



Inspiring Excellence
in Communications
Worldwide

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Press Release

New IAA Global Research Indicates Advertisers Call for Competition in Online Search Advertising

Survey shows government oversight, transparency in the online advertising auction,
and more control over data dominate industry concerns

New York, New York, January 19th, 2009 - The International Advertising Association (IAA) today released the results of a worldwide member survey measuring members' perspectives on competition, innovation, and choice in the online marketplace. Results confirmed industry concern regarding competition in the online advertising industry and supported government oversight of antitrust issues in the Internet space.

"The results of this survey document the strong desire for a competitive marketplace in this quickly emerging yet relatively young media space. Our members were quite clear: they want conditions that offer them fair pricing and to be ensured that innovation is encouraged, allowing the advancement of tools and products critical to the growth of their businesses," said Michael Lee, Executive Director of the International Advertising Association.

The IAA advocates a competitive online marketplace that fosters innovation and responds to consumer interests. Given the recent industry debate surrounding competition in the online marketplace, particularly regarding the proposed-and-then-rescinded Google-Yahoo! search advertising arrangement, this member survey captured insights into issues of importance to IAA members and to the wider global advertising industry.

Results captured the following:

- **IAA Members support the Department of Justice's decision on the Google-Yahoo! arrangement;** 90 percent support the decision, including 44 percent who strongly support the decision
- **Three out of four members (86 percent) believe a Google-Yahoo! ad sales agreement would have had too much control over the auction process and price setting**
- **A majority of IAA members are looking for a serious competitor to the dominant industry player;** 2/3 of respondents believe the paid search and keyword advertising market is controlled by one dominant player and a total of 85 percent say it is important that a strong competitor emerges; nearly half (46 percent) thought it is "very important"
- **82 percent of respondents believe that when two competitors enter into an agreement, government regulators should help uphold healthy competition** in the online advertising market by ensuring that companies are complying with applicable antitrust laws

- Advertisers are almost unanimous in their thinking that **online advertising companies should give advertisers more control over data resulting from their campaigns** (93 percent agree, including 64 percent who strongly agree) and the majority of respondents also want **data to be standardized and consistent** to compare relative impacts of campaigns and better assess ROI (95 percent agree, including 62 percent who strongly agree)
- Over half of respondents want **improved transparency about quality scoring used to determine winning auction bids** (90 percent agree, including 59 percent who strongly agree), as well as about how online advertising companies set opening bid prices for keyword auctions (92 percent agree, including 57 percent who strongly agree)

About the Study:

The IAA membership survey was administered online from November 20, 2008 through December 12, 2008. A total of 118 IAA members from around the world, including: North America, Europe, Asia Pacific, Africa, and Latin America, completed the survey. This independent IAA membership survey was commissioned by the IAA and conducted with the partial underwriting support of Microsoft, an IAA Corporate Member. This survey is part of the IAA's ongoing research and thought leadership program.

The full methodology and results of this survey and research on similar topics can be found on the IAA website: <http://www.iaaglobal.org/>

Notes to editors:

International Advertising Association:

The International Advertising Association (IAA), headquartered in New York, was founded in 1938 to champion responsible marketing. The IAA, has 4,000 members in 76 countries and chapters in 56, and is a one-of-a-kind global partnership whose members comprise advertisers, media, advertising and public relations agencies, media companies, and academics. The IAA provides a platform for global industry issues and is dedicated to protecting and advancing freedom of commercial speech, responsible advertising, consumer choice, and the education of marketing professionals. For more information please visit www.iaaglobal.org

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