



February 4, 2016

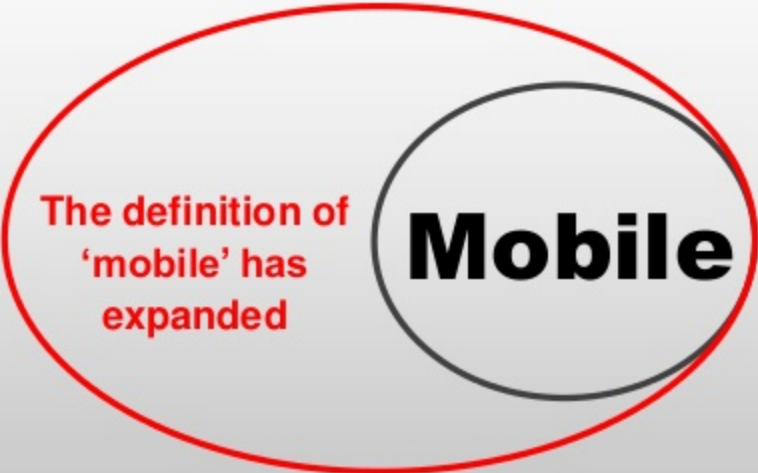
Mobile Advertising: Five Things You Need to Know Now



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dstillery



The definition of
'mobile' has
expanded

Mobile Advertising

How widely used will the various mobile device types be in 2016?



