



Mobile Advertising Insights
Q3 2013

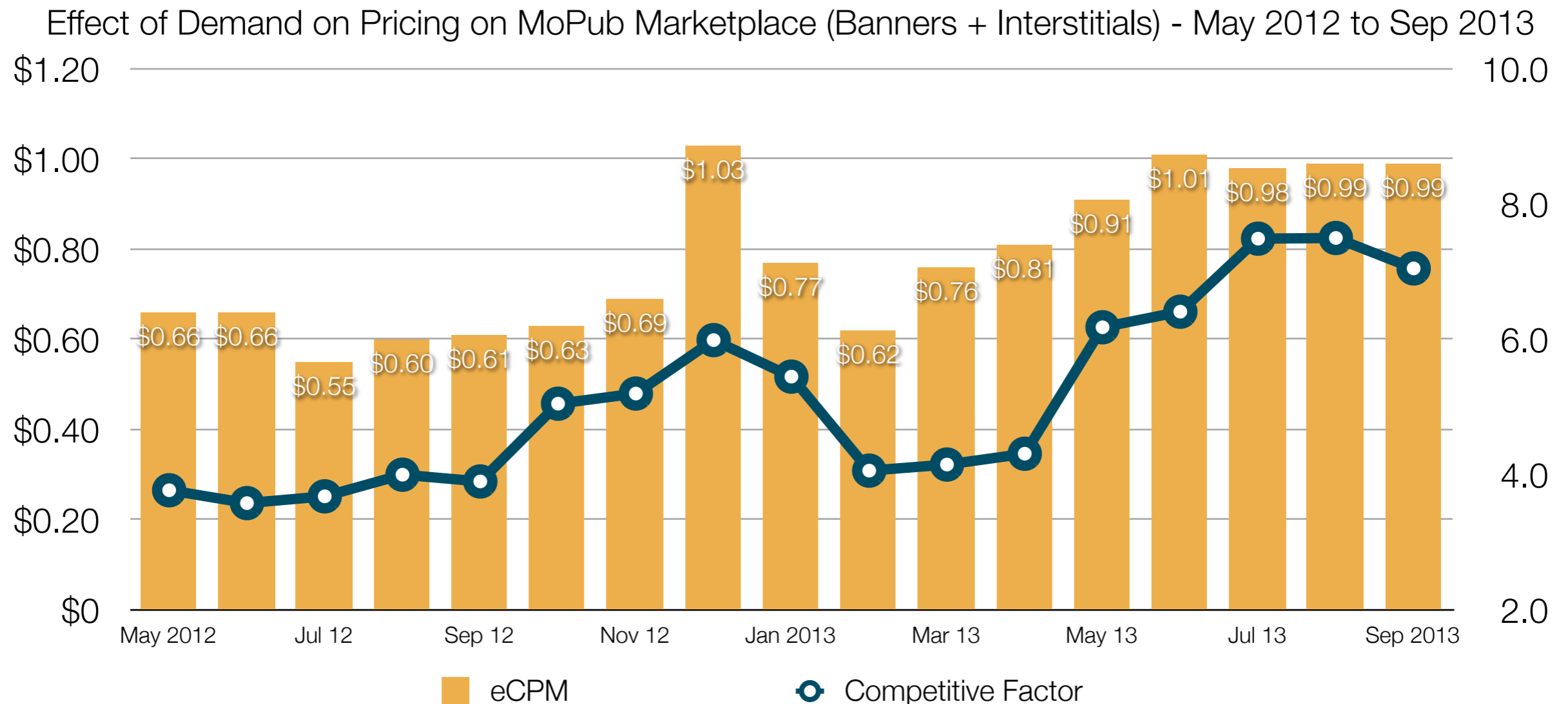
Market Color

Highlights

- Pricing in Q3 has held near all-time highs, defying traditional summer slowdown with Competitive Factor up **30%**
- eCPM increased **9%** Q/Q, maintaining strong Q2 numbers
- For the first time ever, we saw banners outpace interstitials, with an increase of **25%** in bid depth
- Interstitials saw an increase in eCPM, ending the quarter at **\$2.99** from \$1.92 average in Q2, an increase of **55%**
- iOS7 adoption was rapid, with over **88 million** uniques in the first two weeks after launch (50% of iOS devices)

