IAB AUSTRALIA MOBILE LANDSCAPE STUDY

2015

Produced by Hoop Group and IAB Australia

Study Overview

Background

Hoop Group was asked to conduct the 3rd annual IAB Australian mobile landscape study. The study was first undertaken in 2013, and continued in 2014.

Methodology

The study was conducted through a 15-minute online survey and was undertaken by 350 people.

The survey was sent out to representatives of the advertising industry utilising databases from the IAB and Hoop Group.

All respondents were screened for their position in the industry and their involvement and knowledge of mobile advertising.

Executive Summary

- The market is expecting a 26% increase in spend over the next 12 months, though we have seen in the last three years that the market continues to underestimate the rapid growth in mobile.
- 41% of the market now see mobile advertising as a significant part of their marketing and expect to use mobile in half of their campaigns.
- There has been a shift over the last 12 months through the expansion and education of the market in which marketing objectives mobile advertising is being used to address. Brand awareness and consumer engagement are now the leading objectives (30% and 31% respectively), with shorter term, more tactical objectives contracting.
- Even with a rapidly expanding market with many new advertisers, satisfaction with the effectiveness of mobile advertising has increased, with 93% of the buy side satisfied with their results.
- Mobile spend and use is expanding with the growth of a wider variety of formats being used – we have already seen almost universal usage of standard mobile browser banner style creative and social mobile advertising. But over the next 12 months buyers are expected to significantly increase their use of: mobile video (from 80% of buyers to 93% including in their campaigns), native (50% to 75%), in-app (50% to 70%) and search (77% to 85%).

Executive Summary (continued)

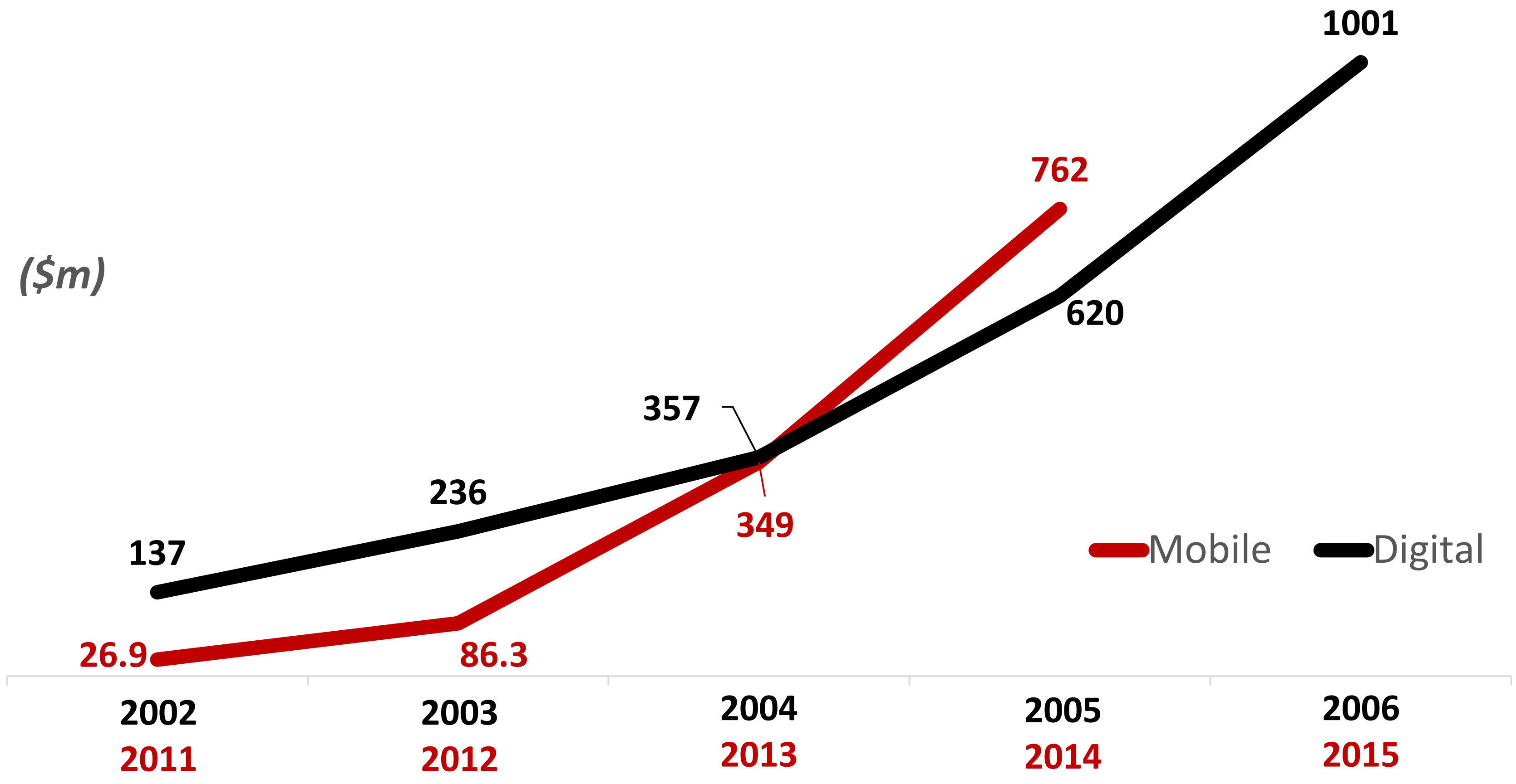
- Not surprisingly programmatic is an increasingly important part of mobile advertising – 48% had used mobile programmatic in our last survey, this has increased to 66% with a further 23% expecting to use it in the coming 12 months.
- Buyers are expecting to use mobile video in 43% of their mobile campaigns in the coming 12 months.
- 53% have experienced an increase in prices in the last 12 months (21% have seen a decrease).
- Barriers to increasing mobile spend remain similar to last year but have generally decreased – measurement remains number one but has decreased from 54% to 37% and client understanding (number-two barrier) has decreased from 41% to 35%. Effectiveness proof and creative limitations have remained steady, albeit lower than measurement and understanding/education.
- Viewability is seen as a barrier for general mobile campaigns for 14% of buyers but 22% for mobile video buyers.
- Creative limitations is one of the top of mind concerns for marketers/clients.

What Has Happened in the Last 12 months?

Revenue Growth

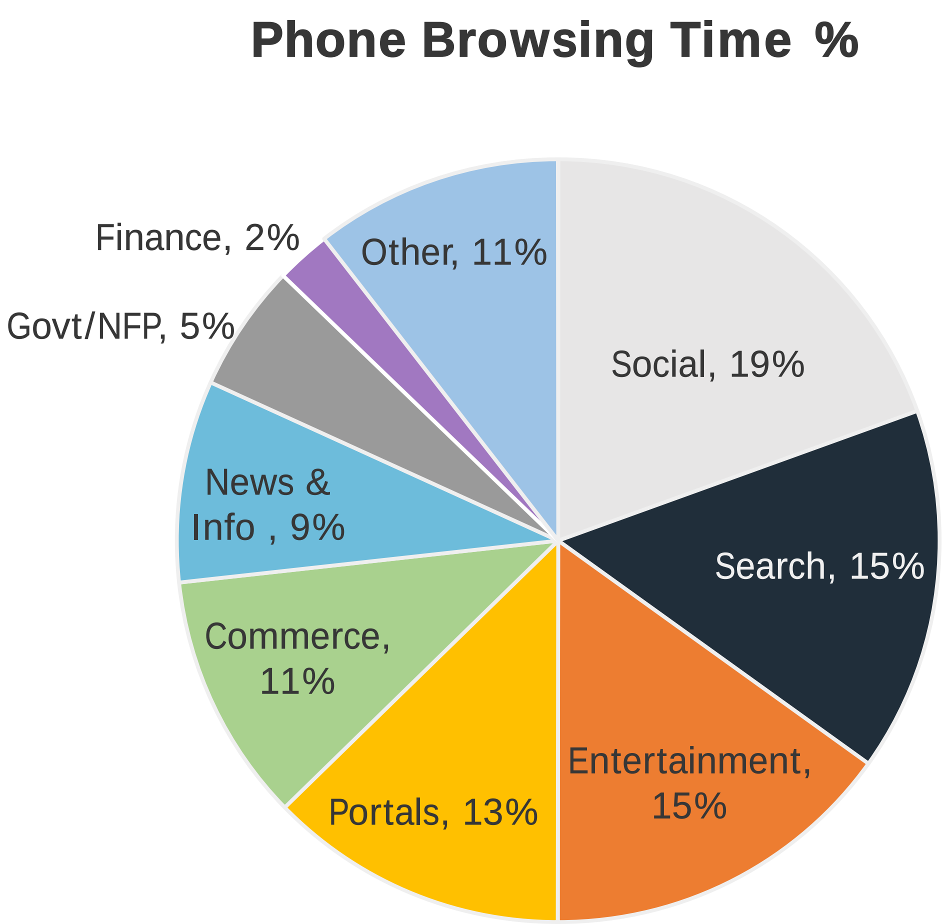
Consumer Growth

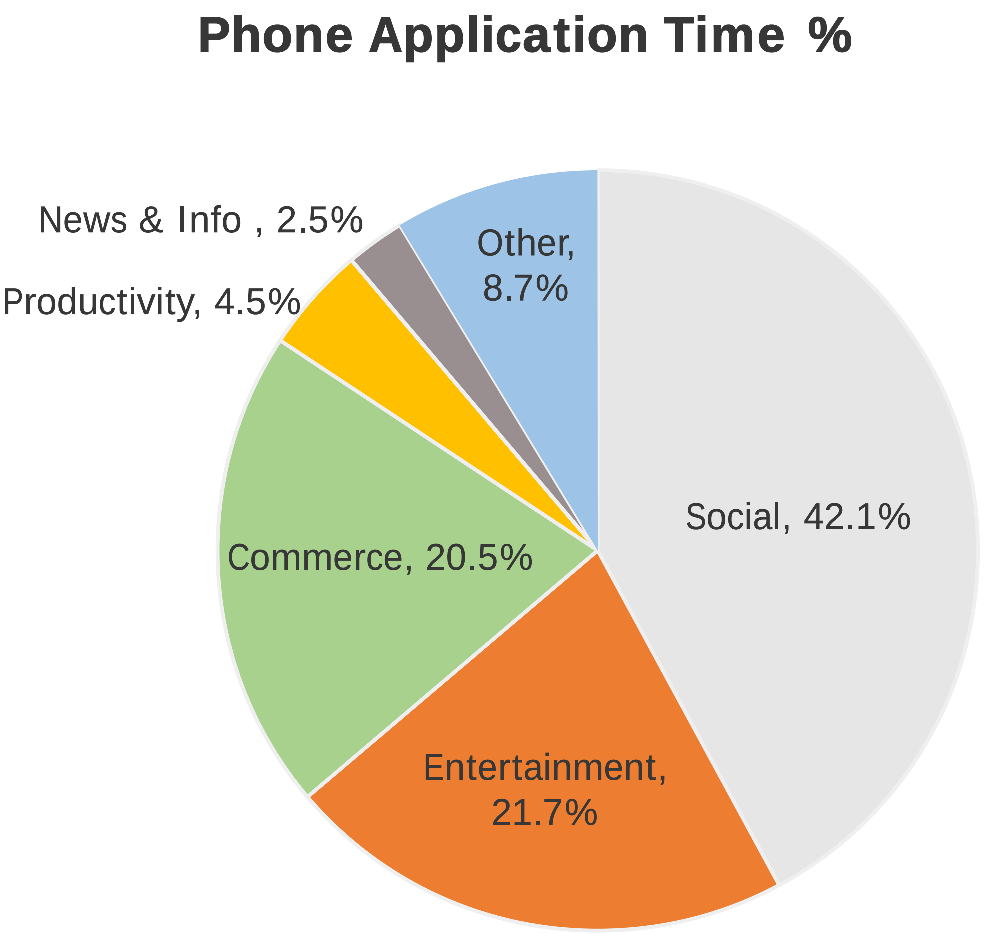
Mobile Ad Revenue up 118% in CY14



From IAB/PWC Online Advertising Expenditure Report Dec 14

Mobile More than 50% of Digital Time

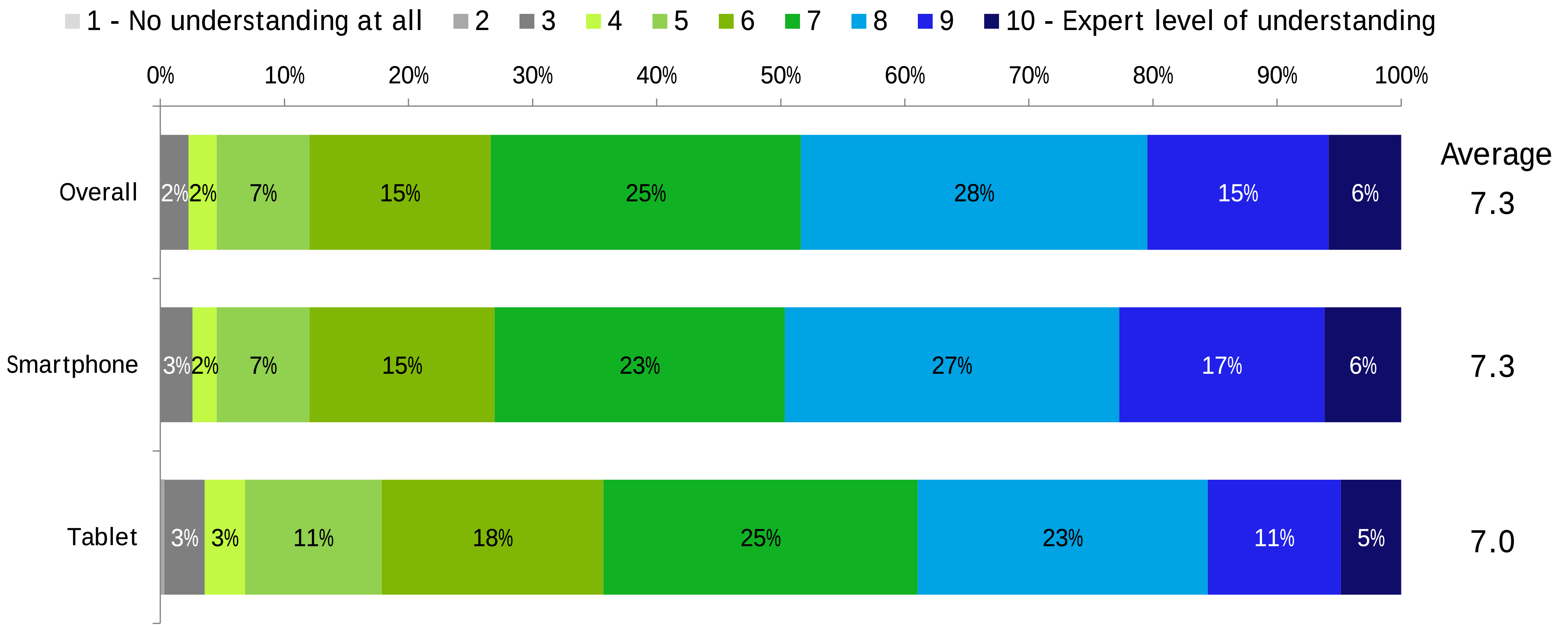




Market measurement & understanding of consumer habits has increased significantly in last 12 months

Mobile Advertising Experience

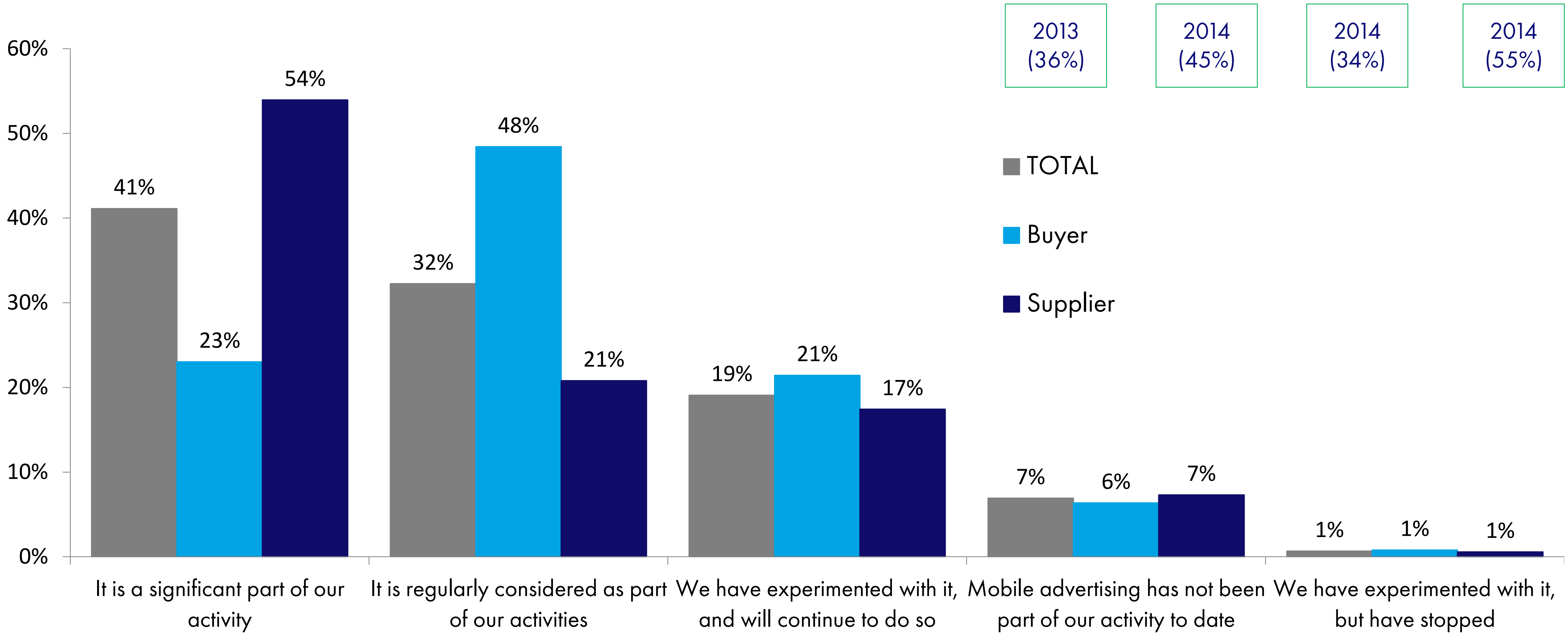
Understanding of Mobile Advertising



Overall understanding was 7.3 (out of 10). The figure was the same for Smartphone and a little lower for Tablet advertising.

How well do you feel you understand mobile advertising, overall and in terms of specific mobile device types?

Experience with Mobile Advertising



7 out of 10 people (both buyers & suppliers) stated that mobile advertising was either a regular or significant part of their activity.

Which of these best describes your organisation's experience with mobile advertising to date?

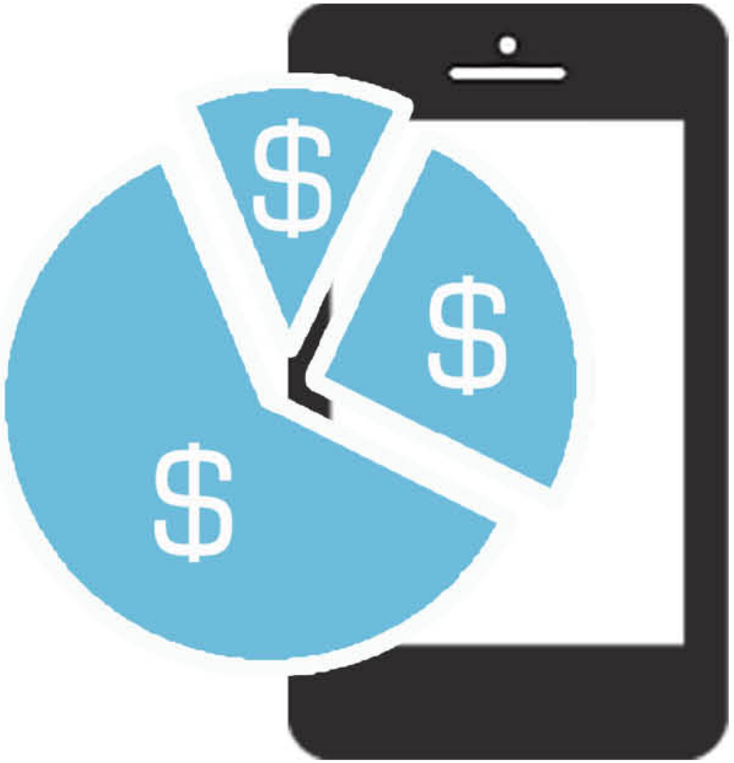
Satisfaction with Mobile Advertising

NET satisfied

	All buyers	Brand/advertiser	Agency	2014
Overall	93%	76% ↓	97% ↑	84%
Smartphone	90%	76% ↓	93% ↑	80%
Tablet	85%	81%	86%	68%

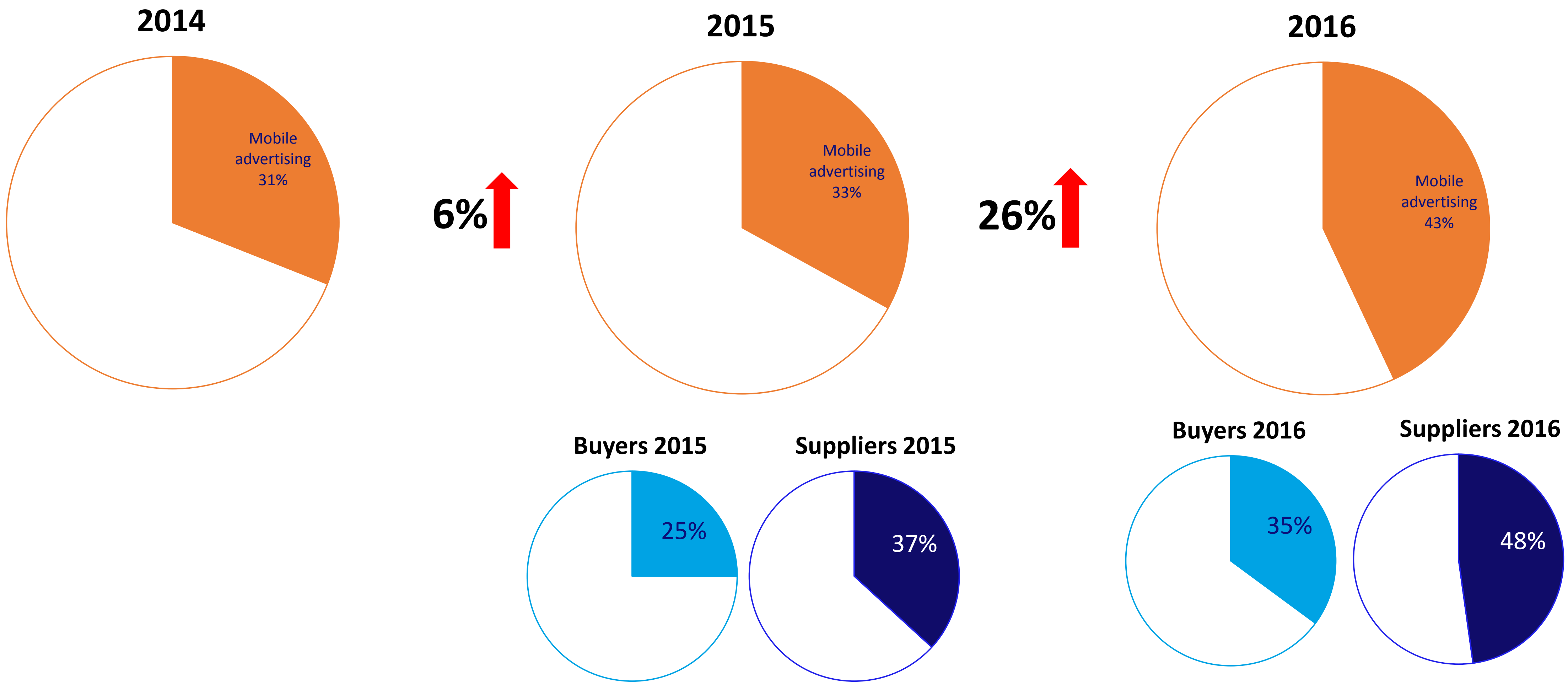
Overall Satisfaction with mobile advertising is high and higher than it was in 2014.
Satisfaction with tablet advertising is a little lower as it was last year as well.

