

inMOBI™



## **A YEAR IN MOBILE ADVERTISING**

Highlights from the 2016 Mobile Advertising Industry



**00 WELCOME (4)**

**01 THE RISE OF MOBILE VIDEO ADVERTISING (5-10)**

Double down with mobile video  
The world of video ads  
All formats are not equal  
Content that won consumers over  
Bringing video ads to life - How Samsung wowed Rugby fans

**02 DRIVING LOYALTY (11-14)**

Winning consumers back  
Quality over Quantity  
How Myntra grew sales with InMobi

**03 ENTERING THE AGE OF AUTOMATION (15-18)**

Programmatic Rising  
Top performing verticals  
Video ads fuel mobile programmatic buying

**04 ADVANTAGE ASIA (19-22)**

Unleashing the Chinese Dragon  
Tracking the Indian mobile ecosystem  
The promise of Southeast Asia

**05 CREATIVE SHOWCASE (23-30)**

Rexona Deodorant  
Pond's Acne Solution  
Samsung Galaxy S6  
Sunsilk Pop-up Salon  
Dyson Pure Cool  
Cream Silk Transformations

**06 EXPERTS SPEAK (31-36)**

**07 THANKING OUR PARTNERS (37-38)**

**08 OUR GLOBAL PRODUCT ALLIANCES (39)**

**09 REFERENCE (40)**



**ALSO AVAILABLE ONLINE**  
visit [www.inmobi.com/yearbook-2016](http://www.inmobi.com/yearbook-2016)

## 00 WELCOME

**We are delighted to share the first annual edition of the InMobi Yearbook with you!**

**Over the last twelve months, strong demand for mobile, video and social media has driven growth in digital ad spend. Mobile is expected to account for 51% of digital ad spend by the end of 2016 and is forecasted to grow to 70% of digital ad spend by 2019<sup>[1]</sup>. While this is encouraging, we have only just scratched the surface with what can be achieved by making mobile an integral part of the marketing mix. Succeeding with mobile requires a complete shift to mobile-first thinking, across creative design and campaign execution. Mobile's inherently unique capabilities enable marketers to journey from the era of one-way communication to today's reality of immersive and interactive engagement with users.**

**This yearbook shares with you highlights from that journey; capturing 2016's key mobile advertising developments, industry changes and how these changes will shape the coming year. Advertisers and publishers can now create a winning game plan for 2017 equipped with powerful trends gleaned from InMobi's vast network, award-winning creatives and deep insights from industry leaders.**

**2017 is bound to be an exciting year in the life of mobile advertising and we look forward to embarking on this journey with you. And as we bid 2016 goodbye, we hope you enjoy this insight into what an amazing year it was. Happy reading!**



**Arun Pattabhiraman,**  
*Vice President & Global Head of Marketing*





# 1 MOBILE VIDEO ADVERTISING TAKES OFF

*200% GROWTH IN VIDEO AD CONSUMPTION*

## DOUBLE DOWN WITH MOBILE VIDEO

*Mobile video is the fastest growing mobile ad format today. This year alone, marketers around the world allocated 24% of their digital ad spend<sup>[2]</sup> to mobile video. Moreover, an InMobi study revealed that mobile video ad spend increased by over 150% on the network, signalling the aggressive push from advertisers towards mobile video adoption.*



**150%**  
**GROWTH**  
in mobile video ad spend

# THE WORLD OF MOBILE VIDEO ADS

*The top 5 countries with the largest share of mobile video ad plays*

**USA**  
North America



**29%**

**CHINA**  
Asia



**18%**

**INDIA**  
Asia



**06%**

**GERMANY**  
Europe



**05%**

**FRANCE**  
Europe



**04%**

*Share of mobile video ad plays = Country's share / total*

# ALL FORMATS ARE NOT EQUAL

*The seamless synthesis of sight, sound and motion that video ads offer is transforming marketing messages into powerful stories that inspire consumers to take action. InMobi witnessed a 200% growth in mobile video ad consumption as stories became increasingly engaging, driving consumers to spend more time on mobile.*

