

Next Gen Mobile Advertising

NEXT GEN MOBILE ADVERTISING

For German consumers, the smartphone is the primary terminal device for accessing the Internet. Due to their broad reach and strong advertising impact, mobile advertising campaigns have now become a permanent fixture in company media plans. This publication was produced in collaboration with various BVDW members. It is designed to provide decision-makers and marketing managers with an overview of the topic of mobile advertising and highlight the importance of mobile campaigns in achieving marketing goals. In addition, this Whitepaper addresses the features specific to mobile campaigns and presents best practices using concrete examples.

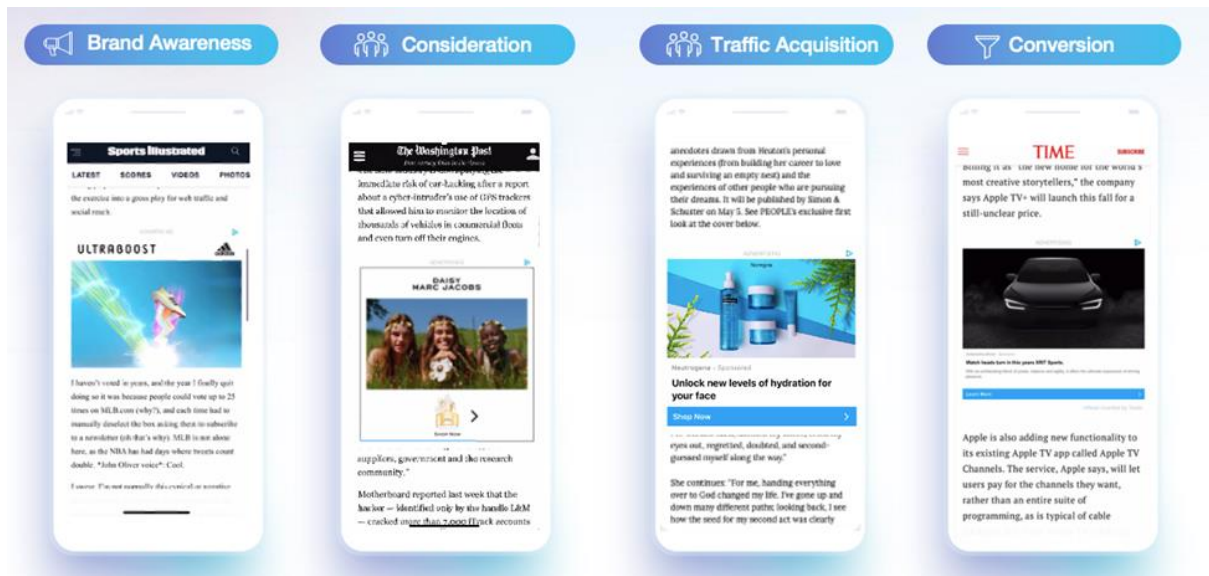
Online shopping now plays a firmly established role in customer behaviour - and not merely as a result of the pandemic. There is hardly a retailer to be found who can afford not to offer his/her products and services online. Online shopping is visibly shifting towards the mobile Internet. It is difficult to imagine life without the smartphone.

Around 84% of online time is spent using smartphones (please refer [Postbank](#)). Contrary to expectations, the pandemic, in which people were temporarily in lockdown and could, therefore, have turned to their computers or tablets more frequently, actually accelerated the trend towards using the Internet on a smartphone. (please refer [Mobile pains & incremental gains, Google](#)). Many people who never shopped on smartphones before the pandemic changed their behaviour during the pandemic. One can assume that even once the pandemic is over, users will at least partially retain this behaviour, which for them is something new, and continue to shop in the mobile Internet or via mobile apps.

For retailers, this means now more than ever that a good user experience on mobile terminal devices is absolutely critical, if their businesses are to be successful. Since the usage context is a decisive factor when using a smartphone -unlike when a computer is used -aspects such as relevance and speed along the entire user journey now play an even greater role.

