

EMarketer: Facebook US mobile ad revenue soaring

BARBARA ORTUTAY - AP Technology Writer - Associated Press

A research firm says it expects Facebook's mobile ad revenue to soar this year, hitting nearly \$1 billion a year after the company started to splice ads into its users' mobile phones and tablet computers.

Wednesday's forecast comes a day before Facebook holds an event to unveil a new Android product. Speculation has centered on a mobile phone, made by HTC Corp., that deeply integrates Facebook into the Android operating system. The move comes as Facebook works to evolve from its Web-based roots to a "mobile-first" company, as its mantra goes.

EMarketer said it expects Facebook Inc. to reap \$965 million in U.S. mobile ad revenue in 2013. That's about 2.5 times the \$391 million in 2012, the first year that Facebook started showing mobile ads.

"There are some clear reasons why a deeper integration with mobile operating systems and handsets makes sense for Facebook," said Clark Fredricksen, vice president at eMarketer. "At the end of the day, the more deeply Facebook can engage consumers, no matter what device or operating system or handset," the better.

Facebook's rival, Google Inc., makes the Android software that Facebook and HTC would be using under the scenario widely speculated. Google makes the software available on an open-source basis, meaning others including rivals are free to adapt it for their needs. Amazon.com Inc. does just that in modifying Android to run its Kindle tablet computers.

Facebook is No. 2 behind Google when it comes to mobile advertisements in the U.S., and it isn't expected to surpass the online search leader any time soon. Google dominates the mobile search market with 93 percent of U.S. mobile search advertising dollars, according to eMarketer. Online music service Pandora Inc. is third in mobile ad dollars, followed by Twitter.

More than half of Facebook's 1.06 billion monthly users access it on a mobile device.

Facebook's event Thursday is at its Menlo Park, Calif., headquarters.

Shares of Facebook rose 83 cents, or 3.3 percent, to close Wednesday at \$26.25. The stock is down about 1 percent since the start of the year.

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