73.6% of US adults will use **smartphones**



53.6% will use **tablets**



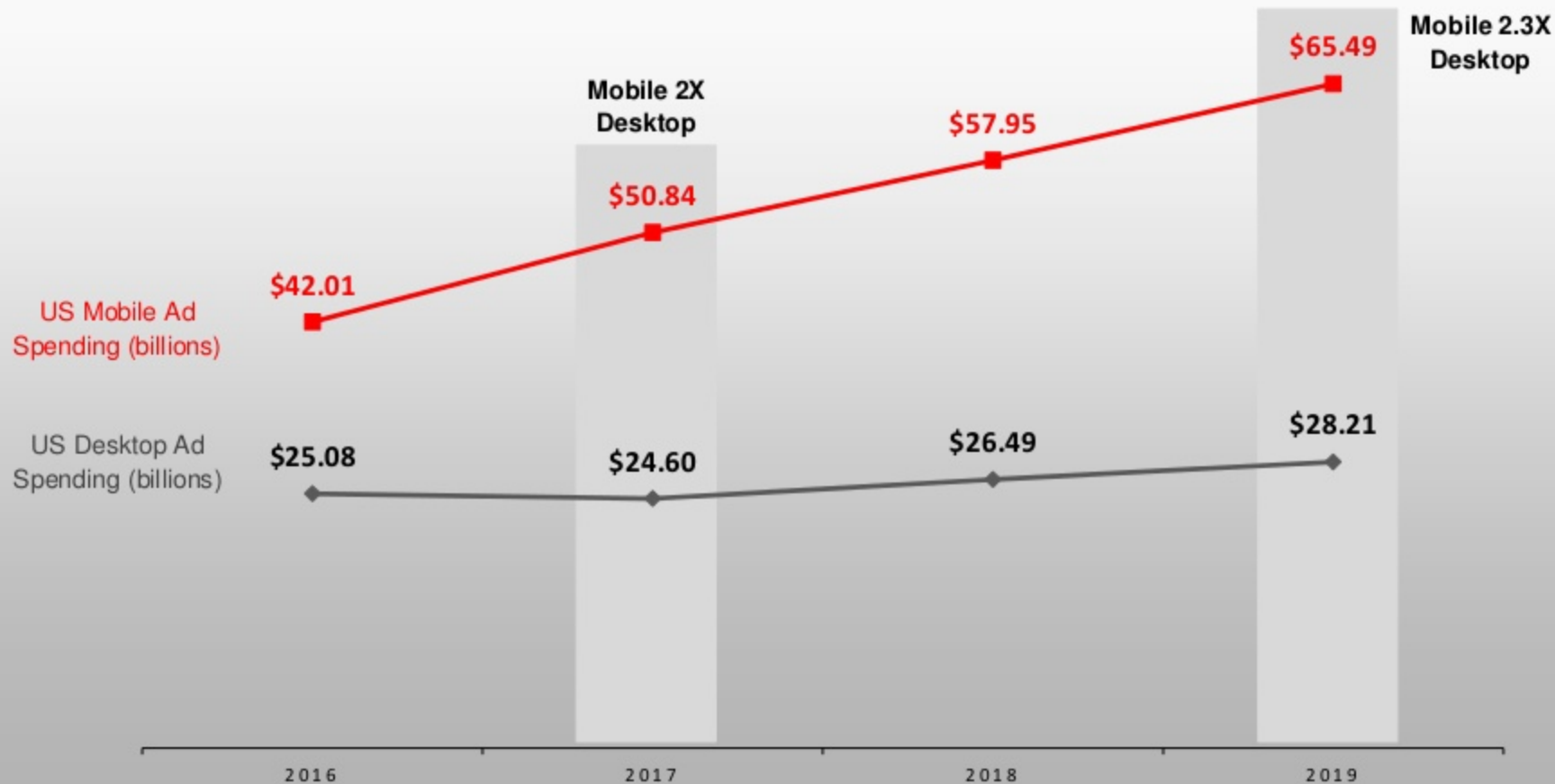
25.5% will use **wearables**

Five Things You Need to Know Now

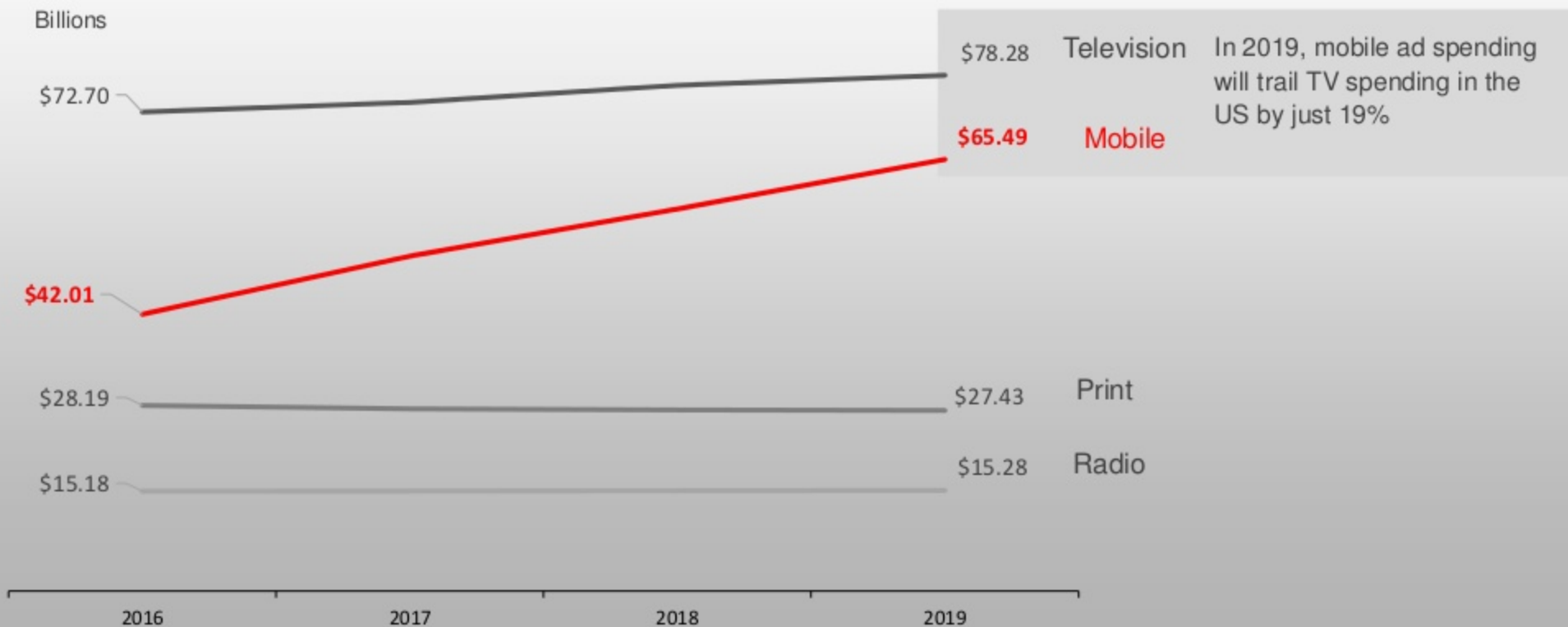


Digital advertising = mobile advertising

Mobile ad spending far exceeds desktop



The amount spent on mobile advertising will approach television levels in the US in 2019



Yet few brands report spending a majority of their digital budget on mobile



“No [media] planner is planning 60% mobile today. I’ve seen **estimates as low as 7%, and the highest I’ve seen is 12%.** They’re planning 60% or 80% in desktop.”

