



Michael Vorhaus puts out
"A Call for Modern Performance Marketing"



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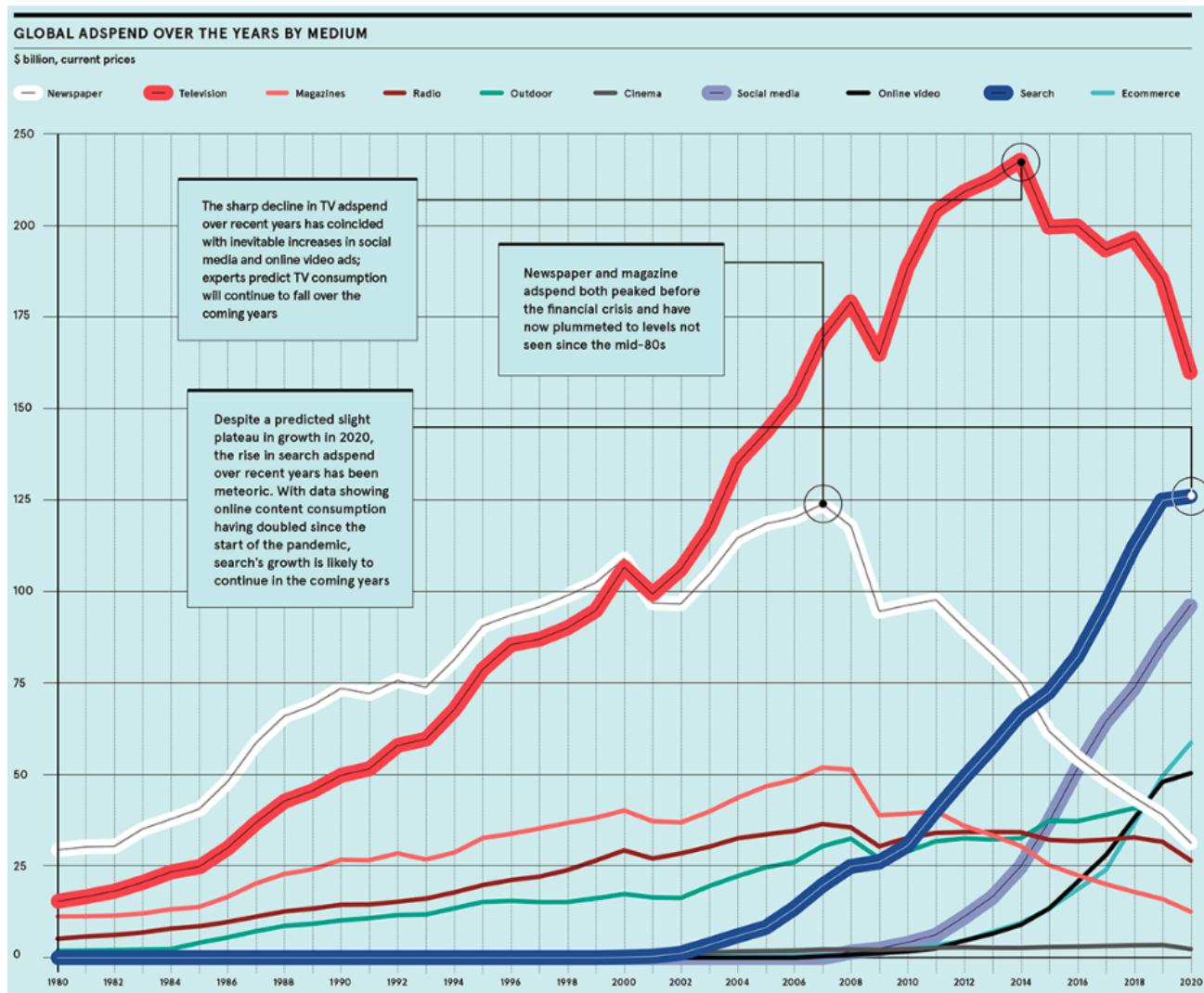
Michael Vorhaus

CEO, Vorhaus Advisors

The transition of advertising into the digital world took us from a time of Tinseltown and Madison Avenue to the world of Silicon Valley and technology disruptions.

