



Online Is Ad Spending Bright Spot

SEPTEMBER 24, 2007

Ad flux expected to continue through year-end.

Internet display advertising grew 17.7% to \$5.52 billion during the second quarter of 2007, according to TNS Media Intelligence.

However, TNS found total ad spending in the first half of 2007 fell 0.3% to \$72.59 billion versus the same period in 2006.

"For the first time since 2001, media advertising expenditures have declined for two consecutive quarters," said Steven Fredericks, CEO of TNS Media Intelligence, in a statement. "Given the uncertainties about near-term economic growth and consumer spending, we expect core ad spending will continue to face challenges during the second half of the year."

US Advertising Spending, by Media, First half 2006 & First half 2007 (millions and % increase/decrease vs. prior year)

	January-June 2006	January-June 2007	% change
TV	\$32,396.0	\$31,627.7	-2.4%
Network TV (1)	\$12,277.5	\$11,835.9	-3.6%
Cable TV	\$8,148.7	\$8,379.0	2.8%
Spot TV (2)	\$7,706.6	\$7,287.6	-5.4%
Spanish-language TV	\$2,154.0	\$2,127.5	-1.2%
Syndication (national)	\$2,109.1	\$1,997.1	-5.3%
Magazine media (3)	\$13,913.4	\$14,551.7	4.6%
Consumer magazines	\$10,756.2	\$11,501.9	6.9%
B2B magazines	\$2,003.7	\$1,858.9	-7.2%
Sunday magazines	\$824.3	\$860.0	4.3%
Local magazines	\$238.6	\$228.5	-4.2%
Spanish language magazines	\$90.6	\$102.4	13.1%
Newspaper media	\$13,710.1	\$12,916.6	-5.8%
Newspapers (local)	\$11,763.7	\$11,091.1	-5.7%
National newspapers	\$1,766.5	\$1,653.5	-6.4%
Spanish language newspapers	\$179.9	\$172.0	-4.4%
Internet (4)	\$4,690.4	\$5,519.0	17.7%
Radio media	\$5,280.5	\$5,139.8	-2.7%
Local radio (5)	\$3,570.4	\$3,516.2	-1.5%
National spot radio	\$1,226.0	\$1,161.0	-5.3%
Network radio	\$484.1	\$462.6	-4.4%
Outdoor	\$1,838.4	\$1,903.9	3.6%
FSIs (6)	\$954.3	\$934.7	-2.1%
Total	\$72,783.0	\$72,593.4	-0.3%

Note: Figures are based on the TNS Media Intelligence Strategy multimedia ad expenditure database across all TNS MI measured media, including-network TV, spot TV, cable TV (45 networks), syndication TV, Hispanic network TV, consumer magazines (215 publications), Sunday magazines (6 publications), local magazines (29 publications), Hispanic magazines (33 publications), business-to-business magazines (379 publications), local newspapers (145 publications), national newspapers (3 publications), Hispanic newspapers (52 publications), network radio, spot radio, local radio, Internet and outdoor; figures exclude public service announcement (PSA) data; numbers may not add up to subtotals and/or grand total due to rounding; (1) network TV figures include the CW and MyTV networks, which launched in September 2006; (2) spot TV figures exclude Hispanic spot TV data; (3) magazine media includes Publishers Information Bureau (PIB) data; (4) Internet figures exclude paid search advertising; (5) local radio includes expenditures for 34 markets in the US; (6) FSI data represents distribution costs only

