

Global Digital Audience Report

TURN

April to June 2013



The Turn Digital Audience Report | April to June 2013

Presenting the World's Most Cross-Channel Consumers

Every marketer knows that global mobile use and mobile advertising are on an upswing. In fact, eMarketer expects the worldwide mobile ad market to grow to \$25B by 2016. But what's become increasingly clear is that other channels are also changing. With consumers spending their days and nights hopping from TV to iPad to smartphone to PC, there's no single place for marketers to find and reach their ideal audience. These peripatetic times call for a cohesive cross-channel strategy and an integrated approach to touching consumers across all media. That's why the "cross-channel consumer" is a natural theme for our new report.

Last quarter, we introduced you to the Digital Elite, a select group of high-income consumers that represent the top 2 percent of the online audience and command more advertising spend than other audiences.* Our previous report revealed the importance of the underlying technology and data that drive marketing decisions. The crucial questions for advertisers: Who is your most valuable audience, your "digital elite"? What are you doing to reach them effectively and efficiently across their media lifestyles?

This report showcases insights we've gained from the most recent quarter, April to June 2013—insights that are driving smarter marketing decisions around the world. We dive deep into the data pertaining to the Digital Elite to provide a new level of clarity and detail about who they are and how they are engaging with brands. We've discovered that they are the world's most cross-channel consumers and that within this top 2 percent are a range of preferences and characteristics, making the Digital Elite an incredibly diverse global group.

Key insights covered in this report include:

- Digital Elite consumers are four times more likely to engage with advertising across channels—display, video, mobile, and social—than everyone else.
- The cost for advertisers to reach this select audience is now 108 percent higher than for other audiences.
- Mobile advertising remains cost-effective, but the price is rising due to exploding popularity and constrained inventory.
- Advertising spend is pouring into social channels such as Facebook Exchange, yielding a quarter-over-quarter rise in average global eCPM.
- Display and video ads are continuing their upward pricing trends.

.....

Across the globe, the Digital Elite comprise an amazing range of consumer habits, lifestyles, and demographic characteristics—from the U.S., where this high-earning group has a fondness for fast food, to Australia, where they like to spend at upscale hotels but not at department stores.

.....

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

The Digital Elite

The World's Most Cross-Channel Audience

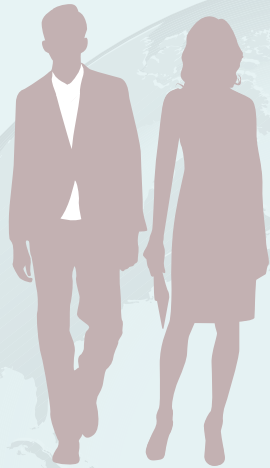
Turn data indicates that the world's most valuable audience, the Digital Elite, are also the most cross-channel, calling for a unified approach that touches consumers with integrated advertising on display, video, mobile, and social channels.



TOP 2% of the online audience **are 4x** more likely to have a cross-channel experience with brands than everyone else. **are 32x** more likely to interact with a brand across three channels than everyone else.

Around the World

The Digital Elite are likely to earn above \$76,900 a year (or equivalent), to be aged 21–34, and to be white-collar professionals.

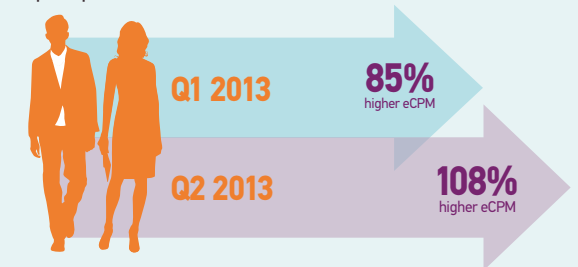


In these countries, the Digital Elite are likely to:

- US** Enjoy fast food, buy men's clothing, and hold an advanced degree.
- BR** Love soccer, play music, and spend at restaurants.
- UK** Watch documentaries and prefer running to golf.
- FR** Follow economic issues and respond to bargains.
- NL** Spend on books and travel, and enjoy field hockey.
- DE** Obsess over cars, follow politics, and love soup.
- IT** Watch dramas and spend on luxury clothing.
- HK** Prefer Apple products and invest in gold and tech stocks.
- SG** Enjoy cycling and soccer, and spend on clothing and cosmetics.
- AU** Spend on fine dining and upscale hotels, but not at department stores.

