

**THE STATE OF MOBILE VIDEO ADVERTISING
SOUTHEAST ASIA | 2018**



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INTRODUCTION

Over the past few years, user consumption patterns have undergone a significant metamorphosis. People have moved from a text based desktops ecosystem to the ease and convenience of mobile devices, with video becoming the format of choice.

As a result, video consumption on mobile devices has seen an exponential rise, especially on smartphones. Just five years ago, adults in the US spent twice the amount of digital media time on desktop compared to mobile devices. Today, this statistic stands almost completely reversed with 1.5 times more media time being spent on mobile devices than desktops.

This explosion of consumption of mobile video has pushed advancements in mobile video advertising. Advertisers today are more demanding of their metrics, to ensure transparency and efficiency in their campaigns. By embracing video that is tailored specifically for the mobile device and behavior, that advertisers can achieve the superior performance that only video can deliver.

APPROACH AND METHODOLOGY

This report explores the popularity and performance of mobile video ads around the world and tailors insights specifically to the Southeast Asian market. At InMobi, we analyzed data from our network for 2017 (January – December). By delving deeper into mobile video consumption patterns worldwide, we were able to glean useful insights for advertisers to leverage to satisfy all types of marketing goals such as:

1. Driving awareness
2. Maximizing traffic to landing page
3. Interactions with a video ad
4. Media performance such as completion rates and Viewability metrics

MOBILE VIDEO AD PERFORMANCE METRICS

CLICK-THROUGH-RATE

= Number of Clicks / Number of Impressions delivered



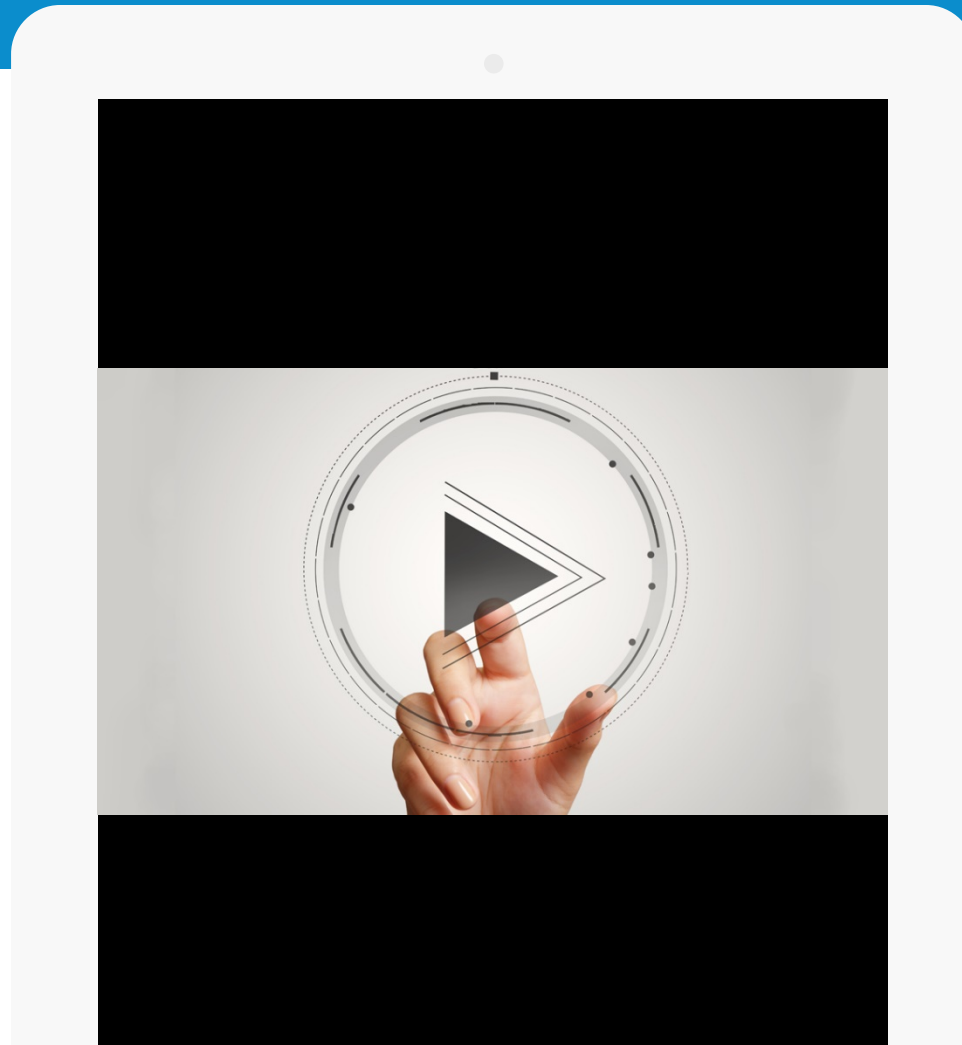
INDEXED CTR

= Specific CTR / Global Average CTR



CONVERSION PER MILE

= (Number of App Installs / Number of Impressions delivered) * 1000



VIDEO PLAY RATE

= Number of Video plays / Number of Impressions delivered



VIDEO COMPLETION RATE

= Number of Video Ads Completed / Number of Video Ads Played



INVALID TRAFFIC RATE

= (Impressions delivered to non-human end point / total unfiltered impressions)

KEY VIDEO INSIGHTS FOR SOUTHEAST ASIA

- 1 Southeast Asia records 250% growth in mobile video ad spends; Southeast Asians consumed 230% more video ads via mobile devices**

The share of time spent inside mobile apps is growing, so is the video viewing time inside apps. As the number of smartphone users continue to grow, Southeast Asia in particular will continue to enjoy rising investments in mobile video advertising. In 2017 alone, spends on mobile video ads by brand advertisers grew by 250% Y-o-Y as video ad viewing grew by 230% in the same period on the InMobi network.
- 2 Indonesia ranks in Top 5 markets attracting the highest spends on mobile video ads and viewing a bulk of the video ads compared to other markets**

With over 300% growth in just one year, Indonesia is currently the 3rd largest mobile video ad market in the world. Interestingly, Indonesia is the 4th largest Viewer of mobile video ads around the world with a 8% share of video ad impressions.
- 3 SDK integration is the norm; Video ads drive 9x engagement over display**

91% of all spends on video ads are via SDK-integrated inventory thus delivering 5x engagement than an API based inventory. Moreover, compared to display ads, Video delivered 9x user engagement for brand advertisers..
- 4 Samsung and Apple are the preferred brands of smartphones in Southeast Asia**

Samsung is the leading smartphone brand in Southeast Asia with 31% of video ads being viewed on such devices. This is closely followed by Apple at 15%.

