IAB Adex Benchmark 2012 Daniel Knapp, IHS Electronics & Media







#INTERACT13

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ABOUT THE STUDY





A meta-analysis of online ad spend in Europe

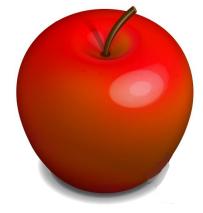


GROSS



Revenue Billed

NET



Revenue Billed No Agency commissions

RATECARD



Campaigns x Ratecard





Horizontal expansion: country coverage



2012: 26 countries

2008:19 countries

2006: 13 countries



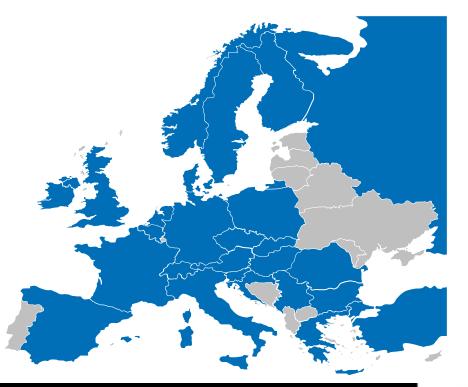


26 countries in 2012



- Austria
- Belgium
- Bulgaria
- Czech Republic
- Croatia
- Denmark
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy

- Netherlands
- Norway
- Poland
- Russia
- Romania
- Serbia
- Slovenia
- Slovakia
- Spain
- Sweden
- Switzerland
- Turkey
- UK

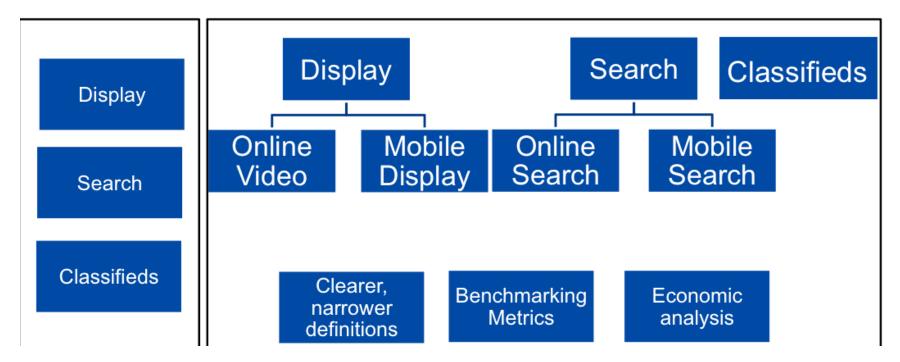






Vertical expansion: format granularity & context











BIG PICTURE & CONTEXT





The value of the European online ad market 2012



€24.3bn

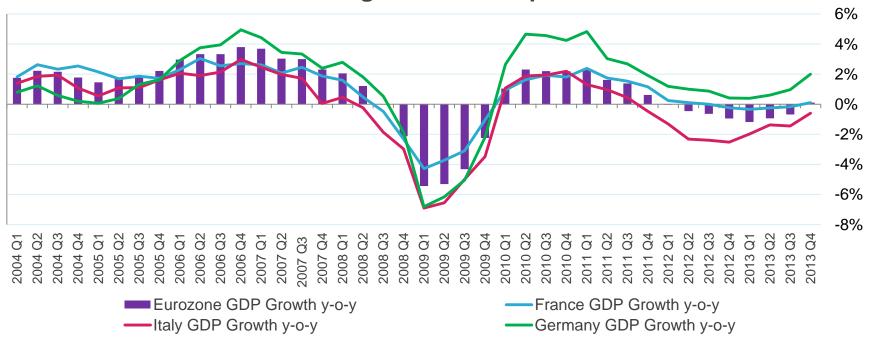




Eurozone volatility casts spell on media economy...



