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Top Trends, die die Zukunft der Mobile Advertising Branche prägen

ARNDT GROTH

PRESIDENT, SMAATO

Complexities of Mobile Programmatic
Who Are All the Players in Mobile Programmatic Advertising?

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Demand Side ⟷ **Smaato Platform** ⟷ **Supply Side**

Advertisers

SC Johnson — A Family Company • amazon.com • Levi's • Coca-Cola • Marriott • Expedia • McDonald's • Red Bull • P&G • SUBWAY • Unilever • TOYOTA • VISA • Walt Disney Pictures

Agencies & Trading Desks

CARAT • dentsu • HAVAS • MEC • MEDIACOM People first. better results. • MINDSHARE • Ogilvy • Starcom Mediavest Group • XAXIS

DSPs & Demand Partners

Ad Networks

AdColony • AdMob by Google • Advertising.com • appnexus • Baidu 百度 • INMOBI • INNERACTIVE • OpenX • PubMatic • vserv

DSPs

adelphic • AMOBEE • BID SWITCH • criteo • dataxu • GroundTruth • manage • MediaMath • Sizmek • theTradeDesk

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The Leading Global Real-Time Advertising Platform for Mobile Publishers & App Developers

App Developers & Mobile Publishers

90,000+ Publishers & Developers

360 www.360.cn • cheetahmobile • GAMELOFT • gomo • mobilityware • OUTFIT7 • ROVIO • theCHIVE • tunein • ASKfm • EA • ebay Kleinanzeigen • Microsoft • REUTERS • SHAZAM • THE TIMES OF INDIA • theScore • WB • wetter.de • pinger • SoundHound • Talkatone • TMZ • Games

Advertise To Get Customers → **Buy Audiences** → **Buy/Sell Publisher Inventory** ⟷ **Aggregate/Enrich Publisher Inventory Deliver Relevant Ads** ⟷ **Request Ads**

Version 01.01

Transparency
Buzzword or Necessary Reality?

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"Advertisers Put Transparency on the Top of Their 2018 To-Do Lists"
Digiday

"Is Transparency Fueling Advertiser Paranoia?"
Ad Exchanger

"Why Transparency and Sustainability in Programmatic Matter Now, More Than Ever"
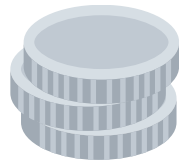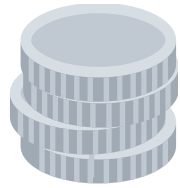Huffington Post

Inventory

Partner

Cost

First-Price vs. Second-Price Auctions
The Industry Is Moving Away from Second-Price

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First-Price Auction

Advertiser A Bids
$2.00

Advertiser B Bids
$3.00

Advertiser C Bids
$4.00 – **Winner!**

Clearing Price

Advertiser C pays $4 for the inventory

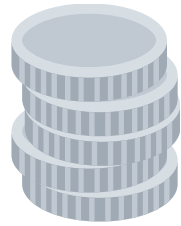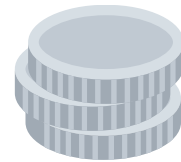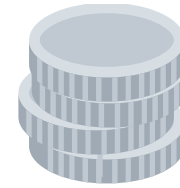## Second-Price Auction

Advertiser A Bids
$2.00

Advertiser B Bids
$3.00
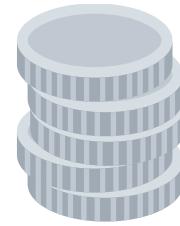
Advertiser C Bids
$4.00 – **Winner!**

Clearing Price

Advertiser C pays $3.01 for the inventory

First-Price vs. Second-Price Auctions
How Will First-Price Auctions Affect the Mobile Advertising Ecosystem?

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Enhanced transparency for buyers

Requires buyers to know the value of the impression

Buyers must reevaluate bidding strategies

Bidding becomes more conservative

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Exchanges have long charged additional fees to buyers

Fees are often not transparent or communicated effectively

To improve transparency, buy-side fees are being reduced or eliminated throughout the industry

