

Global Digital Audience Report

July to September 2013

TURN



The Turn Digital Audience Report | July to September 2013

The Rise of the Cross-Channel Brand

Global marketers now have an unprecedented opportunity to reach across channels to engage in meaningful conversations with consumers moving from device to device, shifting formats and media. A recent Forrester study reveals that 90% of adults use three different device combinations to complete one simple task, such as booking a restaurant table or buying a pair of pants. And the increased time consumers spend watching videos and checking Facebook is being noticed by marketers and matched with ad spending from New York to London, from Sao Paulo to Tokyo. In 2013, we see brands ramping up quickly to keep pace with ever-moving consumers, following them across mobile, video, display, and social media. That's why the "rise of the cross-channel brand" is the perfect theme for our latest report.*

Earlier this year, we introduced the Digital Elite, a high-income group of consumers that represent the top 2% of the online audience and attract more advertising spending than any other group. That audience exhibits the most cross-channel behavior of any segment worldwide. Now we're flipping the script and taking the marketer's perspective to look into how quickly brands are launching cross-channel strategies, what types of advertisers are seeing the greatest ROI from going cross-channel, and the real impact these campaigns have on consumer engagement.

What these best-in-breed global advertisers all have in common is an "audience first" marketing strategy. They use data and analytics from a technology platform such as Turn's to find their most valuable audience and target them on the right device and the right channel, at the right time, with the right message. The key questions for marketers: What combination of insights and technology can you use to get the right message to a media-agnostic consumer? What can you learn from best practices gleaned by analyzing the rise of cross-channel brands?

This report showcases insights we've gained from the most recent quarter, July to September 2013. We dive deep into the data pertaining to the rise of the cross-channel brands to provide actionable data. Our goal is to help advertisers follow their example and lead data-driven, audience-first strategies across every media channel, format, and device. We also include core global trends in eCPM pricing and formats to provide a snapshot of market forces and the media spending landscape.

Key insights for the quarter include:

- There's been a 137% increase in brands going multichannel in 2013.
- Advertisers who move from a single channel to two or more channels see an average 3x improvement in ROI.
- Demand for Facebook advertising has witnessed dramatic growth, with eCPM increasing more than 16% this quarter and almost doubling since the first of the year.
- Display ad eCPM grew 5% during the quarter, while mobile and online video eCPM were essentially unchanged.

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*Download last quarter's Global Digital Audience Report at www.turn.com/proof/#digitalaudiencereport

The Rise of the Cross-Channel Brand

Turn data shows an explosion in cross-channel ad strategies in 2013. The drive for ROI is sparking marketers to think “audience first” and create strategies that target and engage consumers when and where they’re most receptive.



137% INCREASE in the number of brands advertising across multiple digital channels this year.



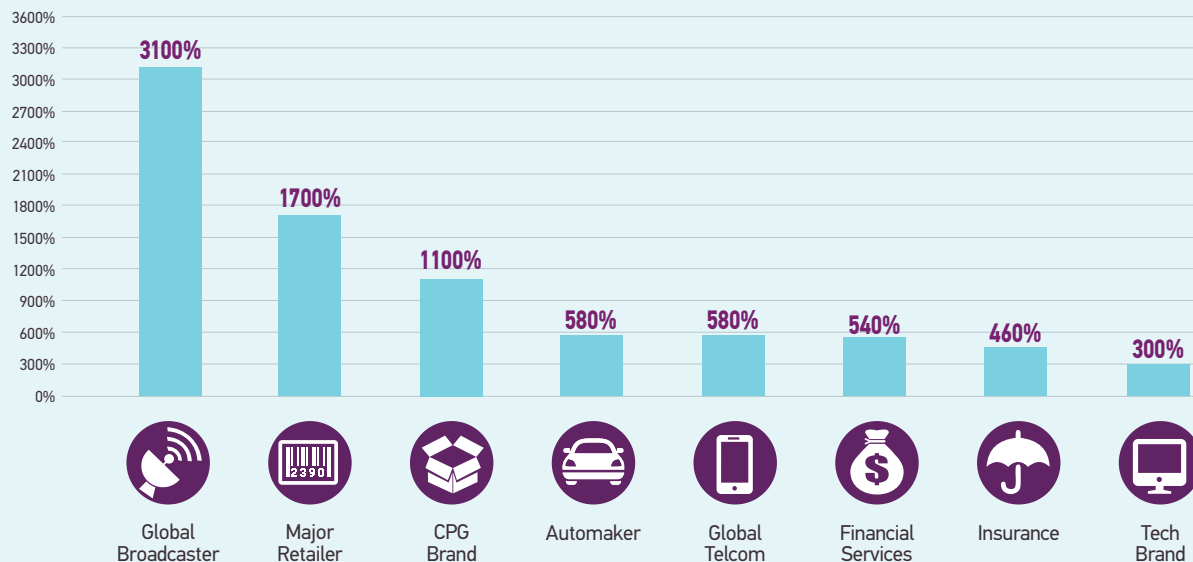
500% INCREASE in brands that advertised in all four digital channels.