GDP growth in Europe



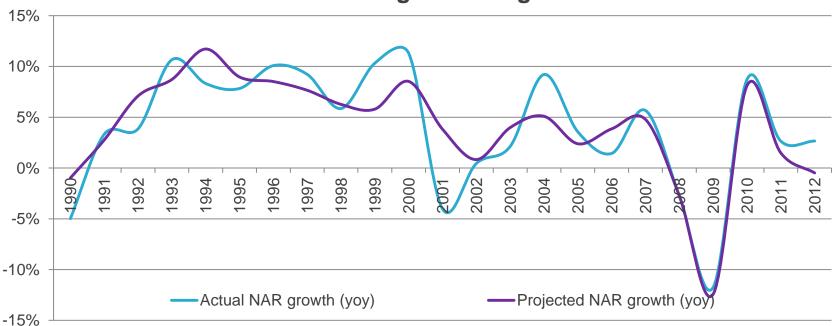




...industrial production & household consumption are good indictators for advertising market prospects...



UK advertising revenue growth





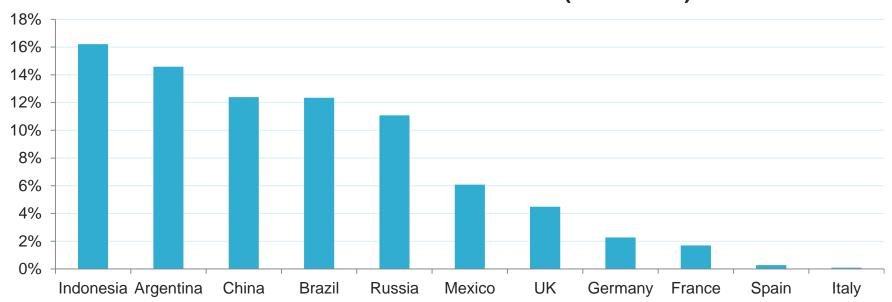


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...tectonic shifts are characterizing ad markets...



CAGR of Total Media Ad Revenue (2011-2017)



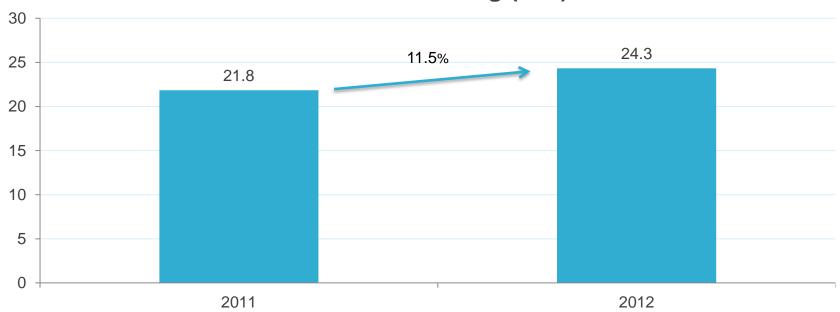




...but European online ad growth continues at a double-digit rate



Total online advertising (€bn)



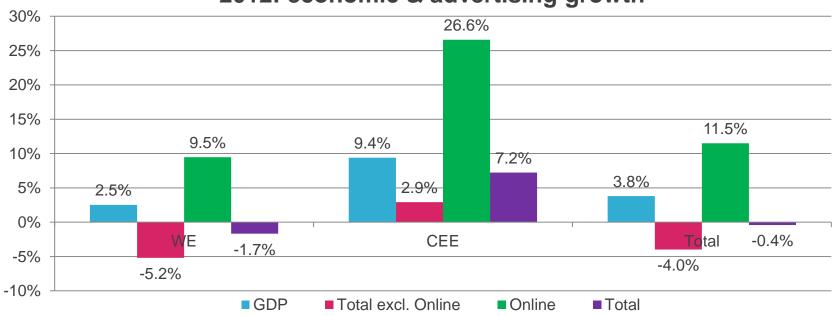




Indeed, online is more resilient to macro-pressure than other media







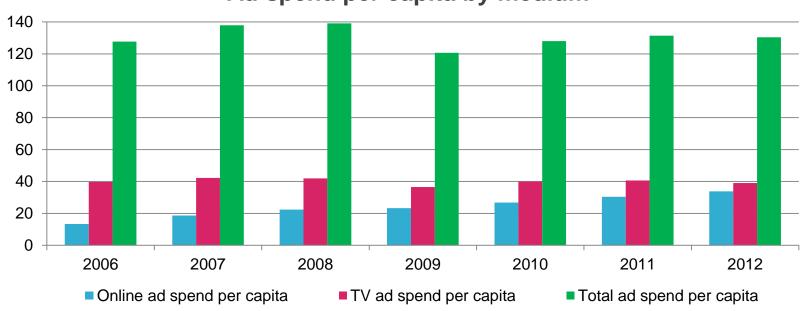




Overall ad spend shows volatility, TV is resilient, online shows linear growth trajectory