Source: TNS Media Intelligence as cited in press release, September 11, 2007

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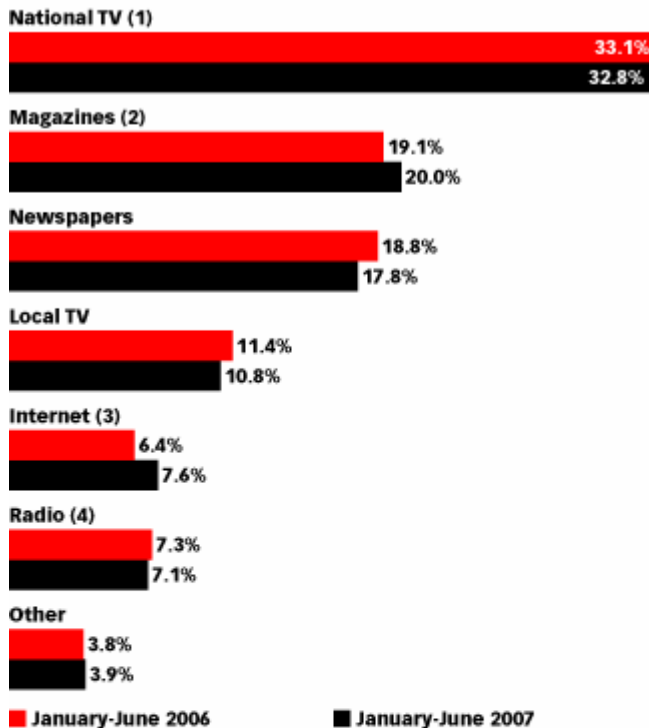
The results differ by industry, TNS research director Jon Swallen told eMarketer.

"For example, financial services advertisers are moving more money to Internet display ads from other media," Mr. Swallen said. "The Internet gets about \$22 out of every \$100 in financial services ad spending. By contrast, pharmaceutical firms are not making the same moves and are underallocating to display.

"Internet spending growth used to be driven by small and midsize businesses," he said.

"Now it's the large companies like consumer packaged goods firms which are getting more into the Internet. The percentage of budget allocated to display by the top 50 blue-chip firms is still comparatively low, but that's changing."

US Advertising Spending, by Media, First half 2006 & First half 2007 (% market share)



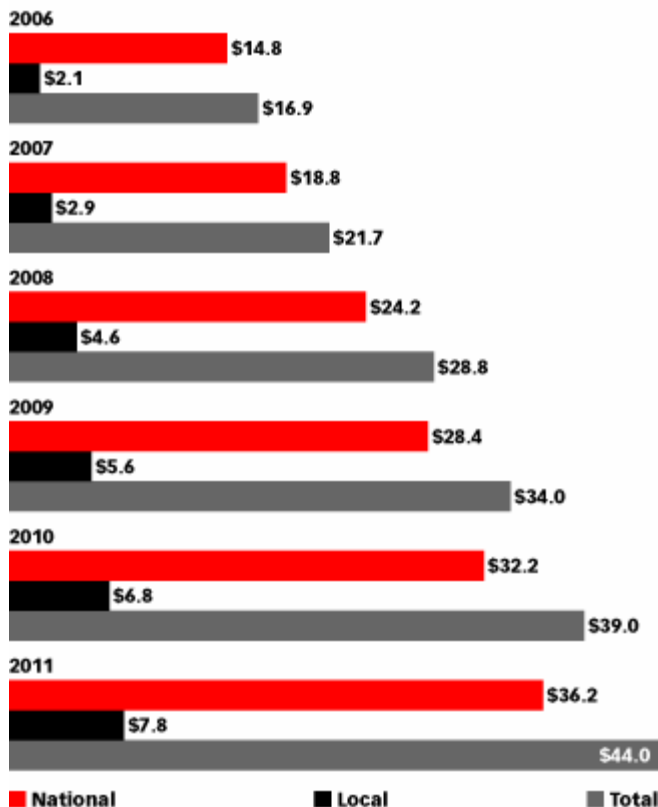
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Source: TNS Media Intelligence as cited in press release, September 11, 2007*

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eMarketer's own US online ad spending estimates include search and video figures as well as display. In 2007, eMarketer estimates that total online ad spending will reach \$21.7 billion, up from \$16.9 billion in 2006.

US National vs. 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; national+local may not equal total due to rounding; 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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The eMarketer **US Online Ad Spending** report will publish in October 2007. Please [click here](#) to be notified when it is released.

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