IAB Australia Mobile Landscape Study

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2014 Mobile advertising industry snapshot

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- World leaders in brand & comms measurement

- More than 400 brand and communication experts worldwide

- Numerous industry awards, regular presenters at conferences, and with over 100 published papers

- Database of 14,000 studies in over 100 countries and 300 categories covering 210,000 brands

TV

PRESSE

INTERNET · DISPLAY · BUZZ

RP

MAGASIN

Contribution to prompted awareness

Contribution to purchase intention

PAID 48%

EARNED 28%

PAID 36%

EARNED 30%
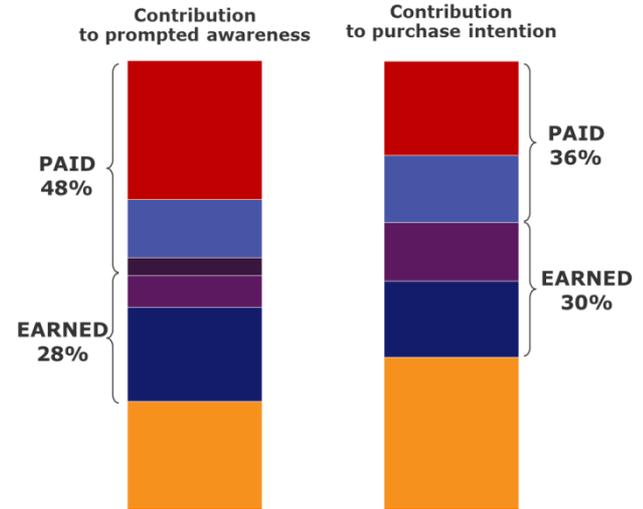
How is digital changing the way people buy my products?

How do I reach my target audience most effectively with digital advertising?

What is the role of digital in brand building?

How can I leverage digital technologies to drive my business?

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Thank you to our Survey Sponsors

Agenda

1

How Is Mobile Advertising Being Used?

2

Is Mobile Advertising Working?

3

What Does The Future Hold?

4

Challenges To Overcome

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Who did we talk to?

Not engaged with mobile advertising at all

Very engaged with mobile advertising

This study

Buyers
(advertisers + agencies)

Publishers

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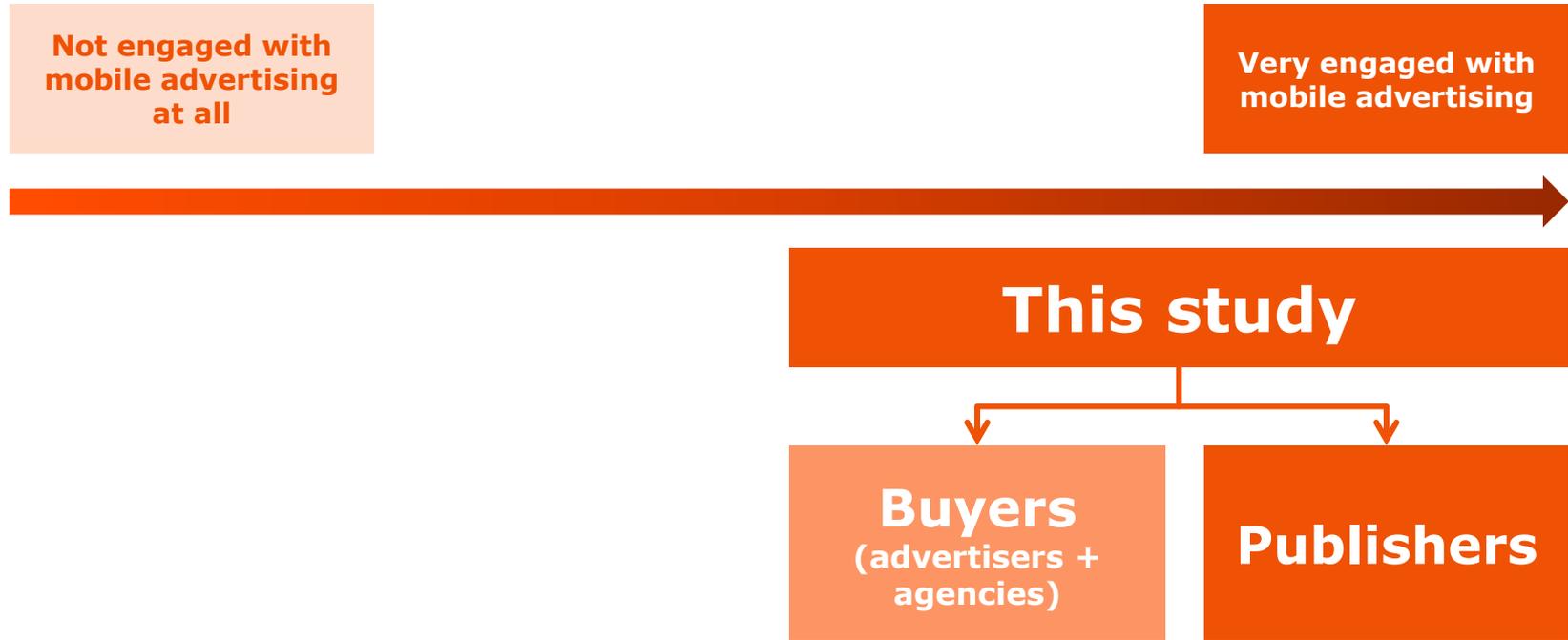
Participants have a strong focus on mobile – particularly the publishers

