

Healthy H1 2011 Gains Put US Online Ad Spending On Track For Record Year

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Spending nears \$15 billion in 2011's first six months

The weakened US economy has most industries facing tough times. But the latest numbers from the Interactive Advertising Bureau (IAB) and PricewaterhouseCoopers (PwC) show nothing short of a strong and healthy interactive advertising industry.

According to the IAB's H1 2011 report, US online ad spending grew 23% from H1 2010 to H1 2011, totaling \$14.9 billion for the first half of this year.

This puts the industry well on track to meet eMarketer's 2011 total US online ad spending projection of \$31.3 billion and exceed last year's \$26 billion in spending.

Search and display contributed largely to online ad spending growth in the first half of 2011, particularly when compared to the first half of 2010. Both formats jumped about 27% from H1 2010 to H1 2011. Within display, sponsorships and online video posted the most aggressive gains, at 93% and 42.1%, respectively.

The large increase in sponsorship advertising revenue likely reflects a publishing community more willing to offer high-quality, custom ad experiences to keep key brand advertisers from shifting dollars to ad networks and exchanges or online video.

As internet users continue to increase the time and frequency with which they consume video, online video ad spending will likely sustain and surpass its current momentum as advertisers seek a more engaging, dynamic way to compete for consumer attention and boost their brand image online.

Every major industry increased online ad spending, except for consumer packaged goods (CPG) and pharma and healthcare. Compared to H1 2010, the retail, travel and financial services industries saw the highest rises in online ad spending, at 41.7%, 40.8% and 33.5%, respectively.

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