Mobile Advertising Marketplace Report

2012 Q4

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About the report

- The **Mobile Advertising: Marketplace Report** provides market data from real-time bidded auctions for mobile ad impressions, aggregated from smartphone applications, advertisers and demand side platforms on MoPub Marketplace, the mobile ad exchange product of MoPub, the world's leading advertising server for smartphone apps.

- MoPub Marketplace is a real-time bidding exchange for mobile ads, where advertisers and their representatives can bid on ad inventory from thousands of smartphone application publishers in an efficient, real-time market. Over 180 Tier 1 brand advertisers, including 58 of the top 100 largest advertisers in the world advertise on MoPub Marketplace.

- The data reflected here is solely representative of exchange-traded media on MoPub Marketplace and does not include any ad network or ad network mediation data.

- MoPub Marketplace suppliers are smartphone application publishers from the U.S., Europe, Asia, and Latin America. The data is representative of 30 billion monthly ad impressions across two dozen verticals.

- MoPub is a neutral and private entity. MoPub does not sell advertising nor do we buy inventory. For more information about MoPub, see report appendix or email info@mopub.com.

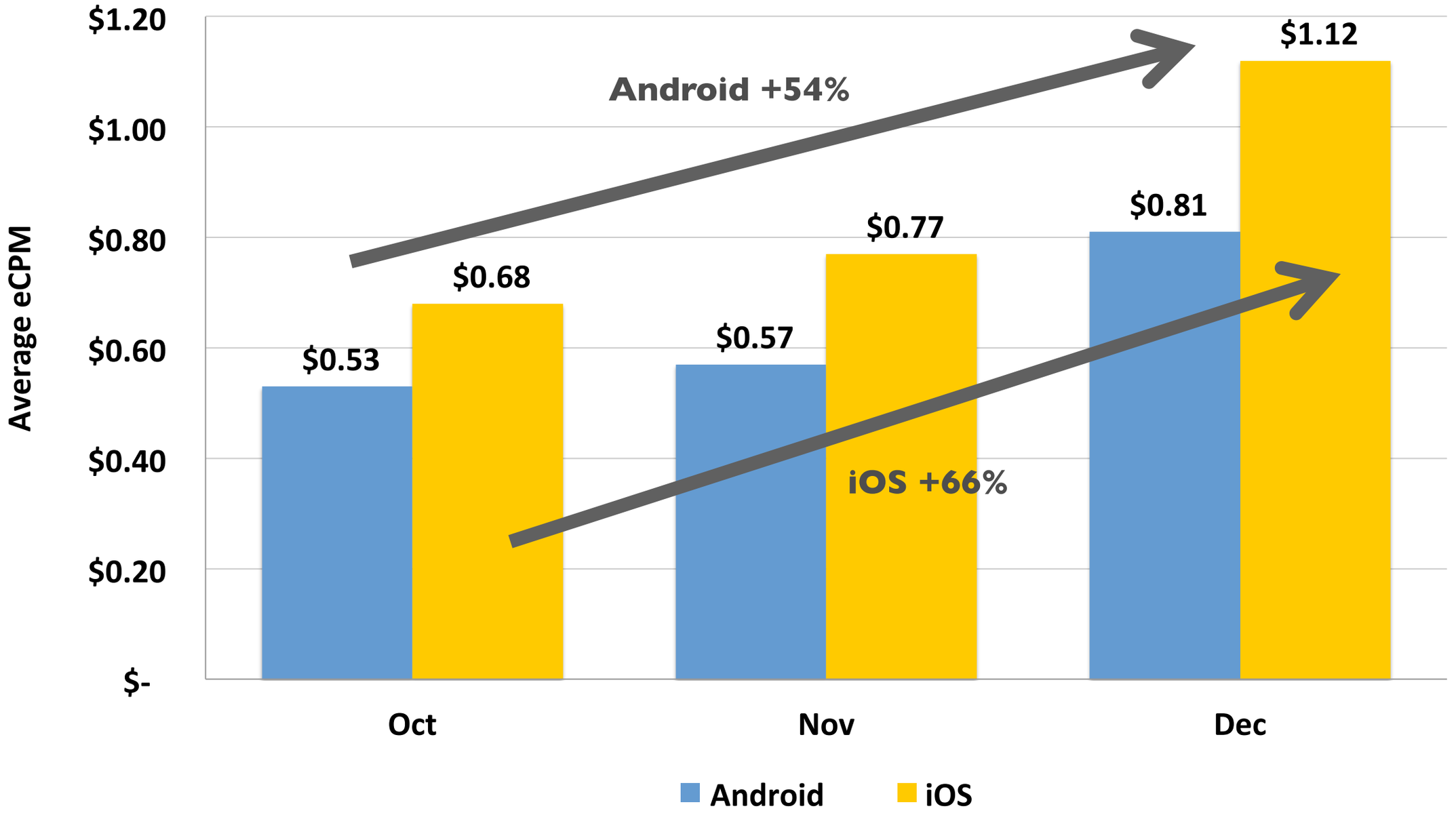
- Questions, comments, or data inquiries about this report can be sent to datareports@mopub.com.

