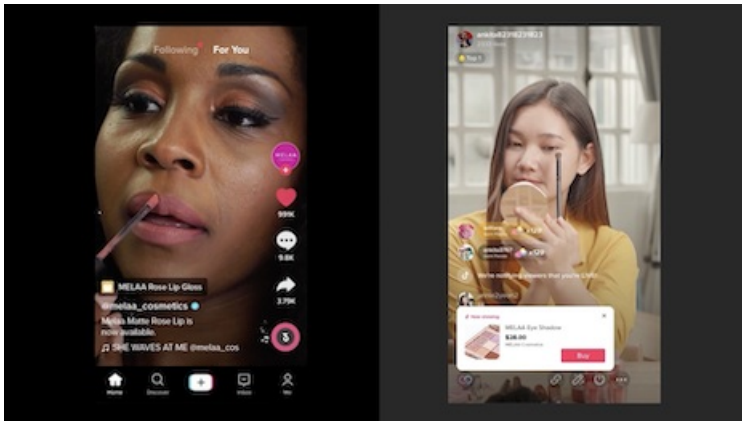


MOBILE

As app spending grows, brands must understand platform preferences

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Mobile users are spending more time on short video apps. Image credit: TikTok

By SARAH RAMIREZ

Consumer spending on mobile apps continues to climb, according to new findings from Data.AI.

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According to Data.AI's [State of Media and Entertainment 2022 report](#), worldwide consumer spending on mobile apps surpassed \$6.3 billion in 2021. Key app categories, including short video and video sharing apps, also saw bumps in total hours last year.

Data.AI was formerly known as App Annie.

Making a splash on streaming

In 2021, entertainment and book apps accounted for 49 percent of consumer spending on apps. The entertainment category includes subgenres such as over-the-top (OTT) streaming services like Netflix, short video apps like TikTok and video sharing platforms like YouTube.

Despite the significant amount of spend on entertainment apps, OTT apps saw a 20 percent year-over-year decline in time spent. On the other hand, time spent on short video apps jumped 38 percent y-o-y.

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Luxury brands know where to find consumers: TikTok

More than three times as many hours are now spent on short video apps than OTT apps. Since 2019, TikTok has seen total time spent increase by 490 percent while Chinese video app Kwai has seen 1,115 percent growth in time spent.

Brands and marketers should keep in mind, however, that preferences for entertainment apps differ across demographics and regions.

Sought-after Gen Z consumers tend to prefer OTT apps that specialize in anime content, including Crunchyroll and FunimationNow. Streaming service Plex is popular among millennials in Australia, Canada, the U.S. and the U.K.

Netflix remains a streaming powerhouse, however, with more than 1 million downloads in 60 countries. Rivals Amazon Prime Video and Disney+ each have more than 1 million downloads in less than 30 countries.

Although Netflix does not have an ad-supported subscription tier, luxury brands have still found ways to leverage the platform's popularity.



Netflix star Hyeon Jung is now a Louis Vuitton ambassador. Image courtesy of Louis Vuitton

During the first season of Netflix comedy "Emily in Paris," Italian lingerie label La Perla played a small but pivotal role in a storyline about work and romantic relationships. It was an authentic fit for the luxury label, which is essential for product placement to be effective ([see story](#)).

Meanwhile, French fashion house Louis Vuitton and Italian fashion label Gucci have each tapped "Squid Game" stars as ambassadors, working with Korean actors Hyeon Jung ([see story](#)) and Jungjae Lee ([see story](#)), respectively. The K-drama is one of Netflix's biggest global hits.

App dark horses

Other entertainment subgenres seeing strong growth include livestreaming apps, such as Twitch, and music apps, such as Spotify.

Again, marketers that are early adopters have found ways to establish a brand presence on these platforms.

Toyota Corp.'s Lexus has already collaborated with Twitch on multiple campaigns.

Earlier this year, the automaker invited Twitch creators to ride in a Lexus NX, where they pitched streaming ideas and let fans participate ([see story](#)). Lexus also worked with Twitch streamer Fuslie on a livestream that allowed viewers to vote on how to rebuild a Lexus 2021 IS ([see story](#)).

Additionally, several luxury brands including Balenciaga, Dior, Gucci and Moncler have created Spotify playlists complementing key campaigns, taking inspiration from specific seasons or moods. Other, such as footwear label Stuart Weitzman, have launched podcasts available on Spotify.

According to research from Kantar, consumers are spending more time on both gaming and streaming apps and marketers are following suit. Ads on music streaming services, video streaming services, and podcast ads have increased by 3 percent since 2020 ([see story](#))