

The background of the entire page is a photograph of three young people sitting together, looking at their smartphones. The person on the left is holding a white smartphone. The person in the center is holding a black smartphone. The person on the right is holding a black smartphone. The image is slightly blurred, giving it a candid, lifestyle feel.

THE STATE OF MOBILE VIDEO ADVERTISING

BRANDS | GLOBAL | 2018

TABLE OF CONTENTS

1	INTRODUCTION
2	APPROACH AND METHODOLOGY
3	GLOBAL KEY VIDEO INSIGHTS
4	THE GROWING VIDEO ECONOMY
5	A GLOBAL OVERVIEW OF MOBILE VIDEO ADVERTISING
6	REAPING THE REWARDS WITH MOBILE VIDEO ADVERTISING
7	PROGRAMMATIC FIRST
8	ABOUT US

INTRODUCTION

Over the past few years, user consumption patterns have undergone significant transformation. People have moved away from desktops and have embraced the ease and convenience of mobile devices.

As a result, video consumption on various mobile devices has seen an exponential rise, especially on smartphones. Just five years ago, adults in the US spent twice the amount of digital media time on desktop compared to mobile devices. Today, this statistic has almost completely reversed with 1.5x more media time being spent on mobile devices than desktops.

This explosion of mobile video consumption has fueled major advancements in mobile video advertising. Today's advertisers demand increased metrics to ensure unprecedented levels of transparency and efficiency in their campaigns. By embracing video that is custom-tailored for the mobile device and also the behavior of a mobile user, advertisers are now able to achieve superior performance that only video can deliver.

APPROACH AND METHODOLOGY

This report explores the popularity and performance of mobile video ads around the world and tailors insights specifically to the Global market. At InMobi, we analyzed data from our network for 2017 (January – December). By delving deeper into mobile video consumption patterns worldwide, we were able to glean useful insights for advertisers to leverage to satisfy all types of marketing goals such as:

1. Driving awareness
2. Maximizing traffic to landing page
3. Interactions with a video ad
4. Media performance such as completion rates and Viewability metrics

METRICS THAT MATTER – MOBILE VIDEO ADS

CLICK-THROUGH-RATE

= Number of Clicks / Number of Impressions delivered



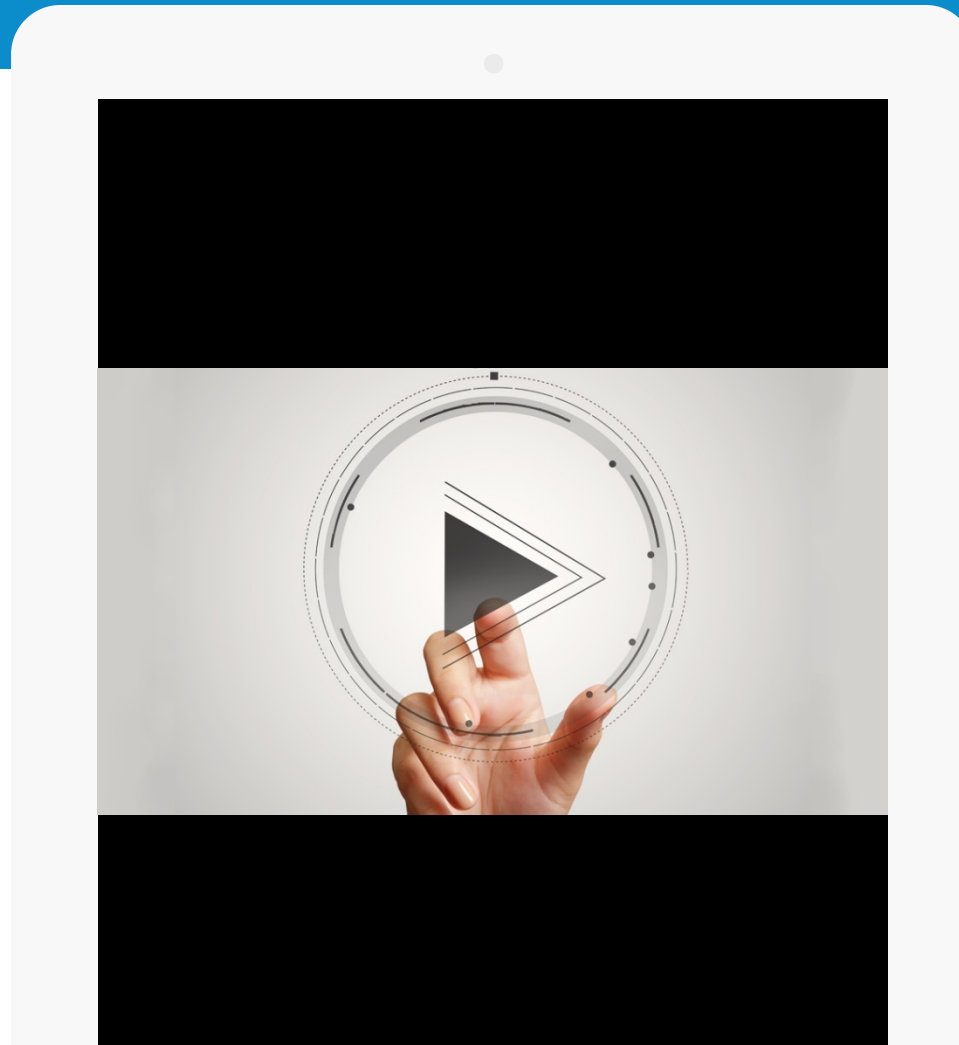
INDEXED VIDEO CTR

= Specific Video CTR / Global Average Video CTR



CONVERSION PER MILE

= (Number of App Installs / Number of Impressions delivered) * 1000



VIDEO PLAY RATE

= Number of Video plays / Number of Impressions delivered



VIDEO COMPLETION RATE

= Number of Video Ads Completed / Number of Video Ads Played



INVALID TRAFFIC RATE

= (Impressions delivered to non-human end point / total unfiltered impressions)

GLOBAL KEY VIDEO INSIGHTS

- 1 Video drives growth in mobile advertising worldwide**

In 2017, brands increased their spends on mobile video ads by 400% as consumer viewership grew by 550%! With increasing engagement, higher ROI and rising viewership of all things video, brands have a win-win on their hands with video ads.
- 2 VAST standards for in-app video advertising deliver 13% higher completion rates**

VAST-tagged mobile video ads deliver a seamless, truly native and immersive user experience. Completion rates averaged at 63% compared to 56% over non-VAST compliant video ads.
- 3 Video ads on SDK integrated inventory delivers 2x CTR**

Brand campaigns that ran on SDK-level integrated inventory, enjoy pre-cached videos which enable faster loading creating a highly enjoyable experience for users, delivering 2x higher CTRs compared to the performance of API integrated advertisers.
- 4 InMobi's DMVR approach delivers 2x higher Viewability Rates**

By adopting InMobi's DMVR approach, brand advertisers around the world are able to enjoy 2x Viewability rates of 91% over the MOAT benchmark.
- 5 Buying Video Ads Programmatically is the new normal**