Why are some marketers lagging behind with outdated methodologies while others are outperforming with enhanced programmatic user acquisition and engagement campaigns?

Advertising has a major role in every mobile app company's P&L. Such big-budget items must be managed wisely and carefully. Times have changed, and as you can see in the [Ad evolution](#) chart by Visual Capitalist, old media is in constant decline while digital media skyrockets. Using the plethora of cutting-edge user acquisition, retention, and retargeting technologies the digital world has to offer is essential.



Bernard Kim, President of **Zynga**, said to me, “In the 20 years, I have watched and actively managed mobile gaming studios and publishers. It is clear that the science of user acquisition and retention is a major driver of value in the gaming industry. Alongside making great games, is the art and science of player recruitment.”

So, what is the best solution? It changes rapidly. The evolution of app user acquisition involves an endless cycle of challenges and solutions. Marketers need to vigorously look for the latest and greatest ways to attract new users and retarget idle and previous users. Likewise, executives in marketing at app companies must stay alert for the “next new thing” in digital marketing.

Perhaps the best example of modern mobile consumer acquisition methodologies and analytics has been the work done by mobile gaming companies.

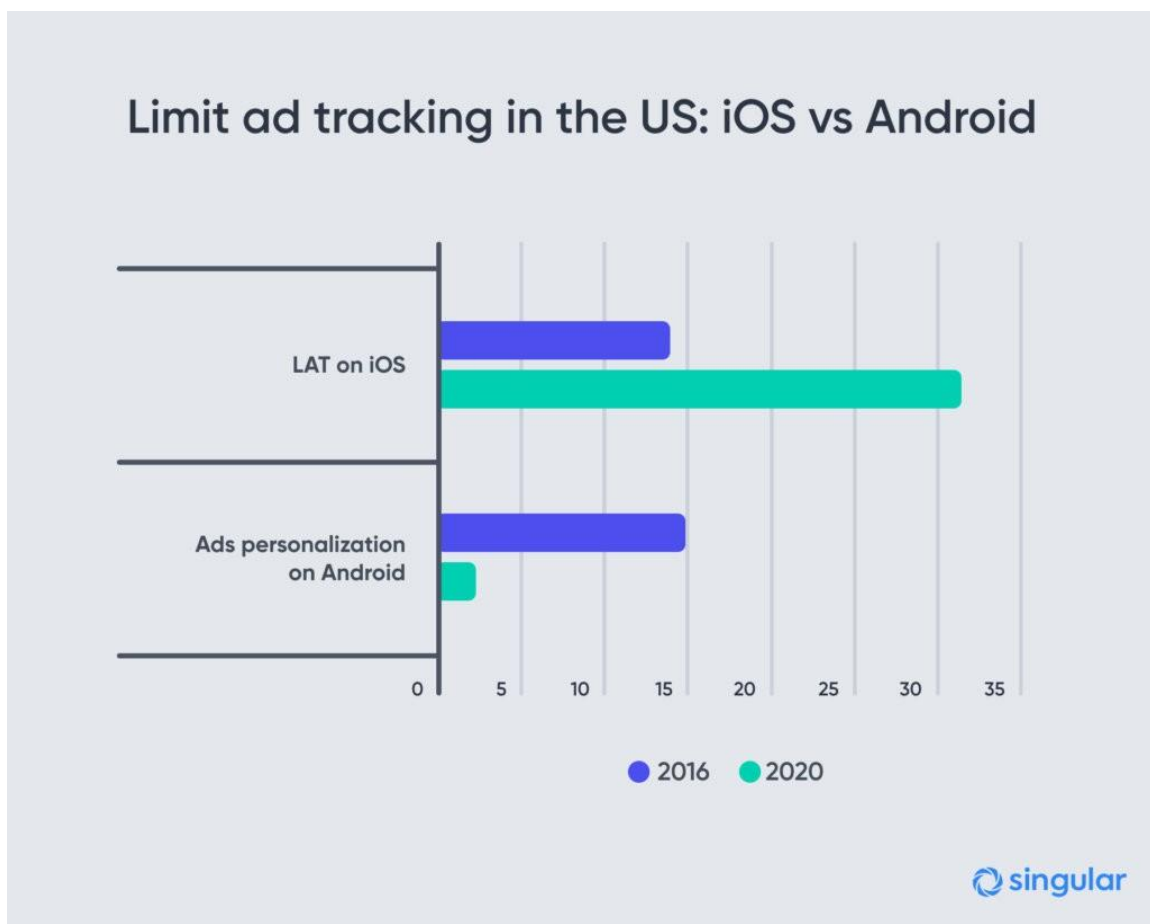
Andrew Pedersen, Managing Director & Co-President of **Big Fish Games**, sheds light on the subject, “I have long been focused on designing and making great, fun games, originally on the Web and now on mobile devices. While we worked hard to get players to come to our web games, nothing compares with the creative, relentless, and innovative

