

COLUMNS

Facebook needs to compete with itself to monetize mobile

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By **Kunal Gupta**

Facebook announced its first quarterly earnings last week since going public, and its struggles with monetizing mobile are a reflection of what every media executive is worried about for their own business.

Fifty-seven percent of Facebook's near-billion monthly active users are from mobile, up from 44 percent from one year ago and 32 percent from two years ago. That represents a 78 percent surge in the past two years alone.

Facebook's audience from mobile will likely be 70 percent of its total active user base in one year from now as smartphone penetration is accelerating.

Smart tone

In February 2012, smartphone penetration surpassed 50 percent in the United States.

With new devices launching from the likes of Apple and Samsung every year and the cost of ownership coming down quickly, it will not be long before there are billions of smartphones in the market. Consumption on smartphones is happening everywhere.

Source: clicky media

Last month at Apple's Worldwide Developers Conference, tight Facebook integration with iOS6 was announced, making it easier to Like, Post, Comment and Share your photos, location, updates, news and events directly to Facebook. When iOS6 launches this fall, you can expect Facebook's mobile engagement to further accelerate.

Recent data showed that while mobile represents 23 percent of consumer time spent compared to television, print, Web and radio it only represents 1 percent of advertiser spend. This is the largest challenge facing Facebook and the media industry how to monetize mobile.

A major challenge that advertisers, marketers and brands have with extending digital campaigns to mobile is the lack of a destination or landing page optimized for the small screen. They are not interested in creating a one-off, flat mobile landing page that does not connect back into their existing online infrastructure, tools and processes.

The investment to extend their existing Web presence to mobile is high, especially for large advertisers, and competing against other areas of focus such as ecommerce, search, video and social media.

Learning from Google

Google is the first and only so far to build a \$1 billion-plus mobile ad business and it is investing in helping advertisers overcome the obstacles faced when going mobile.

GOMO is an example of an initiative by Google to help small to mid-sized businesses create mobile Web sites and even test existing Web sites within mobile browsers

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