

2010 Predictions Round-Up

The Online Population is Skyrocketing--Nationally and Globally

Over the course of December eMarketer weighed in with predictions for 2010 trends in several key areas. The following are a few highlights.

Seven predictions from eMarketer CEO Geoff Ramsey. Ad dollars will continue to accelerate their move from traditional to digital, though aggregate media spending will fail to return to former levels. Marketers will be emphasizing deeper engagement and earned media.

Video. More marketers will increasingly embrace online video advertising, supported by the twin boom of video streams and video ad networks. Further support for video ad growth will come from sites that offer a deeper catalog of professional, premium video content, which will need to introduce hybrid plans that combine subscription fees with advertising.

Usage. The number of Internet users will begin to stabilize, as penetration reaches 66% of the US population, or 205.3 million people. Year-over-year growth will slow from 3.3% in 2009 to 2.36% in 2013, reaching 70% penetration in four years. Meanwhile, estimates of broadband penetration may change based on new guidelines from the FCC.

Social media. Marketers will demand better ways to manage and measure the impact of earned media—the additional unpaid exposure a brand gets when consumers share about the brand online. Search will get more social in several ways: by including real-time content in results (e.g., Twitter posts), adding information from social network friends to results, and using collective information from other Web users to hone search relevance. These trends will yield new ad formats that may incorporate friends' viewpoints or interactions directly into the ad—and will raise new red flags among privacy advocates.

US Online Social Network Advertising Spending, 2008-2011 (millions and % change)

2008	\$1,165 (34.1%)
2009	\$1,210 (3.9%)
2010	\$1,295 (7.1%)
2011	\$1,395 (7.7%)

Source: eMarketer, December 2009

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Convergence. The Consumer Electronics Show in early 2010 will usher in TVs with direct Internet connectivity, or with on-screen access to content portals such as YouTube, Blockbuster and Netflix. As online video becomes intertwined with the living-room TV experience, download and streaming services will take on a prominent role in the home entertainment ecosystem.

Mobile. Mobile ad spending will rise from \$416 million in 2009 to \$593 million in 2010 as more brands and agencies integrate mobile into their marketing mix. The fusion of mobile and social and the appetite for apps (among both consumers and brands) will continue unabated. In fact, location- and social-aware apps and utilities will be a key avenue for brands looking to engage consumers on the go.

US Mobile Advertising Spending, 2008-2013 (millions)



Note: includes display, search and messaging-based advertising
Source: eMarketer, September 2009

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Social commerce. Retailers will become more serious about trying to measure social media's impact on sales. One question retailers will grapple with is how much a large fan base translates into sales or brand loyalty.

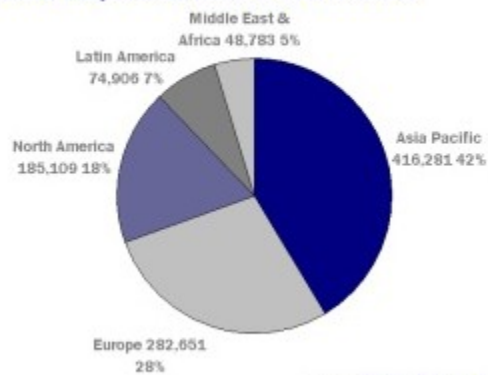
UK & Europe. Throughout Europe, the recession has helped increase the sophistication of Internet marketing. Though the final tally must wait until early next year, eMarketer expects UK online ad spending to show hard-won gains in 2009 and regain momentum in 2010 and beyond.

Jupiter Research found that by 2012, one quarter of the world's population will access the Internet regularly. The increase in emerging global markets will grow at double-digit rates, boosting the growth of the global online population.

ComScore recently reported that the global Internet population has reached the 1 billion mark! And according to ComScore's Magid Abraham, the next billion is right around the corner: "Surpassing one billion global users is a significant landmark in the history of the Internet ... a monument to the increasingly global community in which we live. The second billion will be online before we know it, and the third billion will arrive even faster than that."

Total worldwide internet audience

Total unique visitors (000) and % share
December 2008, 15+years old, home & work locations



www.DigitalStrategyConsulting.com

Source: comScore World Metrix, December 2008

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Demographics of Internet Users

Below is the percentage of each group who use the internet, according to our September 2009 survey. As an example, 76% of adult women use the internet.