Cross-Channel Economics

In Q2 2013, marketers spent 108 percent more to reach the Digital Elite than to reach other audiences, up 23 percent over Q1 2013.



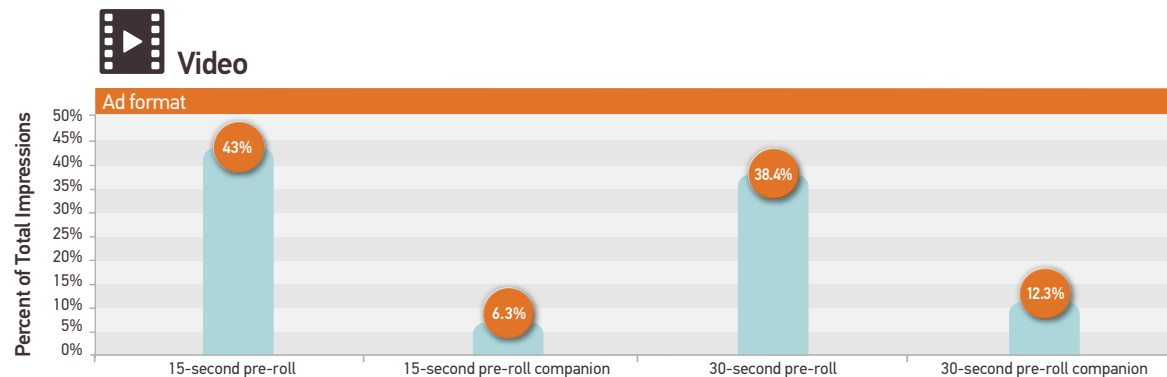
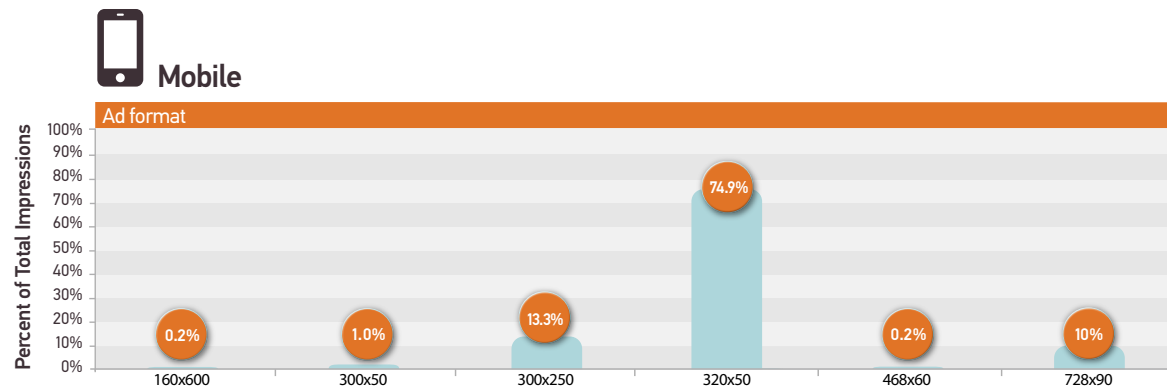
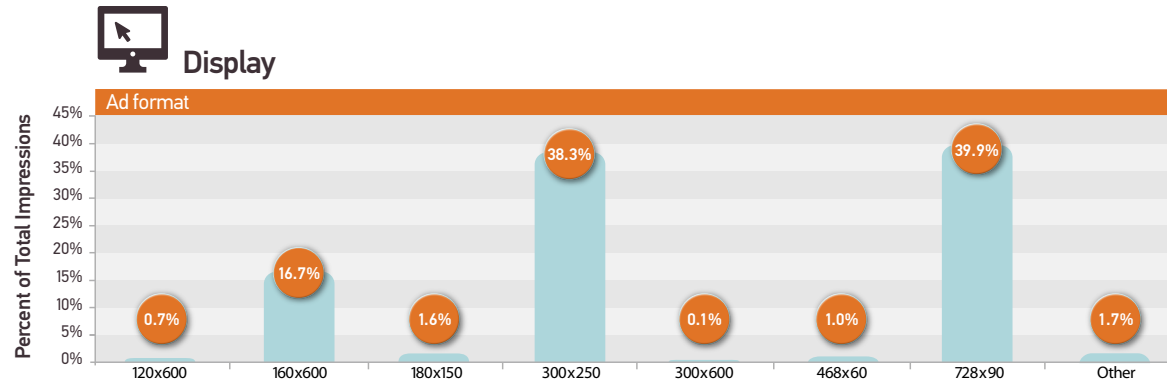
A top financial services advertiser used the Turn Cloud Marketing Platform to run a cross-channel campaign that resulted in a 16 percent savings in eCPA (effective cost per acquisition) and a 22 percent higher conversion rate.

