

Web nets

more ads than TV

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Britain has become the first major economy in which advertisers spend more on internet advertising than television ads, a record £1.8 billion (\$3.2 billion) spent online in the first six months of the year.

It is a watershed for the embattled TV industry, the leading ad medium in Britain for almost half a century. It has taken the internet little more than a decade to overtake it.

UK advertisers spent £1.8 billion on internet ads in the six months to the end of June, a 4.6 per cent increase year-on-year, said a report by the Internet Advertising Bureau and auditor PricewaterhouseCoopers.

In 1998, when the IAB first measured internet ads, £19.4 million was spent online. The web now accounts for 23.5 per cent of all ad money spent in the UK and TV accounts for 21.9 per cent.

The IAB had predicted that internet ad spending would overtake TV at the end of 2009, but the crippling advertising recession accelerated this by six months. TV ad spending fell about 17 per cent year-on-year in the first half, to about £1.6 billion, said the report.

The IAB's figures show that of the total £1.8 billion spent on internet ads, £1.1 billion, or 60 per cent, was spent on search ads on websites including Google, up 6.8 per cent year-on-year. Online classified ads grew by 10.6 per cent year-on-year to £385 million, about 22 per cent of total web ad spending. But online display advertising, such as banners on websites, fell by 5.2 per cent year-on-year, to £316.5 million. This was 18 per cent of all web ad spending.

The ray of light in the online display ad sector was the nascent, but rapidly growing, online video ad sector. The IAB estimated that it grew by close to 300 per cent year-on-year, to almost £12 million.

Britain is not the first country where internet ad spending has overtaken TV, but it's the first major economy to do so. Denmark hit the mark about six months ago.

The Guardian

US internet reign is over, page 19

Agreement ends US rule over internet

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Paul Smith

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The United States government's oversight of the internet's governing body has ended after 11 years with a decision taken not to renew the longstanding joint project agreement (JPA).

Its replacement with a joint affirmation agreement ends controversy about the level of influence the US exercised over internet regulation.

The JPA was a memorandum of understanding between the US Department of Commerce and the Internet Corporation for Assigned Names and Numbers and had been in place since ICANN was formed 11 years ago to manage the systems that allocate web addresses.

The agreement had been the subject of criticism that the US government could exert influence over decisions relating to development of the internet. In June European Union Commissioner Viviane Reding urged ICANN to cut its ties with the US government and become a fully independent organisation.

ICANN is in charge of establishing a system of generic top-level

domains, meaning there will soon be countless new website addresses available for purchase.

The 21 top-level domains available now such as .com, .org or .biz are due to expand to include non-Roman characters such as Chinese and Japanese.

ICANN chief executive Rod Beckstrom hailed the new arrangement as an indication that ICANN's model of international public participation in internet regulation was working effectively.

However, it is understood that the executive officer and vice-president of corporate affairs at ICANN, Paul Levins, an Australian, has been the driving force behind the negotiations that led to separation from US government control.

Mr Levins wrote the ICANN board submission stating that the situation needed to change and that ICANN would not sign a further extension of the JPA. He then led the negotiations with the US Congress and Department of Commerce.

"I wouldn't say there was resistance, but of course they were interested in making sure there was



ICANN's Paul Levins . . . 'the internet is not controlled or owned by anyone'.

a result that protected their domestic bureaucracy and America's rights," Mr Levins told *The Australian Financial Review*.

"The new administration understood that the internet is a global phenomenon that has an international perspective," he said.

"They understand the need for global input in the internet domain-name system. The Obama adminis-

tration is often written up as having a better global perspective than the former one, and this is proof of that pudding."

The new agreement has been 11 years in the making, and will have lasting significance, Mr Levins said. "It is a little bit arcane but it is also incredibly historic. What it signals is that the internet is not controlled or owned by anyone."