MOBISOFT
Discover Mobility

Mobile Advertising

Survey of existing mobile ad networks

Introduction to Mobile Advertising

Mobile advertising is a form of advertising targeted at smartphone devices to establish brand identity, foster brand-user relationship, drive user traffic to sites and encourage purchase of products (online).

Why Mobile Ads?

On an average it costs $2.85 to reach 1,000 iPhone users with a mobile ads. By comparison, an ad in a national newspaper can cost as much as $50 or $100 for 1,000 viewers, a standard ad-rate metric. (Source – The Wall Street Journal)

Statistical Information

iPhone ads generate the most revenue with an **average eCPM of $2.85**. **Android** is close with an **average eCPM of** $2.10.

It is observed that devices with more screen space and functionality which guarantees more interaction between user and the advertisement have better monetization prospects.

iPad has an average **eCPM of $3.96** because of its user friendly screen size.

Apple iOS is securing 58.40% of total mobile advertising monetization revenue – a 3x higher than Android and 16x higher than RIM OS.

OS Monetisation Performance

Legend: % of Traffic, % of revenue, eCPM

OS	% of Traffic	% of revenue	eCPM
iOS	46%	58%	$1.64
Android	26%	17%	$0.88
RIM	4%	4%	$1.06
Symbian	4%	1%	$0.37
Others	20%	20%	$1.28
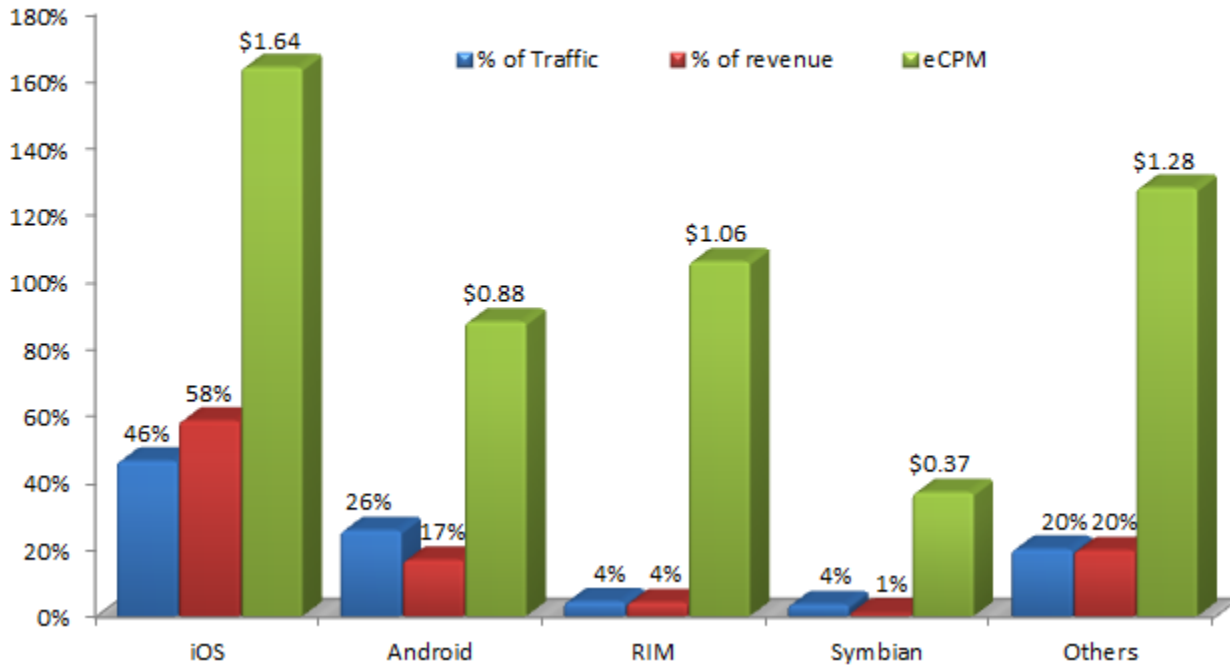
Forms of Mobile Advertising

1. Mobile web

   These ads are linked with the website that the user opens on the device's mobile browser.