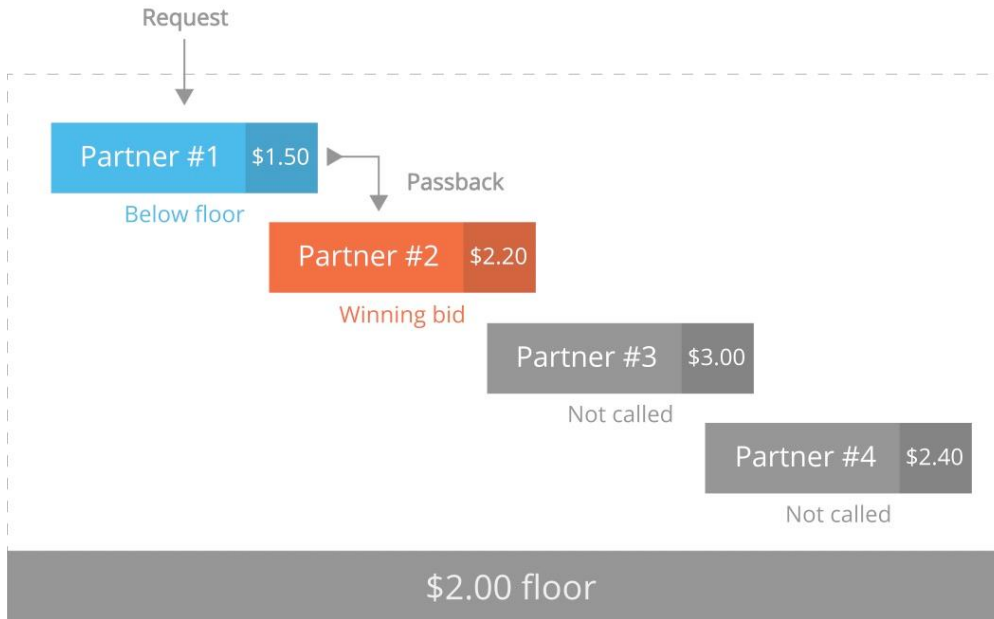**Smaato does not charge buyer fees**

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```
# Ads.txt file for example.com:
greenadexchange.com, 12345, DIRECT,
d75815a79 silverssp.com, 9675,
RESELLER, f496211
blueadexchange.com, XF436, DIRECT
orangeexchange.com, 45678, RESELLER
silverssp.com, ABE679, RESELLER
```

- The Interactive Advertising Bureau's method of preventing digital advertising fraud

- Publishers place a publicly accessible "ads.txt" file on their server describing what supply-side platforms and networks are allowed to sell their inventory

- Currently used for web-based advertising but being considered for apps

Waterfall Auction   vs.   Header Bidding
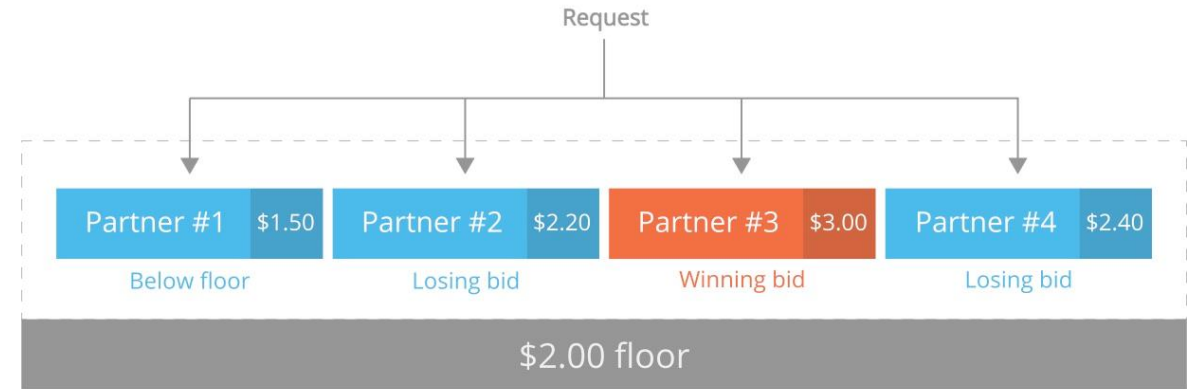
Request

Partner #1 $1.50
Below floor

Passback

Partner #2 $2.20
Winning bid

Partner #3 $3.00
Not called

Partner #4 $2.40
Not called

$2.00 floor

Request

Partner #1 $1.50   Partner #2 $2.20   Partner #3 $3.00   Partner #4 $2.40
Below floor   Losing bid   Winning bid   Losing bid

$2.00 floor

4/25/2018   11

Mobile Video Advertising
Video Ad Spending Is Skyrocketing

