



# BIA/Kelsey Local Ad Revenue Forecast *Mobile Edition*



Chief Analyst

# Background & Areas of Expertise

## WHO WE ARE



BIA/Kelsey is a leading strategy advisory firm serving the needs of the **local** advertising and marketing marketplace by providing solutions to media, marketers, agencies, solution providers and other firms. Our primary expertise lies in our unique point of view regarding the business, consumer, economic, and technology trends impacting current and future local media and the advertising marketplace.

***We combine data, analytics and insights to provide our clients with the information they need for grounded financial and strategic action.***

## PRACTICE AREAS

**Market Sizing-** The size of the local ad pie nationwide, in every market in the country and for different verticals and business categories.

**Forecasting-** Developing economic models to estimate how economic, technological, competitive factors and advertising trends will impact future local advertising

**Understanding the Advertiser-** Providing customized survey results and other research, with a layer of analytics and insights about SMBs, Brands and Franchisees

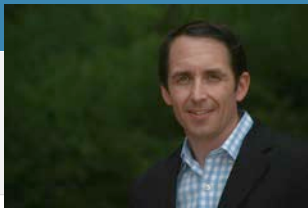
**Competitive Intelligence-** Custom research on the positioning, products, pricing and packaging of selected direct and indirect competitors

**Innovation in Social/Mobile/Video and Emerging Business Models-** Written reports on key trends in these rapidly changing sectors that will be driving future local advertising

**Strategic/Financial Consulting-** Special project of greatest interest to the client, including: go to market strategies, new product launches, M&A, due diligence

## AT A GLANCE

- Founded in 1983
- Serving hundreds of clients globally across traditional media, technology, and financial/investment industries.
- Focused team of 50+ Industry Analysts, Researchers, Economists, Financial Analysts and support staff.
- *BIA Capital Strategies*, a registered broker-dealer investment bank working on media and telecom M&A
- *BIA Digital Partners*, two mezzanine funds that invested \$330 million in 38 media, telecom and business services
- Metropolitan Washington DC based headquarters with offices in San Francisco, Seattle and Dallas



# Brief Intro

## About Me

- 10-year industry analyst
- Former tech journalist (Forbes, Business 2.0)
- Focus areas: Mobile, Social, Emerging Tech
- Frequent contributor to TechCrunch, Huffington Post, Business Insider

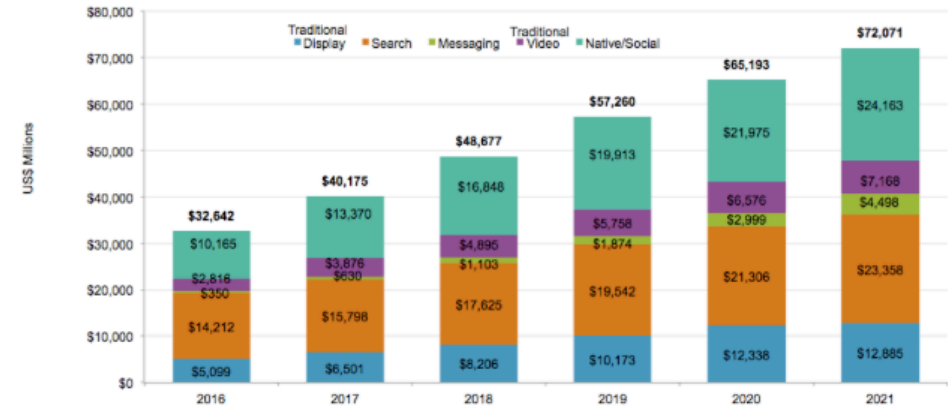


## About the Topic

### U.S. Mobile Ad Revenues to Reach \$72B by 2021: A White Paper Preview

November 23, 2016 Mike Boland Forecasts, Local Media Forecast, Mobile, Online/Interactive

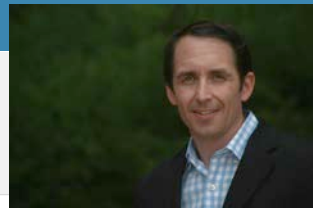
#### U.S. Mobile Ad Spend by Format



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BIA/Kelsey is in the process of producing a white paper that drills down on the mobile portion\* of its U.S. Local Advertising Forecast. The report will be published in January 2017, and we are currently in post-production stages. To provide a sneak peek, below is its executive summary. Stay tuned for more and email mboland@biakelsey.com if you have any questions.