3x INCREASE in advertising ROI for brands moving from single to multiple channels (average).

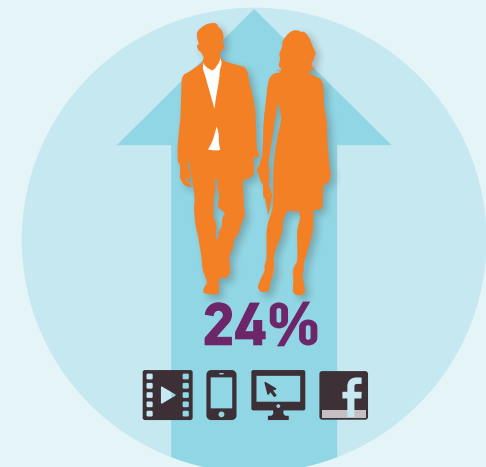
Best-Performing Brands, January to September 2013

Campaigns across multiple channels—mobile, display, social, video—delivered the highest ROI for these brands in the US, EU, Latin America, and APAC.



How Cross-Channel Drives ROI

Consumers who see ads in multiple channels convert 24% more often than those who see them in one channel.

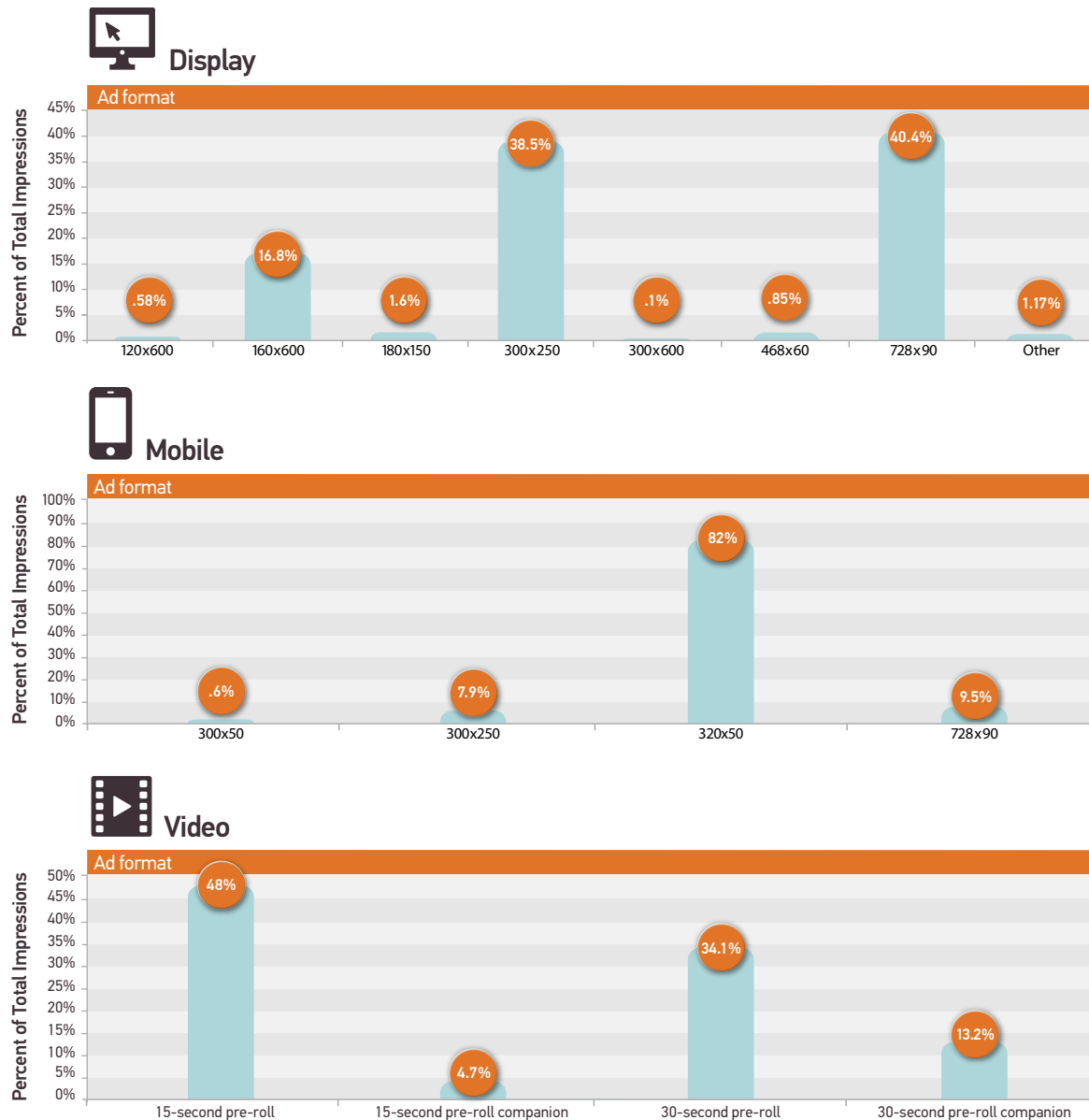


ROI = KPI Goal / Actual KPI

For example, a campaign with a goal of \$10 eCPA that comes in at \$5 eCPA has ROI of 200% (\$10/\$5=2).

