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Facebook is seeing increased revenue in 2009
Flickr user kevin zhengly

[Social Networking Revenue Expected to Decline in 2009](#)

With MySpace being the main culprit

Social media is expected to become an important part of the online advertising spending in the coming years but for now it looks like it will drop 3 percent in the US this year to \$1.14 billion according to numbers from research firm eMarketer. However, the market is expected to pick up in 2010 and further in 2011.

"The expected rebound in spending will come as more companies focus on creating and implementing an overall social marketing strategy," says Debra Aho Williamson, eMarketer senior analyst and author of the new report. "And it is a clear indication that the experimental phase of social network marketing is finally drawing to an end."

Social network advertising will see a very small \$35 million drop from last year's \$1,17 billion earnings, which represented a 32.9 percent increase from 2007. Things are expected to return to the normal ascending trend next year with an estimated \$1.29 billion spent on social media advertising - a 13.2 percent growth.

The main culprit for the drop is MySpace, once the largest social network in the US, which is expected to see a 15 percent drop in revenue to \$495 million. Even with the declining revenue, MySpace is still the main earner with 43.4 percent of the market, coming from 49.8 percent last year. Facebook, on the other hand, will see a 9-percent increase in ad revenue, growing to \$230 million.

"Facebook, once a distant second to MySpace, has outperformed its rival in nearly every measure of usage - and is on track to surpass MySpace in ad spending by 2011," Williamson added. Worldwide the numbers follow the US ones with MySpace dropping 14 percent to \$520 million, while Facebook, the largest social network in the world, by a comfortable margin, will see a 20 percent increase in ad revenue to \$300 million. Sources close to the company are a little [more optimistic](#) though, estimating as much as \$500 million in revenue this year and billions in the future.