# Forecast Methodology



- In addition to interviews and company reports, BIA/Kelsey's mobile forecast is based on:
  - Mobile usage trends
  - Evolving mobile content and ad formats
  - Advertiser adoption patterns
  - Ad performance measurements (e.g., clickthrough and cost-per-click rates)
- This top-down forecasting is then vetted against a bottom-up approach that examines revenues for top players in each mobile advertising segment (e.g., Facebook, Google and ad networks).
- For location-targeted ad revenues, measurement criteria include geographic ad placement, location-specific copy and calls to action (e.g., call local store).
- Mobile ad revenue from apps and web are included.
- Revenues from advertising that appears on tablets are not included in BIA/Kelsey's classification of mobile.\*

\*Rationale for BIA/Kelsey's separation of smartphone and tablet ad revenues is explained [here](#).



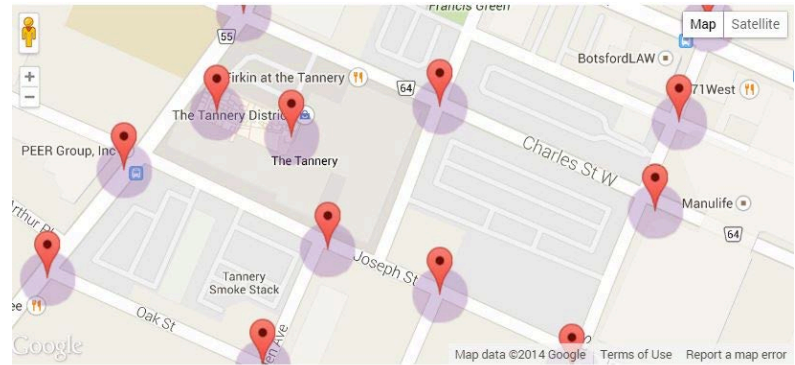


# What is "Local?"

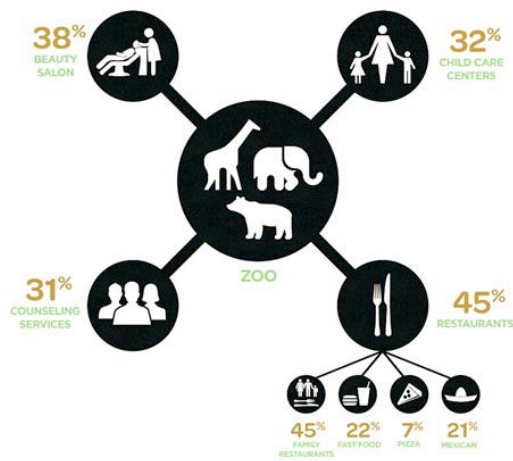
## What do we mean when we say "Location Targeted?"



