

MARKETING

Location-targeted mobile ad spend will reach \$32B by 2021: report

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Image courtesy of Swarovski

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By [Danny Parisi for Mobile Marketer](#)

Location-targeted mobile ad spend is expected to make up 45 percent of mobile ad spending by the year 2021, according to a new report on the subject from BIA/Kelsey.

As mobile penetration grows, marketers will continually turn towards location-targeting as a way to optimize their mobile ad spend dollars. The number represents a 17 percent compound annual growth rate between now and 2021.

"The smartphone revolution turns ten this year, and we've come a long way," said Mike Boland, chief analyst of [BIA/Kelsey](#) and author of the report. "But many are far behind, still operating with a desktop mindset."

Tracking ad budgets

Mobile device use has skyrocketed in the past ten years. Now, more people are tethered to mobile devices than ever before.

That provides a unique opportunity for marketers, who now have a reliable way of tying a customer's digital and physical actions together.

Many brands and marketers have made use of this relationship to build better customer data sets and to use that data to inform their marketing strategy.

One of the most reliable ways marketers have been able to keep those digital and physical personas connected and to act on the data they have is through location-targeted advertising.

Whether that takes the form of beacons, integrations with GPS services or any other marketing tactic that relies on location, marketers can make their ads even more relevant and timely than before.

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To determine exactly how much marketers are likely to invest in location-targeted ad spend in the next few years, BIA/Kelsey surveyed marketers about their mobile ad budgets.

The report found that the total ad spend on location-targeted mobile ads will grow from \$12.4 billion last year, to \$32.4 billion by 2021.

Right now, location-targeted ads make up around 38 percent of overall mobile ad spend, but that will balloon to 45 percent by 2021.

Location, location, location

The increase in location-targeted ad spend can be attributed to a couple of different factors.

Not only has mobile use among consumers risen, but mobile has continuously risen in dominance in the overall digital world, becoming for many consumers their primary method of interacting with brands and with each other.

Additionally, modern smartphones are more likely to have more robust location-tracking features, as well the general standards of location quality in the US rising.

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This data is consistent with other reports that have shown mobile becoming a dominant commerce force as well, with 83 percent of consumers' shopping habits centering on mobile ([see story](#)).

Social media will also continue to grow, with a 20 percent growth rate in social media spending per year predicted ([see story](#)).

Overall, mobile is clearly where many marketers need to be focusing their attention. If not, they could miss out on the future of marketing.

Location-targeting may not dominate the mobile marketing world yet, but if this data holds true, it will be a major driving force in the years to come.

"[Non-mobile brands] will be left behind in the next era of mobile, defined by native-social, voice interfaces and multimedia, not banner ads and traditional search," Mr. Boland said.

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