Global Mobile RTB Insights Q3 2014

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The Leading Global Mobile RTB Ad Exchange & SSP

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The Leading Independent Global Mobile RTB Ad Exchange (SMX)
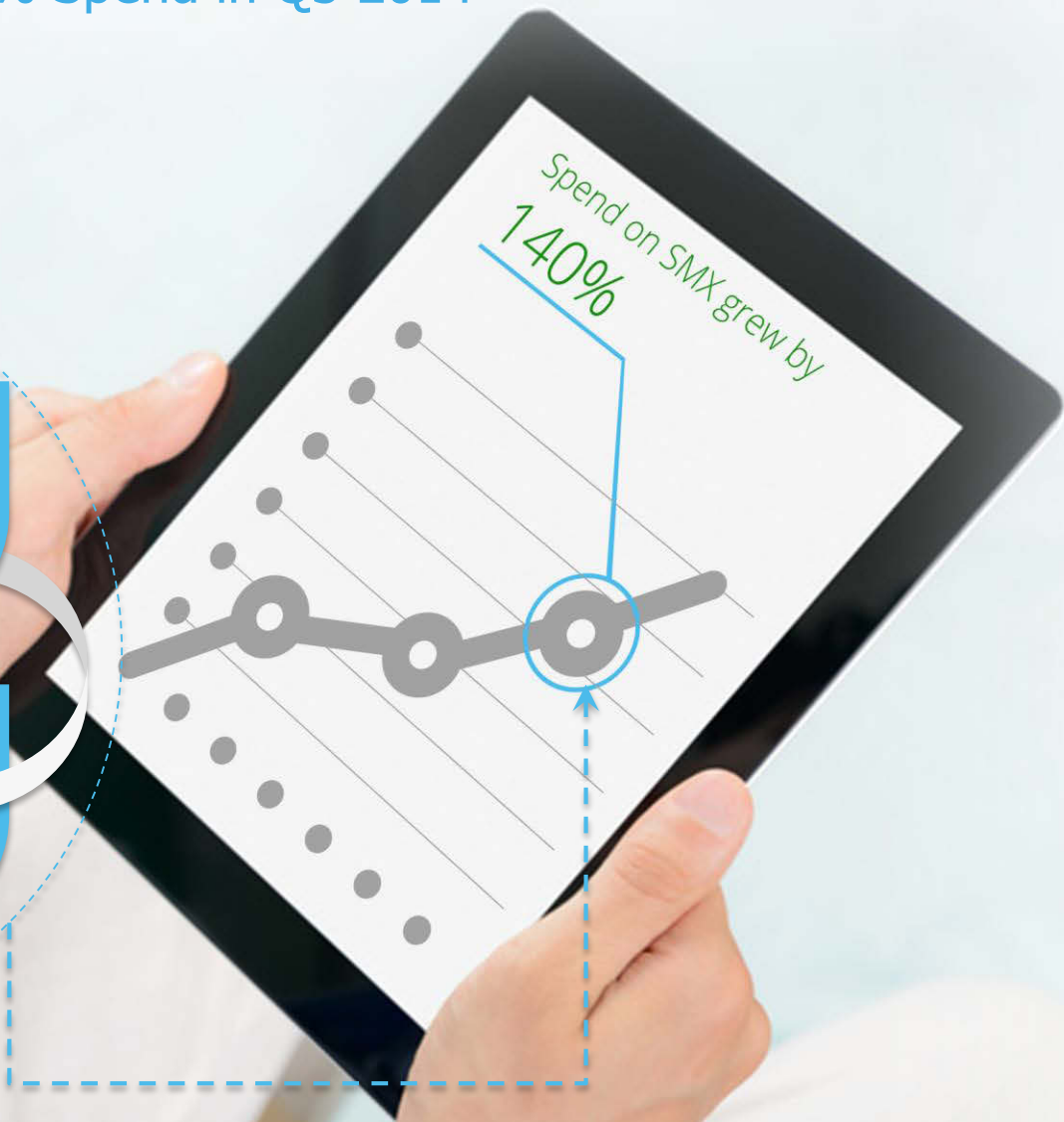
www.smaato.com

Smaato is the leading independent global mobile RTB ad exchange and SSP. More than 80,000 mobile publishers use Smaato's platform to monetize their mobile inventory around the world. The Smaato Exchange (SMX) is globally connected to **337 Demand Partners (138 Ad Networks and 199 Demand Side Platforms and Trading Desks)**. SMX delivers more than 100 billion ad impressions per month, including campaigns from 91 of the top 100 Ad Age brands.

Smaato Quarterly RTB Insights Report Q3 2014

We are proud to release the Global Mobile monetization RTB Insights Report for Q3, 2014. The report is in-depth analysis of worldwide data across our platform in Q3, 2014 and sampled from the activity that takes place across SMX. Recent reports from eMarketer, ComScore and Gartner predict that global mobile ad spending is on pace to rise another 75.1% to $31.5 billion this year and consumers now spend 32% more time on mobile than on desktop. Smaato RTB exchange has seen more than 400% increase in mobile advertising spend for 2013 and 140% growth YoY in Q3, 2014.
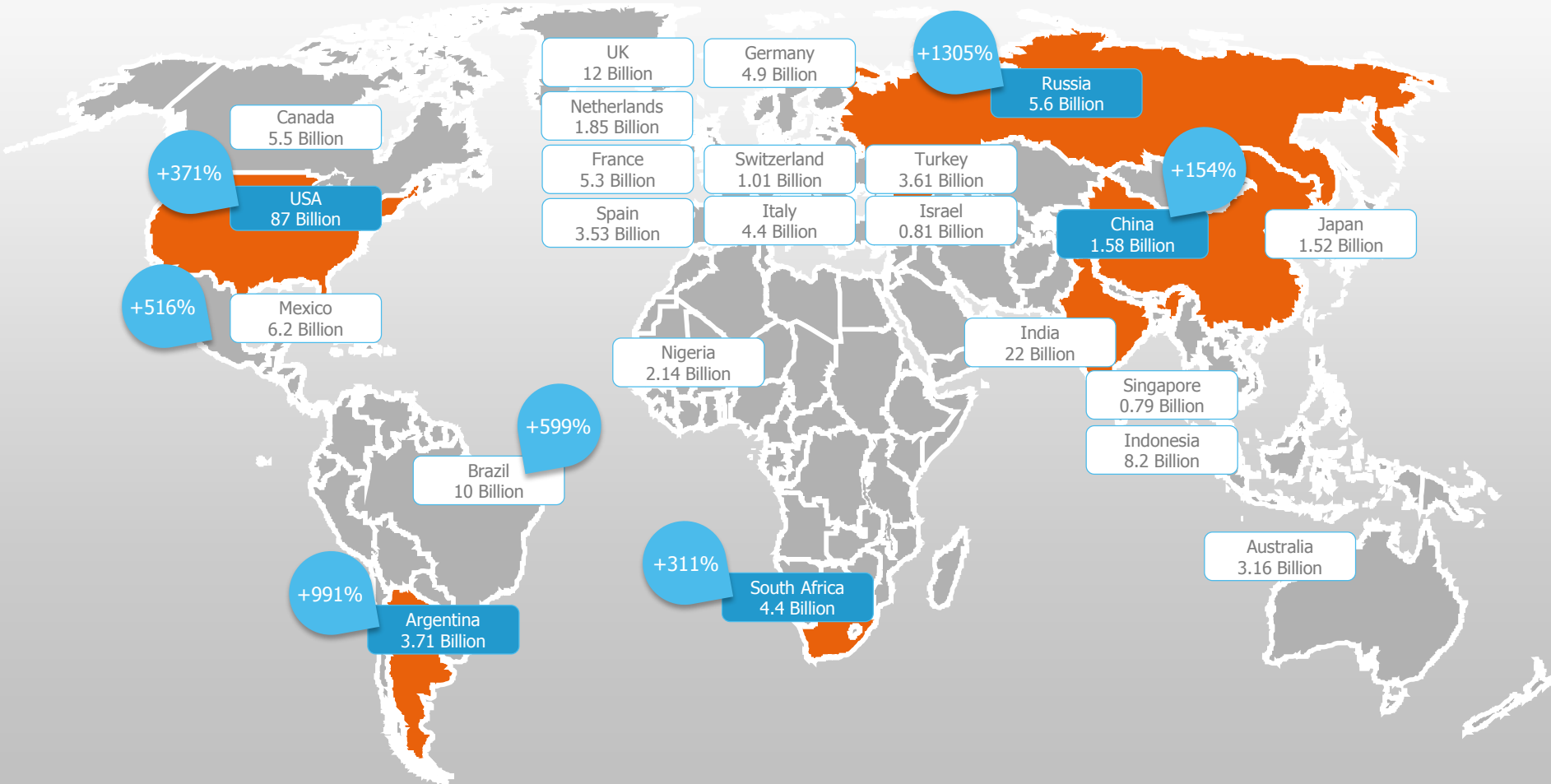
Smaato Exchange +140% Spend in Q3 2014 over Q3 2013

