



# **Programmatic Mobile Video Advertising Insights for Marketers**

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**Global Report  
Q2, 2018**

[www.chocolateplatform.com](http://www.chocolateplatform.com)





In this report, we aim to educate marketers and shed light on the emerging themes by sharing **latest industry research** and analyzing **Chocolate's Marketplace data** to offer actionable insights that will help them progress in their **programmatic buying** journey.

## Section 1:

Current Programmatic  
Landscape

## Section 2:

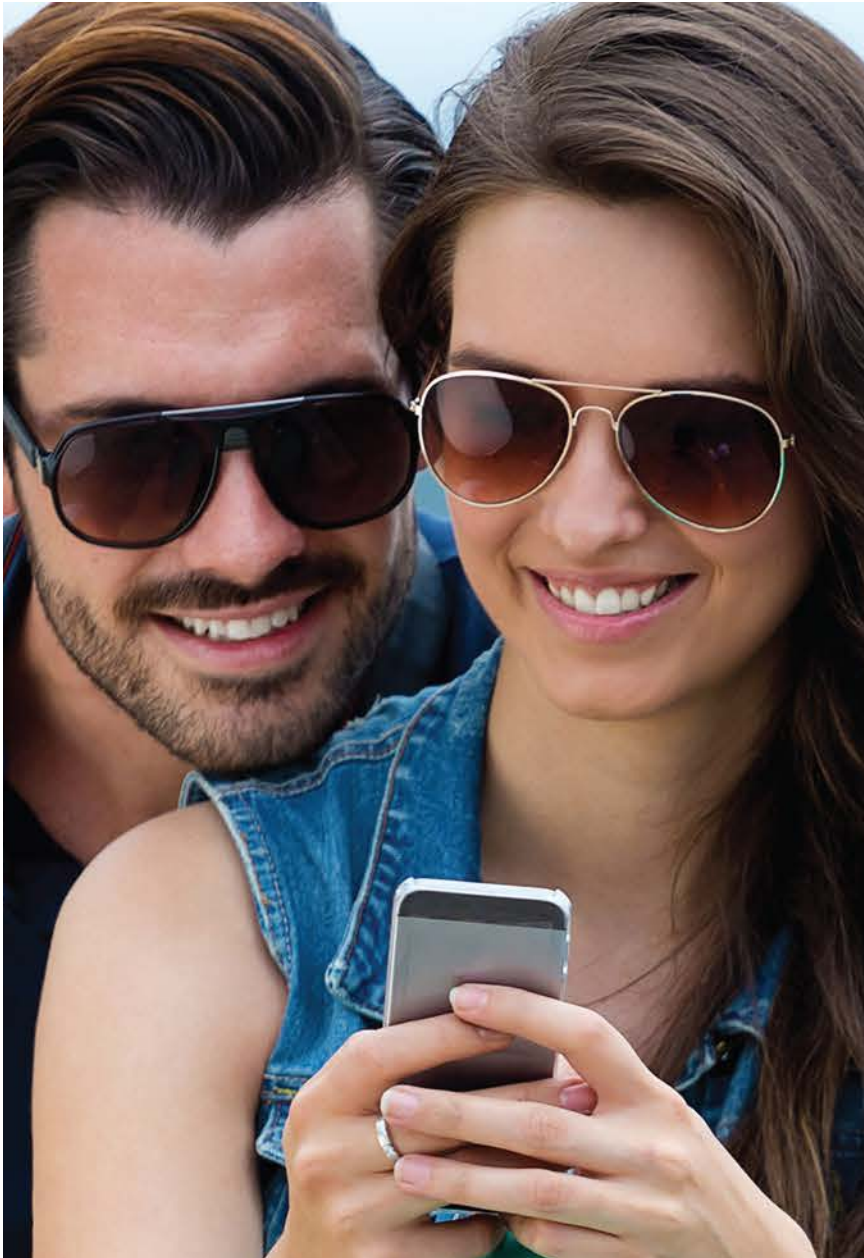
Brand Advertising Insights  
for Programmatic Marketers



