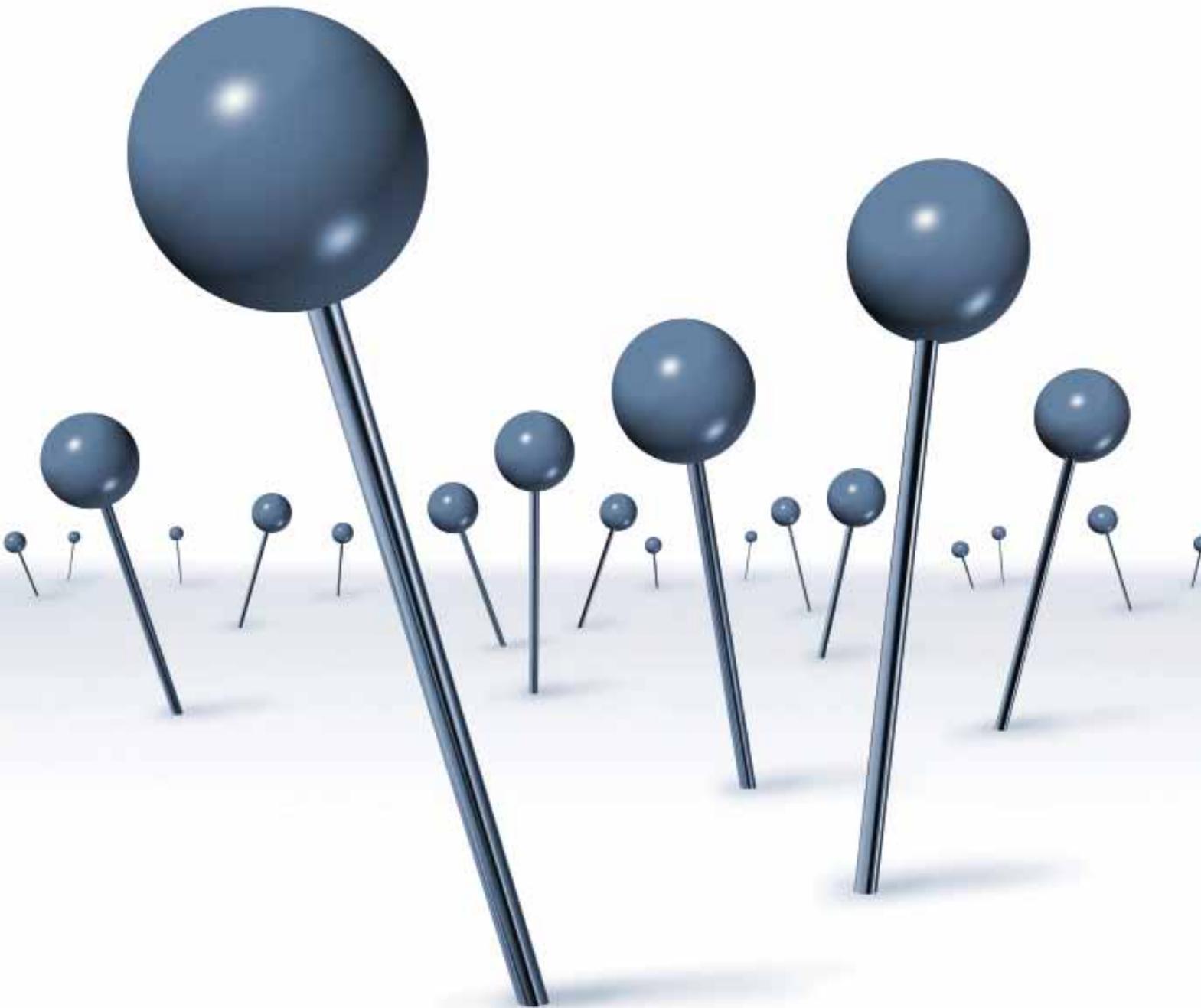
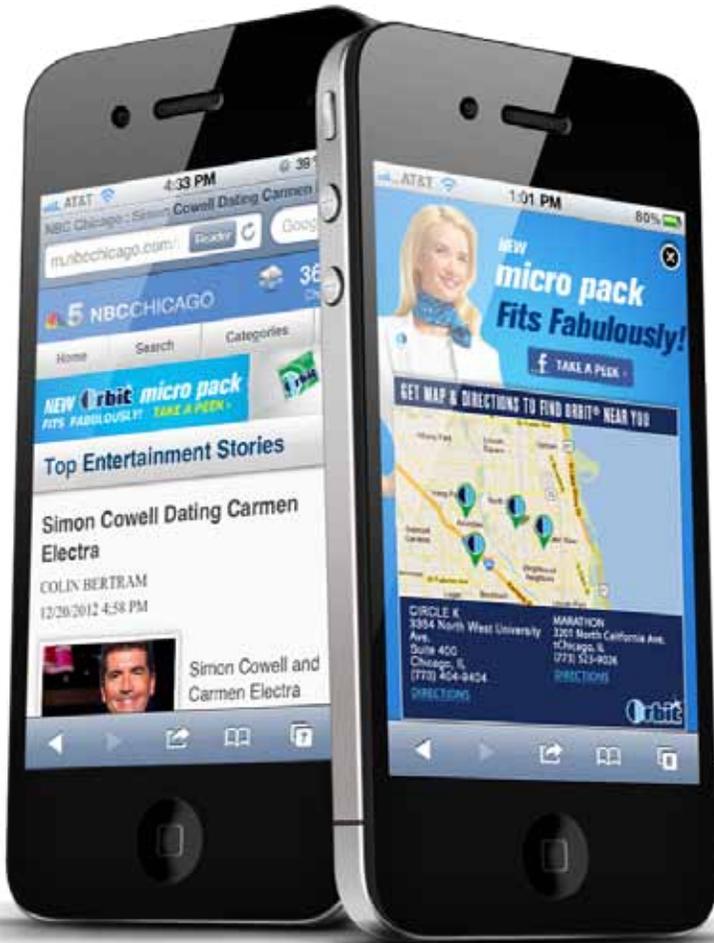