Ad spend per capita by medium

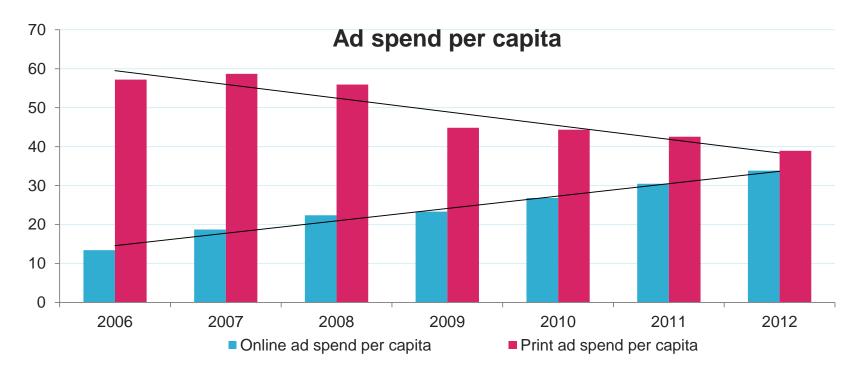






There is no single factor for print decline & online does not absorb all print revenue, but budgets do migrate



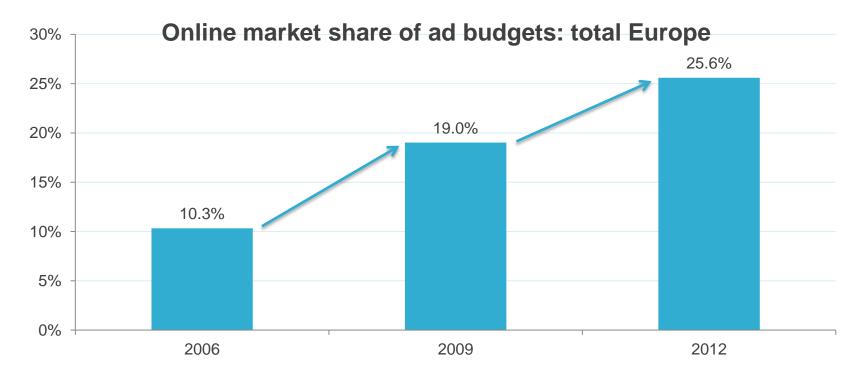






In 6 years online more than doubled its share of all media revenue: 1 in 4 ad €s go to online in 2012





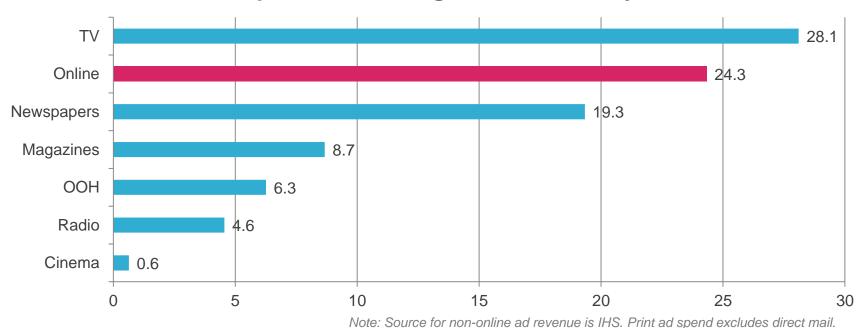




Online for the first time overtakes print newspaper ad spend & becomes 2nd biggest media category in Europe



