BATTLE OF THE MOBILE AD FORMATS
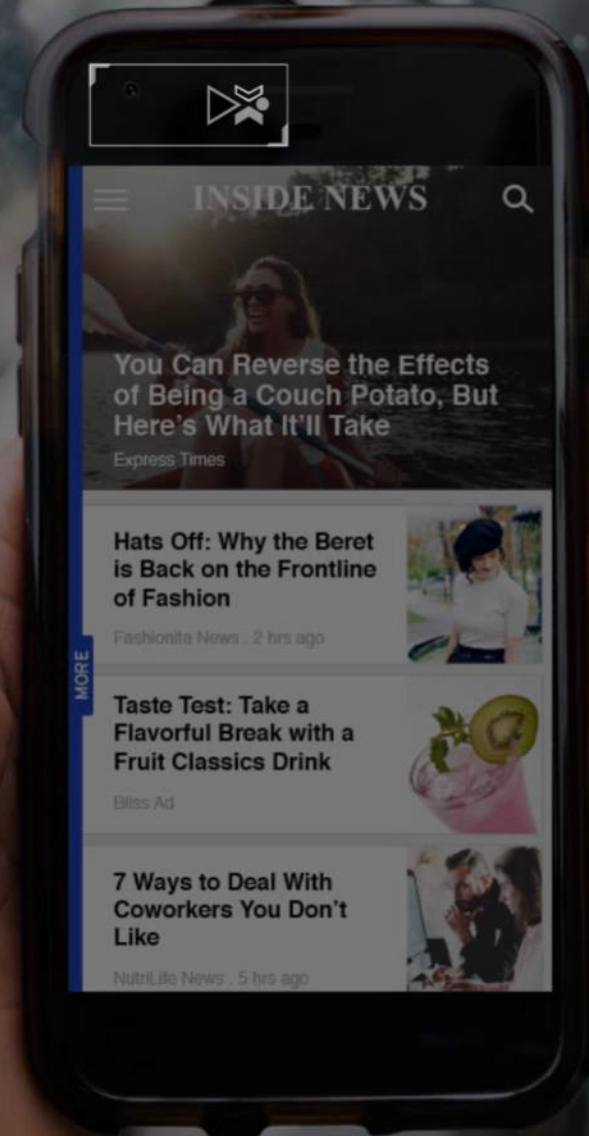
NEW MOBILE AD CONTENDERS EXPLAINED
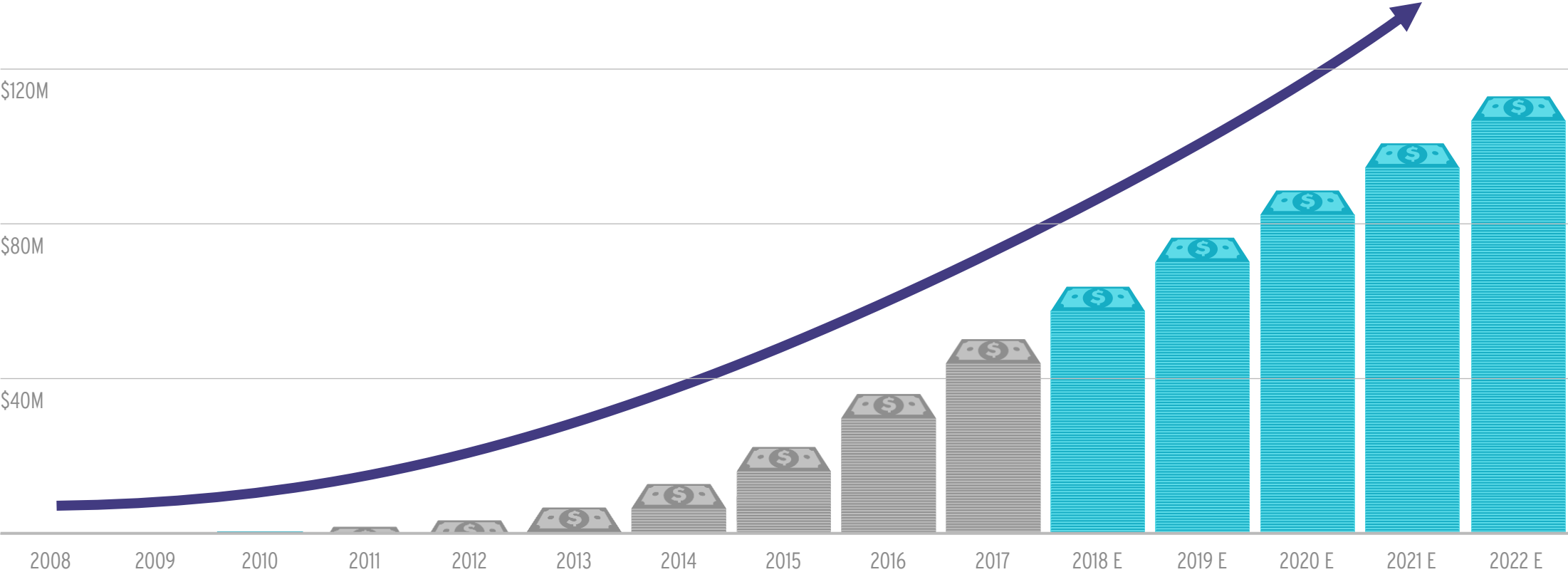
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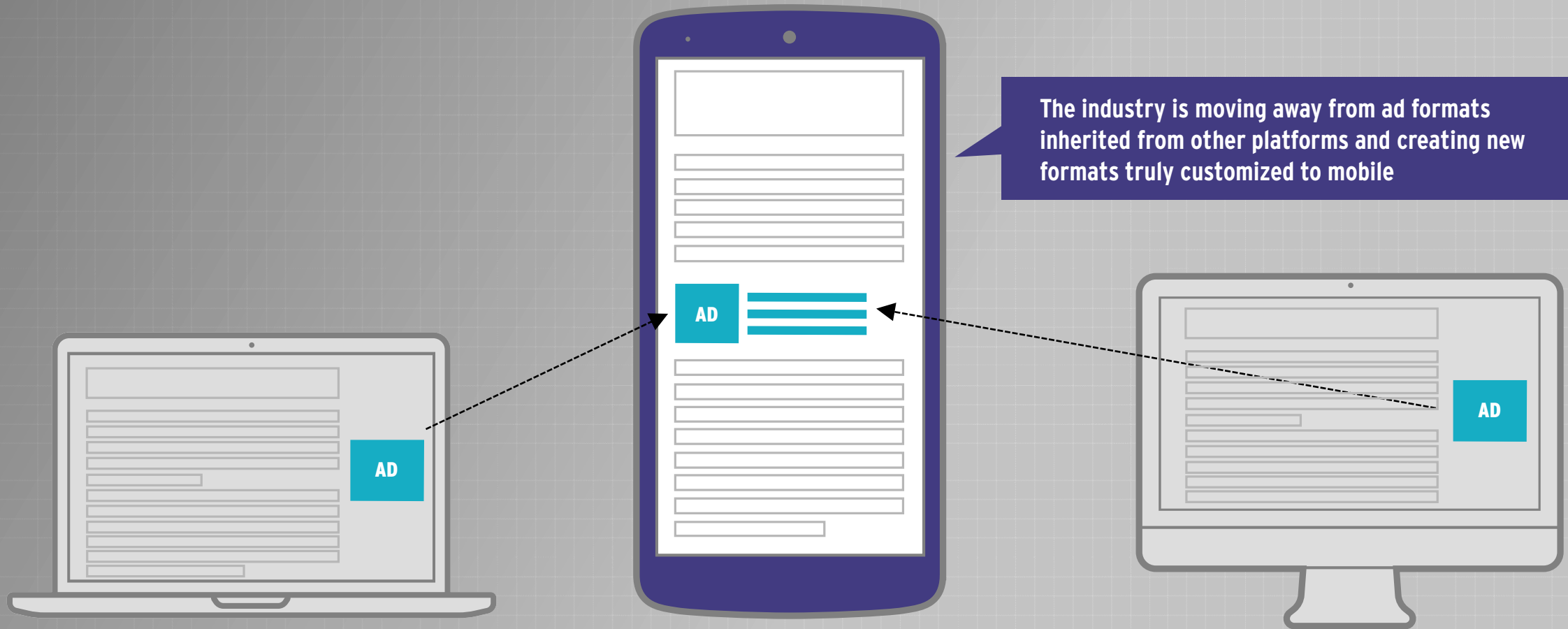
SKYROCKETING MOBILE AD $$ HAS PAVED THE PATH TO INNOVATION

ANNUAL MOBILE AD SPEND (MILLIONS)

$120M

$80M

$40M

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 E 2019 E 2020 E 2021 E 2022 E

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AD FORMATS HAVE EVOLVED WITH MOBILE IN MIND

The industry is moving away from ad formats inherited from other platforms and creating new formats truly customized to mobile

AD

AD

AD

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BUT, RESEARCH HAS NOT KEPT PACE WITH INNOVATIONS IN MOBILE ADVERTISING...

RESEARCH BUYING DECISIONS

NEW MOBILE FORMATS

WE SET OUT TO CLOSE THE RESEARCH GAP BY:

The Consumer Perspective

Uncovering consumer perceptions of the advertising landscape

The New vs. The Existing

Benchmarking new mobile ad formats against their existing counterparts

The Execution

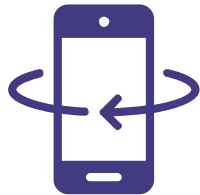Vetting potential strategies advertisers may consider when deploying these ad formats

EXTENSIVE TESTING OF NEW MOBILE AD FORMATS

BATTLE OF THE AD FORMATS (NEW VS. EXISTING)

VIDEO

6 Second Non-Skippable
VS.
15 Second Non-Skippable

360° Video
VS.
Non-360° Video

15 Second Skippable
VS.
15 Second Non-Skippable

DISPLAY

Native
VS.
Standard Display

Native In-Feed
VS.
Standard Display

OTHER FORMATS

SEARCH & DISPLAY

Call Extension

Gmail

Call Extension and Gmail ads do not have comparable formats for benchmarking

EXTENSIVE PROJECT SCOPE

6,230 PARTICIPANTS

100 TEST CELLS

28 AD TYPES

6 BRANDS

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METHODS

QUANTITATIVE
Battle of the Ad Formats
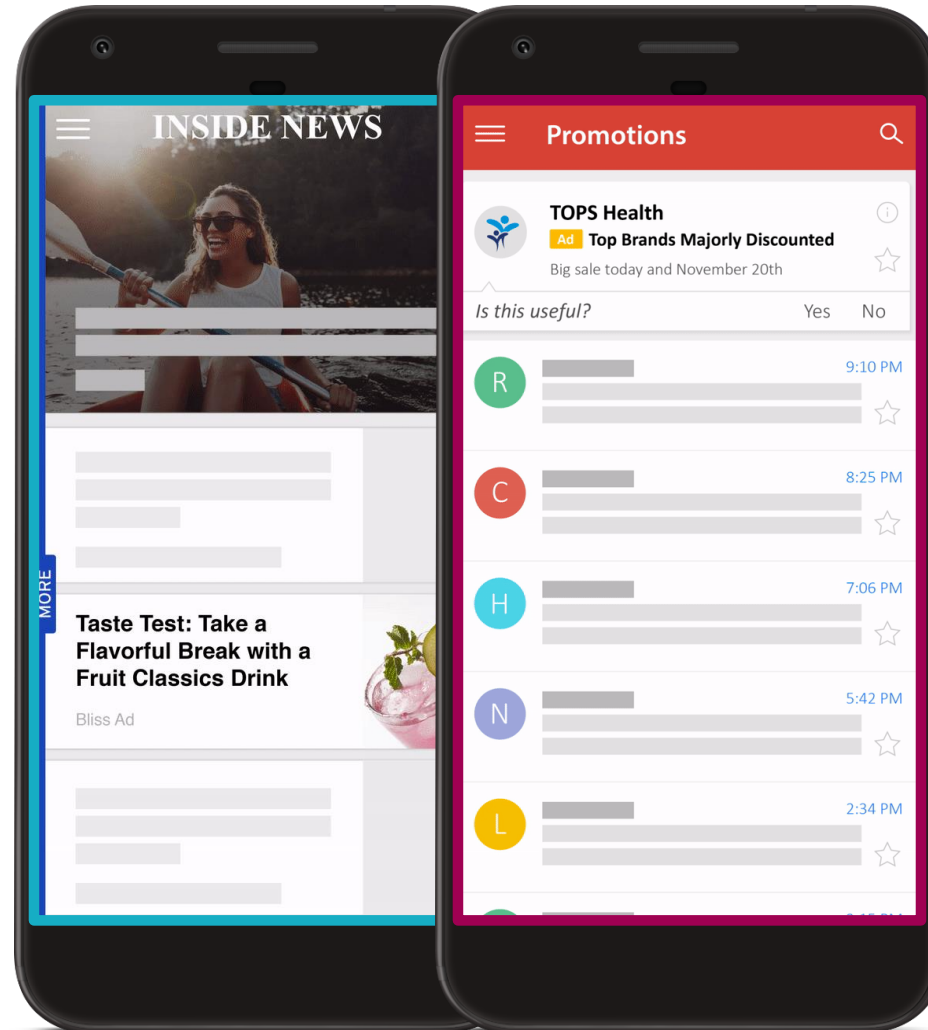
ONLINE PANEL
- Gen Pop who watch videos and read articles online
- N = 5,987

