



February 4, 2016

# Mobile Advertising: Five Things You Need to Know Now



**Cathy Boyle**  
**Senior Analyst, Mobile**

Made possible by

**dstillery**



The definition of  
'mobile' has  
expanded

**Mobile Advertising**

# How widely used will the various mobile device types be in 2016?



**73.6% of US adults will use **smartphones****



**53.6% will use **tablets****



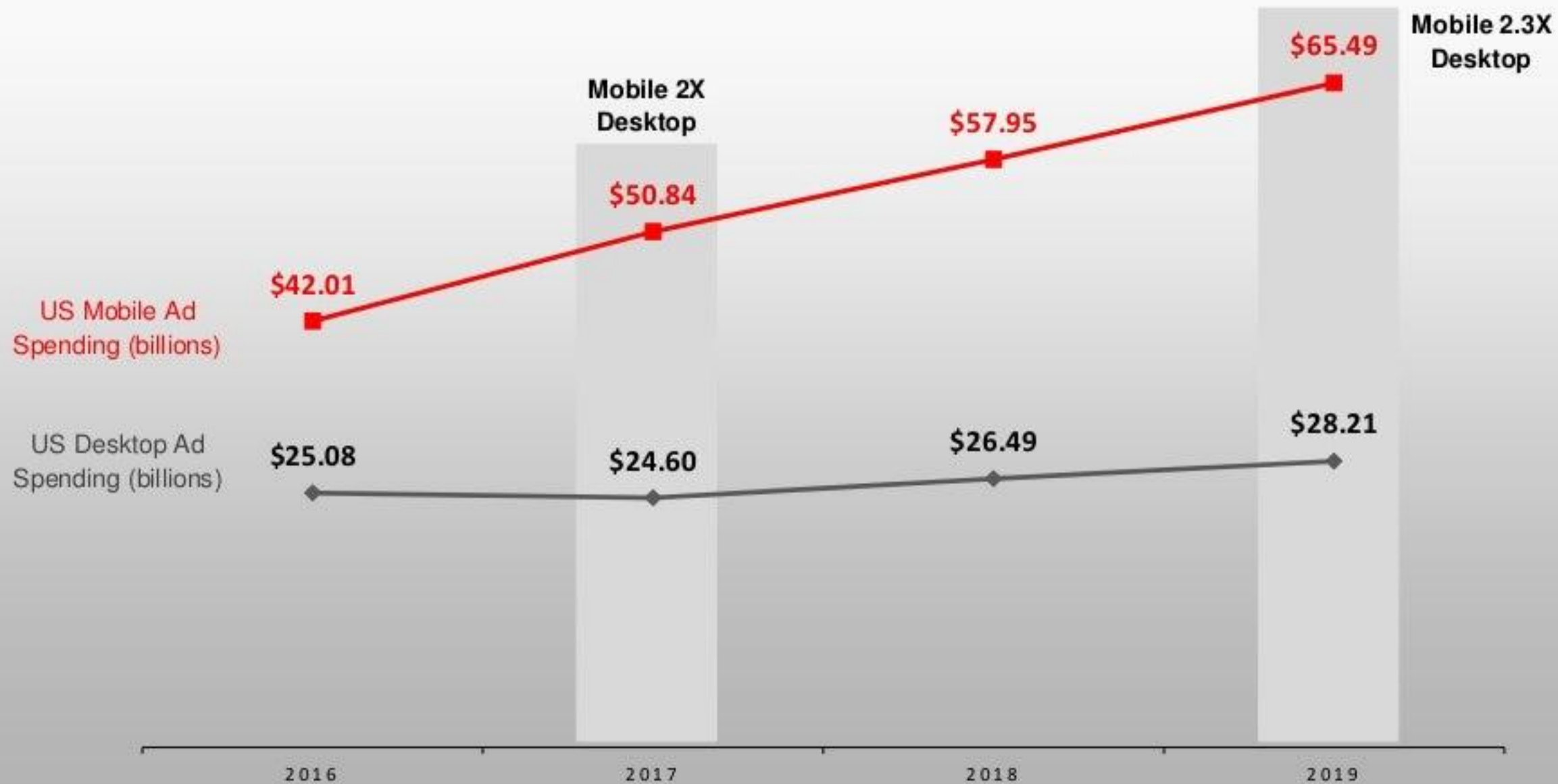
**25.5% will use **wearables****

# **Five Things You Need to Know Now**



**Digital advertising = mobile advertising**

# Mobile ad spending far exceeds desktop



# The amount spent on mobile advertising will approach television levels in the US in 2019





# Yet few brands report spending a majority of their digital budget on mobile



“No [media] planner is planning 60% mobile today. I’ve seen **estimates as low as 7%, and the highest I’ve seen is 12%.** They’re planning 60% or 80% in desktop.”

