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# InMobi: An Indian Internet Company Cracking China

Jessie Yang, managing director of InMobi China, stepped out of the meeting room in her Beijing office after a discussion with the company's CEO and cofounder Naveen Tewari. InMobi was a Bengaluru-based startup that ran an independent mobile advertising platform. During the meeting, Tewari expressed his great satisfaction regarding the company's business performance in China. Annual revenue had hit \$100 million for the first time in 2019. The market accounted for more than one-quarter of InMobi's global income, second only to the US.

Across from the meeting room, they could see the other side of the office, which was still under construction as part of an expansion. The board was planning to send a group of InMobi tech specialists from India to join Yang's team in the Chinese capital and build a 40-person local product and engineering team within a few months. Integrating the two groups would provide a challenge. Besides, the board was also considering spinning off the China unit as an independent company. How could Yang seek a balance between autonomy and the connection with the headquarter? As one of the first companies exploring China mobile advertising market, InMobi China built strong first-mover advantage in the early development stage. As more and more companies entering, how could Yang help InMobi find a vantage position in the competitive landscape?

## The Mobile Advertising Industry

### *Global Market*

Global digital advertising expenditure rose 17.1% to reach \$327.3 billion in 2019. Estimates suggested spending on mobile ads<sup>①</sup>, the largest segment, would maintain double-digit growth that year to surpass \$200 billion worldwide. The rapid expansion was expected to continue through 2022 (see **Exhibit 1**).<sup>1</sup> Increasing mobile internet adoption and improving mobile internet speeds drove the rapid development of the segment. More than 85% of internet users accessed the web via handheld

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<sup>①</sup> Mobile ads were ads that were displayed when accessing a mobile application or web page via mobile devices (for example, digital cameras, feature-phones, smartphones, tablets and others). Type segment of the market included display advertising, in-app advertising, in-game advertising, search advertising and etc.

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devices in 2018, providing strong incentives for advertisers and publishers to pursue mobile-based strategies.<sup>2</sup>

Geographically, the US continued to account for the largest share of mobile ad spending in 2019, while China had been expected to post the fastest growth among the five largest markets, increasing by more than \$17 billion compared to a year prior (see **Exhibit 2**).<sup>3</sup>

Compared with the web, consumers engaged more with apps, spending more time on them each day (see **Exhibit 3**).<sup>4</sup> For advertisers and publishers, apps constituted a fundamentally different environment that brought new challenges and opportunities to the fore (see **Exhibit 4**).<sup>5</sup> In the US, about 80.9% of mobile ad spending went on in-app advertising in 2018.<sup>6</sup> Larger transaction needs and improvements in technology also led to new products like programmatic ads<sup>①</sup> and real-time bidding, which brought greater automation and efficiency.

### *The Landscape*

Advertising played an important role in all industries. The process involved user insight exploration, strategy formation, idea generation, ad-serving, effect analysis and re-marketing. Innovation has heavily influenced the development of the advertising industry. Pre-digital era, advertisers usually communicated directly with app developers and publishers to run in-app campaigns and paid directly for access to their user base. As the number of apps and related investment rose, it became harder to interact with end-users directly, leading to the emergence of intermediaries.

Major players in the market included (see **Exhibit 5**)<sup>7</sup>:

**Advertiser side.** The advertisers were one end of the mobile advertising landscape, consisting of marketers with internal team members and external creative agencies to develop advertisements in various formats (see **Exhibit 6**). Advertisers targeted performance-based and brand-based goals. The former focused on achieving feedback on users' behavior, notably in areas like e-commerce and gaming. The latter focused on enhancing brand awareness, reputation and customer loyalty, mainly in traditional sectors like the automotive and FMCG (fast-moving consumer goods) industries.

**Publisher side.** At the other end of the landscape were publishers, including mobile media and operators. Mobile media mainly operated applications and portals, covering social media, video, live-streaming and other media channels. Mobile operators provided internet and traffic services, including SMS and MMS services.

**Intermediaries.** Intermediary agencies were mostly platforms that serving as connectors and data service providers between advertisers and publishers. Based on their business focus, they could be broadly divided into different categories and the most common one was ad network. Ad Networks provided a bridge between the two sides, ensuring that brands could reach their target audience across different apps, and that platforms would have advertisers clamoring to reach their users.

### *China Market*

China's mobile advertising market developed in four stages. In the first stage (2007-2010), the rise of smartphones led to advertisers designing products for mobile web and apps on a trial basis. In the second stage (2011-2013), greater mobile internet penetration led to more media shifting to mobile terminals and advertisers allocating bigger budgets for such platforms. In the third stage (2014-2016),

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<sup>①</sup> Programmatic advertising is the process of automating the buying and selling of ad inventory in real-time through an automated bidding system.

internet giants entered the fray, grabbing market share amid intensifying competition. In the fourth stage, which began in 2017, advertising products integrated new technologies such as artificial intelligence (AI) and human-computer interaction. During this process, problems like data privacy and security became more salient.