How satisfied are you with the results of your mobile advertising activities on tablets, smartphones, and overall across both devices?



Mobile Advertising Split & Spend

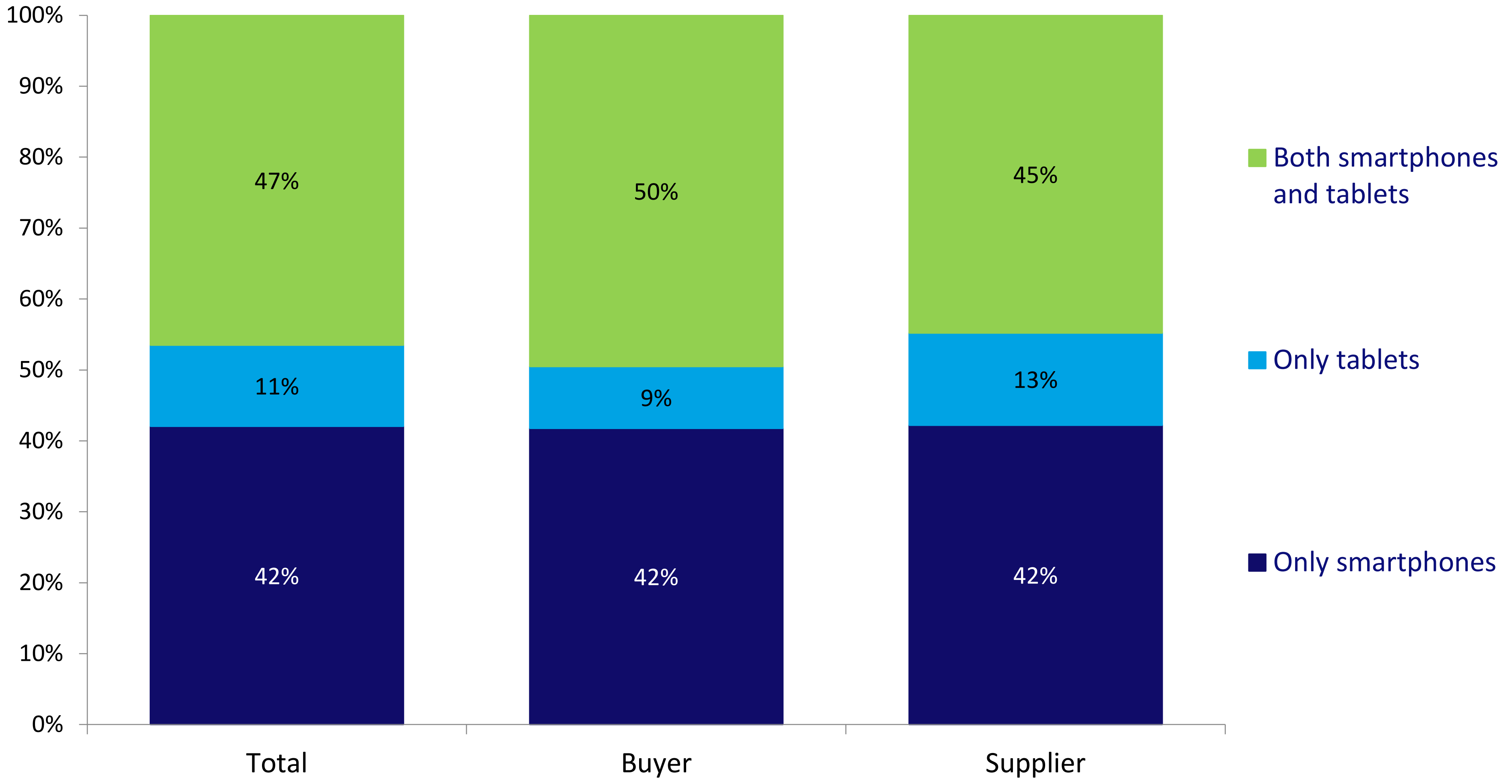
Proportion of Mobile Advertising Spend



Mobile advertising spend had increased since 2014. There had been a 6% increase in the figure.
The figure was projected to rise considerably (by 26% or 10% point.)

In 2014, what proportion of the total ad dollars on DIGITAL that your company handles was for mobile advertising (smartphones OR tablets)?

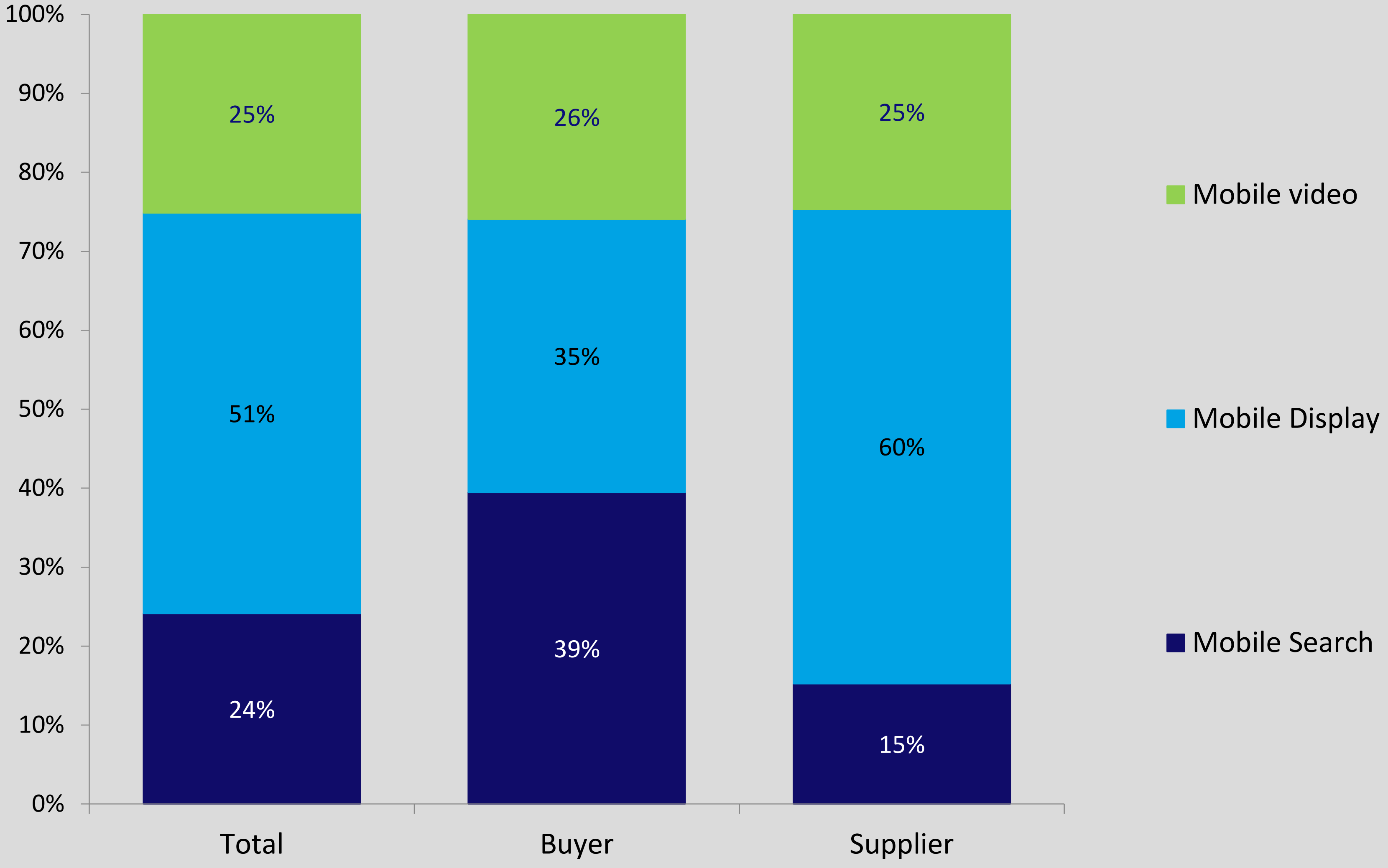
Spend Split Between Smartphones/Tablets



42% of the respondents only did mobile advertising for smartphones. Just on ½ did it for both phone and tablet devices.

Of that value for mobile advertising, what was the approximate split between....

Spend Split between Mobile Video/Display/Search

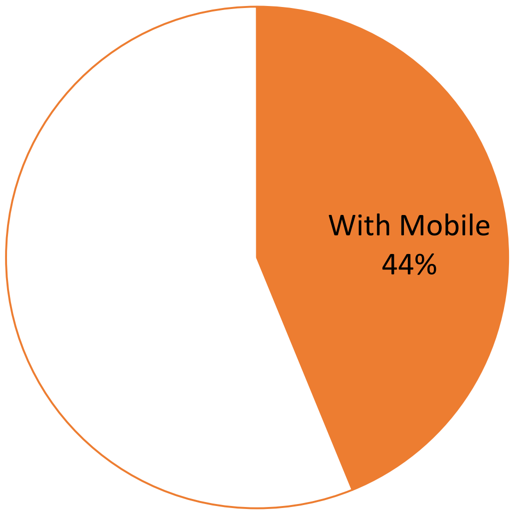


A ¼ of all respondents (both buyer & supplier) were doing mobile video. Mobile search (24%) was higher with buyers (39%) than suppliers (15%).

Of that value for mobile advertising, what was the approximate split between....

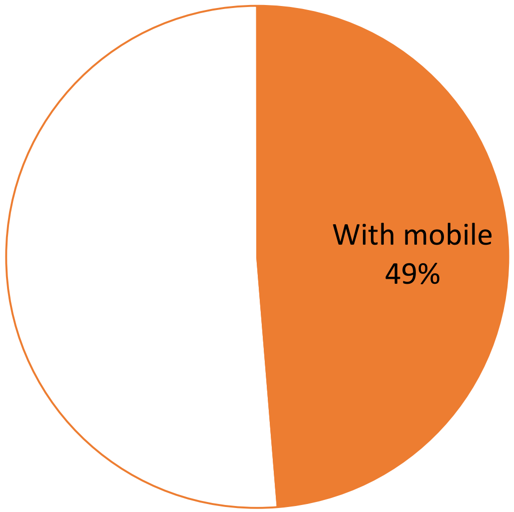
Ad Campaigns with Mobile Component

2014

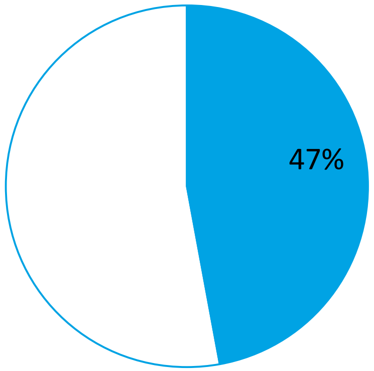


11%

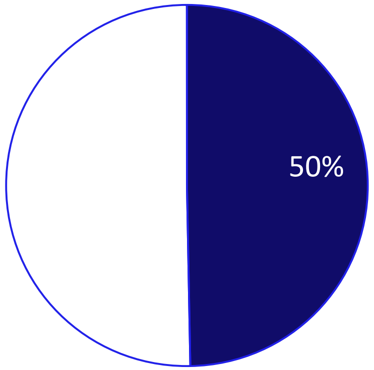
2015



Buyers 2015



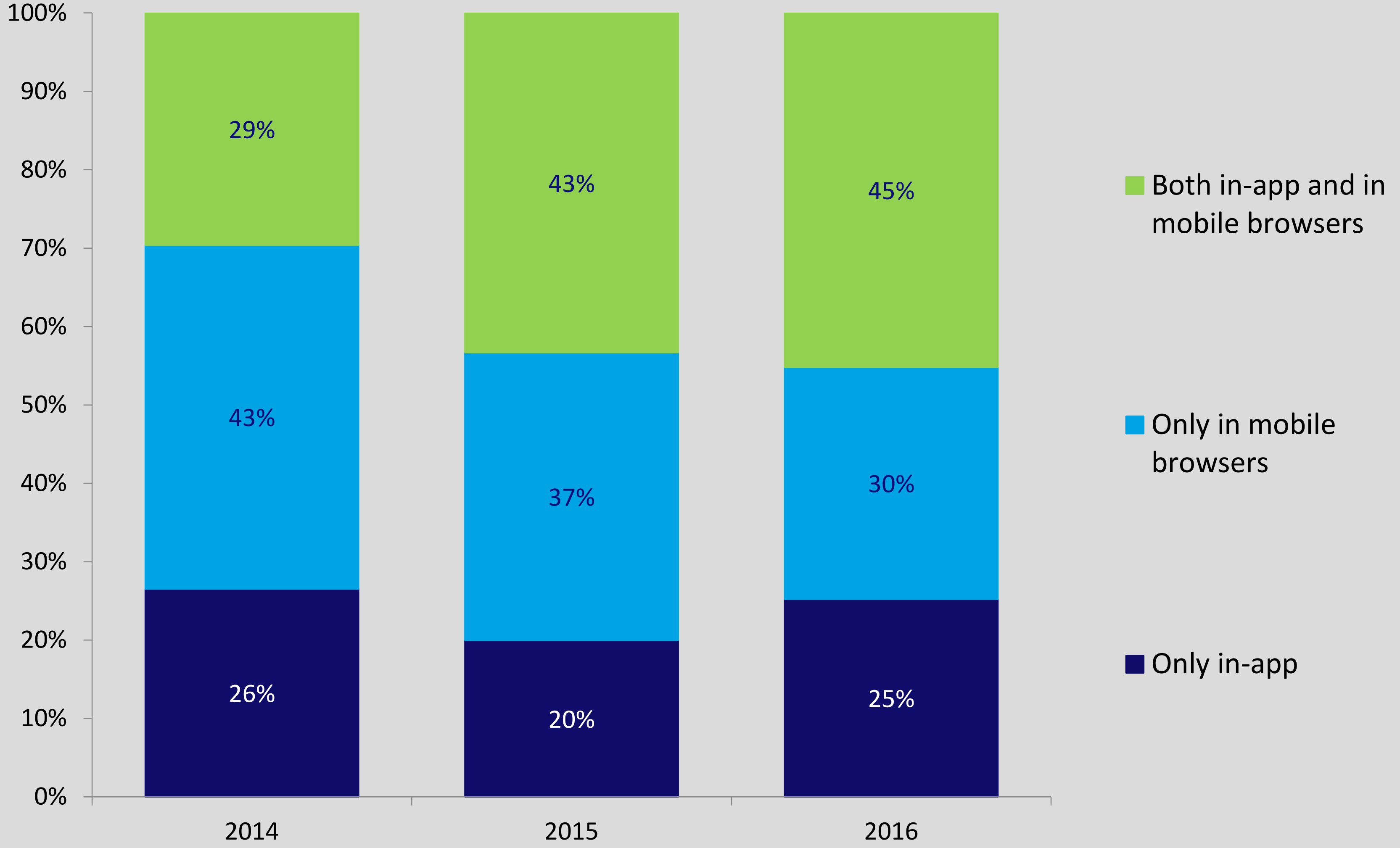
Suppliers 2015



Campaigns with mobile had risen 11% since last years survey.

In 2014, what proportion of the ad campaigns your company handled had a mobile (smartphone or tablet) component?

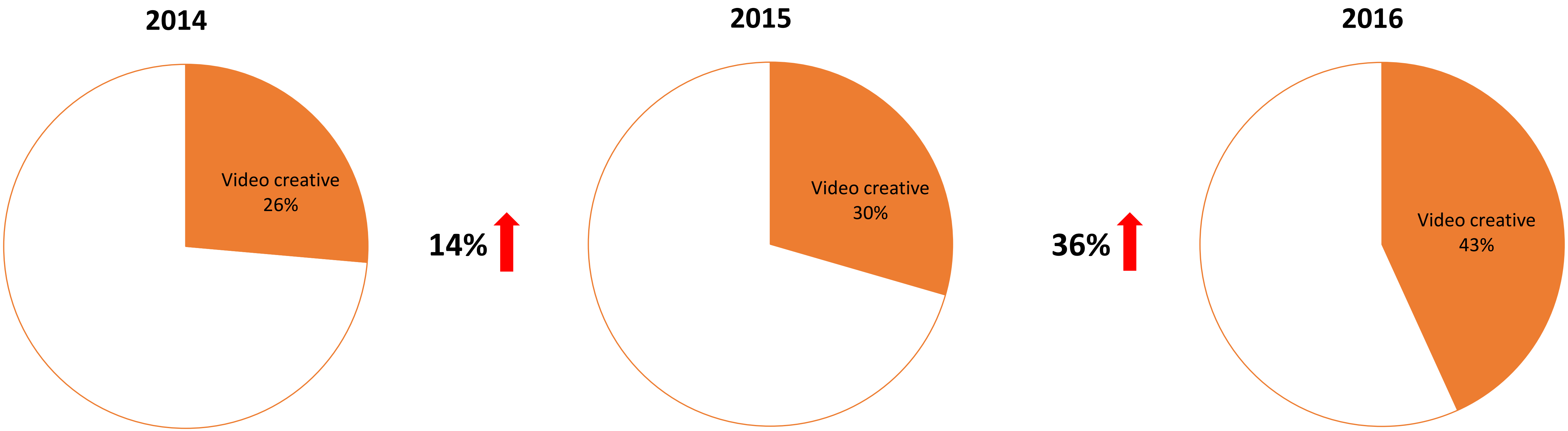
Mobile Component Split by In-App/Mobile Browser



There had been an increase in companies doing mobile both in app and on browser since last year (up 39%).

Of the mobile ad campaigns your company handles, approximately what proportion are in-app, mobile browser, or both? In 2016, what proportion of mobile ads do you estimate will be in-app, mobile browser, or both?

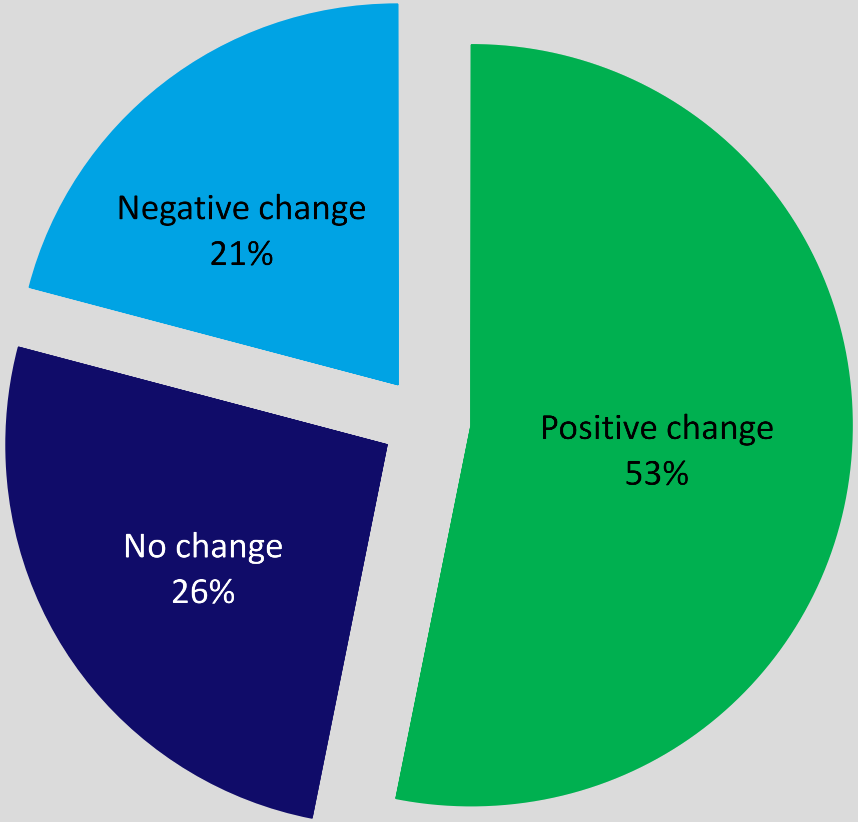
Usage of Mobile Video Creative



There had been an increase in video creative used since last year (up 14%). This was planned to increase in the next year.