Summary highlights

- Mobile advertising prices rose dramatically in Q4 as advertising season kicked into high gear with over 50% gains in eCPMs
- iOS experiences the largest spike in eCPMs garnering an average price 66% greater than the beginning of the quarter
- Holiday click-through rates for iOS and Android stay high even after the New Year holiday
- Prices rise among all devices in Q4, with average eCPMs for the iPad including the new iPad mini rising to $1.40
- The iPad overtakes the iPhone as the most popular device among advertising sources in the fourth quarter
- Post-New Year's eCPMs remain higher across all devices than their early December levels indicating the spend is not over yet
- Ad performance after New Year's actually surpass click-through rates during the holidays in December
- Social networking and sports apps dominate in popularity among advertising sources during Q4, while health and fitness apps experience the greatest decline
- Rich media ad units receive higher eCPMs but ad performance only moderately improves with slightly higher click-through rates

MoPub Proprietary Data. For more information contact datareports@mopub.com

Mobile advertising prices rise dramatically in Q4 with over 50% gains in eCPMs



- As Q4 advertising kicks into high gear, iOS experiences the largest spike in eCPMs garnering an average price 66% greater than the beginning of the quarter

Notes: Effective CPM: Effective CPM is equal to total revenue ÷ total ad impressions x 1000, and represents the price advertisers are willing to pay to reach the developer's audience.

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This holiday season, Apple continues to dominate Android in the operating system competition

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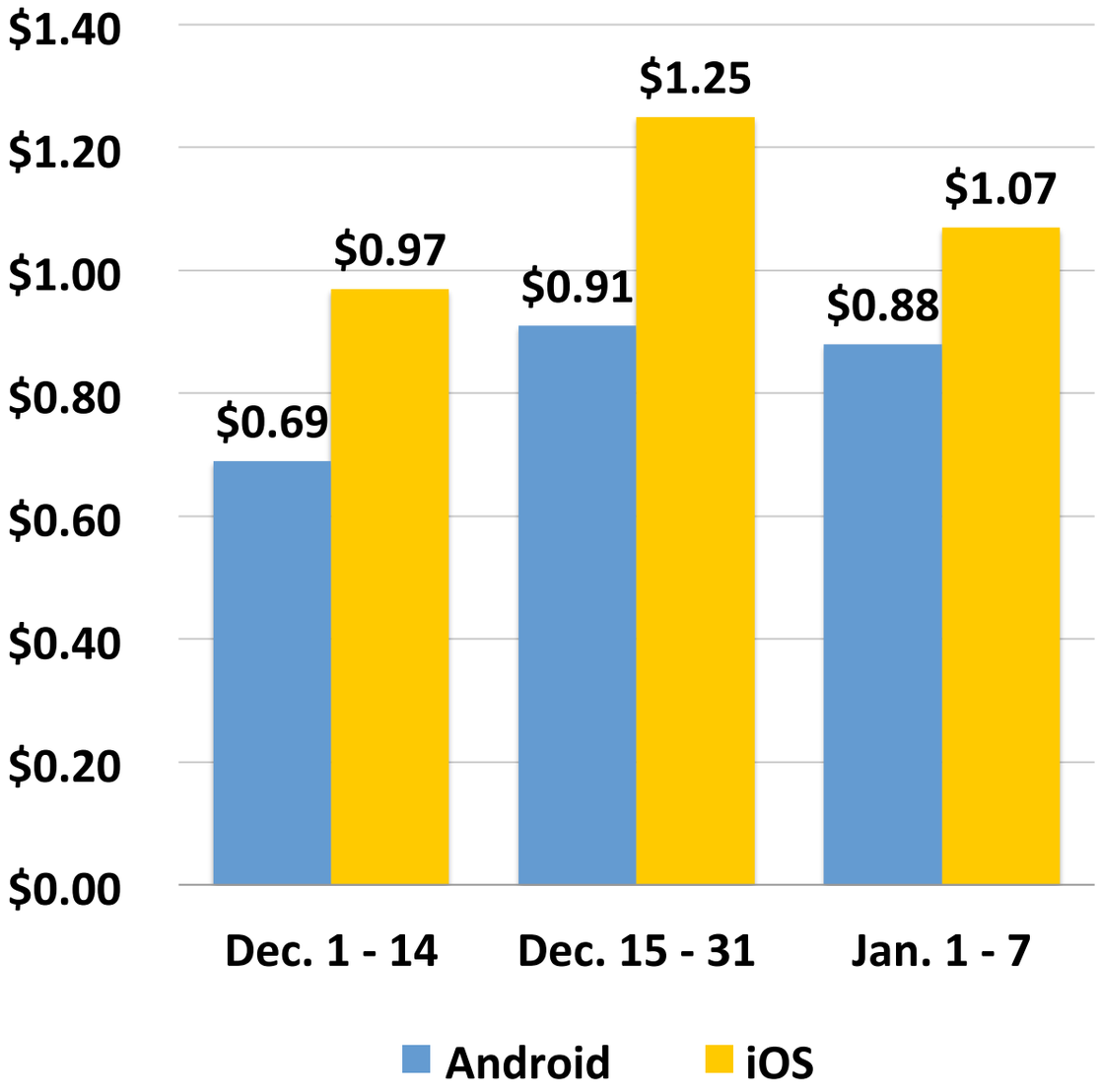
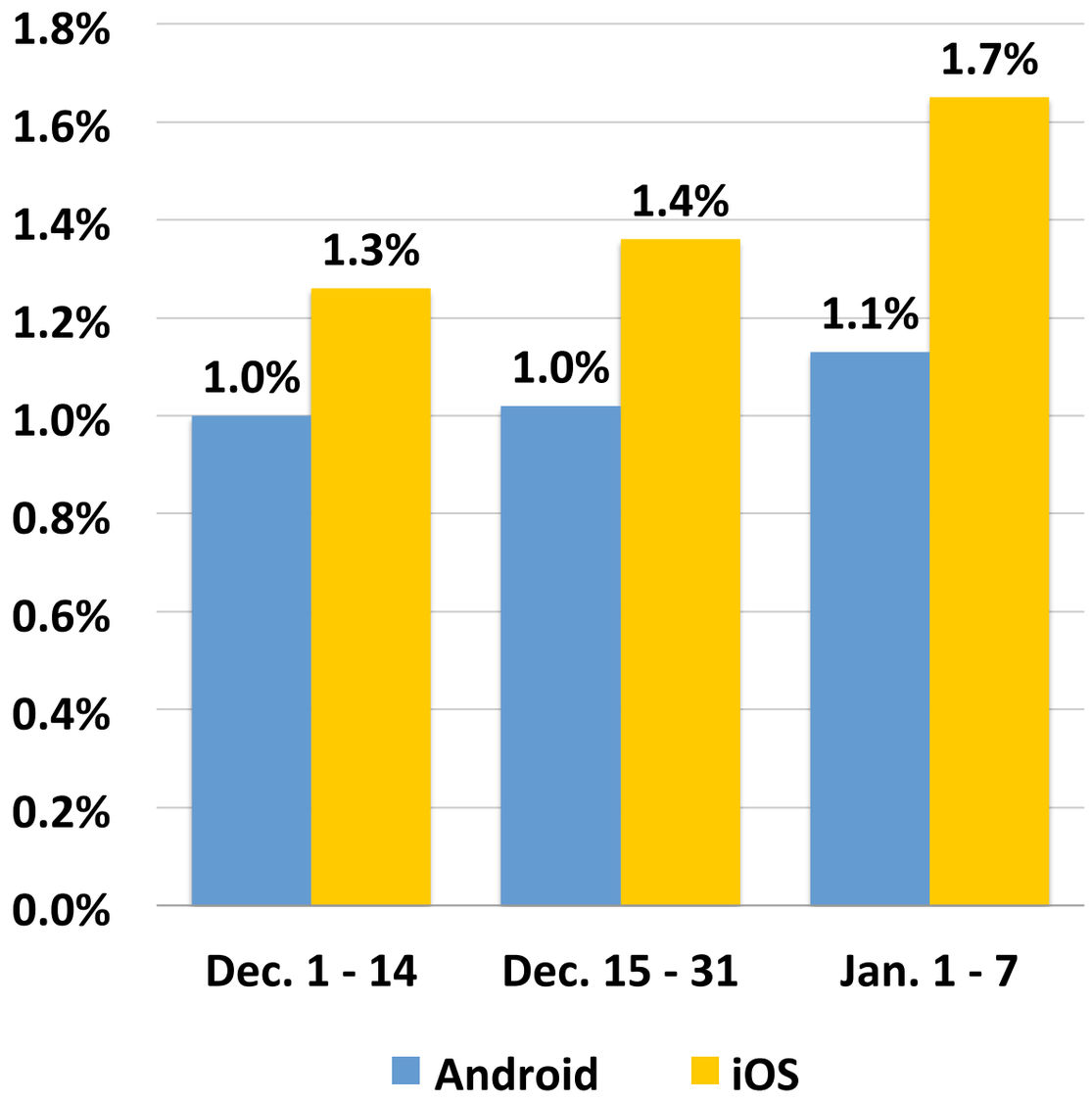
eCPMs



