

Twitter Ad Revenues To Soar This Year

Contributed by eMarketer
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Marketers will spend \$150 million on the service in 2011

Twitter has received enough media attention to be a household word, but still has a relatively small audience. The Pew Internet & American Life Project found in November 2010 that just 8% of online Americans used the service.

But eMarketer is cautiously optimistic about Twitter's fledgling ad products.

eMarketer expects Twitter to earn \$150 million in revenues this year, the vast majority of which will come from the US.

This represents a substantial increase over revenues of \$45 million during 2010, the first year Twitter sold advertising.

By 2012, eMarketer forecasts, Twitter revenues will reach \$250 million. But the company must show it can live up to its hype.

“If Twitter can grow its user base and convince marketers of its value as a go-to secondary player to Facebook, it will succeed in gaining revenue,” said Debra Aho Williamson, eMarketer principal analyst. “In 2011 it must work overtime to give its early advertisers a positive experience.”

Twitter's monetization efforts will go into full gear this year, with the current Promoted Products suite and the pending launch of a self-serve platform akin to Facebook's highly successful ad targeting system.

Twitter revenues will still be small compared to those of Facebook, but by next year eMarketer expects Twitter to pull in more ad dollars than Myspace.

Ad revenues at the troubled News Corp. property have tumbled as the site lost popularity. According to comScore, Twitter had overtaken Myspace in unique monthly visitors by August 2010.

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