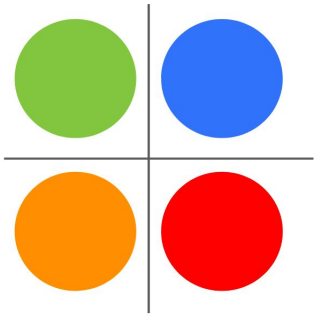

Mobile Programmatic Buying Playbook

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Mobile Programmatic Buying Playbook

Mobile is the most important advertising channel; people spend the majority of their time with their mobile devices. Mobile programmatic advertising is similar to desktop programmatic, with important nuances around creative formats, location, viewability and brand safety, device, and data activation capabilities. An ideal mobile strategy is part of a comprehensive media mix, as well as a multi-touch measurement strategy.

Inventory

Mobile programmatic consists of mobile web and app inventory, with the largest percentage of available inventory in-app. Mobile web, or in-browser inventory, utilizes expiring cookies and is similar in capabilities to desktop advertising. In-app inventory utilizes persistent device IDs and often has access to valuable mobile location (latitude / longitude) data.

Both open exchange and Private Marketplace (PMP) opportunities are available in mobile programmatic. Mature DSPs have pre-negotiated PMPs and PMP packages available for buying within the platform. Pre-negotiated PMP packages include high viewability, high video completion rate, premium site list, and other options.

Google AdX, while the largest inventory source for desktop inventory, is less popular for mobile advertising--due to Google AdX obfuscating location data in bid requests. In a programmatic mobile campaign, Mopub is frequently the top inventory source.

In a mobile campaign, the list of top open exchange sites and apps differs greatly from sites seen in a desktop campaign. Because most mobile inventory is in-app, the list skews heavily towards games and entertainment apps like Words with Friends, Weather Channel, MeetMe, etc.

Site list targeting is available in mobile programmatic. In particular, site block lists are highly recommended for most campaigns--since mobile display includes a large volume of inventory from dating and hookup apps, polarizing political opinion apps, and others. Most DSPs will have pre-built site block lists available.

Tip: dating apps (Tinder, Grindr, and others) are excluded by most brands and are therefore priced lower on the open exchange than other inventory. Consider including dating sites and apps for less-brand conscious advertisers, in order to decrease CPM costs; this inventory also performs well in some verticals, especially in beauty & cosmetics.

Creative

Standard banner, rich media (MRAID), video (VAST and VPAID), and native creative types are supported in mobile advertising.

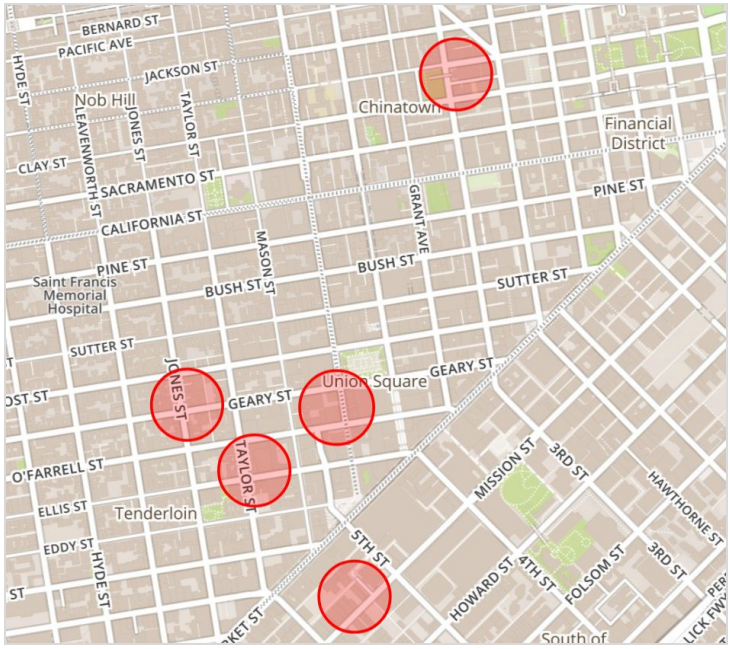
In mobile, rich media doesn't have the broad adoption of desktop rich media, in part due to the small size of mobile devices. However, mobile lends itself to unique rich media executions: location-aware creatives that show a map with advertiser locations (example, car dealerships); click-to-call creatives; creatives that tap to expand; creatives take advantage of the phone's accelerometer, vertical orientation, and swipe capabilities.

