



Smaato's Global Trends in Mobile Programmatic 1H 2015



This report is a thorough examination of the billions upon billions of mobile ad impressions served on Smaato's platform during the first half of the year (January through June, 2015). Smaato serves up to 6 billion ads each day, across 600 million mobile users around the world each month. **Smaato's Global Trends in Mobile Programmatic** is clearly worldwide in scope, and reflects the detailed activity and trends that have developed over this period across our wide base of publishers, advertisers and users.

Executive Summary: Key findings

1. **Larger ad sizes are surging** in popularity in 2015, reflecting strong growth in mobile web usage worldwide, especially in developing markets.
2. **Speaking of that mobile web usage – *it's soaring*.** While apps still lead overall and spending is up in both areas, ad spending on the mobile web doubled in the past year to hit 38 percent of the market; while the percentage spent on apps dropped to 62 percent from 72 percent last year.

Could Facebook and Twitter's apps actually be reducing overall app usage? Since these apps increasingly feature posts with hyperlinks and allow articles to be opened via browsers as well, it could be that users are being directed to mobile websites in hoards - rather than being kept within the app ecosystem.
3. **Android is continuing to expand and grow**, and is even taking share from iOS on the Smaato Exchange - but iOS remains more profitable overall.
4. While the US remains on top for spending & inventory, Asia Pacific- especially China and India - is **growing fast. Really fast.**
5. Publishers and app developers who make room for **Rich Media** in their apps and on their websites are making 83% more money than those who don't.

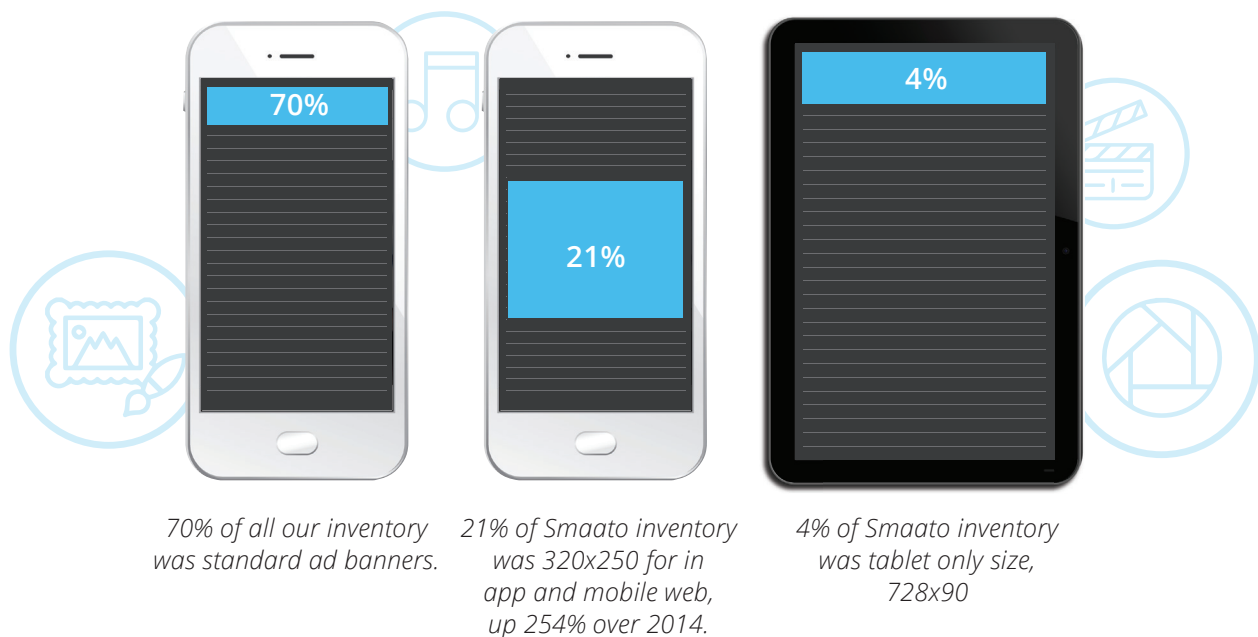
6. **Age and gender targeting is the future of mobile targeting.** Advertisers will pay nearly 4 times as much to target someone by age and/or gender. Publishers who pass this information are seeing dramatically higher eCPMs. Don't be surprised if developers continue to focus on acquiring (either by asking or inferring) this level of consumer understanding, because it's where the money is.
7. **Families and parents are the new "mobile marketer's dream".** Ad spending targeted at families and parents surged by over 300 percent over the past six months - while the second fastest-growing vertical only hit 87 percent growth.

