APAC Mobile Advertising Statistics And Trends Report

Vpon

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Diving into Asian Tourists' Mobile Behavior Pattern, Seamlessly Reaching the Premium Consumers Across Asia

We are now in the "AI-first era", whilst big data is the core element to fuel the development of Artificial Intelligence (AI). AI and big data are just a lovely couple with an indispensable relationship – it would not be better without one another. That's why Vpon, as a big data ad tech company, has not only been striving persistently for the amount and quality of data, but also pushing ourselves to advance on our tech infrastructure to bring about the best outcome. Yet, we value human intelligence too. We believe the integration of both contributes to collective intelligence which outstands us from the crowd.

Thanks to the ever-connectedness of mobile devices, it generates huge amount yet quality data by on-the-go consumer activities on mobile devices, making big data effective for brands to gain a comprehensive understanding on user behavior and to predict the trend. To act in concert with data insight on Asian tourists, Vpon has long been building the biggest database of tourist's mobile behavior in the market through continuous accumulation, consolidation, and analysis of data in the past 10 years.

In this report, supported by Vpon's Trata DMP which possesses 60 million Asian tourists data, Vpon dives into multi-dimensional mobile data of Asian tourists and turn it into actionable insights for brands to further refine their marketing strategies. Grasping these powerful insights, brands can enhance the ability of targeting tourists at different stages with different approaches, achieving a more personalized mobile ad experience. The precision of audience targeting on tourists can greatly improve the return on investment of marketing campaigns and tremendously grow your customer base without territory and time restraints.

" *Data drives transactions. Big data should be the weapon to gain competitiveness for all industries and eventually implemented at every level of a company.* "

Victor Wu
Co-founder and CEO of Vpon Big Data Group

Executive Summary

Key Findings :

JAPAN

The lead time for Greater China tourists to prepare for their trip is short, with less than 50 days. Particularly, tourists from Taiwan are more likely to make an ad-hoc trip to Japan.

SINGAPORE

Having most of the frequent tourists from Greater China region, with 44% of them visit more than once in a year with relatively longer trip (7 days).

THAILAND

An all-season travel destination for Greater China tourists, especially for those from Hong Kong and Taiwan. Tourists' choice of destination is less subjected to seasonal change.

APAC

China and India dominate 46% biddable mobile ad inventory in APAC, while more than 60% comes from mobile app.

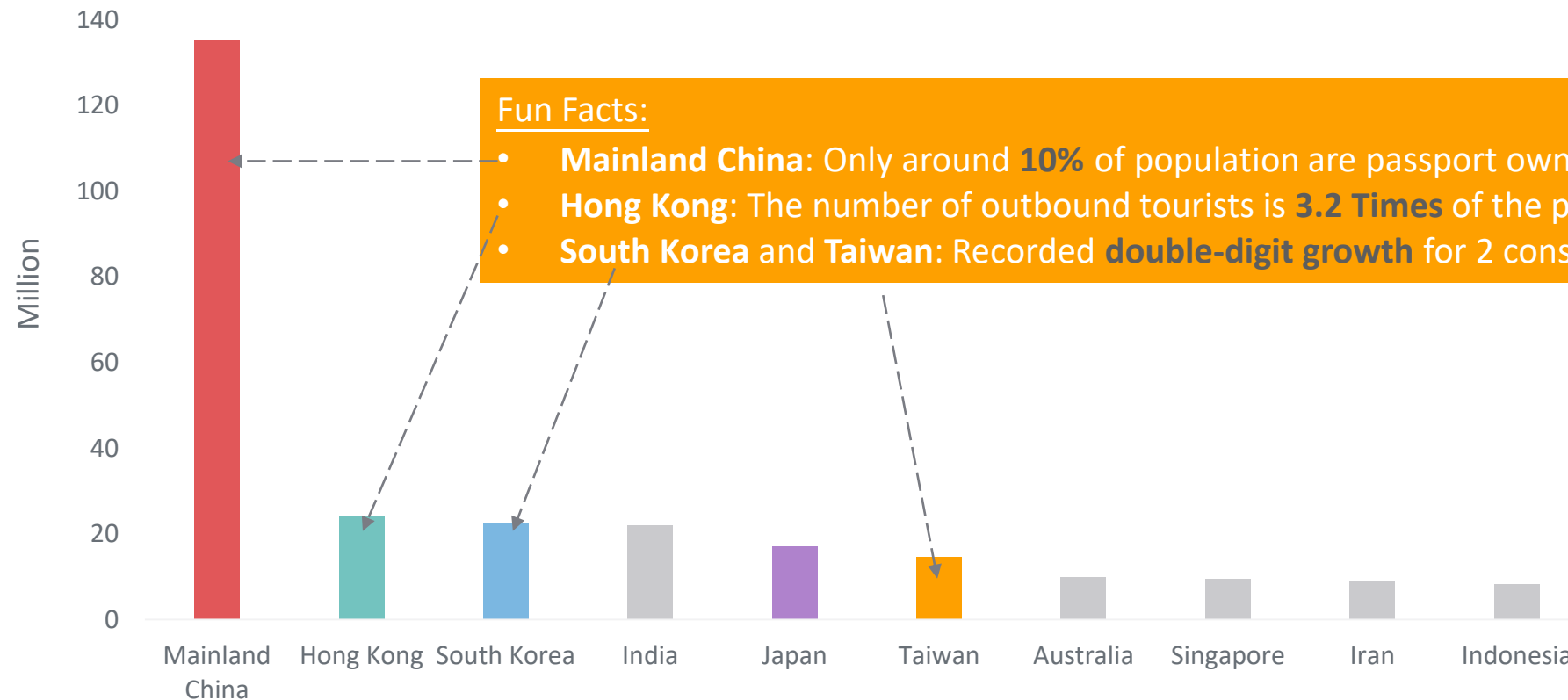**Grasping the Business Opportunity in Booming Asia And Intra-regional Tourism**

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Asia Tourism is Booming
North Asia Speeds Up the Growth of Asia Tourism

- APAC is the second largest source for international tourism after Europe. However, the strong growing momentum has bought a steady 7%+ YOY growth in 3 consecutive years, far higher than Europe (2.1% growth) or the world's average (3.9% growth).
- Regions in North Asia are the main contributors, which occupy the top six positions excluding India.

Top 10 International Tourist Departures (Million) in APAC

Fun Facts:
- **Mainland China**: Only around **10%** of population are passport owners
- **Hong Kong**: The number of outbound tourists is **3.2 Times** of the population
- **South Korea** and **Taiwan**: Recorded **double-digit growth** for 2 consecutive years

Remark: Number of departures of Hong Kong is based on the passengers departed by air only.
Source: UNWTO/GTERC, Hong Kong Census and Statistics Department

Asia Tourism is Booming

Developed Regions are the Big Spenders

- Nearly 40% of the world's international tourism expenditure comes from APAC, specifically, **tourists from North-east Asian regions (including Hong Kong, Japan, Mainland China, Taiwan and South Korea) contributed to the largest part of this**
- **spending (74%)**.

    Mainland China stands firm on its "World's biggest spender" position.

Top 10 International Tourism Expenditure (USD Billion) in APAC

USD261.1 Billion

- Nearly **10 times** of South Korea
- Rank no.1 in the world

Billion (USD)

| | Mainland China | South Korea | Australia | Hong Kong | Singapore | Japan | Taiwan | India | Philippines | Malaysia |

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Intra-regional Tourism Fuels the Economies

- "Travel was driven in particular by strong intra-regional tourism. World exports of travel…rose by 2 per cent in 2016. This reflects an increase in tourist numbers worldwide and expanded tourism within Asia, with China becoming an increasingly important source of expenditure on overseas travel." -- *World Trade Statistical Review 2017*

International Tourist Arrivals by Region of Origin in Asia
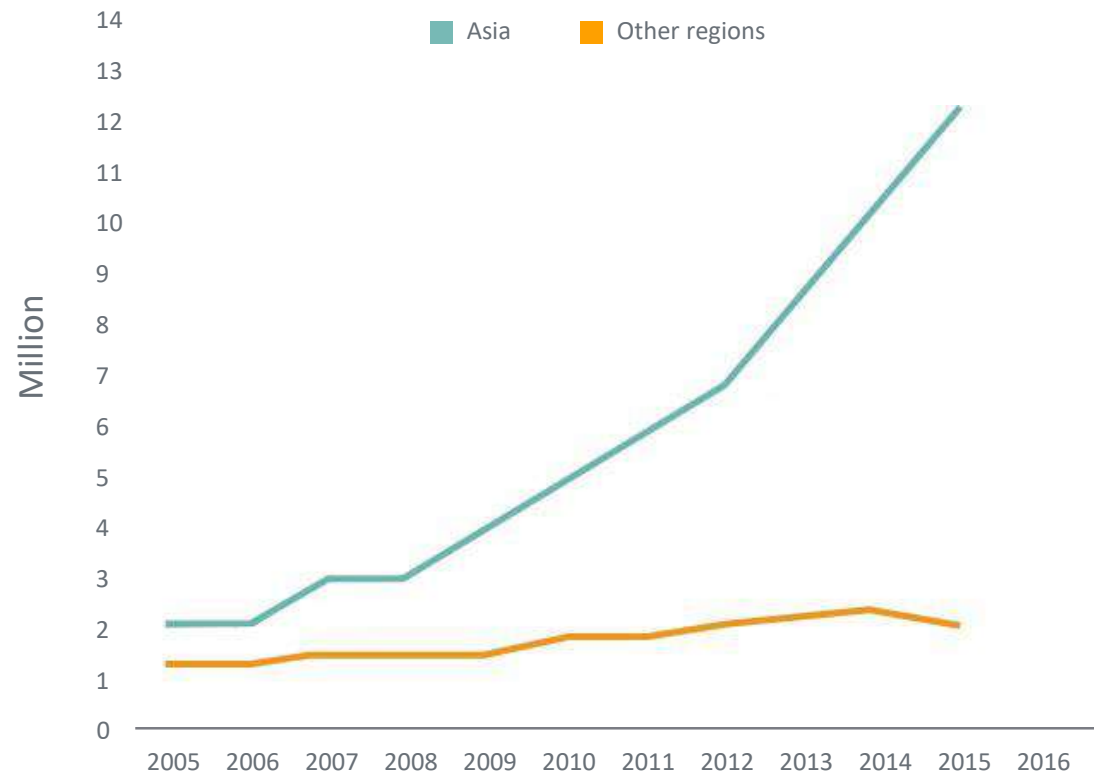
Intra-regional tourism:

Tourist traffic flows to and from countries within the same region of the globe, which is an important component of international travel. UNWTO suggested that about **four out of five (80%) arrivals worldwide take place in the same region.**

Source: World Trade Organization

Analysis of Greater China Tourists Mobile Behavior Pattern at Pre-trip and During Trip in Japan, Singapore, and Thailand

Research Background

In light of the booming Asia and Intra-regional tourism, the analysis aims to gain more understanding on one of the most affluent segments - Greater China tourists' travel pattern and their mobile behavior at pre-trip and during-trip stages. The designated geography, Japan, Singapore and Thailand, for during-trip analysis is based on the research about top three destinations of outbound Chinese tourists co-presented by China National Tourism Administration and Ctrip in 2017.