**Best Buy San Francisco**  
1717 Harrison St  
San Francisco, CA 94103  
(415) 626-9682



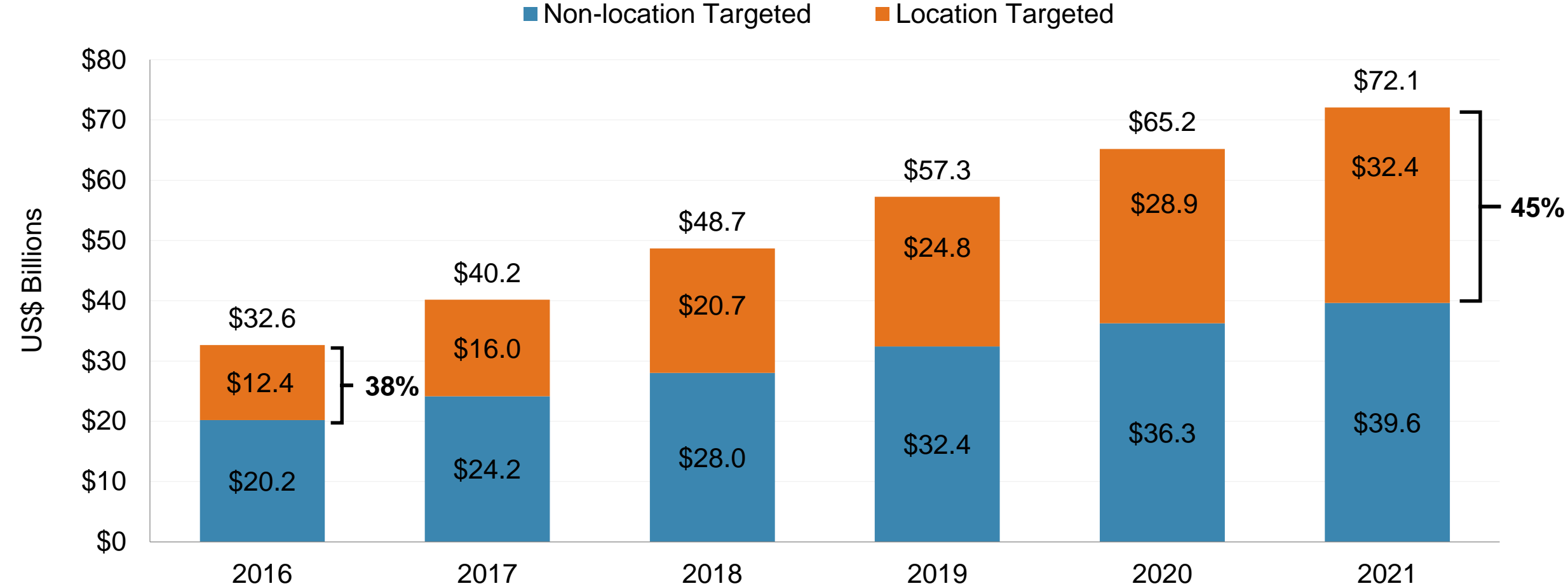
Connections between Locations