2. Mobile applications

These ads appear in apps (utility/gaming/etc) downloaded by the user. Mostly these ads are incorporated by the developers to generate revenue for apps which they give away for free on the App Store/Play Store.

Ad Units

XX-Large

1. For iPhone and smartphones

2. 320 x 50 pixels

3. GIF, PNG, JPG for still images

4. Animated GIF for animations

5. <5kb file size for basic banners

6. <7.5kb for enhanced banners

7. Optional 24 character text tag line

X-Large

1. For iPhone and smartphones

2. 300 x 50 pixels

3. GIF, PNG, JPG for still images

4. Animated GIF for animations

5. <5kb file size for basic banners

6. <7.5kb for enhanced banners

7. Optional 24 character text tag line

Large

1. 216 x 36 pixels

2. GIF, PNG, JPG for still images

3. Animated GIF for animations

4. <3kb file size for basic banners

5. <4.5kb for enhanced banners

6. Optional 18 character text tag line

Medium

1. 168 x 28 pixels

2. GIF, PNG, JPG for still images

3. Animated GIF for animations

4. <2kb file size for basic banners

5. <3kb for enhanced banners

6. Optional 12 character text tag line

Small

1. 120 x 20 pixels

2. GIF, PNG, JPG for still images

3. Animated GIF for animations

4. <1kb file size for basic banners

5. <1.5kb for enhanced banners

6. Optional 10 character text tag line

Android & iOS app icons for text based ads

1. The campaign must target only Android or iOS

2. 42 x 42 pixels

3. GIF, PNG, JPG for still images

4. <5kb file size

5. Advertisers promoting Android or iOS applications can upload an app icon when using the text banner option above.

Full Screen

1. iPhone, iPod and Android devices only (not tablet formats).

2. 320×480 pixels

3. GIF, PNG, JPG for still images

4. Animated GIF for animations

5. <50kb file size

Types of Mobile Ads

1. Click-to-Web

2. App-within-an-app

3. Click-to-call and click-to-text

4. Click-to-rich media

OS rich media

Ads which allow interaction with native elements of the device drive more user engagement and better revenues.

