

INTERNET

Internet ad revenue up 23.2pc for first-half 2011: IAB

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Search continues to be the most lucrative channel for marketers in the first half of 2011 and contributed to record-breaking revenue reports from the past six months, according to findings from Interactive Advertising Bureau and PricewaterhouseCoopers.

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Search spending went up 26.8 percent to \$7.3 billion from this time last year. Other forms of digital advertising including banner ads, rich media, digital video and sponsorships totaled more than \$5.5 billion in the first six months of 2011.

“As an industry, we are reaching what I think is a turning point in terms of revenue, and what is proof and is the success from what we had in the past,” Sherrill Mane, senior vice president of industry services at IAB, New York, said in an webinar. “As we experience any economic gyrations in the future, bringing value will be increasingly important.

“This is remarkable because even in the first half of the year, there was some optimism about the economy stabilizing but no one thought that we were out of the woods, but we definitely got out of there,” she said.

The IAB numbers do not include mobile. The IAB claimed that there was not enough data to record mobile spending.

By the numbers

The rate of growth more than doubled year-over-year, since last year's half-year ad revenues of \$12.1 billion grew 11.3 percent over that time in 2009.

The second quarter of this year represented a record-breaking growth for online advertising, increasing 24.1 percent to \$7.7 billion.

Last year, online ad revenue went up just 13.9 percent to \$6.2 billion from 2009.

Search marketing more than doubled 2009-10's growth of 11.6 percent.

Display increased 27.1 percent and accounted for 37 percent of all interactive ad spend in the first half of this year.

Digital video was up 42.1 percent and hit \$891 million in revenue from this time last year.

Additionally, banner ads were up 24.4 percent to \$34 billion, while sponsorship dollars skyrocketed 93 percent to \$720 million.

Rich media remained relatively stable with a 2.7 percent increase to \$800 million.

However, email declined 34.2 percent to \$200 million and classifieds and directories fell 2 percent to \$1.2 billion.

Brandwidth

Within the digital realm, social networks, commerce, branding and search were the main reasons for an increased brand presence this year.

Social platforms Facebook, Twitter, foursquare and LinkedIn played the biggest role in garnering consumer attention, since brands are actively trying to engage consumers using these vehicles, according to the study.

Furthermore, brand spend continues to shift from traditional media to online.

Within digital media, marketers are spending more time paying attention to branding awareness and are moving beyond performance-based opportunities.

"This is mainly attributed to the evolution of ad technology," Linda Gridley, president/CEO of Gridley & Co., New York said in the webinar.

Rather than just selling inventory, brands are now all about engaging the consumer. This evolution of technology is much more efficient and effective, Ms. Gridley said.

Search opportunities are also growing because of companies such as Google, Bing and Yahoo. This undoubtedly played a role in the medium's success rate during the first half of 2011.

However, there is still much to be seen from digital video, which has proven itself to be a quite profitable vehicle.

"Social is still the most effective way to market, but video is still the new kid on the block,"

Ms. Gridley said. “The numbers are growing exponentially and there is tremendous potential for high growth.”

Final Take

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