FROST & SULLIVAN

2024
COMPETITIVE STRATEGY LEADER

IN THE ASIA-PACIFIC DIGITAL ADVERTISING AI INDUSTRY

Appsflyer

FROST & SULLIVAN

BEST PRACTICES AWARD

2024

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. AppsFlyer excels in many of the criteria in the digital advertising AI space.

AWARD CRITERIA

Strategy Innovation	Customer Impact
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

A Determination to Deliver Accurate Marketing Measurement with Privacy Protection

Founded in 2011, AppsFlyer is a digital advertising (ad) measurement platform provider. The company empowers clients with privacy-preserving technologies, fostering innovation and trust within the mobile industry. AppsFlyer's founders identified a growing need within the blossoming application (app) economy: a lack of reliable methods for measuring marketing success. The team focused on establishing trustworthy customer relationships among marketers, developers, and product managers. Since its inception, the company has grown to 20 offices in North America, South America, Europe, and the Asia-Pacific (APAC) region and over 1,000 employees. Moreover, as of February 2024, the company has obtained $300,000 in funding from well-known investors, such as General Atlantic, Eight Roads, Qumra Capital, Goldman Sachs, and Salesforce Ventures.

AppsFlyer has over 100,000   active mobile apps on its platform, with its solutions enabling markets to consolidate all marketing activities, streamline campaign optimization, and enhance clients' return on investment (ROI). Furthermore, the company's predictive analytics and models allow marketers to refine campaigns, assess key performance indicators (KPIs), and acquire timely insights for swift decision-making. AppsFlyer also offers a prevention and detection solution for fraud, helping clients reduce ad expenditures while staying ahead of ever-evolving threats. In 2022 and 2023, Frost & Sullivan recognized AppsFlyer for its robust solution suite and privacy-compliant approach and remains impressed with the company's continuing innovation and sustained market position.

Driving Success: Strategic Leadership and Visionary Execution

Between 2020 and 2024, the digital ad landscape has experienced a notable shift towards prioritizing privacy. The implementation of Apple's App Tracking Transparency in April 2021 marked a significant turning point in how iOS manages ad tracking. The inaccessibility of the core currency for user identification hinders developers from monetizing ad opportunities tailored to specific marketing segments. Furthermore, Apple's SKAdNetwork lacks real-time data provision, further impacting advertisers' ability to track campaign effectiveness instantaneously. Emerging industry challenges, such as data duplication resulting from numerous intermediaries within the ad ecosystem, are causing inefficiencies and inaccuracies in targeting and measuring campaign performance. This fragmentation limits the reach and effectiveness of ad efforts, compelling advertisers to navigate diverse platforms with varying rules and metrics.

Artificial intelligence (AI) is disrupting the market with its potential to automate content generation at scale. However, the usage of this technology poses pros and cons. Despite its potential to facilitate the production process and increase efficiency, there are concerns regarding the lack of human touch in content generation, potential quality inconsistencies, overreliance on algorithms leading to loss of control, privacy and transparency issues, and biases in targeting. Therefore, AppsFlyer continually evolves its value proposition and product portfolio to stay on top of market trends and sustain its market position. In 2023, the company's top strategic initiatives focused on improving its robust solution suite, including SKAN, Privacy Sandbox, Conversion Modeling, Aggregated Advance Privacy, Privacy Cloud, and Data Clean Room. AppsFlyer upgrades its measurement solutions to foster innovation in the ecosystem. This methodology highlights the effectiveness and execution of its strategy through AI-driven insights and enhanced collaboration among growth teams in the emerging privacy era.

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>
> *- Hemangi Patel*
> *Senior Industry Analyst*

In August 2023, AppsFlyer upgraded its Data Clean Room as part of its Privacy Cloud initiative, introducing Dynamic Query Engine, a powerful tool to improve data analysis capabilities for marketers. This cloud-agnostic capability, powered by OpenAI, seamlessly connects technical difficulties with business insights by removing the need for structured query language (SQL) intermediaries. Dynamic Query Engine's primary purpose is translating English into SQL and vice versa, eliminating the need for actual data input. A distinguished characteristic of this feature is its privacy and security approach. The company controls comprehensive management over data ingress and egress without compromising security. The model underwent training on an abstract basis, without direct data access, thereby ensuring enhanced privacy and security measures. AppsFlyer's Data Clean Room allows developers to make informed marketing decisions, increasing ROI while protecting customer privacy. This cutting-edge solution fuels business expansion by facilitating private data collaboration and actionable insights to improve performance.

In 2023, AppsFlyer also launched Creative Optimization, leveraging AI to help marketers achieve better engagement and conversion rates. This product detects patterns, trends, and characteristics that contribute to optimal audience engagement, allowing marketers to maximize the value of their ad investment while enhancing the effectiveness of creative content and campaigns. Furthermore, Creative Optimization provides helpful insights, bolstering confidence in production and mitigating risk by reducing investment in underperforming campaigns. Simultaneously, it scales the output of successful creatives to heighten profitability on a larger scale. AppsFlyer reported that clients leveraging the product experienced substantial growth in ad spending, reaching up to 300%, accompanied by significant improvements in KPIs. Moreover, campaigns generated notable outcomes, including up to a 50% increase in ad click-through rates, a reduction in cost-per-install by as much as 30%, and a remarkable uplift of up to 100% in customer retention and revenue metrics.[1]

Notably, in 2023, AppsFlyer released 89 product updates. Frost & Sullivan applauds the company's solution's applicability, demonstrating its capacity to catalyze competitive strategies based on market trends and consumer needs.

