What is Mobile?

Media, Platform, Device, Network, or Something Else Entirely

Joe Laszlo, Senior Director
IAB’s Mobile Marketing Center of Excellence

- Launched in December 2010
- Think of the Mobile Center as “a mini IAB within the IAB”
- Goal: drive growth of the mobile advertising marketplace and of our members’ share of mobile marketing spend
- Five Mobile Center staff, led by Anna Bager, IAB’s VP of Mobile
- Separate Mobile Center Board of Directors, which reports to overall IAB Board
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IAB Mobile Center

What is Mobile?
The Consumer Audience is Increasingly Mobile

Percentage of Consumers Owning and Using Device

Sources: IAB Mobile Super Bowl Consumer Survey, conducted by Harris Interactive, January 2012. n=2,217 (US adults); IAB 2014 Mobile Super Bowl Consumer Survey, conducted by Harris Interactive, January 2014. n=2,047 (US adults).
US Smartphone Ownership by Race/Ethnicity

All Adults

- White: 53%
- African-American: 59%
- Hispanic: 61%

Note: Percentage of cell-phone owning adults
Source: Pew Internet Life Project, Jan. 2014
Kleiner Perkins Reports Robust Global Mobile Growth

Mobile Usage as % of Web Usage, by Region, 5/14

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<tr>
<th>Region</th>
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<tr>
<td>North America</td>
<td>11%</td>
<td>19%</td>
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<td>South America</td>
<td>6%</td>
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<td>Europe</td>
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<td>Asia</td>
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<td>18%</td>
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<td>Oceania</td>
<td>12%</td>
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<tr>
<td>Global</td>
<td>14%</td>
<td>25%</td>
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Mobile Grew 76% From 1H 2013 to 2014

Mobile Ad Revenue

1H 2013
Total: $3.04B

1H 2014
Search: $2.73B
Display: $2.50B
Other: $104M
Total: $5.33B

Note: Format breakdown not available for 2013. Source: PWC, IAB Internet Advertising Revenue Report, 2014 first six months results, Released October 2014
What is Mobile?

• It’s a device
• It’s a network
• It’s an operating system
• It’s a technology
• It’s a business model
• It’s a platform
• It’s a buzzword
Mobile Is Everywhere and Everything
Defining “Mobile First”

- *Mobile First* is often described in terms of business strategy—it’s how companies should think.
- But *Mobile First* is really about how consumers with smartphones and tablets are living their daily lives.
  - It’s about a behavioral and social change
- These changes create challenges and opportunities for companies seeking a consumer audience
A Generational Change
Remember When People Held Up Lighters at Concerts?

Sources: Washington Post, Photo by Neilson Barnard/Getty Images, Dec 2013
Now There’s an App For That
IAB MIXX Awards
Custom Mobile Rich Media Display GOLD
Jack in the Box
Horizon Media & AdColony

http://player.vimeo.com/video/105620217
Always Connected

- There is no such thing as being “offline” to Hispanic Millennials.
- Many don’t remember a time when getting “online” took an effort.
- Online is just the natural state of being.
- Offline? When they want to be hiding or unavailable.

“My iPhone is always close by and on, in case someone needs my help, or for my family or boyfriend to contact me.”

“When I visit Guatemala, I am completely offline, with only a pre-paid phone, but it doesn’t have internet. I don’t like that it takes longer to do things I can do immediately on my iPhone, like sending email, banking, shopping, and using my apps.”
They Rely on their Smartphones

- We asked respondents to talk about all the things that the smartphone does for them.

**Gadgets and Devices**
- TV remote
- Alarm clock
- Flashlight
- Voice recorder
- PC
- iPod/MP3 Player
- Video recorder
- Camera
- Wallet
- Yellow Pages

**Services**
- Bank
- Budgeter
- Child pacifier

**Organizers**
- Notebook
- Family scheduler
- Calendar
- To-do list
- Map
- Even ovulation trackers!
Device Nostalgia

• This group feels a very strong attachment to its phones.
• Likely to keep phones even after they are upgraded or replaced.
• The phone itself sparks nostalgia as a memento.
• Because the phone can be the repository of sentimental texts, photos, or game scores.
“Mobile” Can Be Any Screen