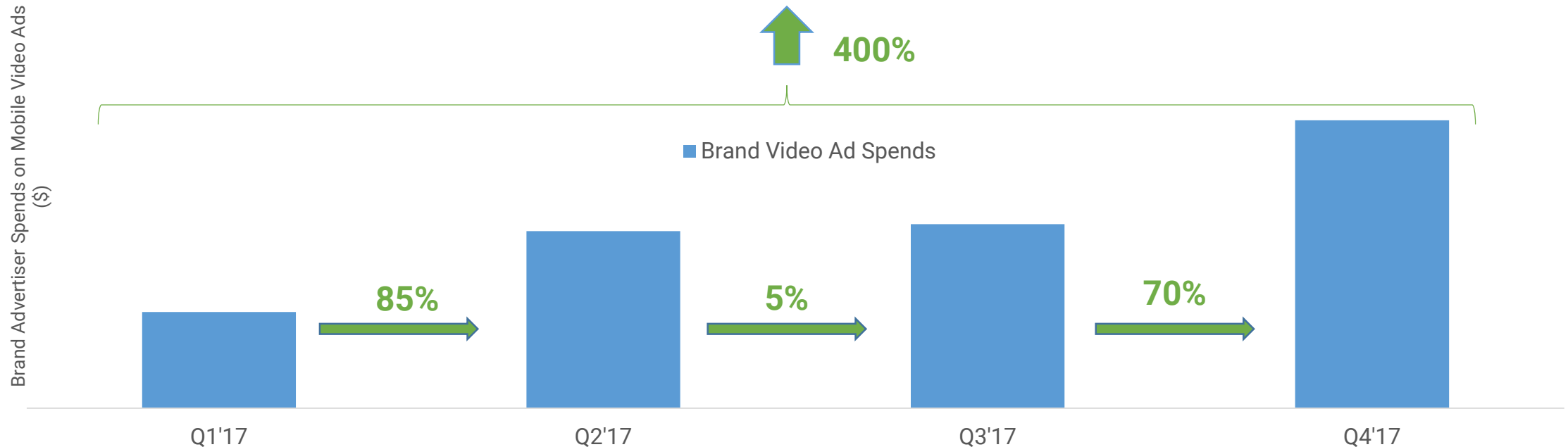
Advertisers across verticals are adopting programmatic buying to satisfy their need for transparency, efficiency and control. At InMobi, we witnessed 150% increase in spends programmatically over 2016.

THE GROWING VIDEO ECONOMY

VIDEO RISING: 400% GROWTH IN BRAND SPENDS ON MOBILE VIDEO ADVERTISING

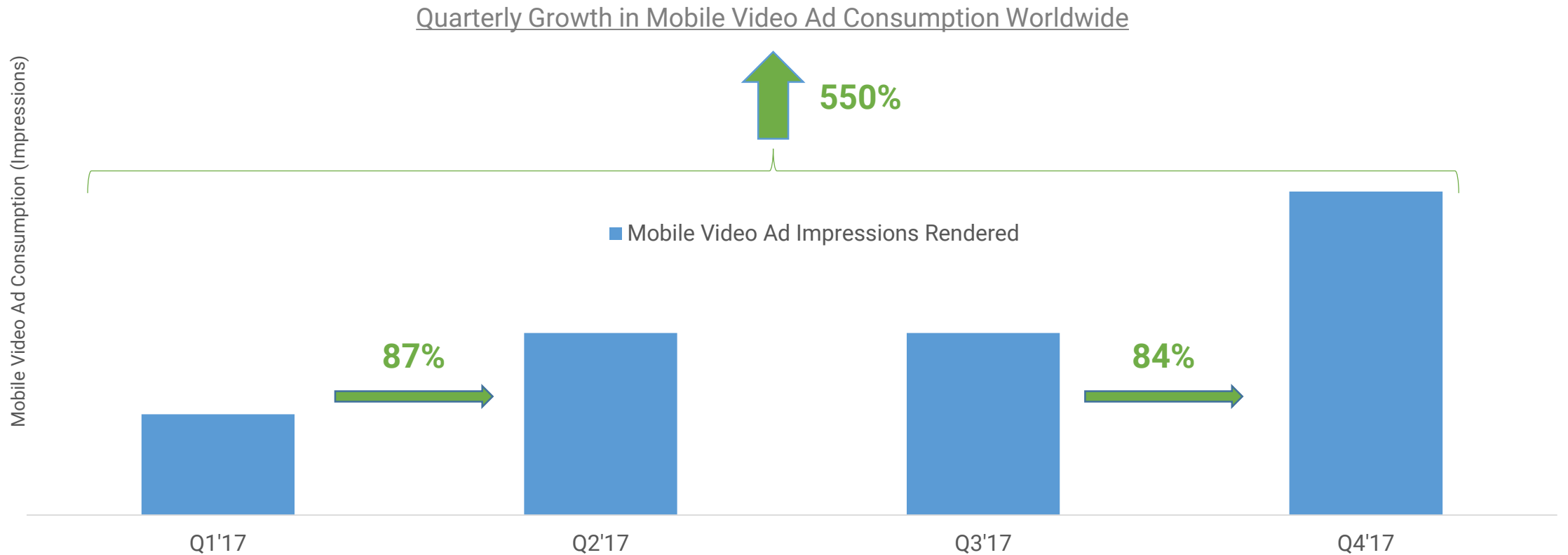
- In 2018, mobile ad spending worldwide is estimated to reach **\$181 billion**, a **5000%** increase since 2011 alone!
- By 2021, this figure is slated to touch **\$284 billion**, a 60% increase over 2018.
- All in all, by 2021, advertisers and marketers around the world will be allocating approx. 38% of their total mobile advertising to video, up from 1% in 2008.
- To capitalize on this burgeoning set of digital viewers, brand advertisers have increased their mobile video ad spends worldwide with US dominating the spends.

Quarterly Growth in Brand Advertiser Spends on Mobile Video



VIDEO RISING: 550% GROWTH IN MOBILE VIDEO AD CONSUMPTION

- Digital video viewers worldwide are slated to increase by **8% Y-on-Y** to **2.1 billion** in 2017 and is expected to further increase by **26%** between 2016-2020 to boast of **2.5 billion** digital video viewers. ¹
- To capitalize on this burgeoning set of digital viewers, brand advertisers have increased their mobile video ad spends worldwide with US dominating the spends.