Click-Through Rates



- Click-through rates and eCPMs remain high even after the New Year for both operating systems but iOS continues to hold its lead across the board

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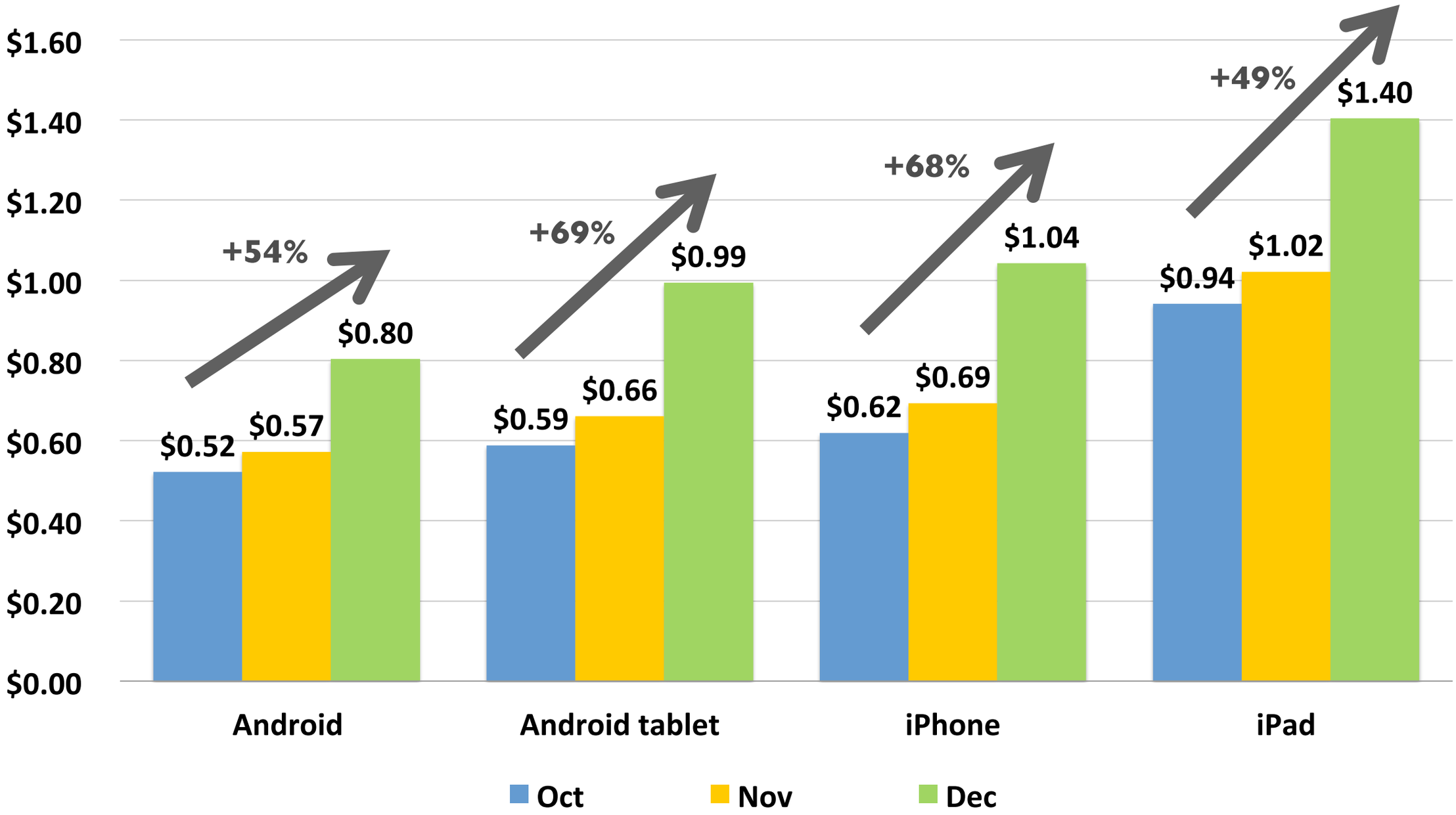
Q4: Is the iPad pulling ahead of other mobile devices?