State of the Market

Location Powered Mobile Advertising Report
2012 Annual Review



Verve is the expert in location powered mobile advertising



Unique targeting technology, unique audiences, and high quality location data make Verve the key partner for national and local advertisers looking to leverage location data to make their mobile advertising more effective.

As the largest location-based mobile advertising business in the U.S., Verve serves many of the leading brands and publishers and offers the most insightful data sets for expert-level reporting on the state of location-based mobile advertising.

GOALS OF THIS REPORT

- › Identify and define the principal strategies and approaches to location-based mobile advertising being leveraged by advertisers
- › Provide some quantitative distribution of the relative utilization of those different approaches
- › Show distribution across key industry categories of location-based mobile advertising
- › Analyze performance data across the location spectrum
- › Provide examples of successful location powered campaigns



METHODOLOGY

Verve has analyzed 2,500+ mobile campaigns delivered during 2012, most of which were location powered:

- › By strategy of location targeting
- › By industry/vertical or category
- › Click-through rates (CTR)
- › Performance by strategy
- › Creative execution type

Types of location powered mobile advertising

Location targeting enables advertisers to be smarter in how they place media so that impressions are not wasted in areas where the advertiser has little or no presence. Advertisers are targeting particular market geographies from metro areas, sets of zip codes, even zip+4, to specific miles radius around particular locations. They are also targeting audience segments where the segments are built on location-based data.

› Geo-aware

Geo-aware campaigns use real-time location data to deliver specific, often dynamic, messages to the user based on their distance from the nearest retail location or proximity to a particular location.

› Geo-fencing

Advertisers targeting users based on a set distance (often miles) from a location of interest such as a store, or physical site where known audiences frequently visit. Consumers outside of the geo-fence would not be served the ad because they fall outside of the location parameters. This technique is particularly useful for advertisers looking to drive foot traffic to physical store locations.

› Location-based Audience Data Targeting

Advertisers targeting mobile users by leveraging anonymous third party offline data such as demographic types, transactional or psychographic attributes which are then coupled with high quality location data to determine audience “clusters” by geographic area.