This analysis is based on the massive amount of Asian tourists behavior data from 1st, 2nd and 3rd party sources that collected by Vpon's Trata DMP during Jan 1 – 31 December, 2017. The exclusive insights are presented upon two main aspects – tourist's travel pattern and their mobile behavior.
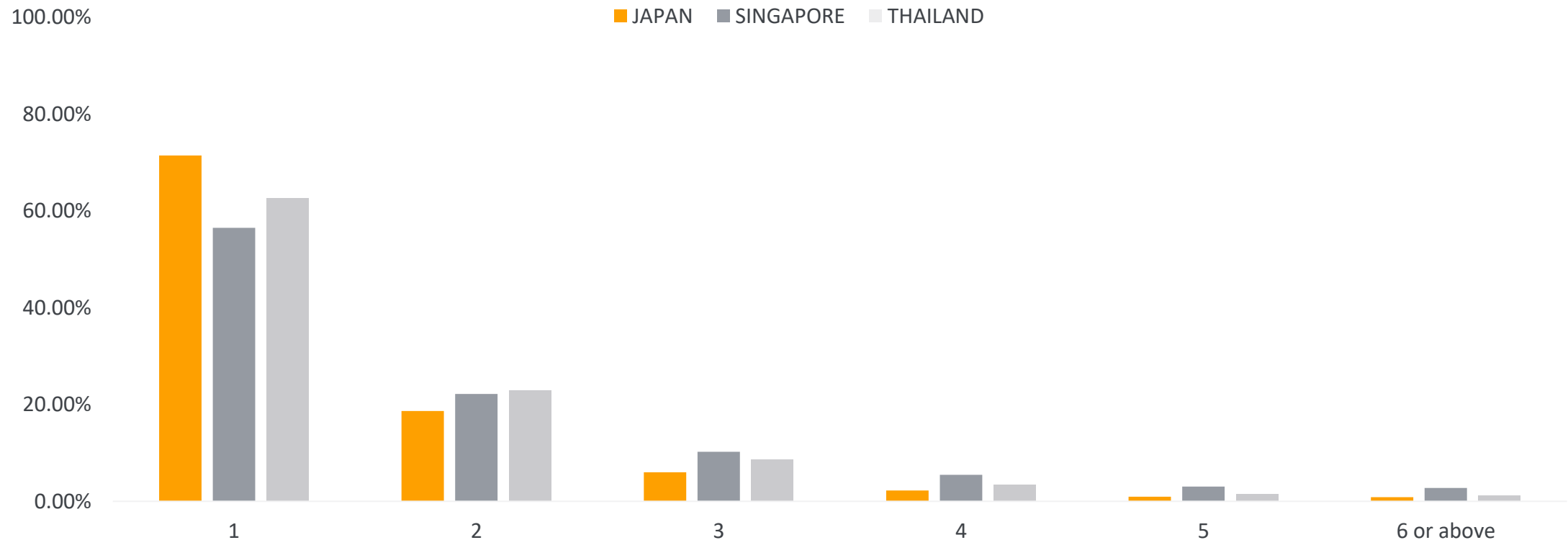

> Vpon's Trata DMP, the largest Asian tourists DMP, possesses **60 million tourist's behavior data**, covering their footprints at a glance.

Averagely 30%+ Of Greater China Tourists Reach The Same Destination More Than Once In A Year

- **21.4%** of Greater China tourists travel to Singapore three times or above, making Singapore the destination where having the most frequent tourists* among three countries.

Share of Frequency of Greater China Tourists Traveling to Japan, Singapore, Thailand

Legend: JAPAN ■ SINGAPORE ■ THAILAND

X-axis: 1, 2, 3, 4, 5, 6 or above
Y-axis: 0.00%, 20.00%, 40.00%, 60.00%, 80.00%, 100.00%

DATA DRIVES TRANSACTIONS

*Frequent tourists refer to mobile users who traveled to the same destination three times or above in a year.

Source: Vpon Big Data Group

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Mainland China Tourists Are More Likely To Make A Repeated Travel

- Japan and Thailand have a similar proportion of frequent to general Greater China tourists; while Mainland China and Hong Kong tourists are approximately 80:20, Taiwan tourists are 95:5.

- In Singapore, one out of the three Mainland China tourists are frequent tourists, which the proportion is larger than the tourists from Hong Kong (24%) and Taiwan (8%).

## Share of Frequent vs General Greater China Tourists in Japan, Singapore, Thailand
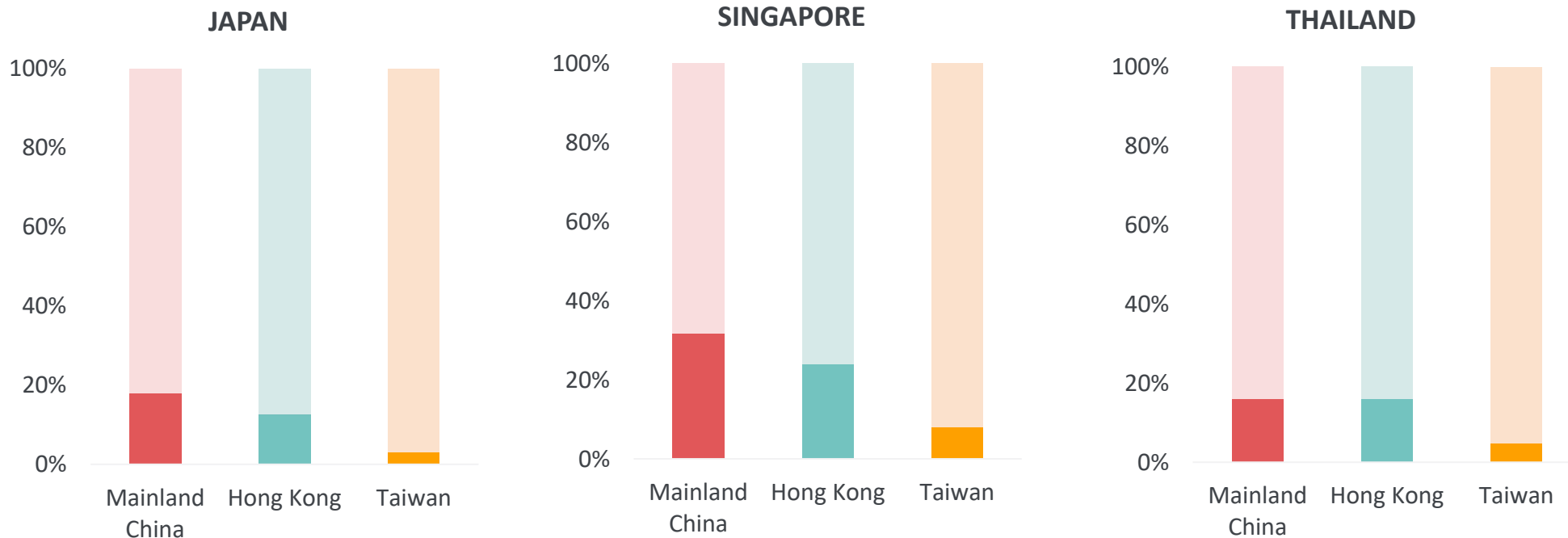
Think:

Should you set the same objective and implement the same strategy when communicating with different types of tourists?

Remark: Stronger color intensity refers to frequent tourists.
Source: Vpon Big Data Group

Greater China Frequent Tourists Have A Longer Duration of Stay

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- Greater China tourists prefer a short trip (6 days on average) when having intra-regional traveling. Yet, frequent tourists tend to stay longer, ranging from 0.6 to 2.6 days, comparing with general tourists.

- Mainland China frequent tourists stay averagely 29.2 days or above in Singapore throughout the year.

Days of Travel of Greater China Tourists Traveling to Japan, Singapore, Thailand
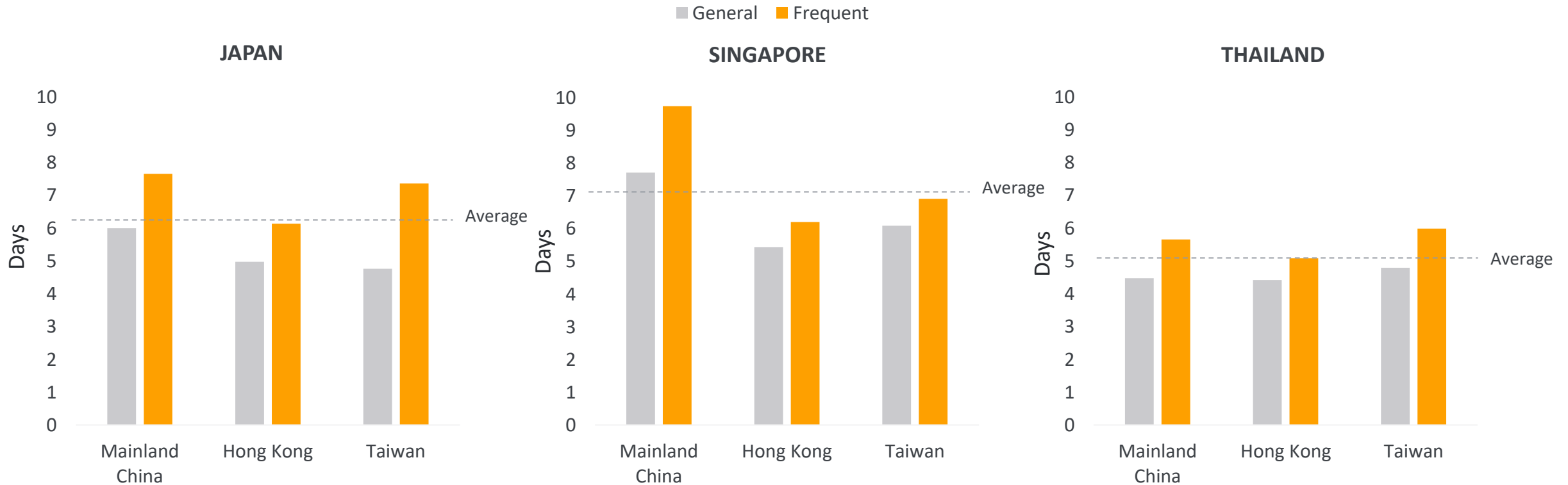
Never Miss The Summer Holidays

- Summer holiday (July-August) remains to be the peak season for most of the Greater China tourists who traveled aboard when compared with other festive seasons.
- Both Mainland China and Hong Kong tourist flock to the travel destinations during festive seasons, tourist arrival concentrated in Oct-1 in for Mainland China tourists, while tourist arrival concentrated in Easter and Christmas for Hong Kong tourists. Taiwan tourists are relatively less affected by festivals, leading to a more flatter distribution throughout the year.

