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Rewarded video is key to engaging mobile customers: AdColony

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Mobile is a powerful tool for targeting customers. Image credit: Pixabay

By DANNY PARISI

Rewarded video ads on mobile, which are ads that offer users in-app rewards for watching a full video, are popular among both consumers and app developers, according to a new report.

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In a report on the state of mobile publishing and how it affects brands, AdColony found that 87 percent of publishers found rewarded video to be both profitable and a positive impact on user experience. This data suggests that brands and retailers can focus on ways of rewarding and engaging their customers through mobile without fear of alienating them.

"One of the biggest takeaways is how much publishers like rewarded video," said David Pokress, executive vice president of global publishing at **AdColony**, New York. "Eighty-seven percent of publishers view rewarded video as having a positive impact on the user experience, and this is something that brands should take notice of."

"If publishers feel confident that their players will like the advertising experience, brands should feel that same level of comfort," he said.

Rewarded video

It has long been known that mobile is one of the premier ways of engaging with customers digitally.

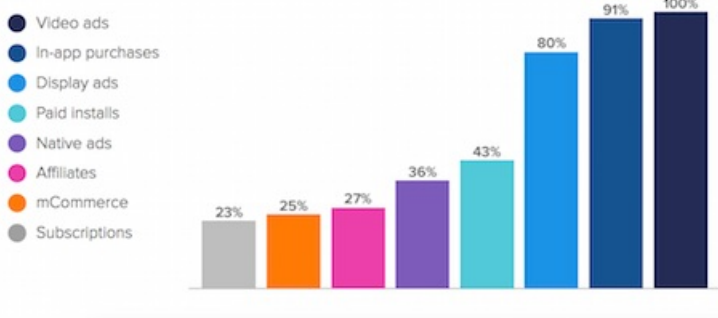
Almost every customer will have a smartphone at their fingertips virtually at all times, making it the ideal platform to connect with them at any moment of the day.

But divining exactly what is the best way to engage with those customers is an ongoing process. To contribute to this search, AdColony surveyed a large number of app publishers to determine how they are reaching customers through mobile.

Among apps, the number one source of monetization is through video ads. They are short, memorable and engaging in a way that display ads cannot always be.

Publishers Turn to Ads & IAP to Monetize

80% of top publishers use both video and display ads to monetize their apps.



Video is a major monetizing tool. Image credit: AdColony

Ads account for 55 percent of all revenue from apps, with video units being the most valuable of all of those.

In terms of engagement, most of the surveyed publishers pointed to rewarded video as one of the most valuable ways of engaging with customers.

Rewarded video means any kind of video ad where customers have the option of watching it in exchange for in-app rewards. For luxury purposes, this could mean loyalty points, coupons or other commercial rewards.

Mobile engagement

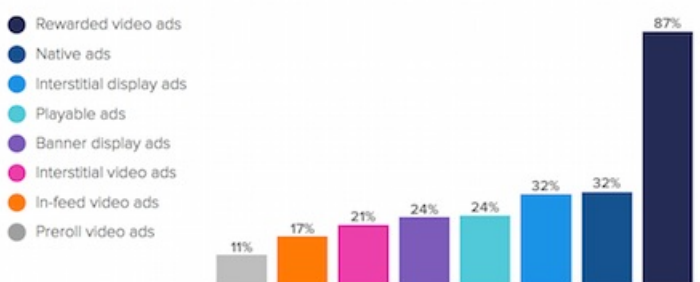
The brands and app publishers that make use of rewarded video will likely see more engagement from their customers and potentially drive more sales.

Mobile in general is also a powerful driver of sales.

During Facebook's "Holiday Preview" press brunch June 27, two executives shared holiday trends, research and predictions, as well as new tools created by the social network to drive sales this upcoming holiday season. Although consumers tend to only start shopping in October, 69 percent of marketers begin planning for the holiday rush in August, taking a "never too early" approach to the gifting season, with mobile acting as the anchor point for this shopping experience ([see story](#)).

Rewarded Video Ads Deliver the Best User Experience

Of ad monetization methods, publishers rank rewarded video as the best for user experience.



Rewarded video is key. Image credit: AdColony

As brands continue to innovate in the ways that they use mobile, the industry's collective understanding of the ways in which mobile can best be used to target customers will also evolve.

For now, luxury brands are best off taking a larger view of the mobile channel.

"The survey looks at how publishers/developers view advertising, and from their perspective, they care more about the overall user experience and less about the what type of brand it is," AdColony's Mr. Pokress said.

"While there are some apps that may be uniquely suited for luxury advertisers, luxury brands can succeed in all sorts of different mobile environments and they should approach mobile in a larger, holistic way, and not look too narrowly at one sector," he said.

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