The majority of mobile video is 15 seconds in length and non-skippable. For this reason, mobile performs well for campaigns with video completion rate goals. VAST format is most common in mobile video, with a lower adoption of VPAID format used for interactivity and viewability tracking.

Most common sizes in mobile are: 320x50; 300x250; 728x90; 320x480; 160x600.

Third party ad serving is standard in mobile--with DoubleClick, Sizmek, and other major ad servers. In addition, mobile rich media ad server Celtra is commonly utilized. DSPs provide creative macros necessary to populate cachebuster, click redirect, device ID, and lat/lon parameters into the ad serving tags.

Location



Location capabilities are a sweet spot of mobile advertising. In particular, tactics that take advantage of the phone's lat/lon signals are especially powerful.

Most DSPs will offer on-location as well as past location targeting capabilities. An example of on-location targeting is showing a person an ad for a McDonald's when this person is within a 100 meter radius of a McDonald's, based on their phone's lat/lon signals. On-location targeting is known as hyperlocal targeting, and is commonly referred to as "geofencing."

A geofence consists of a list of locations and a desired radius around them.

Tip: Lat/lon signals are captured primarily in-app versus in mobile web. A geofence line item therefore needs to target in-app inventory, in order to have sufficient scale. Geofence targeting is especially powerful for brands with brick-and-mortar locations, such as car dealerships, fast food / QSR, and local businesses. Targeting competitor locations (conquesting) is another powerful tactic. Exclude users on tablet devices in order to increase targeting precision and relevance--as tablet users are likely in a home or work location.

On-location / geofence targeting can be executed directly in most DSPs, or by leveraging a third party provider like Factual or GroundTruth within the DSP.

In addition to leveraging mobile location (lat/lon) signals, all DSPs support standard IP address-based geotargeting, including country, state, city, postal code, area code, DMA.

Device & Carrier

Device & carrier targeting offers interesting insights and opportunities especially for gaming, software, and telecom clients.

As of Q1 2019, 60% of mobile programmatic inventory is from users on Android operating system vs 38% on iOS, while the single most popular device used is the Apple iPhone, with 31% of total. Over 65% of users are seen on WiFi vs cellular connections, because of how users tend to use apps included in programmatic traffic. Over 90% of inventory is from users on mobile phones, vs 10% on tablet devices. (Source: Adelphic DSP, January 2019)

Tip: Telecom advertisers can target current customers, or customers on competitive carriers. In addition, a compelling tactic involves targeting users on older devices, encouraging users to upgrade or to switch their phones to a different model.

Viewability and Brand Safety

Alongside site list and PMP inventory levers, multiple third party brand safety options are available to mobile buyers - with important nuances. Industry leaders Integral Ad Science, DoubleVerify, Moat, and others all offer viewability and brand safety measurement as well as pre-bid solutions. However, all have limitations around viewability measurement in mobile environments.

Viewability has unique measurement challenges in mobile, especially in-app. As a rule of thumb, mobile web (in-browser) inventory is measurable using existing JavaScript technology from the third party providers.

Limitations around viewability measurement exist for in-app inventory, with verification companies working to develop SDK partnerships with app publishers. Today, less than 50% of in-app traffic is measurable for viewability via Moat, DV, and other third parties. Pre-bid segments targeting viewability on in-app inventory can experience serious scale constraints.

Similarly, only VPAID mobile video is measurable for viewability, which represents a minority of all mobile video inventory.

