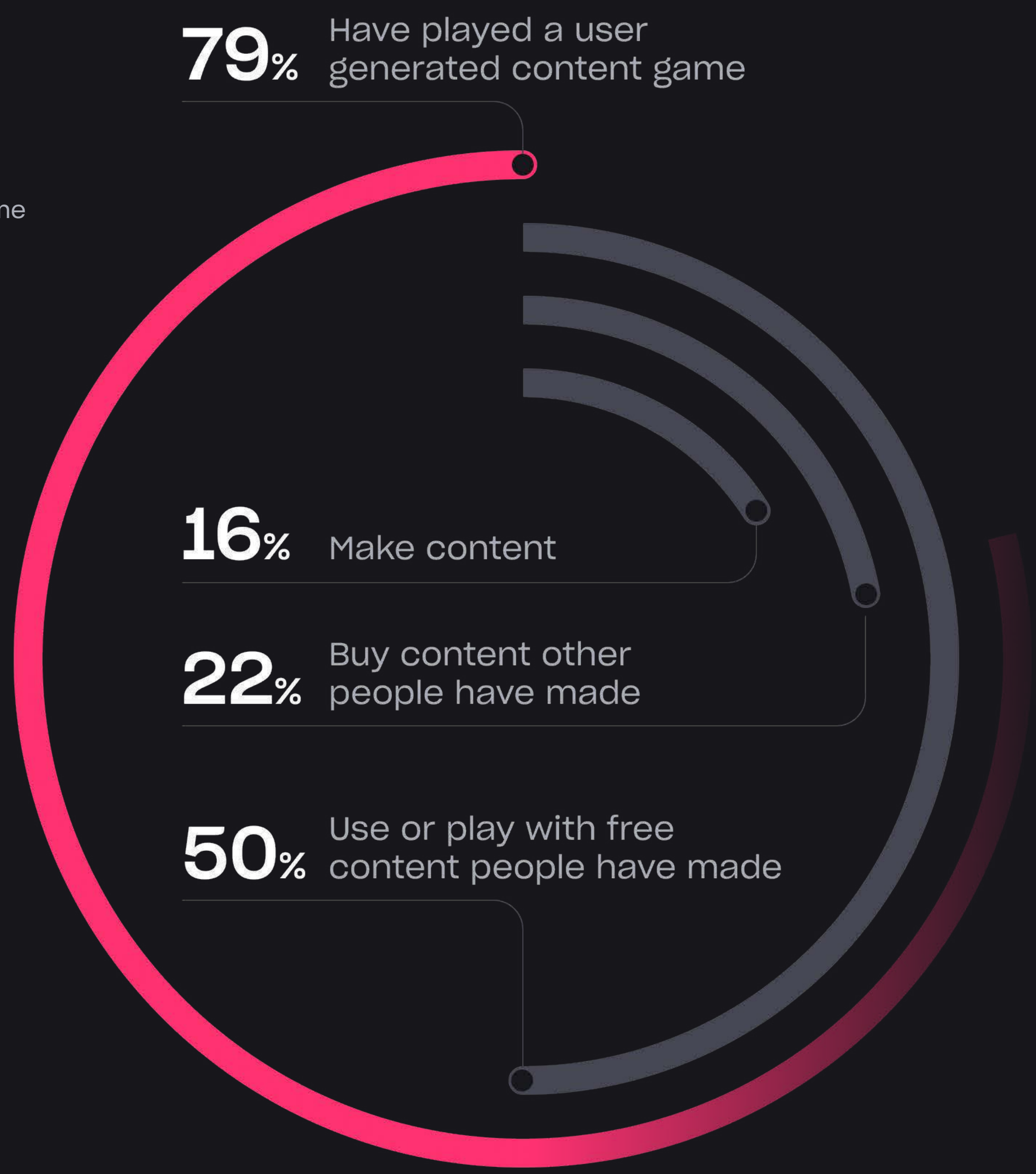
79%
of gamers engage with user-generated content

With 79% of gamers engaging with user-generated content and many using free creations from others, developers can reduce costs while boosting engagement, as players take a more active role in shaping the game world.

As this trend continues, the relationship between developers and players will evolve into a more symbiotic, co-creative partnership that pushes the boundaries of what's possible in gaming.

Gamers who engage with user-generated content

Source: Bain video game consumption survey, May 2024



What does this mean for the games industry?

70%
capture rate on off-platform direct-to-consumer (D2C) web shops

✦

Incorporating these expectations into game design and development will be crucial for capturing the attention and loyalty of the next wave of gamers

The gaming industry, though mature, continues to grow, but the focus is shifting from hyper-growth to maximizing margin efficiencies. This transition is fueled by the evolving regulatory landscape, which is pushing gatekeepers to become more open, creating new opportunities for developers to go direct-to-consumer.

Recent months have also seen higher-than-expected growth, with industry figures growing at 7-9% - compared to the 4-5% many had projected - alongside a 70% capture rate on off-platform direct-to-consumer (D2C) web shops. This shift to D2C is allowing for higher profit margins, further driving profitability in the industry.

The divide between consumers and creators is also shrinking. Developers now have a significant opportunity to empower their players to become creators with their content, fostering deeper engagement and loyalty. Additionally, as digital-native generations enter their prime spending years, developers must adapt their games to meet the expectations of these players, who have grown up in an interactive, gaming-driven environment.

Guest column

Tech-driven professionalization of esports in 2025, by GRID esports

From esports to casual play, scores, stats, and data-driven activations have become essential parts of the game.

The competitive gaming landscape is rapidly evolving, and we are only scratching the surface of what data and technology can unlock. From professional esports leagues to casual competitive experiences, real-time analytics, AI-driven insights, and coaching solutions are shaping the future of online competitions. In 2025, we expect to see unprecedented innovation in how competitive gaming is played, analyzed, and monetized.

Industry outlook

The esports industry continues its rapid expansion, with viewership, prize pools, and emerging titles driving its growth in 2025. League of Legends remains one of the most-watched esports titles, achieving a peak viewership of 6.8 million during World's its major tournaments in 2024, reinforcing its global dominance.

Meanwhile, Counter-Strike continues to thrive, with tournaments collectively amassing an impressive total prize pool of $157+ million, highlighting the game's enduring popularity and significant industry investment. Among emerging titles, Valorant has solidified its place in the esports ecosystem, reaching a **peak viewership of over 1.7 million during the 2024 Masters Madrid event**, demonstrating its strong and growing fanbase (All viewership data from escharts.com).

Official real-time data

Riot Games, Ubisoft, and KRAFTON have become the Super Rights Holders, embracing in-game data as a part of their game IP and integrating it as a resource driving monetization and enhancing fan engagement.

On average

1,277,500

data points are captured during an esports match of League of Legends

On average, 1,277,500 data points are captured by GRID during an esports match of League of Legends.

Official In-game data is increasingly being used to power esports betting, increasing the granularity of the offered solutions and ensuring the highest integrity.

New, reimagined sponsorship inventory: A notable example of a data-driven branded storytelling: How AWS powered global ranking for LoL Esports' Worlds 2024.

Performance analytics: the rise of data-driven coaching

✦

23,958 scrim games played via the VALORANT Data Portal by professional teams in 2024.

✦

Data-driven coaching, widely used in traditional sports, is becoming a standard across multiple esports titles.

✦

Teams are leveraging deep game telemetry and AI-powered analytics to refine strategies, optimize player performance, and predict opponent behaviors.

✦

Game developers are increasingly offering official coaching solutions to teams within their ecosystems to drive higher quality of play and create a more exciting product for fans.

23,958

scrim games played via the VALORANT Data Portal by professional teams in 2024

Example:
Riot Games has partnered with GRID to launch League of Legends and VALORANT's data portals for professional teams.

Forecasts for 2025

✦

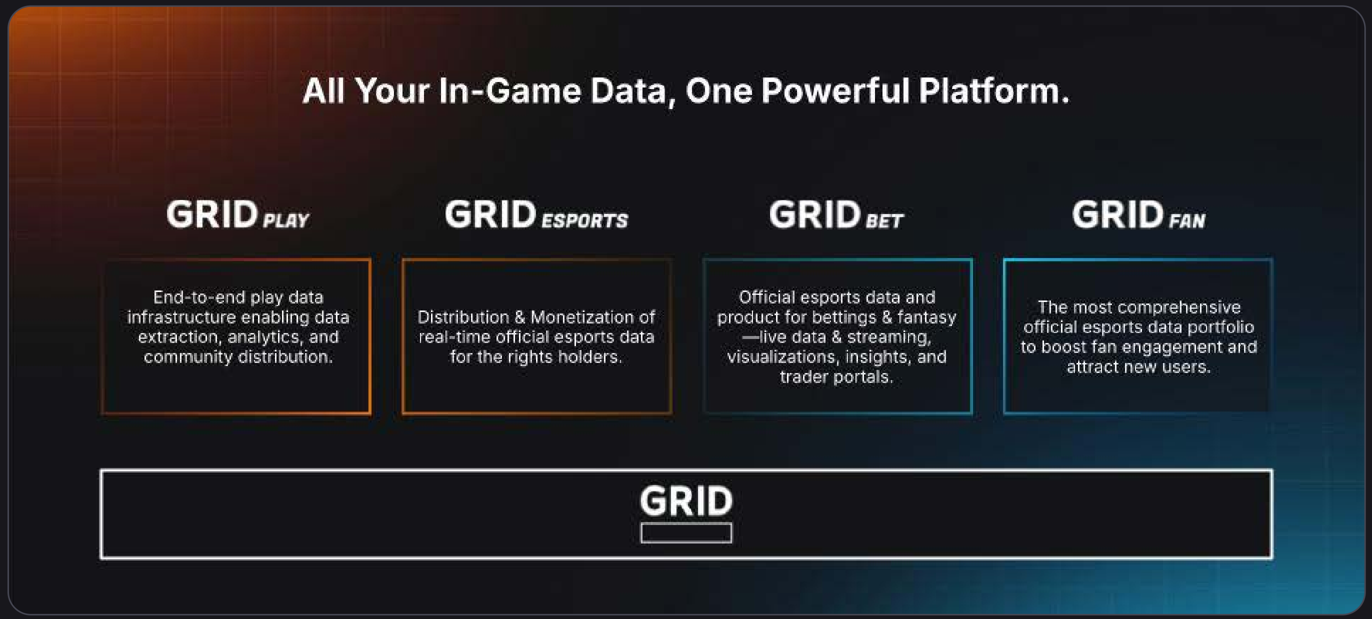
From stats to stories

The Evolution of Esports Storytelling - As seen by GRID offering the official live data and scores, data visualizations, or AI-driven insights broadcasts will become more immersive than ever, giving fans real-time insights and unparalleled depth into the action, strategy, and player performance.