It is found that 66% of users that click through to a video will complete that interaction, with an average dwell time of 52 seconds.Photo-taking capabilities warrant an even higher dwell time (1 min 25 secs), and about half of consumers will continue to interact with the ad post-click.
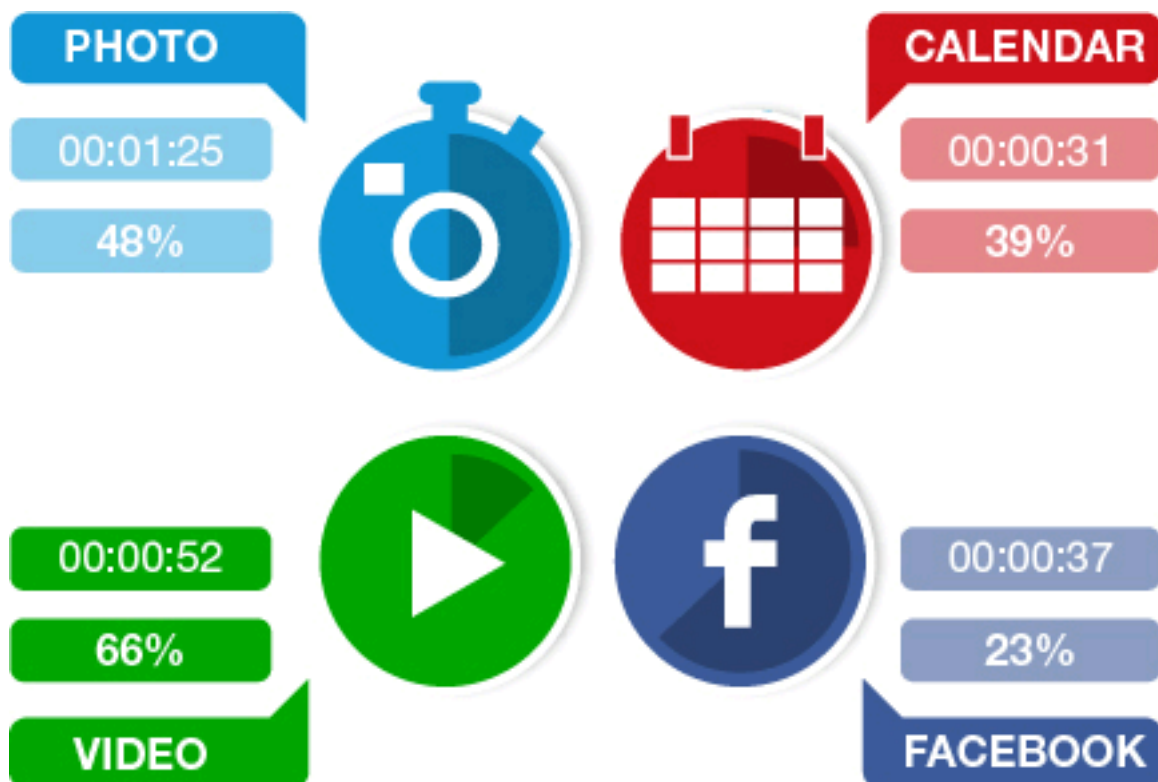
As evident from the image below, from January to June 2012, the number of standard and expandable banner executions has diminished, while HTML5 rich media and video ad executions has increased.
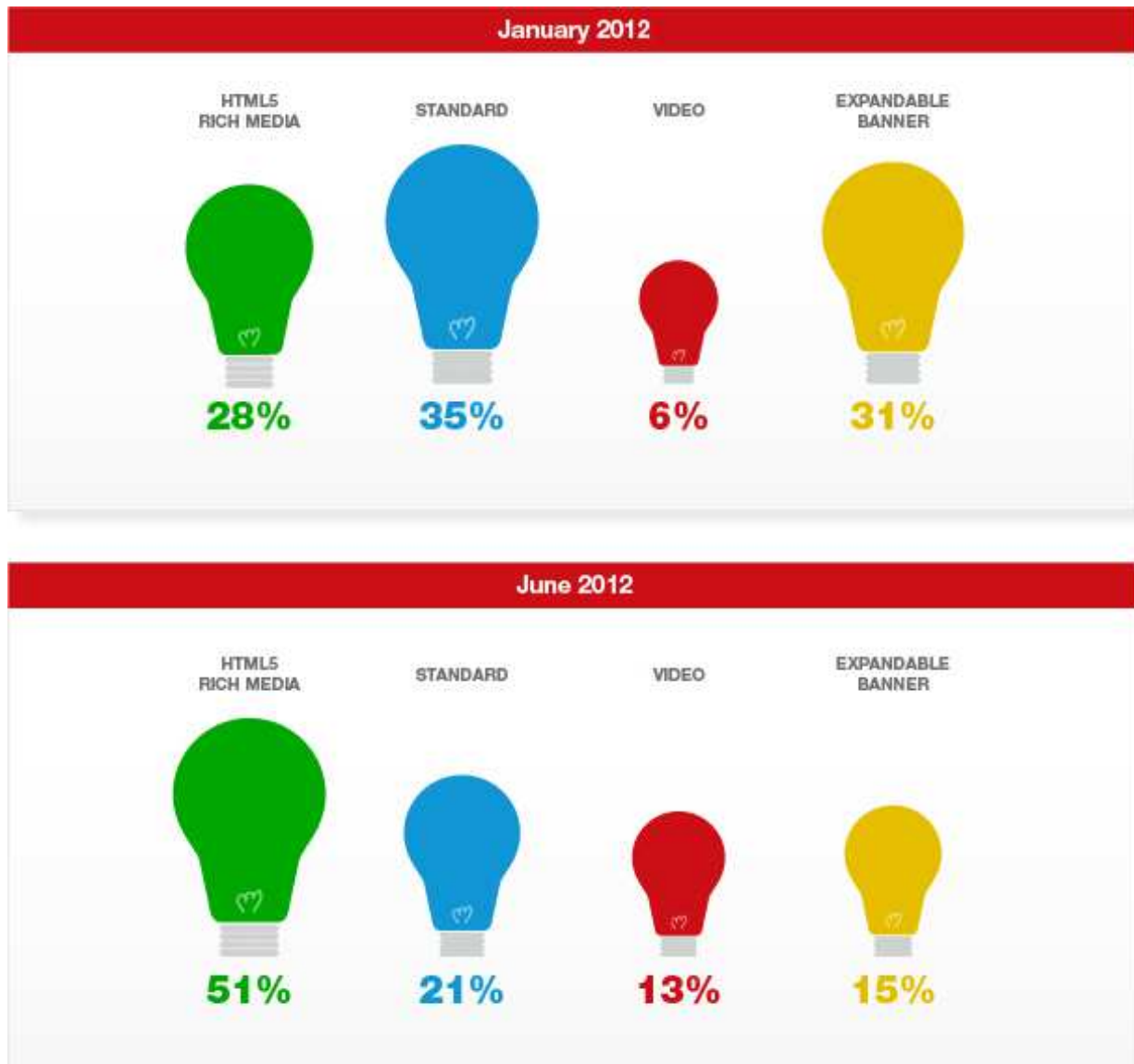
Types of Mobile Ad Networks

