

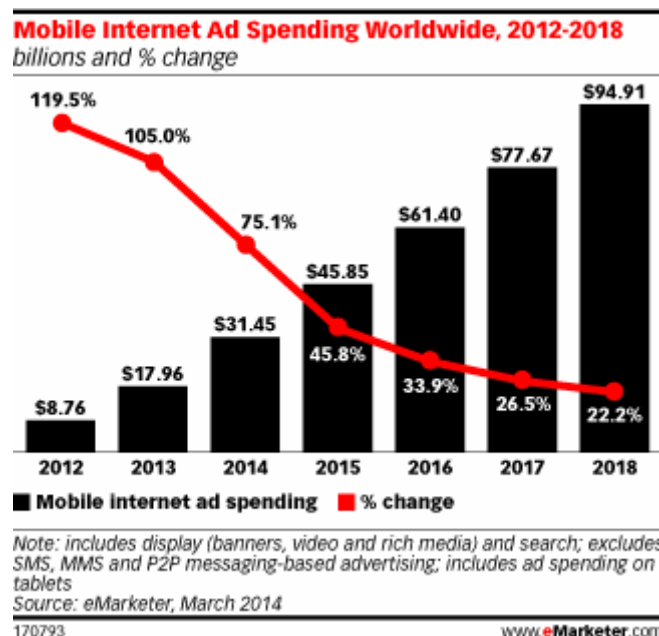
Driven by Facebook and Google, Mobile Ad Market Soars 105% in 2013

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Mobile ad spending on pace to reach \$31.45 billion this year

Last year, global mobile ad spending increased 105.0% to total \$17.96 billion, according to new figures from eMarketer. In 2014, mobile is on pace to rise another 75.1% to \$31.45 billion, accounting for nearly one-quarter of total digital ad spending worldwide.

Facebook and Google accounted for a majority of mobile ad market growth worldwide last year. Combined, the two companies saw net mobile ad revenues increase by \$6.92 billion, claiming 75.2% of the additional \$9.2 billion that went toward mobile in 2013. The two companies are consolidating their places at the top of the market, accounting for more than two-thirds of mobile ad spending last year—a figure that will increase slightly this year, according to eMarketer.



Facebook in particular is gaining significant market share. In 2012, the social network accounted for just 5.4% of the global advertising market. In 2013, that share increased to 17.5%, and eMarketer predicts it will rise again this year to 21.7%. Google still owns a plurality of the mobile advertising market worldwide, taking a portion of nearly 50% in 2013, but the rapid growth of Facebook will cause the search giant's share to drop to 46.8% in 2014, eMarketer estimates.

Net Mobile Internet Ad Revenue Share Worldwide, by Company, 2012-2014

% of total

	2012	2013	2014
Google	52.6%	49.3%	46.8%
Facebook	5.4%	17.5%	21.7%
Twitter	1.5%	2.4%	2.6%
Pandora	2.6%	2.1%	1.7%
YP	2.9%	2.1%	1.6%
Millennial Media	0.8%	0.8%	0.7%
Other	34.2%	25.8%	24.9%

Total mobile internet ad revenues (billions) \$8.76 \$17.96 \$31.45

Note: net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites; includes display (banners and other, rich media and video) and search; ad spending on tablets is included; excludes SMS, MMS and P2P messaging-based advertising

Source: company reports, 2012 & 2013; eMarketer, March 2014

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The rapid pace at which mobile has taken over the company's ad revenue share indicates Facebook's mobile future. In 2012, only 11% of Facebook's net ad revenues worldwide came from mobile, and last year, that figure jumped to 45.1%. In 2014, eMarketer estimates that mobile will account for 63.4% of Facebook's net digital ad revenues. Mobile accounted for 23.1% of Google's net ad revenues worldwide in 2013, and eMarketer estimates this share will increase to 33.8% this year.

eMarketer bases all of our forecasts on a multipronged approach that focuses on both worldwide and local trends in the economy, technology and population, along with company-, product-, country- and demographic-specific trends, and trends in specific consumer behaviors. We analyze quantitative and qualitative data from a variety of research firms, government agencies, media outlets and company reports, weighting each piece of information based on methodology and soundness.

In addition, every element of each eMarketer forecast fits within the larger matrix of all our forecasts, with the same assumptions and general framework used to project figures in a wide variety of areas. Regular re-evaluation of each forecast means those assumptions and framework are constantly updated to reflect new market developments and other trends.

Read more at <http://www.emarketer.com/Article/Driven-by-Facebook-Google-Mobile-Ad-Market-Soars-10537-2013/1010690#tg7cX4gWkv4RGBv9.99>