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Ad Spending Growth by Mobile Video Ad Format, Q4 2017 vs. Q3 2017
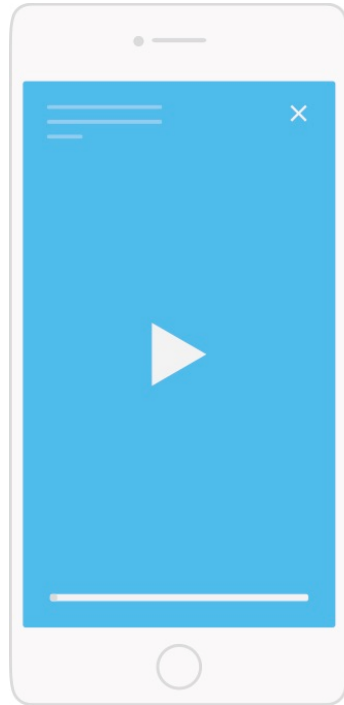
Interstitial
Video
+97%
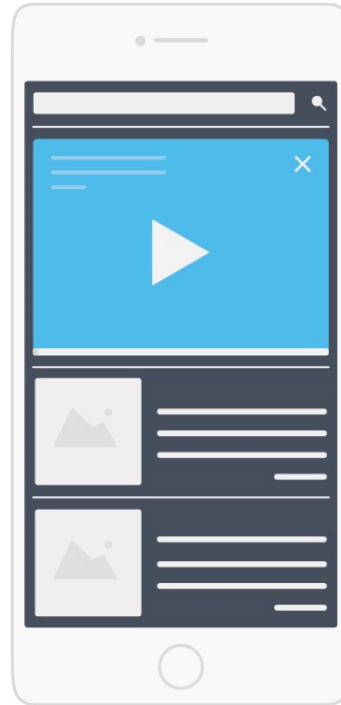
Instream Pre-Roll
Video
+102%
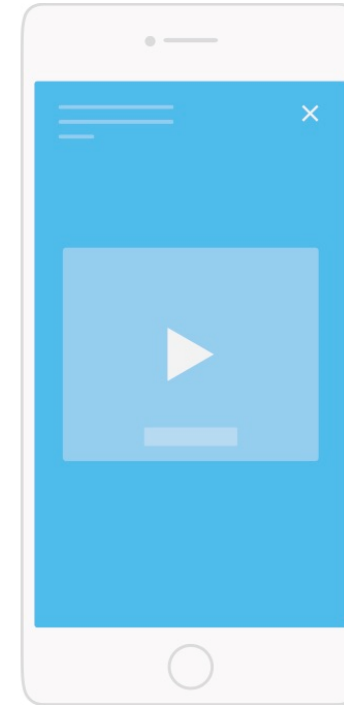
Rewarded
Video
+32%
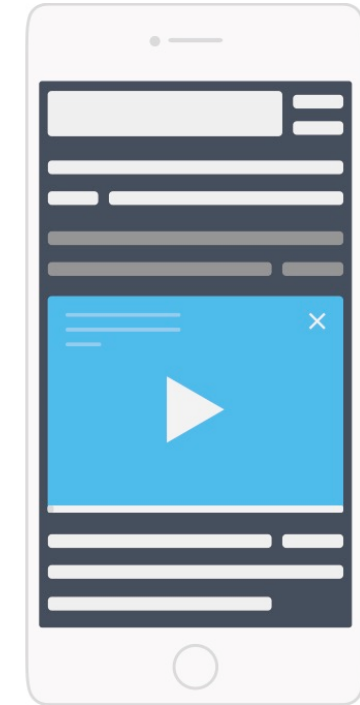
Outstream
Video
+60%

Source: Smaato Publisher Platform (SPX) - Q4 2017 vs Q3 2017
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Mobile Video Advertising
Advertisers' Investment in Video Continues to Grow

Mobile Video Ad Spending Growth, Q4 2016 – Q4 2017
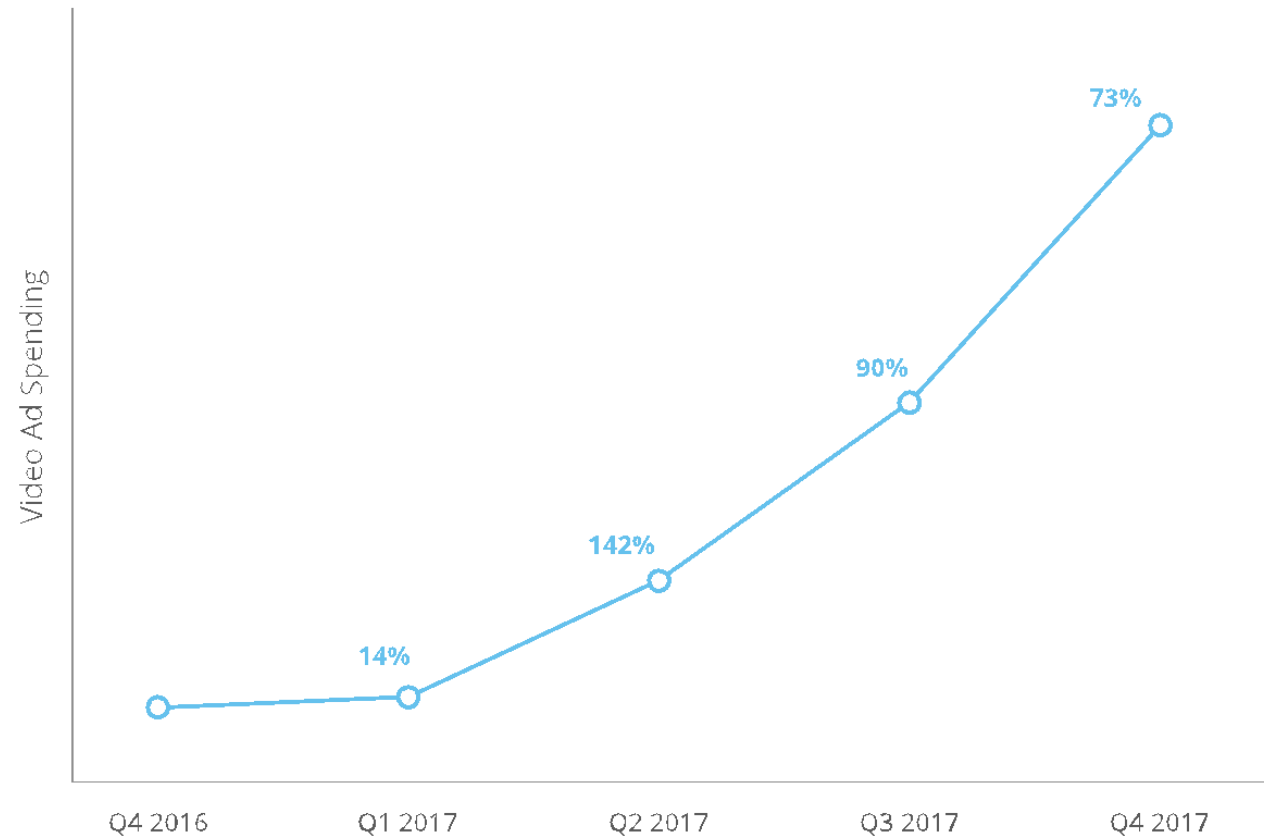
Source: Smaato Publisher Platform (SPX) - Q4 2016 - Q4 2017

TV	Internet	Apps
1950s – 1980s	1980s – 2010s	2010 – Present

Device IDs,
Smaato ID
& GPS tracking

„Super-Cookie"
21+ Month Device Tracking

Cookie

Where

an easily be deleted
ot standard across
rowsers
o GPS

- Where users go
- What they do there
- What they do over time

Consumers Now Spend 90% of SmartphoneTime In-App

Advantages of In-App
Mobile Websites vs. Mobile Apps

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