Mobile advertising spending varied across different sectors. In the very early years, gaming (59.6% in 2015) and e-commerce (12% in 2015) spent the most on mobile ads.<sup>8</sup> However, the market gradually attracted more companies from finance (30.0% in 2018), live-streaming (20.8% in 2018), and other new industries.<sup>9</sup>

As mobile terminals played an increasingly important role in people's everyday life, China's mobile advertising industry constantly improved and made up a rising amount of overall internet advertising (see **Exhibit 7**).<sup>10</sup> InMobi data suggested that Chinese adults spent nearly three hours a day on mobile devices and about three times as much as on desktops. Estimates suggested that total mobile advertising expenditure in the market would reach about ¥450 billion<sup>①</sup>, including over ¥290 billion for mobile display ads and ¥62 billion for mobile video ads.

Consistent with a global trend of large companies like Google and Facebook leading the market,<sup>11</sup> China's three internet giants, Baidu, Alibaba and Tencent (collectively known as BAT), became leading ad sellers. Together with Sina and Sohu, BAT captured nearly two-thirds of digital advertising outlays in 2019.<sup>12</sup> However, emerging internet companies like TikTok operator ByteDance, JD.com and Meituan, as well as neutral platforms, started to draw advertisers' attention. BAT's leading share was subsequently likely to fall.

The rapid development of video ads, especially short clips, drove increased programmatic ad spending in China. Programmatic display ad spending in the country was estimated to total \$31.4 billion in 2019, a 29.3% increase over 2018.<sup>13</sup> Real-time bidding accounted for 31.4%, while programmatic direct made up the rest.<sup>14</sup>

## InMobi: An Indian Unicorn<sup>②</sup>

InMobi was founded by Naveen Tewari, Amit Gupta, Abhay Singhal and Mohit Saxena in 2007. The firm initially operated under the name mKhoj<sup>③</sup>, providing local information through text message-based search. A year later, after a series of failures, the company evolved its business model to enter the mobile advertising market and rebranded as InMobi.

The new business positioning of mobile internet advertising and value-added services helped InMobi take off. As the cofounders saw the need for businesses to invest in advertising systems once mobile internet became prevalent, they quickly realized that India was a small market. Tewari said that focusing on markets beyond India "was one of those decisions when we were just 15 people." He recognized the need "to build this company in a global way because it's not going to be successful only in India."<sup>15</sup>

The cofounders agreed it was important for InMobi to expand. The first step was building momentum in markets where they could have a natural advantage, i.e., developing markets with a

① ¥ = CNY = Chinese yuan renminbi; ¥1 = approximately US\$0.14538 on December 31, 2018.

② A unicorn is a term in business world to indicate a privately held startup company valued at over \$1 billion.

③ "Khoj" means "search" in Hindi.

large population, less competition and space to explore. With initial funding rounds from US venture capital firms Kleiner Perkins and Sherpalo Ventures (see **Exhibit 8**), InMobi successfully reached more people outside of India and owned more pieces of the mobile value chain between advertisers and publishers. In 2009, InMobi became the largest mobile ad network in South Africa and opened offices in Europe.<sup>16</sup> The following year, InMobi expanded to North America, a more developed market.

## Going Global: Enter China or Not?

In 2009, one of InMobi's cofounders, Abhay Singhal made his first trip to China. It was a totally different culture for him. *"Nothing that I was used to could be accessed in China...Customers would invariably ask for my QQ number, which was the biggest messaging service."*<sup>17</sup> One of his colleagues then introduced him to well-known Chinese entrepreneur Kaifu Lee, who ran major startup institution Sinovation Ventures at that time. Singhal visited Lee's office; *"I have never seen so many people, with 20 to 30 startups crammed into a single one thousand square-foot office. China's passion for entrepreneurship left me a lasting impression"*.

InMobi's board began discussing the feasibility of expanding to China, where a population in excess of one billion people used mobile phones as their primary, and often their only screen. Compared with the US, China more closely resembled InMobi's native Indian market thanks to its large population. Moreover, the market's homogenous nature made the country an even more attractive proposition.

While China's business potential was appealing, one board member who had previously worked for Google strongly opposed such a move. This was around the time of Google's China exit. Western tech giants like Facebook and Twitter, which had successfully expanded globally, did not operate in China, and Amazon had failed to gain a foothold in the world's largest e-commerce market. As a result, some board members, especially those familiar with these failures, were cautious about such a move.

Nevertheless, a possible China expansion again came up on the agenda in September 2011 after Softbank invested \$200 million, the largest funding round in the mobile internet industry at that time. Singhal said, *"I'm so glad that we did do what we were set out to do at that time. I think we had committed ourselves to China in 2011, and I had committed to China in that first visit."*

## InMobi China

### *Acquiring a Chinese Mindset*

In November 2011, InMobi launched a Shanghai office. The company chose the eastern Chinese city as several international advertising agencies had also set up shop there. The inaugural team leader (and also sales lead) brought in 20 staff with considerable sales experience in the market.