› Place-based Targeting

Advertisers targeting users based on audience segments that are built based on a user’s location and time. Verve has worked with a third party data provider, and more recently launched its own platform, that slices the entire U.S. into micro-grids and associates multiple data points to each grid. So, if an advertiser wants to target “soccer moms” Verve would recommend targeting location grids that score high for that type of audience such as suburban supermarkets or playgrounds during school hours, on weekdays.



SUCCESS STORY // FINANCIAL

Making it epic

PROMOTION:

Credit card sports affiliate program

GOAL:

Increase program enrollment and brand awareness

STRATEGY:

Content and location targeting to reach football fans at premier sports venues

EXECUTION:

- › Rich Media
- › Device Type (Smartphone + iPad)

RESULT:

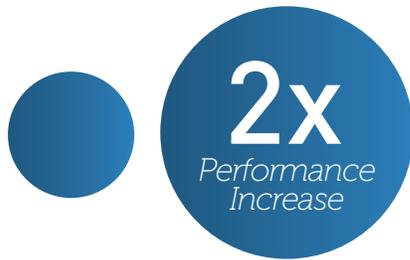
Football fans responded to this mobile campaign with great excitement generating a CTR 5x higher than the industry average.

CTR:

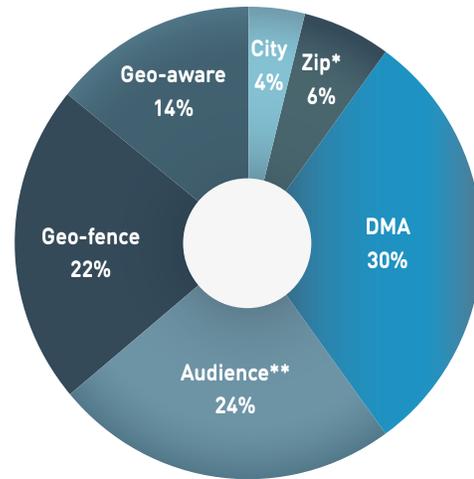
2.0%

Mobile campaigns leveraging location targeting outperformed non-location targeted campaigns by a factor of 2x

As 2012 progressed, advertisers began to get more sophisticated in their targeting approaches, leveraging more geo-fenced, geo-aware and location-based audience targeting. In 2011, only 17 percent of Verve campaigns were geo-fenced or geo-aware but in 2012, 36 percent of Verve campaigns leveraged geo-aware or geo-fencing strategies.