✦

Game developers embracing in-game data beyond monetization

More game developers are predicted to integrate in-game data not only as a revenue driver but as a core engagement tool. By offering official data portals to the professional teams, pro and casual player statistics, and interactive insights during the broadcast, developers will create more immersive experiences for casual players, content creators, and esports audiences, strengthening the connection between games and their communities.



About

GRID is the intelligence engine behind multiplayer gaming–capturing every moment, every move, and every play to transform in-game data into opportunity. Whether tracking live esports, mapping casual player stats, enhancing broadcast experiences, powering next-gen betting, or driving new revenue streams, GRID strives to be the foundation of competitive gaming's data-driven future.

Section

02

Movers & Shakers

Representation in the games industry

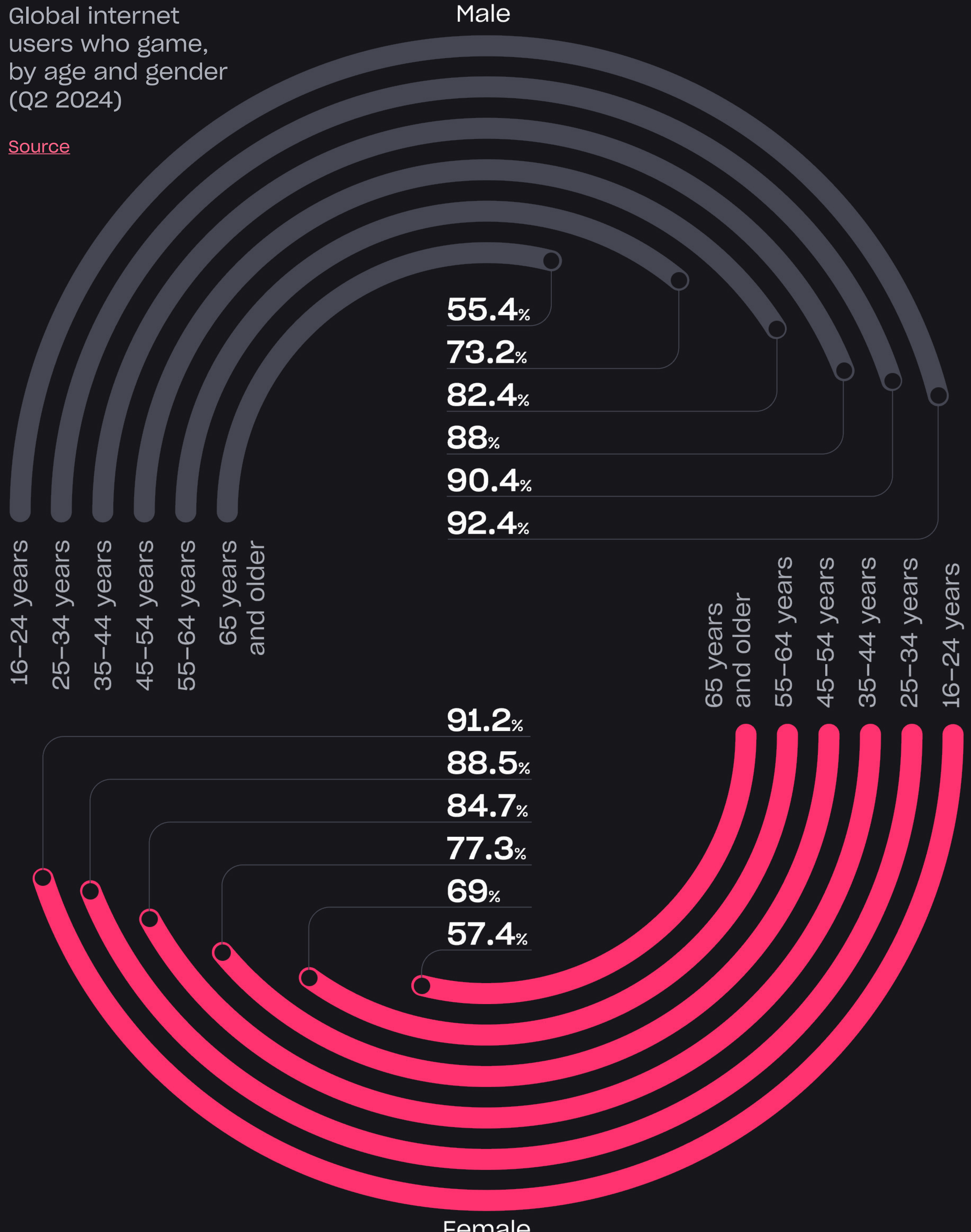
Women who game

In Q2 2024, of the 83% of internet users worldwide who play games, 91% of female internet users aged 16–24 played video games on any device – almost matching the 92.4% of male respondents in the same age group

91%
of female internet users aged 16–24 played video games

Global internet users who game, by age and gender (Q2 2024)

Source

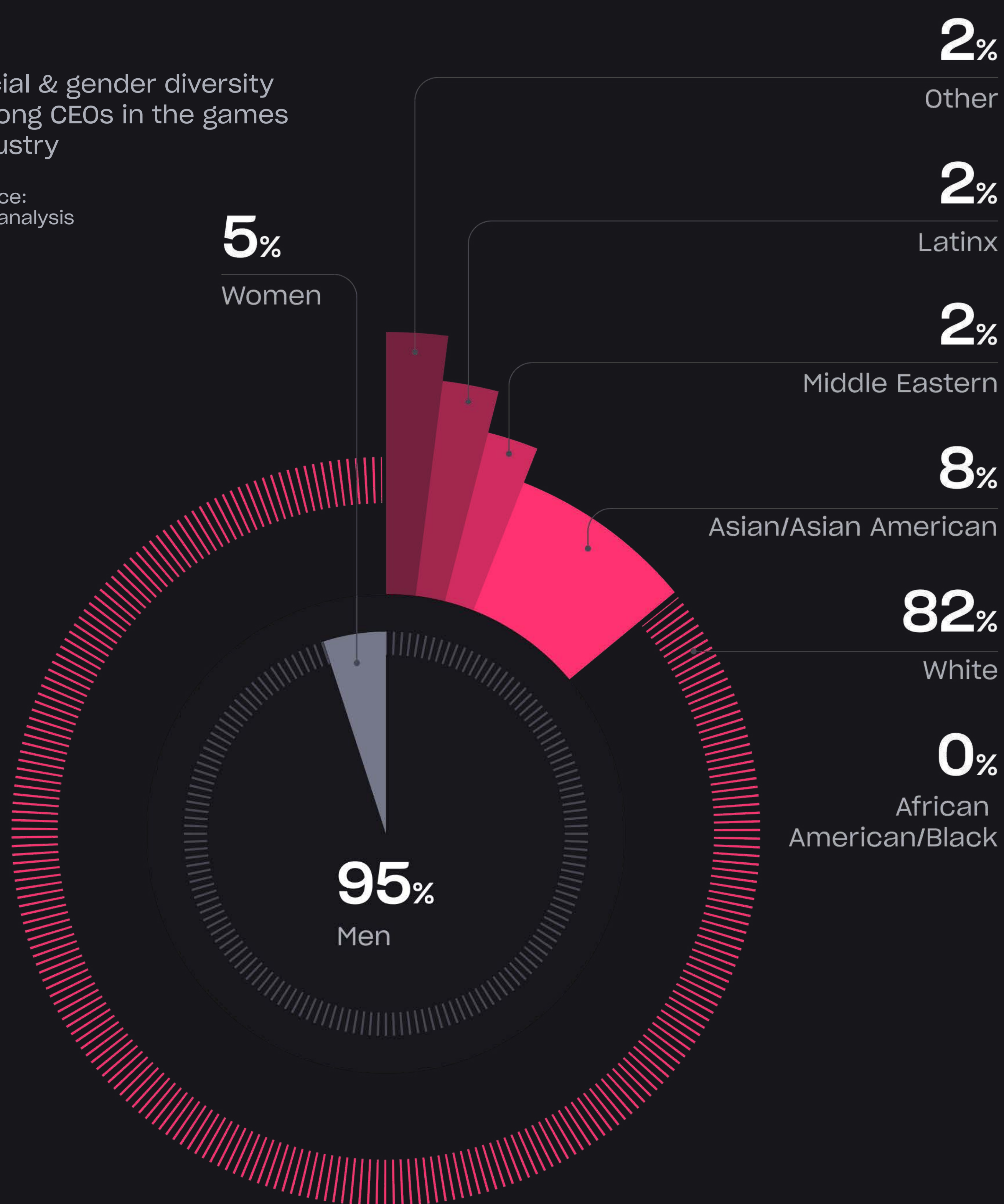


Leadership is critical

An analysis of 60+ gaming companies revealed that only 5% have women in leadership roles, and just 12% of top leaders come from racially diverse backgrounds.