Or No Screen At All

Source (Google Glass): http://blogs.independent.co.uk/2013/02/20/a-detailed-look-at-the-google-glass-experience/
Information Gets More Subtle and Pervasive
And We Don’t Use Screens One at a Time

77% of the time when we’re using a TV, we’re using another device

49% with a phone | 34% with a PC/laptop

57% of the time when we’re using a smartphone, we’re using another device

29% with a television | 28% with a PC/laptop

Source: http://services.google.com/fh/files/misc/multiscreenworld_final.pdf
IAB MIXX Awards
Rising Stars Mobile Rich Media GOLD
Showtime Networks
OMD & Medialets

http://player.vimeo.com/video/105620356
Screens Can Bring Families Together

 Relatives Gather From Across The Country To Stare Into Screens Together

NEWS IN BRIEF • Family • Holidays • News • ISSUE 49•51 • Dec 25, 2013

Source: The Onion
Or Keep Us Company When We’re Alone
Percentage of Use In Home

- Smartphone: 64%
- Tablet: 82%

Source: Council for Research Excellence
Smartphones Enable Shared Personal Experiences
Mobile Changes How We Relate to the World

Source: NBC/AP
And Changes Everyday Activities
Small Children Treat TVs & Magazines Like Broken Tablets
IAB MIXX Awards
Custom Mobile Rich Media Display BRONZE
Johnson & Johnson
Mindshare Turkey & mobilike

http://player.vimeo.com/video/105620182
Implications:
What Marketers Think About Mobile
Marketers Report Strong Budget Increases from 2011-13

2011
- Less than $50K: 28%
- Between $50K-$150K: 10%
- Between $150K-$300K: 7%
- More than $300K: 10%

2013
- Less than $50K: 24%
- Between $50K-$150K: 16%
- Between $150K-$300K: 23%
- Between $300K-$500K: 16%
- More than $500K: 21%

Source: Marketer Perceptions of Mobile Advertising—2013, IAB Study conducted by Ovum, for release Sept. 2013, n=301
What do you see as the key challenges for mobile advertising from a brand/buyer perspective?

Source: Marketer Perceptions of Mobile Advertising—2013, IAB Study conducted by Ovum, for release Sept. 2013, n=301
Marketers Rank Responsive, HTML5, Native as Key Trends

How important are the following developments in mobile advertising?

Source: Marketer Perceptions of Mobile Advertising—2013, IAB Study conducted by Ovum, for release Sept. 2013, n=301
Mobile in a Word: Marketers’ Views

Source: Marketer Perceptions of Mobile Advertising—2013, IAB Study conducted by Ovum, for release Sept. 2013, n=301
IAB Mobile Marketing Center of Excellence

Growing Mobile & Cross-Screen Advertising
How Do We Grow Mobile?

- Understand mobile as a behavioral and cultural shift, not a device or technology.
- Push creative and media agencies to make all campaigns mobile-ready.
- Think about mobile and cross-screen early in planning campaigns.
- Push metrics vendors on ways to assess and measure this new world.
We won’t realize the full potential of mobile advertising until we begin to develop advertising applications around the full suite of emerging mobile behaviors.
IAB MIXX Awards
Rising Stars Mobile Rich Media BRONZE
Beam Sauza Tequila
Starcom MediaVest Group, Microsoft Advertising, and Zumobi

http://player.vimeo.com/video/105620354
Think More Precisely About Mobile Users

- In home: Not moving, Calm
- Out of home: Moving, Agitated
- Active: Not moving
- Passive: Moving
IAB Areas of Focus for 2015

• Viewability
• Retina-scale creative standards
  • Revisit mobile rising stars
  • Responsive design
  • Timetable for retiring the 320x50
• Tracking and targeting across screens
• Guidance on mobile and programmatic
• Location privacy
IAB Mobile Center

What is Mobile?
CANNES LIONS 2014
Grand Prix 2014 Mobile Lion Ad
Nivea Sun Kids
FCB Brazil

https://www.youtube.com/watch?v=QI9biMnmrVg
Mobile Does, and Does NOT, Change the Basics of Marketing

Right message
Right consumer
Right time
Right place

Advertising Success!
Understanding mobile behaviors means understanding the larger ecosystems in which mobile devices are used.
“Let’s not treat mobile like the web, only smaller.”

IAB Mobile Marketing Center of Excellence

Thank you!

joe@iab.net