However, InMobi's early efforts in China did not go smoothly. After only two months, the board recognized that the team was not a good fit. InMobi started to engage headhunters to look for a local general manager with stronger experience and networks in China's mainland.

On December 31, 2011, a headhunter invited Jessie Yang to consider joining the fast-growing mobile internet firm. Yang was a seasoned mobile marketer and former McKinsey consultant (as was InMobi cofounder Naveen Tewari) in China. The headhunter impressed Yang with his hardworking spirit (since he was working on New Year's Eve). As it happened, she was also on the lookout for interesting and challenging opportunities in the sector.

After receiving more information from the headhunter, Yang agreed to talk to InMobi executives. The meetings went well, and Yang came on board in April 2012. When she first stepped into the Beijing office that had opened three months earlier, Yang felt that InMobi was a typical China office for an international company as all staff reported to the head office. Worse still, the sales lead lacked operational experience. Yang quickly started to field complaints from team members about discipline. For example, personnel came to work at different times and spent much time having afternoon tea rather than exploring the market.

As an individual with considerable local professional experience, Yang knew the situation required her immediate attention.

### *Reorganizing the Team*

Despite her misgivings that the office resembled a university dormitory, Yang was pleased to have received a list of potential hires before formally joining the firm. She started the recruitment process straightaway, bringing in 20 people within two months. Instead of immediately replacing low performers, she decided to change the laid-back work culture by accelerating the pace at which things got done.

As a former McKinsey consultant, Yang was used to a grueling schedule, but she still had a hard time in her early days at InMobi. During office hours, she went out to meet potential clients and then worked late into the night, replying to emails so that staff would not put off pressing matters. Yang's efficient routine impressed her colleagues, who began to realize that the new boss really meant business.

Another challenge for Yang was the sales team's unsatisfactory performance. When the Shanghai office opened, the sales lead hired some employees from Canada and South Korea as good verbal English was deemed the most important requirement. It was hard for these staff to communicate with local clients in Chinese, especially about technical issues. This led to misunderstandings within the company and inefficient product development. After hiring and training new employees, Yang made adjustments to ensure the right people were in the right positions. After several rounds of appraisals, the sales lead left in January 2013.

### *Building Trust with HQ*

When Yang joined InMobi as China GM, only the sales team reported to her, while the rest of the office reported to the India headquarters. Yang believed that while the sales team was the driving force of the business, it was also important to ensure the whole team worked together efficiently and followed the same rules of the company.

This belief stemmed from Yang's observations of a European industry peer that opened its Beijing office at the same time as InMobi. This company's employees also reported to headquarters except for sales as the China GM headed up the team. However, this did not work well due to the eight-hour time difference between China and Europe, which slowed down the company in an extremely aggressive market.

Having seen the European company's inefficient operations, Yang was determined not to allow a similar situation at InMobi. While she did not have the authority to manage the whole team initially, she still wanted to ensure that everybody was moving in the same direction.

After communicating with the board, InMobi quickly embraced a China-first strategy and started to give the local team more independence to execute their strategy quickly and effectively. China staff began to report to Yang. Head office also authorized Beijing to adapt InMobi services to fit local needs rather than attempting to force existing products on the Chinese market.

InMobi abided by the principle that one could never gain a person's trust by putting in place more control and processes, so the company had to prioritize employee incentives. As Singhal described, the head office sent multiple personnel to support China operations but worked hard not to confuse anyone in China about who the leader was. A native Chinese employee would always lead InMobi's operations there.

*"It's quite important that I'm not here for failure. I'm here to fix things to generate results. We didn't make a profit in the first year, and InMobi didn't take us seriously since it was a small office. But the second year, the business grew almost ten times because we caught the wave of the industry," Yang said.*

## Gaining Traction in China

### *Boosting Sales via Partnerships*

In 2012, a year into InMobi's foray into China, the country's mobile advertising sector witnessed a dramatic boom. The market for in-app advertising platforms nearly trebled in value to reach ¥1.3 billion (\$200 million).<sup>18</sup> At that stage, InMobi was not a leading player in a very crowded marketplace with more than 100 similar companies jostling for supremacy. This situation changed the following year as the vast majority of companies failed to survive, reducing the number of players to fewer than 20.

In 2013, Chinese mobile startups started to explore opportunities outside of China's mainland. Due to similarities in culture, mobile game developers started to promote titles in areas like Taiwan and Hong Kong SAR, as well as in South Korea and Japan. Incumbents like Tencent and Baidu and startups such as Cheetah Mobile expanded aggressively overseas. By helping Chinese companies internationalize, InMobi was able to grow very fast and achieved a 10-fold expansion in revenue within one year. This solid foundation made InMobi headquarters take the China office more seriously. As Yang observed: *"I remember when I joined, we belonged to the APAC (Asia Pacific) team and the Japanese market was the largest one. Revenues of other countries like Australia, Korea and India were all larger than that of China. But if you look at it now, it's totally the opposite situation."*

That same year, the China Advertising Association recognized InMobi's strong performance amid fierce competition by issuing the firm with the "Influencing China – Best Mobile Ad Platform 2013" award. The company quickly acquired clients and grew larger thanks to high-profile investment from Softbank.

