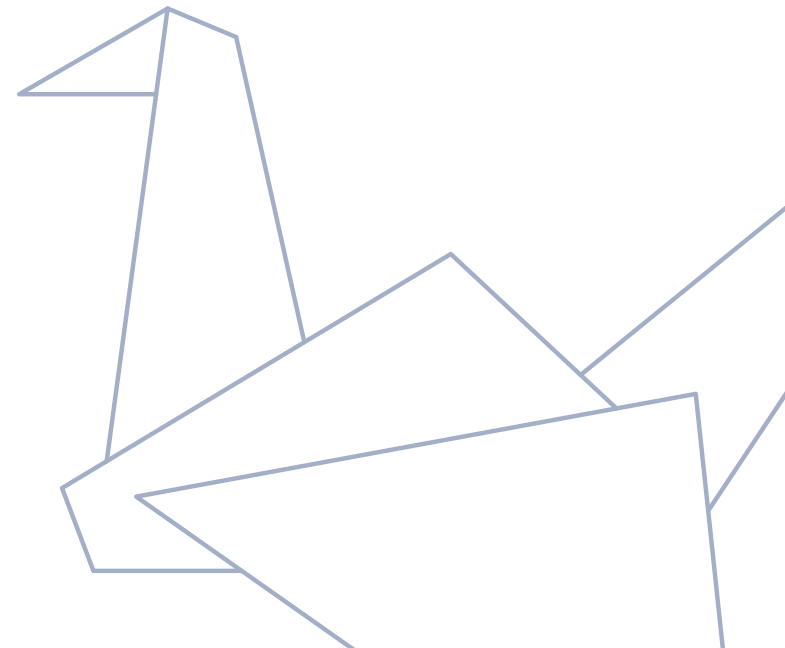
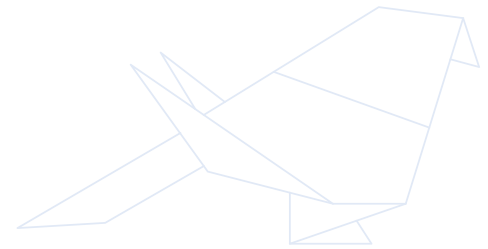
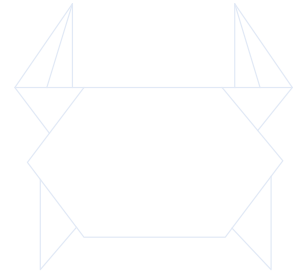


INMOBI

**MOBILE  
PROGRAMMATIC  
ADVERTISING  
TRENDS**

**2019**



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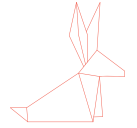
# Introduction

When it comes to mobile in-app advertising, what effect is programmatic having? Are mobile advertisers, app publishers and their partners using or scorning programmatic?

We began looking into the current state of in-app mobile programmatic advertising last year in our **Mobile Programmatic Advertising Trends 2018** report. But how has programmatic evolved since then into 2019?

To answer these questions, we reviewed data on billions of transactions that have occurred on our exchange since the beginning of 2017. As a global business that serves up to 7.3 billion ad requests each day across more than 1.5 billion mobile users around the world, we are in a unique position to see how programmatic is growing and evolving across the globe.





# Current State of Mobile Programmatic Advertising

In looking at 2018 spending figures compared to 2017, total mobile programmatic budgets grew 141% worldwide.

Our research shows the enduring popularity of both open exchange buying and private marketplace deals (PMPs). Between 2017 and 2018, PMP spending grew 122% and open exchange spending grew 148%. Compared to Q2 2018, Q2 2019 open exchange spending was up 58% and PMP spending rose 15%.

These numbers align with what eMarketer has found about the digital programmatic ad space overall. Close to **85% of the approximately \$59.5 billion display ad market** was conducted programmatically – and, around 67% of all digital display programmatic ad spending goes towards mobile.

