

IAB Stats Deck: Social Media

May 2010

Outline

- **Interactive Advertising Overview**
- **Social Media Landscape**
 - **Definitions**
 - **Consumer Experience**
 - Frequency of Use
 - Most Popular Sites: Twitter, Facebook and YouTube
 - The Next Evolution: Mobile
 - **Marketplace Response**
 - Budgets and Projections

Interactive Advertising Overview

Basic Use

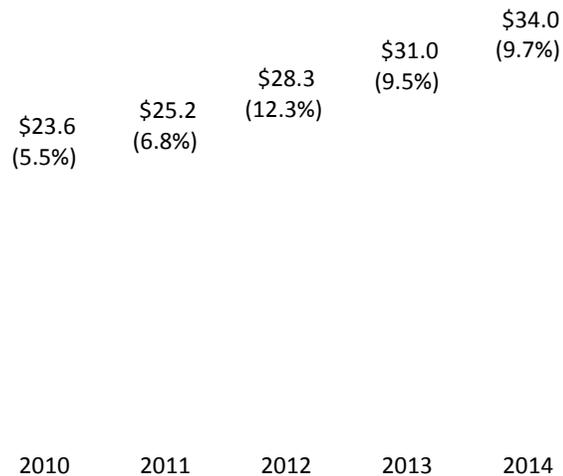
According to Internet World Stats, the US is currently among the top online consumers in the world, according to hours of use and penetration.

Figures reported below by Nielsen's Netview confirm this:

- In March 2010, 192.7 million unique visitors were reported for all internet sites
- Penetration for that month was at 81% of the US population
- By the end of 2009, 160.3 million people had accessed the internet via a broadband connection.

Basic Projections

US Online Advertising Spending, 2010-2014



eMarketer projects that US online ad spending will grow by 6.8% from this year to the next.

Total (billions and % change)

Interactive Advertising Overview

Interactive continues to grow in significance when compared to other ad-supported media

U.S. Advertising Market – Media Comparison 2009 (\$ Billions)

TV Distribution*	\$26.2
Newspapers	\$24.6
Internet	\$22.7
TV Networks: Cable	\$20.4
TV Network	\$15.5
Radio	\$14.0
Directories	\$12.1
Consumer Magazines	\$10.0

Source: IAB Internet Ad Revenue Report: 2009 Full Year Report; PricewaterhouseCoopers

* "TV Distribution" includes national and local TV station ads as well as multichannel system ads.



Why Social Media?

- Social Media sites are characterized by the inherent functionality that facilitates the sharing of information between users within a defined network. The nature of Social Media allows for the initiation of conversation by either party.*

Social Networking is Big Among Internet Users

Rank	Sector	U.S. Active Reach (Jun 09)	U.S. Active Reach (Dec 09)	6 Month % Point Change
1	Search	84.21%	84.43%	0.22%
2	General Interest Portals & Communities	86.18%	85.08%	-1.10%
3	Software Manufacturers	67.20%	66.32%	-0.88%
4	Member Communities	70.74%	72.57%	1.83%
5	E-Mail	66.69%	65.94%	-0.75%

Social networking sites have surpassed personal e-mail in global reach at 70.7% vs. 72.6% by Dec 09, and growing at a faster pace than any other sector.

Increasingly, people want to join the conversation

Unique Audiences for Social Media Sites, mm

Unique audiences have grown at an annual rate of 20%

Jan-08

Jan-09

Jan-10

These are the main reasons why

Reasons that US Internet Users Use Social Networking Sites

Reconnect with old friends	50.5%
Share photos	36.8%
Meet new people	29.9%
Plan social events	17.7%
Share music/find new music	15.2%
Play games	14.2%
Career Networking	10.9%

