

## REPORT PREDICTS LUCRATIVE YEAR FOR DIGITAL ADVERTISING



**Adobe**

A report focused on the performance of the digital advertising industry for the first Quarter of 2012 and what the remainder of the year portends, was released by the Adobe Systems Incorporated. The report was based on its findings from its Adobe® Digital Index. The report confirmed that digital advertising maintained its higher growth which remained accelerated across all channels. Search continues to be the biggest driver of ROI for marketers. Mobile devices and tablets are lower-cost channels and hence contributed to Google's Cost Per Click (CPC) decline of five percent Year over Year (YoY). On the other hand Bing/Yahoo's CPC increased by 18 percent Year over Year. The growth of marketing shares, such as such as mobile and social media advertising shows that Bing and Yahoo face the possibility of losing market share. Researchers noted that the two search engines did yield higher revenue per click (RPC) and return on investment (ROI) than Google for the past few quarters. But the ROI advantage that Bing and Yahoo had over Google no longer exists thanks to decreased costs per click (CPC) on Google matched by an 18 percent CPC increase for Bing and Yahoo. The highlights of the report show that, expenditure of mobile platforms accounted for 8 percent of search expenditure in America and 11 percent in Britain. Tablets accounted for 4 percent of search expenditure in America. Mobile devices, mainly Tablets, attracted more advertisers. The volume increased fourfold Year over Year. Increased interests saw search investments in mobile and tablets grow by 250 percent YoY. Facebook continues to make a strong surge and has grown by 93 percent YoY and now represents 3 to 5 percent of search expenditure, an indication that the social site continues to be a strong, budding, digital advertising channel. The report predicts that the rest of the year will also be favorable and encouraging for Digital Advertising growth. Search spending in the US is expected to increase at a rate of 10 to 15 percent. Tablet and mobile expenditure will be around 15 to 20 percent of all search spending. The increasing popularity of Tablet and its growing users ensure that investments in tablet advertising will further increase. Conversion rates on mobile devices are equivalent to desktop performance even though mobile CPCs are 30 percent lower. While Facebook ad CPCs have increased 40 percent Quarter over Quarter for the past three quarters, CPCs on Facebook 'Sponsored Stories' tend to be lower than Facebook 'Marketplace Ads', which may contribute to a transitory decreases in CPCs. David Karnstedt, vice president and general manager, Advertising Solutions, Digital marketing Business, Adobe, said, "Investing resources in social has undoubtedly become a key focus for marketers over the last year. While social is absolutely on the rise and an important channel, search is still the key driver of digital marketing ROI. With the emergence of tablets, mobile creates a new opportunity for search investment with efficiency gains to their overall program, at least in the short-term."

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