2013　　　　2014

Mobile is a significant part of business / marketing activities

36%　　45% ▲

Buyers　　**Publishers**

34%　　55%
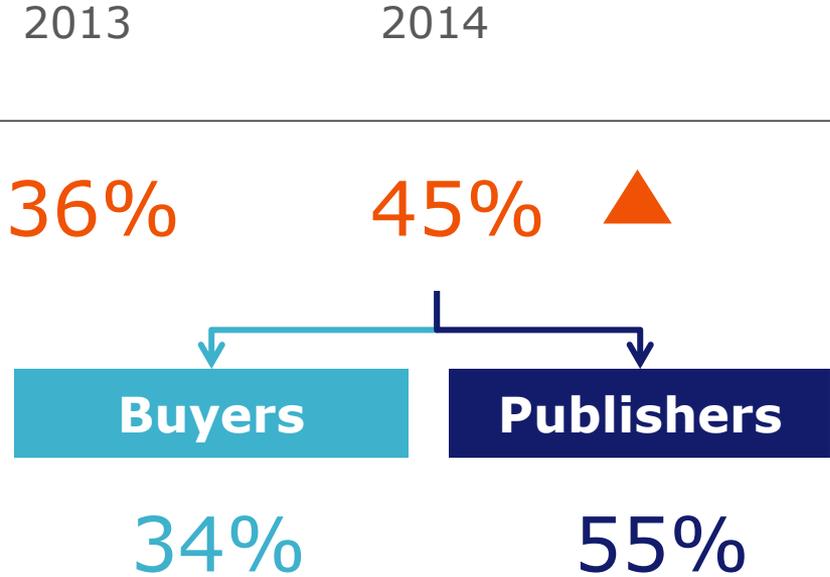
SOURCE : Q4

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1

How is Mobile Advertising Being Used?

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Top mobile advertising objectives: awareness, engagement, sales, promotions

Australia
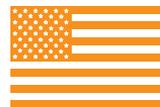
USA

Top mobile advertising objectives (amongst buyers)

Australia	
Increase brand awareness	82
Increase engagement	80
Drive sales in general	70
Support specific promotions	62
Customer relationship marketing	22

USA	
Increase brand awareness	93
Increase engagement	86
Drive sales in general	83
Support specific promotions	86
Customer relationship marketing	77

SOURCE : Q4B; IAB US/Ovum

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Video has caught up to social and search
And tablets are catching smartphones

2014 (amongst buyers)

In-app advertising	70
Mobile video ads	82
Mobile social	86
Mobile search advertising	84
Mobile banner ads (static or rich)	94
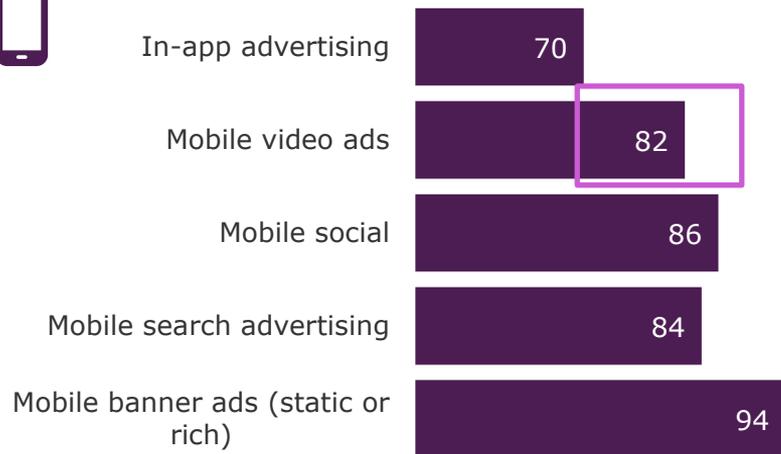
■ Have used

SOURCE : Q5A, Q5Ai

2014 (amongst buyers)

In-app advertising	60
Mobile video ads	76
Mobile social	70
Mobile search advertising	70
Mobile banner ads (static or rich)	90
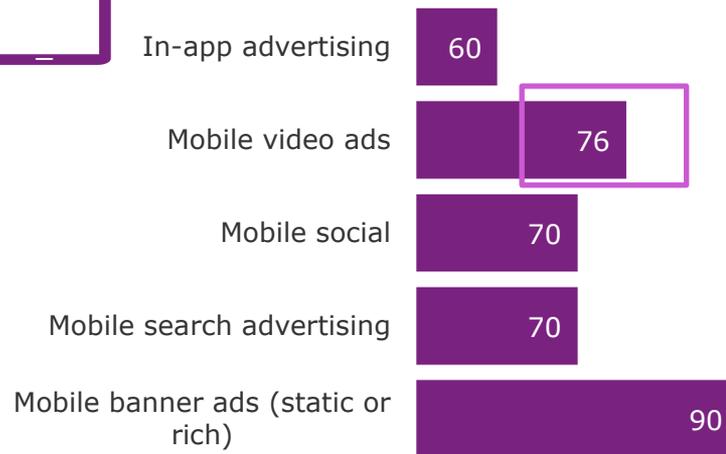
■ Have used

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Social, news and video are the most booked categories

Display categories booked (amongst buyers)

| Category	Value
Social	88
News	86
Video content	82
Music services	60
Games	60
Classifieds/listings	56
Relationship/dating	34

