

Consumers are adopting mobile technology faster than advertisers can find ways to exploit it, according to a new report from eMarketer. But expect the gap to close quickly over the next few years.

Despite the widespread adoption of mobile phones, spending on mobile advertising will reach just \$416 million in 2009, which accounts for 2.2 percent of total online display ad spending, according to the report, "Mobile Advertising and Marketing: Change Is in the Air." That number has been adjusted from previous estimates to compensate for the economic downturn, the report noted.

Advertisers are eager to reach consumers on their mobile devices, but have been hampered by the diversity of the hardware, the complexity of the platform, and the lack of advertising options on less-sophisticated devices, said the report's author, Noah Elkin.

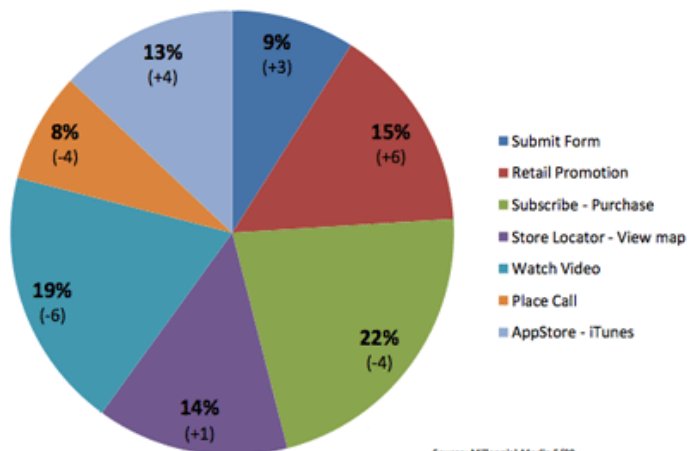
Adding to the problem is the fact that few marketers today have discreet budgets for mobile, the report said. "For all intents and purposes, there's no such thing as a mobile budget. Rather, mobile remains at most a line item in the digital portion of most budgets, if it is there at all." Responding to eMarketer said mobile represented a line item in their 2010 budgets; nineteen percent said they were "experimenting but have no future plans at all;"

and 36 percent of brands said it was simply not part of their plans. But with the spread of smart phones and devices that facilitate easier Web searching, advertisers will find themselves faced with more options for reaching consumers on their phones, and are already preparing to take advantage of them.

EMarketer projects spending on mobile ads to reach \$593 million next year, and \$830 million in 2011. By 2013, the report says that number will reach \$1.56 billion, 9.9 percent of total spending on display advertising.

"Mobile will grow considerably more quickly than online ad spending as a whole, more in line with emerging online formats such as digital video," Elkin said. The report also noted that widespread experimentation today is making marketers -- and consumers -- more comfortable with ads on mobile devices, and will pay off in the coming years.

Campaign Actions Mix



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