## Mobile Video ads delivered

**4X** higher user engagement  
over static formats

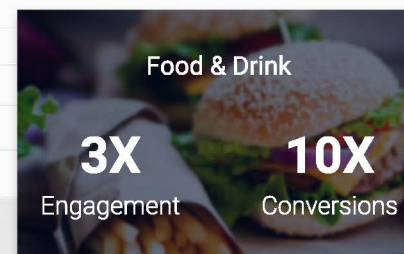
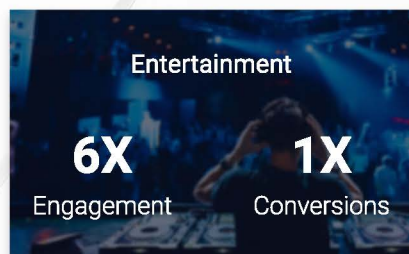
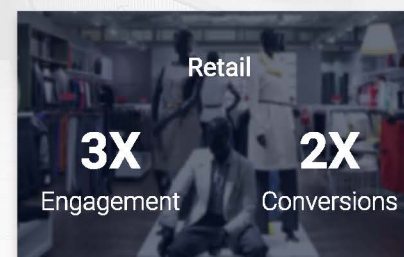
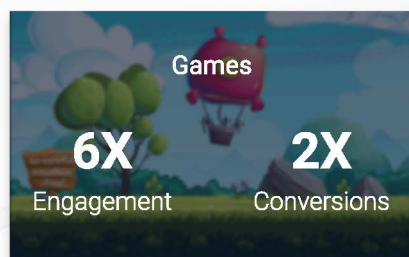
**2X** higher conversions over  
static formats

**80%** completion  
rates

Engagement = CTR; Conversions = CVR

## CONTENT THAT WON CONSUMERS OVER

*While mobile video advertising works for everyone, in 2016 it outperformed static ad formats for the following set of advertiser segments.*



Engagement = CTR; Conversions = CVR



## BRINGING VIDEO ADS TO LIFE - HOW SAMSUNG WOWED RUGBY FANS

### Objective

To drive views for the 'The Samsung School of Rugby' amongst the "Big Eventers", at the most relevant moments thus driving brand affinity.

### Solution

A 360° video created an immersive experience by educating audiences about Rugby, in time for the World Cup.