# SECTION 01

## Current Programmatic Landscape





## Why programmatic mobile video advertising is important for marketers?

Shifting paradigm of online video advertising

**50%**

of all online video advertising spend will be on mobile in 2018

**78%**

of all mobile video advertising spend will be in-app

Programmatic is reshaping digital advertising

**75%**

of all brands buy programmatically

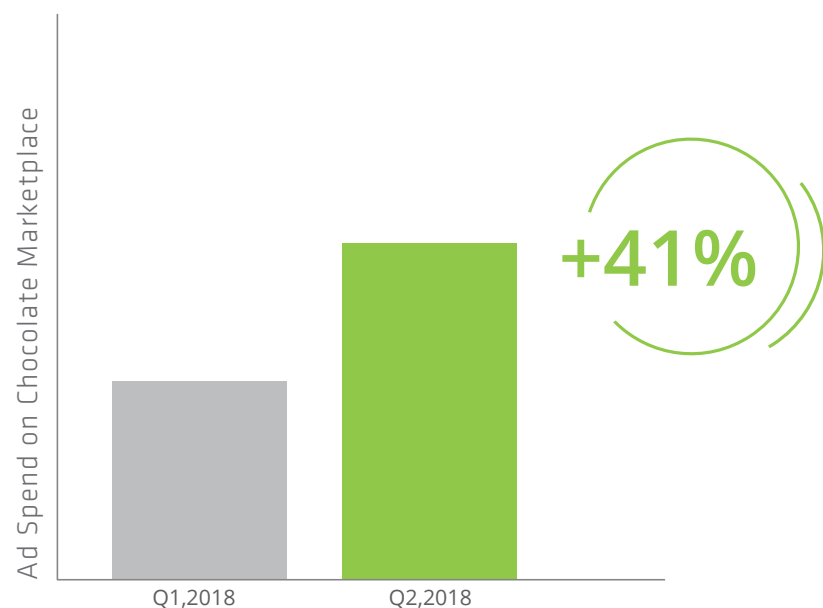
**84%**

of all digital ad spend will be programmatic by 2019

**Sources :** <http://www.onlinevideo.net/2018/08/programmatic-buying-brands-mediadar/>  
<https://www.mobilemarketer.com/news/forrester-mobile-will-drive-72-of-growth-in-online-video-ad-spend/525203/>



## Increasing Mobile Video Ad Spend



Mobile video is possessing marketers attention steadily for some time now. With more and more users consuming video content, the acceptance and affinity towards mobile video ads have increased significantly, thus, increasing marketers confidence in spending more ad dollars on mobile video.

## A surge in programmatically sold inventory

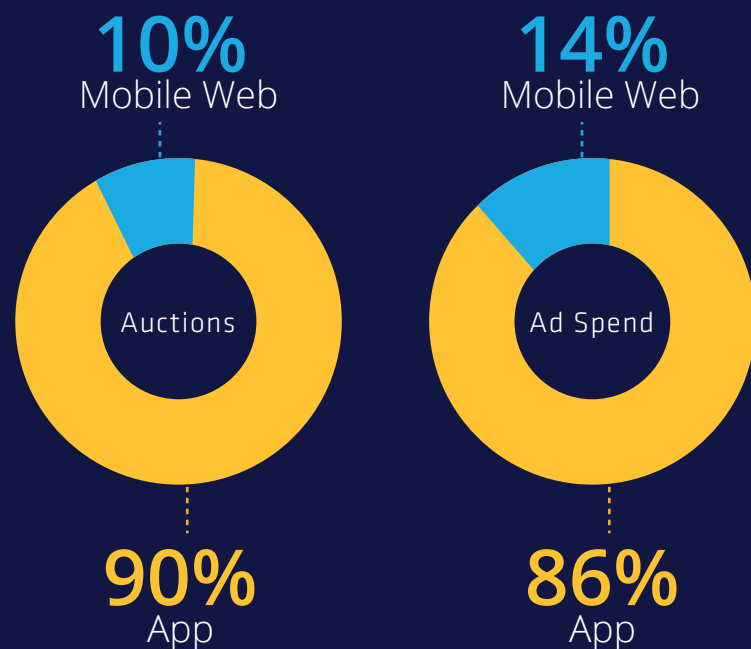


Since publishers can achieve a balance between inventory prices and the fill rate using programmatic, increase in auctions becomes the biggest contributor to their revenue.

# In-App advertising is pushing the programmatic forward

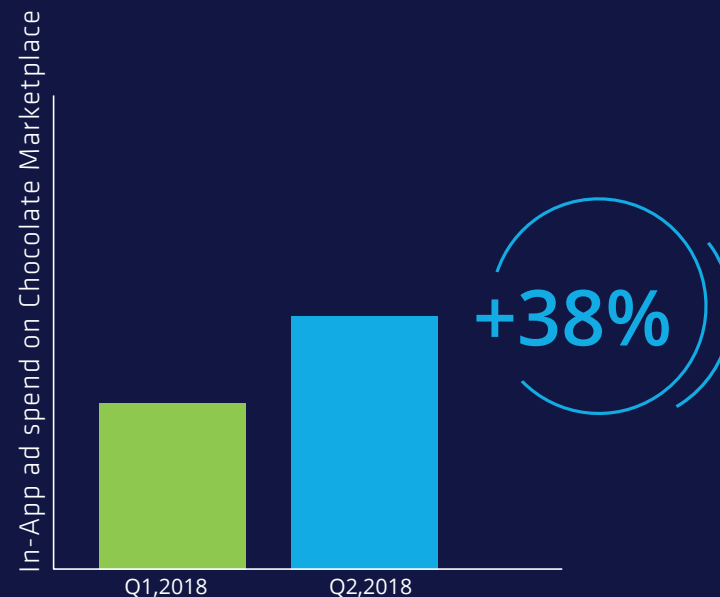
Mobile users have gradually moved away from using their mobile browsers to focus on wide range of apps across various verticals. This affinity towards in-app has changed the industry's advertising model.

Programmatic advertising  
is dominated by Apps



Chocolate Marketplace, Q2, 2018

Significant increase in  
In-app ad spend

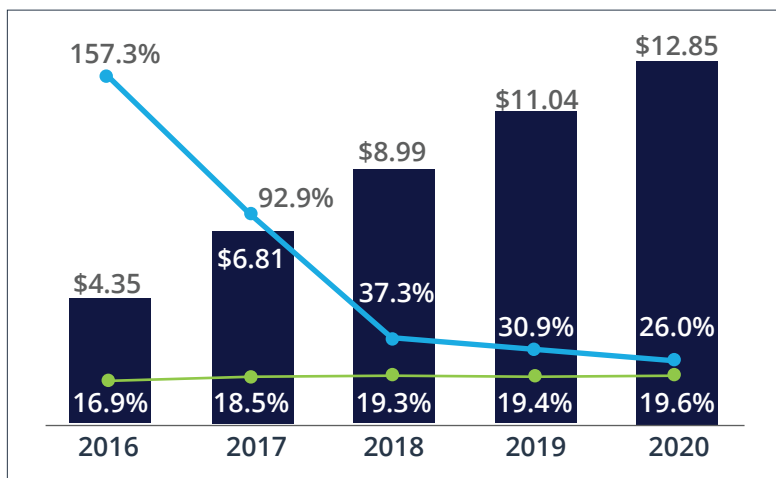


# Growth of Private Marketplaces (PMPs) in programmatic

By 2020, Ad spend in US will be \$12.85 billion in Private Marketplaces (18% of total mobile programmatic display ad spending)

