The truth behind internet advertising growth

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Thinkbox and its chief Tess Alps were right to take issue with the way the IAB reports online advertising figures and pitches them against traditional channels. But breaking them down in the way she proposes doesn?t make things look much prettier.

When the IAB reported last week that internet advertising had overtaken TV as the UK?s biggest media channel - the first major economy, it said, in which this shift had occurred - the TV industry, in the shape of Thinkbox, was quick to point out that pitching the whole of online against any one channel was unfair. And they were right.

As Tess Alps explained, if you added press display and press classified together, for example, then ?press? would far outweigh ?TV?, let alone ?online?. And if you added programme sponsorship and iTV spending (not that there?s much of the latter going on), to spot advertising then TV would leap online too. To gather all the activity that occurs on the web together and pitch it against traditional channels individually is indeed misleading.

Traditional	Spend (£m)	Growth (%)	versus	Online equivalent	Spend (£m)	Growth (%)
Television	1638.5	-16.1	v.	Display	316.5	-5.2
Press display	1382.7	-20.4	v.	Display	316.5	-5.2
Outdoor	358.5	-22	v.	Display	316.5	-5.2
Radio	248.2	-15.6	v.	Display	316.5	-5.2
Cinema	75.4	-7.8	v.	Display	316.5	-5.2
Direct mail	860.1	-14.5	v.	Solus email	2.1	-190
Press classified	820	-37.3	v.	Classified	335.8	-3.6
Directories	330	-25	v.	Paid-for search	1097.6	11.8

So here?s the truth for traditional channels: their decline is much scarier than the phony war against ?the internet?. All mainstream media - save cinema - declined in ad spend by a much fiercer degree than any online equivalent - save ?solus? email (since it?s based on media-owner figures, the IAB can?t effectively report on the amount advertisers spend on their own email programmes).

Meanwhile, the uncomfortable truth for digital remains the absolute dominance of spend through paid-for search. If we accept that Google accounts for 90% of PPC spend in the UK, then we can say that one business accounts for more than half of all online ad spend. Paid search is also the only format to be growing.

When proper work is done to finally put search in its rightful place in the user journey (that means doing appropriate justice to the power of ?brand? work on the success of direct channels like search) this golden cow of online - and online itself - should face a reality check that makes the likes of Thinkbox feel a little more justified in their indignation, though no closer to a solution for all media?s ails.

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