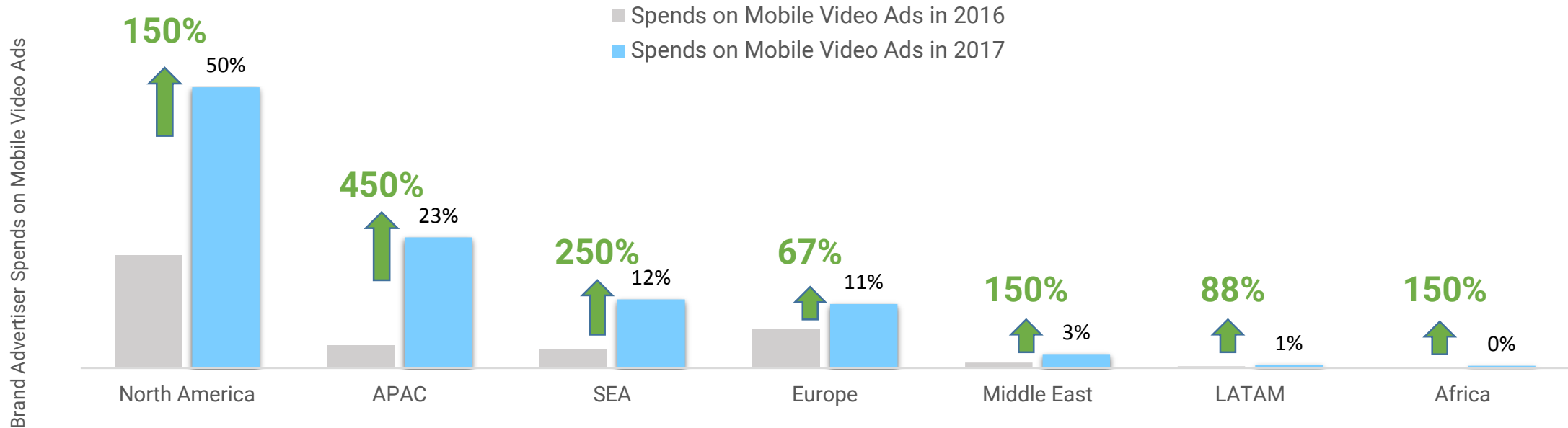


A GLOBAL OVERVIEW
OF
MOBILE VIDEO ADVERTISING

VIDEO RISING: APAC DRIVES GROWTH IN SPENDS ON MOBILE VIDEO ADS

- North America leads the global mobile video ad market with 50% share of all video ad budgets, and witnessed a **150%** Y-o-Y growth in brand advertiser spends on video.

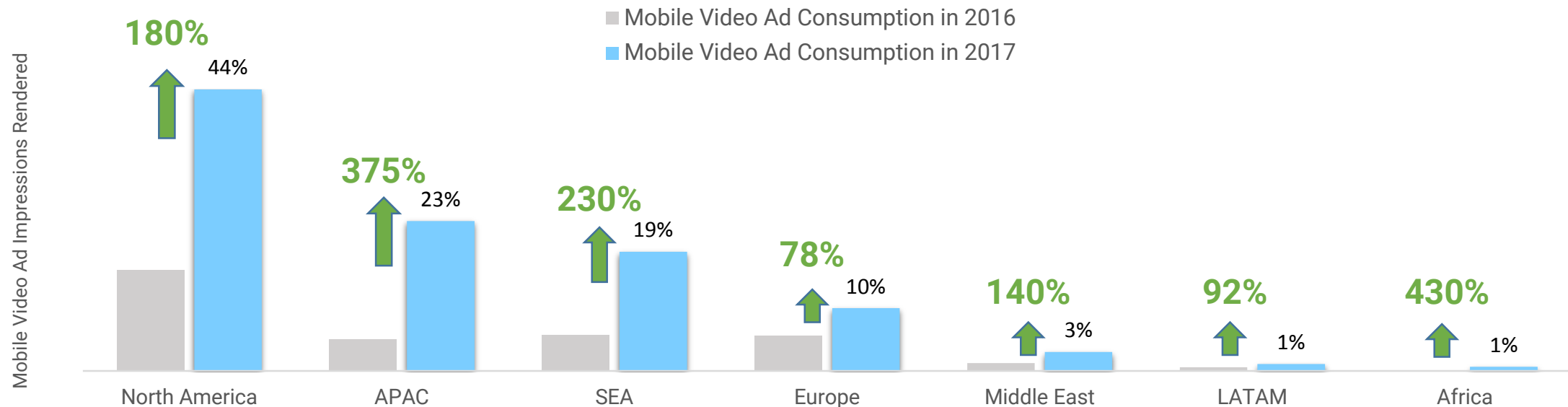
Brand Advertiser Spends on Mobile Video Ads Across Regions



VIDEO RISING: 220% GROWTH IN MOBILE VIDEO AD SPENDS

- North America is the largest consumer of mobile video ads, accounting for **44%** share of all video ad impressions.
- Moreover, with a **180% Y-o-Y** increase in video ad consumption via mobile devices, the demand for video ads is only expected to grow further.
- Interestingly, video viewing is skewed heavily towards apps with US adults spending over 20 minutes daily in apps vs. 11 minutes per day on mobile web.

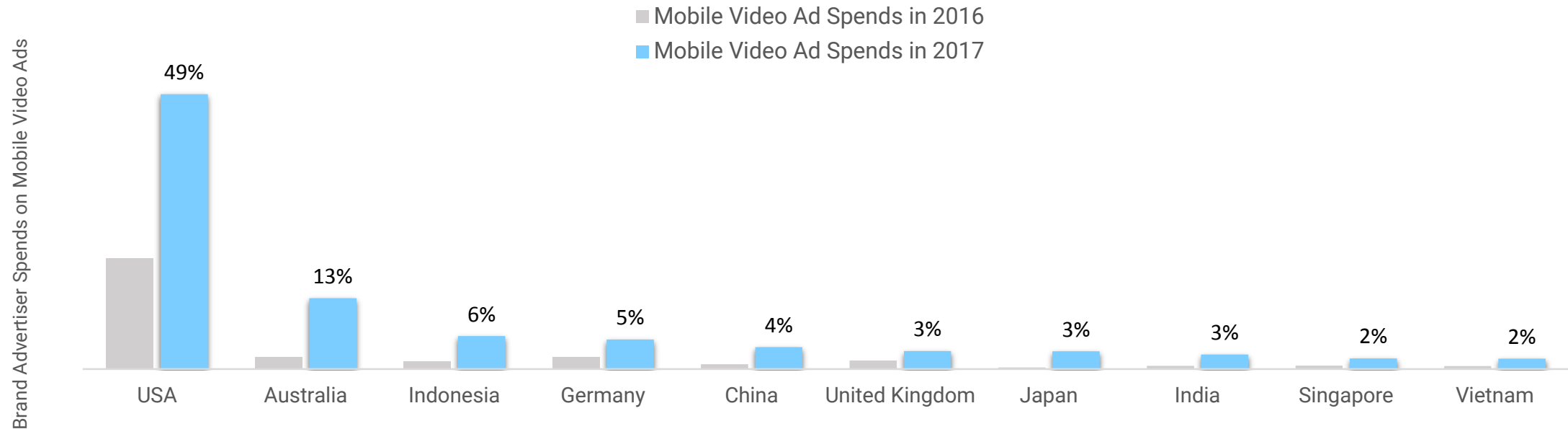
Shifting Mobile Video Ad Consumption Around the World



VIDEO RISING: 220% GROWTH IN MOBILE VIDEO AD SPENDS

- USA is the biggest brand market for advertisers the world over. It attracts the largest share i.e. 49% of brand advertiser spends on mobile video.
- With digital video viewership and demand for mobile video ad on the upswing, brand advertisers will continue to increase their spending on video to capitalize on the growing demand.