- While prices climbed among all devices in Q4, average eCPMs for the iPad including the new iPad mini, jumped to $1.40. Holiday ad campaigns also drives dramatic price increases for Android tablets and iPhones

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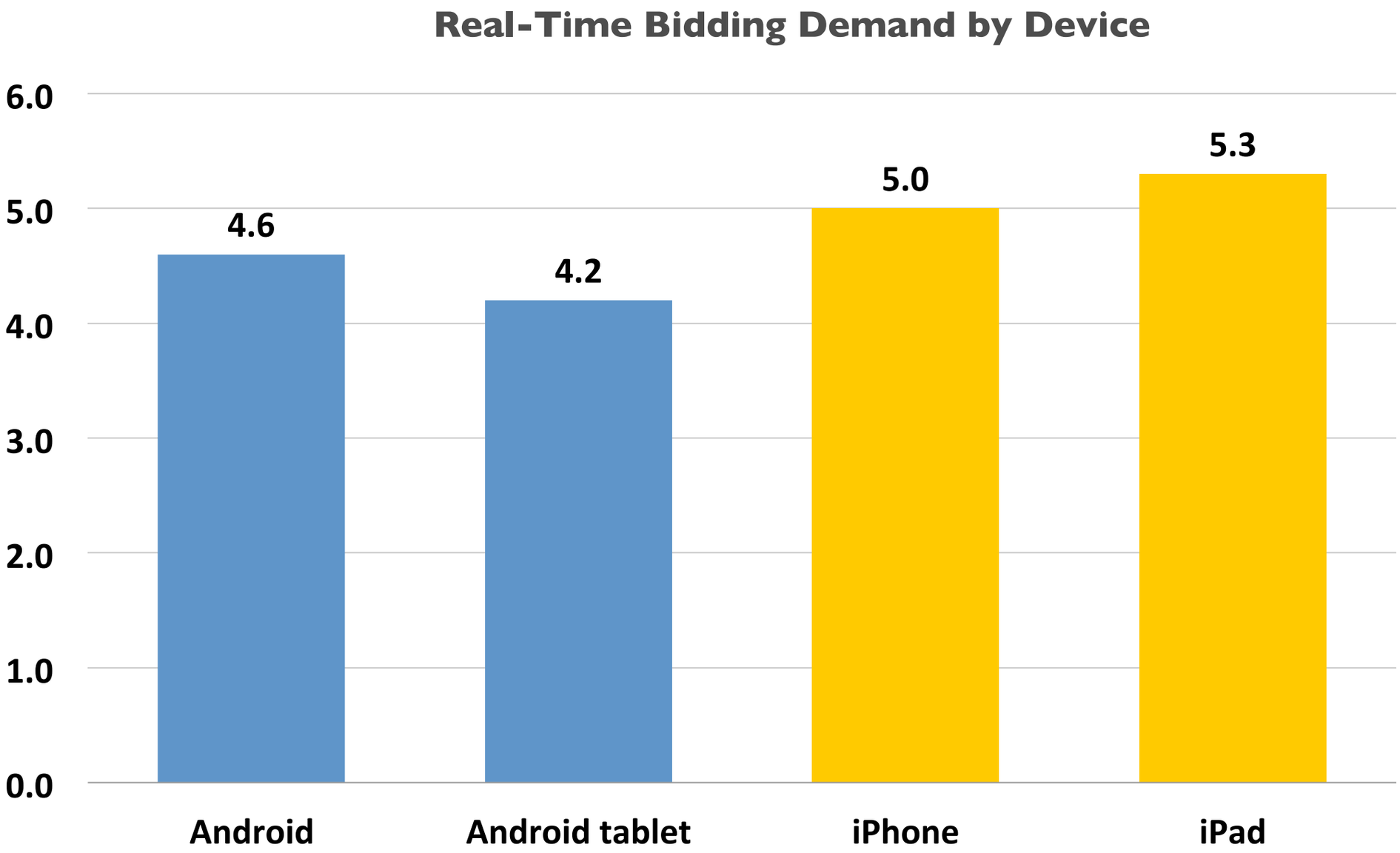
The iPad overtakes the iPhone as the most popular device among advertising sources in Q4