Location Targeting by Strategy

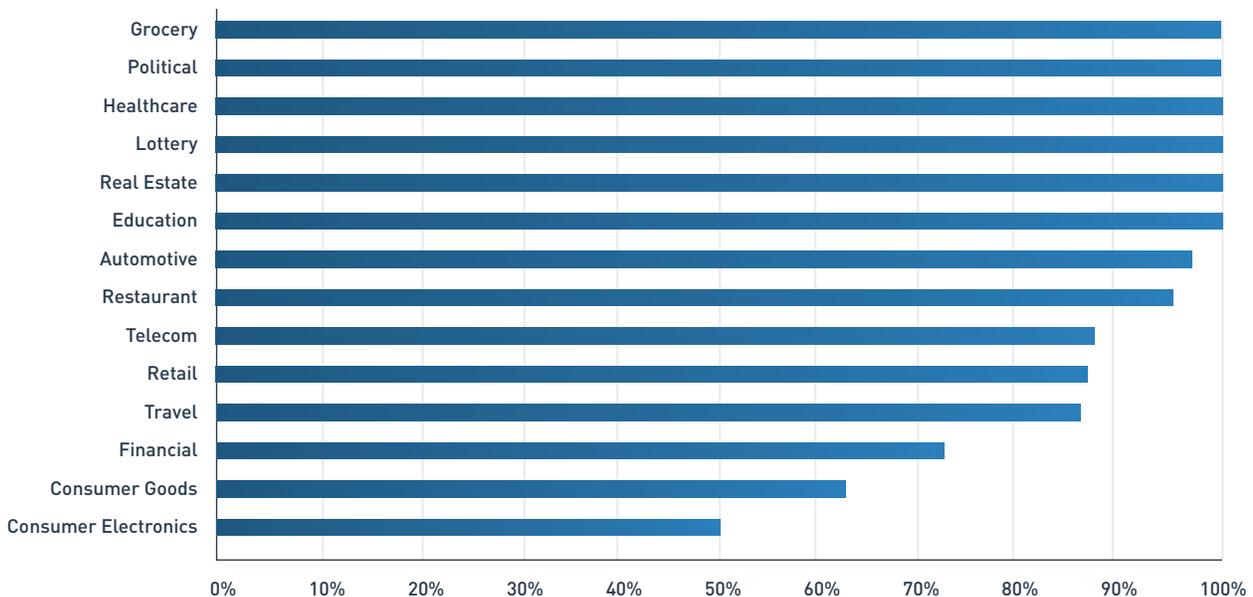


* Zip includes Zip+4
 ** Audience includes third party data and place-based targeting

Who is using location powered advertising?

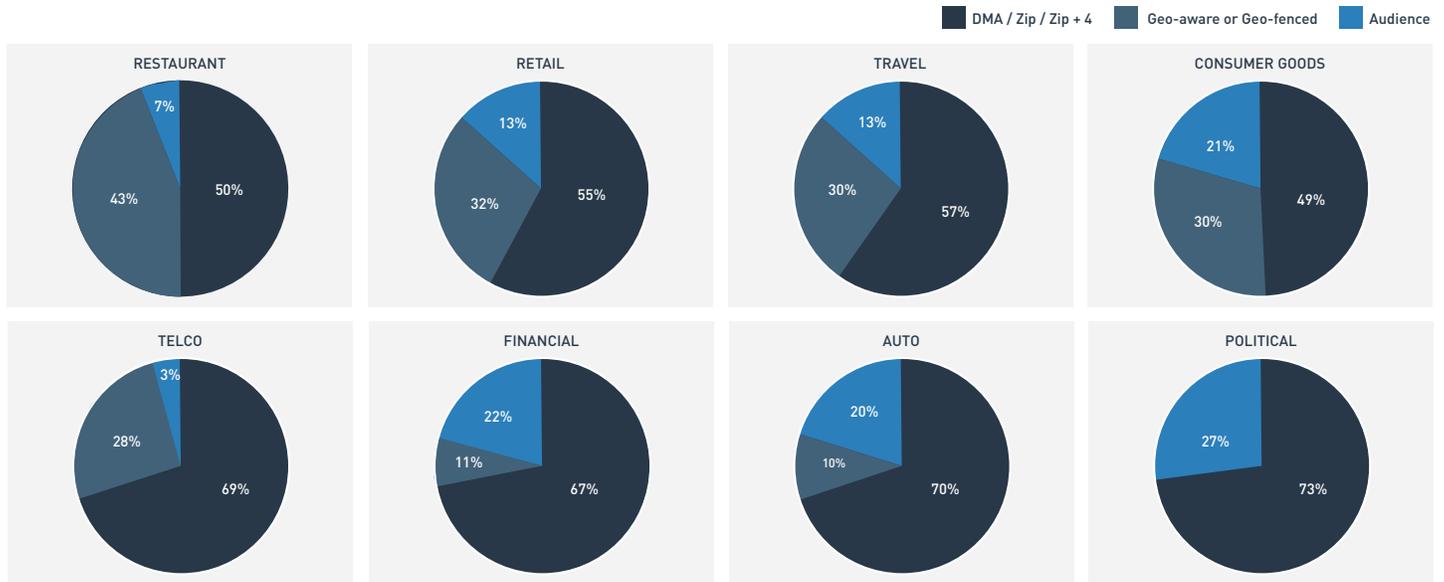
Of the 2,500+ mobile campaigns delivered on the Verve Platform and analyzed for this report, most utilized location targeting, which is not surprising as Verve's focus is location targeting. The chart below shows the percent of campaigns run on the Verve Platform that were location targeted by advertiser industry/vertical. Advertisers with physical, brick-and-mortar locations and those with inherently local products like real estate led in the percent of campaigns that used location targeting.

Location Targeted Campaigns by Vertical



Restaurants and retail led all advertisers in the use of geo-aware and geo-fenced campaigns

Advertisers are increasingly using dynamic, location powered creative to facilitate traffic to the nearest retail or restaurant location. Consumer goods companies were also successful in driving mobile users to the nearest grocery or retail location where their products are sold. Audience targeting is also a popular tactic, allowing an advertiser to focus only on geographic clusters that index highly for their desired demographic .



