

Optimizing Mobile Advertising Campaigns



Optimizing mobile advertising campaigns



Introduction

The crux to successful mobile advertising lies in targeting, traffic quality and reach. The ultimate goal of any app developer and marketer is to maximize mobile revenue, and thus app marketers focus on building up

their user base and amplifying the average revenue made with each user. The reality for the majority of all app business models, however, is that less than 5% of all app users turn into valuable, paying users.

When building a mobile app marketing strategy, it is crucial to identify which users are most relevant and to specifically target them. Concentrating ad spend on the right users will significantly increase marketing ROI.

Optimization Best Practices

The most efficient targeting can be achieved with mobile real-time bidding. When buying RTB traffic, the ad impression is bought in real-time and served on an individual user level. This process involves an advanced bidding engine, which can process all impression bids in milliseconds as well as elaborate data management technology. The more information there is available on each user, the worth of showing a specific user a specific ad can be better calculated. Moreover, ads can be better targeted to the users' specific preferences and history with the advertiser, which will increase the conversion rate.

Unsurprisingly, mobile RTB is receiving increased attention within the industry. Technological advances and increased numbers of publishers integrated with Supply-Side Platforms (making their inventory RTB compliant) are driving the development of mobile real-time advertising.

Since mobile RTB is still in its development stage and the inventory is still limited, app marketers should also consider other traffic sources in the meantime. We list below the top 5 best practices for mobile advertising optimization.

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TOP 5 BEST PRACTICES

Top 5 best practices for mobile advertising optimization.

1

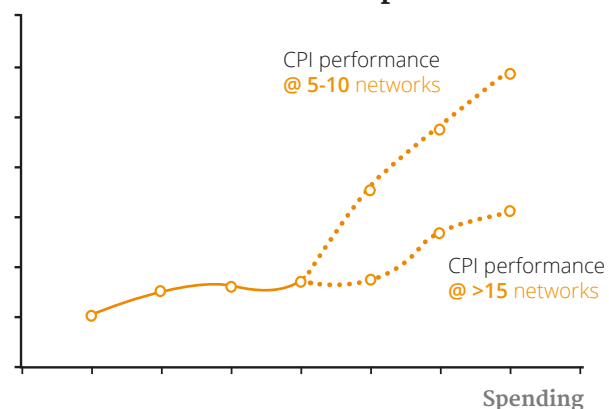
Network Optimization

One of the biggest challenges within mobile advertising is finding the right balance between traffic volume and traffic quality.

The first step in campaign optimization is to look at the mobile ad networks/suppliers. Data shows that when daily budgets increase, average CPI goes up too. In order to maximize volume while minimizing the acquisition cost, it is important to leverage multiple networks. The optimal mix of networks depends on each campaign and the overall budget.

CPI

Combined network performance



2

Blacklisting

Publisher IDs for CPC suppliers can be tracked to evaluate which ones are delivering quality traffic and which are not. A blacklist and/or whitelist can be created and sent to suppliers to ensure the highest quality traffic. In order to do this effectively, you'll need a deep technical integration with each supplier.

This is best done through an aggregation platform or a Demand-Side Platform, which is integrated with the various suppliers. This process requires deep tech integration and/or a great deal of manual work. Therefore, it is best to work with an experienced partner.

TOP 5 BEST PRACTICES

Top 5 best practices for mobile advertising optimization.