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An effective method for gaining informed clicks and high-quality conversions is to use rewarded video ads. Since this ad format is opt-in, with users choosing to watch in exchange for a reward, it has the highest viewability rates of any mobile ad format.

Technology:
Vast standard

Tracking:
Quartile / VTR etc.

Viewability:
100%, full-screen
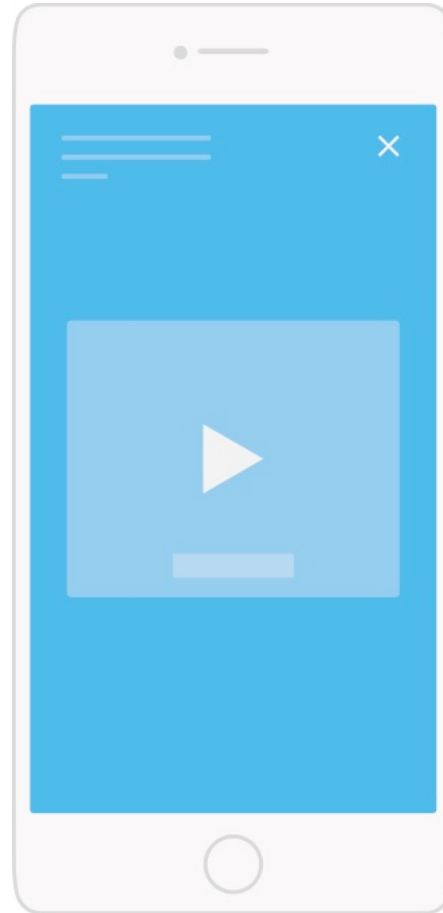
User Experience:
Forced ad, non-skippable

Placement:
In-app games

Price:
Medium range: $1.00 - $6.00

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VS.
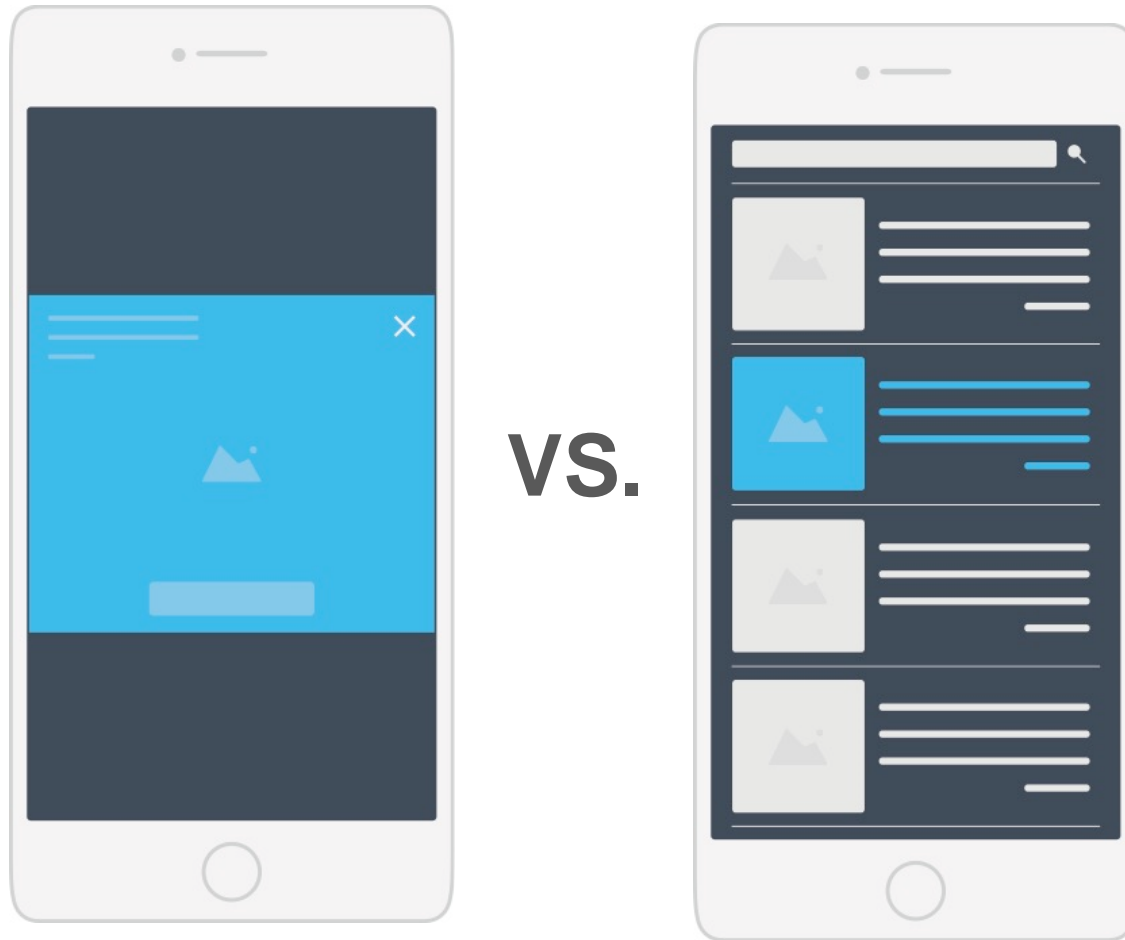
Native Advertising

- Offers a better user experience
- Drives more traffic
- More cost-efficient than display advertising due to high click-through rates

Why Native Advertising?

- Users expect relevant content that adds value, and native advertising can deliver this in a non-intrusive way

VIEWS BRAND ADS
Watches TV/Online ads that create brand awareness.

VISITS STORE
Enters store, where 70% of purchase decisions are made.

ENCOUNTERS IN-STORE PROMOTER
Meets promoter in-store who explains product benefits or samples product.

PURCHASES PRODUCT/BRAND
Purchases product at cash register in cash or via credit/debit card