2012: European advertising market share by medium



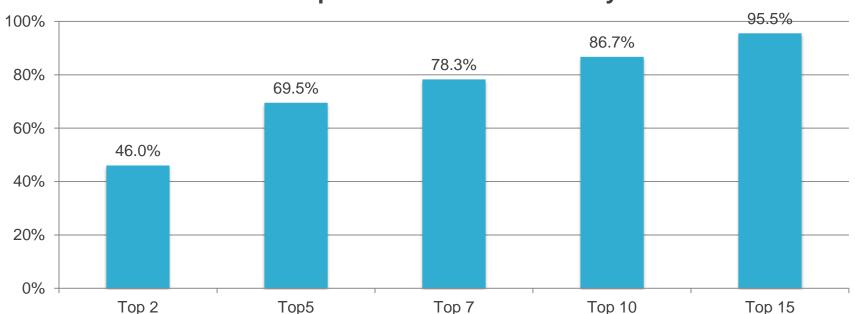




Small number of markets make largest contribution to European ad spend



Share of European online ad revenue by market

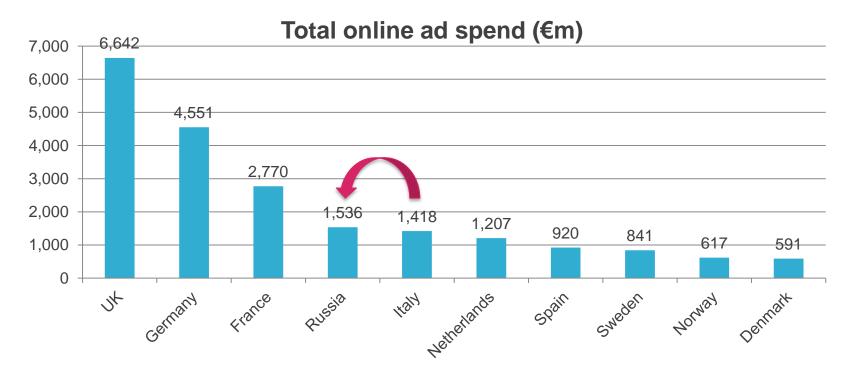






Russia climbs up to 4th largest spender as remaining top 10 maintain their position in the European ranking









What is driving growth?



- Both emerging markets growing from low basis and established markets that demonstrate sustainability of online ad momentum
- Video
- Mobile
- RTB has the potential to be a driver
- Social networking sites
- Europeanisation and consolidation of classifieds & directories
- Localisation & individualisation of search, mobile search

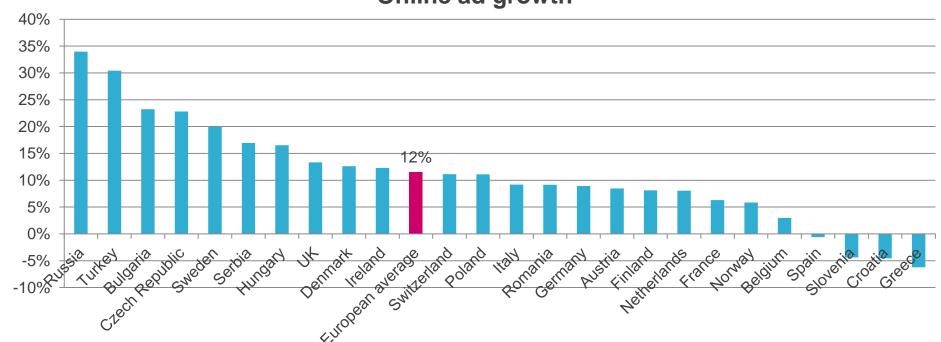




CEE leads growth, but remarkable is the sustainability of growth in mature markets

