Smartphones, Mobile Internet Set Stage For Increased Mobile Ad Spend

Contributed by eMarketer
Wednesday, 05 October 2011
Last Updated Wednesday, 05 October 2011

Search, display gain share over messaging-based ads

By the end of this year, eMarketer estimates, 38% of US mobile users will have a smartphone and 41% will use the mobile internet at least once each month. These developments mean an increase in the opportunity for mobile advertisingâ€”and an increase in spending.

eMarketer forecasts that advertisers will spend nearly $1.23 billion on mobile advertising this year in the US, up from $743 million last year and set to reach almost $4.4 billion by 2015. This includes spending on display ads (such as banners, rich media and video), search and messaging-based advertising, and covers ads viewed on both mobile phones and tablets.

This year, messaging-based formats still take the largest piece of the pie, accounting for $442.6 million in spending. But in 2012, banners and rich media will be even with search, each getting 33% of spending, or $594.8 million. That will put them ahead of messaging, which will fall to just 28.2% of all mobile ad spending next year. By 2015, banners and rich media and search will dominate further, and messaging will have shrunk to 14.4% of the totalâ€”though still growing in terms of dollars.

Video is the fastest-growing mobile ad format, but from the smallest base. Mobile video ad spending, at $57.6 million this year, will grow at a compound annual rate of 69% between 2010 and 2015 to reach $395.6 million.

eMarketerâ€™s mobile advertising spending forecast is based on an analysis of mobile advertising estimates from other research firms, company data from major mobile ad networks and vendors, marketers' mobile marketing strategies, and smartphone and tablet adoption and usage trends.

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