85%

of the Display Ad  
Market Was Conducted  
Programmatically



# Why Mobile Programmatic Advertising is Becoming More Popular

We have found four key reasons why in-app programmatic advertising is growing:

- **Greater Ease:** It's becoming easier to conduct programmatic campaigns, thanks to the proliferation and improvement of self-service platforms, along with the availability of more staff members and external teams with programmatic expertise.
- **Increased Efficiency:** It has remained increasingly effective for advertisers, regardless of whether they have top-funnel, mid-funnel or bottom-funnel goals and benchmarks. For example, between 2017 and 2019, the click-through rates of in-app native ads went up more than 18%.
- **More Trustworthy:** It's become safer and more trustworthy to buy programmatically. Brands can ink private marketplace deals if desired, and new initiatives like app-ads.txt and sellers.json are all making open exchange buying far less prone to fraud. Already, 75% of our inventory now has an app-ads.txt file.
- **Improved AI:** It continues to improve, as innovative technologies and applications of artificial intelligence become available within the programmatic ecosystem. For instance, advances in computer vision and predictive analytics enables brands to determine with a high degree of accuracy before anything goes live if a programmatic ad campaign is using effective creatives.



# Current State of Mobile Programmatic Advertising Around the World

Mobile programmatic advertising is being embraced all across the globe. Here's how buying breaks down by region:

- **North America:** North America, which includes the United States and Canada, remains the biggest region globally for in-app programmatic; in fact, 59% of all mobile programmatic ad spending in Q2 2019 happened in North America. The region has seen significant growth in spending as well; total mobile programmatic ad spending rose 215% between 2017 and 2018.
- **APAC:** The Greater Asia-Pacific region, led by China, is a hotbed of programmatic buying activity. Total programmatic spending rose 91% between 2017 and 2018 in these countries. In looking at Q2 2019 compared to Q2 2018, spending rose 33%.
- **EMEA:** Despite risks and concerns posed by GDPR, open exchange spending in Europe, the Middle East and Africa overall remains on pace in 2019. Spending in this region rose 281% between 2017 and 2018.

In North America,  
Between 2017 and  
2018, Spending Rose

215%

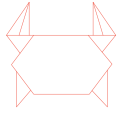


# Current State of Mobile Programmatic Advertising Around the World

## Top 20 In-App Mobile Programmatic Markets in 2019

- |   |                                    |   |                         |
|---|------------------------------------|---|-------------------------|
|    | <b>1.</b> United States of America |    | <b>11.</b> France       |
|    | <b>2.</b> China                    |    | <b>12.</b> Brazil       |
|    | <b>3.</b> Indonesia                |    | <b>13.</b> Vietnam      |
|    | <b>4.</b> India                    |    | <b>14.</b> Saudi Arabia |
|    | <b>5.</b> Australia                |    | <b>15.</b> Mexico       |
|    | <b>6.</b> Canada                   |    | <b>16.</b> Russia       |
|  | <b>7.</b> Germany                  |  | <b>17.</b> Malaysia     |
|  | <b>8.</b> United Kingdom           |  | <b>18.</b> South Korea  |
|  | <b>9.</b> Philippines              |  | <b>19.</b> Italy        |
|  | <b>10.</b> Singapore               |  | <b>20.</b> Japan        |





# Current State of Mobile Programmatic Advertising in the U.S.

As the biggest spender globally in the in-app mobile programmatic space, the U.S. can serve as a bellwether for how the space is growing and evolving overall. So what does the state of the industry in the U.S. say about the current state of programmatic?

Should current trends continue apace, the outlook for in-app programmatic media buying in the U.S. looks bullish. Total mobile programmatic ad spending grew 215% overall between 2017 and 2018.

## How Ad Dollars are Spent Programmatically in the U.S.

Is open exchange buying going by the wayside in the U.S., in favor of PMP deals? Our data shows that it's not an either/or situation, with both buying options seeing growth.

Between 2017 and 2018, PMP spending rose 63%. There was an 11% growth in PMP spending in Q1 2019 compared to Q1 2018.

Open exchange spending also saw increases during these time periods. There was 303% growth in open exchange spending between 2017 and 2018.





