INMOBI

MOBILE TRENDS REPORT

Expert Predictions for
Mobile Advertising
in 2020

InMobi Mobile Trends Report 2020

Making predictions is always a fraught exercise. After all, some people in the 1960s thought we'd all be traveling in flying cars by now! But, that doesn't mean we can't try to see what is on the horizon.

As 2019 comes to a close and as 2020 begins, we here at InMobi continue our tradition of looking back on the year that was and looking ahead to the new year. What will happen in 2020 that will change how mobile marketers and advertisers drive real connections with their consumers? What will, or won't, they do to better understand, identify, engage and acquire the right mobile customers?

To find out, we turned to the experts. We interviewed experts from throughout the mobile marketing and advertising ecosystem, talking to major brands, agencies, app publishers, startups, industry analysts and dozens of others, to get their take on what they see happening in the new year and how marketers and advertisers need to respond.

inMOBI

Here are the five biggest trends that we uncovered:

1   Continued growth and maturation of in-app advertising.

2   Evolution of data usage in mobile marketing.

3   Further emphasis on trust and transparency in mobile advertising.

4   Rise of new screens like OTT/CTV and digital out of home.

5   Better understanding of mobile consumer needs.

INMOBI

A big thanks to everyone who contributed their thoughts and opinions to this report! Here's the full list of contributors:

Abhay Singhal
CEO of InMobi Marketing Cloud & Co-Founder of InMobi Group

Vinny Rinaldi
Head of Addressable Media & Technology at The Hershey's Company

Mike Brooks
SVP of Revenue at WeatherBug

Vanja B. Brzin
VP of Product Marketing at Celtra

Jason Hicks
EVP of Growth at Kochava

Yory Wurmser
Principal Mobile Analyst with eMarketer

Joe Ranzenbach
Director of Product Management, Mobile Products at IAS

Sean Muzzy
President, North America, Cadreon

Steven Woolway
SVP of Business Development at DoubleVerify

Mada Seghete
Co-Founder & Head of Strategy and Market Development at Branch

INMOBI

1

Continued Growth and Maturation of In-App Advertising

Continued Growth and Maturation of In-App Advertising

It's hardly surprising to say that in-app advertising is likely to grow in 2020. After all, the space has been growing tremendously for almost a decade now. In fact, InMobi's 2019 Mobile Programmatic Advertising Trends Report showed that total mobile programmatic budgets grew 141% worldwide between just 2017 and 2018.
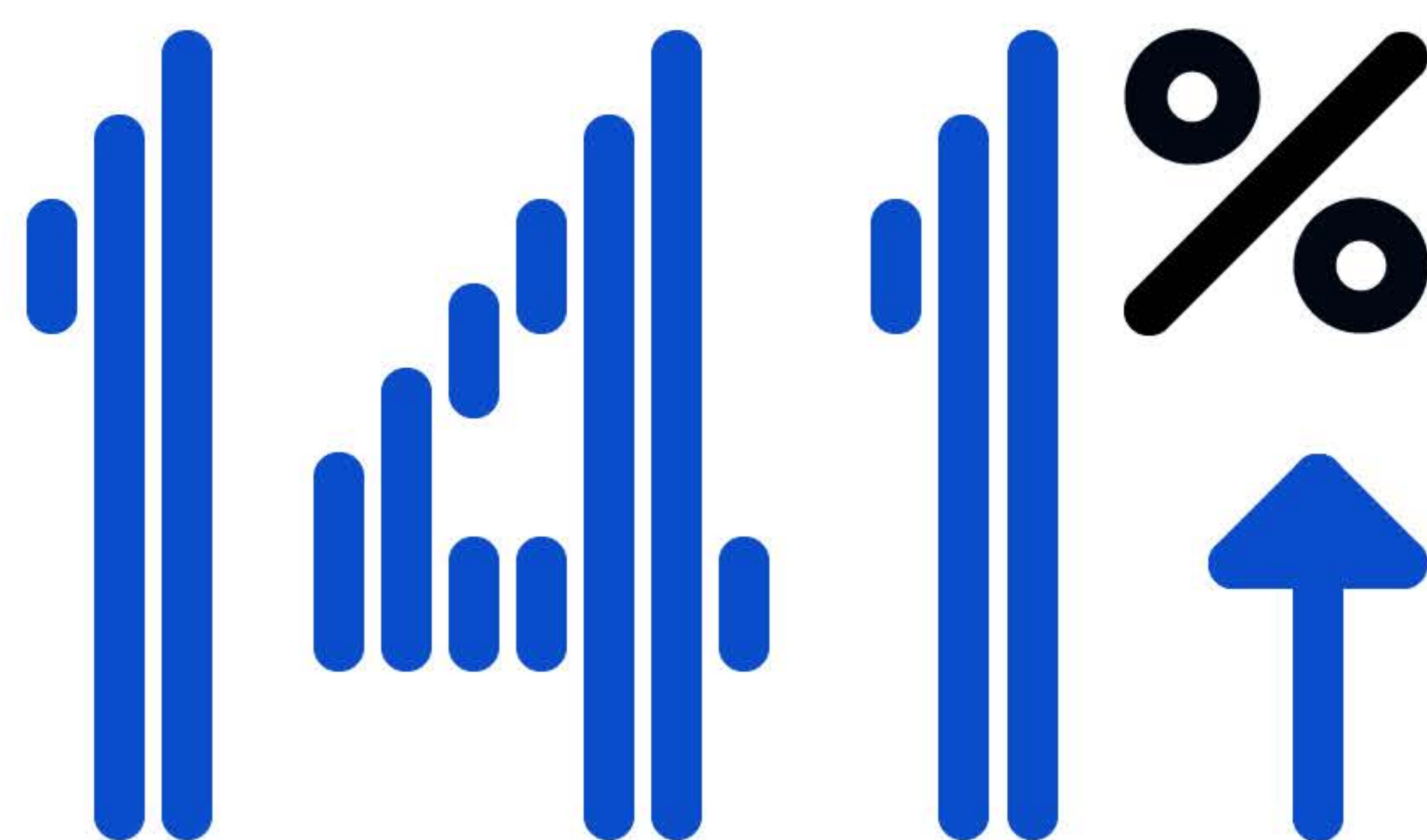
Worldwide increase in total mobile programmatic budgets between 2017 and 2018.

" **Mobile really needs to be front and center of all of our media buying because in the end, the quicker we get in front of you when you're on the go, the quicker you're probably going to think about us when you're about to check out, so a lot more to come in that in 2020.** "

Vinny Rinaldi, Head of Addressable Media and Technology at The Hershey's Company

But how will mobile in-app advertising change and evolve in 2020? For starters, Abhay noted that how brands categorize their in-app advertising will likely change dramatically in the new year. The immediacy and evolution of mobile advertising will mean that the top-of-funnel ads of yore will likely fall by the wayside, with marketers expecting more immediate and lasting results from all of their in-app ads.

" **The distinction between brand and performance is blurred completely in my view. Everything is performance. It all depends upon the right mechanisms to determine what the attribution is and the right mechanism to determine it. What is the ROI that you are looking for?** "

Abhay Singhal, CEO of InMobi Marketing Cloud and Co-Founder of InMobi Group

Not only will brands think about in-app advertising differently, they will likely also use different creatives and targeting criteria in 2020, according to eMarketer's Yory Wurmser. He predicts contextual targeting being more prevalent in the new year, and that cutting-edge formats like interactive creatives and ads with augmented reality will be more frequently used.

"For mobile media and gaming companies, you'll continue to see more sophisticated app install campaigns based on interactive and playable ads and rewarded video," Yory said. "For non-gaming/media companies, you'll see a more layered approach, first trying to get people to get engaged on a website (mobile or desktop), email list or chat and messaging, then pushing the app."

"Apps, which somehow managed to create this close bond between a user and a brand that websites never quite could, emerged as the winner in mobile over the past few years and will be a big focus to drive engagement in 2020. The numbers prove it: App users spend 20x more time with content than mobile web visitors, apps engage and convert 3x better than mobile websites, and apps get 16x more usage minutes per month than their mobile web counterparts."

Mada Seghete
**Co-Founder & Head of Strategy
and Market Development at Branch**

"For mobile media and gaming companies, you'll continue to see more sophisticated app install campaigns based on interactive and playable ads and rewarded video. For non-gaming/media companies, you'll see a more layered approach, first trying to get people to get engaged on a website (mobile or desktop), email list or chat and messaging, then pushing the app."

