Facebook, Twitter boost ad spend in US

NEW YORK, USA: New advertising in Facebook and Twitter have given the US mobile market a boost, bringing revenues for the sector to more than US$4bn this year, a research firm says.

The eMarketer report said US mobile spending on advertising is growing more quickly than previously expected, helped by Facebook's mobile newsfeed ads and Twitter's Promoted Products.

With the new offerings, eMarketer expects overall spending on mobile advertising in the US, including display, search and messaging-based ads served to mobile phones and tablets, will rise 180% this year to more than US$4bn.

That compares with a forecast in September of just US$2.6bn.

Now eMarketer expects US mobile ad spend to reach US$7.2bn next year and nearly US$21bn by 2016.

Facebook's mobile performance in the third quarter is one major reason for the change, eMarketer said.

Before Facebook's earnings call, most researchers and analysts expected US mobile ad revenues of between US$45m to US$100m, according to figures examined by eMarketer. Most analysts now estimate Facebook's US mobile ad revenues will hit US$339m this year.

Google also posted better-than-expected mobile ad growth in the past quarter and now controls 56.6% of the US mobile advertising market, eMarketer estimates.

Most of Google's mobile ad revenues come from its search services and eMarketer estimates Google ho 93.3% of the overall US$2bn US mobile search ad market.

The report said Twitter's 2012 US mobile ad revenues have also been revised upward to US$135m from US$116.8m forecast in September and gives the group some 3.5% of the total US mobile ad market.

Apple currently holds an estimated 6.7% of the US mobile display ad market and has the potential to increase that as it sells more iPads and iPhones.

Mobile still accounts for just 2.4% of total ad spending in the US this year but will reach 11% by 2016, whe will overtake radio but still be below print, eMarketer said.

Source: *AFP* via I-Net Bridge