1. A Global Explosion in Mobile Web Usage is Driving Newer – and Larger – Ad Sizes

It likely comes as little surprise that the rise in consumer adoption of mobile devices worldwide is also driving the growth in mobile ad spending. According to **eMarketer**, there will be more than 2 billion smartphone users worldwide by 2016, over one-quarter of whom will live in China. Consumers are accessing the internet mobile-first and mobile-only in emerging markets, and developing countries are helping advertisers allocate their digital expenditure to mobile accordingly.**

We're seeing this reflected on the Smaato Exchange as well. The **300x250 "medium rectangle" ad size** captured much more spend on the Smaato Exchange during the first half of 2015, up a

***eMarketer 2015*



significant 254% over 2014. Spend on the even larger 320x480 interstitial ad also saw a dramatic increase of 325%.

These ads are larger in size and are much more engaging than smaller formats, and are a good fit for mobile web users' fragmented and shortened attention spans. This also points to a surge in mobile web usage overall, shown in more detail in the next statistic.

The strong growth in the two larger, mobile web-friendly sizes is in sharp contrast with the overall spend on the most popular ad size (*320x50 – the original banner ad still seen across millions of apps around the world*), which “only” increased 30% during the first half of 2015.

2. The Growth of the Mobile Web *Doubled* in Volumes on Smaato's Exchange

Who said that apps killed the mobile web? Both are thriving. Relative to the first 6 months of 2014, **the mobile web delivered knockout supply and spend growth** during the first half of 2015. During the 1H of 2014, spending on mobile web was only 28%, vs. 72% spent in apps. While apps still lead, the numbers are now 38% for mobile web, and 62% for apps. Ad spending on mobile web overall also went up 101% during the first half of 2015.

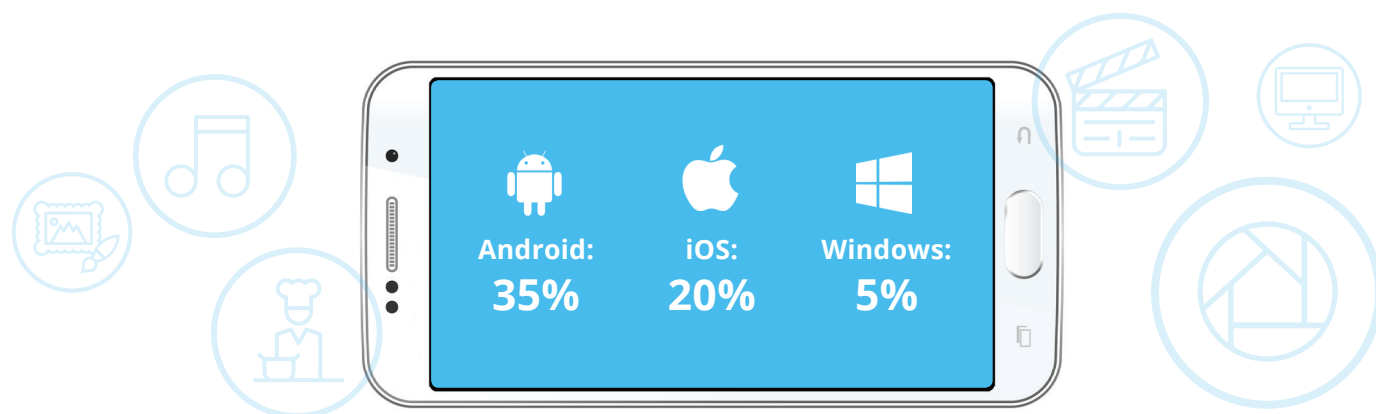
The story on the supply/inventory side is similar. 41% of all supply is now on the mobile web, with 59% in apps. Supply has been rising dramatically overall, but these rising mobile web trends can again be pinpointed to the popularity of general browsing among first-time smartphone users and the need for publishers to monetize across their mobile web properties. Now that so many news, commerce and entertainment sites are either mobile-first or mobile-optimized, it's clear that heightened attention to being placed by publishers on effectively monetizing the places where consumers head first.