# Location-Targeted vs. Non-location-Targeted



## Ad Spend in Mobile

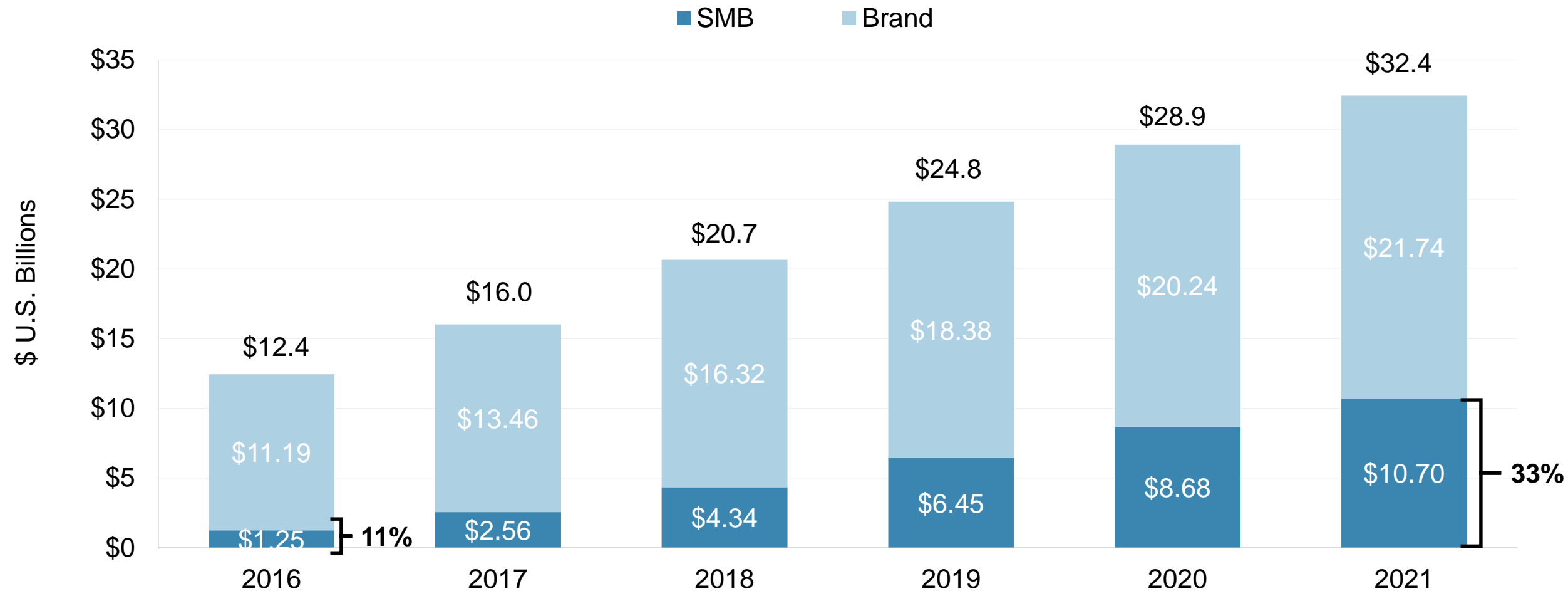


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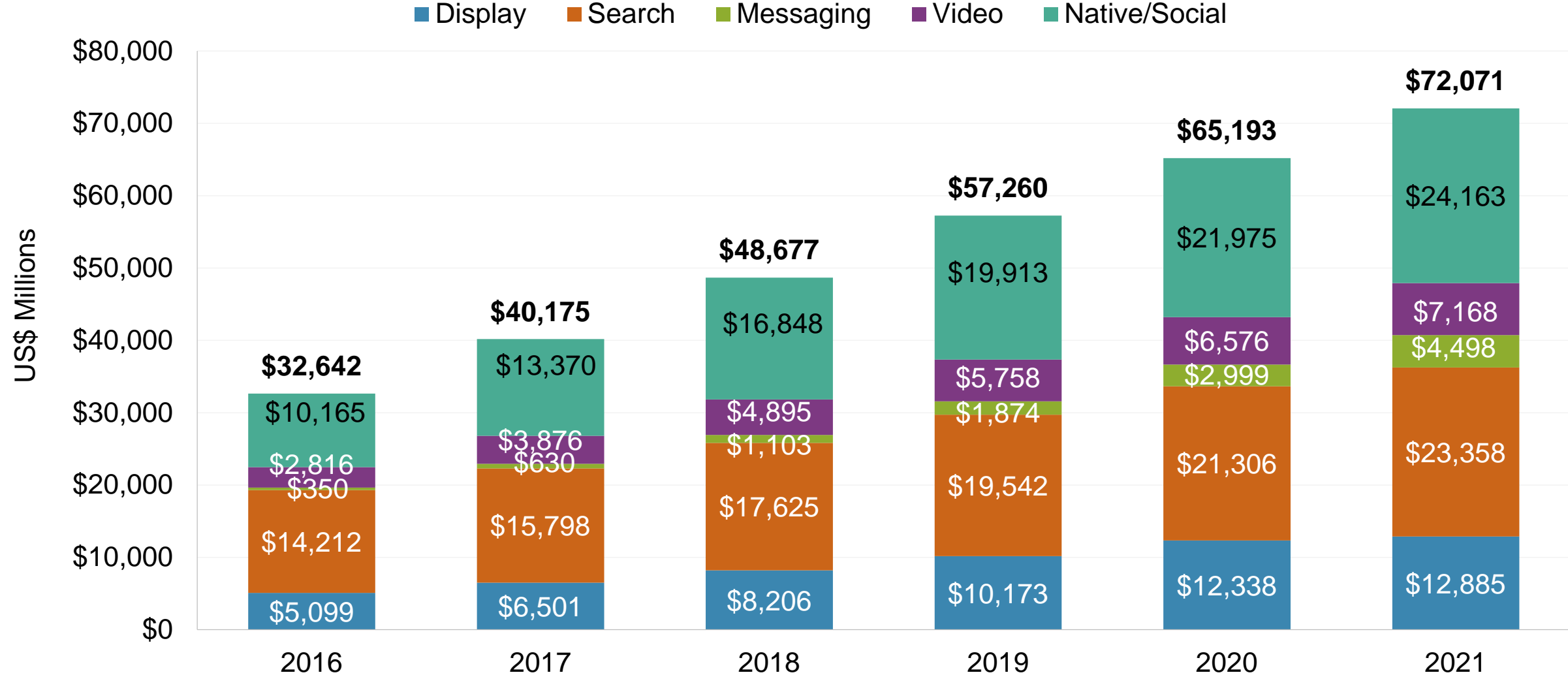


