mopub

Why [mobile] [in-app] programmatic?
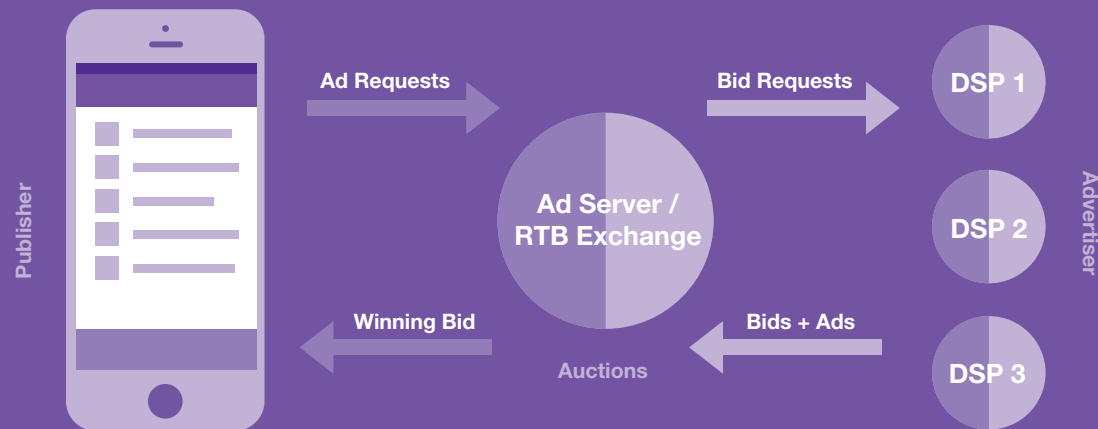
A Marketer's Guide

What is Programmatic?

Programmatic platforms use technology and software to make digital ad buys. It's that simple.

The most common type of programmatic advertising uses real-time bidding (RTB) exchanges. In these exchanges, inventory is bought on a per-impression basis in an auction environment. RTB technology takes into account all relevant criteria to decide which impressions to buy, including available inventory on the exchange, competition from buyers, and advertisers' criteria including targeting and price.

How RTB Works

Publisher

Ad Requests →

Bid Requests →

DSP 1

Ad Server / RTB Exchange

DSP 2

Advertiser

Winning Bid ←

Bids + Ads ←

DSP 3

Auctions

Interested in a more direct experience? RTB isn't the only form of programmatic advertising. Private marketplaces (PMPs) provide exclusive programmatic access to high-value inventory at guaranteed, pre-negotiated prices.

Meet the Players: A Glossary

ATDs
Agency trading desks help their agency buy inventory programmatically by working with DSPs on their agency's behalf.

DSPs
Demand-side platforms are the companies that advertisers and agencies use to buy inventory. DSPs use data and artificial intelligence to determine which inventory to bid for on behalf of the buyer.

Exchanges
Platforms that facilitate the buying and selling of ad space in a marketplace environment. This is where the real-time auctions are hosted. Exchanges can be open (anyone can buy and sell inventory) or private (by invitation only, used to sell premium ad space).

SSPs
Supply-side platforms provide a way for publishers to sell their inventory on exchanges; they're the inverse of DSPs.

Publishers
The websites and apps that create content — along with ad space for advertisers to bid on.

Data is used by all parties to optimize their buying/selling decisions.
Data management platforms (DMPs) are used by both the supply (publisher) and demand (advertiser) side to collect and interpret data, and to optimize their buying and selling decisions.

Over $22B will be spent on programmatic advertising in the U.S. in 2016.[1]

Why Programmatic RTB?

Efficiency.
Rather than pre-purchasing impressions in bulk, real-time bidding uses software to make an informed decision about every single impression in real time. RTB also gives you access to all inventory at once, rather than needing to open supply sources one by one.

Transparency.
Ad networks can often be a black box; programmatic RTB provides a view into exactly where each impression appeared, the ad unit that was used, and the audience that was reached.

Real-time targeting and optimization.
Programmatic RTB makes data work harder for you by analyzing each impression and optimizing automatically in real time based on your campaign criteria, rather than using legacy data to make delayed manual optimizations.

Fact or Myth?

Programmatic is only for remnant, low-quality inventory.

Not true.

Programmatic benefits publishers as well, and the IAB reports that over 98% of U.S.-based global publishing companies have a programmatic ad sales strategy in place. From premium publishers like the New York Times to niche websites and apps, almost everyone is going programmatic.

Programmatic is only for performance advertisers.

Not true.

62% of marketers are using programmatic advertising for branding campaigns.[2]

Many major brands, such as American Express, Kraft, Allstate, and P&G, have publicly stated that programmatic is a **major part of their strategy**.

