



WHAT'S APP'NING!!

The TV-Traffic Correlation For Mobile Apps

☰ 2016 REPORT

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With the ubiquity of smartphones, mobile apps are flooding the marketplace with **over 1,000** being added to the Apple app store each day.

It's now become crucial for app developers to build large audiences quickly in hopes of monetizing their product and maximizing their investment. Because of this, the category has been increasingly turning towards the power of TV advertising to increase downloads, visits and in-app purchases and now collectively spends almost \$1 billion annually in the medium.

This is the third report in the VAB's commitment to illustrate critical effects of TV advertising that are hidden by the silo nature of syndicated data.

- Two years ago, we looked at the correlation between TV advertising and website traffic for 75 pure-play Internet companies and found 85% showed a direct correlation between TV spending and website traffic
- Last year, we looked at 125 brands in six "Call-To-Action" categories – restaurants, retail, travel, telco, financial and insurance – and found that 82% showed a correlation between TV advertising and website traffic

This time, we looked at 60 mobile apps across 10 categories – games, ecommerce / retail, media, sports, tech / telco, financial, restaurants, travel, music and education.

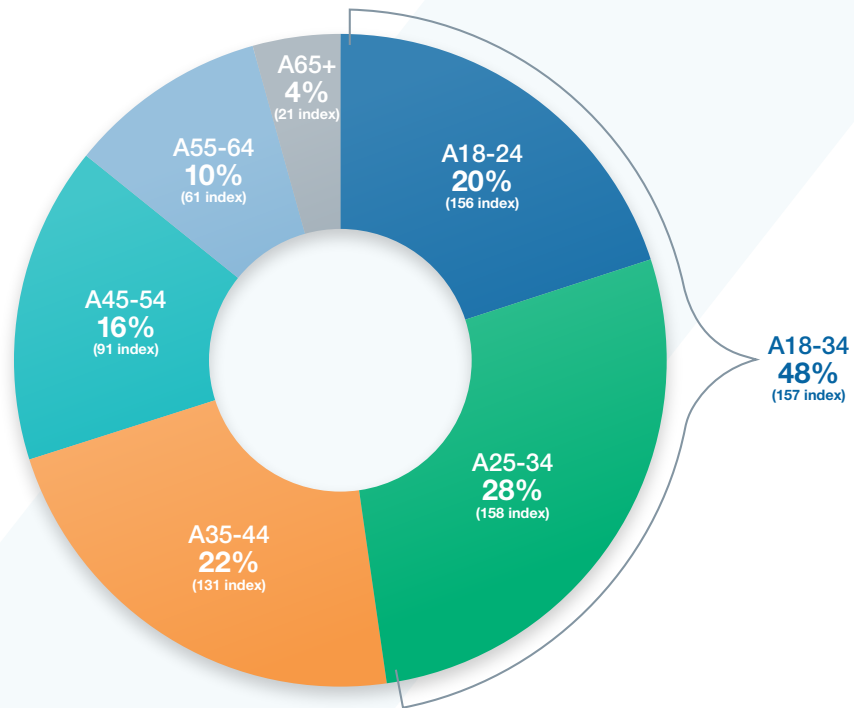
We looked at a cross-section of apps – brands that live as an app only, brands that have a mix of browser and app access and brands that have an app supporting their bricks & mortar presence – and specifically isolated mobile app only TV spending and traffic of each brand.

- For comparative purposes, results are based on average TV spend & traffic metrics between "When TV On" vs. "When TV Off" months from the October 2014 – December 2015 period.

VAB analysis was based on the last 15 months of available data through the end of 2015 (October 2014-December 2015)

Although Smartphones Are Prevalent Across All Ages, Millennials Represent Almost Half Of Those Who Actively Use Mobile Apps

Used A Mobile App On A Smartphone In Last 30 Days



When looking at specific categories, “gaming” app usage skews even more towards Millennials as they’re **71% more likely** to actively use them than the average population

Source: 2015 GfK MRI Doublebase; A18+

Within The Mobile App Category, Games Are Big Business With The Top Titles Generating Over *\$1 Million Of Revenue Per Day*

While many games are free to download and play, most thrive on a “freemium” model where the initial download is free but certain virtual goods within a game’s digital universe cost real cash in order to provide players advantages like the ability to advance to higher levels with more ease.

