



inMOBI

# THE STATE OF MOBILE PROGRAMMATIC BUYING

SOUTHEAST ASIA | 2019



## Executive Summary

Programmatic has been hailed by advertisers across the globe for its potential to streamline the ad buying process, while offering target audiences at scale. This research – based on a survey of more than 50 digital marketers with the responsibility of media buying across leading brands and agencies in Southeast Asia – highlights the current landscape, challenges undermining the in-app programmatic advertising industry and a glimpse into its future.

Key findings from this research include –

- ❑ 9 out of 10 brand marketers possess only a basic working knowledge of programmatic advertising. Despite that, 93% of these advertisers aim to conduct their programmatic media buying in-house.
- ❑ 90% of advertisers see efficiency gains with programmatic buying. Programmatic buying of inventory reduces the human involvement and the chances for errors and delays, thus improving the efficiency of a campaign instantaneously.
- ❑ When evaluating programmatic partners, performance along with control and transparency in reporting are the top two criteria for brands.
- ❑ Lack of education and awareness around programmatic processes is the single biggest barrier to programmatic adoption in SEA.

## RESEARCH OBJECTIVE

**InMobi's State of Mobile Programmatic Buying : A Buyer's Perspective survey is the first of its kind research program for mobile marketers. It is designed to help mobile marketers better understand the responsibilities, activities, challenges, and current/future trends of the mobile programmatic world.**

**This survey explores –**

- 1. Current Mobile Programmatic Landscape**
- 2. Challenges and Opportunities**
- 3. Efficiency and Measurement in Programmatic**
- 4. Future Mobile Programmatic Trends**





## RESEARCH METHODOLOGY

- Quantitative survey
- Email invitation delivered to brands and agencies.
- A total of 52 responses were received for Southeast Asia region (including Singapore, Indonesia, Malaysia, Philippines, Thailand and Vietnam) during the survey in H2 2018. All questions were required to answer for completing the survey with several questions allowing for multiple answers.



# Table of Contents

01 Introduction

02 The Programmatic Buying  
Landscape

03 Challenges & Opportunities

04 Measurement & Efficiency

05 The Future of Mobile  
Programmatic

06 About InMobi



## Introduction

Changes in consumer buying patterns and growing competition have forced companies to relook their marketing strategies – to place renewed focus on engaging consumers and influencing their choices. Programmatic advertising is one of the best ways to achieve this close connect.

Hailed by advertisers for its potential to streamline the process of ad buying, programmatic advertising is set to dominate the Southeast Asian digital advertising sector. Thanks to the effectiveness, efficiency and control it lends to marketers, SEA has witnessed substantial growth in programmatic spends in recent years – a trend which is expected to continue into the near future.

This report is a look at the current and future trends in Mobile Programmatic that the region is slated to witness.



---

# The Programmatic Buying Landscape



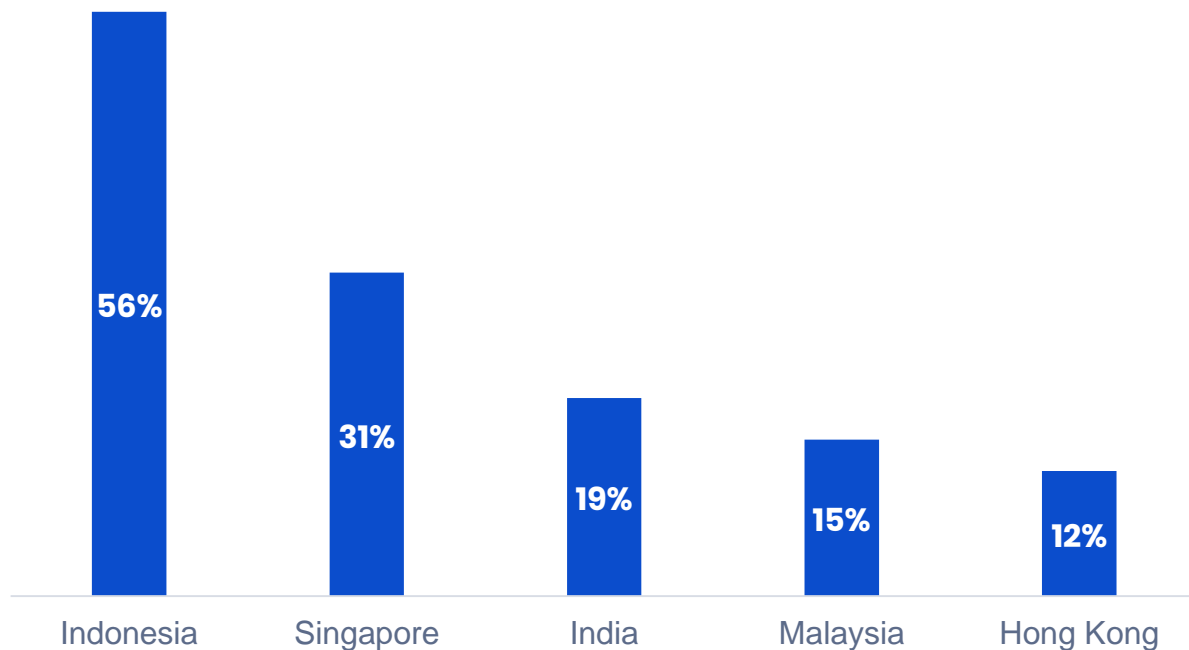


## Key Highlights

- As of today 85% of marketers are reaping the benefits of programmatic already, with another 15% planning to adopt it in the near future.
- Programmatic buying is being leveraged not only to achieve brand awareness, but to increasingly acquire, retarget and retain app users. As brands foray into the world of apps, marketing objectives are becoming complex and programmatic is helping them achieve every advertising goal.
- The bulk of the marketing world, works with agencies to cater to their programmatic needs. However, there exists a small set of advertisers, who despite having a basic working knowledge of programmatic, are conducting some form of programmatic buying in-house.