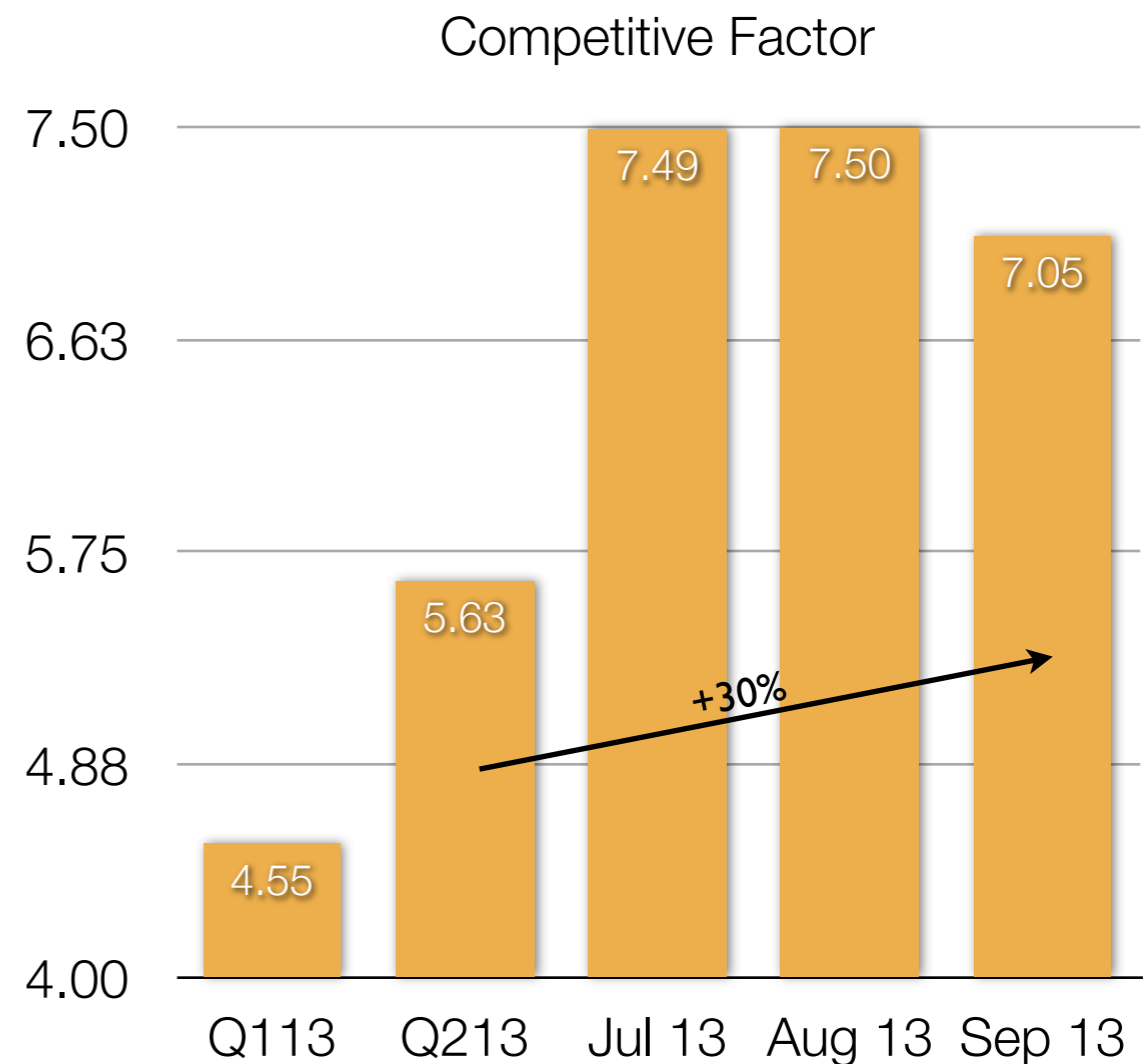
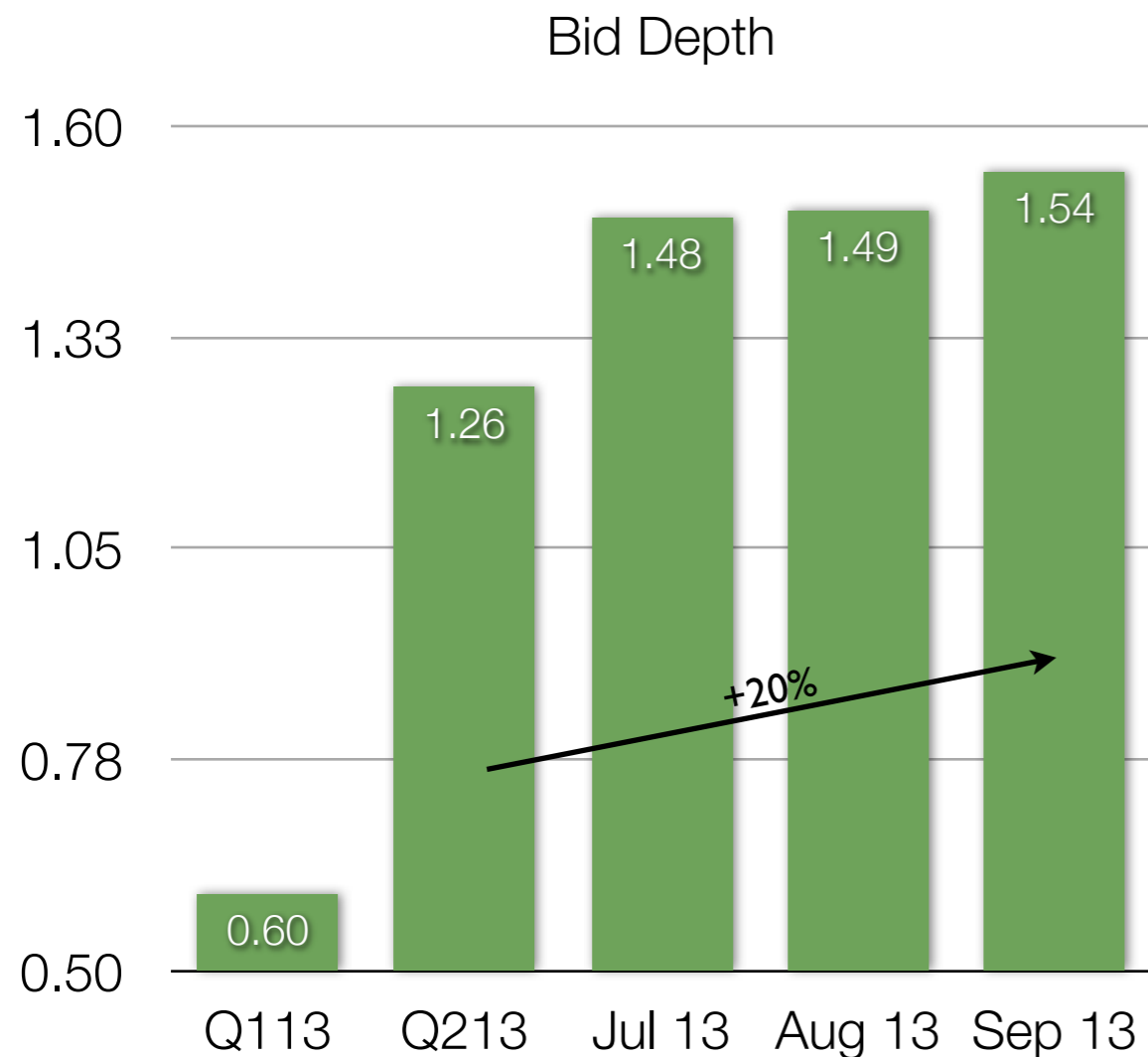
Pricing in Q3 has held near all-time highs, defying traditional summer slowdown