## US Private Marketplace Digital Ad Spending, 2016-2020

billions, % changes and % of total programmatic digital display ad spending



- Private marketplace digital display ad spending
- % changes
- % of total programmatic digital display ad spending

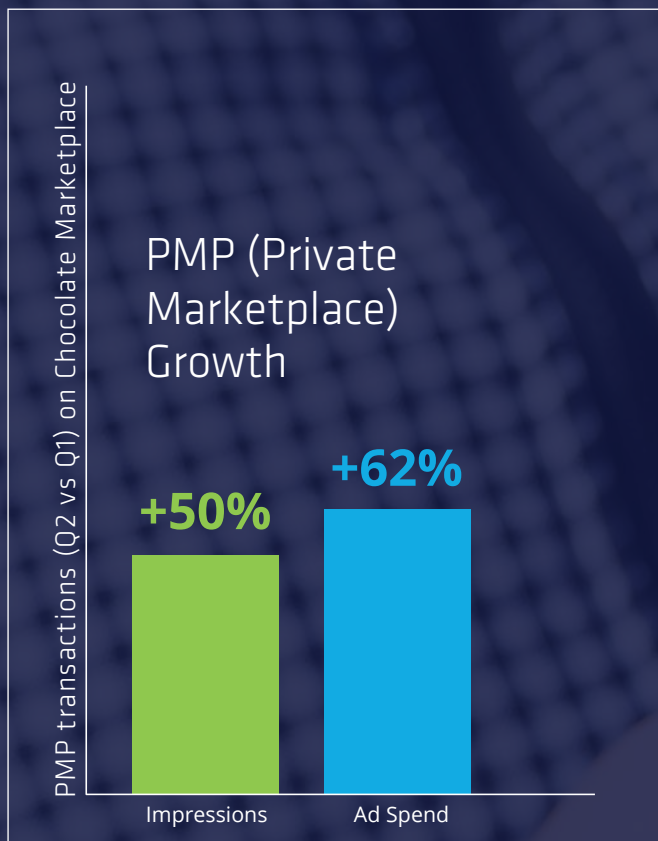
**NOTE:** Includes native ads and ads on social network like Facebook and Twitter; includes advertising that appears on desktop/laptop computers, mobile phones, tablets and other internet-connected devices; includes ads transacted through an invitation-only RTB auction where one publisher or a select group of publishers invite a select number of buyers to bid on its inventory.

**Source:** eMarketer, March 2018

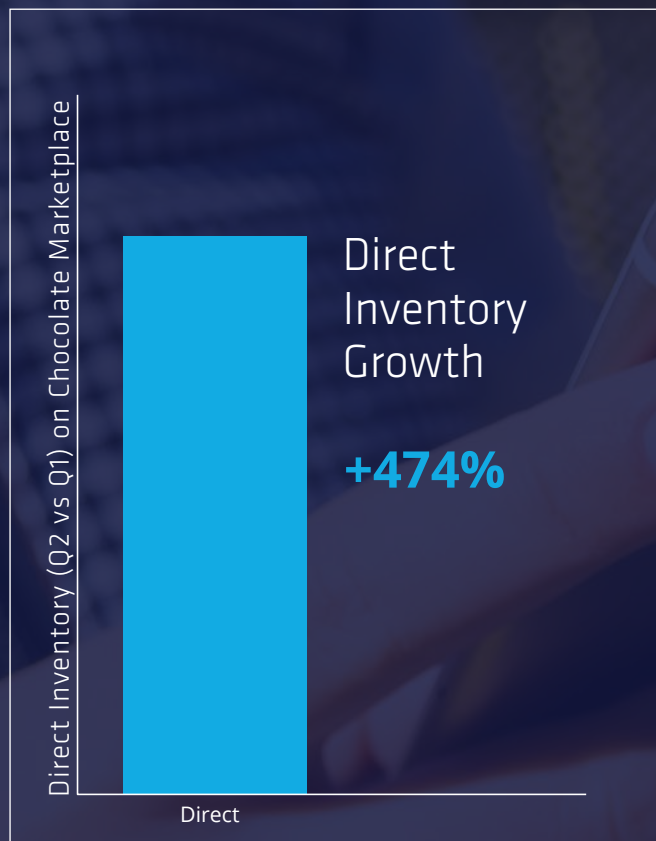
## US Mobile Programmatic Display Ad Spending, by Transaction Method, 2016-2020

