

Online Ad Spending Consolidates Among Search, Banners, Video

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Three ad formats will get at least 80% of online dollars through 2015

As US online ad spending closes in this year on \$40 billion, the bulk of that spending will go toward just a few formats: search, banners and video advertising.

These three formats will make up upwards of 80% of all spending through 2016, eMarketer predicts. Search is and will remain by far the leading format, although its share of total online ad spending will slip slightly from 2012 to 2016 as online video ad spending nearly doubles its share from 7.9% in 2012 to 15% in 2016.

Video continues to be the fastest-growing online ad format, with spending increasing by nearly 55% this year, following growth of 42.1% in 2011. Strong double-digit growth will continue throughout eMarketer's forecast period.

Growth for several other formats remains strong as well, especially with the prospect of a major national election and summer Olympic Games in 2012 to boost rates.

The continued dominance of search as the leading digital advertising format comes as little surprise, with its near-universal adoption rates among consumers and popularity on both the desktop and mobile web.

Meanwhile, the continued strength of banner ads across desktop and mobile devices, coupled with a surge in video ad spending on both platforms, constitute the two most important and related storylines in display advertising.

eMarketer forms its forecast for online advertising spending through a meta-analysis of reported revenues from major ad-selling companies; results from benchmark sources the Interactive Advertising Bureau and PricewaterhouseCoopers; and research estimates and methodologies from dozens of firms that track ad spending.

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