

Global mobile advertising revenues to reach US\$12.8bn in 2013

LONDON, UK: The global mobile advertising market will generate revenues of US\$12.8bn in 2013, growing from US\$8bn in 2012, according to the latest research published by Informa Telecoms & Media.



Mobile advertising revenues are growing every year but brands and advertisers are still spending much less on mobile compared with the amount they spend on PC/desktop, TV, print and radio. In many cases, the analytics and insights available on mobile usage is not compelling enough for brands to spend a large portion of their advertising budget on the medium. "There is growing recognition of the importance of the mobile medium but when it comes to advertising, most brands and advertisers have not yet managed to effectively engage users and consistently achieve the desired returns with mobile advertising campaigns", comments Shailendra Pandey, senior analyst at Informa Telecoms & Media.

Mobile on the move

Revenues from display ads on mobile sites and mobile search will account for the largest share of mobile advertising revenues in 2013 but advertising in mobile apps will see stronger growth as many ad-networks are now seeing greater revenues being generated via in-app advertising. Most mobile ad networks are seeing the majority of their ad impressions on smartphones and an increasing proportion of those ads are being served in mobile apps. The main driver for in-app advertising is the growing number of smartphone users, particularly iPhone and Android users who are now spending more time using apps than browsing.

Mobile operators can only expect a very small share of revenues from mobile Internet advertising but they will continue to take a large share of revenues from messaging and voice-based mobile ad campaigns. Messaging and voice will continue to play an important role in mobile advertising as many Internet-based campaigns also rely on SMS short codes or a click-to-call function for consumer response. "Mobile operators should think of the possible benefits in the wider context with mobile advertising. They might not get direct revenues from mobile advertising but it can help them to develop and offer a more compelling suite of m-commerce services, increase subscriber loyalty, and help to reduce churn on their networks," adds Pandey.

Notes

These findings are from Informa Telecoms & Media's latest research report "Mobile Advertising: Global Market Analysis and Forecasts 2011-2016" www.informatandm.com/madvertising. The report analyses the strategies that Internet brands, mobile operators, and other value-chain players need to implement to drive the growth of the mobile advertising market. It evaluates the opportunities and challenges for the advertisers/brands, ad agencies, ad networks, mediation platforms and network optimisers, platform vendors, mobile search providers, content publishers, app developers and mobile operators.