Top U.S. Grossing iOS Mobile Gaming Apps by Daily Revenue

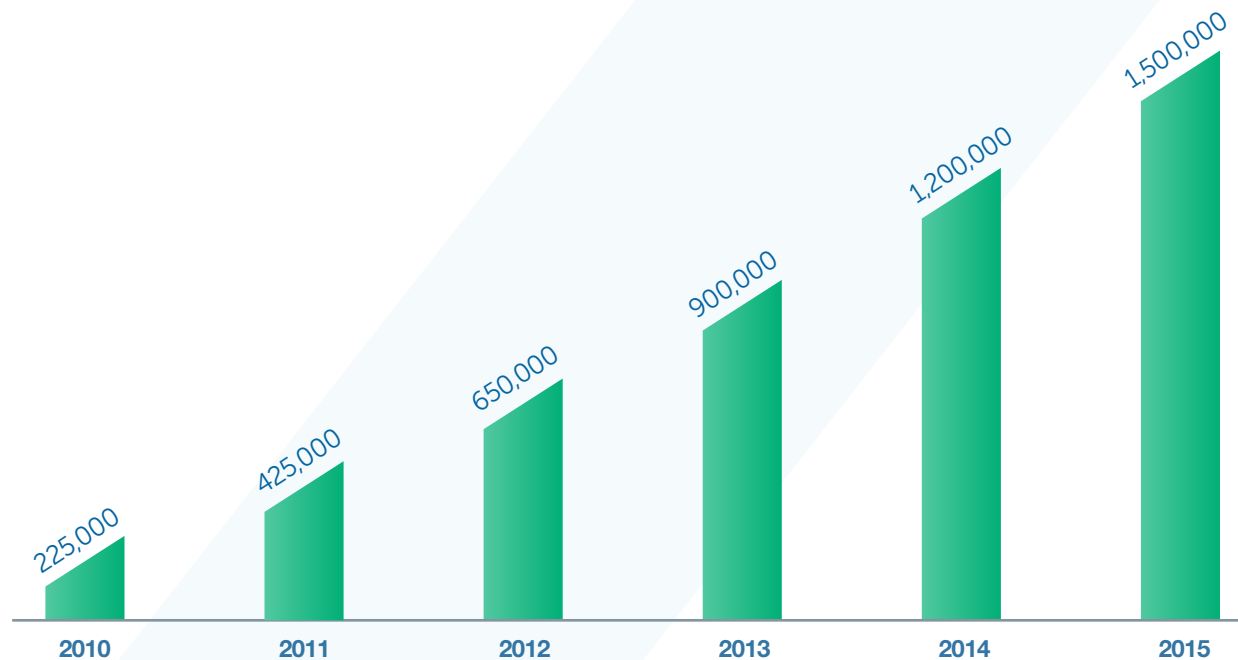


Sources: Think Gaming, iPhone only, top 10 ranked, March 2016. Statista.com. #K = thousands; #M = millions.

Mobile Apps Exist In An Extremely Saturated Marketplace With Over *1.5 Million Apps* Currently Available In The Apple Store

Competition is fierce because, even with all these apps available, the average smartphone user will use only 25 apps per month and almost 80% of their app time will be spent with just 3.

of Available Apps In Apple App Store (June)

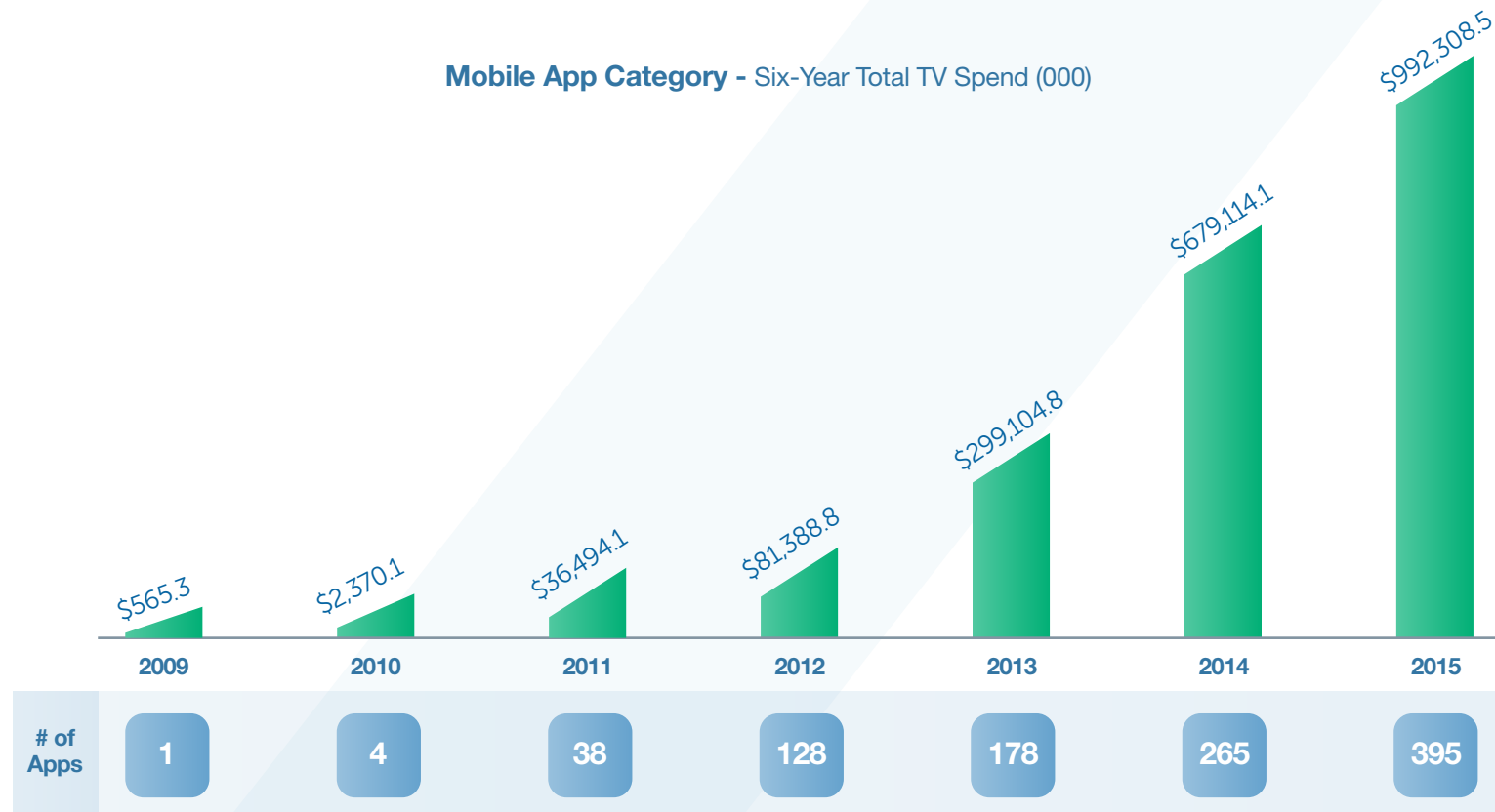


Source: Apple (worldwide); comScore "The 2015 U.S. Mobile App Report" (app usage)