Of the mobile ad campaigns your company handles, approximately what proportion use video creative? In 2016, what proportion do you estimate will use video creative?

Changes in Mobile CPMs

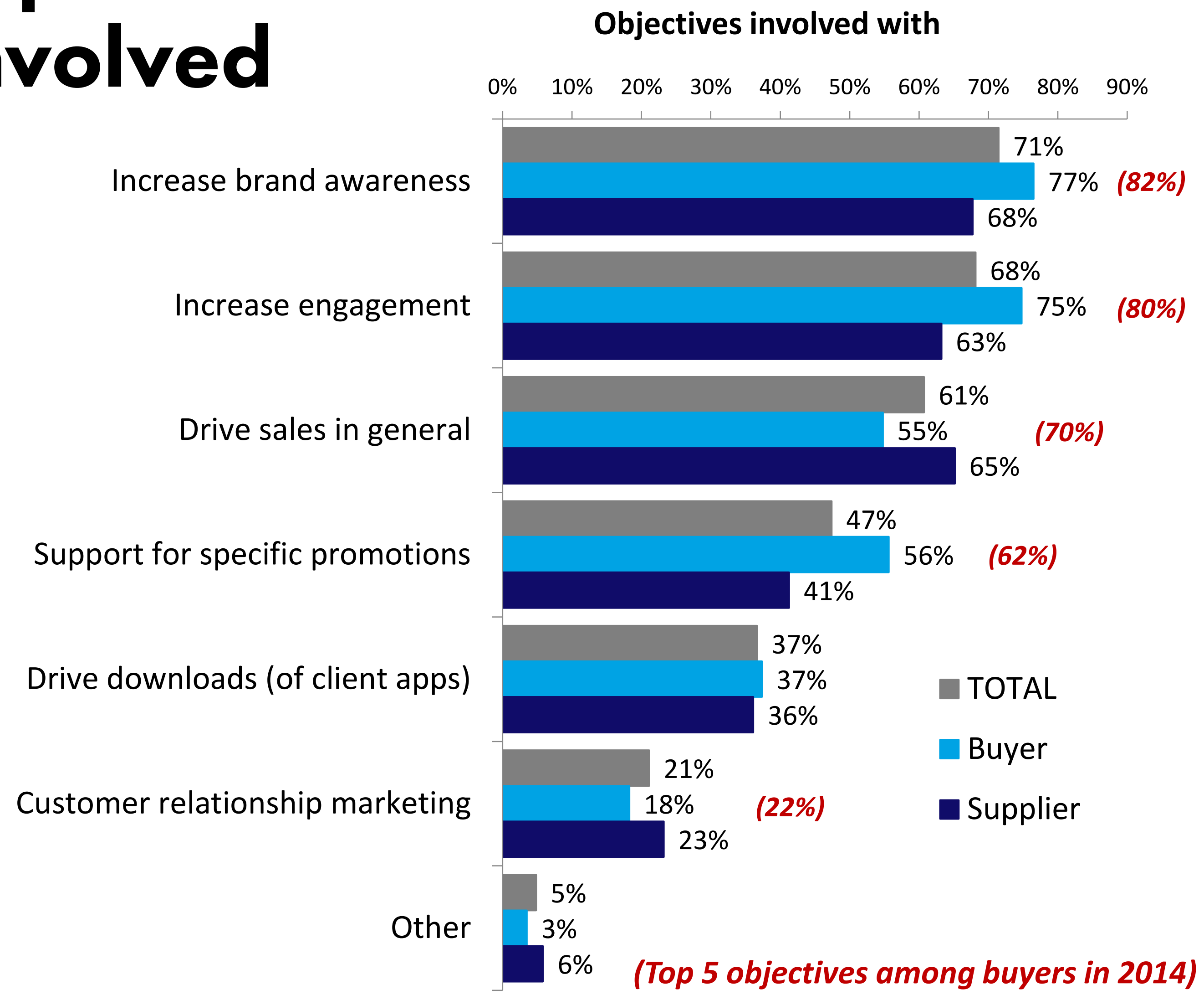


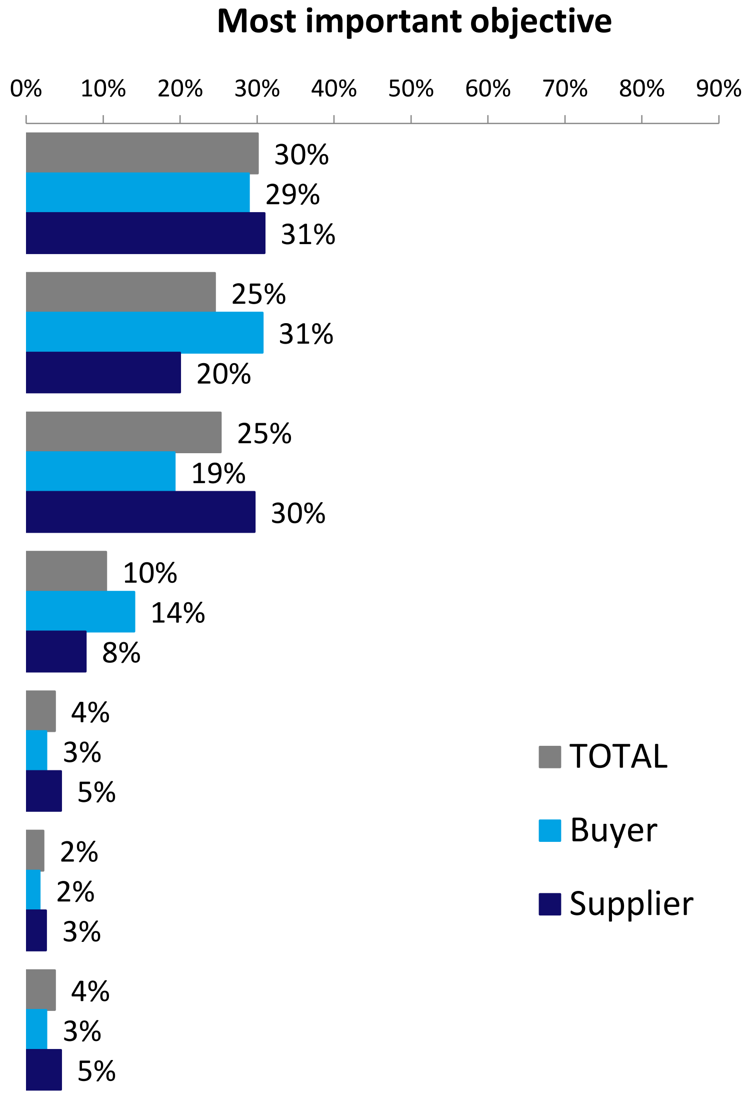
A ¼ of our respondents had seen no change in mobile CPM's, but over a ½ (53%) had seen a positive change.

What, if any, change (in % terms positive or negative) have you seen in mobile CPMs over the past 12 months?

Mobile Advertising Strategy

Objectives Involved

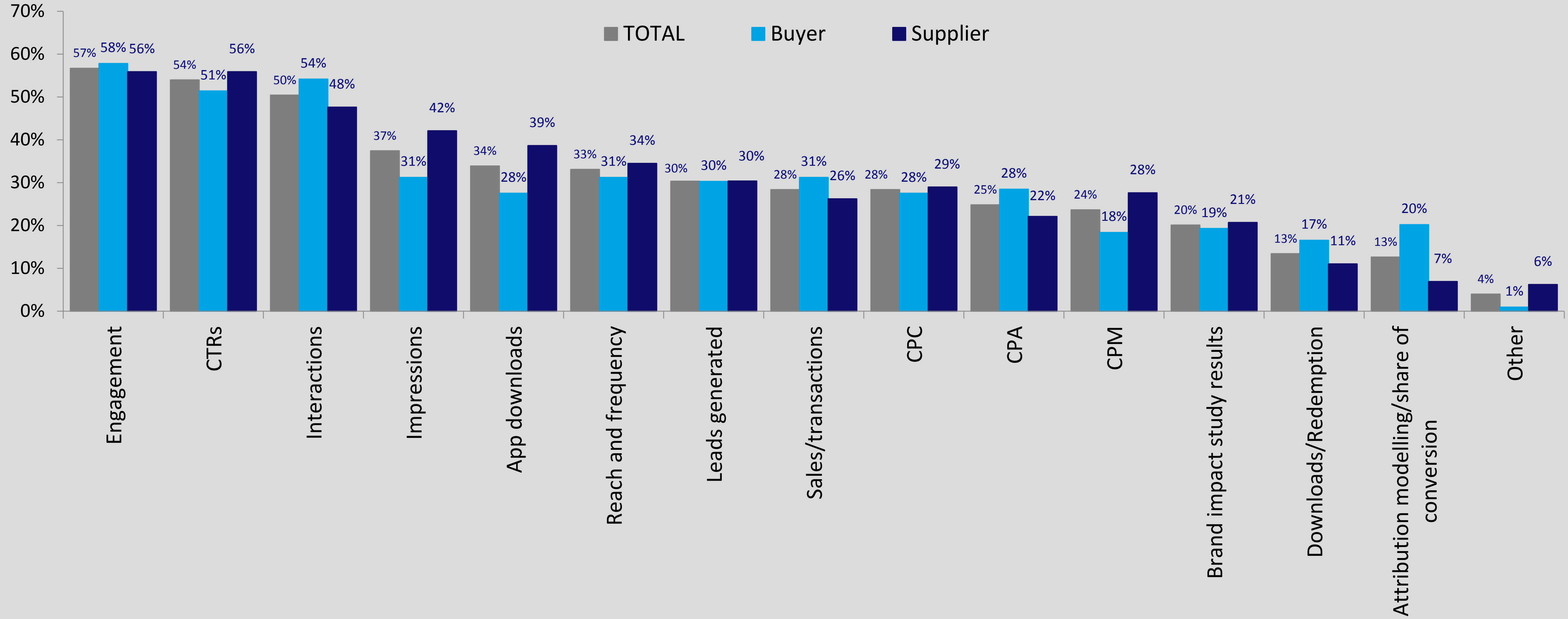




The most important objectives of mobile advertising was brand awareness then engagement. This was followed by 'driving' sales.

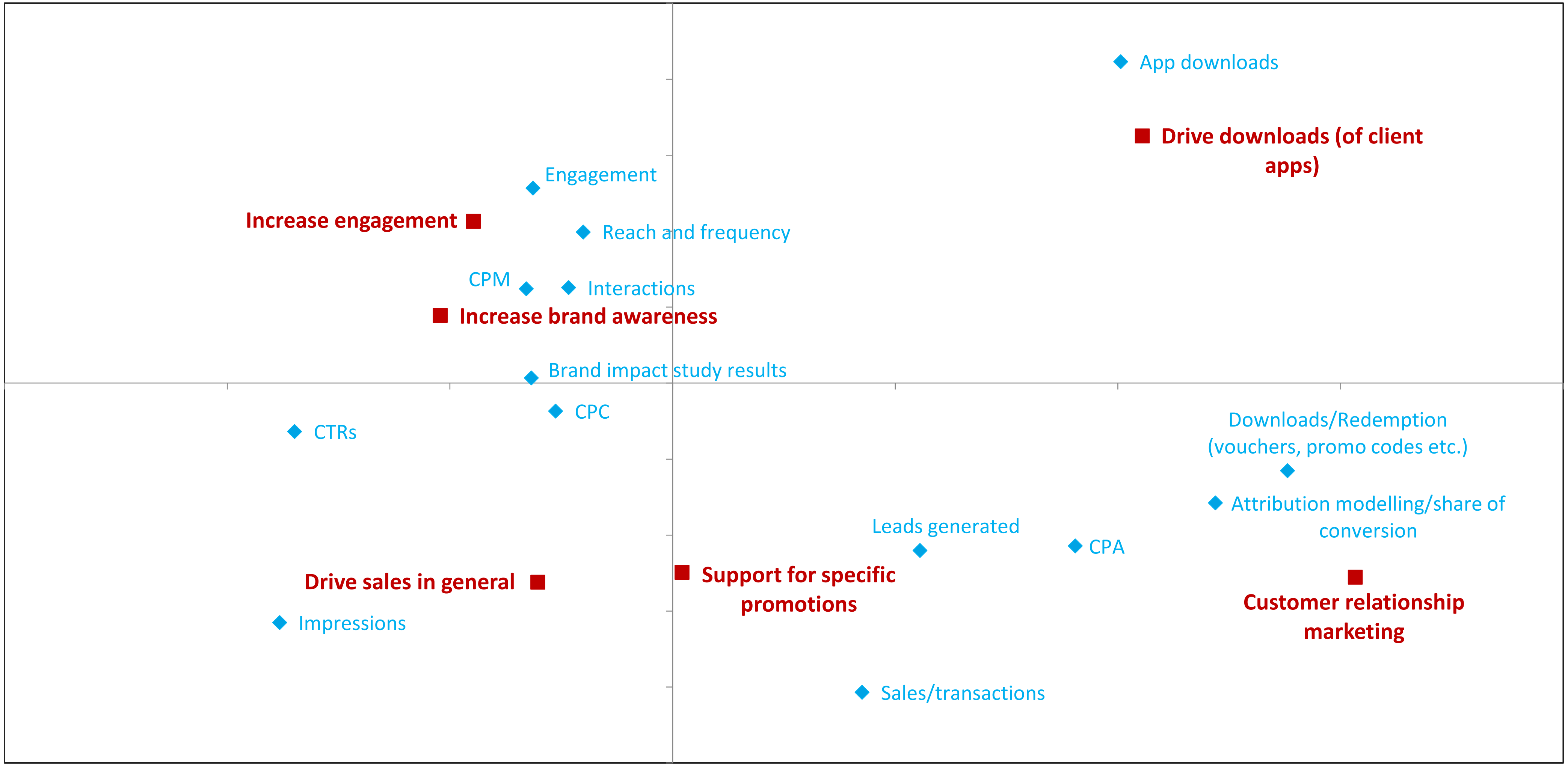
What have been the objectives of mobile advertising activities you've been involved with over the past year? Of these, which has been the most important?

Measures Assessing Performance



Engagement, CTR's & Interactions were the key measures used to assess performance of their campaigns

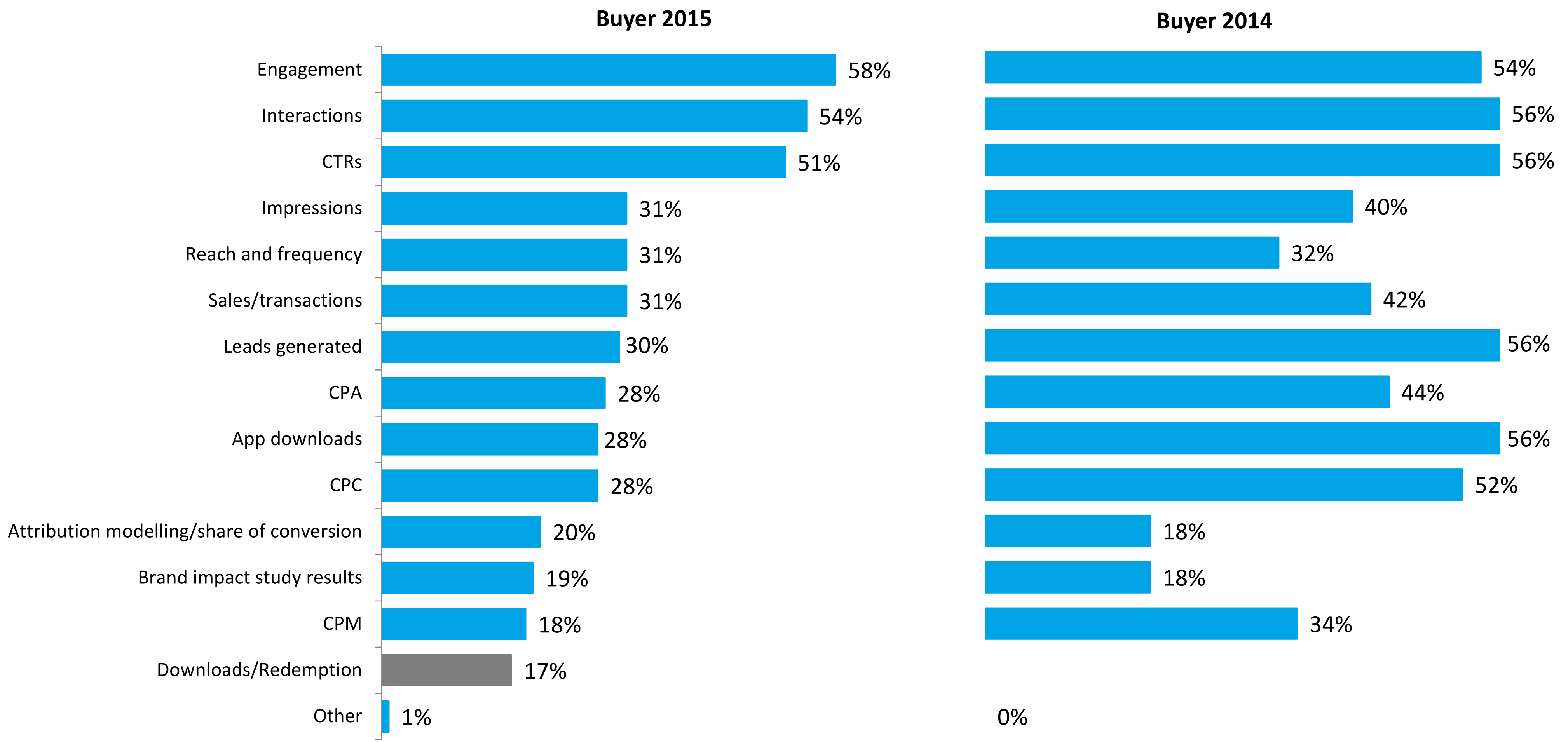
Perception Map of Measures



We have created a perceptual map of the proximity of measures (in blue) crossed by the objectives (in red) from slides 18 and 19.

Which of the following did you use as key measures to assess performance against the objectives?

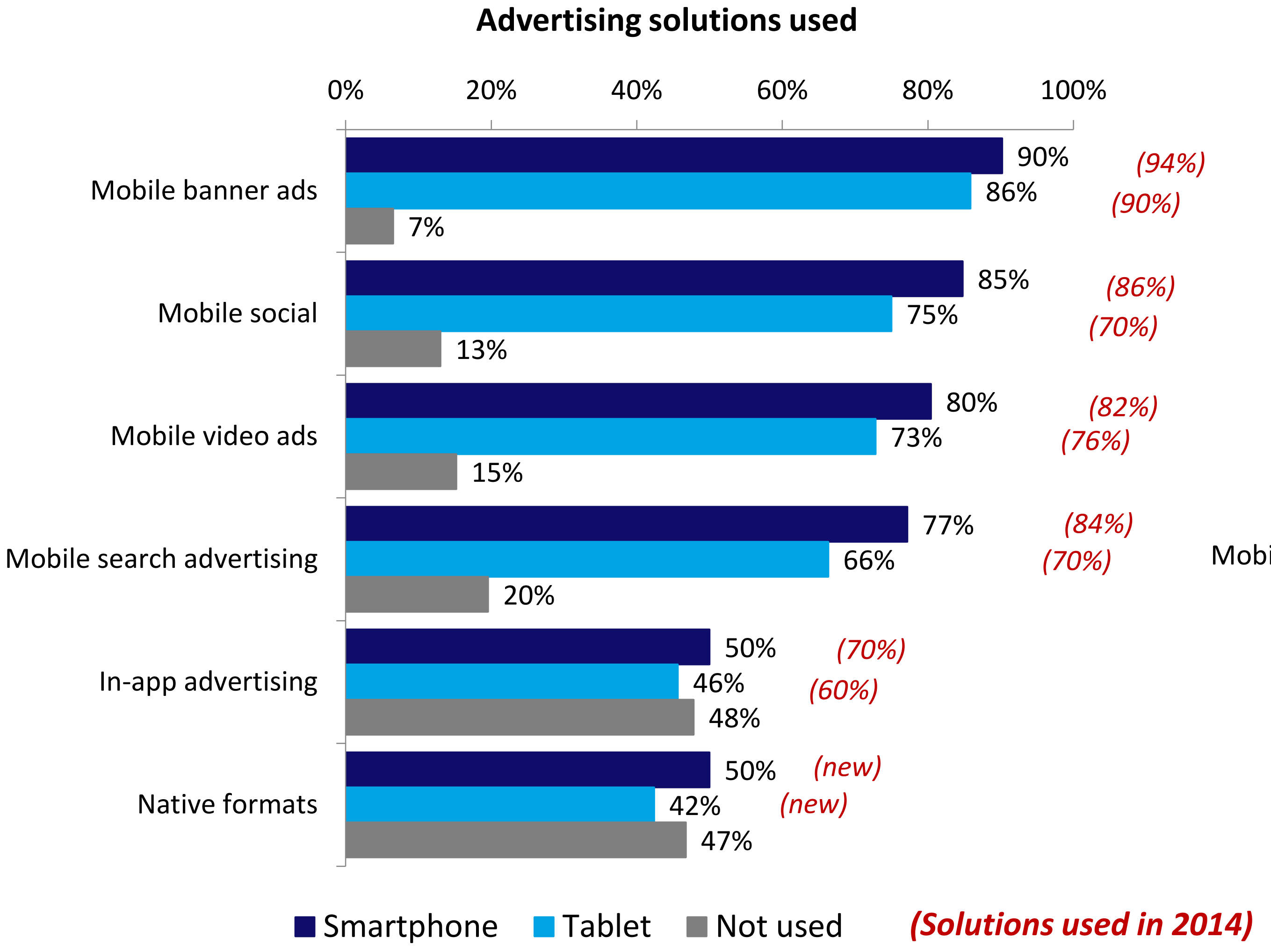
Measures Assessing Performance – Buyer

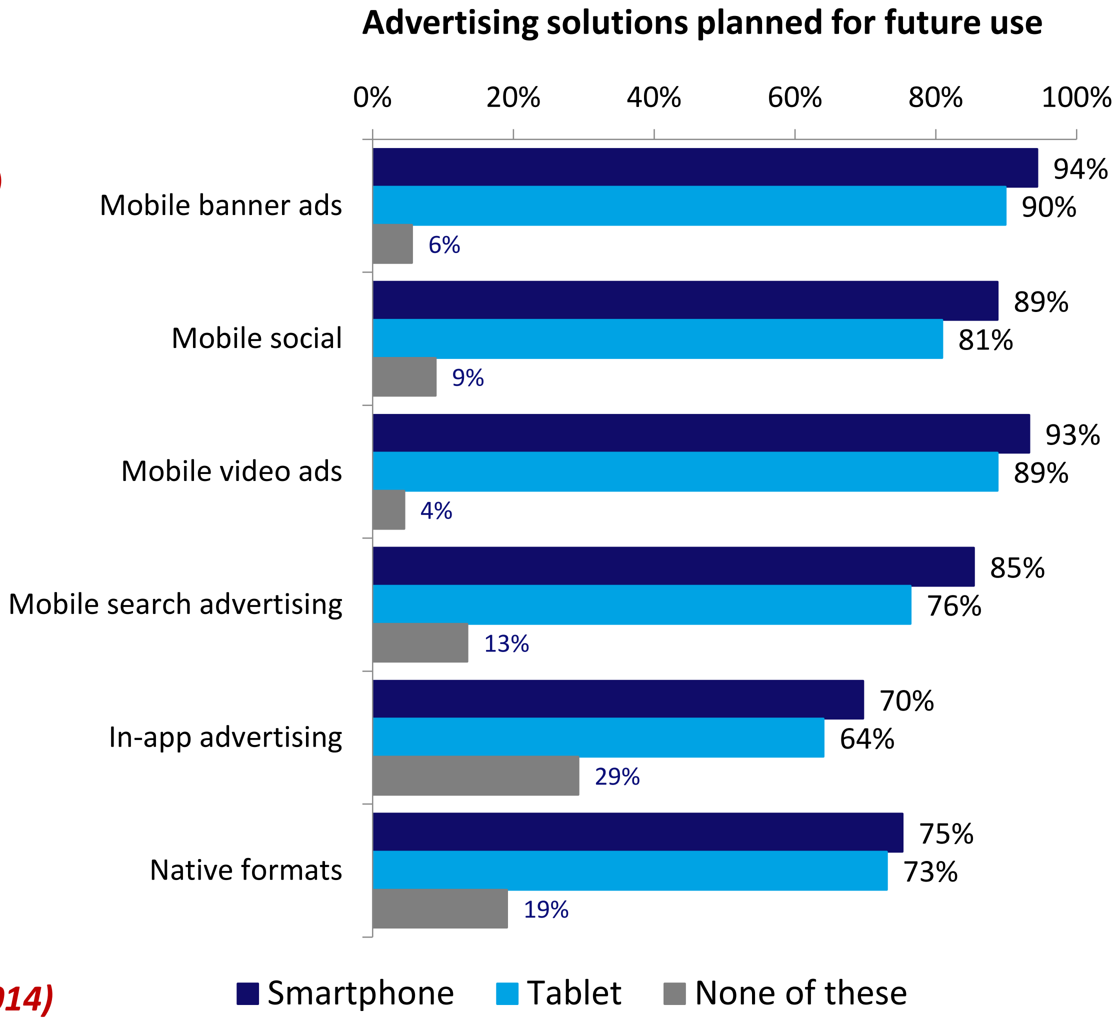


The measures of assessing performance were a little different when compared to 2104.
Engagement and interaction still high but lead generation and downloads had decreased (amongst others).