InMobi forged out more alliances for its ecosystem (see **Exhibit 9**). In 2015, the company partnered TalkingData, a local company that provided data analysis services for app developers. In 2017, it signed an agreement with phone maker Xiaomi to bring its in-house apps into InMobi's network. Then it signed a data partnership with Beijing-based push notification service provider Getui in 2019.

In the US where InMobi operated with a high degree of independence, it built partnerships with big companies like Microsoft and Sprint. However, Asia was a very relationship-oriented market where a tangled web of companies existed. For example, Alibaba owned equity in city-services platform Meituan, which also ran a ride-hailing business. However, Alibaba was also an investor in Meituan rival Didi Chuxing, often referred to as China's version of Uber. InMobi knew that if the company was to be a success in the country, good products were not enough; it also needed a lot of friends and partners within the local ecosystem.

As Singhal commented: *"You can never become big with the hope of winning the whole world by yourself. So it's an essential skill to learn how to be friends and enemies at the same time. In one area, we can cooperate, and in other areas, we compete."* Besides, InMobi also had a clear positioning to be a neutral independent

platform. There had been key competitors like DoMob, AdWo and Ad Sage, but these local companies were eventually sold to other companies and could not remain independent in the market. As Yang said: *"We always think about long term. When the market changed, those short products became obsolete in the market immediately."*

### *Continuous Innovation*

InMobi learned from key partners in the ecosystem that due to the absence of Google Play, China's Android market was highly fragmented while iOS had a large presence. The local team viewed iOS as a highly lucrative market due to the high-end positioning of Apple's iPhone that attracted users with higher purchasing power and different from the demographics of typical Android users. Given the need for advanced products to cater to the iOS market, the China team began to leverage their strength in products and technology and worked hard to find the best clients. They tended to find the best advertisers to bring the highest returns to publishers.

As Yang explained: "It is like a cycle. InMobi is in the middle that needs to build a virtuous cycle so that once you have a more high-quality budget in the market, you can attract more high-quality supply. And once you have more high-quality supply, you can attract more high-quality spending."

Through cooperation with various apps, InMobi was able to cover an increasing number of smartphone users, providing a better understanding of end-users' habits and responses to advertising. Accurate recommendations not only gave advertisers a higher chance of conversion but also brought higher revenues and better user experience for publishers. In 2014, InMobi became the largest advertisement platform for iOS in China and maintained this lead in the following years. By 2019, the iOS market accounted for the majority of InMobi China's revenue.

As InMobi focused on becoming integral to the advertiser-publisher value chain (see **Exhibit 10**), more players entered the market. In the US, Facebook started advertising on its app in 2012, leveraging its vast user base. In China, internet giants, including BAT, launched products and services on their own platforms. Given the fierce competition, Yang said the only way to survive in the market was to keep innovating and moving faster than the market.

The company initially launched products for English-speaking audiences first and then rolled them out in China, but management soon realized this model did not work. Chinese clients had a strong appetite for new things. InMobi started to launch new products and services simultaneously in China and globally, and in some cases, the company designed products first for China.

For example, InMobi focused on variable-pay ads rather than fixed-pay ads in China, as they were the preference for most Chinese salespeople. The firm also adopted a reseller model. InMobi had not pursued such a strategy anywhere else before but made the decision because the local team felt that it was the correct approach for the market. InMobi also built local products like a native-ad service and artificial intelligence-powered video ads<sup>①</sup> and launched them first in China and later in the US.

The company's learning spirit also supported InMobi's drive for continuous drive for innovation. "What we did and still is doing now is that we encourage people to learn from each other. We have a study group. All of us have the learning culture that at 5:30 pm every Monday and 9:00 am every

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<sup>①</sup> The AI video 4.0 product launched in 2018, integrating the most advanced AI technology with mobile video ads based on a revolutionary upgrade of LBS (Location-Based Services) orientation technology. There were three key points when developing this innovative product. First was the AI-based analytical ability to categorize customers and distribute ads. Second was the high-quality ad content, with high efficiency, interaction and impact. Third was the powerful media matrix to reach a mass audience.

Friday, trainings were arranged. We share cases together internally or invite external speakers to give a talk,” Yang said.

### *Creating a Family Culture*

InMobi believed it had built an environment in which the company saw itself as a fierce clan that stuck together to win. Purpose came first, followed by people and finally, profits. InMobi referred to its culture as YaWiO, a combination of the words Ya, Wi and O. Ya, from the Turkish word *Hayal*, means imagination and innovation. Wi comes from the Sanskrit word *Awirodhin*, which means unity and collaboration.<sup>19</sup> O comes from *Opus*, the Latin word for efficient execution. Based on a culture of “bold imagination, unity and efficient execution,” InMobi attracted top talent from different countries and encouraged them to innovate and communicate efficiently.