NATURAL MEDIA EXPOSURE
Participants randomized into test cells and selected content to view. Content included test ad

FEEDBACK
Post-exposure survey to measure traditional brand metrics and qualitative feedback on additional ad formats

QUALITATIVE
Other Formats

ONLINE PANEL
- Google searchers & Gmail users
- N= 243

AD VIEWING
Participants directed to view an example ad

FEEDBACK
Post-exposure survey to measure qualitative feedback

INSIDE NEWS

Taste Test: Take a Flavorful Break with a Fruit Classics Drink

Bliss Ad

MORE

Promotions

TOPS Health
Ad Top Brands Majorly Discounted
Big sale today and November 20th

Is this useful?   Yes   No

R   9:10 PM
C   8:25 PM
H   7:06 PM
N   5:42 PM
L   2:34 PM

INNOVATION

1 | THROUGH THE EYES OF CONSUMERS

CONSUMERS

PROVIDE COMPLETE // EXPECTATIONS

// MOBILE PHONES

▼ VARIABLE
What do consumers want the most out of ads? Being original? Entertainment? Relevance?

ADS

▼ VARIABLE
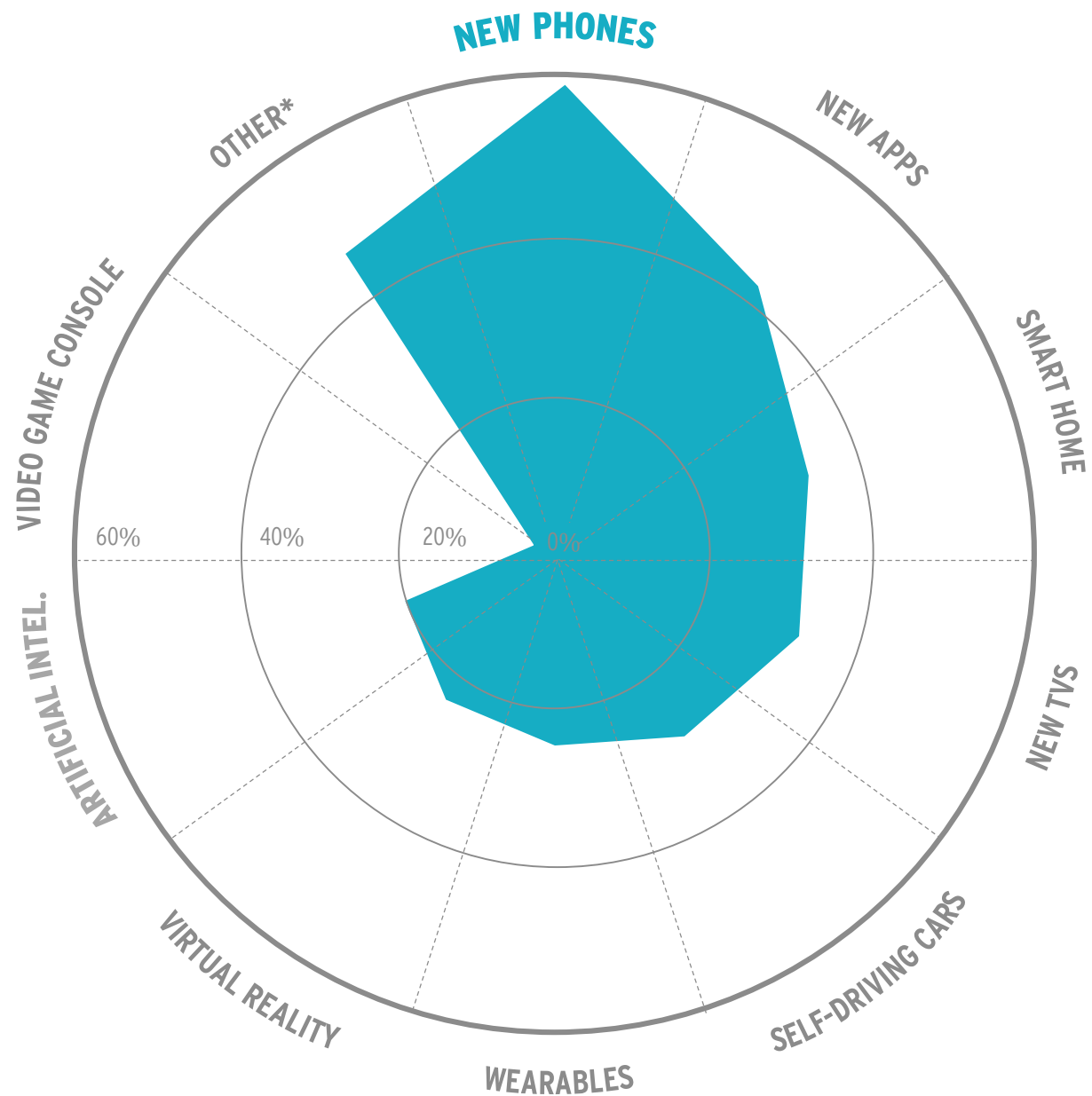Consumers value mobile phones or do they value PCs?

// FUNCTION SET

DESPITE UBIQUITY, MOST NEW TECH EXCITEMENT IS AROUND PHONES

MOST ANTICIPATED TECHNOLOGIES

What kinds of new technology releases are you most looking forward to? (Select all that apply)

WHEN IT COMES TO ADS, CONSUMER EXPECTATIONS ARE HIGHER ON MOBILE

EXPECTATIONS OF AD FEATURES BY DEVICE (% WHO AGREE)

Thinking about ads you would typically see on PC/Laptop and Smartphone devices, how would you rate the following statements. I expect this more on...

I expect this more on...

■ PC
■ Mobile

60

40%

20%

0%

Relevant to my location | Easy to avoid | Fewer ads | Useful to my immediate needs | Easy to interact with | Seamlessly displayed | Innovative

Feature	Percentage
Entertaining	54%
Not too long/obtrusive	52%
Brand is relevant	46%
Relatable	31%
Original	31%
Different from normal	28%
Good story	27%
Brand well-known	23%
Surprising	15%
Innovative	14%
Enhances experience	9%
Other	2%

AS EXPECTATIONS INCREASE, ADS NEED TO BE WELL INTEGRATED, RELEVANT & PROVIDE VALUE

MOST IMPORTANT AD FEATURES

Thinking about all the ads you've seen in the past month on your smartphone, what do you think are the most important things that make an ad enjoyable? (Please select up to 5 from this list)

BATTLE OF THE AD FORMATS

2

THE NEW VS. THE EXISTING

MICRO VIDEO ADS

NEW VS. EXISTING

VS.