SOURCE : Q5Aii

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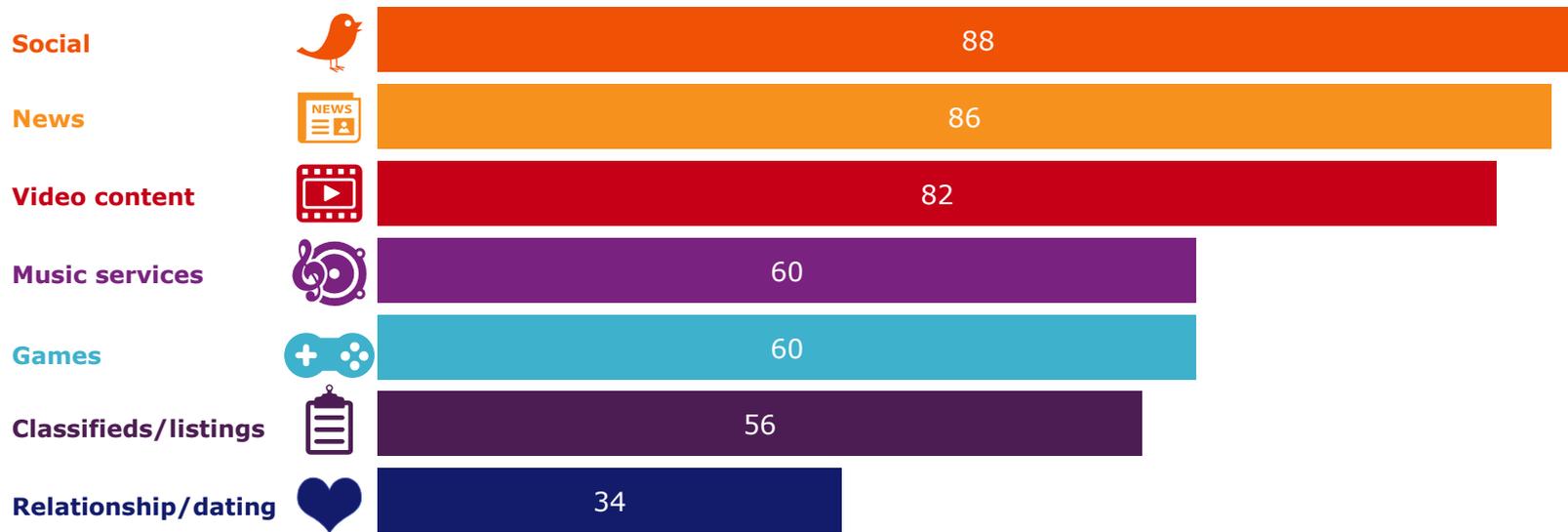
But in-app, games and music compete strongly with social, news and video

In-App Display categories booked (amongst buyers)

Category	Value
Social	66
News	48
Video content	48
Music services	48
Games	54
Classifieds/listings	34
Relationship/dating	28
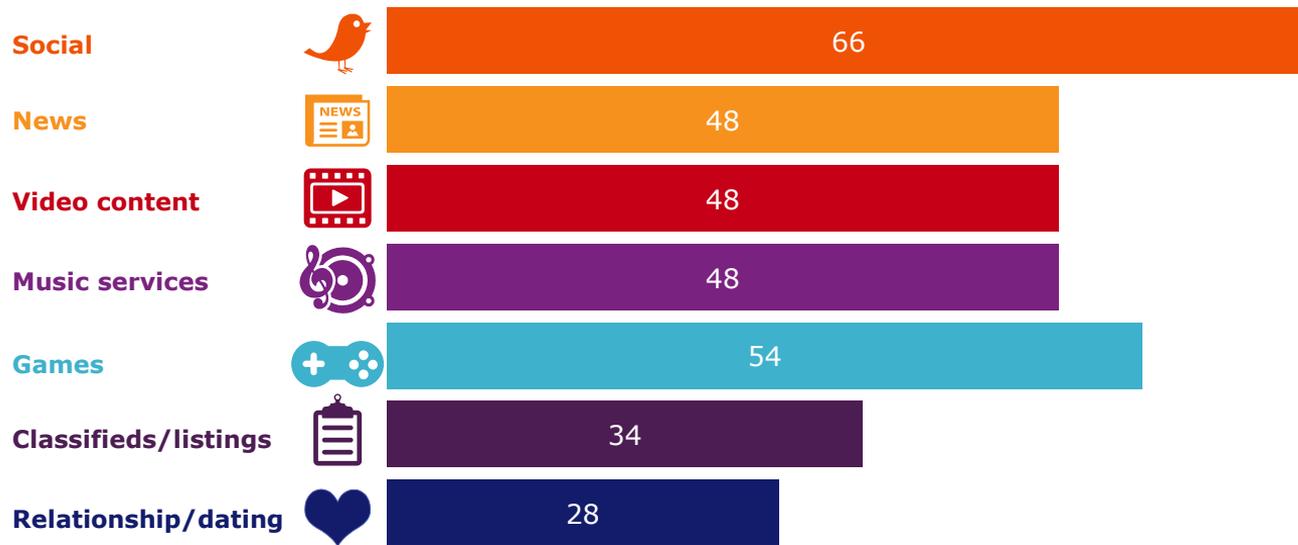
% of consumer time spent (US)

■ Apps

89

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Location and demographics are the most useful types of targeting

Amongst buyers:

Targeting used	Most useful	Will use more
Time of day (72%)	Specific location (20%)	Specific location (66%)
Device type(72%)	Detailed demos (16%)	Detailed demos (42%)
Specific location (70%)	Search/browsing (14%)	Consumer app usage (34%)
General location (66%)	Time of day (14%)	Search/browsing (35%)
Device OS (64%)	Consumer app usage (10%)	Time of day (30%)

SOURCE : Q5B, Q5C, Q5D

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Programmatic buying is in use by nearly half the market