InMobi had worked hard to keep the leadership together. The core US team had been with the company for about 11 years and the Asian one for about nine years. Yang saw herself as one of the family. She commented, “Once you are with the family, you don’t let minor things influence you day to day, because otherwise, the family won’t stay together.” Yang, along with other core members of the China office, had remained with the company for over five years, on average, an uncommon occurrence in a China market where employee turnover was high.

In addition to the YaWiO corporate culture, InMobi China emphasized the importance of aggression. Yang expected her team to fight like “wolves.” She commented, “Many Chinese Internet companies were famous for their diligence, following a ‘996’<sup>①</sup> schedule. Our team worked harder. Some colleagues even leave the office after 11 pm. It is important for us to manage time effectively to develop and improve our products for the local market.”

InMobi China ranked in the “Best Place to Work Asia” list for three consecutive years, from 2017 to 2019.<sup>20</sup> More than half of InMobi China’s senior executives were female, reflecting the company’s respect for talent and diversity, according to the list.

### *Localization in China*

China was the only country where InMobi’s incentive management system, reimbursement policy and compensation structure differed completely from those at headquarters. For example, while other offices paid employees a “salary-plus-bonus,” InMobi China adopted a compensation system based on performance with a basic salary and commission. InMobi always had a separate roadmap for the China market. It was very common for international companies to build a roadmap for the US market and then seek to replicate it in China. However, InMobi China always put the country’s unique needs first. When necessary, the team would build an entirely new model for the market.

By 2019, InMobi was the largest independent mobile ad network in China with a large base asset of over one billion unique devices and over 120 terabytes of user data analyzed monthly. On the demand side, it had more than 20,000 advertisers and more than six million app downloads monthly. On the supply side, it had over 32,000 apps and 200 billion monthly ad requests.

InMobi’s China revenue hit \$100 million for the first time in 2019 after a 35% growth rate over the three preceding years. Geographically, China had become the second biggest market for InMobi, right behind the US. By playing an increasingly important role in the revenue mix, InMobi China would continue developing innovative and localized products for the market.

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① 996 means 9am to 9 pm, six days a week.



## Moving Forward

### *External Challenges*

Going forward, Yang was aware of external challenges as the mobile advertising landscape became more competitive. Although InMobi had done well to catch China's mobile internet wave, the whole advertising industry began to slow in 2018. According to CTR Market Research, advertisers' confidence in the overall economic market fluctuated in 2019. This uncertainty led to a readjustment within the advertising market, which fell 8.0% in value annually in the first three quarters.<sup>21</sup>

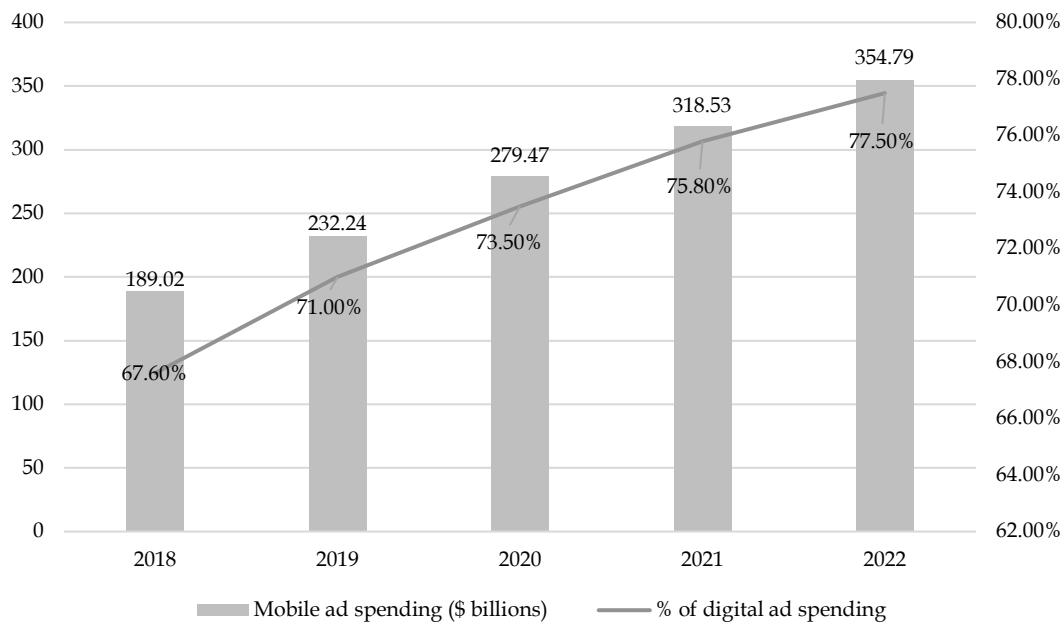
Besides, as a foreign company, data privacy and security concerns posed another problem for InMobi since it possessed a sizeable database of private customer information. InMobi rarely faced government interference when running its business and received high praise in the Chinese media, thanks to efforts to build a strong brand reputation. However, as authorities focused more on protecting citizens' privacy and rolled out related laws and regulations, InMobi would need to handle such issues carefully and maintain its relationship with regulators.