—Richy Glassberg, CEO of mobile ad server Medialets



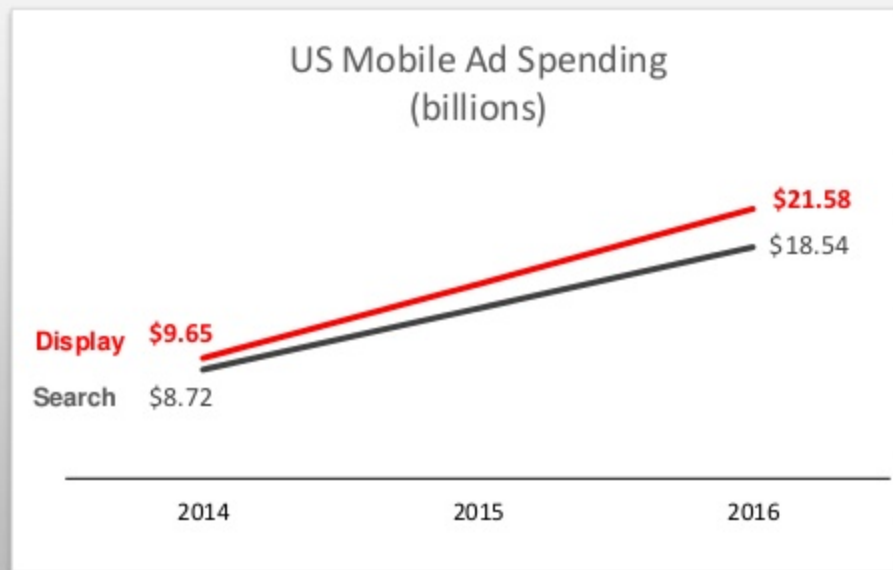
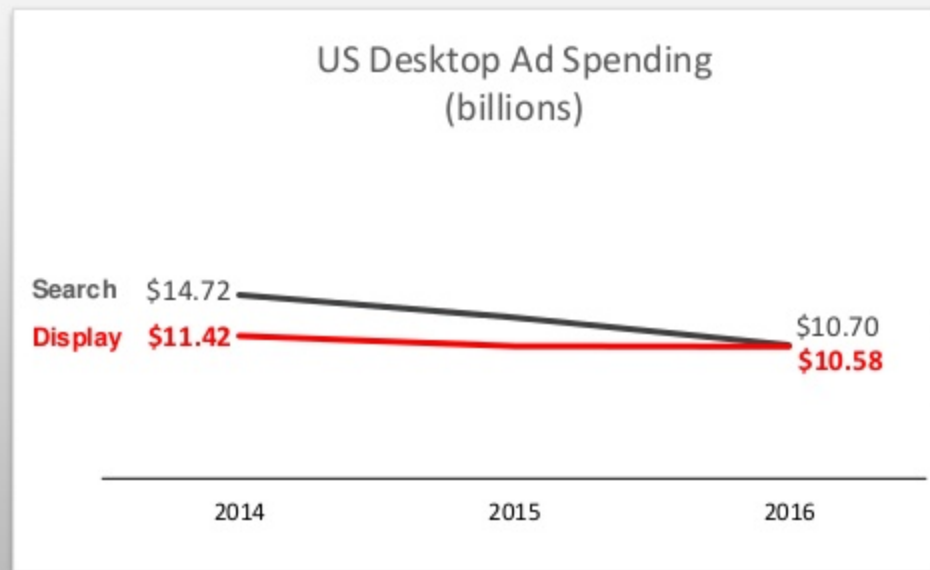
‘Planned spend’ vs. ‘actual spend’ explains the disconnect



Think cross-device and platform-based buying

- **Search**
- **Social**
- **Programmatic**

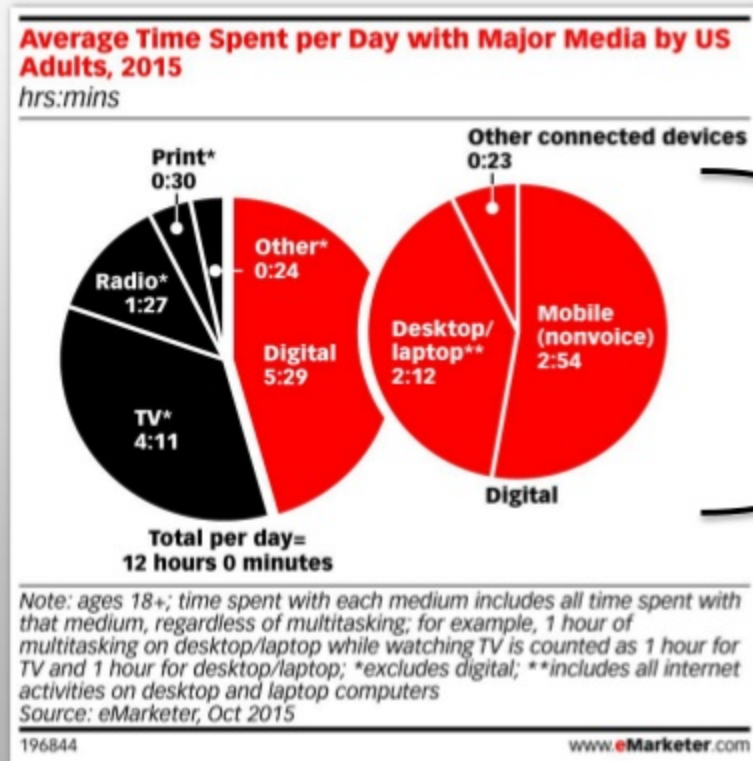
Spending patterns differ between mobile and desktop advertising