Yory Wurmser
Principal Mobile Analyst with eMarketer

INMOBI

2

Evolution of Data Usage in Mobile Marketing

Evolution of Data Usage in Mobile Marketing

Perhaps no topic is as talked about in this space today as data. Data is extremely top of mind for just about everyone in the mobile advertising and marketing industries. How is data collected, and what specifically is being gathered? How is that data being used, and is it being utilized properly? Throughout 2020, marketers will be taking pains to answer these questions.

"I think in mobile for the past couple of years, people have just been taking desktop analogous numbers. I have this on the desktop and I'll apply that into mobile or these are my desktop travel segments and I'm going to take that from the desktop side and find those users in mobile. I think we are getting to a point where people are starting to ask, 'Where is that data coming from and is it coming from a mobile specific source?' So when I think about one of the biggest challenges holistically of even my trust with analytics packages, it's where is the backend data coming from?" WeatherBug's Mike Brooks noted.

" By taking a stronger look at the source of mobile data, I think it's going to open up some holes for people who have been taking desktop data into mobile at face value for the past few years. Where is your data coming from and to what extent does it actually apply and capture mobile insights correctly? "

Mike Brooks, SVP of Revenue at WeatherBug

One of the biggest trends in 2020 will be the increased use of first-party data. Marketers will increasingly leverage data either that they directly own and control, and/or work with partners capable of providing them with their own first-party data to supplement what's already available in house.

" Having access to an audience insights report based on first-party data from an independent marketplace enables marketers to discover new, high-quality audiences.

Through such a data set, marketers gain increased visibility into demographics (gender and age), device information, and interests and behaviors. They can apply those learnings to launch more personalized campaigns or use those audience attributes to create lookalike audiences. "

Jason Hicks, EVP of Growth at Kochava

What can marketers do when they have this high-quality data in place? Celtra's Vanja B. Brzin noted the value of "data-driven mobile creative," especially for "data-driven, forward-thinking marketers." Kochava's Jason Hicks noted that better data can help marketers better understand their consumers across environments, so they can develop a holistic understanding of consumers no matter where they are or what device they're using. This kind of location intelligence will be top of mind for Hershey's in 2020, according to Vinny Rinaldi.

But according to Yory Wurmser at eMarketer, location data is a double-edged sword. While it can be incredibly powerful, brands need to be careful about respecting end user privacy. Consumers are increasingly pushing back against improper data collection, and the law is right on their heels. And this leads us to perhaps one of the biggest points that will dominate the mobile marketing news in 2020: privacy and legal frameworks around data collection and use. The California Consumer Privacy Act will finally go into effect in 2020, and other states (most notably Florida at the moment) are likely to follow suit. Brands need to be really careful that they're collecting and using data in a way that is compliant with all upcoming laws and privacy initiatives. "It can potentially be an existential crisis for the industry," InMobi's Abhay Singhal said.

"I think in mobile for the past couple of years, people have just been taking desktop analogous numbers. I have this on the desktop and I'll apply that into mobile or these are my desktop travel segments and I'm going to take that from the desktop side and find those users in mobile. I think we are getting to a point where people are starting to ask, 'Where is that data coming from and is it coming from a mobile specific source?' So when I think about one of the biggest challenges holistically of even my trust with analytics packages, it's where is the backend data coming from?"

Mike Brooks
SVP of Revenue at WeatherBug

Further Emphasis on Trust and Transparency in Mobile Advertising

Further Emphasis on Trust and Transparency in Mobile Advertising

As Steven Woolway from DoubleVerify noted in conversation with InMobi's David DiAngelo in 2019, mobile in-app ad fraud remains exorbitantly high – and will remain in the millions of dollars in the foreseeable future. While he noted that it likely can't be completely eliminated, there are steps that marketers can take to clamp down on it and overall boost trust and transparency in the ecosystem. In 2020, expect all programmatic players to prioritize efforts that boost transparency and help clamp down on fraud.