Amongst buyers:

6	42	20	4	28

■ **Always**   ■ **Sometimes**   ■ **No, but plan to**   ■ **No, and no plans**   ■ **Not sure**

SOURCE : Q5E

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Encouragingly, deeper measures than CTRs are being used just as often

Performance measures used (amongst buyers)

Measure	Value
CTRs	56
Interactions	56
App downloads	56
Leads generated	56
Engagement	54
Impressions	40
Reach and frequency	32
Brand impact study results	18
Attribution modelling	18

Top 5

Bottom 4
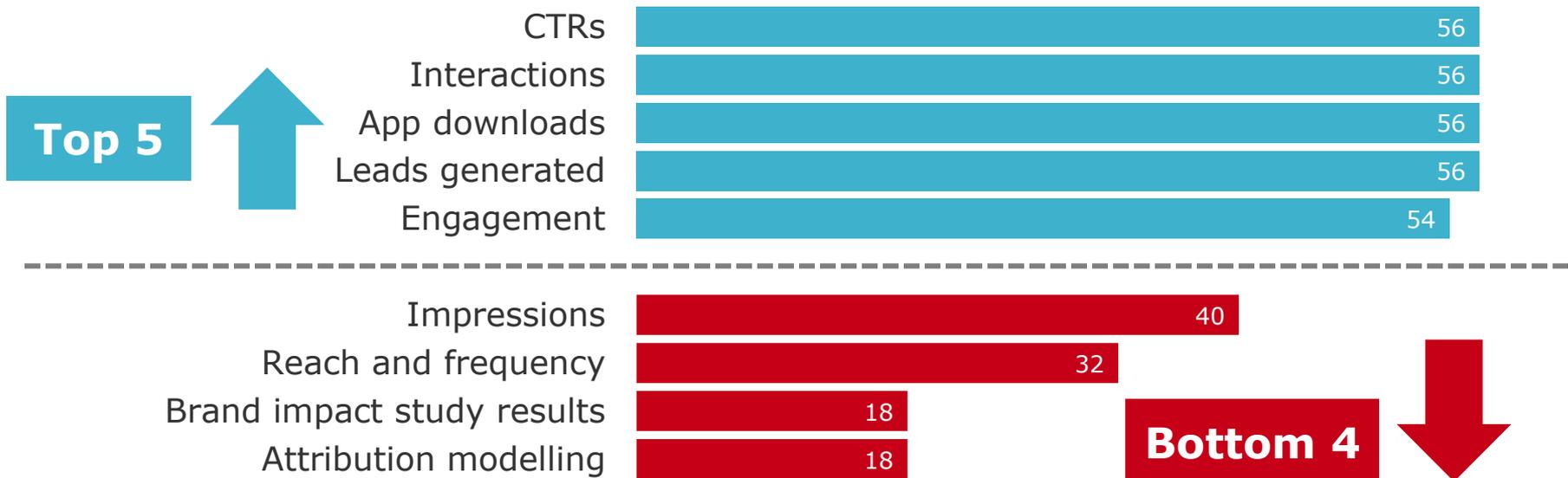
SOURCE : Q4Bii

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16

2

Is Mobile Advertising Working?

The average mobile campaign has an impact on all 5 traditional brand metrics.

Percent Impacted: *Delta (Δ)*

Metric	Delta
Aided Brand Awareness	+4.7
Ad Awareness	+12.3
Message Association	+8.1
Brand Favourability	+3.0
Purchase Intent	+3.6
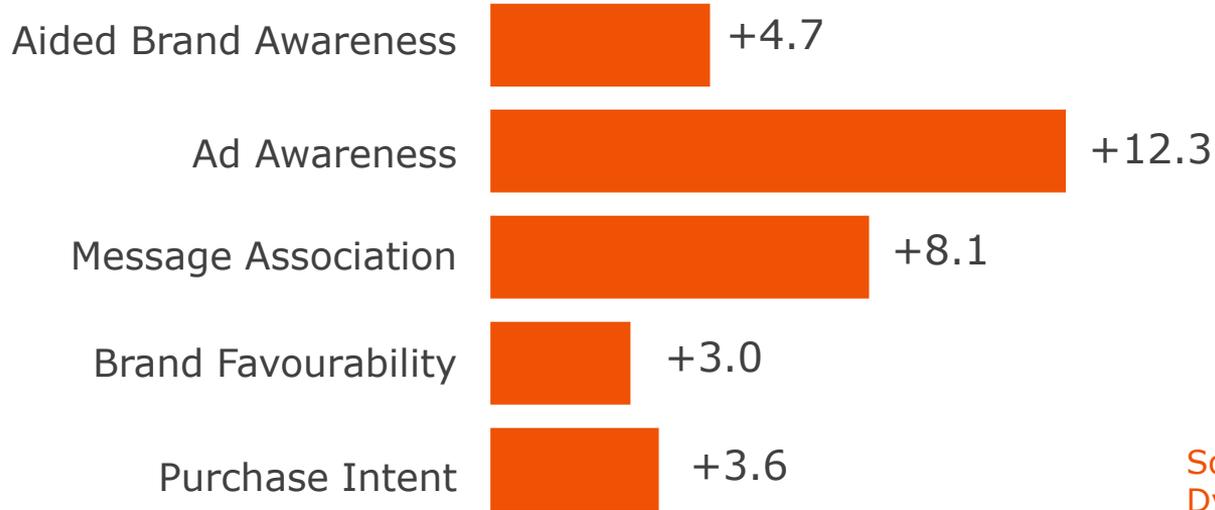
Source: Milward Brown - Dynamic Logic's AdIndex for Mobile Norms