(Source – MobiThinking)

1. Blind

   Usually the largest in terms of publishers, advertisers and impressions. They serve a high volume of advertising to an extensive base of mostly independent mobile publishers (mobile sites and applications), supplemented by premium publishers' unfilled inventory. Advertisers cannot usually choose specific mobile sites.

2. Premium

   Premium networks focus on a limited number of prestige publishers – mobile operators and big-brand, big-traffic sites, perhaps newspapers or broadcasters – for which they are akin to an extension of their direct-sales team.

3. Premium-blind

   Higher proportion of premium publishers (i.e. mobile sites of well-known brands, like newspapers, broadcasters or operator portals), than blind networks, some on exclusive relationships.

Geographical Distribution of Impressions and Average performance of Ad networks

The United States and Canada generate the majority of ad requests, with 73% of the global total. U.S. eCPM is also the highest ($1.98), closely followed by the EU5 ($1.94) — and both top the global average of $1.90.
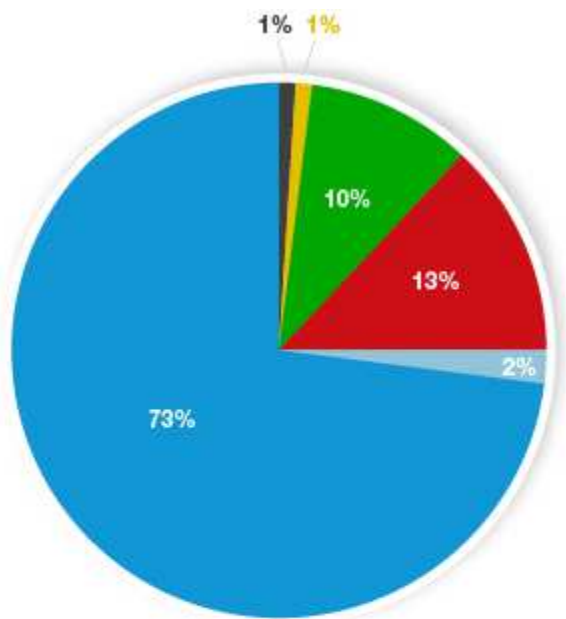
eCPM by Region

region	eCPM
Global Average eCPM	$1.90
US eCPM	$1.98
EU5 eCPM	$1.94
Rest of world	$1.57