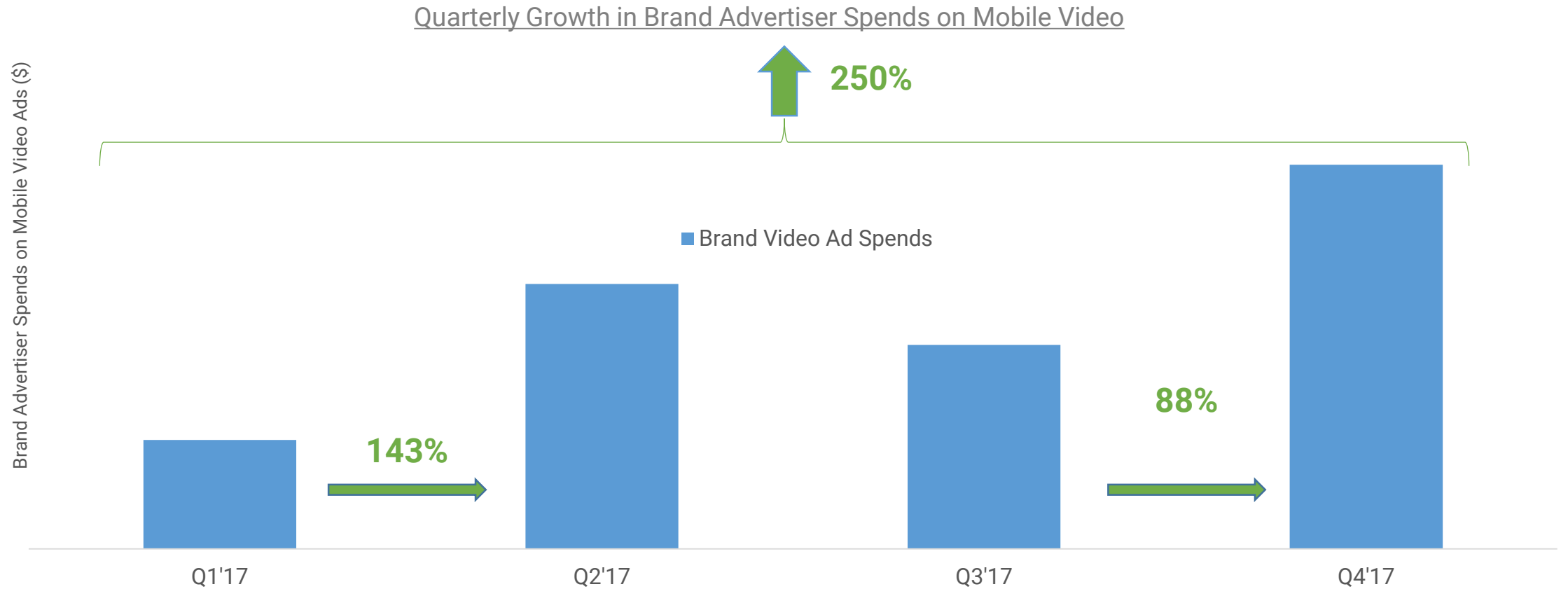
KEY VIDEO INSIGHTS FOR SOUTHEAST ASIA

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- Southeast Asians love all things Retail and F&B; 27% of all video ads watched by southeast Asians are retail related**
- 5 The Southeast Asian retail industry has emerged as a dynamic and fast-paced industry. With existing apps vying for the top spot and newer apps trying to grab a piece of the pie, it comes as no surprise, that shopping is on the top the average Southeast Asian's mind. As consumers across Tier-I, II, III cities increasingly move online/mobile to research and complete purchases, retail advertisers are aggressively leveraging video to nudge their shoppers through the purchase cycle.
-
- Southeast Asia delivers 91% Video Viewability Rate**
- 6 With 91% video viewability rate delivered to advertisers in Southeast Asia, delivering twice the viewability rate over the MOAT benchmark of 49.2%..
-
- Southeast Asian brand advertisers embrace programmatic buying**
- 7 Advertisers across verticals are adopting programmatic buying to satisfy their need for transparency, efficiency and control. Brand advertisers steadily increased their spends via programmatic channels in 2017 by over 180%. This brought programmatic share of spends to 20% of the total.
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THE GROWING VIDEO ECONOMY OF SOUTHEAST ASIA

VIDEO AD SPENDS EXPLODE:

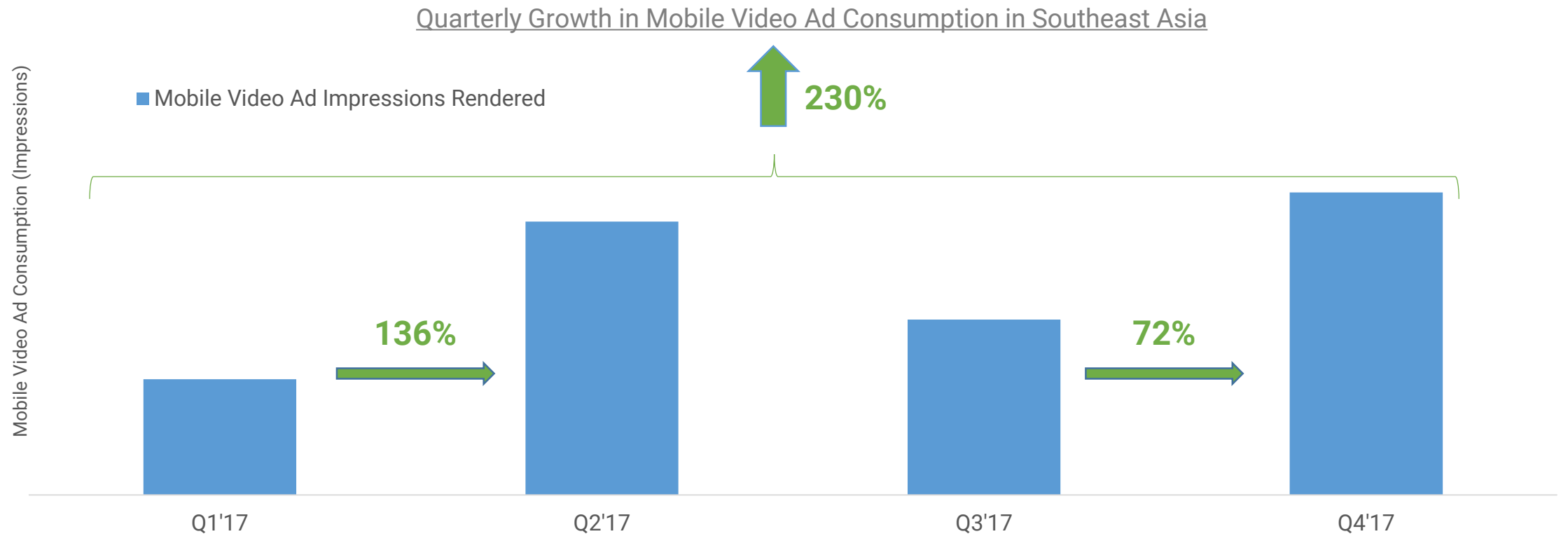
250% Y-o-Y GROWTH IN BRAND ADVERTISER SPENDS ON MOBILE VIDEO ADS



GROWING DEMAND FOR VIDEO ADS:

230% Y-o-Y GROWTH IN MOBILE VIDEO AD CONSUMPTION IN SOUTHEAST ASIA

- Video has become the new favorite form of content consumption for people in Southeast Asia, especially on their mobile devices. With a 10x Y-o-Y growth in mobile video ad viewership, video ad consumption in Southeast Asia is exploding and so is the consumption of mobile video ads.



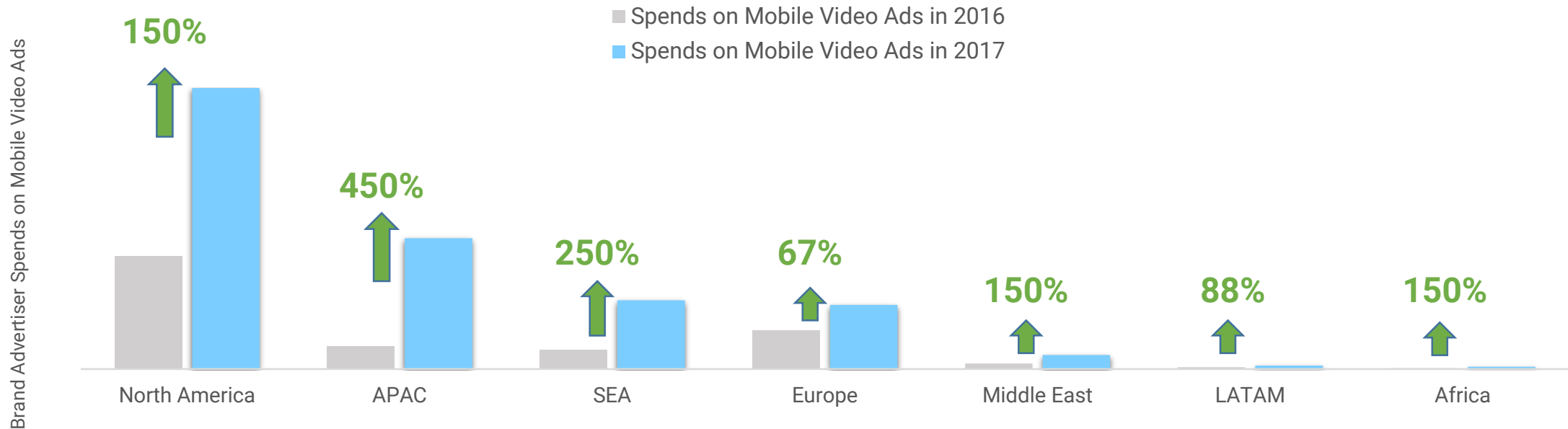
A GLOBAL OVERVIEW
OF
MOBILE VIDEO ADVERTISING

REGIONAL VIDEO LANDSCAPE:

SOUTHEAST ASIA RECORDS 250% GROWTH IN MOBILE VIDEO AD SPENDS

- While North America leads in spends on video ads, SEA witnessed the 2nd highest Y-o-Y growth of 250% in advertiser investment on mobile video ads.