### *Internal Challenges*

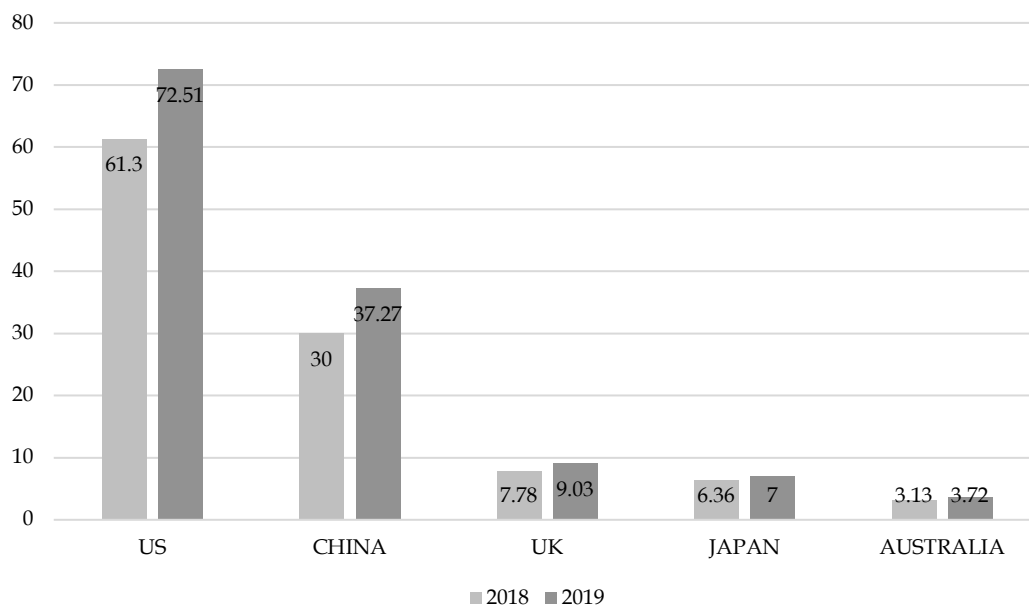
As Yang described, China-first strategy contributed a lot to InMobi's aspiration achievements in the China mobile advertising market. In the past few years, InMobi China built a good relationship with the headquarter. With higher goal of business growth, Yang's team rapidly grew larger, which put forward higher requirement for InMobi to seek a balance between autonomy and mutual trust.

By December 2019, InMobi China was home to about 100 staff working on technology and products, and the team was even more localized than it was previously. Although InMobi had previously operated its China unit under the principle of "Indians in charge of technology and Chinese in charge of management," as the business grew rapidly, the board decided to invest more technology assets directly in the China office. The company had discussed about moving some of InMobi's Indian technology specialists to Beijing. Yang was considering the choice between introducing Indian colleagues and hiring local talents. New recruitment and training would be time-consuming and less efficient, while integrating the new employees from another country into a different culture and team would challenge her management skills.

Moreover, the company was considering separating the China business into an independent unit. As a global organization, InMobi comprised three business units: (1) Unified Marketing Cloud (UMC), led by Abhay Singhal, which developed its own software and provided cloud-based intelligent mobile platforms for enterprise marketers; (2) Glance, led by Piyush Shah, which provided a content discovery application and was essentially a pre-installed plug-in; and (3) TruFactor, led by Naveen Tewari, an independent business unit for telecommunication companies, to enable them to transform their digital assets into strategic knowledge. The board was now also considering a separate China business unit to provide more clarity and independence to scale the business. However, autonomy would increase costs by doubling requirements for engineering and product development resources and introducing new tax obligations. Separating InMobi China from the mothership represented an exciting opportunity for Yang – but would bring new challenges to address.

**Exhibit 1:** Global Mobile Ad Spending

Source: Corey McNair. "Global Ad Spending Update." eMarketer. 2018-11-20[2019-12-24]. <https://www.emarketer.com/content/global-ad-spending-update>

**Exhibit 2:** Top Five Global Markets by Mobile Ad Spending (\$ billions)

Source: "2019 Global Digital Ad Trends". PubMatic. [2020-07-07]. <https://pubmatic.com/wp-content/uploads/2018/12/2019-Global-Digital-Ad-Trends.pdf>