With All These Apps Competing For Attention, The Category Now Collectively Spends Nearly *\$1 Billion* On TV Advertising

As smartphone penetration matured, the app category grew from one TV advertiser to almost 400 in six short years as more brands look to Television to drive downloads, usage and, in many cases, in-app purchases

Mobile App Category - Six-Year Total TV Spend (000)

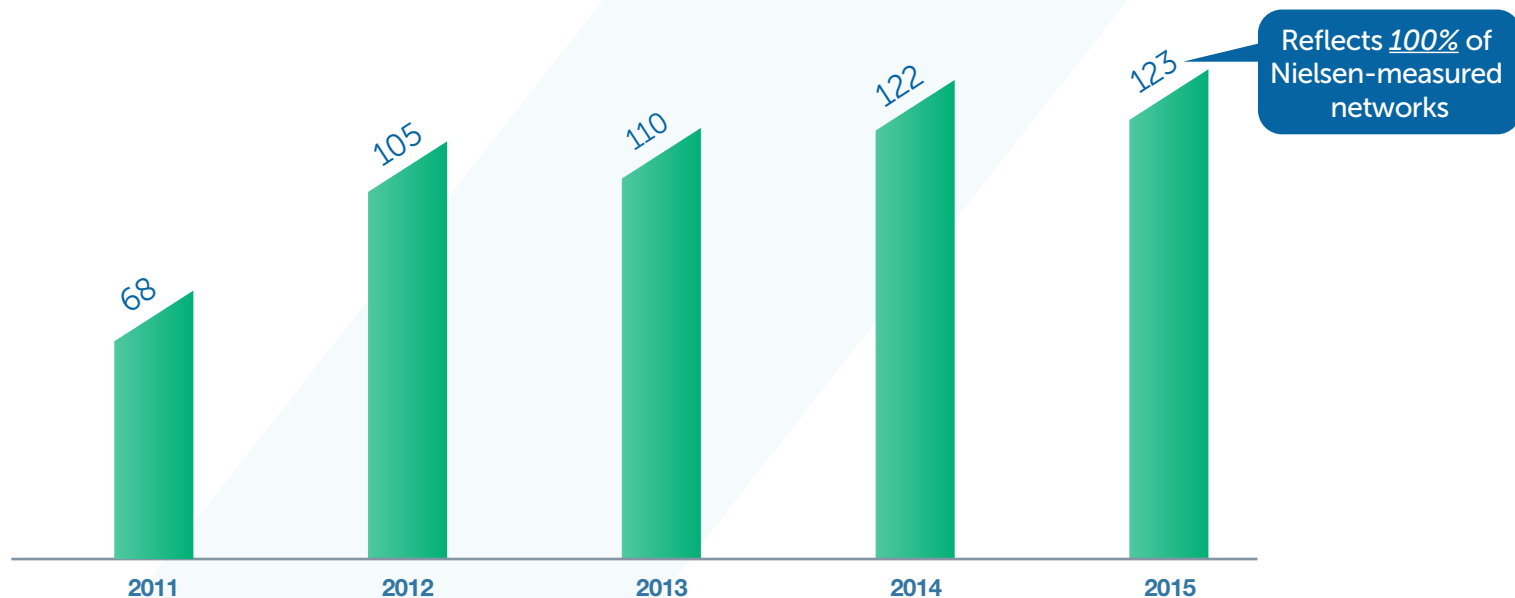


Source: Nielsen AdIntel. Total TV includes cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, cable TV

The App Category Buys Deep In TV To Build Scale And Maximize Reach Across A Variety of Networks And Genres

In 2015, mobile app advertising appeared on over 120+ national TV networks across over 13 sub-genres
Including live sports, talk/variety, dramas, comedies, films, kids, music, news, documentaries, adult animation

Mobile App Category - # of Nat'l TV Networks With App Advertisers



Source: Nielsen AdIntel (national TV only = broadcast TV, cable TV, Spanish language broadcast TV, Spanish language cable TV)

TOTAL ANALYSIS

How Effective Is TV For The Mobile App Category?

A TV-TRAFFIC CORRELATION ANALYSIS

Our Analysis Universe: 60 Mobile Apps Across 10 Categories



The list reflects apps that are measured in both comScore and Nielsen AdIntel (under the "web-based app-game" product category). To be included, apps had to have at least two months of active comScore measurement between October 2014 – December 2015 and at least \$500K in Nielsen AdIntel reported total 2015 TV spend. Furthermore for comparison purposes, these apps must also have had at least one month each of "When TV On" and "When TV Off" activity during comScore measured months.