- ❖ Q3 '12 metrics showed a 10% drop in overall pricing, however Q3 '13 was not materially lower, holding near \$1.00 eCPM, and an increased Competitive Factor Q/Q

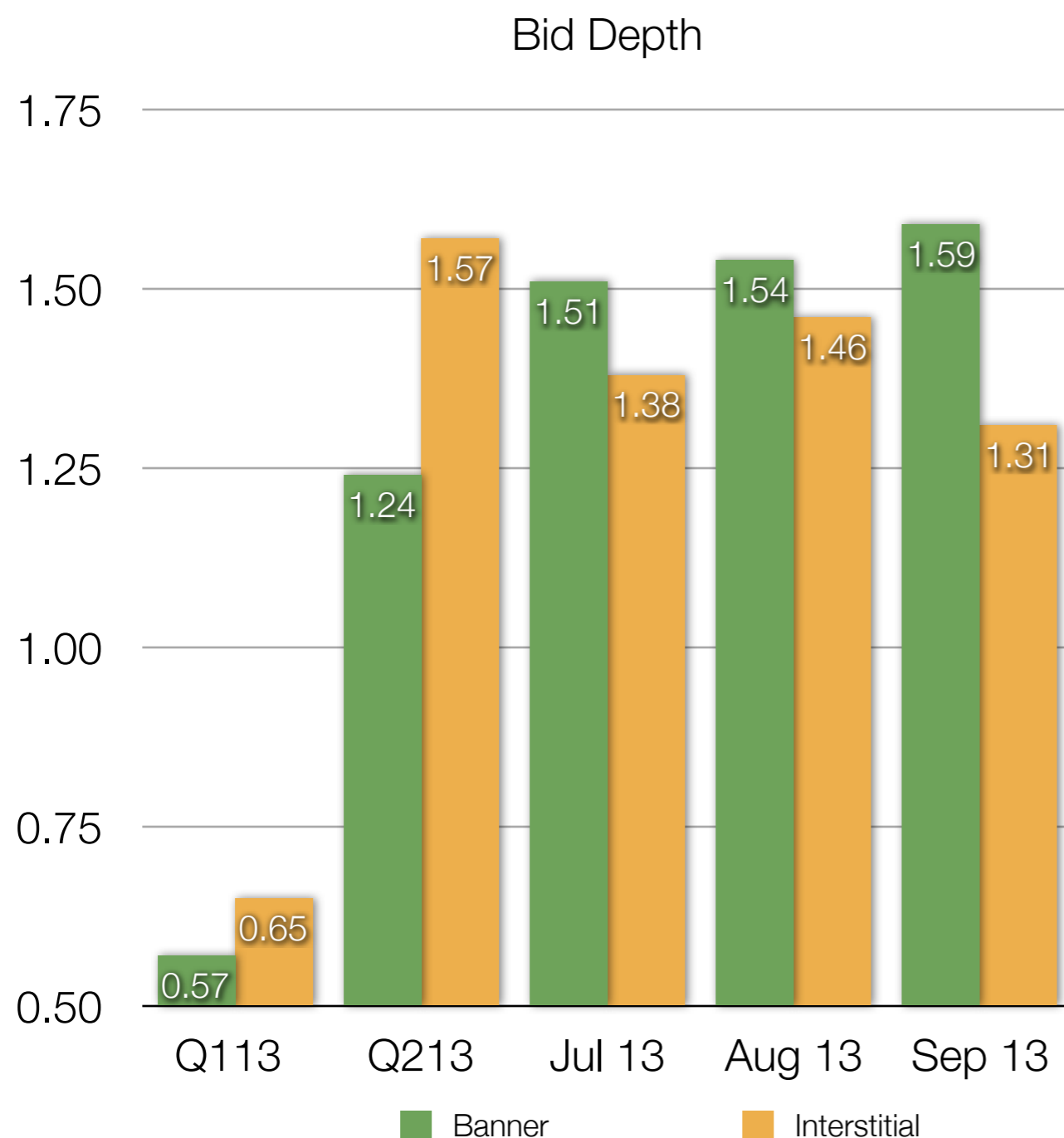


Surging bid depth and competitive factor supported the pricing consistency in Q3

- ❖ September produced record highs in our key buy-side metrics of Bid Depth, up 20% Q/Q to 1.54 average bids per auction. Competitive Factor saw an uptick in August at 7.50 and grew 30% Q/Q to an average of 7.35 in Q3 (from 5.63 average in Q2 '13)

