

Online ad spend overtakes newspapers: eMarketer

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In this photo illustration, an ad seen on a website is displayed on laptop computers on November 2010 in San Anselmo, California. Online advertising spending in the United States will overtake spending on newspaper ads this year for the first time, digital research firm eMarketer said Monday.

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EMarketer estimated that online ad spending will grow 13.9 percent in 2010 to 25.8 billion dollars while spending on print newspaper ads will drop 8.2 percent to 22.78 billion dollars.

Including Internet ads, print and online <u>newspaper advertising</u> revenue will hit 25.7 billion dollars, eMarketer said, still below the 25.8 billion



dollars advertisers will spend online.

"Marketers are devoting bigger shares of their budgets to digital media as they see more customers shifting time toward the Web," eMarketer chief executive Geoff Ramsey said in a blog post.

"It's something we've seen coming for a long time, but this is a tipping point," Ramsey said.

"The bad economy has actually accelerated the shift to digital <u>advertising</u>," Ramsey added. "Online ads -- especially search ads -- are increasingly seen by many marketers as a more reliable bet than print <u>ads</u>, which are often difficult to tie to a measurable financial result."

EMarketer said total ad spending in the United States is expected to grow three percent in 2010 to 168.5 billion dollars.

EMarketer said print newspaper ad spending is expected to slide by six percent to 21.4 billion dollars in 2011 while online ad spending grows 10.5 percent to 28.5 billion dollars.

US newspapers have been grappling with declining print <u>advertising</u> <u>revenue</u>, eroding circulation and the migration of readers to free news on the Web, and online ad revenue growth has not kept pace with losses on the print side.

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