6 SECOND
NON-SKIPPABLE

6 second non-skippable pre-roll
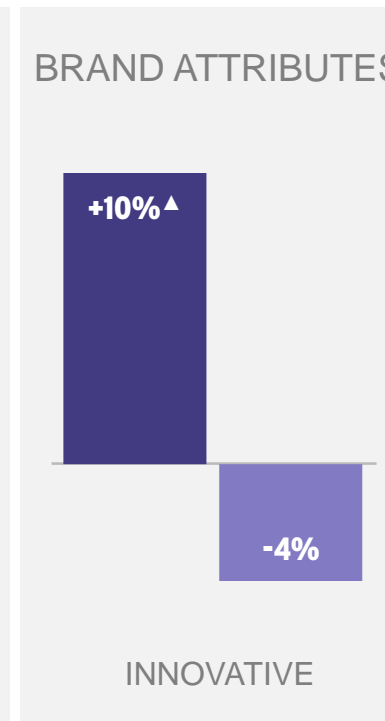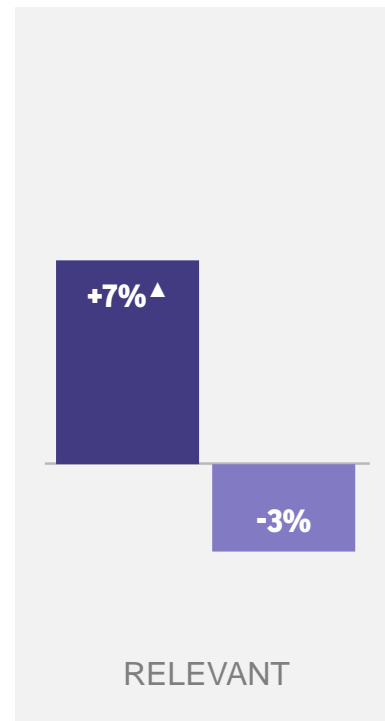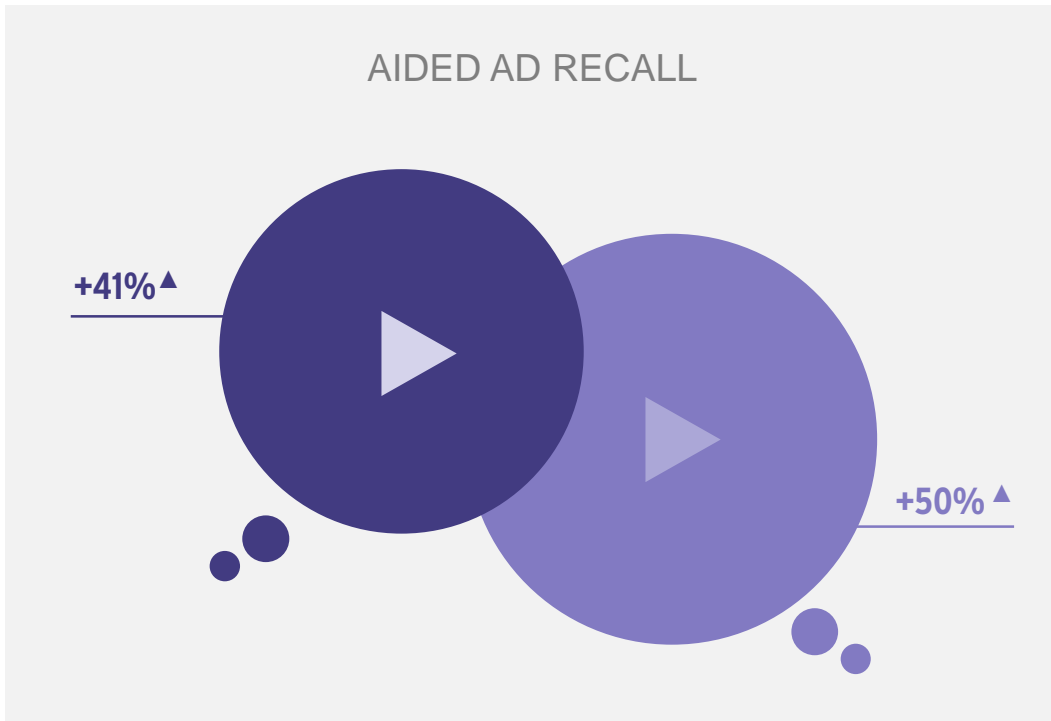Designed specifically with mobile
in mind
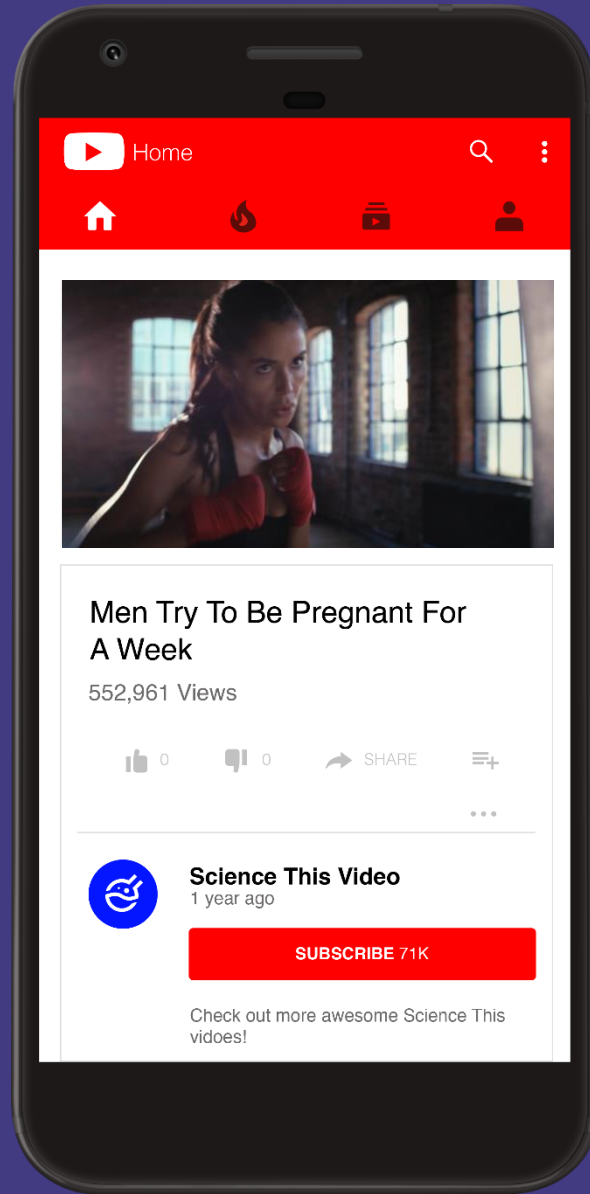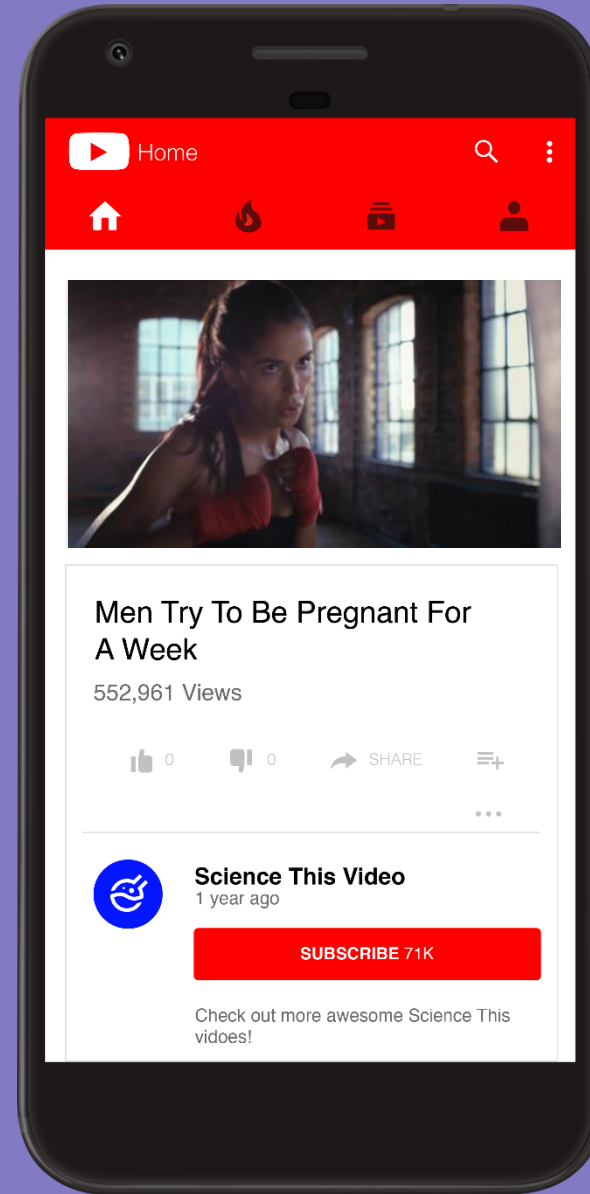
BENCHMARK
FORMAT

15 second
non-skippable
pre-roll

6 SECOND ADS HAVE RESPECTABLE IMPACT ON AD RECALL AND PAINT BRANDS IN A REMARKABLY GOOD LIGHT

6 SEC NON-SKIPPABLE VS. 15 SEC NON-SKIPPABLE ADS | BRAND METRICS | DELTA (TEST – CONTROL)

● 6 Sec Non- Skippable   ● 15 Sec Non-Skippable
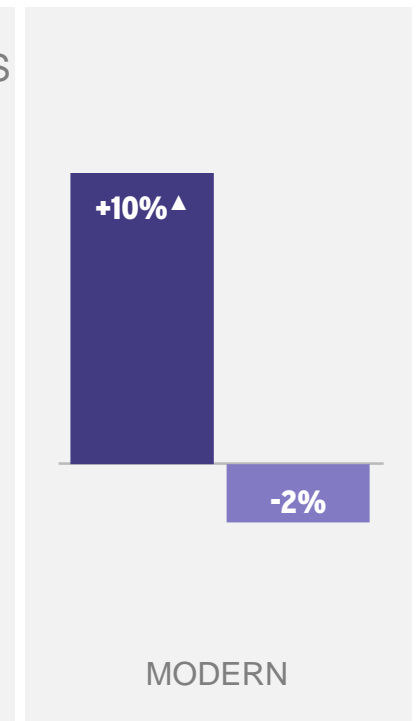
AIDED AD RECALL

+41% ▲

+50% ▲

BRAND ATTRIBUTES

+7% ▲

-3%

RELEVANT

+10% ▲

-4%

INNOVATIVE

+10% ▲

-2%

MODERN

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MICRO VIDEO ADS

2 STRATEGIES TESTED

VS.

VERTICAL 6 SEC VIDEO ADS

6 second non-skippable pre-roll (vertical landscape)
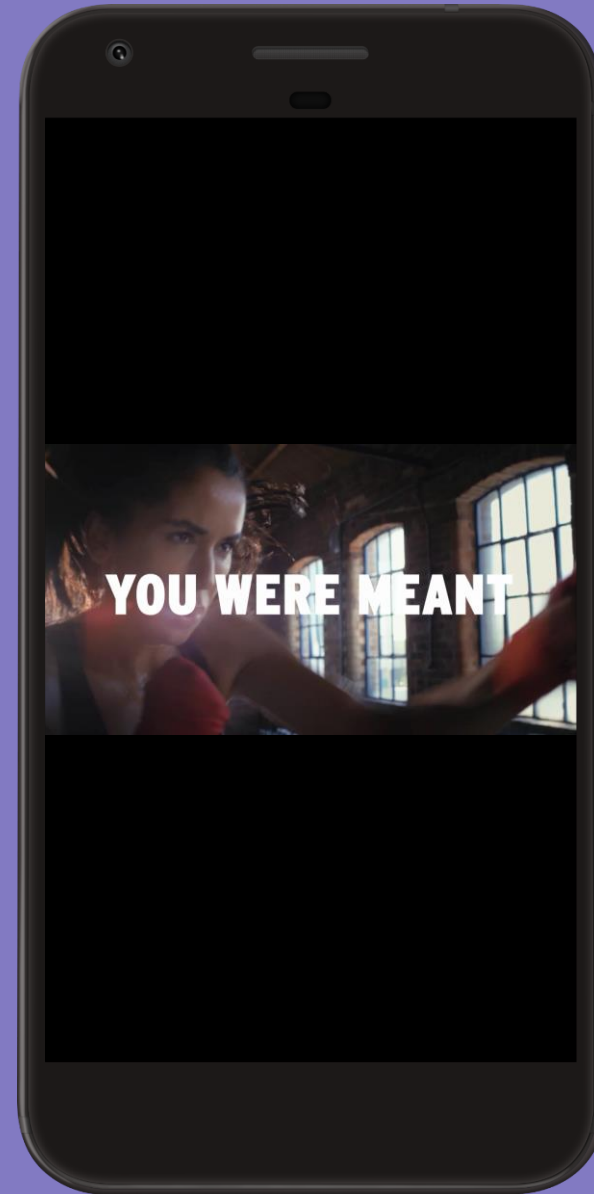
STANDARD 6 SEC VIDEO ADS

6 second non-skippable pre-roll (horizontal landscape)

YOU WERE MEANT

YOU WERE MEANT

VERTICAL VIDEO IN 6 SECONDS: PAIRING TWO AD FORMATS SPECIFICALLY DESIGNED FOR MOBILE MEANS HUGE PAYOFF

6 SEC NON-SKIPPABLE ADS: STANDARD VS. VERTICAL VIDEO | BRAND ATTRIBUTES | DELTAS (TEST – CONTROL)

■ Vertical 6 Sec Video   ■ Standard 6 Sec Video

RELEVANT	WOULD RECOMMEND	PAY MORE FOR	UNIQUE STORY	INNOVATIVE
+10%▲	+9%▲	+9%▲	+11%▲	+18%▲
+6%	-1%	+1%	-2%	+4%
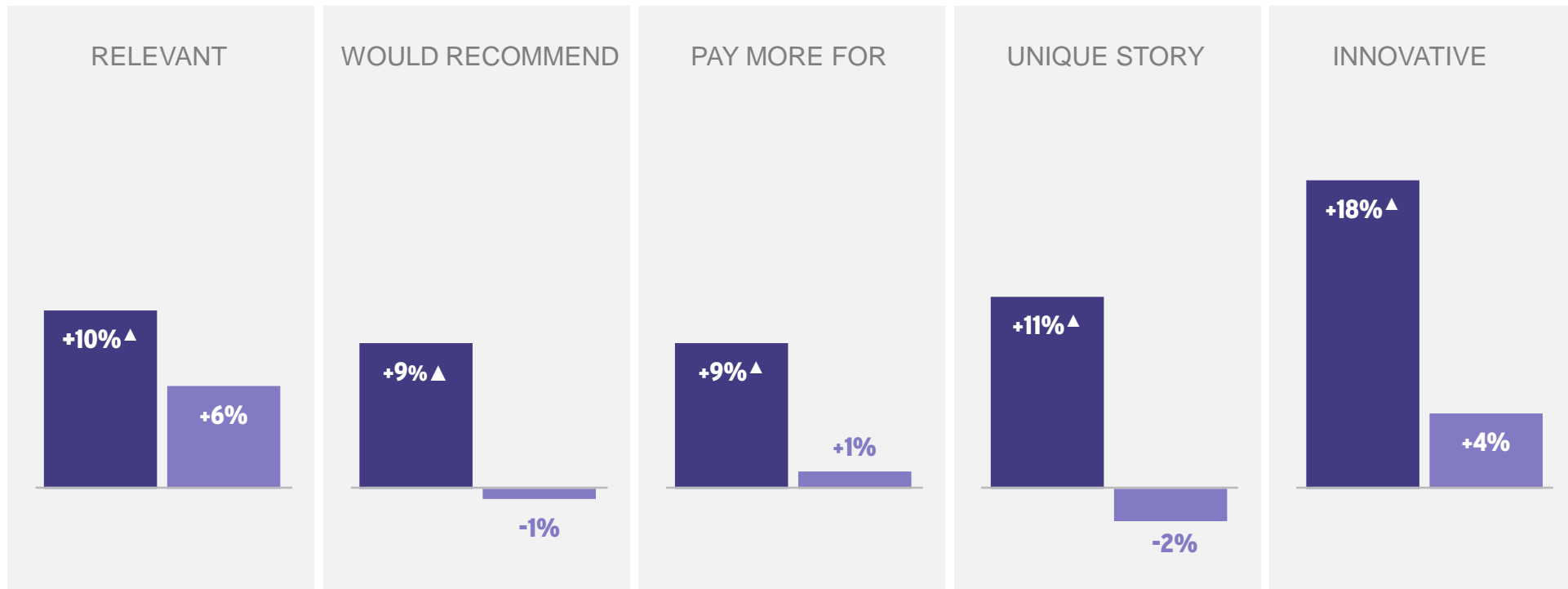
N Standard=102 ; N Control=104 ; N Vertical=105
▲ = Statistically significant difference between test and control at >=90% confidence