Almost all say yes – it's working

Satisfaction with mobile advertising

Both

Smart phone

Tablet

16
12
72

18
10
70

28
8
60

■ Completely satisfied   ■ Satisfied   ■ Dissatisfied   ■ Completely dissatisfied

SOURCE : Q4C

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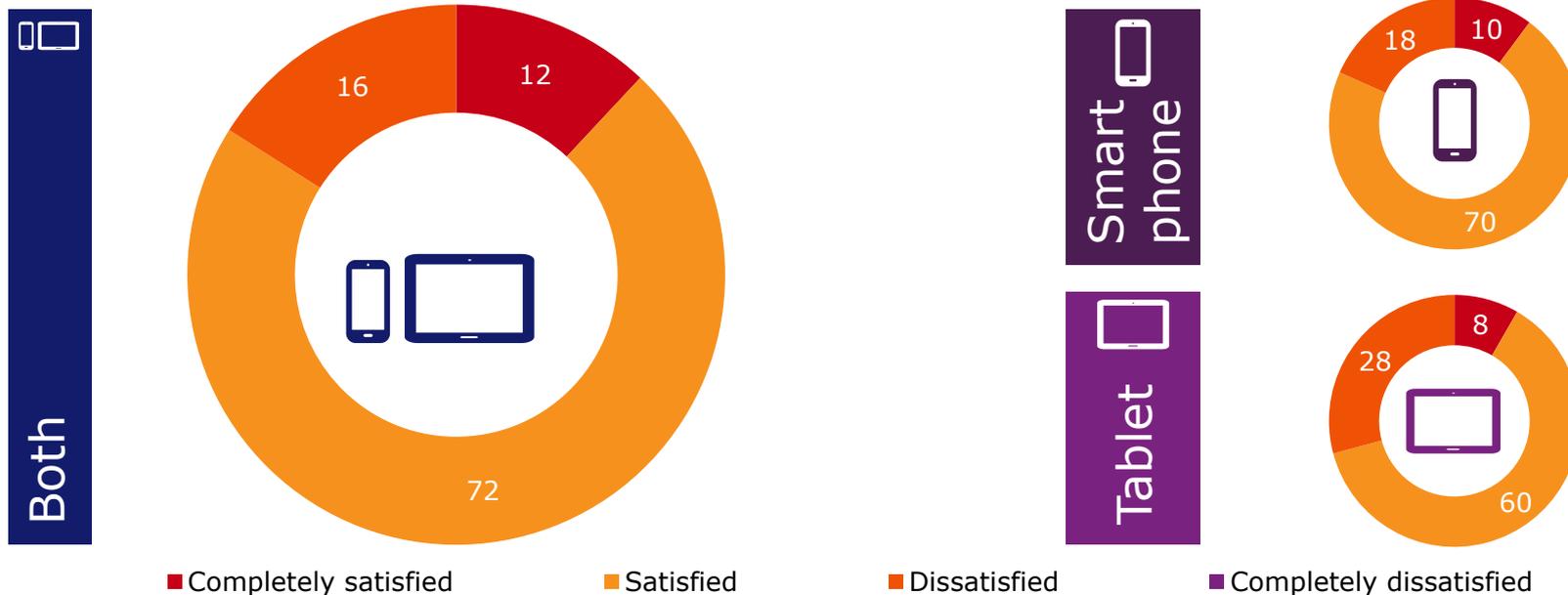
The most compelling benefits are complementarity, immediacy, location and targeting

+

Complements other media (85%)

Immediacy (84%)

Location (83%)

Targeting (81%)

Cost effectiveness

Immediacy

Reach

Engagement

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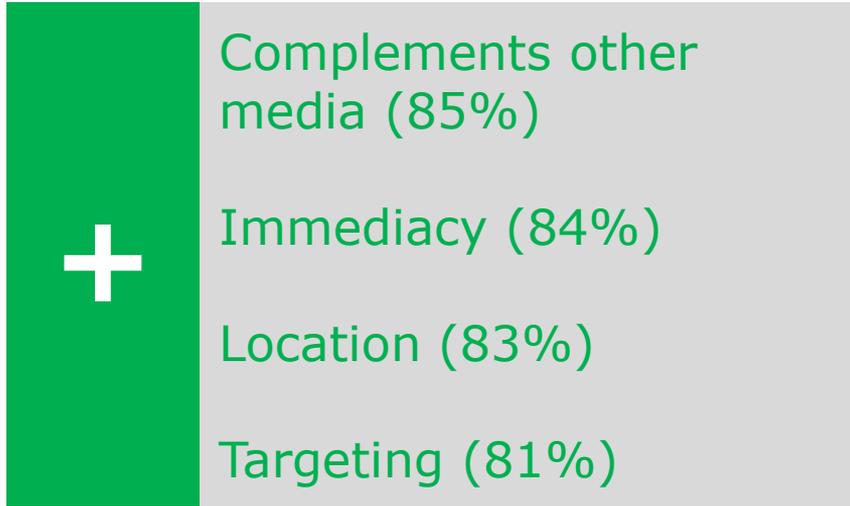
What Does The Future Hold?

