Mobile Video Benchmark Study

April 2014

MMA: Demonstrating Measurement and Impact

MMA
MOBILE MARKETING ASSOCIATION

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Acknowledgements

- MMA Member Data Contributors:

- Data Aggregation and Normalization – ImServices
- Analysis – Gerard Broussard, Pre-Meditated Media

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Study Overview

Background/Purpose

- Mobile Marketing Association (MMA) sought to provide mobile video performance insights to advertisers, agencies, publishers and 3rd party video servers
- MMA secured participation from six mobile publishers to provide one month's (March, 2013) worth of mobile advertising data to report video performance benchmarks

Performance Measures - the analysis focused on three key measures:

1. Completion Rates
2. Click Rates (CTR)
3. Non-Skippable vs. Skippable Ads

Evaluation Criteria – the three performance themes were evaluated through the lens of:

1. Ad Unit Length, Ad Format, Site Genre
2. Dayparts/Time of Day
3. In-App vs. Mobile Web
4. iOS vs. Android
5. Phone vs. Tablet

Five Key Findings

1. Mobile Video ad engagement metrics provide first meaningful benchmarks for the industry

2. Engagement for skippable video advertising is robust despite the option for viewers to bypass ads

3. Mobile video completion rates were flat across ad length, however, CTRs dropped for ads greater than 30 seconds

4. A high-engagement, late night window exists among a small group of consumers

5. Mobile video ad performance, like other forms of advertising, declines with excessive ad frequency

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Other Findings of Note

1. In-app ad volume dominated; three in-app units ran for every one on the mobile web

2. Linear video ads ran at two times the volume of Interstitial and Value Exchange combined

3. Arts & Entertainment, Games, Hobbies and Sports represented the vast majority of ad activity, reflecting consumer mobile video use
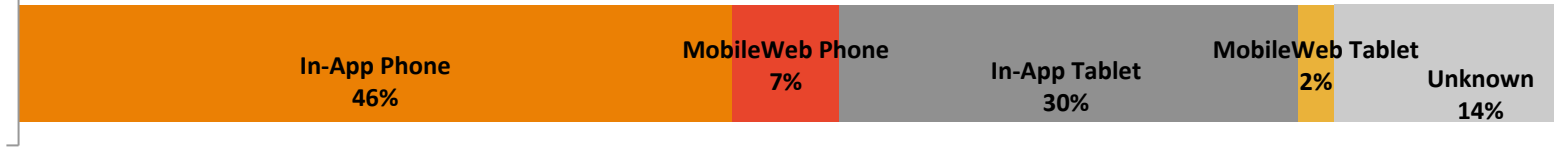
559 Million Ad Impressions
Share of Ad Impression Volume

More than 75% of all advertising occurred in-app, the majority on phones . . .

Devices

In-App Phone 46%	MobileWeb Phone 7%	In-App Tablet 30%	MobileWeb Tablet 2%	Unknown 14%

iOS activity accounted for more than 80% of ad volume . . .

Opreating System

iOS 82%	Android 18%

Skippable ads comprised a third of all ad impressions . . .

Non-skippable/ Skippable

Non-skippable 68%	Skippable 32%

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559 Million Ad Impressions
Share of Ad Impression Volume

Linear video was the predominant ad form followed by a split of Interstitial and Value Exchange . . .

Ad Format

Linear Video 65%	Interstitial 17%	Value Exchange 15%	Unknown 3%

More than half of ads were :15 or less . . .

Ad Length

:15 or less 56%	:16-:30s 33%	:31+ 8%	Unknown 3%

Four dominant genre reflective of consumer video activity in mobile space . . .

Site Genre

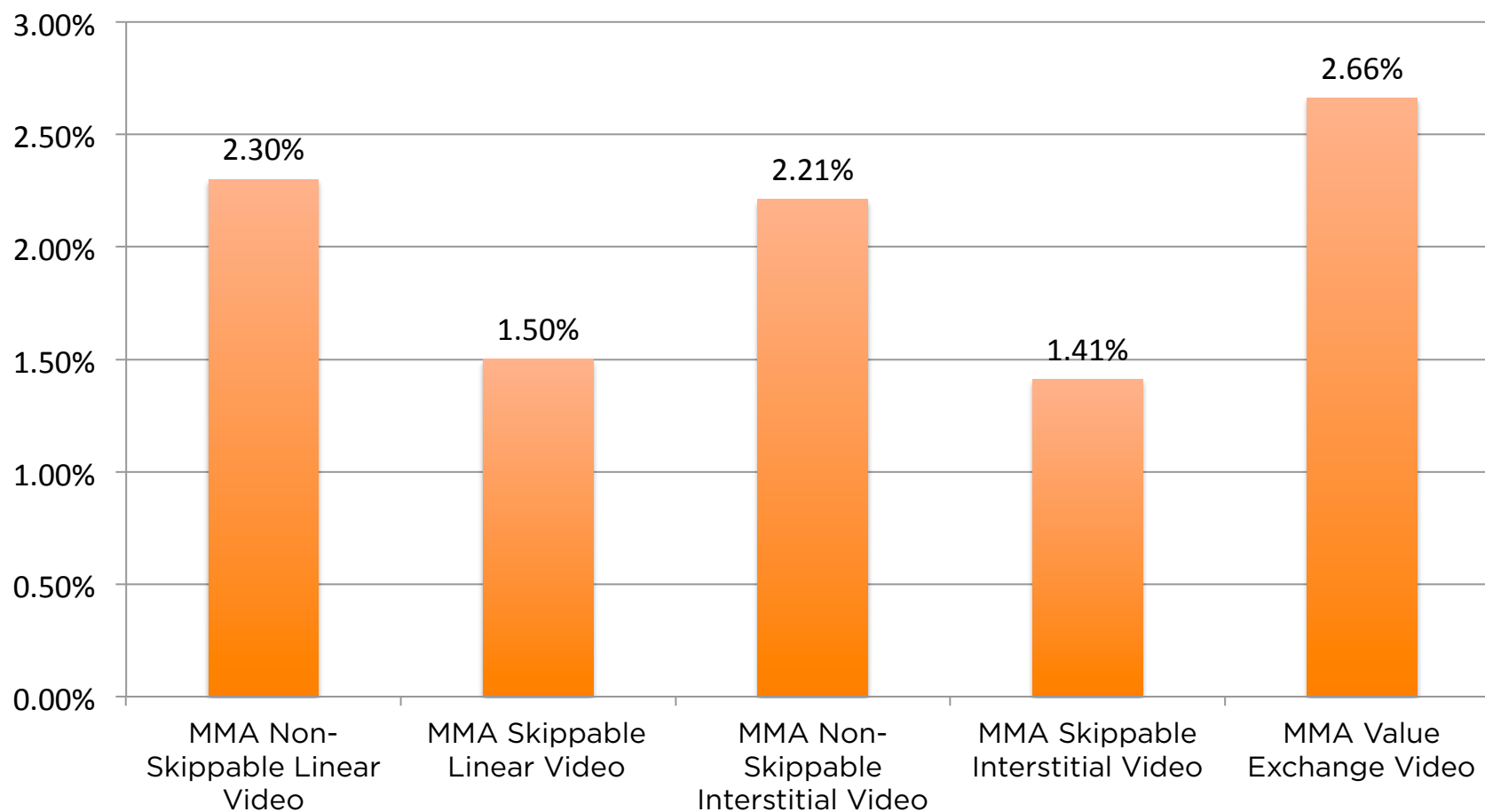| Arts & Entertainment 47%	Games 24%	Hobbies & Interest 14%	Sports 7%	Other 9%