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Spend on SMX grew by **140%**

Supply +270%

Demand +574%

Publishers +6,000

Demand Partners +177

300B Impressions Across 150+ Countries and 480MM Uniques

Top countries with increase in supply in Q3 2014 over Q3 2013

US remained on top with 87B impressions in Q3 2014. India, UK, Russia, Indonesia, Brazil, Mexico, Canada and Germany are among the other top countries in RTB supply. Countries highlighted below are those with the largest increase in supply in Q3 2014 over Q3 2013.

UK
12 Billion

Germany
4.9 Billion

+1305%

Russia
5.6 Billion

Canada
5.5 Billion

Netherlands
1.85 Billion

+371%

France
5.3 Billion

Switzerland
1.01 Billion

Turkey
3.61 Billion

+154%

USA
87 Billion

Spain
3.53 Billion

Italy
4.4 Billion

Israel
0.81 Billion

China
1.58 Billion

Japan
1.52 Billion

+516%

Mexico
6.2 Billion

Nigeria
2.14 Billion

India
22 Billion

Singapore
0.79 Billion

+599%

Brazil
10 Billion

Indonesia
8.2 Billion

Australia
3.16 Billion

+991%

Argentina
3.71 Billion

+311%

South Africa
4.4 Billion

Russia, China and Argentina Lead Q3 Global Growth

Top countries with % uplift in publisher traffic in Q3 2014 over Q3 2013 across regions:

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Americas	% Uplift
Argentina	+991%
US	+371%
Mexico	+516%
Canada	+231%
Brazil	+599%

EMEA	% Uplift
Russia	+1305%
South Africa	+311%
Spain	+341%
Germany	+175%
Italy	+500%
France	+417%

APAC	% uplift
China	+154%
Thailand	+313%
Malaysia	+193%
India	+96%
Singapore	+264%
Indonesia	+84%

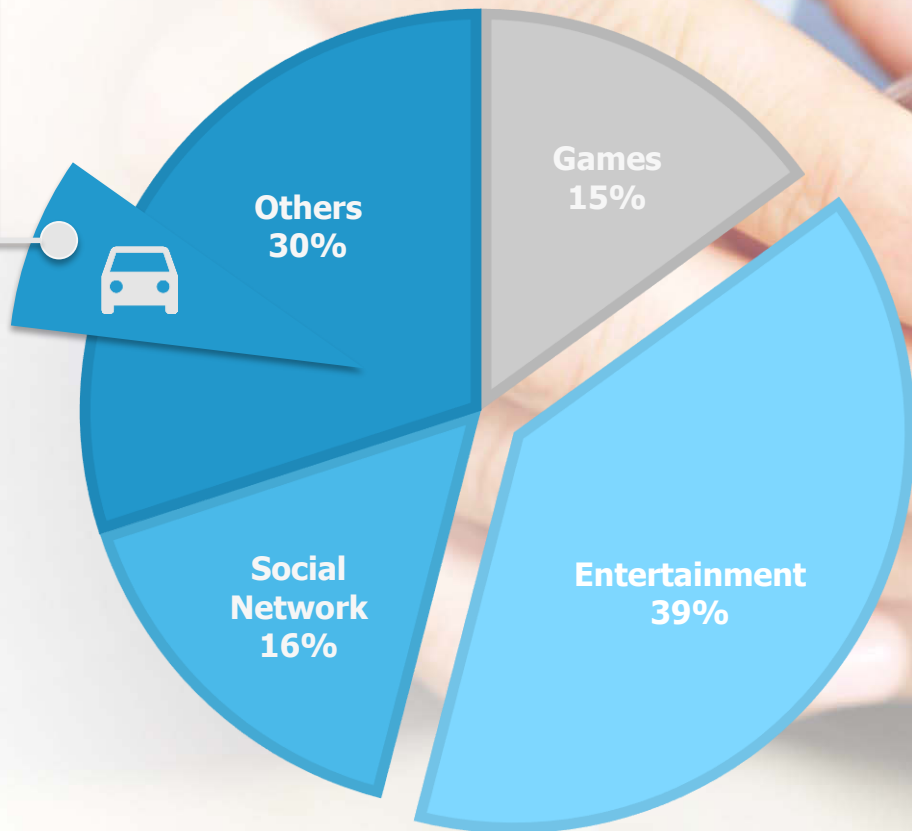## AMERICAS

EMEA

APAC

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Top Performing Publisher Categories by Supply and Spend

Top publisher categories by supply
Entertainment, Social Network and Games were Top 3 categories with the highest number of impressions in Q3 2014.
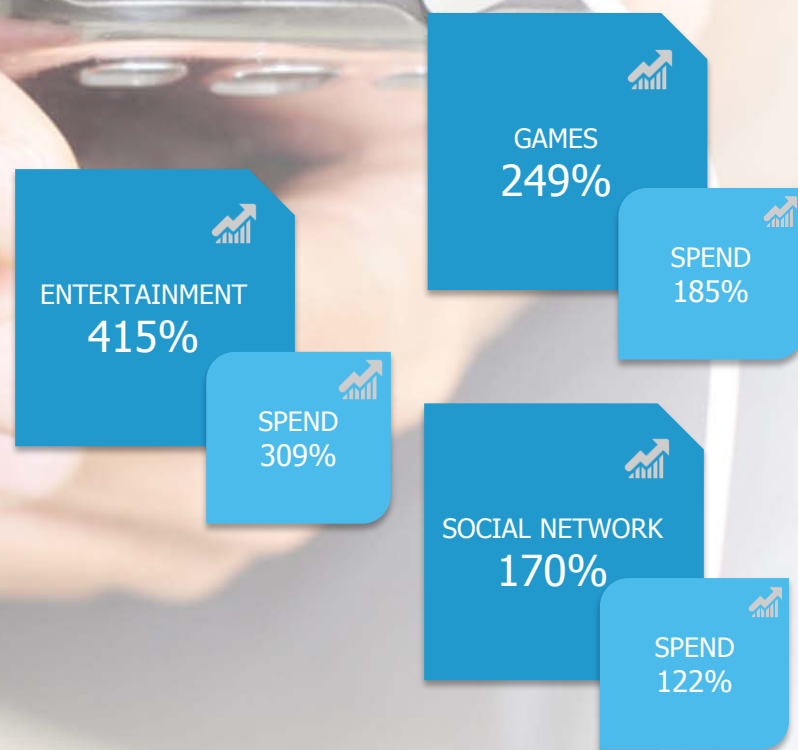
Publisher categories that had the highest uplift in supply and spend in Q3 2014 over Q3 2013