- Android tablets continue to lag behind all other devices in popularity among advertising sources, while iPad impressions garner the most bids on average among devices

Notes: Competitive Factor: Competitive Factor represents the average number of bids per auction

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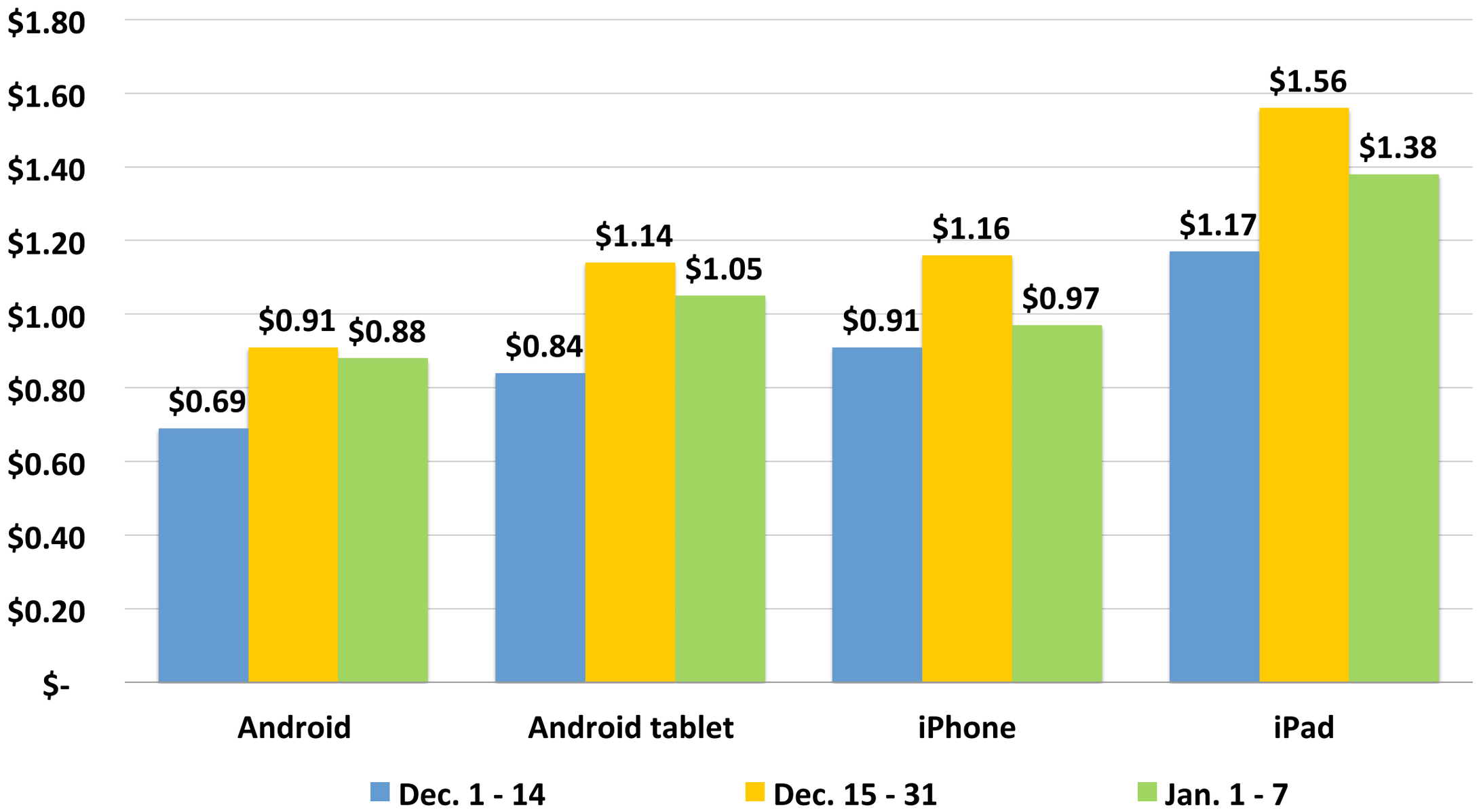
Mobile advertising prices remain high for all devices even after the New Year holiday



- As anticipated, publishers saw a major increase in eCPMs during the holidays due to last minute advertising spend. Surprisingly, post-New Year's prices remained higher than their early December levels indicating the spend is not over yet.