Racial & gender diversity among CEOs in the games industry

Source: RRA analysis



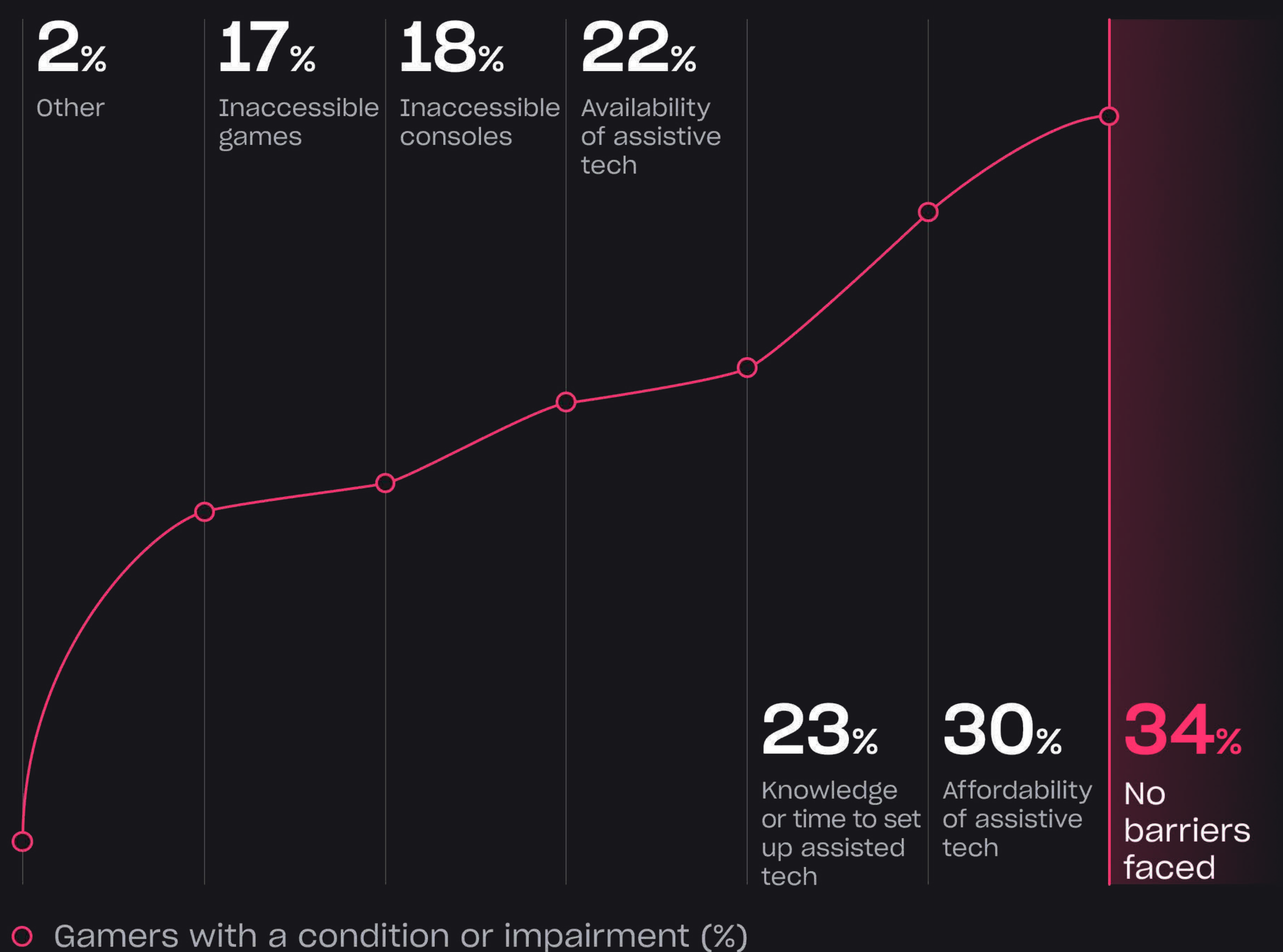
Accessibility in gaming

31% want gaming platforms to address negative attitudes

66% of gamers with an impairment or condition say they face barriers or issues related to gaming. Meanwhile, 31% want gaming platforms to address negative attitudes and bullying online. The next priorities are more accurate (25%) and more frequent (23%) representation of disabled people or characters within games.

Barriers faced by disabled gamers

Source



A conversation with Angela Dalton

Angela Dalton

CEO and Founder, Signum Growth Capital

Bio

Angela Dalton is the CEO & CIO of Signum Growth Dot Play, a firm that invests and advises at the intersection of mass market culture and emerging technologies that enable economies in digital communities. Dot Play acts as the pivotal hub for gaming in Polkadot. Areas of expertise include gaming, entertainment, and emerging tech like blockchain and AI. The firm focuses on UGC platforms and creators. Angela and Signum Growth Capital also act as Lead Advisor to ARK Invest. Prior to Signum Growth, Angela served in Tech/Media leadership roles as Managing Director at UBS, Guggenheim, and Evercore Partners, where she served as Co-Founder and initial investor in Evercore Equities. Angela also recently led the Audit Committee on the corporate board of FaZe Clan, and served as Lead Advisor to Web3 Foundation on the Polkadot network launch.

What inspired you to found Signum Growth Capital, and how has your previous experience shaped your approach to leading both Signum Growth Capital and Signum Growth Advisors?

My background is in traditional finance, having worked at UBS, Evercore, and Guggenheim, specializing in tech, media, and telecom, in compliance with US federal securities laws. Over time, my focus on emerging technologies naturally led me to video games—an industry I found fascinating because I saw how people were shifting their attention away from traditional media and into interactive entertainment. After attending my first video game conference in 2003, I was hooked on understanding how the space was evolving.

Fast forward to 2018, I realized that while public markets were interesting, the real innovation in gaming and tech was happening in private companies. That led to the founding of Signum Growth Capital, where we focus on M&A, fundraising, and game tech investments. We became the lead advisor to ARK Invest and also started investing directly in video game technology and blockchain, which led us to Polkadot network. That journey even took us into regulatory work, guiding the Web3 Foundation through a three-year process for Polkadot's token launch, in compliance with US federal securities laws. Today my approach combines finance, gaming, and deep-tech experience to back AI, blockchain, and emerging gaming technologies while supporting the innovations that shape the future of interactive entertainment.

In reality, it's

40M

games spanning multiple genres, created by a thriving community of independent developers, and the creativity there is exploding

A big part of your mission is to operate alongside emerging new economies in various communities. Are there specific communities or trends you believe are currently underexplored by traditional investment and advisory firms?

One of the most overlooked opportunities in gaming is user-generated content (UGC) platforms like Roblox and Fortnite's UEFN. These are massive ecosystems for independent game development, yet many in the industry still overlook them or misunderstand their scale.

I've been in the trenches on Roblox for over five years, and now we're really seeing its impact. A recent study by Matthew Ball showed that Roblox, as a platform, is actually larger than all of Take-Two, EA, and Ubisoft, and the rest of AAA gaming combined – which surprises people because many still think of it as just a game. In reality, it's 40 million games spanning multiple genres, created by a thriving community of independent developers, and the creativity there is exploding. The same applies to UEFN.

One of my core beliefs in investing is to merge onto the highway of behavior already happening—technology adoption is much harder when you're trying to force people to change. UGC platforms like Roblox and UEFN have already cemented player and developer behavior, meaning they're not just trends but long-term shifts in how games are made and played. I believe these platforms represent some of the most exciting and underexplored opportunities.

You're leading a company at the crossroads of a few industries traditionally dominated by men. What has been your experience in breaking barriers, and what key moments or lessons have shaped your journey? What advice would you give to women who are aspiring to enter and succeed in these industries?

Leading in industries traditionally dominated by men—whether it's finance, gaming, or tech—has been an interesting journey, but I've always taken the approach of going where others aren't looking. Early in my career, video games weren't a focus in big investment firms, so I wasn't really competing for the same spaces as everyone else. While others were chasing Disney, I was trying to figure out what Epic Games was doing. Interestingly, now Disney is an investor in Epic Games!

One of the biggest lessons I've learned is to stay ahead of the curve. If you're early to emerging trends, you don't have to fight for territory—you're already there when everyone else arrives. I would also say mentorship is important. I've had mentors of all kinds and having a wide variety of people that you look up to or want to emulate can really help. Plus, diverse perspectives are invaluable because everyone brings something different to the table.

Ultimately, my best advice is to go where others aren't, trust your instincts, and carve your own path. The industry is evolving, and the more we step into these spaces and demand to be part of them, the more we shape them for the future.

How do you think having diverse voices—whether through gender, background, or perspective – drives innovation and fosters the growth of more inclusive economies?

Diversity isn't just important, it's essential. Especially in global, consumer-driven industries like gaming. Different perspectives bring fresh ideas, challenge assumptions, and ultimately drive better innovation. When we founded Signum Growth Capital, we made the decision from day one to hire talent from anywhere in the world. This was even before COVID, and we saw the value in having a globally distributed team that could bring unique insights from different markets.

Today, our team spans Mexico, Finland, England, India, and the U.S., and we're looking to expand into Asia. This mix of genders, cultures, and backgrounds allows us to learn from each other every day, strengthening our ability to understand global consumer behavior and anticipate trends. The more perspectives you bring into a conversation, the more creative and inclusive the solutions become – and that's how you build economies that truly reflect the people they serve.

Have you seen meaningful progress in gender representation and diversity within the gaming or investment sector over the years? What do you think can be done to create a more inclusive industry?