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EVEN RAISING LOWER FUNNEL METRICS

6 SEC NON-SKIPPABLE ADS: STANDARD VS. VERTICAL VIDEO | BRAND METRICS | DELTAS (TEST – CONTROL)

● Vertical 6 Sec Video   ● Standard 6 Sec Video

AIDED AD RECALL

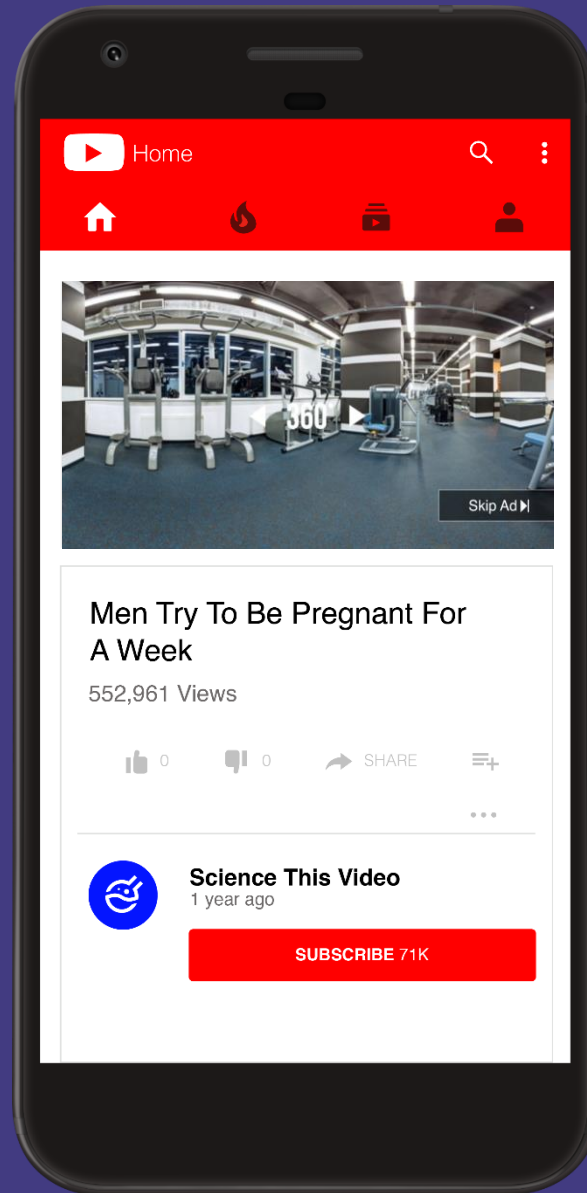+29%▲

+11%▲

PURCHASE INTENT

+2%

+12%▲

BUY
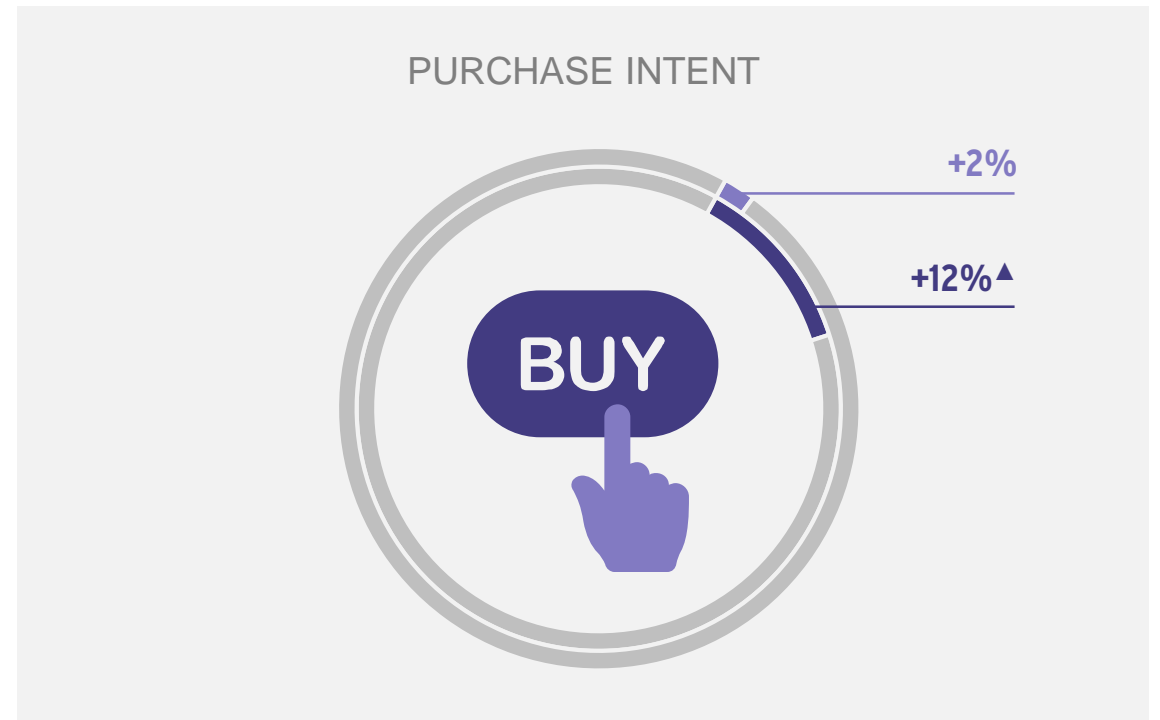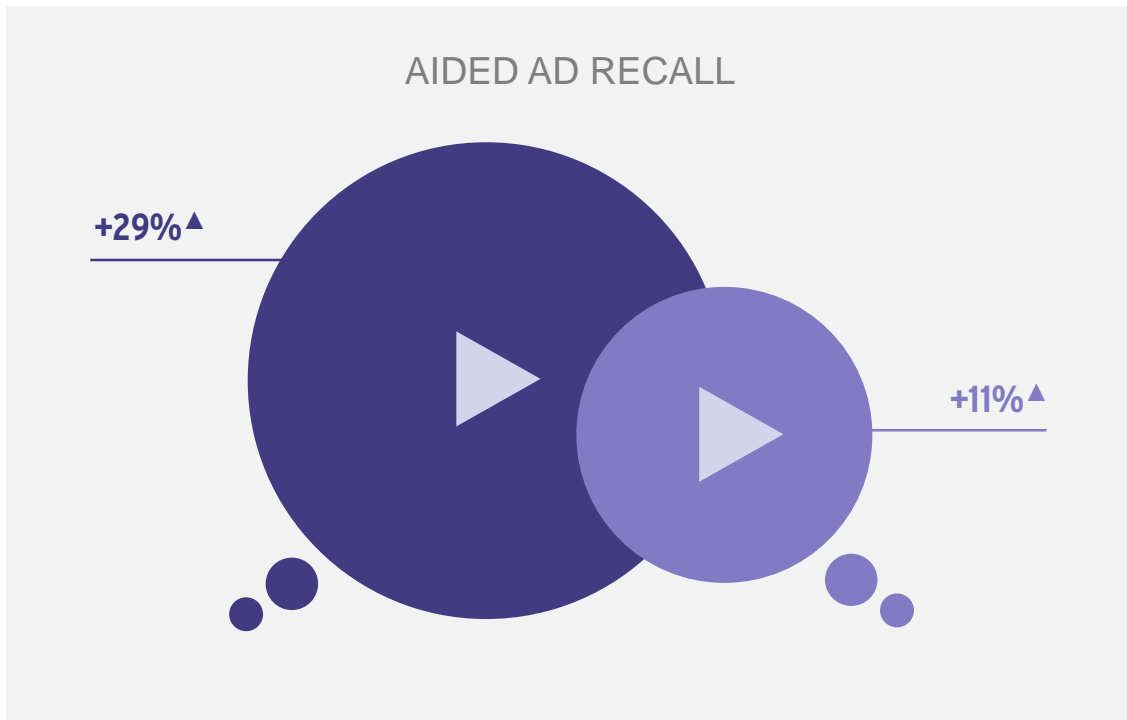
N Standard 6 Second =102 ; N Vertical 6 Second =105; N Control=104
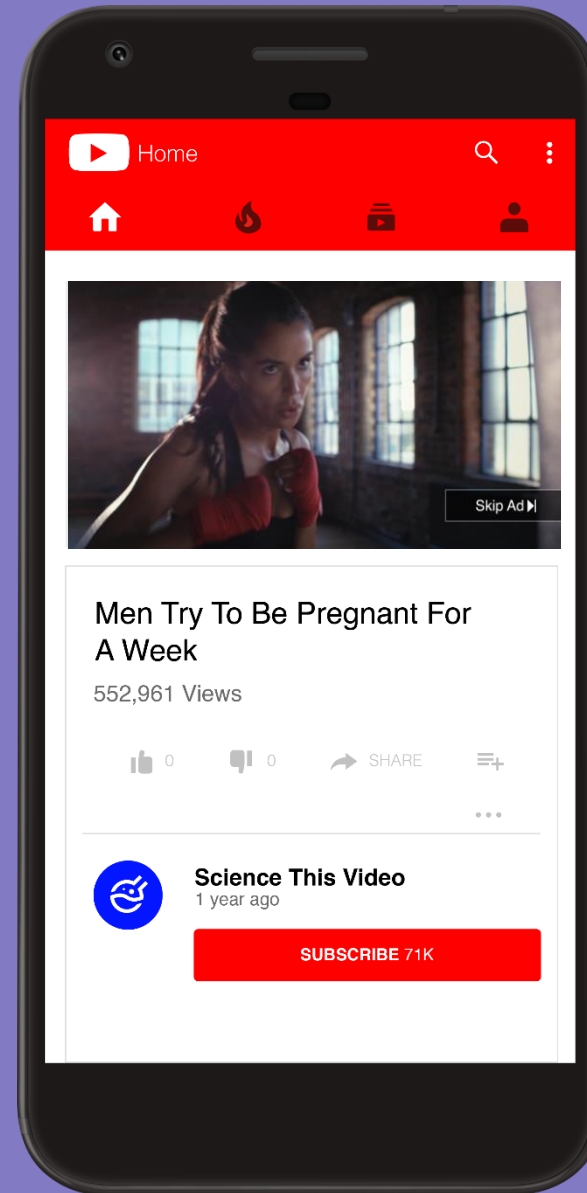▲ = Statistically significant difference between test and control at >=90% confidence

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360°
VIDEO ADS

NEW VS. EXISTING

VS.