Which of the following did you use as key measures to assess performance against the objectives?

Advertising Solutions

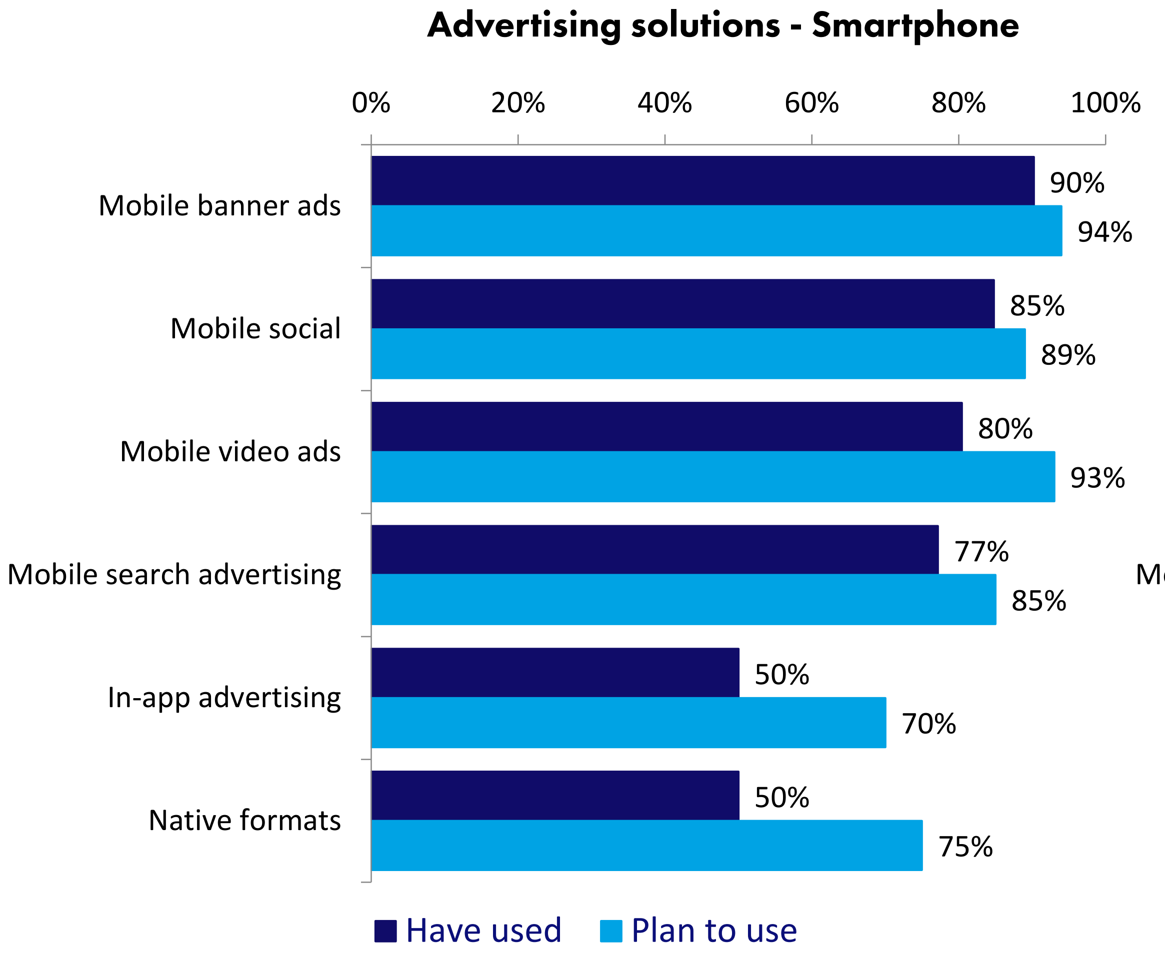


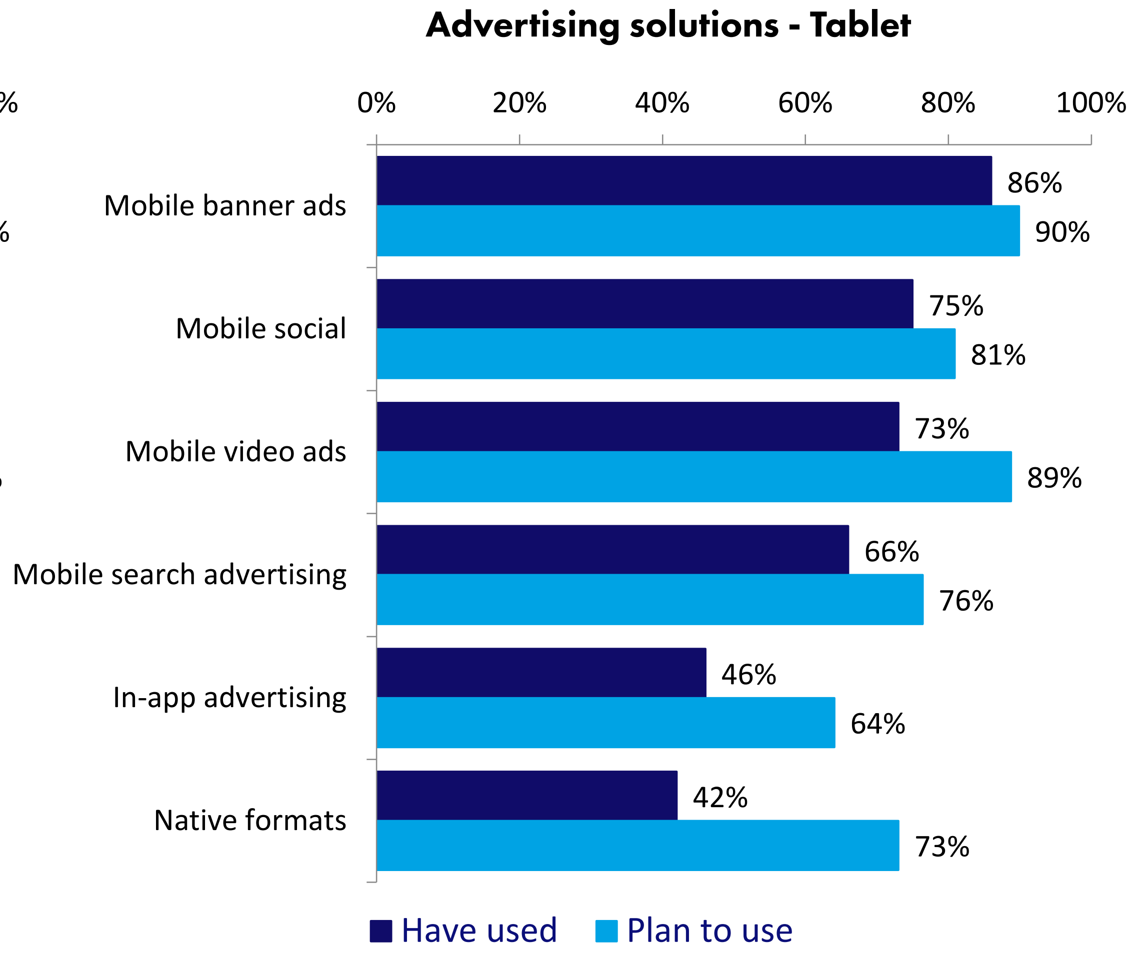


The 3 highest used solutions were banners, social and video in 2015. 50% had used 'native' on smartphone (42% on tablet).

Looking at the following advertising solutions which have you used and on which device? And which of these do you expect to use in the next 12 months?

Advertising Solutions – Have used vs. Plan to use

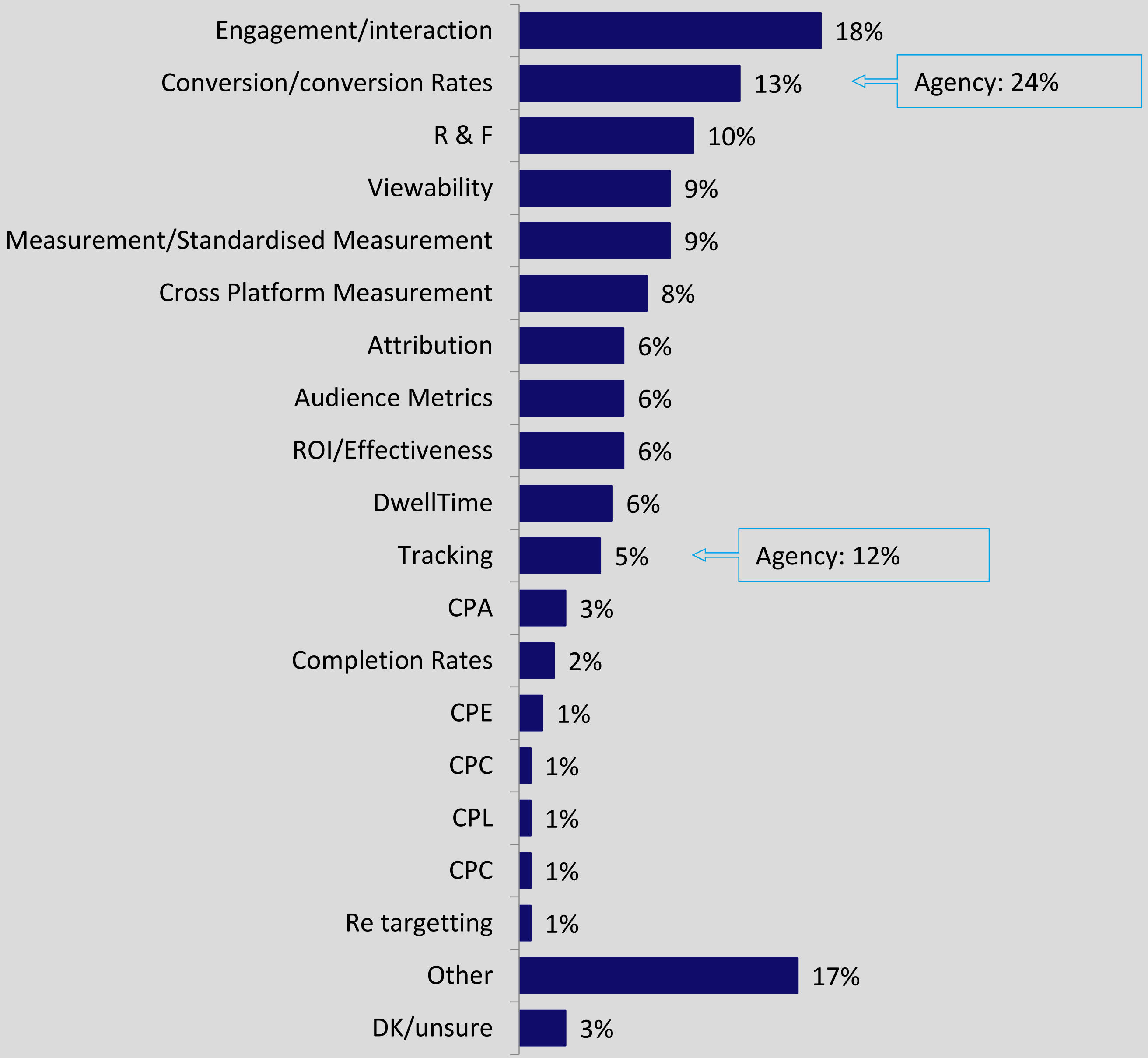




All buyers plan to use more 'solutions' in the future than they have in the past.

Looking at the following advertising solutions which have you used and on which device? And which of these do you expect to use in the next 12 months?

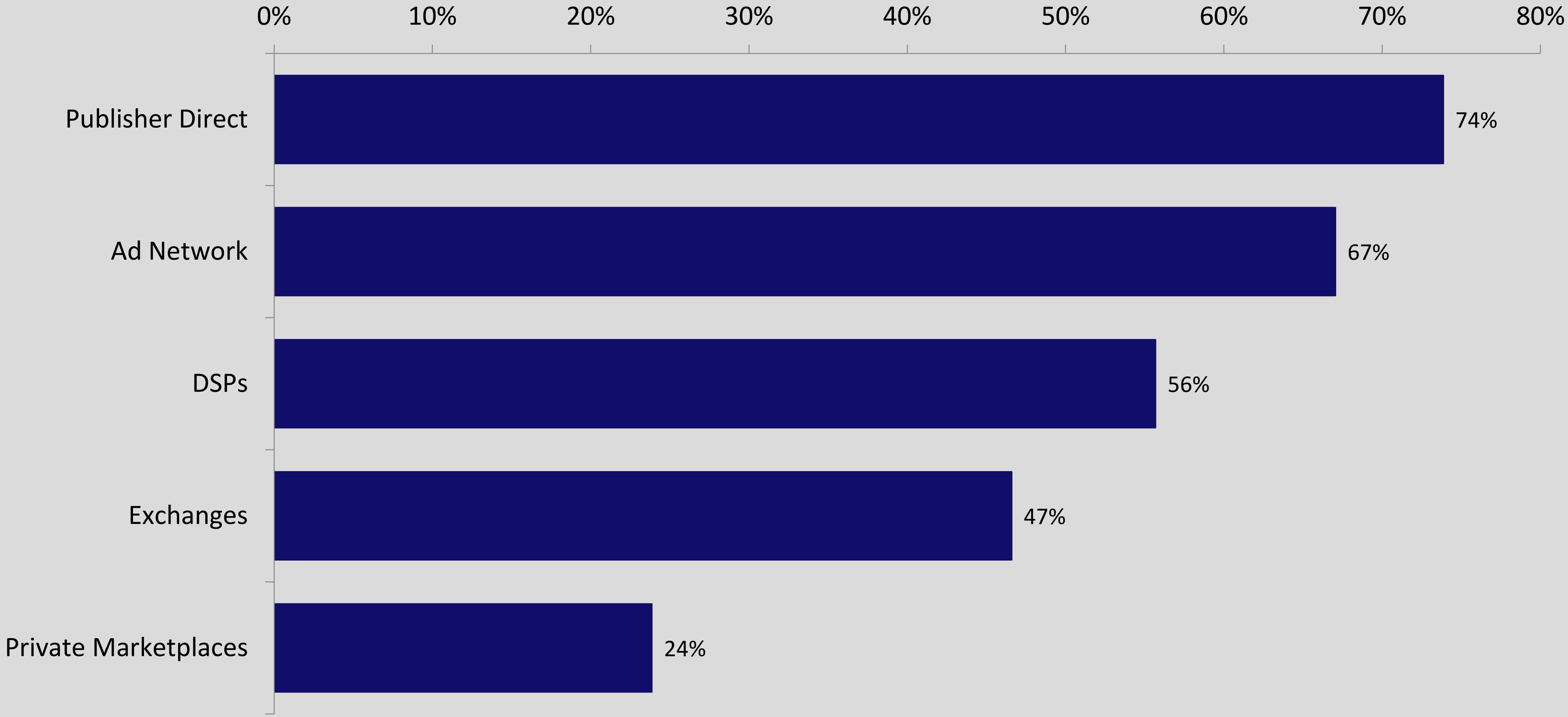
Metrics That Will Move Mobile Advertising Forward



The metrics needed for mobile were based around engagement and conversion. Cross platform was also seen as important.

What 'metrics' for mobile advertising, do you think would move the industry forward the most?

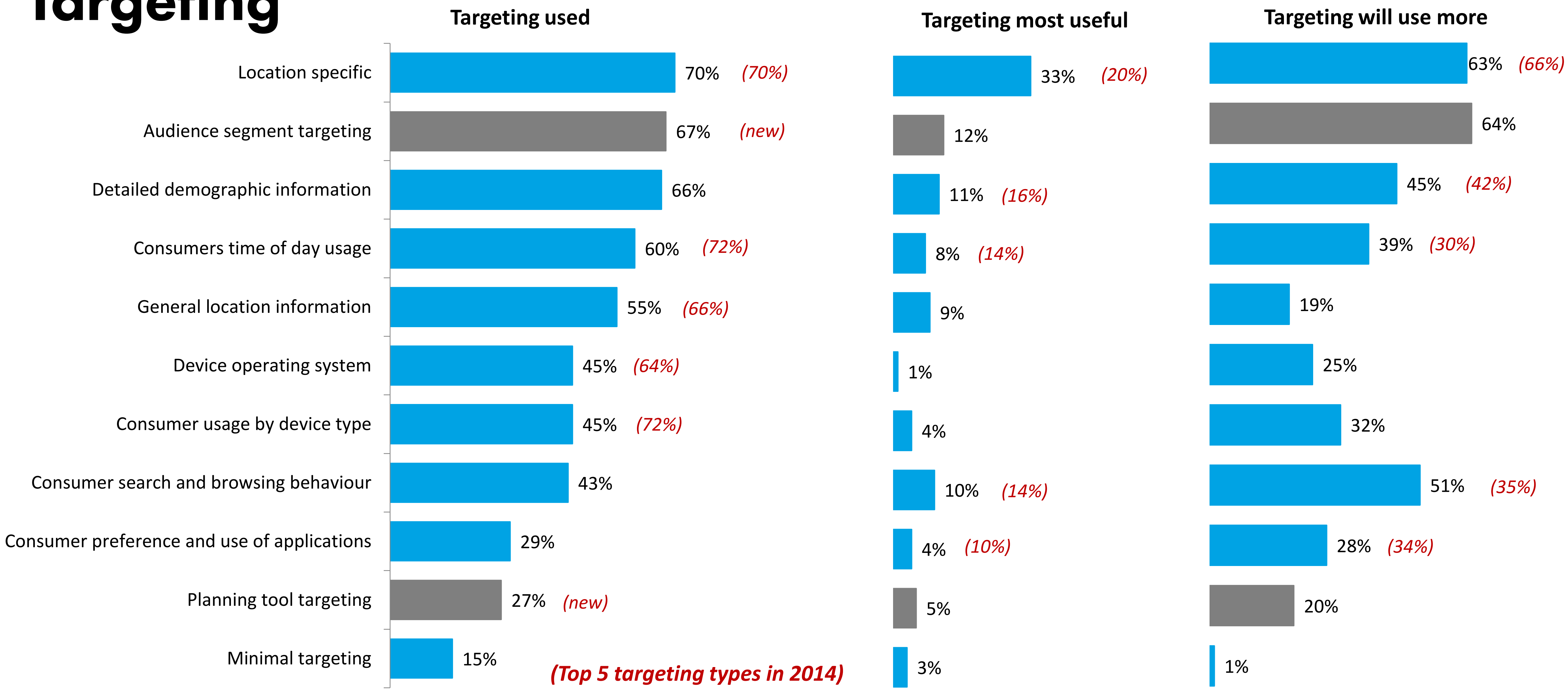
Mobile Display Inventory



Buyers used multi suppliers to source inventory. This figure did not significantly change between agencies and clients.

Which of the following are you using to buy mobile display inventory?