### Results

**>1M**

*Big Eventers were exposed to the ad*

**2.61%**

*of these engaged with the video*

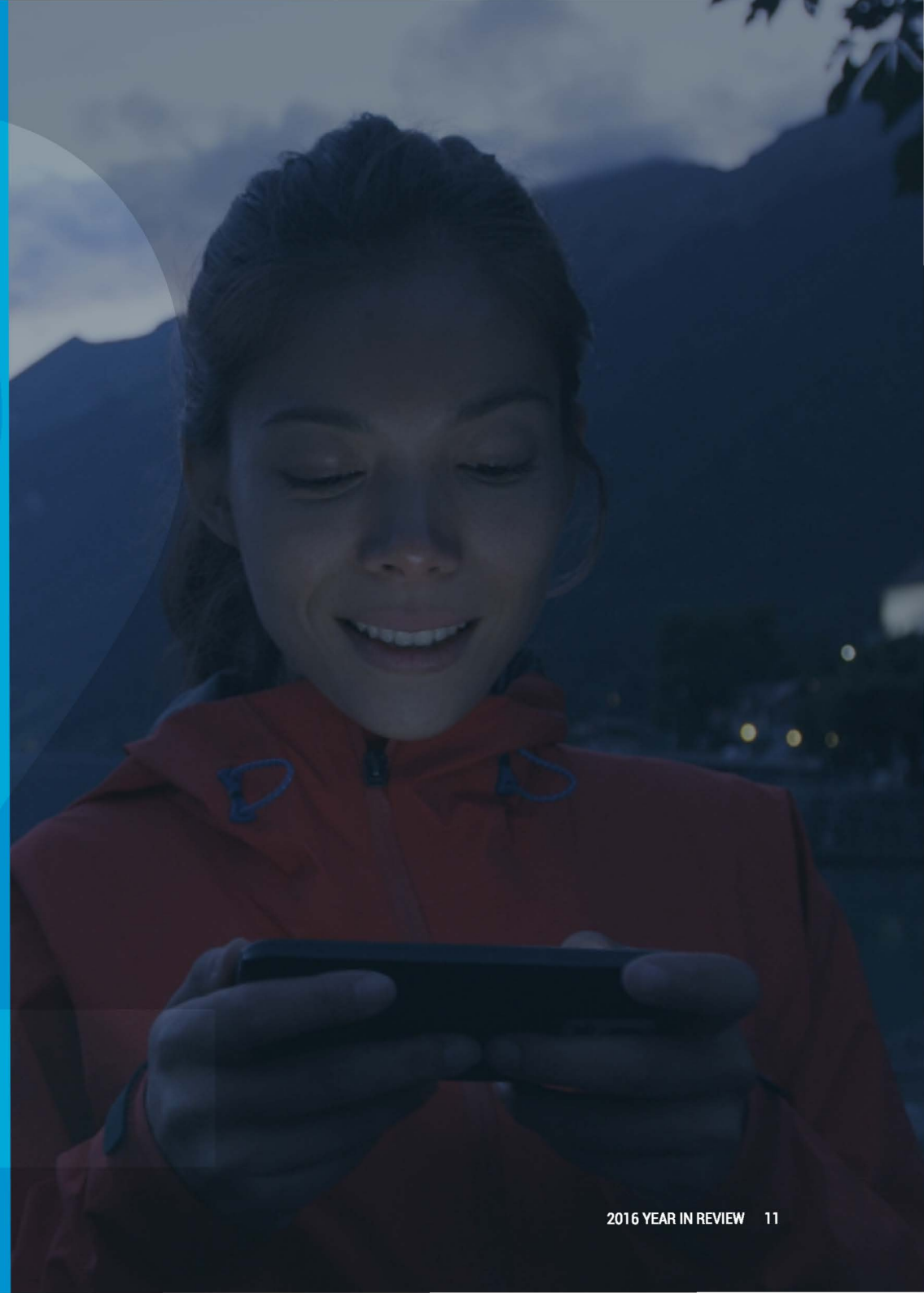
**4%**

*users shared the video on Twitter*

# 02

## DRIVING LOYALTY

*MOBILE REMARKETING ADOPTION UP BY 400%*





## WINNING CONSUMERS BACK

*Nearly 50% of all app marketers have adopted app retargeting as a means of engaging users in 2016<sup>[3]</sup>. The app ecosystem is reaching a 'tipping point', where app developers will deem user retention to be as important as acquisition.*

*The increasing user opt-outs from alternative re-engagement means such as email and push notifications is making mobile app remarketing indispensable.*

25%

Fraction of iOS and android users retained within 24 hours of app installation<sup>[4,5]</sup>

6%

Day 30 retention rates across iOS and Android users<sup>[6]</sup>

24hrs

Average time to uninstall an app after the first use

## QUALITY OVER QUANTITY

*We've heard the lexicon shift among advertisers from Reach to LTV (lifetime value) and DAUs (daily active users), and from CPIs (cost per install) to CPAs (cost per action). This shift in focus from user acquisition to retention is driving conversations today.*

*The following is the impact seen from the InMobi Remarketing platform across app categories.*

### Taxi

**30-50%**

Uplift in Incremental Rides



### Shopping

**7-8x**

RoAS (Return on Ad Spend)



### Entertainment

**15%**

Re-activation rate



### Games

**5-6x**

Growth in Average Revenue Per User



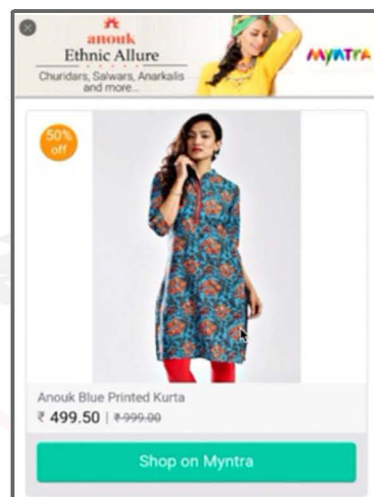
## HOW MYNTRA GREW SALES WITH INMOBI

### Objective

To maximize mobile sales by re-activating dormant users and retargeting users based on their historical shopping behaviour.

### Solution

Highly personalized and curated product recommendations were delivered to all Myntra app users. Specific segments of dormant customers were targeted in order to renew their interest in the app.



