

admonsters

PLAYBOOK

Balancing In-App Ad Revenue With Ad Quality



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1. INTRODUCTION

The last 24 months have been stellar for app developers.. More users installed more apps, demonstrating that this robust app economy still has plenty of room for growth. But key challenges still remain. App publishers that rely on advertising to monetize their apps struggle to maintain a positive user experience and ensure brand suitability.

Brand unsafe ads—e.g. ads with violent or sexual content—prompt users to uninstall apps and leave reviews in the app stores, warning other users away from the apps. And, malicious ads pose security threats to app users which harm the app publisher’s reputation.

There’s also a missed opportunity: too many app publishers report lacking the necessary tools to leverage advertising to promote a positive brand experience, and not just prevent a bad one.

This playbook looks at the issues app publishers are facing, along with the tools they need to keep their users safe and engaged.

What’s a Playbook?

A playbook is an extension of what the AdMonsters community has been doing at our conferences for 20 years. A playbook solidifies what has made our events “must attend” for many digital strategists. By bringing people together to share learnings and best practices in a focused way, people can create a plan and avoid hours—if not days—of doing research on their own.

The AdMonsters playbook concept takes existing AdMonsters content (from conferences and AdMonsters.com) and, with the help of the AdMonsters community, “crowd-sources” a document that outlines best practices on a particular topic. Our belief is that this will allow for a free exchange of ideas with the benefit of curation for accuracy. This document does not get into specifics around individual solution providers intentionally.

Great effort has gone into writing the playbook in a fashion that applies to as many publishers as possible without becoming too general. In a technology-driven industry like digital advertising, information quickly becomes obsolete. The intention is that, based on the feedback of the AdMonsters community, the next playbook will start to take shape and, with additional contributors, grow in both depth and breadth.

2. EXECUTIVE SUMMARY

Dark Clouds Looming Over a Sunny Economy

The app economy reached new heights in 2020/2021. According to App Annie's annual **State of Mobile 2021** report, consumers worldwide installed 208 billion apps in 2020, and spent \$143 billion from their mobile devices, a new record. These milestones speak to the growing importance of the mobile app in creating a truly omnichannel customer experience.

Over three-quarters of apps count on advertising to generate revenue. Some leverage it to enhance the user experience, such as games that offer in-game currency in exchange for watching an ad. The exchange is mutually beneficial: users spend more time in the app, creating more revenue opportunities for the app publisher.

But there's a dark cloud hanging over the in-app advertising ecosystem: poor ads that harm the user experience, prompt users to uninstall apps and leave bad reviews in the app stores and damage the brand's reputation. These concerns aren't theoretical. Some 78% of app publishers we surveyed said that ads with the potential to damage their reputation

have appeared in their apps. 93% said that those ads led users to leave bad reviews about their apps in app stores—reviews seen by countless other users, many of whom were targets of costly UA campaigns. Another 71% said that poor ad quality has prompted users to uninstall their apps.

Although poor ad quality is a significant threat to the health of their apps, 71% of publishers say they have “some” or “little” control over the ads that appear, but not enough to ensure the level of brand safety they want and need.

Beyond brand safety is the issue of brand suitability. Publishers have a keen interest in the types of ad units as well as the content of the ads that are suitable to their user base. For instance, many gaming apps welcome ads for other games, because they encourage users to keep playing games in general. As a result, independent research from GeoEdge shows that 90% of ads that appear in games are for other games. Non-gaming apps, such as utilities, tend to receive the brunt of the worst ads.

Going forward, the industry needs to provide app publishers with tools to provide visibility into the ads that appear within their apps, along with controls to enforce brand suitable advertising to promote a positive user experience.