**Embrace mobile identifiers
(Cut the cookie cord)**

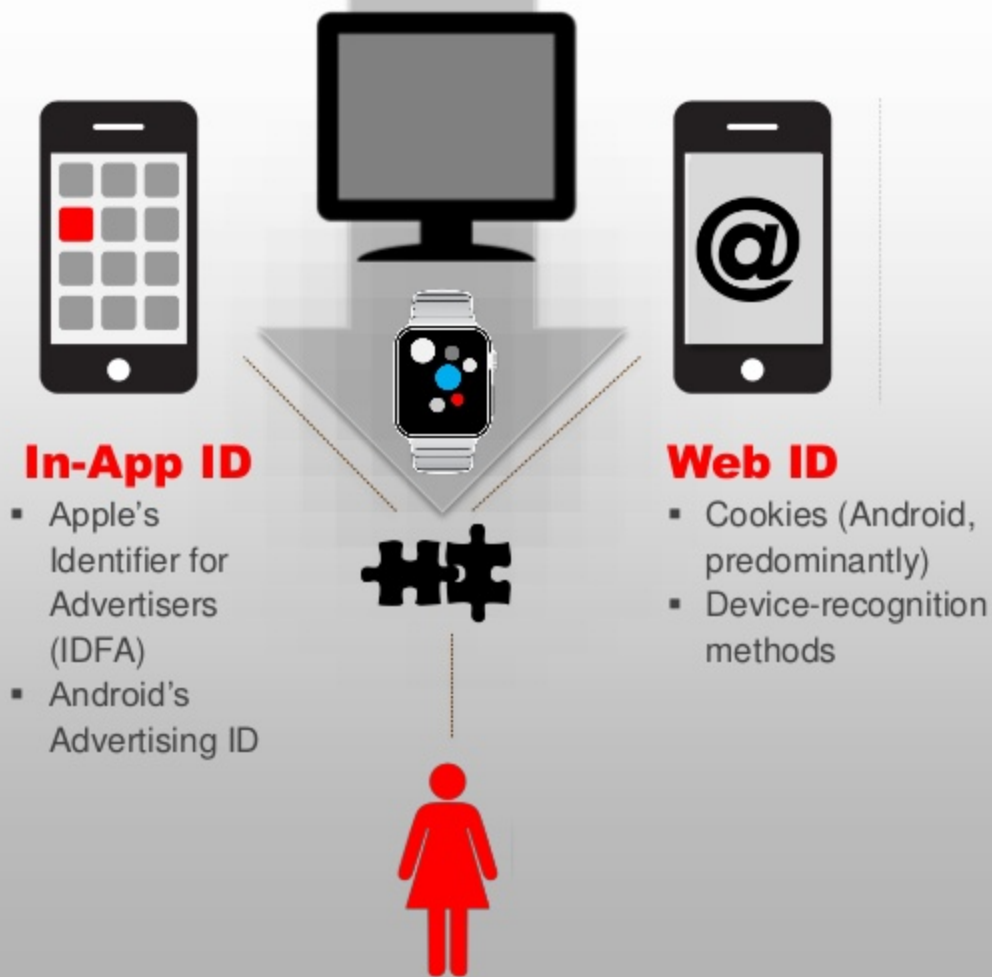
The alternative? Losing sight of your customers and prospects