Brand Advertiser Spends on Mobile Video Ads Across Regions

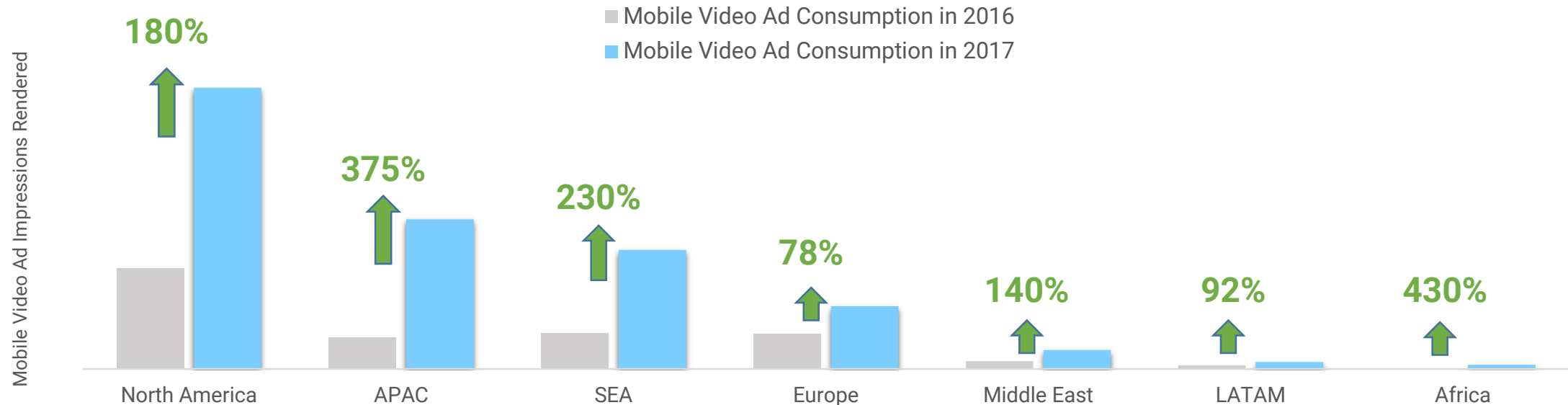


REGIONAL VIDEO LANDSCAPE:

SOUTHEAST ASIA RECORDS 230% GROWTH IN MOBILE VIDEO AD CONSUMPTION

- By the end of 2017, mobile users in Southeast Asia were consuming nearly **twice** the volume of video ads compared to the year before.
- As consumption increases, advertisers are realizing the strength of video to reach their consumers. By increasing their investment in video ads, not only are there more video ads being played on mobile in Asia, but a lot more is being consumed by Asians.

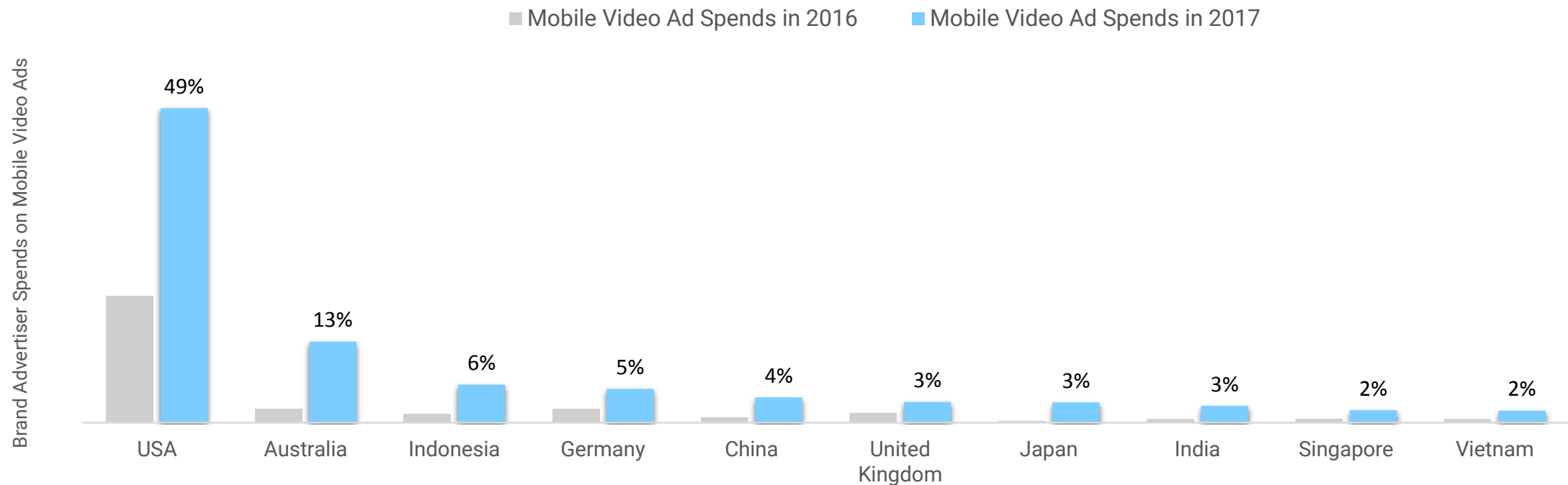
Shifting Mobile Video Ad Consumption Around the World



TOP VIDEO AD SPENDERS: INDONESIA RANKS #3 IN BRAND ADVERTISER SPENDS ON VIDEO

- While USA is the largest video market for brand advertisers the world over, Indonesia grew by over 300% Y-o-Y, thanks to the growing demand for all things video.

Top 10 Countries Attracting Highest Brand Advertiser Spends on Mobile Video Ads

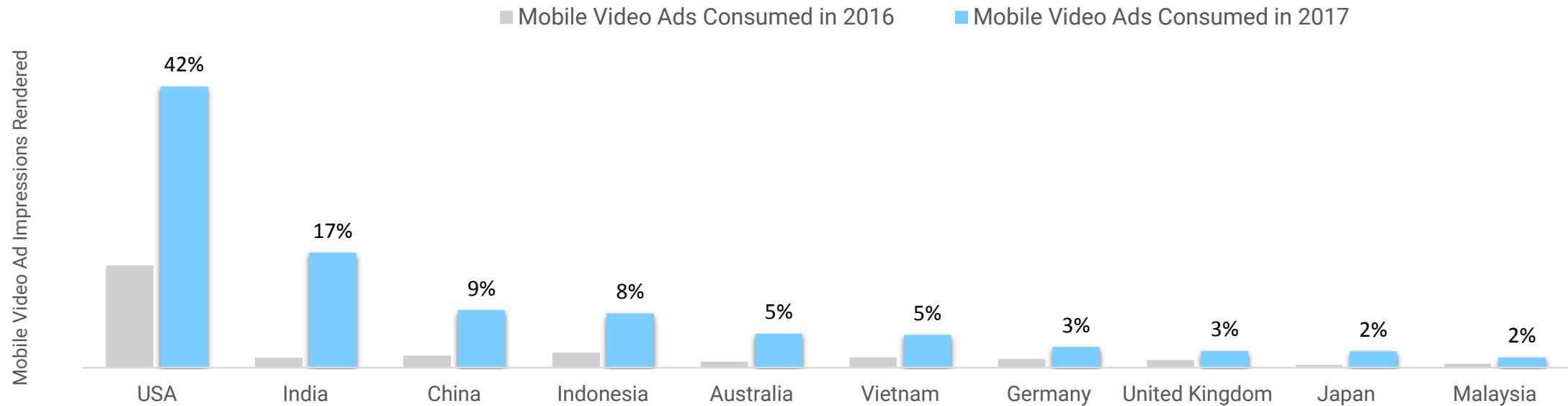


TOP VIDEO AD CONSUMERS:

INDONESIA IS THE FOURTH LARGEST MOBILE VIDEO AD CONSUMER MARKET

- Indonesia ranks 4th in the world of mobile video ad consumption. In 2017 alone, Indonesians watched > 250% more video ads on their mobile devices compared to 2016.
- With video as a content gaining popularity across digital consumers in Indonesians, Indonesians are increasingly accepting of video ads over the static display ads.