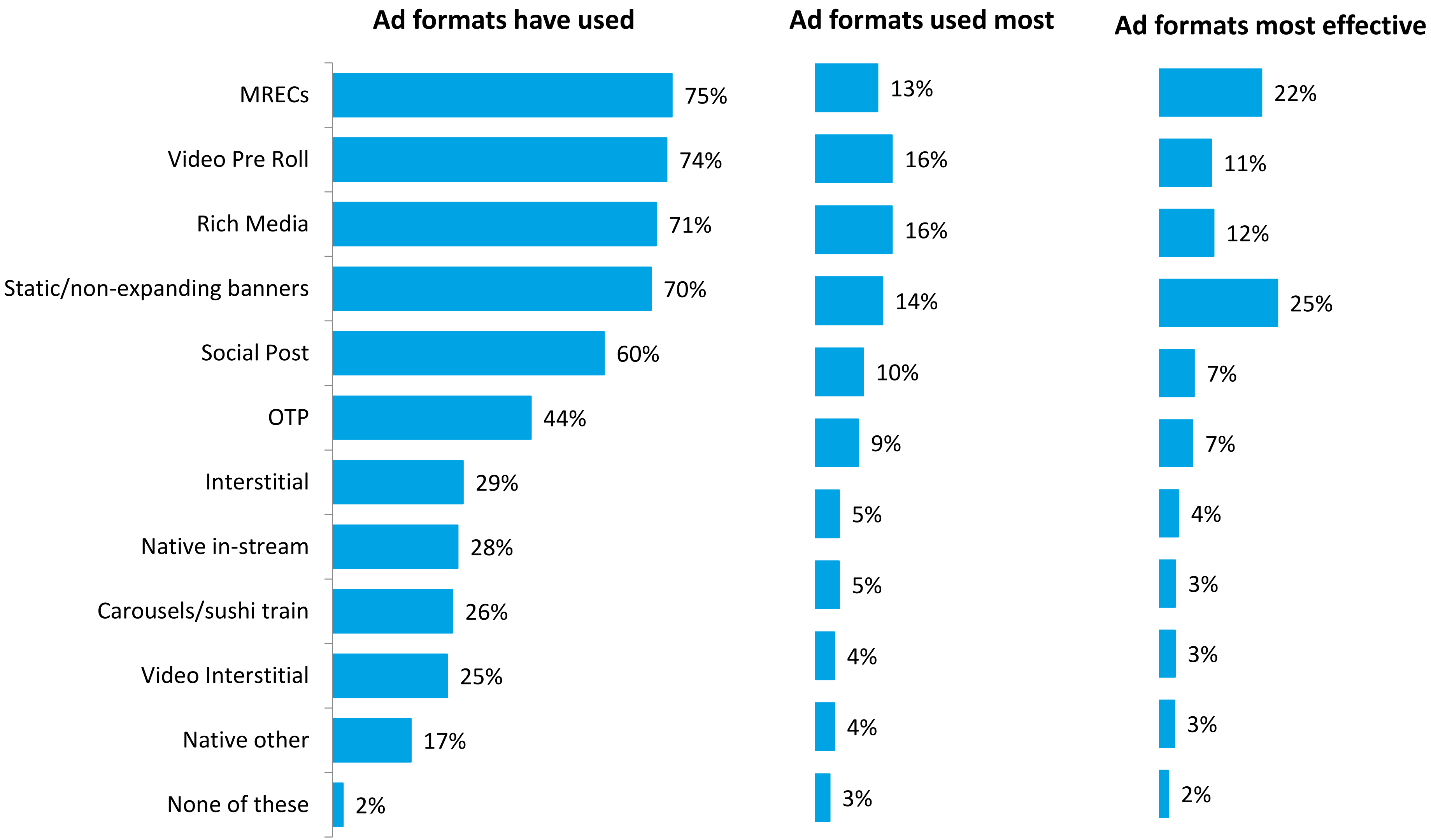
Targeting



Location specific targeting was seen as the most useful targeting option and will be used more in the future.

Which types of targeting have you used for your mobile ad campaigns to date? Which of the targeting types you've used has been the most useful? Which types of targeting do you expect to see used more in the next year?

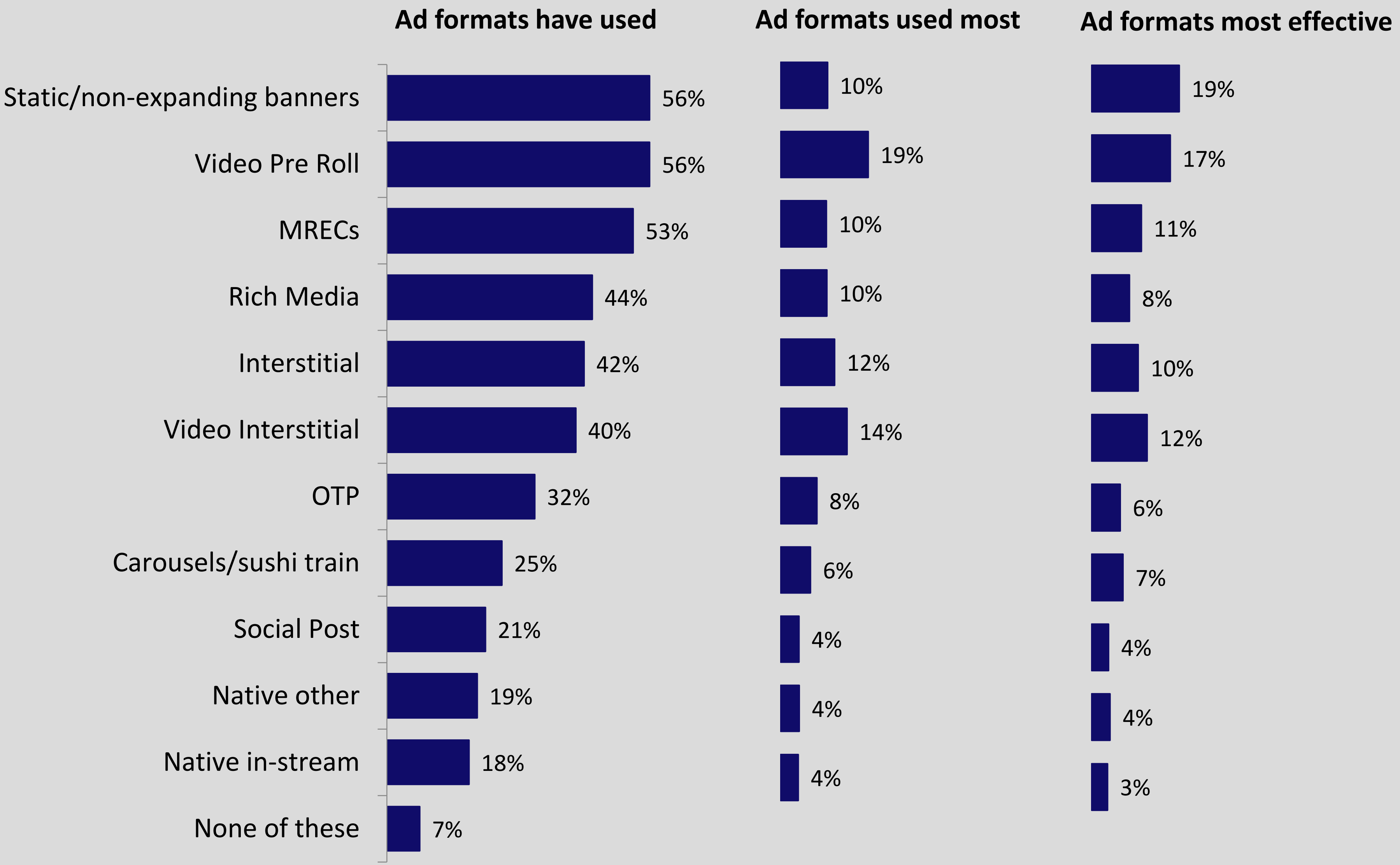
Ad Formats Used - Buyer



Static banners were seen to be the most effective format.

Which of the following ad formats have you used in your mobile ad campaigns in the last 12 months? And which of these have you used the most? And which of these do you think are the most effective?

Ad Format Used – Supplier
(no publishers asked)

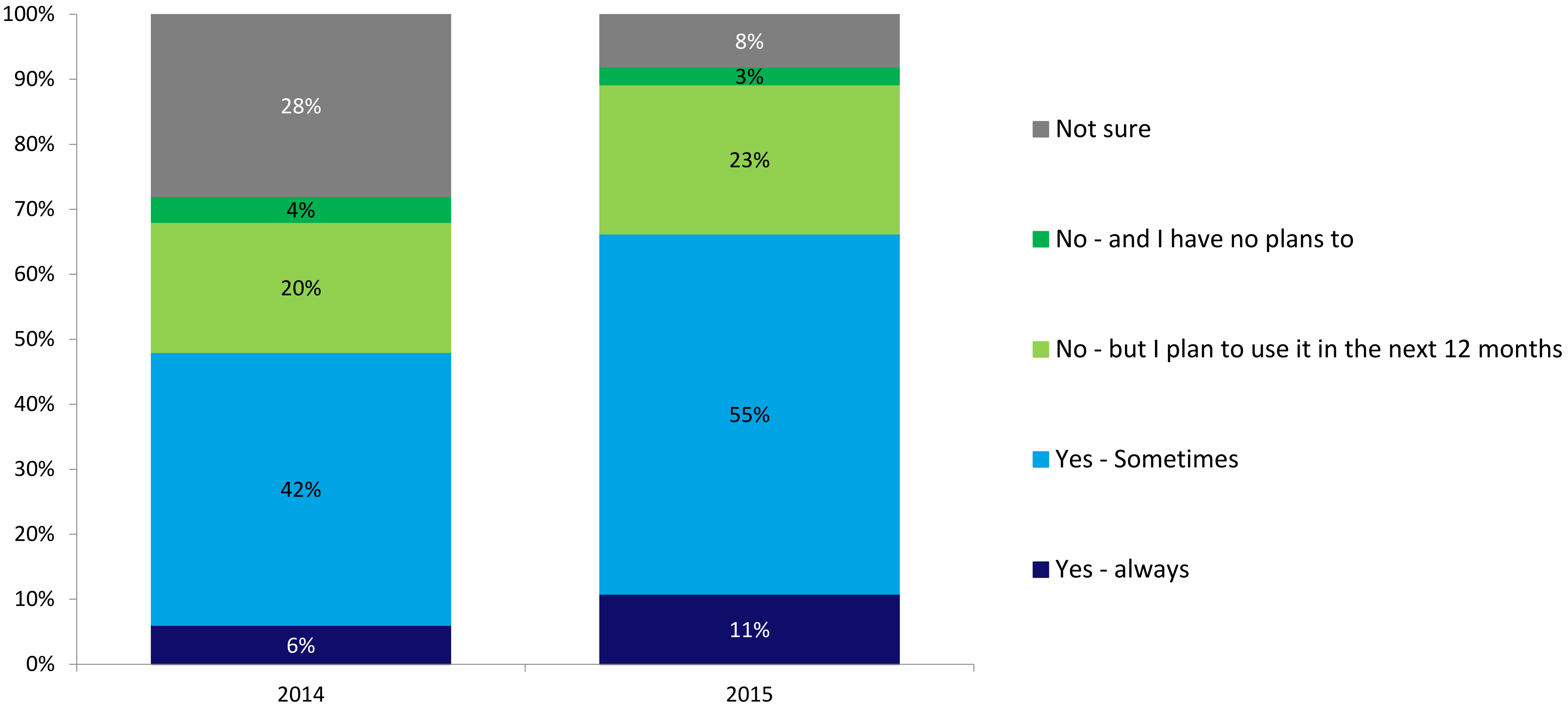


Suppliers also though static banners were the most effective.

Which of the following ad formats have you used in your mobile ad campaigns in the last 12 months?
And which of these have you used the most? And which of these do you think are the most effective?

Mobile Advertising Programmatic

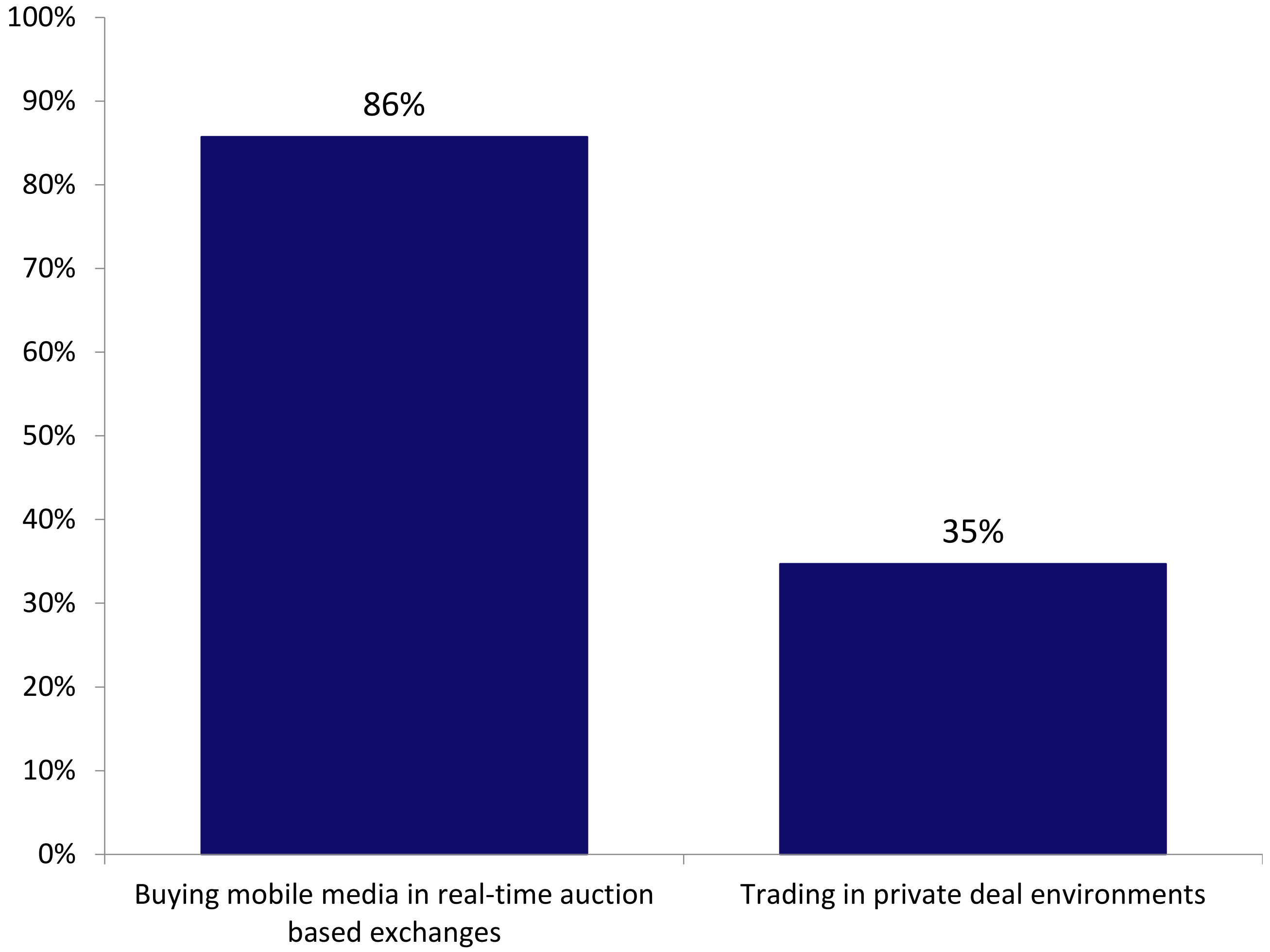
Programmatic Buying

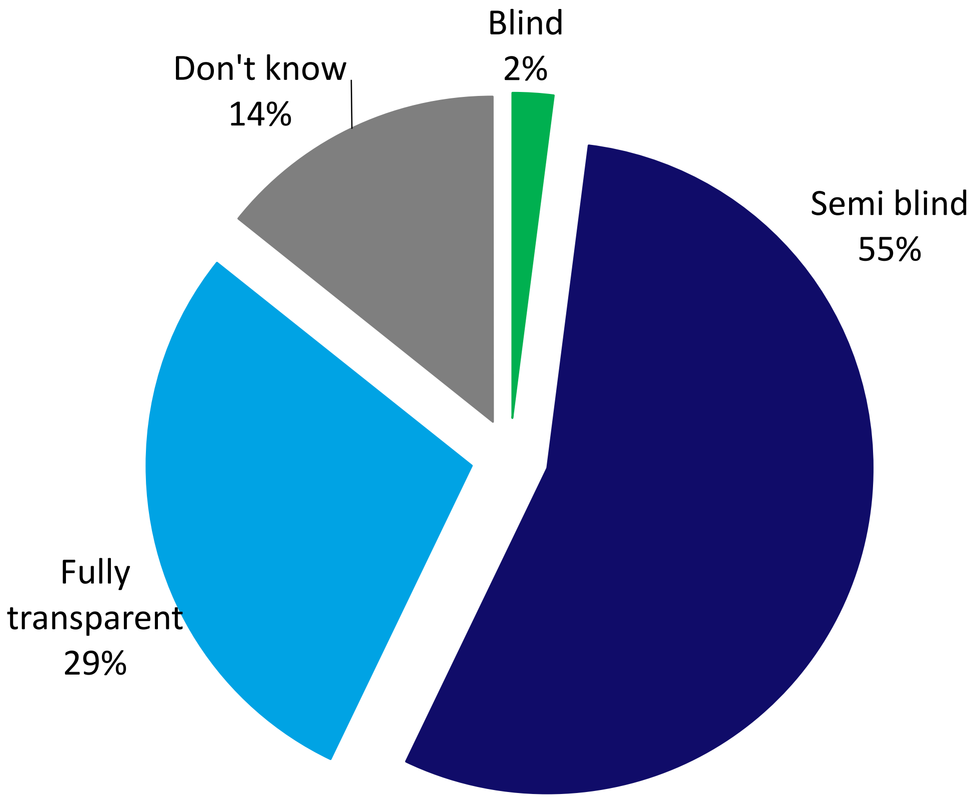


There were more buyers using programmatic services this year compared to last.

Do you use programmatic buying when purchasing mobile ad placements?

Type and Transparency of Programmatic Buying

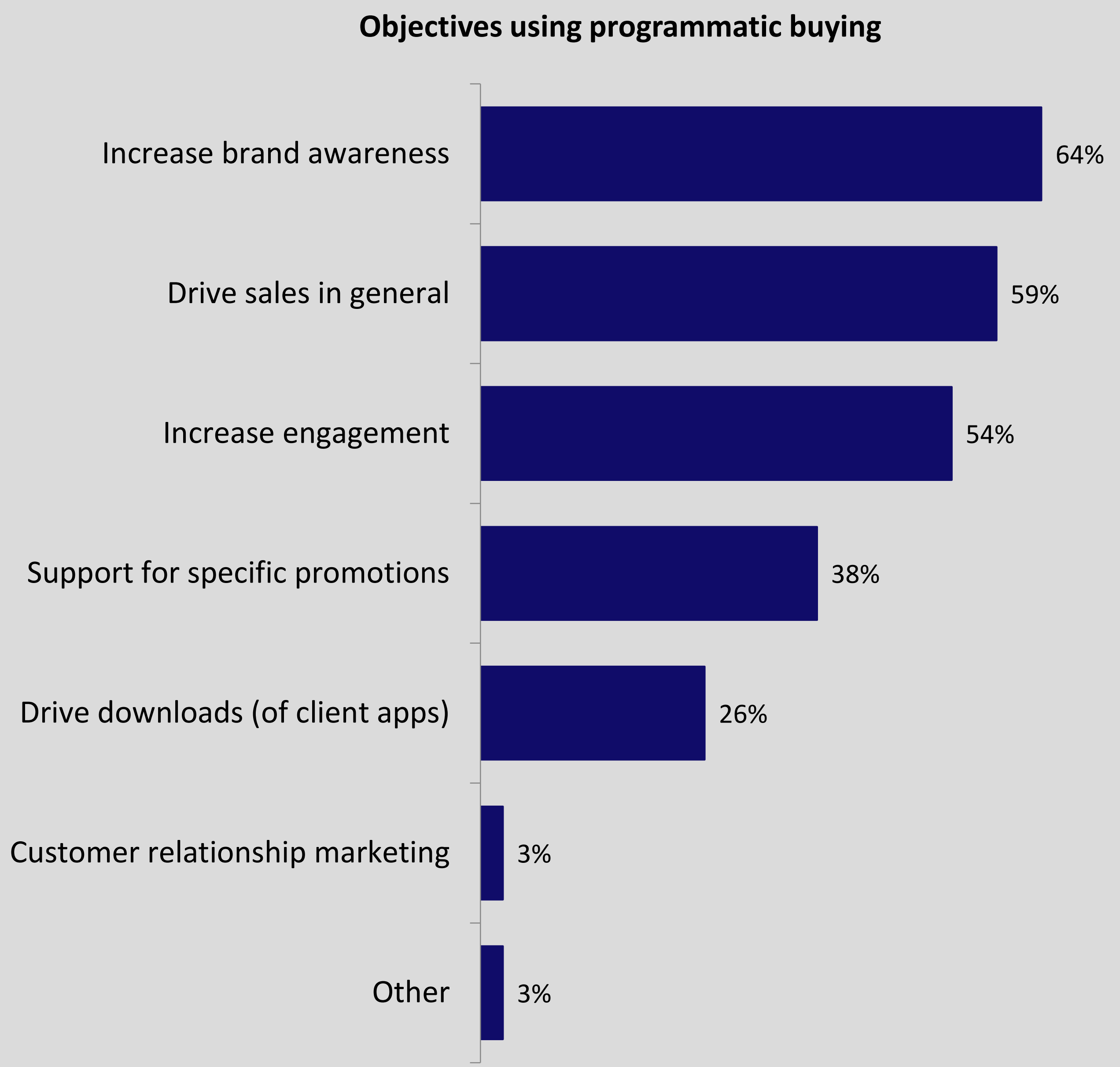




The majority (86%) used real time auction based exchanges, whilst 35% traded in private deal environments.

Which of the following explanations best describes the type of programmatic buying you do? When you buy using programmatic how transparent do you think your buying is?