Few feel that mobile advertising is overhyped

> "Publishers without a strong mobile presence or offer risk becoming less relevant to advertisers (75% agree)"

	% agree
Communicating with youth	73%
Mobile video	59%
Value for money	58%
Mobile search overtaking PC search	44%
Mobile advertising is overhyped	**17%**

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By 2016, expect that nearly two thirds of campaigns will have mobile components

Campaigns with mobile

2014

With mobile

43%
growth

2016

With Mobile

SOURCE : Q13N, Q15N; IAB UK/Work; IAB US/Ovum

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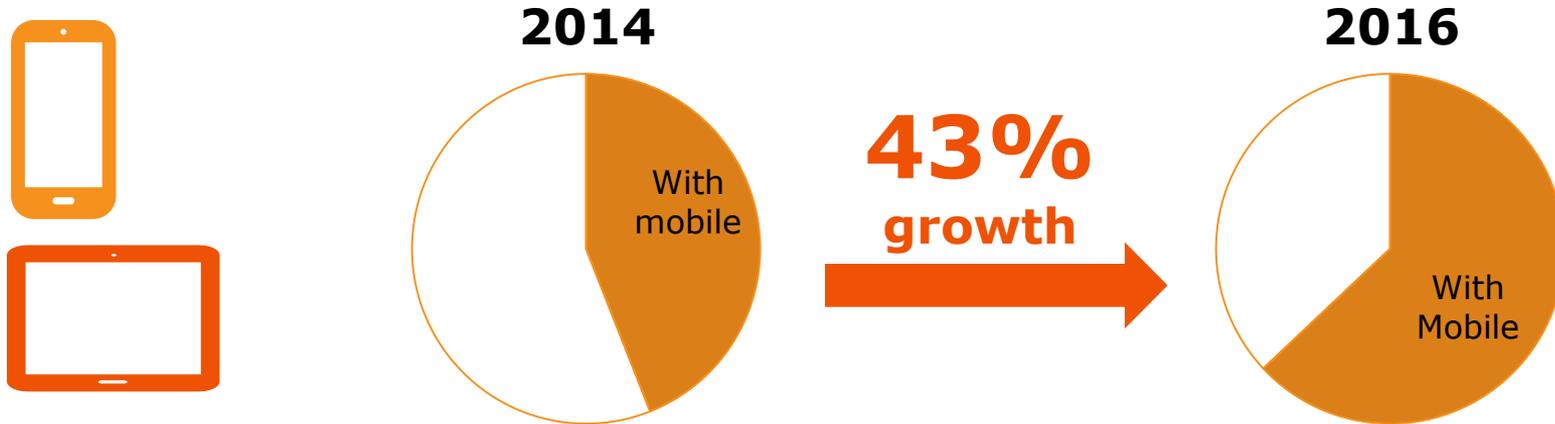
And tablets will catch up to smartphones by 2016

Campaigns with mobile
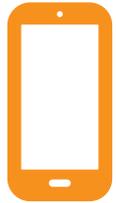
68% **growth**

160% **growth**

SOURCE : Q13N, Q15N; IAB UK/Work; IAB US/Ovum

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Campaigns with tablets will take a bigger slice of spend

Share of spend

45%
35%
25%
15%

2014   2016   2014   2016   2014   2016

Smartphone only

Tablet only

Smartphone + Tablet

SOURCE : Q14N, Q16N; IAB US/Ovum

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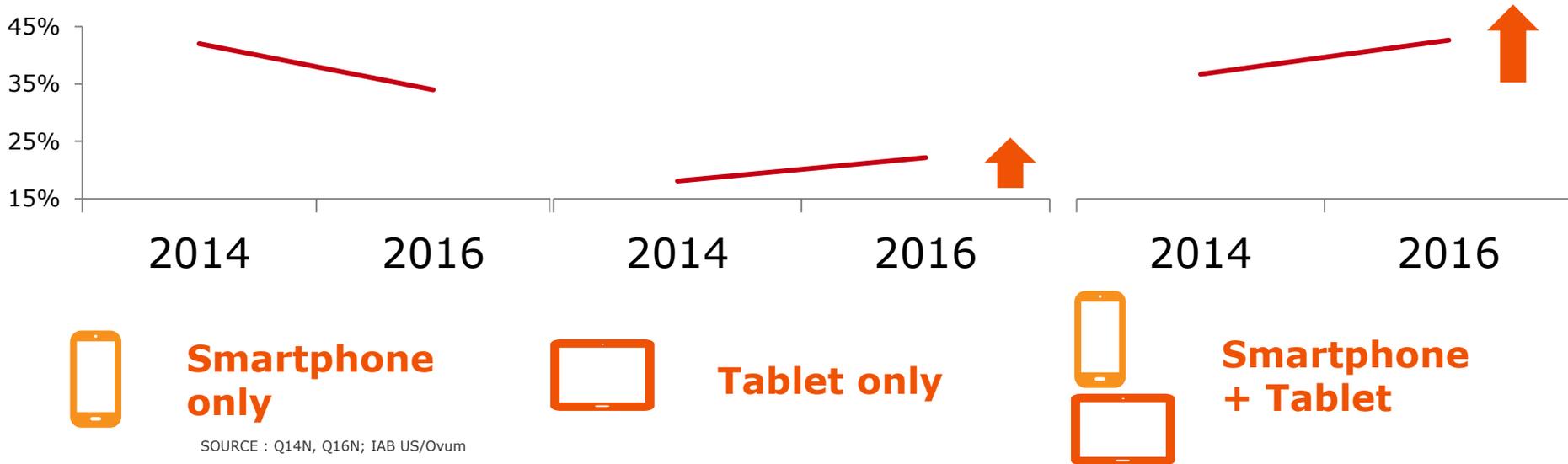
# Many buyers are focussing efforts around multi-screen

Multi-screen advertising…

…across digital screens

26%
of buyers say
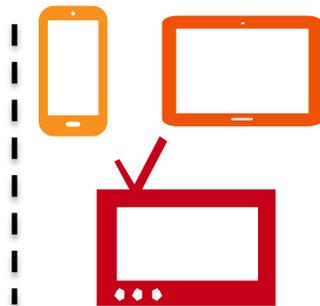
…across digital + TV screens

30%
of buyers say

it is generally core to our strategy

SOURCE : Q13N, Q15N; IAB UK/Work; IAB US/Ovum

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Most important recent development in mobile advertising?