3

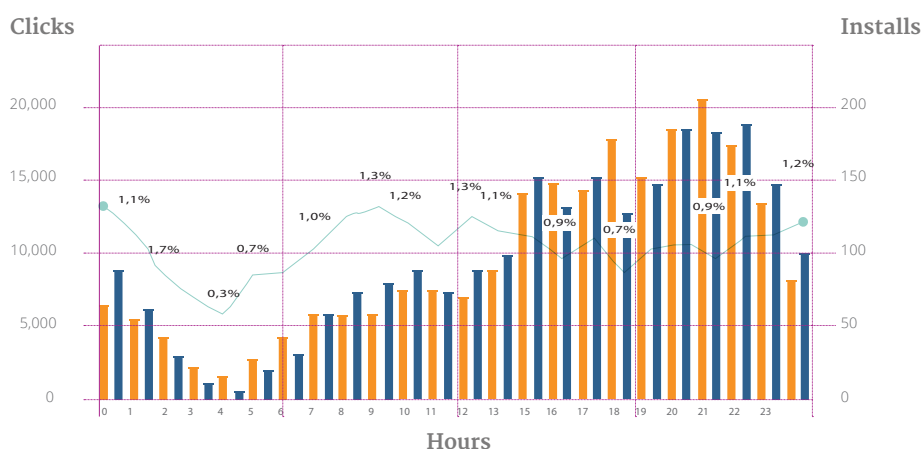
Hourly Targeting

In order to drive campaign performance, it's important to understand when your users are most active. Clicks, installs and user activity can be broken down by an hourly basis. With this data, the times of day that have the best conversion rate can be pinpointed and parameters can be set that target these times.

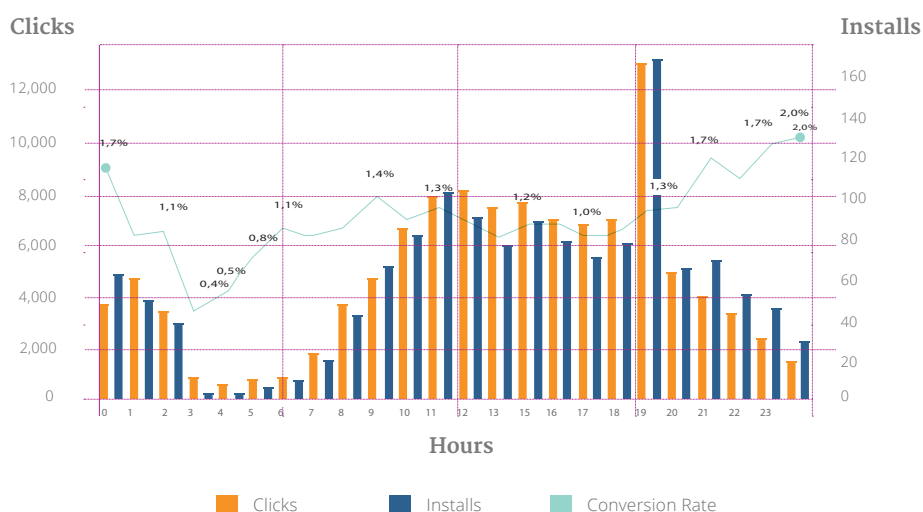
For instance, smartphone users use their devices fairly steadily throughout the course of the day, while tablet use rises during the evening/night. Combining a dayparting strategy with mobile device targeting can be an effective way to increase campaign ROI while driving down the cost. Not only do the numbers of clicks and installs vary throughout the day, but also the conversion rate, which is illustrated by the graphs to the right.

Other factors, such as relevant seasonal events for an advertiser, should of course also be considered.

Germany Weekdays



Germany Weekends



4

Device Targeting

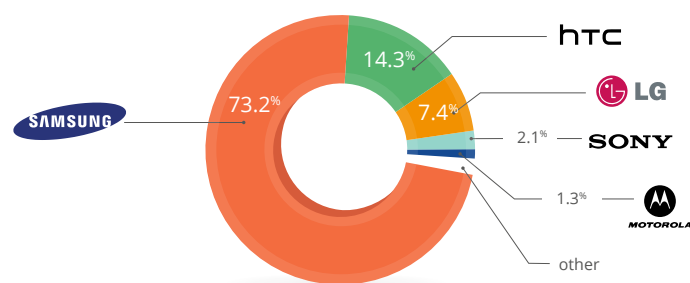
Targeting specific devices and even their operating system is possible with most suppliers. An analysis of the campaign performance broken

down by each device can be used to determine which devices have the highest conversion rates. For example, an analysis by Trademob found that on Android, approximately 70% of all

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conversions happened on Samsung devices. However such a metric only tells part of the story. The best practice for gauging which devices are most effective for advertising is to cross analyze device conversion across the market share of a particular device. For instance, if it's discovered that a device is contributing to the majority of traffic, but that it only has a small amount of the market share, then this is absolutely the best device to target.



