

eMarketer Unveils Pinterest Ad Revenue Forecast

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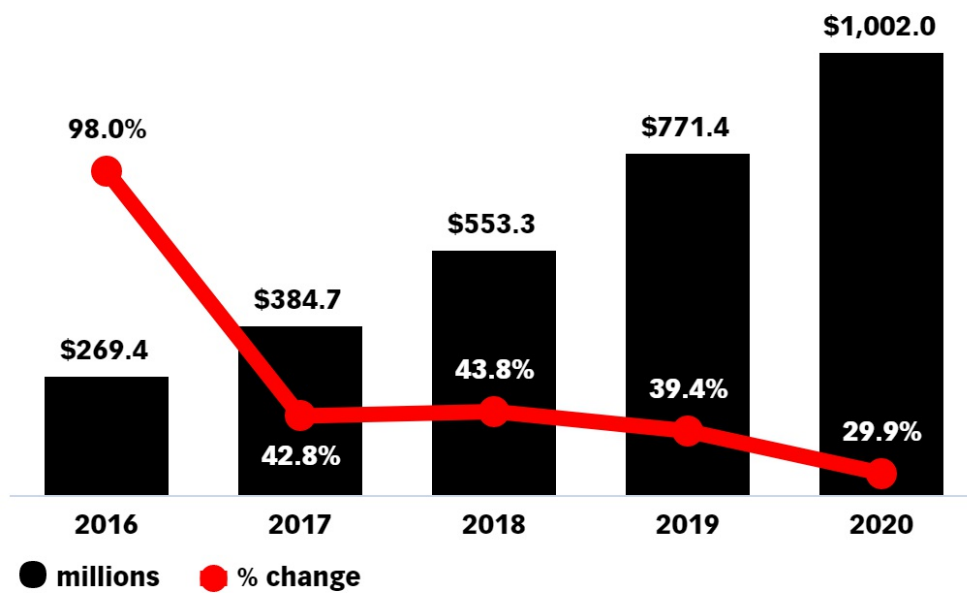
Rimma Kats

In our first-ever ad revenues forecast for Pinterest, we expect the social network to generate more than \$500 million in US ad revenues this year, a 43.8% change from last year.

By the end of the forecasting period in 2020, Pinterest ad revenues are estimated to cross the \$1 billion mark.

Pinterest Ad Revenues

US, 2016-2020



Source: eMarketer, September 2018

www.eMarketer.com

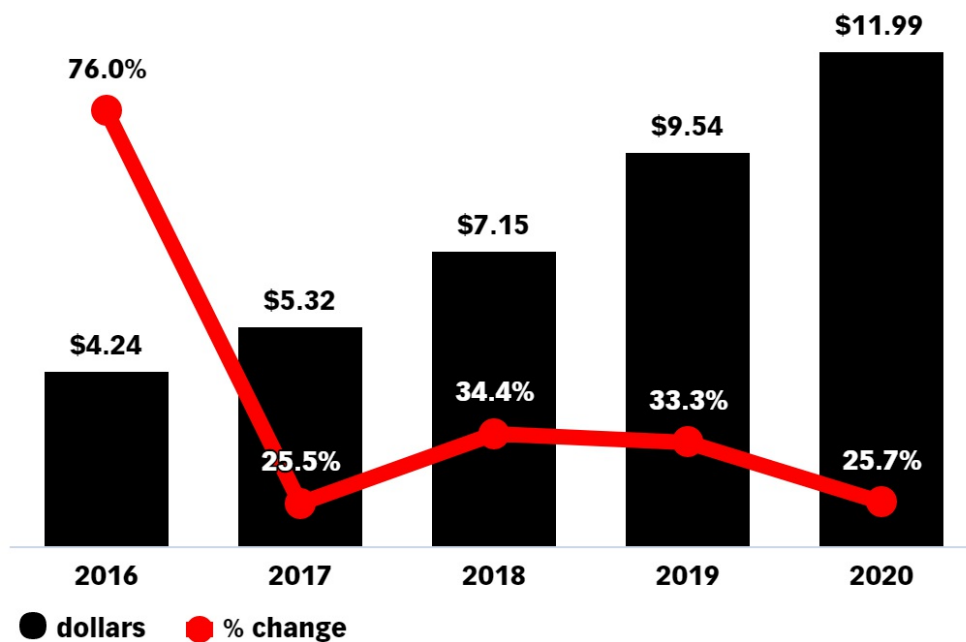
"Marketers are seeing Pinterest's potential for reaching consumers as they're considering products. Placing ads is one way they're inserting their brands into that interaction," said Monica Peart, senior forecasting director at eMarketer.

Pinterest is also rising among the ranks of major video ad publishers, like Roku, with the introduction of its new video ad product. For 2018, we forecast that the platform will generate \$7.15 in average ad revenues per user (AARPU). That's a 34.4% increase over the prior year.

This rise also speaks to the rich data and targeting ability that is possible with social networks, as compared with other digital properties where marketers may not always know who is watching.

Pinterest Ad Revenues, per Pinterest User

US, 2016-2020



Source: eMarketer, September 2018

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That said, while Pinterest's AARPU has increased year over year—and will continue to—it's still lower than those of other social networks. For instance, Facebook will generate \$134.89 per user this year, and Instagram will generate \$58.45 per user. But that is because they've been monetizing on their platforms longer and offer more variety when it comes to their ad products.

Instead, Pinterest's AARPU mirrors that of Snapchat, which will generate \$7.81 per user in 2018 and is also in the early stages of monetizing its users.

"Pinterest has a significant and engaged user base that it is starting to monetize," Peart said. "As it leverages its rich user data and develops its ad offerings and measurements, it has the potential to increase monetization levels to the likes of Instagram or Snapchat."

Usage on Pinterest may skew female, but the platform is diversifying demographically as the content evolves and gains broader appeal with

millennial men. Overall, we forecast there will be 77.4 million US Pinterest users this year, growing to 83.6 million by 2020.

"The audience expansion will help Pinterest reach regular monthly use in a quarter of the US population by 2020, a level reached by Snapchat and Instagram back in 2018 and 2017, respectively," Peart noted.

According to a recent report from CNBC, Pinterest is planning to go [public by mid-2019](#).