3. Android Continues to Expand and Grow, Taking Share from iOS

With mobile web now taking 41% of all supply on the Smaato Exchange, that has left the various app ecosystems to battle for the remaining 59% of impressions. Android Apps clearly lead in this realm, comprising 35% of *all* supply, followed by iOS apps at 20%. This contrasts with 32% for Android during the first half of 2014 and 24% for iOS. App traffic continues to tilt strongly toward Android as newer and lower-cost devices penetrate every corner of the global market served by the Smaato Exchange.

Android has continually gained ground in the marketplace in each of our reports, expanding its share of mobile internet traffic worldwide to 45.9% in 2014, and continuing to grow from there (*eMarketer, Feb. 2015*).

Similarly, APAC countries are experiencing dramatic uplift in Android app share of market over iOS (*eMarketer, Jan. 2015*). This global trend is reflected on the Smaato Exchange as well. Significant overall growth in Indonesia, Singapore, China and Malaysia in the first 6 months of 2015 compared with 2014 has contributed to the growth in Android app traffic on the Smaato Exchange.



4. While the US Remains on Top, Asia Pacific – especially China and India - is Growing Fast. *Really* Fast.



The United States continues to be the top country on the Smaato Exchange for both supply and spending. **Asia Pacific (APAC) showed the most growth during the first half of 2015** vs. the first 6 months of 2014, with China delivering an astounding 315% increase in growth, India showing a 279% increase in growth and Singapore growing by 225%. More disposable income means bigger and more powerful smartphones; this in turn drives both the publisher/app developer and mobile advertiser ecosystems that rely on Smaato's platform.

Don't forget the traditional big Western hitters in mobile and digital advertising. The US, UK and Germany devote 28%, 23% and 47% of advertising respectively to digital. (*eMarketer, Aug. 2015*). These 3 countries, not coincidentally, are in the top 5 countries by ad spend on the Smaato Exchange.

Top 10 Countries by Supply

	US
	India (+279% growth over 2014)
	Indonesia (+142% growth over 2014)
	UK
	Germany
	Mexico
	France
	Brazil
	Italy
	Canada

Top 10 Countries by Spend

	US
	UK
	India
	Germany
	Canada
	Indonesia
	Italy
	France
	Russia
	Mexico

Other APAC Countries with Significant growth on the Smaato Exchange in 2015:



China (+315%)



Singapore (+225%)



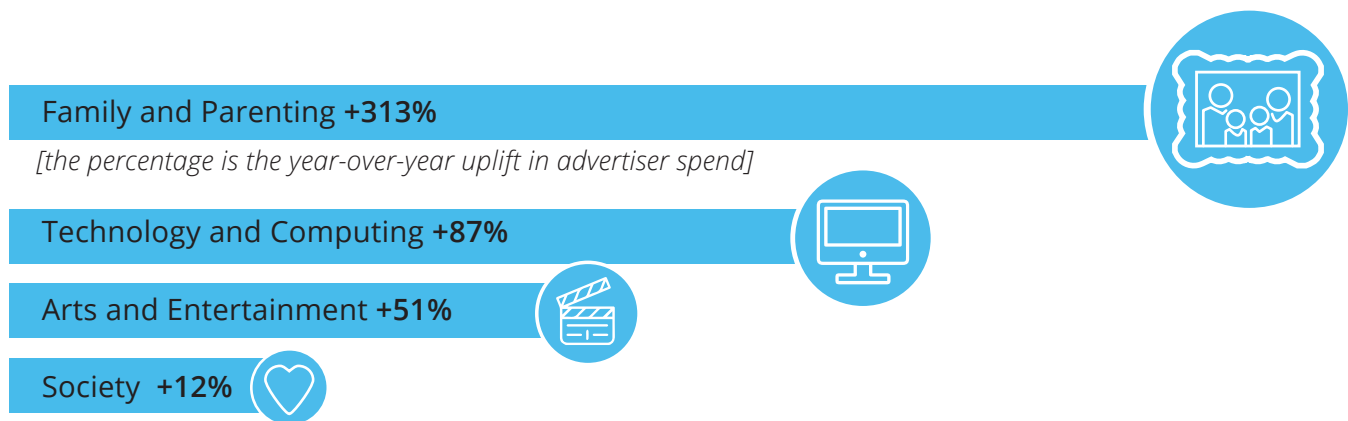
Malaysia (+126%)