Intensity of use has increased

- 100 million users joined Facebook in less than 9 months. (Mashable)
- Over 35 million Facebook users update their status each day. (Facebook)
- 48% of social media users check or update their Twitter or Facebook sites during the night or as soon as they wake up. (Retrevo)*
- 54% of bloggers post content or tweet daily. (ClickZ Stats SES Magazine June 8, 2009 page 24-25, "Turning Blogs and user-Generated Content Into Search Engine Results.")
- More than 1.5 million pieces of content (web links, news stories, blog posts, notes, photos, etc.) are shared on Facebook daily. (Facebook)
- Social networks reach about 79% of the total US Internet audience, as of December 2009. (comScore)

Penetration of US audiences grows

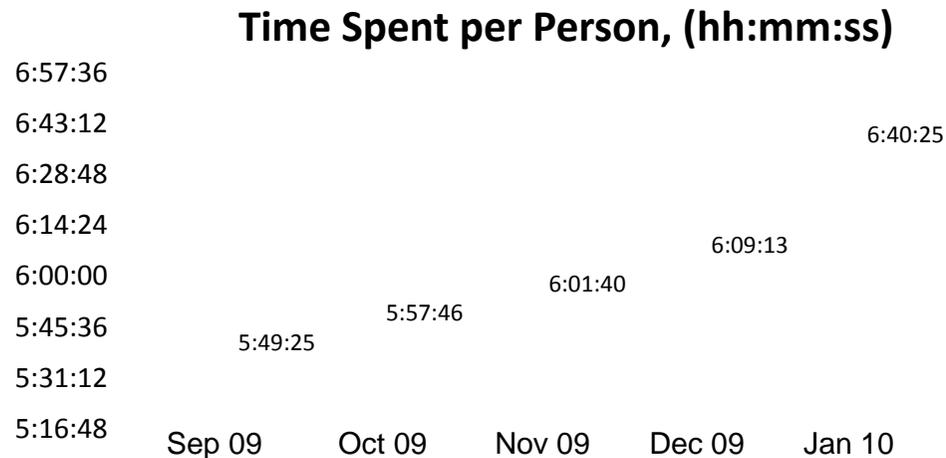
According to Nielsen, the number of Americans visiting social networking and blog sites has grown steadily YOY

Site	February 2008	February 2009	February 2010
Facebook	20,043	65,704	118,813
MySpace.com	56,313	54,164	46,654
Twitter.com	n/a	7,038	20,704
Blogger	37,241	39,905	46,171
YouTube	70,076	83,429	98,723

And time spent on social media sites has steadily increased

Nielsen reported that for US audiences, average time per person increased 143% from December 2008 to 2009.

That increase continues into 2010, with average time spent increasing by 108% from December to January.