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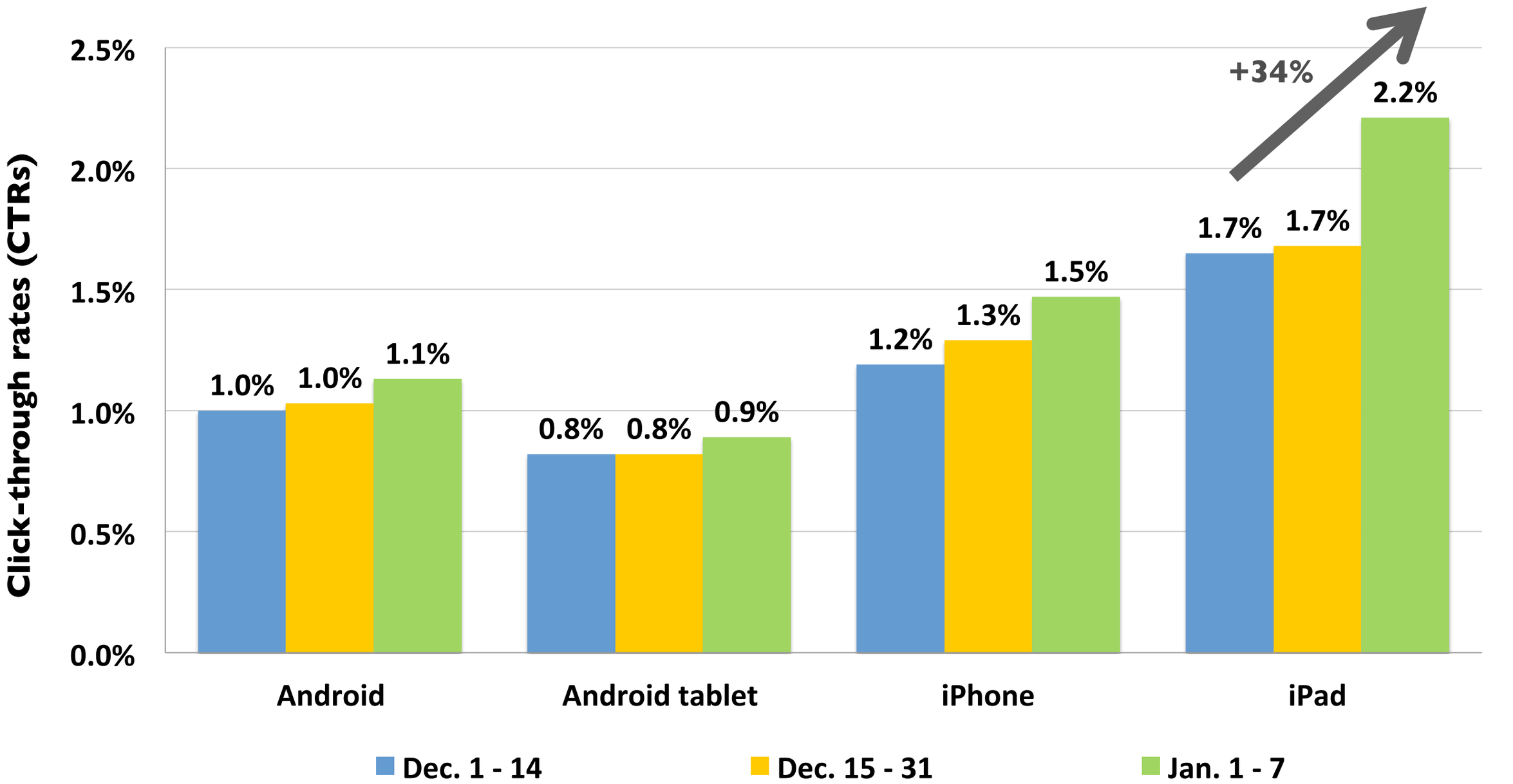
Ad performance after New Year's actually surpass click-through rates during the holidays in December



- Despite a decline in ad prices, ad performance after New Year's increased across all devices. Click-through rates for iPad impressions rose to over 2 percent.

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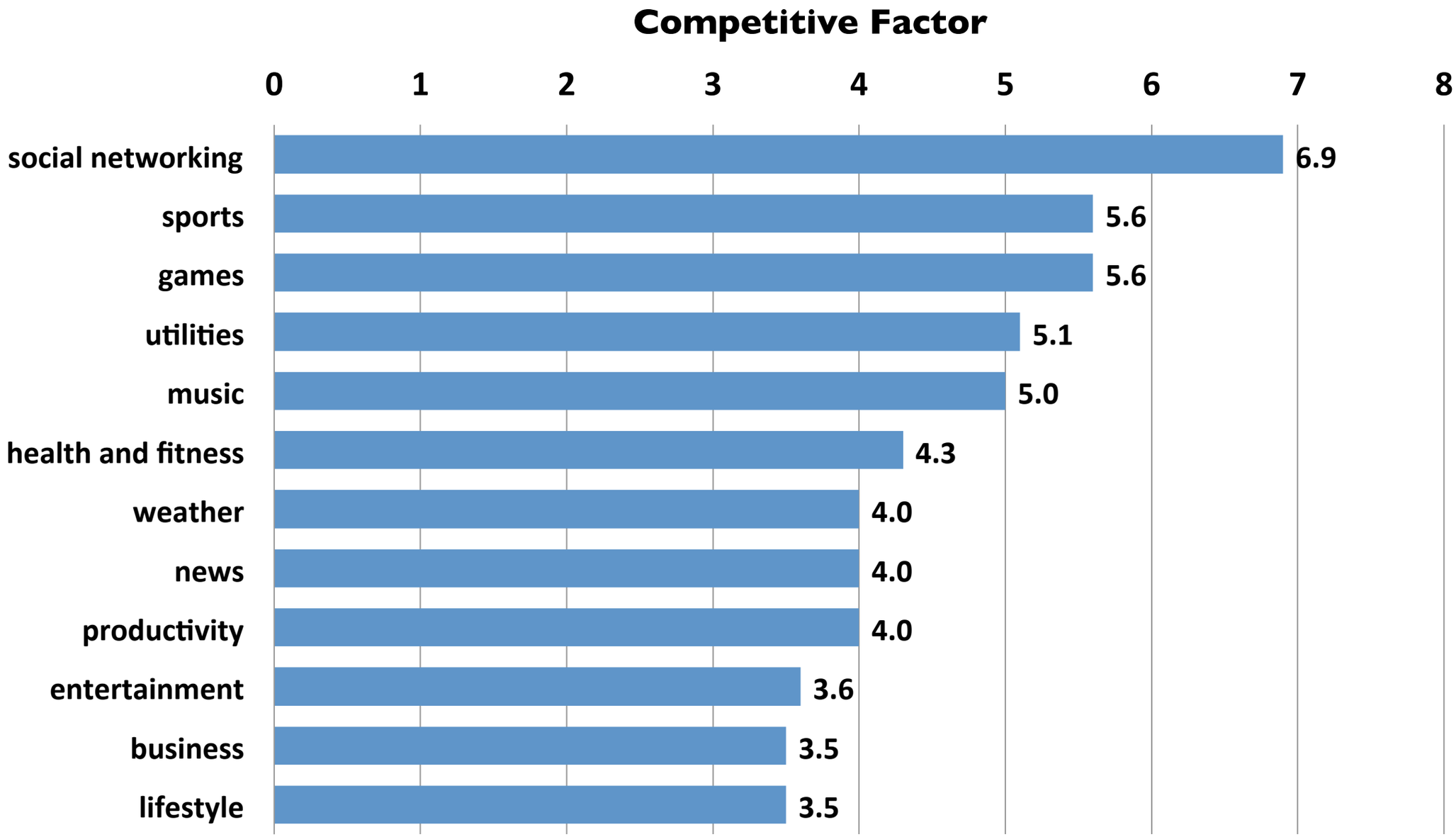
Social networking and sports apps dominate in popularity among advertising sources during Q4