approaches that must be taken to compete in the user acquisition wars for mobile gamers.”

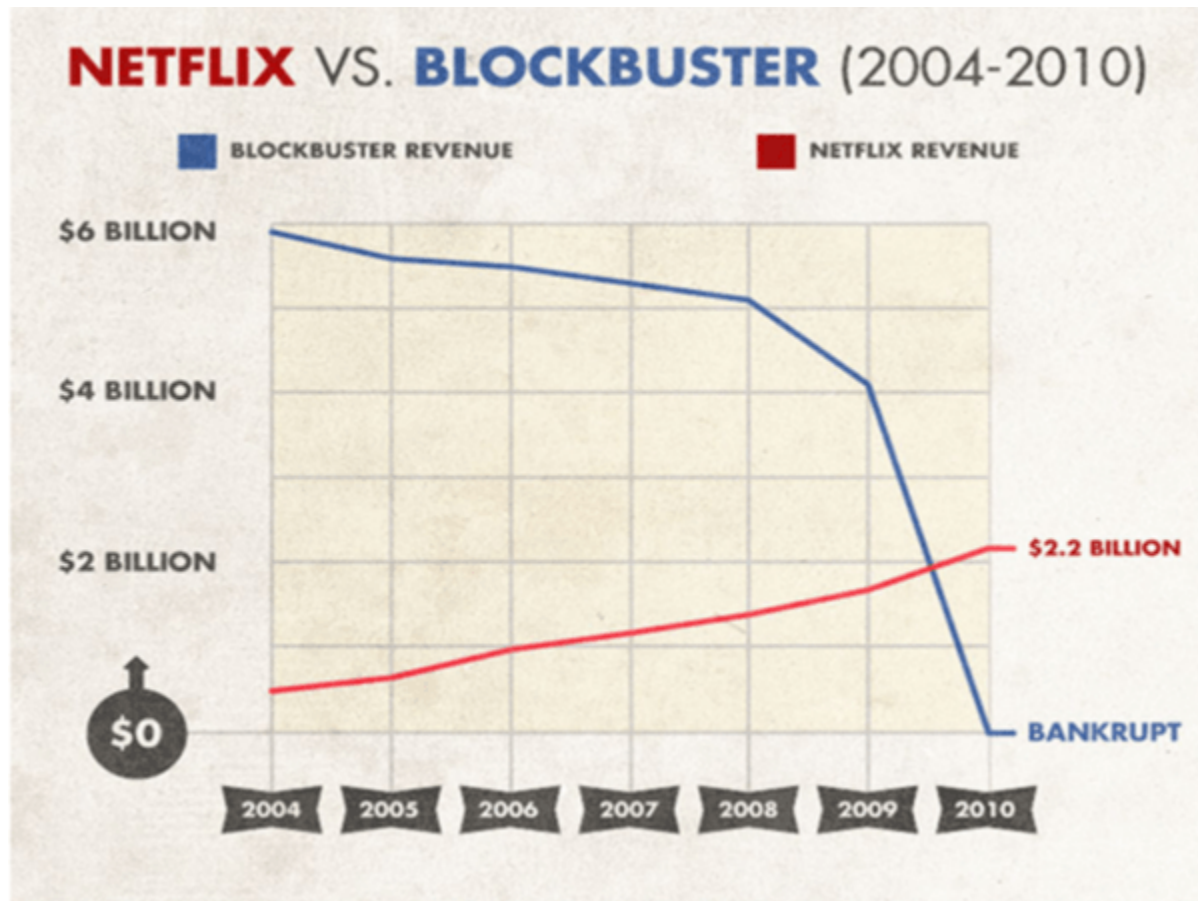
Before mobile gaming, marketing in most consumer-facing industries had suffered from the “50% problem” when advertising to a mass consumer audience. This problem is explained best by the words of marketing pioneer, John Wannamaker, “Half the money I spend on advertising is wasted; the trouble is I don't know which half.” Mobile gaming, being an extremely competitive market, had to adopt and refine programmatic marketing technologies to far surpass the 50% bar for targeting receptive users.