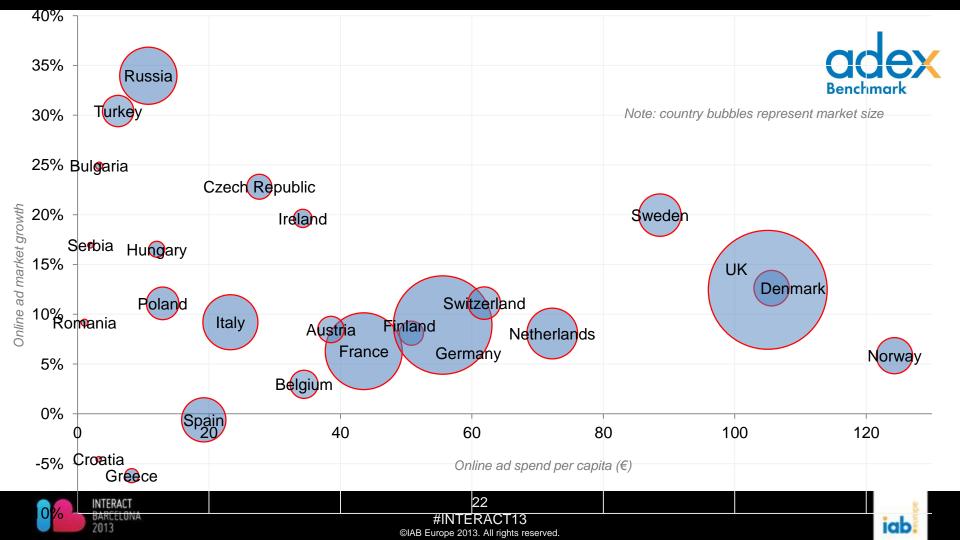


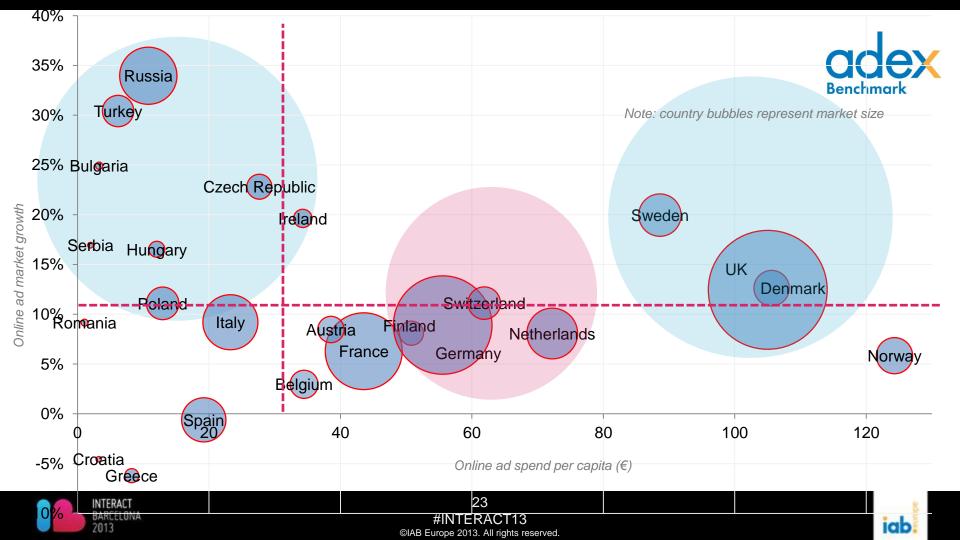
Online ad growth













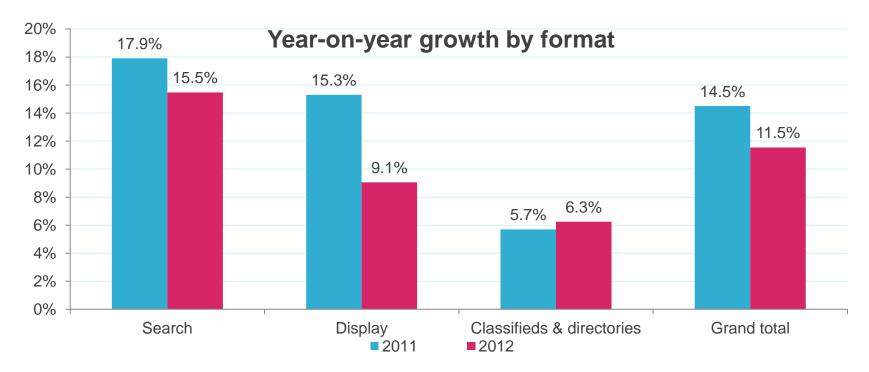
FORMATS





Search outperforms, display still high single digit, classifieds & directories pick up pace





