Global Mobile Programmatic Trends
## Summary Highlights

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<tr>
<th>While brand spend jumps, desktop advertisers may still be missing the opportunity to capitalize on mobile-first formats</th>
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<td>While desktop and brand spend continue to show definitive shifts in spend to mobile programmatic in Q2, many buyers are still seeing better results with mobile-first formats like native ads.</td>
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<th>Mobile programmatic spend surges during key events, showing the influence of the second screen during key TV moments</th>
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<td>Spikes in ad spend in mobile programmatic mirror major TV moments in Europe and North America, demonstrating how advertisers are using mobile to reach their target audiences.</td>
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despite strong shifts from Fortune 1000 advertisers into mobile programmatic

Desktop advertisers may still be missing the opportunity to capitalize on mobile-first formats
Over the past four years, we’ve seen 30x the overall volume and 55x the monthly spend in mobile programmatic.

Since we launched the first Marketplace Report, we’ve seen monthly ad impressions in MoPub Marketplace grow to be 30 times that amount four years ago. The growth in monthly spend further reinforces how the industry has broadly adopted mobile programmatic in just four years.
Overall programmatic CPMs and competition rise monthly indicating strong signals for Q3

Demand competition overall is on the rise through the quarter, driving up CPMs for mobile supply.
Spend increases in medium rectangles, a traditionally desktop format, show advertisers bringing desktop budgets and campaigns into mobile programmatic.
Increasingly, these desktop advertisers come from Fortune 1000 companies

2.8X the number of advertiser domains

Between Q1 and Q2 of this year, the number of advertiser domains on the medium rectangle format increased by 175% and for the first time, surpassed 100,000, indicating a quickly growing number of advertiser campaigns on mobile programmatic campaigns through RTB exchanges.

The overall share of Fortune 1000 brands represented on medium rectangles also dramatically increased to 66% of all advertiser domains, reinforcing an increase in major brand campaigns from desktop advertisers in mobile programmatic.
But some desktop buyers may still be missing out on mobile-first formats like native ads

With a click-through rate that is 220% higher than medium rectangles, native ads are a more effective format for mobile for both publishers and buyers. Desktop buyers that are still translating desktop campaigns into formats like medium rectangles on mobile apps may be missing out on the superior performance of mobile-first formats like native ads.
Despite increasing popularity among buyers, native ads still offer advertisers opportunities to find diverse audiences.

While the number of buyers for native ads has doubled, competition has only slightly increased over year-over-year, indicating that supply has also broadened to meet a diverse set of advertiser objectives.

Competition is calculated based on the number of bids from DSPs per auctions with winners on MoPub Marketplace.
In just one quarter, spend on native ads and the variety of advertiser domains also grew dramatically.

The number of advertiser domains running on native ads also increased by 199%, offering a greater variety in campaigns and demonstrating a broader set of buyers interested in native ads on mobile programmatic.

Q2 2016 compared to Q1 of 2016

29.6% increase in spend on native ads

In just one quarter, publishers also saw a strong increase in overall ad spend on native ads with a 20.5% increase in CPMs and 29.6% increase in Demand-side platform spend.
Mobile programmatic spend surges during key events
showing the influence of the second screen during key TV moments
Alcohol advertisers targeted UEFA Euro 2016 reinforcing growing spend on the second screen audience

Publishers received major increases in revenue during key events, indicating that advertisers are increasingly aligning mobile campaigns with TV programming to reach audiences on the second screen.

- Quarter Finals: Jun. 30th - Jul. 3rd
- Semi-Finals: Jul. 7th
- Finals Portugal v. France: Jul. 10th
Similar patterns emerged in North America where spend increased during key NBA Finals games.

Alcohol advertisers sought to reach their audiences on mobile in order to drive support — reinforcing that advertisers are using locally targeted campaigns to reach TV audiences.
Fullscreen, immersive ad experiences dominate for both publishers and buyers as video and rich media formats gain traction.
Following video advertising trends across desktop and TV, interstitial video ads continue to grow in popularity, as both the number of buyers and competition in mobile programmatic grew dramatically year-over-year.

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<th># of DSPs</th>
<th>Competition</th>
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<td>+62%</td>
<td>+20%</td>
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Competition is calculated based on the number of bids from DSPs per auctions with winners on MoPub Marketplace.
Supply for video interstitials has kept pace with increased advertiser demand, resulting in 21% increase in spend.