—*Richy Glassberg, CEO of mobile ad server Medialets*



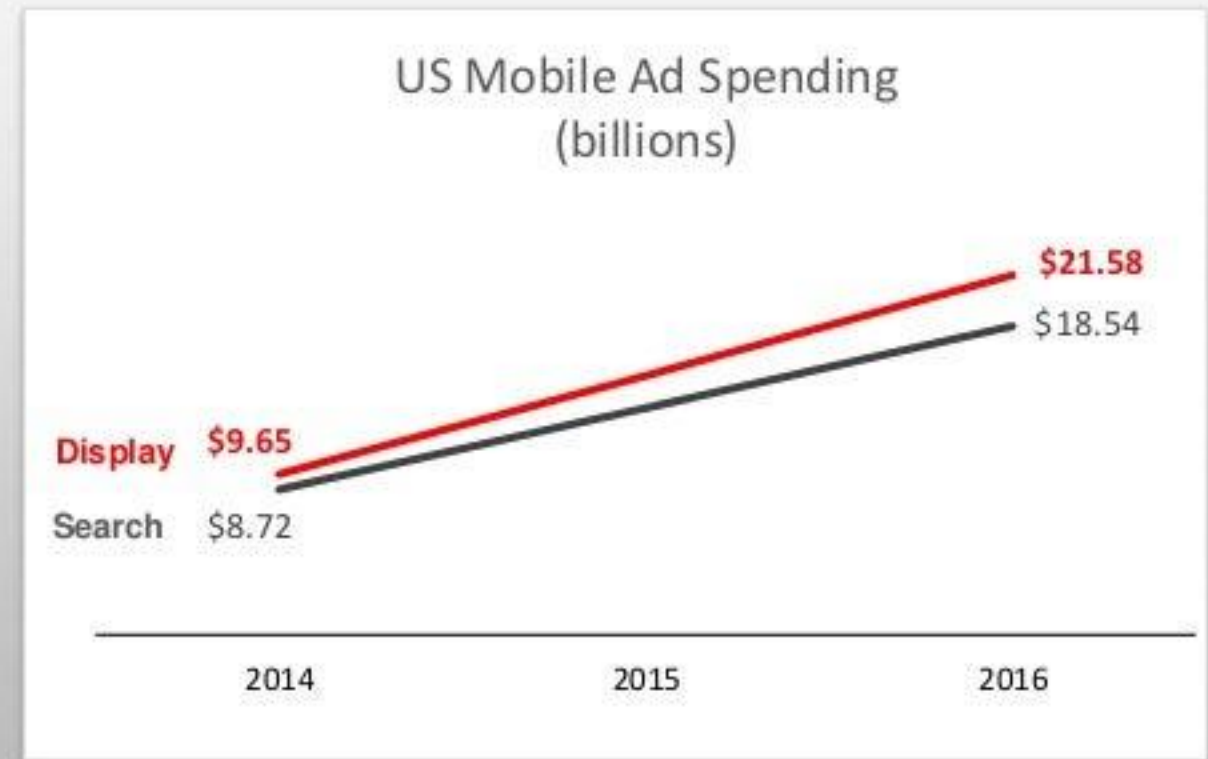
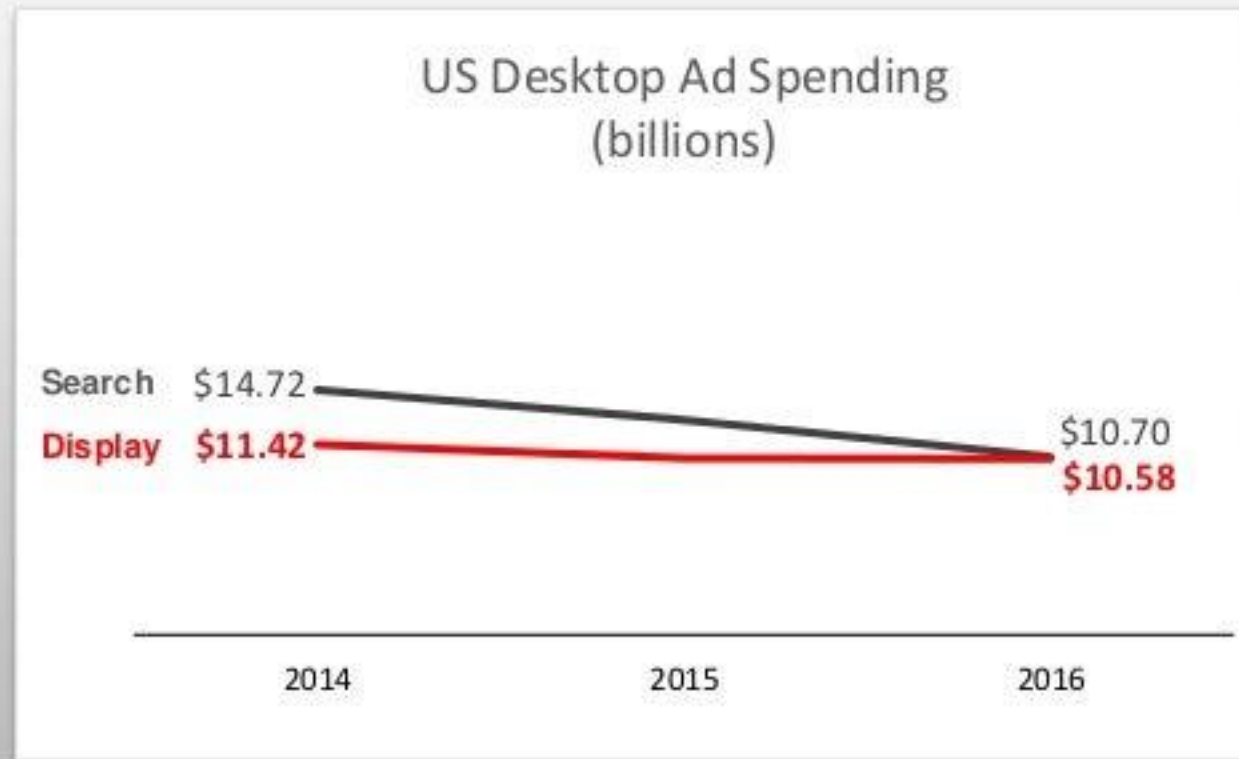
# **‘Planned spend’ vs. ‘actual spend’ explains the disconnect**