Leading Consumers of Mobile Video Ads (Top 10 Countries)

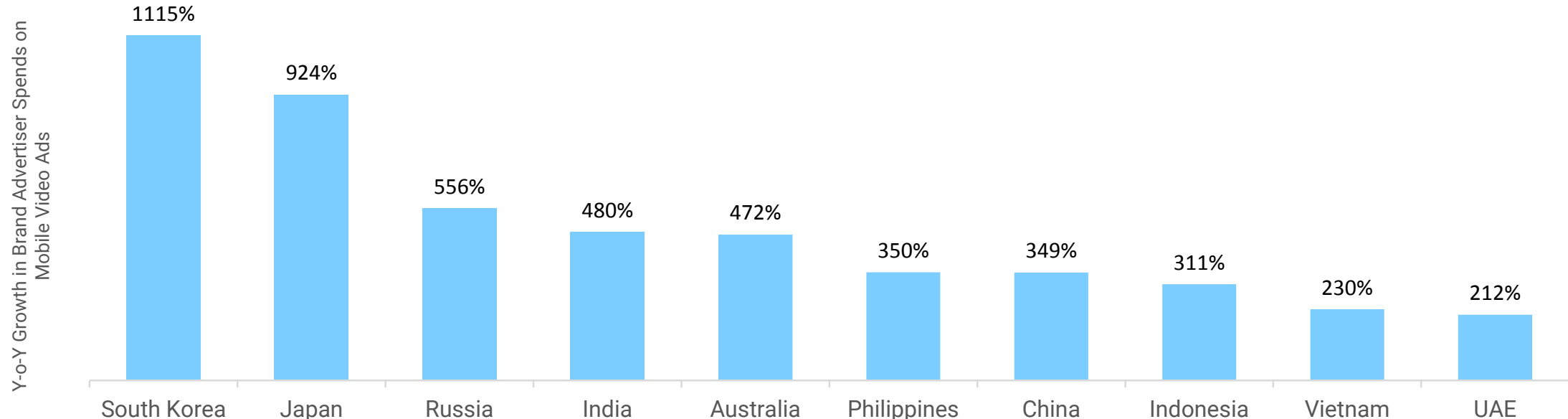


GROWING NATIONS OF VIDEO ADVERTISING:

INDONESIA RANKS 8TH IN GROWTH OF MOBILE VIDEO AD SPENDS

- With a Y-o-Y growth of 311%, Indonesia is the 8th fastest growing mobile video ad market.
- Increasing advertiser investment and growing user consumption of all things video, has positioned Indonesia as one of the sought after destinations for video advertising.

Countries Leading the Growth in Brand Advertiser Spends in Mobile Video Ads

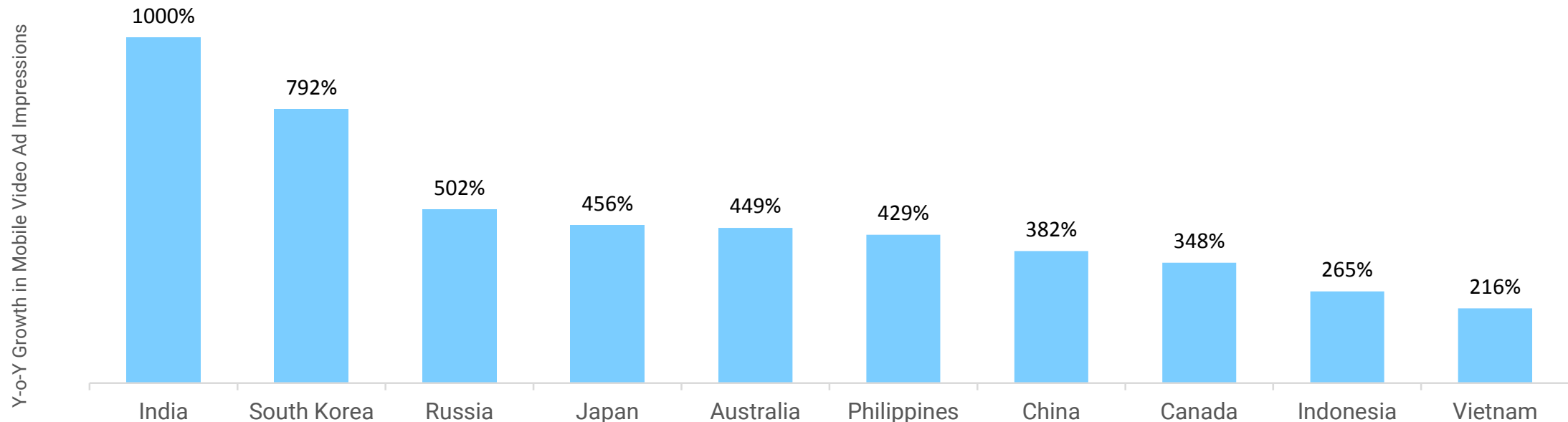


GROWING CONSUMERS OF VIDEO ADS:

INDONESIA IS THE 9TH FASTEST GROWING MOBILE VIDEO AD CONSUMER

- With a mobile ad ecosystem still in its nascent stages and with demand for all things video on the rise, it is not surprising that Indonesia is the 9th fastest growing in mobile video ad consumption.
- With a ~3x Y-o-Y growth, Indonesian consumption of video content is only slated to increase in the coming years.

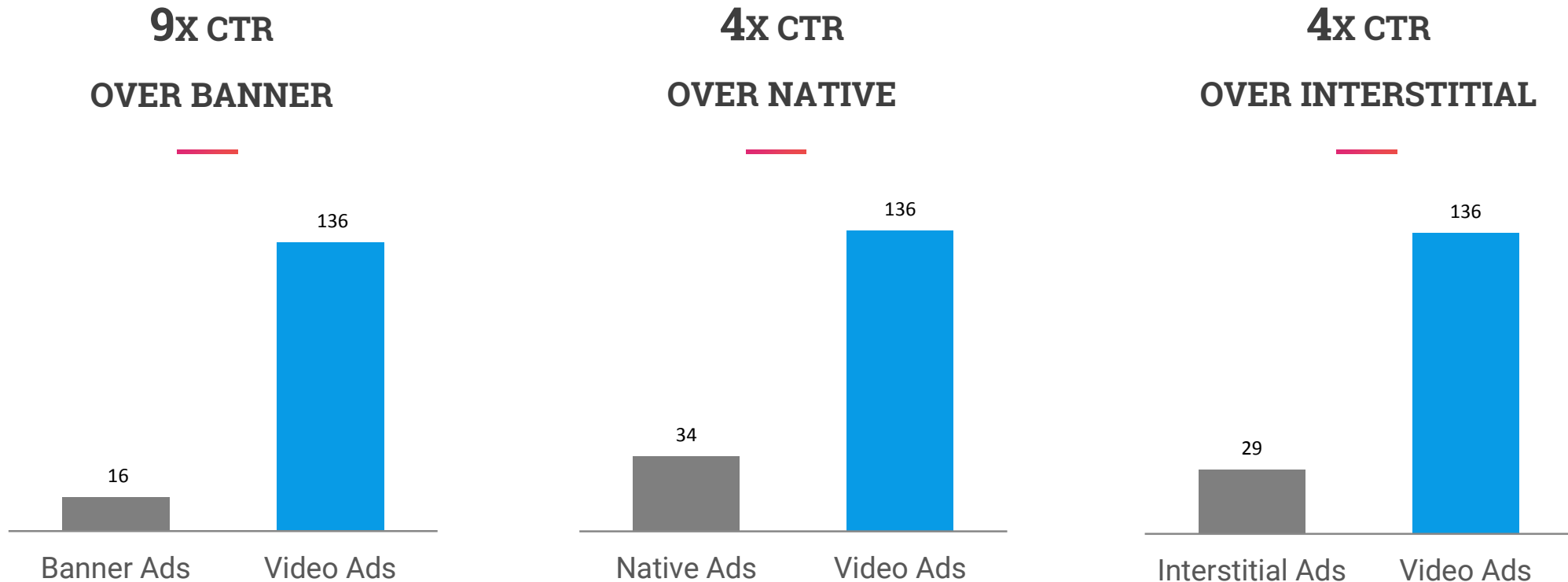
Countries Leading the Growth in Mobile Video Ad Consumption



REAPING THE REWARDS
WITH
MOBILE VIDEO ADVERTISING

VIDEO ADS DRIVE HIGHER USER ENGAGEMENT

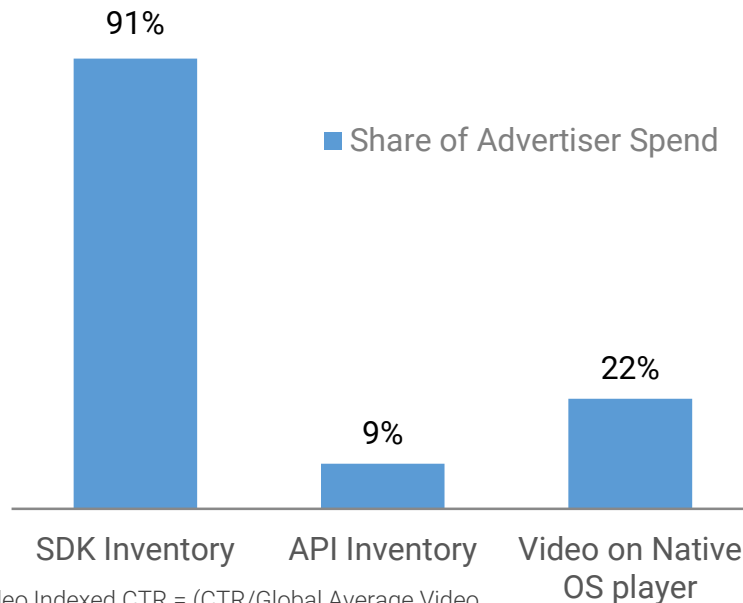
- Video ads are the most valuable channel available to advertisers today.
- It not only allows for superior storytelling but the interactivity of video ads ensures a higher user engagement delivering above average CTRs compared to all other ad formats.