The **highest uplift in publisher supply (auctions)**
Entertainment (+415%), Games (+249%) and Social Network (+170%) in Q3.
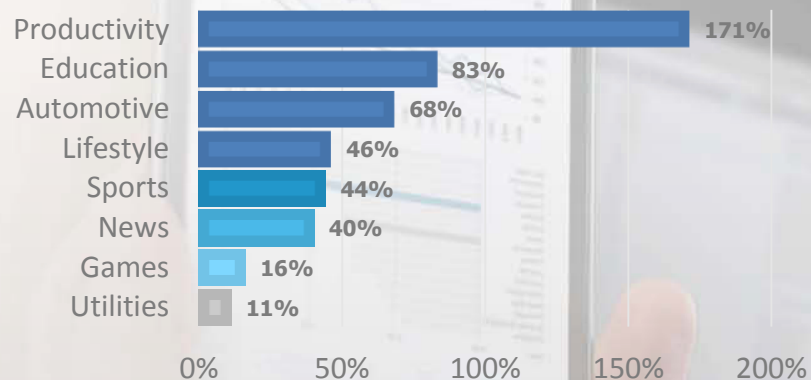
Highest advertising spend
Entertainment (+309%), Games (+185%) and Social Network (+122%) were some other top categories with increased spend in Q3.

Automotive
Upcoming publisher category with the highest growth in number of impressions

**Others
30%**

**Games
15%**

**Social
Network
16%**

**Entertainment
39%**

ENTERTAINMENT
415%

SPEND
309%

GAMES
249%

SPEND
185%

SOCIAL NETWORK
170%

SPEND
122%

eCPM, Fill and Device Performance Across Categories

Highest eCPM uplift by category Q3 2014 over Q3 2013:

Category	Uplift
Productivity	171%
Education	83%
Automotive	68%
Lifestyle	46%
Sports	44%
News	40%
Games	16%
Utilities	11%

0% 50% 100% 150% 200%

Best performing categories by eCPM and Fill Rate across regions in Q3 2014:

	eCPM	Fill Rate
USA	Shopping & E-Commerce $2.10	Automotive 50%
EMEA	Family & Parenting $3.07	Medical 43%
APAC	Family & Parenting $1.22	News 20%

Top Ad Sizes on SMX
Smartphones vs. Tablets

Smartphones		
	eCPM	**Fill Rate**
Social Network	$0.70	17%
Entertainment	$0.93	21%
Games	$0.62	19.3%

Tablets		
	eCPM	**Fill Rate**
Social Network	$1.00	25%
Entertainment	$0.76	18.2%
Games	$1.72	18%

Significant Spend Increase Across 300x250 and 320x480 Sizes

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Highest advertising spend uplift in Q3 2014 over Q3 2013 was across these 3 ad sizes:

Ad Size	Uplift
320x50	92%
300x250	795%
728x90	501%

0% 200% 400% 600% 800% 1000%
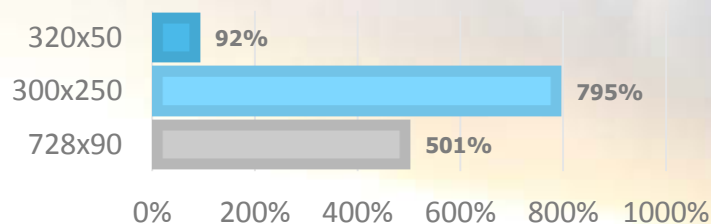
Highest uplift in publisher supply in Q3 2014 over Q3 2013 was across these 3 ad sizes:

320x50 +298%

728x90 +700%

300x250 +643%

Top Ad Sizes on SMX
Smartphones vs. Tablets

Top 3 Ad Sizes on Smartphones		
	eCPM	Fill Rate
320x50	$0.52	19.4%
728x90	$0.86	24.4%
300x250	$0.74	25.3%

Top 3 Ad Sizes on Tablets		
	eCPM	Fill Rate
320x50	$0.92	20%
728x90	$1.23	19.6%
300x250	$0.44	30.5%
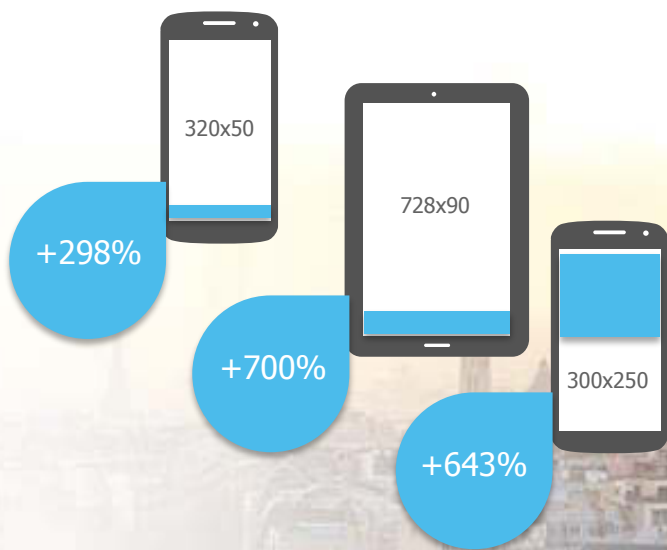
Ad spend for **320x480** and **300x50** also increased by 5456% and 438% respectively in Q3 2014 over Q3 2013

320x480 Programmatic Spend Grew by 324% in Q3 2014 over Q3 2013

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Ad sizes with highest eCPM and Fill Rate in Q3 2014 over Q3 2013:

eCPM grew by
324%

eCPM grew by
302%
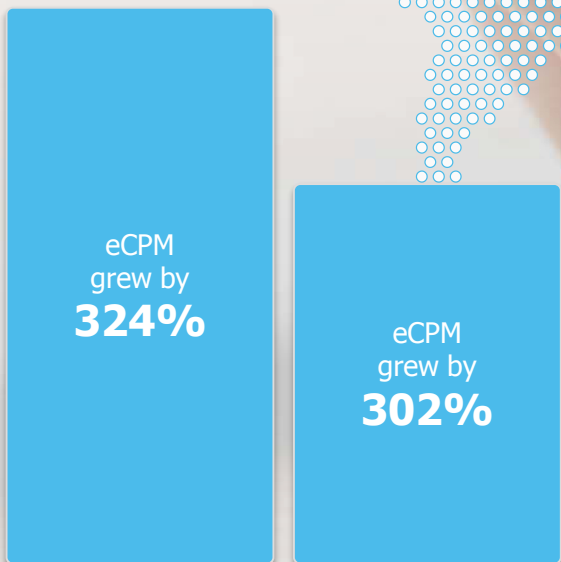
320x480

768x1024

Best performing Ad Sizes by eCPM and Fill rate in the USA, EMEA and APAC in Q3:

	eCPM	Fill Rate
USA	1024x768 **$12.48**	480x320 **39%**
EMEA	768x1024 **$3.97**	480x320 **17%**
APAC	1024x768 **$5.75**	320x50 **15%**

