Mobile Ad Spending Up Nearly 80% in 2010

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Will surpass $1 billion in 2011

Mobile has broken through to reach the mainstream of digital advertising in 2010, according to US ad spending estimates by eMarketer.

This year, US mobile ad spending will be up 79% to reach $743 million, eMarketer forecasts.

That growth will slow somewhat to still-dramatic double-digit rates as spending hits over $1.1 billion in 2011 and more than $2.5 billion by 2014.

â€œThe expansion of the smartphone market and the attractive usage and demographic profile of smartphone owners have forced more marketers to pay closer attention to mobile,â€• said Noah Elkin, eMarketer senior analyst and author of the forthcoming report â€œMobile Advertising and Marketing: Moving Past the Tipping Point.â€•

Video, display and search ad spending on mobile will all more than double this year, according to the forecast, while growth in messaging advertising will lag behind other more sophisticated mobile formats.

For now, however, SMS is still the largest format, with spending of $327 million estimated for 2010.

But the growth of other types of ads, backed by increasing smartphone usage, new ad formats and ad networks, will soon put them ahead of text advertising.

Previously, eMarketer forecast that US mobile ad spending would reach just $593 million this year. That estimate included display ad spending of $166 million.

Googleâ€™s acquisition of AdMob and Appleâ€™s introduction of the iAd were major factors in the increased overall spending estimate and pushed eMarketerâ€™s forecast of mobile display spending for 2010 to $202.5 million.

â€œIt is safe to say that many marketers who had not previously considered mobile advertising are now eager to tap into its potential, thanks to the stamp of legitimacy applied to the medium by the high-profile entrance of companies such as Apple and Google,â€• Elkin said.

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