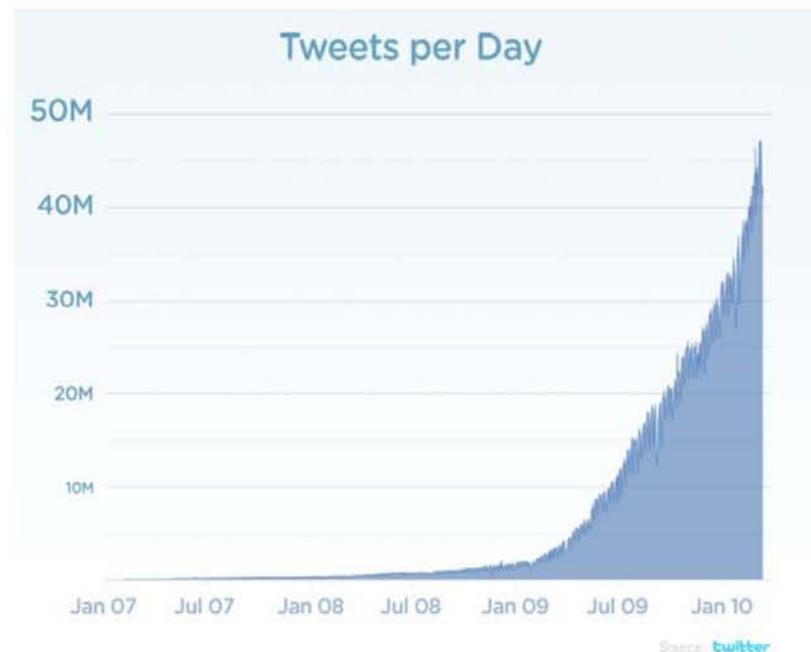




Profiles

Twitter

- Twitter has remained among the top 10 social media sites, for unique audiences. Between June 2008 and June 2009, unique visitors grew by 1,928%.*
- According to GigaTweet, there have been 11.3 billion tweets as of 3/30/2010. The 20 billionth tweet should occur by June.**
- Nielsen averages that the time per person spent on Twitter increased 522%, year-over-year, from 5:02 minutes in June 2008 to 31:17 minutes in June 2009.



*Source: Nielsen Online, June 2009

** Source: GigaTweet

*** Source: Nielsen Online, June 2009

Profiles

Facebook

- From December 2008 to December 2009, Facebook has doubled its monthly unique visitors, from 54.6 million to 111.9 million.
- Facebook accounts for 7% of all time spent online by US visitors (Jan 2010).
- As of Feb 2010, the average Facebook user has 130 friends, and spends 55 minutes per day on Facebook.

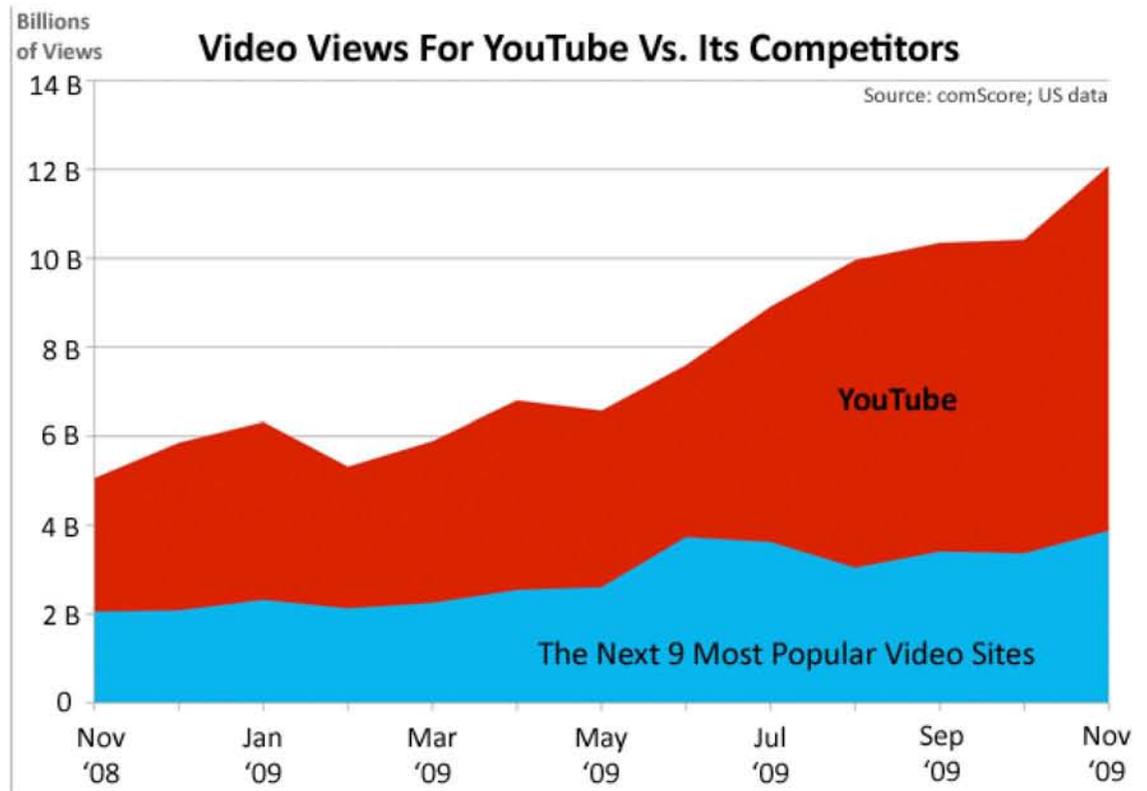
* Source: comScore MediaMetrix, January 2010

** Source: comScore, January 2010

Profiles

YouTube

According to the Silicon Business Insider, comScore reports from the end of 2009 show that YouTube's growth far surpassed that of its top 9 competitors.