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Enhanced Attribution: Digital to Offline
A Consumer's Journey in a Mobile-First World

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VIEWS BRAND ADS
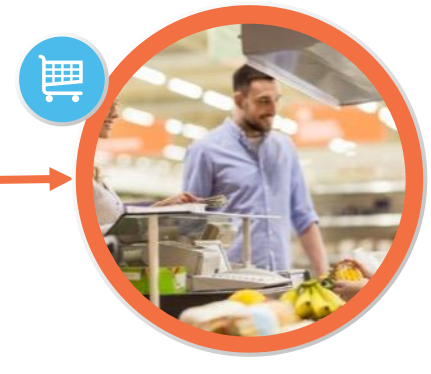Watches Mobile/Online ads that create pre-purchase brand awareness. Concept of "primetime" is now gone.

SEES MOBILE AD NEAR STORE
Frequency-capped geo-targeted mobile ads within X km/mile radius of store bring qualified consumers into store.

VISITS STORE
Enters store, where 70% of purchase decisions are made, knowing there is a special event/promotion taking place.

ENCOUNTERS IN-STORE PROMOTER
Meets promoter in-store who explains product benefits or samples product.

DEVICE ID MATCHING: 18+ MONTHS

USER DATA

- Device ID
- Device OS
- Carrier
- Campaign ID

USER DATA

- Age
- GPS
- Country
- Gender

USER DATA

USER DATA

USER DATA

MARKETING ROI
- AD/PROMO SPEND
- STORE VISITS
- FIRST PURCHASE
- REPURCHASES

REWARDED CONSUMER SCAN/PHOTO ATTRIBUTES PURCHASE AND THEN RETARGETING BEGINS
Triggers attribution by scanning product UPC/QR Code in exchange for reward. Retargeting begins.

