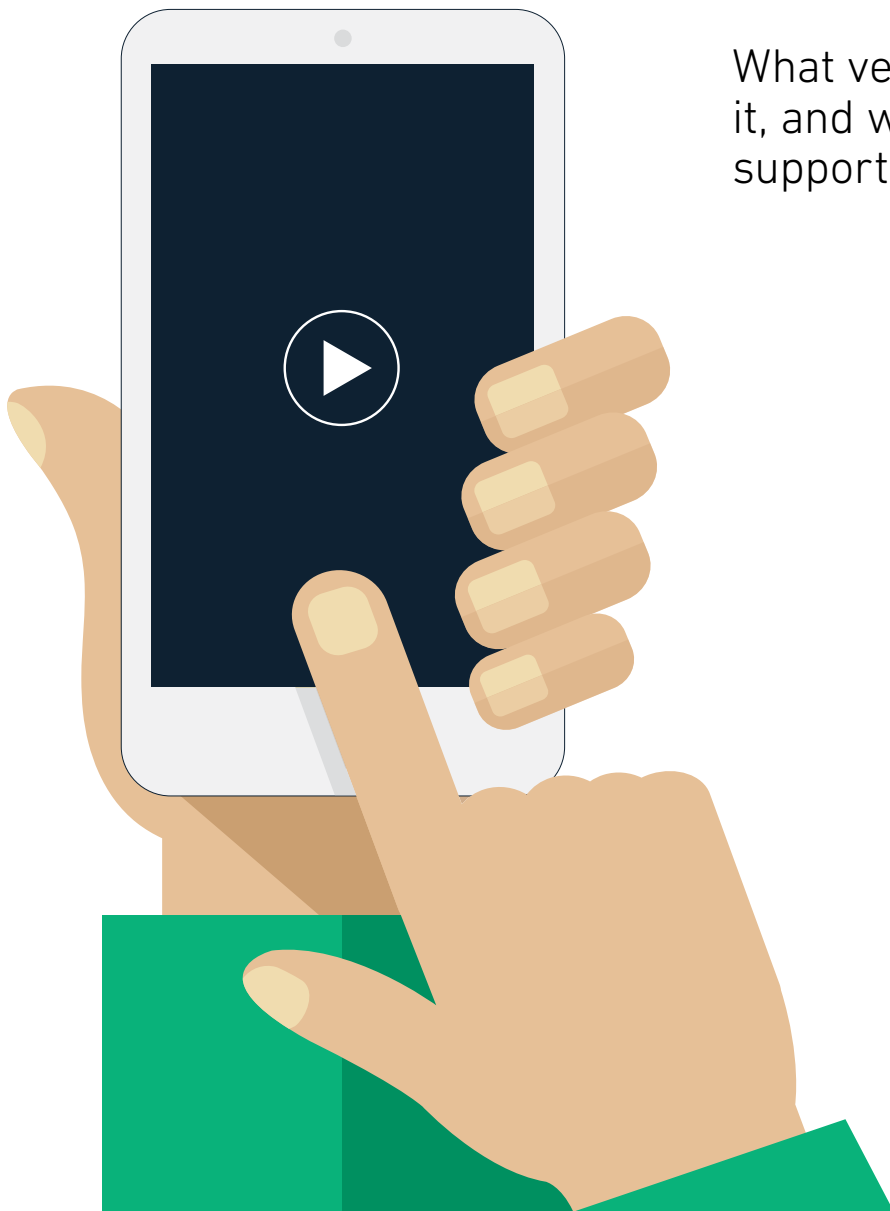