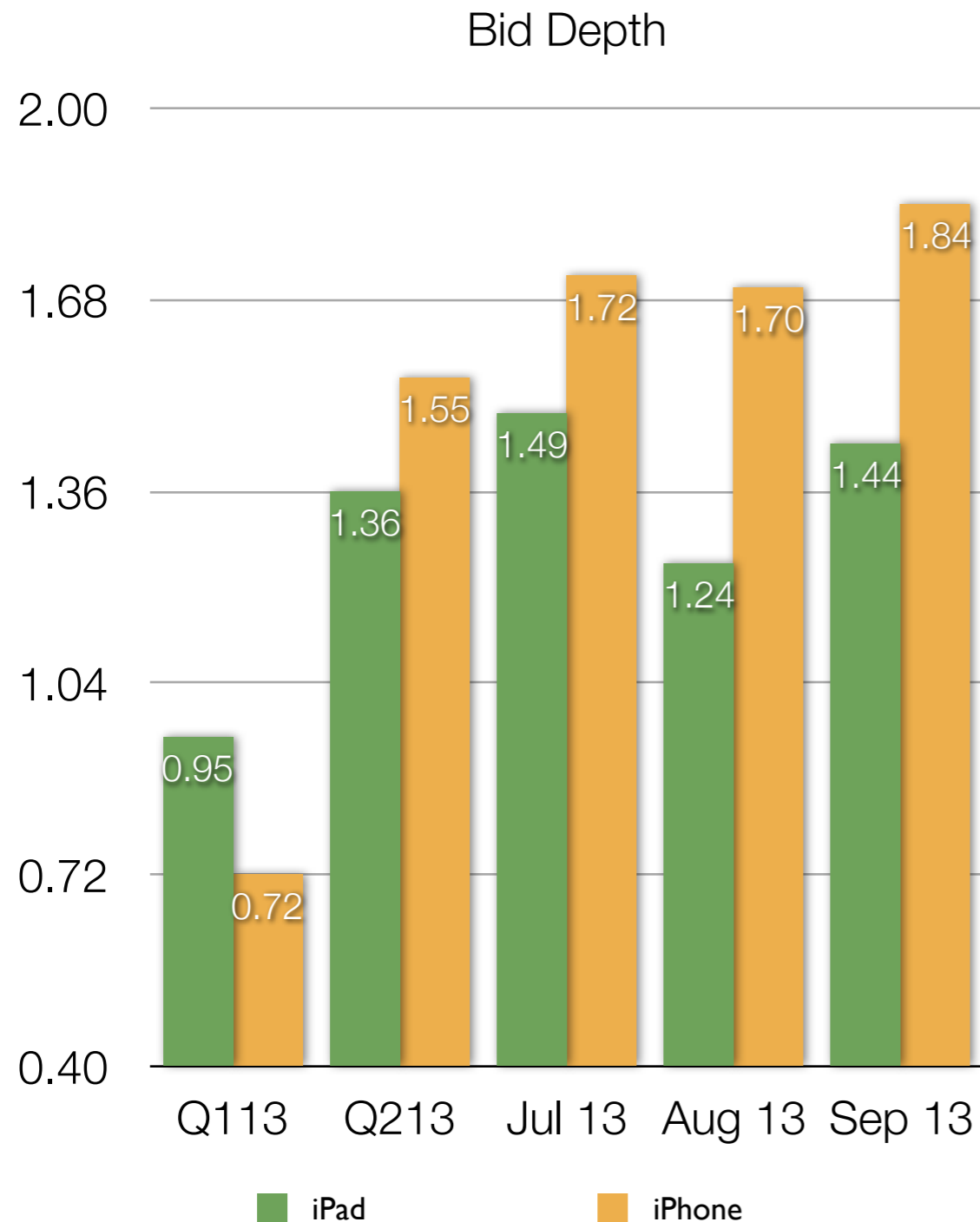


Interstitials saw a first ever decrease in their demand as banners were up in Q3 for the first time ever



- ❖ Banners finally had their day as their bid depth outpaced that of interstitials for the first time, with an increase of 25% in bid depth
- ❖ eCPMs on banners saw growth ending Q3 at \$0.78 (\$0.72 average in Q2)
- ❖ Interstitials saw a dramatic increase in eCPM, ending the quarter at **\$2.99** from \$1.92 average in Q2 '13), an increase of **55%**

