

Google Remains King As Search Spending Climbs

Contributed by eMarketer
Wednesday, 01 February 2012
Last Updated Wednesday, 01 February 2012

Google solidifies hold on market; Microsoft gains share

US search ad spending will maintain strong growth this year, boosted by major national elections and the Summer Olympic Games, before growth begins to taper off, reflecting the maturity of this online ad format.

This year, eMarketer estimates, search spending will rise 27% to \$19.51 billion. By 2016, search ad spending will approach \$30 billion, following slower but consistent growth between now and then.

Among the top four search sites, Google's revenues will grow most quickly in 2012, although growth rates at Microsoft (from a significantly smaller base) will surpass Google's in 2013 and 2014. Still, by that point Google will have nearly 10 times Microsoft's search ad revenue—\$20.28 billion vs. just \$2.21 billion.

Google will not only remain the clear search ad market leader in the US, but will continue to slowly solidify its first-place position. This year, eMarketer estimates, the site will grab 77.9% of all US search ad revenues. By 2014, its share will be 79.8%. Microsoft likewise will gain share as Yahoo! and AOL fall behind, each losing more than half its slice of search ad revenues between 2011 and 2014.

The search ad market overall will become more concentrated among these four companies. By 2014, search revenues at Google, Microsoft, Yahoo! and AOL will account for 92.1% of all US search ad revenues and 44.3% of all US online ad revenues, up from just under 90% of all search ad revenues and 43% of all US online ad revenues in 2011.

eMarketer benchmarks its US total search ad spending projections against data from the Interactive Advertising Bureau and PricewaterhouseCoopers, for which the last full year measured was 2010. Estimates of revenues at the top search ad-selling companies are based on a meta-analysis of data from research firms, company reports and trends in the online advertising space.

About eMarketer
Please visit <http://www.emarketer.com/Welcome.aspx> for more information

31 January 2012