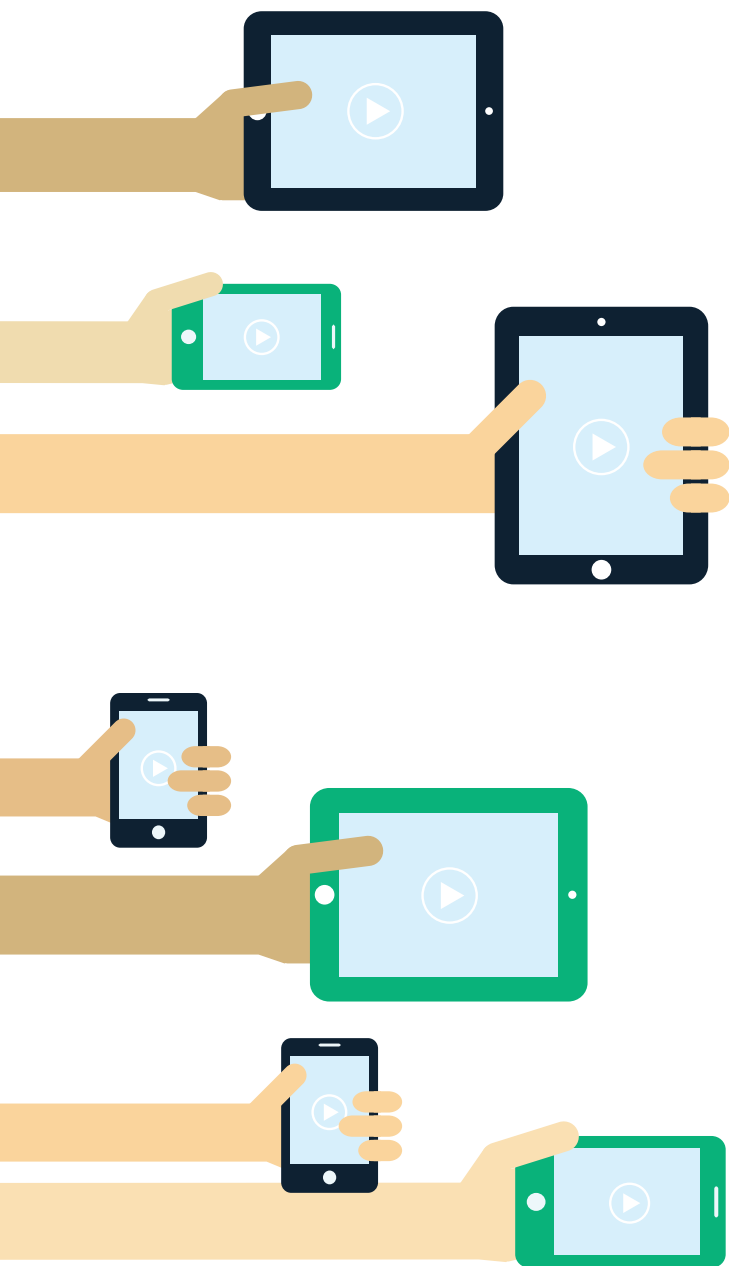