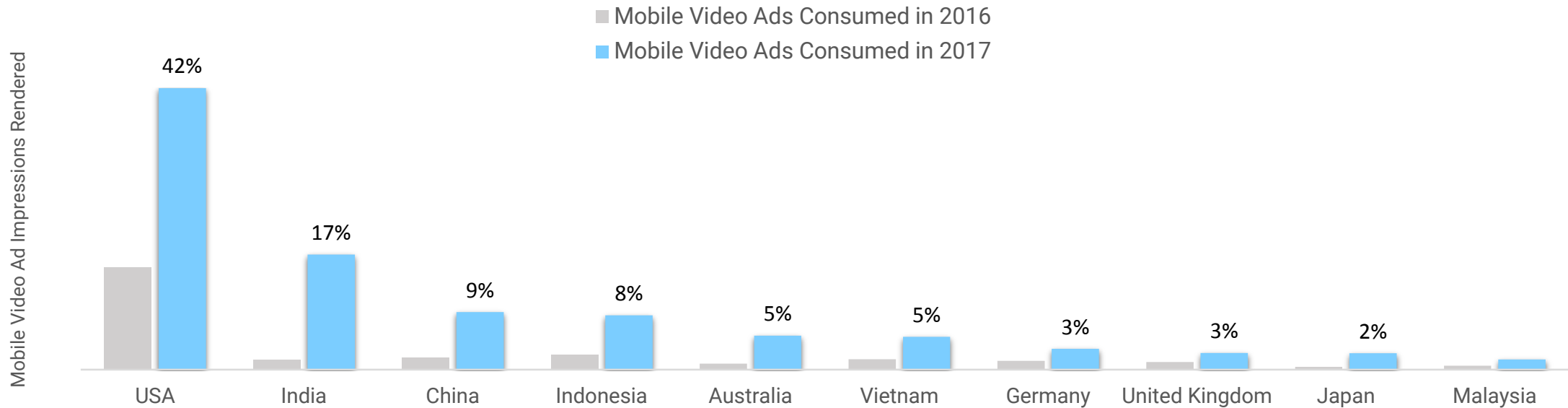
Top 10 Countries Attracting Highest Brand Advertiser Spends on Mobile Video Ads



VIDEO RISING: 220% GROWTH IN MOBILE VIDEO AD SPENDS

- It is no surprise that USA leads the world in mobile video ads consumed with 42% share, measured by the number of impressions rendered on the user’s screen.
- With a Y-o-Y growth of 382%, Chinese brand advertisers are aggressively investing in video advertising to effectively reach their audiences.

Leading Consumers of Mobile Video Ads (Top 10 Countries)

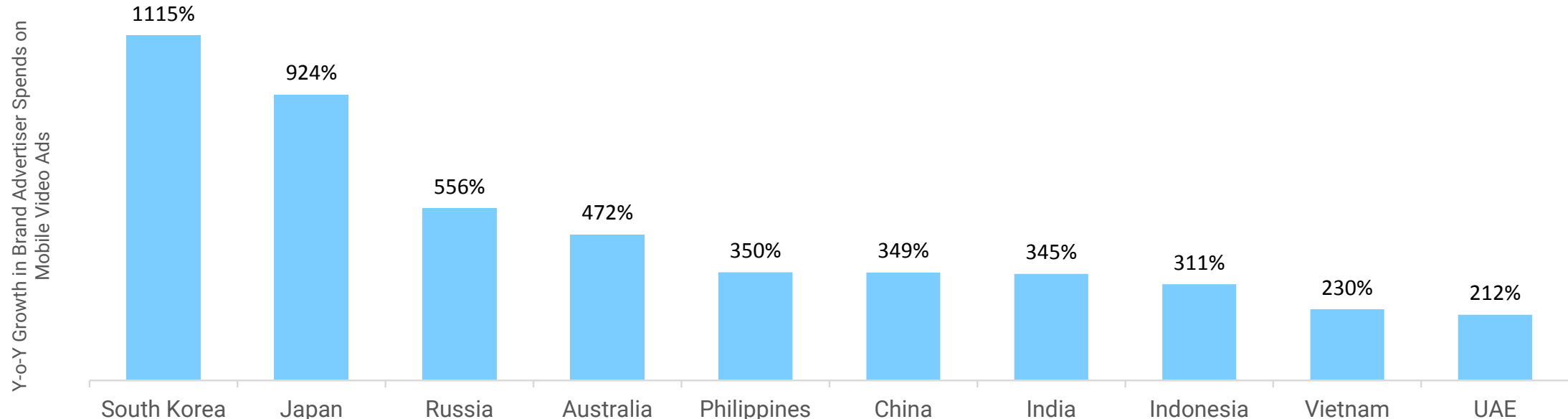


GROWING NATIONS OF VIDEO ADVERTISING:

SOUTH KOREA RECORDED THE HIGHEST GROWTH IN MOBILE VIDEO AD SPENDS

- South Korea, by far recorded the highest Y-o-Y growth of **>1000%** in mobile video advertising, making it one of the south after destinations for video advertising

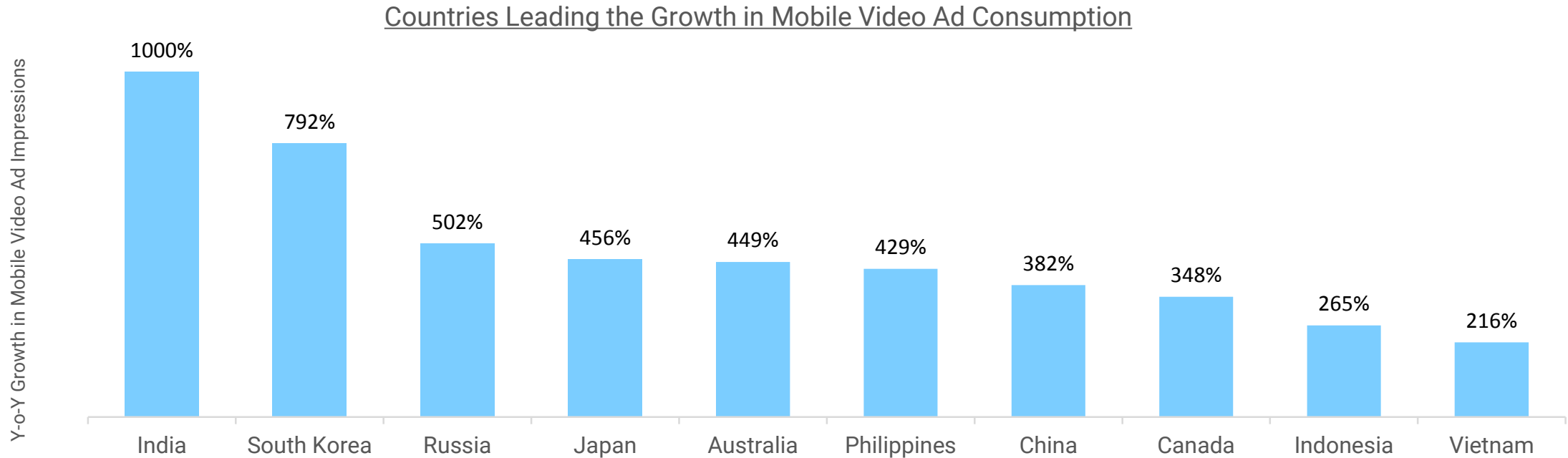
Countries Leading the Growth in Brand Advertiser Spends in Mobile Video Ads



GROWING CONSUMERS OF VIDEO ADS:

SOUTH KOREA LEADS GROWTH IN CONSUMPTION OF MOBILE VIDEO AD

- South Korea, by far recorded the highest Y-o-Y growth of **792%** in consumption of mobile video ads.