In relation to the fill rates and eCPM payout rates, a vast difference has been observed over a short period of time. The ad networks with the highest fill rates tend to have lower eCPM payout rates, while those with high payout rates tend to have low fill rates.
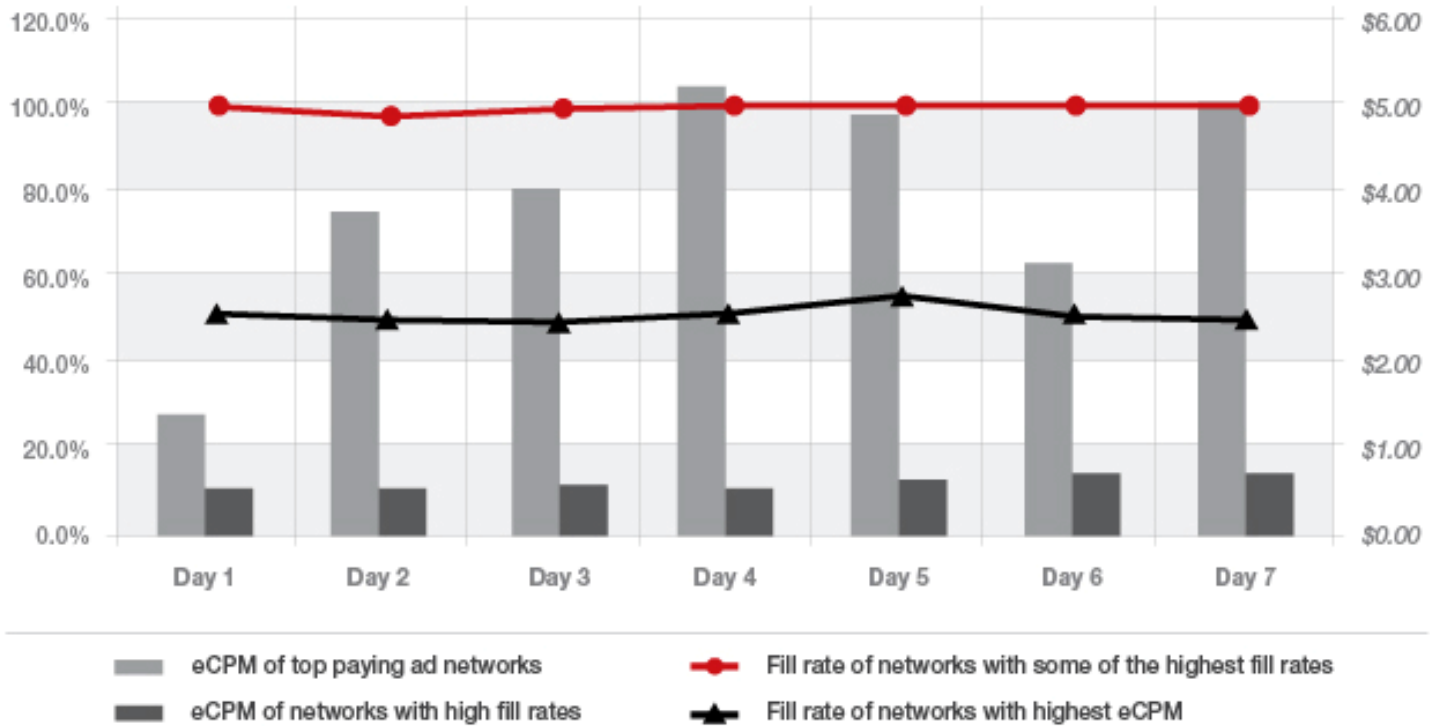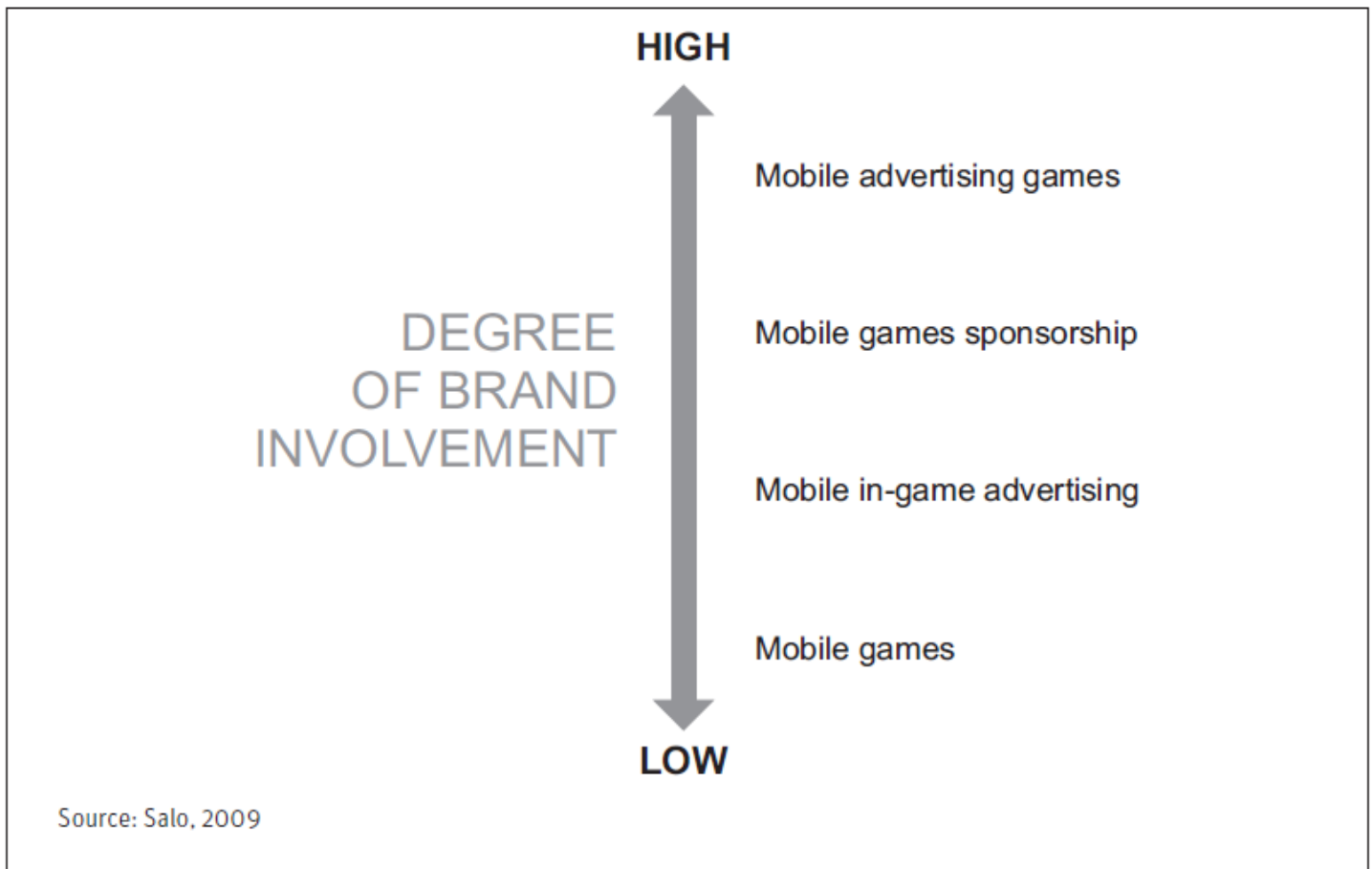
Mobile advertising in games