Mobile Advertising Campaigns throughout the Marketing Funnel

In general, advertising campaigns in mobile environments are suitable for all the objectives throughout the marketing funnel. However, the advertising medium should be adapted to the objective of the campaign and be optimized for the terminal device in question in a creative manner. Appropriate campaign examples for the different communication phases are presented below:

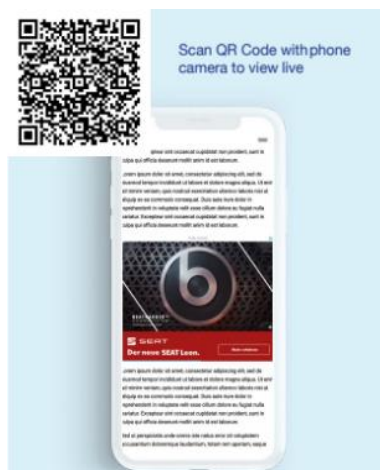


Upper Funnel = Brand Awareness:

The objective of an awareness, resp. branding campaign, is to make a brand or product known or to enhance the image of this brand or product. The primary KPIs in this connection are brand lift, sales lift and ad awareness.

To achieve this, the reach is maximized and optimized from an in-view time perspective. Hero videos in landscape or square format are the most suitable for this purpose. TV creatives are often used. To improve brand awareness in the mobile environment, a branded skin should definitely be added to convey the brand logo and/or core message. Images that are animated via a flow or scroller effect are also suitable to achieve the objective of the campaign.

Example:



Examples of Awareness Creatives

Live and Reels



Video Scroller



TV combined with online video



In Feed Ads

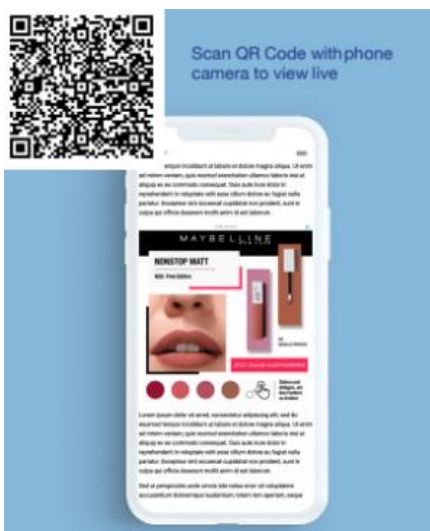


Mid-Funnel = Consideration:

In the middle of the marketing funnel, advertising is intended to convince potential customers of the benefits of a particular product or brand. The campaign, therefore, aims to highlight the reasons for buying, actively engage the target audience or lead qualified traffic to a landing page. To achieve this, the products and services must be presented to a relevant audience and engagement with the advertising medium needs to be secured. To ensure that users actively engage with the advertising medium, interactive and innovative advertising media need to be used - ones that stand out from the rest in terms of their creativity or functionality.

Various video ads in square or vertical format, such as 3D video cubes, shoppable and scroller videos, are suitable for achieving these communication goals. Display formats that encourage corresponding interaction via scrolling, swiping and touching smartphone functionality are particularly suitable. Examples of these include scroller, flow, and carousel ads.

Example:



Examples of Consideration Creatives

Product Tags



3D Cube



Conversion API



Live Shopping Ads

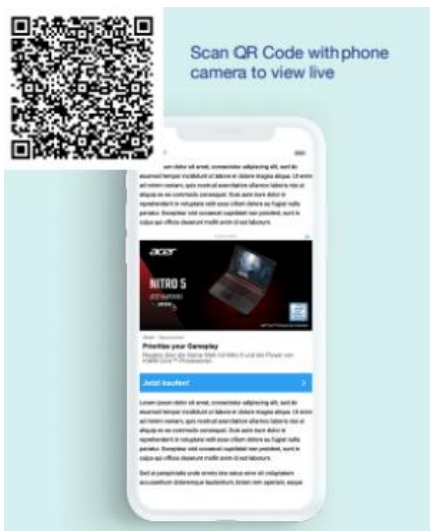


Lower-Funnel = Traffic Acquisition & Conversion:

At the bottom of the funnel, advertisers are primarily concerned with attracting new customers and converting traffic into sales, downloads, leads, or specific actions. The intention is to encourage users to interact with the brand. Based on this, the advertising medium is then optimized accordingly. It is, therefore, absolutely essential to integrate a call-to-action (CTA). In the case of so-called performance campaigns, care must also be taken to ensure that these are personalised as well as possible and posted in a target-group-specific and cost-efficient manner.

Accordingly, social media with user-generated content (UGC) provide a suitable environment. Social extend formats extend these performance campaigns into high-quality editorial environments with semantics and context-based postings - simply and efficiently. Display advertising campaigns with CTA integration are most suited to this purpose.

Example:



Examples of Brandformance / Performance Creatives

Carousel



Sponsored Tag



Subscription Campaign






Location targeting and geo relevant creatives



The following overview illustrates the different mobile advertising options according to campaign objective and targeted key performance indicator:

Mobile advertising options according to campaign objective and targeted key performance indicator

		Medien KPIs	Format & Ad Experience
Increase brand or product awareness Primäre KPIs: <ul style="list-style-type: none"> • Ad awareness • Brand lift • Sales lift 	Maximise reach Reach as many people as possible.	<ul style="list-style-type: none"> • Maximise unique viewers • Maximise unique viewers within 24 hours 	Video: <ul style="list-style-type: none"> • Landscape square Display: <ul style="list-style-type: none"> • Flow scroller
	Optimise reach Optimise the in-view-time and/or concentrate on your most important objectives.	<ul style="list-style-type: none"> • Viewable impressions • Completed views • In-demo/% on target • Incremental reach vs TV 	Video: <ul style="list-style-type: none"> • Landscape square Display: <ul style="list-style-type: none"> • Flow scroller
Increase consideration through engagement or traffic acquisition Primäre KPIs: <ul style="list-style-type: none"> • Consideration • Purchase Internet lift • Foot traffic • Time spent / session • CPVisit / CPC • Bounce rate • Sales lift • New user ratio 	Highlight reasons for purchasing Present your product/service to the relevant audience and guarantee engagement.	<ul style="list-style-type: none"> • Completed views • Viewable impressions 	Video: <ul style="list-style-type: none"> • Landscape square Display: <ul style="list-style-type: none"> • Flow/scroller/carousel Search
	Actively engage the consumers Engage the users through highly interactive and innovative advertising experiences.	<ul style="list-style-type: none"> • Interactions / dwell time 	Video: <ul style="list-style-type: none"> • Shoppable video square • Vertical scroller video • 3D cube Search
	Acquire traffic Achieve qualified visits (15s or 2+ page visits) on your brand web page.	<ul style="list-style-type: none"> • Clicks • Qualified Visits • Qualified incremental visits 	Display: <ul style="list-style-type: none"> • Single image carousel Video: <ul style="list-style-type: none"> • Landscape/square Search
Increase conversion Primary KPIs: <ul style="list-style-type: none"> • CPA • CPL 	Promote results in the lower funnel Encourage consumers to interact with your brand and optimise the cost per lead, campaign or purchase.	<ul style="list-style-type: none"> • Cost per action 	Display: <ul style="list-style-type: none"> • Single image • Social extend Search

Campaign Objective and Usage Situation

When planning a campaign, it is further important to note that there is no such thing as a one-size-fits-all solution. Accordingly, the planning - from a media and creative perspective - must not only be painstakingly aligned to the campaign objective and the usage situation, but also to customer and usage expectations, in order to achieve an optimum impact.

The crucial question is why users come to a specific platform or want to use a specific product. On video platforms, the entry point is frequently a specific video that users want to watch. This video - and potentially others - are then consumed in a lean-back situation. In this case, the user assumes that he/she will receive information on a certain topic or be entertained by a certain video.

