

Omnichannel Ad Buyers Still Need Education on In-App Opportunities

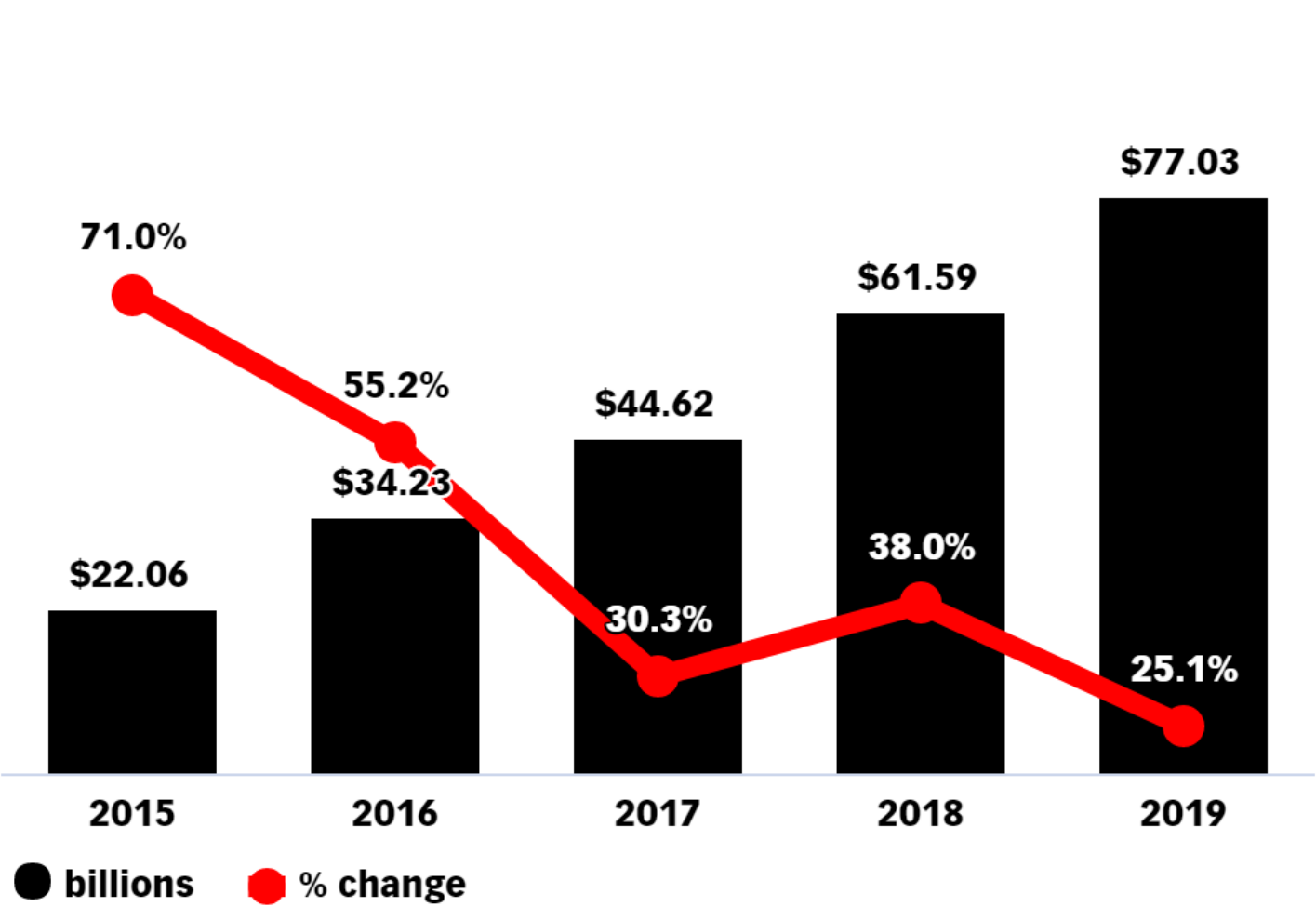
Article

Native advertising has dominated the digital display market, and it can be the main (or even exclusive) way of reaching consumers with display ads. Native ads have a particularly strong foothold in mobile apps, which account for a significant share of how internet users spend their time.

We estimate that the average US adult will spend about 3 hours, 43 minutes per day with mobile devices this year (excluding voice), and almost 80% of that time will be spent with apps. In-app advertising will account for an even higher share of US mobile ad spending this year, at 82.6% of the total. That amounts to \$77.03 billion this year, and it's safe to say a majority of that spending is on native formats.

Mobile In-App Ad Spending

US, 2015-2019



Source: eMarketer, October 2018

www.eMarketer.com

eMarketer principal analyst Nicole Perrin spoke with Meagan Ralston, manager and partner of the solutions team at MoPub, a Twitter company, about how advertisers are continuing their educational journey and taking up more opportunities to advertise in apps like mobile games.

eMarketer: How has advertiser interest in native formats changed?

Meagan Ralston: The biggest shift over the past year in the mobile in-app ecosystem is the emergence, or convergence, of large, omnichannel demand-side platforms [DSPs]. The way in which they buy hasn't always been in-app focused, so there's some friction with how they think about buying in-app.

eMarketer: What should they do differently or understand about the mobile in-app ecosystem?

Ralston: There are so many different microworlds that a user can engage with, for example, in the gaming community. It's synonymous with apps because that's what users download continually. Users have their top 20 apps that they use. But users are downloading new gaming apps. There's a constant rejuvenation of these apps, from casual to hardcore games.

What doesn't translate normally to these big omnichannel buyers is the value in gaming specifically and the app experience generally. It differs from desktop and what buyers know about interacting with users and their cookies and how to attribute it. The biggest shift this year is toward more education and awareness within these brand and DSP models. They're more open with how they think about buying in-app and what native means.

eMarketer: Are there advertisers that understand the value of native ads in these environments?

Ralston: Definitely. Scale is the big differentiator for native. The number of users and uniques that you can reach by accessing this format is incredible—and there are apps that will only run native, so you can access those users. And, it's not expensive.

Combining scale with price gives you a really good way to engage with performance advertisers that are trying to understand who their audience is and who will have a down-funnel experience to drive revenue or performance for that advertiser. Many buyers and advertisers understand the value of that.