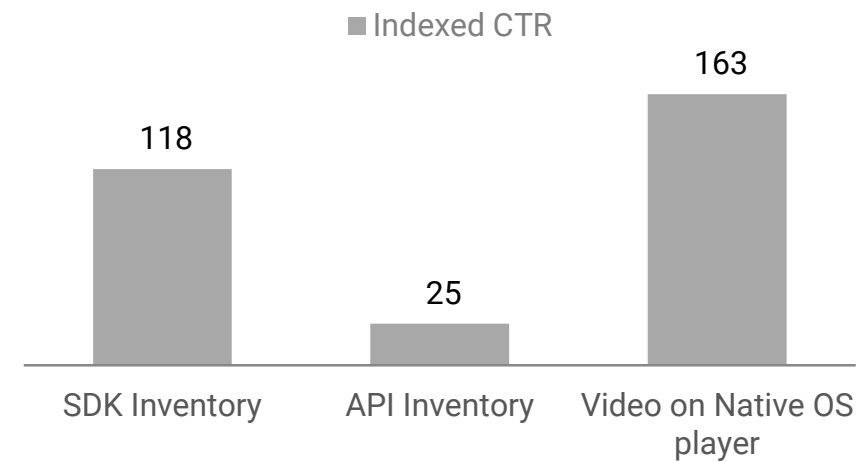
ADVERTISERS ENJOY BETTER RETURNS WHEN ADS RUN ON SDK-BASED INVENTORY

- A video ad on the native OS player is a mobile-first video ad format that leverages the native video player of the device to deliver video ads. Such a format runs on SDK inventory where video ads are pre-cached hence reducing video ad-load speeds. Hence it creates a buffer-free user experience, while boasting of higher user engagement and completion rates for brand advertisers. Moreover, with an SDK integration, there is zero chance of fraudulent reporting.
- 91% of the Video ad budget in Southeast Asia is spent on SDK inventory on the InMobi network, giving advertisers 5X CTRs over API inventory.

Share of Brand Advertiser Spend on Video across Integration Types



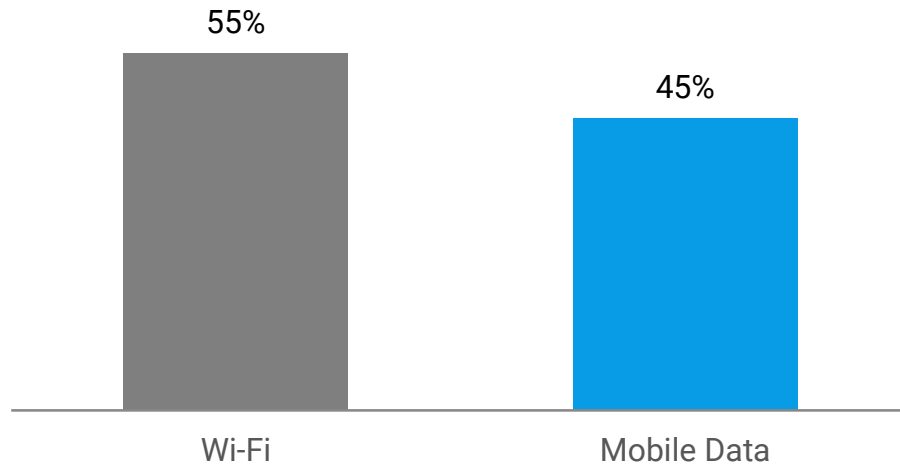
Indexed Video CTR for Brand Advertisers across Integration Types



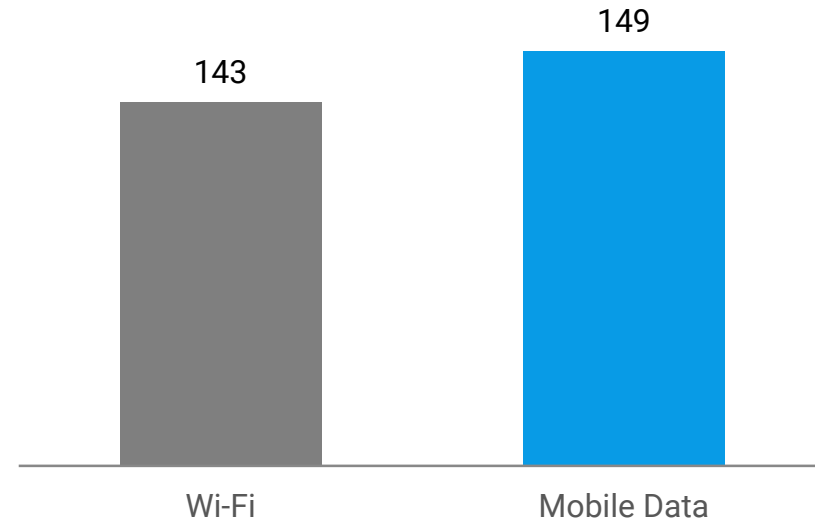
WIFI IS THE PREFERRED NETWORK FOR VIEWING VIDEO ADS

- Despite the growing smartphone adoption, Southeast Asia continues to remain a predominately Wi-Fi heavy market. 70%-80% of the smartphone traffic originates from Wi-Fi network compared to 20%-30% from mobile data*.
- It comes as no surprise then, that in Southeast Asia 55% of mobile video ads were viewed on Wi-Fi rather than on mobile data. What is interesting to note is that the user engagement (CTR) was marginally higher on mobile data connections compared to mobile data.

Share of mobile video ads consumed over Wi-Fi vs. mobile data



Indexed video CTR - Wi-Fi vs. mobile data



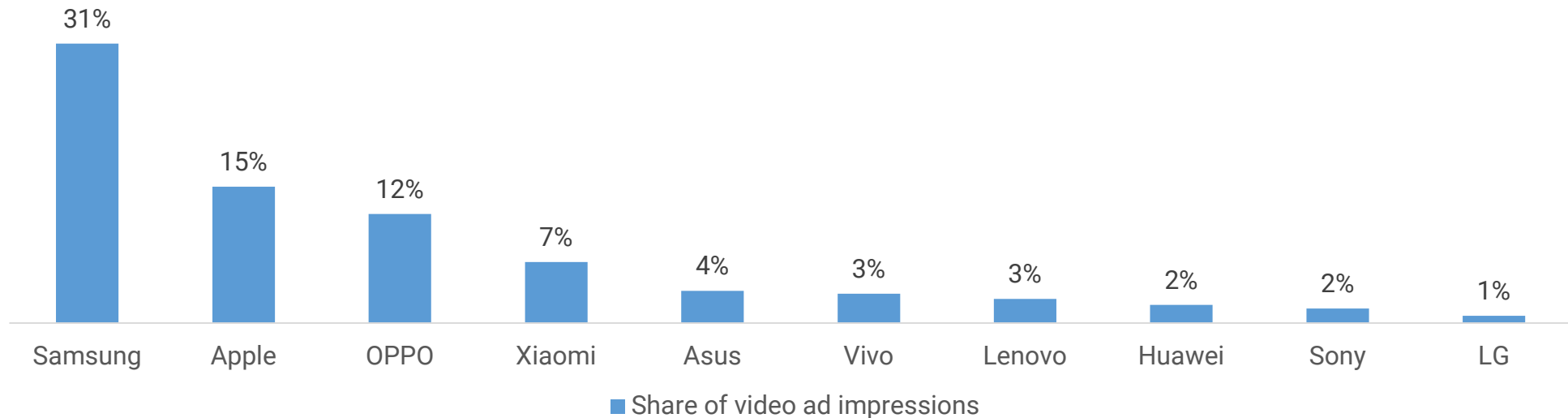
*Ericsson Mobility Report, Southeast Asia and Oceania

Engagement, as measured by CTR. Video Indexed CTR = (CTR/Global Average Video CTR)*100. The Global average CTR Index = 100.