**Greater China Tourists Traveling to Japan, Singapore, Thailand by Month**

Legend: Mainland China ● Hong Kong ● Taiwan

JAPAN

SINGAPORE

THAILAND

Months: 1 2 3 4 5 6 7 8 9 10 11 12
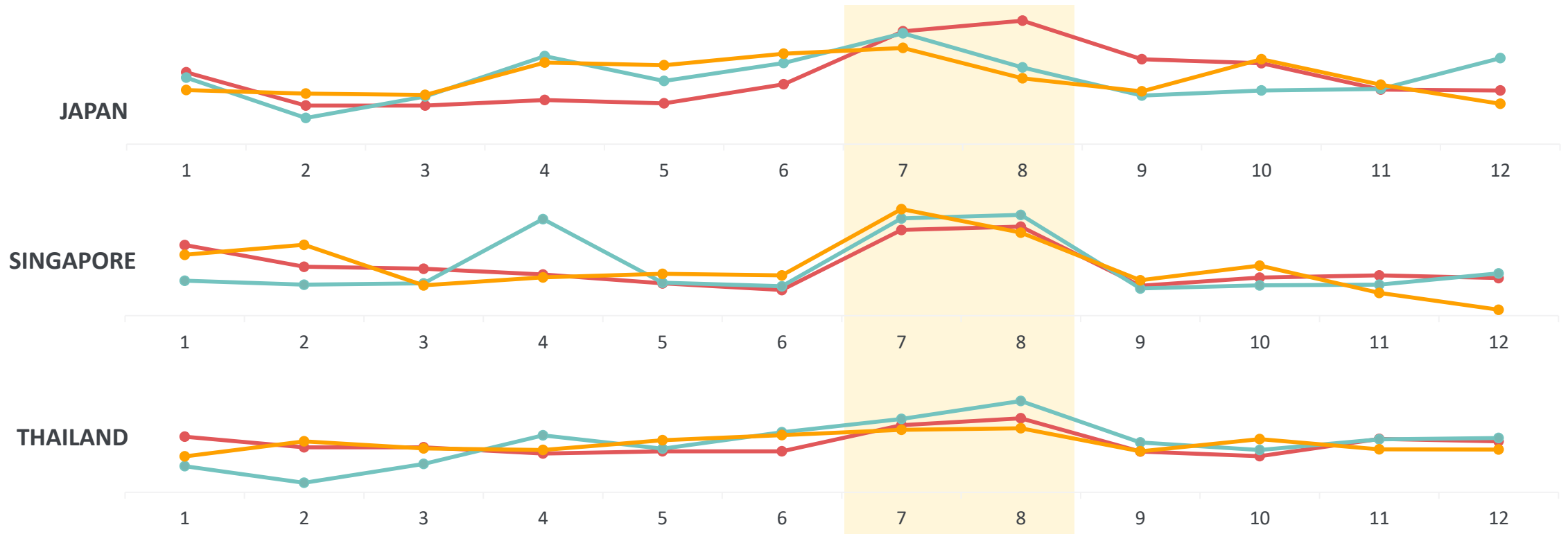
Most Of Greater China Tourists Are Well-planned Travelers

- Mainland China tourists start planning their trip approximately 50 days prior to their trip to Japan, Singapore and Thailand.
- Hong Kong and Taiwan tourists kick off their travel plans a bit earlier than Mainland China tourists in Singapore and Thailand. Interestingly, Taiwan tourists are more likely to make an ad-hoc trip when traveling to Japan.

Lead Time of Greater China Tourists Planning the Trip to Japan, Singapore, Thailand

JAPAN — Mainland China, Hong Kong, Taiwan

SINGAPORE — Mainland China, Hong Kong, Taiwan

THAILAND — Mainland China, Hong Kong, Taiwan
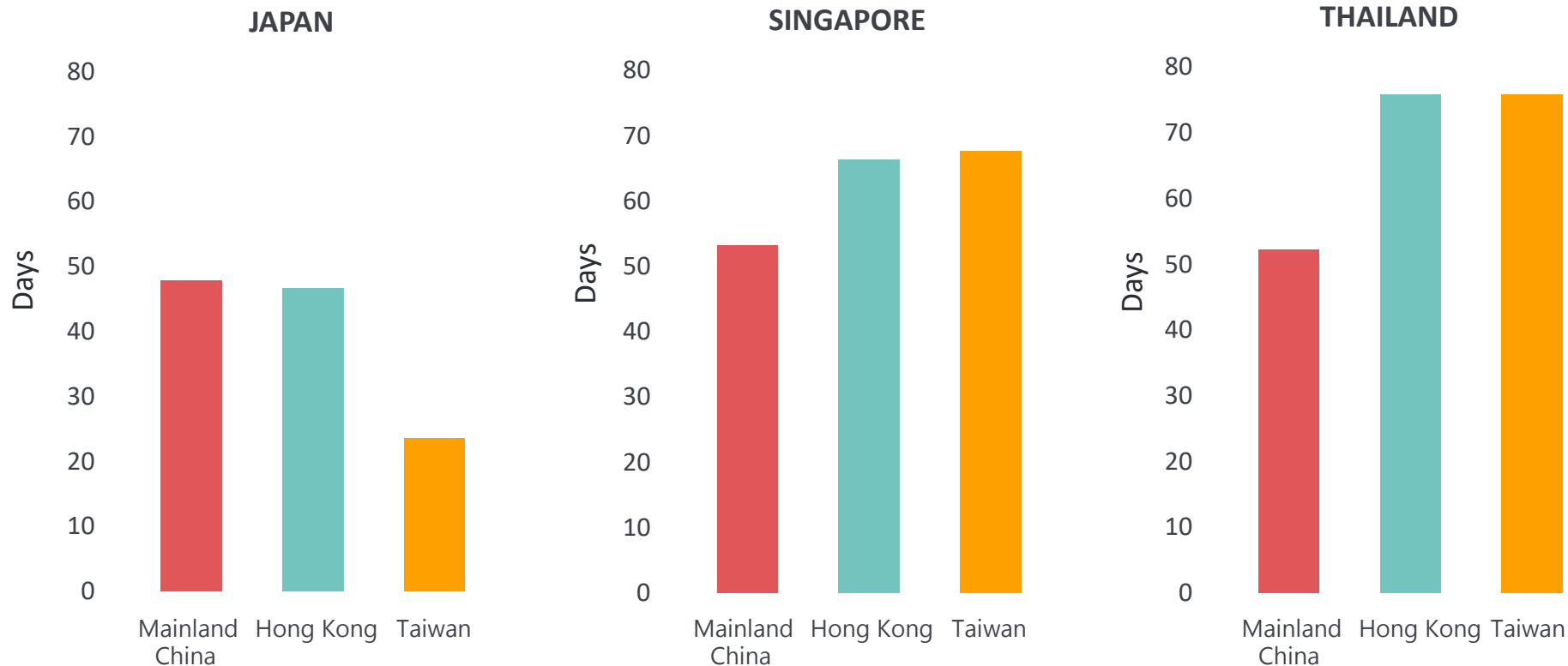
! Tips:
Understanding monthly trend and lead time of their travel can help you decide when you should start communicating with your targeted tourists.

Source: Vpon Big Data Group

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Greater China Tourists' Digital Footprint In Japan

- Mainland China tourists' footprints cluster at metropolitans, such as Tokyo, Osaka, and Sapporo, while Hong Kong and Taiwan tourists' footprint spread across the entire Japan.
- Secondary cities have undergone a growth in outbound tourist arrival when tourists are looking for new travel experience in Japan.

Top 5 Most-visited Areas in Japan

Mainland China

Hong Kong

Taiwan

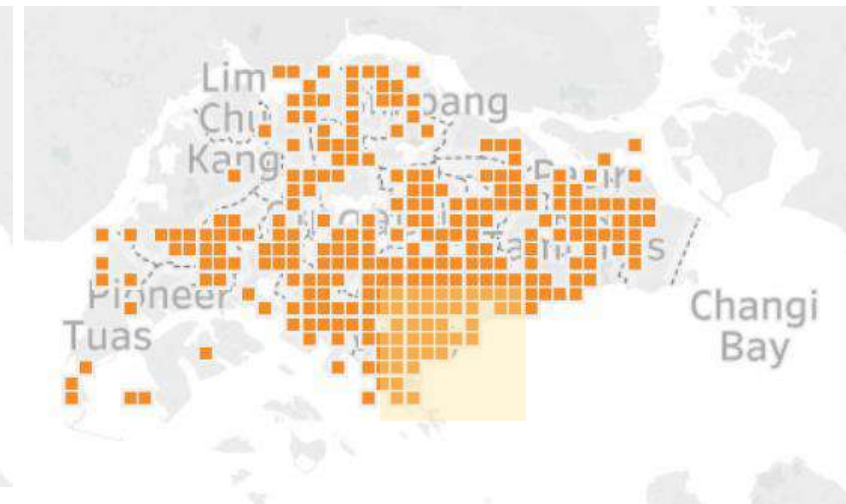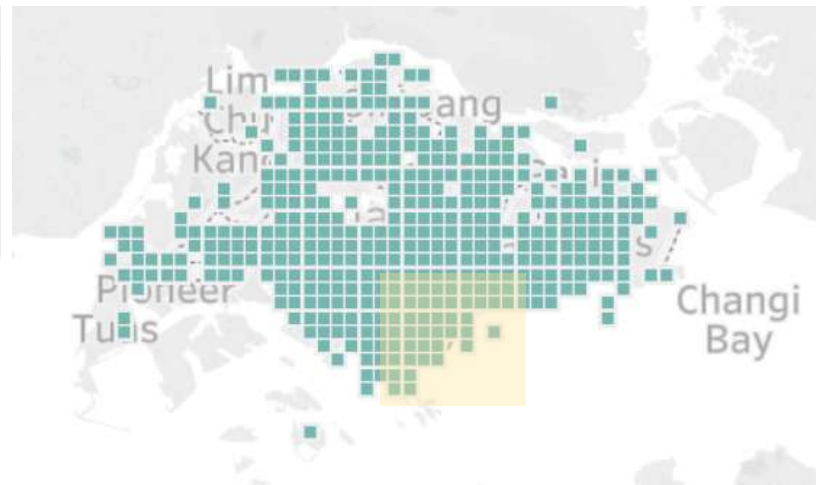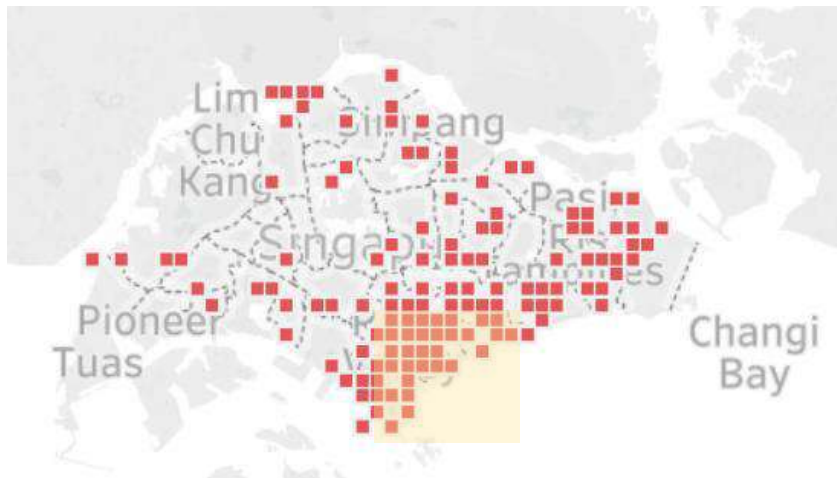# Greater China Tourists' Digital Footprint In Singapore

- Area around Marina Bay is no doubt the must-go spot for Greater China tourists, while Hong Kong and Taiwan tourists have been exploring the hidden gems around Singapore. .

