

MOBILE

Mobile reaches 30pc of digital ad revenues following H1 spending surge: IAB

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Longchamp Autumn 2015 campaign

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Search and display advertising continue to shift to mobile, helping to make it one of the key drivers behind a strong first half for digital advertising, according to a new report from the Interactive Advertising Bureau.

Mobile, social and video were the big drivers behind the 19 percent increase in digital ad revenues as laggards in the consumer packaged goods and other sectors upped their game. Mobile's growth was even more impressive at 54 percent, meaning it now accounts for 30 percent of the overall spend, up from 23 percent during the same period a year ago.

"Fifty two percent of mobile spend was in display and 44 percent in search," said David Silverman, a partner at [PriceWaterhouseCoopers](#), during a conference call to discuss the report.

"There was a flip this year, with display becoming more significant than search within the mobile format and we think this has a lot to do with the emergence of social and monetization in social," he said.

PwC put together the report, IAB Internet Advertising Revenue Report, for the [IAB](#).

Q2 momentum

Internet ad revenues reached \$27.5 billion in the United States in the first six months of 2015, according to the IAB.

The momentum grew as the first half progressed, with the second quarter's ad revenues growing 22.5 percent year-over-year and up 8.5 percent from the first quarter.

There were several key drivers of the growth mobile, digital video and social.

Mobile revenues reached \$8.2 billion during the first half, up 54 percent year-over-year. More than half of mobile revenues are coming from display and video.

Mobile is now the second largest format within digital advertising behind search, which is still growing but not as quickly. During the first half, search revenues grew 11 percent, surpassing \$10 billion.

"Dollars are moving from other media and also moving in digital," said Sherrill Mane, senior vice president of research, analytics and measurement at IAB.

"Mobile is likely garnering incremental spend coming from experimental budgets," she said.

Banner ads decline

Display-related ad revenues grew just 5 percent, with display accounting for 25 percent of overall revenues.

However, non-mobile banner ad revenues declined.

Digital video revenues grew 35 percent for a total of \$2 billion.

Social revenues increased 51 percent for a total of \$2.9 billion. Social accounts for approximately 16 percent of overall revenue and one-third of growth.

Brands are increasingly taking notice of digital formats, helping to drive up CPM rates. The IAB reported that CPM rates averaged \$11.67 for the first half, up from \$11.35.

Part of the attraction for brands is that the utility of digital advertising continues to improve thanks to enhanced abilities to target, segment and drive social as well as transactional engagements. The standardization of media metrics, the unlocking of data's potential through programmatic and the introduction of analytics that tie together dozens of marketing activities are also a pull.

"Rather than time spent, we think it is the growing utility that will drive the next leg of growth," said Peter Stabler, managing director of Internet/advertising equity research at [Wells Fargo Securities LLC](#).

"There is so much more you can achieve with online advertising than you could five years ago," he said.

Final Take

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