PURCHASES PRODUCT/BRAND
Pays for product at register, potentially with NFC mobile payment.

RECORDS BEACON
Promoter has a beacon in her pocket, which is received/noted on consumer's app.

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Level 1:

Simple consent collection for all selected vendors and purposes

This site uses cookies

NewsNow and our partners use technology such as cookies on our site to personalize content and ads, provide social media features, and analyze our traffic. You can change your mind and revisit your consent choices at anytime by returning to this site.

REJECT ALL COOKIES   ACCEPT ALL COOKIES

Show purposes
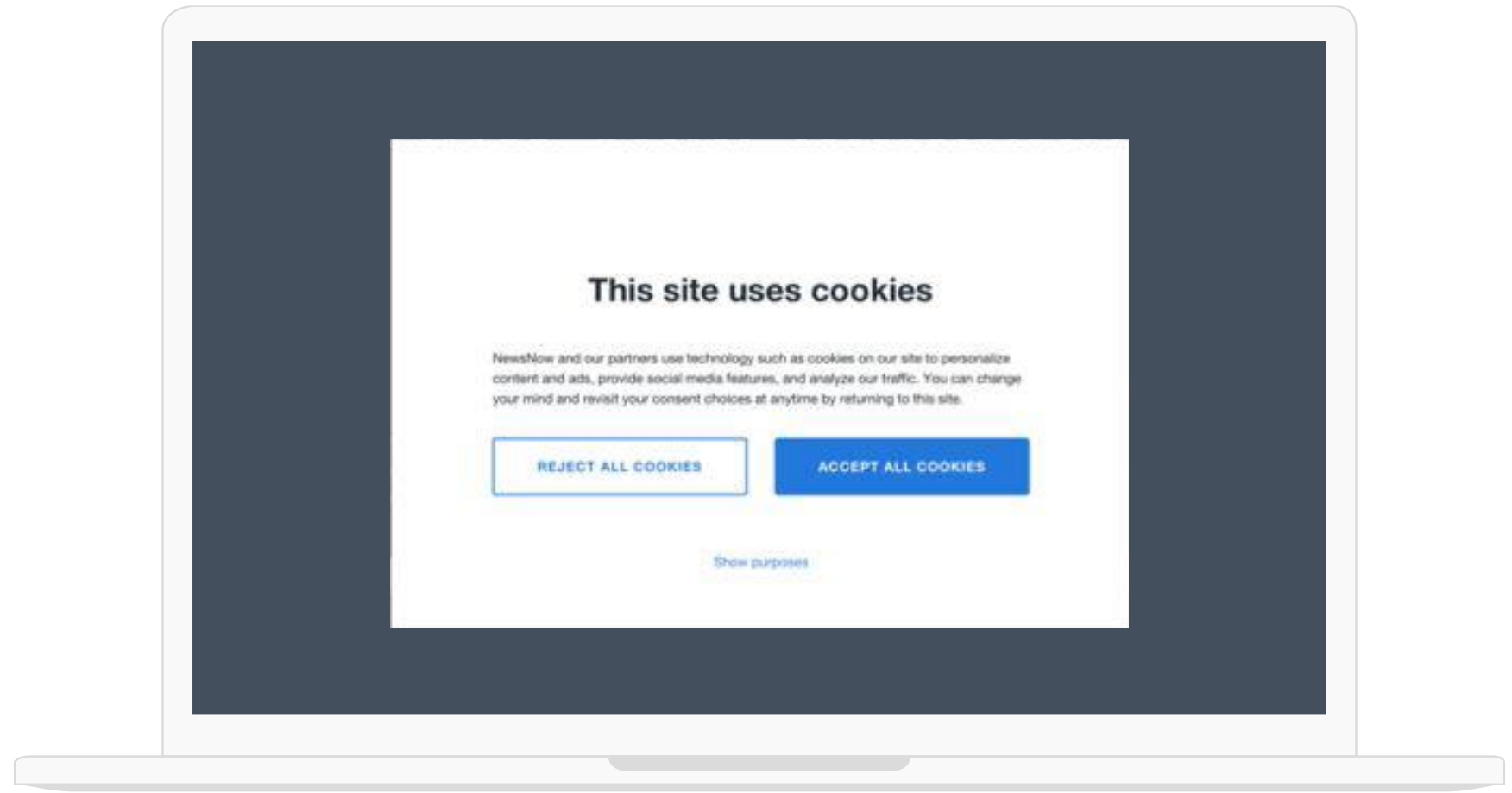
Level 2:

Purpose-level consent options for consumers

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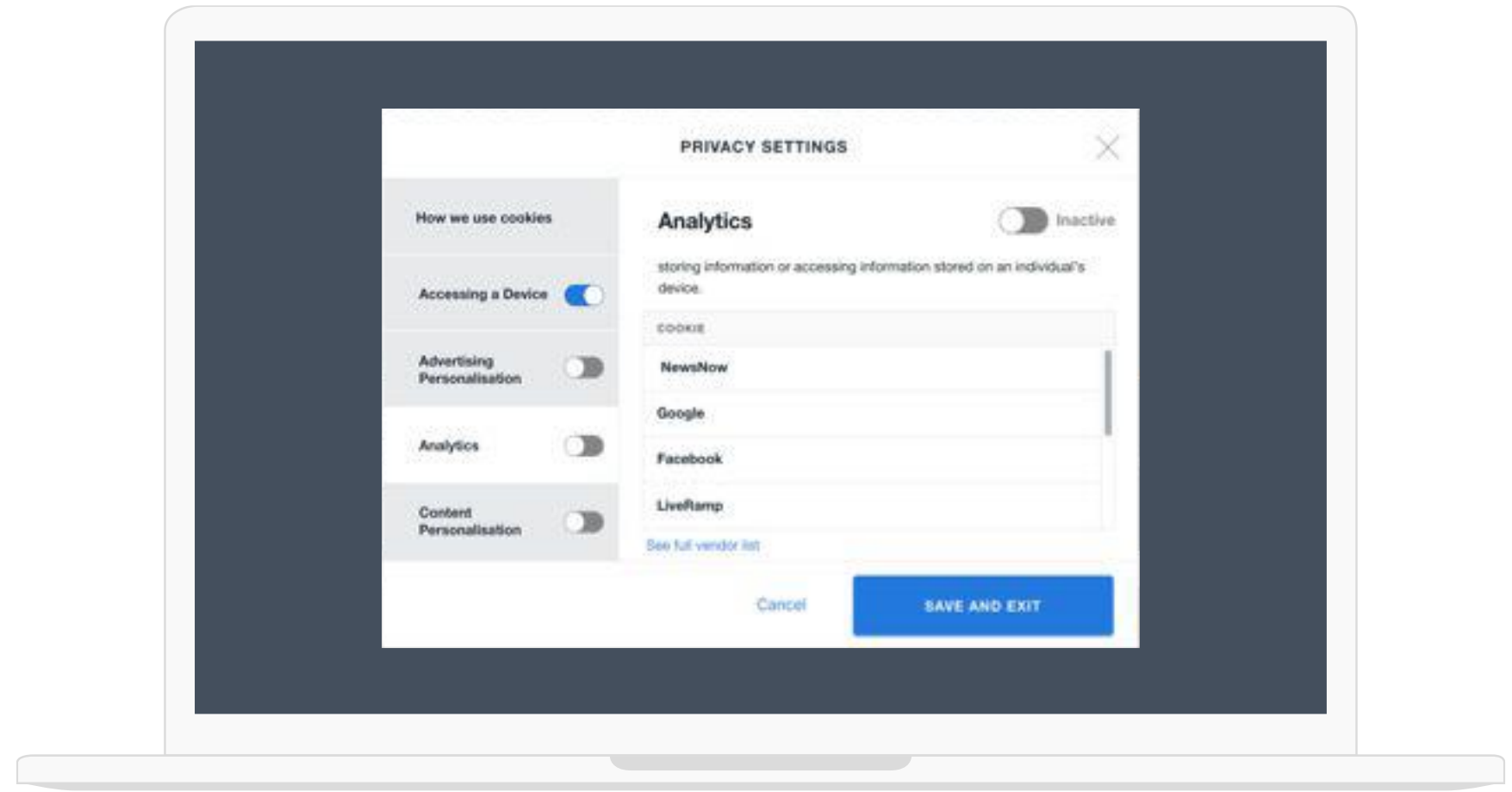
Level 3:

Vendor-level
consent options
for consumers

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Purpose Choices

1. ✓ PURP1
2. ✓ PURP2
3. ✓ PURP3
4. ✓ PURP4
5. ✓ PURP5

Vendor Choices

1. ✓ SSP1		21. ✓ DSP7	
2. ✓ SSP2		22. ✓ DSP8	
3. ✓ Exchange1		23. X DSP9	
4. X Exchange2		24. ✓ DCO1	
5. ✓ Exchange3		25. ✓ DCO2	
6. ✓ DMP1		26. ✓ DCO3	