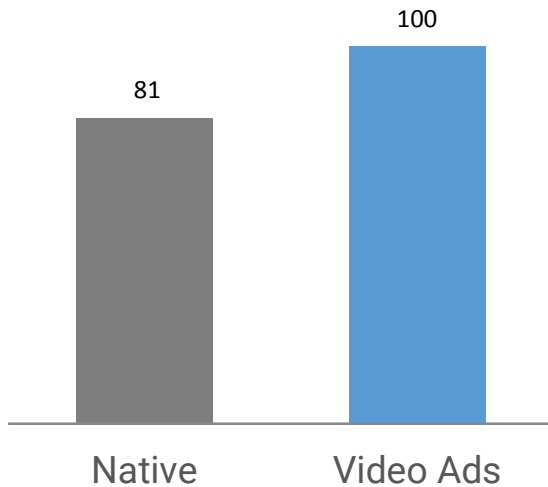


REAPING THE REWARDS
WITH
MOBILE VIDEO ADVERTISING

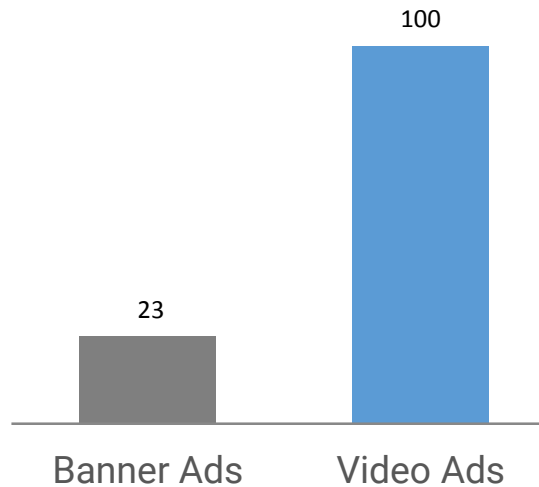
VIDEO ADS DRIVE HIGHER USER ENGAGEMENT

- Video ads are the most valuable channel available to advertisers today.
- It not only allows for superior storytelling but the interactivity of video ads ensures a higher user engagement delivering above average CTRs compared to Banner Ads.

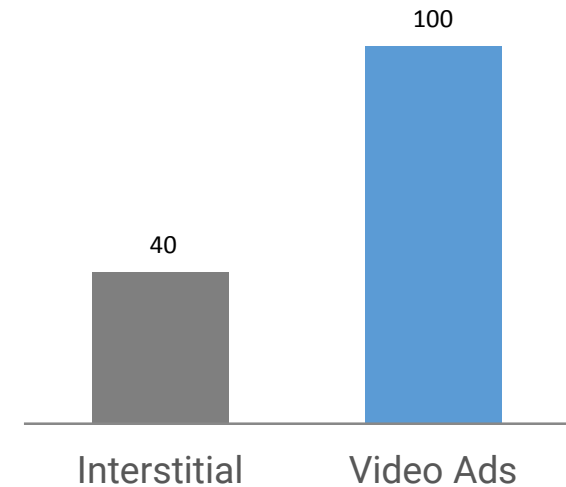
**1.2X HIGHER CTR
OVER NATIVE**



**4X HIGHER CTR
OVER BANNER**

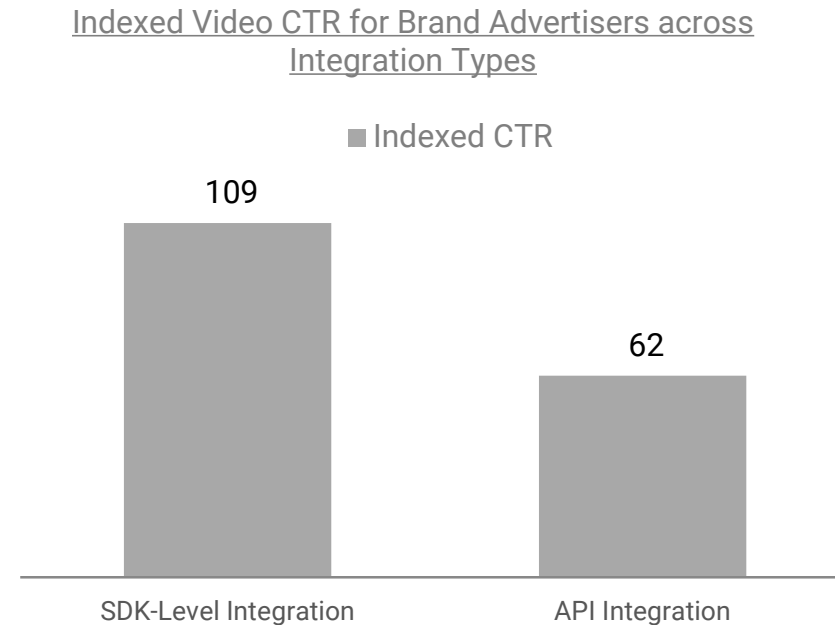
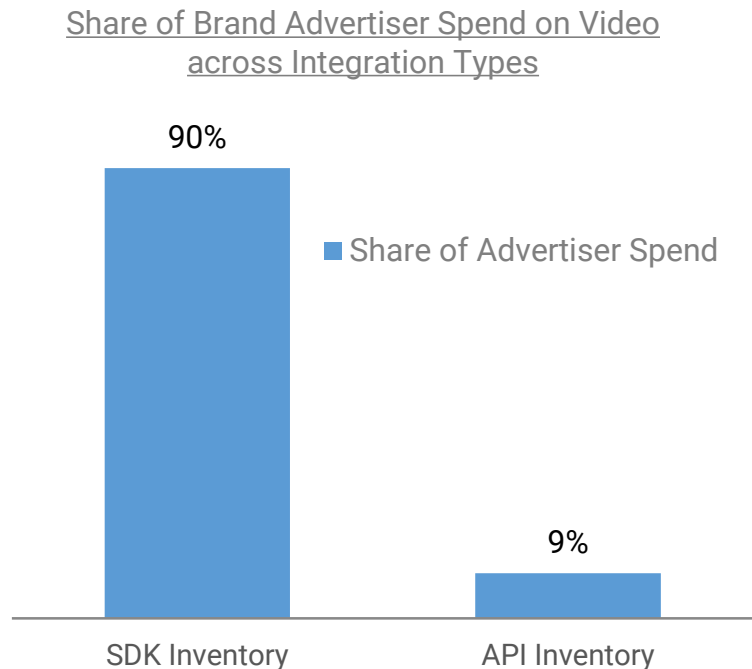


**3X HIGHER CTR
OVER INTERSTITIAL**



ADVERTISERS ENJOY HIGHER RETURNS WITH SDK-LEVEL INTEGRATION

- A video ad that runs on SDK inventory is pre-cached hence reducing video ad-load speeds. Hence it creates a buffer-free user experience, while boasting of higher user engagement and completion rates for brand advertisers. Moreover, with an SDK integration, there is zero chance of fraudulent reporting.
- Advertisers are able to deliver a superior user experience thus enjoying **2x** higher CTRs when using the an SDK integrated inventory over an API integrated one.