Towards the end of 2019, a number of businesses, including InMobi, released their sellers.json file, which serves a similar role as the IAB's app-ads.txt initiative but for sell-side platforms. Vinny, Abhay and others predicted that sellers.json adoption will likely grow significantly in 2020, especially as advertisers and their partners push the industry in this direction. And, Joe Ranzenbach from IAS noted that increased use of the Open Measurement SDK will help boost transparency and trust as well.

In addition, in 2020, expect marketers to take a closer look at where they're buying and to cull supply sources that are likely to be introducing them to fraud. Mike Brooks recommended that others follow WeatherBug's lead in taking a closer look at how publishers are being incentivized, to make sure that mobile user acquisition campaigns are not being subject to fraud on that end. Cadreon's Sean Muzzy further noted that they are taking a closer look at partners that provide paid installs, since this can be particularly susceptible to fraud.

Kochava, which provides advanced fraud solutions, has seen an increased focus from its customers on reducing fraud.

> **In 2020 we anticipate the continued trend of advertisers harnessing their row-level data to avoid fraud, protect ad spend and buy more intelligently across platforms.**
>
> **Jason Hicks, EVP of Growth at Kochava**

This is an area of particular interest to Sean Muzzy at Cadreon. Not only will Cadreon be taking a deeper dive into fraud in the space, but they will also be selecting partners who are proactive about fraud protection and who are willing to pass back device anonymized device IDs, as probabilistic fingerprinting could be inaccurate. And, they will be monitoring retention rates by channel to understand which partners are driving healthy subscriptions for their advertisers.

"When I joined IAS in 2016, third party measurement for brand safety, fraud, and viewability had a limited footprint in mobile in-app. Many advertisers were hesitant to spend on mobile in-app inventory without the mechanism of trust that independent verification provided. IAS lead the Open Measurement initiative, which launched via the IAB's Tech Lab in 2018 and achieved industry scale in 2019. In 2020, we're looking towards removing any remaining friction and advancing towards realizing the full value of the initiative, enabling advertisers to verify at scale and focus more on reaching their intended audiences with confidence." IAS's Joe Ranzenbach said.

"When I joined IAS in 2016, third party measurement for brand safety, fraud, and viewability had a limited footprint in mobile in-app. Many advertisers were hesitant to spend on mobile in-app inventory without the mechanism of trust that independent verification provided. IAS lead the Open Measurement initiative, which launched via the IAB's Tech Lab in 2018 and achieved industry scale in 2019. In 2020, we're looking towards removing any remaining friction and advancing towards realizing the full value of the initiative, enabling advertisers to verify at scale and focus more on reaching their intended audiences with confidence."

Joe Ranzenbach
Director of Product Management,
Mobile Products at IAS

4

Rise of New Screens like OTT/CTV and Digital Out of Home

Rise of New Screens like OTT/CTV and Digital Out of Home

When it comes to in-app marketing and advertising, it's not just about mobile devices anymore. Increasingly, apps are found in and powering everything from elevator displays to gas station pumps and everything else in between. This has lead to what's become known as digital out of home.

And then, of course, there's the television screen. Over-the-top (OTT) video streaming and internet-connected television (CTV) sets are becoming more popular than ever before. Expect this area to grow by leaps and bounds in 2020.

" We're seeing a continued increase in spending for video across platforms, but the growth has been primarily focused on mobile and Connected TV "

Vanja B. Brzin, VP Product Marketing at Celtra

As these kinds of viewing experiences become more commonplace, expect mobile marketers and advertisers to be right behind them. Abhay Singhal from InMobi noted that OTT/CTV experiences can be especially ideal for direct-to-consumer brands, while WeatherBug's Mike Brooks said that he sees a lot of potential from OTT/CTV for user acquisition. During his talk at Advertising Week New York 2019 with Anne Frisbie, InMobi's SVP of Global Programmatic, Hershey's Vinny Rinaldi said his company would be investing more in OTT, especially as an extension of their present mobile marketing efforts. This makes sense, as a lot of OTT video viewing happens on mobile devices now.

" Mobile consumers expect inspiring, personal and relevant experiences across an ever-growing variety of channels and ad formats. The explosion of ecosystem complexity has created a new kind of challenge for marketers. "

Vanja B. Brzin, VP Product Marketing at Celtra

But this growth won't come without its fair share of hiccups. For starters, getting measurement and viewability right within these environments will be key. If this is not solved, then it's possible that marketers won't flock en masse to these screens in 2020.