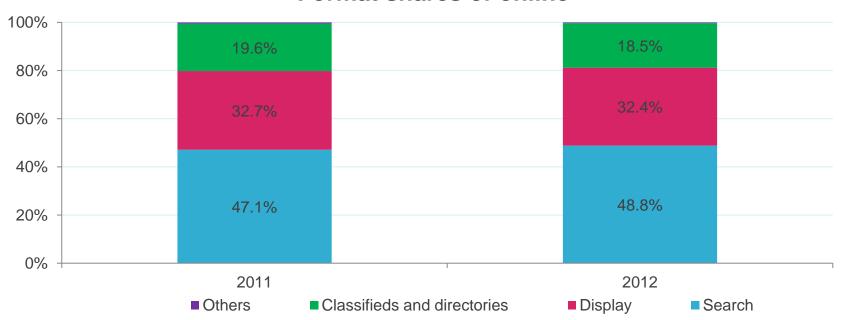




Search remains strongest segment in 2012



Format shares of online

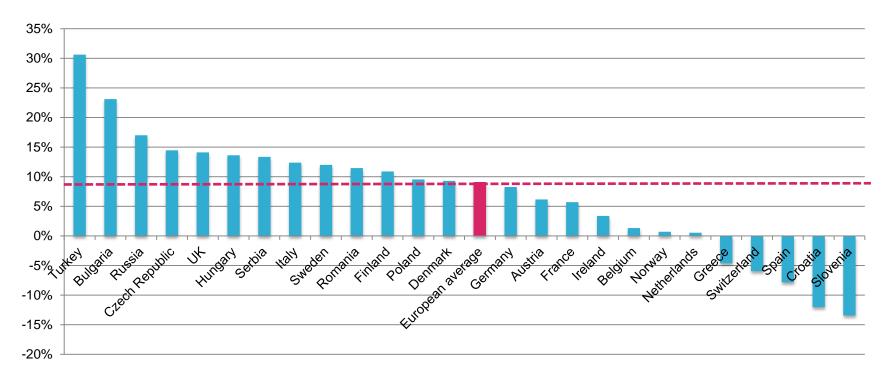






Display growth shows few strong outliers above average rate, yet more outliers below average rate



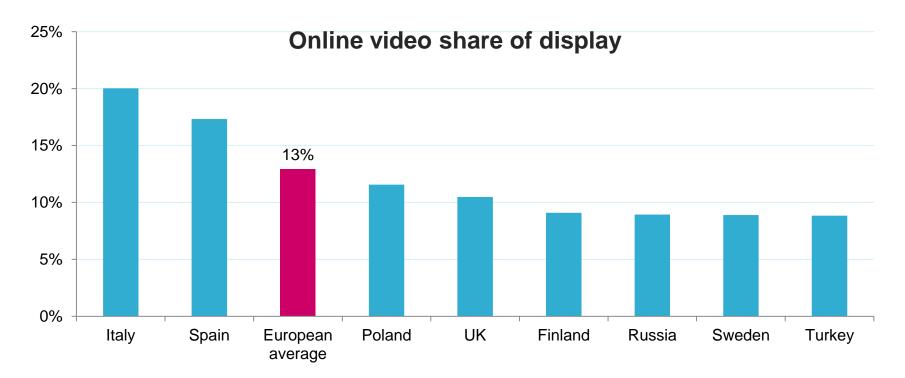






Online video is now 13% of all online display...



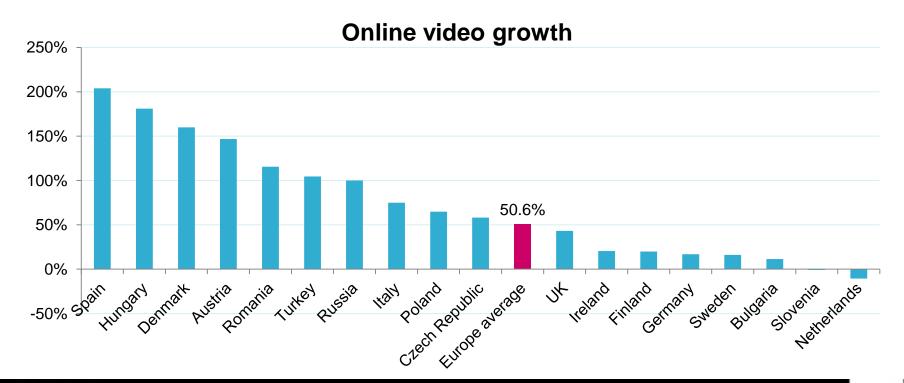






...but range of growth varies tremendously...