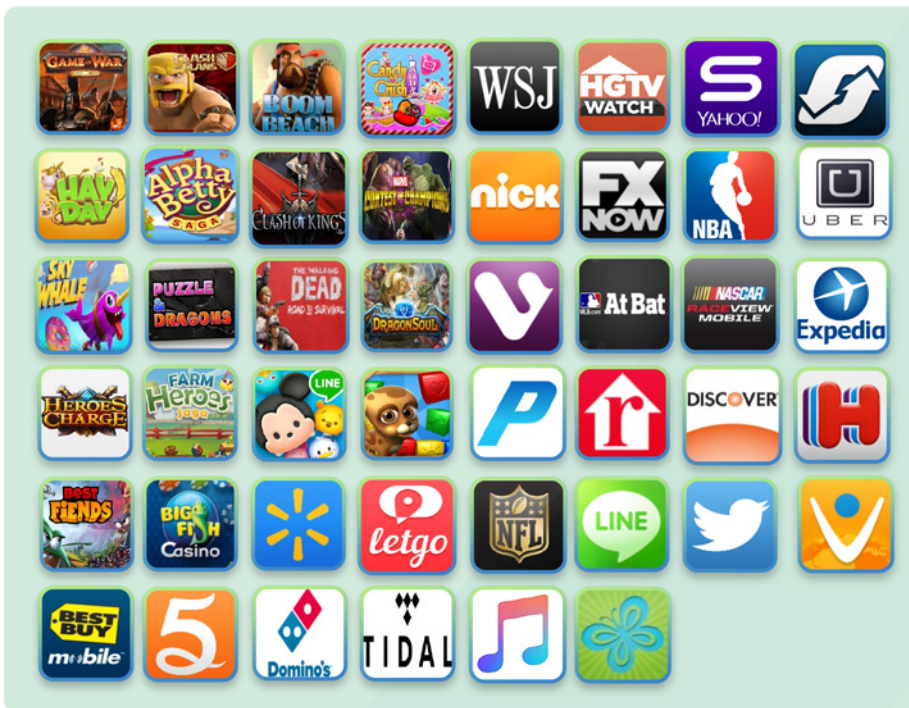
Our "Universe" Findings: A Definitive Correlation Between TV Spend & App Traffic

46 of the 60 Mobile Apps (77%) Analyzed Exhibited a Direct Correlation Between TV Spend & App Traffic

46 Brands

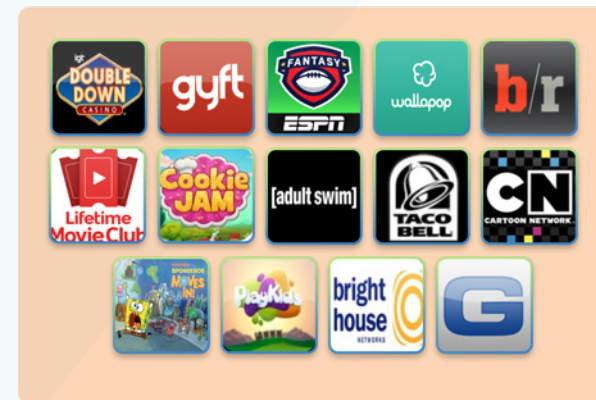
"TV Off" Months Led To ↓ In Monthly Unique Visitors

"TV On" Months Led To ↑ In Monthly Unique Visitors



14 Brands

Lack of correlation between "TV Off" & "TV On" Months Vs. Monthly Unique Visitors



Sources: Nielsen AdIntel, (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV); October 2014 – December 2015. comScore mobile metrix media trend (application access only), unique visitors (P2+), October 2014 – December 2015. Analysis is based on comparison of average monthly unique visitors for "When TV Off" vs. "When TV On" months of activity.

Our "Universe" Findings: TV Spend Impact On The 46 Apps With A Definitive Correlation

46 Mobile App Advertisers: Unique Visitors vs. TV Spend

"When Off" & "When On" TV During 15 Month Time Period (Oct. '14 – Dec. '15)

"When Off" TV Months

46 "Correlation" Advertisers

-20% less Unique Visitors
(on average)

"When On" TV Months

46 "Correlation" Advertisers

+25% more Unique Visitors
+\$2.0MM TV Spend
(on average)

Sources: Nielsen AdIntel, (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV); October 2014 – December 2015. comScore mobile metrix media trend (application access only), unique visitors (P2+), October 2014 – December 2015. Analysis is based on comparison of average monthly unique visitors for "When TV Off" vs. "When TV On" months of activity.

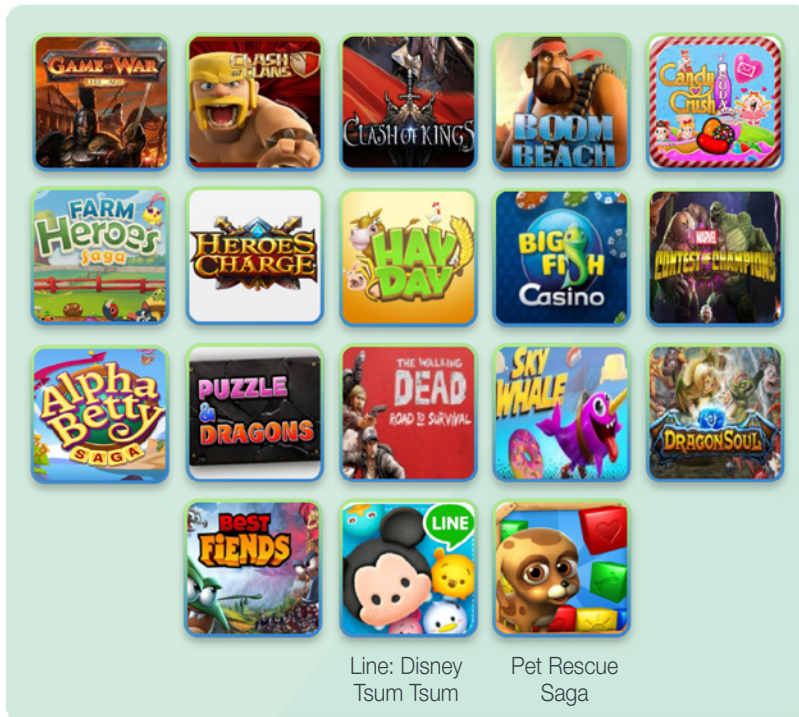
Our "Games" Segment Findings: 86% Correlation Among 21 Apps