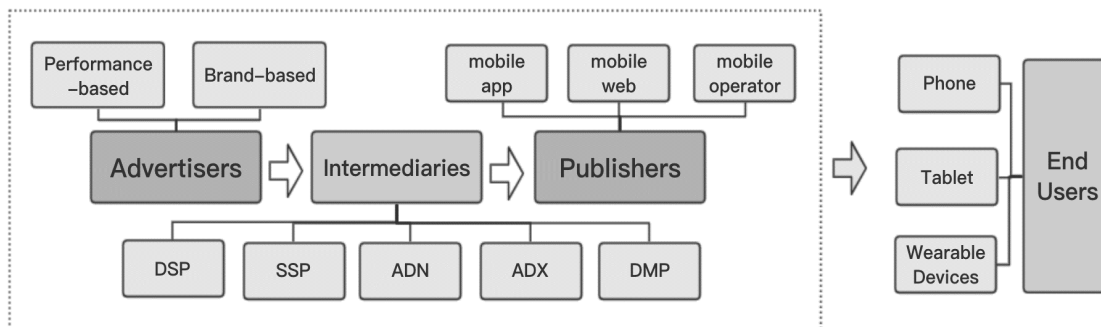
**Exhibit 3:** Mobile Minutes via Web vs. App

Source: "Global state of mobile—2019 report". Comscore. [2020-07-07]. [https://www.amic.media/media/files/file\\_352\\_2199.pdf](https://www.amic.media/media/files/file_352_2199.pdf)

**Exhibit 4:** Mobile Web vs. In-App

	Mobile Web	In-APP
<b>Tracking Method</b>	Cookies	Device ID
<b>Available User Data</b>	Web activity (e.g., shopping habits, favorite websites)	GPS location, device type, OS, gender, age, wireless carrier
<b>Ad Blocking</b>	Vulnerability to in-browser ad blockers	Adblocking technology has not advanced to universally block in-app ads
<b>Average Daily Usage</b>	33 minutes	3 hours 8 minutes

Source: "A guide to in-APP advertising." Smaato. [2020-07-07]. <https://www.smaato.com/guide-to-in-app-advertising/>

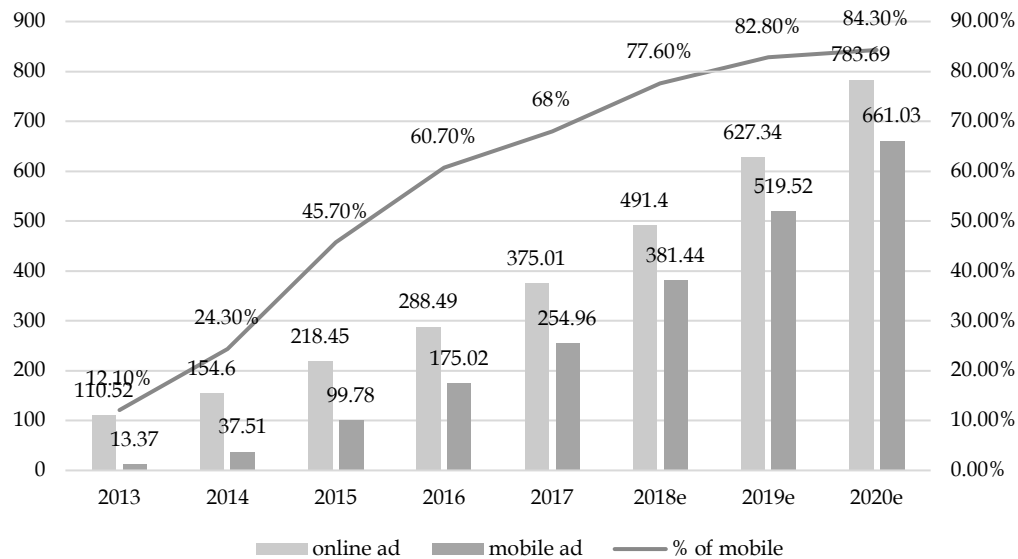
**Exhibit 5:** Mobile Advertising Industry Chain

Source: drew by the author based on public information

**Exhibit 6:** Formats of Mobile Ads

Format	Description
Splash	When the app launches and loads, the advertising pictures or videos will be displayed for a fixed time. After the display, it will automatically close and enter the app's main page.
Banner	Banners were the earliest form of online advertising. They are presented at the top, bottom or middle of the home page, discovery page, special details page and other app pages.
Interstitial	Interstitial ads are half-screen or full-screen ads that pop up in the form of pictures, GIFs and videos after the user has made corresponding operations (such as open, pause, skip, jump and quit).
Roll	Roll ads put the ad content in a video. They can either show up before/after the video, or when it is playing.
Feeds	Feeds ads appear in apps with content output, which is an advertisement form integrated with the daily content of the app (such as news, dynamic information, pictures and videos).
Search	After users search for keywords, advertisements will appear in the search association and search results.
Incentive	Incentive ads use incentives to allow users to accept ads or make specific behaviors, such as downloading apps and watching videos.