**Think cross-device and platform-based buying**

- **Search**
- **Social**
- **Programmatic**

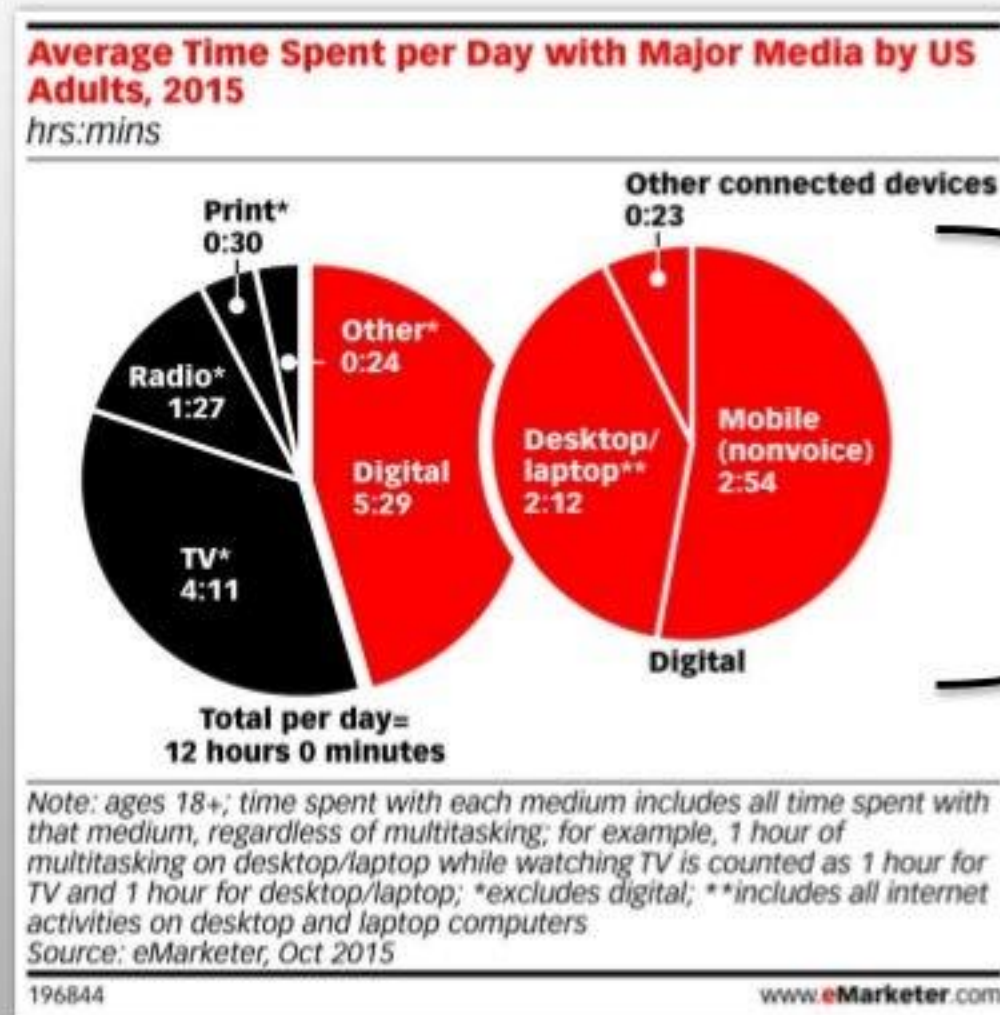
# Spending patterns differ between mobile and