**State of Mobile App Performance Marketing Survey 2017 – Europe Key Findings**

*Based on survey of 103+ app developers/marketers*

**App Marketer Trends:**

**Mobile App Industry is Growing**

* Mobile app development is a growing industry. Almost half of the developers have been in the industry for less than 4 years.

**App Marketers are Pioneers in a Dynamic App Environment**

* App marketers are pioneers, with a high degree of knowledge about their field. 93% of them rate themselves as at least “very knowledgeable/knowledge” about the industry
* Only 14% of them call themselves experts – likely because they are continuously “learning on the job” in a constantly evolving space

**Mobile App Marketing Team are Compact; Members Must Play Multiple Roles**

* App marketing teams tend to be quite compact, despite the growing role that apps play in the overall revenue mix for many companies. Among our respondents, 73% say that their teams are composed of five people or fewer.
* These small groups of marketing pros need to compete in an increasingly crowded and cutthroat environment world.

**Average Monthly Marketing Spend Per App Is Still Modest**

* 66% of marketers said that their average monthly marketing investment per app is $25,000 or less. 24% of them reported spending between $26,000 and $100,000

**Mobile App Marketing Goals: User Acquisition Tops the List**

* User acquisition is vital for the success of any new mobile app. In fact, 78% of app marketers consider it to be the most important app marketing goals and focus on attracting as many users as possible.
* The next important goal is engagement & retention - which involves building a relationship with all the users you have acquired and showing them that you care

**Monetization Models, Such as In-app Ads and In-app Purchases, Are Quickly Gaining Popularity**

* In-app advertising is still the most bankable app business revenue model that 61% of app developers prefer the most
* Purchases of real world and virtual goods was the next most popular revenue streams among app developers (58%)

**App Discoverability a Major Challenge for App Developers**

* Discoverability of the app was picked as the toughest problem, as nearly 58% of the survey respondents said they have trouble raising awareness for their apps. This does not come as a big surprise, given there are currently millions of apps available in the various mobile app marketplaces.
* 51% of the respondents stated that User retention & engagement is a big challenge that they face currently, as the retention level diminishes with the passage of time, denting the monetization efforts of app developers.

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**Attribution, Ad Block & Ad Fraud Are Key Issues/Concerns Facing In-app Advertising**

* When asked about the key issues /concerns facing in -app advertising, the top three were: Attribution (49%), Ad Fraud (40%) & Ad blocking (30%)

**User Acquisition Trends**

**App User Acquisition Budgets Are Either Small or Large**

* The survey findings show that user acquisition (UA) spend is highest (56%) for the $1-49k bracket.

**CPI Still Rules in Mobile App Media Buying**

* From a user acquisition (UA) standpoint, CPI is still used by 58% of marketers as a preferred pricing model.
* 17% of app developers use CPA model has it offers advertisers more opportunities to enlarge their revenues and minimize expenses. Since an advertiser pays only for a specific action in contrast to Cost per Click scheme, fraud is less likely to happen

**Banner Ads, Native Ads & Video Are the Most Preferred Ad Formats For UA**

* 47% of app developers used native ads for running UA campaigns as it is more engaging and less intrusive
* 50% of them are take advantage of high-earning ad units like videos and full screen interstitial ads for monetization
* Different formats provide unique opportunities for app advertisers to increase an app’s exposure, awareness, and drive installs

**Video Ads: The Key to Acquiring High Quality Users & will Quickly Gain Momentum with App developers in coming years**

* Video ads are clearly gaining popularity with app marketers with 40% of them planning to invest extensively in the next 12 months.
* Video ads are gaining popularity with today’s mobile app developer community and about 43% of them prefer to spend **more** on mobile video ads over the next 12 months.
* Top marketers realize that there is nothing more powerful than sight, sound and motion with 76% of them saying Video ads are very effective in user acquisition.

**Factors Used in Evaluating Ad Network User Acquisition Campaign Performance**

* Quality Users, Targeting & Cost are the top three most important criteria that developers evaluate when selecting ad network as a partner for UA campaigns

**In-App Remarketing Trends**

* Remarketing is gaining traction with almost 24% saying they are fielding some remarketing today and another 38% saying they will invest in this in the next 12 months.
* While the amount of money invested in remarketing is modest so far, it is widely expected to increase in the coming months. 60% of app marketers invest only 0-5% of their marketing budget towards in-app remarketing
* Too Expensive (57%), complexity (29%), bad user experience (18%) are the top 3 key factors that’s is holding app marketers from spending more on in-app remarketing
* Performance metrics are getting matured: ROAS, ARPU, LTV, CPA are the key KPIs that app developers use to track the In-App Remarketing Campaign Success
* Attribution is now accelerating to the forefront and is emerging as the highest priority for marketers when running in-app remarketing campaigns. Indeed, more app marketers are relying on the click-through: 36% of them are using click-through only. 22% of them using both click & view through attribution models

**Attribution & Data Driven Tools**

* Attribution is now accelerating to the forefront and is emerging as the highest priority for app marketers.74% of marketers find attribution very/somewhat important to app marketing success
* App marketers are currently use a wide range of data driven tools to drive best performance and optimization. In-app analytics (51%) and App store analytics (62%), are most commonly used platform and are expected to continue to grow.
* 57% of app developers are using primary attribution tools. Appsflyer, Adjust , Kochava & Tune are the most commonly preferred attribution partners

**Mobile Ad Fraud**

* 83% of app marketers have some understanding of how app fraud is perpetrated. It’s imperative that app marketers gain a high-level understanding of ad fraud, implementing robust anti-fraud solutions – while making sure vendors and partners do the same – and supporting industry initiatives to combat fraud, which is crucial in creating a secure and trustworthy digital advertising ecosystem.
* The landscape of ad fraud is ever changing as fraudsters develop and adopt new techniques in a bid to evade detection. While there are many types of ad fraud practices, the top 3 prevalent type that app marketers have encountered the most are: a. Invalid traffic by bots & scripts (51%) b. Click cramming (13%) c. . Unauthorized re-brokering (10%)
* Partnering with trusted ad networks (62%), Direct publisher partnership (31%), Transparency in reporting (30%) are the measures that app developers are currently using to minimize the impact of ad fraud.

**Research Objective:**

Mobile app marketing has come a long way in a few years since focusing on only app store optimizations to a wide array of techniques that span the entire customer journey from acquisition to retention and conversion

As part of our endeavour to help grow the app space, we at InMobi have designed this mobile performance marketing survey to help app marketers get a greater understanding of what is working and what isn’t and to better understand the current and future state of mobile app performance marketing covering UA, Monetization and Retention

**Research Methodology**

* Quantitative survey
* Email invitation delivered to a broad cross-section of app marketers
* A total of 825 responses were received during the survey which was open June and July 2017. Not all questions were required to answer for completing the survey and many questions allowed for multiple answers
* Cool prizes and a copy of the complete survey results was offered as an incentive to respond