Most Popular Area in Singapore

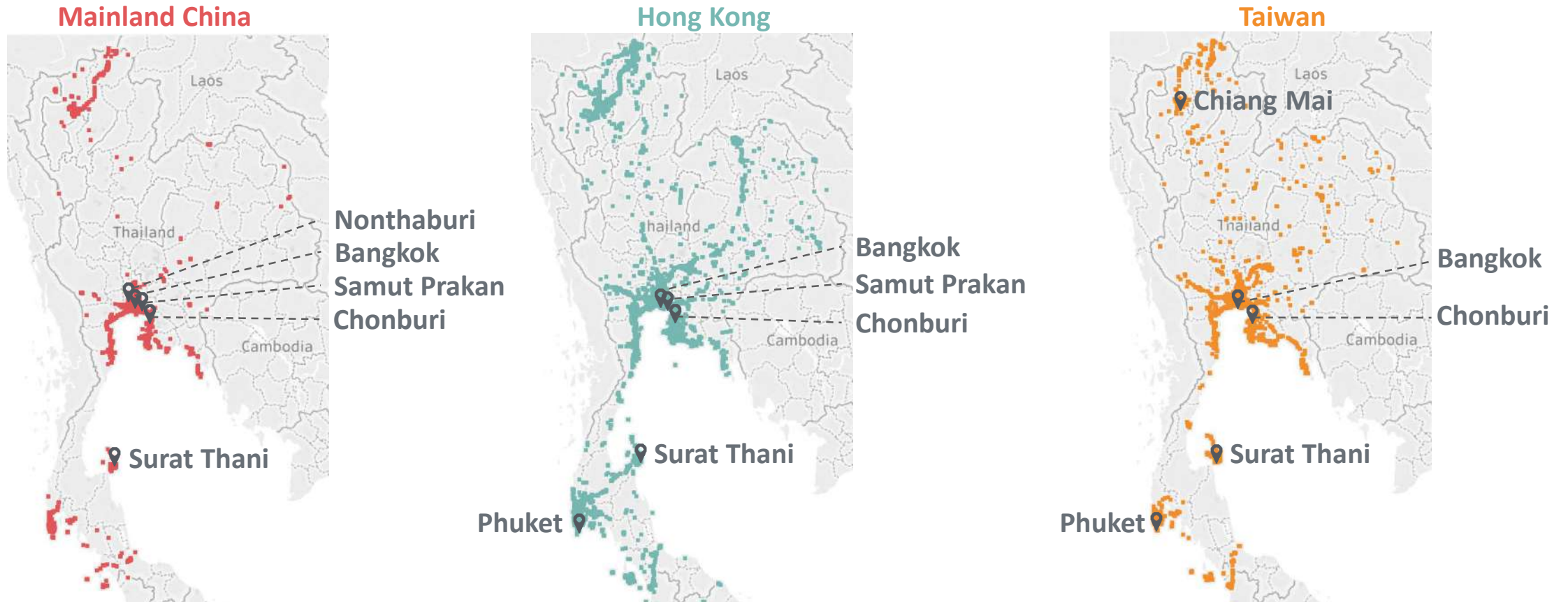**Mainland China**   **Hong Kong**   **Taiwan**

Greater China Tourists' Digital Footprint In Thailand

- Compared with Japan and Singapore, the density of Greater China tourists' digital footprint is relatively lower.
- While Mainland China tourists' footprint stays in large cities, Hong Kong tourists' footprint has been expanding from large cities to the area nearby.

Top 5 Most-visited Areas in Thailand

Mainland China

Nonthaburi
Bangkok
Samut Prakan
Chonburi

Surat Thani

Hong Kong

Bangkok
Samut Prakan
Chonburi

Surat Thani

Phuket

Taiwan

Chiang Mai

Bangkok

Chonburi

Surat Thani

Phuket

Mobile Is An Always-on Device Throughout the Day of Traveling

- Mainland China and Hong Kong tourists are highly engaging with their mobile device during day time, especially around meal hours.
- On the contrary, Taiwan tourists are less active during day time but their mobile activeness soars since 7p.m. until mid-night across all destinations.

Mobile Activeness of Greater China Tourists when Traveling to Japan, Singapore, Thailand in 24 Hours

Mainland China — Hong Kong — Taiwan

JAPAN

SINGAPORE
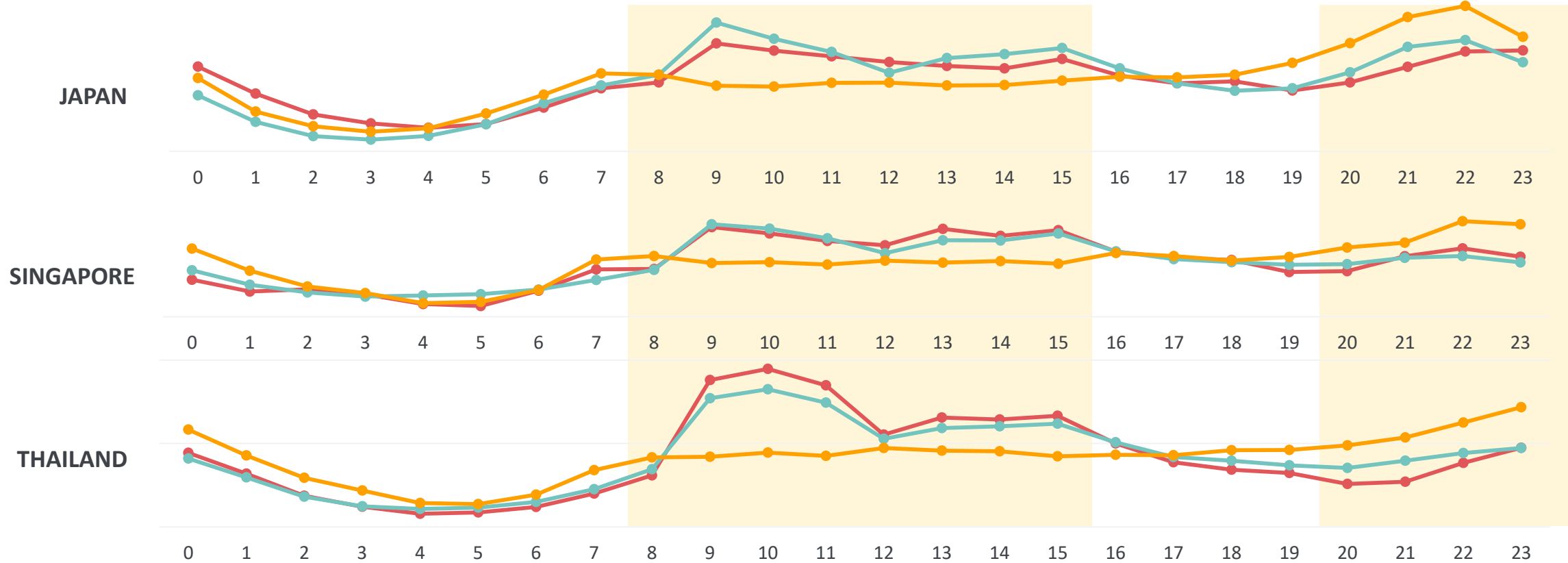
THAILAND

Traveling Abroad Could Result in Mobile Behavioral Change – App Usage

- Mainland China and Hong Kong tourists have greatly reduced their app usage when traveling to Japan and Thailand, a plunge ranging from 26.6% to 62.8% drop. Conversely, they are slightly more active when traveling in Singapore.
- The behavioral change for Taiwan tourists is limited, which number of times logging in apps between pre- and during trip is less than 0.8 times.

Number of Times Logging in Mobile App for Greater China Tourists between Pre-Trip and During Trip

■ Pre-trip ■ During trip
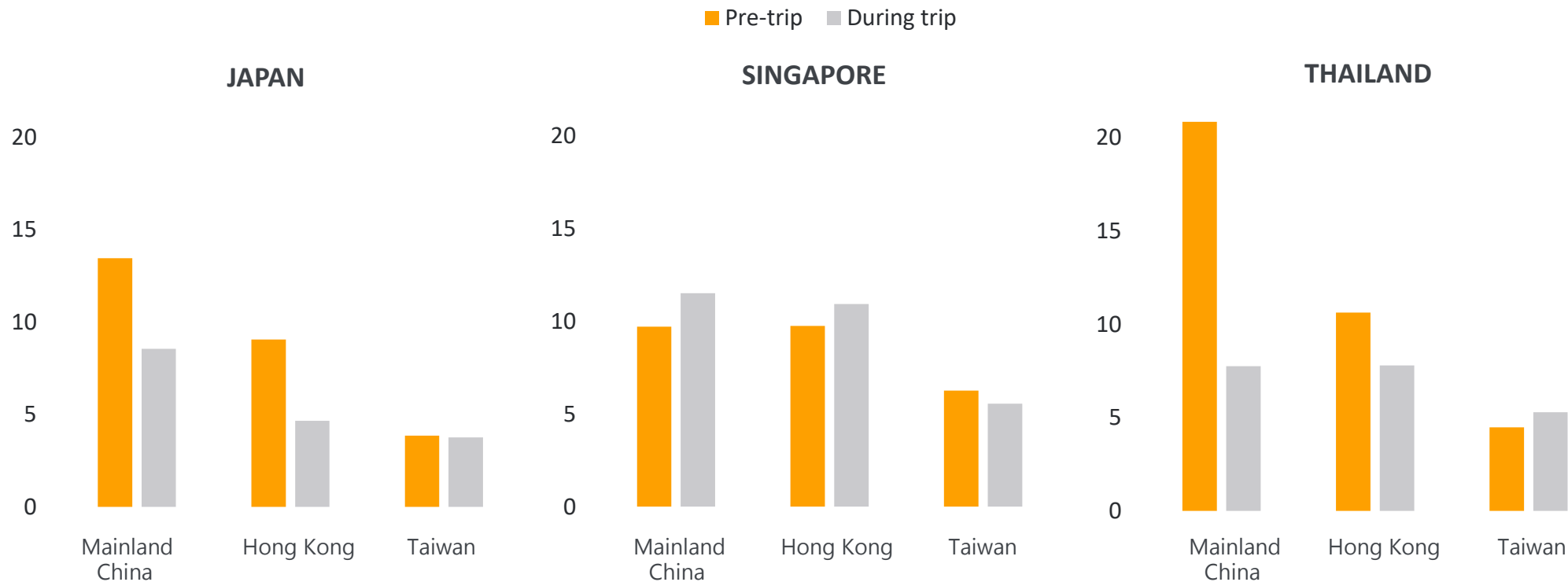
Think:

What approach should you adopt when communicating tourists at different scenarios?

Remark: Excluding social media and messaging apps.
Source: Vpon Big Data Group

Traveling Abroad Could Result in Mobile Behavioral Change – Ad Preference

Top 3 Ad Categories in terms of CTR of Greater China Tourists at Pre-Trip and During Trip

		JAPAN	SINGAPORE	THAILAND
Pre-trip	Mainland China	1. Health Care 2. Computer & Electronics 3. Education	1. Computer & Electronics 2. Cosmetic & Hygiene 3. Travel Services	1. Computer & Electronics 2. Travel Destinations 3. Retail
	Hong Kong	1. Health Care 2. Food & Drinks 3. Computer & Electronics	1. Health Care 2. Travel Destinations 3. Retail	1. Health Care 2. Computer & Electronics 3. Retail
	Taiwan	1. Real Estate 2. Travel Services 3. Apparel & Accessories	1. Apparel & Accessories 2. Health Care 3. Cosmetic & Hygiene	1. Travel Services 2. Apparel & Accessories 3. Cosmetic & Hygiene
During trip	Mainland China	1. Apparel & Accessories 2. Airline 3. Health Care	1. Automotive & Vehicles 2. Family & Parenting 3. Travel Services	1. Family & Parenting 2. Cosmetic & Hygiene 3. Travel Services
	Hong Kong	1. Telecommunication 2. Family & Parenting 3. Cosmetic & Hygiene	1. Hotels 2. Family & Parenting 3. Telecommunication	1. Automotive & Vehicles 2. Cosmetic & Hygiene 3. Airline
	Taiwan	1. Real Estate 2. Health Care 3. Cosmetic & Hygiene	1. Health Care 2. Movies 3. Computer & Electronics	1. Travel Destinations 2. Apparel &Accessories 3. Cosmetic & Hygiene

❗Tips:
Behavior at pre-trip stage reflects their expectation or interest area towards a destination, while the response at the during-trip stage shows their actual traveling needs and desires.

Tips of Engaging Tourists at Different Stages of their Journey

360° Cross-border Marketing Solution Empowers Brands to Reach the Tourists Seamlessly

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Before Trip：
Passport Owners
Stimulate Travel Interest & Cultivate Purchase Desire

Engagement with the potential segment shall start earlier to create a top-of-mind awareness, whereas further cultivate their desire over products or services. Particularly for targeting Mainland China tourists, the ability to reach the 10% passport owners is crucial to reduce wastage of marketing penny.