7. ✓ DMP2		27. ✓ DCO4	
8. ✓ DMP3		28. ✓ DCO5	
9. ✓ DMP4		29. X DCO6	
10. X DMP5		30. X DCO7	
11. X DMP6		31. ✓ DCO8	
12. ✓ DPM7		32 X DCO9	
13. X DMP8		33. ✓ Viewability1	
14. ✓ DMP9		34. X Viewability2	
15. X DSP1		35. ✓ Viewability3	
16. X DSP2		36. ✓ Viewability4	
17. ✓ DSP3		37. ✓ Viewability5	
18. ✓ DSP4		38. X Viewability6	
19. X DSP5		39. X Viewability7	
20. X DSP6		40. ✓ Viewability8	
		41. X Viewability9	

Purpose Choices String

Vendor Choices String

Compressed Value

11111   1110111110010100110011011111001010110

PURP1
PURP5

DMP2

DSP7

3FDF299BE572

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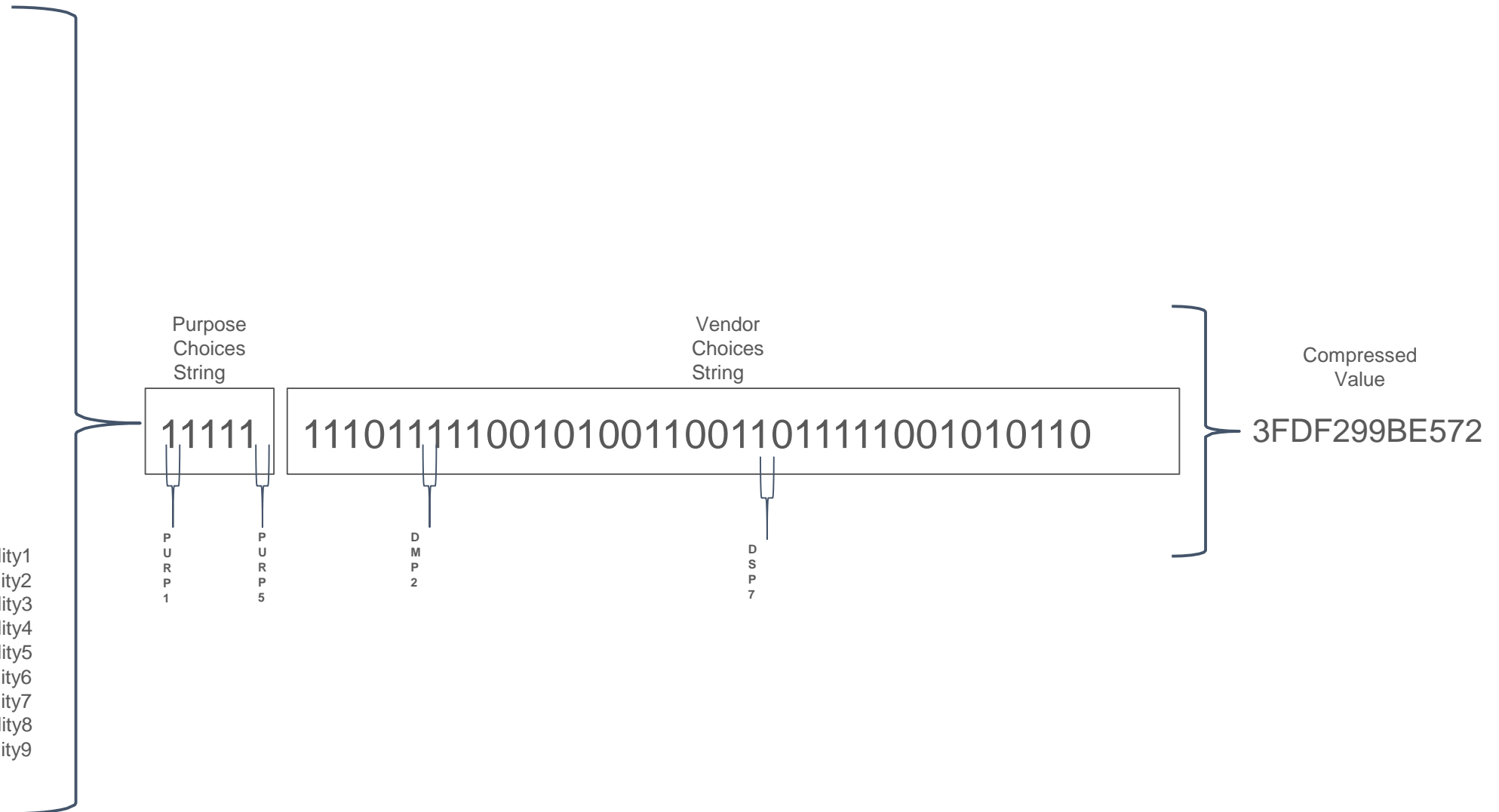
General Data Protection Regulation (GDPR)
Decision Tree Beginning on May 25, 2018

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EU Traffic

No

Yes

EU Resident (Publisher Provided)

No

Unknown

Yes

Consent Available? (Publisher Provided)

Yes

No

Age < 16?

No

Yes, No Consent

GDPR Applies. Is DSP GDPR-Compliant?

GDPR Applies, Consent Available

GDPR-Compliant

Not GDPR-Compliant

GDPR Applies, Consent Not Available

GDPR-Compliant

Not GDPR-Compliant

Online Behavioral Advertising Allowed

GDPR Unlikely

GDPR Impression With Consent

Only Context Advertisement Allowed

No "Profiling"
No "Automated Decisioning"
Drop Age, Gender, Location, etc.

Original ID Frequency Capping Over Several Exchanges

Hashing of ID [Enforcing Context Advertisement]

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Thank You

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PRESIDENT, SMAATO

ABOUT SMAATO

Smaato is the leading global real-time advertising platform for mobile publishers and app developers. Smaato runs the world's largest independent mobile ad exchange and has been pioneering innovative, mobile-first solutions for publishers since 2005.

Smaato's SPX is a global, intelligent and free-to-use self-service platform and ad server that brings native, video and real-time advertising to over 90,000 app developers and mobile publishers. The company's worldwide reach and extensive network of demand partners provide a massive variety of advertisers with one single integration. Smaato manages up to 19 billion ads every day around the world, across over 1 billion unique mobile users each month.

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