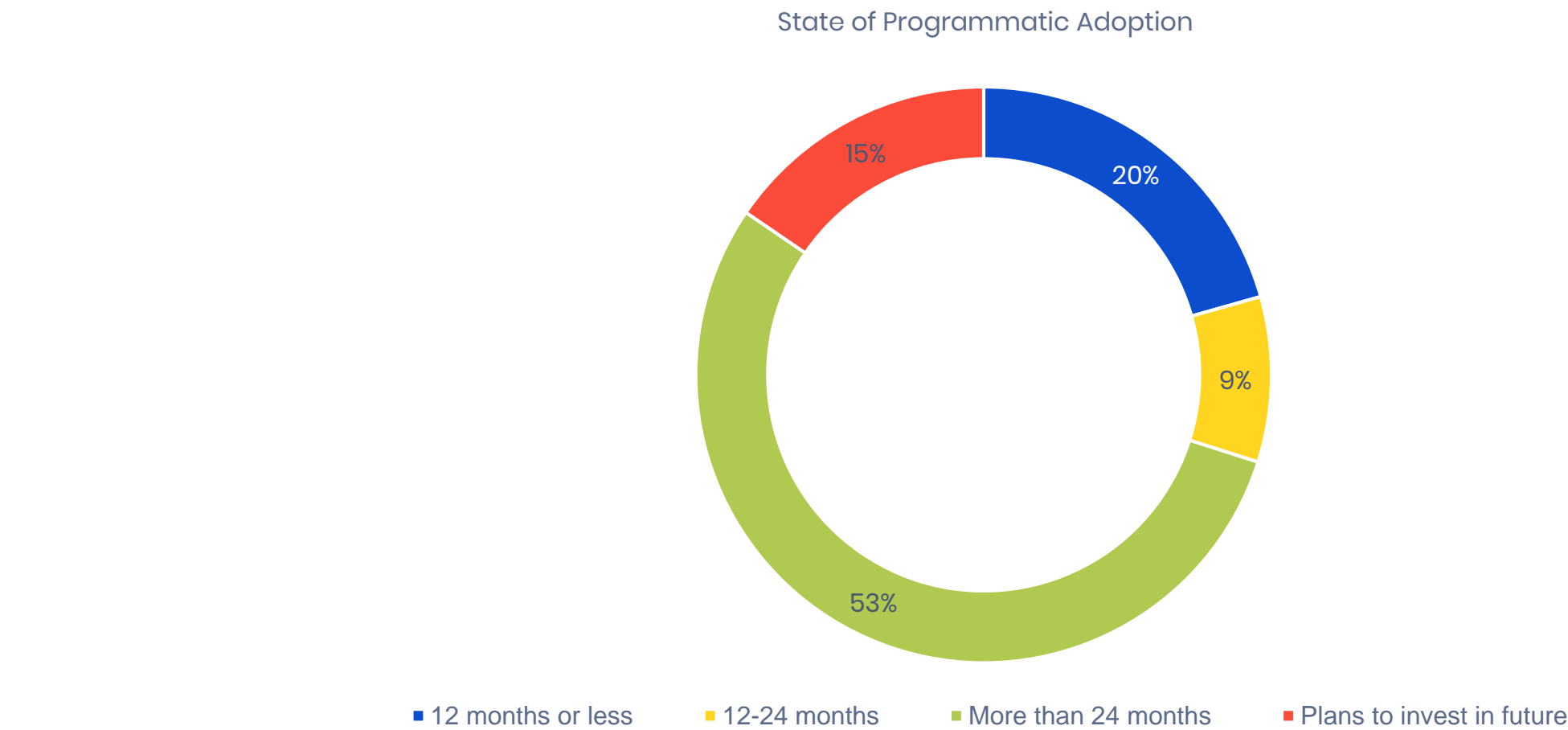
## Southeast Asia is Attracting Higher Programmatic Investment

Regions of focus for APAC marketers



- ❑ Thanks to heavy mobile investment in Southeast Asia, advertisers are looking for more efficient ways to achieve their marketing goals.
- ❑ With the heavy smartphone adoption in the region, Programmatic buying has enabled brands and agencies to increase their efficiency in mobile advertising as well as gain better control on their campaigns and reporting.

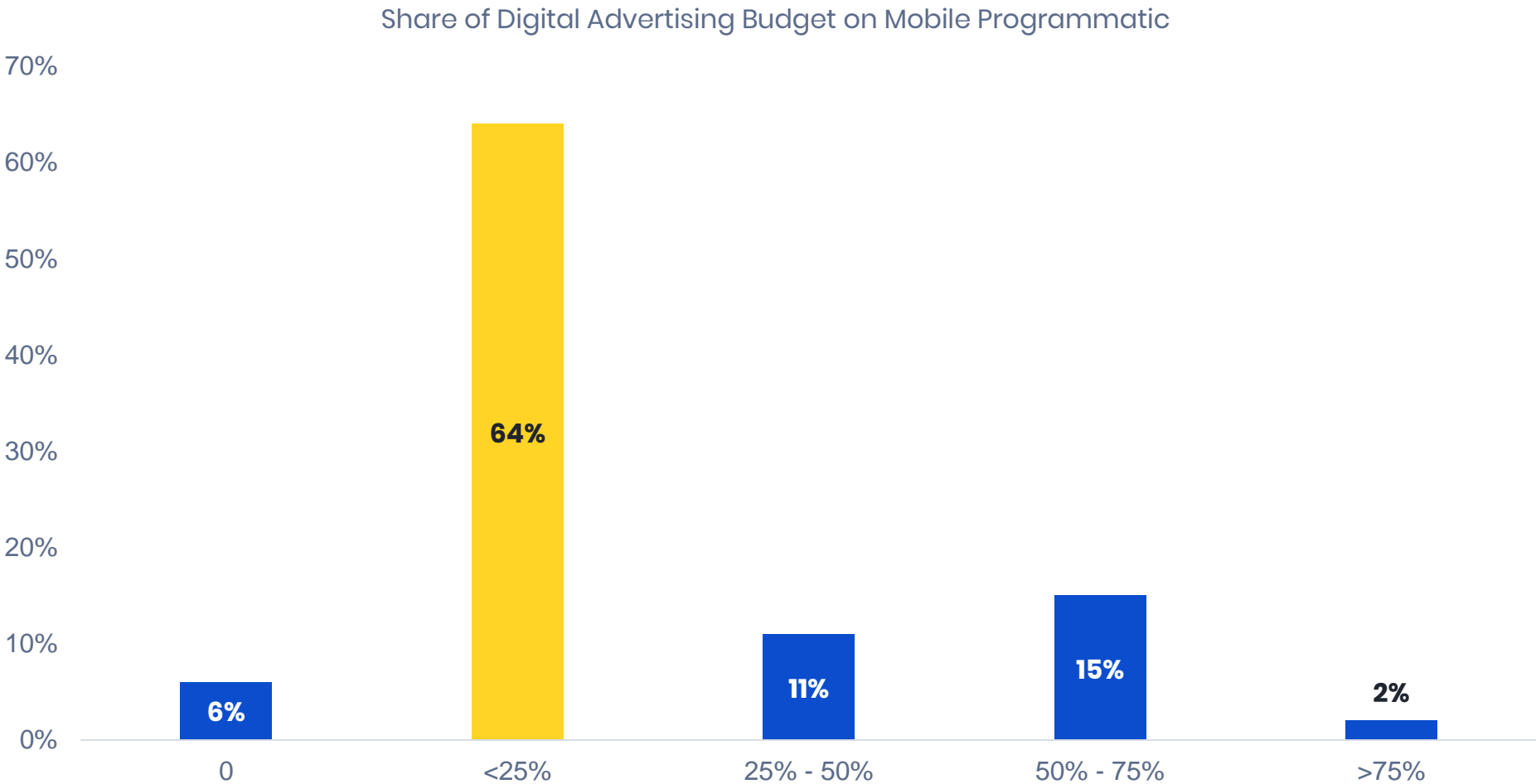
# 8 out of 10 Advertisers Spend on Mobile Programmatic in SEA