billions, % changes and % of total mobile programmatic display ad spending

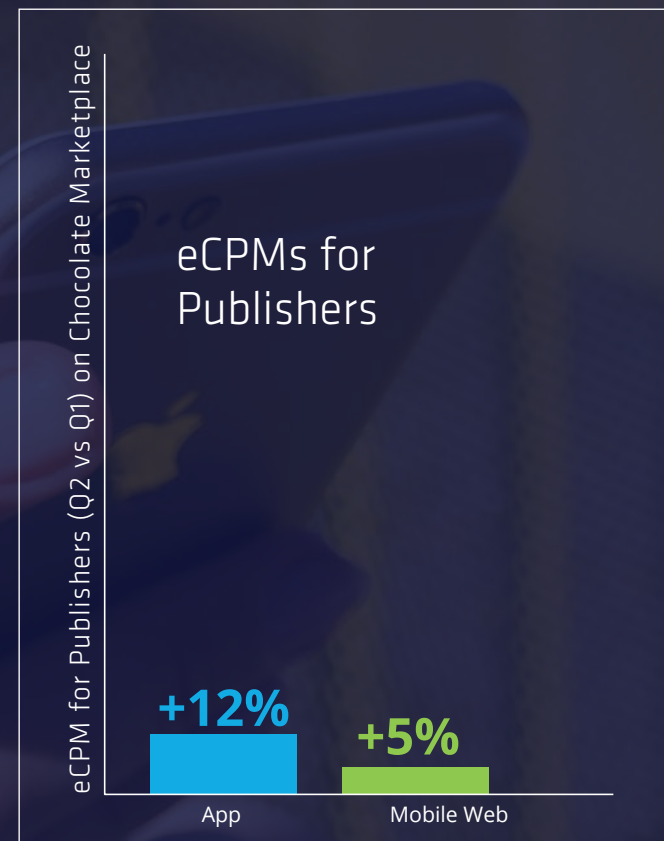
	2016	2017	2018	2019	2020
<b>Programmatic direct*</b>	<b>\$10.79</b>	<b>\$15.53</b>	<b>\$20.06</b>	<b>\$24.80</b>	<b>\$29.57</b>
-% change	60.4%	43.8%	29.2%	23.6%	19.2%
-% of total mobile programmatic display ad spending	60.0%	61.0%	61.2%	61.4%	61.5%
<b>Real-time bidding (RTB)</b>	<b>\$7.20</b>	<b>\$9.93</b>	<b>\$12.72</b>	<b>\$15.59</b>	<b>\$18.51</b>
-% change	82.1%	38.8%	28.1%	22.6%	18.7%
-% of total mobile programmatic display ad spending	40.0%	39.0%	38.8%	38.6%	38.5%
<b>Open exchange**</b>	<b>\$5.22</b>	<b>\$6.11</b>	<b>\$7.47</b>	<b>\$8.73</b>	<b>\$9.86</b>
-% change	63.9%	17.1%	22.3%	16.8%	13.0%
-% of total mobile programmatic display ad spending	29.0%	24.0%	22.8%	21.6%	20.5%
<b>Private marketplace***</b>	<b>\$1.98</b>	<b>\$3.82</b>	<b>\$5.24</b>	<b>\$6.87</b>	<b>\$8.65</b>
-% change	157.3%	92.9%	37.3%	30.9%	26.0%
-% of total mobile programmatic display ad spending	11.0%	15.0%	16.0%	17.0%	18.0%



PMP ad spend increased by 62% (In sync with the current market trend of programmatic spends shifting to PMPs)






474%/ 5X increase in direct inventory on our platform (Mainly driven by new apps from SSP)



Increase in eCPMs signify the growing trust in buying & selling of programmatic advertising



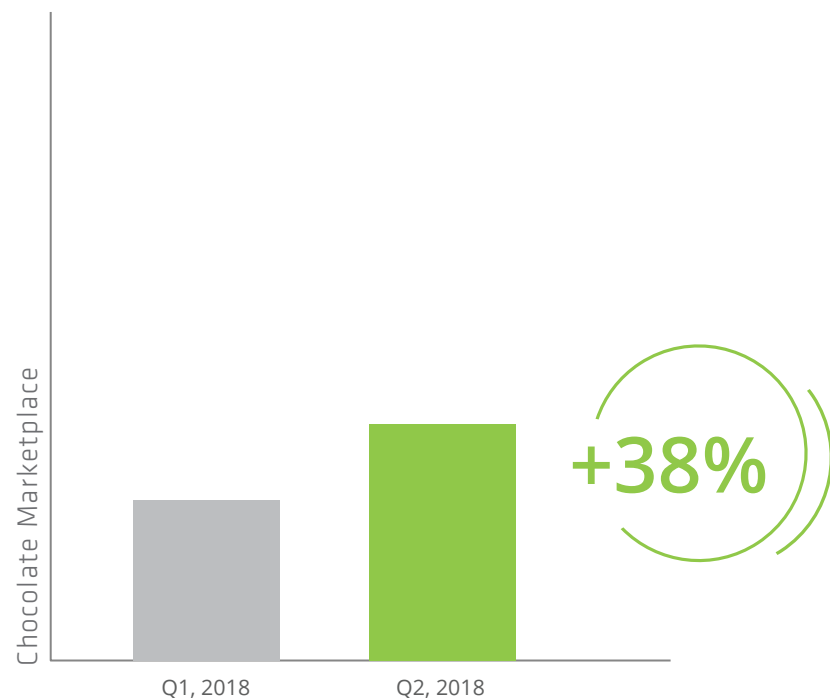
# Improvements in Ad Quality a must for Programmatic to Thrive