### Results

**1,000+**  
transactions  
per day

**\$25**  
average  
order value

**3X**  
growth in  
MoM transactions

**7**  
return on  
advertiser spend



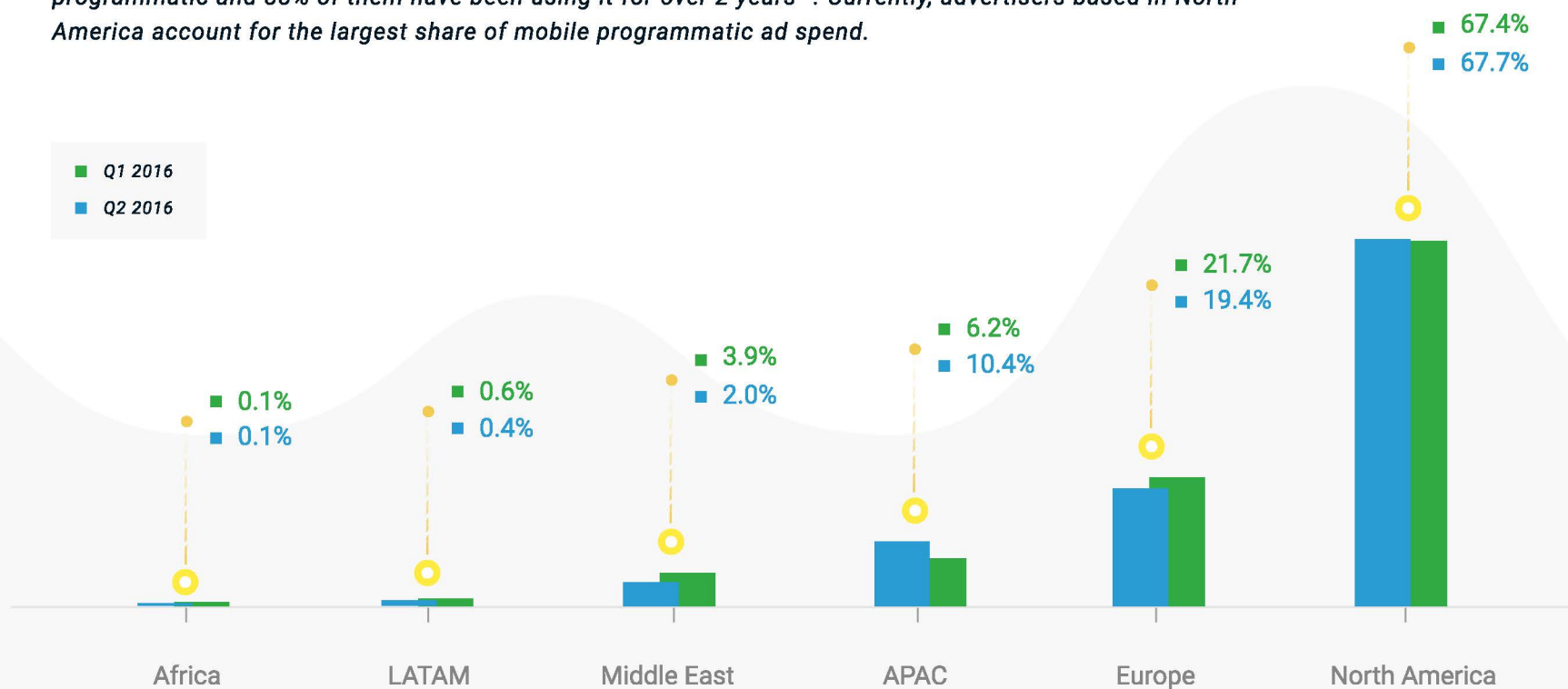


# ENTERING THE AGE OF AUTOMATION

*75% OF MARKETERS BOUGHT THEIR MOBILE INVENTORY PROGRAMMATICALLY*

## PROGRAMMATIC RISING

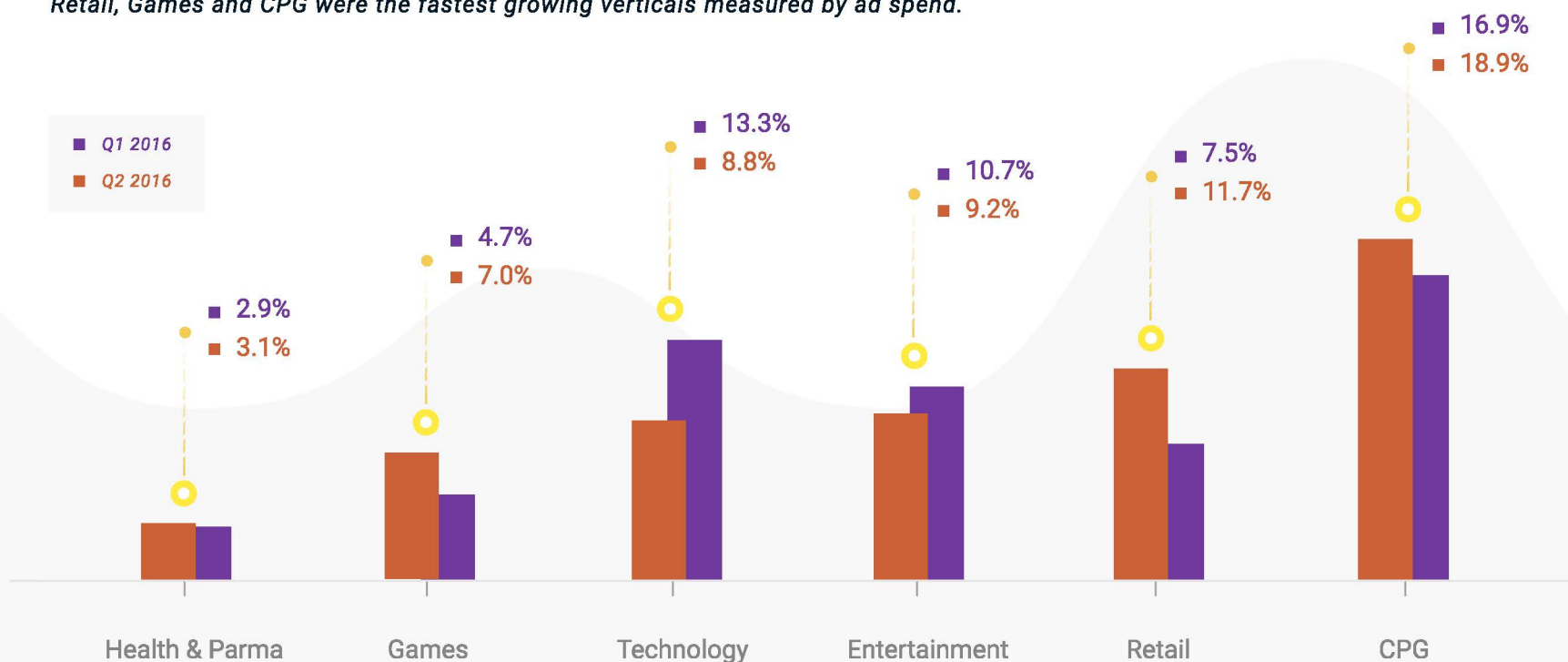
*In the march towards achieving greater efficiency, control and transparency, 75% of all marketers use programmatic and 33% of them have been using it for over 2 years<sup>[7]</sup>. Currently, advertisers based in North America account for the largest share of mobile programmatic ad spend.*



Share of mobile programmatic ad spend across regions

## TOP PERFORMING VERTICALS

*In H1'16, 85% of the mobile programmatic spend on the InMobi network came from Fortune 500 brands. CPG, Retail and Entertainment were the leading advertiser categories spending on mobile programmatic while Retail, Games and CPG were the fastest growing verticals measured by ad spend.*



Share of mobile programmatic ad spend across categories

## VIDEO ADS FUEL MOBILE PROGRAMMATIC BUYING

*Mobile programmatic is forecasted to be a \$20 billion industry by the end of 2016, and growth is expected to come from mobile video ads<sup>[8]</sup>. A recent study conducted by InMobi<sup>[7]</sup> revealed, that 44% of marketers prefer video ads for mobile programmatic.*

*Most desirable ad format for mobile programmatic buyers*







# ADVANTAGE ASIA

*CHINA, INDIA AND SEA SPUR GROWTH*