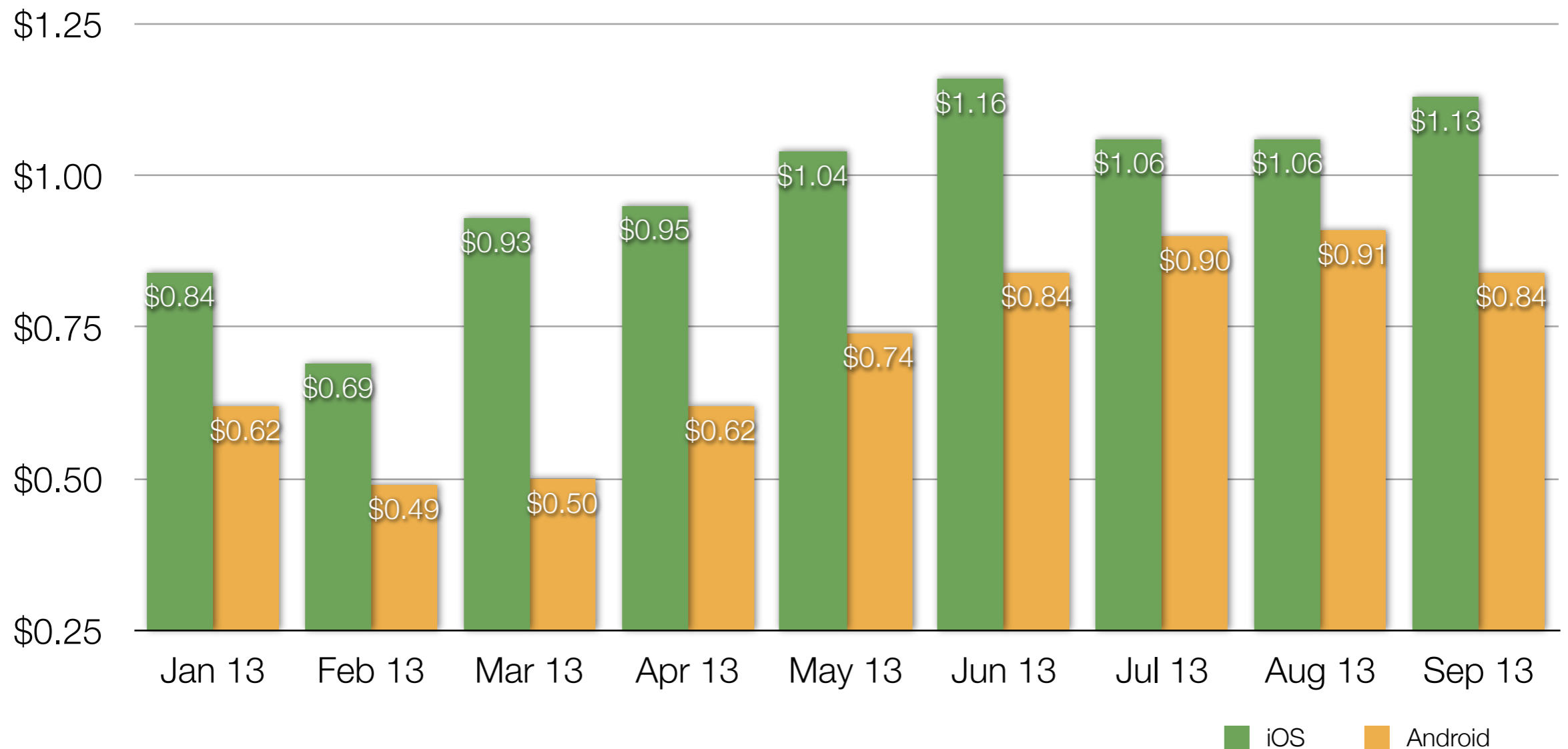
iPhone continues to dominate iPad in bid depth, with an increase of 20% from Q2 '13



- ❖ Bid Depth for iPhone maintained its growth to an all time high of **1.84** compared to the iPad. This is an increase of 20% from Q2 '13. Historically, the iPad has tended to demonstrate higher Bid Depth than iPhone.
- ❖ Competitive Factor showed consistent growth for both: iPhone grew to 7.96 from 7.03 (**+10%**), and the iPad grew only to 6.14 from 5.80 (**+10%**).