It has been predicted by eMarketer (2008), that the mobile game markets will grow faster than the PC and game console markets and their value has grown manifolds by 2012. Still, it is clear that even though the overall markets increase, this does not necessarily turn into advertising revenues for mobile game developers and other players in the mobile ecosystem.

There are a number of factors impacting the revenue earnings of Mobile ads through gaming apps in addition to the degree of reach (how many customers see the advertisement) of mobile game advertising and the degree of personalization and customization of advertising in the games.

The four different forms of mobile game advertising where the degree of brand visibility or involvement in the game varies, as identified by Salo et al. (2009), are

FIGURE 1: DEGREE OF BRAND INVOLVEMENT IN DIFFERENT TYPES OF MOBILE GAMES

Source: Salo, 2009

Major Advertising Networks (Not in any particular order)

1. Google AdMob

2. Apple iAds

3. Tap me (In game advertising)

4. Greystripe

5. Jiwire

6. Velti

7. Millennial Media

8. Yahoo

9. MobFox

10. Kiip (In game advertising)

11. InMobi

12. JumpTap

Competitive Analysis of 2 Mobile Ad Networks

Greystripe

Greystripe is a division of ValueClick. Greystripe was named one of the *Top Ten Most Innovative Companies in Mobile* by Fast Company in 2011, the MOBI Awards' *Best Mobile Rich Media Network* in 2010, E-Tech CTIA award winner for the *Mobile Marketing/Mobile Advertising* category in 2009, AlwaysOn *OnMedia 100* winner in 2009, AlwaysOn *Global 100* winner in 2008, Red Herring *Global 100* winner in 2007 and the Under the Radar *Best in Show: Mobility* winner in 2006.