During the planning process, one must consider what is expected in terms of content as well as concept during the pre-roll, mid-roll and post-roll stages. For example, 9 out of 10 users visit YouTube with the clear expectation of also being able to hear the sound that accompanies the video (please refer to "YOUTUBE (LEAN BACK) VS. FACEBOOK (LEAN FORWARD)" and "[5 charts that prove viewability and audibility together are key to video ad effectiveness](#)").

On the other hand, there are some lean-forward situations, when using social media, for example, where it is unclear to the users as to what specifically awaits them and where they simply intend to let themselves be positively surprised by either entertainment or information. Accordingly, every post, resp. story, is vying for attention, which is why sound-off should be considered in such cases.

Advertising with Sound or preferably without?

Most advertisers believe that audio strongly enhances the impact of a visual, thus making it a crucial element in a successful campaign - but what does this mean for advertising that is consumed on a mobile phone? What matters here is the usage situation. When a user intentionally watches video content on an appropriate platform in a lean-back situation, it is fine to broadcast the sound - the sound on a mobile phone is usually turned on.

However, the situation is different, for example, on a train, at work, or even at home in a second-screen usage situation: More and more people are now receiving content without any sound. Therefore, a new understanding of the role that sound and images play and the impact of these on the attention factor and emotional attachment to the respective advertising needs to be developed. Just under half of all users turn off the sound on their mobile phones in public - amongst those aged 24 and under, this figure actually rises to just under three-quarters ([Censuswide and Teads study 2018](#)). Brand names should, therefore, definitely consider how to optimise their ads, where required, so that they can also be understood without sound.

Less is More - Two Key Success Factors

1. Intelligent subtitles: Avoid irritation from conflicting subtitles and voice-over (lower emotional impact) - intelligent subtitles should disappear when the sound is switched on.
2. Align the sound to the image as best possible: Studies have shown that it is better to use no music rather than use music that interferes with the visual impression and reduces the emotional impact (information overload). Limiting cognitive load is crucial when ads are viewed on mobile phones. The combination of voice-over, background music, and subtitles in a dynamic video can make it difficult to process the information on a small screen.

When designing a commercial for a mobile phone, one should make sure that each individual component helps to convey the message rather than increase its complexity. A/B testing helps to measure the impact of individual components on overall engagement.

Optimise Ads with Voice-over and Dialogues from a Sound-off Perspective

Ads that contain voice-over and dialogues are better perceived when delivered with sound. If this is not the case, captions (superimposing words on the advertising medium), emoticons or graphics may have a supportive effect. Subtitles for dialogues in video content, in particular, are still used far too rarely today, even though these have been shown to have a positive impact on attention quality, measured according to the proportion of a video that recipients were able to follow attentively - both for voice-over spots and spots involving dialogues with people.

Strong visual storytelling is key to engagement. Effective creatives have a very strong visual narrative that can work with or without sound (please also refer here to the [Teads study](#)).

Creatives - What needs to be Considered?

Quite often, advertising for mobile devices does not get the attention that it deserves during the creation phase. All too often, the same advertising strategy is rigidly applied to both mobile and traditional channels. However, several independent studies have shown that an unmodified or only slightly adapted TV spot does not lead to the desired success on mobile devices - in the same way that a mobile spot would not work on a cinema screen. Therefore, it is important to consider and coordinate the individual channels during the creation phase. For a mobile-first approach, the following points, in particular, need to be considered:

1. In order to attract the attention of the users, it is important to arouse the interest of the viewers and to encourage them to stay tuned. In addition, the brand or product should be integrated naturally, whereby the creative should trigger specific emotions. Finally, potential buyers should be encouraged to act through a clear call-to-action.
In a global YouTube study, ads that took these guidelines into account resulted in a 30 % lift in short-term sales and a 17 % lift in long-term brand contribution (please refer to [YOUTUBE: ABCD Framework](#)).
2. Since mobile advertising is often consumed "on the go", it is not always a good idea - or desirable - to use sound (see above) - captions increase the attention quality of ads without sound.
3. Performance branding (brandformance) is currently gaining in popularity - and at the bottom of the marketing funnel, creativity is just as important as it was at the beginning. According to a [Meta study](#), campaigns that combined still images with videos achieved a 17% higher increase in conversion rate than campaigns that only contained static images. Product-orientated content also efficiently pushes business results upwards - generating 71% more views than content lacking a clear product focus.
4. Regardless of the platform used, the most crucial thing of all is to be and remain open to experimentation. A test-and-learn strategy should be pursued on an ongoing basis in order to learn what works best in which situation and for which user groups. Here, advertisers should maintain an open-minded approach to the results as these results - i.e. which creatives and which strategies work best? - might often prove surprising.

5. When considering mobile Internet connections in particular, it is important to cut back on load size. In this connection, please also refer to the specifications of the [IAB on Lightweight Ads](#) and the commonly recommended maximum load size of 150 KB to achieve fast loading times - up to a maximum of around 2 MB, in as far as the loading process is not initiated by the user (please refer to the [Google recommendations](#)).

Target Group Addressability and Measuring Success

To date, the advertising industry has been spoiled by a variety of options when it comes to targeting and measurability and being able to pull on KPIs that are right up to date and permanently available. However, one expects to see targeting and measurement significantly restricted by legislation on the one hand and important market players on the other - and that these will become less granular and instantaneous in the future. Today, users are increasingly being asked about their preferences - both in the web and within the apps - and sensitivity regarding data privacy is expected to increase even further.

In addition to ID-based approaches, market players are now developing complementary models - such as contextual targeting, data clean rooms, [Google Ads Data Hub](#) or the [Privacy Sandbox](#). Please also refer in this context to IAB Europe's [Guide to the Post Third-Party Cookie Era](#).

Thus, the following also applies to mobile marketing: Measure the portion that is measurable and model the remaining portion (the data gap - which also partially results from the fact that the target group has not consented to tracking) based on the available measurement data or alternative data points. This is already being done in part based on machine learning.

In addition, incrementality testing of the marketing channels, during which a test group is measured against a control group, can be carried out. However, this methodology is generally more suitable for longer-term observation and not for statistical needs on a daily basis. Media/marketing mix modelling methods are also implemented over longer periods of time.

It is still possible to attribute generated installs to a particular campaign through Apple's SKAdNetwork. However, this is no longer a granular breakdown at user level and, depending on the channel, the attribution window reported may only remain valid for 7 days.

For large brands and shops, it may pay to develop their own tools and (machine learning) models - but the majority of the players in the sector are most likely to rely on existing solutions and specialised service providers for support with measurability and attribution.

Server-side tracking as a possible option is still in its early stages of development – but although this is offered by the larger market players, it also requires consent to be provided via a consent query so that it also has its data deficits.

Possible data points that can be observed/measured and thus serve to support insights modelled on these include first party cookies, IDFA/Android IDs; platform/marketing channel API data and "similar data sets."

A distinction is made between the following: Campaign-specific KPIs (CTR / click-through rates, CTI / Click to Install / conversions), App store-related performance (app store conversion rate) and install-related values (such as organic vs. paid installs and the share of remarketing conversions).

Current Trends and Outlook

A better click-through rate, a higher conversion rate, and lead generation: These are what good advertising aims to achieve. The classic display ad is a thing of the past. Today, the ads are more attention-grabbing and prompt clicks by arousing the user's curiosity and showing him/her, using multi-sensory techniques, what benefits the advertised product offers.

Playable Ads:

These are playable, interactive ads that allow users to try out the core features of an app or game, just like a free demo. This allows the product to be tested in a playful manner before committing to a download - rather than simply viewing a static image or passively watching a video ad. Playables have proven to be effective when it comes to increasing conversion rates and user retention levels - which ultimately significantly increases download rates.

