

IAB Adex Benchmark 2012

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INTERACT
BARCELONA
2013

#INTERACT13

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ABOUT THE STUDY

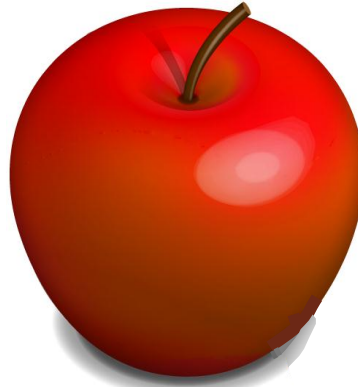
A meta-analysis of online ad spend in Europe

GROSS



Revenue Billed

NET



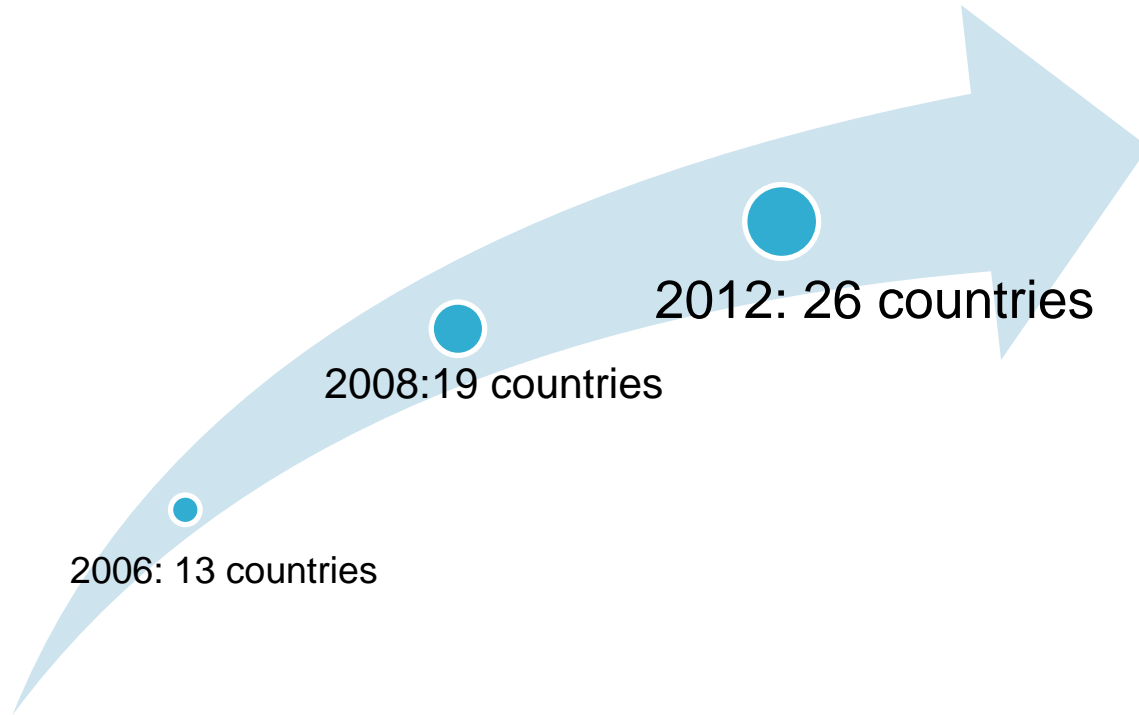
Revenue Billed
No Agency commissions

RATECARD



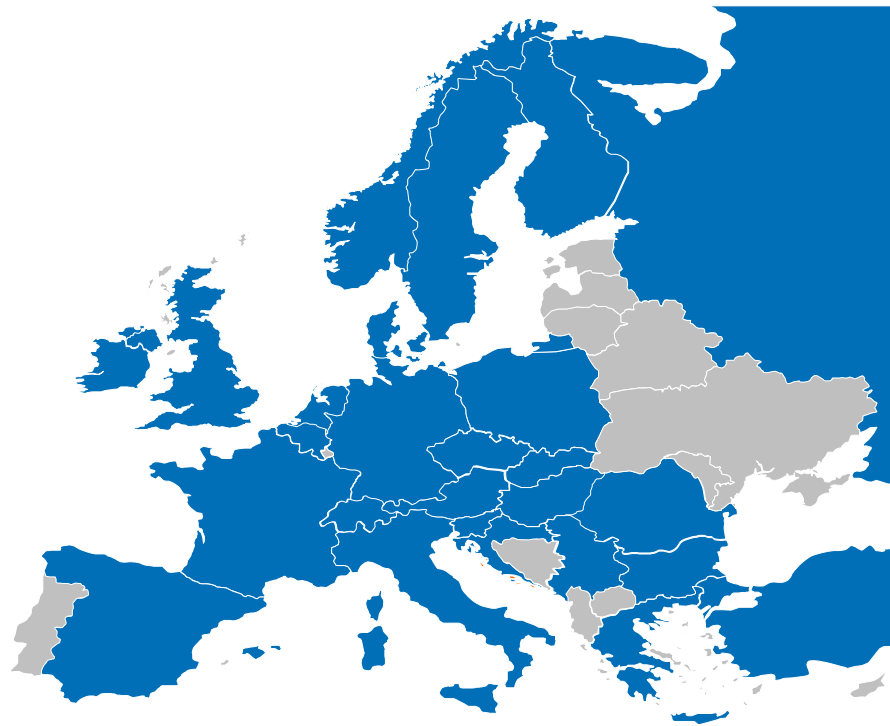
Campaigns x
Ratecard

Horizontal expansion: country coverage