Demand and supply are well-matched as interstitial video inventory also increases by 33%, leading to stronger revenue in Q2 for publishers, suggesting that the video monetization trend will continue throughout the rest of 2016.
Rewarded videos offer increased revenue opportunities with 2.5x eCPMs of regular video

In Q2 2016, rewarded videos yielded 150% higher CPMs as compared to interstitial video.

DSPs and publishers alike flock to rewarded video as both ad performance and overall user retention for publishers demonstrate the ubiquitous value of this emerging format.

Data courtesy of gaming publisher Magmic

User Retention: Scattergories

Watching rewarded video
Not watching rewarded video

Day 0  Day 1  Day 7  Day 14

User Retention
Rich media ads arrive with booms in playable ad spend and inventory

DSPs have doubled down on this emerging and highly-interactive format, creating a lucrative opportunity for revenue that is driving dramatic increases in playables inventory.
Case study
Miniclip sees 2x CPMs with Playable rich media ads

Both brand and performance advertisers see increased consideration and purchase intent from users with playable ads. As a result, playable ads offer publishers the opportunity to monetize users with an opt-in ad format that also drives significantly higher CPMs and new revenue opportunity.

+13% increase in revenue from Feb to Mar. 2016
2.1x CPMs than all other fullscreen formats

“Running playables via the MoPub Marketplace doubled CPMs across our interstitial inventory within Agar.io. This format accounts for a growing portion of the revenue we’re able to generate across our apps, and was especially important to us during the quieter first half of the year.”

Pieter Kooyman, Director of Advertising

Read the full case study online.
Regional trends in EMEA and APAC show untapped opportunities for advertisers as the growth in supply matches a growth in buyers, but competition remains relatively unchanged.
Despite a relatively mature market in EMEA for mobile programmatic, there was significant annual growth across both inventory and the number of buyers, resulting in a 23% uplift in revenue.
Interstitial video ads, in particular, continue to perform strongly for EMEA publishers.

Capitalizing on upward trends in video ad spend, publishers dramatically increased interstitial video inventory in the past year.
While more DSPs are now buying interstitial video, competition has stayed relatively flat.

Despite the increase in buyers, overall competition has stayed constant, indicating that publishers are bringing new interstitial video inventory that meet a broader set of advertiser objectives.

Competition is calculated based on the number of bids from DSPs per auctions with winners on MoPub Marketplace.
While supply continues to grow slightly faster than demand, overall advertiser spend in APAC has still risen by over 54% as compared to this time last year, indicating strong positive momentum going into Q3 and opportunities for advertisers to tap into new inventory.
While the APAC region overall saw a strong increase in the number of buyers and overall spend, competition declined indicating a broad distribution of spend across APAC inventory. Buyers may have opportunities to reach audiences with less competition in APAC.

Video ads offer opportunities for buyers to find audiences in APAC with less competition.

- **52%** in DSPs Q2 2015 v. Q2 2016
- **46%** in overall demand spend Q2 2015 v. Q2 2016
- **4%** in Competition Q2 2015 v. Q2 2016

Competition is calculated based on the number of bids from DSPs per auctions with winners on MoPub Marketplace.
APAC buyers may be missing opportunities with native ad supply growth

While the APAC region overall saw a strong increase in the number of buyers and overall spend, competition declined indicating a broad distribution of spend across APAC inventory. Buyers may have opportunities to reach audiences with less competition in APAC.

Inventory for native ads in APAC
Q2 2016 vs. Q2 2015

Competition for native ads in APAC
Q2 2016 v. Q2 2015

Competition is calculated based on the number of bids from DSPs per auctions with winners on MoPub Marketplace.
Desktop and brand spend continue to show definitive shifts to mobile programmatic, but missing the opportunity to capitalize on mobile-first formats.

There was a significant increase in spend, CPMs, and the number of buyers for medium rectangles, the 300 x 250 pixel format that many advertisers are familiar with from desktop sites. A deeper look at the types of advertising campaigns also indicates that Fortune 1000 brands are driving many of the increases on medium rectangles, with a 175% increase in the number of advertiser domains between Q2 and Q1 of this year.
Mobile programmatic spend surges during key events, showing the influence of the second screen during key TV moments

We continue to see a wide range of advertisers, with alcohol brands aligning their spend in mobile with major TV moments around the world. Moreover, these advertisers demonstrated clear regional targeting with their campaigns, with a focus on Europe during the UEFA Euro games and on North America during the NBA Finals.
Fullscreen, immersive ad experiences dominate for both publishers and buyers