Top 3 Device OSs by Impressions Generated Worldwide

Impression and spend uplift in Q3 2014 over Q3 2013

Supply +485%

Demand +126%

Supply +205%

Demand +143%

Supply +120%

Demand +674%

Android

46%

iOS

36%

Windows Phone

9%

Market share of other device OSs impressions: **9%**

iOS Leads in eCPMs, Android Leads in Fill Rates

Change in advertising spend by device OSs in Q4 2014 over Q3 2013
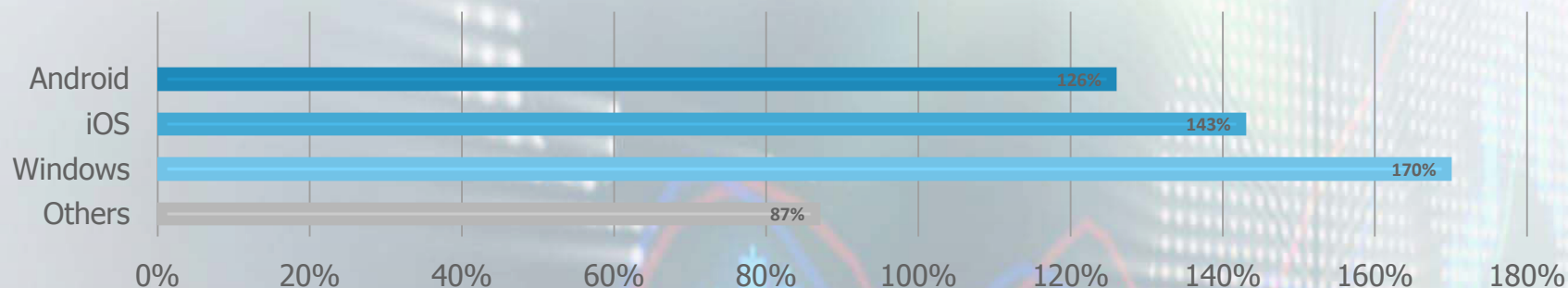
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OS	Change
Android	126%
iOS	143%
Windows	170%
Others	87%

USA

$0.84 eCPM (Android)
21.8% Fill rate

$1.21 eCPM (Apple)
20% Fill rate

EMEA

$0.37 eCPM (Android)
18.6% Fill rate

$0.58 eCPM (Apple)
13.13% Fill rate

APAC

$0.16 eCPM (Android)
22% Fill rate

$0.33 eCPM (Apple)
9.5% Fill rate

U.S. Has The Highest RTB Spend Worldwide

Smaato RTB advertising spend by Geo in Q3 2014

1 USA **61%**

2 UK **8%**

3 Canada **3%**

Spend

USA, UK & Canada are the top three countries which collectively contribute **72%** of the **overall spend in Q3 2014**.

1 USA **34%**

2 India **10%**

3 UK **3%**

Volume
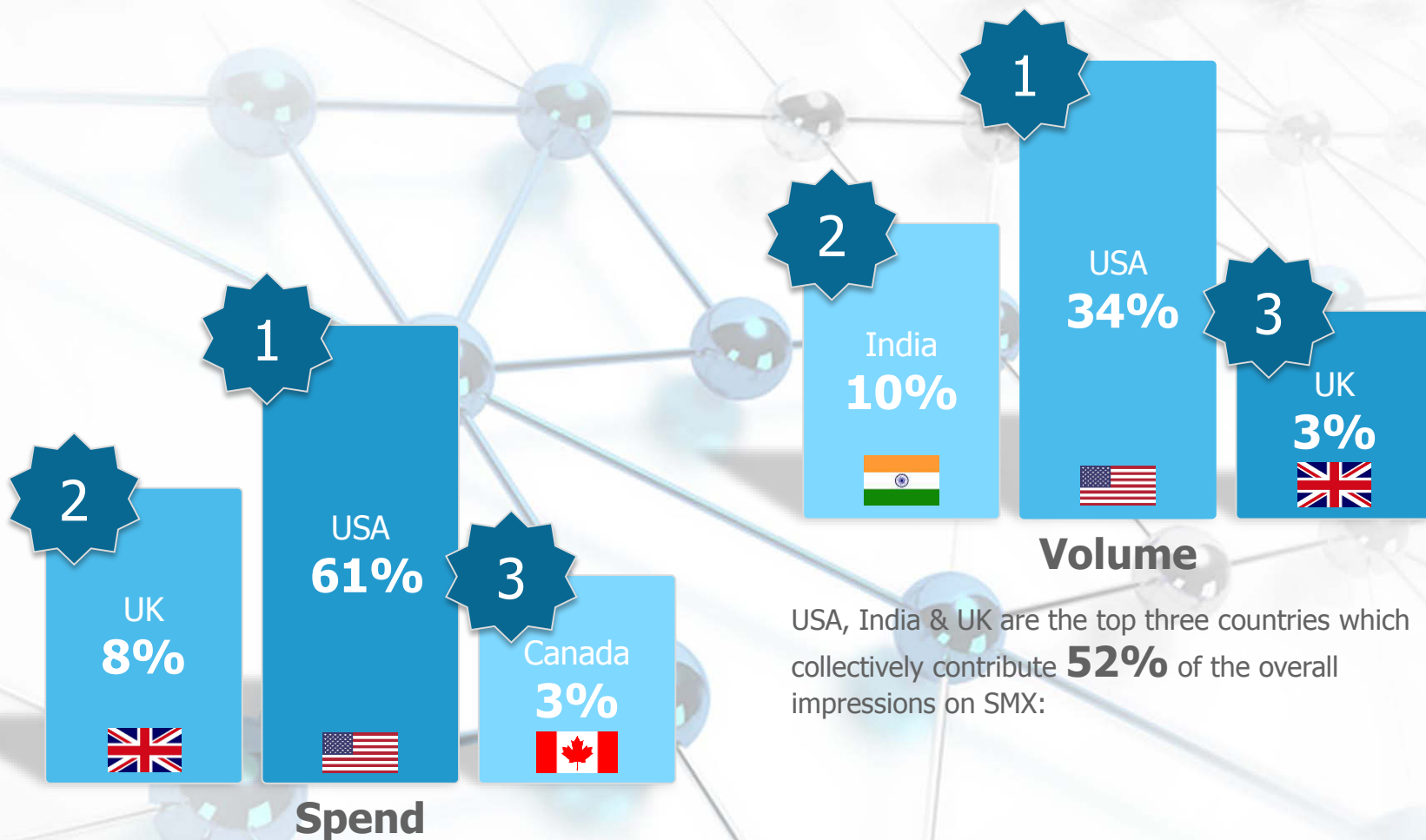
USA, India & UK are the top three countries which collectively contribute **52%** of the overall impressions on SMX:

RTB Grows in South America

Top countries with uplift in RTB spend in Q3 2014 over Q3 2013

eCPM uplift across countries in Q3 2014 over Q3 2013 :
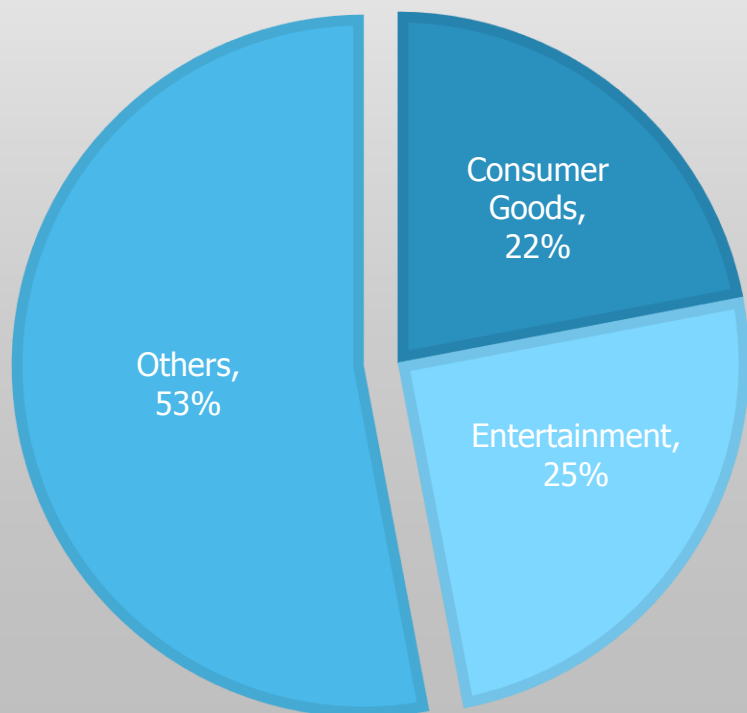
Country	Uplift
Switzerland	100%
Singapore	50%
UK	23%
Germany	20%
Canada	16%
Japan	13%
Brazil	6%

0% 20% 40% 60% 80% 100%

Canada 281%
UK 56%
Germany 108%
Russia 124%
France 242%
China 251%
USA 111%
Mexico 1333%
Japan 239%
India 237%
Brazil 1745%
Singapore 604%
Indonesia 1809%
Argentina 4000%
South Africa 472%

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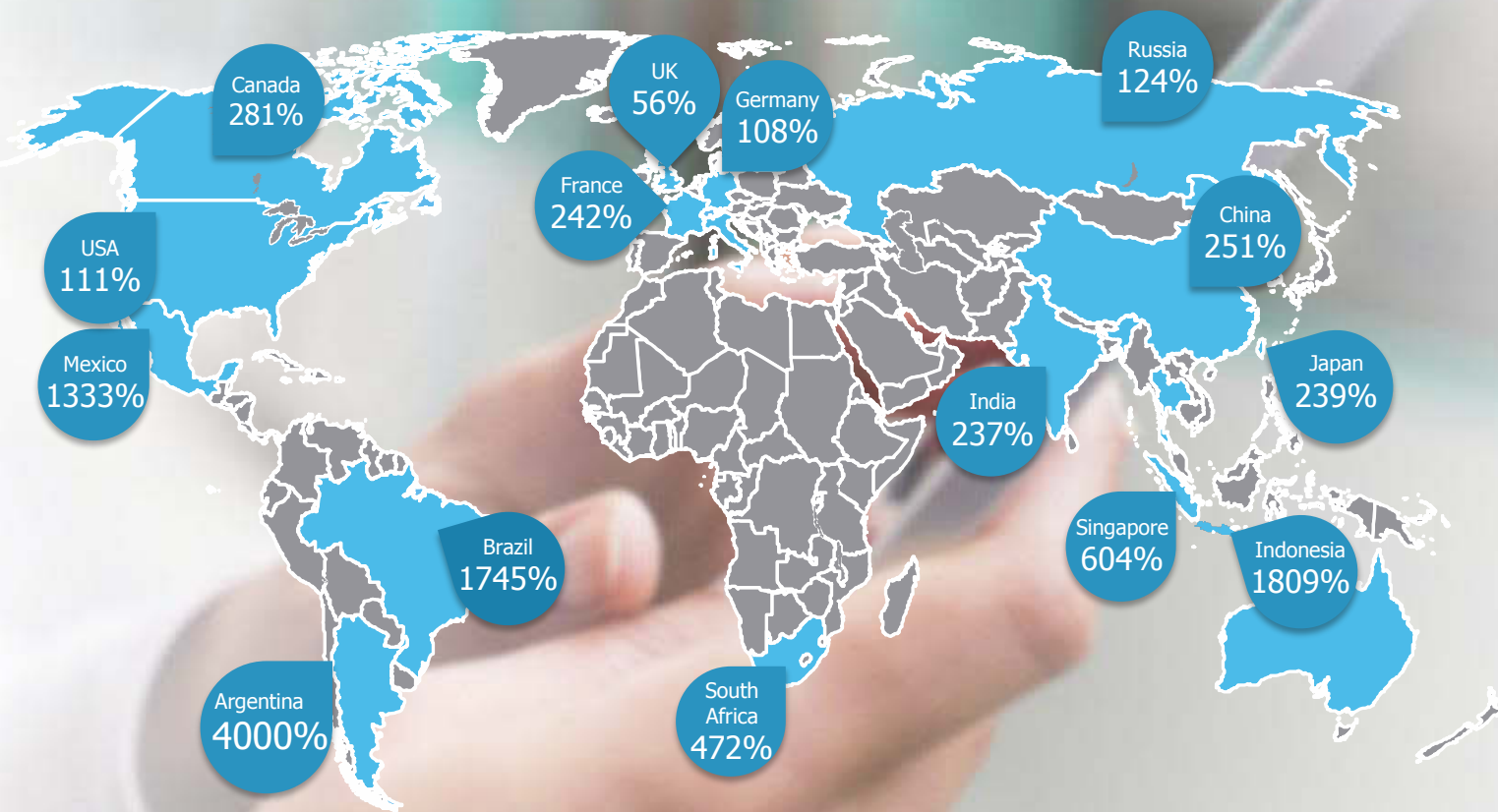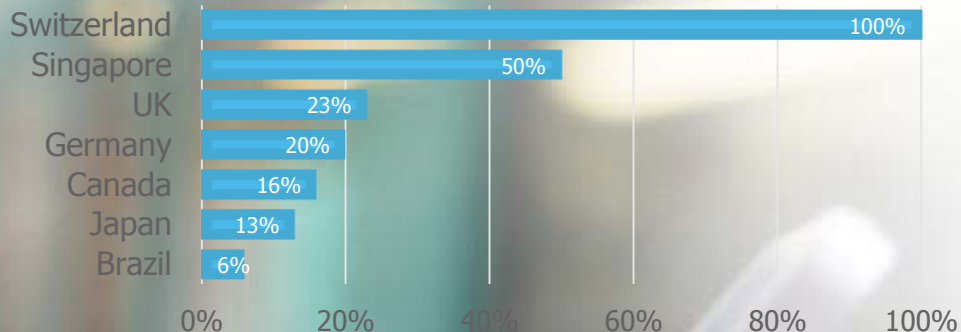
CPG and Entertainment Categories Continue to Dominate as Top Advertising Spenders in Q3 2014

