

1 Social Media  
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TRENDS&POTTING

Influencers On Online  
Marketing 2009 Predictions



# eMarketer's Predictions for 2009

## Online Ad Spending: Still Solid Choice

**45** % rise in video ads in 2009 to reach \$850 million

**14.9** % growth in search marketing to reach \$12.3 billion

**8.9** % growth in US internet ad spending to reach \$25.7 billion.  
2009 - the lowest year-over-year increase for online advertising ever. Yet a robust increase compared with other media.

## Retail E-Commerce: Record-Setting Declines

**4** % growth in retail sales (excluding travel)

# Consumer Internet Predictions for 2009



## Jeremy Liew

Lightspeed **Venture Partners**

<http://lsvp.wordpress.com>

1

### Consumers seek cheap thrills

Consumers seeking today's lowest cost methods to entertain themselves: Free entertainment provided by the social media

2

### "Trading real money for virtual goods" business model in the US

People will pay to allow extra powers in the game or customize their character looks: see also - prepaid game cards, incentive marketing.

3

### Web 2.0 leaders pull further away from the pack

Advertisers will want to buy advertising on big, well known websites (Yahoo, AOL). Web 2.0 - Facebook + Digg - strong revenue growth .

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### Online ad prices continue to fall

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### Getting serious about monetizing non U.S. traffic

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## Bullish On Online Search, Bearish On Newspapers



- ⬇️ 2009 total U.S. advertising will decrease 10.0% to \$252.1 billion
- ⬆️ U.S. Internet advertising revenue will grow 6.1% to \$28.3 billion, 4% growth in Display, 20% growth in Search

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## Online advertising demonstrates it isn't immune to gravity



**John Fine**

BusinessWeek

[www.businessweek.com](http://www.businessweek.com)

Online advertising demonstrates it isn't immune to gravity. Online display ad spending underperforms (low) expectations for '09. Those predicting an explosion in advertising on social networks are sorely disappointed .

# Everyone who doesn't see misery next year is delusional



**Nick Denton**

Head of Gawker Media  
[mediamemo.allthingsd.com](http://mediamemo.allthingsd.com)



“Everyone who doesn't see misery next year is delusional ”  
“Anyone who isn't prepared for ads to go down 40 % is crazy”

## 2009 Web Predictions

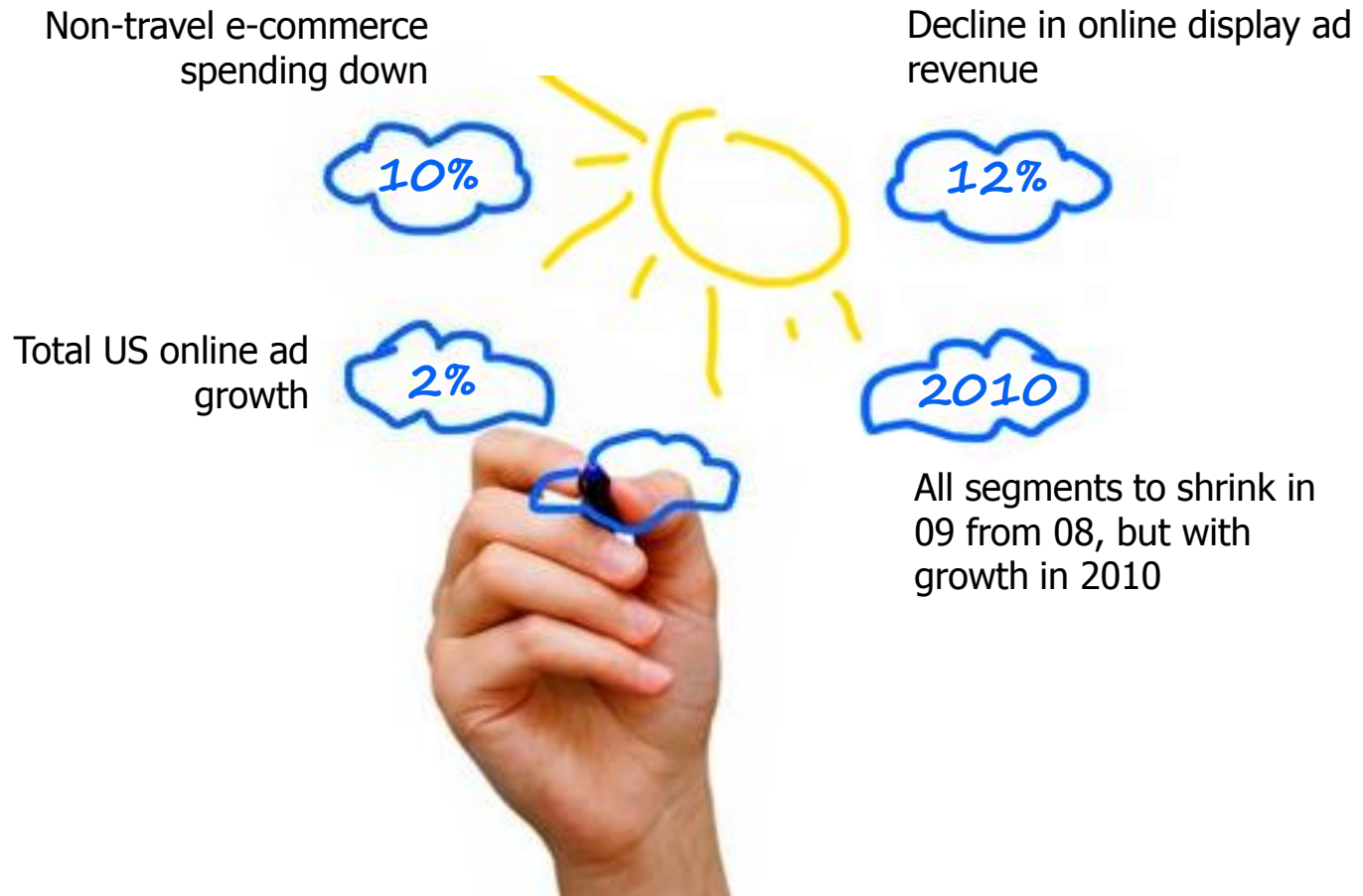


### Richard Macmanus

ReadWriteWeb  
[www.readwriteweb.com](http://www.readwriteweb.com)