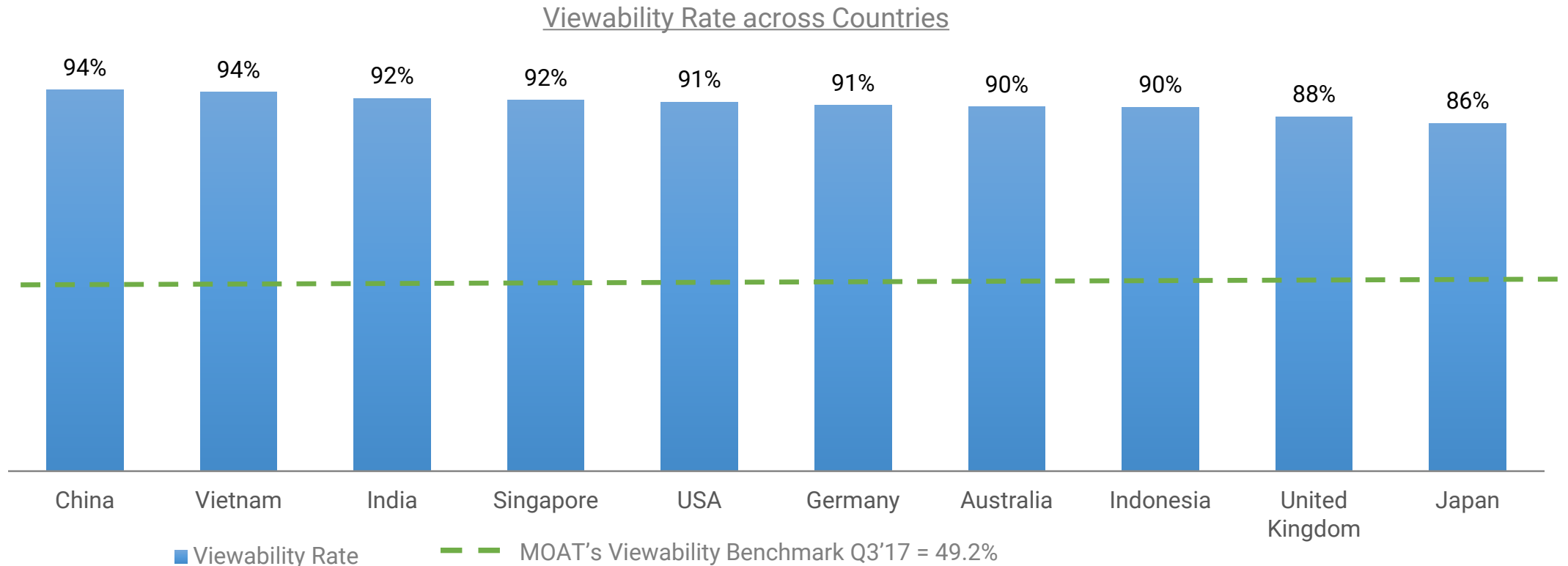
GLOBAL VIEWABILITY METRICS

- The arrival of MRC’s Viewability Guidelines* provided a single globally accepted definition for mobile video Viewability. As Viewability of ad impressions takes center stage, brand advertisers must demand MRC-compliant metrics for their ad campaigns. Third party verification measurement partners such as MOAT are incorporated directly into InMobi’s SDK resulting in cleaner metrics and the option to optimize the campaign on Viewability metrics.
- InMobi’s DMVR approach delivers 2x better than the MOAT Viewability benchmark for November 2017.

<u>Viewability Metrics</u>	<u>InMobi Score</u>	<u>MOAT Benchmark</u>
Average Human and Viewable Rate	91.10%	47.63%
Average IVT Rate	0.15%	0.47%
AVOC Rate	37.13%	23%
MOAT Video Score	58	43

INMOBI DELIVERS 2x VIEWABILITY FOR VIDEO ADS DELIVERED IN 2017

- InMobi delivers >90% viewability rate for video ads across all countries, of which Top 10 have been listed here.
- This means that over 90% of the video ads delivered by InMobi for its advertisers are actually viewable by the consumer.
- Brand advertisers across countries can further be assured of minimal \$ wasted and a higher ROI on their video ad spends.

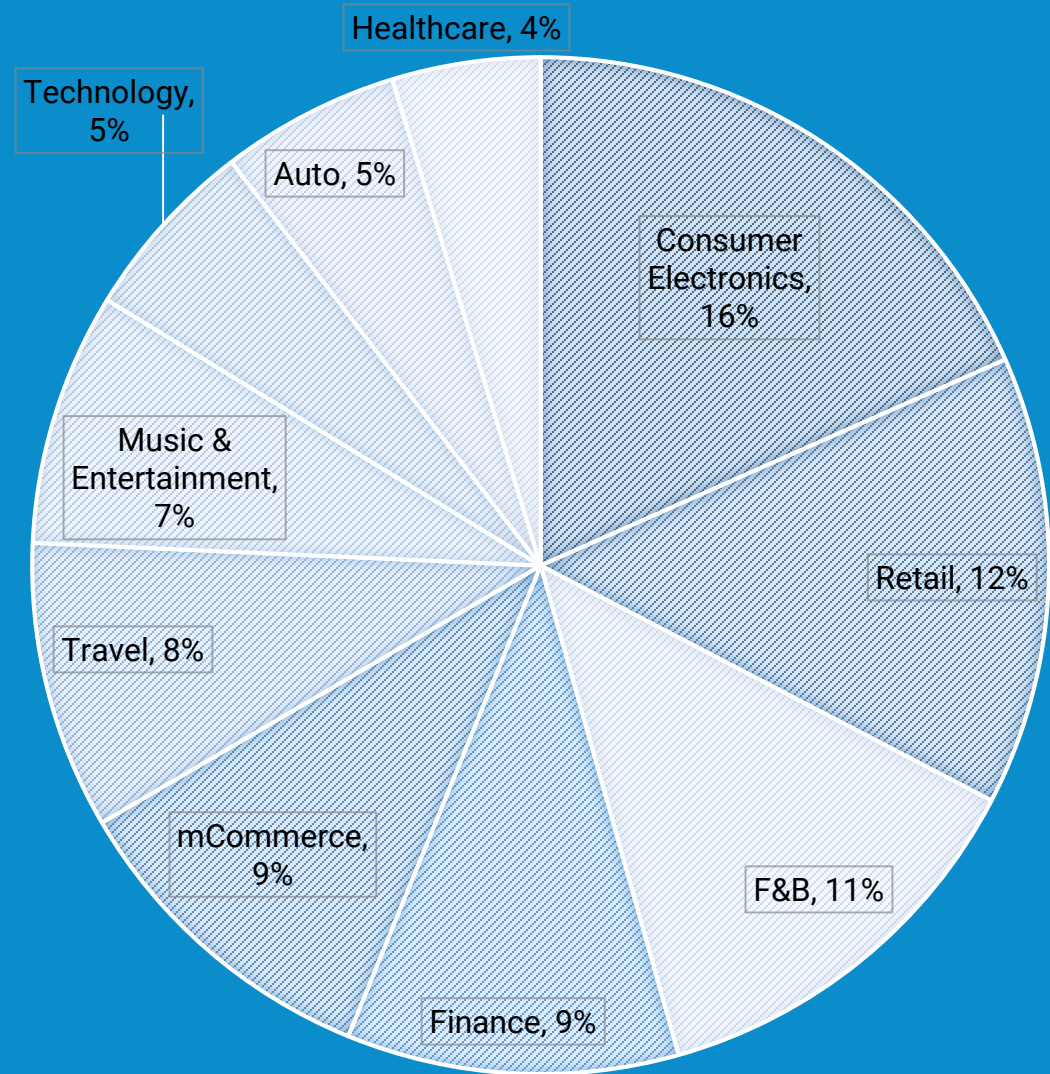


CONSUMER BEHAVIOUR
ON
MOBILE VIDEO ADS

CONSUMER ELECTRONICS AND RETAIL INVEST HEAVILY IN MOBILE VIDEO ADVERTISING

- Given the superior performance delivered by mobile video ads, advertisers across verticals are investing in video advertising on mobile.
- Advertisers from Consumer Electronics and Retail sector are the biggest investors in video advertising on mobile.