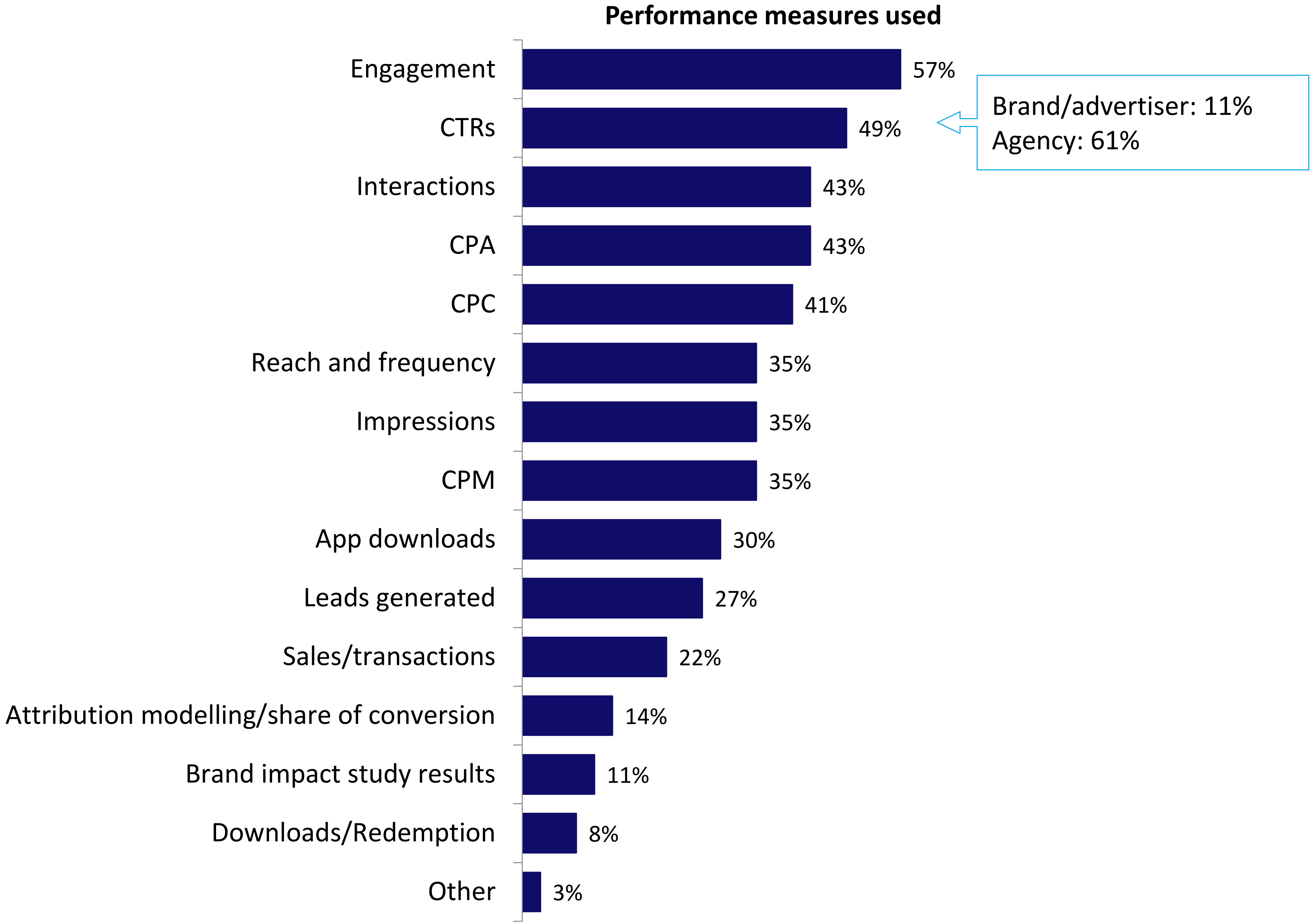
Objectives using Programmatic Buying



Just under two-thirds (64%) used programmatic buying to drive brand awareness.

What are the objectives when you use programmatic buying for purchasing mobile ad placements?

Key Measures Accessing Programmatic Buying



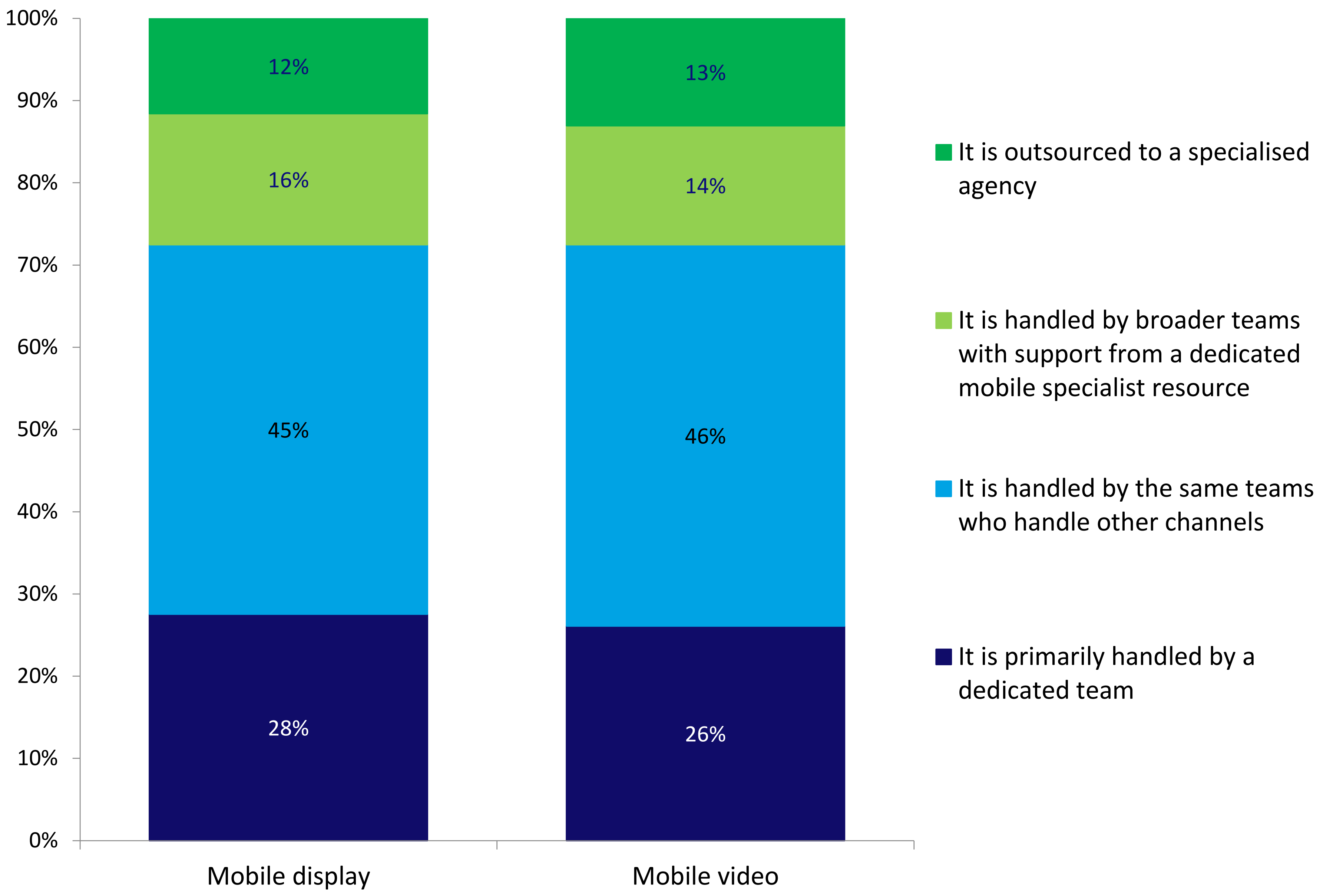
Engagement was the key measure when accessing programmatic followed by CTR's. This was similar to 2014.

Which of the following did you use as key measures to assess performance against the objectives when you use programmatic buying when purchasing mobile ad placements?

Mobile Advertising Process

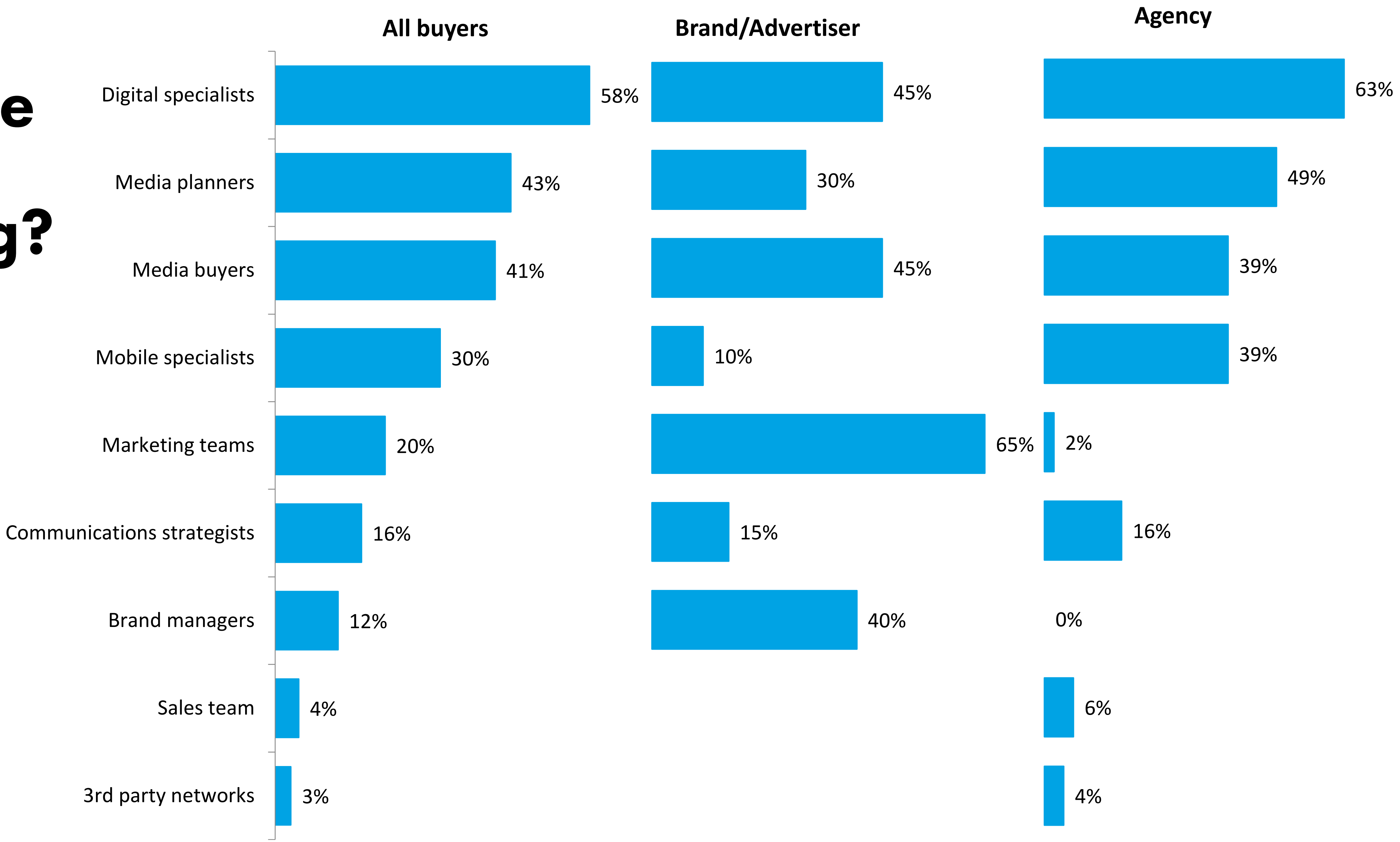
Handling Mobile Adverting

Just on ½ (46%) the respondents handle mobile with the same team that manage other media channels. Over a ¼ have a dedicated team and 13% outsource to a specialty agency. The figures don't differ for display and video.



How is your company organised to handle mobile advertising?
Does it differ between Mobile display and Mobile Video?

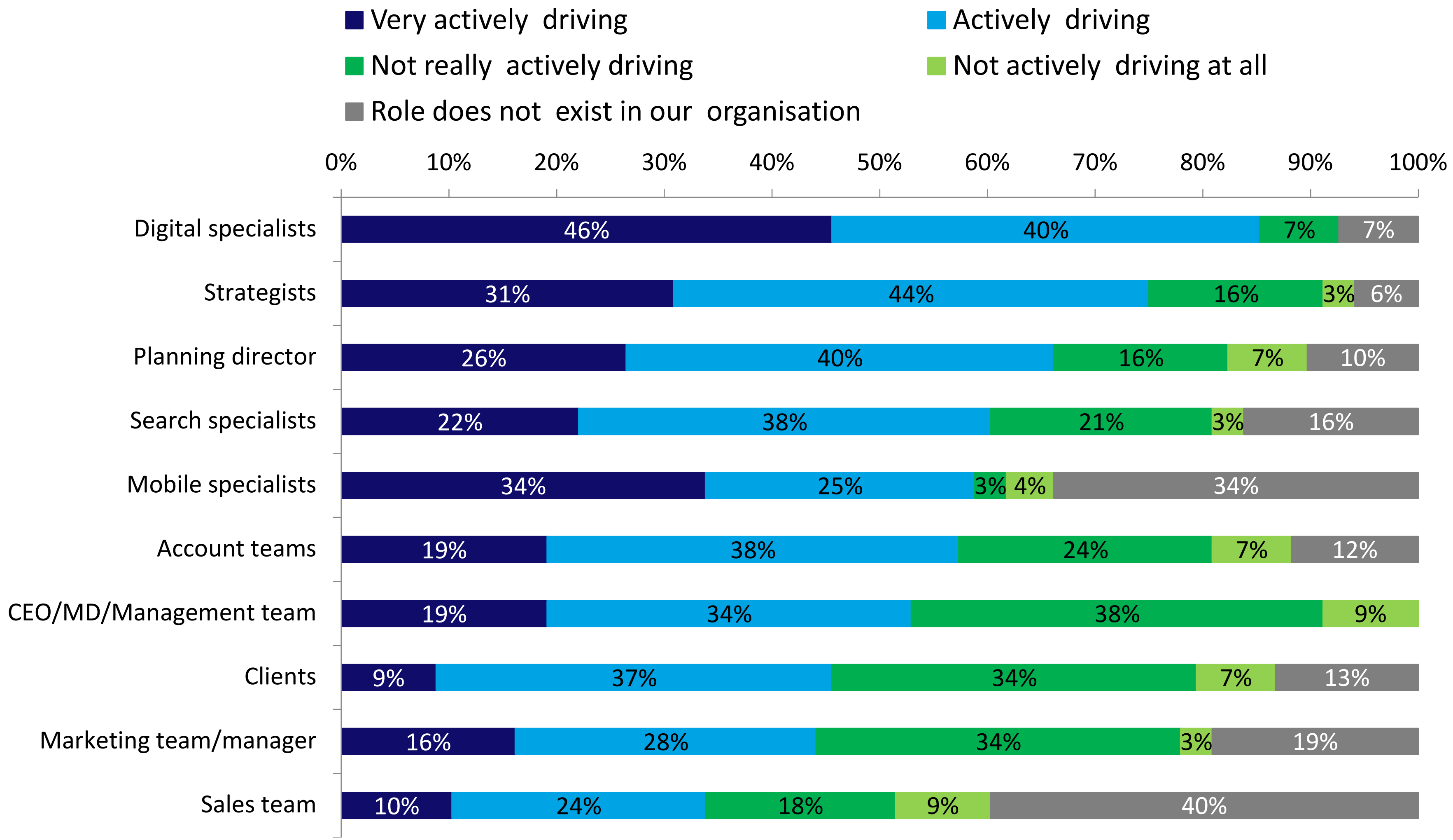
Who is Responsible for Mobile Advertising?



The figures do differ be advertiser vs. agency. Advertisers utilised their marketing team with support from digital specialists and media buyers.

Within your company, who is responsible for promoting, planning, or executing mobile advertising?

Who is Driving Mobile Advertising?



NET actively driving

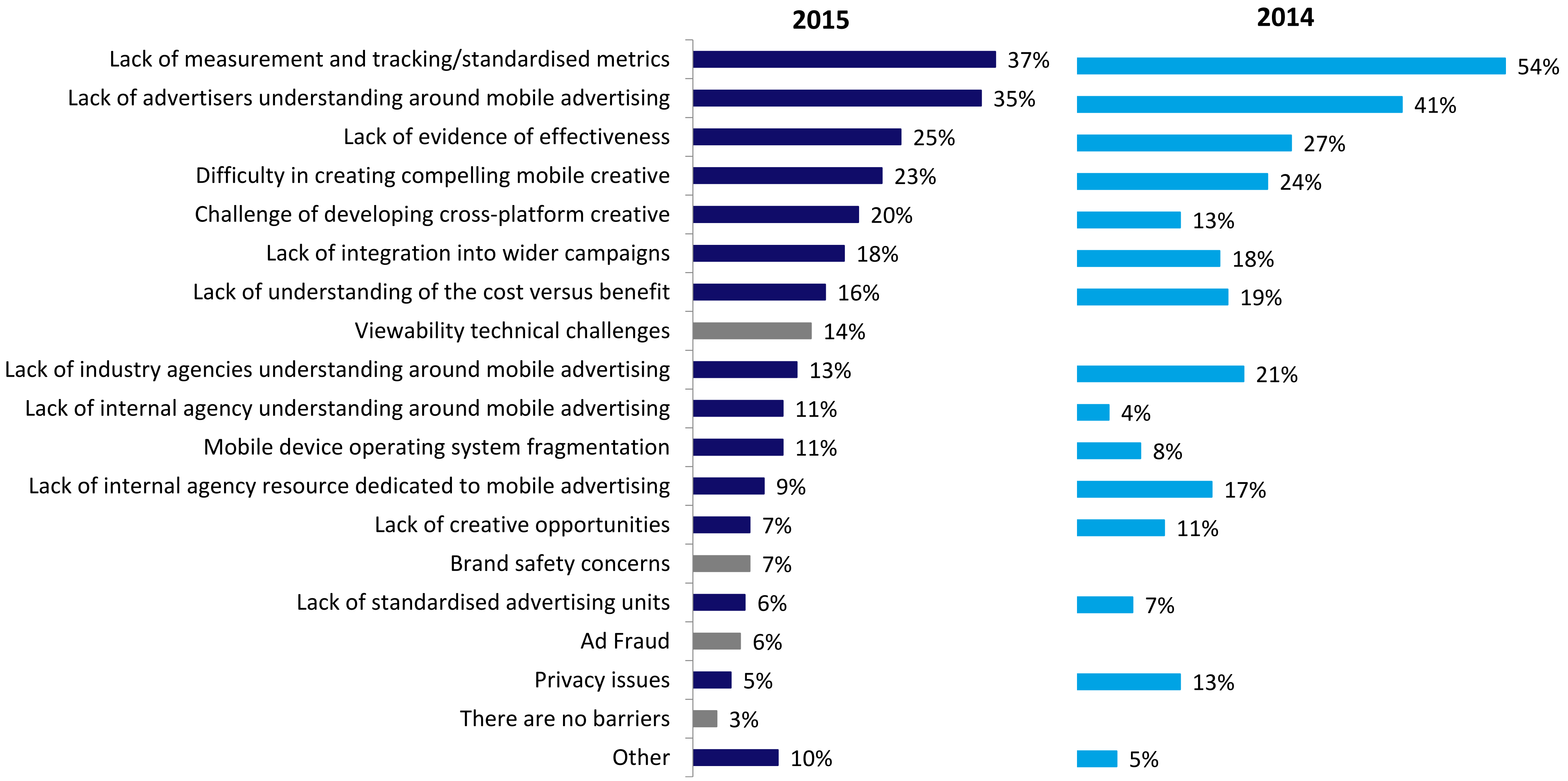
	All buyers	Brand/advertiser	Agency
Digital specialists	85%	70%	92%
Strategists	75%	70%	77%
Planning director	66%	55%	71%
Search specialists	60%	50%	65%
Mobile specialists	59%	40%	67%
Account teams	57%	20%	73%
CEO/MD/Management team	53%	40%	58%
Clients	46%	60%	40%
Marketing team/manager	44%	80%	29%
Sales team	34%	15%	42%

Digital specialists & strategists are most likely to drive mobile advertising. Clients, sales and the marketing team are less likely to.

Within your company, who, if anyone, do you feel is currently driving the move to mobile advertising?