# Location-Targeted Ad Spend By Advertiser Type

National brand advertisers versus in-market SMBs



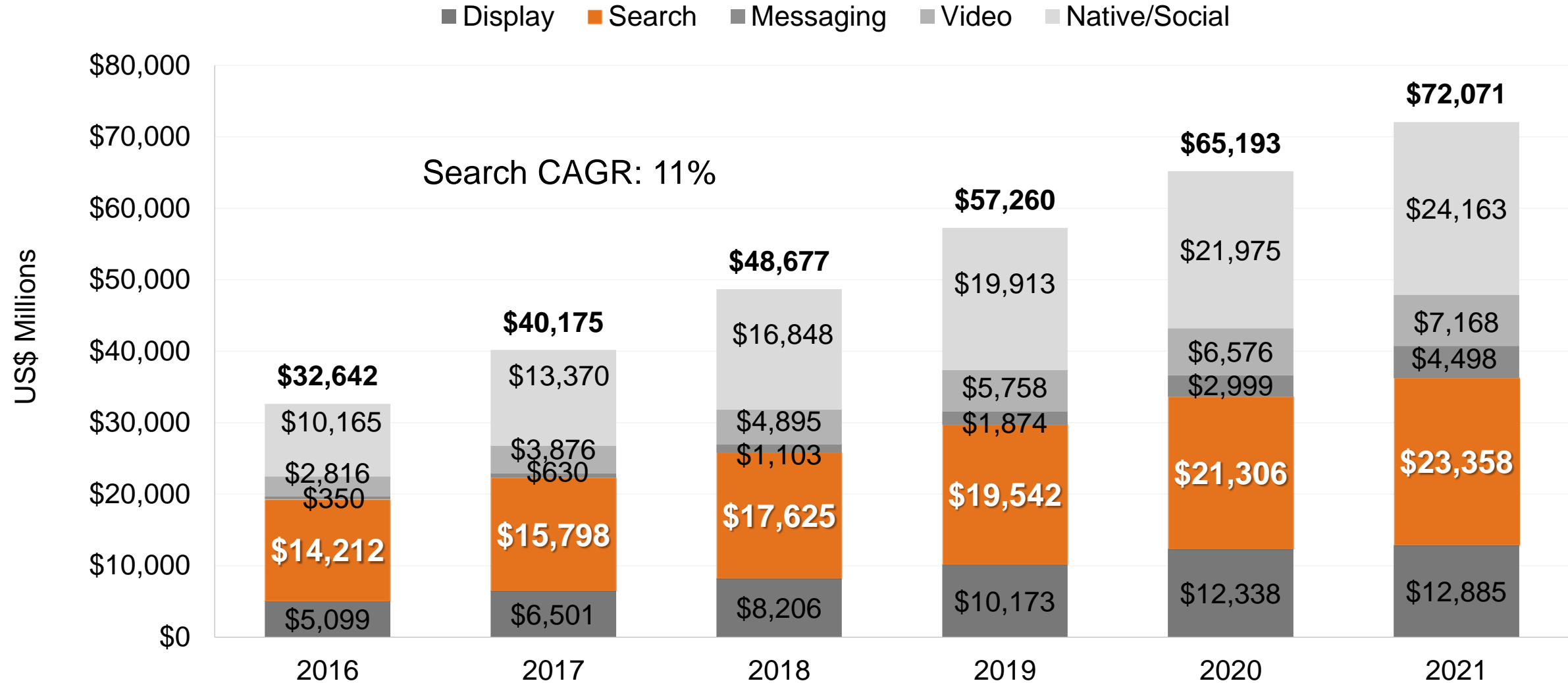
# U.S. Mobile Ad Spend by Format



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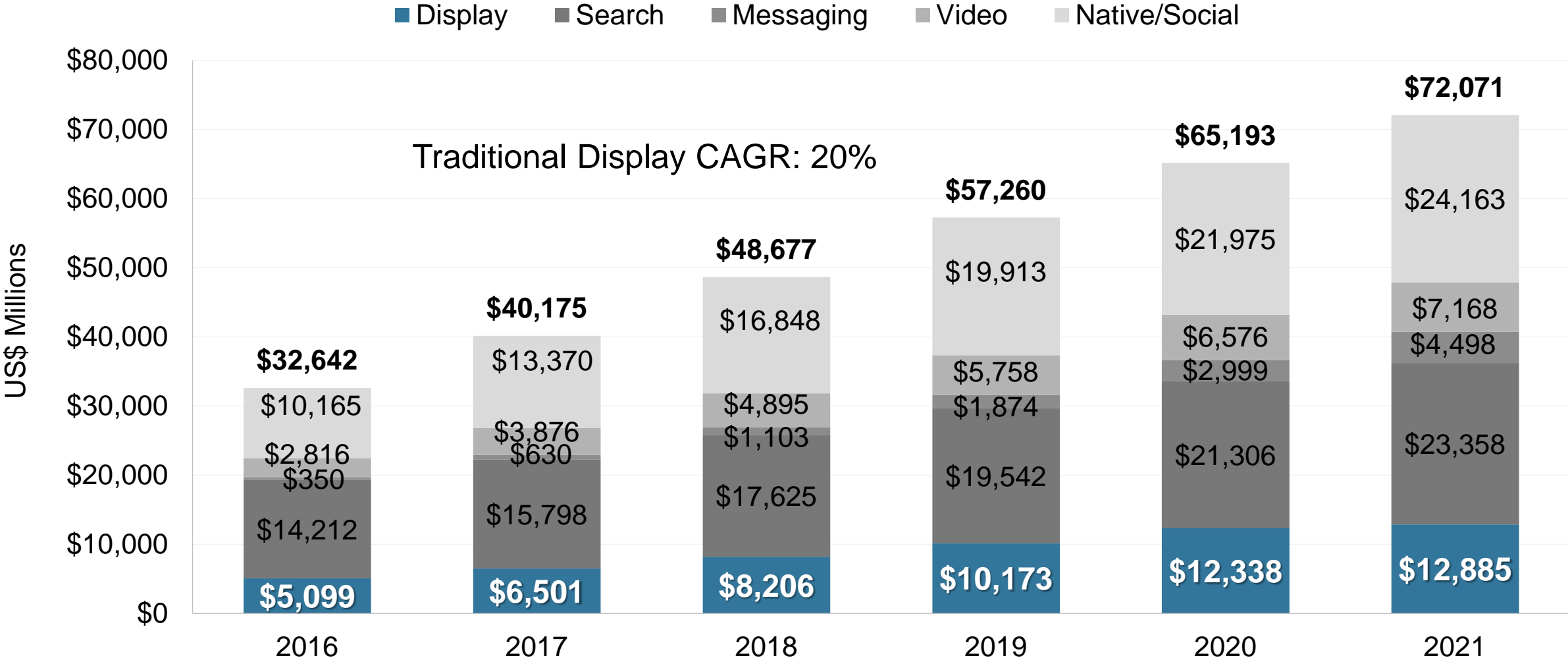