78%

of publishers say their apps had ads that could damage their reputation

93%

of publishers said bad ads led to negative reviews of their apps in app stores

71%

of publishers say bad ad quality has prompted users to uninstall their apps

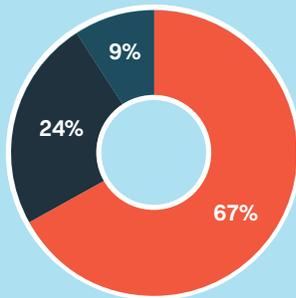
3. KEY FINDINGS

- Nearly **60%** said the frequency of bad ads has remained steady or increased.
- Just over **26%** of app publishers say they've seen a decrease in bad ads appearing within their apps.
- **71%** said that poor ad quality has prompted their users to uninstall their apps, which is frustrating given the high cost of user acquisition campaigns.
- **92%** said bad ads have led to negative reviews in the app stores, thus scaring other users away from the brand.
- **57%** of gaming app publishers said poor ad quality will cause players to quit playing.
- **69%** say poor ad quality diminishes the overall user experience.
- **71%** of app publishers say they have some or little control over the ads that appear within their apps.
- **100%** of app publishers say brand-suitable ads are those that offer products or services that are of interest to their users.

4. IMPACT OF POOR ADS

App Usage is Up!

It's one thing to get a user to install an app; it's a lot harder to get them to use it. But lockdown orders prompted users to form new habits, and that's good news for app publishers. Nearly 67% of publishers surveyed said they had seen an uptick in app usage since the start of 2020:



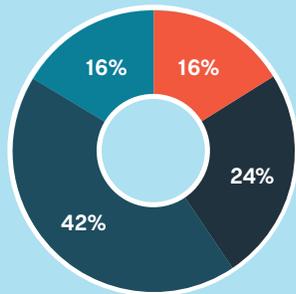
We asked: *Since the start of 2020, have you seen an uptick in app usage?*

They responded:

- Yes (67%)
- No (24%)
- Don't Know (9%)

Only 26% of Publishers Say They've Seen Fewer Bad Ads Since 2020

Where the consumers go, advertisers—legit and nefarious—tend to follow. Publishers don't have the tools they need to track bad ads that appear within their apps. Most learn of their existence from negative reviews in the app stores, or the rare instances when users report them.



We asked: *In your opinion, have you seen an influx of bad ads over the past year?*

They responded:

- Yes (16%)
- No (26%)
- Ad Quality Remains the Same (42%)
- Don't Know (16%)

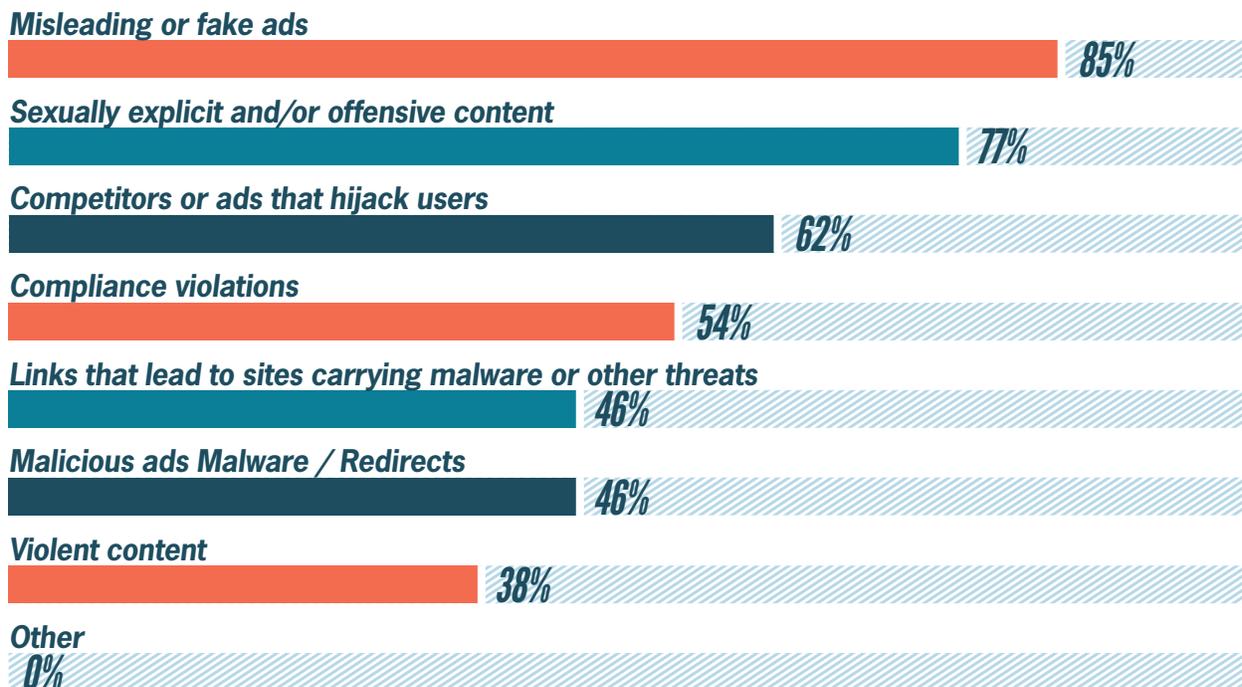
TIP: "Adopting a user-first approach is vital to ensuring a positive in-app user experience. Ensuring publishers' apps remain clean and profitable require solutions like **AppHarbr** by GeoEdge which enable app developers to refine their users' experience. Maintaining a high-quality user experience requires real-time protection and the highest degree of granularity for publishers to define rules for what is and isn't allowed within their app."