During Trip：
Tourists at Destinations
Fulfil The Instant Needs & Drive Immediate Action

Given a short duration of stay, intensive communication with straightforward message or incentive is needed to create the impulsiveness of a consumer and then drive a purchase action on a product or service.

After Trip：Potential Loyal Customers
Nourish the Brand Loyalty

Identifying 1) audience who shown interest in specific products or services in both pre- and during-trip stages; 2) the frequent tourists who traveled to the same destination several times. Retargeting is implemented for long-tailed and continuous communication with the target audience.

Tips of Formulating Communication Strategy towards Different Types of Tourists

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General Tourists

From Pre-trip to During Trip

The engagement of general tourists are relatively an one-off approach. To trigger their desired action, merely reaching them at the during trip stage is inadequate. Brands can start communicate with them before their trip to cultivate their desire over products or services.

Frequent Tourists

Tourists' Entire Journey

Frequent tourists, who visit the same destination at least 3 times a year, has a higher potential to turn into loyal customers than general tourists. Thus, on-going communication is preferred to maintain a top-of-mind awareness and then further develop their relationship with the brand.

Continuous Communication (Pre-, After- trip)

Continuously communication aims at cultivating a **top-of-mind awareness** of a tourist and guiding them to walk through the buying decision funnel. Therefore, the strategy shall focus on maintaining an on-going ad impression with dynamic and informative messages to sustain the communication. Ultimately, turning the tourist to become a loyal customer.

Intensive Communication (During trip)

Considering the behavioral change of a tourists during their trip, the strategy shall focus on increasing reach with delivering straightforward message. The message aims to 1) **create impulsive desire** over a product or service by sending offers or discounts; 2) **resolve the problems** that tourists may encounter during their trip, such as local communication, transportation needs.

Best Practices of Employing Data+ Marketing Solutions in Asia

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Data+ Cross-border Marketing

Showcase of an International Beauty & Cosmetic Brand
Tapping into Outbound Tourists Business Opportunity

Vpon

- **Background**:

  To escalate the revenue in regional level, an international beauty and cosmetic group decided to go beyond its geographic boundaries. Instead of maintaining local market growth within each country in APAC, the company took a bold step into developing cross-border marketing in order to increase the transactions made by tourists and expand the source of revenue to boost their business in a larger scale. To enhance the engagement, cross-border marketing in targeting Mainland China passport owners at their pre-, and during trip at Thailand, where having more than 8 million Mainland China tourists per year, was implemented.

- **Targeting Geo:** Mainland China, Thailand

- **Campaign Period:** August – September, 2017

- **Performance:** Retargeting has boosted up 27% Conversion Rate (CVR)

Data+ Cross-border Marketing

Showcase of an International Beauty & Cosmetic Brand
Tapping into Outbound Tourists Business Opportunity

- **Highlight of the strategy:** To encourage cross-border O2O – purchase online and pick up at local branches, the brand reached out to Mainland China tourists not only when they were traveling, but those once they showed interest in Thailand-related information (identified by recent search or buying behavior on mobile) or potential outbound tourists (those who hold a passport that is eligible to travel abroad). Seamless engagement at tourists' pre- and during trip stages amplified the top-of-mind awareness and drove them to purchase.

Pre-trip (Mainland China)	During Trip (Thailand)
Cultivate their interest and desire over Thailand-exclusive products	Drive them to make online purchase

Passport owners (10% of the population)

Passport owners in top 10 cities

Mainland China population

Targeting segments

Passport owners who searched or purchased Thailand travel-related products or services

Retargeting those who have engaged in the pre-trip stage

Targeting the Mainland China tourists in Thailand

- **Tactic :** Consistent and on-going communication by delivering the ad to catch their attention and thus try to create the desire over the offer.

- **Tactic :** Given a short duration of stay, intensive communication was implemented by pushing the ad at a short period of time in order to trigger the impulsive online purchase.

Data+ Overseas Branding
Showcase of a Airline Expanding its Business Overseas

- **Background**:
  An airline owned by China company had been expanding its business to overseas market, while Japan is their first destination. To tap into the new market, it was essential to gain understanding on the consumer behavior and leverage the insights to formulate the strategy of promotion. Vpon was appointed by the airline to consolidate and analyze for ad campaign strategy formulation and optimization, in order to achieve the objective of overseas branding.

- **Targeting Geo:** Japan

- **Campaign Period:** March – October, 2017

- **Performance:** Click-through-rate (CTR) boosts by **316%** after optimization

Data+ Overseas Branding
Showcase of an Airline Expanding its Business Overseas

Planning the ad strategy based on the insights from CRM data

Optimizing the campaign based on channel and audience performance to achieve the goals

- Consolidating the data collected from company's CRM system at Vpon' DMP and visualizing the insights through dashboards for formulating ad strategy.
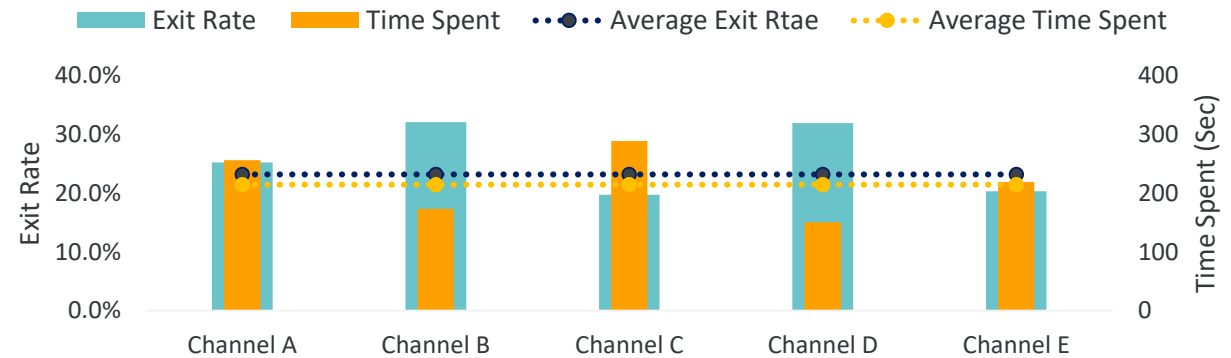
- To build a brand, apart from CTR, quality traffic as in website exit rate, time spent, customer types, etc. were the key metrics for evaluating the performance.

Days of Travel at Each Destination

Flight Route and Average Lead Time

Time Spent and Exit Rate by Channel

Legend: Exit Rate | Time Spent | Average Exit Rtae | Average Time Spent

Lead Time (Days) for Top 10 Japan-China Bound Flight Route

Legend: Lead Time | Days of Travel

	Route A	Route B	Route C	Route D	Route E	Route F	Route G	Route H	Route I	Route J
Lead Time	34	29	27	40	31	27	31	34	30	41
Days of Travel	4	5	4	4	4	7	4	5	5	8

New vs Existing Customers By Channel
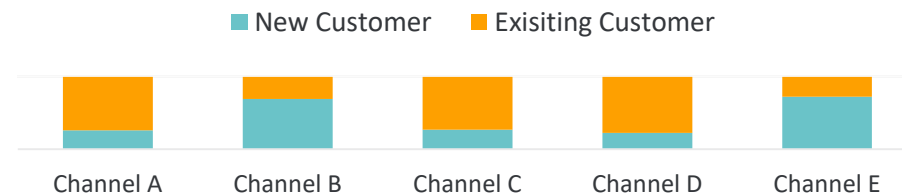
Legend: New Customer | Exisiting Customer

Channel A | Channel B | Channel C | Channel D | Channel E

CTR
316%
After optimization

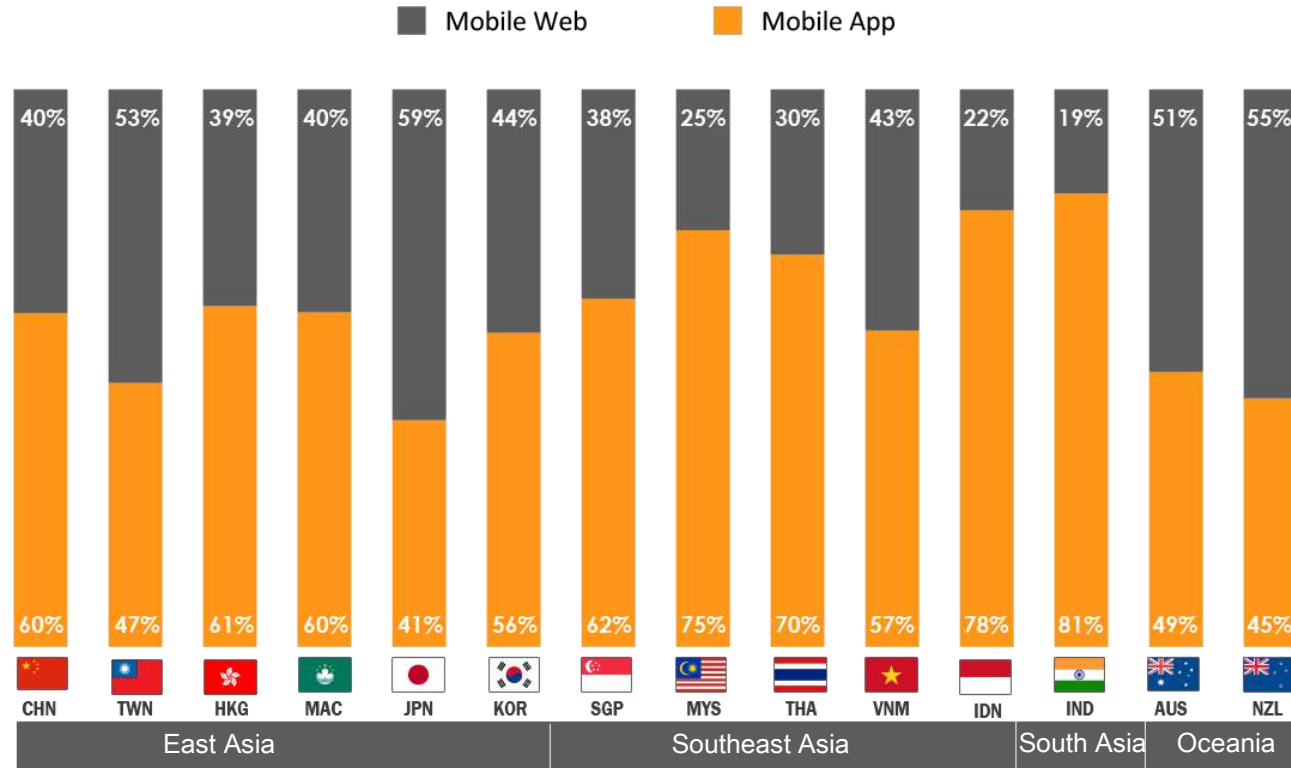# APAC Mobile Programmatic Advertising Statistics & Trends