# U.S. Mobile Ad Spend: Search



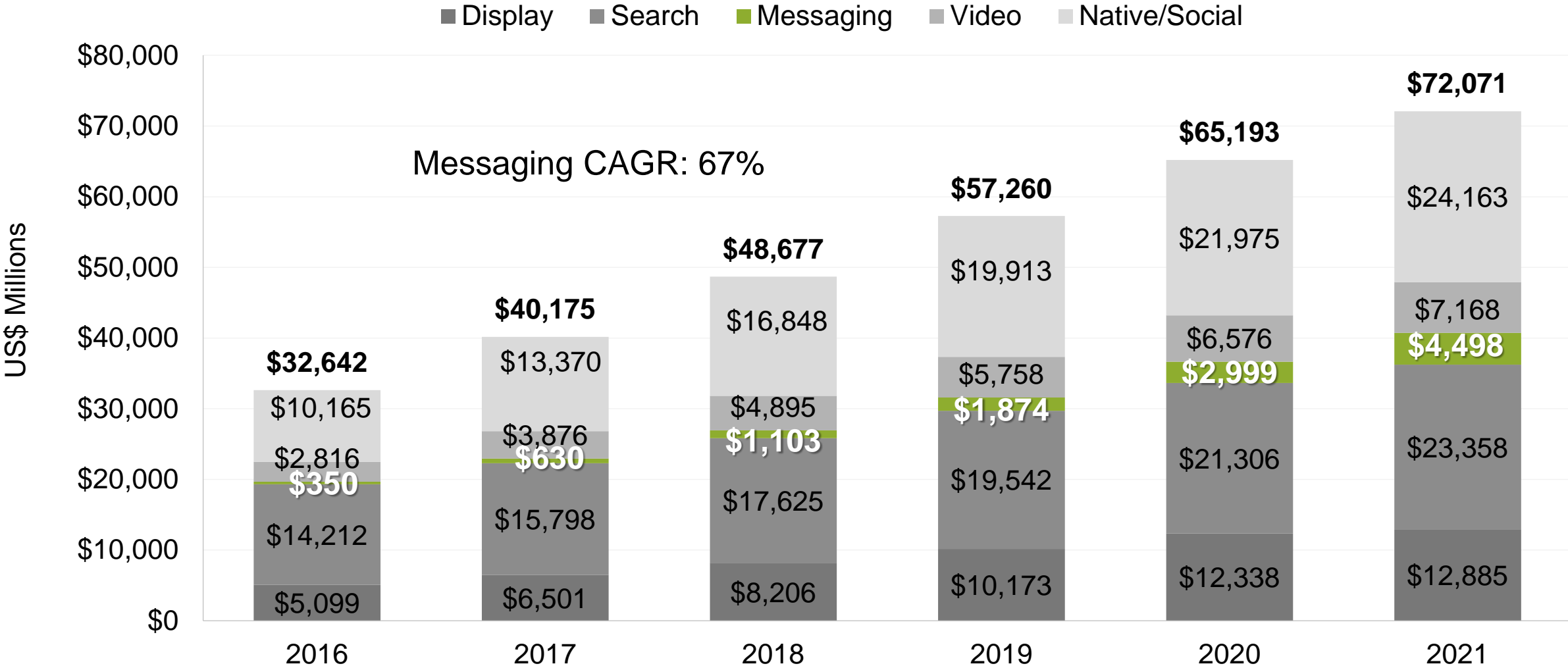
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# U.S. Mobile Ad Spend: Traditional Display (banner ads)