Amnon Siev, CEO, GeoEdge

How Publishers Define Poor Ad Quality

App publishers see a range of content and ad characteristics that they define as poor. In the worst instances, the true nature of an ad is revealed in the landing page, and not the ad creative itself—a tactic that circumvents the controls used by programmatic platforms. The types of content app users report are truly shocking.

We asked: Have you ever had an ad appear within your app that contained the following content? (Check all that apply.) They responded:



0% of App Publishers Say Their App Has Never Had a Bad Ad

Poor ad quality plagues all app publishers to some degree and should serve as a rallying call for the industry to address this scourge quickly and thoroughly

We asked: How often have ads containing unwanted content appeared in your apps?

They responded:

Fairly Often



From time to time



Only a few time



Never



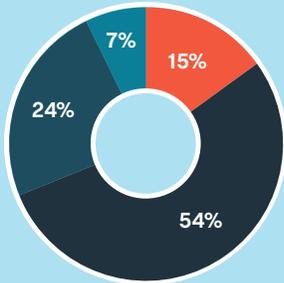
What is Meaningful Transparency?

Transparency remains a stubborn challenge for publishers. Programmatic platforms can provide placement-level detail of ads, but those files are unusable to the app product teams seeking to enhance the ad experience for their users. Millions of ads can be shown in a month, making it impossible to see the big picture of the user experience. Meaningful visibility requires a solution that displays the ads that appear in-app, and enables app publishers to flag/block unsuitable or bad ads both automatically and reactively. As it stands now, most app publishers only learn of bad ads when users report them, or leave negative reviews in the app stores.

TIP: Look for a solution that can address all of the issues you face: malicious ads, technical issues that disrupt the user experience, inappropriate ad formats, and predefined content issues. Ad quality providers like GeoEdge have tools that enable app developer teams to be very granular in terms of the ads users see.

For 69% of Publishers, Bad Ads Take a Hit on the User Experience

Face it, ads for ear wax removal are a turnoff for users, while ads that takeover the screen and blast a video startle users out of their wits. App publishers are frustrated by the impact that poor ad quality has on their user experience—experiences that can take months to develop and optimize on a continuous basis.



We asked: *Has poor ad quality negatively affected your user experience?* They responded:

- *Poor ad quality significantly diminished our user experience (15%)*
- *Poor ad quality has diminished the user experience somewhat (54%)*
- *We have seen no impact of ad quality on the user experience (24%)*
- *Don't Know (7%)*

Impact of Poor Ad Quality on User Churn

Close to half (46%) said bad ads contributed to user churn (data not shown). When asked how specifically ad quality affects churn, 50% of respondents cite offensive content and malicious ads.