# UNLEASHING THE CHINESE DRAGON

*By 2020, mobile will account for 84% of the total digital ad spend in China<sup>[9]</sup>. InMobi's deep understanding of the market has helped it reach millions of mobile users in the country.*



## Unbeatable growth

*InMobi recorded 15-fold growth in a span of 4 years*

## High on native

*InMobi is the largest independent native ad network in China*



## Largest iOS platform

*InMobi's vast network reaches 80% of Chinese iOS users*

## Top partner

*We partner with 80% of the Top 1000 apps in China*



# TRACKING THE INDIAN MOBILE ECOSYSTEM

*Today, mobile accounts for only 3% of total media ad spend in India. By 2020, mobile spend is expected to quadruple accounting for 10% of the total media spend<sup>[10]</sup>. To tap into this exciting opportunity, marketers are investing in mobile to reach a wider audience.*

## Digital equals mobile

*80% of internet users come online via their mobile devices<sup>[11]</sup>*

## Quality trumps quantity

*Advertiser focus has shifted to high LTV users*



## Rise of mCommerce

*Focus has shifted to user retention via remarketing*

## Overcoming banner blindness

*Advertisers delivered superior experiences via mobile video*



## THE PROMISE OF SOUTHEAST ASIA

*Southeast Asia is a diverse region with Indonesia at the forefront of mobile growth and innovation, boasting of 47% smartphone penetration<sup>[12]</sup>. Declining smartphone prices and improved 4G coverage is enabling many Indonesians to get their first taste of internet via mobile devices.*