18 of the 21 Mobile "Games" Apps (86%) Analyzed Exhibited a Direct Correlation Between TV Spend & App Traffic

18 Brands

"TV Off" Months Led To ↓ In Monthly Unique Visitors

"TV On" Months Led To ↑ In Monthly Unique Visitors



3 Brands

No correlation between "TV Off" & "TV On" Months
Vs. Monthly Unique Visitors



Sources: Nielsen AdIntel, (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV); October 2014 – December 2015. comScore mobile metrix media trend (application access only), unique visitors (P2+), October 2014 – December 2015. Analysis is based on average comparison of monthly unique visitors for "When TV Off" vs. "When TV On" months of activity.

Our "Games" Segment Findings: TV Spend Impact On The 18 Apps With A Definitive Correlation

18 Mobile Games App Advertisers: Unique Visitors vs. TV Spend

"When Off" & "When On" TV During 15 Month Time Period (Oct. '14 – Dec. '15)

"When Off" TV Months

18 "Correlation" Advertisers

-23% less Unique Visitors
(on average)

"When On" TV Months

18 "Correlation" Advertisers

+30% more Unique Visitors
+\$1.9MM TV Spend
(on average)

Sources: Nielsen AdIntel, (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV); October 2014 – December 2015. comScore mobile metrix media trend (application access only), unique visitors (P2+), October 2014 – December 2015. Analysis is based on comparison of average monthly unique visitors for "When TV Off" vs. "When TV On" months of activity.

Deep Dives: Select Examples of “Games” Apps’ Demonstrated TV Spend / Traffic Correlation

“When On” / “When Off” Comparison

Average Monthly Unique Visitors (000)



“When TV On”:

1,938

11,892

7,653

2,525

3,463

“When TV Off”:

1,440

10,200

6,923

1,983

2,385

% Difference:

+35%

+17%

+11%

+27%

+45%

Average Monthly TV Spend

“When On” (000)

+\$740

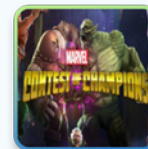
+\$4,523

+\$2,123

+\$3,300

+\$1,321

Average Monthly Unique Visitors (000)



Pet Rescue Saga



“When TV On”:

1,982

1,897

2,470

3,192

2,526

“When TV Off”:

1,209

1,318

1,769

2,646

2,025

% Difference:

+64%

+44%

+40%

+21%

+25%

Average Monthly TV Spend

“When On” (000)

+\$157

+\$2,493

+\$1,062







+\$839

+\$9,112

Source: comScore, mobile metrix media trend (application access only); Total audience (P2+), Oct '14 – Dec '15. Nielsen AdIntel (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication, spot TV) Oct '14-Dec '15.

Deep Dives: Select Examples of “Games” Apps’ Demonstrated TV Spend / Traffic Correlation

“When On” / “When Off” Comparison

Average Monthly Unique Visitors (000)						
“When TV On”:	1,446	1,105	461	1,627	347	624
“When TV Off”:	693	100	286	1,001	182	278
% Difference:	+109%	+1,006%	+61%	+63%	+90%	+124%
Average Monthly TV Spend “When On” (000)	+\$1,070	+\$2,345	+\$4,098	+\$383	+\$344	+\$258

Driven primarily by their 2015 Super Bowl TV ad

Source: comScore, mobile metrix media trend (application access only); Total audience (P2+), Oct '14 – Dec '15. Nielsen AdIntel (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV) Oct '14-Dec '15.

Their TV Investments Have Been Quite Successful As Current Monthly Revenues Typically Far Outpace Their “When On” Spend

Apps’ cumulative TV spend has also led to explosive, and sustained, revenue growth

Gaming Apps: Avg Month “When On” TV Spend Vs. Estimated Monthly U.S. Revenues

■ Avg Monthly TV Spend “When On” (000) ■ Estimated Monthly U.S. Revenues (000)



Sources: TV spend based on Nielsen AdIntel (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV). Estimated monthly revenues based on VAB analysis of daily U.S. revenue estimates from Think Gaming, iPhone only, April 18th, 2016 (monthly estimates based on a 30-day month). Gaming apps reflect those that had active TV spending towards the end of the October 2014 – December 2015 analysis time period.

This Success Is Confirmed By The Developers Who Directly Credit Their TV Spend For Growing Users And Increasing Revenue

iDownloadBlog
iPhone • iPad • iOS

PRNewswire
News Solutions Resources
News in Focus Business & Money Science & Tech Health & Living Policy & Public Interest People & Culture

Mobile Game 'Clash of Kings' Increases Rankings with TV Advertising

Study shows mobile game developers are seeing success with TV ads

CLASH OF KINGS

SocialTimes Facebook Twitter
APPS
TV ads pushes Puzzle & Dragons to 9 million users

PUZZLE & DRAGONS

AdvertisingAge Marketing Advertising Digital Media Agency Data BtoB Video Campaign Trail Q
These 'Clash of Clans' Ads Are Generating More Digital Heat Than Almost Any Other Commercials