360° VIDEO

360° branded content - skippable pre-roll

BENCHMARK FORMAT

Standard branded content - skippable pre-roll

360° VIDEO LESS EFFECTIVE AT CONVEYING BRAND NAME

360° BRANDED CONTENT VS STANDARD BRANDED CONTENT | AIDED AD RECALL | DELTAS (TEST-CONTROL)

+52% ▲
STANDARD BRANDED CONTENT

+37% ▲
360° BRANDED CONTENT

With an immersive environment, there are more opportunities for distraction away from branding

LARGER GAINS IF YOU GET PEOPLE TO STICK AROUND

COMPLETED 360° VIDEO VS.
SKIPPED 360° VIDEO |
AIDED AD RECALL |
DELTAS (TEST-CONTROL)

+33% ▲

SKIPPED

360°
BRANDED
CONTENT

+61% ▲

COMPLETED

360°
BRANDED
CONTENT

POTENTIAL NEED FOR INSTRUCTION TO IMPROVE EASE OF INTERACTING

360° BRANDED CONTENT VS STANDARD BRANDED CONTENT | AD OPINIONS (% WHO AGREE)

■ 360° Branded Content   ■ Standard Branded Content

SEAMLESS

58%▲

51%

EASY TO AVOID

33%

50%▲

People find 360° experience less seamless and easy to avoid. Further instruction may be helpful

N 360°=408; N Branded Content=409; N Control=201
▲ = Statistically significant difference between test groups at >=90% confidence

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SKIPPABLE BOUGHT ON CPM

NEW VS. EXISTING

SKIPPABLE FORMAT

30 second skippable pre-roll, where pay is based on how much of the ad is completed
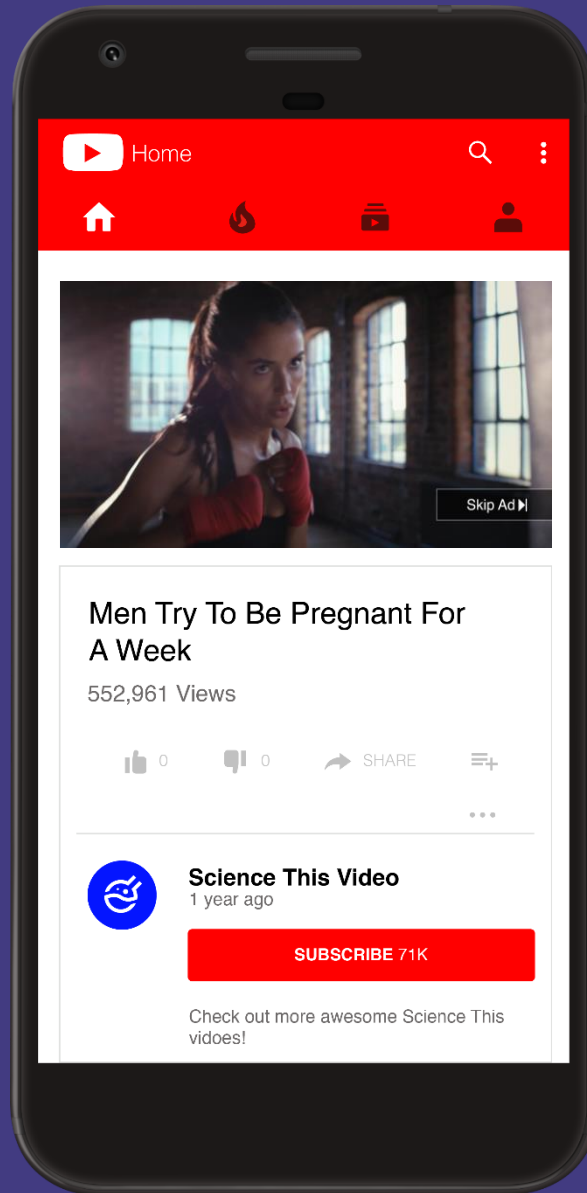
VS.
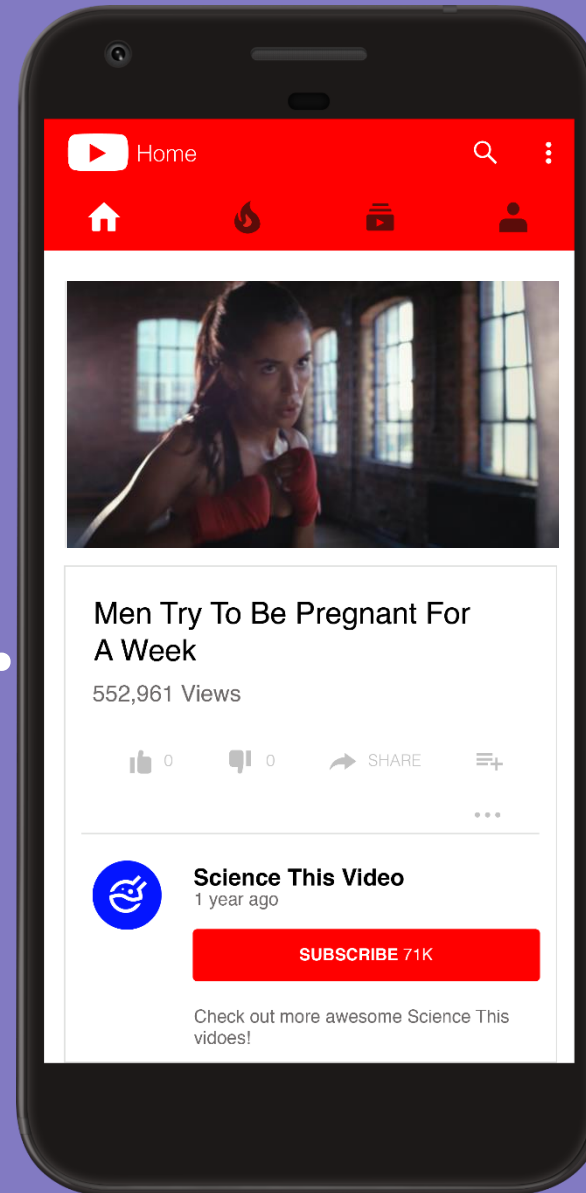
BENCHMARK FORMAT

15 second non-skippable pre-roll

77% SKIPPABLE VIDEO ADS

44% INTERACTIVE ADS

34% DISPLAY ADS

25% VR ADS

25% SOCIAL MEDIA ADS

29% GOOGLE SEARCH ADS

16% GMAIL ADS

15% AUDIO ADS

13% IN-APP ADS

8% NON-SKIPPABLE ADS

AHHH, USER CONTROL! SKIPPABLE VIDEO IS THE MOST BELOVED AD FORMAT

FAVORABILITY TOWARDS AD FORMATS

Thinking about ads you could see on your phone, what is your attitude towards the following types of ads?

The industry has been moving to shorter non-skippable ads for this reason

(Quantitative Survey) All Respondents N = 5,987

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NON-SKIPPABLE ADS MIGHT BE MORE MEMORABLE, BUT BRANDS GET THE CREDIT FOR USING BELOVED SKIPPABLE AD FORMAT

30 SEC SKIPPABLE VS 15 SEC NON-SKIPPABLE ADS | **BRAND METRICS** | **DELTAS (TEST – CONTROL)**

■ 30 Sec Skippable   ■ 15 Sec Non-Skippable
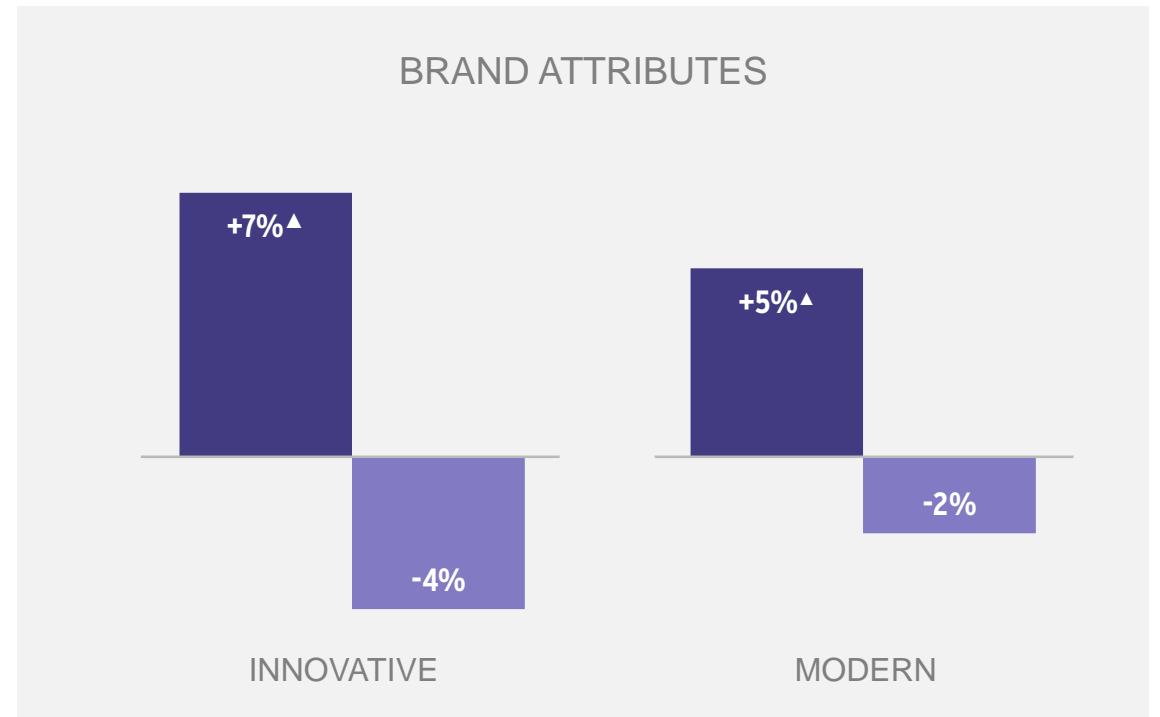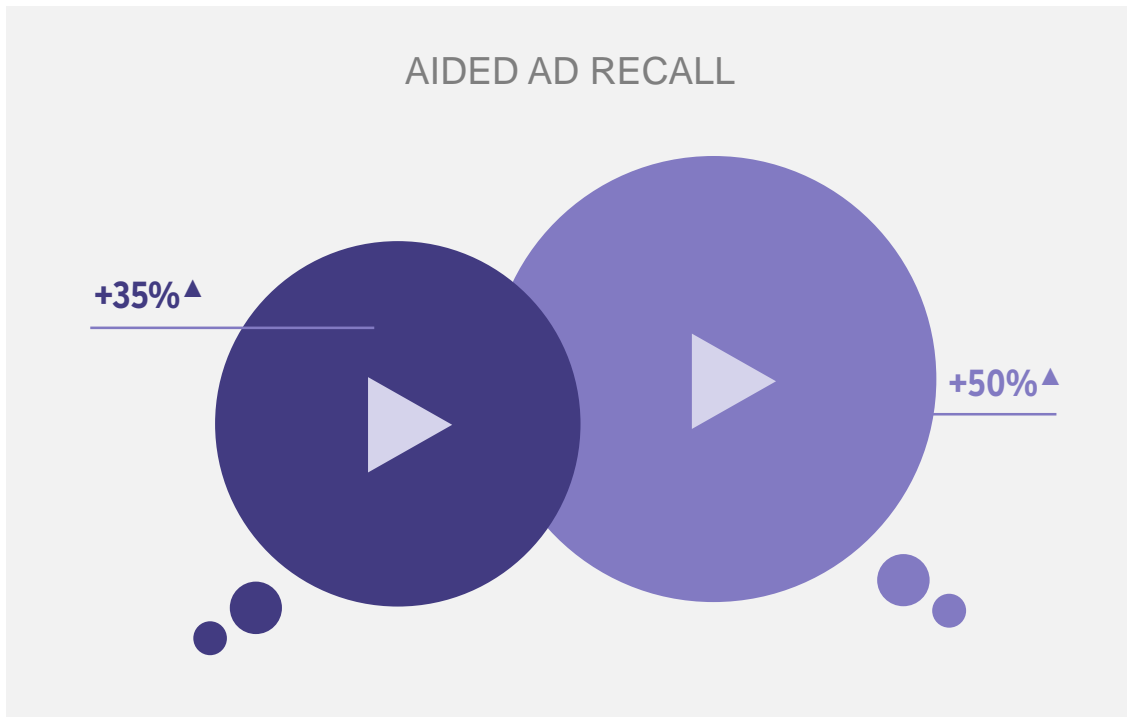
AIDED AD RECALL

+35%▲

+50%▲

BRAND ATTRIBUTES

+7%▲

+5%▲

-4%

-2%

INNOVATIVE

MODERN

WE KNOW PEOPLE USUALLY SKIP RIGHT AWAY OR FINISH THE AD – BUT WHAT ABOUT EVERYONE IN BETWEEN?

% SKIPPABLE AD COMPLETED

% OF PEOPLE

No skipping allowed for first 5 seconds

There are still plenty of people that wait a while before skipping.

Does waiting = a valuable impression?