desktop advertising





**Embrace mobile identifiers  
(Cut the cookie cord)**

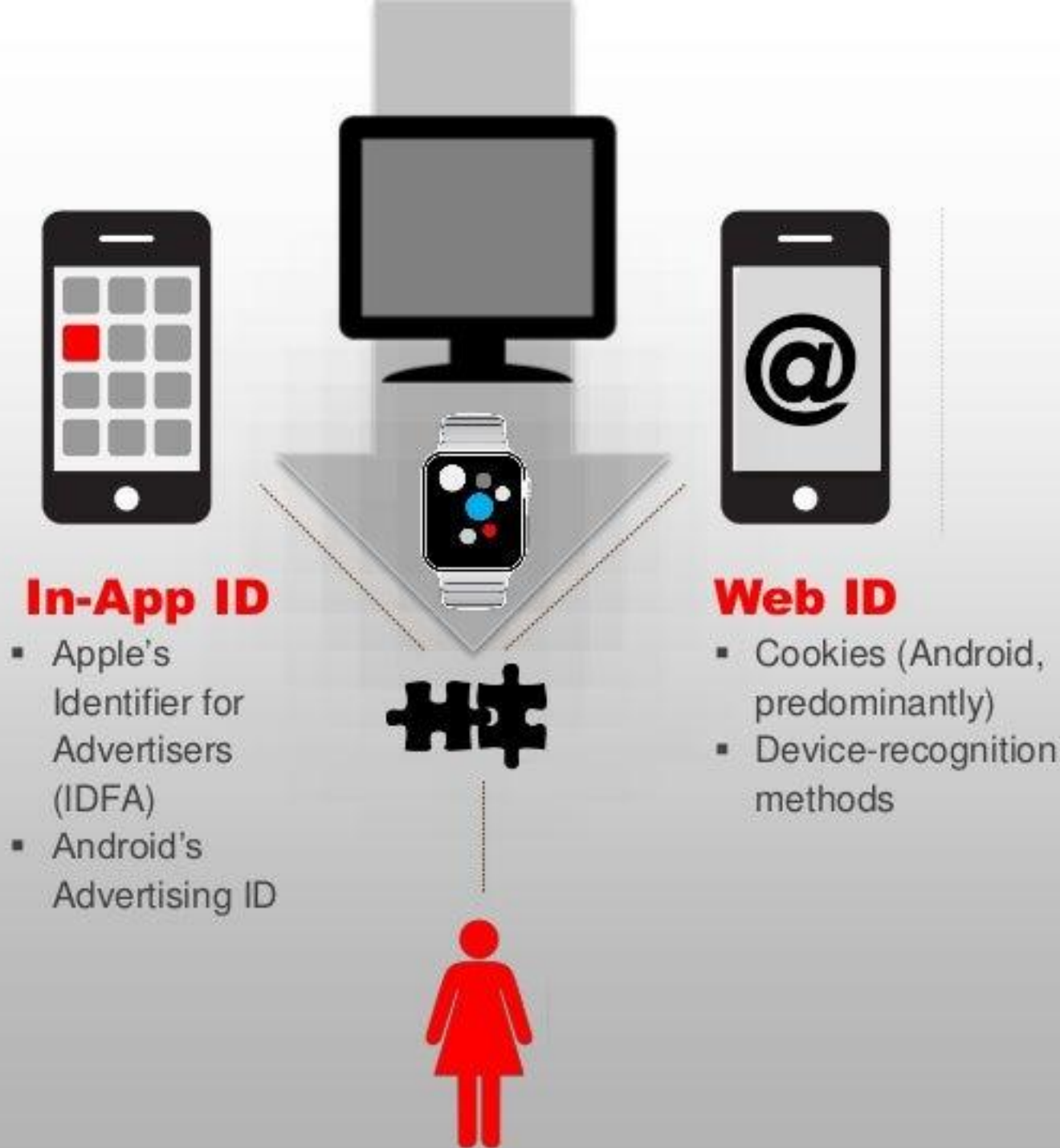
# The alternative? Losing sight of your customers and prospects