CLASH OF CLANS

ADWEEK Subscribe to Adweek
Get a full year of print and tablet editions for just \$69

Rising From the Grave
Turner is reviving Tales From the Crypt with M. Night Shyamalan's help

AMC's Game of Phones
Movie theater chain reverses course and will not allow texting

Why So Many Mobile Games in the Super Bowl? Because TV Is a Gold Mine for Them
'We're seeing 10-fold growth' By Lauren Johnson
February 3, 2015, 8:00 AM EST Technology

HEROES CHARGE

CINEMABLEND NEWS TRAILERS REVIEWS UPCOMING HEROES
GAMES
Kate Upton's Game Of War Ads Were Unbelievably Effective

GAME OF WAR

GeekWire NEWS JOBS EVENTS RESOURCES DEALS ABOUT f t r
Big Fish reeling in more casino gamers with high-stakes TV spot

BIG FISH Casino

MacRumors
news and rumors you care about
TV Commercials Vault Games to Top Tier of App Store Rankings

The Motley Fool STOCK PICKS NEWS GUIDES COMMUNITY MORE
Why Best-Selling Apps Are Investing in TV Advertising

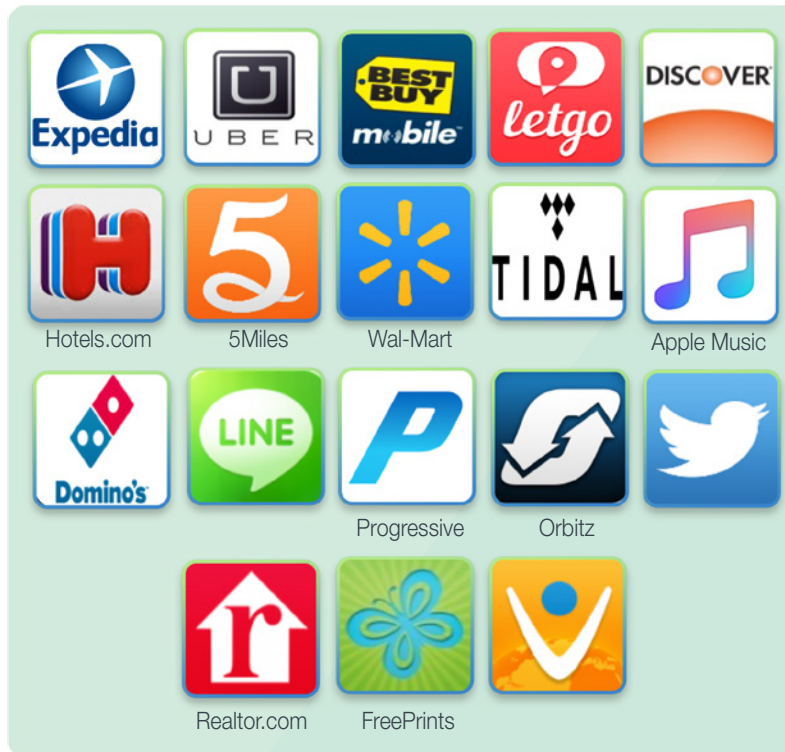
Our "Services" Segment Findings: 78% Correlation Among 23 Apps

18 of the 23 Mobile "Services" Apps (78%) Analyzed Exhibited a Direct Correlation Between TV Spend & App Traffic

18 Brands

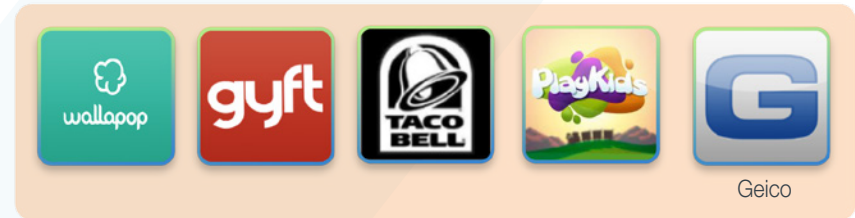
"TV Off" Months Led To ↓ In Monthly Unique Visitors

"TV On" Months Led To ↑ In Monthly Unique Visitors



5 Brands

No correlation between "TV Off" & "TV On" Months
Vs. Monthly Unique Visitors



"Services" include:

- Music, Education,
- Travel, Tech / Telco,
- Financial / Insurance / Real Estate,
- eCommerce / Retail, Restaurants

Sources: Nielsen AdIntel, (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV); October 2014 – December 2015. comScore mobile metrix media trend (application access only), unique visitors (P2+), October 2014 – December 2015. Analysis is based on comparison of average monthly unique visitors for "When TV Off" vs. "When TV On" months of activity.

Our "Services" Segment Findings: TV Spend Impact On The 18 Apps With A Definitive Correlation

18 Mobile Services App Advertisers:
Unique Visitors vs. TV Spend
"When Off" & "When On" TV During 15 Month Time Period (Oct. '14 – Dec. '15)

"When Off" TV Months

18 "Correlation" Advertisers

-18% less Unique Visitors
(on average)



"When On" TV Months




18 "Correlation" Advertisers






+22% more Unique Visitors
+\$2.7MM TV Spend
(on average)

Sources: Nielsen AdIntel, (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV); October 2014 – December 2015. comScore mobile metrix media trend (application access only), unique visitors (P2+), October 2014 – December 2015. Analysis is based on comparison of average monthly unique visitors for "When TV Off" vs. "When TV On" months of activity.

