

## **Online advertising overtakes TV sales for first time ever**

By Nick Clark

The advertising market experienced a "significant" change this year as companies spent more money on the internet than on television for the first time. Spending on internet advertising grew 4.6 per cent in the first half of 2009 to hit £1.7bn, according to digital marketing trade body Internet Advertising Bureau (IAB). Advertising on television amounted to £1.6bn, down from £1.9bn last year.

"The internet has now overtaken television advertising to become the UK's single biggest advertising medium," the IAB said, adding it now accounts for 23.5 per cent of the total market. Industry experts pointed to more time spent online, faster broadband speeds and more sophisticated online techniques as reasons for the change.

The IAB said: "The results signal a significant restructure of marketing budgets as advertisers follow their audiences online and look to the internet for even more measurable and accountable methods."

The favoured method of advertising online is through paid-for search, which is dominated by Google. Search is proving "recession-friendly," the IAB said. It made up almost 60 per cent of online advertising expenditure. Google made about 97 per cent of its revenues from advertising last year, with about 70 per cent from paid-for search.

Experts said: "The audiences are moving online and the advertising money is following it," he said, pointing out that 16- to 24-year-olds were now spending 29 per cent of media time on the internet. The move has been helped by the rise in faster and cheaper broadband that is allowing companies to use more innovative formats. Video advertising has increased 195 per cent year-on-year.