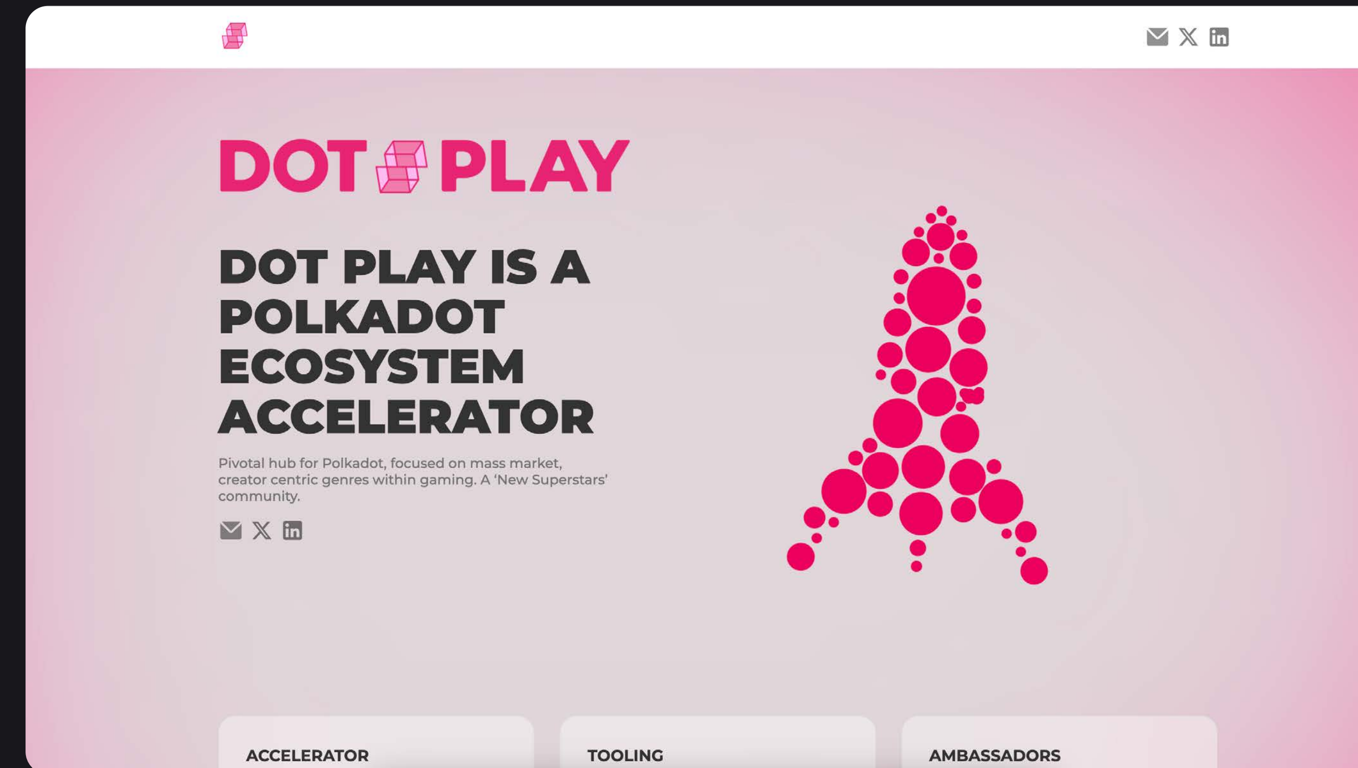
I've definitely seen progress in gender representation and diversity in both gaming and investment, but real change comes from taking a leadership stance and actively demanding it. When we partner with studios—whether through Dot Play, our game publishing initiative in Polkadot, or other investments—we prioritize working with teams that value diversity. If a studio isn't already thinking about inclusion, it's harder for them to build games that resonate with a broad audience.

We've seen this in UGC platforms like Roblox, Fortnite's UEFN, where the types of games created often reflect the demographics of the developers. But the good news is that this is changing. I've been inspired by the increasing number of women leaders, especially in Epic's UEFN, such as Creators Corp's Margot Rodde, 404 Creative's JJ Armstrong, NEIGHBOR's Grace Lind. We are also excited about doing some integrations with celebrity and wrestling superstar, Mercedes Moné, a pioneer in all things tech and entertainment. The key to a more inclusive industry is ensuring diverse voices are leading, not just participating—and that starts with who we invest in, who we hire, and who we elevate.

Your company has expertise in blockchain protocols and AI, among other areas. How do you see these technologies converging to redefine the video game industry, and what excites you most about this evolution?

I'm really excited about the convergence of AI and blockchain in gaming - that is a massive shift. If you look back at the early days of Web3, the real promise of blockchain was about provenance and authenticity—ensuring that digital assets had verifiable ownership and history. But then speculation took over, and that core value was overshadowed.

Now, with AI accelerating the spread of inauthentic content, blockchain is poised for a resurgence as a crucial tool for game developers, studios, and brands. It will enable authentication, verified ownership, and more transparent, player-driven economies. As AI generates more game content—from assets to entire worlds—proof of origin and authenticity will become essential, and blockchain provides that foundation. What excites me most is how this shift will legitimize digital property rights in gaming. Players will expect verifiable ownership of in-game assets, and studios will need ways to ensure authenticity in an AI-driven world. This behind-the-scenes revolution will redefine how we interact with digital assets and gaming economies.



Is there anything else you'd like to share about Signum Growth Capital or Signum Growth Dot Play?

What excites us most about Dot Play is that it's not just about publishing great games—it's also about educating and empowering game developers to understand how blockchain technology can enhance their connection with players. We're not focused on speculation ortrading; rather, we see blockchain as a tool that allows studio heads to stay closer to their audiences and build long-term engagement.It's almost like an insurance contract for the future - Polkadot adds a public utility layer of consensus behind the scenes, ensuring that game creators can build player-driven ecosystems with more transparency. More broadly, it creates a truth-based internet.

Beyond that, we're actively exploring opportunities in Roblox and Epic Games' ecosystems and are always open to brainstorming with brands, developers, and industry leaders.

> One way we foster conversations is through "Game Souk" sessions, a fast-paced, open forum where we exchange insights and fresh ideas.
>
> **Join us on substack Thursdays, 9-9:30am EST**

A conversation with Dominika Szot

GRID

Dominika Szot

Head of Marketing, GRID esports

Bio

Dominika Maria Szot is an award-winning marketing professional currently serving as a Head of Marketing at GRID Esports, an in-game data platform collaborating with industry leaders like Riot Games and Ubisoft. In her role, she is in charge of marketing, strategic partnerships, and growth. Previously, she worked at Huawei as a CEE Games Business Operations Team Lead and at Movie Games SA as a Marketing Manager. Passionate about empowering women in the industry, since 2020, she's been hosting a podcast - IT'S HER GAME, where she interviews female professionals in gaming and tech. She is also an Advisory Board member for Women in Games International (WIGI).

by Dominika Szot

IT'S HER GAME

Gaming & esport

You've worked across game publishers, platforms, and game-tech companies. What marketing trends or strategies do you think are most impactful in today's gaming landscape?

I think one of the most impactful strategies in today's gaming landscape is avoiding the "tomato soup" approach – trying to appeal to anyone and everyone. Instead, successful marketing comes from deeply understanding your audience and carving out a niche. Whether you're targeting indie developers, players, app store users, or enterprise publishers, the key is to respect your customers and invest time in truly knowing them–their language, their needs, and their challenges.

From my experience, once you've built that foundation, the next step is to be authentic and find meaningful ways to stand out. And that doesn't always mean directly pushing your product – it's about creating value within the ecosystem your audience operates in. Ultimately, the brands and games that succeed are the ones that take the time to understand their users and find creative, uthentic ways to connect with them.

You host a podcast that highlights women professionals in gaming. What are some of the most inspiring or eye-opening conversations you've had?

Natalia Martinsson

Killmonday Games

Pauliina Törnqvist

Meta

Hosting the podcast has given me the privilege of speaking with so many incredible women in gaming, and each conversation brings something unique.

One was with Natalia Martinsson, co-founder of Killmonday Games. She started making games as a form of trauma healing – what began as a personal coping mechanism turned into a professional career. Her studio has released Fran Bow and Little Misfortune, both inspired by personal experiences but told in a lighthearted and imaginative way. It's an amazing example of how creativity can turn something painful into something meaningful that resonates with others.

Another standout was Pauliina Törnqvist, who currently works at Meta. When I first invited her on, I was super nervous–she had such an impressive career, having worked at Activision and Ubisoft and even founded her own mobile games company to break into the industry. What really struck me was how kind and relatable she was despite all her accomplishments. We became friends, and I'm grateful for the meaningful connections the podcast brought me.

What are some of the key themes that you see when women share their journeys in this space?

One thing I've really noticed is how many women take their achievements for granted. They set an incredibly high baseline for themselves and often don't realize just how impressive their accomplishments are. And what's really interesting is watching that mindset shift during our conversation - there's this moment when they start to recognize how far they've come. I love seeing that confidence grow because, honestly, women in gaming (myself included) can be our own toughest critics. More confidence is something we can never have too much of.

> Women set an incredibly high baseline for themselves and often don't realize just how impressive their accomplishments are

Can you share a bit about your journey and what led you to where you are today?

My journey into gaming was pretty unexpected. I started out as a model and had a completely different career path in mind–gaming wasn't even on my radar. I figured I'd end up in luxury goods or fashion. But after transitioning out of modeling, I joined a small family fund that happened to invest in a gaming company. Since I was the youngest on the team, they assumed I knew something about gaming. I never saw it as a career at this point.

> But gaming sits at the perfect intersection of tech and art, two things I've always loved but never knew how to combine

But gaming sits at the perfect intersection of tech and art, two things I've always loved but never knew how to combine. And what started as a small indie studio project grew into something bigger. I kept putting myself out there: attending events, sharing insights, and staying active in the industry. That led to a headhunter recruiting me for Huawei, where I got my first experience working with platforms. Eventually, I realized startups were more my speed, which brought me to GRID, where I've been for over three years.

GRID OPEN ACCESS

Can you share some ways GRID is helping to empower the next generation of professionals in gaming and esports? What advice would you give to women who are aspiring to enter and succeed in these industries?