Q. How long has your company been spending on mobile via programmatic?  
Sample Size : Southeast Asia; n= 52



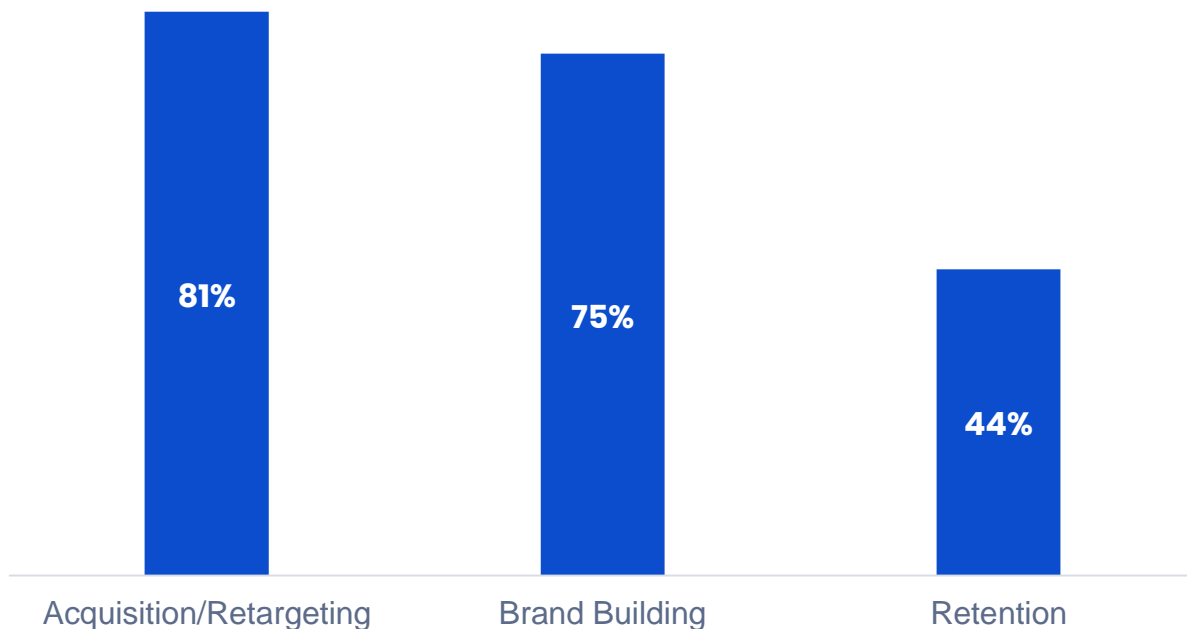
# Over 60% Marketers Spend A Quarter Of Their Digital Advertising Budget On Mobile Programmatic



Q. What percent of your digital advertising budget is spent on mobile programmatic?  
Sample Size : Southeast Asia n= 52

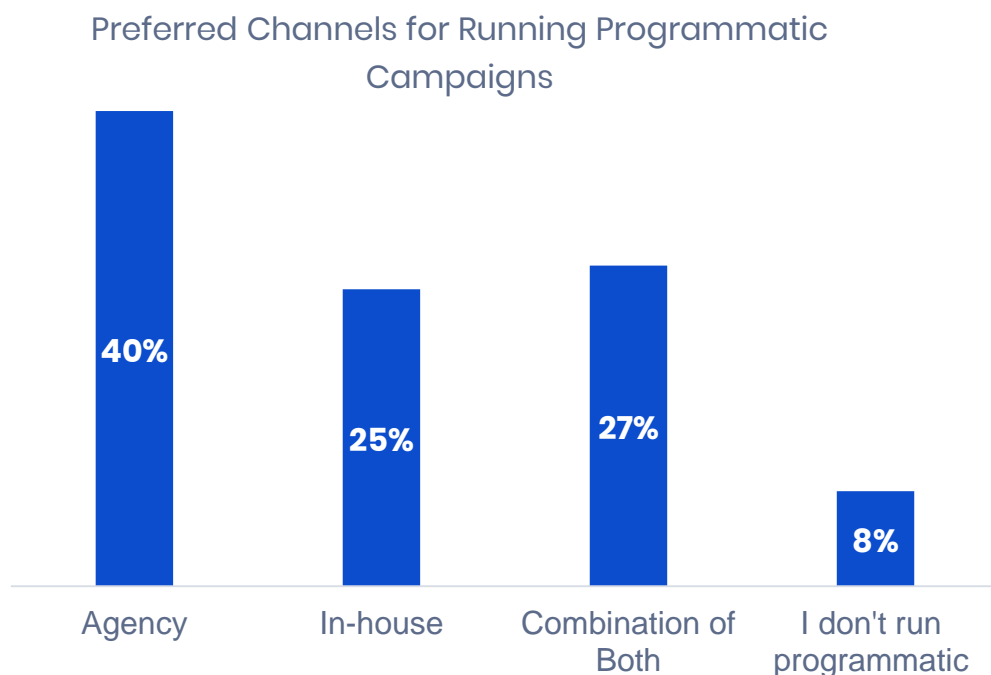
# Brands Aim to Drive Branding and Acquire Consumers with Programmatic

Marketing goals achieved through programmatic advertising



- ☐ Brands and agencies are leveraging programmatic not only to build brand awareness but to also drive app downloads via acquisition and retention strategies.
- ☐ As brands foray into the app world, it has become imperative to not only acquire users but to also retain them.

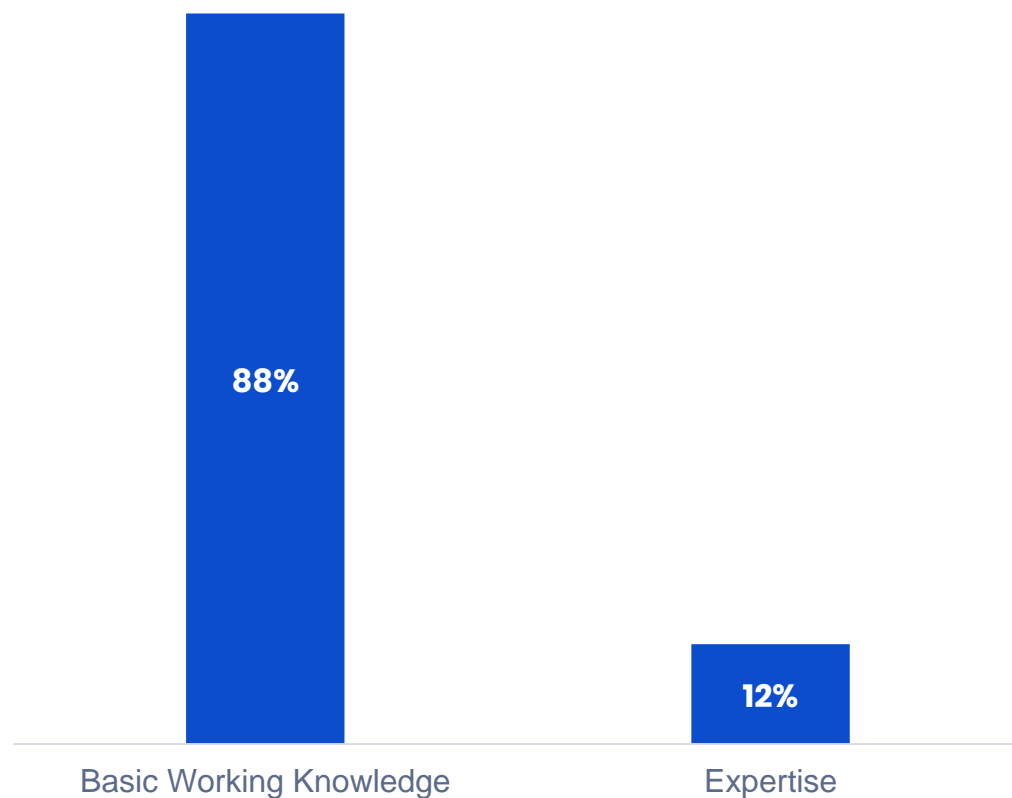
## Not all brands rely on agencies to execute programmatic campaigns