Brand safety is easier to track than viewability, because it is historically not dependant on client-side JavaScript. IAS, DoubleVerify, Moat, and other providers offer pre-bid brand safety and fraud segments. Oracle Grapeshot uses keyword targeting and contextual classification in order to be able to target brand safe and exclude non-brand safe sites and apps.

First Party Data

There are multiple ways to activate first party audiences in a mobile campaign. CRM data such as email addresses can be hashed (encrypted) and uploaded for targeting in a DSP, either directly or onboarded via a Data Management Platform like Liveramp.

Many DSPs also feature the ability of uploading a list of device IDs into the platform for targeting. Any large advertiser with their own app will have access to the device ID list of its users. This list can usually be uploaded directly into the DSP for targeting.

Most DSPs also feature an integration with DMPs such as Adobe, Krux, AmeriLINK Zipline, and others. First party data can be captured via a client's DMP or CDP, and either onboarded directly into a DSP for activation, or exported in a device ID list for upload into the DSP platform.

Remarketing pixels can be generated for placement on mobile websites, and these collect a list of cookies for retargeting users later. All mature DSPs either own a proprietary device graph or license a third party device graph that allows them to identify users across browser (cookie) and app (device ID) identity spaces, and target them in a deduplicated way.

Tip: Unless the list of device IDs includes millions of devices, scale may be limited. Consider utilizing a cross-device or lookalike tactic to expand the device list, if the DSP has this functionality.

Third Party Data

Multiple third party data options exist in mobile programmatic. In order to have adequate scale, it is important that the third party data provider has a significant device ID footprint. Multiple categories of data providers are available both in-app and in-web, including:

- Keyword contextual: Oracle Grapeshot, Peer39
- Location and point-of-interest: Factual, Ground Truth, NinthDecimal, Cuebiq
- Purchase behavior & intent: Neustar, Oracle BlueKai, Nielsen eXelate, Kantar Shopcom
- TV audience retargeting: Alphonso, SambaTV, VideoAmp
- Mobile audience: Pushspring, Mobilewalla, Axonix
- Viewability: Integral Ad Science, Moat, DoubleVerify
- Brand safety & fraud prevention: Integral Ad Science, DoubleVerify, Oracle Grapeshot

Tip: Third party data is priced on an incremental CPM. Before layering on data segments, make sure that their cost is known. It is also important to clarify whether the DSP will take the data fee out of the max bid or whether they will account for it separately, “on top” of the max bid.

Attribution & Measurement

Mobile programmatic provides unique opportunities for measurement beyond standard conversion tracking. In addition to tracking post-click and post-view conversions to a website, mobile provides an opportunity to track app download and install behavior, as well as foot traffic attribution.

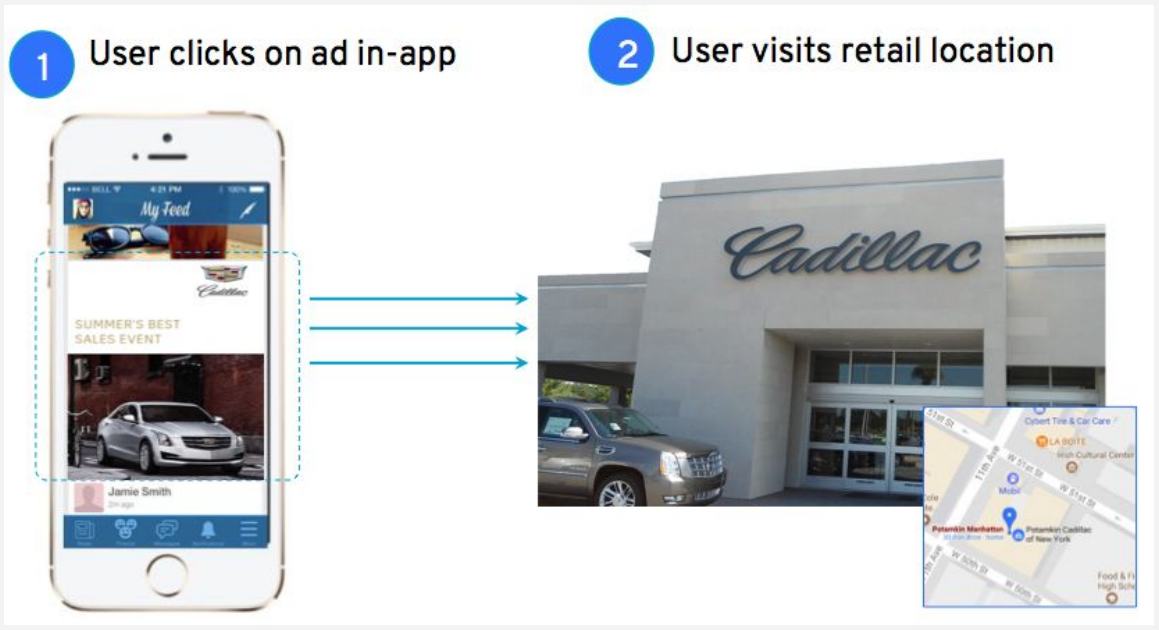
In order to track conversions to a mobile website, all DSPs offer the ability to generate a conversion pixel for implementation on the advertiser site. As mentioned earlier, all mature DSPs either own a proprietary device graph or license a third party device graph that allows them to identify users across cookie and device ID identity spaces, and track conversions for users exposed in-app and converting in browser. Standard post-click and post-view conversion tracking is available.