### **Digital equals mobile**

*The lack of a desktop Internet legacy is driving mobile adoption*

### **Creative innovations**

*Cutting-edge mobile technology delivered innovative experiences*



### **Video in demand**

*Five to seven fold growth in available mobile inventory for video<sup>[13]</sup>*

### **Programmatic rising**

*To achieve scale on mobile, programmatic tools are key in new markets*



# CREATIVE SHOWCASE

MOBILE-FIRST CREATIVES THAT DELIVERED REAL RESULTS

## 05 CREATIVE SHOWCASE

**Ads that target the wrong audiences or fail to deliver a better user experience can do more harm than good. Users today, spend 25% of their time on mobile and they are willing to use ad blockers, if they think your ads are annoying, too intrusive or just plain ugly. This means you could lose new customers, or the opportunity to re-engage an existing one, even before they had a chance to see your ad.**

**We understand this love-hate relationship that users share with ads. Our conversations with advertisers and publishers around the world and our deep understanding of audience behaviour and preferences has enabled us to create experiences that are contextual, engaging and effectively communicate your message. At InMobi, the Sales and the Creative teams work closely, to ensure the right story is being weaved for the right audience, using technology that best enhances the experience for users. Here, we bring to you 6 of the best mobile-first creatives that engaged users and stayed with them long after the campaign ended.**

## 360° VIDEOS GENERATE ENGAGEMENT FOR REXONA

Winner of two Golds at the MMA Smarties 2016 in the 'Innovation' & 'Location-based campaigns' categories

### Objective

To increase awareness and growth for Rexona deodorant, thus re-establishing its superiority in the overcrowded deodorant category in Indonesia.

### Solution

Users were shown a 360° video to experience the dust, heat and sweat invading the closest bus stop they were on route to, and hence highlighting how Rexona could fix this in a jiffy.



### Results

**>314M**

impressions served  
between Jan-Mar 2016

**1.76%**

Click Through Rate  
(CTR)

**27.2%**

View Through  
Rate



## FACIAL RECOGNITION DRIVES GROWTH FOR POND'S ACNE SOLUTIONS

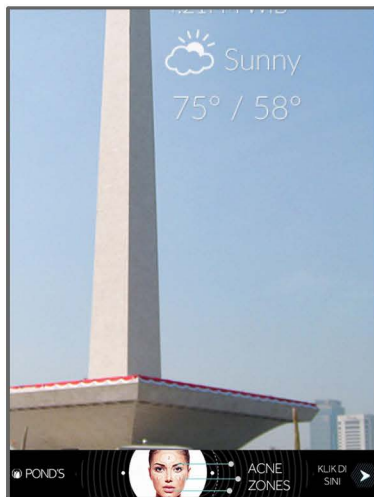
Winner of two Silvers at the MMA Smarties in the 'Innovation' and 'Product & Services Launch' categories

### Objective

To create buzz, engagement, interactivity and increased sales for Pond's Acne Solutions in Indonesia.

### Solution

A rich media experience with facial recognition was used to educate users on the causes for acne and how Pond's can solve it in 3 days.



### Results

**29 seconds**

average time spent  
on the ad

**>39,000**

# of users who engaged  
with the ad

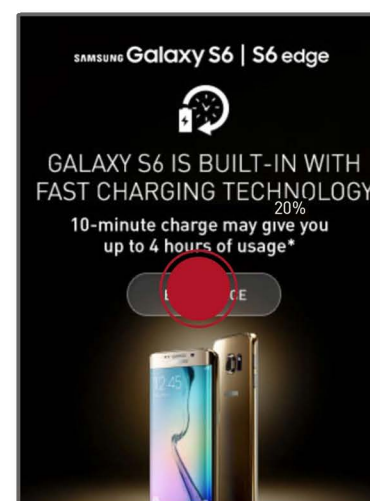
## BATTERY-LIFE DETECTION BOOSTS SALES FOR SAMSUNG S6

### Objective

To create awareness and drive sales for Samsung's newly launched S6 smartphone, amongst business users in Southeast Asia, by emphasizing on its super fast charging capabilities.

### Solution

Using audience persona targeting and battery-life detection, Samsung highlighted S6's next level charging capabilities.