TOP BRAND ADVERTISER CATEGORIES SPENDING ON MOBILE VIDEO ADS

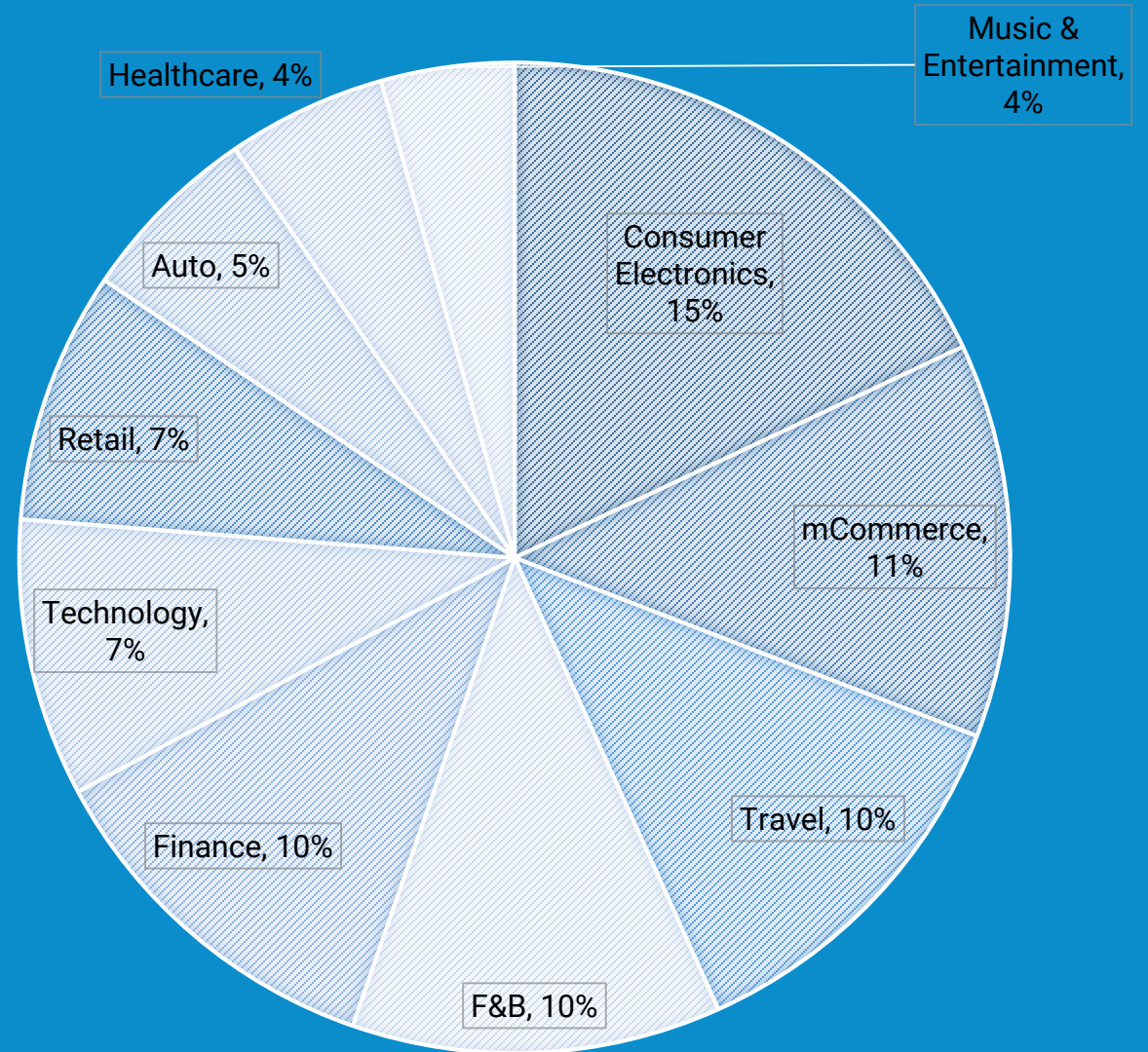


- Video Ads Consumed = Share of Video ad impressions rendered
- Based on 2017 data from the InMobi network

CONSUMER ELECTRONICS AND MCOMMERCE RELATED VIDEO ADS ARE HIGHLY POPULAR

- Given the superior performance delivered by mobile video ads, advertisers across verticals are investing in video advertising on mobile.
- People around the world love video ads about consumer electronics, mobile commerce and travel.

TOP VIDEO CONTENT CONSUMED BY AMERICANS ON THEIR MOBILE DEVICES



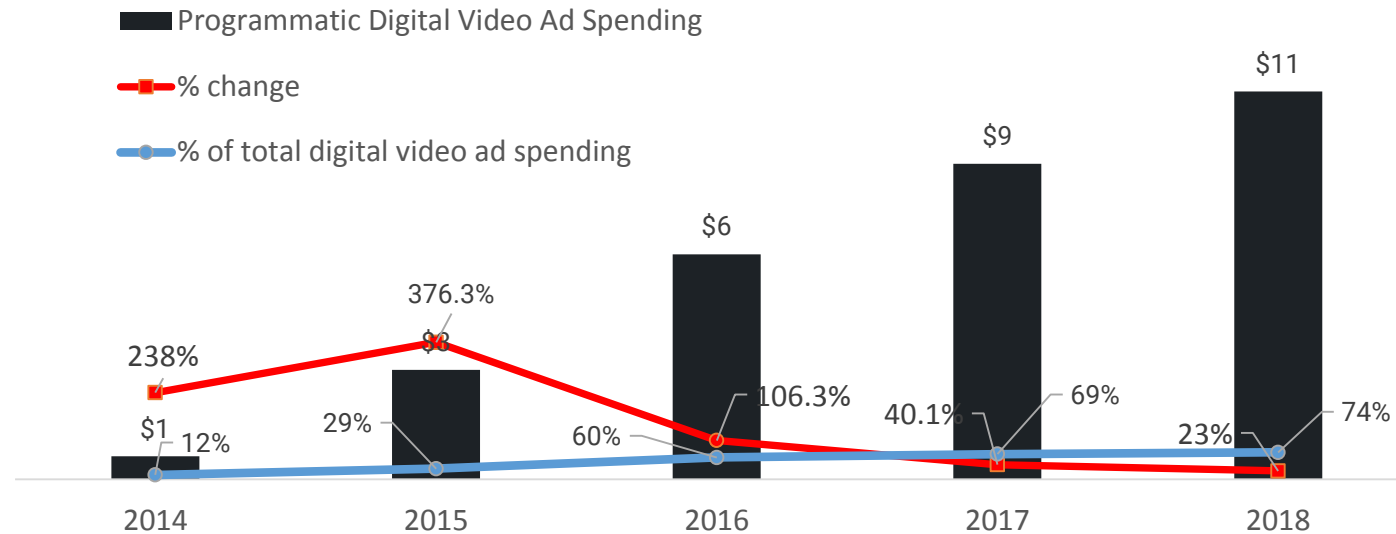
• Video Ads Consumed = Share of Video ad impressions rendered
 • Based on 2017 data from the InMobi network

PROGRAMMATIC-FIRST

PROGRAMMATIC VIDEO SEES A Y-O-Y DOUBLE DIGIT INCREASE, AND MOBILE WILL TAKE THE LEAD IN 2018

- Programmatic transacting of video touts the benefits of rich and diverse data sources, efficiencies of automation, and transparency of targeting and reporting.
- In 2018, programmatic digital video ad spending is estimated to reach \$11 million, representing 74% of total digital video ad spending. Programmatic mobile video ad spending has surpassed desktop programmatic video for the first time in 2017.
- According to Videology, the majority of programmatic campaigns are on a TV-like guaranteed basis.