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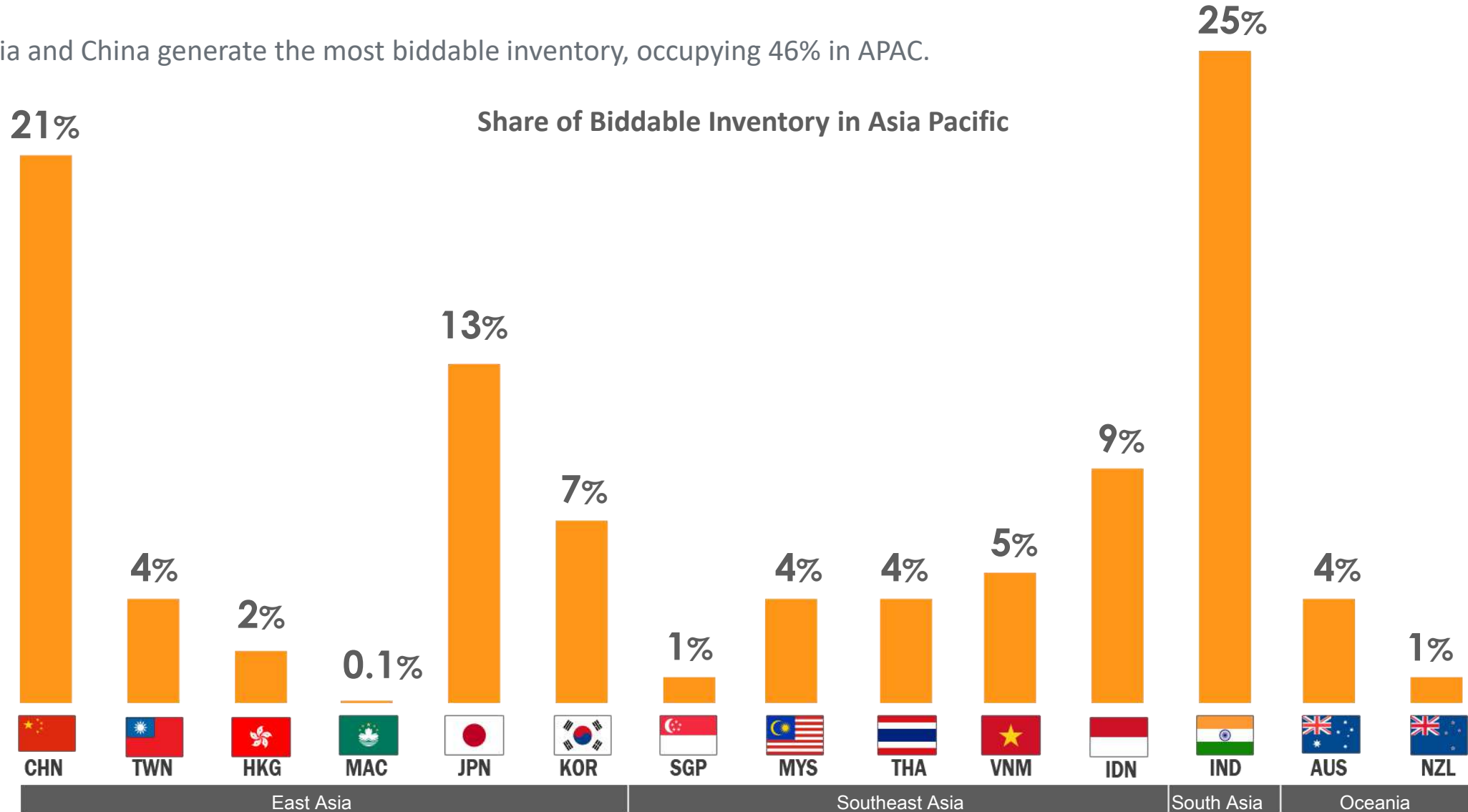
Mobile Web and App

- Mobile app still dominates the mobile ad inventory. Southeast and South Asia are the regions where mobile ad inventory is higher than average.
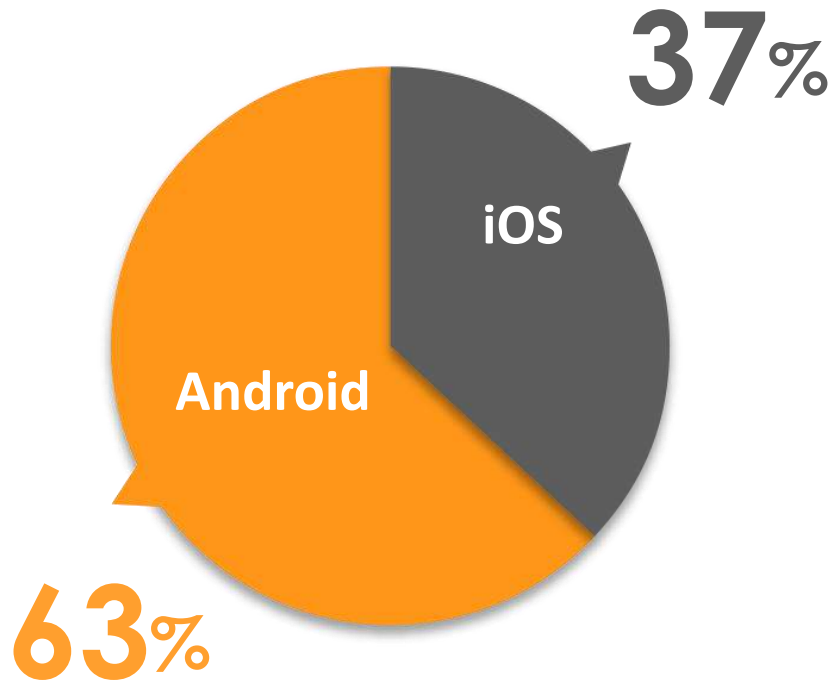

34% Mobile Web

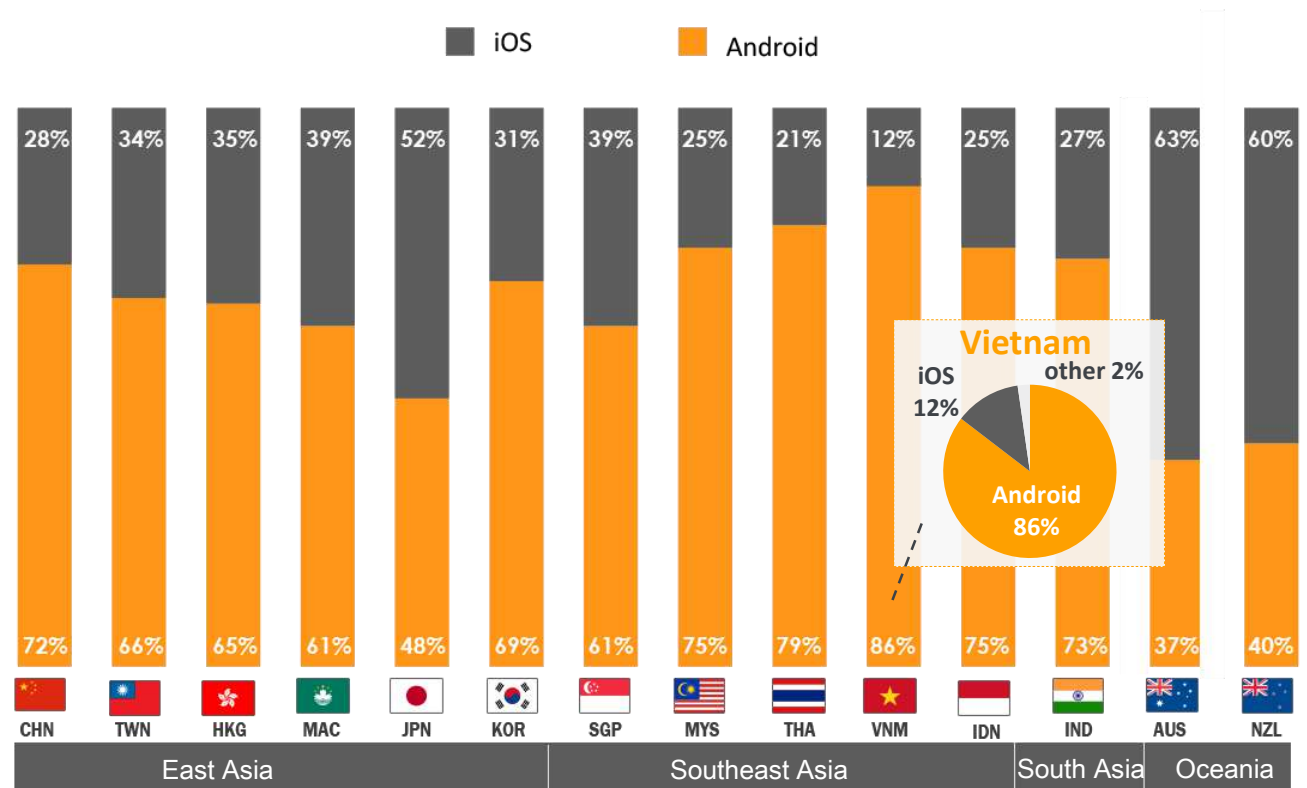**66%** Mobile App

Mobile Web / App by Region

■ Mobile Web　■ Mobile App

	CHN	TWN	HKG	MAC	JPN	KOR	SGP	MYS	THA	VNM	IDN	IND	AUS	NZL
Mobile Web	40%	53%	39%	40%	59%	44%	38%	25%	30%	43%	22%	19%	51%	55%
Mobile App	60%	47%	61%	60%	41%	56%	62%	75%	70%	57%	78%	81%	49%	45%

East Asia	Southeast Asia	South Asia	Oceania
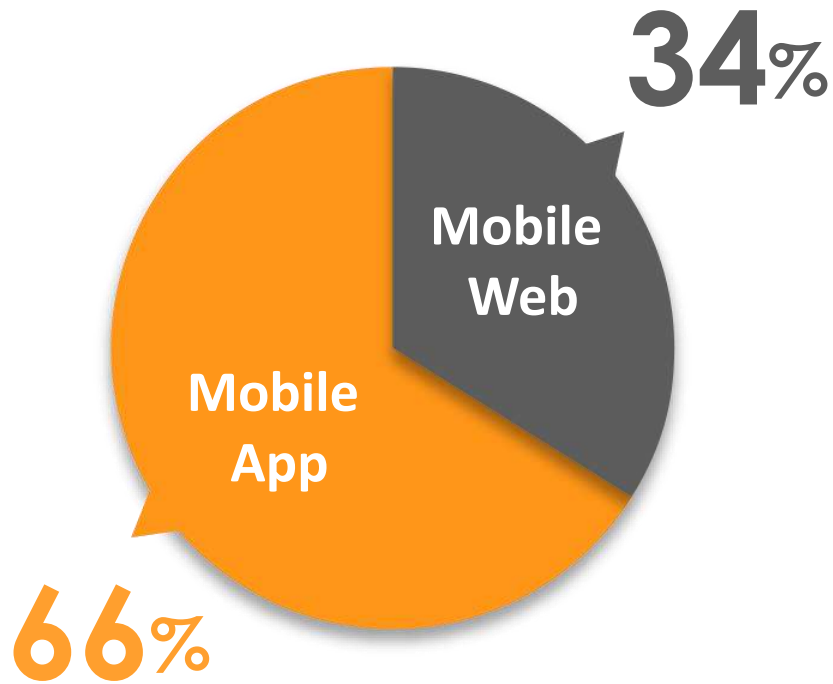
Operating System