Mobile Advertising Issues & Values

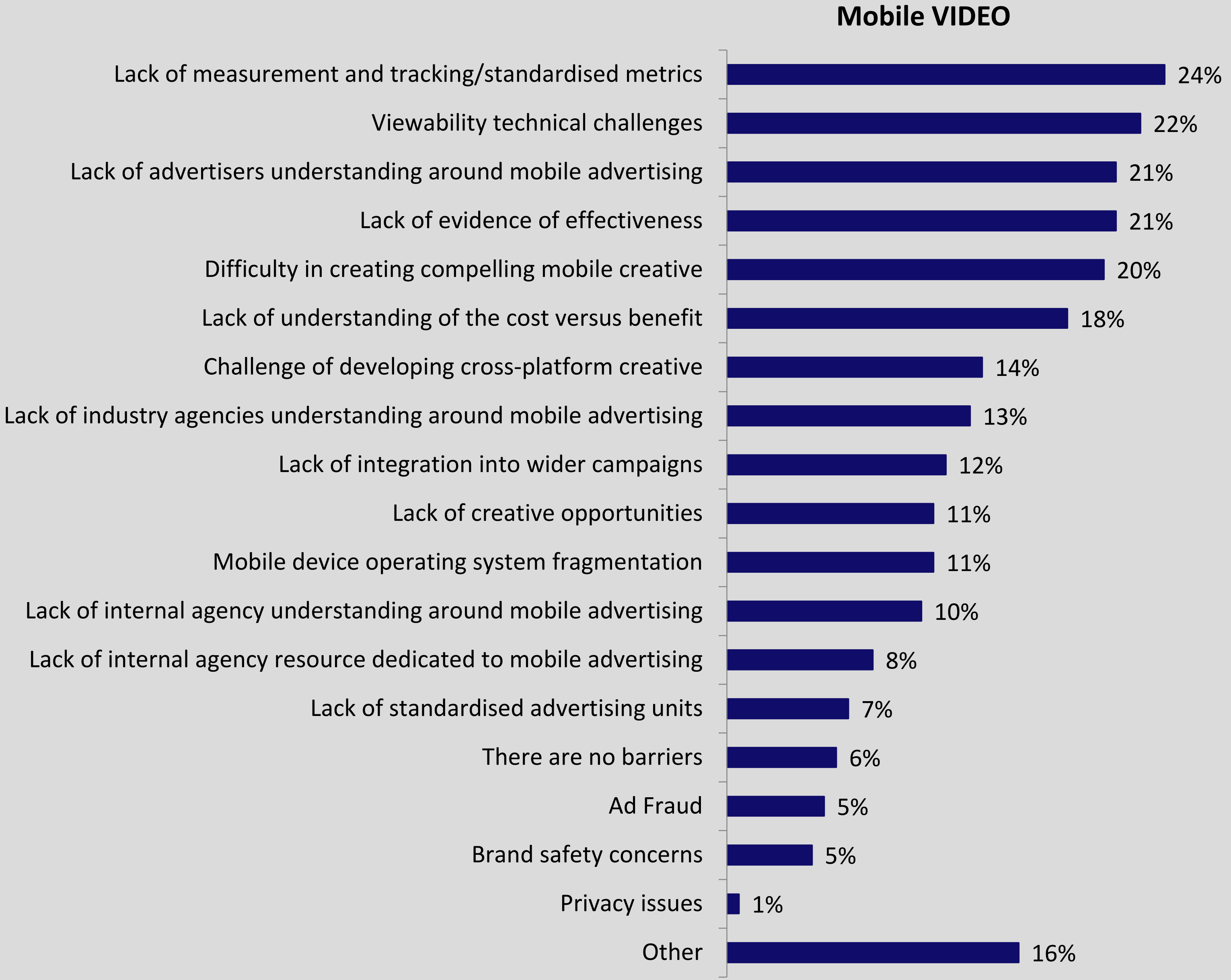
Issues of Using Mobile Advertising



Measurement & advertisers understanding of the medium were the biggest issues facing the industry in 2015.

What are the three biggest issues stopping mobile from being a larger proportion of digital ad volume?

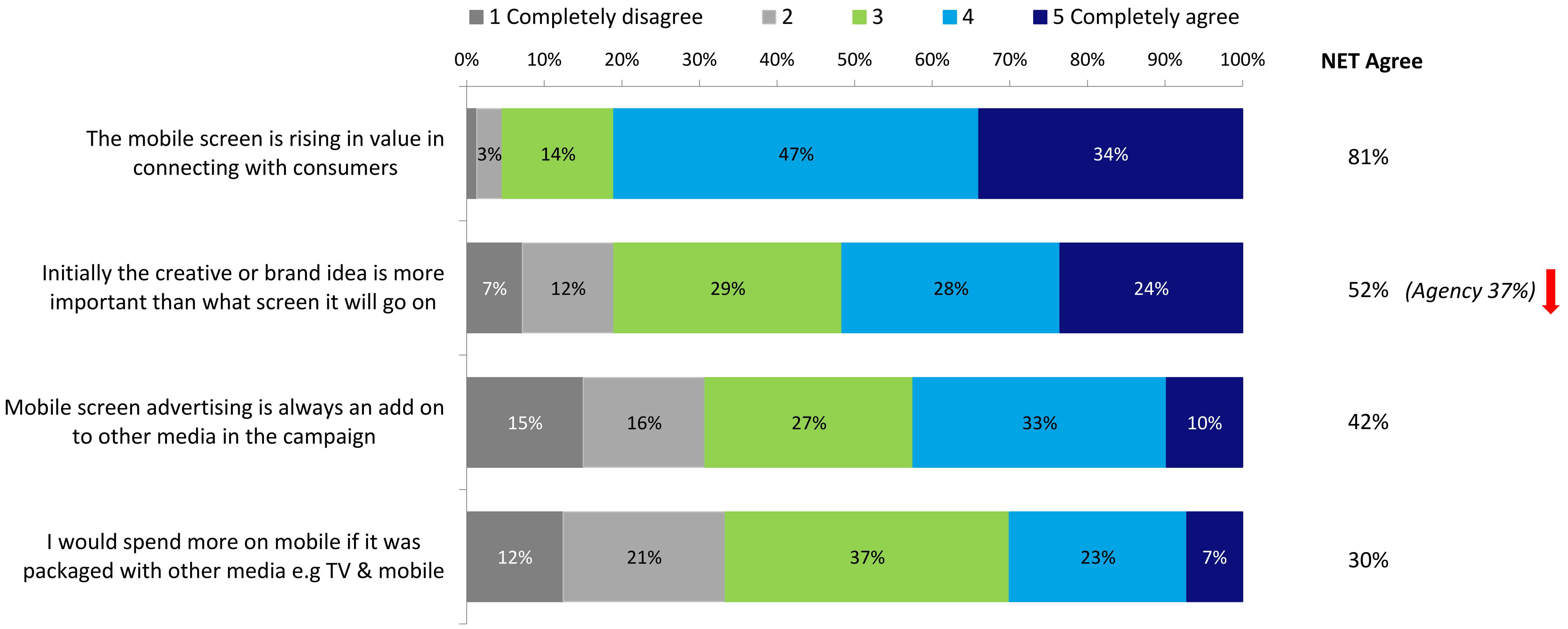
Issues of Using Mobile Video



Measurement and understanding was also the top issue for mobile video, however viewabilty and tech issues was seen at the same level. There was also more evidence needed around effectiveness.

And what are the three biggest issues stopping mobile video from being a larger proportion of digital mobile ad volume?

Statement about Mobile Screen Advertising

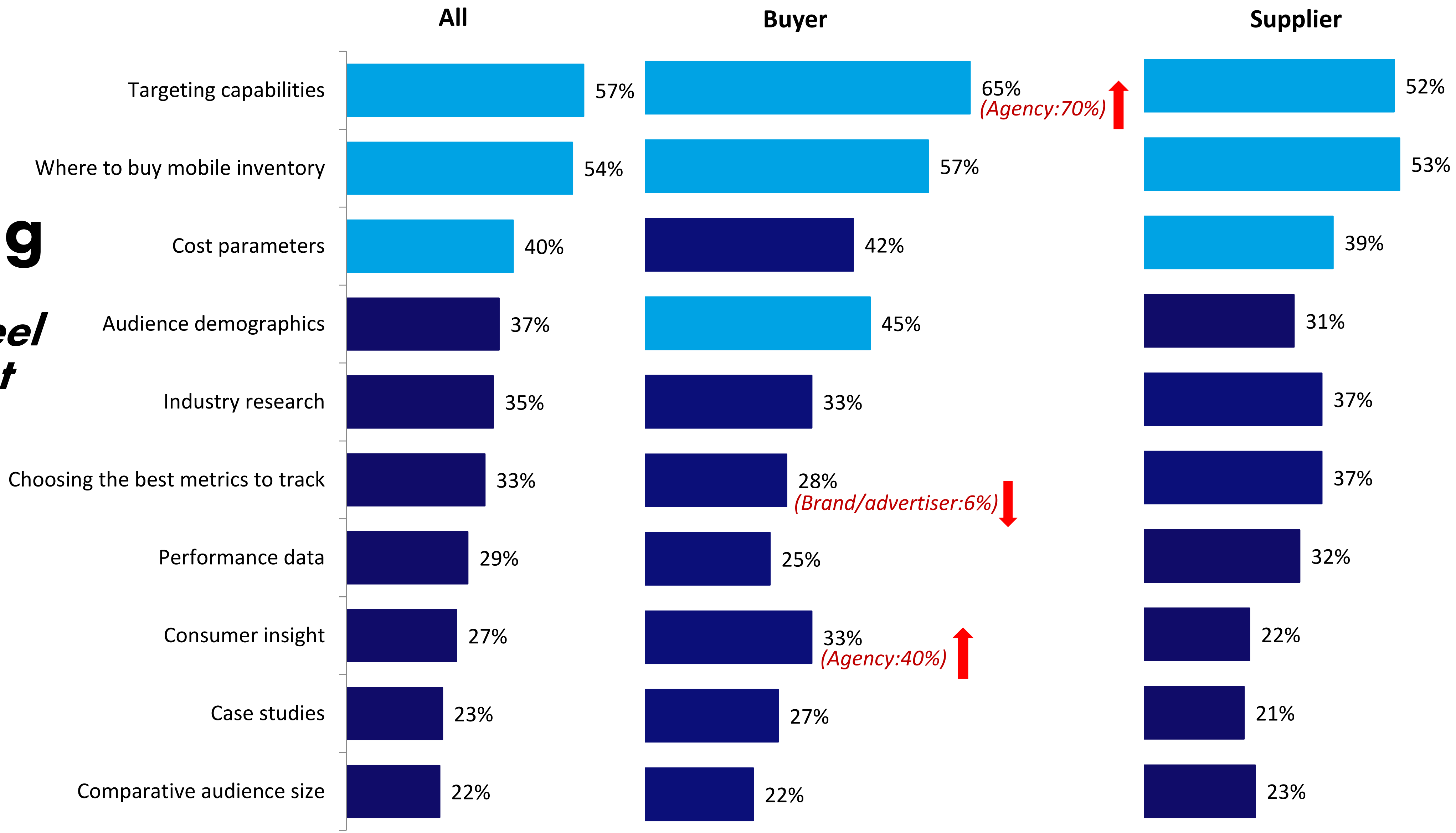


8 out of 10 people agree that the mobile screen is rising in importance.

Please indicate the extent to which you agree with each of the following statements, using the scale where 1 means "completely disagree" and 5 means "completely agree".

Statement about Mobile Advertising

"For specific campaigns, I feel I have sufficient information about…"

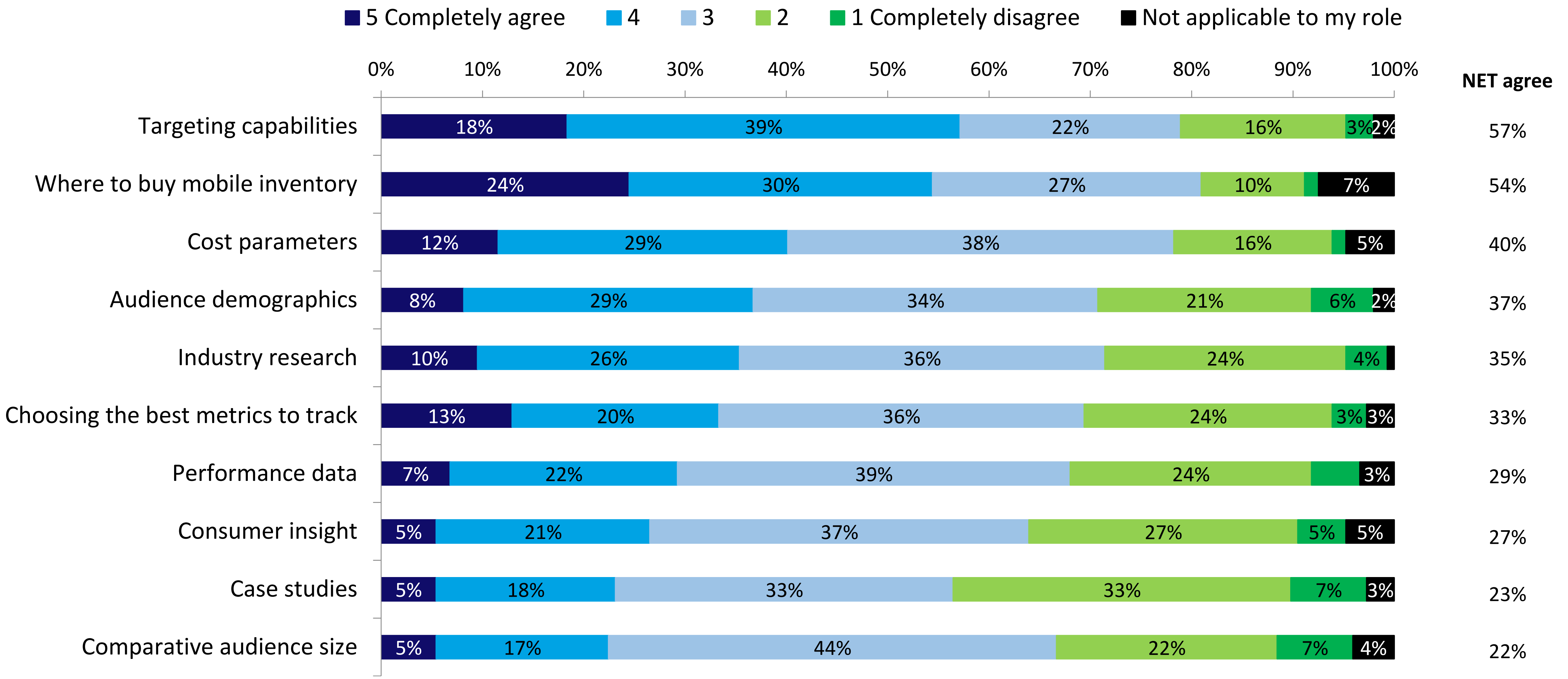


Audience size, insights and case studies were the areas respondents thought they had the least information about.

Please indicate the extent to which you agree with each of the following statements, using the scale where 1 means "completely disagree" and 5 means "completely agree".

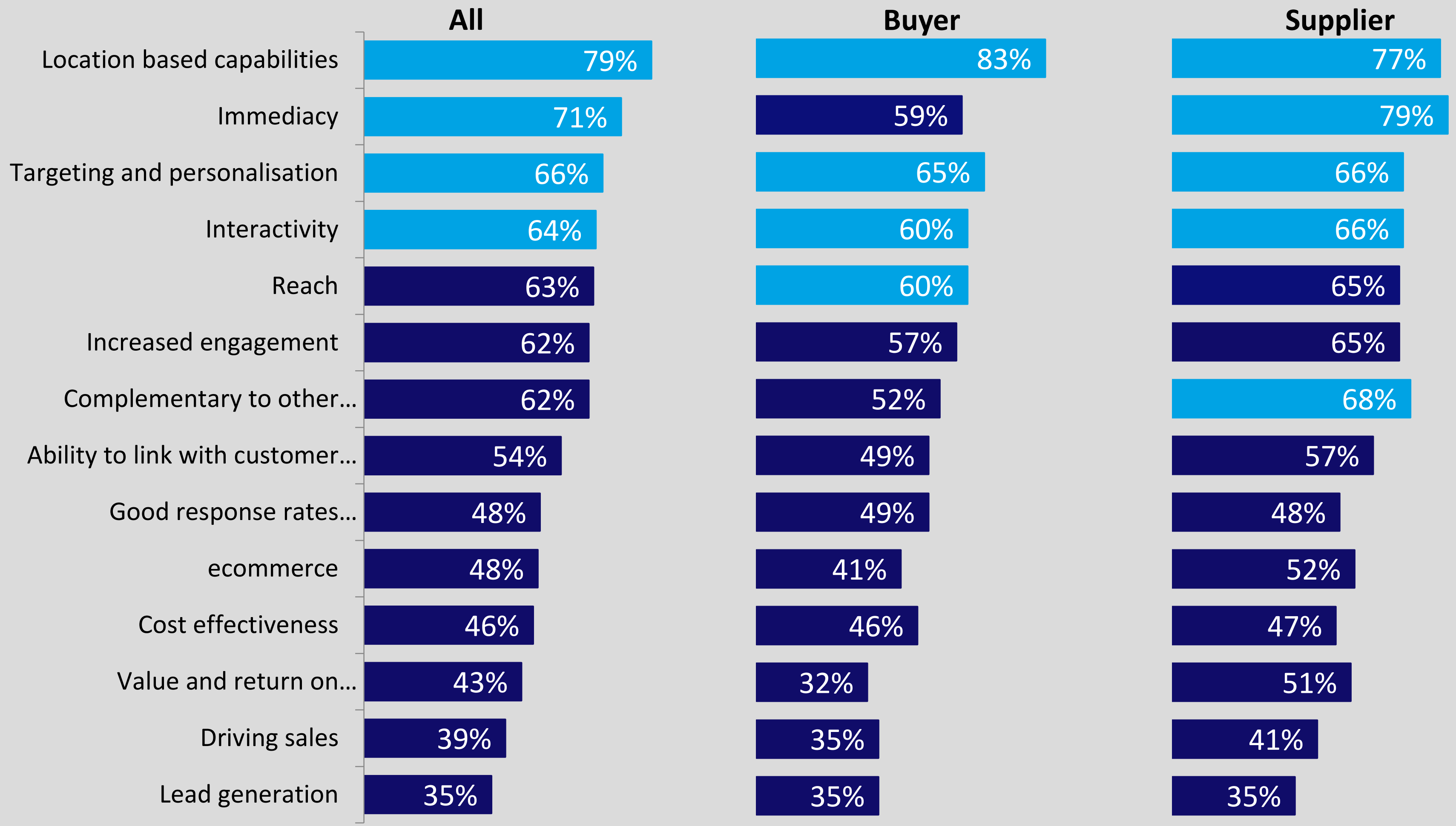
Statements about Mobile Advertising

(Full data set from previous slide)



Please indicate the extent to which you agree with each of the following statements, using the scale where 1 means "completely disagree" and 5 means "completely agree".

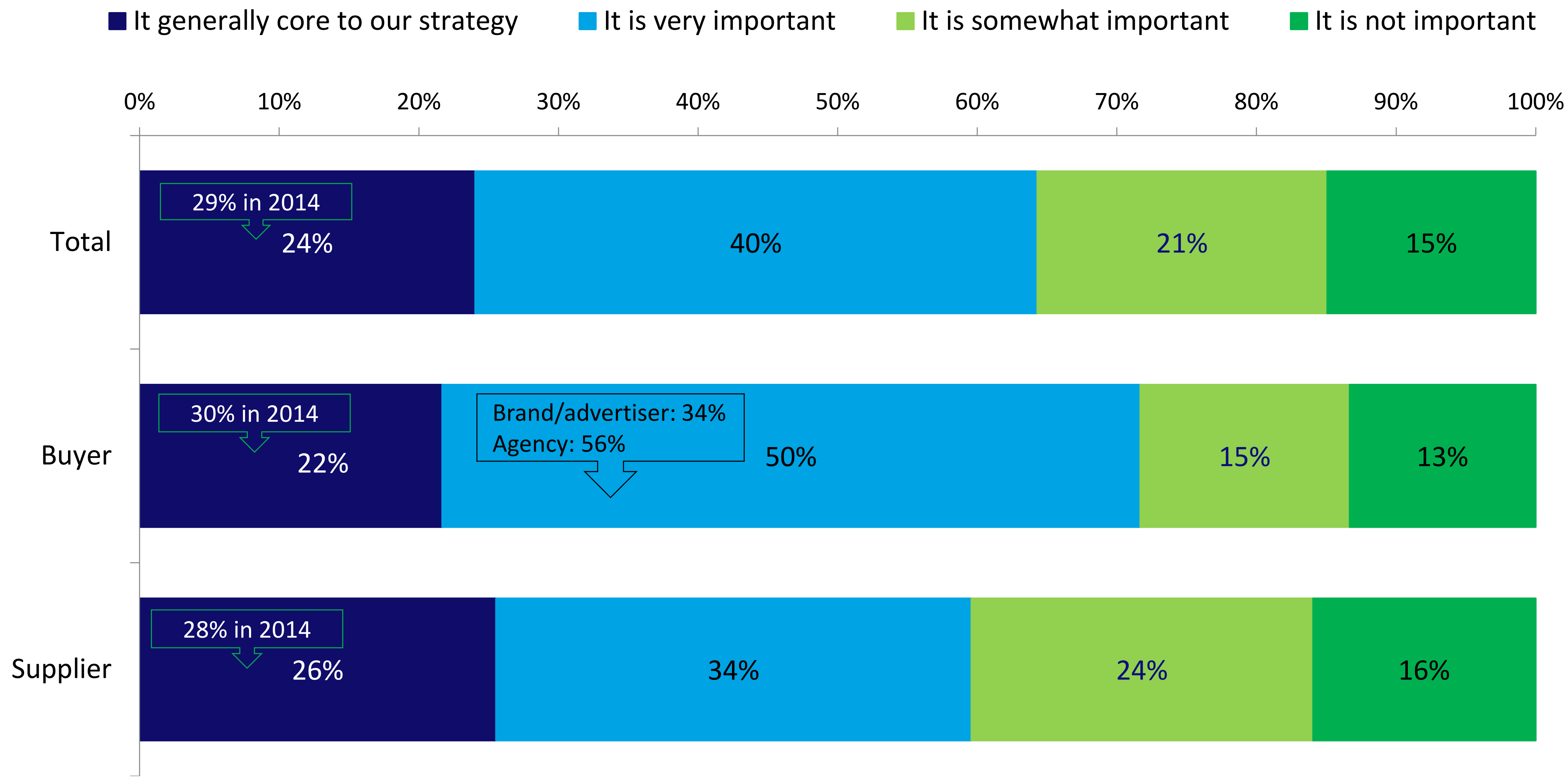
Compelling Characteristics of Mobile Advertising



Location and Immediacy are the biggest benefits of mobiles. Buyers & supplies list were a little different to this question.

How compelling do you find the following characteristics of mobile advertising as benefits of the medium?

