

H1 2010: Online Advertising is up 12.3%

The IAB PwC Online Adspend Study recorded double-digit growth in online for the first half of 2010 with ad revenues of **€53.9** million in the January to June period in 2010 compared to €48 million in H1 2009.

Introduction:

The IAB has been working with PwC since 1997 to survey the value of online adspend in Europe and North America.

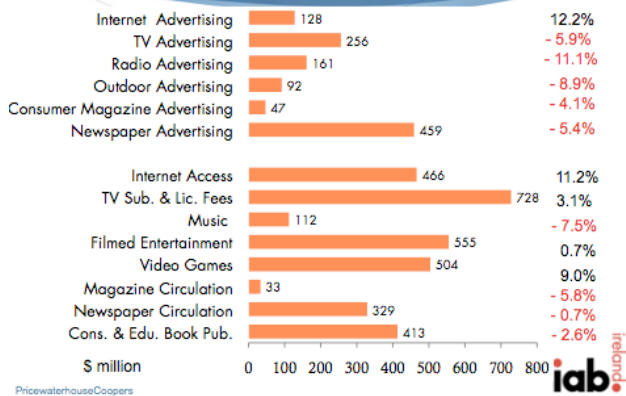
29 leading publishers participated in the study, many of whom represent multiple websites. Other participants include sales houses and advertising networks.

Adspend revenue is calculated on the basis of actual figures provided by study participants. Total advertising revenue is reported on a gross basis (including agency commission)

Online's Growth in context:

The strong performance by online in challenging economic times is fuelled by online's impressive reach and return on investment as well its unique ability to deliver engaged consumers to advertisers.

PwC Irish E&M Industry Outlook 2010: \$4.59 billion (+.3%)



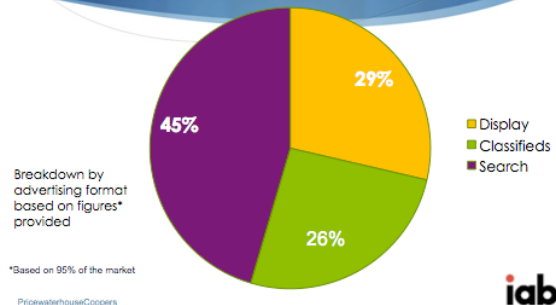
Advertising formats

Display: Display advertising accounted for 29% of online adspend in H1 2010 compared to 25.7% in H1 2009.

Classified: Classified accounted for a 26% share of the market in H1 2010 compared to 27.6% in H1 2009

Search: Paid for listings was the largest single format with a 45% share of the online market. Search accounted for 46.6% of online ad revenue in H1 2009.

DIGITAL MEDIA MIX H1 2010



Breakdown by advertising format based on figures* provided

*Based on 95% of the market

PricewaterhouseCoopers

iab ireland

Top Performing Category

The automobile category was the biggest spender on online advertising at 22% followed by the combined category of property/recruitment at 19%. This is a reversal of the first and second ranking categories in terms of adspend in H1 2009.



Analysis

IAB Ireland tracks the key drivers that are growing online adspend.

More people online – According to Comreg's Consumer ICT Survey Q2 2009 2,943,138 were online (66%) this grew to 3,442,439 in Q2 2010 (77%)

Greater time spent online – The average hours spent online each month increased from 15.6 in H1 2009 to 19.4 hours per week in H1 2010 (Comscore)

Increased broadband connection – Comreg recorded an increase in Irish household broadband connections from 63% in H1 2009 to 67.9% in H1 2010

Positive Indicators for growth in 2011

PwC Entertainment and Media Outlook predicts 17% online adspend growth in 2011.

68% of participants in the IAB PwC study predicted growth or strong growth in online adspend in the next 6 month period.

Contact IAB Ireland:
info@iabireland.com

iab ireland