Tip: Major third party ad servers can also measure cross-environment conversions--between identity spaces and even between devices. If you are utilizing DoubleClick DCM, make sure to include the “Conversions + Cross-Environment” columns in reporting in order to tie together cookie and device ID identity spaces.

Most DSPs also feature integrations with app analytics and install partners like TUNE, AppsFlyer, and Kochava. These providers allow the DSP to measure a conversion that happens within the client’s app vs website. For example, if HBO has its success metric designated as the number of installs of the HBO Now app, this requires that HBO works with an app analytics partner. The app analytics partners are integrated within the client’s app, and provide measurement similar to site analytics software.

The partners also provide a “conversion postback” which allows the DSPs to track an action within the app, such as an install or another action within the app. Currently, about half of DSPs can track both post-click and post-view app install conversions, while the other half can measure only post-click conversions.

Mobile programmatic allows users to measure foot traffic attribution by utilizing partners that specialize in this type of measurement. Foot traffic attribution can be an important piece of the puzzle that helps illustrate that not only was a user exposed to a campaign, but also that they took the physical action of visiting a brick-and-mortar location.



Most DSPs have integrations with these location attribution specialists. Methodologies differ slightly--either pixel-based (NinthDecimal, PlaceIQ, Freckle, Swirl) or panel-based (Placed, Foursquare).

Location attribution partners usually require that the campaigns are able to reach a statistically significant number of impressions and provide reports that illustrate “lift to store” as result of the campaign.

Mobile as Part of a Holistic Advertising Strategy

Users are on mobile devices, yet mobile continues to be perceived as a challenging advertising channel for marketers. In order to tap into the power of mobile as part of their media mix, marketers and media buyers should adopt the following:

- Create unified campaigns for mobile and desktop, thus identifying users across devices for the purpose of targeting, measurement, and frequency capping.
- Utilize a unified third party ad server across all channels
- Adopt multi-touch attribution and go beyond “last click wins”

As an example, a campaign for Polo Ralph Lauren will not perform well if mobile is evaluated in a silo. Users will tend to utilize a larger screen and gravitate to their desktop computer in order to see clothing items before purchasing. The same will be true for many other verticals, for example, financial services, as users are unlikely to fill out a loan application on their mobile phone.

Instead, a single campaign across mobile and desktop will help eliminate waste, lower frequency, and highlight that mobile exposures preceded a desktop conversion.

Multi-touch attribution is especially important in shining a spotlight on mobile influencing and assisting conversions in desktop. Desktop will always cannibalize mobile conversions for certain verticals, such as fashion retail, financial services, and others. Multi-touch attribution will help illuminate mobile’s indispensable role in every media mix.