VERTICAL VIDEO AND BEYOND

What vertical video is, how to use it, and why it needs to evolve to support today's mobile consumer.





- ▶ **CHAPTER 1**
Rising customer expectations demand dynamic video experiences
- ▶ **CHAPTER 2**
Vertical video: What it is and why it matters
- ▶ **CHAPTER 3**
What's at stake: The experience gap that's harming your mobile marketing
- ▶ **CHAPTER 4**
Key considerations for vertical video
- ▶ **CHAPTER 5**
Enhancing marketing performance with responsive orientation for ads
- ▶ **CHAPTER 6**
How it gets done: Responsive orientation in practice
- ▶ **CHAPTER 7**
Results of taking a responsive approach to ad orientation
- ▶ **CONCLUSION**

Mobile is undeniably the most direct, personal and ubiquitous digital connection point to consumers. While desktops and laptops reigned supreme for many years, mobile now represents almost two out of three digital media minutes spent by consumers, with mobile apps dominating 60 percent of that time and representing 80 percent of the growth overall since 2013.

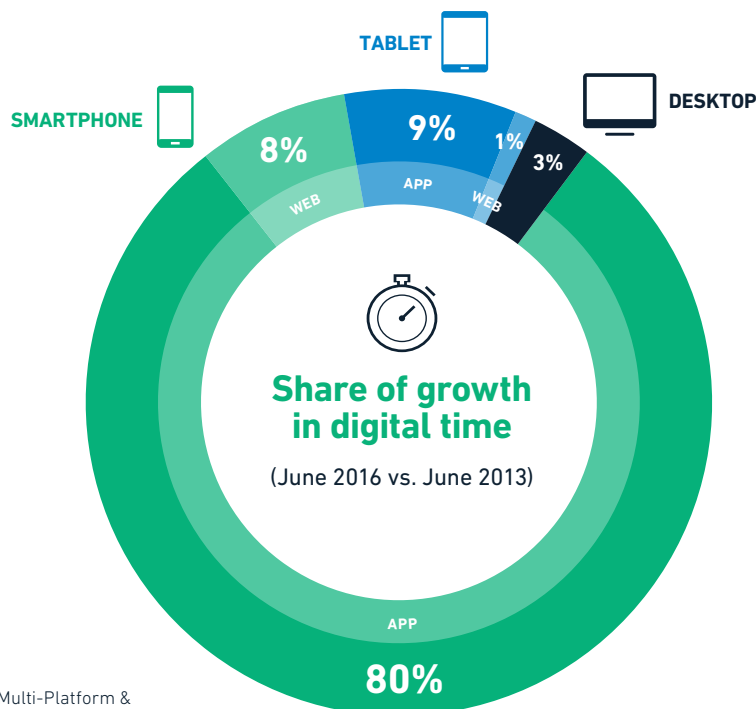
With the continued shift to mobile-first everything came an unmistakable shift in consumer expectations around what mobile experiences should be like. As the saying goes, “Once you’ve had caviar, it’s hard to

settle for catfish.” This holds true for mobile as well. Once consumers have had a perfect mobile experience, it’s difficult to tolerate anything else.

As mobile ad spending in the U.S. alone balloons to over \$50 billion in 2017, consumers will expect—even demand—that ad experiences align with their “caviar” tastes. Those companies that don’t deliver high-quality ads will, at best, see performance suffer and, at worst, be exposed to many unsafe brand experiences.

SOURCES:
comScore, The 2016 Mobile App Report
eMarketer, Digital Ad Spending to Surpass TV Next Year

Share of growth in total digital time spent: June 2016 vs. June 2013



Source: comScore Media Metrix Multi-Platform & Mobile Metrix, U.S. Total Audience

Vertical video is the format “du jour” in digital advertising. At the highest level, it is a video that’s shot or designed to fit the aspect ratio of a vertically-oriented, or portrait, device, i.e., tall and skinny, made popular by vertical apps like Snapchat and Periscope. Vertical video has received mixed reviews from creatives and agencies as it goes against the widely accepted landscape video format that movies, widescreen TVs and YouTube have made popular. The virtual debate was so heated that even *The New York Times* covered it.

Why do advertisers care about vertical video? Simple, consumers love it. Mobile Marketer reported that 98 percent of the time consumers spend on their mobile phones is in the vertical orientation. Like its predecessor, landscape video, vertical video has seen incredible growth due to its superior performance to many other ad formats. It’s

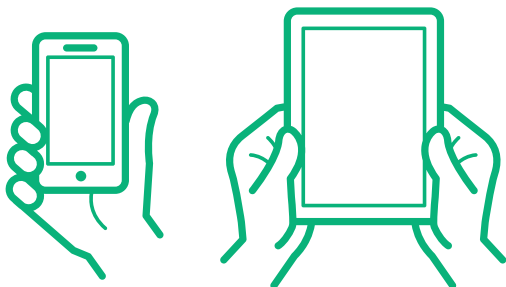
more engaging and tells a richer story. A horizontal or landscape-aligned video is using only about 25 percent of the available screen space that a vertically-aligned phone or tablet has to offer. The experience gap there is significant.

Vertical video is critical for all mobile marketers because of the rising consumer expectations mentioned in Chapter 1. Many consumers won’t bother turning their phone to see an ad. They’ll simply wait for their “regularly scheduled content,” whether that’s a game, digital content or other experience. Meaning, marketers who don’t have vertical video in their arsenal—to deliver when appropriate—will see worse performance and brand recognition.