In the last couple of decades, the marketing industry has seen many challenges that were overcome by digital marketing pioneers in the gaming industry. A current challenge is iOS 14 LAT ([Limit Ad Tracking](#)). Companies and service providers that completely rely on Apple’s IDFA for targeting users may be out of work in the next couple of months. How did they get to that point when countless companies have been offering knowledge bases, strategies, and solutions that would help mitigate upcoming problems as Apple introduces the IDFA opt-out?

Industry [estimates](#) are that 50% to 95% of users will choose the LAT option, with most estimates in the 85% to 90% range. Are you willing to take that risk?



History shows that companies that don't adapt lose their edge, and eventually, their business. Yahoo, MySpace, Blockbuster, and Blackberry are foreboding examples of this.



This is a wake-up call for all marketing, finance, and C-Level leaders to push their teams to go beyond their comfortable, pre-existing approaches to app marketing and adopt the modern performance marketing solutions that have recently proven to steadily outperform prior methods in both ROAS and downloads. All of the key players in app development need to aggressively seek solutions that will make their P&L shine. Having popular apps is great, but at the end of the day, companies need to keep generating money from their apps so they can grow and develop more.

A great example is when a major public gaming company, that I consulted with, decided to not rest on their laurels and see if there was a way to optimize their already "successful" \$10M+/month ad spend. Like in a blockbuster film, an army of analysts was assigned to go over the numbers and suggest a game plan for testing new channels instead of simply relying on past successes.