% AD COMPLETED

30 Second Skippable N = 521
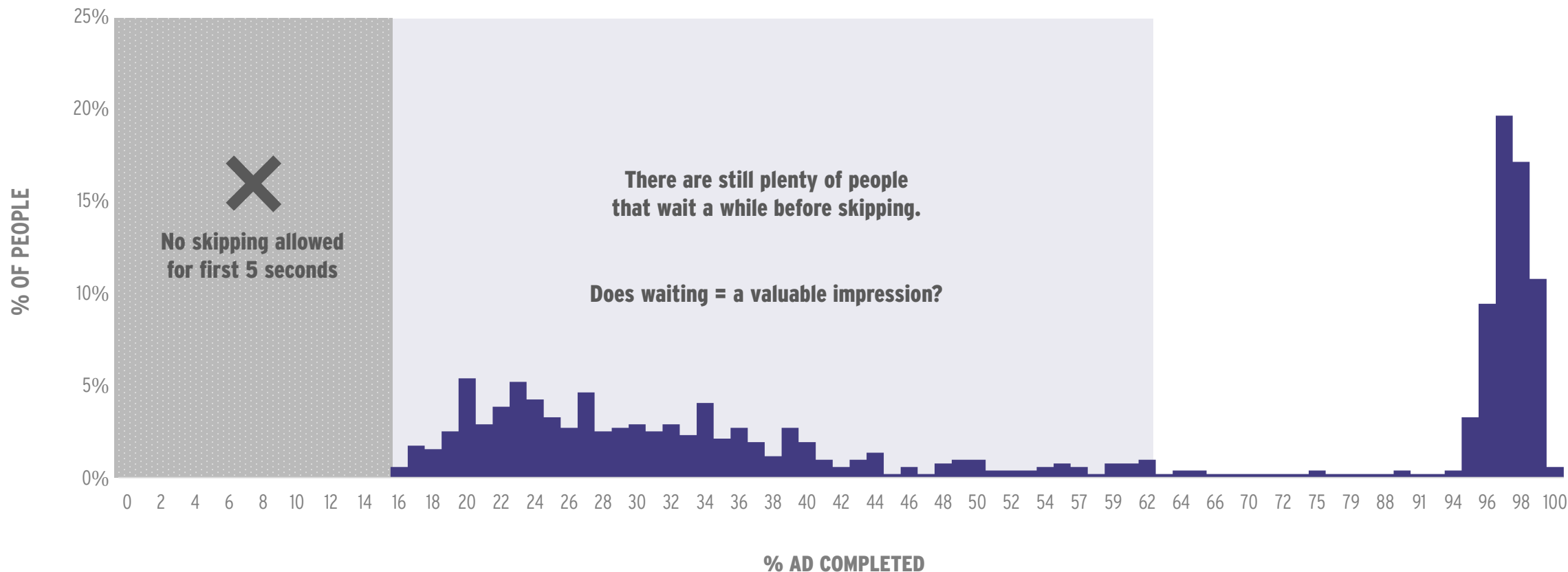
THERE IS INCREMENTAL VALUE TO TAKE ADVANTAGE OF

VALUE OF IMPRESSION BASED ON RECALL BY % AD COMPLETED

When it comes to value, "skipped vs. not skipped" is an oversimplification
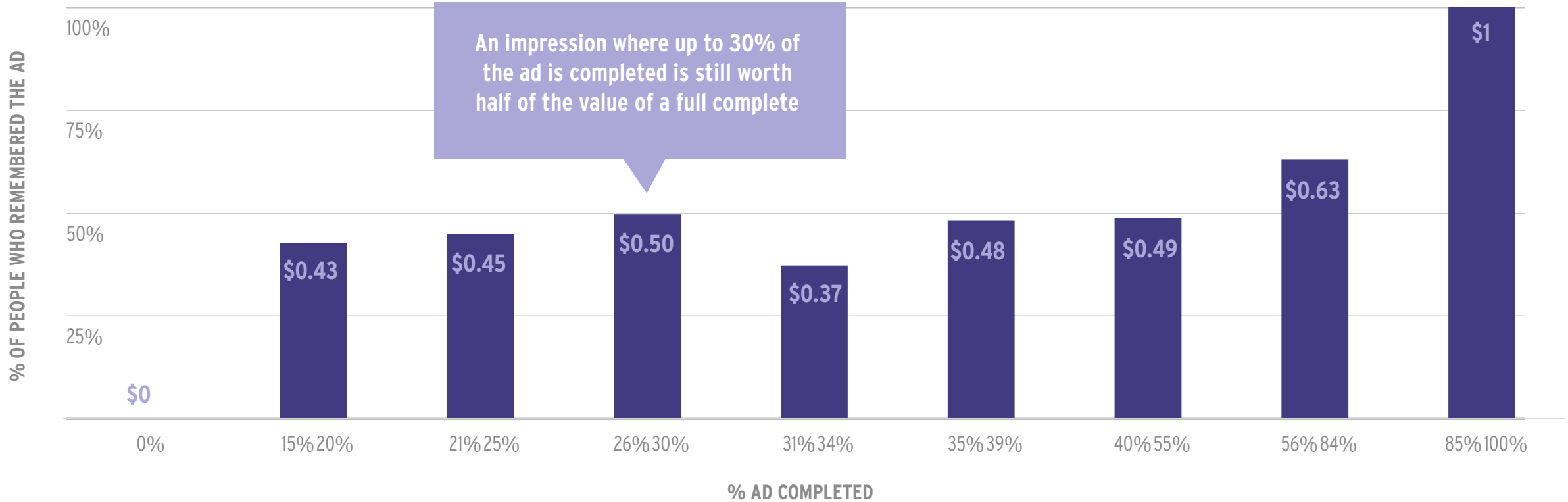
An impression where up to 30% of the ad is completed is still worth half of the value of a full complete

% OF PEOPLE WHO REMEMBERED THE AD

100%	
75%	
50%	
25%	

- 0% → $0
- 15%-20% → $0.43
- 21%-25% → $0.45
- 26%-30% → $0.50
- 31%-34% → $0.37
- 35%-39% → $0.48
- 40%-55% → $0.49
- 56%-84% → $0.63
- 85%-100% → $1

% AD COMPLETED

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DISPLAY ADS

NEW VS. EXISTING
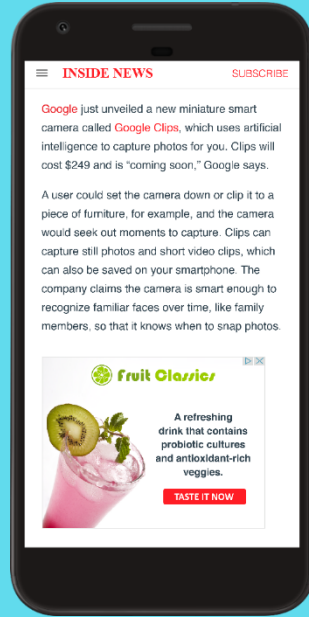
NATIVE (IN-ARTICLE)

A display ad that takes on the look and feel of the website, placed in an article page
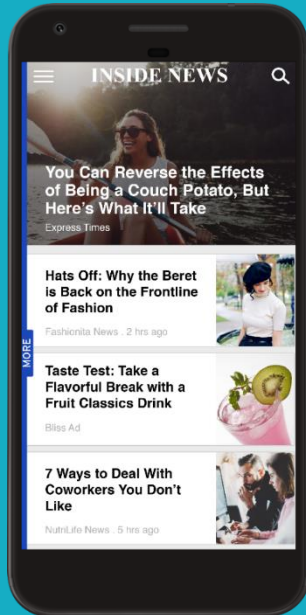
NATIVE IN-FEED

A display ad that takes on the look and feel of the website, placed in a feed

VS.
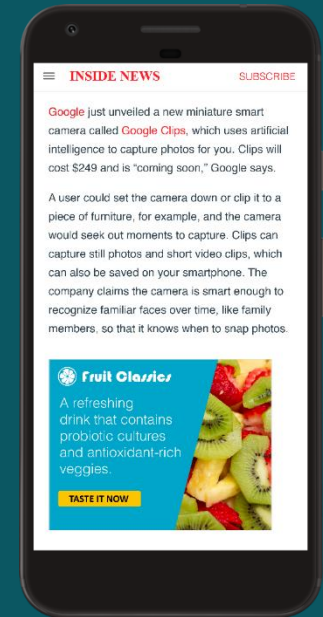
BENCHMARK STANDARD DISPLAY

A standard display ad in an article page

*Native display exposures were based on views (not clicks)

BOTH NATIVE DESIGNS DO THEIR JOB OF FITTING IN

NATIVE VS NATIVE IN-FEED VS STANDARD DISPLAY | SEAMLESSLY DISPLAYED (% WHO AGREE)

■ Native Display Ads   ■ Native In-Feed Display Ads   ■ Standard Display Ads
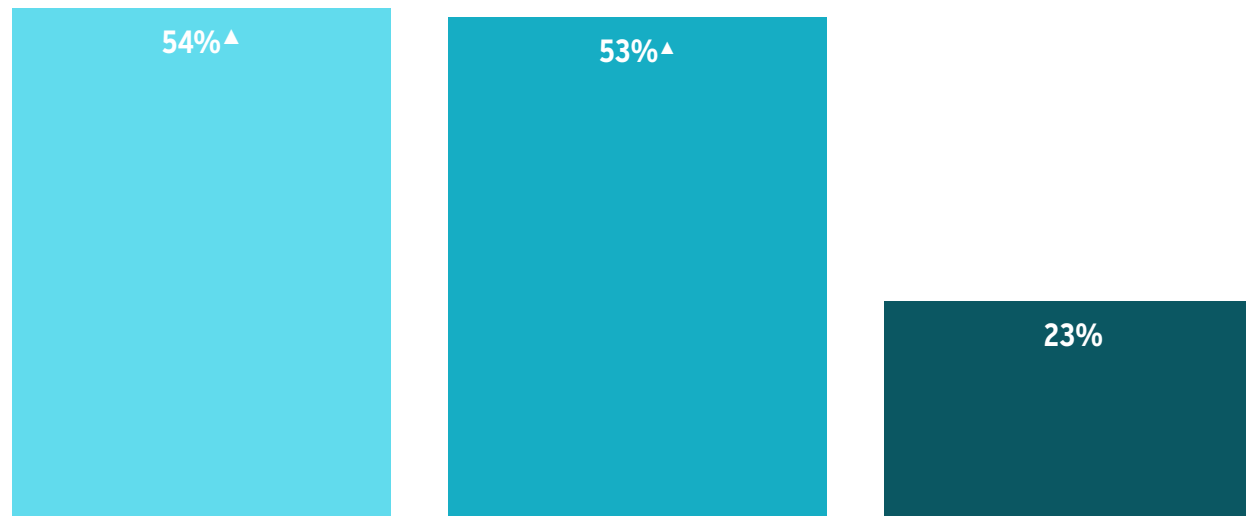
54%▲

53%▲

23%

NATIVE DISPLAY ADS ESPECIALLY PERSUASIVE WITH CONTEXTUAL TARGETING

NATIVE DISPLAY AD BEST PRACTICES
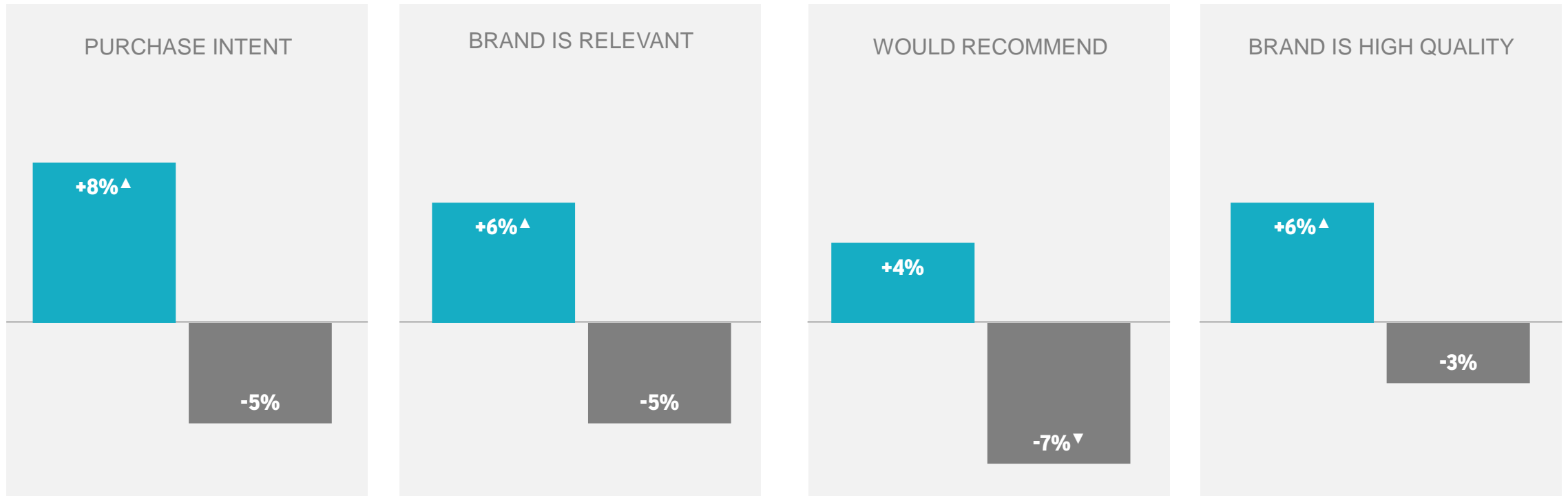
CREATIVE BEST PRACTICE	AIDED AD RECALL	BRAND FAVORABILITY	PURCHASE INTENT
CONTEXTUAL TARGETING vs. NO TARGETING Pairing the ad with content that is contextually relevant to the brand/product	EQUAL PERFORMANCE	**CONTEXTUAL**	EQUAL PERFORMANCE
TEXT ONLY vs. WITH IMAGES Only including text (as opposed to also having an image)	EQUAL PERFORMANCE	**TEXT ONLY** TEXT	**TEXT ONLY** TEXT