And according to HitWise, YouTube ranks #1 for all online video website ranked by market share of U.S. Visits.

The Next Evolution: Social Media's Role in Mobile

Market revenue is increasing

- According to Mobile Marketing Watch, a recent report by Informa indicates that the US mobile social networking market will reach revenues of \$421 million during 2010.
- The report also indicates that the US mobile social networking market will continue growing and is projected to reach the \$1 billion revenue mark in 2013.

Mobile internet users frequent social sites more than others*

- U.S. mobile internet users spend 2.7 hours of their day online.
- 45% of all mobile internet users go online to post comments on social networks, with 91% of mobile internet users going online to socialize.

* According to a study by Ruder Finn, referred to on Marketing Charts on 2/17/2010

What is the role of Mobile?

Mobile social media users can make immediate statements about their experiences

	Percent of Subscribers Accessing Social Networking via Mobile Browser		
	January 09	January 10	Point Change
All Mobile Phones	6.5%	11.1%	4.6
Smartphone	22.5%	30.8%	8.3
Number of Mobile Subscribers Accessing Facebook (000)	11,874	25,137	112%



Marketers should care about what consumers are saying about their products

Starbucks Coffee Co.	6,537,954
Twilight	5,482,245
Coca-Cola	5,349,749
Skittles	4,197,934
Oreo	4,440,491

Source: www.allfacebook.com, numbers are based on a weekly total generated by the

“While video and text content remain central to the Web experience—the desire of online consumers to connect, communicate and share is increasingly driving the medium’s growth.”—Jon Gibs, VP, Media and Agency Insights, Nielsen Online.

And marketers are starting to listen

According to the 2009 Cone Consumer New Media Study, 30% of consumers report making a purchase based on positive reviews found online.

Some well-known campaigns are:

- Burger King and the Sacrifice ten friends facebook application—The application was adopted by over 20,000 users, sacrificing 200,000 facebook friends for free whoppers.
- Zappos on Twitter: 498 Zappos employees are on Twitter*, and company-sponsored feeds total over 1.6 million followers, with the CEO feed leading the way in numbers.
- Advertising Age headline for 4/13/2010: ***McDonald's Names First Social-Media Chief***