- ❑ When it comes to programmatic buying, 40% of brands work with agencies to spearhead their foray into this uncharted territory.
- ❑ As an extension, when it comes to programmatic buying, 25% of brands trust their in-house teams for automated media buying.
- ❑ However, one-fourth marketers rely on a combination of in-house and agency teams to execute programmatic ad campaigns.



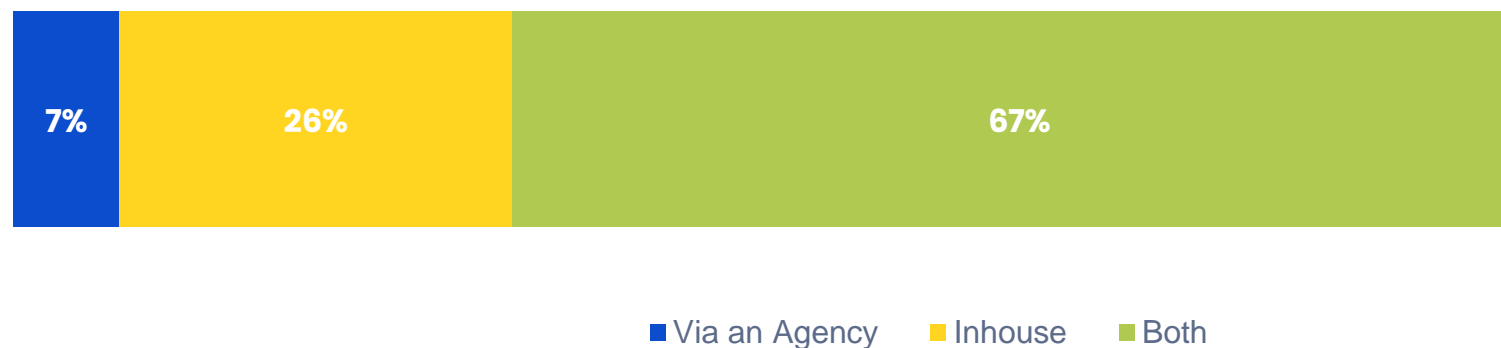
## Close to 90% of brands possess only basic knowledge of programmatic



- ☐ Most brand advertisers have a basic working knowledge of programmatic with only 12% claiming to understand this methodology completely.

## 93% of Brands Seek to Run Programmatic In-house, Despite Basic Knowledge of Programmatic

Preferred Programmatic Buying Method if Possessing Basic Working Knowledge



- **34% of brands despite possessing only a basic working knowledge of programmatic, are foraying ahead and conducting some part of programmatic buying in-house.**

# The Programmatic Advantage





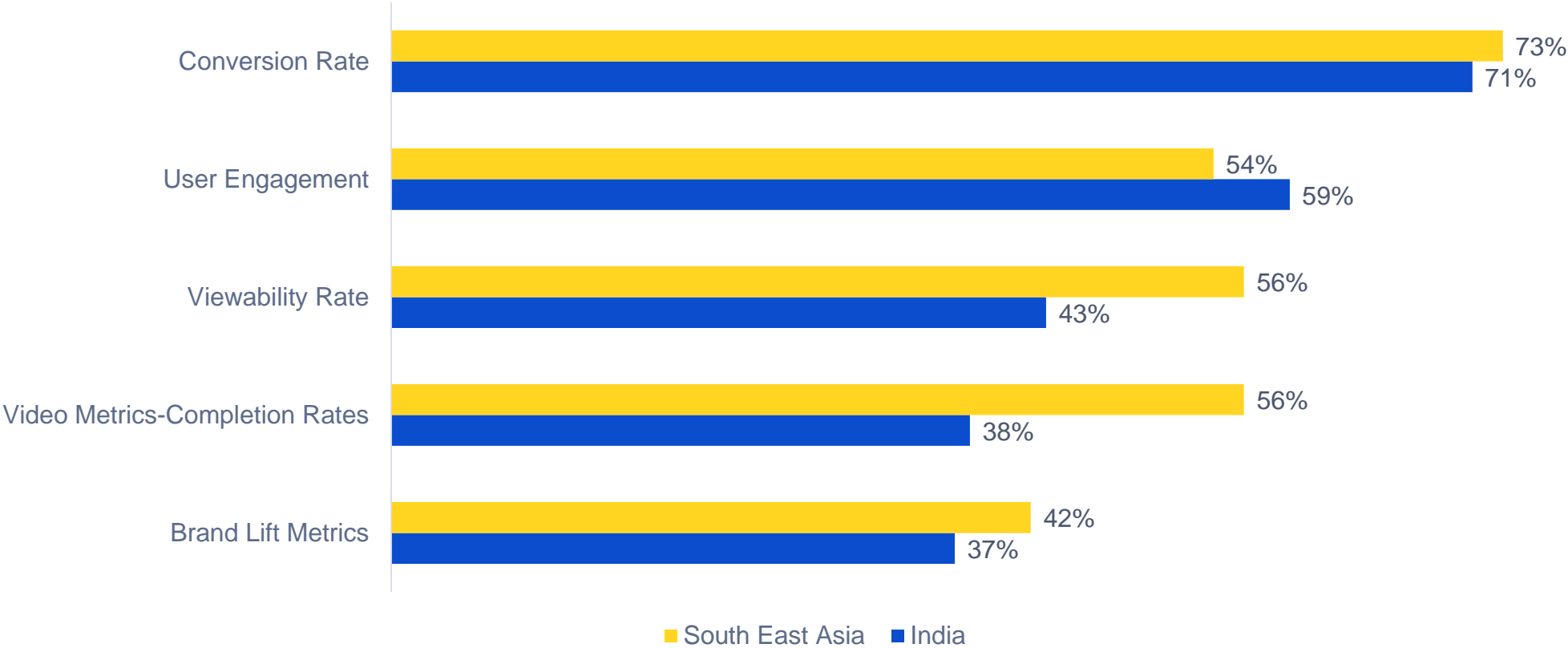
## Key Highlights

- ❑ Conversion rates and user engagement continue to remain one of the most crucial measures of the effectiveness of a programmatic campaign.
- ❑ On using programmatic, a majority of marketers have witnessed up to 20% increase in the efficiency of their ad campaigns. This is a direct result of automated systems that reduce error and delays, allowing marketers a higher degree of control over their money.
- ❑ Marketers want to work with a programmatic partner who offers a unique balance between performance, targeting capabilities and audience reach/scale.