SAMSUNG LEADS MOBILE VIDEO AD CONSUMPTION IN SOUTHEAST ASIA

- The total smartphone shipments in SEA in 2016 was recorded at 101 million units, a 4.3% Y-o-Y growth. Samsung leads the market with 23% share. The next three positions have been captured by China’s top three players – OPPO, Huawei and Vivo which boasts of a combined market share of 21%.*
- These Chinese players continue to increase their penetration into SEA, accounting for 1/5th of the total SEA smartphone market.
- Each brand markets itself differently to capture the audience’s attention. OPPO and Vivo market themselves as the trendy/’selfie’ handsets. Huawei, while being the oldest player, is slowly reinventing itself by introducing better quality smartphones and focuses primarily on its features through its marketing efforts.

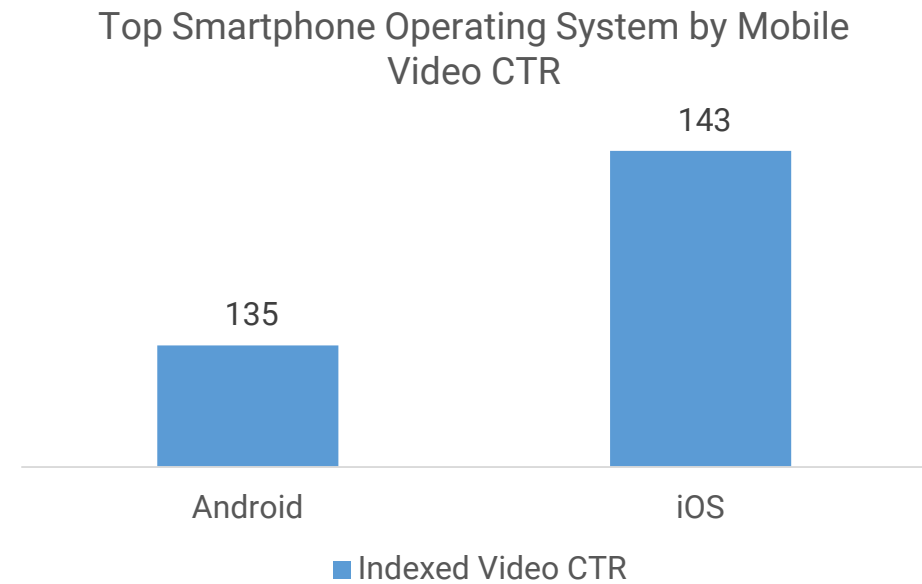
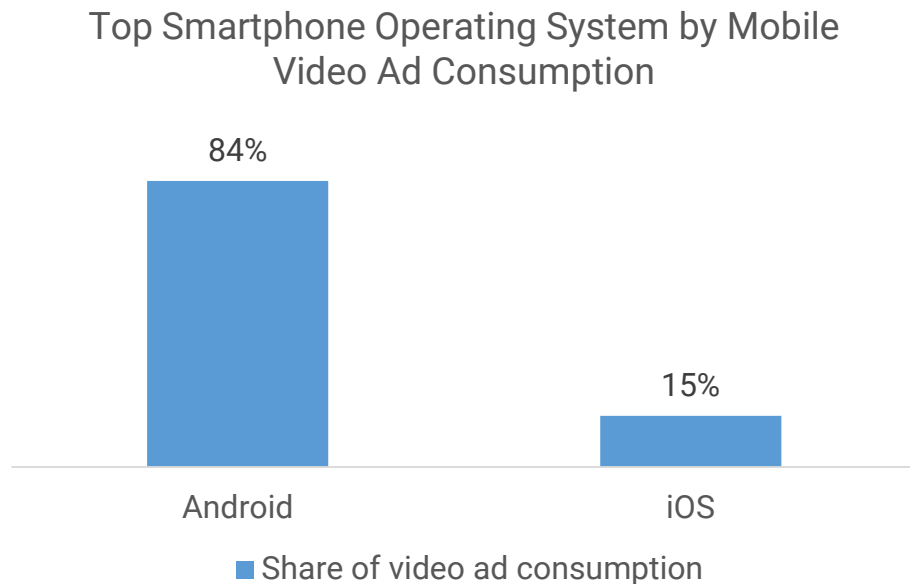
Leading Handset Manufacturers in Southeast Asia by Mobile Video Ad Consumption



* [Top China Vendors Consolidate Share in Emerging Southeast Asia Smartphone Market in 2016](#), IDC

ANDROID DOMINATES THE SOUTHEAST ASIAN SMARTPHONE MARKET

- Despite the new iPhones launched every year by Apple, Android continues to dominate the Southeast Asian smartphone market across every country.
- With most of the new smartphones using a variant of Android, it is no surprise that the majority of Southeast Asian own an Android phone compared to a smaller set of iPhone enthusiasts.
- As a result, more mobile video ads are consumed on Android phones compared to iOS. However, it is interesting to note that user engagement (CTR) on video ads is only marginally higher (5%) on iOS devices compared to Android. Clearly, iPhone users display a higher propensity to take the recommended action at the end of a video ad compared to other brands of smartphones.



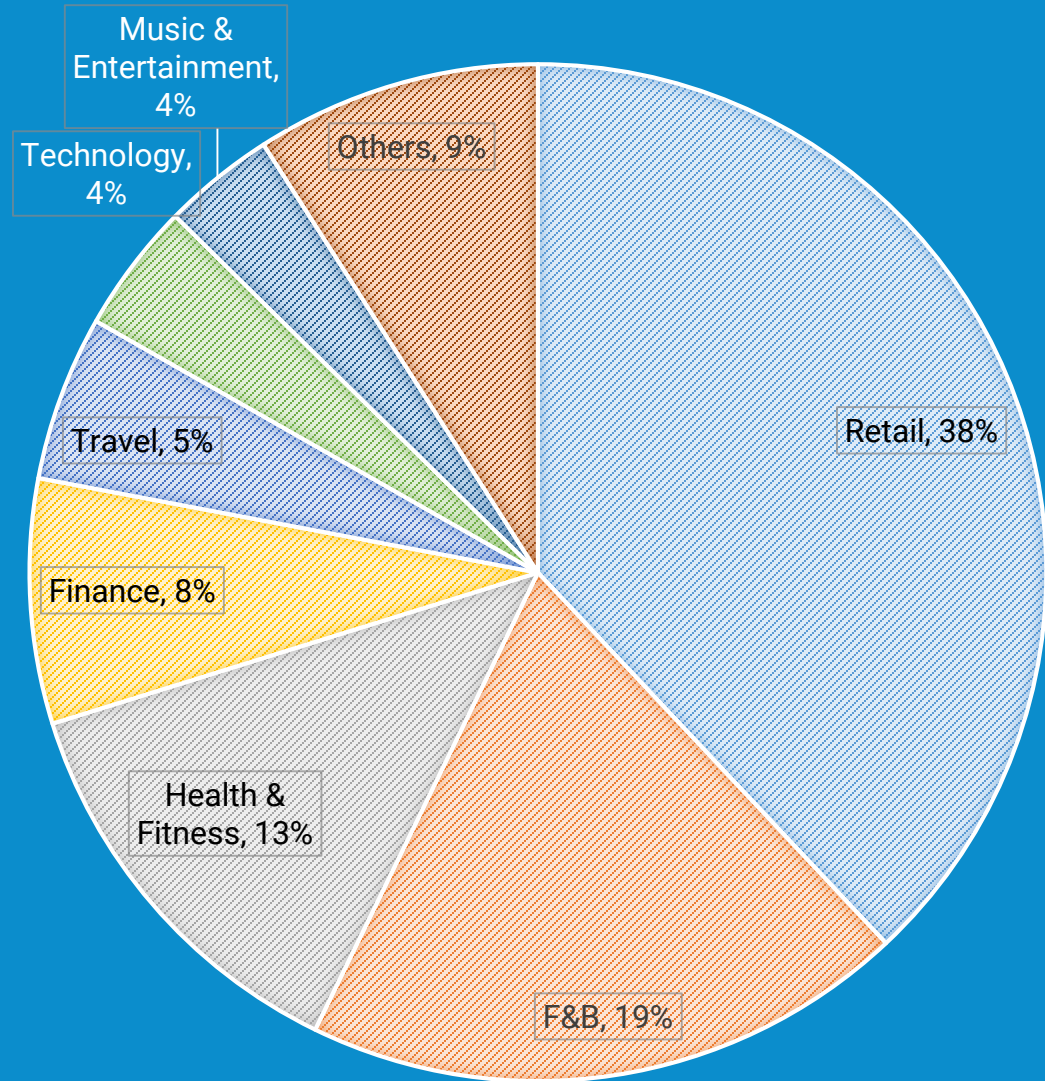
Engagement, as measured by CTR. Video Indexed CTR = (CTR/Global Average Video CTR)*100. The Global average CTR Index = 100.

