

MOBILE

Mobile display revenue skyrockets, overtakes search for first time: IAB

August 19, 2015



Image courtesy of Michael Kors

By CHANTAL TODE

Sign up now

Luxury Daily

Mobile display showed the highest growth globally at 88.1 percent, overtaking search as the dominant segment, per the report, *Global Mobile Advertising Revenue 2014: The State of Mobile Advertising Around the World*. Display advertising's growing fortunes were most evident in North America, which saw mobile display revenues grow 114.2 percent and overtook Asia Pacific as the leader in mobile display revenue.

"It's surprising that globally, display ad revenue is now a little larger than search," said Joe Laszlo, senior director at the [IAB Mobile Marketing Center of Excellence](#). "Search advertising was the first medium to really explode on mobile, as searching is a very natural mobile activity and the same sorts of ads that work well for desktop search work well on mobile.

"The rapid growth of display suggests that now other forms of mobile media are similarly taking off and that the industry is moving toward ad formats that engage the consumer and persuade advertisers to spend more on mobile," he said.

"Both mobile search and mobile display are going to remain important to advertisers over

the long run. As mobile display starts to mature over the next couple of years, its growth rate is likely to converge with that of search, so that their relative shares of the market will stabilize.”

Search grows more slowly

Mobile search experienced its strongest growth rate in the Middle East and Africa, where it grew in 94.3 percent. In comparison, mobile search grew just 56.9 percent in North America, 55.6 percent in Europe, 51.8 percent in Asia Pacific and 51.3 percent in Latin America.

Global mobile advertising grew 65 percent in 2014 for a total of \$32 billion.

On a global basis, mobile display accounted for 47.4 percent of revenue, up 88 percent from 41.5 percent. At the same time, mobile search saw its share drop to 46.1 percent from 48.9 percent, with search revenues growing just 55 percent.

Messaging also continued its decline, accounting for just 6.6 percent of overall mobile advertising revenue in 2014, down from 9.6 percent, with messaging revenues growing 13 percent.

Regional differences

North America accounted for 44.9 percent of global mobile advertising revenue for a total of \$14 billion, up from 41.9 percent share in 2013. Growth year-over-year was led by North America, which saw a 76.8 percent leap over 2013 figures.

Asia-Pacific had a 36.5 percent share of mobile advertising in revenues in 2014 for a total of \$12 billion, Europe 16.6 percent or \$5 billion, Middle East and Africa 1.2 percent or \$379 million and Latin America 0.8 percent or \$239 million.

Middle East and Africa grew by 68.5 percent, Latin America 66.1 percent, Europe 58.6 percent and Asia Pacific 54.5 percent.

The numbers point to mobile’s important role in the evolution of the online advertising market.

As the scale of mobile advertising continues to grow, advertisers, agencies and publishers need to fully understand consumer behavior, especially as the differences between devices diminish and the potential for engagement with digital content grows.

“Mobile advertising continues its strong growth trajectory around the world, including strong growth even in regions that where mobile is relatively more established,” Mr. Lazlo said.

Final Take

Chantal Tode is senior editor on Mobile Marketer, New York

Embedded Video: <https://www.youtube.com/embed/M5PhPgDuBpM?rel=0>

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.