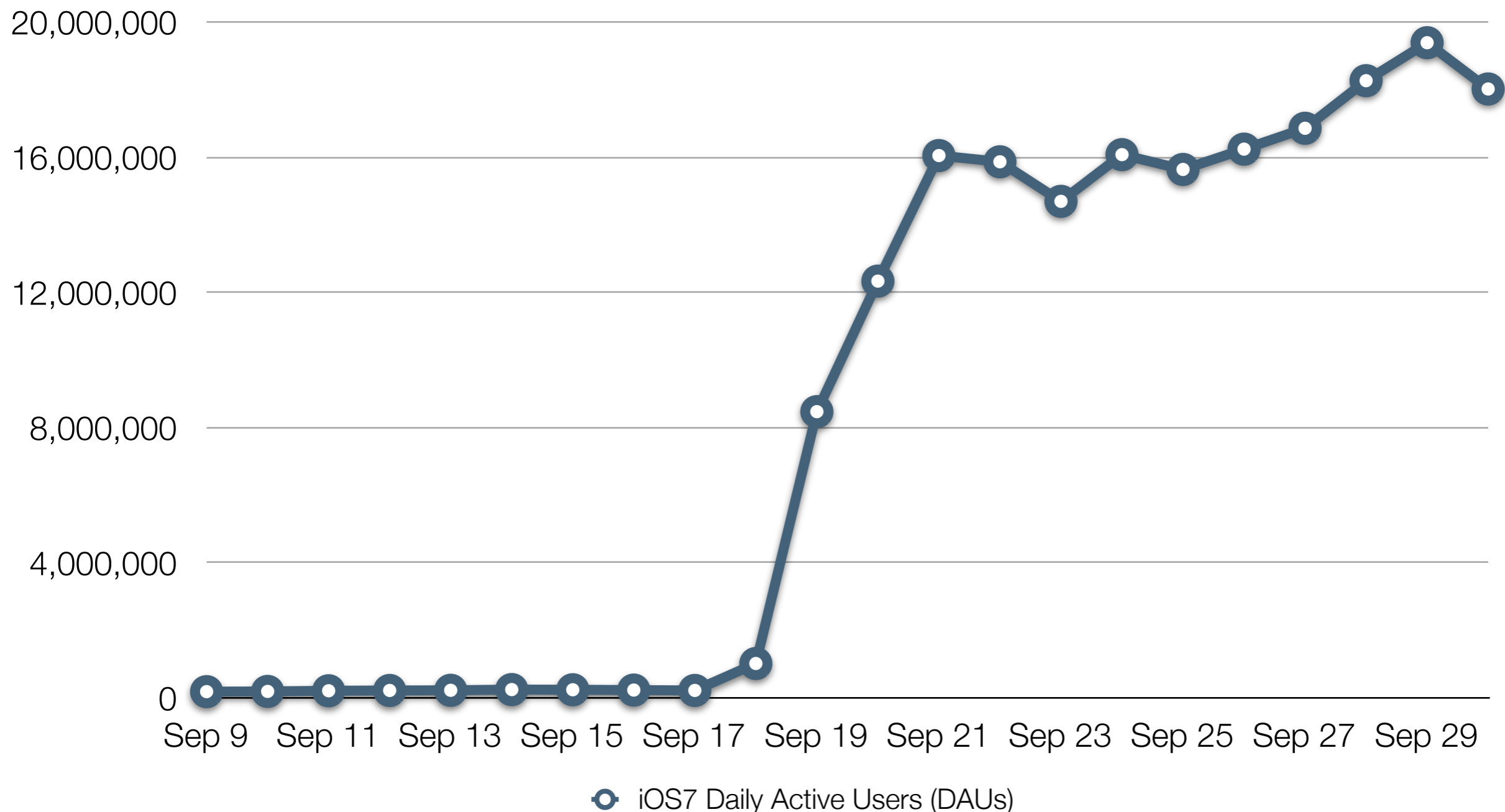
iOS devices command a pricing premium, but Android is maintaining strong growth and continues to close the gap

❖ Android's eCPM was \$0.84 in Sep vs. iOS eCPM of \$1.13



iOS7 adoption is rapid - over 20M DAUs seen within the first two weeks

Daily Unique iOS7 Devices seen on MoPub from Sep 9 to Sep 30, 2013 (Launched on Sep 10)



Three core themes are driving consumer and advertiser interest in mobile

- Consumers are **rapidly adopting** smartphone and tablets for Internet access outside of the workplace
- Mobile apps are an **increasing share** of time spent on mobile, as they provide the best experience for consumers and marketers alike
- Advertisers are **leveraging programmatic buying** mobile faster than they did in desktop