$$\frac{\text{Spend}}{\text{Impressions}} \times 1000 = \text{eCPM}$$

$$\frac{\text{Spend}}{\text{Number of Actions}} = \text{eCPA}$$

What Ads Do They See?

Reaching Relevant Audiences Across Online Channels

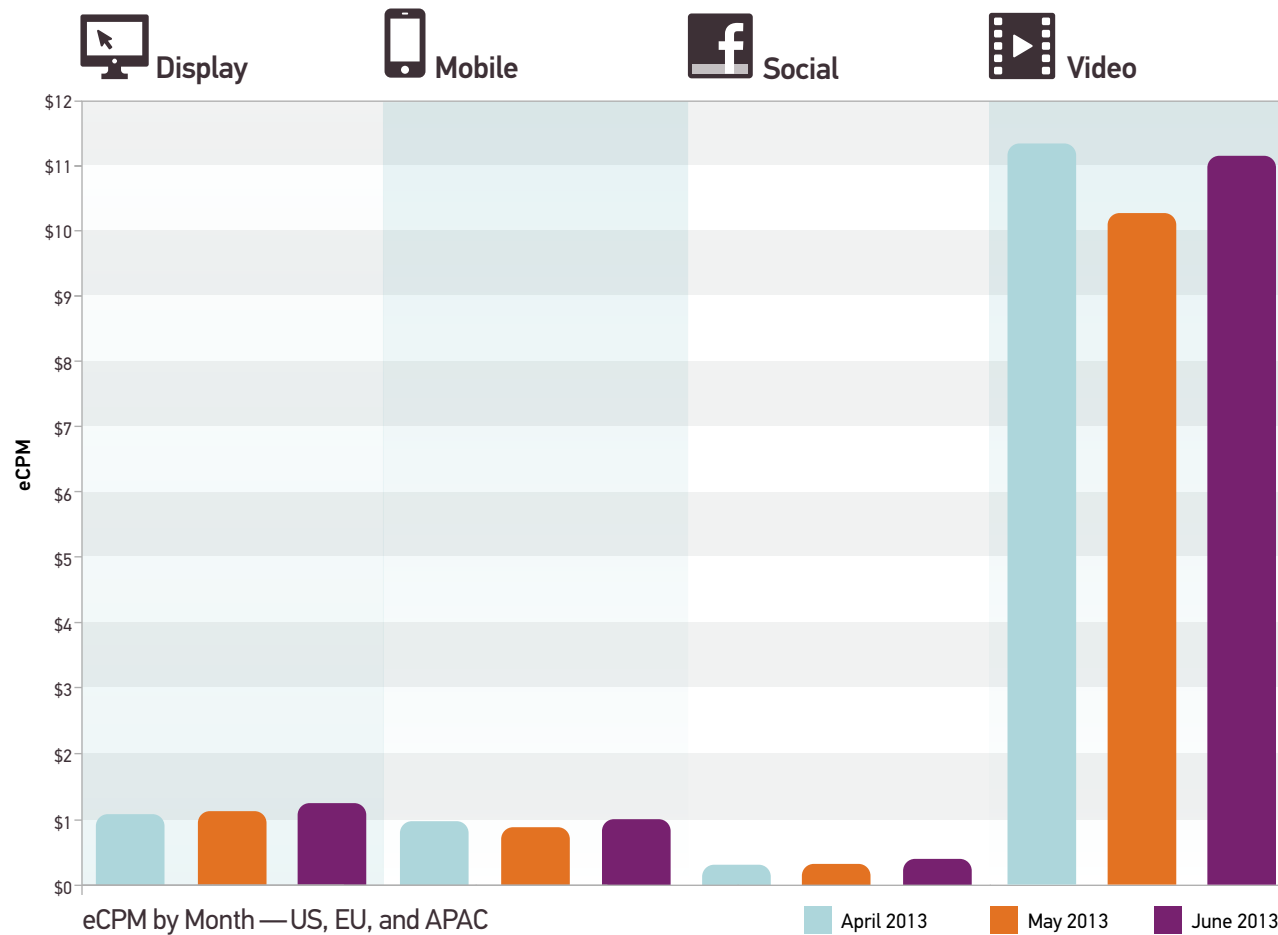


Ad Format Trends

- Facebook and Facebook Exchange represent the vast majority of social advertising.
- Display trends are shifting toward larger formats in Q2 2013.
- Larger mobile formats such as 728x90 are increasingly in demand as tablet advertising accelerates.
- 30-second pre-roll companion video ads more than doubled in Q2, as major brands try to reach digital audiences by repurposing their TV ads.

What Does It Cost to Reach Them?

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



Insights

15%
Display