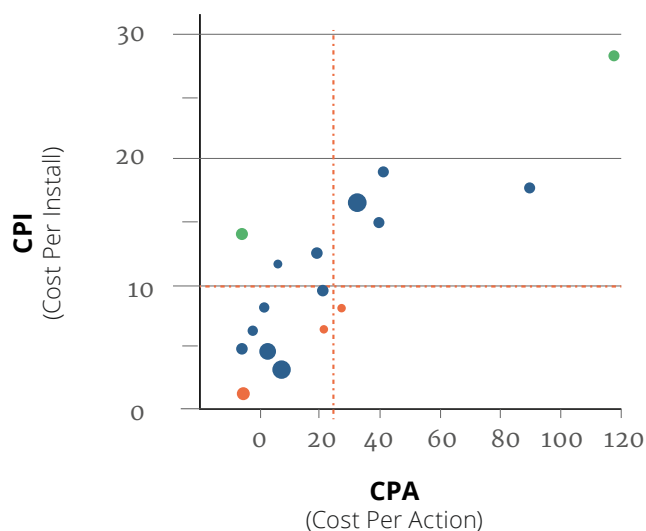
5

Optimize for the Right KPI

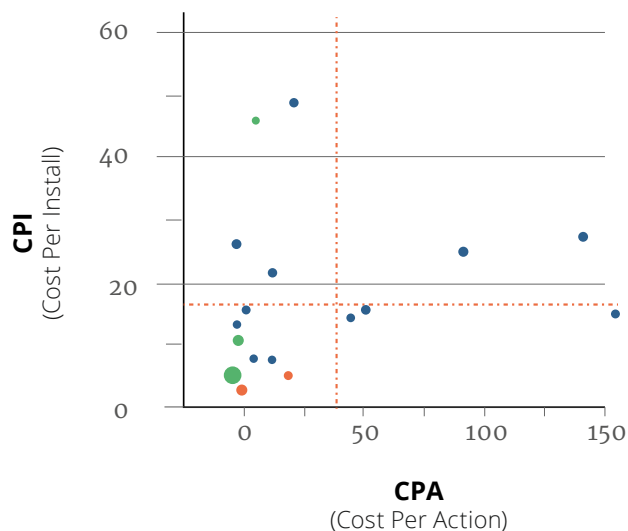
CPI is still the most used KPI for mobile advertisers. While it is a reasonable metric to monitor and optimize against, CPA and overall campaign ROI should always equally be considered. To illustrate this point, observe the charts below showing the correlation between CPI and CPA campaigns. The graphs show performance per network for iPhone and Android in Germany. The size of the marker shows the spending for that network. Another oft-forgotten aspect is the evaluation of campaign

results over time. In many cases, there's a larger time gap between the click and an in-app action than there is between a click and an install. Since the time of click, the time of first opening and the time of action can be recorded, analysis can be performed to determine how long it takes for the custom action to occur after the click. The evaluation of CPA performance should thus be run shortly after campaign start and then again one week later, one month later, etc.

ANDROID



iPHONE

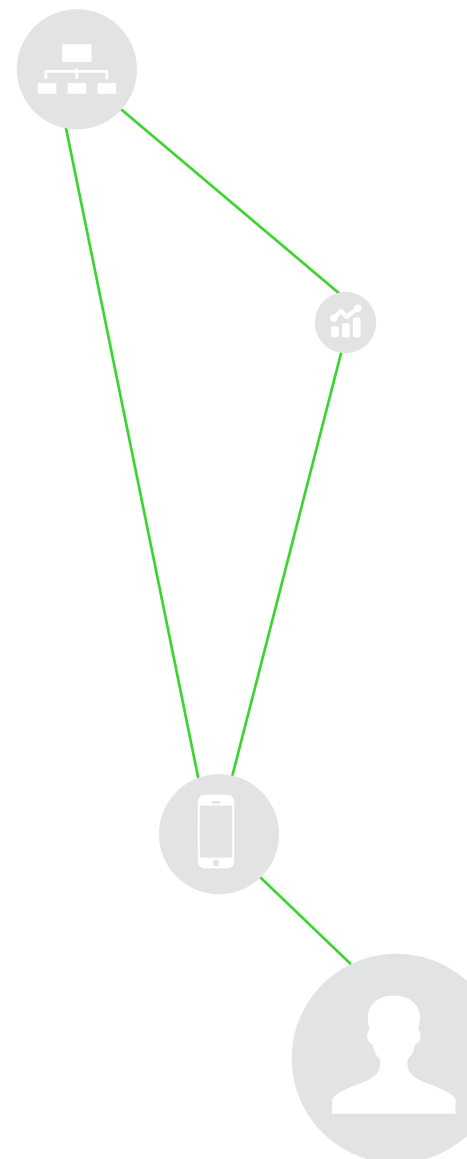


Campaign Example

Campaign Optimization

To better illustrate how to effectively advertise on mobile, we've constructed a campaign example showing the first steps to take when optimizing your mobile app advertising campaign.