Deep Dives: Select Examples of “Services” Apps’ Demonstrated TV Spend / Traffic Correlation

“When On” / “When Off” Comparison

					
Average Monthly Unique Visitors (000)					
“When TV On”:	2,620	29,550	778	1,117	5,076
“When TV Off”:	1,427	24,348	667	774	2,756
% Difference:	+84%	+21%	+17%	+44%	+84%
Average Monthly TV Spend “When On” (000)	+\$942	+\$3,151	+\$304	+\$5,164	+\$3,915

					
Average Monthly Unique Visitors (000)					
“When TV On”:	3,978	1,757	725	57,325	372
“When TV Off”:	1,741	1,474	340	44,348	188
% Difference:	+129%	+19%	+113%	+30%	+98%
Average Monthly TV Spend “When On” (000)	+\$5,774	+\$941	+\$188	+\$1,605	+\$3,157

Source: comScore, mobile metrix media trend (application access only); Total audience (P2+), Oct '14 – Dec '15. Nielsen AdIntel (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV) Oct '14-Dec '15.

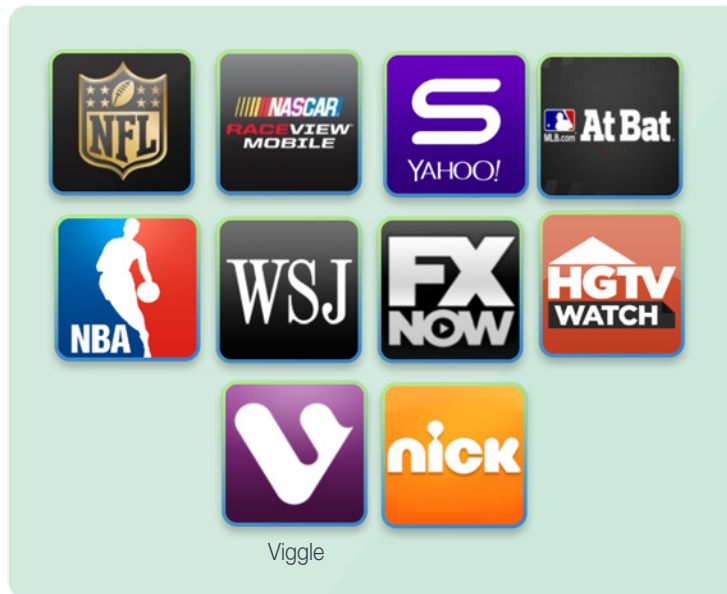
Our “Sports & Media” Segment Findings: 63% Correlation Among 16 Apps

10 of the 16 Mobile “Sports & Media” Apps (63%) Analyzed Exhibited a Direct Correlation Between TV Spend & App Traffic

10 Brands

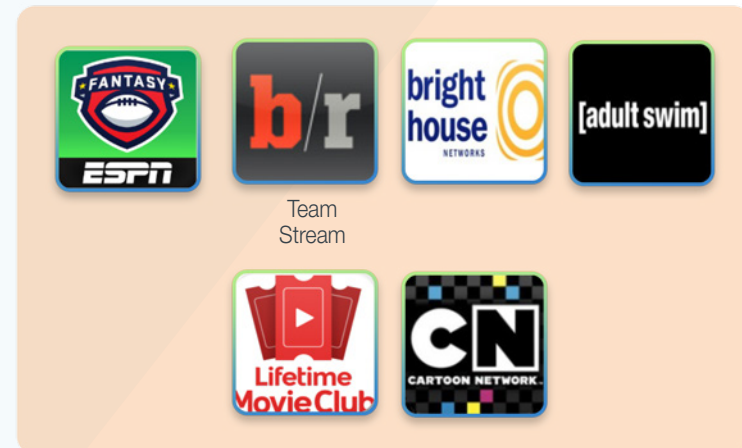
“TV Off” Months Led To ↓ In Monthly Unique Visitors