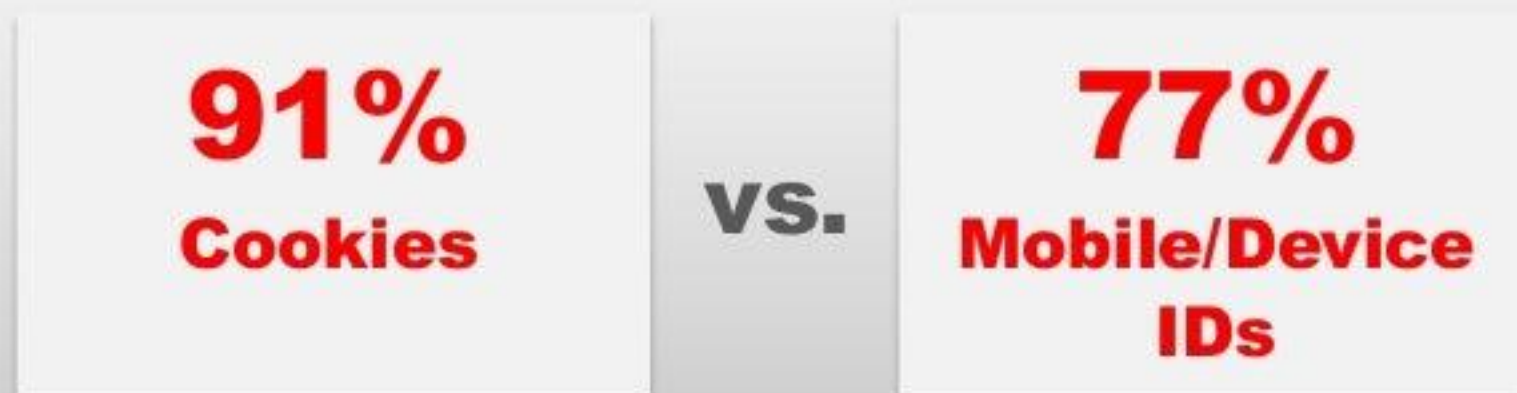
US adults spend the bulk of their digital time using mobile devices, where cookie-based tracking is limited



**Mobile's **two**  
**classes of**  
**identifiers**  
need to be  
stitched  
together to  
understand  
consumer  
behavior**