AD QUALITY COMPONENTS	KEY QUESTIONS TO BE ASKED OF AD EXCHANGE PLATFORMS	INDUSTRY TREND	SOLUTION
 <b>Viewability &amp; Brand Safety</b>	<p>Are ads viewable? What is the viewability measurement rate? Are ads appearing next to brand safe content?</p>	<p>90% advertisers aren't fully confident that their digital working media meets industry viewability standards.</p>	<p>Third Party Verification Vendors: 90% Advertisers believe all digital media owners' inventory should be measured by a third party like MOAT, DoubleVerify, Integral Ad Science (IAS) or Comscore.</p>
 <b>Transparency</b>	<p>How is domain spoofing countered? Where are ads running? What are the placements for the ad?</p>	<p>75% of the top 1000 programmatic domains now have ads.txt.</p>	<p>Ad Exchange's inventory should be compliant with either or all of these three industry standards: IAB's ads.txt, Trustworthy Accountability Group's (TAG) certification programs or the IAB UK's Gold Standard.</p>
 <b>Ad Fraud</b>	<p>How do you identify invalid/fraud requests? How do you tackle bots, fake installs? Do you have a whitelisting / blacklisting option?</p>	<p>\$10.9 Billion of digital display ad dollars are expected to be wasted due to ad fraud if no steps are taken.</p>	<p>Third party vendors: Ad Exchange should partner with vendors that offer Whitelisted domains, IP/domain blacklists, real-time fraud detection. Key vendors: Pixalate, WhiteOps</p>

**Sources:** <http://www.adageindia.in/digital/ana-almost-all-marketers-want-third-party-verification-of-digital-ad-views/articleshow/49900532.cms>  
<http://blog.pixalate.com/ads-txt-trends-report-q2-2018>  
<https://www.forrester.com/PoorQuality+Ads+Cost+Marketers+74+Billion+Last+Year/-/E-PRE9724>

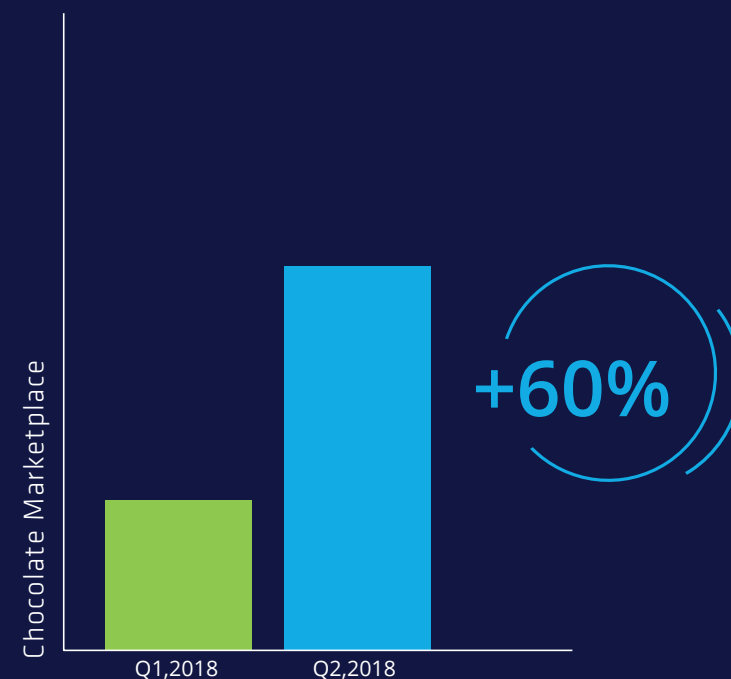
## Full-screen video ads are ruling the roost

320x480 is the most popular ad size among the marketers because they get undivided attention of the user with a full screen ad and additional branding in the end card, which appears when users finish watching the ad.



## Viewability measurable inventory is on the rise

With more brand advertisers opening up to advertising in apps, viewability measurement is becoming more widely available.