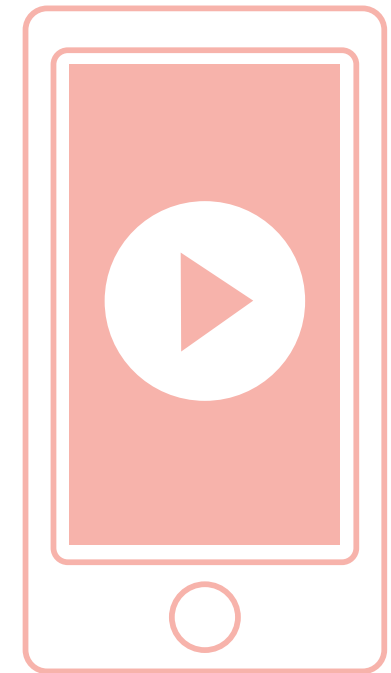
# Mobile Programmatic Advertising Trends by Ad Format

Our data shows that in the U.S., video, native and banner advertising all remain popular.

## Video: Most Effective

Programmatic video advertising has seen huge growth since 2017, in large part because of how effective it's proven to be for advertisers. Between 2017 and 2018, programmatic video ad spending grew 47% in the U.S. In Q1 2019, video ad spending in the U.S. was up 181% compared to Q1 2018.

In the U.S. in Q1 2019, click-through rates (CTRs) for video ads were over 2x greater than native CTRs and over 10x greater than CTRs for banners on average.



The average **CTR** for a video ad in the U.S.

3.16%

Q1 2019 | **InMobi**



0.26%

Q1 2018 | **IAB**

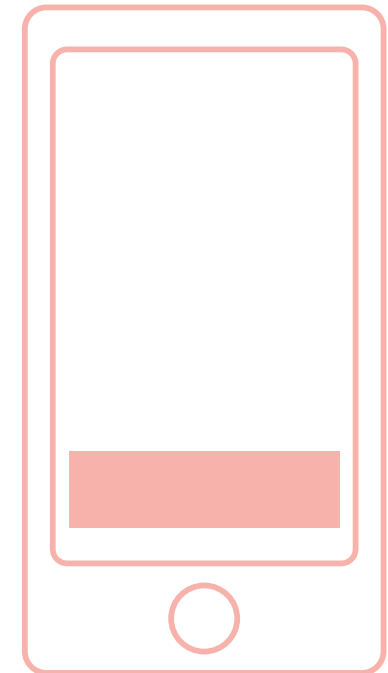


# Mobile Programmatic Advertising Trends by Ad Format

## Banners: Most Popular

Banners remain the most popular ad format in the U.S.

Share of U.S. Mobile Programmatic Ad Spending Going Towards Banners



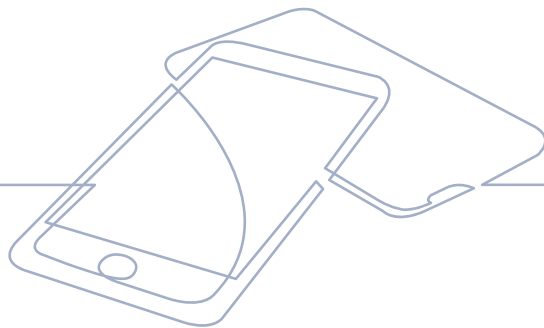
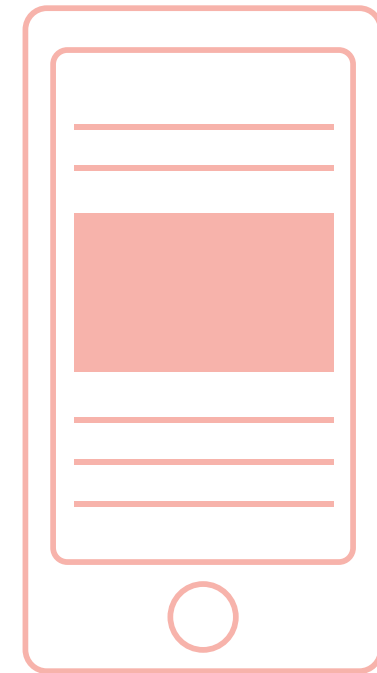


# Mobile Programmatic Advertising Trends by Ad Format

## Native: Fastest Growing

Among these three categories, native advertising is the fastest growing format.