Display ads moved from \$1.06 in Q1 to \$1.22 in Q2, due to growth of private marketplaces that help set floors on pricing and to advertiser use of paid data for inventory targeting.

40%
Mobile

Mobile eCPM skyrocketed from \$0.72 in Q1 to \$1.01 in Q2, reflecting increased demand for quality inventory and competition for higher-cost iOS inventory.

62%
Social

Major brands are looking to Facebook as a source of premium retargeting impressions. With 1B+ users, Facebook and Facebook Exchange ads are now fetching an eCPM of \$0.35, up from \$0.24 in Q1.

10.4%
Video

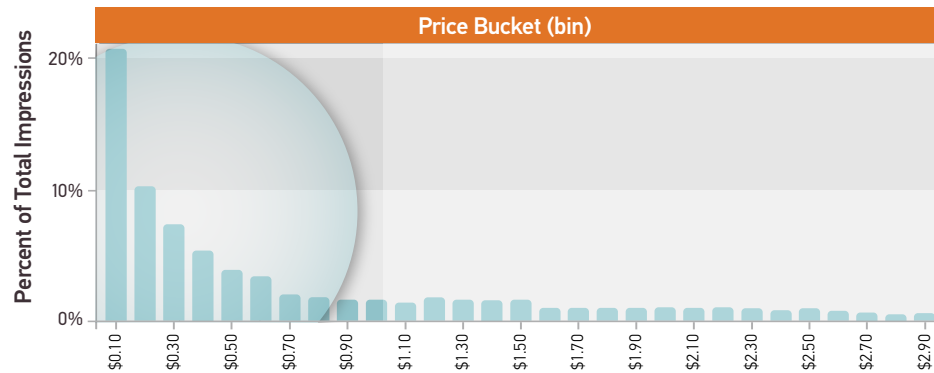
Online video became more expensive, up from an eCPM of \$9.99 in Q1 to \$11.03 by the end of Q2. Many impressions moved from the bottom of the price range toward the median, indicating a maturing market, with fewer easy buys at the low end.

What Does It Cost to Reach Them?

