

Global mobile advertising revenues will be worth US\$3.5 billion in 2010

LONDON, UK: Global revenues from mobile advertising will be worth US\$3.5 billion (about R24. billion) in 2010 according to the latest research (www.informatm.com/madvertising) from Informa Telecoms & Media.



The mobile advertising market has seen strong growth over the past 12 months driven by the initiatives and investments of big players including Apple and Google and is expected to show strong growth over the next five years and generate revenues of around US\$24 billion (about R168 billion) in 2015. Informa Telecoms & Media believes that during this period, the share of mobile advertising revenues for the operators will fall from around 26% in 2010 to estimated 20% in 2015.

There are now an increasing number of successful mobile advertising campaigns and a lot of market activity including in-house innovation, partnerships, mergers and acquisitions. Media and FMCG brands are also experiencing growing consumer engagement on mobile. These developments are starting to provide the much-needed momentum that the mobile advertising industry needs, which will lead to accelerated growth in mobile advertising in 2011 and beyond.

Responding to competition

"The launch of Apple's iAd advertising platform is forcing rivals to speed up their own mobile advertising strategies. Google has responded by acquiring AdMob and has announced it is on track to generate US\$1 billion (about R7 billion) in revenues from mobile in 2010, a significant portion of which will be mobile advertising revenues. Google has also reported a 500% growth in mobile search queries between 2008 and 2010," says Shailendra Pandey, senior analyst at Informa Telecoms & Media and author of the recent Mobile Advertising research.

The mobile advertising industry has moved ahead from the trial and experimental phase and many brands are now spending significant sums on mobile campaigns on a regular basis. "The investments from big players such as Google and Apple validate the market opportunity, resulting in brands and agencies more actively considering mobile for their campaigns," Pandey adds.

New services launched

In 2010, many mobile operators, including Orange, O2 UK, Movistar Spain, VimpelCom Russia, Maxis Malaysia and Claro Argentina, have launched services and trials to encourage their subscribers to opt in to mobile advertising and receive reward points in exchange for viewing ads on their mobile phones. It is becoming quite clear to the operators that close partnerships with other value chain players is essential and is a better strategy than attempting to build an in-house mobile advertising solution and their own creative and sales teams.

Informa Telecoms & Media believes the mobile advertising market will go through a sustained period of

consolidation over the next 12-18 months. The big value chain players have been on the acquisition trail for companies that will integrate seamlessly with their own platforms to ensure they have that end-to-end mobile ad-serving capability.

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