

## Online ad spend worth nearly €100 million – and growing

The first IAB Ireland Online Adspend study has been published. Online adspend in Ireland was €97.2 million in 2009.

The report was compiled by IAB and PwC with a view to establishing how much Irish advertisers spent online in 2009.

The report suggests digital adspend in Ireland is now 10% of the total adspend (the total Irish 2009 adspend suggested by PwC was €940 million). This means digital advertising is now worth more than outdoor, consumer magazines, and cinema. Total advertising revenue is reported on a gross actual basis (including agency commission)

“Online’s strong performance in this, our benchmark study, provides great confidence for the future growth of our medium,” says Suzanne McElligott, chief executive, IAB Ireland.

As a benchmark study, the report only looks at three key digital media formats: search (which accounts for 46.2%), classified (27.2%) and display (26.6%).

“We estimate that our study accounts for 90% of online adspend,” says McElligott, “At least 90% if not 95%,” confirmed Bartley O’Connor, consultant with PwC.

And what about the money spent on app development and in-app advertising – both growing areas? “Our study we will not be including ‘earned media’ or apps going forward,” says McElligott. “The IAB PwC study captures display, search and classified spend, this is with a view to being able to compare online advertising formats versus traditional media formats.”

As for spend on mobile advertising McElligott says the IAB “would envisage capturing this in a separate study as mobile advertising grows”. And what about Facebook? “We are looking at how best to capture display ad revenues on Facebook in our next study, but for the 2009 study the advertising spend on Facebook wasn’t significant, in terms of actual spend. It had no real critical mass.”

## RISING

While the majority of media channels experienced at least a 20% drop in ad spend in 2009, online bucked the trend. The reasons are simple. The ads are following the eye balls. According to ComReg’s Consumer ICT Survey Q4 2009, internet usage grew from 64% in Q4 2008, reflecting 2,830,144 users online, to 72% in Q4 2009 with 3,210,696 users online.



Pictured at the launch of the IAB Ireland PwC Online Adspend Study 2009 are (l-r) Sean McCrave, CEO, IAPI; Bartley O’Connor, PwC; Suzanne McElligott, CEO, IAB Ireland; Guy Phillipson, CEO, IAB UK; Ed McDonald, CEO, AAI; and Eamonn Fallon, chairman IAB Ireland.

More users are also spending more time online. ComReg’s study shows the average time spent online increased from 10 hours per week in 2008 to 13.2 hours per week in 2009. This reflects increased viewing time of online video, streaming TV and movies as well as the dramatic growth in social media usage.

## FUTURE

Sales houses and ad networks also participated and all data was provided to PwC on a confidential basis. “I do not have access to any of the individual earnings or sales figures,” says McElligott.

Google did not reveal its earnings from Irish advertisers. Instead PwC, “created an independent estimate of Google’s revenue from Irish advertisers, by extrapolating from spend data provided directly by a representative sample of Google clients”.

As search accounts for 46% of online ad spend one may assume that the bulk of this (say 40%) is spent with Google. Therefore, it’s fair to suggest approximately €38 million was spent by Irish advertisers on Google in 2009.

75% of the study’s participants predict growth or strong growth for online ad spend in 2010.

IAB Ireland is also in discussions with Nielsen Ireland with a view to aligning its online audience measurement findings with research on the purchase impact of online advertising.

IAB Ireland’s short-term plans include a conference and a second report before Christmas 2010. “We have taken time to get to this point simply because it has to be accurate and everyone had to be confident in the results,” says McElligott. “The IAB’s future plans in Ireland include an event in November with a key note speaker of high quality. We will give attendees something concrete to take away from this event. We will also publish our second study before Christmas.”

## THE PUBLISHERS THAT TOOK PART

Boards.ie	Gradireland	Saongroup.com
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