- 1 — Start with campaign X
→ Start on network A, B, C
→ Start with Banner 1, Banner 2 (with similar budgets/targeting)
- 2 — Monitor performance on A, B, C for at least 5-7 days
- 3 — **Evaluate the following:**
→ Click-through Rate (CTR)
→ Conversion Rate (click to install)
→ Cost Per Install (CPI)
→ Conversion Rate (install to custom action)
→ Cost Per Action (CPA)
- 4 — Suppose network A has a higher CTR and click-to-install conversion rate than B or C, but C has more active users
- 5 — **Further evaluate the above filtering by the following:**
→ Publisher ID
→ Device ID
- 6 — You see that all the custom actions from C are coming from publisher 123, you then:



Campaign Example

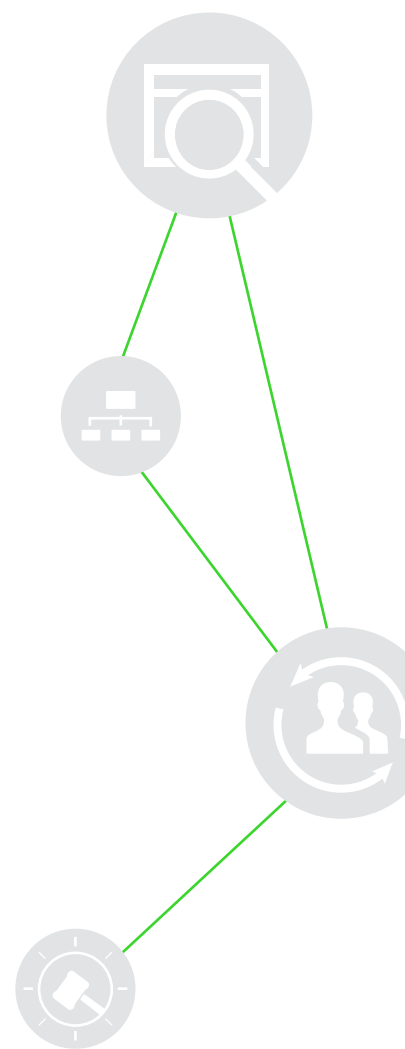
Campaign Optimization

- 7 → Shift more budget to network A, thus generating more installs and clicks, and lowering your CPI
→ Whitelist publisher 123 on network C, and generate more active users
- 8 **Medium term:**
→ You now have enough data to do a banner analysis. You see that Banner 1 and Banner 2 have a very high CTR but Banner 2 has a low conversion from click to install. This could be because the banner does not present relevant information. So the user clicks the ad, but realizes the app is not what they were expecting and does not install. So we remove Banner 2
→ Compare CPI, CTR and conversion rates (click to install) in synergy across all banners. Ask networks A and C to give more traffic to Banner 1, as it is the best performing one in terms of the previously mentioned KPIs
- 9 Scale up the campaign if needed. Add networks D, E, F and apply steps 2 to 7.
- 10 **Further options for optimization analyses:**
→ Active users by network
→ Incentivized vs. no-incentivized traffic
→ CPI vs. CPC traffic mix analysis
→ Revenue generating actions analysis

Of course, as mentioned above, audience targeting and retargeting will be additionally highly relevant optimization levers to look at with the development of more sophisticated RTB technology and increased available inventory.

Conclusion

Targeting and tracking are crucial elements of mobile app marketing. You need the right mix of ad formats, payment models and traffic to mutually maximize ad spend efficiency and volume. The best way to optimize your ROI is to experiment with a variety of options, track them and then analyze the results thoroughly to create a truly optimized campaign.





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