Presence of text and/or images, depending on the ad slot, can make a significant difference in performance. Since it is not possible to manually optimize ads in a way that accounts for these factors in real-time, asset-based ads that utilize machine learning for optimization are the primary key for success

CREATING A HUMAN CONNECTION WITH IMAGES IN A NATIVE AD CAN BE A POWERFUL TOOL

NATIVE IN-FEED DISPLAY ADS BY HUMAN PRESENCE | BRAND METRICS & ATTRIBUTES | DELTAS (TEST-CONTROL)
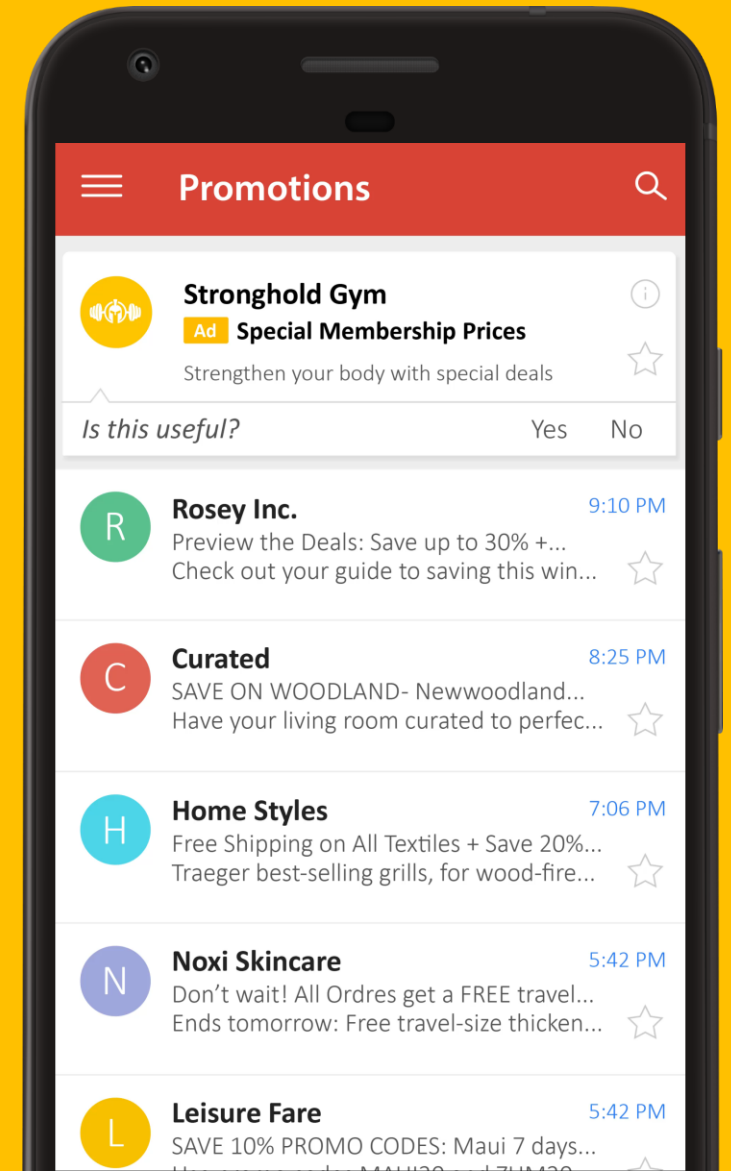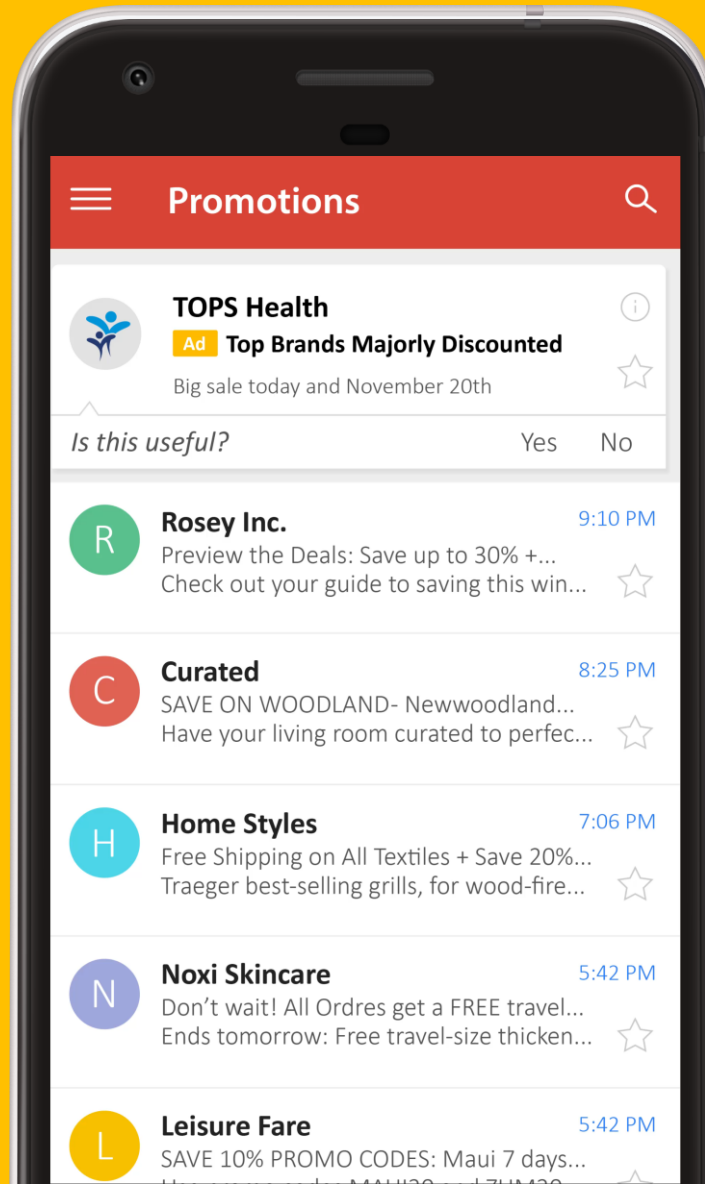
■ Human Presence   ■ No Human Presence

PURCHASE INTENT	BRAND IS RELEVANT	WOULD RECOMMEND	BRAND IS HIGH QUALITY
+8%▲	+6%▲	+4%	+6%▲
-5%	-5%	-7%▼	-3%

Human Presence N=205, No Human Presence N = 212, Control N = 210
▲ = Statistically significant difference between test and control at >=90% confidence

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GMAIL ADS

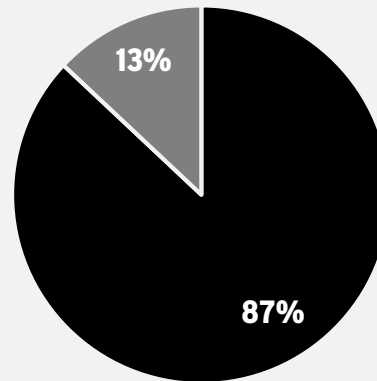GMAIL MOCKED-UP FOR QUALITATIVE FEEDBACK

WHAT YOU NEED TO KNOW ABOUT GMAIL ADS

➤ **Relevance is critical in personal spaces, such as email**

➤ **When relevant, consumers nearly 2x as likely to agree Gmail ads "complement their email experience"**

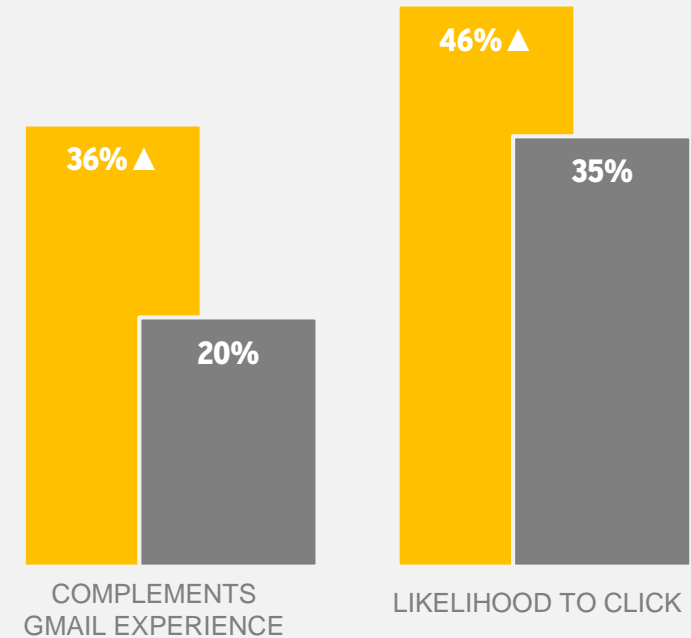➤ **Offering valuable utility in Gmail ads <u>triples</u> intent to click!**

GMAIL ACCOUNT USAGE

13%

87%

■ Personal Use   ■ Other Use

AD OPINIONS BY AUDIENCE

■ In-Market for Product   ■ Not In-Market

46%▲

36%▲

35%

20%

COMPLEMENTS GMAIL EXPERIENCE

LIKELIHOOD TO CLICK

GIVEN **RELEVANCE** IS CRITICAL FOR GMAIL ADS, ENSURE YOU LEVERAGE THE **FULL ARSENAL OF DATA** AVAILABLE FOR TARGETING

AWARENESS	Demographics: Age, Gender, Geo, Language, Device, etc.
CONSIDERATION	Affinity Audiences: Lifestages, Consumer Patterns
EVALUATION	In-Market Audiences: Audience Keywords (using search signals)
PURCHASE & ADVOCACY	Remarketing and Dynamic Remarketing: Customer Match

GOOGLE CALL EXTENSION ADS

GOOGLE SEARCH
RESULTS MOCKED-UP
FOR QUALITATIVE
FEEDBACK

WEB LINK

CALL BUTTON

WHAT YOU NEED TO KNOW ABOUT CALL EXTENSION ADS

- **Call Extension ads are an easy & useful tool for all generations, with no adoption learning curve seen in other new tech**

- **They resonate with Millennials. Despite common notions, Millennials actually do intend to make phone calls using these ads**

