



Online Advertisers To Spend Through Turbulence The shift online will continue in 2008.

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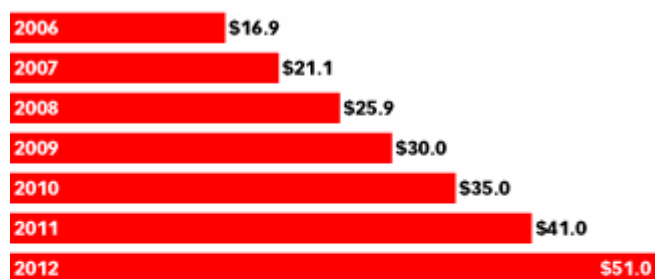
eMarketer predicts that, despite the economic rough patch, US online advertising will continue to grow through 2008. Online ad spending will rise by 23%.

Yet even that reduced rate of growth will continue to top total media ad spending, maintaining online advertising's position as the fastest-growing media in terms of ad spending.

"Several elements unique to the Internet will support continued US ad spending growth even if other media falter," said David Hallerman, senior analyst at eMarketer.

"The greater ability to measure ads online will likely encourage marketers with reduced budgets," Mr. Hallerman said. "Those same marketers are finding that the audiences they need to target are spending more of their media time on the Web."

US Online Advertising Spending, 2006-2012 (billions)



*Note: eMarketer benchmarks its US online advertising spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PwC) data, for which the last full year measured was 2007; online ad data includes categories as defined by IAB/PwC benchmark—display ads (such as banners), search ads (including paid listings, contextual text links and paid inclusion), rich media (including video), classified ads, sponsorships, lead generation (referrals) and e-mail (embedded ads only); excludes mobile ad spending
Source: eMarketer, March 2008*

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Search will account for the largest portion of online ad spending in 2008, at 40%. That percentage will decrease slightly through 2012, when it will account for 37.3% of US online ad spending.

Conversely, spending on rich media and video advertising is set to grow as a percentage of online ad spending, rising to 18.5% in 2012 from 10.2% in 2008.

**US Online Advertising Spending, by Format, 2007-2012
(% of total and billions)**

	2007	2008	2009	2010	2011	2012
Search	40.0%	40.0%	39.9%	39.6%	39.0%	37.3%
Rich media/video	9.7%	10.2%	11.1%	12.6%	14.6%	18.5%
Display ads	21.1%	21.1%	21.0%	20.3%	19.3%	18.4%
Classified	16.9%	16.6%	16.3%	16.0%	15.8%	14.9%
Lead generation	7.9%	8.2%	8.2%	8.2%	8.3%	8.3%
E-Mail	2.0%	1.9%	1.9%	1.8%	1.7%	1.5%
Sponsorships	2.4%	2.0%	1.8%	1.6%	1.4%	1.1%
Total (billions)	\$21.1	\$25.9	\$30.0	\$35.0	\$41.0	\$51.0

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Source: eMarketer, March 2008*

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eMarketer predicts that total US advertising spending will grow by 3.3% in 2008.

Advertising Age recently reported that other analysts have also predicted total media ad growth.

Speaking at the American Association of Advertising Agencies' Media Conference and Trade Show, Bear Stearns analyst Alexia Quadrani said US ad spending would increase 4% in 2008, up from an estimated 3.3% in 2007.

Ms. Quadrani said that, despite fears about the economy, marketers still have reason to spend on advertising.

"Many marketers face an extremely competitive landscape with products that aren't very different from those of rivals. They also have raised prices and need to advertise to get consumers to continue to buy their goods."

The eMarketer report, **US Online Advertising Spending: Resilient through the Rough**, will be published this month. [Click here](#) to be notified when it is released.

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