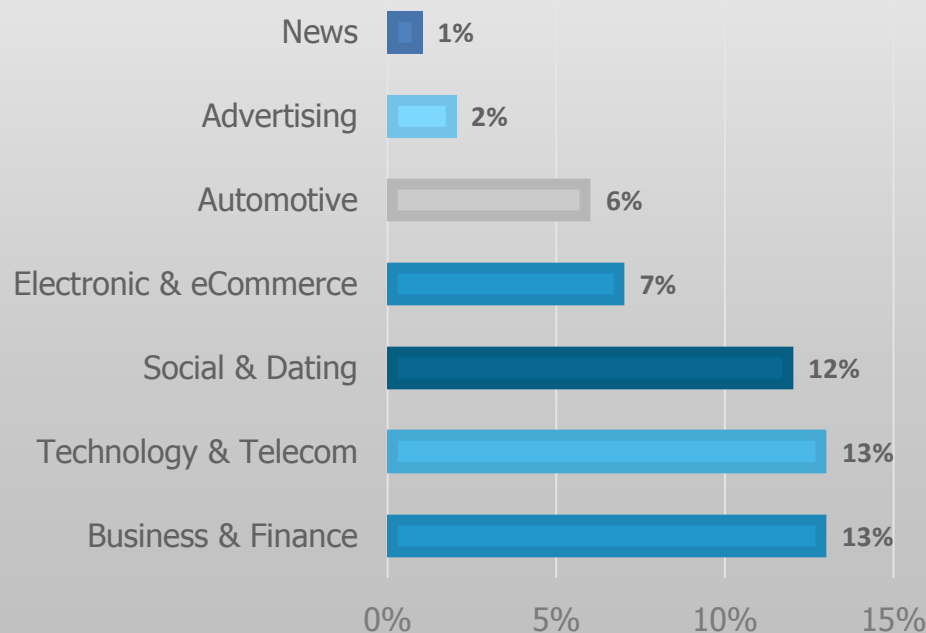**91 out of the top 100** Ad Age advertisers are on SMX:

CPG (22%) and **Entertainment** (25%) together add up to 47% of the overall digital advertising spend on Smaato Exchange in Q3 2014

**Advertising categories with the highest spend in Q3 2014:**

- Consumer Goods, 22%
- Entertainment, 25%
- Others, 53%

Other advertising categories which contributed to the spend in Q3 2014 were:

Category	Percentage
News	1%
Advertising	2%
Automotive	6%
Electronic & eCommerce	7%
Social & Dating	12%
Technology & Telecom	13%
Business & Finance	13%

0%   5%   10%   15%

Rich Media Formats Continue to Generate Higher Spend than Image Ads in Q3 2014

Growth in Advertising Spend for Rich Media vs. Image Ads in Q3 2014 over Q3 2013:

	Image Ads	Rich Media
	77%	264%

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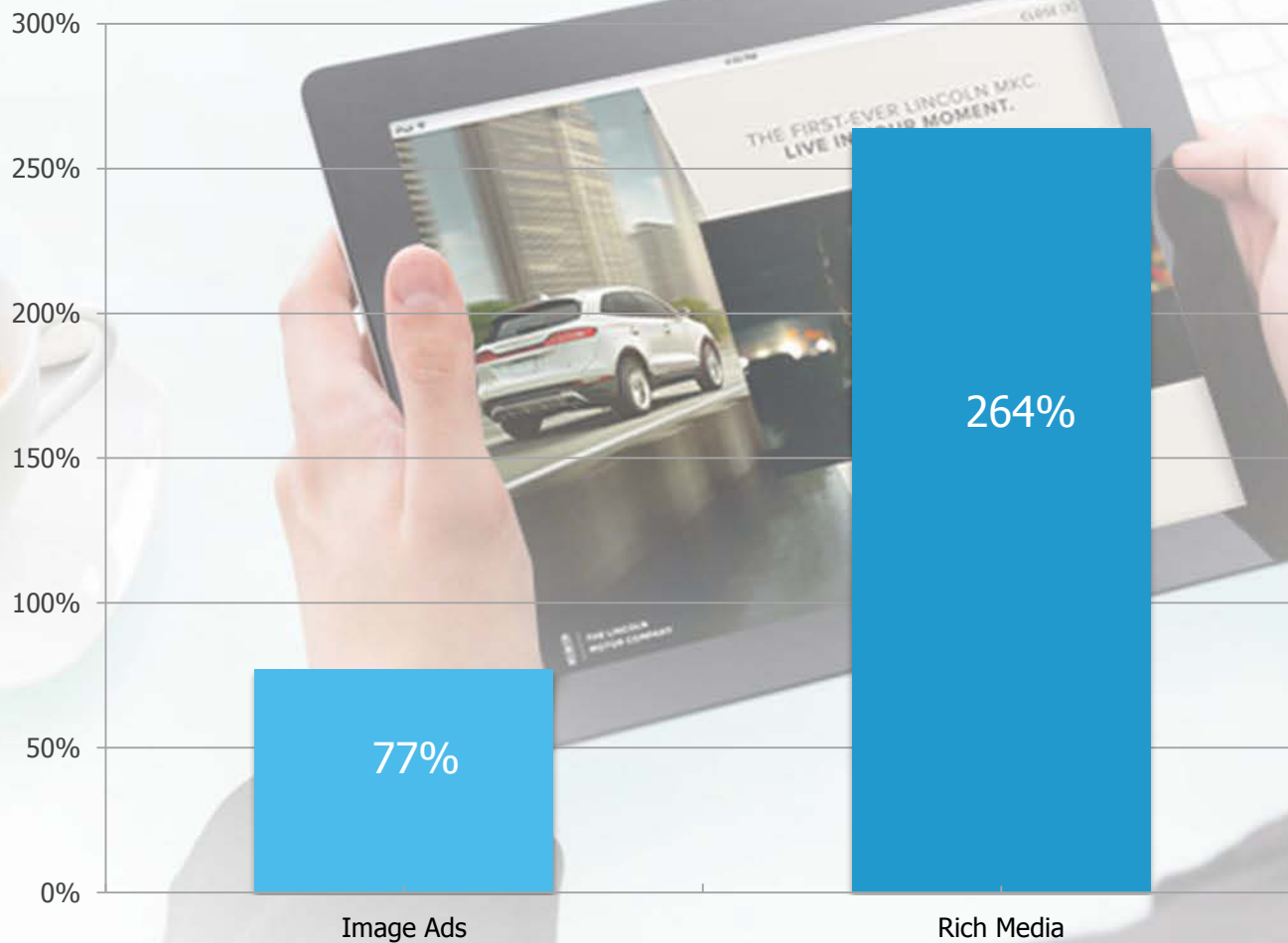
Mobile App Spend Continues to Dominate over Mobile Web in Q3 2014