	Use the internet
Total Adults	77%
Men	78
Women	76
Race/ethnicity	
White, Non-Hispanic	80%
Black, Non-Hispanic	72
Hispanic	61
Age	
18-29	93%
30-49	83
50-64	77
65+	43
Household income	
Less than \$30,000/yr	62%
\$30,000-\$49,999	84
\$50,000-\$74,999	93
\$75,000 +	95
Educational attainment	
Less than High School	37%
High School	72
Some College	87
College +	94
Community type	
Urban	73%
Suburban	75
Rural	71

Source: Pew Internet & American Life Project, August 18-September 14, 2009 Tracking Survey. N=2,253 adults, 18 and older, including 560 cell phone interviews. Interviews were conducted in English and Spanish. Margin of error is ±2%.

Please note that prior to our January 2005 survey, the question used to identify internet users read, Do you ever go online to access the Internet or World Wide Web or to send and receive email? The current two-part question wording reads, Do you use the internet, at least occasionally? and Do you send or receive email, at least occasionally?

Last updated December 16, 2009.

U.S. Hispanic Internet Audience Growth Outpaces Total U.S. Online Population by 50 Percent

Hispanic Internet Population Reaches Record Number in February 2009

RESTON, VA, April 16, 2009 – comScore, Inc. (NASDAQ: SCOR), a leader in measuring the digital world, today released a report on the U.S. Hispanic Internet market, finding that the Hispanic online population reached a record 20.3 million visitors in February 2009, representing 11 percent of the total U.S. online market. During the past year, the growth of the U.S. Hispanic Internet audience outpaced that of the total U.S. online population in terms of number of visitors, time spent and pages consumed, as Hispanic online adoption and engagement accelerated.

“It’s well known that the Hispanic market is a growing and increasingly important segment to advertisers and marketers,” said Jack Flanagan, executive vice president of comScore Media Metrix. “However, any business attempting to effectively reach this segment needs to understand the behavior of the U.S. Hispanic online consumer as a fundamental component of their marketing and media strategies.”

Hispanic Online Audience Growing Faster than Total U.S. Internet Market

The U.S. Hispanic online population reached 20.3 million visitors in February 2009, an increase of 6 percent from the previous year. Hispanic Internet users also exhibited a surge in online engagement, including strong increases in time spent and pages consumed. The total amount of time spent online by Hispanics increased 6.9 percent in 2009 (3.9 times faster than the total U.S. online population), while total pages consumed grew 6 percent (3.6 times faster than the total U.S. population).

Growth in Internet Usage: U.S. Hispanic Internet Population vs. Total U.S. Internet Population February 2009 vs. February 2008 Total U.S. – Home, Work and University Locations Source: comScore Media Metrix		
	Percent Change Feb-2009 vs. Feb-2008	
	Total U.S. Internet Audience	Total U.S. Hispanic Internet Audience
Total Unique Visitors	3.9%	5.8%
Total Minutes	1.4%	6.9%
Average Minutes per Usage Day	4.4%	7.7%
Total Pages Viewed	1.3%	6.0%
Total Visits	-1.8%	5.4%

Average Visits per Usage Day	1.1%	6.1%
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U.S. Hispanics are Heavy Online Entertainment Consumers

Though they represent 11 percent of the total U.S. online audience, Hispanics account for just 9 percent of total time spent online. To understand where Hispanics are most likely to consume content online, the study looked at the site categories where they spent an above average share of their online time.

The top ranked category was Community - Teens, where U.S. Hispanics accounted for 18 percent of total time spent in the category, followed by Gaming Information at 13 percent. Other entertainment- and leisure-related categories were heavily represented on the list, including Radio (13 percent), Multimedia (12 percent), Discussion/Chat, Instant Messengers (11 percent) and Music (11 percent).

U.S. Hispanics' Share of Total Time Spent in Online Site Categories February 2009
Total U.S. – Home, Work and University Locations
Source: comScore Media Metrix

	U.S. Hispanics' Share of Time Spent Within Site Category
Community - Teens	18%
Gaming Information	13%
Entertainment - Radio	13%
Entertainment - Multimedia	12%
Services - Discussion/Chat	11%
Services - Instant Messengers	11%
Community - Lifestyles	11%

Entertainment - Music	11%
Retail - Computer Software	11%
Retail - Music	11%

“Though U.S. Hispanics are less engaged Internet users on average, they do show a predilection for communication and entertainment online – high engagement activities that offer a potentially strong marketing opportunity,” added Flanagan.