

BENCHMARK REPORT

The Audience On Demand® (AOD) Benchmark Report analyzes data pulled from AOD's centralized data warehouse, SkySkrafer, to inform clients about industry trends and help them better plan and optimize their media budgets. The following insights reflect display, social, mobile and video trends spanning Q3 2013 through the end of Q2 2014.

AOD / AUDIENCE ON DEMAND®

CPM TRENDS

DISPLAY CPM'S DEMONSTRATE 3 TRENDS

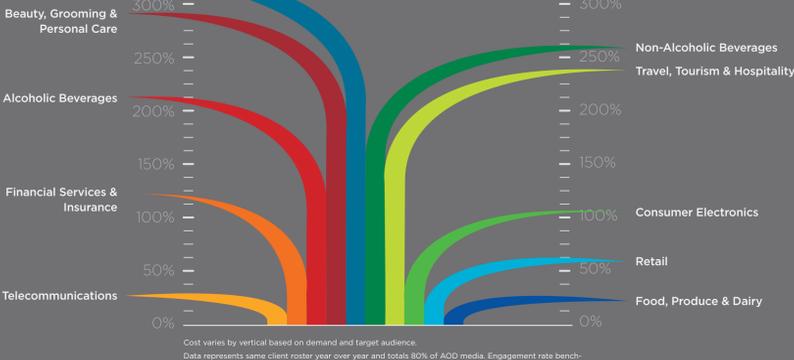
For the 4 top-spending verticals, CPM's reflect different trends:



- Rising CPM's indicate growing competition within the retail vertical.** If the trend continues, retailers can expect CPM's to rise by 10% to 15% through Q4 2014.
- Travel CPM's map to seasonal trends.** The second half of the year is a heavy travel season, and travel advertisers can expect CPM's to rise 30% to 35% through Q4 2014.
- The mix of tactics employed by telecom and finance advertisers weights filtering* more heavily in Q3 and Q1,** causing average CPM's to decline during those quarters. When targeting shifts away from remarketing and toward filtering, advertisers can expect average CPM's to decline.

*Filtering tends to be less expensive than other addressable tactics. Data represents same client roster year-over-year and totals 69% of AOD media. Source: AOD Display Media Cost eCPM's; 2013-2014 Q2.

SOCIAL CPM'S SKYROCKET WITH NEWS FEED INTRODUCTION



Cost varies by vertical based on demand and target audience. Data represents same client roster year-over-year and totals 80% of AOD media. Engagement rate benchmarks are calculated from Facebook's old "interaction" metrics, but the effect on engagement is negligible. Engagement rates account for desktop channel only - 13% of media, or 10.9B impressions. Source: AOD Social Media Cost eCPM's for top 10 advertiser verticals; 2013-2014; same client roster YoY; 80% of AOD media.

Since Q3 2013, the shift toward targeting News Feed inventory has driven CPM's up substantially because, on average, News Feed placement is nearly 20x more expensive than Right-Hand Rail (RHR) placement - \$4.40 to \$0.22. News Feed placement has proven to be 16x more engaging than RHR: In Q2 2014, News Feed engagement rate was 0.40% compared to RHR engagement rate of 0.02%.

When targeting shifts toward News Feed, advertisers should expect CPM's to rise. Note that Facebook has recently raised News Feed frequency from 1x to 2x per day and is offering less RHR inventory. This has the potential to drive CPM's up even more.

UPWARD TREND IN CPM'S REFLECTS OVERALL GROWTH OF MOBILE

For the 5 top-spending verticals, the general upward trend in costs indicates mobile growth - both supply and demand - overall. As mobile inventory and adoption expand, advertisers can expect costs to continue rising.

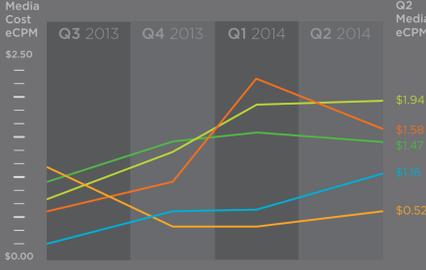


Chart does not account for campaigns delivering at different volumes throughout the year. Data shown accounts for 80% of media spend with AOD Mobile. Source: AOD Mobile Media Cost eCPM's; 2013-2014; 87% of media.

VIDEO CPM'S REMAIN STABLE

In the last year, video CPM's have been stable because of consistent rate cards and industry pressure to keep rates low.

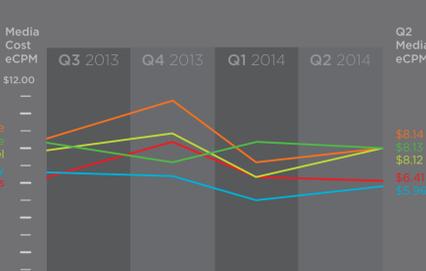


Chart does not account for campaigns delivering at different volumes throughout the year. Data shown accounts for 80% of media spend with AOD Video. Source: AOD Video Media Cost eCPM's; 2013-2014; 80% of media.

CHANNEL-SPECIFIC TRENDS

DISPLAY TRENDS

RIISING COSTS REFLECT MATURING OF VERTICALS



The largest CPM changes year over year came from these 4 verticals, which have become more sophisticated with respect to their digital advertising portfolios. Other verticals playing catch-up can expect similar rises in CPM's.

PMP DRIVES 1.5X MORE CONVERSIONS



At the time of analysis, there was not enough data on advertiser-specific deals to evaluate. Source: DBM; 1/1-2014-8/12/2014.

