



## A total eclipse

Britain is the first major economy where the amount spent on internet advertising has overtaken that spent on TV.

In 1998 we spent £19.4M on online adverts but in the first six months of this year this reached £1.75Bn, **totally eclipsing TV**, the dominant force in advertising for the last fifty years. (Internet Advertising Bureau / Pricewaterhouse)

Mark Sweney, writing in the Guardian financial pages this week, points out that the internet now accounts **for 24% of all advertising money** spent in the UK.

Medium	£M Spend 1 <sup>st</sup> half 2009	% Market share
Internet	1752	24
TV	1638	22
Press Display	1383	18
Regional newspapers	877	12
Direct mail	860	11
Press classified	820	11
Radio	248	3.3

All forms of advertising and marketing, took a knock during the recession in 2008, but the internet is the only area to recover strongly and continue to grow. TV has not and continues to decline.

This decline in TV spending reflects more than just the effects of recession but **a change in the way audiences wish to engage with advertising**. They now spend more time at their computers looking at what they want to see rather than collapsed in front of the TV.

So where is all this internet advertising going? Of the £1.75Bn, 60% (£1.06Bn) was spent on search advertising websites like Google, up 6.8% year on year. Online classified ads grew to £385M (22%) but the big online growth area is **online video advertising which grew 300%** to £12M from almost nothing in a very short time.

Like any form of advertising **knowing what your audience wants is key**. Some online display advertising like banners fell 5% year on year, so the internet is not a universal panacea, just **a more effective marketing vehicle**.



It is fair to point out that all online advertising has been swept up into one category called "internet" whereas the conventional offline methods have been segmented so offers an unfair comparison but whereas each of these latter groups are in decline, internet search, email, display ads, classified ads (including online TV) indicate the more significant growth potential for companies. Internet advertising could grow to 30% or pass £5Bn in the near future.

The social networking sites are the huge growth area for online visitors but remain stubbornly ad-blind so have not attracted large amounts of advertising money.

There are claims that TV could return strongly but is unlikely because of the much lower cost, convenience and breadth of services offered by the internet with far more interactive spins offs like video and mobiles usage. The internet provides a huge choice of actions you can take. Conventional advertising can't and so doesn't chime with the times so well. The audience has moved on.

As more and more companies realise the commercial benefits of internet advertising it will become ever more competitive requiring greater creativity (true creativity) to allow your business to be seen. Me-too advertising just won't turn your audience on anymore.

If you'd like to discuss the most effective forms of internet advertising for your business why not call me **01925 262 800** or email [gerryw@flyingveemgt.co.uk](mailto:gerryw@flyingveemgt.co.uk) before your competitors get ahead.