

COLUMNS

## Why in-app advertising is a must for marketers

August 2, 2016



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In-application advertising is currently the fastest growing form of mobile advertising on the market. According to BI Intelligence, United States app-install ad revenue is estimated to grow to more than \$7 billion by year-end 2020.

And while this may be breaking news for the ad industry, mobile experts have been following the rising trend of in-app advertising for some time, creating a wealth of information highlighting the enormous benefits of in-app advertising.

### Users are spending more time in their apps

A few years back, Facebook and Twitter dominated mobile, but today the marketplace looks a lot different. It is not just social media taking up mobile users' time, but a wide range of apps across various verticals.

Due to this, mobile users have gradually moved away from using their mobile browsers to focus on the vast array of available mobile apps.

According to Mary Meeker's recent State of the Internet Report, smartphone users are now spending 89 percent of their total time spent on any media in mobile apps and only 11 percent on the mobile Web.

This affinity towards in-app immediately changed the industry's ad spend model.

For example, Facebook went from virtually no mobile advertising revenue to earning 41 percent of their overall revenue through mobile app in approximately 12 months. This huge shift is largely due to the increase in new mobile ad formats, including the highly effective mobile video.

### Higher click-through rates

Of course, advertisers want to know why in-app advertising is more than just hype.

For starters, in-app advertising offers a higher click-through rate than web advertising.

According to Medialets, the click-through rates for apps is 0.58 percent whereas mobile Web only has a 0.23 percent CTR.

Another study showed that in-app ads perform 11.4 times better than normal banner ads, demonstrating why in-app ads are often superior. Given the high correlation between CTR with leads and conversions, this is one of the

primary reasons companies need to be targeting users in-app.

#### Better targeting

Ads presented through in-app are displayed in the context of the app, which means they are more natural than "interruption" ads typically seen in browsers.

Many apps also feature interactive ads that advertisers can choose to display at certain key points during the in-app experience, ensuring a smooth transition for current users of the app.

Beyond that, when advertisers market within apps, they have a very specific view of their audience. This is due to a few reasons, but it is mostly due to an apps ability to pull direct demographic and geo-location data. This means that the audience has more potential to be closely aligned to the marketing and advertising efforts that ultimately helps marketers get the most value out of their ad campaigns.

This hyper-focused advertising also means that marketers can move away from wasting money on an audience who probably won't click or purchase a product through an ad.

ULTIMATELY, IN-APP advertising offers endless marketing opportunities and it is time advertisers took full advantage of them.

The nature of in-app means that marketers will finally be able to change their ad efforts for the better.

By using in-app advertising, marketers can move away from ineffective and generalized ads in an effort to fish for clicks or impressions and can start to focus on the message and the ideal audience for their advertising efforts.

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