While we work with major developers to extract, distribute, and monetize data, our mission as GRID is to unlock everyone's potential for in-game data. One of those is GRID Open Access, which provides free access to a portion of our commercially available datasets for students, researchers, and independent creators. Anyone with a project idea can apply, and if accepted, they receive official data, full documentation, and support from our team. We also highlight projects through spotlights, marketing features, and our Discord community. It's been incredible to see people from all over the world using this data. We've already seen hundreds of projects come to life. I can't wait to see that number grow.

My biggest advice for anyone looking to enter and succeed in gaming and esports is: be proactive. Get involved in industry communities, attend events, find a mentor, and put yourself in situations where opportunities can find you. I always say, make yourself a bigger target for luck—the more visible and connected you are, the more chances you have to attract the right opportunities. Of course, luck is just the first step—hard work follows—but being present in the industry is key.

Anyone with a project idea can apply, and if accepted, they receive official data, full documentation, and support from our team

What excites you most about the evolution of esports data, and how do you see its role expanding in the gaming ecosystem?

I can see that esports is going through a phase of real professionalization, and I love that tech is becoming such a big part of it. We're seeing data go beyond just analytics too: it's powering storytelling, broadcast innovation, and fan engagement, much like the NFL and NBA. Partnerships like AWS and Riot Games, which use data-driven predictions for sponsorship activations, for example, show just how much potential there is. And we're still at square one. What excites me most is how data is shifting from a background tool to a front-facing driver of esports innovation.

At GRID, we've seen our data used primarily for commercialization in esports betting, but the applications are expanding rapidly. A great example is the hackathon we had where over 800 participants built projects showcasing the untapped potential of official in-game data. Seeing this kind of two-way conversation between game publishers and the community, and driven by data, is a huge step forward.

What games are you playing right now?

Right now, I'm playing Animal Well, an indie game published by BIGMODE, the studio of a YouTuber named videogamedunkey. I've been a fan of his for a while, so when I saw he was publishing this, I had to check it out. Aside from that, I've been watching a lot of Path of Exile—though I won't pretend I know how to play it. It's a complex RPG, but what really fascinates me is howthe developer, Grinding Gear Games, engages with their community. They listen to the community and if they make a mistake, they own it and fixit. They're clearly making a game they love, and that passion and authenticity are, in my opinion, the key to long-term success in gaming.

A great example is the hackathon we had, where

> 800

participants built projects showcasing the untapped potential of official in-game data

Section

03

Industry Toolkit

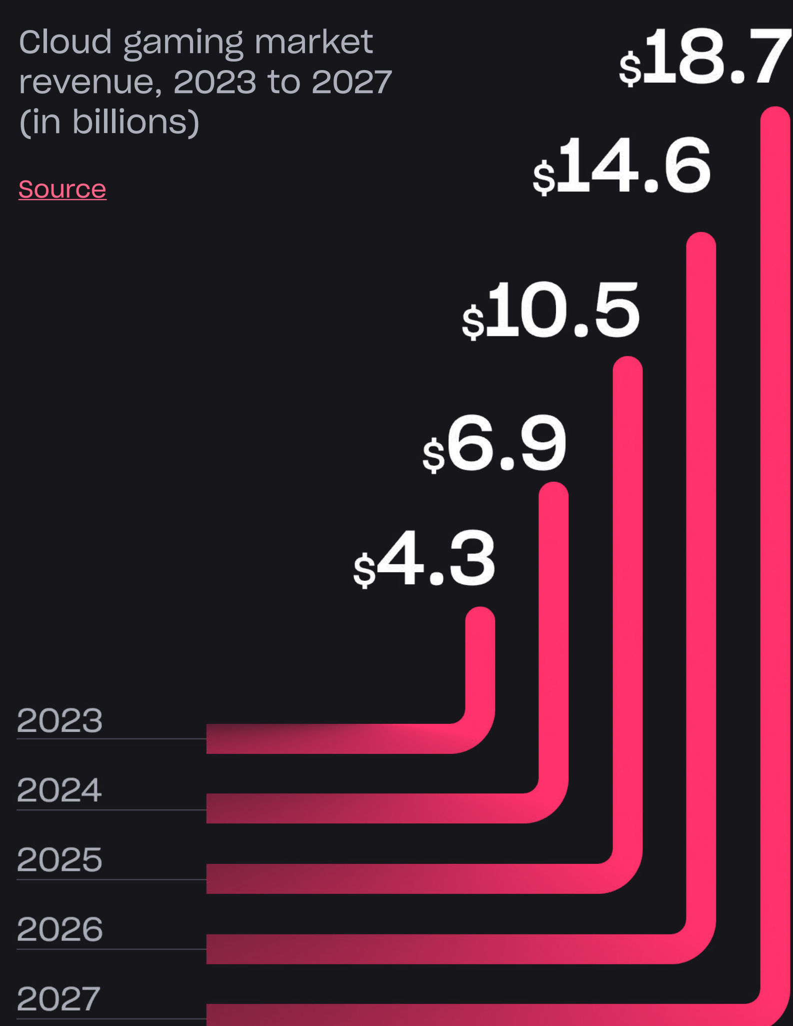
Tools, solutions, & essentials for game developers

Cloud gaming

An increasingly valuable distribution and engagement tool for game developers. Global revenue in the segment is expected to rise by $11.8 billion, or over 170% from **2024 to 2027, when it will reach a peak of $18.71 billion.**

Cloud gaming market revenue, 2023 to 2027 (in billions)

Source



$11.8B
increase from 2024 to 2027

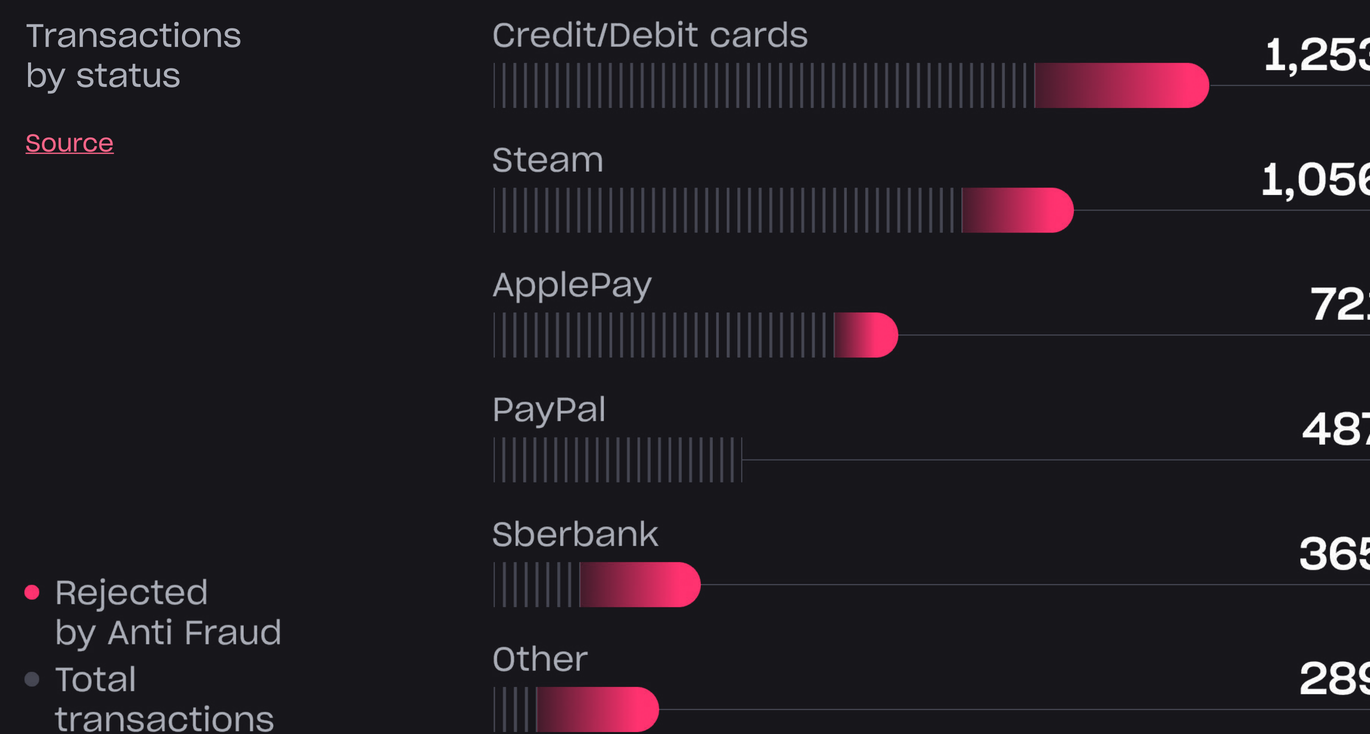
Anti-fraud

Fraud losses projected to reach
$343B
by 2027

With global online fraud losses projected to reach $343 billion by 2027, anti-fraud systems are essential for game developers to protect revenue and foster player trust. Xsolla Anti-Fraud solution uses game-specific protocols, cross-game analytics, and machine learning to detect and prevent fraud, helping minimize financial losses and ensure a secure environment for in-game purchases and interactions.