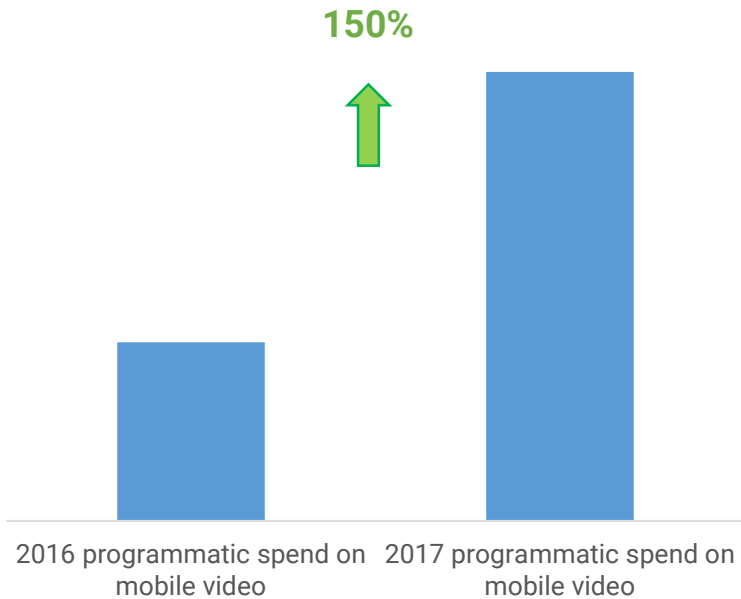
US Programmatic Digital Video Ad Spending, 2014 - 2018



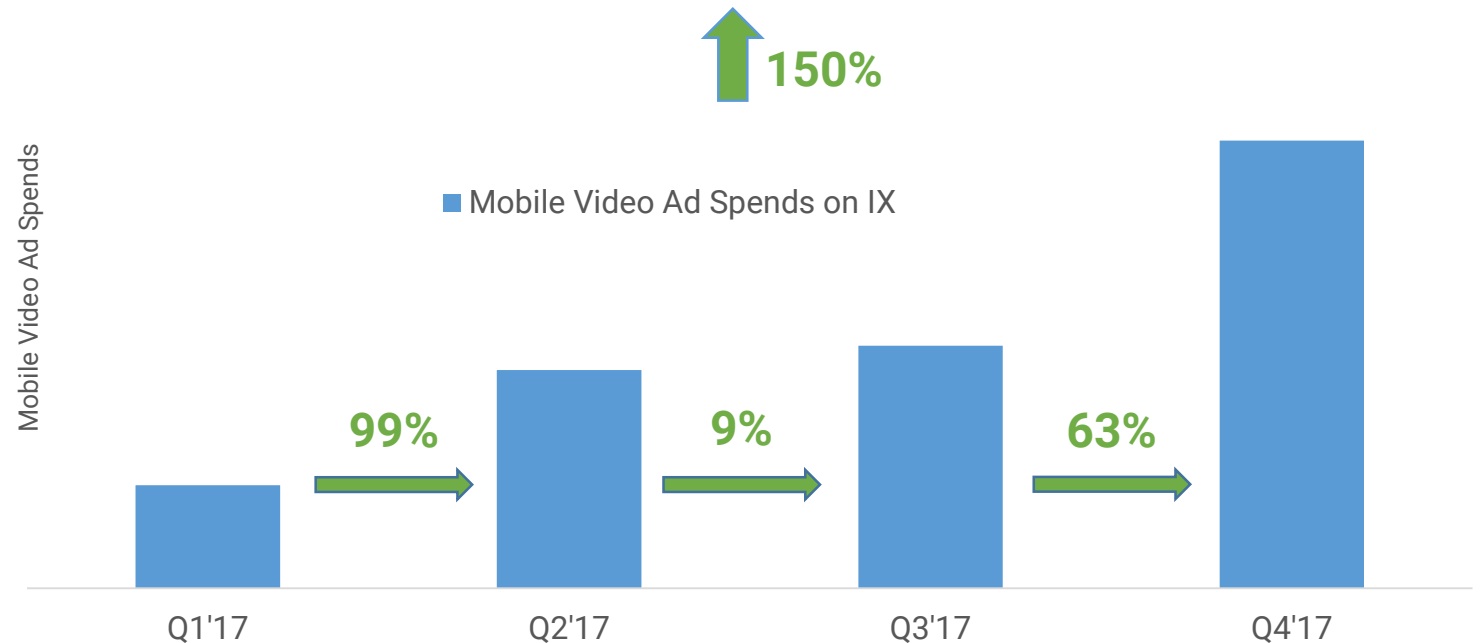
PROGRAMMATIC IS THE WAY TO GO

- The entire mobile advertising industry is moving towards programmatic buying of inventory to satisfy the growing need for higher transparency, efficiency and control.
- At InMobi we are witnessing similar trends, with programmatic buying increasing by 121% Y-o-Y.
- As programmatic gains popularity, advertisers across verticals are eagerly adopting programmatic as part of their advertising strategy.

Growth in Programmatic Buying of Mobile Video Ads Worldwide



Quarterly Growth in Mobile Video Ad Spends on IX in USA



ABOUT US

InMobi is a global mobile advertising platform that specializes in delivering the best ROI for mobile marketers. A mobile-first and mobile-only platform, InMobi has been pioneering the next generation of ad experiences, including video advertising, on the back of deep learning based optimization engines.

InMobi platforms help brands, performance marketers and app publishers engage mobile users across different stages of their lifecycle, converting each mobile moment into an opportunity to drive engagement and revenue. Recognized by Fast Company as one of The Most Innovative Companies in 2016, InMobi reaches over 1.5 billion unique mobile devices worldwide and is redefining business models for the mobile ecosystem. For more information, visit www.inmobi.com

insights@inmobi.com

WE ARE A TECHNOLOGY POWERHOUSE

The global scale & reach of our full-stack advertising platform helps brands nudge mobile users across different stages of their lifecycle, converting each mobile moment into an opportunity to drive engagement & revenue.



1.5 BILLION+

UNIQUE MOBILE
DEVICES



20,000+

GLOBAL
ADVERTISERS



120+ TB

OF USER DATA ANALYZED
MONTHLY



6 MILLION+

APP DOWNLOADS
TRACKED MONTHLY



32,000+

PUBLISHER
APPS



200 BILLION+

MONTHLY AD
REQUESTS

ABOUT INMOBI, COMPANY OVERVIEW

Over 9 years pioneering mobile advertising and discovery spanning the globe



GLOBAL COVERAGE

Global reach and scale with local expertise, spanning 18 offices across the globe, and a dominant position in key mobile markets like North America, China and India



DEMAND POOLS

World-class performance, brand, and commerce advertisers accessible via every buying scheme, from fully programmatic -open and private, to managed services



PUBLISHERS GROWTH SOLUTIONS

InMobi features a comprehensive suite of publisher solutions that solve for all mobile growth needs: user acquisition, user monetization and audience extension



ECOSYSTEM PARTNERSHIPS

InMobi's dedicated Global Alliances team forges long-lasting partnerships with key industry players to ensure seamless campaign execution and measurement to our clients while delivering the best possible ad experience to our consumers.

THANK YOU



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