US and UK senior marketers rank "**increased efficiency**," "**reduced overall advertising costs**," and "the ability to optimize and target the right audience in real time" as the top benefits of running programmatic brand advertising campaigns.[3]

89% of North American and UK marketers said they would be increasing the amount of their digital ad budget spent on programmatic branding.[4]

By 2017, the majority of programmatic digital display dollars will be on mobile.[5]

Why Mobile Programmatic?

Mobile is where your consumers are.
62% of all digital time is spent on mobile (as opposed to 38% on desktop).[6]

Mobile drives results for your brands.
Compared to desktop ads, mobile advertising drives 2-3x higher point lifts for key brand metrics such as favorability, aided awareness, likelihood to recommend, and purchase intent.[7]

Mobile means higher viewability.
A study found mobile in general drove higher viewability rates than desktop — and mobile programmatic placements performed the best, with a 81.4% average viewability rate.[8]

Fact or Myth?

There's no attribution in mobile.

Not true.

Although there aren't cookies in mobile in-app, marketers are able to measure the effects of their mobile web and app campaigns with growing sophistication and precision, including the use of Device ID. Mobile attribution partners help collect advanced user data that can then be coupled with other data sources to inform future campaigns and develop lookalike strategies.

In 2016, US mobile programmatic spending is estimated to reach $15.45B.[9]

[5] eMarketer, 2016; [6] comScore, 2015; [7] comScore, 2015; [8] eMarketer, 2015
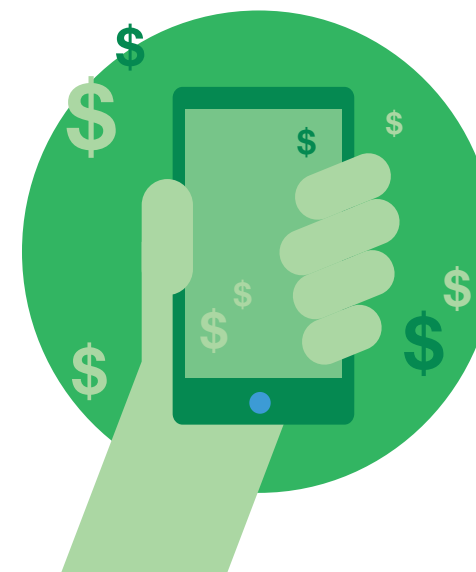
[9] eMarketer, 2016

Global in-app ad spend is estimated to reach $16.9B by 2018.[10]

Why Mobile In-App Programmatic?

Scale and Reach.
In 2016, mobile device users will average 3 hours 15 minutes per day using apps — compared to only 51 minutes spent on mobile browsers.[11] The average smartphone user visits 25 apps per month.[12]

Opportunity for Brands.
Q4 2015 was the first time that F1000 brands made up more than half of the spend on MoPub's mobile programmatic exchange, which is over 99% in-app inventory.[13] Don't get left behind the curve — the time is now for savvy brands to get their message in front of app users.

Exciting Ad Formats.
Engaging ad formats designed specifically for the in-app experience can easily be transacted programmatically using your existing display, rich media, and video assets. Newer formats like native and native video can automatically re-assemble creative components to match each app's unique design and layout, engaging consumers by complementing the in-app experience. And because many in-app formats are either sticky to the bottom of the screen or take over the full screen, they're inherently more viewable than many mobile web ads.

[10] Juniper Research, 2014; [11] eMarketer, 2015; [12] comScore, 2015; [13] MoPub, 2016; [14] comScore, 2015

Fact or Myth?

Because mobile in-app doesn't use cookies, there's no audience targeting.

Not true.

Mobile in-app programmatic targeting can be even richer than desktop targeting. On mobile, you can find your audience based on the specific apps or categories of apps they use (e.g. sports, fitness, news, financial); geo-enabled devices may allow for location targeting; and first-party demographic data may be provided by app publishers. In addition, Device ID acts as the cookie of mobile in-app — and is only available when targeting in-app inventory (not mobile web).

Premium inventory in mobile means only well-known media sites or a handful of brand-name apps.

Not true.

Premium in mobile is about finding your audience, wherever they may be. Across the top 1,000 mobile apps, visitors spend on average more than 200 minutes per month[14] — playing games, chatting, getting info on movies and celebrities, dating, getting recipes, reading news, and much more. Premium is about finding that audience at the right time (think using location data for context) and in the right place (engaged with quality app content), and reaching them with an impactful ad format designed for the app experience.

On Mobile, Premium Supply Means:

Your Most Important Audience

Quality In-App Content

Transparently-Sold Geo-Enabled Inventory

Innovative, Engaging Ad Formats

mopub

@MoPub
www.mopub.com
demandsales@mopub.com

MoPub empowers advertisers to confidently and efficiently reach a large, high quality audience across mobile apps through our 175+ demand side partners. Our team has strict measures in place to ensure high quality inventory across our exchange, which includes supply that scales across more than one billion mobile devices. And our bid requests are rich with valuable first and third party data to help our DSPs target exactly the audience advertisers want to reach.