

US Online Ad Spend To Close In On \$40 Billion

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Online spending will grow 23.3% to \$39.5 billion in 2012

US online ad spending will post growth well above 20% again this year to reach nearly \$40 billion, eMarketer estimates, as the internet continues to prove its worth to advertisers in a tough economic climate.

“Advertisers’ comfort level with integrated marketing is greater than ever, and this is helping more advertisers and more large brands put a greater share of dollars online,” said David Hallerman, eMarketer principal analyst.

Double-digit growth is expected through 2014, when US online ad spending will reach \$52.8 billion. In 2016, eMarketer expects advertisers to spend \$62 billion online.

Fast growth has put online ahead of some traditional media, especially print newspapers and magazines. This year, US online ad spending will exceed the total spent on print magazines and newspapers for the first time, at \$39.5 billion vs. \$33.8 billion. And as online shoots up, the print total will continue to inch downward.

Spending on TV, however, appears largely unaffected by the growth of online. As internet ad spending rises, so will TV—albeit more slowly, and from a larger base. eMarketer estimates TV will grab \$72 billion in US ad dollars in 2016, \$10 billion more than will go online.

Overall, eMarketer expects total media ad spending to grow 6.7% this year to \$169.5 billion, boosted by national election campaigns and gains in mobile spending. Growth will be in the 3% to 4% range for the remainder of the forecast period, with spending reaching nearly \$200 billion by 2016.

Online will be a major driver of that growth and will represent nearly a third of total media ad spending that year. Traditional media ad spending—aside from a few bright spots, like TV—will stagnate during the forecast period.

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