"We've formed a number of partnerships combining expertise to offer solutions in the OTT, CTV, SVOD and OOH spaces. For example, colliding advanced data analysis with location technologies to provide marketers with effective intelligence on OOH. There is a great deal of interest in these exploding areas as we head into 2020," said Kochava's Jason Hicks.

There's also the issue of fraud. As OTT/CTV marketing budgets rise, fraudsters are right on their heels.

" Fraud is increasingly found also in emerging environments where there might not be the comprehensive safeguards in place that there are in the more developed environments. And so we're seeing fraudsters trying to take advantage of the CTV space. I think that's going to continue into 2020 but you're going to see companies like us fight harder and harder. "

Steven Woolway, SVP of Business Development at DoubleVerify

INMOBI

"Mobile consumers expect inspiring, personal and relevant experiences across an ever-growing variety of channels and ad formats. The explosion of ecosystem complexity has created a new kind of challenge for marketers."

Vanja B. Brzin
VP of Product Marketing at Celtra

"We've formed a number of partnerships combining expertise to offer solutions in the OTT, CTV, SVOD and OOH spaces. For example, colliding advanced data analysis with location technologies to provide marketers with effective intelligence on OOH. There is a great deal of interest in these exploding areas as we head into 2020"

Jason Hicks
EVP, Growth at Kochava

Better Understanding of Mobile Consumer Needs

Better Understanding of Mobile Consumer Needs

In the past, mobile used to be thought of as the second screen. That's no longer the case anymore. Mobile devices are the most personal screens in our lives, traveling with us everywhere. For many people, especially younger folks, a mobile device is the first thing they see in the morning and the very last thing they look at before going to sleep at night.

This is all nothing new. But, too many marketers are only beginning to grapple with this reality. In 2020, expect far more brands to really understand the mobile nature of today's consumers and take material advantage of mobile's many benefits.

" It all goes back to having a mobile strategy that's based on addressing consumer challenges. "

Yory Wurmser, Principal Mobile Analyst with eMarketer

As Abhay noted, this has largely already happened in other global markets like India. It's especially the case in China, where brands like WeChat and Alibaba address consumer needs and allow their customers to seamlessly consume content, make mobile payments, complete purchases, communicate with others and do just about anything else all through mobile.

"Consumers still want their life to become easier. They still want things to become more automatic, things to become more simple. They should be able to enjoy time and not worry about how to get from point A to point B, how to shop for stuff and so on. So I think those are the things that we believe are going to be critical for marketers in 2020." InMobi's Abhay Singhal said.

What are the ways in which marketers can take advantage of today's mobile-first world? One good option is to understand how consumers are already using mobile, and then take steps to integrate with these habits in mind.

" For example, if you're a retailer, you want to figure out how your site or app can make shopping easier, how to make payments seamless, and how to notify loyal customers of new deals. You'll also continue to see more seamless mobile payment integrations to make the mobile buying experience better. "

Yory Wurmser, Principal Mobile Analyst with eMarketer

Content can be a great way to get in front of mobile consumers as well. People often turn to their phones for entertainment, and that presents a major opportunity for mobile marketers of all stripes.

" I think historically publishers have avoided creating content because it's very costly. I think that the ways in which you can monetize content today, especially in the mobile ecosystem, have made such strides that even if you tried it in past, the creation of content may actually be a good business for you today where it wasn't three years ago. "

Mike Brooks, SVP of Revenue at WeatherBug

Nevertheless, no matter how marketers decide to incorporate mobile into their marketing and advertising plans, it's critical to keep the user front and center of everything. What do they really want, and how can mobile help you deliver what they want to them? In 2020, successful brands will take this creed to heart.

" Brands of late sometimes trip over themselves in trying to come across as authentic or ethical for their audience. They should be asking themselves what their users want, how are they fulfilling their wants and needs? Once marketers have tailored their messaging, they have the flexibility of marketing through all the modes mentioned above and observing how users respond across them. "

Jason Hicks, EVP of Growth at Kochava

"For brands to remain competitive in 2020 and beyond, apps are no longer a nice-to-have — they're a must. Creating seamless mobile experiences is at the core of any successful digital transformation. In fact, worldwide digital transformation technology spending is expected to total more than $6 trillion over the next four years — with apps being a key focus of the investment. "

Mada Seghete
Co-Founder & Head of Strategy
**and Market Development at Branch**

> "Consumers still want their life to become easier. They still want things to become more automatic, things to become more simple. They should be able to enjoy time and not worry about how to get from point A to point B, how to shop for stuff and so on. So I think those are the things that we believe are going to be critical for marketers in 2020."

