

Study Says Internet to Account for Over Third of Ad Market

By The Moscow Times

March 21, 2013



Industry players say that low quality connections are an inhibitor to growing the Internet's influence in Russia. **Igor Tabakov**

Some Russian experts believe that in three to four years the Internet will account for over a third of the advertising market in Russia, while others say that Internet connection quality remains a major hurdle to such growth, Vedomosti reported Thursday, citing a study by Carat, a subsidiary of media company Aegis Group.

In 2013, spending on online advertising is expected grow from 19 percent of total expenditures on advertising to 22 percent, while spending on print media advertising will decline from 13.9 percent to 12.6 percent, according to Carat. Expenses on television ads will amount to 46.4 percent, compared with 48 percent in 2012.

Heads of media companies said that publishing houses in Russia received between 2 to 25 percent of their revenues from Internet advertising, according to Vedomosti.

Mikhail Voshchinsky, managing director of Aegis Media, said that spending on online marketing was growing because new technologies such as real-time bidding had made online ads more transparent and straightforward to advertisers.

Andrei Braiovich, managing director of BBDO, agreed that internet advertising was growing faster than advertising in any other media, but doubted it would account for more than a third of the advertising market in Russia over the next few years.

Braiovich said that new technologies such as video advertising were among the main drivers of online advertising growth worldwide. But in Russia, broadband Internet and 3G quality remains low.

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