

Internet ad revenue up 35%

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Internet advertising revenue, fueled by increases in classified ads, lead generation and display advertising, grew by 35 percent last year to \$16.9 billion.

Dean DeBiase, chairman and CEO of Fathom Online, said the jump in online ad spending represents a fundamental shift by advertisers, who now consider Internet advertising a core part of their strategy instead of a fringe experiment.

He said with about 70 percent of homes online, part of the growth is companies following the migration of customers to the Internet. He also said the ability of online campaigns to deliver measurable data and performance feedback has made the Internet popular with advertisers.

"The most important thing is the ability to know which half of your ad spend is working and what is not working," said DeBiase.

"Keyword demand is up as organizations have increased their online advertising budgets and expanded their search marketing capabilities," said DeBiase. "Both online advertising and search marketing are becoming strategic components of the overall marketing mix because of their growing effectiveness."

"But it goes beyond that. Now by geography, time of day, demographics, we can tell people how effective their ad spend is. With that, you can go after different demographics and pockets. Now that's real direct marketing."