

# Facebook threat to Google grows in mobile

April 15 2013, by Benjamin Pimentel

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Just a year after Facebook started selling mobile ads, the social media giant has become a bigger threat to the dominant player in the space, Google Inc.

Facebook is leading other mobile publishers, including [Twitter](#) and Pandora, in dominating the mobile display advertising market in the U.S., outpacing rivals such as [Google](#), Millennial Media and Apple, according to an IDC report released Tuesday.

"Facebook's meteoric rise in mobile display threatens Google's dominance in that segment, on top of the fact that mobile search growth is slowing considerably, which almost exclusively affects Google, slowing their overall [mobile ad](#) growth," IDC analyst Karsten Weide told MarketWatch.

In fact, Facebook's rise has led to a shift in the mobile ad market, the IDC report read. "Where in past years, ad networks such as Google, Millennial Media and Apple received most of the spending on mobile display ads, now publishers control the segment, thanks to very strong sales growth in the past year."

As a result, "the era of ad network dominance has come to an end," the report read.

Google has remained dominant in search advertising, where it controls roughly two-thirds of the market, IDC said.

"We do not see how anything that Microsoft or Yahoo could do would erode Google's dominance in the short term," IDC said.

But the research group did cite a "potential source for disruption" in Facebook.

"If Facebook decided to get into search full-bore, as IDC thinks they should, Google could lose a lot of market share to [Facebook](#) in fairly short order," Weide told MarketWatch.

Mobile ad spending continues to grow in the U.S., although the growth rate has continued to decline, IDC said. The market expanded by 88 percent in 2012 to \$4.5 billion, after posting a 125 percent growth in 2011.

But mobile market share of digital advertising reached 11 percent in 2012, up from 7 percent in 2011. IDC projects a growth rate of 55 percent to 65 percent in 2013, as spending reaches roughly \$7 billion in the U.S.

"Despite the maturation of the segment, mobile spending continues to be the fastest-growing [digital advertising](#) format by far," IDC said.

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