Abhay Singhal
CEO of InMobi Marketing Cloud
& Co-Founder of InMobi Group
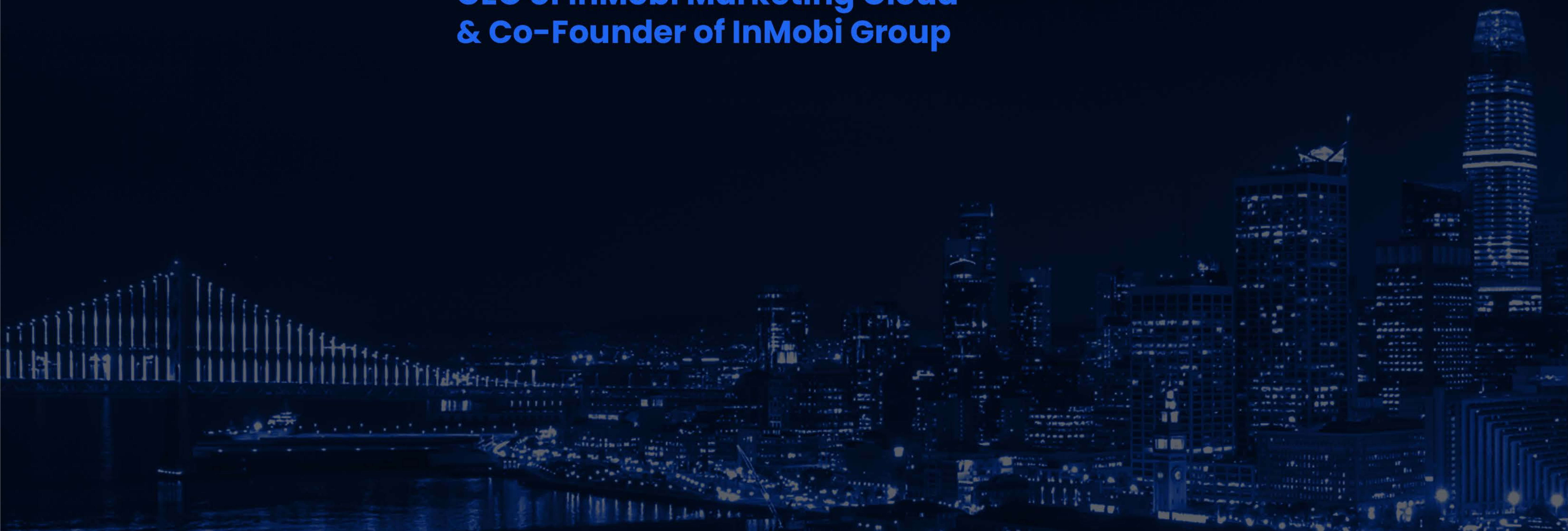
What to Expect in 2020

No one knows for sure what will happen in the future, but all signs point to plenty of opportunities for mobile marketers and advertisers in 2020. As our group of experts pointed out, savvy businesses will use all of the screens and data available to them to better understand, identify, engage and acquire the right consumers in the new year, in order to drive real connections with them.

But 2020 won't be without its challenges. Privacy, transparency, trust and fraud will continue to be key talking points and areas in need of sustainable solutions throughout the year.

2020 is shaping up to be a watershed year. By understanding what is likely on the horizon, marketers can steer a steady course and see quality returns from their efforts.

About InMobi

InMobi drives real connections between brands and consumers by leveraging its technology platforms and exclusive access to mobile intelligence. Its Marketing Cloud creates new paths for brands to understand, identify, engage and acquire connected consumers.

As a leading technology company, InMobi has been recognized on both the 2018 and 2019 CNBC Disruptor 50 list and as one of Fast Company's 2018 World's Most Innovative Companies.

For more information, visit inmobi.com.