Media properties prominently experiment with different and innovative types of online advertising; the move beyond CPM starts to actually happen, after years of CPA type predictions. Related, a stunning new metric will emerge that accurately determines the success of media properties beyond mere page views.

**Nearly all drivers of consumer spending are all moving in a direction to drive spending lower over the near-term ..**



## Let's Be Serious: Online Display Ads Will Fall Sharply In 2009



### Henry Blodget

Silicon Alley Insider  
[www.alleyinsider.com](http://www.alleyinsider.com)

“It's time we woke up and faced reality. Online display-ad spending will fall in 2009, probably sharply. It will probably fall again in 2010. Hundreds of startups counting on advertising as a business model will be flattened. Yahoo, CNET, AOL, and other big display-ad properties will get hammered. At this point, we would estimate at least a 10% drop next year and probably more. (20% is not inconceivable)”.

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# Online media space is going to blow up after February



## Ashkan Karbasfrooshan

Founder & CEO – Mojo Supreme  
[www.mojosupreme.com](http://www.mojosupreme.com)

While Fortune 500 marketers will reduce their ad budgets too, they will continue to shift dollars away from untracked, offline media to online, tracked media..... this means a shift to display banners and video advertising, not paid search.. Only display banners, rich media and video advertising will really increase brand equity.

When you consider the size of TV advertising you realize just how big video-related online advertising will be. the sum of all video related advertising is much, much larger than we anticipate and expect.

## Online media space is going to blow up after February

Internet ad spending - the only significant growth area, but despite a projected 5 % increase in 2009, spending is still down compared to an expected 16 % growth this year. The world's other leading internet economy, the U.K., mirrored U.S. projections with rates of 4 % in 2009 compared to 22 % in 2008.



Worldwide, internet ad growth to slow from 22 % in 2008 to 10 % in 2009, representing \$5 billion growth to reach \$59 billion or 13 % of measured media investment.”

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## In the face of overall economic turmoil, online ad spending holding up a little better than in other media

-  2009 US spending on online display advertising will slow to an 8 % rate in 2009 to reach \$8.9 billion (down from 12 % in 2008 )
-  Financial services spending on display ads will decline for the next 2 years, while auto and lead generation will remain essentially flat.
-  Paid search spending would slow to 20% growth (down from 26 % growth, to \$11.4 billion ).
-  Adding in Classifieds, Display, and Search, US online spending in total will finish 2008 up 18 %, at \$23.6 billion, then slow to 15 % growth in 2009, and 11 % in 2010.

## Overall ad budgets continue to weaken



### Imran Kahn

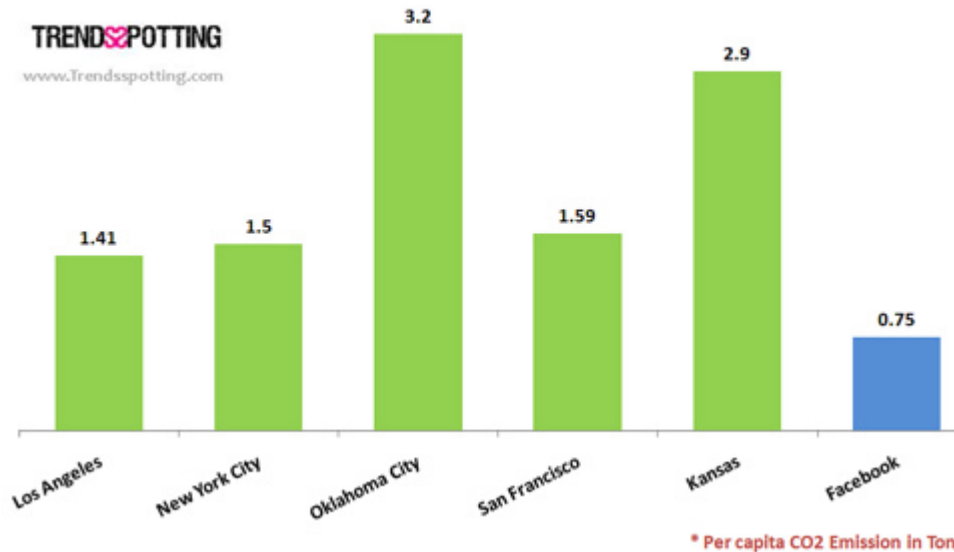
Internet Analyst  
J.P.Morgan

- Ⓢ Total online global advertising growth of 25% in F'08 and 13% in F'09 (prior estimates: 28%, 19% respectively).
- Ⓢ Deterioration of display advertising is more pronounced than expected. CPMs will remain depressed and sell-through rates will worsen.
- Ⓢ Performance-based ads holding up better than banner ads. Long tail advertisers continue to allocate additional dollars to search. However, keyword price inflation is moderating.
- Ⓢ Marketing spend pullback in some segments including travel, telecom, autos, and retail is worsening.

# Did You Know ??

Facebook's Carbon Footprint is 1/2 of New York City

Carbon Footprint\* By Major US cities Vs Facebook



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