Transactions by status

Source



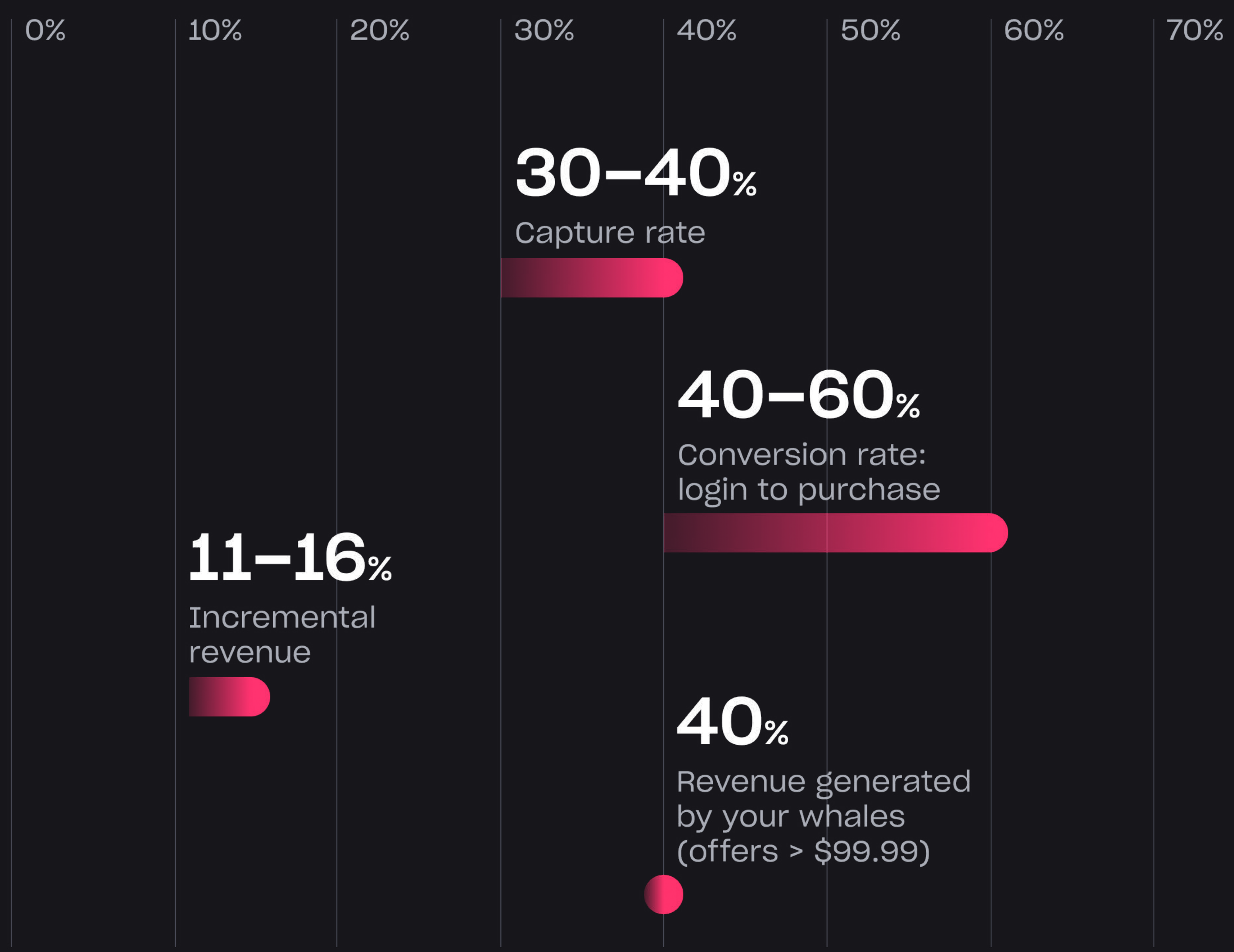
40%
of the top 100 mobile games

Boutique approach reveals over 16% incremental revenue

Source

Direct-to-consumer platforms

The effectiveness of direct-to-consumer (D2C) online selling is increasing, with options like ecommerce marketplaces and customizable web shops enabling game developers to sell in-game items and virtual currencies directly to players. Xsolla Web Shop - used by 40% of the top 100 mobile games - has proven to boost revenue and player loyalty, potentially adding up to 16% in incremental revenue while reducing mobile app store costs and overcoming marketplace customization limitations.



A guide to new monetization strategies in the mobile gaming landscape

The Digital Markets Act (DMA) is more than just regulatory reform – it catalyzes how mobile game developers and publishers can distribute, monetize, and engage with players. With new opportunities to bypass traditional platform restrictions, offer alternative payment methods, and explore direct distribution, the mobile gaming landscape is evolving faster than ever.

This shift brings both challenges and opportunities to developers. The key to success in this new environment is understanding the changes, adapting monetization strategies, and leveraging new technologies to maximize revenue while enhancing player experience.

Navigating the new mobile ecosystem

Android

Android has long allowed side-loading, but upcoming changes will make on-device installations more streamlined and user-friendly. This shift opens up new possibilities for game developers, including:

Direct distribution

Install games directly from a website or third-party platform, bypassing Google Play.

Zero platform fees

Avoid the traditional 30% Google Play cut, significantly boosting profit margins.

Full control

Developers retain complete authority over their app's distribution, pricing, and monetization strategies.

Beyond Google Play, APK distribution is evolving with new channels such as carrier partnerships, third-party app stores, and direct APK marketing through ad networks. These new options provide greater flexibility for acquiring and monetizing users.

Additionally, hybrid billing models will allow developers to integrate alternative payments alongside Google Play's system in supported regions. While Google will still take a 27% cut for payments outside its store, developers can increase conversion rates by offering regional and alternative payment options.

New Monetization Avenues for iOS

On iOS, the DMA has opened the door for multiple app marketplaces in the EU, creating new opportunities for developers to reach users outside Apple's App Store. This includes:

Multi-storefront distribution

Publish games across different iOS marketplaces in EU-regulated regions.

Unified payments

Offer seamless transactions across multiple stores using a flexible payment system.

Web distribution

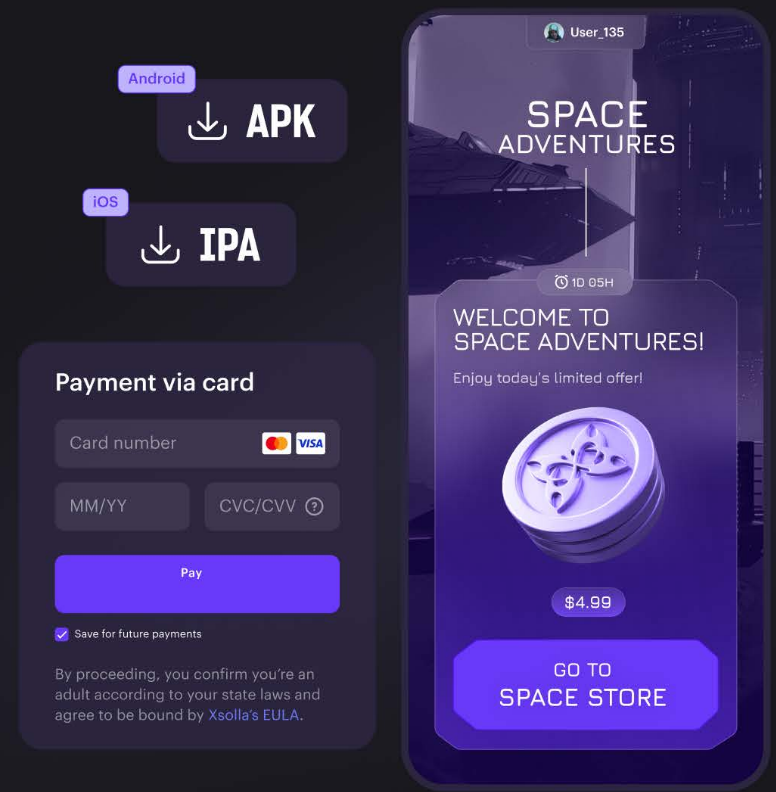
Developers can now distribute apps directly from their own websites, avoiding App Store fees for up to 1 million installs annually in the EU.

To support alternative distribution, Apple has introduced a notarization process, which ensures that apps meet security and performance standards while allowing more flexible monetization models.

For developers, this means an opportunity to implement alternative payment methods inside iOS apps, offering regional and global payment solutions that cater to diverse player preferences.

Expanding Monetization with Mobile SDKs

As distribution methods evolve, mobile SDKs are becoming essential tools for seamless integration, payments, and analytics. A robust mobile SDK can help developers:



Streamline alternative payments

Support multiple payment methods across iOS, Android, and web.

Enhance user acquisition strategies

Integrate with performance marketing tools for better tracking and conversion.

Optimize engagement and retention

Use in-game rewards, subscriptions, and virtual currency systems to increase monetization.

Xsolla Mobile SDK is one example of a solution that enables developers to easily integrate alternative payment methods, implement direct distribution models, and optimize user engagement in this new mobile ecosystem.

What this means for game developers

The DMA is creating a more open, competitive mobile market, offering developers greater control and new monetization opportunities. To succeed in this evolving landscape, game studios should:

Explore new distribution channels

Consider side-loading, third-party app stores, and direct web distribution to maximize reach.

Leverage alternative payment systems

Implement hybrid billing models to offer more choices and increase conversion rates.

Adopt flexible monetization tools

Use mobile SDKs to streamline payments, subscriptions, and in-game purchases.

Stay informed and adaptable

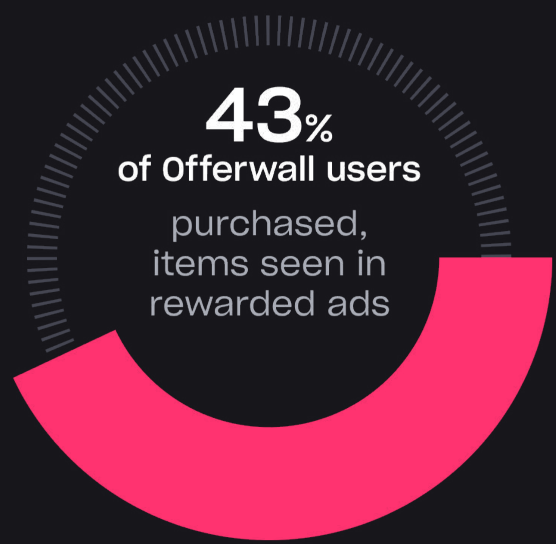
As regulations and platform policies continue to shift, keeping up with industry changes will be key to long-term success.

The mobile gaming market is entering a new era of innovation and opportunity—developers who adapt early will be best positioned for success.