"…the knowledge and information around multi-screening. Quite often mobile banner ads are not very compelling for campaigns. However the ability to understand and have a multi-screen strategy has opened up campaigns to a much richer mobile experience."

Agency

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And video's role in mobile ad content will play an increasingly important role

Usage of mobile video creative

2014

Video

85%
growth

2016

Video

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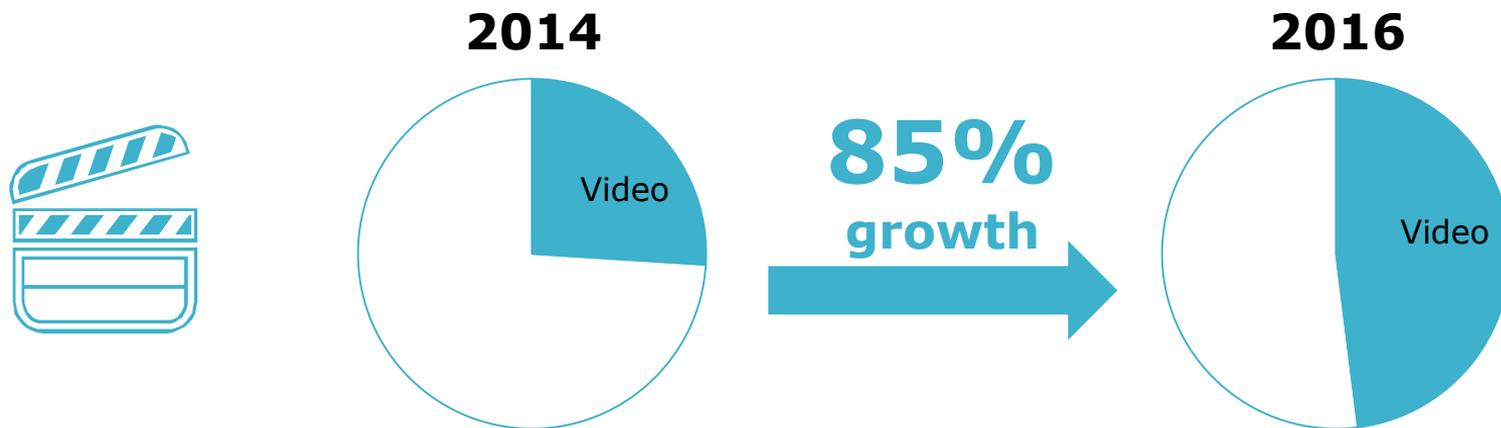
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Buyers intend to use in-app ads and video as much as social and search

2014 (amongst buyers)

Category	Plan to use
In-app advertising	86
Mobile video ads	92
Mobile social	90
Mobile search advertising	90
Mobile banner ads (static or rich)	96

■ Plan to use

2014 (amongst buyers)

Category	Plan to use
In-app advertising	84
Mobile video ads	86
Mobile social	86
Mobile search advertising	86
Mobile banner ads (static or rich)	96
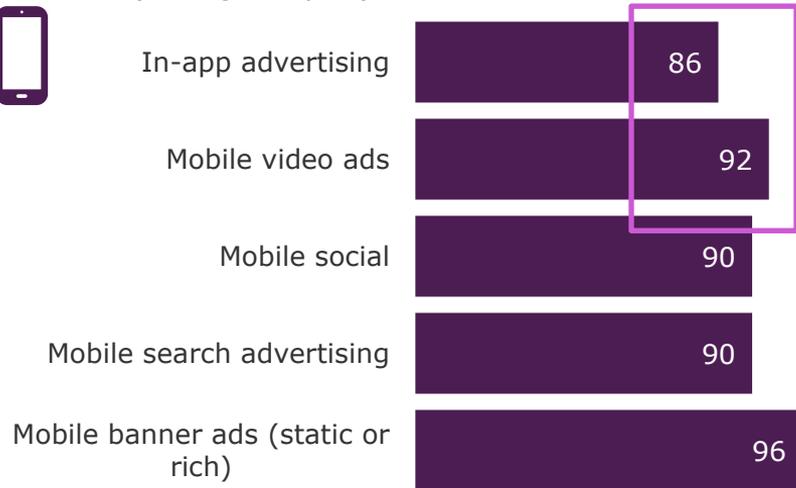
■ Plan to use

SOURCE : Q5A, Q5Ai

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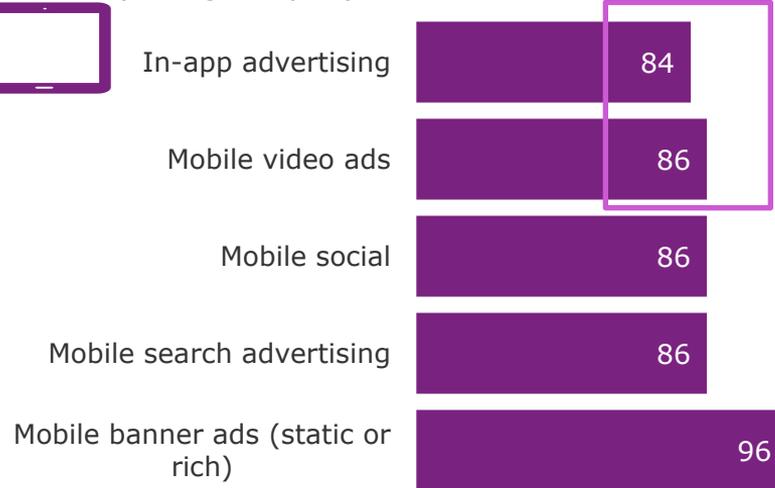
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This year, the most important developments are seen in targeting and video