UNDERSTANDING CONSUMER PREFERENCES ON MOBILE VIDEO ADS

RETAIL BRAND ADVERTISERS SPEND AGGRESSIVELY ON VIDEO ADS

- Given the superior performance delivered by mobile video ads over other formats, most advertisers in Southeast Asia are investing in the format and thus enjoying better returns.
- Video Ads related to Retail and F&B are particularly preferred genres amongst consumers on their mobile devices.

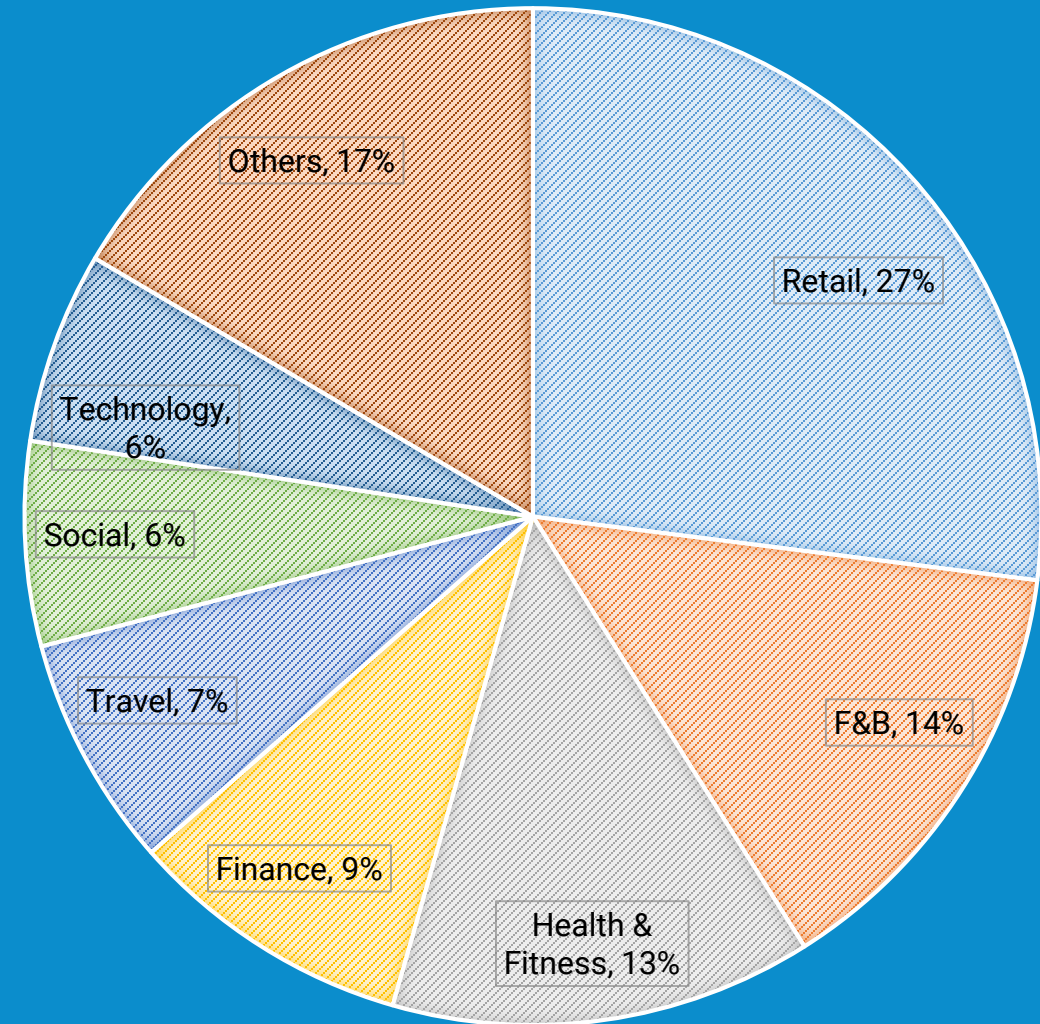
TOP CATEGORIES OF BRAND ADVERTISERS SPENDING ON VIDEO ADS IN SOUTHEAST ASIA



SOUTHEAST ASIANS ENJOY WATCHING RETAIL RELATED VIDEO ADS ON THEIR MOBILE DEVICES

- Given the superior performance delivered by mobile video ads over other formats, most advertisers in Southeast Asia are investing in the format and thus enjoying better returns.
- Video Ads related to Retail and F&B are particularly preferred genres amongst consumers on their mobile devices.

TOP CATEGORIES OF VIDEO ADS CONSUMED BY SOUTHEAST ASIANS



BRAND SAFETY IN SOUTHEAST ASIA

VIEWABILITY METRICS IN SOUTHEAST ASIA

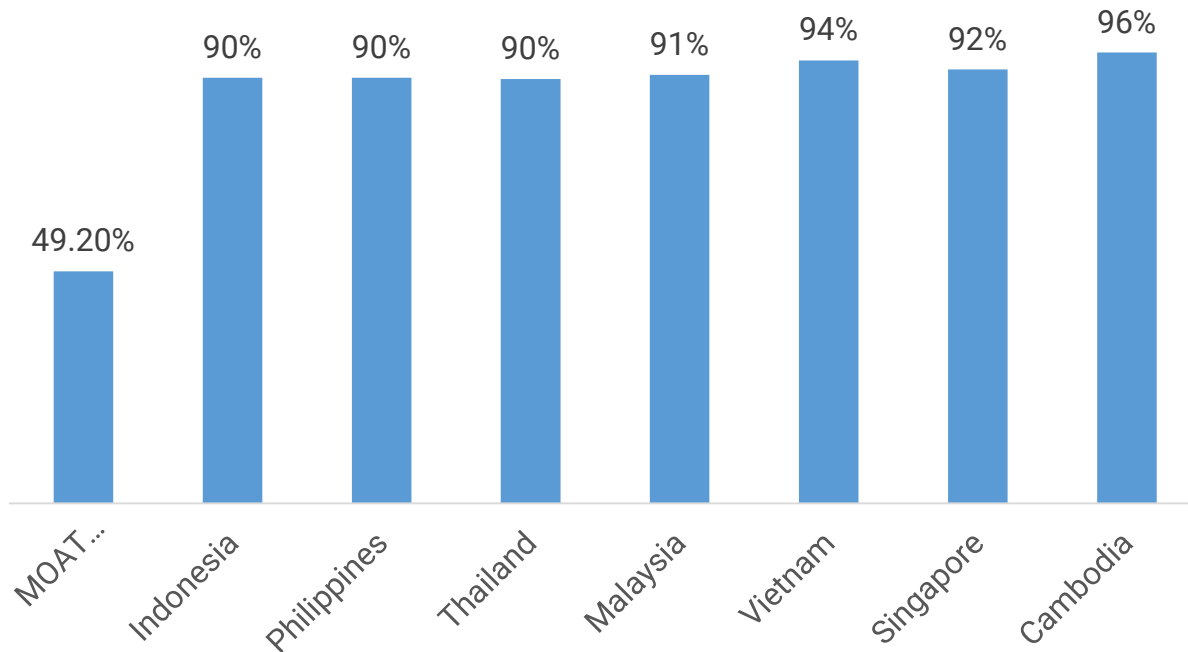
- The arrival of MRC’s Viewability Guidelines* provided a single globally accepted definition for mobile video Viewability. As Viewability of ad impressions takes center stage, brand advertisers must demand MRC-compliant metrics for their ad campaigns. Third party verification measurement partners such as MOAT are incorporated directly into InMobi’s SDK resulting in cleaner metrics and the option to optimize the campaign on Viewability metrics
- While MOAT benchmarks Viewability at 49.2%, Southeast Asia surpasses it with a Viewability rate of 91%.
- Additionally, only 0.04% of the traffic is invalid against the MOAT benchmark of 0.3%, thus delivering superior efficiency for advertising dollars spent.

