

IAB: Web Ad Spend Tops Cable, Radio

Internet ad spending in 2007 was \$21 billion, up 26 percent from the prior year

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Online ad spending exceeds outdoor, magazines, radio and cable TV.

NEW YORK Spending on Internet advertising has surpassed the outlay devoted to cable television, according to figures compiled by the [Interactive Advertising Bureau](#).

The IAB, working with PricewaterhouseCoopers, reported that Internet ad spending in 2007 was \$21.2 billion, up 26 percent from the prior year. At that level, it exceeds spending on outdoor, magazines, radio and now cable TV, which collected about \$20.9 billion in 2007.

The IAB has tracked four straight years of strong revenue growth for the industry following the dot-com downturn and slumps at AOL. Spending growth, however, has begun to slow. In 2006, the IAB tracked a 35 percent growth in revenue compared to this year's 26 percent.

Search advertising continued to serve as the dominant vehicle for advertisers, who devoted 41 percent of their budgets there in 2007, up from 40 percent in 2006. Display ads showed a larger increase, going from 32 percent of spending to 34 percent.

Despite popular discussion of the potential of the long tail, the IAB charts an industry with spending concentrated among the top players. The top 50 sites accounted for 89 percent of spending, the top 20 represented 80 percent and the top 10 accounted for 69 percent. Those figures are nearly unchanged from 2006.

The IAB tracked a slight increase in performance advertising. The percentage of deals classified as either pure performance or hybrid went from 52 percent to 55 percent. Strictly CPM buys fell from 48 percent of spending to 45 percent.