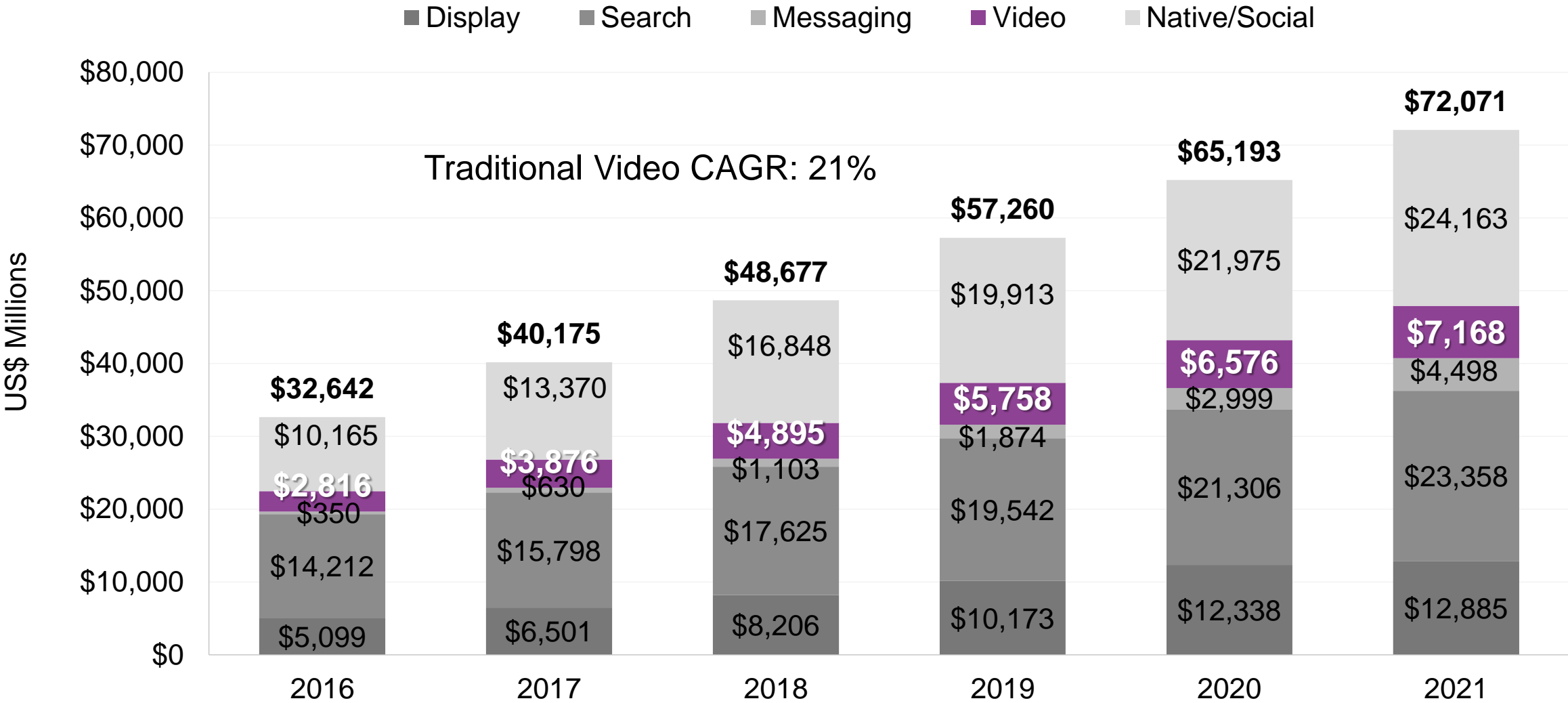
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# U.S. Mobile Ad Spend: Messaging