“TV On” Months Led To ↑ In Monthly Unique Visitors



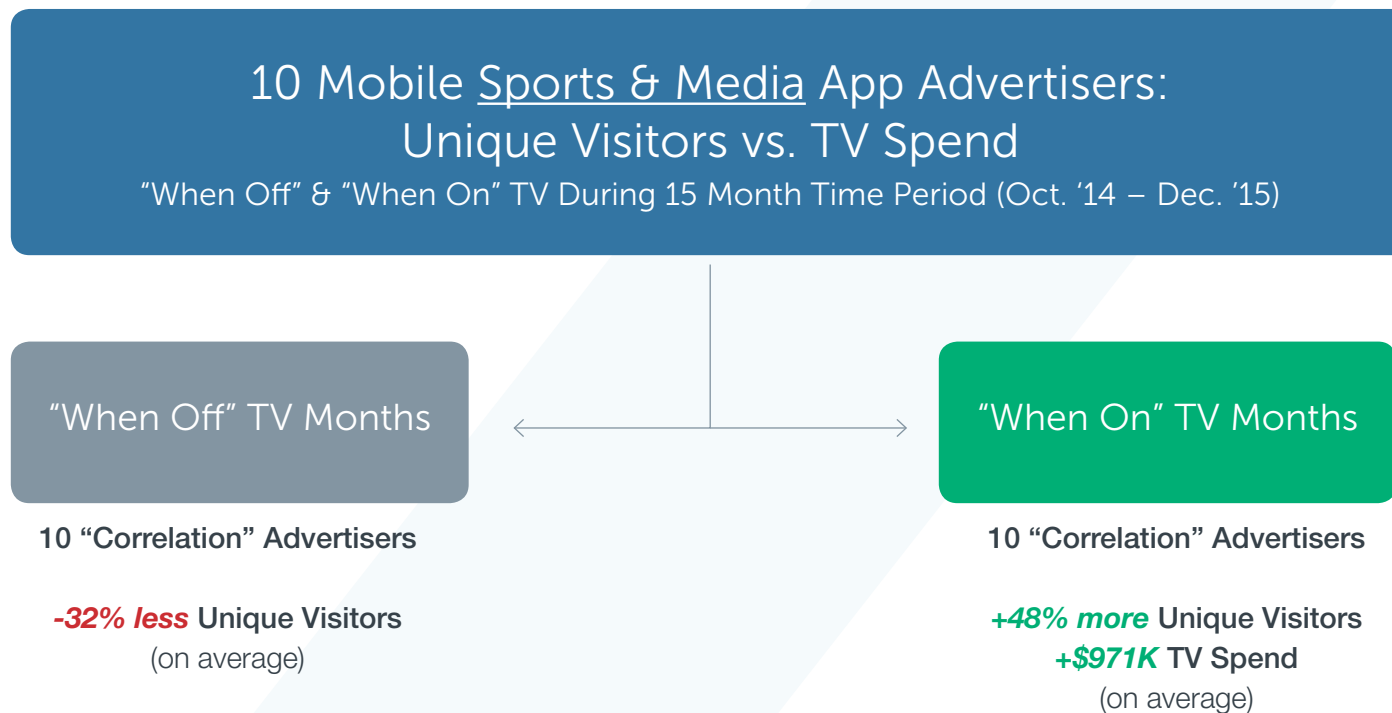
6 Brands

No correlation between “TV Off” & “TV On” Months
Vs. Monthly Unique Visitors



Sources: Nielsen AdIntel, (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV); October 2014 – December 2015. comScore mobile metrix media trend (application access only), unique visitors (P2+), October 2014 – December 2015. Analysis is based on comparison of average monthly unique visitors for “When TV Off” vs. “When TV On” months of activity.

Our "Sports & Media" Segment Findings: TV Spend Impact On The 10 Apps With A Definitive Correlation

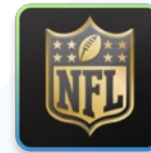


Sources: Nielsen AdIntel, (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV); October 2014 – December 2015. comScore mobile metrix media trend (application access only), unique visitors (P2+), October 2014 – December 2015. Analysis is based on comparison of average monthly unique visitors for "When TV Off" vs. "When TV On" months of activity.

Deep Dives: Select Examples of “Sports & Media” Apps’ Demonstrated TV Spend / Traffic Correlation

“When On” / “When Off” Comparison

Average Monthly Unique Visitors (000)



“When TV On”:

3,676

649

445

2,791

2,423

“When TV Off”:

1,812

599

249

2,041

1,999

% Difference:

+103%

+8%

+79%

+37%

+21%

Average Monthly TV Spend “When On” (000)

+\$626

+\$89

+\$5,209

+\$186

+\$1,932

Average Monthly Unique Visitors (000)



“When TV On”:

973

432

333

103

1,697

“When TV Off”:

787

310

225

60

1,059

% Difference:

+24%

+40%

+48%

+30%

+60%

Average Monthly TV Spend “When On” (000)

+\$369

+\$215

+\$256

+\$616

+\$216

Source: comScore, mobile metrix media trend (application access only); Total audience (P2+), Oct '14 – Dec '15. Nielsen AdIntel (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV) Oct '14-Dec '15.

RECENT TV CAMPAIGNS

BONUS ANALYSIS

How Recent TV Campaigns For Other Mobile Apps Have Driven Audience Growth

Up Close: 8 Recent TV Launches For Mobile Apps Have Attracted Big Audiences

In addition to the 60 mobile apps we included in our correlation analysis, we also looked at 8 mobile apps that were unmeasured until they launched a recent TV campaign during the 15-month time period we analyzed.

The results are clear, audiences flocked to these apps almost immediately after their TV launch.



Source: comScore, mobile matrix media trend (application access only); Total audience (P2+), Oct '14 – Dec '15. Nielsen AdIntel (web-based app game product category), TV spend (cable TV, broadcast TV, Spanish language cable TV, Spanish language broadcast TV, syndication TV, spot TV) Oct '14-Dec '15. All eight apps' comScore measurement based on "panel only," meaning that at least 6 panelists per mobile platform (250K panel) visited an app in order for it to be reported. This audience level needs to be maintained for continued measurement. Estimated monthly revenues based on VAB analysis of daily revenue estimates from Think Gaming, iPhone only, April 18th, 2016 (monthly estimates based on a 30-day month).

So, In Conclusion, What's App'ning In The Mobile App Category?

In this oversaturated, highly competitive, millennial-driven category, successful app brands – whether they be games, ecommerce, services, sports or media - are effectively leveraging Television to drive downloads, visits and in-app purchases.

The results are clear for apps that show a correlation between TV spend and traffic – unique visitors increase by double digits (+25%) when TV runs and decrease by double digits (-20%) when it doesn't. Furthermore, TV campaign launches have shown the ability to build quick, and measurable, audiences for apps which ignites revenue.

And for the games segment in particular, where direct correlations can be made more easily, the correlation is even tighter (86%), the TV impact is stronger (+30% unique visitors “When On”) and it's clear that an app's cumulative TV spend is the driving force behind increasing revenues.

This report continues to add to a mounting body of sophisticated evidence pointing to one conclusion: TV advertising is the primary driver of traffic and revenue generation.

CONTACT US

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