- In the U.S., Q1 2019 spending was up 122% compared to Q1 2018.
- In 2018, spending was up 204% compared to 2017.
- In 2018, average CTR for native ads in app was 2.2%.





# Mobile Programmatic Advertising Spending by Industry

## Top Verticals Spending Programmatically in the United States:



**1. Food and Beverage**



**6. Health and Medical**



**2. Finance**



**7. Education**



**3. Housing Supplies**



**8. Entertainment**



**4. Auto**



**9. Technology**



**5. Business**



**10. Personal Care**

Just like last year, the consumer packaged goods (CPG) space is the biggest programmatic buyer; this industry is historically a top advertiser, so it's no surprise to see firms in this space utilizing programmatic. But, finance and auto are increasingly seeing the power of programmatic too.



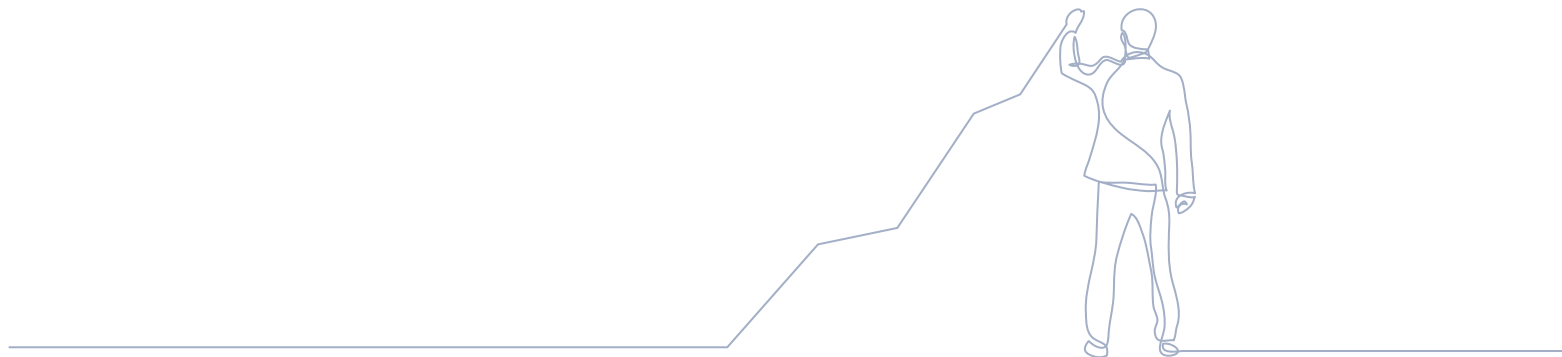
# What is the Future of Mobile Programmatic Advertising?

Programmatic will continue to grow throughout 2019 and beyond, as it becomes more commonplace and widely accepted.

The data shows that brands will be smarter in the future about how they conduct their spends. As we noted last year, programmatic is now not just about remnant inventory anymore. Programmatic is core to how marketers reach, engage and acquire users via mobile app channels.

The ecosystem is showing signs of maturing as well. In particular, new initiatives like app-ads.txt and sellers.json are helping to put trust and transparency front and center in the programmatic ecosystem.

As eMarketer has noted, mobile and apps are shifting from part of the media puzzle to the crucial, central element. Programmatic will also expand beyond desktops, laptops and mobile devices in the future too. That trend will only become more pronounced over time, especially as OTT and smart TVs become more popular.



## About InMobi

InMobi is the world's leading Marketing Cloud, driving real connections between brands and consumers. We create new paths for brands to understand, identify, engage and acquire consumers by leveraging our exclusive access to mobile intelligence and technology platforms.

As a leading technology company founded in 2007, InMobi has been recognized as a 2019 CNBC Disruptor 50 company and as Fast Company's 2018 Most Innovative Companies. For more information, visit [inmobi.com](https://inmobi.com).

Driving Real Connections. InMobi helps brands connect with consumers in ways that matter.