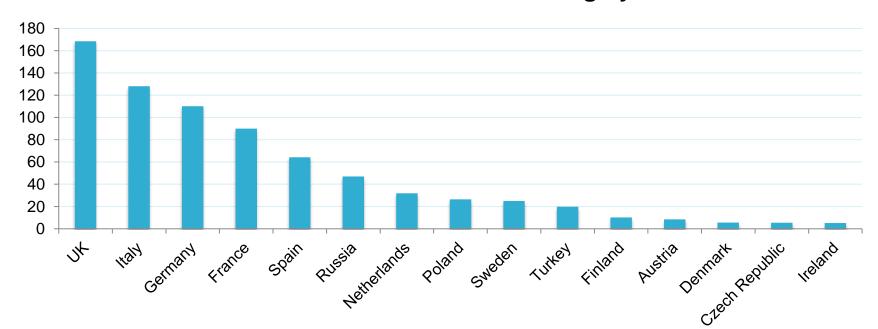




...and so do absolute video market sizes



2012: size of online video advertising by market

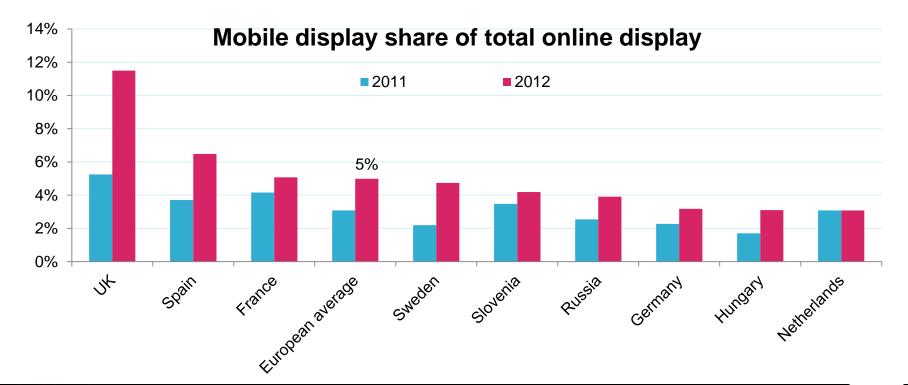






Mobile revenues are becoming significant, but are still lagging behind consumption





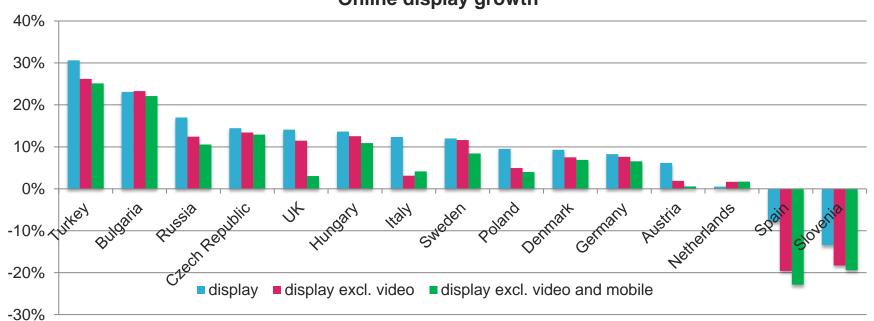




Role of video & mobile as drivers becomes apparent if factoring them out of display