61% Growth in Mobile App over Mobile Web in Q3 2014 over Q3 2013

Mobile App
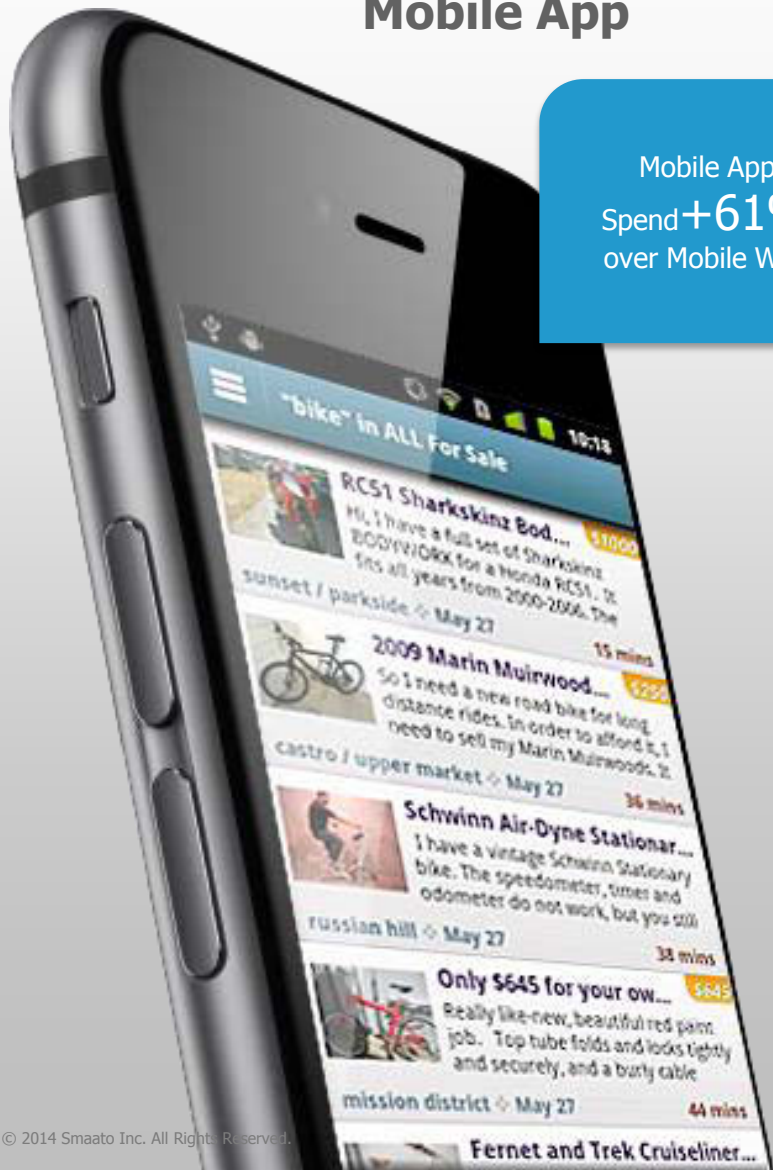
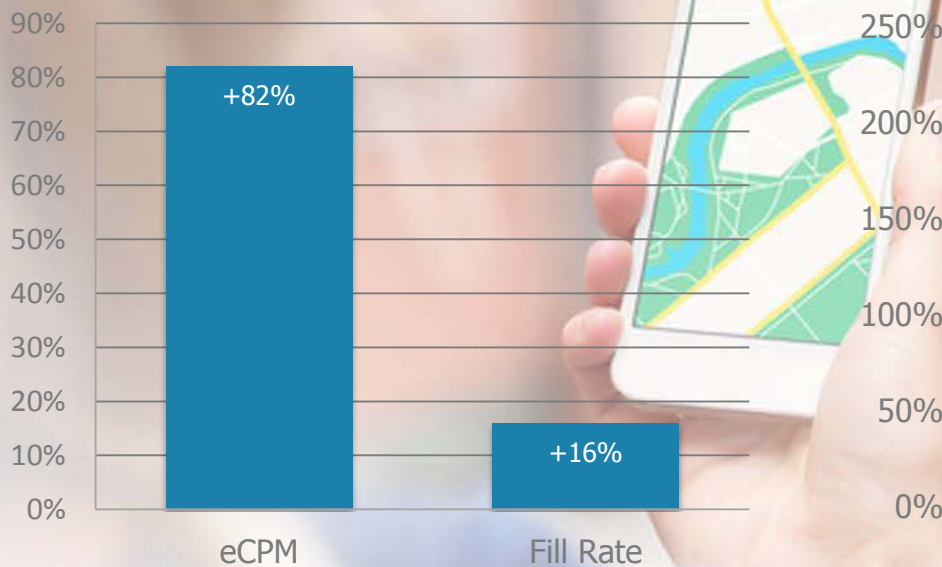Mobile App Spend **+61%** over Mobile Web

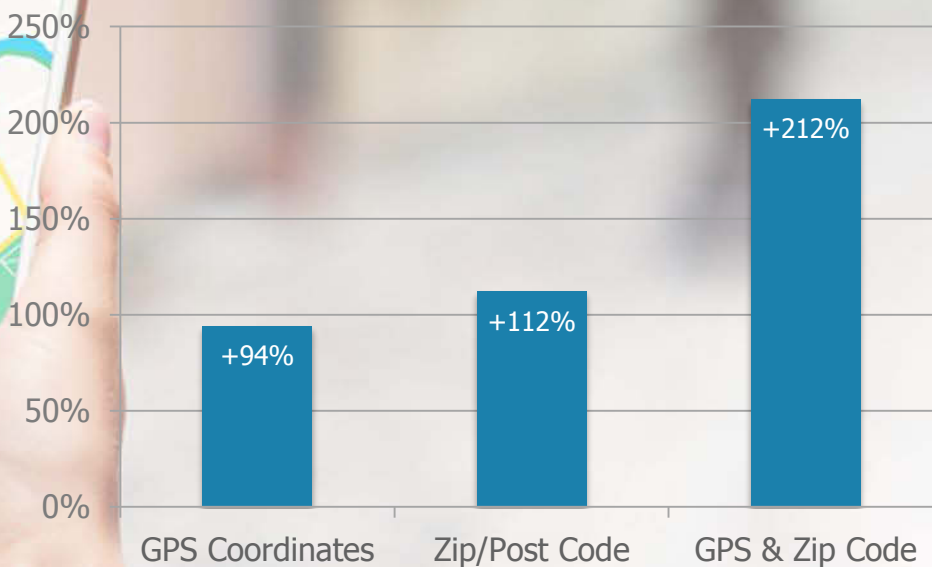**Mobile Web**

Device ID and Location Data Drives eCPMs

- eCPMs go up significantly when **Device ID** or **Location Data** is provided
- Biggest increase in eCPMs was seen when both the GPS coordinates and zip code were provided

Increase in eCPMs and Fill Rate with **Device ID**

Category	Value
eCPM	+82%
Fill Rate	+16%

(y-axis: 0% to 90%)

Increase in eCPMs and Fill Rate with **Location Data**

Category	Value
GPS Coordinates	+94%
Zip/Post Code	+112%
GPS & Zip Code	+212%

(y-axis: 0% to 250%)
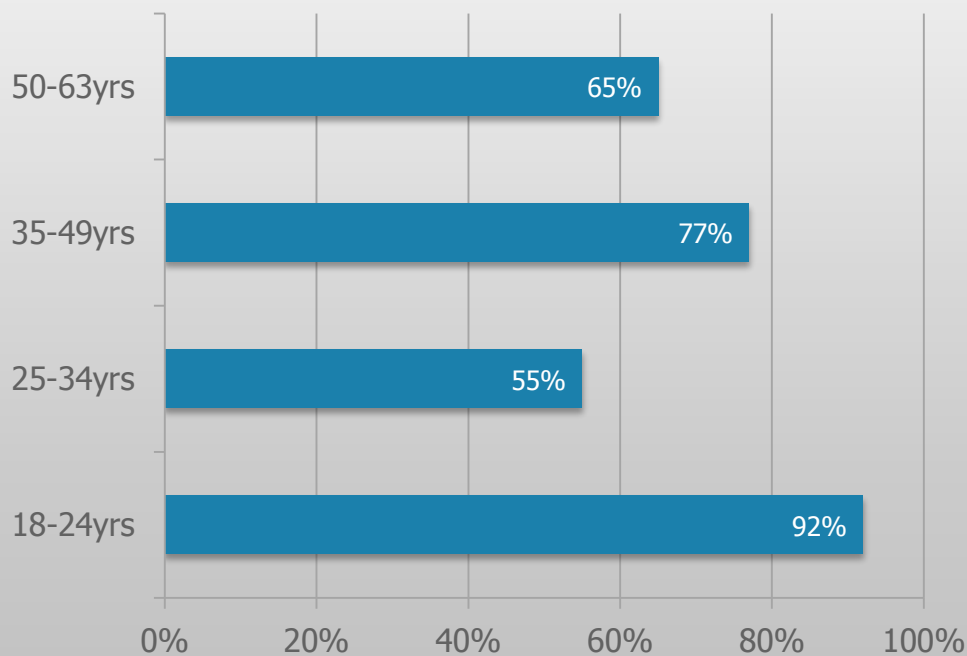
Gender and Age Data Deliver Triple Digit eCPM Growth