### Results

**20 sec**

Average time spent on the ad

**1.14%**

Click Through Rate (CTR)

**1.6%**

users clicked on "Tap here now"

**1.1%**

of users clicked on "Experience"

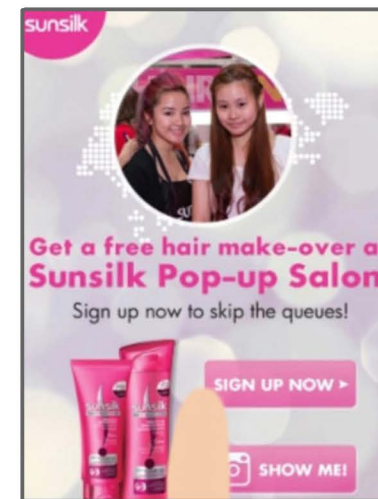
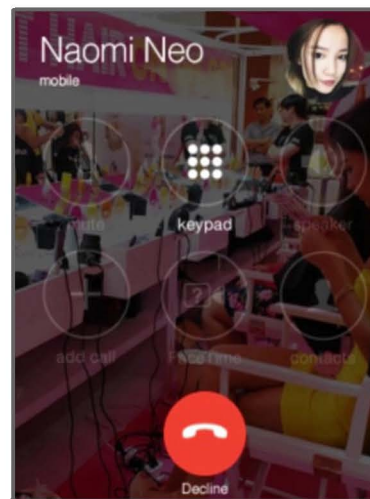
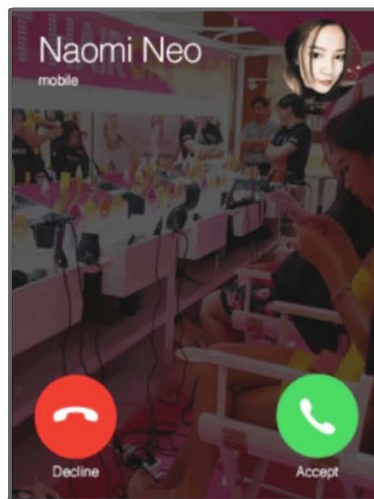
## GEO-TARGETING DRIVES AWARENESS FOR SUNSILK

### Objective

To increase brand awareness and recall for Sunsilk among young Singaporean women, by driving sign-ups for the Sunsilk Pop-up Salons.

### Solution

Geo-targeting was used around the 4 salon locations with a perfectly simulated phone call from Naomi Neo inviting users to sign-up for free makeover sessions.



### Results

**25,000**

women were  
geo-targeted

**>10,000**

women answered  
Naomi's call

**>9,000**

women participated in  
the pop-up salons

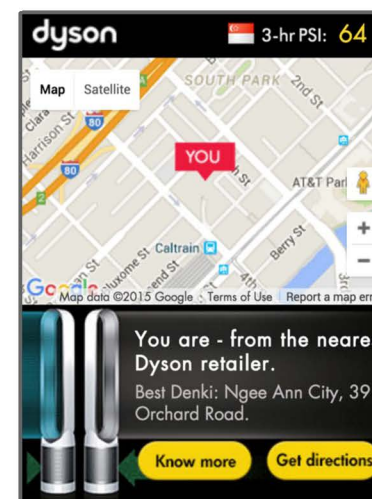
## REAL-TIME PSI UPDATES GARNERS INTEREST FOR DYSON'S PURE COOL

### Objective

To drive awareness and create association between Dyson's air purifier - Pure Cool and clean air, when Singapore was covered in a haze originating from the Indonesian forest fires.

### Solution

A perfect mix of moment marketing with location targeting was used to display the current PSI in their location.



### Results

**>1M**

users viewed  
the ad

**>15,000**

users clicked on  
"See how it works"

**2,500**

clicked on  
"Get Directions"

**14 sec**

Average time spent  
on the ad

**1.5%**

Click Through Rate  
(CTR)



## 360° VIDEO REVIVES THE ICONIC CREAM SILK BRAND

### Objective

To re-position Cream Silk as a brand for young and modern Filipinas, by celebrating their strong-will, resilience and beauty.

### Solution

A 360° video was used to engage audiences outside the Cream Silk Transformation event, hence driving scale and reaching a wider audience.