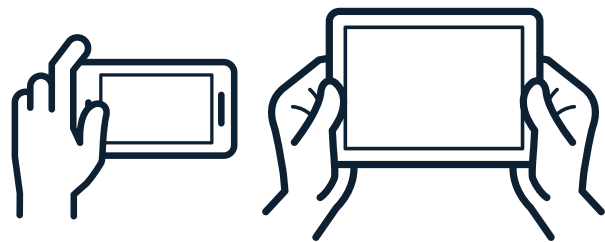
SOURCES:

New York Times, “Vertical Video on the Small Screen? Not a Crime.”
Mobile Marketer

VERTICAL / PORTRAIT



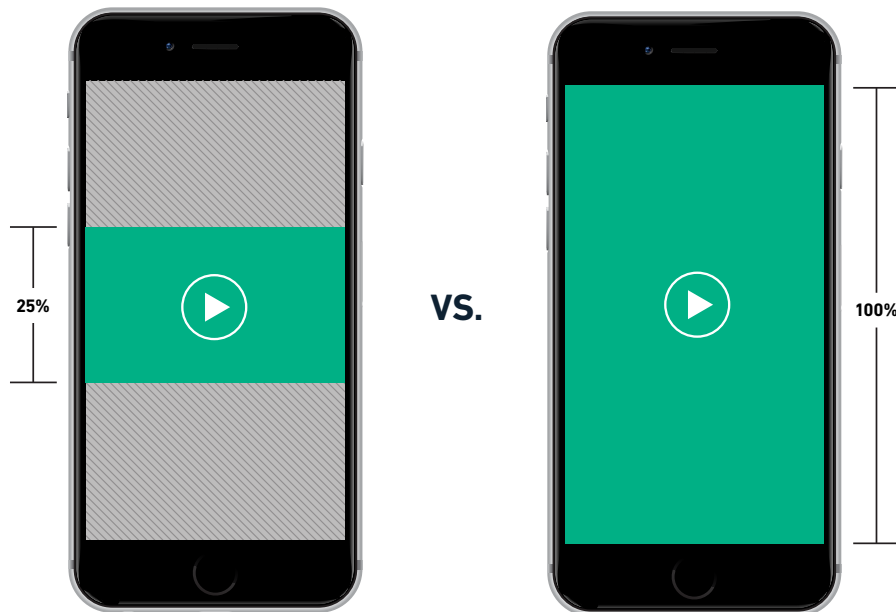
HORIZONTAL / LANDSCAPE



Just like horizontal or landscape video doesn't look good on a vertically-oriented phone or tablet, the same is true for vertical video on a horizontally-oriented device. In both cases, wasted space exists that could otherwise be used to deliver a better experience for the consumers engaging with those ads. The amount of wasted space for mismatched video ad experiences range from about 50 to 75 percent based on the device. And, when that happens, the

consumer experience is negatively impacted in multiple ways, including:

- ▶ Text or subtitles get smaller and harder to read;
- ▶ App features, highlights or tutorials get obfuscated and become ineffective;
- ▶ Smartphones that are locked on vertical orientation are unable to view ad in fullscreen;
- ▶ Consumers tune out and ad performance suffers.



There are a number of factors that go into creating a high performing video ad campaign. To maximize results, marketers must consider:



CREATIVE

Creative is one of the most important factors (if not the most important factor) when it comes to video advertising. Marketers will need to consider if they want to create custom videos for vertical or repurpose content from existing creative assets or work with responsive templates.



LENGTH

Video length will need to vary based on where that ad is being shown. If it's being used as an interstitial in an app with short sessions and quick user flows, the shorter the better. If a video is being shown between levels or in a natural break in the user flow, longer form videos will be appropriate. Lastly, if it's a rewarded placement, consumers are much more willing to watch a longer ad (normally 30 seconds) because of the mutual value exchange.



SOUND

According to Vungle data, up to 90 percent of consumers will have their sound off when

viewing a video ad, either muted specifically for the game or entertainment app itself or at the device-level. Marketers must ensure their video ad has a compelling narrative and, more generally, makes sense without sound.



INTERACTIVITY

A key benefit of mobile marketing is the ability for marketers to include interactive elements in the ad itself or as a part of the end card/call to action. Marketers must consider their end goal when thinking about interactivity. Pure branding campaigns may not need it. Retailers, travel companies or CPG brands wanting to drive brand awareness of specific products could use a carousel template which users can scroll through. Gaming companies should consider a playable ad experience. Interactive elements like playables, for example, drive conversion uplifts of more than 30 percent when running on the Vungle network.



CALL TO ACTION

This is the part of the ad that drives users to the ideal next step—an app download, subscription, purchase, etc. Marketers must ensure that the action desired can easily be completed on a vertically-oriented device when designing their video ad experiences.

