MoPub’s Marketer Program
Vertical Spotlight: Retail

Retail marketers, are you taking advantage of the programmatic opportunity?

MoPub’s Marketer Program is tailored specifically to the needs of marketers looking to expand their adoption of mobile RTB. We know that vertical-specific insights are key for marketers planning their programmatic investments, and have compiled the latest retail intel in this report.
Industry outlook

Retail is the biggest digital advertising spender, and the majority of that spend goes to mobile. The retail industry spent more than $16.3 billion on mobile advertising in 2018 (representing 69.5% of total digital ad spend)\(^1\). Historically, retailers have often preferred going direct to publishers for media buys, while running highly targeted campaigns\(^2\). Today, retail marketers still aren’t investing in programmatic as heavily as other industries\(^3\) — which means the mobile programmatic opportunity is massive for this vertical.

Apps are where the dollars (and time) are.

80% of US app users have at least 1 retail app on their phone\(^4\)

45% have 5+ retail apps\(^4\)

In 2018, consumers spent 18 billion hours in shopping apps globally\(^6\).

Retail m-commerce transaction share (N. America, 2018)\(^5\)

30% in-app

70% mobile web

Where are mobile marketing budgets going?

90% of retailers increased their marketing budgets in 2018.

72% of retail marketers use mobile marketing to drive in-store sales.

51% of retailers believe offering exclusive promotions for mobile app users will positively affect sales growth\(^7\).

How much does seasonality matter?

We all know that certain times of year have consumer shopping spikes for retails. But although there are strong seasonal identifiers, the shopping cycle for consumers is much longer than it used to be. People are starting the discovery cycle earlier; millennials, specifically, are purchasing later\(^8\).

Recommendation:
Keep seasonality in mind, but don’t be tied to it — and be sure to think globally. Black Friday and Cyber Monday are huge, but the biggest single e-commerce day in history was Alibaba’s Singles’ Day, which brought in $30.8 billion in 24 hours on November 11, 2018. More than 180,000 brands participated\(^9\).
App user acquisition, engagement, and retention are challenges for many retailers as they look for the right value proposition to offer customers. It’s important for marketers to engage with users at all stages of the marketing funnel — it’s not enough to just capture attention initially. Smart retargeting with different creatives can be used to drum up continued interest and move users down the funnel to make a decision and eventually take action.

### Leading goals for retail app marketers:

- **71%** User acquisition
- **30%** Brand awareness
- **29%** Retain audience

### Top concerns for retail marketers:

**Return on ad spend (ROAS)**
- On average, it costs an online retailer $58.35 to get a consumer to install and make a purchase in-app.
- The good news: This cost decreased 23% from 2017 to 2018.

**Successfully navigating an omnichannel world.**

**Churn**
- One month after download, on average 53% of retail app users are no longer using the app.

### Closing the loop: Impression-level revenue data

Return on ad spend is a top concern for retail marketers — but finding true ROI and LTV for each app user depends on the availability of the right data. Impression-level revenue data can help app publishers understand the true value of each user, which allows marketers to make more informed UA decisions by attributing ads revenue back to the campaigns that acquired those users. This can then signal app marketers to focus on increasing their spend on those channels in an attempt to acquire more similar users.

Learn more at https://www.mopub.com/impression-data.
Ad formats: Opportunity to innovate

In its 2018 Video Ad Spend survey, the IAB found that retail, along with the financial and health and beauty sectors, is slower to adopt new ad formats (voice, VR/AR, 360 video) than other verticals.\(^{13}\)

On MoPub’s exchange, the top formats retail marketers spend on are banners (35% of spend) and fullscreen static ads (28%) — two of the oldest and least innovative ad formats available. Only 2% of retail spend is going to VAST video.

Recommendation:
Retail marketers should look to experiment with more engaging ad formats to see how these may improve campaign performance. Mobile in-app video ads (both VAST video and rewarded video) have seen great success driving engagement for other verticals. Marketers should test creatives throughout their campaigns that deepen loyalty to the app but also focus on driving sales.

Fighting fraud

Across verticals, retail apps are at the highest risk for mobile app install fraud — no surprise, as fraudsters follow the money.\(^{14}\) To reduce the risk of fraud, it’s incredibly important for retail marketers to protect themselves at all stages of the supply chain.

Recommendation:
While fraud is a growing problem, ways for buyers to fight fraud are also expanding. Make sure you know your supply sources, and their plan for managing in-app ad fraud like invalid traffic (IVT). Ensure you have the shortest path to supply and that your SSP has direct relationships with publishers. Your measurement partners and your SSP’s traffic quality partners can play vital roles in mitigating ad fraud.
As a programmatic platform, we have unique insights into retail spend around the globe. Retail spend on our exchange is distributed across 109 different DSPs.

**GEOS**
- **45%** NAM
- **26%** EMEA
- **25%** APAC
- **4%** LATAM

**Popular ad formats**
- **35%** Banner
- **28%** Fullscreen static
- **25%** Native
- **9%** Medium rectangle (mREC)
- **2%** VAST video
- **1%** Rewarded video

Retail marketers account for 13% of spend across MoPub’s exchange.

**Top publisher categories**
We see retail spend across 13,960 different apps. The top categories:
- **Utilities** 21%
- **Games** 48%

Source: MoPub Marketplace internal data, Q1 2019
Interested in learning more about mobile programmatic best practices?

**MoPub’s Marketer Program is here to help.**

“MoPub's Marketer Program has helped us immensely in developing our programmatic strategy. Their expertise and assistance was key to better understanding our opportunities and growing our campaigns. We’ve leveraged their team to ensure traffic quality and performance, find new sources of inventory, and help strategize on new initiatives and geos.”

—Adrián Sarasa, LetGo

Get in touch with us today.
mopubs-marketer-program@twitter.com
www.mopub.com

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