Q3 Global Ad Format Trends

Reaching Relevant Audiences Across Online Channels

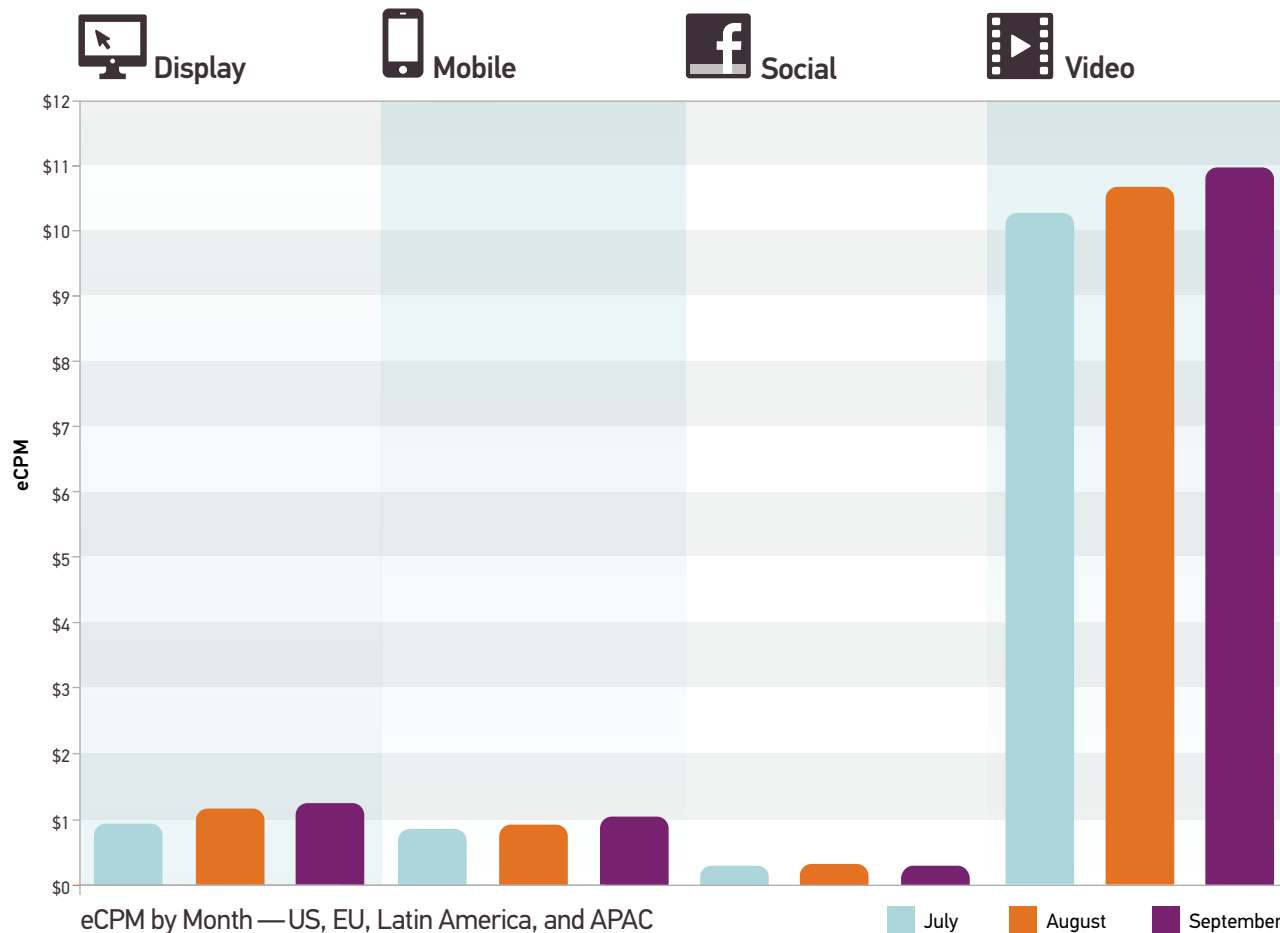


Ad Format Trends

- Facebook and Facebook Exchange ads represent the vast majority of advertising in the social channel.
- Display advertising has been consistent with larger formats attracting interest in Q3 2013.
- More mobile in-app inventory is becoming available, and higher-converting mobile formats are attracting ad dollars.
- Video advertising is moving more into standardized high-performing formats such as 15-second pre-roll, which is optimal for leveraging brand video assets.

Q3 Global Ad Spend Trends

Worldwide eCPM Averages Across Display, Mobile, Social, and Video Channels



Insights

Display ad eCPM continued to climb, moving from \$1.22 in Q2 to \$1.28 in Q3. Global impression volume is stable, but the summer lull has given way to amped-up back-to-school/holiday media buys starting at the end of September.

Mobile eCPM increased marginally from \$1.01 in Q2 to \$1.02 in Q3. An increase in impressions available is keeping pace with revved-up demand, with more dollars moving to digital and mobile.

Top advertisers continue to drive demand for Facebook and Facebook Exchange ads, which attracted \$0.45 eCPM in Q3 vs. \$0.39 eCPM in Q2. It's been an astounding year of growth for Facebook advertising, with eCPM up 87% year to date.

While pricing increased July through September, online video eCPM remained essentially unchanged this quarter dropping marginally from \$11.03 in Q2 to \$10.97 in Q3, with volume staying consistent.