A Customer-centric Approach Driving Unmatched Client Experience

AppsFlyer serves clients across various industry verticals, including shopping, gaming, food and beverage, music, entertainment, and finance. The company serves more than 14,000 clients globally. Its notable clientele includes renowned brands such as Nike, TikTok, Pinterest, Coca-Cola, Hopper, Visa, eBay, and Telefonica.[2] Furthermore, AppsFlyer offers outstanding 24/7 customer service . This dedicated team assists clients throughout the customer journey process, addressing their requirements, clarifying queries regarding services and functionalities, and ensuring maximum value extraction from the solution suite.

> *"Owing to its visionary approach to digital ad and effective alignment with mega trends, AppsFlyer stands out among providers. It offers a compelling solution that resonates with most organizations in APAC, effectively addressing their evolving business models and communications requirements."*
>
> *- Valentina Barcia*
> *Best Practices Research Analyst*

Serving as a successful case study, AppsFlyer helped Rocket Studio, a Vietnamese game developer, with data visibility and campaign measurement on iOS. Due to SKAdNetwork changes, the company faced new measurement challenges for its iOS campaigns. Leveraging AppsFlyer and Facebook Gaming, the client optimizes their marketing campaigns and improves user acquisition strategies. As a result, Rocket Studio achieved a 42% average increase in return on ad spend after a week compared to its typical app install campaigns.[3]

Various client testimonials testify to AppsFlyer's commitment to delivering exceptional customer service and products with substantial results:

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[1] https://www.appsflyer.com/company/newsroom/pr/creative-optimization-with-ai/. Accessed February 2024.

[2] https://www.appsflyer.com/. Accessed February 2024.

[3] https://www.appsflyer.com/customers/rocket-studio/. Accessed February 2024

"As a fast-growing company with 100 million players worldwide, we must adjust quickly to the ever-shifting marketing landscape. The Data Clean Room enables us to tackle the recent privacy changes, allowing us to measure all of our campaign performance while preserving our users' privacy."

-Rauf Valeev, Marketing Analyst, AppQuantum[4]

"Creative has been a game-changer that transformed our creative optimization process, providing a deep understanding of what works best on specific channels, allowing us to extract maximum value from our top-performing assets. It is providing us with invaluable insights and empowers our team to make data-driven decisions."

-Christian Espinosa, Senior Marketing Technology Manager, Dave[5]

AppsFlyer uses client feedback and industry trend monitoring to guide its product roadmap and continuously evolve its solutions to maintain its innovative edge. Additionally, the company's local knowledge of APAC positions it as a preferred vendor, underscored by its impressive 99.4% customer retention rate.

On Track for Expansion

AppsFlyer's sterling reputation and customer-centric framework led to its global expansion and consolidated market position in APAC. Over the years, it added a range of new clients to its established base. For example, in 2023, the company grew its client base with some prominent enterprises, including Pizza Hut Indonesia, INX. TECH'Yono Games, Alibaba, Yono Games, and Gryph Frontier. Moreover, to strengthen its value proposition, AppsFlyer acquired two companies: devtodev and oolo. These acquisitions are now integral components of the company's Privacy Cloud Marketplace and play a pivotal role in pioneering how AI products can tackle the fundamental challenge of signal loss. By leveraging data within customers' Data Clean Rooms, AppsFlyer provides added value through data collaboration, employing a privacy-by-design approach.

Furthermore, AppsFlyer stands out for its stakeholder integration through its partner marketplace with over 10,000 different types of collaborators (e.g., email service providers, media, customer engagement platforms, product analytics platforms, and customer data platforms). With this network, clients can connect with different providers and receive tailored partner recommendations based on industry and KPIs. In addition, AppsFlyer has collaborated with industry leaders such as TikTok, Snap, Unity, Liftoff, Moloco, Digital Turbine, and Chartboost to establish a new standard in ad engagement measurement.

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[4] https://www.appsflyer.com/products/data-clean-room/. Accessed February 2024.

[5] https://www.appsflyer.com/products/creative-optimization/. Accessed February 2024.

Conclusion

Digital advertising is a dynamic industry. Thus, service providers must quickly adapt to new regulations and market shifts. AppsFlyer offers a robust solution suite with powerful tools that help customers make decisions based on accurate insights through innovative, privacy-preserving measurement, analytics, and engagement technologies. The company constantly enhances its product portfolio with innovative technology that streamlines clients' operations and translates to successful marketing campaigns. With over 89 product updates and two strategic acquisitions in 2023, AppsFlyer's solutions foster collaboration by leveraging powerful tools infused with artificial intelligence. Moreover, AppsFlyer's customer-centric approach enables organizations from various industry verticals to grow their business while remaining compliant. Notorious thriving study cases and significant clients sustain the company's experience in the Asia-Pacific region.

With its strong overall performance, AppsFlyer earns Frost & Sullivan's 2024 Asia-Pacific Competitive Strategy Leadership Award in the digital advertising AI industry.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)