Supports

1. [Full screen ads](#)
2. [iPad/tablet ads](#)
3. Banner ads

How is it different?

Greystripe has built-in technology to transcode flash ads into a format which can be run on the iPhone, allowing brand advertisers to use the flash development process they prefer.

Links

1. [Website](#)
2. [Infographics](#)
3. [Case study for a gaming company](#)

Tap me

Introduction

Launched in Feb, 2011, Tap me is created specifically for gaming apps. Rather than simply provide display advertising, Tap Me ties the ads into in-game actions, with brands enabling brands to be integrated deeper into games.

How is it different?

Existing ad solutions are interruptive to gameplay and don't scale or simply don't leverage gamers' existing behaviors.

1. Non-banner, non-popup ads

2. Ads linked to user's usage patterns

3. Branded enhancements (from Tap me site)

   Own what your brand stands for and connect with audiences in a way that makes their experience better, and your brand the hero.

   a. *Own what your brand stands for:* Your brand provides gamers with a boost of power, endurance, grace, fearlessness, energy, etc. that helps them perform better and enjoy their favorite game.

   b. *A flexible, full screen canvas:* Gamers engage with your brand upon activating their boost. This full-screen experience can include video, rich media, social sharing functionality, store locators, polls and more.

   c. *The right games:* Tap.Me is partnering with the hitmakers in the mobile gaming space to bring you both scale and big-name titles.

   d. *Measurement:* Everything we do can be measured, and we work with clients to customize reports to their needs.

Revenue model and pricing

Tap Me ties up with Brand Advertisers for displaying ads in games. These ads are linked to enhancements in the game, which display the brand tag and thus foster user-brand relationship. Developers can leverage Tap.me API to get brand sponsored ads(enhancements).

Excerpt from the Programmable web article :

From a payment perspective, **advertisers don't pay Tap Me per impression**, which is the standard in mobile advertising. Instead, it's more akin to Google AdWords, only Hernandez calls it "cost per tap" rather than cost per click. Advertisers can provide gamers with free levels, extra lives or power-ups, all that are used within the game. Players activate these with knowledge of the sponsor, which can open up a relationship between advertiser and gamer–something that's likely worth more than a handful of ad impressions.

Platforms

1. Currently available for iPhone

2. Expansion plans for HTML 5

3. Generic API development in the long run

Links

1. Tap me website

2. Programmableweb article

3. BitFLIP – the iPhone game using Tap me

4. CNET Article

Conclusion (for the Brand Advertisers)

From the Tap me success story and since it has been observed that the trend of virtual goods purchase is on increase in the gaming users and the in-game ads revenue is closely following, it is recommended to club both of them by placing ads in a strategic, unobtrusive way – in the form of game enhancements or full screen rich media ads while hopping on to the next level.

This model can also be adopted for niche applications which target an audience using brands of a particular segment – such as – clothes/apparels, household electronics items, fitness and sports buffs, etc. The aim should be of collaborating with brands from the same market as the application is developed for.

References

1. [Phase2Interactive's Slideshare Presentation on Top Mobile Advertising Networks](#) – Aug 2, 2011

2. [In-game advertising Wiki Page](#)

3. [The mobiThinking guide to mobile advertising networks 2012](#)

4. [The State of Mobile Advertising, Q2 2012](#) – Opera Software

5. [Ad unit specifications](#) – adfonic

6. [Digital advertising in mobile games: A conceptualization and description of typical features of mobile in-game advertising](#) – Jari Salo

7. Classic Guide : State of mobile Advertising 2011 – Mobile Marketer