SUCCESS STORY // RETAIL

Location is fashion-forward

PROMOTION:

David Beckham Bodywear

GOAL:

Generate excitement around the David Beckham Bodywear line at a leading, global retailer. Drive traffic to specific store locations, and participation in their mobile sweepstakes program.

STRATEGY:

Geo-fence around store locations in San Francisco, Los Angeles, and New York. Audience and location-based audience targeting was also applied.

EXECUTION:

- › Dynamic
- › Expandable
- › Tap-to-Map
- › Social Media Integration

RESULT:

Verve's targeted mobile campaign helped drive thousands of Beckham fans to select retail locations.

CTR:

2.3%



Performance by location targeting strategy

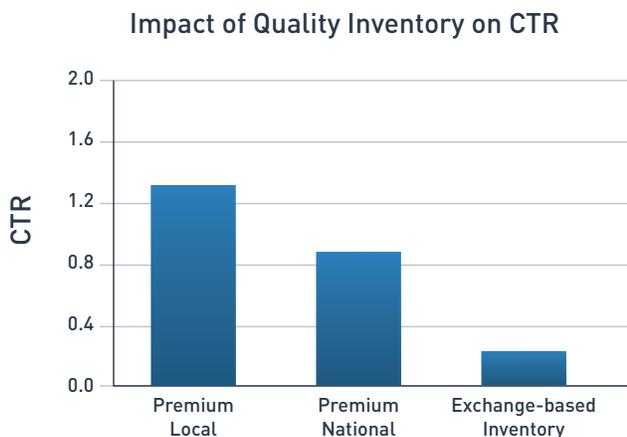
All location-based tactics exceeded the industry average CTRs of 0.4 percent. Geo-aware and geo-fence mobile programs led average CTRs.



Not all mobile inventory is equal

A clear trend in 2012 was the strong performance improvement of campaigns that incorporated location-based strategies. Equally interesting was the effect location had on campaigns delivered across premium local media properties, highlighting the synergies between location and context.

Both national and local inventory exceeded exchange-based inventory, which is known to be unreliable in terms of location quality, anywhere from 3X-to-5X while holding location-based tactics constant.



SUCCESS STORY // GROCERY

Cheers to location

PROMOTION:

In-store "Brewniverse" event

GOAL:

Strengthen this high-end grocer's presence in local communities throughout Texas and raise awareness of special products being promoted through in-store events.

STRATEGY:

Utilize dynamic, geo-aware mobile ads to personalize messaging to users closest to the grocer's store locations.

EXECUTION:

- › Expandable
- › Interstitial
- › Tap-to-Map

RESULT:

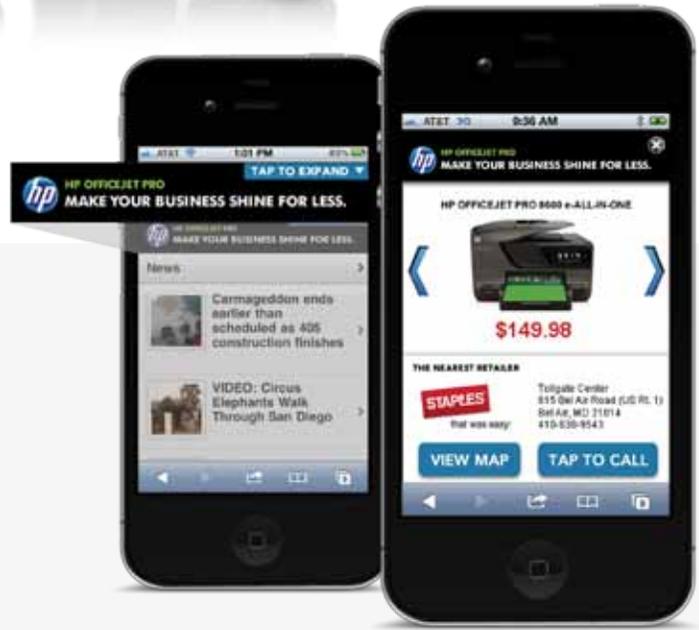
By combining effective creative with location targeting and by putting "user distance to store from location x" into the creative, KPI benchmarks were exceeded and the grocer continued their mobile campaign with Verve through the holidays and into 2013.