- Female gender information increased eCPMs by **101%** and Fill rate by 48%

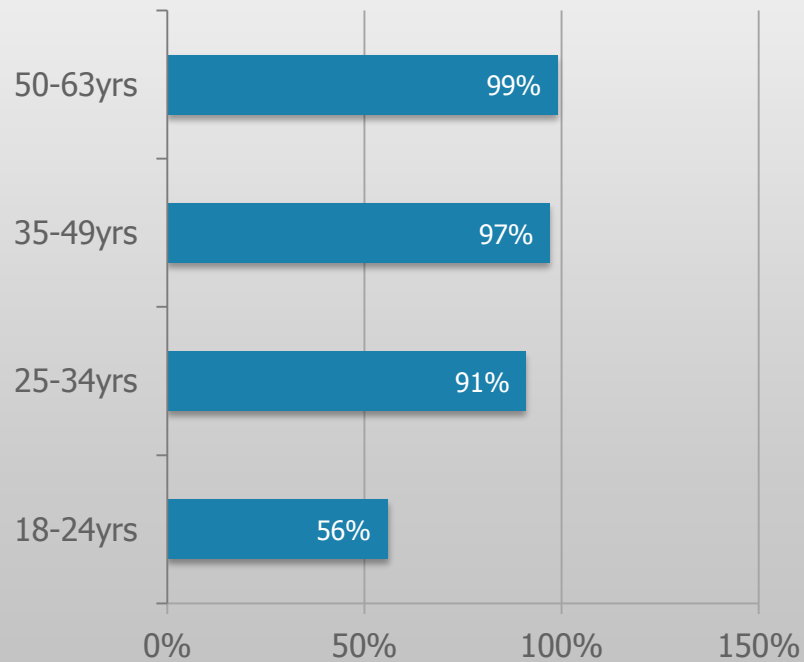- Male gender information increased eCPMs by 78% and Fill rate by 64%.

Increase in eCPMs with Age Information

Age	Value
50-63yrs	65%
35-49yrs	77%
25-34yrs	55%
18-24yrs	92%

0% 20% 40% 60% 80% 100%

Increase in Fill Rates with Age Information

Age	Value
50-63yrs	99%
35-49yrs	97%
25-34yrs	91%
18-24yrs	56%

0% 50% 100% 150%

Key findings

RTB Performance in Q3 2014

First party data drives eCPMs and fill rates globally.

Brands are allocating spend towards mobile and programmatic. CPG was the top spend category and Automotive category saw the highest growth by percentage in spend.

Larger sizes and screens allowed for standard online ad-sizes (300x250) to be displayed, which also drives spend on mobile vs. desktop.

Apps dominate usage on mobile devices vs. Mobile Websites. Volume of impressions inside apps grew it's share to 65% in Q3 for total impressions on SMX.

India, Brazil and Mexico were among the top countries with highest growth in Q3 RTB spend.

Top categories for advertising spend were Entertainment, Games, and Social Network.

1 out of 4 Creatives served was 320x50 making it the most popular creative size.

Android devices generate more volume; however, impressions on iOS devices generated higher eCPMs.

Richer media Creatives continue generating higher eCPMs due to higher demand and engagement.

Market Outlook

Mobile programmatic spending will see phenomenal growth this year. It is projected to surpass desktop programmatic advertising spend next year.
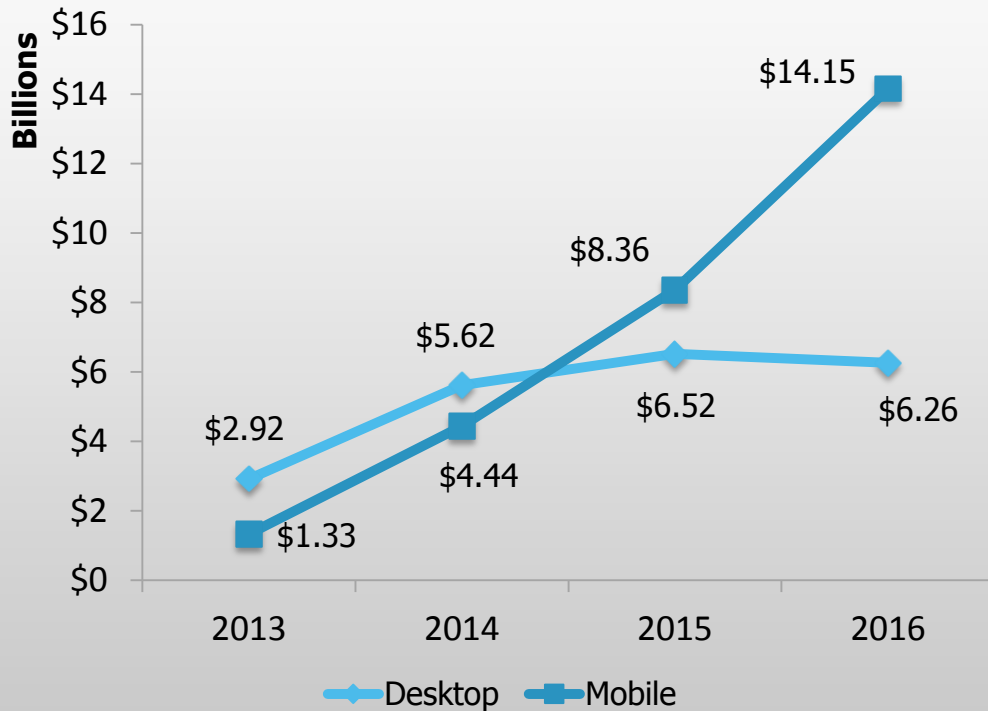
Desktop vs. Mobile Programmatic Advertising Spend (in Billions USD)

Source: eMarketer, October 2014

1. Programmatic spend on SMX grew by over 140% from Q3 2013. This trend will not slow down as brands embrace mobile advertising globally.

2. Early adopters of mobile cared about CTRs, however the recent advertising spend is focused on targeting based on content, usage, reach and audiences.

3. In-app advertising continues to dominate volume of inventory on mobile devices vs. mobile websites.

4. On average 50%+ audiences per region can be reached on mobile devices which will continue shifting ad-spend from desktop to mobile

5. Advertisers are already starting to look for alternatives to one publisher property (Facebook) vs. multiple publishers in search for affordable audiences.

6. The gap between ad spend on mobile and time spent on mobile will narrow driven by larger devices, better creative ad-units and formats.

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http://www.smaato.com/whitepaper

About Smaato

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Smaato's global headquarter is in San Francisco, California. The privately held company was founded in 2005 by an experienced International management team. Smaato's European headquarters is located in Hamburg, Germany and the APAC headquarters in Singapore.

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