**Burger King campaign data is from Mashable.com: "Presenting: 10 of the Smartest Big Brands in Social Media." from 2009

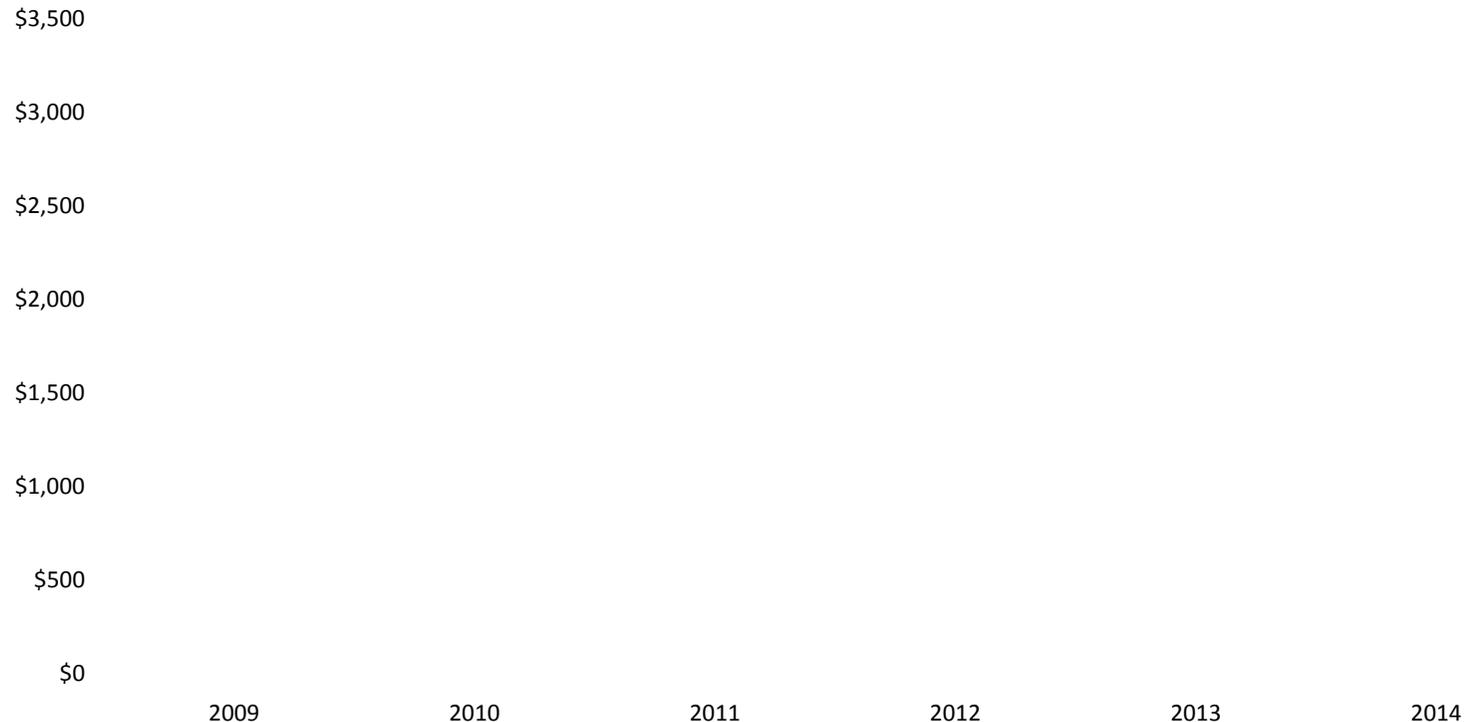
*Twitter Data is from Tuesday April 13, 2010

*Einstein Bros. uses social media to draw and keep a fanbase

Budget Allocations Begin to Reflect Social Media's Growing Importance

Forrester research shows that within the projected growth of the interactive share of all ad spend, social media is predicted to grow the fastest and to become the third-largest interactive marketing spend category in five years.

Social Media Spend, by millions



CAGR: 34%

IAB member initiatives reflect the dynamic, growth-oriented trend in Social Media

- **Social Media Committee**

The Social Media Committee is dedicated to helping develop and expand the social media space as a viable advertising platform. The committee works to educate marketers and agencies on the strength of social media as a marketing vehicle.

- Social Advertising Best Practices**

- This document outlines recommendations for key social advertising topics and is intended for social networks, publishers, ad agencies, marketers, and service providers delivering social advertising. These best practices were developed via a thorough examination of the critical consumer, media and advertiser issues to help social media further realize its advertising potential.

- Social Media Ad Metrics Definitions**

- This document specifies standard definitions for Social Media Metrics. The IAB hopes that all players in the Social Media space will coalesce around these metrics to encourage growth through consistency.

- Social Media Buyer's Guide**

- The Guide addresses key elements that should be considered during the social media planning and purchase process. After reading this Guide, you will have a better understanding of social media.

- **IAB Social Media Marketplace**

- In April 2010, over 350 agency and publisher representatives gathered with the IAB to share information and learn about platform innovations and trends

- **IAB Professional Development**

- *Secrets to Success in Social Media*, taught by Geoff Ramsay of eMarketer, Anna Banks of Organic, Inc., and Nichole Goodyear of Brickfish

Thank You!

For comments and inquiries, please contact
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