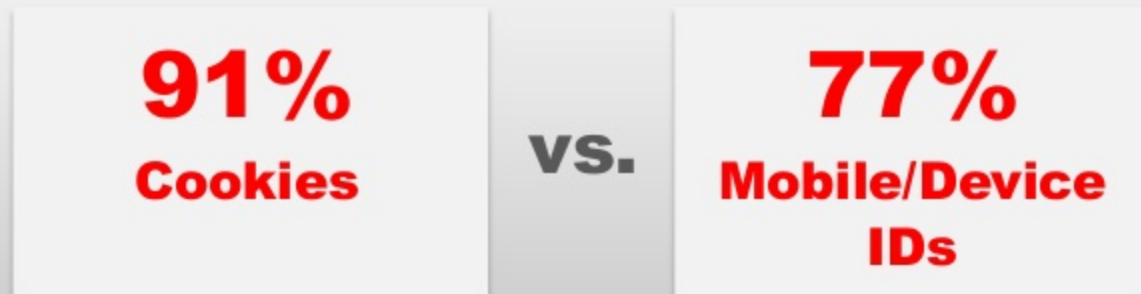
US adults spend the bulk of their digital time using mobile devices, where cookie-based tracking is limited



**Mobile's two
classes of
identifiers
need to be
stitched
together to
understand
consumer
behavior**



The vast majority of marketers still rely on cookie-based tracking



Data used by US marketers to identify users and build profiles

Source: VB Insight, Sept. 2015





**Digital advertising has reached the
location tipping point**

A majority of US advertisers use mobile location data to achieve success

56%
of Agencies

53%
of Brands

**rated the use of mobile location data as
one of the most important digital
marketing tactics**

Source: Hanapin Marketing, Aug. 2015

Marketers use location data in multiple ways (It's not all about proximity targeting)

- **Location-based ad targeting (proximity targeting)**
- **Geobehavioral ad targeting**
- **Consumer insight and audience building**
- **Online-to-offline measurement**

Proximity targeting is the most common use of mobile location data

- **38% of US mobile ad dollars will be spent on location-targeted ads this year**
- **That share will rise steadily over the next four years**

US Mobile Ad Spending, Location-Targeted vs. Non-Location-Targeted, 2015-2020

billions, % change and % of total

	2015	2016	2017	2018	2019	2020
Location-targeted	\$8.5	\$11.3	\$14.7	\$18.6	\$22.3	\$26.7
—% change	-	32.9%	30.1%	26.5%	19.9%	19.7%
—% of total	37.4%	38.3%	39.5%	40.9%	41.4%	42.9%
Non-location-targeted	\$14.2	\$18.1	\$22.4	\$26.9	\$31.5	\$35.4
—% change	-	27.5%	23.8%	20.1%	17.1%	12.4%
—% of total	62.6%	61.4%	60.2%	59.1%	58.6%	56.9%
Total mobile ad spending	\$22.7	\$29.5	\$37.2	\$45.5	\$53.8	\$62.2
—% change	-	30.0%	26.1%	22.3%	18.2%	15.6%

Note: numbers may not add up to total due to rounding

Source: BIA/Kelsey, "US Local Advertising Forecast 2016"; eMarketer calculations, Nov 2, 2015

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www.eMarketer.com



Digital shoppers in particular appreciate location- targeted ads

68% of US digital
shoppers in Adadyn's
poll thought
location-targeted ads
were useful

US Digital Shoppers Who Think that Geotargeted Mobile Ads Are Useful, by Demographic, June 2015

% of respondents in each group

Gender



Age



Total 68%

Note: n=1,000

Source: Adadyn, "Online Ads" conducted by Morar Consulting (formerly Redshift Research), Nov 2015

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**To increase
their ads'
relevance,
advertisers
overlay
geobehavioral
data with
contextual
data so as to
fine-tune their
targeting**

Usage of Select Acquisition and Retention Tactics for Targeting Among Senior-Level Marketers in Western Europe* and the US, Feb 2015

% of respondents

	5— using very frequently	4	3	2	1— not using at all	Don't know
Targeting prospects based on their previous behaviors	35%	36%	18%	2%	7%	1%
Ad targeting across mobile devices	28%	35%	16%	12%	8%	1%
Site retargeting (using site-level data to retarget display ads)	27%	35%	19%	9%	8%	2%
Combining site and search retargeting	25%	34%	25%	8%	7%	1%

Contextual data-driven marketing (e.g., combining location-based data with local weather conditions and past behavior)

23% 32% 18% 14% 12% 2%

Search retargeting (using search data to retarget display ads)	26%	31%	24%	12%	7%	2%
Integrating first- and third-party data	22%	35%	23%	13%	6%	1%

Note: on a scale of 1-5 where 1=not using at all and 5=using very frequently; numbers may not add up to 100% due to rounding; *France, Germany and UK
Source: Forrester Consulting, "Intent Data Can Sharpen Your Competitive Edge" commissioned by Magnetic, June 10, 2015

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55% of marketers in the US and Western Europe used contextual data-driven marketing frequently