Despite the perceived higher cost of private marketplace (PMP) inventory and their price floors, for AOD's 3 top-spending advertisers, publishers bought via PMP drove better conversion rates than the same publishers bought on the open exchange in 1H 2014. PMP drives more scale for high-performing sites on the open exchange.

Advertisers should consider leveraging PMP as an additional inventory source.

SOCIAL TRENDS

FOR FACEBOOK, MOBILE IS 2.3X MORE ENGAGING THAN DESKTOP

Advertisers with engagement goals should maximize mobile device targeting on Facebook.

Mobile is also more cost-effective for engagement.



Source: AOD Social channel metrics; 2014Q2; Newsfeed placement only; 42% of media.

PROMOTING TENT-POLE EVENTS IN REAL TIME SPURS HIGHER ENGAGEMENT



For an AOD beverage client, the rate of engagement was 31% higher when leveraging tent-pole events and real-time promotions.

Advertisers with click goals should consider leveraging tent-pole events and/or real-time promotions to drive higher engagement.

Source: AOD Social engagement rates for a non-alcoholic beverage client's CPC campaign; 1H 2014.

MOBILE TRENDS

SMARTPHONES AND TABLETS ACHIEVE SIMILAR ENGAGEMENT

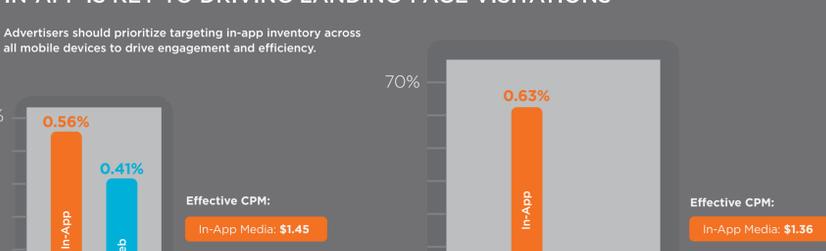


The cost of targeting is virtually the same. Advertisers with click goals should target both evenly.

Source: AOD Mobile metrics; 2014Q2; Adistic; only due to availability of 'Device Type' classification; 80% of AOD media.

IN-APP IS KEY TO DRIVING LANDING-PAGE VISITATIONS

Advertisers should prioritize targeting in-app inventory across all mobile devices to drive engagement and efficiency.



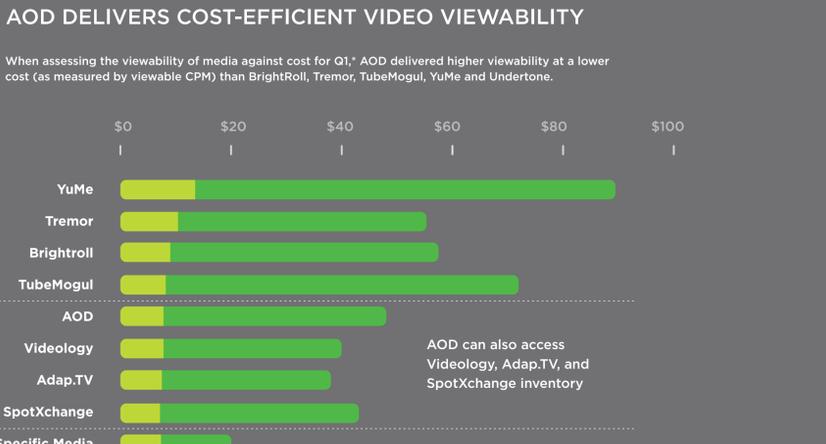
In-app inventory on smartphones is 2x more cost-efficient, driving a CPC of \$0.26 compared to web's \$0.48 CPC.

In-app inventory on tablets delivers 6x more clicks, driving a CPC of \$0.22 compared to the web's \$1.22 CPC.

VIDEO TRENDS

AOD DELIVERS COST-EFFICIENT VIDEO VIEWABILITY

When assessing the viewability of media against cost for Q1,* AOD delivered higher viewability at a lower cost (as measured by viewable CPM) than BrightRoll, Tremor, TubeMogul, YuMe and Undertone.



AOD can also access Videology, Adap.TV, and SpotXchange inventory

*Viewable CPM is the cost per thousand viewable impressions. Source: Video viewability metrics and single agency's provided spend and delivery metrics. Undertone is missing from the graph.



For more information on how these insights can be leveraged for individual advertisers, please contact your Client Services Manager.

ABOUT AOD ANALYTICS

VivaKi's AOD Analytics Team exists to not only evaluate what they find in programmatic campaign data, but why. This dedicated team of expertly trained analysts mines the wealth of data that's been collected by VivaKi's SkySkrafer solution for all VivaKi clients across all programmatic channels to discover actionable insights about audiences and inform optimization strategies. Their efforts result in the development of best practices that advance the intelligence of AOD and, in turn, agencies and their clients.



ABOUT THE AUTHOR

As an analyst on strategic projects, Anna helps to develop product solutions for AOD and to further AOD's thought leadership. After joining AOD Analytics in September of 2012, Anna served as the lead analyst on three of AOD's largest telecom and financial accounts, in addition to several other accounts across travel, entertainment, consumer electronics, home appliances and CPG verticals. Prior to joining AOD, Anna worked in economic research, producing forecasts of U.S. economic sentiment and production in the manufacturing sector. Anna received her bachelor's degree in Economics from Barnard College.