

2010: Online Advertising is up 13.5%

The 2010 IAB PwC Online Adspend Study values the Irish online market at €110m up from €97m in 2009. This represents a 13.5% increase year on year and surpasses industry predictions which estimated that 2010 adspend would reach €102m.

Introduction: The IAB has been working with PwC since 1997 to survey the value of online adspend in Europe and North America. 26 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: Online's growth is fuelled by the growth in the online audience and is in contrast to the performance of other media who are experiencing fragmenting audiences. Online's unique ability to deliver measurable results is attracting new advertisers online on a daily basis.

Advertising formats: All online advertising formats saw increases in adspend.

Display: Display advertising experienced the most significant growth, up from 26.6% of total online adspend in 2009 to 31% in 2010. A 30.7% year on year growth.

Classified: Classified accounted for a 25% share of online adspend in 2010 compared to 26.6% in 2009.

Search: Paid for listings was the largest single format with a 44% share of the online market in 2010, search accounted for 46.2% of online ad revenues in 2009.

Top Performing Category

The automobile category was the biggest spender on online advertising at 21% followed by the combined category of property/recruitment at 17%. This is a reversal of the first and second ranking categories in terms of adspend in 2009. The next three top performing categories were Fast Moving Consumer Goods (FMCG), Telecommunications and Finance.



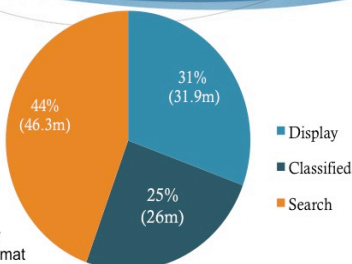
Analysis

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

Increased broadband connection – The total number of Broadband connections (fixed and mobile) grew from 1,861,242 in 2009 to 2,163,642 in 2010, representing a 16.3% year on year increase. (ComReg's Trend Unit, Comstat.ie)

Greater time spent online – The average hours spent online each week increased from 13.2 in 2009 (ComReg) to 19.1 hours per week in 2010 (Red C)

Digital Media Mix 2010



Breakdown by advertising format based on figures* provided

*Based on 95.9% of the market

Positive Indicators for growth in 2011

Media Buying Agency, Carat predicts 11% growth in online adspend in 2011

78% of participants in the IAB PwC study predicted growth or strong growth in online adspend in the next 6 month period.

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