# Conversion Rate is the Single Most Trusted Measure of Programmatic Efficiency

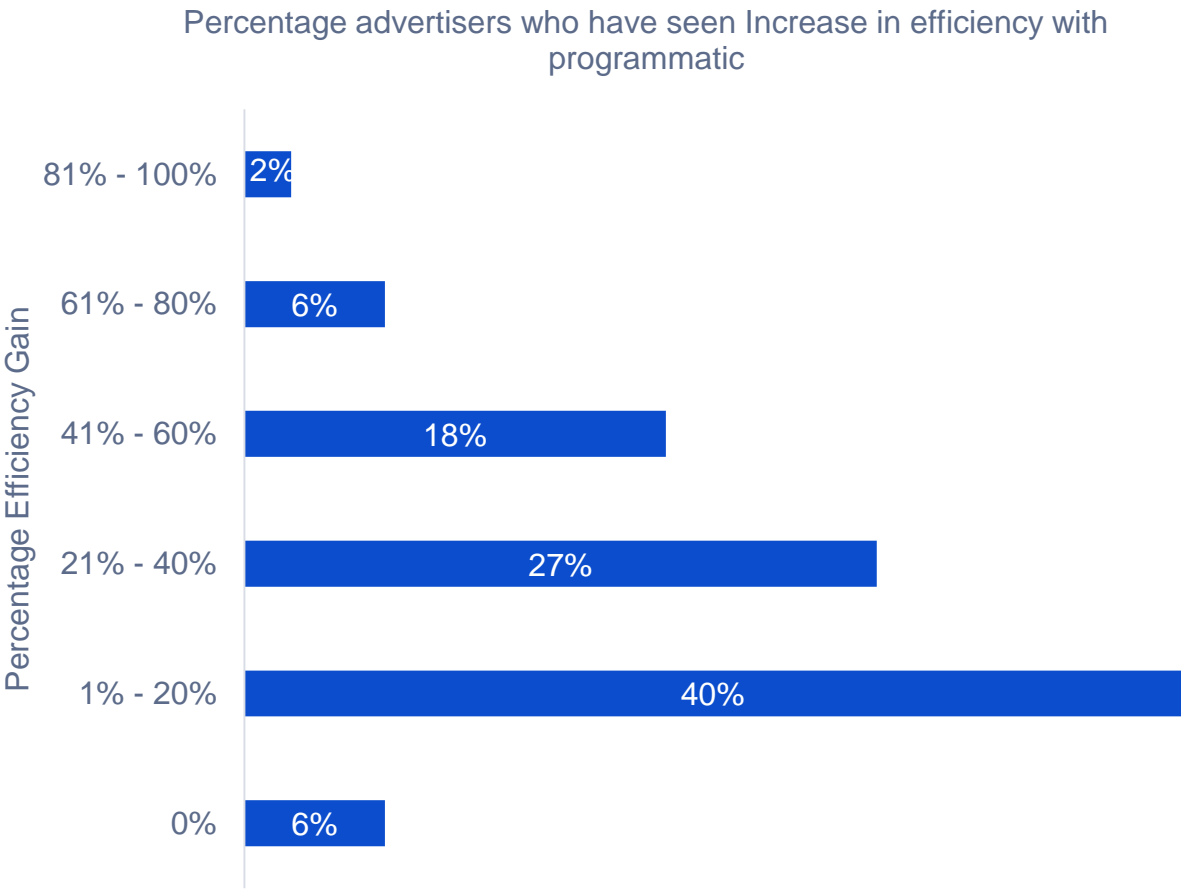
Methods of Measuring the Effectiveness of Mobile Programmatic Media Buys



Q. How do you **measure** the effectiveness of your mobile programmatic media buys? Please select all that apply

# 90% of Advertisers See Efficiency Gains with Programmatic

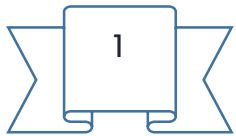
- ❑ Programmatic buying of inventory immediately reduces the human involvement and the chances for errors and delays, thus improving the efficiency of a campaign instantaneously.
- ❑ Improvement in conversion rates and video completion rates amongst others are proving to advertisers the benefits of all things programmatic.



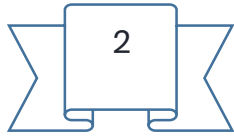


# Performance and Targeting are the Top Factors for Evaluating Potential Programmatic Partners

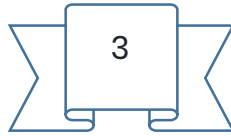
- ❑ When evaluating potential programmatic partners, performance and the extent of data and targeting are the top two criteria for brands and advertisers.
- ❑ Performance and quality data for precision targeting are more important than audience reach/scale.



