

Advertising Prices Rise on Internet

By [The Moscow Times](#)

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Leading web sites are increasing their advertising rates as demand for key spots outstrips supply.

From June 1, 1,000 banner views will cost 150 rubles (\$3.50) on Mail.ru, up from the current price of 75 rubles, according to advertising agencies. Prices will also go up in the mail, maps and Odnoklassniki sections by between 20 percent and 40 percent.

Main page banners are the most expensive places to advertise. Mail.ru has a daily main page audience of 10.7 million unique users, while Yandex has 13.6 million, according to TNS data for March. Advertising on the main page of Mail.ru costs 25 percent more than before the crisis in 2008.

"Much of the inventory is sold out for the near future, and for some places, like the main page, demand exceeds supply," said Mail.ru Group sales manager Alexei Katkov.

According to the Association of Communications Agencies of Russia, revenues of Internet

companies in the first quarter reached between 6.6 billion and 7.6 billion rubles — 60 percent more than last year. Yandex earned 3.8 billion rubles on advertising, which is 66 percent more than in the first quarter of 2010. Mail.ru Group earned more than 1.1 billion rubles for January through March 2011, an increase of 94 percent according to Vedomosti calculations.

There are only a few sites that are of interest to major advertisers, said VTB Capital analyst Anastasia Obukhova. Yandex raised prices earlier this year by 25 to 30 percent on excessive demand, said Andrei Chernyshov, chief executive of AdWatch Isobar. Smaller, less popular web sites are not increasing rates significantly.

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