When looking at Vungle's publisher breakdown, which is comprised of more than 25,000 apps across iOS, Android and Windows, there is a lot of diversity in terms of app orientation. Despite more than 90 percent of the top 100 iOS apps (based on monthly active users) have a fixed vertical orientation, a one-size-fits-all approach will inevitably fall short of its full potential.



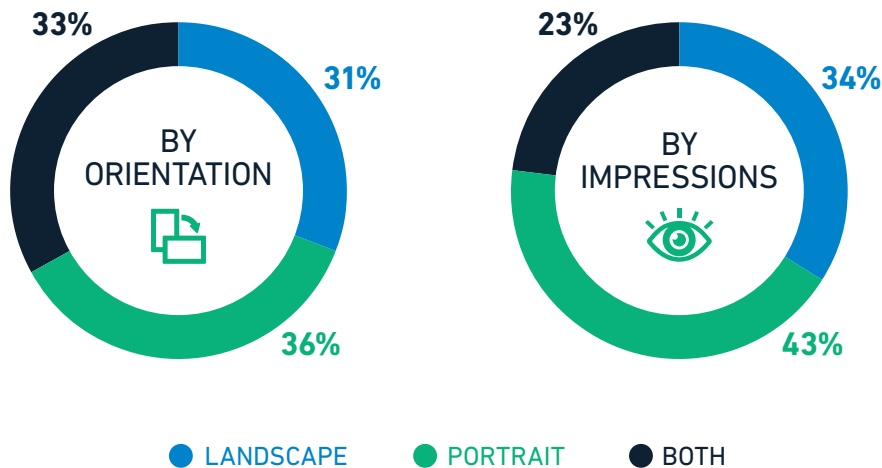
Apps that can be used in landscape or horizontal orientation account for 64 percent of Vungle's publisher network but only 57 percent of impressions.

TAKING A CONSUMER-FIRST APPROACH

While vertical video is the latest ad format craze, it's not the panacea for marketers looking to engage and acquire high-value consumers. What's a more effective approach? Delivering ad experiences that align to what the consumer is engaging with at that moment.

At Vungle, we call this responsive orientation. By taking this approach, we can ensure that consumers will see ads that always align to their experience when the ad is being shown, whether vertical/portrait, horizontal/landscape, or both.

Breakdown of Vungle's 25,000+ publisher apps:



Complexity comes with scale. When dealing with tens of thousands of publisher apps, billions of impressions, and thousands of device types with unique sizes, consistently delivering an optimized ad experience becomes challenging.

At Vungle, our solutions to these complex issues begin with two simple steps: using data and creating flexible templates that work in both orientations.

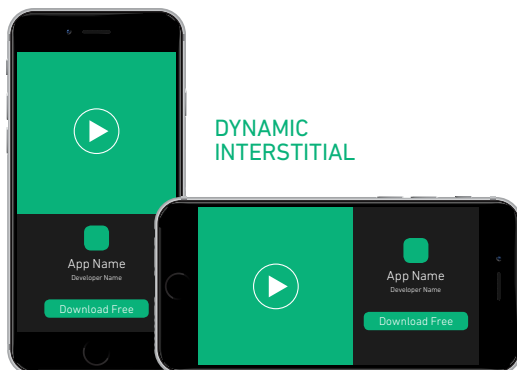
DATA

By collecting device data directly from the source—our publishers and a user’s device—

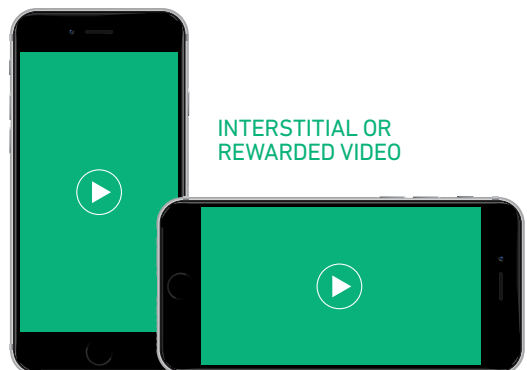
we can determine the orientation in which an ad should be delivered. Vungle campaigns are setup with multiple available creatives for each impression, so the right ad—in the optimal orientation—can always be delivered.

RESPONSIVE TEMPLATES

Vungle has a number of unique, responsively designed templates as a part of our Dynamic Templates solution that are suitable to both device orientations. Template flexibility allows us to take the guesswork out of the equation entirely. Not sure what we mean? Check out the select examples.

