

With the exponential growth of mobile web and app usership through the release and distribution of smart phones and platforms such as android, you would expect that mobile advertising spend would follow a similar growth curve. However, the current figures show a market that is behind the user ship curve in terms of advertising spend, albeit, that mobile advertising spend is showing good growth but from a low base.

A number of the factors holding back growth in spend are well established and understood. Such as the fragmented nature of the mobile environment and the lack of open standards, through to the limitations of the mobile device in terms of housing the types of ad formats that would attract advertisers. However, these reasons do not fully explain why spend on mobile is yet to truly take off. Especially given the latest positive mobile revenue figures from Google, which show that mobile search advertising revenue is now growing at a rate that is starting to follow the user ship curve, which shows that mobile can deliver real revenue growth.

So at FaR we decided to take a closer look at the underlying factors holding back the rapid growth of mobile spend through our industry panel and what was most interesting is that fragmentation, environment and a lack of standards were not cited as the core factors holding mobile spend back.

Industry feedback instead showed that where mobile display spends are concerned there are two key factors that are holding back growth in spend. With the first focused on audience, with the panel stating that they required effective reach of relevant audiences in order to justify increased spends in mobile. This was especially true of content publishers as these were the ones where the panel felt there was the greatest shortfall in terms of relevant reach.

The second key factor, when asked, 'what key development would drive growth' is independent, industry recognised ad serving solutions. With 71% stating that this was a key factor as it would both ensure that the client could transparently track the inventory that was served and ideally be able to track performance beyond the click.

The positive aspect of these factors is that both of them, to an extent, are addressable, as they do not require industry wide initiatives. What they do require is greater levels of investment from key stake holders in market in order to establish the required audience reach within strong media environments and the required level of tracking in order to justify and prove the worth of mobile advertising investment.

Agencies also fed back on their perception of the role of mobile. With the majority stating that they still saw it as part of the overall digital mix, rather than a standalone platform and that therefore advertising spend was largely contingent on and limited by the overall media budget mix. Interestingly a number of agencies stated that this was starting to change as both agencies and advertisers were starting to see the value of mobile through the effective advertising campaign that it delivered.

The two key learning's that the FaR panel seems to be showing are that mobile is starting to be seen as an effective standalone channel and that the factors slowing advertising spend growth can be addressed. So the priority should be on both showing how effective mobile advertising already is as a stand alone and integrated channel. As well as focusing on delivering the developments that can be addressed and that will drive direct growth in the market such as audience growth within publisher environments and ad serving and tracking developments.