CTR:
4.1%

Beyond the click, users are engaging with brands on mobile devices in many ways

Having clear and meaningful calls-to-action entice user engagement especially when coupled with location utility such as pointing out where a user is relative to a store location.

	INTERACTION RATE
Calls	9%
Video	4%
Maps	3%
Calendar	3%
Social	3%



SUCCESS STORY // CONSUMER ELECTRONICS

Driving foot traffic

PROMOTION:

Printer sales

GOAL:

Increase awareness of a specific printer brand among consumers and drive traffic to physical retail locations that sold the product.

STRATEGY:

Leverage multiple targeting strategies to reach the right consumer who is in the market for a new printer at the right place and time.

EXECUTION:

- › e-Circular
- › Tap-to-map
- › Tap-to-call
- › Intersitial
- › Geo-aware expandables
- › Utilize third party offline shopper data to increase likelihood of reaching consumers in market

RESULT:

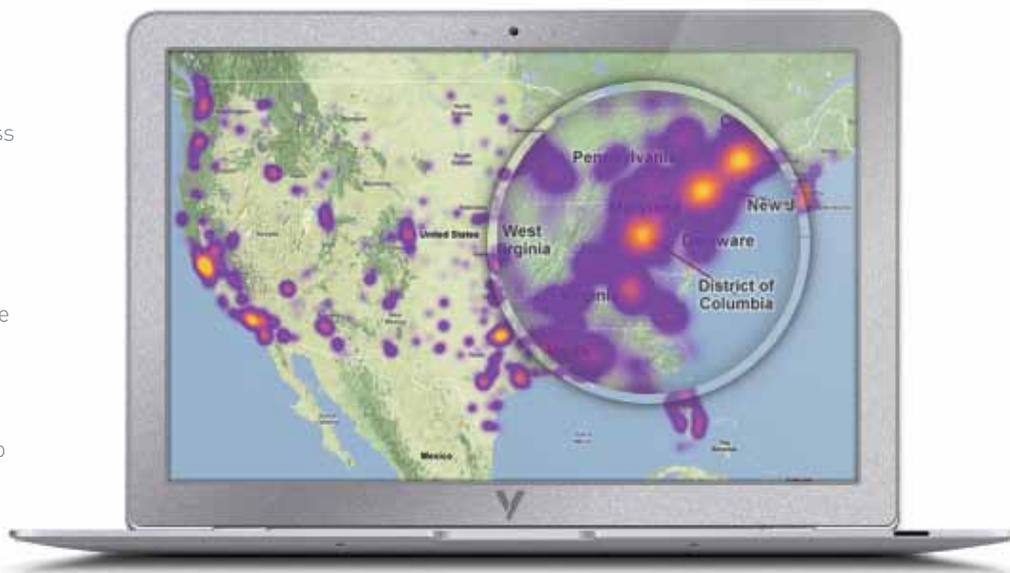
Overall, the campaign was a success achieving the goals determined by the advertiser. Expandable and mobile e-Circular executions were the highest performing, with engagement rates exceeding the industry average.

CTR:

2.4%

Technology driven optimization

An important element of any mobile campaign is being able to measure success and optimize in real-time. Verve has developed a proprietary heat-mapping technology that allows advertisers the opportunity to see where actionable mobile consumers are across the 210 DMAs. In this example, we see where specific auto-intenders are in proximity to a leading auto manufacturers' dealer locations.



Mobile leadership with a difference

Verve is the pioneering leader in location-based mobile advertising. Our customers are national brand advertisers who want to engage consumers on their mobile devices with location-aware, data-driven and highly targeted marketing.

We also serve local premium publishers and channel partners across the nation, delivering the platforms and services they need to power and monetize their mobile offerings.

The Verve location powered technology platform and the proprietary data it generates are revolutionizing mobile media and advertising. It enables consumer and content brands to reach their desired audiences on the go, out and about, and closer to the buying decision than ever before.

Verve has been leading the way in location powered mobile advertising since 2005 and has offices in New York City, Washington DC, Atlanta, Detroit, Dallas, Chicago, San Francisco, and San Diego.



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