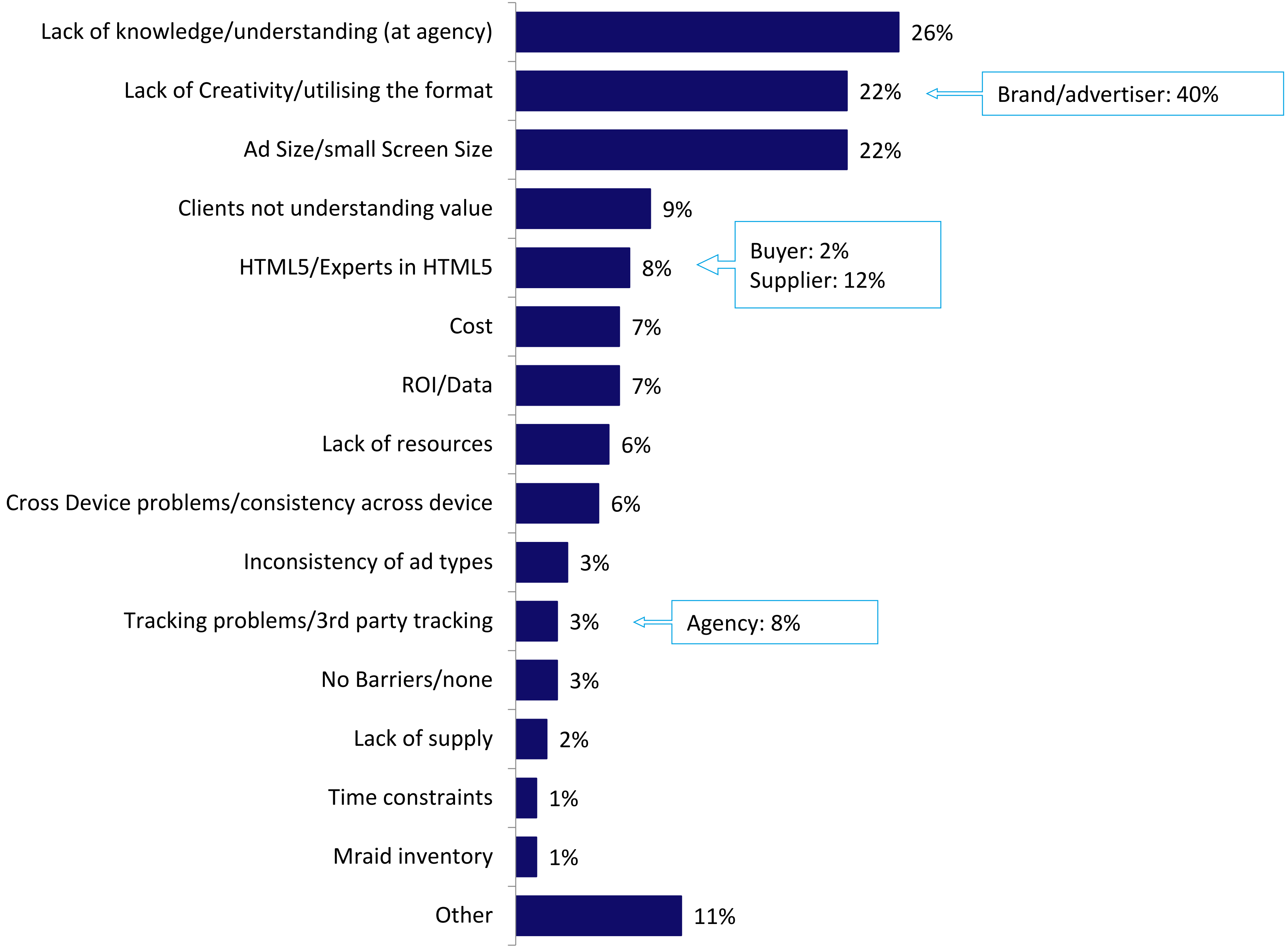
Importance of Multi-Screen Advertising



Multi screen advertising was seen as important but had dropped a little since 2014.

How important is multi-screen advertising (e.g., TV + digital screens, etc.) in the campaigns and strategies you're involved with?

Barriers/ Opportunities for Mobile Advertising

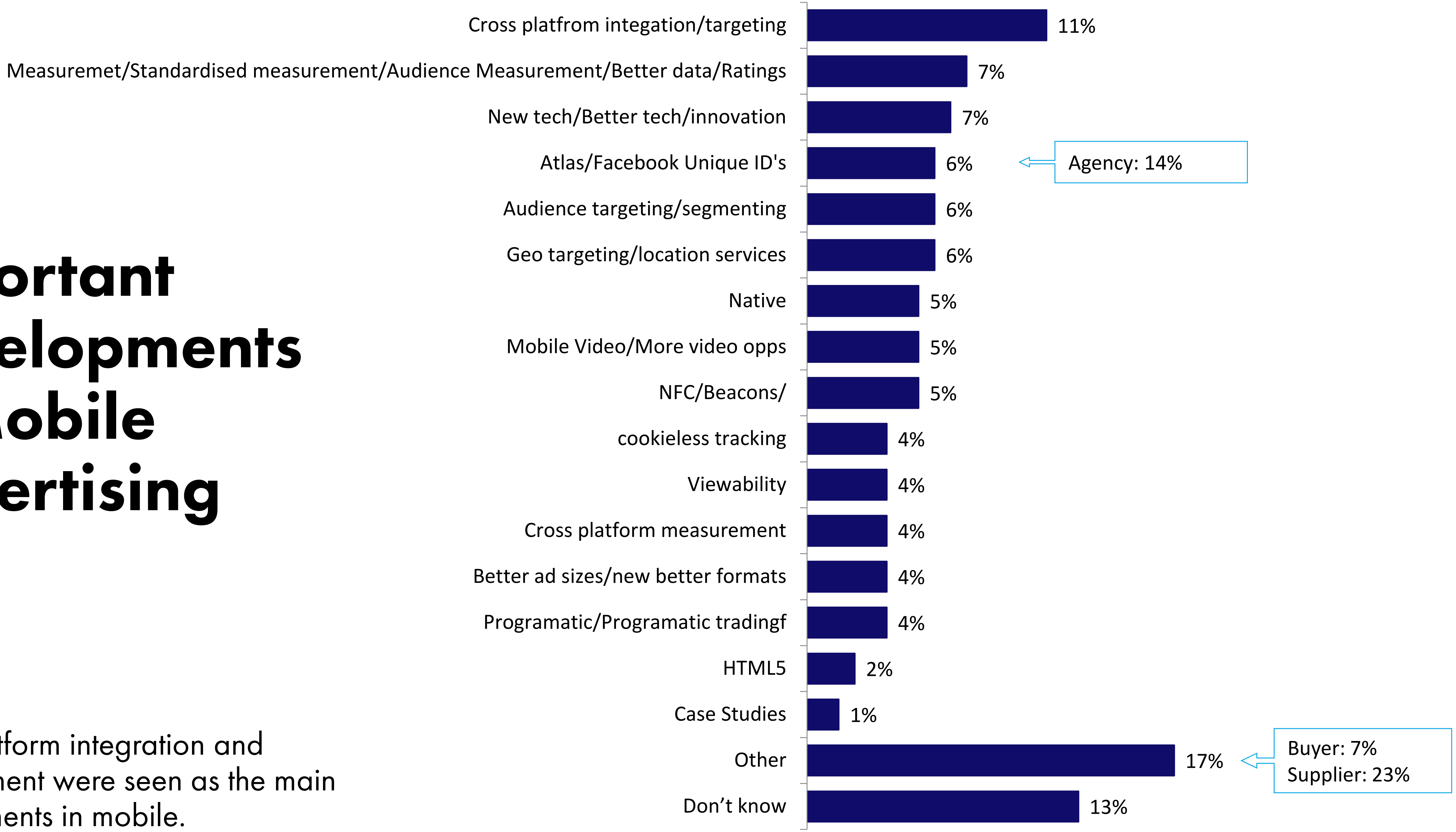


This is the 'code' answers to the open ended question. A full list of statements is supplied.

What are the major creative barriers/opportunities for the mobile advertising?

Next Steps For The Industry

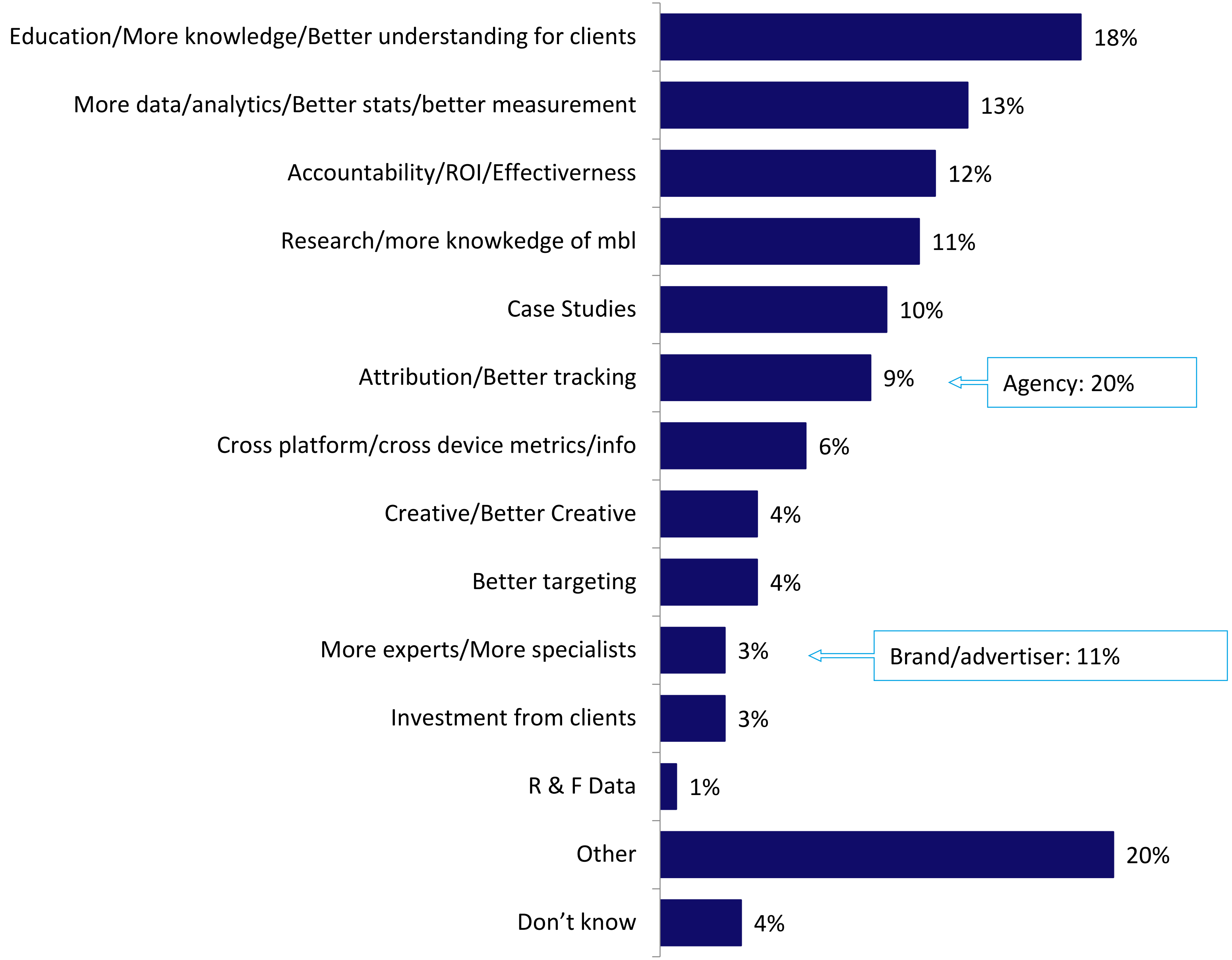
Important Developments in Mobile Advertising



Cross platform integration and measurement were seen as the main developments in mobile.

What do you think is the most important recent development in mobile advertising?

Thing to do to promote Mobile Advertising



Education was the highest ranked followed by more data/better stats.

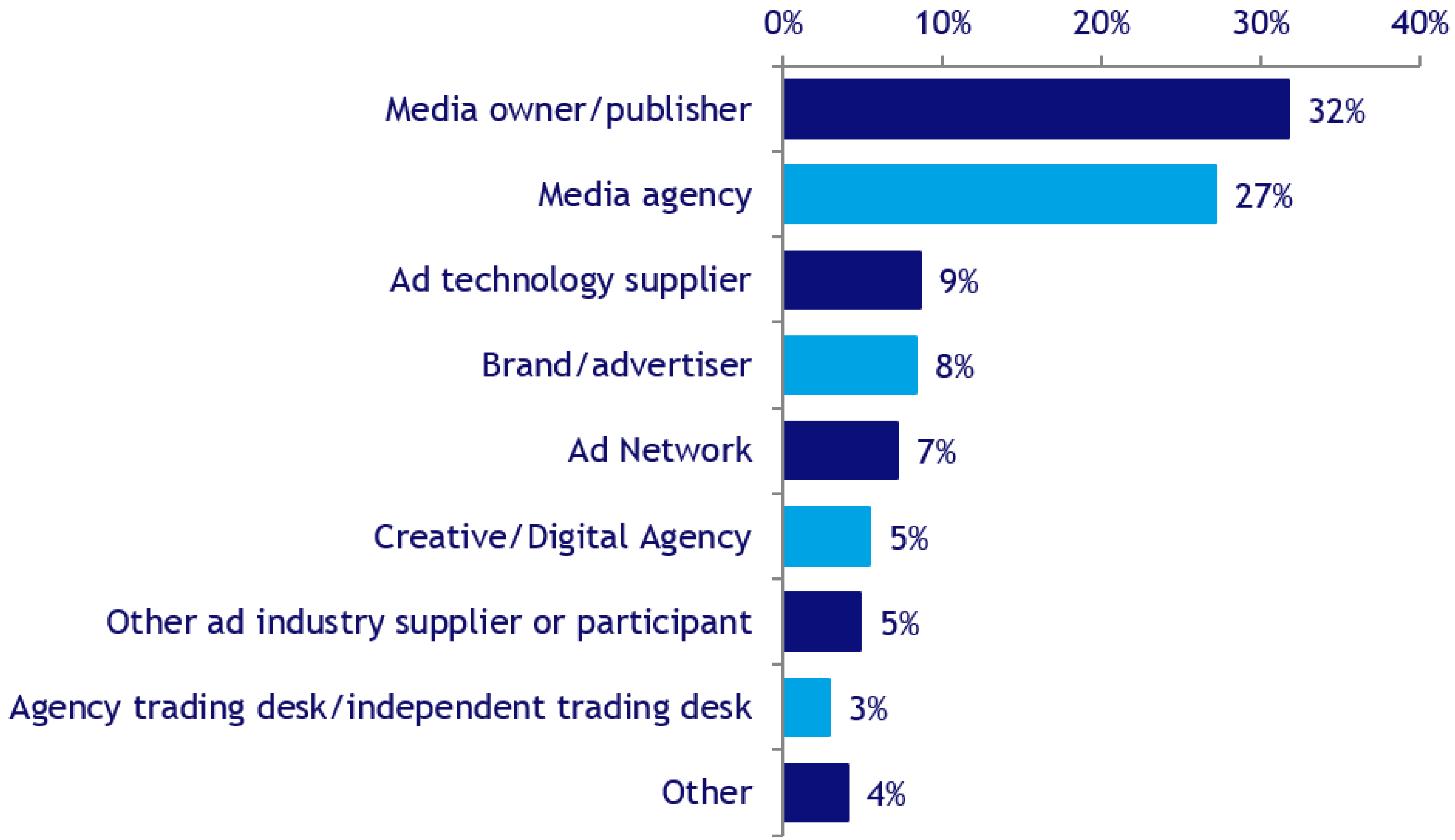
What single thing would the mobile advertising industry need to do to promote a stronger role for mobile advertising?

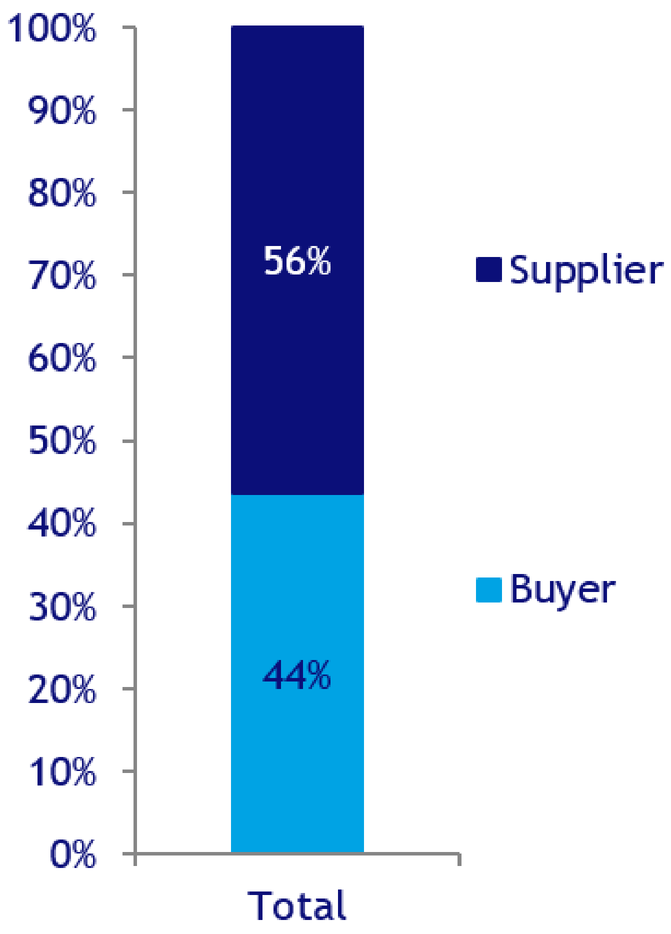
Survey Sample

Who We Spoke to ...

Hoop iab. australia

Buyer or Supplier

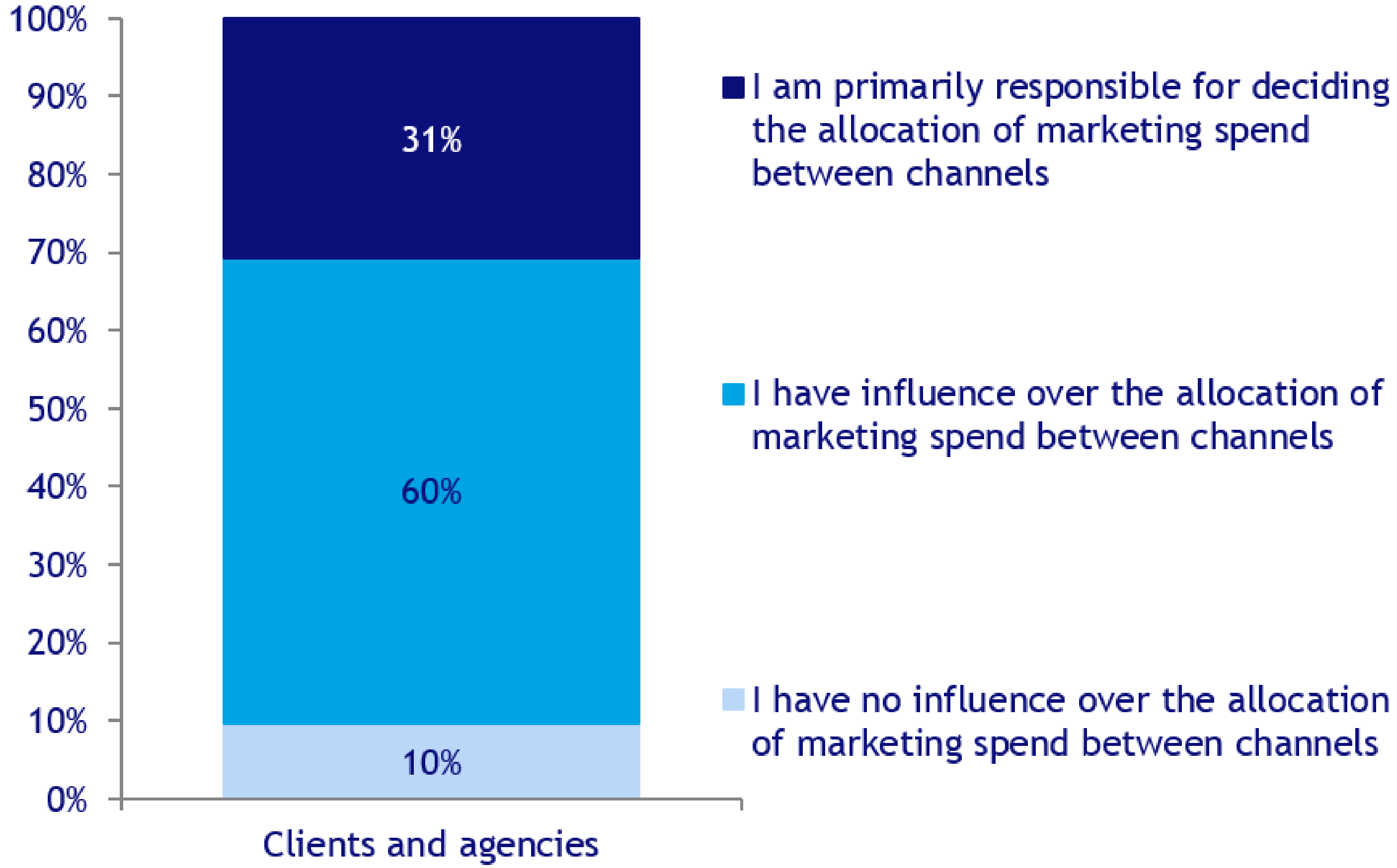




The suppliers slightly outweighed the buyers 56% to 44%

Which of the following best describes your company?

Role of Allocating Marketing Spend



90% of those 'buyers' who started the survey had influence over marketing spend.
Just on one-third (31%) were primarily responsible.

Which of the following statements best describes your level of influence in allocating marketing spend between different media channels?

Research Sample

Across the industry ...

iab. australia

Research Sample (Utilised)

		TOTAL (n=350)	Buyer (n=153)	Supplier (n=197)
Buyer	Media Agency	95	27%	
	Creative/Digital Agency	19	5%	
	Agency trading desk/independent trading desk	10	3%	
	Brand/advertiser	29	8%	
Supplier	Media owner/publisher	111		32%
	Ad Network	25		7%
	Ad technology supplier	30		9%
	Other ad industry supplier or participant	17		5%
	Other	14		4%

Research Sample (Demography)

		TOTAL	Buyer	Supplier
Gender	Male	60%	57%	62%
	Female	40%	43%	38%
Location	NSW	68%	63%	71%
	VIC	22%	22%	23%
	QLD	5%	10%	2%
	TAS	1%	0%	1%
	WA	1%	2%	1%
	SA	3%	3%	2%
Years in advertising industry	Less than a year	1%	2%	1%
	1 to 5 years	24%	23%	24%
	6 to 10 years	29%	28%	29%
	11 to 15 years	23%	28%	20%
	16 to 20 years	14%	10%	17%
	21 years or more	9%	8%	9%

Thank You to our Sponsors

Thank you

Please contact us if you have any questions regarding this study

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