5. Samsung Devices have the Volumes, But Apple Devices Still Have the Revenue Edge

Apple vs. Samsung. There's always something brewing between the two smartphone behemoths, and on the Smaato Exchange, we're seeing a **clear leadership position in terms of supply for Samsung** during the first half of 2015. Samsung devices contributed 32% of the inventory to our many advertisers and demand partners, with Apple devices in second place at only 20%. Clearly, Samsung has done well in penetrating countries everywhere with their Galaxy and Note lines, and these are devices well-suited for the many different ad units Smaato offers.

Not so fast, however. **Apple users still bring in more revenues for publishers and advertisers** overall, contributing 33% of spend vs. 31% for Samsung. Who else is left? Nokia devices are still strong in volumes (9%), and LG devices in spend (6%). Yet it's clearly still a Samsung- and Apple-dominant ecosystem for the time being.

6. Family & Parenting, along with Technology & Computing, among the Top Categories by Supply and Spend



We believe the large jump in Family & Parenting category spend by advertisers worldwide is a **reflection of the “mainstreaming of mobile”**, and a further transfer of advertiser spend from TV, print and desktop into mobile. Could this be the final frontier for mobile? No longer do brands see the mobile-first population as tech-savvy and young. Just about every kid you see these days is playing a game on a tablet and smartphone. Brands are now doubling down on mobile to tap into this market.

Spend in the Automotive, Entertainment (Games and Music) and CPG advertiser verticals was the highest, but was allocated quite differently in each vertical. More than 85% of spend by automotive advertisers went to rich media campaigns that aim to foster brand awareness, whereas the Entertainment vertical spent heavily on standard/traditional banner ads, where the goal is installs rather than branding.

7. Rich Media Makes Richer Publishers

Rich Media generated 83% higher eCPMs than image ads. Simply put, publishers with more rich media inventory make more revenue.

8. Asking Someone's Age Isn't Rude, it's *Shrewd*: Age Data Generates 385% Higher eCPMs

eCPMs on the Smaato Exchange have proven that **advertisers will pay more for targeted ads that reach the right consumer**. Age and gender data drove the highest eCPMs - a whopping 385% higher than when no data was passed.

When Device ID was present, eCPMs were merely 29% higher. That's because Device ID doesn't differentiate between a device that belongs to a 22 year old woman in California or her 49 year old father in New York. Geo location data, however, boosted eCPMs by an impressive 238%.

We hope you've enjoyed Smaato's
Global Trends in Mobile Programmatic, 1H 2015.
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About Smaato

Smaato is the global real-time advertising platform for mobile publishers and app developers. Smaato runs the world's largest independent mobile ad exchange and has been pioneering innovative, mobile-first solutions for publishers since 2005.

Smaato's SPX is a global, intelligent, and free to use self-service platform built to solve the mobile monetization challenge for its over 90,000 mobile app developers and publishers. The company's worldwide reach and extensive network of demand partners provides a massive inventory of advertisers with one single integration. Smaato manages up to 6 billion ads every day around the world, across over 600 million mobile users each month.

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