The fundamentals of offerwalls

Offerwalls and player behavior

Source

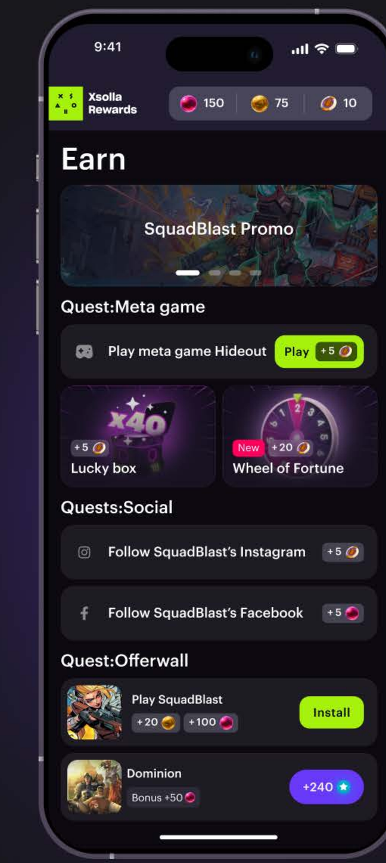


Offerwall users have **up to**
x5
higher retention rates

Monetizing and retaining players is tougher than ever in today's crowded gaming market. Developers need fresh, effective ways to engage users and drive revenue without disrupting gameplay.

An offerwall provides a seamless solution by rewarding players with in-game currency and items for completing advertiser-sponsored tasks. Think of it as a built-in quest board or digital storefront where players can browse and complete activities—like installing apps or taking surveys—in exchange for valuable rewards. This approach enhances engagement, encourages retention, and opens up new revenue streams without relying solely on traditional in-game purchases.

The rise of offerwalls in mobile gaming



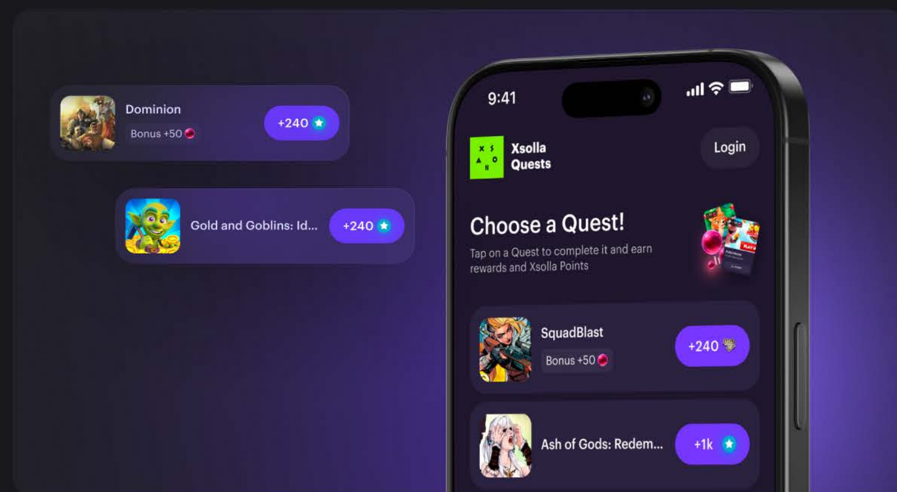
Long before rewarded video ads became a staple of free-to-play games, offerwalls pioneered incentivized in-app advertising. This ad format has contributed to the growth of the $399.6 billion in-app advertising industry (2024), providing a win-win-win scenario:

Developers	Players	Advertisers
earn additional revenue by monetizing non-paying users.	receive in-game currency or exclusive items in exchange for completing tasks.	access a highly engaged audience willing to interact with their content.

Despite their success, offerwalls remain an underutilized resource. In fact, they rank as the fifth most popular ad format, yet only 15% of game publishers have implemented them. As competition for player attention and spending increases, developers who embrace diverse monetization strategies—including offerwalls—are better positioned for long-term growth and success.

Challenges to modern gaming monetization

Many developers hesitate to implement offerwalls due to misconceptions about user experience, cannibalization of in-app purchases, or technical complexity. However, sticking to traditional monetization models presents its own challenges, including:



Missed revenue from non-paying users

Only 1–5% of players typically make in-app purchases. Without a way to monetize the other 95%, developers leave significant revenue on the table.

Low engagement and retention

Players disengage when they can't progress without spending money. A lack of alternative rewards can result in lower retention rates and weaker player loyalty.

Rigid monetization structures

Modern monetization strategies should be seamless and integrated into the gameplay experience without disrupting flow or alienating users.

Given these challenges, adopting an offer wall can be a game-changer. It can enhance engagement, drive new revenue, and create sustainable monetization models that cater to a broader audience.

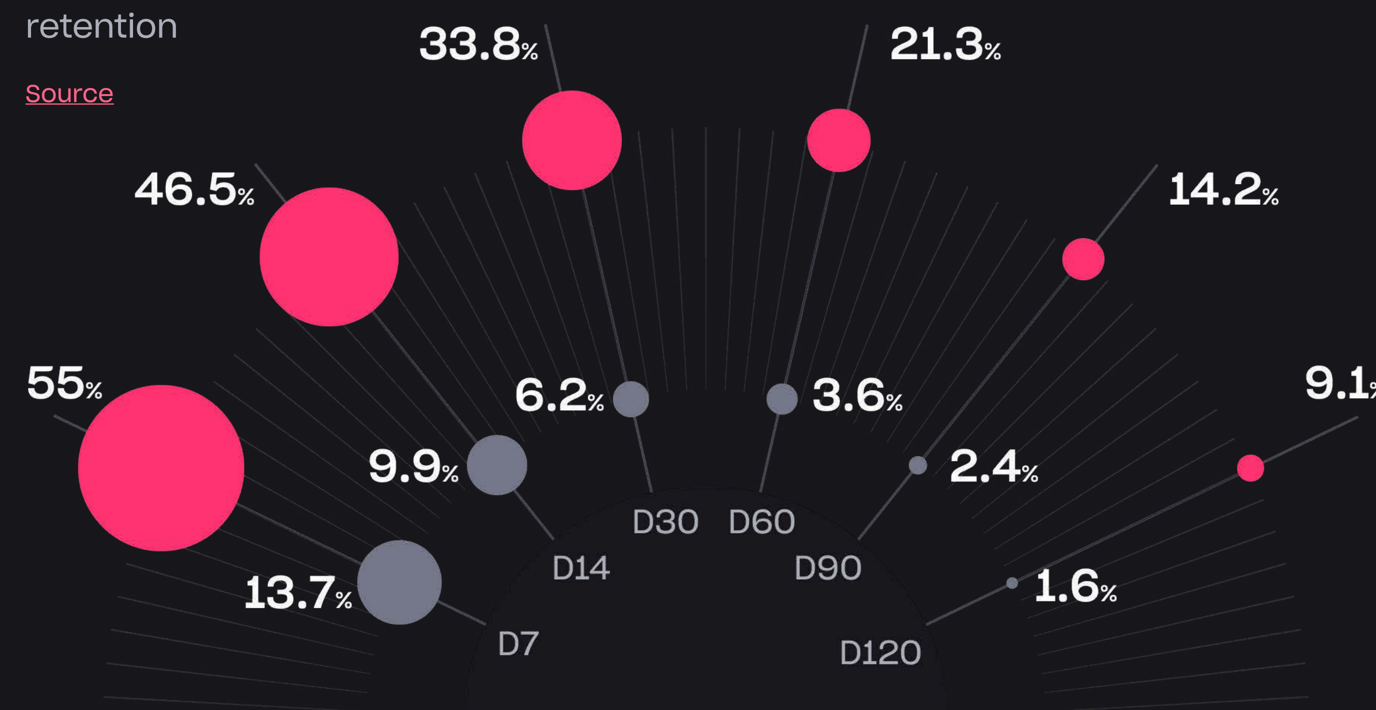
How offerwalls drive engagement and monetization

Offerwalls naturally synergize with games, affording developers and publishers many benefits, including optimized monetization.

Additionally, the interactive nature of offerwalls fosters user engagement by providing a sense of achievement and satisfaction as players complete tasks and earn rewards. This process strengthens their connection to the app or game, ultimately leading to improved retention. Data highlights this effect, showing that users who engage with offerwalls in two midcore games experience **notably higher retention rates from Day 1 to Day 90 compared to those who do not participate in offerwalls.**

Offerwall vs non-offerwall user retention

Source



- Offerwall converters
- Other players

Once players have invested in your game, keeping them retained long-term is easier with an offerwall. By offering attractive rewards for completing tasks, player retention rates of offerwall users are five times higher than non-users.

1 Unlock new revenue streams

Developers can unlock new monetization opportunities by shifting beyond traditional in-app purchases and ads. With offerwalls, engaging non-paying players and reaching untapped audiences across genres and games is now possible. This unlocks the potential for developers to increase ROI and maximize profits.

The best part of monetizing non-paying users through offerwalls? Offerwall users are 10 to 14 times more likely to make in-app purchases, increasing your revenue even more.

2 Increase player engagement and boost player retention

In-game currency rewards keep players engaged and drive higher offer participation. While early offerwall experiences sometimes frustrated users, improvements in product design and advertiser quality have enhanced the user experience. Players who engage with offerwalls and convert show 1.6x higher play frequency, further boosting retention.