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STUDY FINDINGS

1. Mobile Video ad engagement metrics provide first meaningful benchmarks for the industry

CTR Benchmarks
Mobile Video Aggregated Findings

- CTR rates for all ad formats serve as an initial proxy for ad engagement

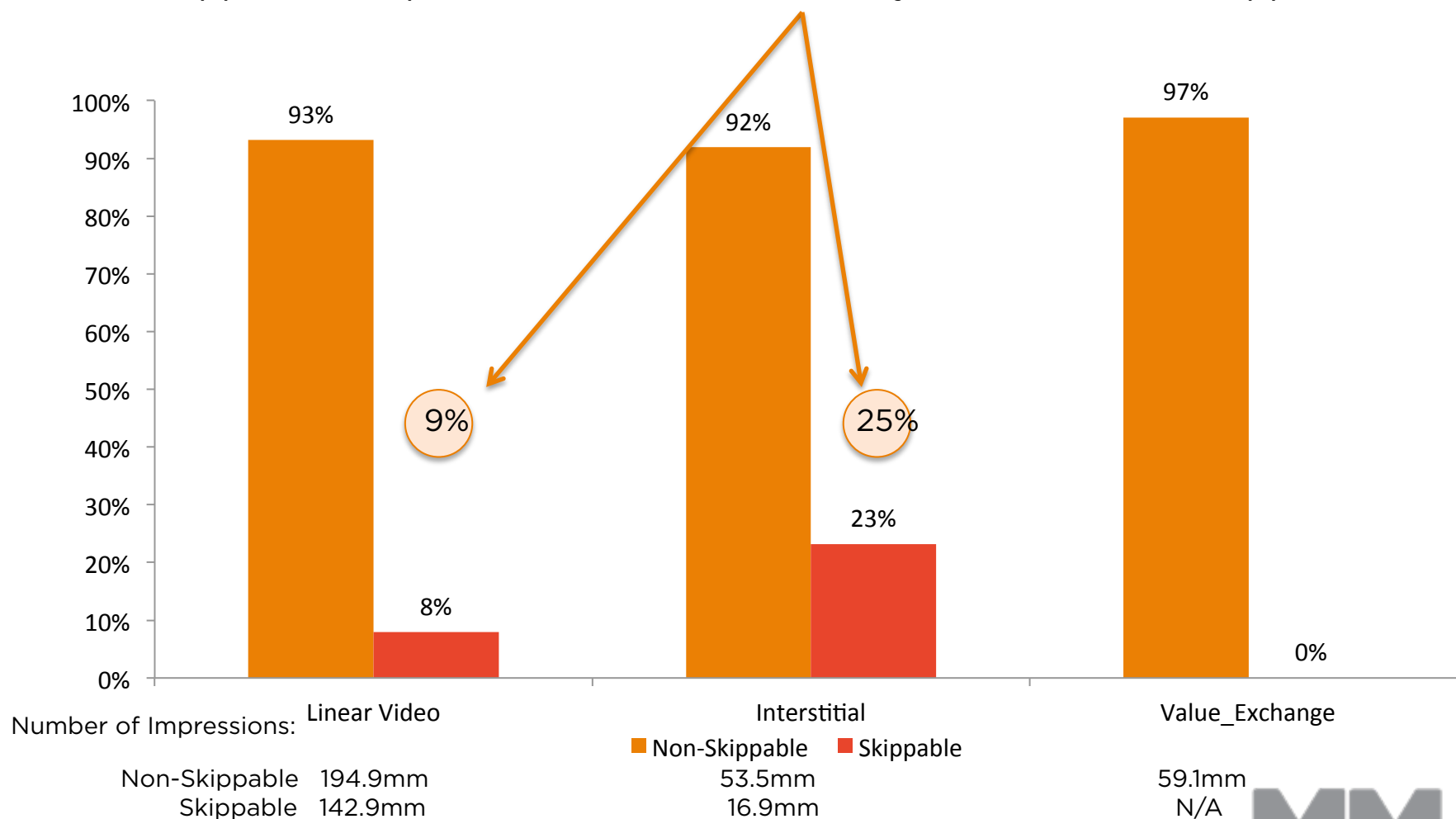Source: MMA Mobile Video Benchmark Study, 2013

