

Facebook Drives US Social Network Ad Spending Past \$3 Billion In 2011

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Social network advertising to account for 10.8% of online market

US marketers will spend \$3.08 billion to advertise on social networking sites this year, eMarketer predicts.

Spending will be up 55% over the \$1.99 billion advertisers devoted to social networks in 2010 and will rise by a further 27.7% next year to reach nearly \$4 billion.

This year's dramatic growth in spending will bring social media ad dollars to 10.8% of the total spent online in the US.

Worldwide, where social network ad spending will rise 71.6% to \$5.97 billion, that proportion will be somewhat lower, at 8.7%.

The 2011 forecast for US spending is \$1 billion higher than eMarketer's last estimate of US social network ad spending, made in August 2010.

The primary driver of the change in projected spending is greater ad spending on Facebook, by far the biggest player in the space.

"2010 was the year that Facebook firmly established itself as a major force not only in social network advertising but all of online advertising," said eMarketer principal analyst Debra Aho Williamson, author of the upcoming report "Worldwide Social Network Ad Spending: 2011 Outlook."

"In 2011, its global presence is something multinational advertisers can't ignore."

eMarketer predicts ad spending on the world's top social network will reach \$2.19 billion in the US this year and just over \$4 billion worldwide—both more than double last year's figure.

"If Facebook can continue to increase its global user base and boost the amount of revenue it generates per user, it could even surpass these forecasts," Williamson said. "Facebook must continue to innovate its user experience and its ad platform."

18 January 2011