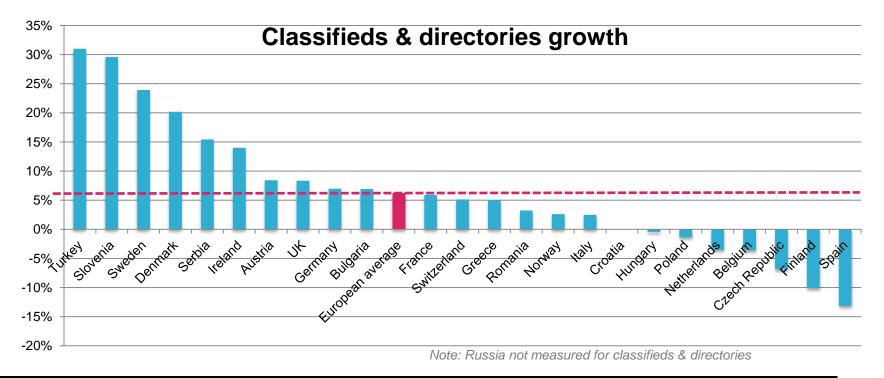






Classifieds & Directories sees group of countries with strong positive outliers above average rate



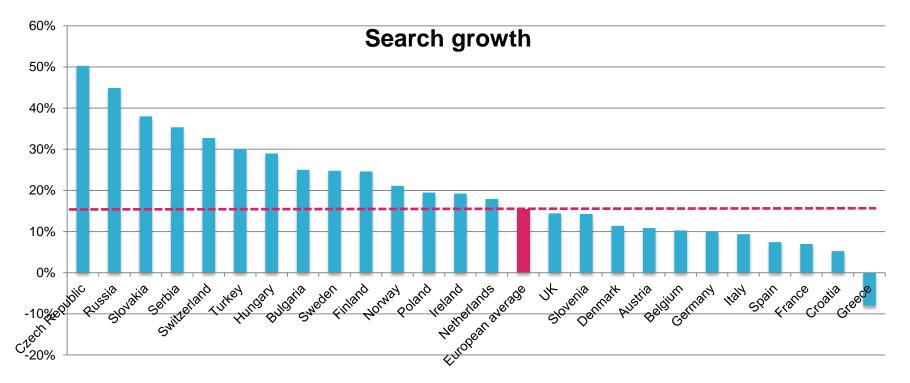






Majority of markets outperform average search growth, largest search market just shy of average











OUTLOOK

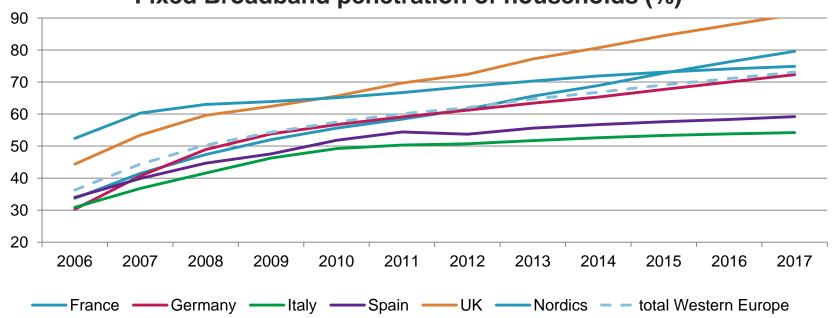




What may the future hold? Addressable market is not only growing in mobile, but fixed-line as well...







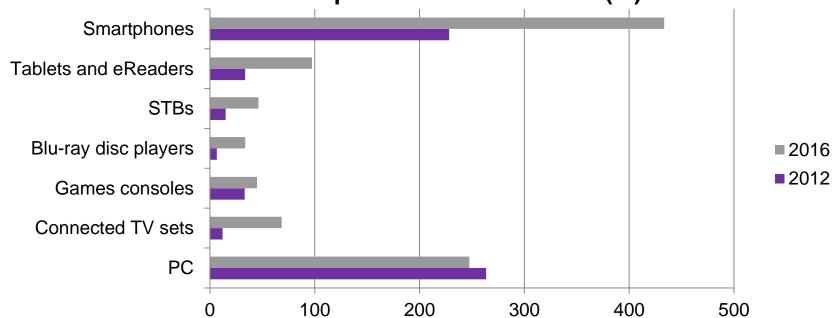




...yet the emerging multi-device landscape creates new opportunities











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Thank you!
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