How to Read the MoPub Marketplace Monthly Insights Report

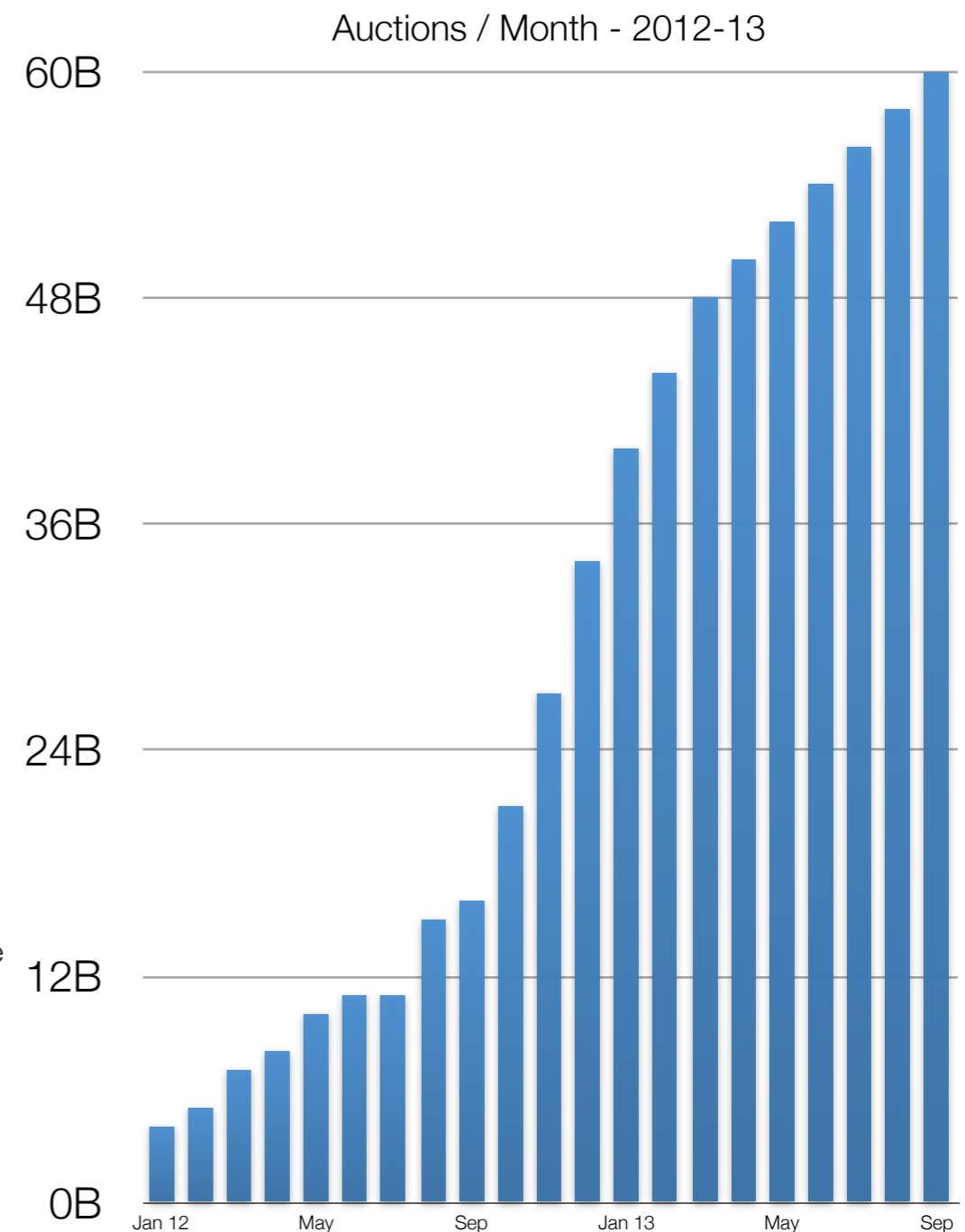
The MoPub Marketplace Monthly Insights Report provides market data and insights on the trends of programmatic buying in mobile advertising. Our conclusions and measurements are based on all of the auctions that we have conducted from October 2011 to present.

MoPub Marketplace is a real-time bidding exchange for mobile ads, where advertisers and their 65+ demand-side partner bidder platforms can bid on 1.5B ad requests every day.

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

RTB Glossary: a definition of key terms used in this report

- Bid Depth. The total number of bids received divided by the number of auctions conducted. This provides a rough measure of overall demand for inventory.
- Competitive Factor. The average number of bids received for all auctions with a winning bid.
- Bid Average. The average of all submitted bids across all auctions.
- Win Rate. The percentage of auctions that had a winning bid that exceeded the publisher's floor price. These auctions are referred to as "won auctions."
- eCPM. The average clearing price of all won auctions (all auctions are bid on a CPM basis).
- eCPC. The implied CPC on the MoPub exchange, calculated by dividing the total auction revenue generated by the number of clicks tracked on those purchased impressions.
- Banner. We consider 320x50 and 768x90 to be banner formats. We typically do not include 300x250 in computations as it can be used in a modal or modeless context.
- Interstitial. We consider 320x480 and 1024x768, in both orientations, to be interstitial, or "modal" formats.





Questions about the Report? Contact:
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