App advertising to exceed $44bn by 2020

Latest data from Juniper Research indicates that app advertising, using context and location targeting, could rise from an estimated $13bn last year to over $44bn by 2020.

As the mobile advertising landscape matures, the simple geofence is being usurped by contextual data such as a user's interests, real-time location and even political leanings.

Social apps continue to lead

The new research, 'Context & Location Based Services: Advertising, Retail & Emerging Technologies 2016-2020', found that social applications are providing an accessible pool of rich user data for advertisers. Facebook's recent earnings call highlighted the growth opportunity of this sector, with North American ad revenues per user rising by 60% over the last 12 months.

Meanwhile, players such as Pinterest are developing tools that serve to reduce the intrusiveness of adverts, with user-friendly approaches seen as crucial in avoiding a rising tide of ad-blocking utilities.

According to the research, in terms of ad revenues, the leading social applications using mobile location data to target users are:

1. Facebook
2. Twitter
3. Instagram
4. WeChat

5. Sina Weibo

The research found that social apps are beginning to incorporate a wide range of capabilities beyond their core function as peer-to-peer communications tools. "This trend has been highlighted by apps such as WeChat in China, while Facebook Messenger has recently partnered with Uber to deliver ride hiring services," noted research author, Steffen Sorrell. "This means that social apps are transforming into platforms themselves, offering even more data for ad campaigners."

Next wave - proximity marketing & indoor location targeting

Additionally, the research found that several factors are creating a 'perfect storm' for the commercialisation of indoor location services. Bluetooth beacon deployments, improved Wi-Fi services, and the re-emergence of UWB (ultra-wide band) as an enabler of location-based services are all likely to combine in the near-term to offer proximity marketing opportunities as well as commercial asset tracking capabilities.

Other key findings

• Commercial asset tracking and telematics is likely to be boosted significantly by the ISO approval of the AEM/AEMP Telematics API Standard.
• Big Data and the emergence of prescriptive analytics will play an increasingly important role in the commercial telematics and precision agricultural industries.

The whitepaper Context & Location Services ~ Real-Time Relevance is available to download, together with further details of the new research.

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