We asked: *In your opinion, what are the primary reasons that poor ad quality causes users to churn (check all that apply)?* They responded:

Offensive ads driving users away



Competitors ads stealing users



Malicious ads redirecting users



5. BRAND SUITABILITY

Brand suitability is unique to every brand. Apps geared to kids will have a very different definition of brand suitability than one targeted at adults. But even apps used by adults will have very different standards; ads that are acceptable for a dating app may be deemed inappropriate for financial services or wealth management apps.

We asked: How do you define brand suitability (check all that apply)? They responded:

Ads that are relevant to our apps

(e.g. ads for other games within a gaming app)



Ads that reward or incentivize users to stay in our app



Ads for products and services of interest to our users



Other



81% of App Publishers Say Ad Quality Affects Brand Suitability

Brand suitability *rather than* brand safety is becoming standard practice, which is why publishers are anxious to exert more control over the ads that appear within their app

We asked: When you think about ad quality, how important is brand suitability? They Responded:

Very Important



Somewhat Important



Not Particularly Relevant

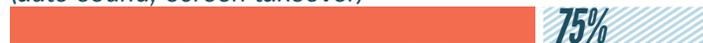


Going forward, we wanted to know their brand suitability priorities, so we asked:

Which ad quality challenges will be your top priority over the next 18 months? (Check all that apply.) Here's what they told us:

Ads that users perceive as disruptive

(auto-sound, screen takeover)



Ads that prompt users to quit the app



Irrelevant ads (brands that don't appeal to users)



Ads from our competitors



Offensive content



Brand Suitability in App Advertising

Both the ad format and ad content contribute to brand suitability, and they can vary from app to app, even those owned by the same publisher. Autoplay video ads may be appropriate for gaming apps as an incentive to earn in-game currency and extend gameplay, but are completely unsuitable for a utility app.

This example points to a key finding in the survey: the tools app publishers have at their disposal generally seek to prevent bad ads, but with the exception of inclusion lists, they don't allow them to concentrate on finding "good" ads, or ads that enhance the user experience. This is a missed opportunity given that 100% of survey respondents said they consider brand suitable ads as ones that offer products and services that are of interest to their users.

Gaming vs. Non-Gaming Apps

Gaming app publishers reported a lower level of bad ads than non-gaming app publishers, a finding that confirms a long-standing trend. The ads that appear in gaming apps are typically for other games, which enhance the user's experience. Playable and instant apps, for instance, allow the user to try a game, and if appealing, install it to play later on.

TIP: *"All app developers need to take the time to build a brand suitability framework and define what a good and bad ad looks like for their audience. This needs to be done on an app-by-app basis. Real-time ad quality tools, like **AppHarbr** carry those unique parameters forward—enforcing publishers rules for a refined in-app user experience."*

Amnon Siev, CEO, GeoEdge

6. HOW PUBLISHERS ARE FIGHTING BACK

App publishers tell us that they want more control over the apps that appear, and it's not hard to see why. Nefarious players often have high technical skills, along with a strong economic incentive to develop malicious misdirects and misdeeds.

Only 21% of Publishers Say They Have Sufficient Control Over Apps

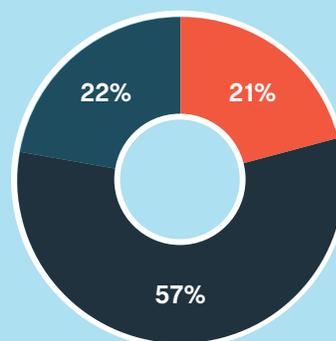
It's clear from our survey that while app publishers would like to do a better job protecting their users and enhancing the user experience, they lack the tools to do so.

Current Tools & Strategies to Prevent Poor Ads

It's no surprise that app publishers are frustrated, given their current tactics to ensure ad quality. Maintaining lists of who can advertise and who can't has always had a limited impact in the programmatic world. Maintaining lists of who can advertise and who can't has always had a limited impact in the programmatic world.