- Real-time bidding competition increased across all categories, with the most popular categories being social networking and sports. Health and fitness apps demonstrated the biggest drop from its top ranked spot in Q3.

Notes: Competitive Factor: Represents the average number of bids per auction

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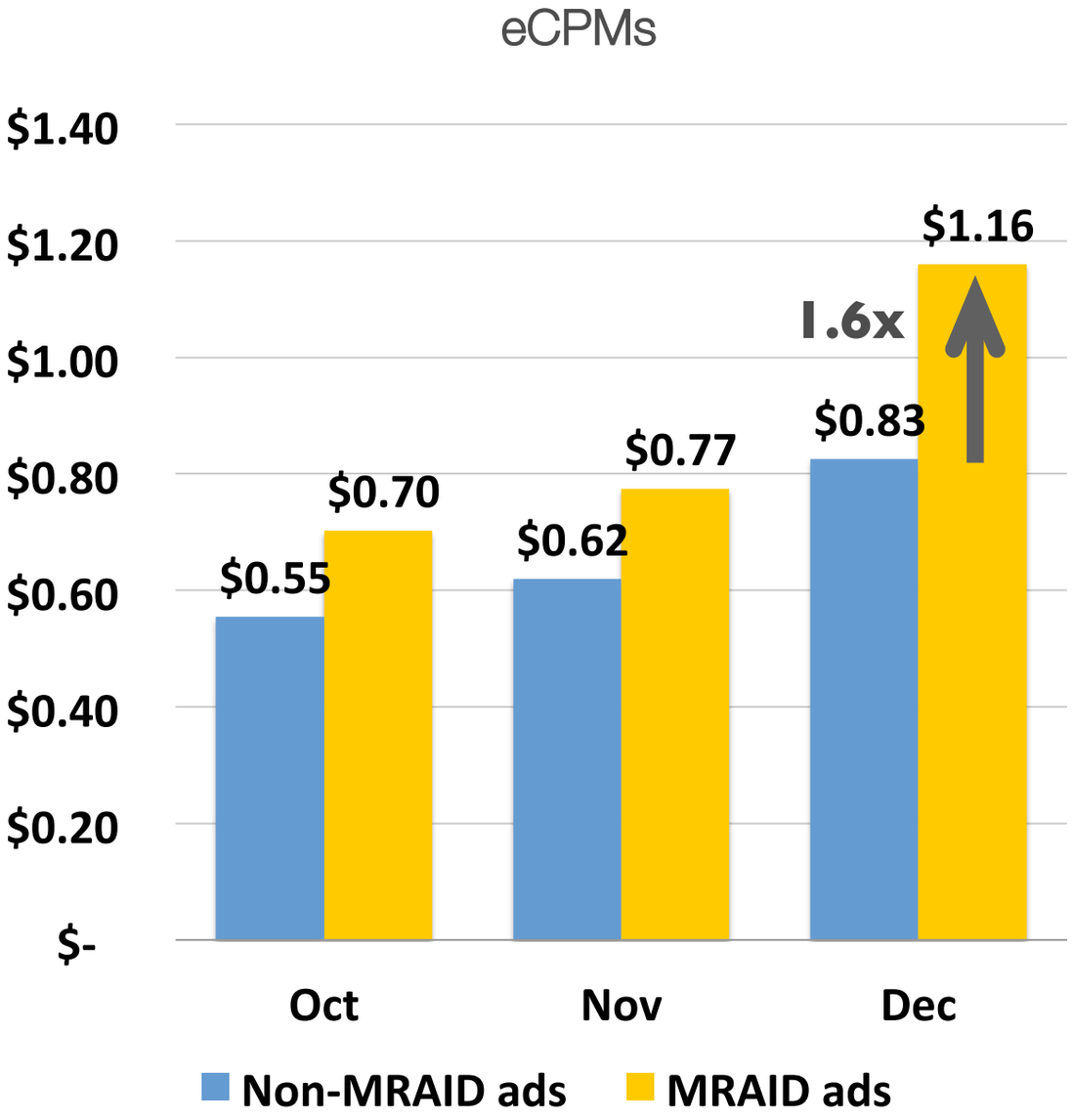
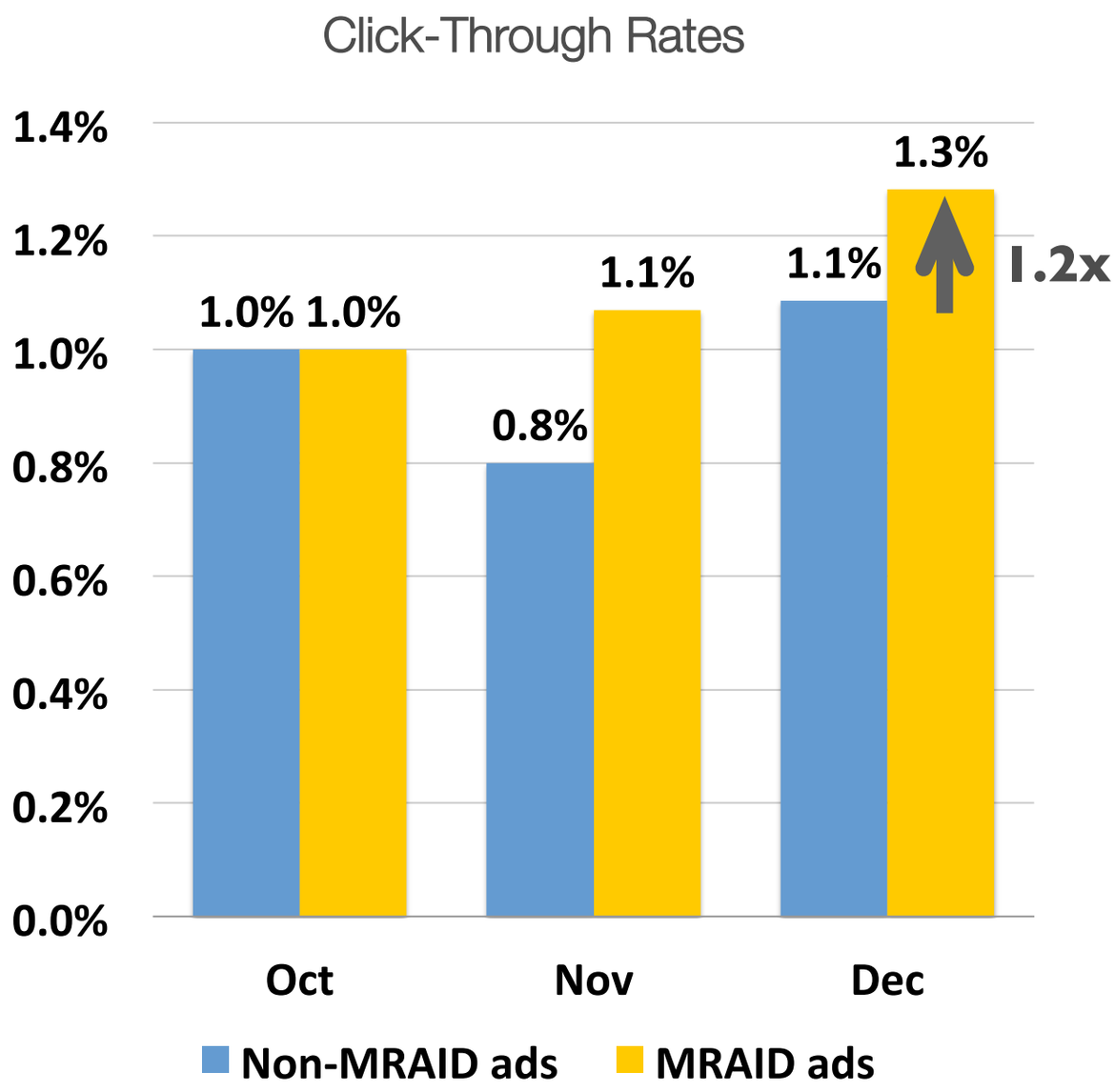
Are rich media ads actually more effective?





- Rich media ad units receive higher eCPMs but ad performance only moderately improves with slightly higher click-through rates leaving questions about whether they actually offer a better user experience

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Definition of Indices

- **Ad performance/Click-through rate:** Represents clicks over the number of real-time auctions
- **Competitive Factor:** Represents the average number of bids per auction
- **Effective CPM:** Effective CPM is equal to total revenue ÷ total ad impressions x 1000, and represents the price advertisers are willing to pay to reach the developer's audience

About MoPub

MoPub is the world's leading ad server for smartphone application publishers, designed to drive more ad revenue through a single solution. We offer the first comprehensive monetization platform for mobile app publishers that combines real-time bidding, ad serving, cross-promotional capabilities and ad network mediation into one, easy-to-use platform. As a pioneer in real-time bidding for mobile, we built the first transparent market that enables advertisers and other demand side buyers to access billions of ad impressions with hyper-targeted data from app publishers. Through MoPub's open-source, flexible SDK, users get complete control and transparency into how much revenue they are receiving from every ad or campaign.

MoPub was founded in 2010 by an experienced mobile advertising technology team and has raised nearly $20 million in venture capital from Accel Partners, Jafco Ventures, and Harrison Metal Capital. MoPub has offices in New York City and San Francisco, where it is headquartered. For more information, please visit www.mopub.com and follow MoPub on Twitter at www.twitter.com/mopub.

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