2. Engagement for skippable video advertising is robust despite viewers' option to bypass ads
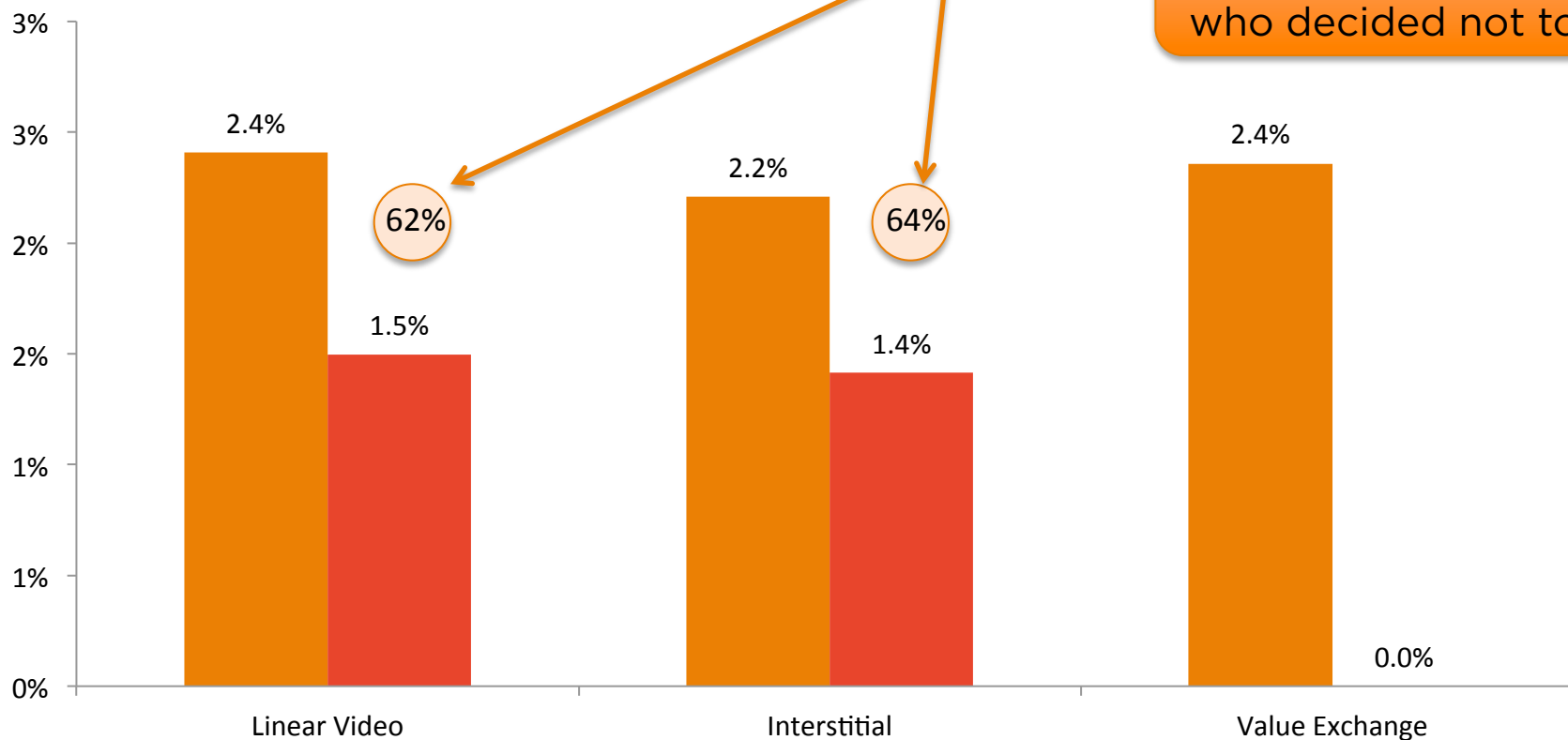
Ad Unit Format
CTR - Phones/Tablets

• . . . however skippable CTR rates don't follow too far behind non-skippable

Implication: ads were more relevant for those who decided not to skip

Number of Impressions:

|	Linear Video	Interstitial	Value Exchange
Non-Skippable	45.5mm	53.5mm	59.1mm
Skippable	142.9mm	16.9mm	N/A

■ Non-Skippable ■ Skippable

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Skippable Ads
Overall Completion Rate*

- Ad skipping is a process that unfolds in stages of time
    - More than half of skippers stick around until 25% of the video has played
    - Around 30% remain through a video ad's halfway mark