2013

2014

2013	2014	🇬🇧
Location	Location targeting	Targeting
NFC	Targeting across screens	NFC
HTML5/Dynamic content	Video (enabled by higher capacity data connections)	Location Tracking

SOURCE : Q23

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Challenges To Overcome

What does the mobile advertising industry need to do to promote a stronger role for mobile advertising?

"Stop seeing it as a separate channel - it's ludicrous when many large sites are already garnering the majority of their traffic on mobile devices. Advertisers should be buying audiences and/or sites (for brand safety) and being device agnostic."

Publisher

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The best understood aspects of mobile are still not universal – especially amongst buyers

Best understood	2014	vs 2013
Mobile banner ads	79%	+16%
Apps	65%	+12%
Mobile video ads	61%	+23%
In-app advertising	56%	+7%
Location-based advertising	56%	+19%

Buyers	Publishers
70%	87% ⬆
56%	74% ⬆
60%	62%
50%	62% ⬆
54%	58%

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And important topics such as Privacy are not understood well at all

Least understood	2014
MRAID	14%
Mobile Rising Stars	21%
Privacy compliance	24%
Mobile native advertising	31%
Brand safety on mobile	30%

SOURCE : Q5

Buyers	Publishers
14%	13%
16%	26%
12%	36%
26%	36%
24%	36%

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The industry is looking for more information on audience sizes and case study evidence

Greatest need for information

Buyers	
1.	Consumer insight
2.	Comparative audience size
3.	Case studies

Publishers	
1.	Case studies
2.	Performance Data
3.	Comparative audience size

SOURCE : Q22 (Top 2 box % agreement)

"Case studies - advertisers and agencies need to be prepared to share more information around individual campaigns so that the industry can benefit as a whole."

Publisher

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Measurement – more than education – is now the clear number one barrier to mobile growth

Lack of measurement and tracking/standardised metrics
- 2014: 25
- AU13: 17

Lack of advertisers' understanding around mobile advertising
- 2014: 14
- AU13: 23

Lack of evidence of effectiveness
- 2014: 11
- AU13: 12

Lack of industry agencies' understanding around mobile advertising
- 2014: 10
- AU13: 4

Difficulty in creating compelling mobile creative
- 2014: 9

■ 2014 (single biggest issue)   ■ AU13 Single biggest issue

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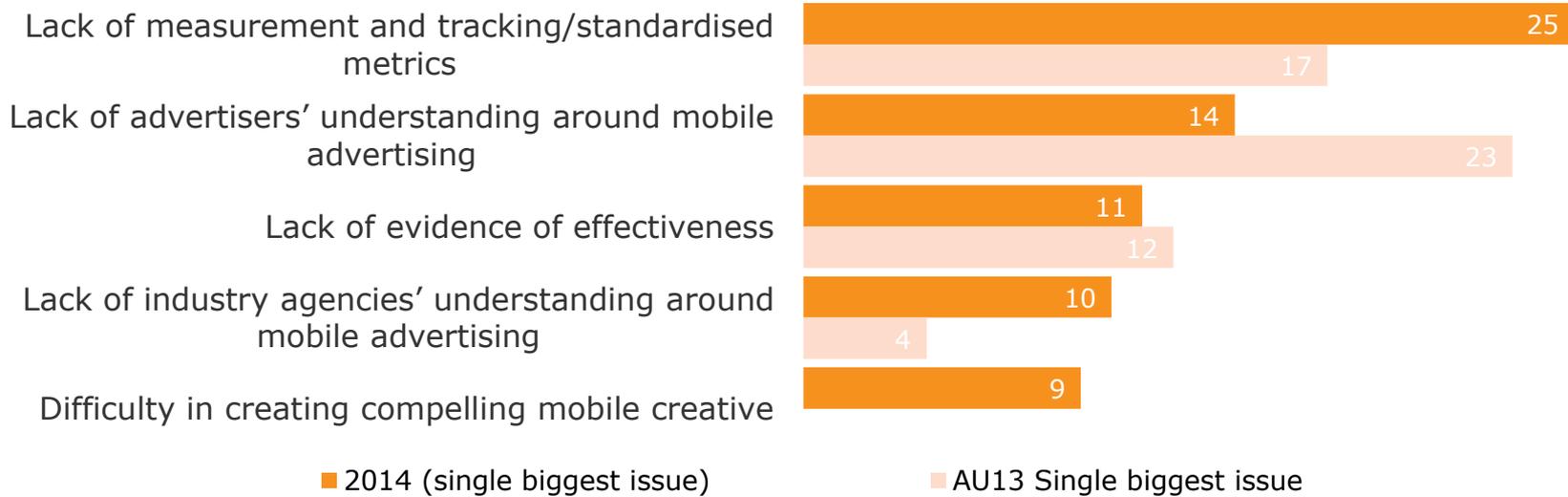
Hot topics for the industry

All screens

Video

Privacy

Targeting and metrics

Programmatic

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Thank you