

US online ad revenue down 5.4 pct in third quarter

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(AP) -- Online advertising revenue in the U.S. fell 5.4 percent in the third quarter from a year ago, as the sputtering economy kept its tight grip on even the fastest growing segment of industry, according to a report released Wednesday.

But there's a glimmer of hope: <u>Revenue</u> was up 1.7 percent from the second quarter, the first sequential increase since late 2008, the industry trade group Interactive Advertising Bureau said in a report prepared by PriceWaterHouseCoopers LLP.

In the third quarter, online ad revenue totaled \$5.5 billion, down from \$5.84 billion a year ago and a substantial decline from the peak of \$6.1 billion in the fourth quarter of 2008. But it's up from the second quarter's \$5.43 billion.

Online ads have proven to be more resilient than other forms of advertising because of its ability to gauge whether customers are paying attention, through clicks on the ad and other forms of tracking. But the economy has slowed the growth of online ads.

"The advertising sector overall has been hard hit by the <u>economy</u>, but digital media has been a bright spot within the larger <u>economic downturn</u>," Randall Rothenberg, chief executive of the <u>advertising</u> trade group, said in a statement.

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