INTENT TO CLICK OR CALL GOOGLE SEARCH AD BY AGE | % WHO AGREE
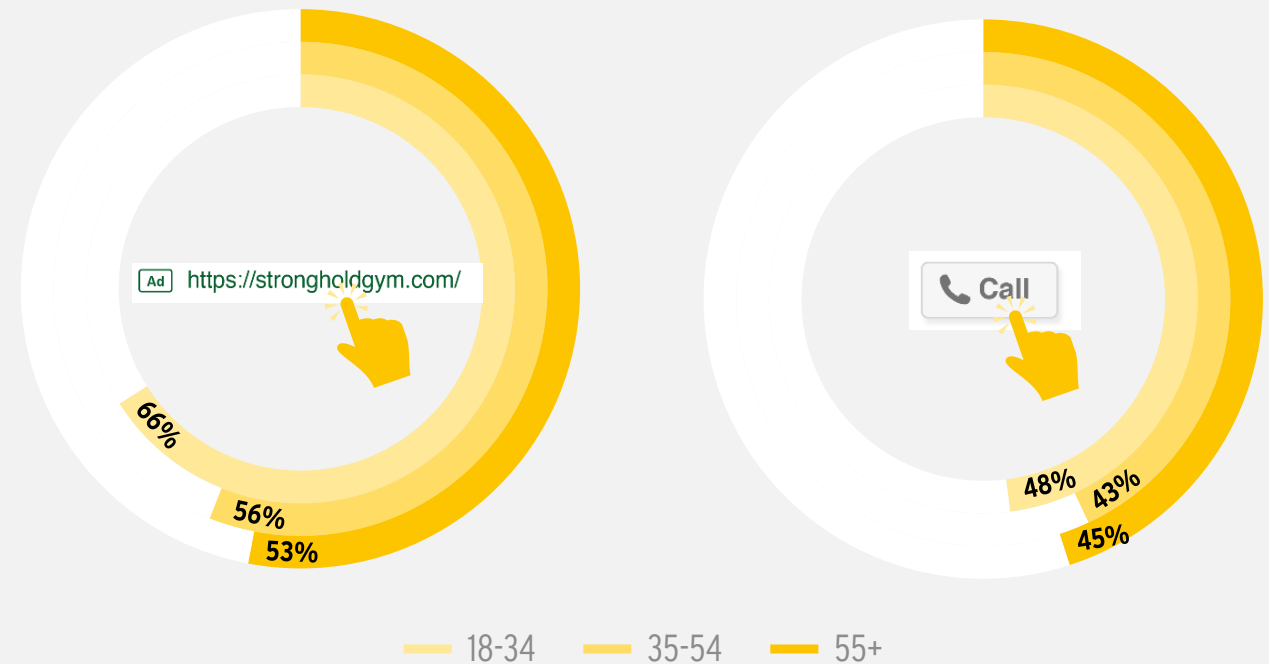
Ad https://strongholdgym.com/

66%
56%
53%

Call

48%
43%
45%
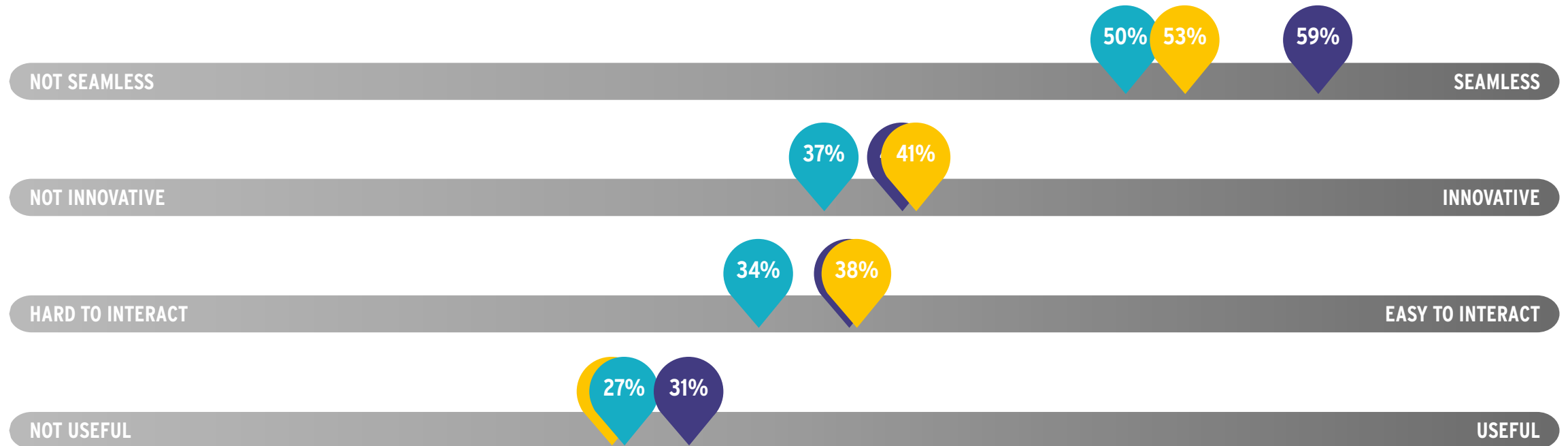
— 18-34   — 35-54   — 55+

THE AFTERMATH

3 PUTTING NEW FORMATS TO USE IN THE REAL WORLD

NEWER VIDEO AD FORMATS ARE PERFORMING WELL, WITH SOME ROOM FOR IMPROVEMENT

AD OPINIONS OF MOBILE AD FORMATS | % WHO AGREE

- ● Skippable Format
- ● 360° Branded Content
- ● 6 Sec Non-Skippable

NOT SEAMLESS		50% 53%	59%	SEAMLESS

NOT INNOVATIVE	37% 41%			INNOVATIVE

HARD TO INTERACT	34% 38%			EASY TO INTERACT

NOT USEFUL	27% 31%			USEFUL

NEWER VIDEO AD FORMATS ARE PERFORMING WELL, WITH SOME ROOM FOR IMPROVEMENT

AD OPINIONS OF MOBILE AD FORMATS | % WHO AGREE

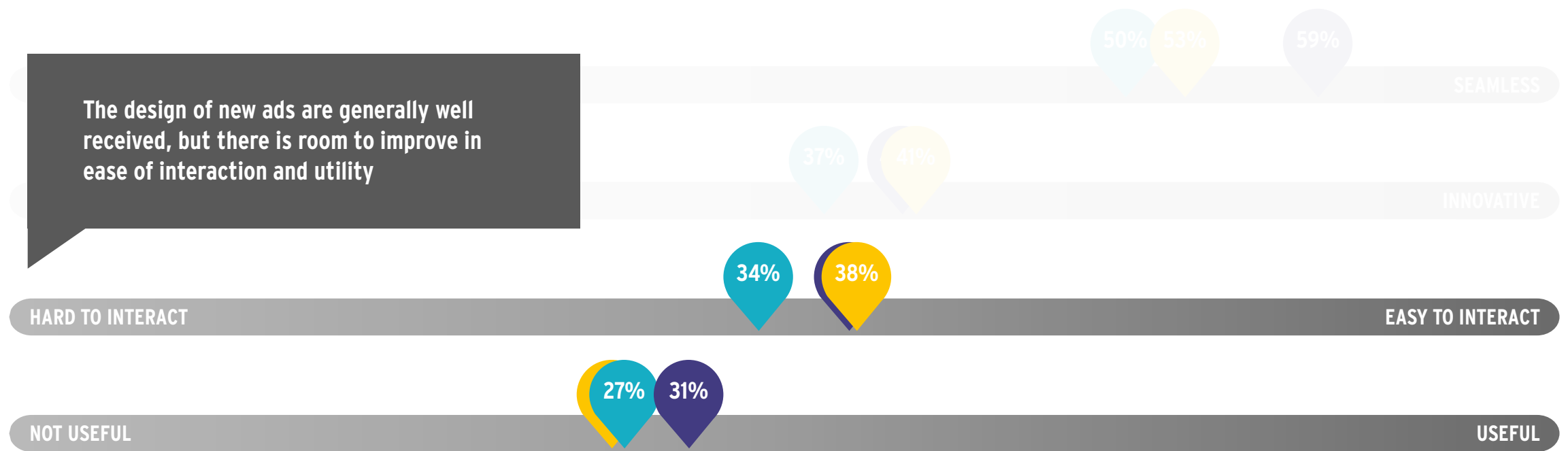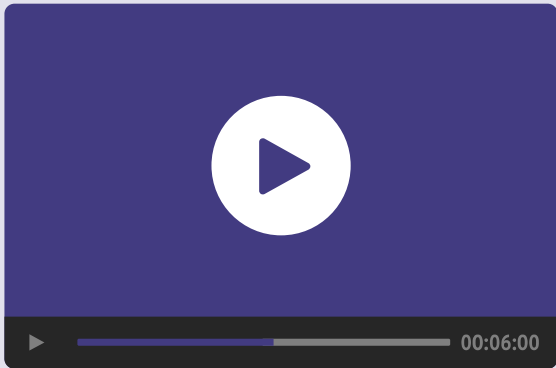● Skippable Format   ● 360° Branded Content   ● 6 Sec Non-Skippable

> The design of new ads are generally well received, but there is room to improve in ease of interaction and utility

50% 53% 59%

SEAMLESS

37% 41%

INNOVATIVE

34% 38%

HARD TO INTERACT   **EASY TO INTERACT**

27% 31%

NOT USEFUL   **USEFUL**

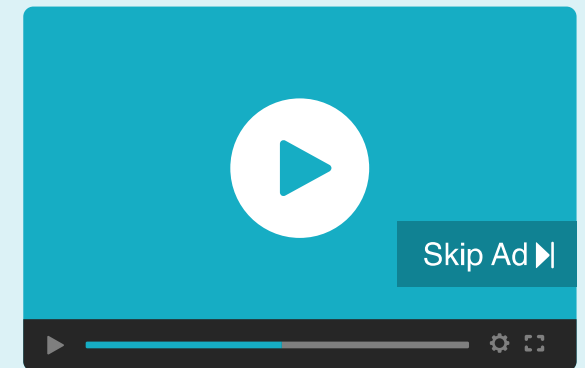# CLEAR STRATEGIES TO IMPROVE YOUR VIDEO BUY

00:06:00

6 SECOND NON-SKIPPABLE

- Short length makes up for lack of user control – use to supplement your mobile video buy
- Consider optimizing an already well-performing ad format by using vertical video
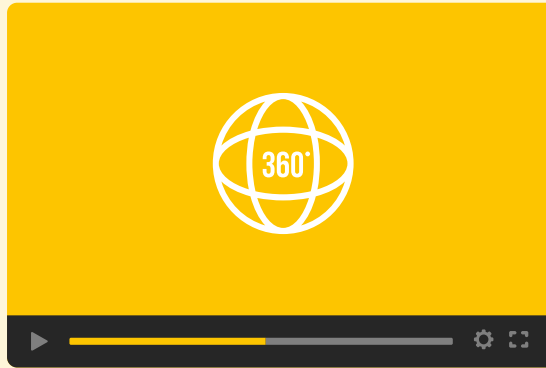
360° VIDEO

- Novelty doesn't necessarily translate into ease-of-use
- Consider increasing instruction to help the experience feel more integrated and explore innovative ways to include branding
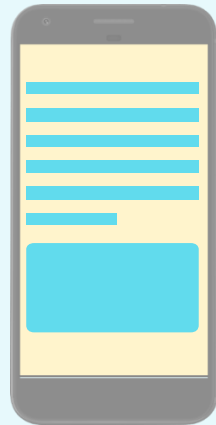
Skip Ad ▶|

SKIPPABLE BOUGHT ON CPM

- Paying based on the value of the impression allows you to expand the reach of your campaign
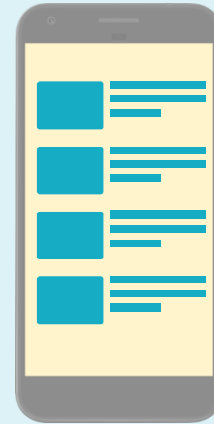
CLEAR STRATEGIES TO IMPROVE YOUR DISPLAY BUY

NATIVE DISPLAY

- Pair the context of in-article ads with contextual content
- Considers ads with text only, as they feel like part of the reading experience

NATIVE IN-FEED DISPLAY

- Incorporating human presence in the images can help drive brand KPIs

FOR ALL NEW MOBILE AD FORMATS...

WITH HIGH EXPECTATIONS FOR MOBILE, IT'S UP TO US TO RAISE THE BAR BY ALWAYS CONSIDERING:

[1]   UTILITY

[2]   RELEVANCE

[3]   EASE OF USE

THANK
YOU

MAGNA

IPG MEDIA LAB