Interstitial video continues to be a popular monetization source for publishers as DSPs increasingly seek more captive engagement from users. Rewarded video and rich media also emerged as high growth opportunities for both publishers, as their strong user value proposition drive broader adoption of these formats, and advertisers translate video and other budgets into this new supply.
Regional trends in EMEA and APAC show untapped opportunities for advertisers

Supply increases were met with nearly equivalent increases in the number of DSPs buying mobile ads in both EMEA and APAC, particularly for popular formats like interstitial video and native ads. However, despite overall increases in ad spend in both regions, competition has remained consistently spread across supply, revealing potential opportunities for advertisers to get in front of audiences using particular ad formats.
MoPub Marketplace: The MoPub Marketplace is a real-time bidding exchange for mobile ads where advertisers, agencies and their trading desks, and demand side platforms can bid on ad inventory from thousands of mobile publishers.

Private Marketplace: A private marketplace is a programmatic trading environment whereby a publisher makes a segment of inventory available to an advertiser or group of advertisers at a defined price.

Clear Rate: Clear rate is an important metric for demand-side partners that helps them measure their buying efficiency. It refers to the rate at which a purchased ad impression renders and displays in a publisher’s mobile app.

CTR: Click-through rate is the number of clicks that an ad receives divided by the number of times that ad is shown. This is a common metric to measure consumer engagement with an ad.

eCPC: Effective cost per click is a metric used by marketers to gauge the effectiveness of their campaigns. Sometimes it is referred to as estimated cost per click. It is calculated by the price paid for mobile ads divided by the number of clicks generated from that campaign.

eCPM: Effective cost per thousand advertising impressions is the most common way to refer to prices in mobile programmatic advertising.
Glossary

**Bid Depth**: Bid depth is a metric that measures how many demand-side partners bid in any given auction for an available ad impression.

**DSP**: Demand-side platforms are technology companies who build software used to purchase advertising in an automated fashion. DSPs are most often used by advertisers and agencies to help them buy display, video, mobile and search ads.

**Native ad**: Native ads in this report refer to mobile in-app ads that match the form and function of the app in which it appears. Typically, they appear in content feeds of apps. Native ads are comprised of up to 5 separate components from advertisers, which can render in many different ways to match the look and feel of a publisher’s application.

**Interstitial ad**: Interstitial ads in this report refer to fullscreen mobile in-app ads that measure in dimensions of 320x480, 480x320, 768x1024, or 1024x768. This type of advertisement can be a static image or a video.

**Interstitial video ad**: Video ads in this report refer to mobile in-app video ads. Video ads typically play in a full screen interstitial setting and are either 15 or 30 seconds in length.

**Banner ad**: Banner ads in this report refer to mobile in-app ads, which are typically anchored to the bottom of the screen and measure in dimensions of 320x50 or 728x90.

**Playable ad**: Playable ads in this report refer to an interactive fullscreen rich-media ad, which are typically in the form of a game that can be played within a skippable, interstitial ad unit.
About the report

The Global Mobile Programmatic Trends Report provides market data from real-time bidded auctions for mobile ad impressions, aggregated from mobile applications, advertisers, and demand side platforms on MoPub Marketplace, one of the world’s leading advertising exchanges for mobile apps.

MoPub Marketplace is a real-time bidding exchange for mobile ads, where advertisers, agencies and their trading desks, and demand side platforms can bid on ad inventory from thousands of mobile application publishers in an efficient, real-time market. MoPub Marketplace data is representative of over 45,000 active mobile apps, more than 450 billion monthly ad requests, more than 1 billion unique devices, and 175+ demand-side platforms.

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.

The information contained herein is based on internal data and data from a third-party that we do not control, and could be subject to errors and omissions.

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MoPub, a Twitter company, is the trusted, mobile-first monetization platform that powers a high-growth revenue strategy for mobile app publishers. MoPub’s platform ensures publishers earn more revenue by combining powerful ad serving, flexible network mediation controls, rich ad formats, and access to the one of the largest sources of advertiser demand, MoPub Marketplace. MoPub Marketplace provides mobile publishers with unparalleled programmatic revenue and highly relevant ads by enabling buyers such as demand side platforms to reach a high quality audience on mobile apps through a powerful interface, strict supply quality measures, and a transparent bidding experience. MoPub’s world-class service and years of proven expertise benefit both publishers and DSPs with insights to grow their businesses and adapt to their changing needs.

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