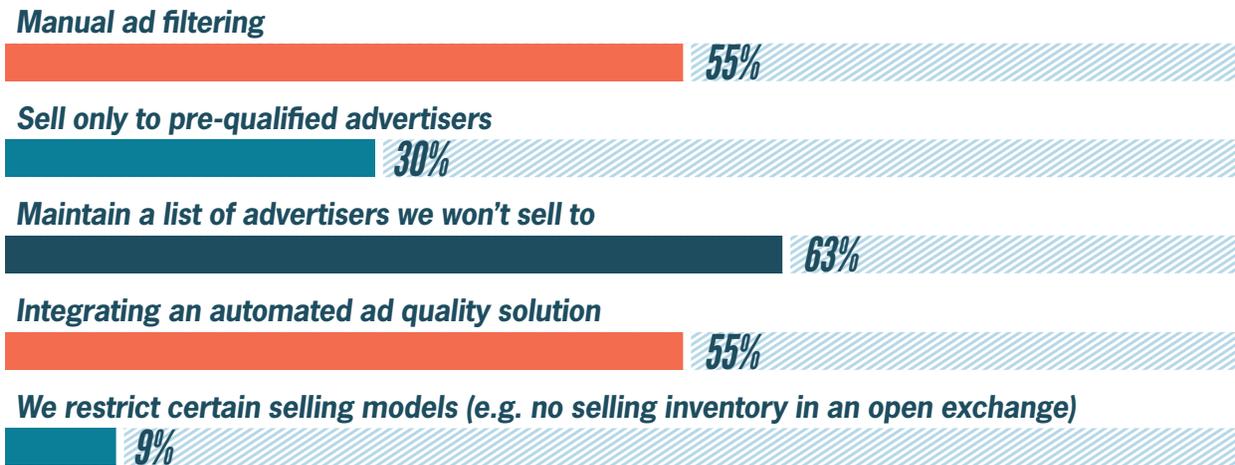
We asked: Do you feel as if you have sufficient control over the ads that appear within your apps?

They responded:



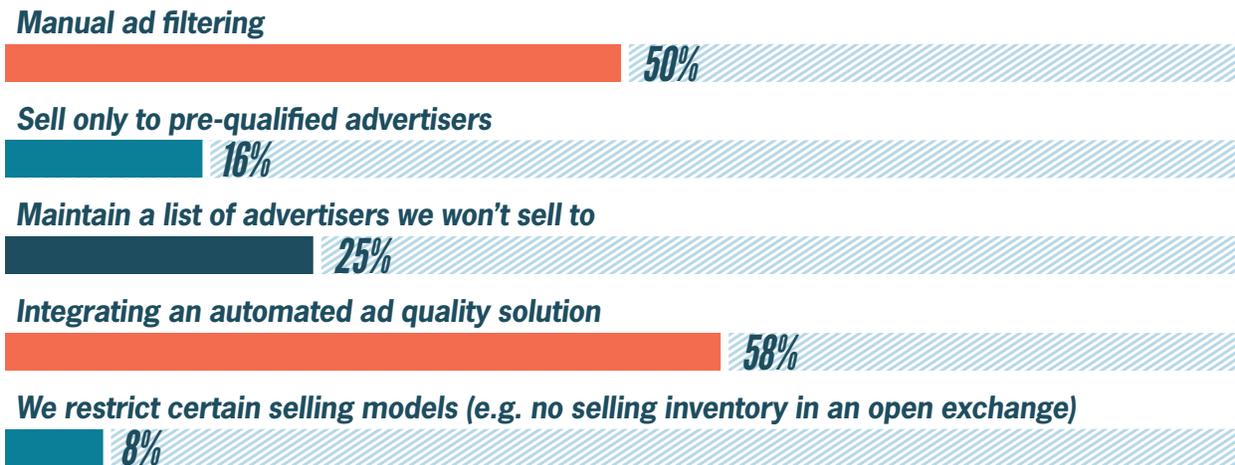
- **Yes, we have full control. (21%)**
- **We have some control. (57%)**
- **We don't have the control we need (22%)**

We asked: Which tactics do you currently deploy to prevent bad ads from appearing within your apps? (Check all that apply.) They responded:



Future Plans

Finally, we asked: Which tactics do you plan to deploy over the next 18 months? (Check all that apply.) They responded:



7. THE APP DEVELOPERS PLAYBOOK FOR ENSURING BRAND SUITABILITY

- **Craft a brand suitability framework** to articulate what brand suitability means for your app. Discuss questions such as: Is this advertiser type or content category of interest to our users? Look for a tool that allows you to create and apply granular rules to enforce security, content, and user experience (e.g. intrusive ads) standards.
- **Adopt a tool that protects the entire ad delivery process**, one which monitors the content on both the creative and the campaign's landing pages. GeoEdge frequently blocks ads that are categorized as family-friendly but include images of offensives ranging from liquor bottles to sexually explicit content. They also commonly block ads that conceal the true nature of the product sold. To prevent these incidences, implement a tool that leverages optical character recognition, image recognition, and context analysis to analyze campaigns on a real-time basis.
- **Make sure your toolkit is stocked with a transparency solution** to efficiently review the ads that appear in each app and determine if they meet the criteria laid out in your brand suitability strategy. Some ads may be “edge” cases, and require you to make a determination if they meet your standards. Real-time solutions will take it from there to enforce your rules going forward.
- **Take ad quality control down the last mile** by automatically informing your demand partners of malicious and offensive ads originating on their end. Adopt a solution that not only automatically blocks security incidents but mitigates the issue with automated demand reports to the incident's origin. Streamlining incident mitigation not only lightens the load on app publishers but contributes to an overall cleaner environment.
- **Look for a comprehensive SDK** with a customer success A-team to ensure your business success. A holistic SDK not only offers real-time flagging and blocking but a dedicated success manager to ensure your brand suitability standards are enforced.

8. ABOUT THIS SURVEY

Types of Organizations Represented

Publisher



Agency



Brand



Technology Provider



Types of Apps Represented:

Gaming



Entertainment



Social



Utilities



Other



Size of Organization – Employees:

1 - 49



50 - 499



500 - 999



1,000 - 4,999



5,000+



Respondent Seniority:

C-Suite



Vice President



Director



Manager



Other



How They Fill Ad Space:

Ad Networks



SSPs



Programmatic



Direct Deals with Advertisers



House Ads



Inherent Challenges of Programmatic

Programmatic delivers significant efficiency to advertisers and publishers, but it's not without its challenges. Like publishers everywhere, app monetization teams struggle to gain visibility into the ads that appear within their properties. Where there is no visibility, there is no control over the user experience.

This is an urgent issue for app publishers, two-thirds of whom rely on advertising for some or all of their revenue. Our survey shows that the vast majority (92%) of app publishers rely on programmatic.



The global leader in strategic insight on the future of digital media and advertising technology. Through our conferences, website, and original research, we offer unparalleled in-person experiences and unique, high-quality content focused on media operations, monetization, technology, strategy, platforms and trends. We provide a forum to share best practices, explore new technology platforms and build relationships.

AdMonsters has built its reputation on providing objective editorial leadership based on deep, real-world expertise. We have continued to evolve our editorial strategy to address the changing needs of the market and, as a result, AdMonsters has attracted a highly focused audience who are at the forefront of the industry, and leading marketing partners have found AdMonsters to be a powerful channel to reach these decision makers. Today, our portfolio of integrated media solutions includes industry-leading live events, our innovative Connect content solutions, email marketing programs, and more.

As of March 2015, AdMonsters is part of the **Access Intelligence** family of companies.

For more info:

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Media contact:

marketing@admonsters.com

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GeoEdge's mission is to protect the integrity of the digital advertising ecosystem and to preserve a quality experience for users. GeoEdge's advanced security solutions ensure high ad quality and verify that sites/apps offer a clean, safe and engaging user experience, so publishers and app developers can focus on their business success.

App Developers and publishers around the world rely on GeoEdge to stop malicious and low-quality ads from reaching their audience. GeoEdge allows publishers to maximize their ad revenue without quality concerns, protect their brand reputation and increase their user loyalty. GeoEdge guards digital businesses against unwanted, malicious, offensive and inappropriate ads—without sacrificing revenue.

To learn more, visit: www.geoedge.com

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