

MARKETING

Brands spent \$295B on mobile advertising in 2021: App Annie

February 3, 2022



Consumers are spending increasingly more time on their phones, leaving brands and retailers myriad opportunities to connect and earn revenue. Image credit: Afterpay

By KATIE TAMOLA

Globally, consumers are taking the concept of being glued to one's phone to new levels.

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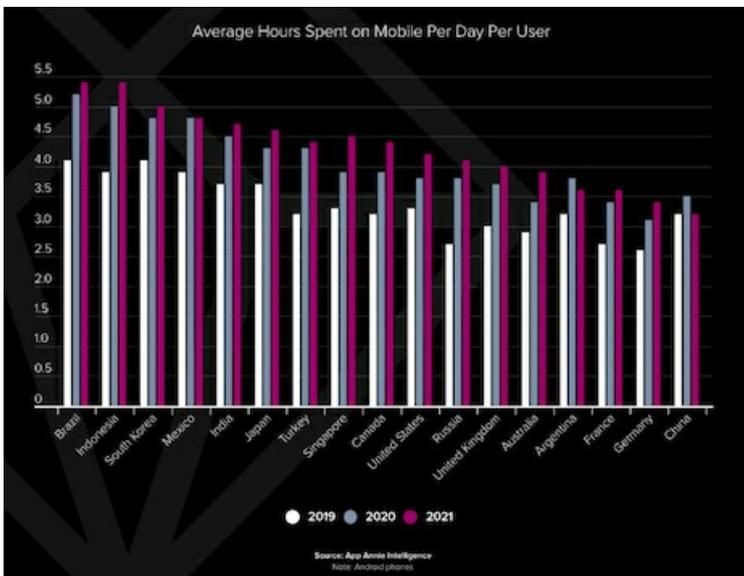
According to App Annie, consumers spent a record 3.8 trillion hours on mobile last year. Additional findings from its [State of Mobile 2022](#) report illustrate just how hot mobile is and how widely available the market is for brands to continue making money from it.

"For luxury brands and retailers, it's important to have an app that is engaging and provides customers with access to inventory, customer support, and service," said Lexi Sydow, head of insights at [App Annie](#). "The pandemic accelerated mobile shopping, especially for markets like the US that lagged behind early adopters in APAC."

Mobile living

With a smartphone, the world resides in one's own pocket, one that can communicate with loved ones, stay abreast of the latest news and purchase anything from a luxury vehicle to a favorite snack.

Apparently, consumers are taking advantage of these capabilities.



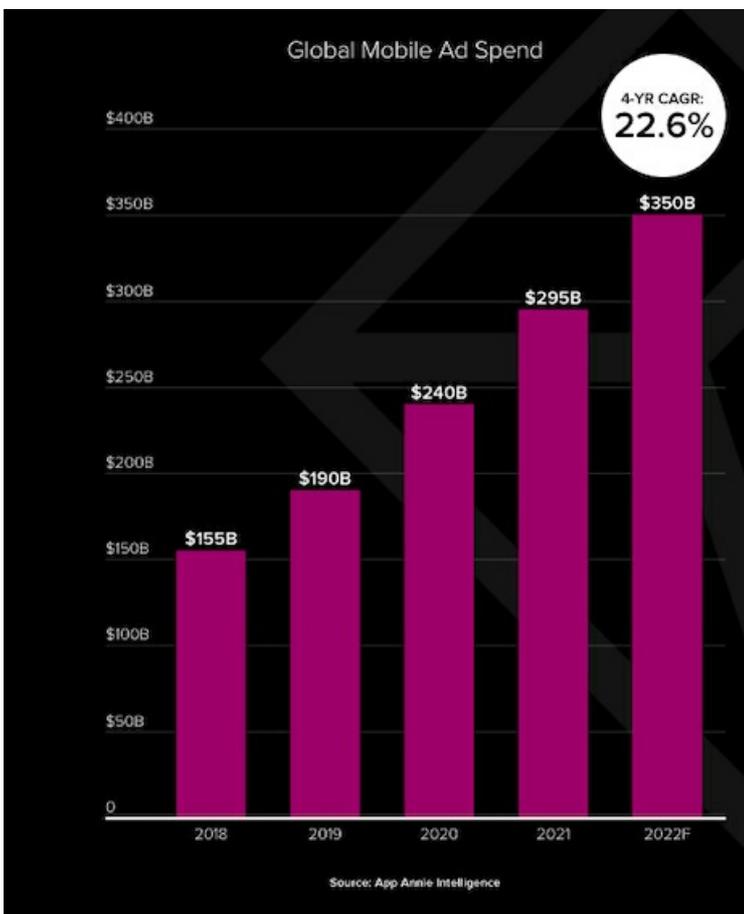
On average, consumers are spending 4.8 hours on their phones daily. Image credit: App Annie

In 2021, consumers spent \$170 billion on apps, for an estimated \$320,000 spent per minute and a 19 percent increase from 2020. Downloads also continued growing at 5 percent year-over-year to reach \$230 billion.

Apps earning more than \$100 million in consumer spending grew by 20 percent.

Advertisers are taking notice of a continued mobile craze, as brands spent more than \$295 billion on advertising, reflecting a 23 percent increase year-over-year.

With attention-grabbing events like the Beijing Olympics and midterm elections in the United States, experts anticipate the advertising dollars will continue to be spent. App Annie has estimated brands to spend about \$350 billion this year on advertising.



With people glued to their phones seemingly more than ever, brands are increasing their advertising spending. Image credit: App Annie

Increasing advertising spending makes sense when consumers are flocking to their phones for their every need, as worldwide. In 2021, consumers spent more than \$4.2 billion on dating apps and 194 billion sessions on food and

drink apps a new milestone.

Time spent shopping approached 100 billion hours, reflecting an 18 percent year-over-year increase led by fast fashion, social shopping and prominent retailers.

The metaverse craze continues to gain traction as well, as the concept leads avatar apps forward with 160 percent year-over-year growth.

Shopping socially

Brands simply cannot ignore the opportunities social media presents for progress. With continued technological progress and innovation meeting people's desire to connect with others, concepts like social commerce are taking off.

App Annie found that 7 out of every 10 minutes on mobile was spent on either social, photo and/or video apps, with TikTok being the most used.

Social commerce is thriving, as consumers continue to value the convenience and benefits of mobile shopping and influencer recommendations.

According to Influencer Marketing Factory's [Social Commerce 2022](#) report, 82 percent of survey respondents reported discovering a product on social media and purchasing it directly on their phones. Social shopping offers another mutually beneficial tool between consumers and brands with convenience and additional revenue streams at the helm ([see story](#)).

Social commerce is growing rapidly, driven by Gen Z and millennial shoppers, according to new research from Accenture. The new study finds that the \$492 billion social commerce industry is expected to grow to \$1.2 trillion by 2025 ([see story](#)).

For luxury brands and retailers, the mobile world continues to offer numerous opportunities to connect with consumers and ultimately earn their dollars.

"Mobile offers the most personal, efficient and accessible way of interacting with a brand luxury retailers would be remiss to miss out on this reach and depth of engagement mobile apps provide," Ms. Lydow said.