Source: based on public information

**Exhibit 7:** China's Online Advertising and Mobile Advertising Market Size from 2013 to 2020 (billion yuan)

Source: "2018 China Mobile Marketing Industry Insights Report". iResearch. August 2018 [2019-12-24]. [https://www.sohu.com/a/286612312\\_445326](https://www.sohu.com/a/286612312_445326)

**Exhibit 8:** InMobi's Funding Rounds and Financing

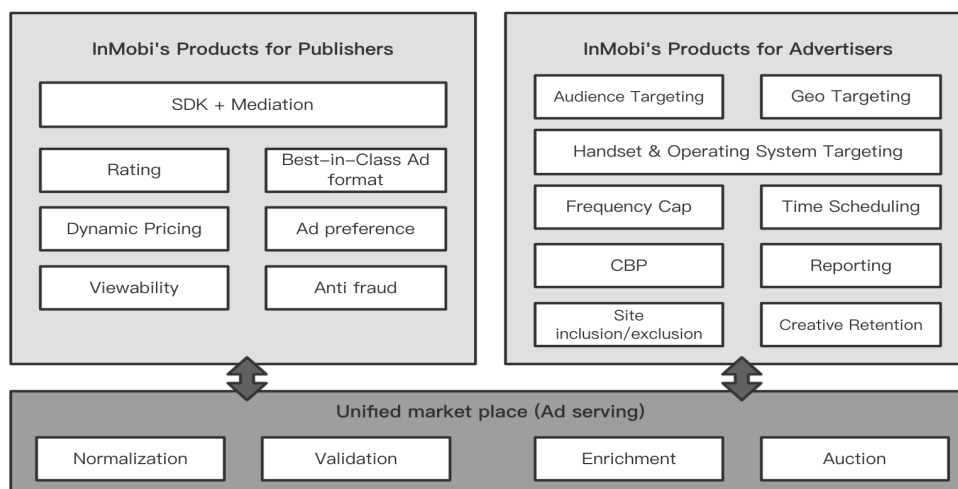
Investors	Funding Round	Amount	Year
Mumbai Angels	Angel Funding	\$500,000	2007
Kleiner Perkins Caufield & Byers and Sherpalo Ventures	Series A	\$7,100,000	2008
Kleiner Perkins Caufield & Byers and Sherpalo Ventures	Series B	\$8,000,000	2010
Softbank	Series C	\$200,000,000	2011
Softbank	Venture	\$5,000,000	2014
Tennebaum Capital Partners	Debt Financing	\$100,000,000	2015

Source: Crunchbase

**Exhibit 9: InMobi China's Milestones**

Year	Keyword	Event
2011	Shanghai	<ul style="list-style-type: none"> <li>Shanghai branch founded in November</li> </ul>
2012	Beijing	<ul style="list-style-type: none"> <li>Beijing branch founded in January</li> </ul>
2013	Influence	<ul style="list-style-type: none"> <li>Became core partner for WeChat's globalization</li> <li>Recognized as "Influencing China - Best Mobile Ad Platform 2013" by China Advertising Association</li> </ul>
2014	Mobile	<ul style="list-style-type: none"> <li>Named No.1 mobile ad platform in China</li> <li>Established reseller channel with 30+ resellers</li> <li>Launched Ad Exchange platform and integrated 30+ DSP partners</li> </ul>
2015	Native	<ul style="list-style-type: none"> <li>Launched Native Ads in April</li> <li>Focused on Gaming, M-Commerce and O2O business, became core partner of brands</li> <li>Ranked No.1 Mobile Ad Platform by AdsMogo</li> </ul>
2016	Largest	<ul style="list-style-type: none"> <li>Became the largest Native Ad platform on March</li> </ul>
2017	Video	<ul style="list-style-type: none"> <li>Completed the first year of Native Video Ads</li> <li>Included in "Best Place to Work China 2017" list</li> </ul>
2018	AI.	<ul style="list-style-type: none"> <li>Launched AI Video 4.0 product in China</li> <li>Included in "Best Place to Work China 2018" list</li> <li>Recognized as 2018 Annual Innovation Companies in China by Economic Daily</li> </ul>
2019	Best	<ul style="list-style-type: none"> <li>Yang included on "2019 Forbes Best Businesswoman in China" list</li> <li>Ranked on "Best Place to Work Asia 2019" top list</li> </ul>

Source: company documents

**Exhibit 10: InMobi's Product Matrix**

Source: company documents

## Endnotes:

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- <sup>13</sup> Man-Chuang Cheung. "China Programmatic Digital Display Ad Spending". eMarketer. 2019-11-21 [2019-12-24]. <https://www.emarketer.com/content/china-programmatic-digital-display-ad-spending>
- <sup>14</sup> Man-Chuang Cheung. Ibid.
- <sup>15</sup> Prabhu Mallikarjunan. "India's InMobi ramps up ad challenge to Google and Facebook". Nikkei Asian Review. 2019-03-04 [2019-12-24]. <https://asia.nikkei.com/Business/Technology/India-s-InMobi-ramps-up-ad-challenge-to-Google-and-Facebook>
- <sup>16</sup> Kinjal Pandya-Wagh. "India's global ad giant taking on Google and Facebook". BBC news. 2015-10-20 [2019-12-24]. <https://www.bbc.com/news/business-34539191>
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