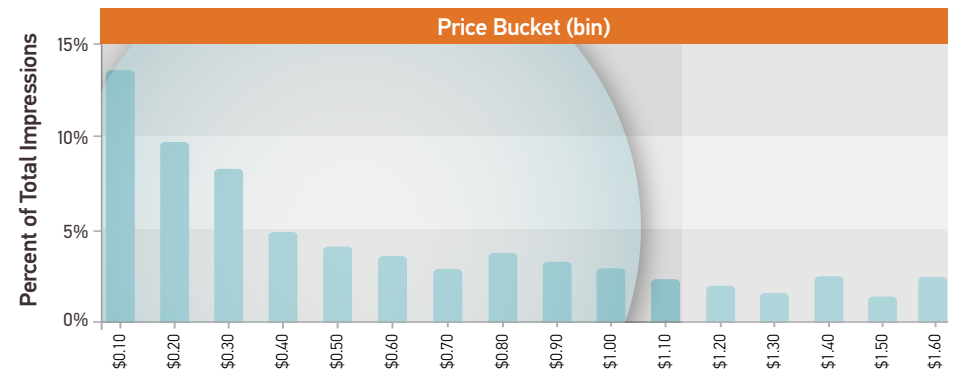
Global eCPM Trends for Display, Mobile, Social, and Video Channels



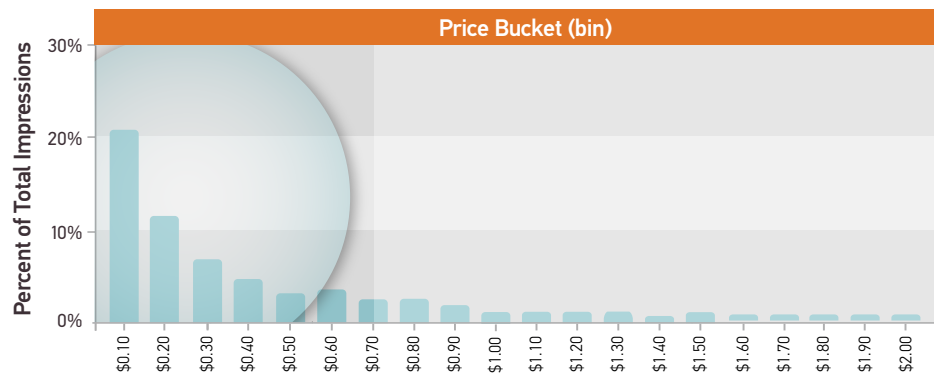
Display: 53.9 percent of impressions are in the \$0.10–\$0.80 range.



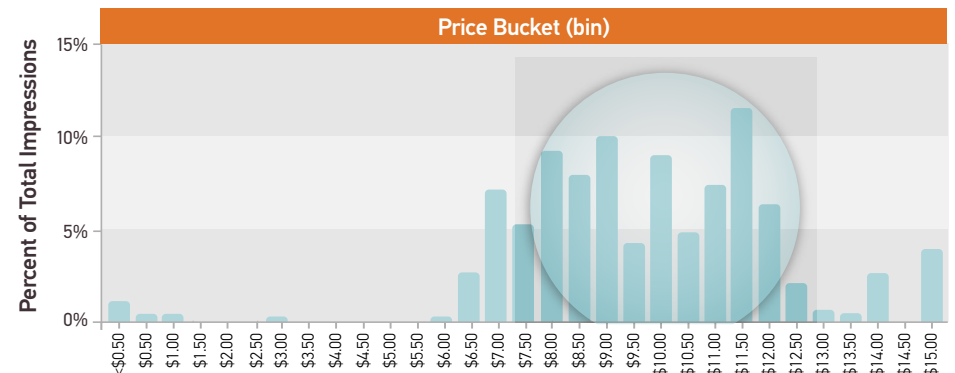
Mobile: 55.75 percent of impressions are in the \$0.10–\$1.00 range.



Social: 45.64 percent of impressions are in the \$0.10–\$0.50 range.



Video: 70.52 percent 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 over 75 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 April to June 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.

Visit www.turn.com. Follow us @turnplatform.

For more information:

Americas

Quynh Cline
quynh.cline@turn.com
1.650.362.6891

Europe

Helen Miall
helen.miall@turn.com
+44.20.7255.5665

Asia-Pacific

Rita Vannithone
rita.vannithone@turn.com
+852.6087.4576

For press inquiries, please contact:

Jonathan Gardner
jonathan.gardner@turn.com
1.646.339.8626