Will Mobile Ads Make A Mark For Facebook?

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Smartphone, tablet ads less memorable than those on the desktop

With billions of usersâ€”and billions in ad revenuesâ€”Facebookâ€™s eye is turning toward mobile, where ads have begun to r out to the newsfeed. Whether usersâ€™ eyes, and, in turn, marketer dollars, will follow remains an open question.

Online eye tracking study firm EyeTrackShop found in July that while US participants were more likely to view and dwell on ads on tablets than on the desktop web, ad recall was lower. For ads on smartphones, all three metrics were lower than those for desktop web ads and tablet ads.

Facebook has only begun rolling out ads on mobile platforms relatively recently, but industry experts expect them to be critical to the companyâ€™s ongoing success as more users spend increased time on the site via their phones and tablets.

EyeTrackShopâ€™s study included both a survey portion and an eye-tracking portion, and the eye-tracking portion found that depending on mobile adsâ€™ placement, their likelihood of being viewed could drop dramatically. Because of the smaller screen size of smartphones and the need to scroll, if a Sponsored Story did not appear very early in the newsfeed, users were unlikely to see it. On the web, by contrast, ads always appear above the fold, virtually guaranteeing the user will see them.

Jeff Bander, North American President of EyeTrackShop, told eMarketer,
â€œWe all know that the future is on mobile, but itâ€™s very early in terms of the model for how advertising will best work on mobile.â€•

Estimates of how much ad revenue Facebook will generate on mobile vary depending largely on assumptions made about how many ads users will see. J.P. Morgan reported in June that Facebook could see quarterly mobile ad revenues between $99 million and $2.15 billionâ€”a huge range based on scenarios involving an average of 0.5 to 2 impressions per visit for monthly active mobile users.

Credit Suisse, which assumes viewers will see more ad impressions but that Facebook will charge significantly lower CPMs than J.P. Morgan believes, estimated the same month that the siteâ€™s mobile ad revenues would reach just $44.5 million this year, hitting $2.66 billion by 2017.

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