### Results

**24,000**

users interacted  
with the banner ad

**2,000**

users clicked on  
"Watch the Video"

**56 sec**

Average time  
spent on the ad

**150**

users clicked on  
"Know more"



# EXPERTS SPEAK

*THOUGHTS FROM INDUSTRY LEADERS*

## 06 EXPERTS SPEAK



01/09

**Leo Scullin**

*VP of Industry Programs at MMA*

*"Mobile video is on the verge of becoming the single most important platform for brand marketers. Right now, there is an imbalance in both supply and demand, and in the sources of supply, web versus in app. Again, the two ecosystems of web and in app are distinctly different, so we, as an industry need to ensure maximum transparency in the supply chain, so that we can continue to harness and meet the growing demand for high quality mobile video advertising."*

*"The biggest change in 2016 was the interest from brands, media agencies and corporates in messaging apps. In Indonesia, one of BBM's largest markets, the average user spends 140 mins a day on messaging apps. From a brand's POV, the power of this uninterrupted time with users is unparalleled. It is only logical for brands to take advantage of this by bringing in services, content and ads into the messaging ecosystem."*



02/09

**Matthew Talbot**

*CEO at BBM*



## 06 EXPERTS SPEAK



03/09

**Hussam Hammo**

CEO at Tamatem

*"For the Arabic speaking world, 2016 was huge for social media promotions, as advertisers targeted users through their social network feeds in order to drive downloads. Interestingly, Interstitial formats did not fare well amongst the audience, while rewarded videos were extremely popular given its opt-in nature."*

*"In 2016, the mobile industry faced two main challenges - solving for view through attribution and curtailing ad fraud. The need of the hour is for the industry to join hands to take action and solve for these issues."*



04/09

**Ronen Mense**

VP-Asia at AppsFlyer

## 06 EXPERTS SPEAK



05/09

**Christian Henschel**

CEO at Adjust

*"2016 was witness to two major developments. The first was mobile's coming of age and growing out of its teenage years. A substantial number of transactional businesses such as supermarket chain and insurance providers, incorporated mobile into their strategy, thus reaching a wider audience. The second was the industry wide acceptance of mobile fraud. Though companies were aware of its existence, not much was done to prevent it. In 2016, considerable headway was made in this direction, with new product launches that actually work."*

*"In 2016, brands aggressively began to re-engage their audiences, by retargeting them based on their historical behaviour. While some brands got it right - knowing when to reach out to their customer and when to stop, not all got the formula right. In 2017, brands will become more sophisticated with their retargeting strategy and embrace smart integrations"*



06/09

**John Koetsier**

Mobile Economist at Tune

## 06 EXPERTS SPEAK



07/09

*"In 2016, Video was the biggest opportunity for advertisers as well as InMobi especially with the launch of 80% + completion rate packages for buyers. This opportunity received wide spread adoption putting InMobi on the map as a big video player in the mobile space."*

### Kayla Wilson

*Head of Programmatic Partnerships  
at InMobi*

*"Performance advertisers in India came of age in 2016 as their focus shifted from rapid user acquisition to retaining users by re-engaging them. Spends moved towards retargeting and re-activation in order to improve the LTV of already acquired users."*



08/09

### Vasuta Agarwal

*VP & GM - India at InMobi*

## 06 EXPERTS SPEAK



09/09

**Kevin Wang**

*Head of Greater China Marketing  
at InMobi*

*"The mobile advertising market in China is primarily dominated by app download campaigns. But in 2016, many brands moved away from using traditional media alone and adopted mobile into their marketing strategy in order to reach their audiences."*





## THANKING OUR PARTNERS

*2016 was a momentous year for InMobi and for the mobile ecosystem at large. Here's a big shout out to some of our clients and partners who helped us mark a milestone in the industry.*

## 08 THANKING OUR PARTNERS



# OUR GLOBAL PRODUCT ALLIANCES

*We would like to thank our world class 3rd party partnerships who continue to enable seamless campaign measurement, audience measurement, audience verification and viewability for our advertisers across the globe.*

TUNE

KOCHAVA★

 adjust

 Apsalar

 AppsFlyer

nielsen  
.....

MOAT

 DV  
DoubleVerify

 IAS Integral  
Ad Science

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## ABOUT US

*At InMobi, our vision is to improve users' lives by enabling them to get the most value from mobile devices. We pioneer mobile discovery through personalized advertising experiences, enabling consumers to discover new products and services through contextual and curated recommendations on mobile devices. Through our revolutionary advertising & discovery platform, developers, merchants and brands can engage mobile consumers globally. Recognized among Fast Company's "2016's Most Innovative Companies in the world", InMobi reaches over 1.5 billion unique mobile devices worldwide.*

[www.inmobi.com/insights](http://www.inmobi.com/insights)

|

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