Advantages: Uninstall rates drop because users get a good impression of what to expect beforehand. In turn, the advertiser can pull user behavioural data from these playable ads and gain insights from this data.

However: Presently, in the social media space, playable ads are only available for games. In the future, we may also see such mechanics for other products.

Shoppable Ads:

In the past, consumers became aware of a product by seeing it on a billboard, in a magazine or in a television commercial. If they wanted to buy the product, they had to hope that it was available at a local store.

Today, products can be purchased online literally within seconds of first discovering them - it only takes a few clicks. This means that not only can an ad appear right at the top of the sales funnel, it might also lead to a direct conversion.

The following ads are currently available:

- Facebook & Instagram collection ads
- Pinterest collections
- Instagram shopping ads
- YouTube video action campaigns with product feeds
- [Teads inRead Shoppable](#)

They all have one thing in common: The advertiser appears with his/her products precisely where the interest lies so that potential buyers have already been pre-filtered according to their interests and do not have to overcome any major hurdles to purchase.

Scroll-driven and Experience Ads:

When they were first animated with a story, the classic display ads attracted much more attention than classic stills. So how can even better use be made of this effect? The human brain reacts to movement - but even better to movement that it has triggered itself.

Scroll-driven ads work just like animated display ads with a story normally do. However, the story does not simply run automatically - its progress is controlled by how the user scrolls. Scrolling down runs the story, stopping pauses the story and scrolling upwards rewinds it. This attracts attention in a major way. A/B testing has shown that click-through rates of around 1% are achieved through scroll-driven ads. In comparison, the benchmark for classic display ads is 0.2%.



Experience ads, on the other hand, work using a different mechanism. They offer added value by integrating photo galleries and videos, for example, thus arousing curiosity. In addition to galleries, other added values may also be offered, such as situational data (pollen count, traffic data or real-time sports results), which benefits the users. Large-sized advertising formats, such as half-page ads, are particularly suitable for linking galleries and videos.

5G: What is Possible Today and will be Possible in the Future?

The 5G network enables data to be transferred significantly faster than its predecessor. Three-dimensional models allow the product to be experienced via a smartphone camera: The sofa can be virtually placed in the living room to check whether the size and colour match the rest of the furnishings before going to the furniture store.

A true buzzword when it comes to the new generation of mobile communications is real-time content personalisation. Hyper-targeting is expected to become even more granular. 5G will also amplify the ways in which advertisers can communicate with consumers and provide more comprehensive options.

Conclusion

The most important points for achieving optimal success in the field of mobile advertising are summarised below:

1. The context and usage situation must be taken into account right from the outset - this applies to the message itself, the creation process and also, where appropriate, whether to include sound in the campaign.
2. For every campaign objective, efficient and effective ideas and formats also exist in the mobile environment.
3. There are no general solutions - mobile is not simply "small-scale cinema" but instead requires authentic creativity and the conscious implementation of test-and-learn approaches in order to be able to optimise the campaign on an ongoing basis.

4. When it comes to measuring success, classic KPIs are going to find themselves supported by modelling to an increasing degree because the number of measurable data points is on a downwards trend.
5. Interactivity - advertising media and campaigns are increasingly exploiting the possibilities offered by mobile terminal devices and their inherent functions and touchscreens.

Authors

Markus Geimer

Senior Manager Digital Consulting & Planning, UM/Universal McCann

Kira Grabner

Agency Partner, Meta

Sebastian Grebasch

Mobile Growth Lead, Google

Björn Radau

Senior Director Marketing & Communications, Teads, Chair of the BVDW Digital Video Focus Group

Julia Wittich-Sauer

Director Business Development CEE, Criteo, Deputy Interim Chair of the Metaverse committee at BVDW

Dominik Wöber

Head of Web & App Solutions, Central Europe, Google, Deputy Interim Chair of the Metaverse committee at BVDW

BVDW contact:

Katharina Jäger, Digital Marketing Consultant