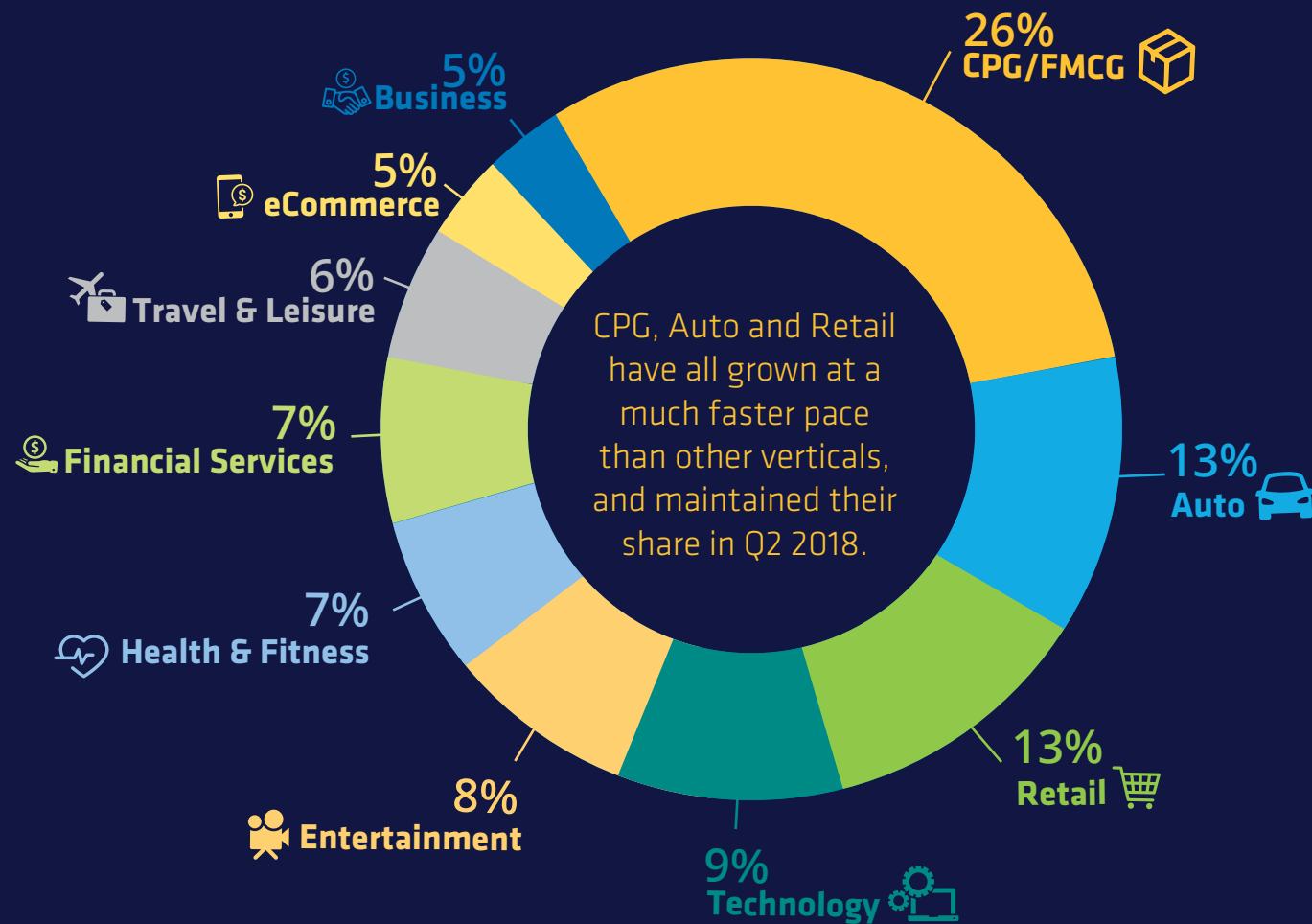
# SECTION 02

## Brand Advertising Insights for Programmatic Marketers



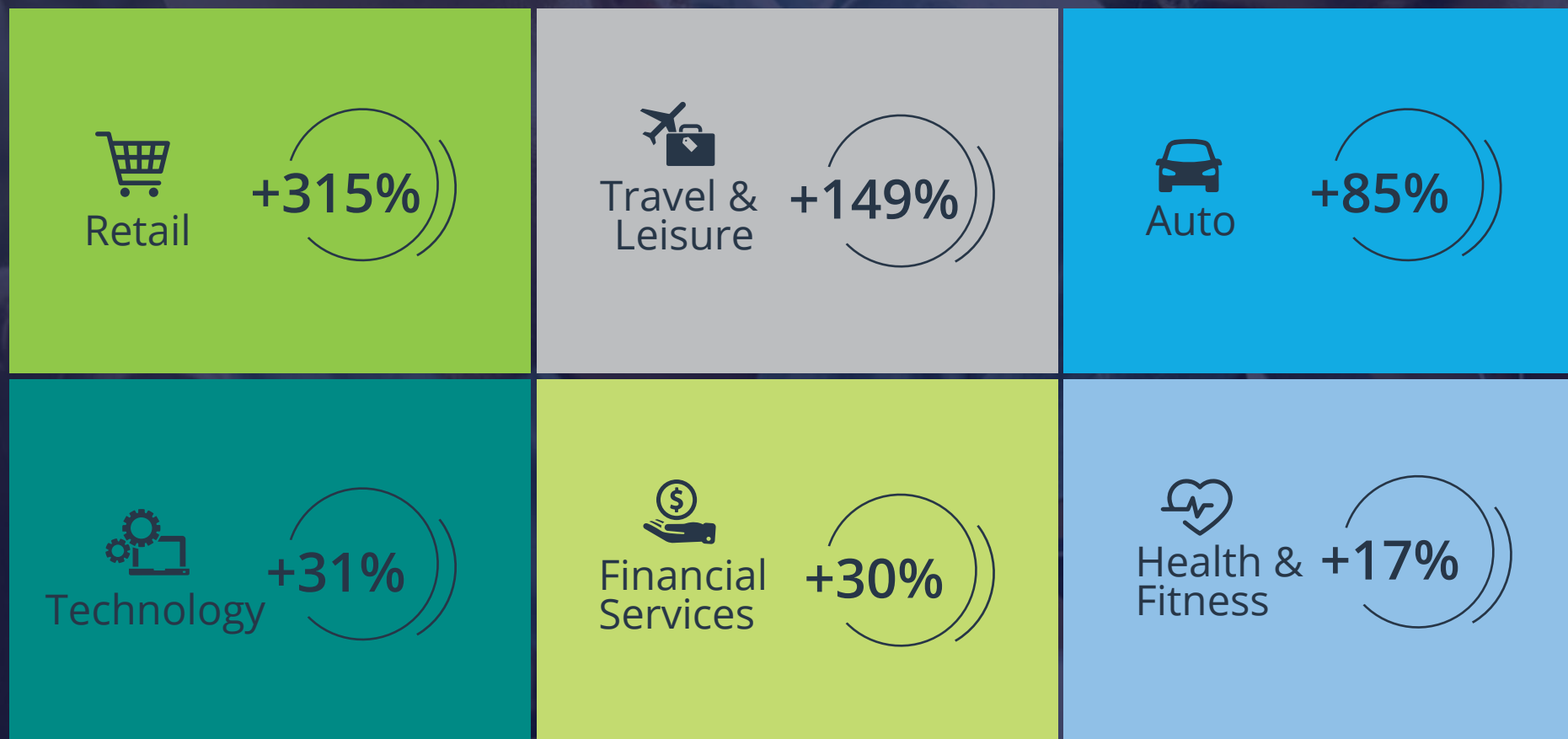


## Top Advertiser categories by % share of mobile video ad impressions



Source: Chocolate Marketplace, Q2, 2018

## Top Advertiser categories by % growth in Ad spend (Q2 vs Q1)



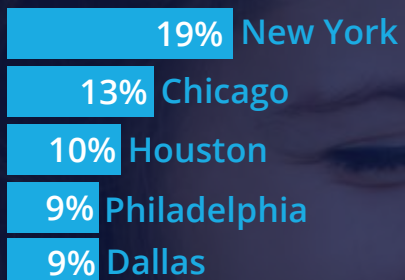
Retail marketers are turning bullish on Ad spend, contributing the maximum growth in Ad spend (Q2 vs Q1) followed by Travel & Leisure and Auto

**Source:** Chocolate Marketplace, Q2, 2018

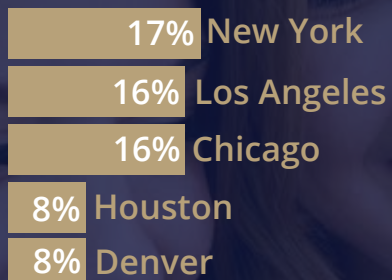
# Top US Cities for Mobile Video Ads

We looked at which industry category video ads are consumed mostly by smartphone users in each city. CPG/FMCG video ads are most viewed in New York whereas Retail and Entertainment related ads are most popular in Chicago. (% share of mobile video ads served)