Avg user sessions over a 12 week period

Source

3 Broaden monetization scope and reach

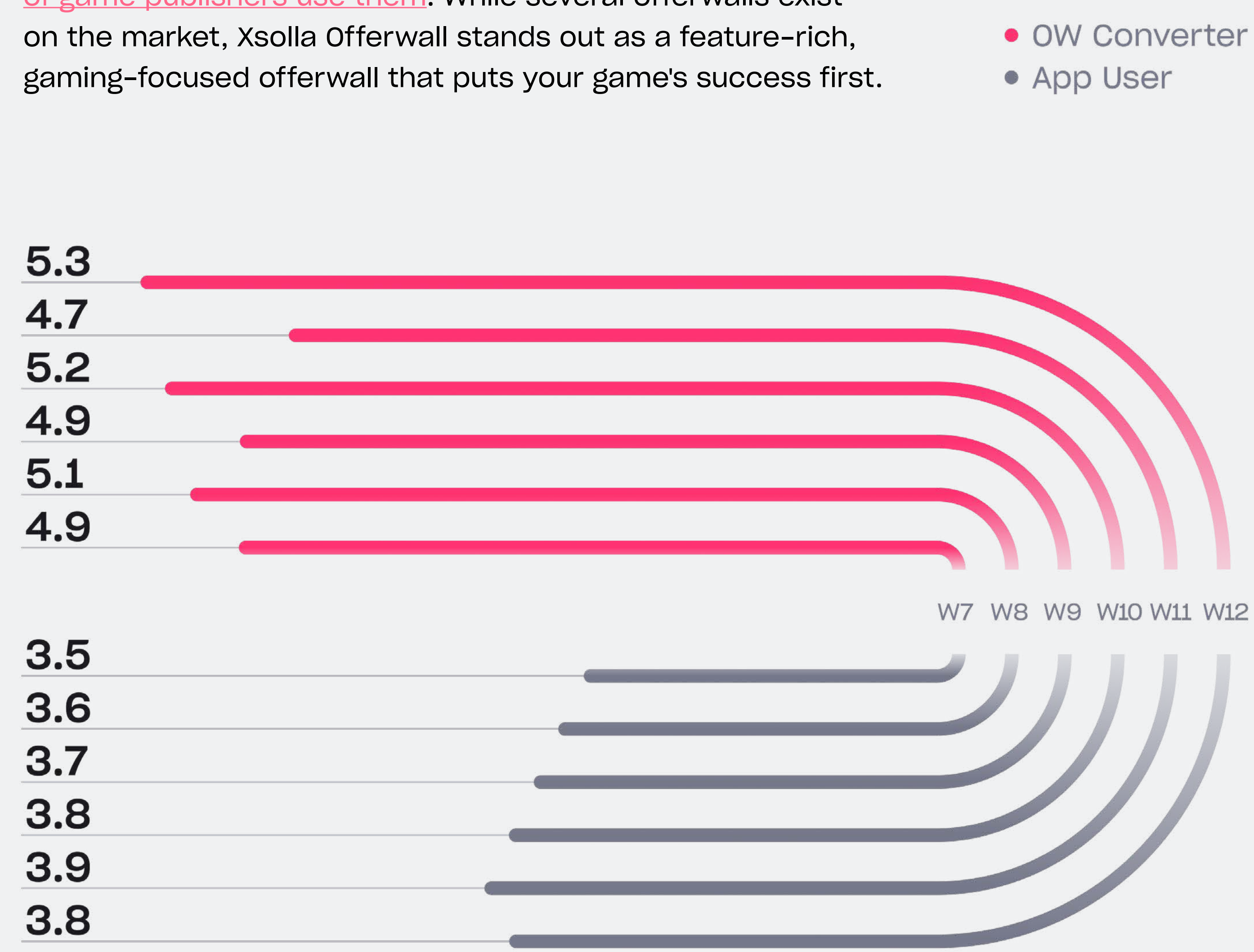
The beauty of offerwalls is that they provide a variety of quests that appeal to all player types, including those who prefer not to make in-app purchases. With an offerwall, developers can offer diverse tasks and rewards that attract players from new markets, capturing new revenue and driving scalable growth.

Uptick of 250% in Install Rate and D7 ROAS improved by

72%

One example:
When Lilith Games started running Multi-Reward offers, they saw an uptick of 250% in Install Rate and D7 ROAS improved by 72% compared to ‘regular’ single-action offers.

Offerwalls are the 5th most popular ad format, yet only 15% of game publishers use them. While several offerwalls exist on the market, Xsolla Offerwall stands out as a feature-rich, gaming-focused offerwall that puts your game's success first.



Best practices for implementing an offerwall

To maximize the benefits of an offerwall while ensuring a positive user experience, developers should follow these key best practices:

Integrate seamlessly into gameplay

Position the offerwall as an optional feature that feels natural within the game's economy.

Ensure fraud prevention and security

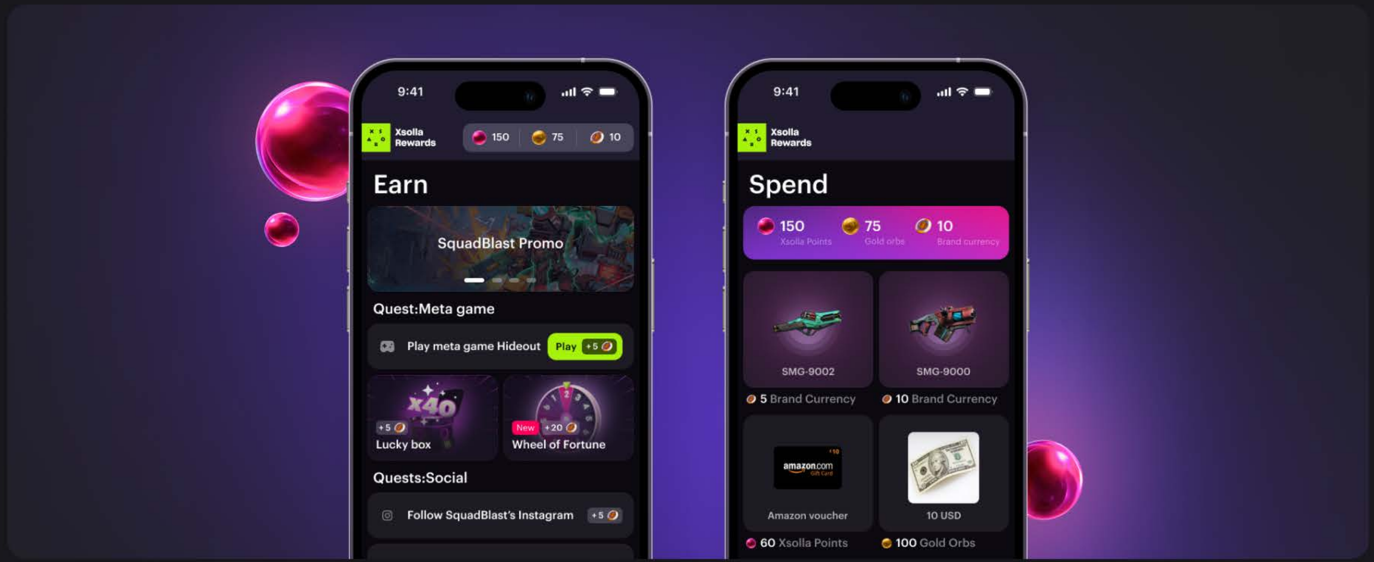
Work with trusted offerwall providers that implement user authentication and fraud detection to maintain quality.

Optimize placement and visibility

Highlight the offerwall in high-traffic areas, such as the in-game store, progression screens, or currency top-up menus.

Offer meaningful rewards

Ensure that rewards are valuable enough to encourage participation while maintaining game balance.



Choosing the right offerwall

With several offerwall providers in the market, developers should choose a platform that aligns with their needs. Factors to consider include:

Revenue share

Some providers take 30-50% of ad revenue, reducing developer earnings.

User incentives

Unique reward structures, such as secondary currencies or loyalty points, can enhance engagement.

Security measures

Phone number authentication and fraud prevention help maintain a high-quality user experience.

Integration flexibility

The offerwall should support various game genres, platforms, and monetization strategies.

One example is Xsolla Offerwall, a feature-rich, gaming-focused solution that maximizes revenue share for developers while offering double rewards to players. With flexible integration and fraud prevention, it enables game publishers to monetize effectively without disrupting player experience.

For those looking to future-proof their monetization strategies, investing in a high-quality offerwall solution could be the key to long-term success. As the market shifts, embracing flexible, player-friendly monetization models will be essential for staying ahead.

Conclusion

3B
global gamers expected by 2029

The coming year has both new and continuing trends emerging for the games industry.

Mobile gaming continues to dominate, while the Asia-Pacific market leads a global surge in player numbers. With overall revenue projected to grow at a 7.25% annual rate through 2029 and the **global player base expected to reach 3 billion by 2029**, developers have abundant opportunities to capitalize on emerging markets and shifting player behaviors.

Game developers are increasingly embracing in-game data not just for monetization but as a core engagement tool. More developers are expected to integrate official data portals for professional teams, along with player statistics and interactive insights during broadcasts. This shift will create more immersive experiences for both casual players and esports audiences, fostering stronger connections between games and their communities.

Additionally, tapping into the direct-to-consumer market and staying ahead of the mobile gaming market will be keys to success - and tools like web shops are becoming the go-to gateways for this.

Staying ahead of trends, leveraging direct-to-consumer strategies, and refining game monetization will be foundations for growth and adaptation - and Xsolla is committed to staying at the forefront of all of it. We continue to empower publishers, developers, and industry partners to navigate these changes, driving innovation and building strategic partnerships that will push the gaming industry forward and make 2025 another transformative year.

About Xsolla

Xsolla is a leading global video game commerce company with a robust and powerful set of tools and services designed specifically for the industry. Since its founding in 2005, Xsolla has helped thousands of game developers and publishers of all sizes fund, market, launch, and monetize their games globally and across multiple platforms.
As an innovative leader in game commerce, Xsolla's mission is to solve the inherent complexities of global distribution, marketing, and monetization to help our partners reach more geographies, generate more revenue, and create relationships with gamers worldwide. Headquartered and incorporated in Los Angeles, California, with offices in London, Berlin, Seoul, Beijing, Kuala Lumpur, Raleigh, Tokyo, Montreal, and cities around the world. For more information, visit xsolla.com

For additional information and to learn more, please visit: xsolla.com

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