<u>Viewability Metrics</u>	<u>InMobi Score in Southeast Asia</u>	<u>MOAT Benchmark</u>
Average Human and Viewable Rate	91%	49.20%
Average IVT Rate	0.04%	0.30%
AVOC Rate	39%	24.70%
MOAT Video Score	55	50

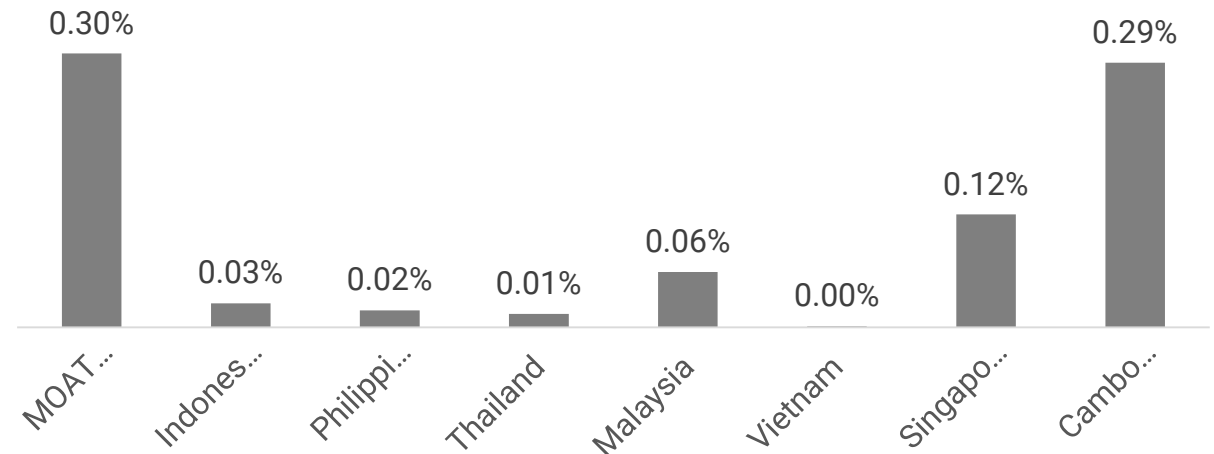
VIEWABILITY METRICS IN SOUTHEAST ASIAN MARKETS

- Each market within Southeast Asia surpasses the MOAT benchmark for Viewability while ensuring that the Invalid traffic remains way below the MOAT benchmark.
- As a result, brand advertisers in each of the Southeast Asian countries enjoy higher efficiency and minimal loss of their advertiser spends.

Viewability Rate



IVT – Share of Fraudulent Traffic



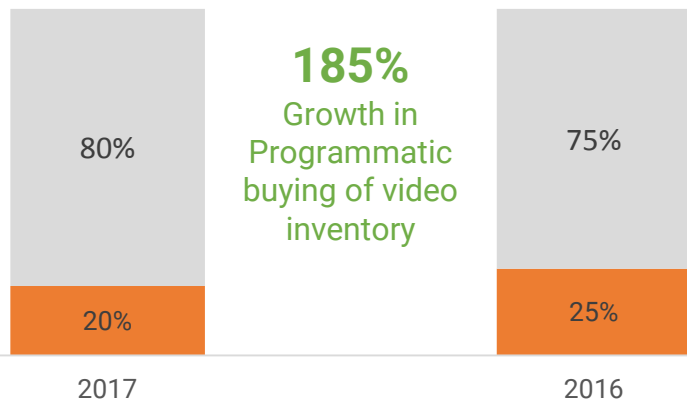
INMOBI

PROGRAMMATIC FIRST

185% GROWTH IN BRAND SPENDS ON PROGRAMMATIC BUYING

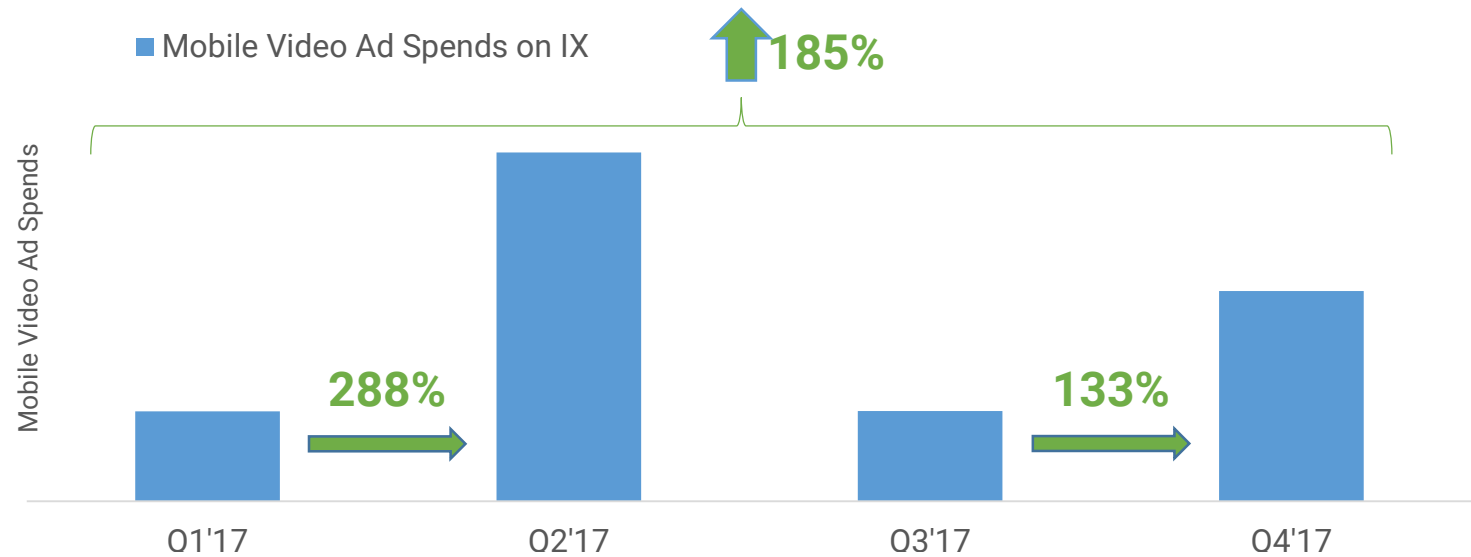
- The entire mobile advertising industry is moving towards programmatic buying of inventory to satisfy the growing need for higher transparency, efficiency and control.
- In Southeast Asia, advertisers are increasingly spending via programmatic channels, recording 185% Y-o-Y growth in just one year.
- As programmatic gains popularity, advertisers across verticals are eagerly adopting programmatic as part of their advertising strategy.

Share of Video Ad Spent on Buying Inventory Programmatically



■ Share of video ad spend on network
 ■ Share of video ad spend programmatically

Quarterly Growth in Mobile Video Ad Spends on IX in SEA



ABOUT US

InMobi is a global mobile advertising platform that specialises in delivering the best ROI for mobile marketers. A mobile-first and mobile-only platform, InMobi has been pioneering the next generation of ad experiences, including video advertising, on the back of deep learning based optimization engines.

InMobi platforms help brands, performance marketers and app publishers engage mobile users across different stages of their lifecycle, converting each mobile moment into an opportunity to drive engagement and revenue. Recognized by Fast Company as one of The Most Innovative Companies in 2016, InMobi reaches over 1.5 billion unique mobile devices worldwide, and is redefining business models for the mobile ecosystem. For more information, visit

www.inmobi.com

contactus@inmobi.com

WE ARE A TECHNOLOGY POWERHOUSE

The global scale & reach of our full-stack advertising platform helps brands nudge mobile users across different stages of their lifecycle, converting each mobile moment into an opportunity to drive engagement & revenue.



1.5 BILLION+

UNIQUE MOBILE
DEVICES



20,000+

GLOBAL
ADVERTISERS



120+ TB

OF USER DATA ANALYZED
MONTHLY



6 MILLION+

APP DOWNLOADS
TRACKED MONTHLY



32,000+

PUBLISHER
APPS



200 BILLION+

MONTHLY AD
REQUESTS

ABOUT INMOBI, COMPANY OVERVIEW

Over 9 years pioneering mobile advertising and discovery spanning the globe



GLOBAL COVERAGE

Global reach and scale with local expertise, spanning 18 offices across the globe, and a dominant position in key mobile markets like North America, China and India



DEMAND POOLS

World-class performance, brand, and commerce advertisers accessible via every buying scheme, from fully programmatic -open and private, to managed services



PUBLISHERS GROWTH SOLUTIONS

InMobi features a comprehensive suite of publisher solutions that solve for all mobile growth needs: user acquisition, user monetization and audience extension



ECOSYSTEM PARTNERSHIPS

InMobi's dedicated Global Alliances team forges long-lasting partnerships with key industry players to ensure seamless campaign execution and measurement to our clients while delivering the best possible ad experience to our consumers.

THANK YOU



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