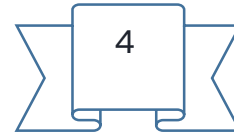
Performance



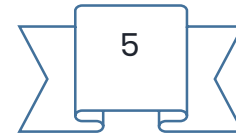
Data  
targeting/segmentation



Pricing



Audience scale/ reach



Control and transparency  
in reporting

# Factors Driving Programmatic Adoption

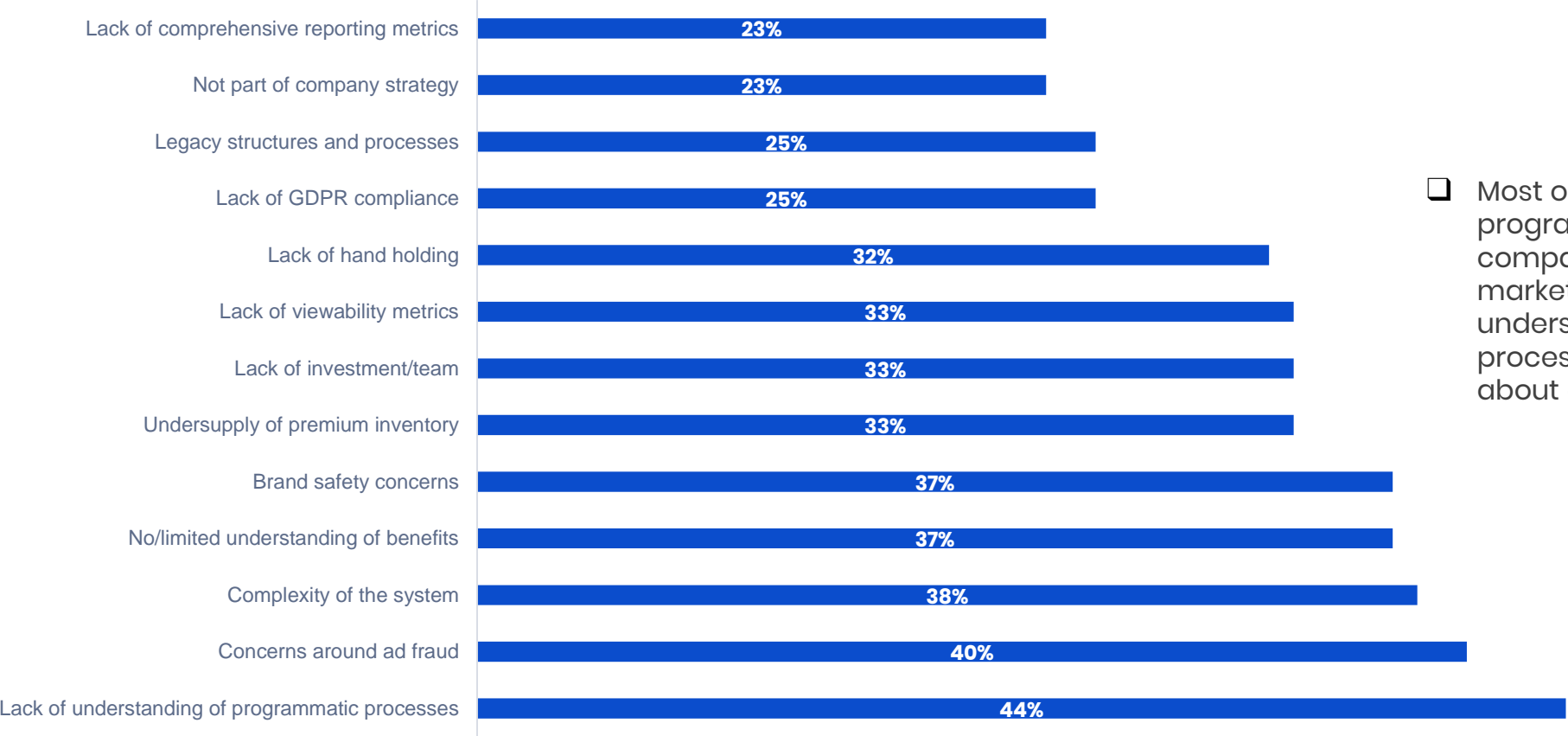
## Key Highlights

- ❑ Lower cost of media buying, transparent reporting and high quality data are key motivators for marketers to take the plunge into the world of programmatic.
- ❑ Frequent education and information sessions where information, concerns and questions around programmatic buying are discussed and answered, can go a long way in nudging marketers to try this channel.



# Limited Understanding Is the Key Barrier to Programmatic Adoption

Barriers to Programmatic Adoption Amongst Advertisers

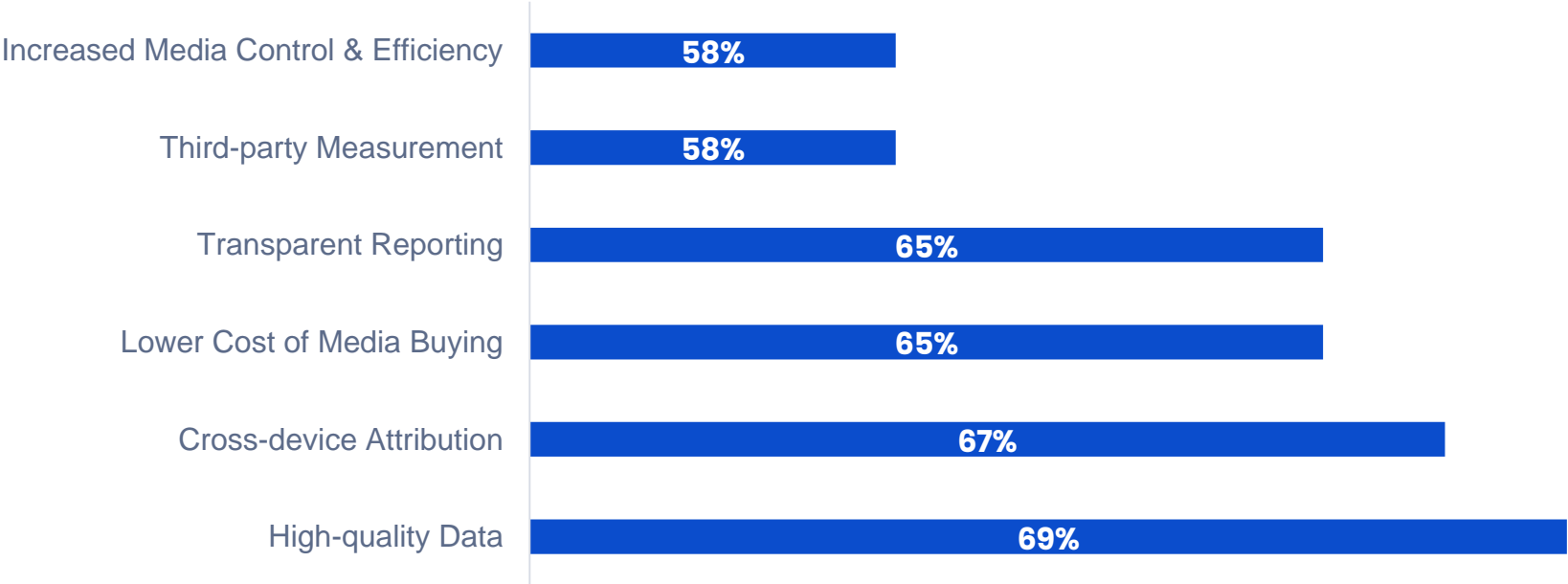


☐ Most organizations have made mobile programmatic a part of their company strategy. However, most marketers struggle with their understanding of programmatic processes and hence are hesitant about adopting mobile programmatic.