Completion Rate by Quartile

Legend: iOS Phone — iOS Tablet — Android Phone
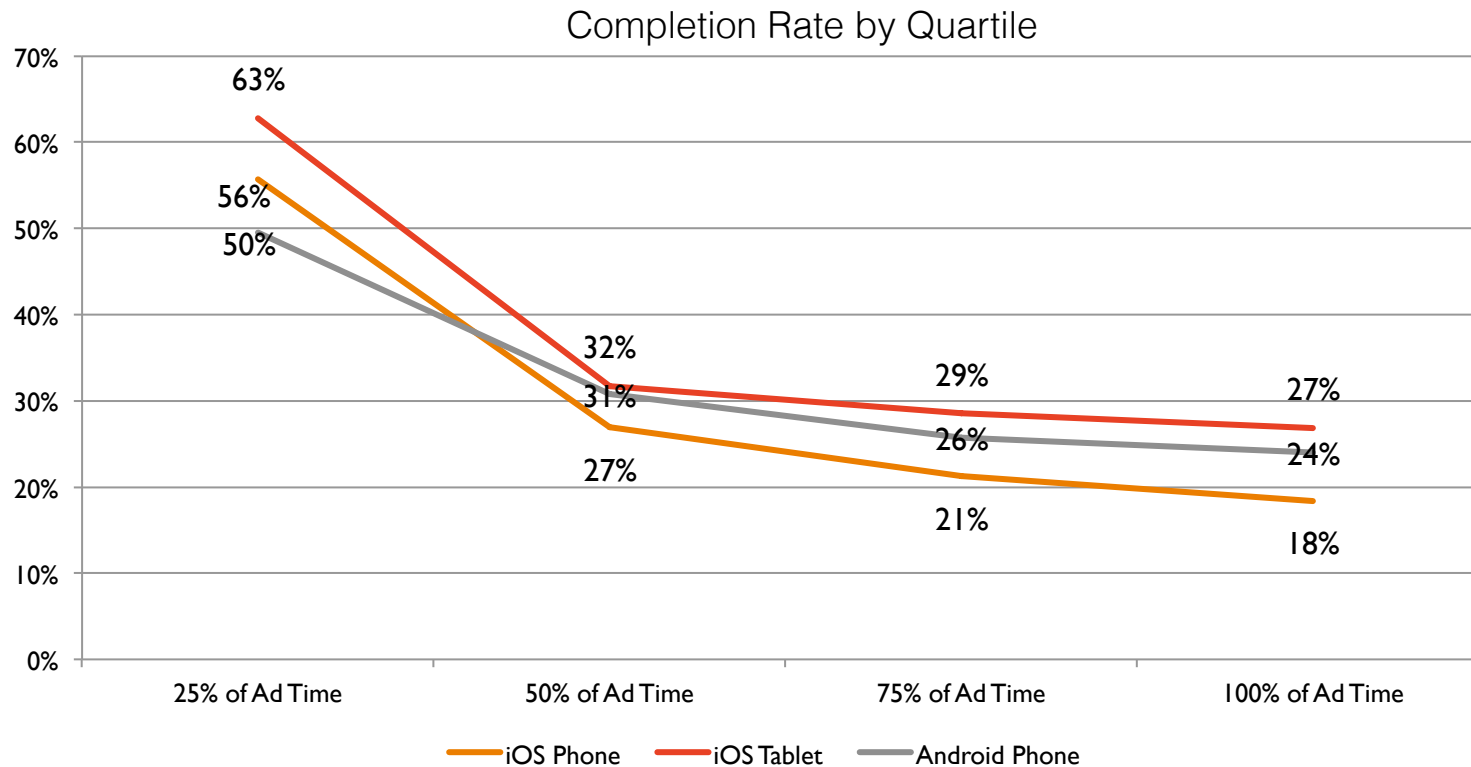
* Includes only ads where quartile and skippable data were available

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3. Mobile video ad completion rates were flat by ad length, however, CTRs dropped for ads greater than 30 seconds
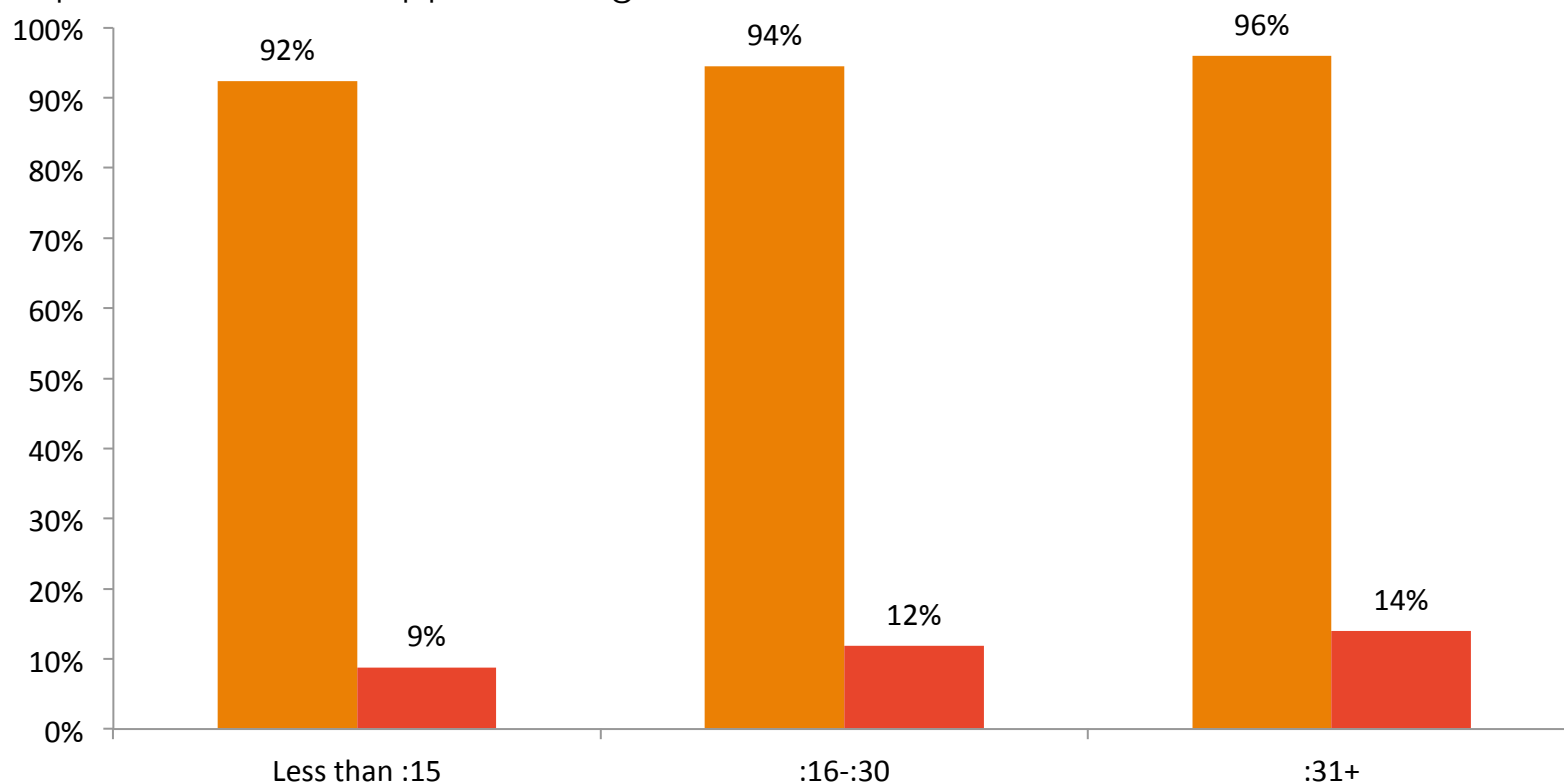
Ad Length
Completion Rate – Phone/Tablet