4.9%
Display

.9%
Mobile

15.4%
Social

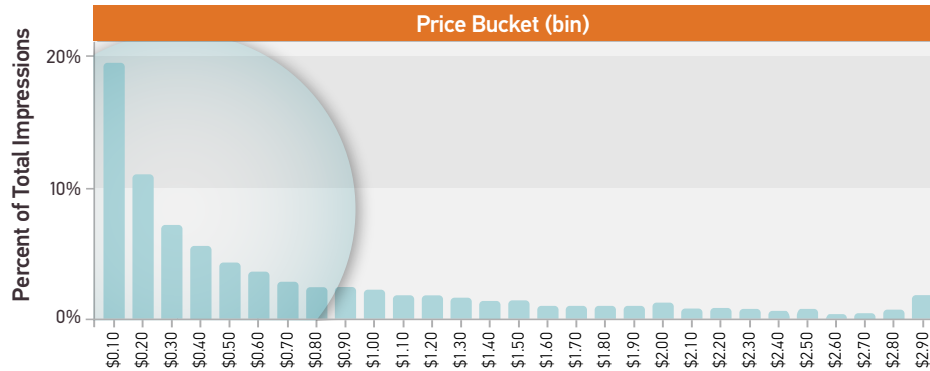
.54%
Video

Q3 Global Ad Spend Trends

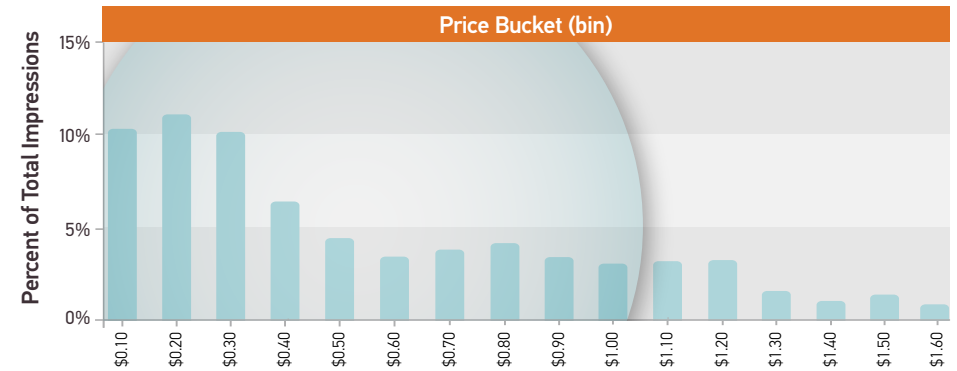
Worldwide eCPM for Display, Mobile, Social, and Video Channels



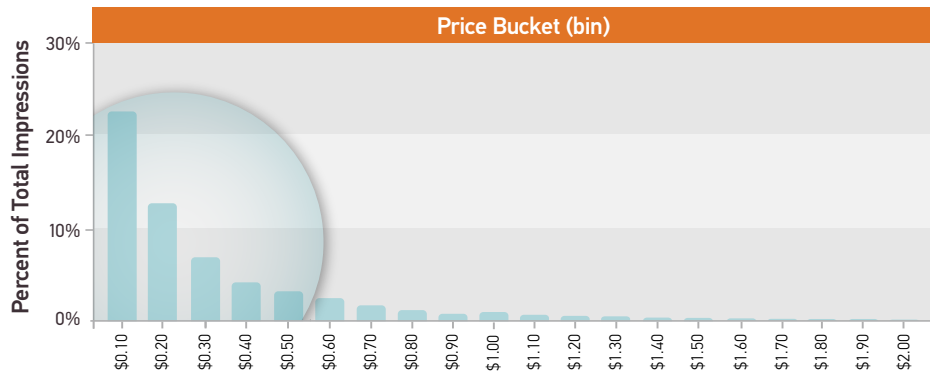
Display: 53% of impressions are in the \$0.10 – \$0.80 range.



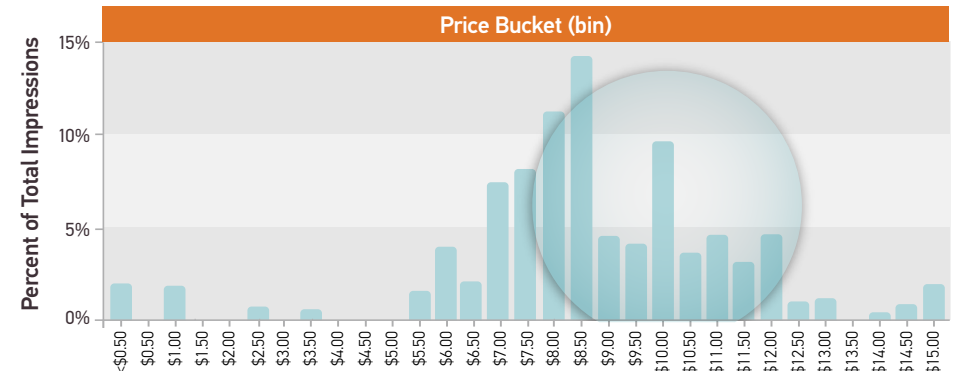
Mobile: 60.6% of impressions are in the \$0.10 – \$1.00 range.



Social: 50% of impressions are in the \$0.10 – \$0.50 range.



Video: 60.3% of impressions are in the \$8 – \$12 range.



About Turn

Turn delivers real-time insights that transform the way leading advertising agencies and marketers make decisions. Our cloud applications and Internet-scale architecture work together to provide a complete yet anonymous picture of customers, execute cross-channel campaigns, and connect with a worldwide ecosystem of more than 100 partners.

Every day, the Turn Cloud Marketing Platform makes nearly 100 billion advertising decisions and analyzes more than 1.5 billion customer attributes. Our robust architecture provides instant access—responding within 10 milliseconds—to over 2 trillion display, mobile, social, and video advertising impressions every month.

Data for this Global Digital Audience Report is based on activity on the Turn platform from July to September 2013. Audience characteristics are based on data from Turn inventory partners (www.turn.com/inventory-partners). Special thanks to Max Knight, Turn Director of Professional Services, for the analytics that yielded the insights in this report.

Turn is headquartered in Silicon Valley and provides its platform, products, and services worldwide.

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