# High Quality Data and Cross-device Attribution are Motivating Marketers to Increase their Investment in Mobile Programmatic

Top 6 Factors Influencing Increased Investment in Mobile Programmatic



Q. What will motivate your organization to increase its investment in mobile programmatic buying? Please select all that apply  
Sample Size : Southeast Asia n= 52

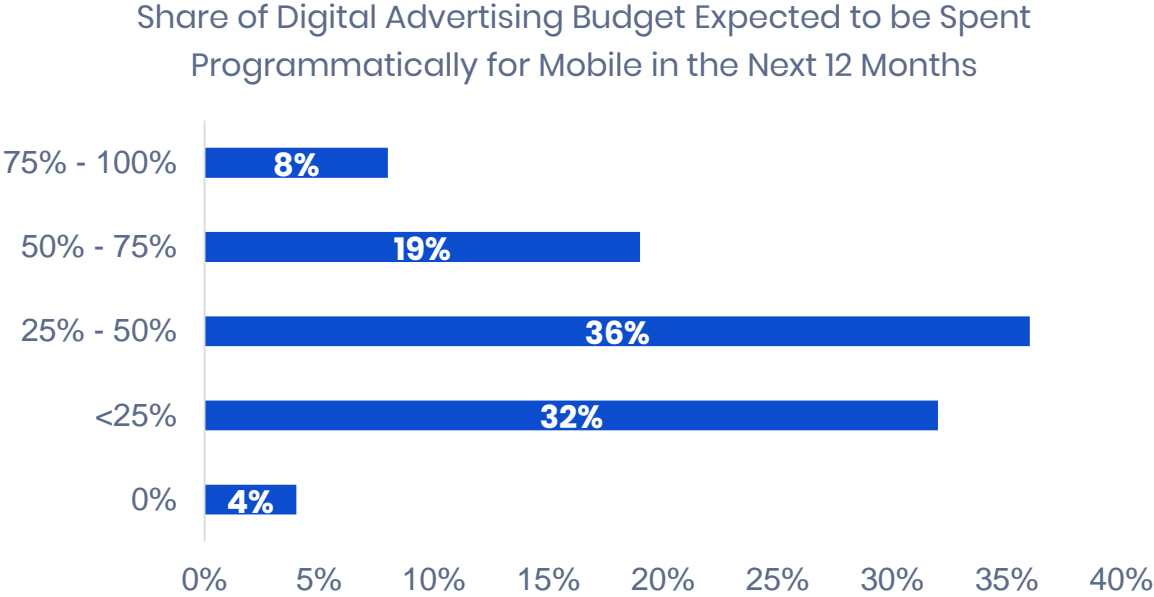
# The Future of Programmatic

## Key Highlights

- ❑ The effectiveness and efficiency of a Programmatic campaign is encouraging marketers to increase their spends on the channel. In 2019, 60% of marketers plan to allocate up to half their digital advertising spends towards mobile programmatic.
- ❑ While Video continues to grow in demand amongst users and advertisers, it will be the favored format programmatically too, come 2019.
- ❑ Advertisers prefer programmatic guaranteed that can deliver the efficiency and effectiveness of programmatic buying with the comfort of a fixed price model.
- ❑ Header Bidding, OMSDK and TAG certification are the most popular technologies that advertisers are keen to adopt.



# 68% Marketers Plan to Allocate Up to Half of their Digital Advertising Budget to Mobile Programmatic in 2019

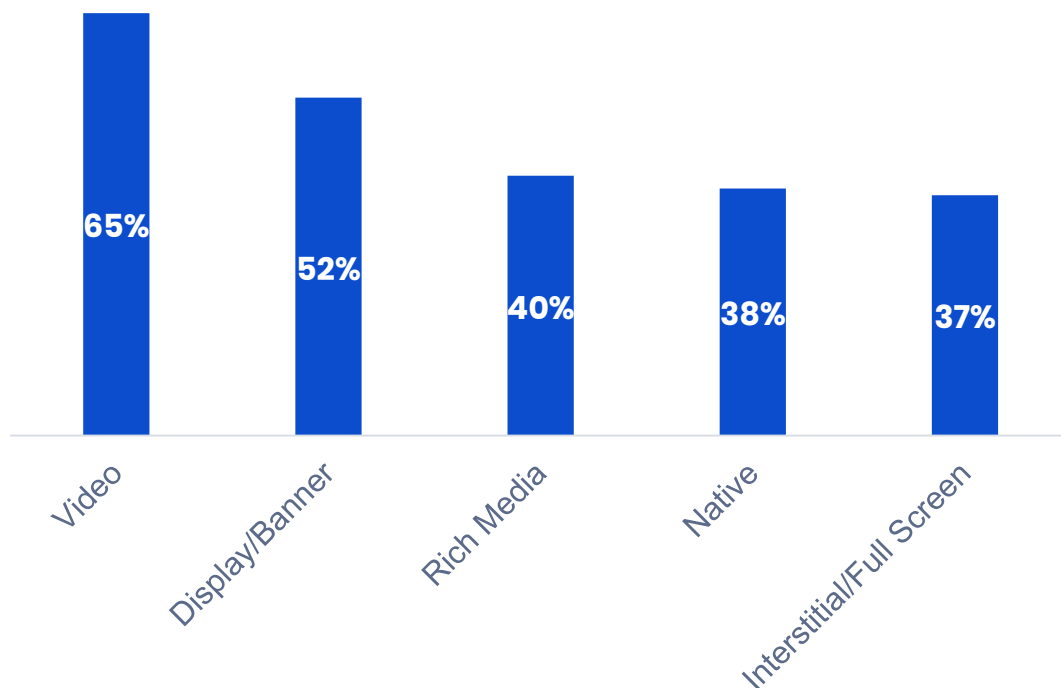


- ❑ While 68% of advertisers currently spend up to 25% of their digital advertising budget on mobile programmatic, over the next course of the year, this share of spend is expected to increase substantially.
- ❑ Over a third of the brand advertisers plan to spend between 25%-50% of their digital advertising budget, which is three times more than the current spending as mentioned in the previous slides.



## Video will Witness the Most Growth Next Year

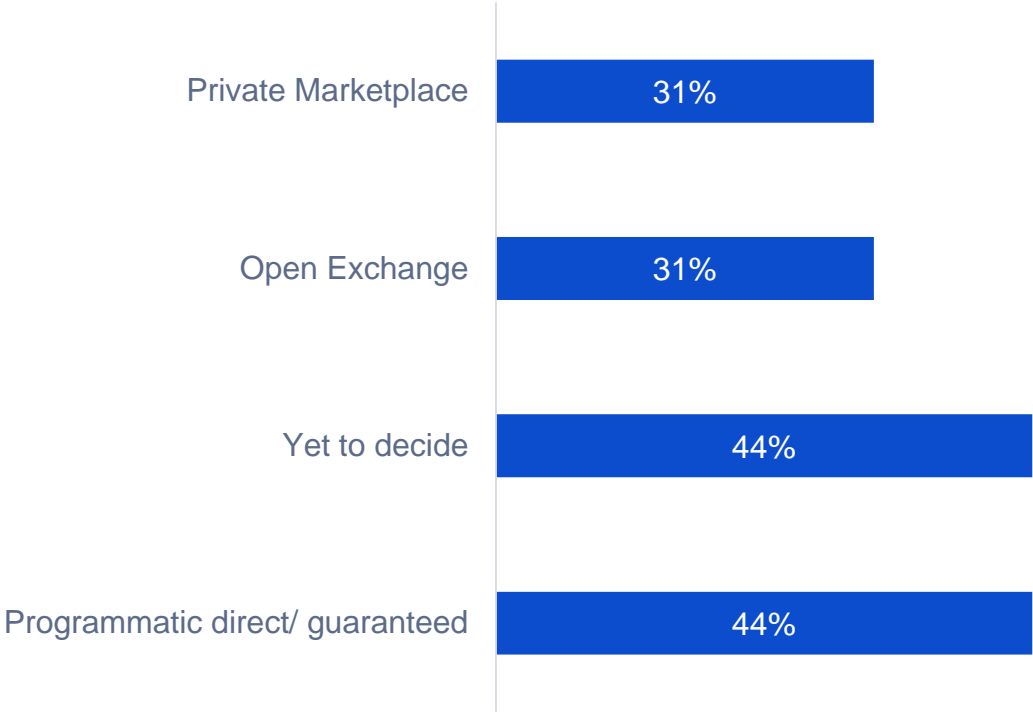
Preferred Ad Format When Buying Programmatically in 2019



- ❑ **Over the last few years, interest and investment in video has seen exponential growth.**
- ❑ This has also spilled over to the programmatic world, where advertisers in search of higher efficiency, control and transparency want more out of their video spends than ever before.
- ❑ 65% of marketers surveyed, will spend on video in the coming 12 months, compared to 52% on banners and 40% on Rich media.