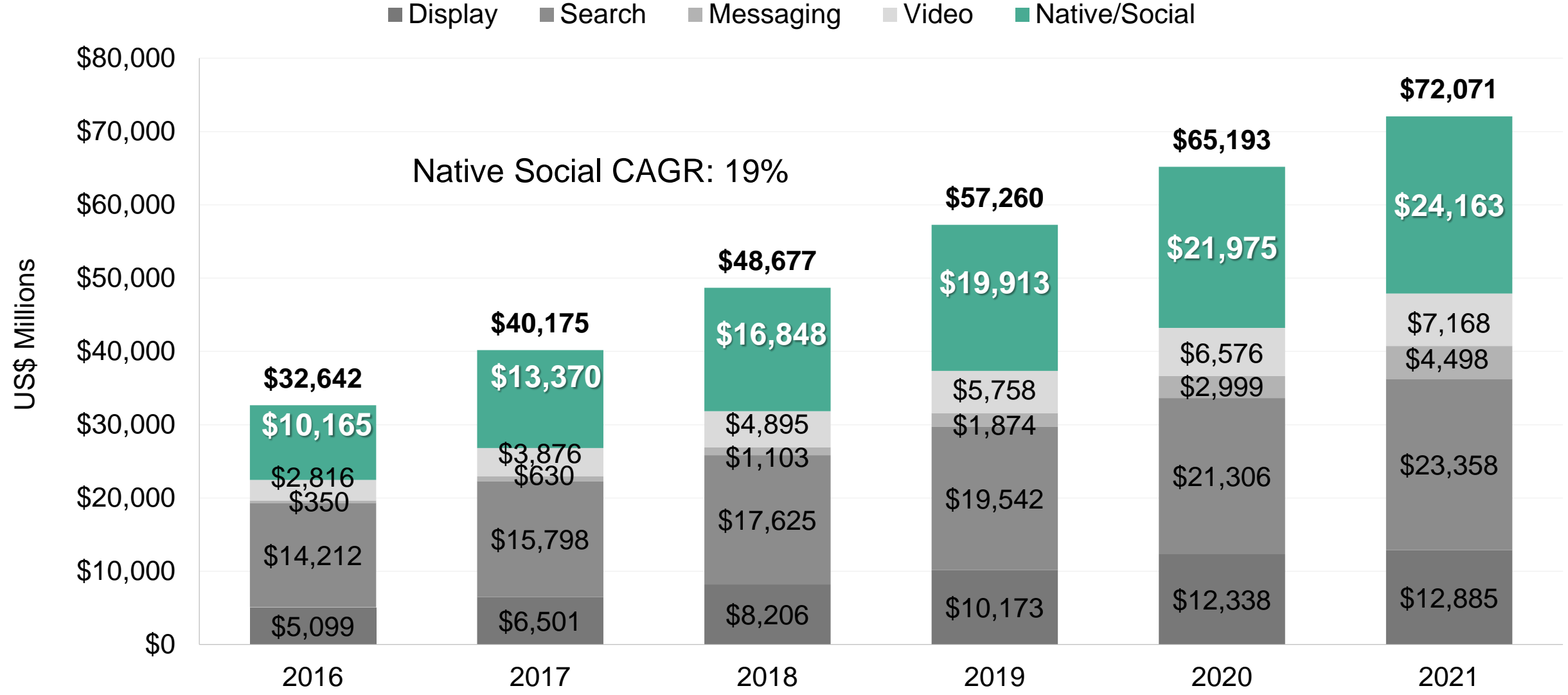
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# U.S. Mobile Ad Spend: Traditional Video (pre-roll)



Note: Numbers are rounded.

# U.S. Mobile Ad Spend: Native Social



# 3 Big Takeaways



1. Search (as we know it) is under siege
2. Native/Social is mobile's greatest ad opportunity
3. Mobile isn't about *ads*; it's about *action* (offline)



# Meet up with us at a LOCAL IMPACT event in 2017.



- Brand new type of event for 2017 – **LOCAL IMPACT** in cities around the country.
- We are breaking our mold and designing events we believe will better inform and empower participants to achieve greater *Local Impact* for serving local audiences and consumers.
- Built on our wealth of data, insights and analytics with key invites to a select set of innovative speakers.

**First event: LOCAL IMPACT DALLAS – April 5**  
[www.biakelsey.com/conferences](http://www.biakelsey.com/conferences)

- *Special focus:* Location Marketing, Digital Competition, Local Ad Trends
- **Local to Dallas or close by? Join us!** (*Every attendee will receive a complimentary copy of BIA/Kelsey's Market Ad View Report for Dallas* )



# Questions & Comments:

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