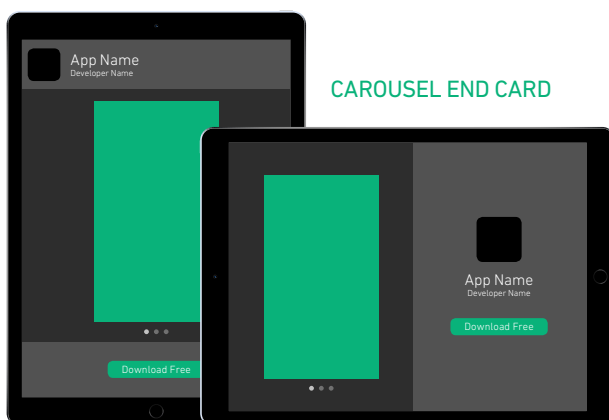


DYNAMIC INTERSTITIAL

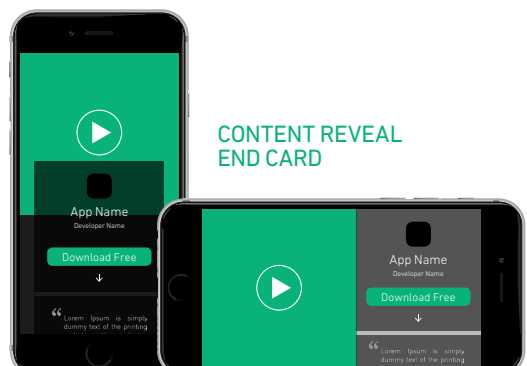


INTERSTITIAL OR REWARDED VIDEO

▶ See more of Vungle's Dynamic Templates at vungle.com/dynamictemplates



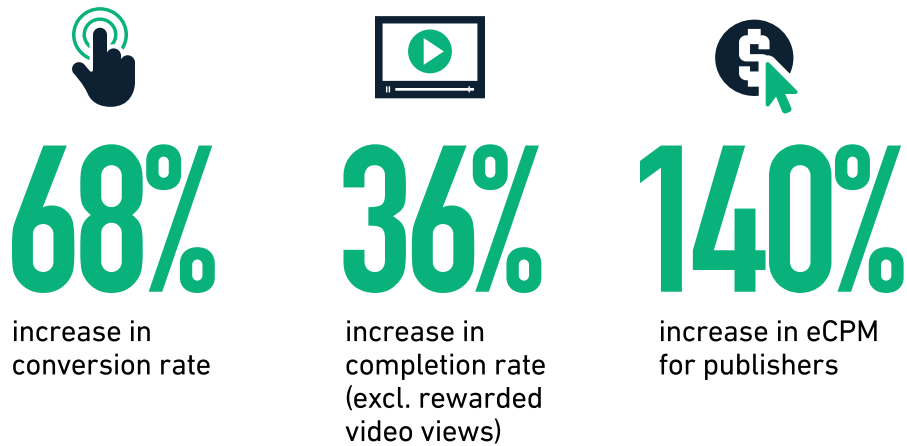
CAROUSEL END CARD



CONTENT REVEAL END CARD

When testing our theory that responsive creative performs better, we saw a noticeable performance uplift when comparing vertical video performance to horizontal video

performance on a vertically-oriented device. In tests where video ads are appropriately matched to the device, i.e., vertical on vertical, horizontal on horizontal, Vungle saw:



Getting the ad experience right on consumer devices is a critical endeavor that must not be overlooked. In today's rapidly evolving mobile world, consumers demand the best mobile experiences, and savvy, performance-focused marketers will do everything in their power to deliver them.

Vungle is dedicated to delivering high value users through engaging video ads. To do that, we work tirelessly to innovate and improve upon the consumer ad experience. Vertical video and responsive ad orientation is just one small piece of the equation.

Find how you can elevate your mobile video ad strategy and acquire high-value users at scale.



Vungle

► Learn more at vungle.com/advertise

Vungle is the leading performance marketing platform for in-app video ads. Advertisers depend on Vungle's creative and LTV optimization technologies to reach and acquire high-value users worldwide. Top publishers rely on Vungle to generate revenue with engaging video ads that enhance the user experience.