# Programmatic Direct is the Single Most Preferred Model in 2019

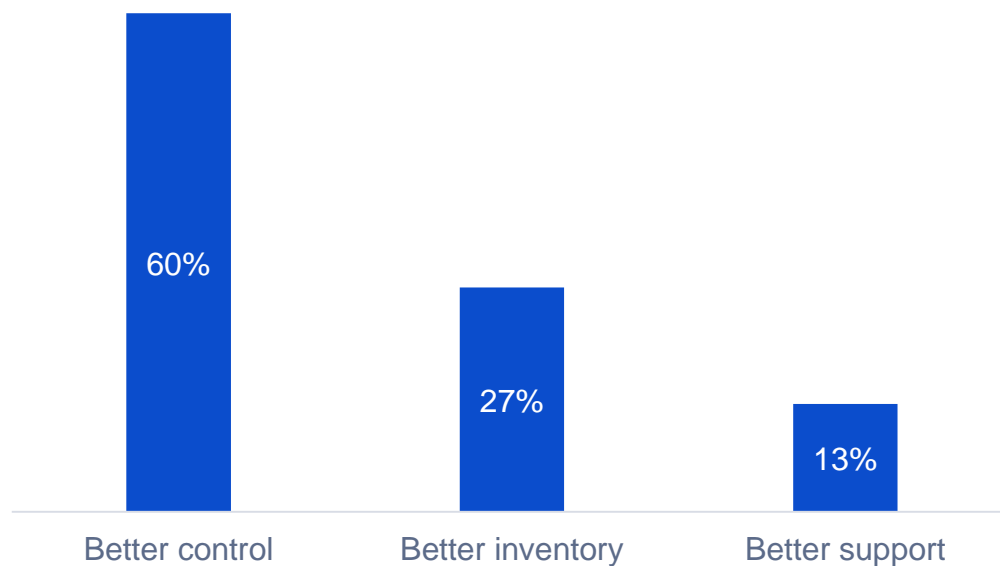
Preferred Mobile Programmatic Models in 2019



- ❑ While 44% of marketers are yet to decide on how they choose to monetize via programmatic, another 44% want to go the Programmatic Guaranteed route.
- ❑ The control and efficiency of programmatic coupled with access to specific publisher audiences at scale at a fixed price and on a more automated basis. This also guarantees publishers a certain level of commitment from the buyer on pricing.

# Marketers Prefer Private Marketplaces for Better Control and Access To the Superior Inventory

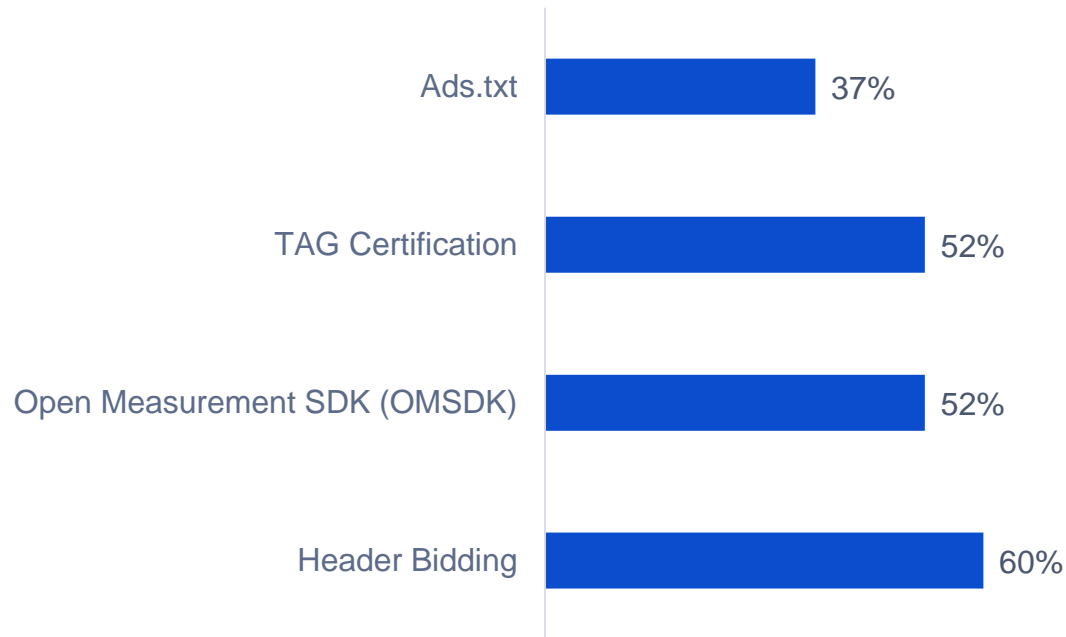
Reasons for Preferring Private Marketplace



- Of the marketers who plan to use Private Marketplaces when transacting programmatically, 60% of marketers do so for better control on their campaigns and another 27% do so for the premium inventory.

# Marketers are Keen to Adopt Header Bidding, OMSDK and Tag Certification in the Near Future

Upcoming Mobile In-App Programmatic Technologies to be Adopted



- ❑ New technologies in Programmatic buying are pushing the envelope and taking an already efficient system to new highs.
- ❑ Amongst all the new technologies available, SEA marketers are most keen about Header Bidding, OMSDK, and TAG certification.



# About InMobi Group

InMobi Group's mission is to power intelligent, mobile-first experiences for enterprises and consumers. Its businesses across advertising, marketing, data and content platforms are shaping consumer experience in a world of connected devices. The group's portfolio companies include InMobi Marketing Cloud, TruFactor – a Secure Data Platform for businesses, and Glance – the world's first Screen Zero. InMobi Group has been recognized on both the 2018 and 2019 CNBC Disruptor 50 list and as one of Fast Company's 2018 World's Most Innovative Companies. For more information, visit [inmobi.com](http://inmobi.com).



FAST COMPANY

Ranked 3rd among World's Top  
10 Innovative Companies



MOBEXX

MOB-EX

iab.



2018 CNBC 50  
Disruptor List

MIT  
Technology  
Review

50  
Disruptive  
Companies