- In general, Android system is more widely used, except in Oceania.
- Although Android and iOS have dominated the global market, other players can still seize some shares in Vietnam.
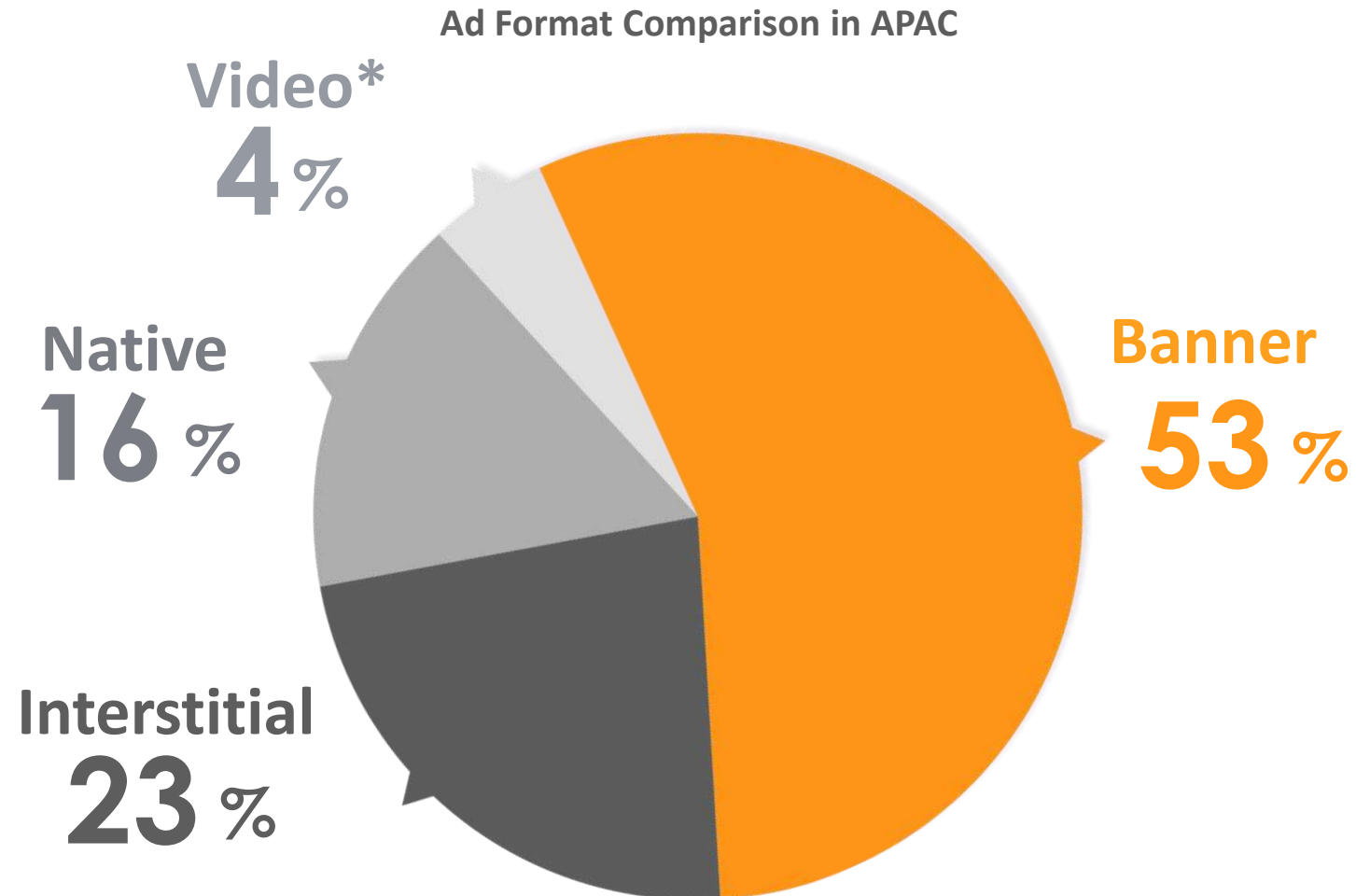
37%

iOS

Android

63%

Operating System by Region

■ iOS   ■ Android

	CHN	TWN	HKG	MAC	JPN	KOR	SGP	MYS	THA	VNM	IDN	IND	AUS	NZL
iOS	28%	34%	35%	39%	52%	31%	39%	25%	21%	12%	25%	27%	63%	60%
Android	72%	66%	65%	61%	48%	69%	61%	75%	79%	86%	75%	73%	37%	40%

Vietnam

iOS 12%   other 2%   Android 86%

East Asia	Southeast Asia	South Asia	Oceania

Source: Vpon Big Data Group

Mobile Advertising Format

- Native ad starts stealing the share from other advertising format.

Ad Format Comparison in APAC

Video*
4 %

Native
16 %

Banner
53 %

Interstitial
23 %

*Video ads on YouTube, Instagram, Facebook are not included.
Source: Vpon Big Data Group

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5
offices in Hong Kong, Shanghai, Singapore, Taipei, and Tokyo

10
years services in 12 regions across APAC
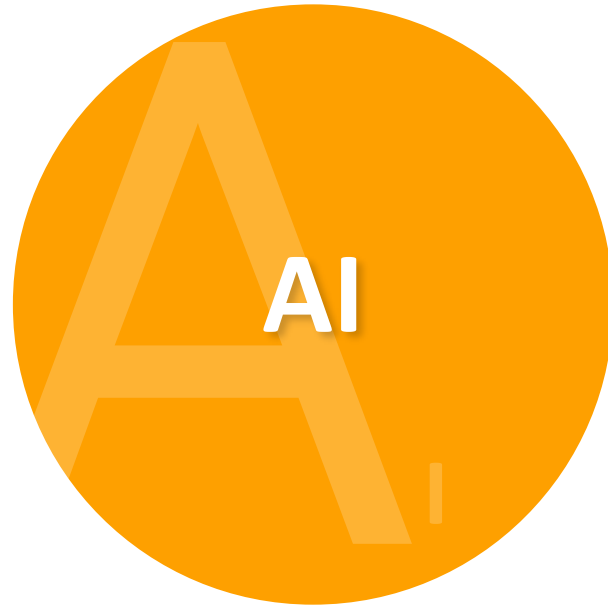
1500
renowned brands with collaborative experiences

Vpon

900 Million

21Billion

unique devices per month

daily biddable inventory
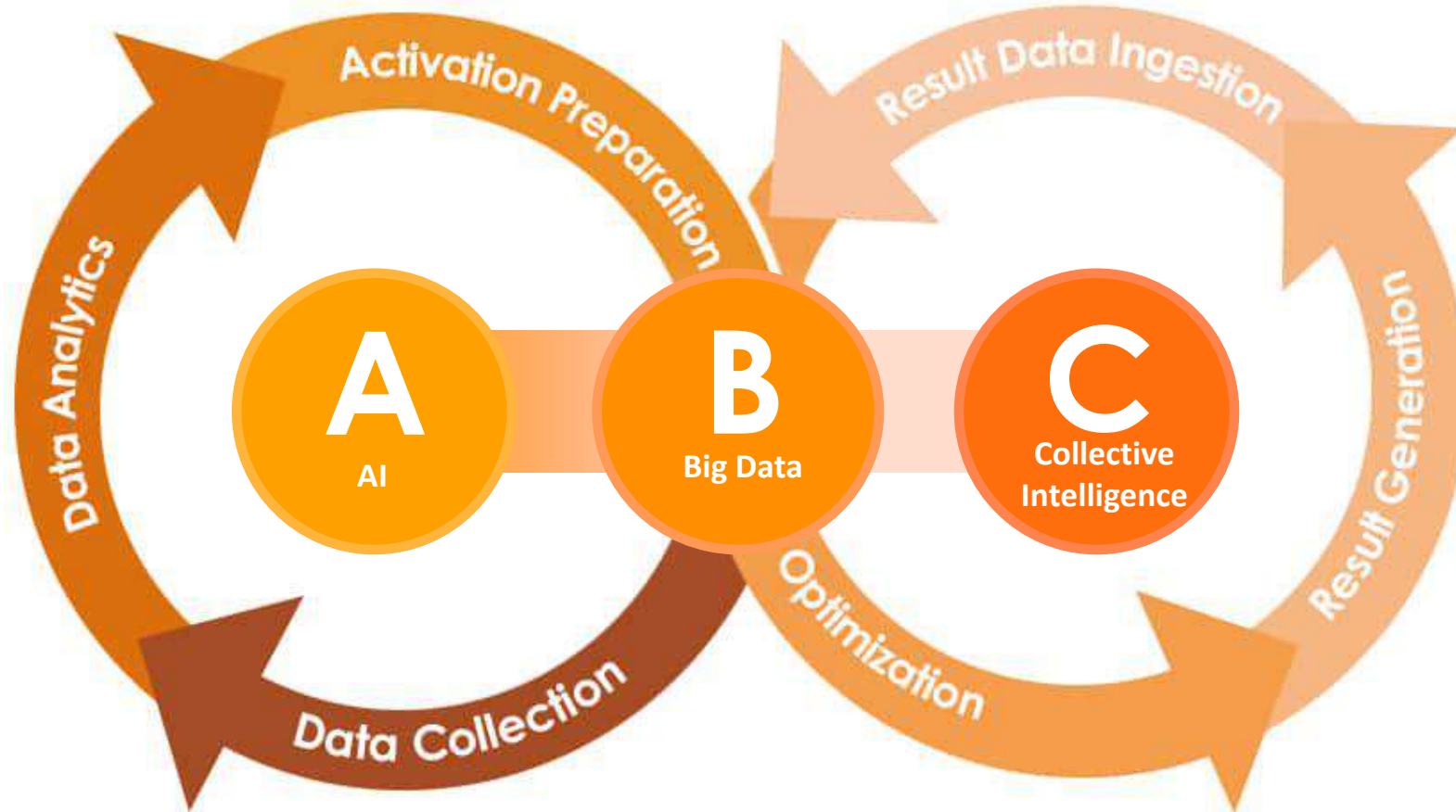
5 Reasons Why Vpon is
Your Trusted Partner Tapping into Asia Market

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Data Management Platform (DMP) is the Key to Success upon Precise Targeting

AI and Expertise Facilitate Collective Intelligence to Create Great Value
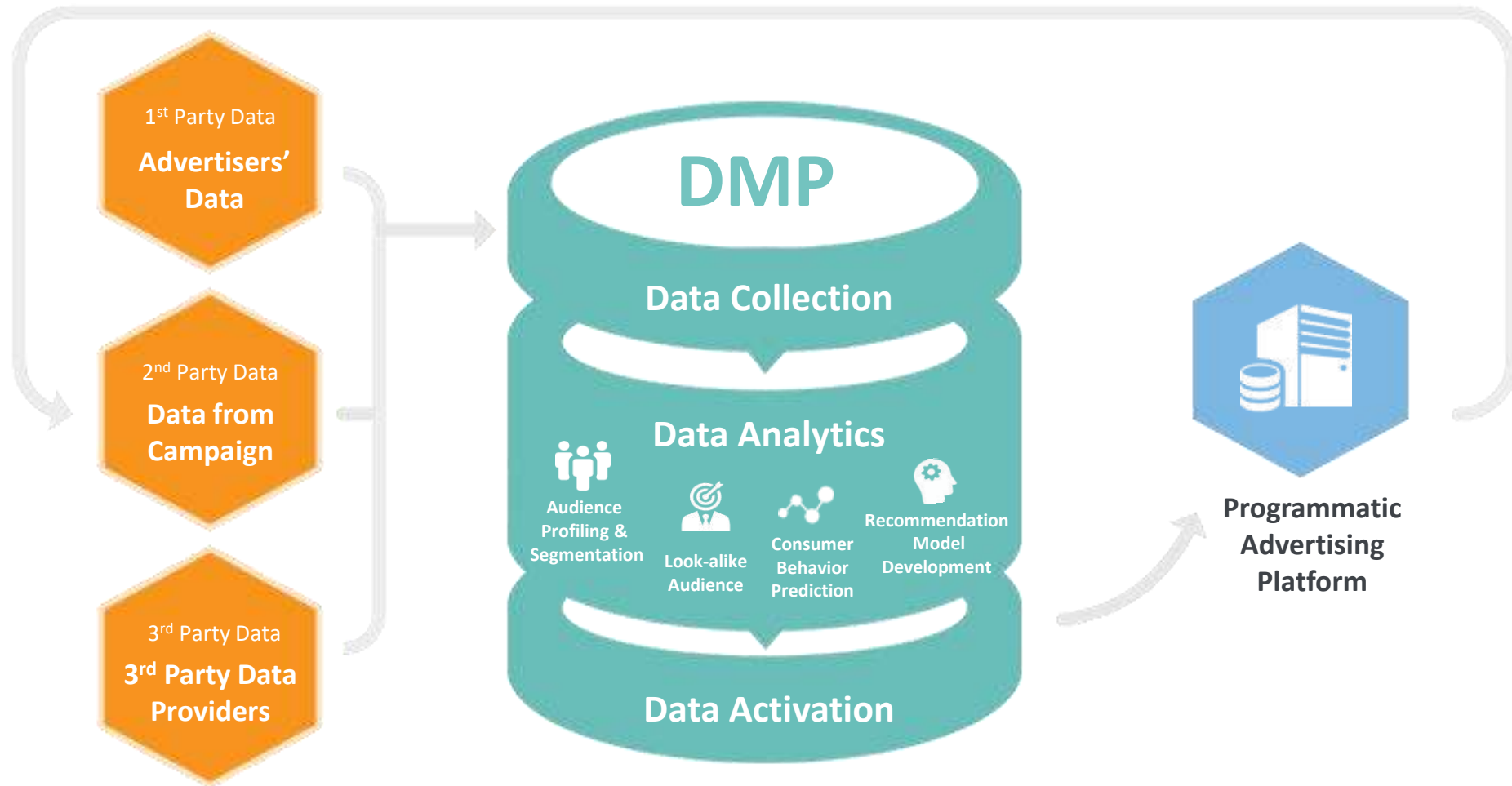
Strategic Partnership with **Premium Media** across APAC