## CPG/FMCG



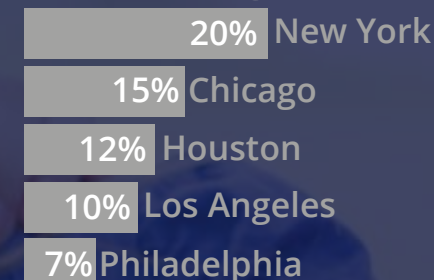
## Auto



## Retail



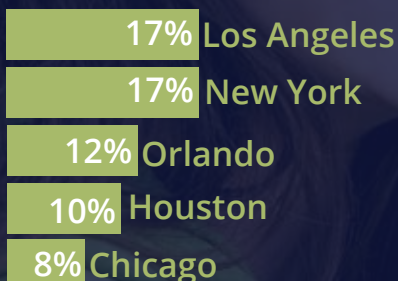
## Technology



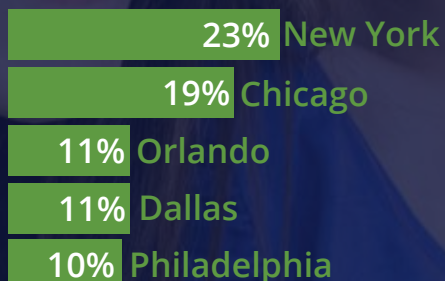
## Entertainment



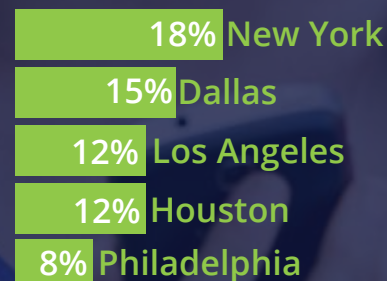
## Health & Fitness



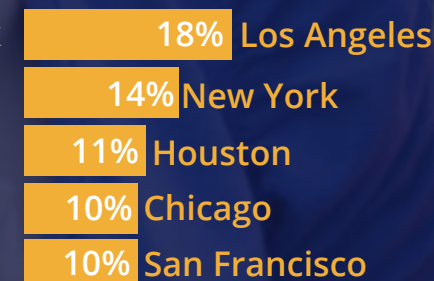
## Financial Services



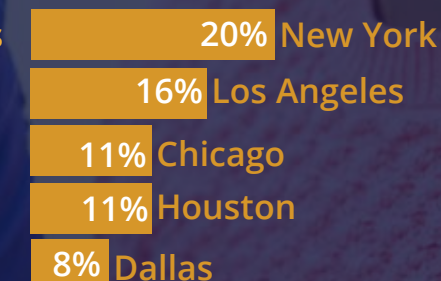
## Travel & Leisure



## Business

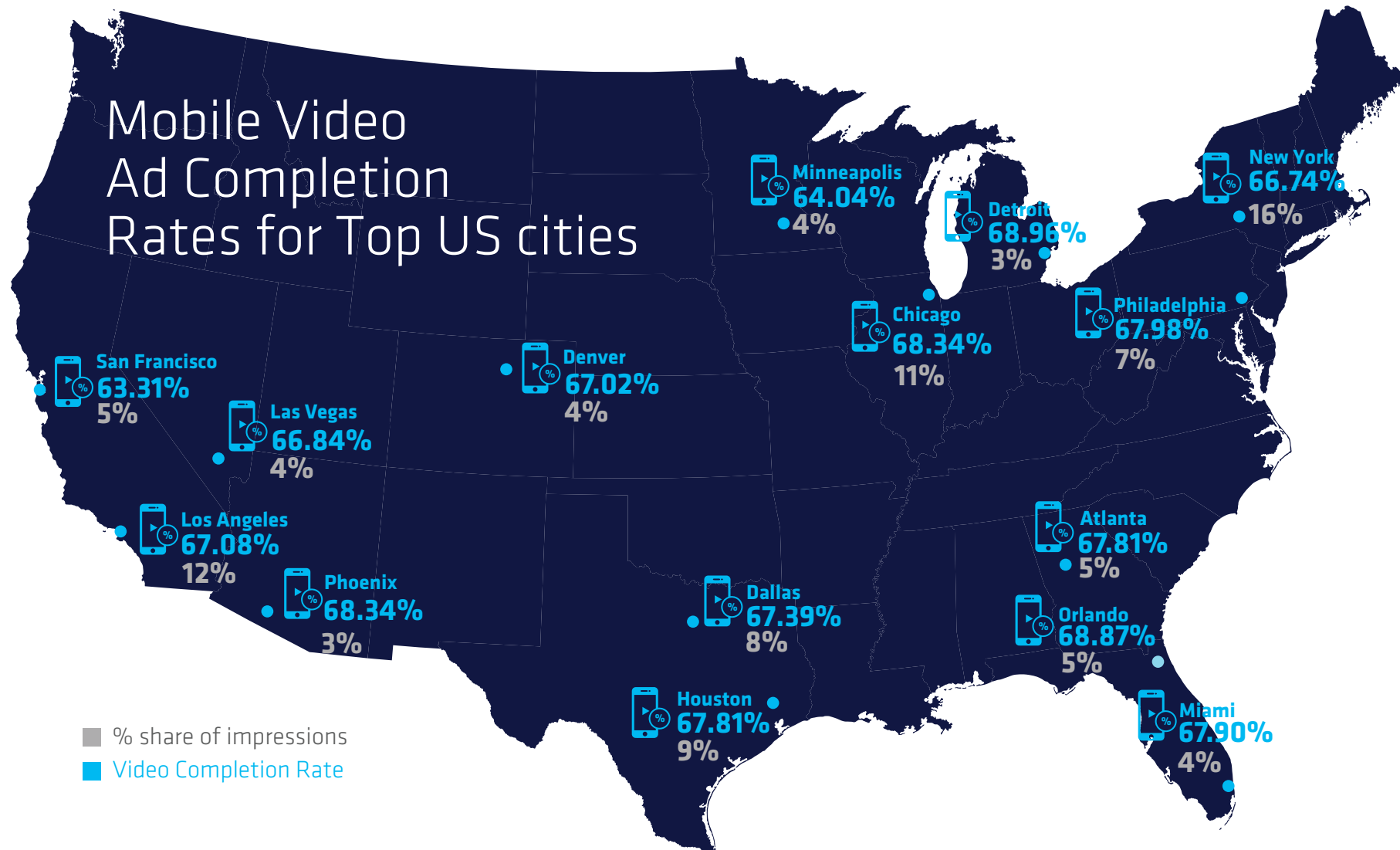


## eCommerce



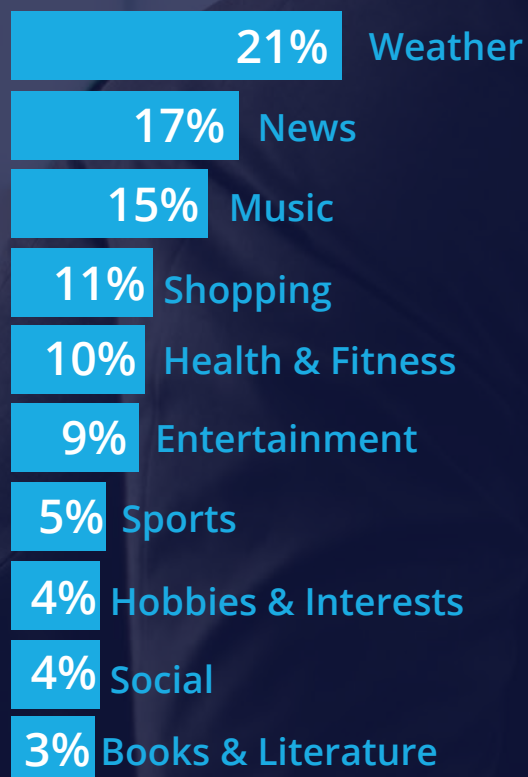


In-App Video ad Completion Rate (67%) is at par with industry benchmark



## Top Publisher categories by Ad spend in Q2

### Mobile Web



Weather, News, and Music websites account for more than 50% of total mobile video ads served

### Mobile Apps



Gaming, Weather and Music Apps are the most preferred app destinations for mobile video ads

Source: Chocolate Marketplace, Q2, 2018

## Methodology

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We analyzed over 166 Bn auctions for Q2, utilizing the company's best-in-class analytics capabilities. This report incorporates auctions, impressions, revenue and eCPM data to provide a high-level analysis of key trends within the mobile advertising industry. Data is from the second (April 1, 2018 to June 30, 2018) and first (January 1, 2018 to March 31, 2018) quarter of 2018.

## About Chocolate Marketplace

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Chocolate Marketplace is a global programmatic buying and selling platform for mobile video advertising. With premium inventory at scale and complete placement transparency, our video ad units are seamlessly served over mobile web and app. Our marketplace functionality enables advertisers to layer on viewability, brand safety and audience verifications. We work with 35+ demand partners, 10,000+ publishers and are integrated with leading 3rd party partners: MOAT for viewability and Pixalate for brand safety and ad fraud.



Brand safety and Ad Fraud partner



Viewability partner



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