# The vast majority of marketers still rely on cookie-based tracking



**Data used by US marketers to identify users and build profiles**

*Source: VB Insight, Sept. 2015*





**Digital advertising has reached the  
location tipping point**

# **A majority of US advertisers use mobile location data to achieve success**

**56%**  
**of Agencies**

**53%**  
**of Brands**

**rated the use of mobile location data as  
one of the most important digital  
marketing tactics**

*Source: Hanapin Marketing, Aug. 2015*

# **Marketers **use location data in multiple ways**** **(It's not all about proximity targeting)**

- **Location-based ad targeting (proximity targeting)**
- **Geobehavioral ad targeting**
- **Consumer insight and audience building**
- **Online-to-offline measurement**

# Proximity targeting is the most common use of mobile location data

- **38% of US mobile ad dollars will be spent on location-targeted ads this year**
- **That share will rise steadily over the next four years**

## **US Mobile Ad Spending, Location-Targeted vs. Non-Location-Targeted, 2015-2020**

*billions, % change and % of total*

	2015	2016	2017	2018	2019	2020
<b>Location-targeted</b>	<b>\$8.5</b>	<b>\$11.3</b>	<b>\$14.7</b>	<b>\$18.6</b>	<b>\$22.3</b>	<b>\$26.7</b>
—% change	-	32.9%	30.1%	26.5%	19.9%	19.7%
—% of total	37.4%	38.3%	39.5%	40.9%	41.4%	42.9%
<b>Non-location-targeted</b>	<b>\$14.2</b>	<b>\$18.1</b>	<b>\$22.4</b>	<b>\$26.9</b>	<b>\$31.5</b>	<b>\$35.4</b>
—% change	-	27.5%	23.8%	20.1%	17.1%	12.4%
—% of total	62.6%	61.4%	60.2%	59.1%	58.6%	56.9%
<b>Total mobile ad spending</b>	<b>\$22.7</b>	<b>\$29.5</b>	<b>\$37.2</b>	<b>\$45.5</b>	<b>\$53.8</b>	<b>\$62.2</b>
—% change	-	30.0%	26.1%	22.3%	18.2%	15.6%

*Note: numbers may not add up to total due to rounding*

*Source: BIA/Kelsey, "US Local Advertising Forecast 2016"; eMarketer calculations, Nov 2, 2015*

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[www.eMarketer.com](http://www.eMarketer.com)



# Digital shoppers in particular appreciate location- targeted ads

68% of US digital  
shoppers in Adadyn's  
poll thought  
location-targeted ads  
were useful

## US Digital Shoppers Who Think that Geotargeted Mobile Ads Are Useful, by Demographic, June 2015

% of respondents in each group

### Gender



### Age



**Total 68%**

Note: n=1,000

Source: Adadyn, "Online Ads" conducted by Morar Consulting (formerly Redshift Research), Nov 2015

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**To increase  
their ads' relevance,  
advertisers  
overlay  
geobehavioral  
data with  
contextual  
data so as to  
fine-tune their  
targeting**

**Usage of Select Acquisition and Retention Tactics for Targeting Among Senior-Level Marketers in Western Europe\* and the US, Feb 2015**

% of respondents

	5— using very frequently	4	3	2	1— not using at all	Don't know
Targeting prospects based on their previous behaviors	35%	36%	18%	2%	7%	1%
Ad targeting across mobile devices	28%	35%	16%	12%	8%	1%
Site retargeting (using site-level data to retarget display ads)	27%	35%	19%	9%	8%	2%
Combining site and search retargeting	25%	34%	25%	8%	7%	1%

Contextual data-driven marketing (e.g., combining location-based data with local weather conditions and past behavior)

23% 32% 18% 14% 12% 2%

Search retargeting (using search data to retarget display ads)	22%	35%	23%	13%	6%	1%
Integrating first- and third-party data	22%	35%	23%	13%	6%	1%

Note: on a scale of 1-5 where 1=not using at all and 5=using very frequently; numbers may not add up to 100% due to rounding; \*France, Germany and UK

Source: Forrester Consulting, "Intent Data Can Sharpen Your Competitive Edge" commissioned by Magnetic, June 10, 2015

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**55% of marketers in the US and Western Europe used contextual data-driven marketing frequently**