Embracing the **Transparent and Healthy** Digital Advertising Environment

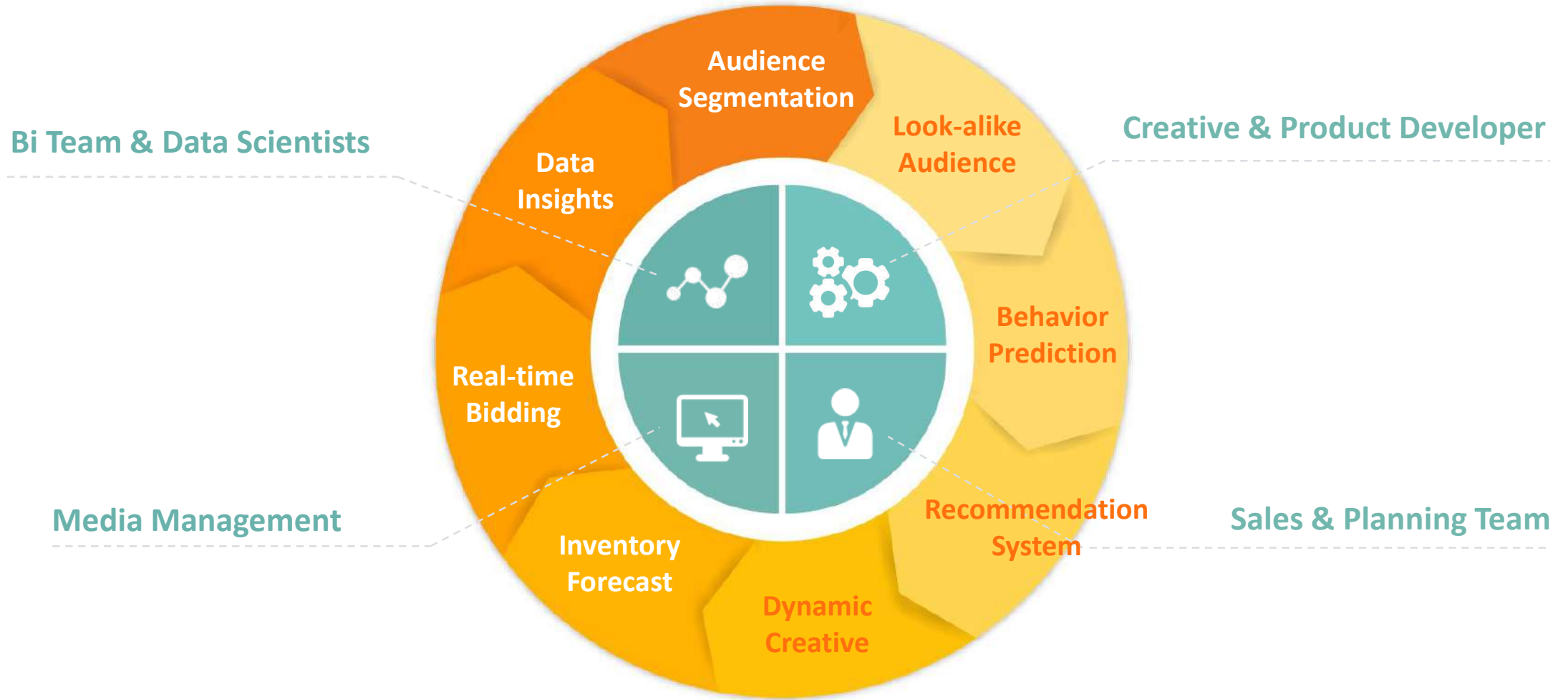Winner of Multiple **Awards** and Highly Recognized by the Industry
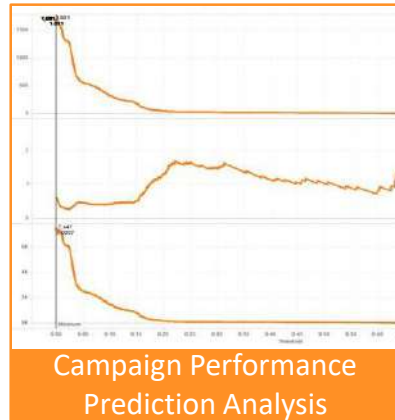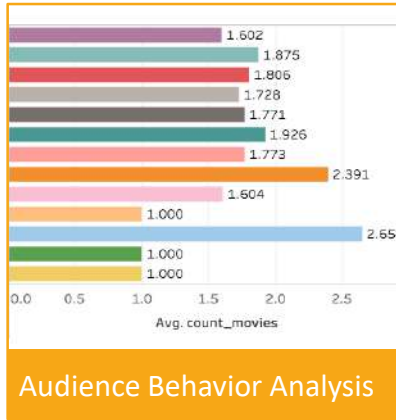
AI and Expertise Facilitate Collective Intelligence to Create Great Value

Big Data Activates Precise Audience Profiling and Insights

Vpon's Data Management Platform (DMP) centralizes and manages data in all forms. By collecting and analyzing data from first-, second- and third-parties, DMP subsequently extracts value from data and generates profound insight to affect customer actions. Thus, mobile ad campaigns can leverage precise targeting and maximize advertiser's investments.

Audience Behavior Analysis

Campaign Performance Prediction Analysis

Campaign Strategy Analysis

Geographic Analysis

Trata DMP, the largest Asian tourists DMP, possesses **60 million tourists behavior data**, covering their footprints at a glance.
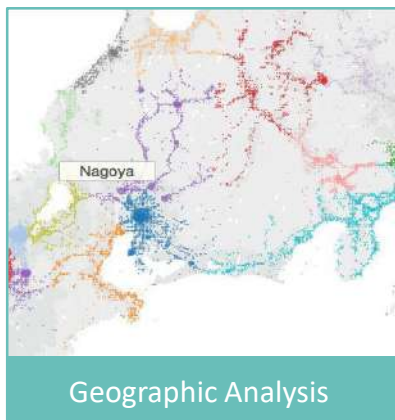
Strategic Partnership with Premium Media, Vast Ad Inventory Coverage Across APAC

Covering premium media resources

Global						
Mainland China						
Hong Kong						
Japan						
Taiwan						

Connecting to billion ad inventory

DoubleClick · cheetahmobile · Baidu 百度 · DISTRICT M · mobfox · mopub · Microsoft Advertising · OpenX · rubicon · GAMELOFT · TREMOR VIDEO · PubMatic · criteo · Opera · Vpon

# Embracing a Transparent and Healthy Digital Advertising Environment

Tracking Performance & Promising Transparency

In collaboration with third party measurement, Vpon does not only track campaign effectiveness, but also work on monitoring for achieving viewability and brand safety. Advertisers are layered with protection under a transparent and healthy digital advertising environment, with an objective evaluation on their campaign effectiveness.
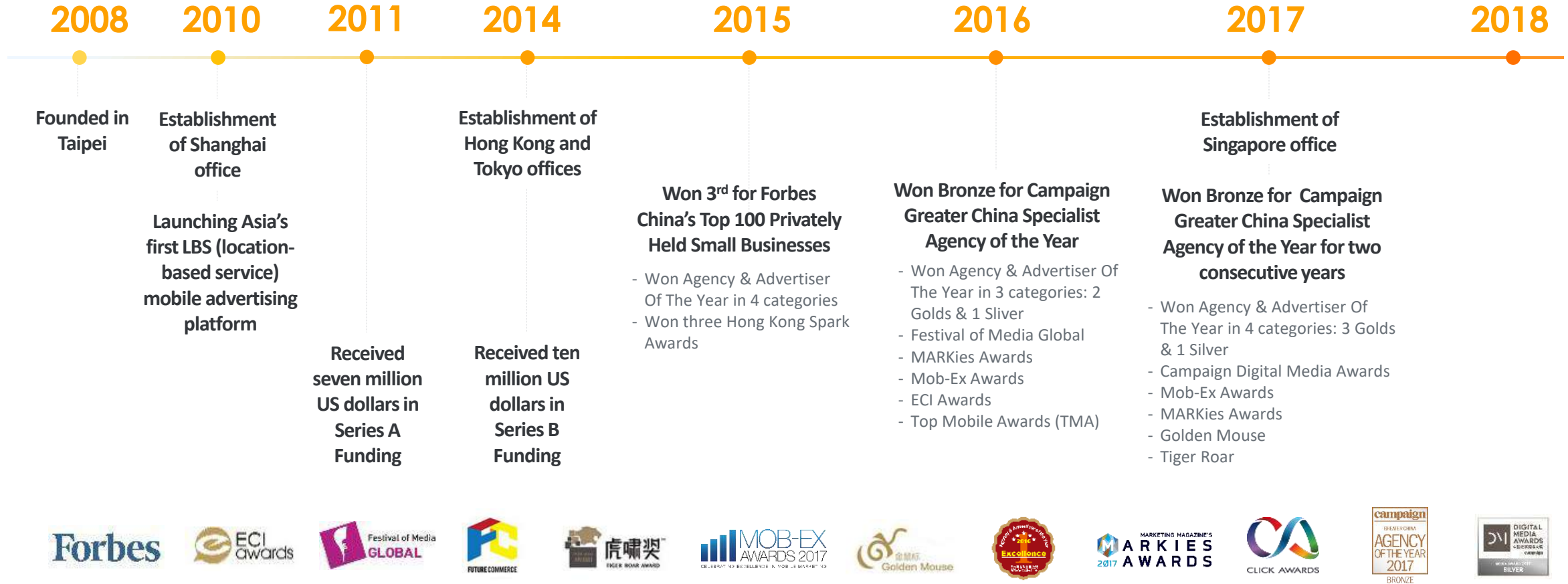
1500+ Collaborative Experiences
With Renowned Brands

Data Source & Reference

The report is based on the findings from

1) campaigns run by all Vpon branch offices;
2) data resources including database of Vpon DMP and its programmatic advertising platforms;
3) several strategic partners, such as advertisers, ad networks, and 3rd party data providers.

Till December 31, 2017, Vpon's programmatic advertising platform has connected with mainstream media platforms, including programmatic buying ad exchange, SSP, PMP, to reach over 21 billion daily biddable inventory and the coverage has reached 900 million of unique devices across Asia Pacific.

Data duration: January 1 – December 31, 2017

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