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## Online Advertisers Start to Think Locally

**AUGUST 30, 2007**

### Who you gonna click?

eMarketer projects that local online advertising spending in the US will reach \$2.9 billion in 2007.

#### US Local Online Advertising Spending, 2006-2011 (billions)



*Note: eMarketer benchmarks its US online advertising spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PwC) data, for which the last full year measured was 2006; local online advertising includes both local and national businesses advertising in local markets, using any of the following advertising formats—paid search, display, rich media, video, classifieds, sponsorships, referrals, e-mail*  
Source: eMarketer, August 2007

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www.eMarketer.com

Interestingly, that is still only 13.4% of the total Internet ad market.

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**US Local Online Advertising Spending, 2006-2011 (% of total online)**



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 Source: eMarketer, August 2007

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"The promise of local online advertising, at this stage, surpasses the reality," said David Hallerman, eMarketer senior analyst and author of the new report, Local Online Advertising: Measuring the Market.

"But a number of factors are set to accelerate growth in the market: the wealth of small and midsize companies potentially available as online advertisers, the increased use of local Internet sites and services by individuals and the development of local online ad networks connected with local media, such as newspapers," he said.

Local online advertising's share of total media ad spending has fallen slightly, year over year, according to Universal McCann.

**US National vs. Local Total Media Advertising Spending, 2006-2011 (% of total and billions)**

	National % of total	Local % of total	Total spending
2006	64.8%	35.2%	\$281.6
2007	65.4%	34.6%	\$289.0
2008	66.4%	33.6%	\$305.0
2009	67.5%	32.5%	\$309.0
2010	67.7%	32.3%	\$314.0
2011	67.8%	32.2%	\$320.0

*Note: eMarketer benchmarks its US total media ad spending projections against the Universal McCann data, for which the last full year measured was 2006; total media figures include television (broadcast & cable), radio, newspapers, magazines, Internet, outdoor, direct mail, yellow pages and others (such as cinema advertising)*  
 Source: eMarketer, August 2007

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By 2011, eMarketer estimates that less than one-third of all US ad spending will be locally targeted.

Spending will not match the time spent online. In four years' time, the Internet will account for only 7.6% of all local ad

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spending.

**US Local Online vs. Local Total Media Advertising Spending, 2006-2011 (% of total online and % of total media)**

	Local online % of total online	Local total media % of total media
2006	12.1%	35.2%
2007	13.4%	34.6%
2008	16.0%	33.6%
2009	16.5%	32.5%
2010	17.4%	32.3%
2011	17.7%	32.2%

*Note: eMarketer benchmarks its US online advertising spending projections against the Interactive Advertising Bureau (IAB)/PricewaterhouseCoopers (PwC) data, for which the last full year measured was 2006; eMarketer benchmarks its US total media ad spending projections against the Universal McCann data, for which the last full year measured was 2006; local online advertising includes both local and national businesses advertising in local markets, using any of the following advertising formats—paid search, display, rich media, video, classifieds, sponsorships, referrals, e-mail; total media figures include television (broadcast & cable), radio, newspapers, magazines, Internet, outdoor, direct mail, yellow pages and others (such as cinema advertising)  
Source: eMarketer, August 2007*

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"Nevertheless, as audiences continue to migrate online and away from traditional local media, such as newspapers and radio, it is only a question of time before online local ad spending catches up," Mr. Hallerman said.

To better understand why local audiences are migrating to the Web and away from traditional media such as newspapers and radio, please read the new eMarketer report, [Local Online Advertising: Measuring the Market](#), today.

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