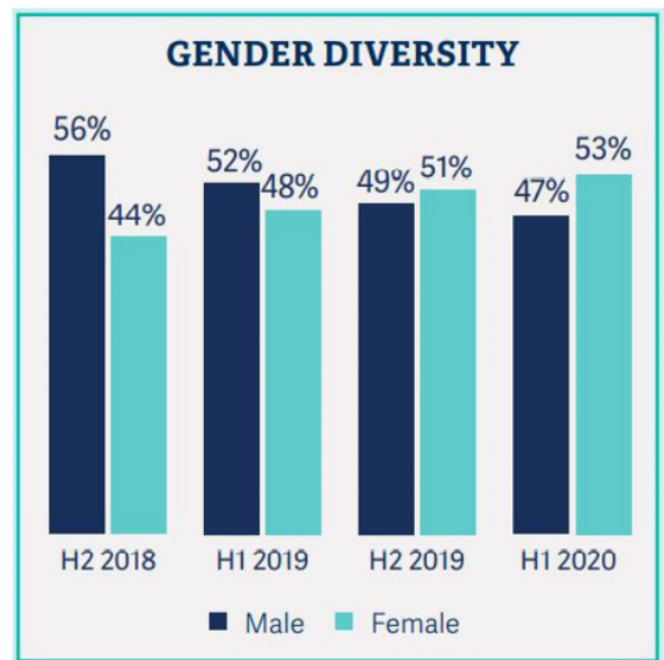
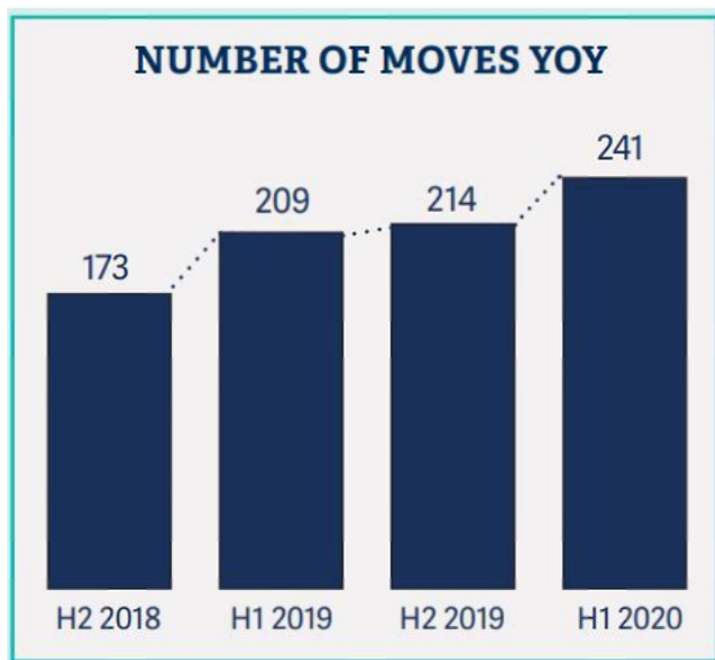
Their insights showed that Facebook isn't always the ideal go-to, and that if one SSP (Supply Side Platform) or DSP (Demand Side Platform) doesn't do well, it doesn't mean

that another SSP or DSP will also fail. In fact, one DSP showed promising test results and the company has eagerly committed to its ongoing use. As Robert Kennedy once said, “Only those who dare to fail greatly can ever achieve greatly”. In the modern, competitive mobile world, one must dare.

This paradigm shift is typical of an overall company culture that focuses on innovation and growth, and usually comes from the top. CMOs at app and gaming companies are no longer only in charge of marketing departments, they are thought leaders for change, and their decisions are more crucial than ever. Look at the ever-growing marketing budgets, technological knowledge, and statistical abilities a CMO must garner to stay on trend and competitive.

[Yaron Nahari](#), Co-Founder and CEO, [Bigabid](#), explains, “A CMO’s responsibility these days is enormous. They need to think like veterans, teenagers, across genders and cultures, all while managing a multi-million-dollar marketing budget. After being on the vendor side of the advertising industry for over 20 years, staying on trend and using the latest tech and methodologies is crucial for the modern CMO and has an effect on their company’s growth like never before.”

A great piece by [Norm Yustin at Forbes](#) shows that, even during these difficult times, more CMOs have moved companies than ever before. It also shows that more internal appointments of those who live the companies’ DNA were made. And finally, there are now more female CMOs than males.





Change is happening, it's global, and cross-industries. For the sake of your organization, I hope you will be on the right side of progress by staying up to date on the new offerings in digital marketing. Dare to explore and test!

A good reference on how modern DSPs are evolving, and why it's crucial to stay on trend is here- <https://www.bigabid.com/the-modern-age-of-mobile-dsps/>

Best of luck (but you won't need it),

Mike Vorhaus, CEO, [Vorhaus Advisors](#)

Mike Vorhaus is CEO of Vorhaus Advisors, after spending 24 years running the digital and gaming divisions at Magid. Mike advises start-ups, growth companies, and large public companies in the media, digital and gaming works, as well as ad tech. He is also a successful early-stage investor in many companies that have gone public or sold to other companies. Mike is on the Board of Perion (Nasdaq: PERI), Altimar Acquisitions (NYSE: ATAC), and PopReach (TSX: POPR). Mike is regularly interviewed and quoted by TV, print and digital new outlets.