- Virtually no difference in non-skippable completion rates for ads of different length
- Completion rates of skippable ranged between 9% and 14%

Bar chart showing completion rates for Non-Skippable and Skippable ads by length:
- Less than :15 — Non-Skippable 92%, Skippable 9%
- :16-:30 — Non-Skippable 94%, Skippable 12%
- :31+ — Non-Skippable 96%, Skippable 14%

Legend: ■ Non-Skippable ■ Skippable

Number of Impressions:

	Less than :15	:16-:30	:31+
Non-Skippable	146.1mm	120.1mm	40.1mm
Skippable	122.3mm	33.9mm	2.6mm

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4. A high-engagement, late night window exists among a small group of consumers
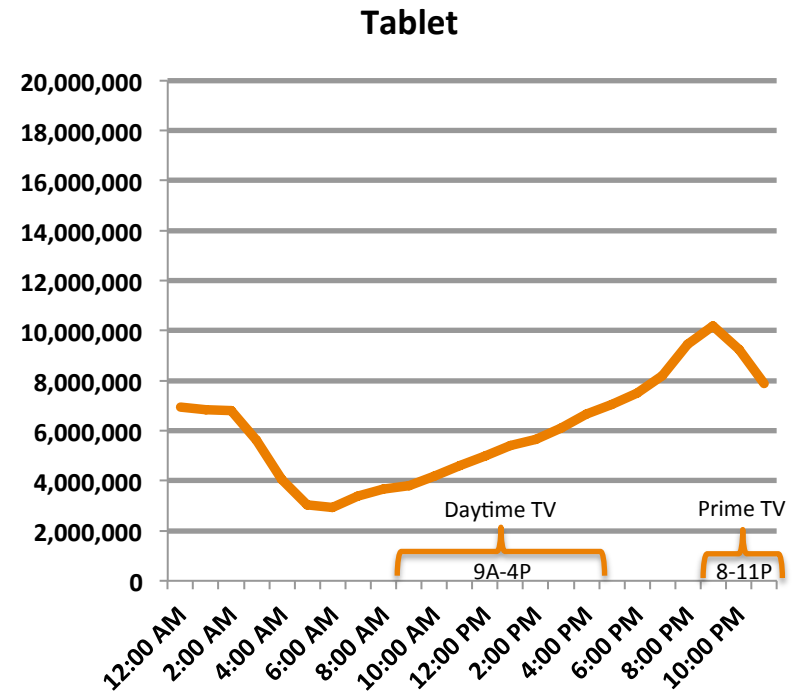
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Impression Summary
Hour of Day - Device

- For both phones and tablets, impression volume drops sharply over night then shoots upward during the course of the day

Phone

Tablet
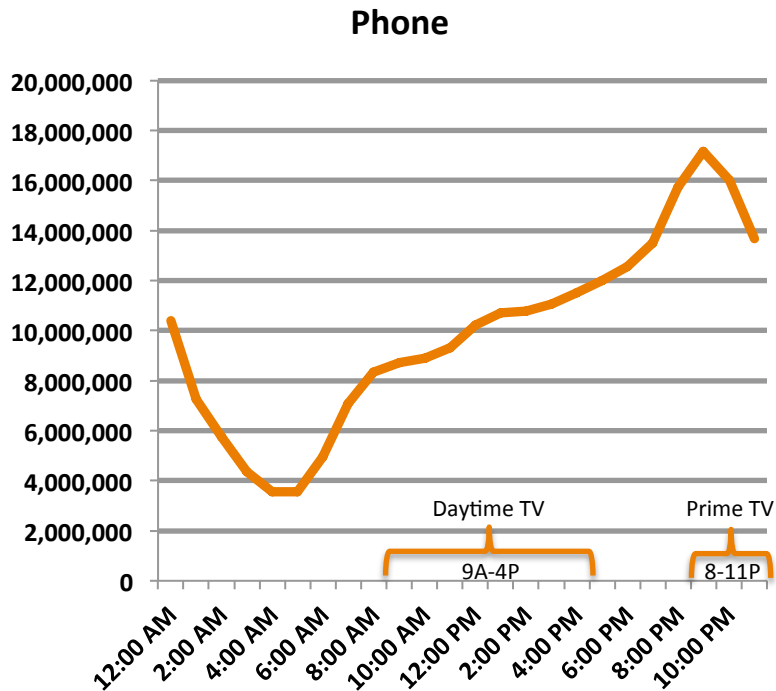
Number of Impressions:

237.1mm

144.2mm

Hour of Day
Completion Rate - Device

• Completion rates peak during late evening/early morning hours and are relatively flat throughout the remainder of the day
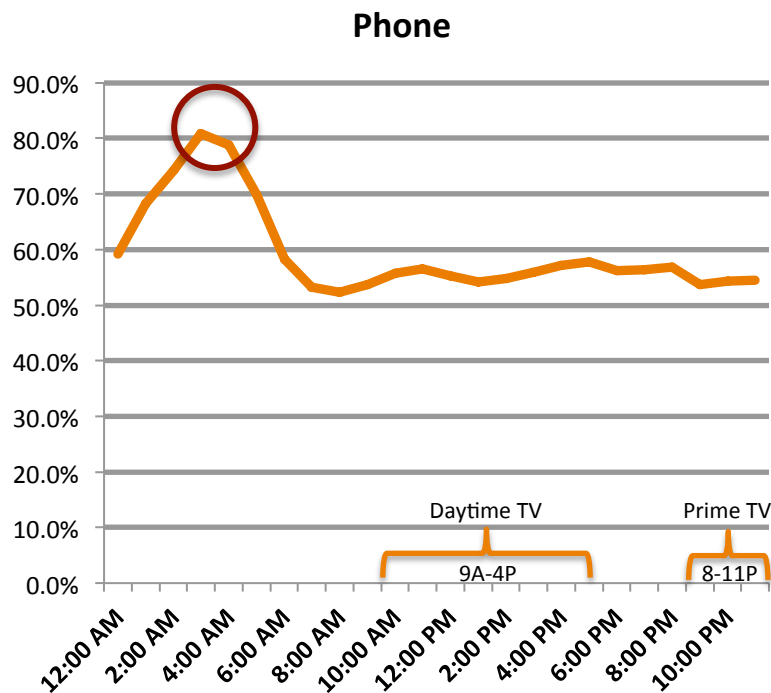
Phone

Tablet

Number of Impressions:

237.1mm
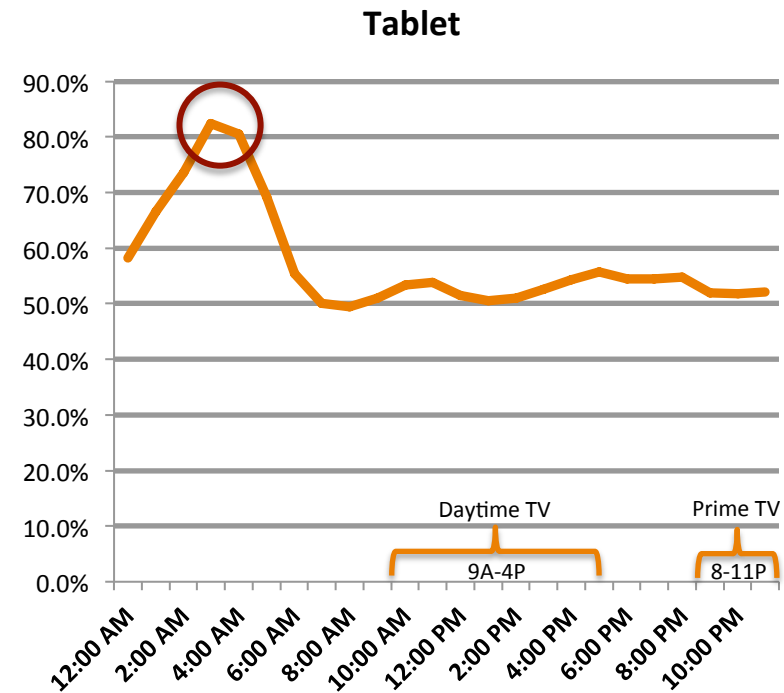
144.2mm

Hour of Day
CTR by Device

- Phone CTR rates are highest during late evening/early morning hours suggesting that engagement is much deeper for people active during this time period
- Tablets CTRs did not follow the same pattern as phone

Phone
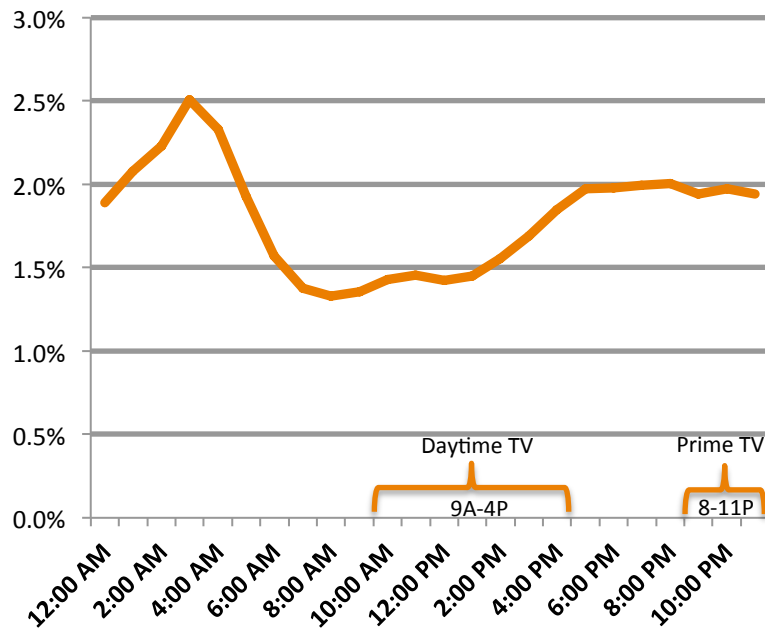
Tablet

Number of Impressions:

169.8mm
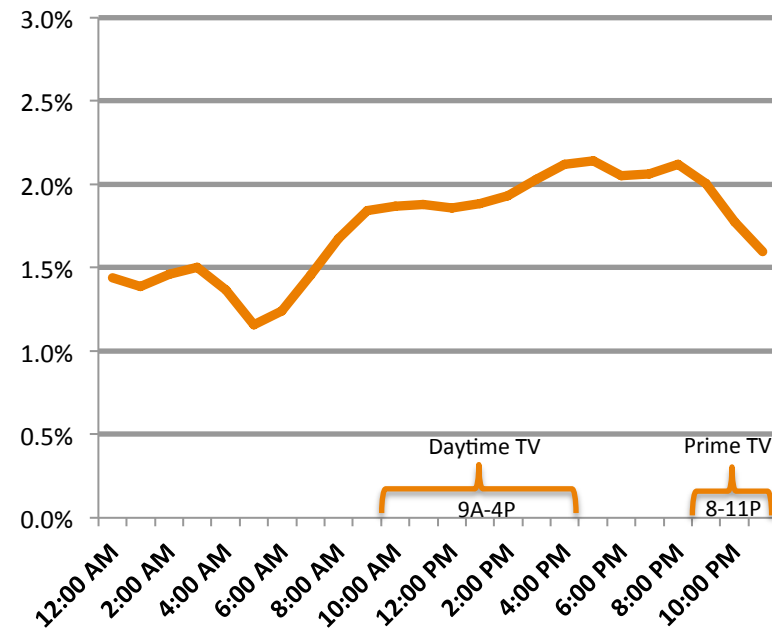
72.5mm

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5. Mobile video ad performance, like other forms of advertising, declines with excessive ad frequency

Ad Frequency
Impact on CTR*

- Excessive ad frequency has clear downward impact on CTR rates

CTR by Ad Frequency
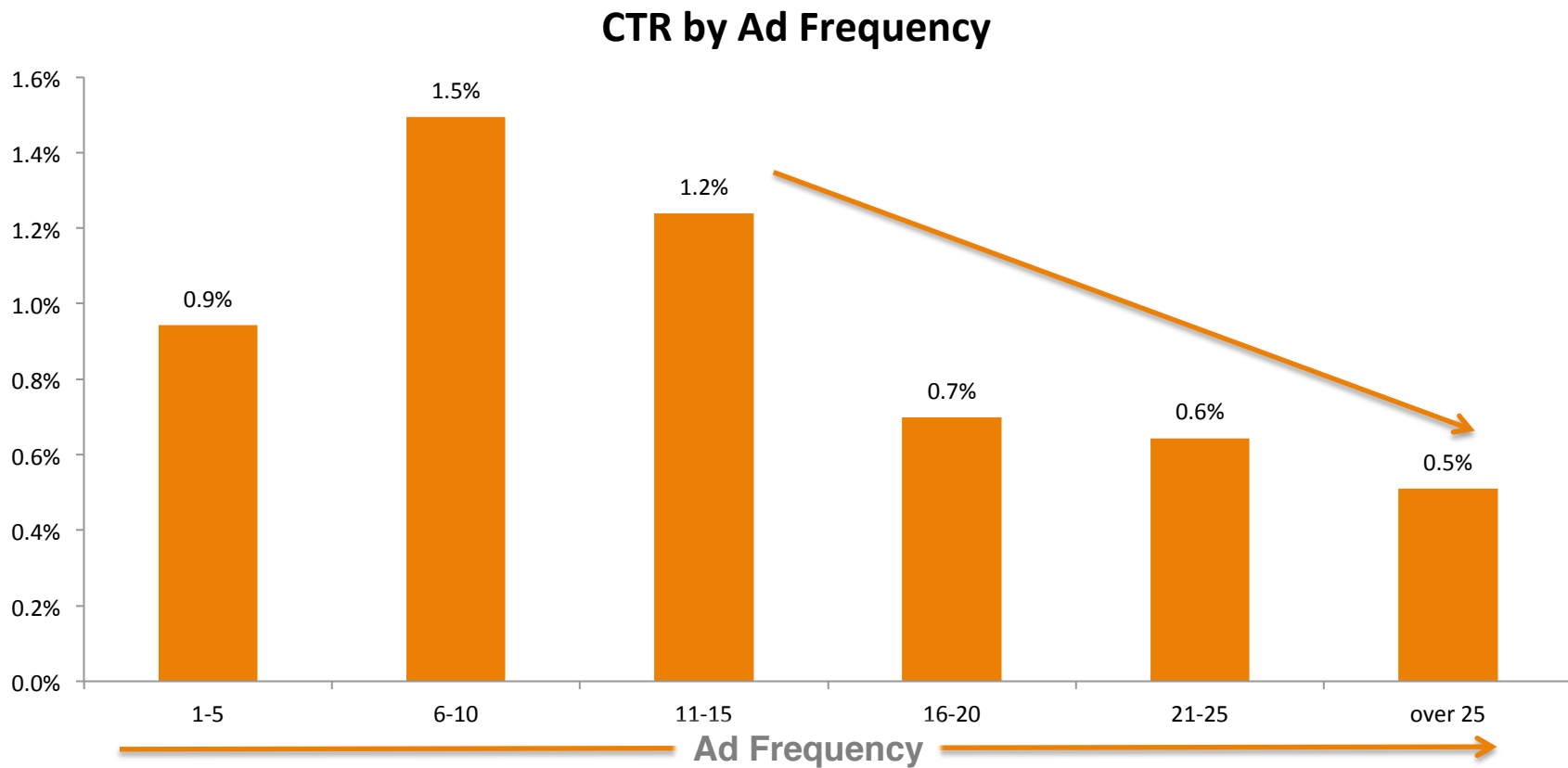
Appendix

Definitions

1. PRE/MID/POST-ROLL LINEAR VIDEO AD UNIT:

Definition: *a mobile video ad that runs before, during or after video content*

2. INTERSTITIAL VIDEO AD UNIT:

Definition: *a mobile video ad that runs between non-video content and occupies a majority of the device screen*

3. VALUE EXCHANGE VIDEO AD UNIT:

Definition: *a mobile video ad that runs on user initiation and is viewed to completion in exchange for a digital reward such as points, goods, coins, coupons or paywall gated content that would otherwise be earned or purchased*

IAB Taxonomy Categories

= Tier 1 Categories   = Tier 2 Categories

Arts & Entertainment	Automotive		Business	Careers	Education	Family & Parenting
Books & Literature Celebrity Fan/Gossip Fine Art Humor Movies Music Television	Auto Parts Auto Repair Buying/Selling Cars Car Culture Certified Pre-Owned Convertible Coupe Crossover Diesel Electric Vehicle Hatchback	Hybrid Luxury MiniVan Motorcycles Off-Road Vehicles Performance Vehicles Pickup Road-Side Assistance Sedan Trucks & Accessories Vintage Cars Wagon	Advertising Agriculture Biotech/Biomedical Business Software Construction Forestry Government Green Solutions Human Resources Logistics Marketing Metals	Career Planning College Financial Aid Job Fairs Job Search Resume Writing/Advice Nursing Scholarships Telecommuting U.S. Military Career Advice	7-12 Education Adult Education Art History College Administration College Life Distance Learning English as a 2nd Language Language Learning Graduate School Homeschooling Homework/Study Tips K-6 Educators Private School Special Education Studying Business	Adoption Babies & Toddlers Daycare/Pre School Family Internet Parenting - K-6 Kids Parenting Teens Pregnancy Special Needs Kids Eldercare

Health & Fitness		Food & Drink	Hobbies & Interests	Home & Garden	Law, Gov't & Politics	News
Exercise A.D.D. AIDS/HIV Allergies Alternative Medicine Arthritis Asthma Autism/PDD Bipolar Disorder Brain Tumor Cancer Cholesterol Chronic Fatigue Syndrome Chronic Pain Cold & Flu Deafness Dental Care Depression Dermatology Diabetes Epilepsy GERD/Acid Reflux Headaches/Migraines Heart Disease	Herbs for Health Holistic Healing IBS/Crohn's Disease Incest/Abuse Support Incontinence Infertility Men's Health Nutrition Orthopedics Panic/Anxiety Disorders Pediatrics Physical Therapy Psychology/Psychiatry Senior Health Sexuality Sleep Disorders Smoking Cessation Substance Abuse Thyroid Disease Weight Loss Women's Health	American Cuisine Barbecues & Grilling Cajun/Creole Chinese Cuisine Cocktails/Beer Coffee/Tea Cuisine-Specific Desserts & Baking Dining Out Food Allergies French Cuisine Health/LowFat Cooking Italian Cuisine Japanese Cuisine Mexican Cuisine Vegan Vegetarian Wine	Art/Technology Arts & Crafts Beadwork Birdwatching Board Games/Puzzles Candle & Soap Making Card Games Chess Cigars Collecting Comic Books Drawing/Sketching Freelance Writing Genealogy Getting Published Guitar Home Recording Investors & Patents Jewelry Making Magic & Illusion Needlework Painting Photography Radio Roleplaying Games Sci-Fi & Fantasy Scrapbooking Screenwriting Stamps & Coins Video & Computer Games Woodworking	Appliances Entertaining Environmental Safety Gardening Home Repair Home Theater Interior Decorating Landscaping Remodeling & Construction	Immigration Legal Issues U.S. Government Resources Politics Commentary	International News National News Local News

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IAB Taxonomy Categories

= Tier 1 Categories   = Tier 2 Categories

Personal Finance	Society	Science	Pets	Sports		Style & Fashion
Beginning Investing Credit/Debt & Loans Financial News Financial Planning Hedge Fund Insurance Investing Mutual Funds Options Retirement Planning Stocks Tax Planning	Dating Divorce Support Gay Life Marriage Senior Living Teens Weddings Ethnic Specific	Astrology Biology Chemistry Geology Paranormal Phenomena Physics Space/Astronomy Geography Botany Weather	Aquariums Birds Cats Dogs Large Animals Reptiles Veterinary Medicine	Auto Racing Baseball Bicycling Bodybuilding Boxing Canoeing/Kayaking Cheerleading Climbing Cricket Figure Skating Fly Fishing Football Freshwater Fishing Game & Fish Golf Horse Racing Horses Hunting/Shooting Inline Skating Martial Arts Mountain Biking NASCAR Racing Olympics Paintball	Power & Motorcycles Pro Basketball Pro Ice Hockey Rodeo Rugby Running/Jogging Sailing Saltwater Fishing Scuba Diving Skateboarding Skiing Snowboarding Surfing/Bodyboarding Swimming Table Tennis/Ping-Pong Tennis Volleyball Walking Waterski/Wakeboard World Soccer	Beauty Body Art Fashion Jewelry Clothing Accessories

Technology & Computing		Travel	Real Estate	Shopping	Religion and Spirituality		Uncategorized
3-D Graphics Animation Antivirus Software C/C++ Cameras & Camcorders Cell Phones Computer Certification Computer Networking Computer Peripherals Computer Reviews Data Centers Databases Desktop Publishing Desktop Video Email Graphics Software Home Video/DVD Internet Technology Java	JavaScript Linux Mac OS Mac Support MP3/MIDI Net Conferencing Net for Beginners Network Security Palmtops/PDAs PC Support Portable Shareware/Freeware Unix Visual Basic Web Clip Art Web Design/HTML Web Search Windows	Adventure Travel Africa Air Travel Australia & New Zealand Bed & Breakfasts Budget Travel Business Travel By US Locale Camping Canada Caribbean Cruises Eastern Europe Europe France Greece Honeymoons/Getaways Hotels Italy Japan Mexico & Central America National Parks South America Spas Theme Parks Traveling with Kids United Kingdom	Apartments Architects Buying/Selling Homes	Contests & Freebies Couponing Comparison Engines	Alternative Religions Atheism/Agnosticism Buddhism Catholicism Christianity Hinduism Islam Judaism Latter-Day Saints Pagan/Wiccan		Social Media

*This Tier 2 category can be applied as a subset to all Tier 1 categories.

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Nielsen TV Dayparts

Early Morning - M-Su (6-9a)	Daytime - M-F (9a-4p)	Fringe - M-F (4-8p)	Prime - M-Su (8-11p)	Latenight - M-Su (11p-2a)	Overnight - M-Su (2-6a)	Weekend - Sa-Su (9a-8p)