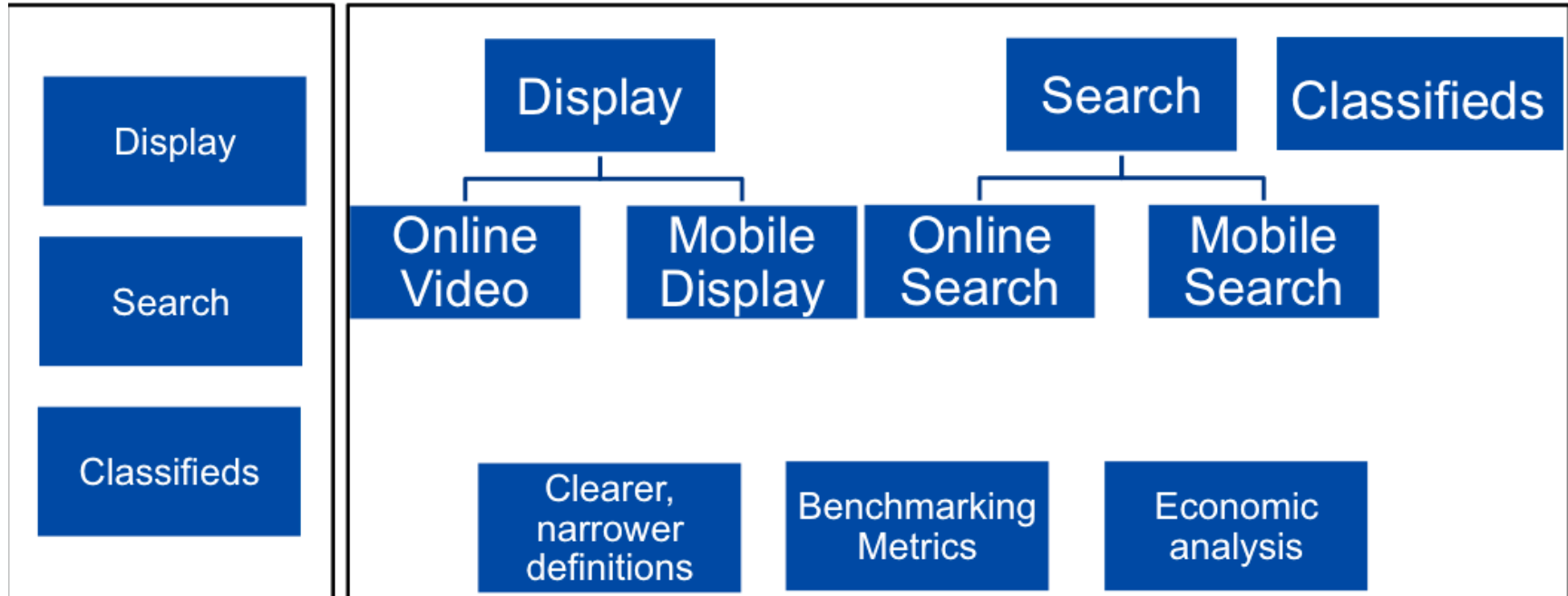


26 countries in 2012

- 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



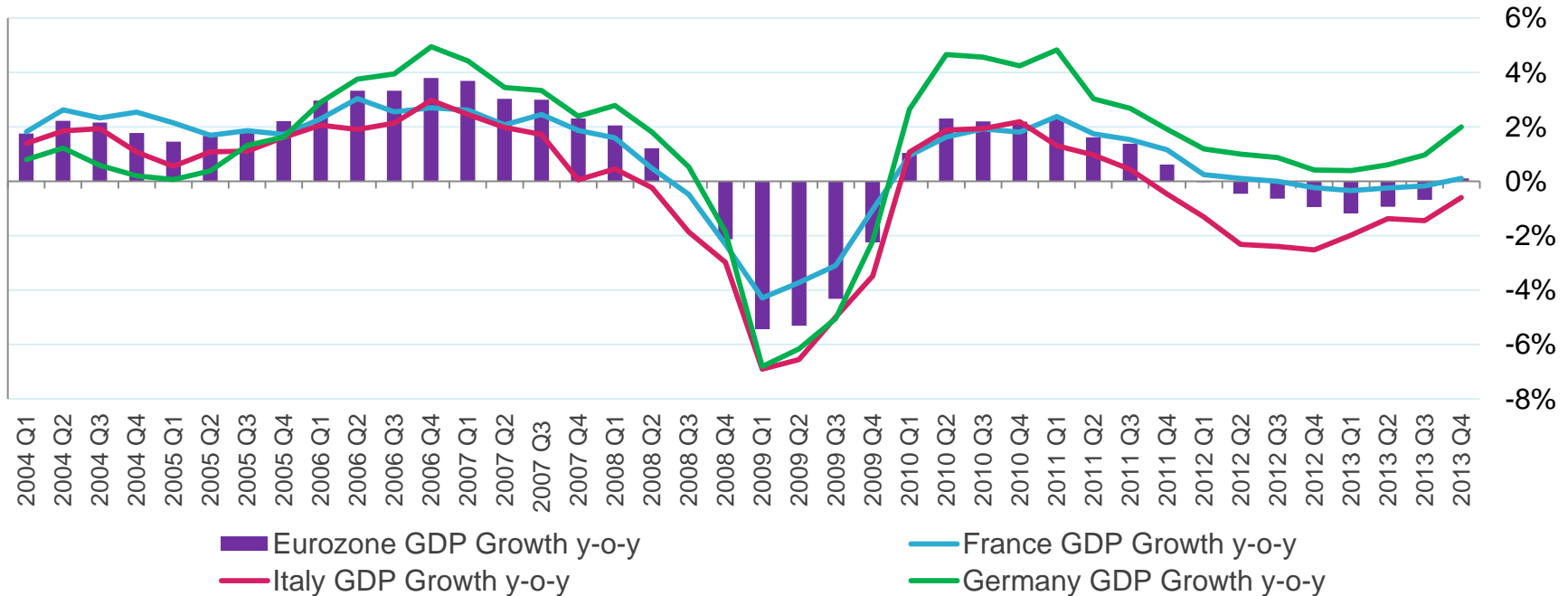
BIG PICTURE & CONTEXT

The value of the European online ad market 2012

€24.3bn

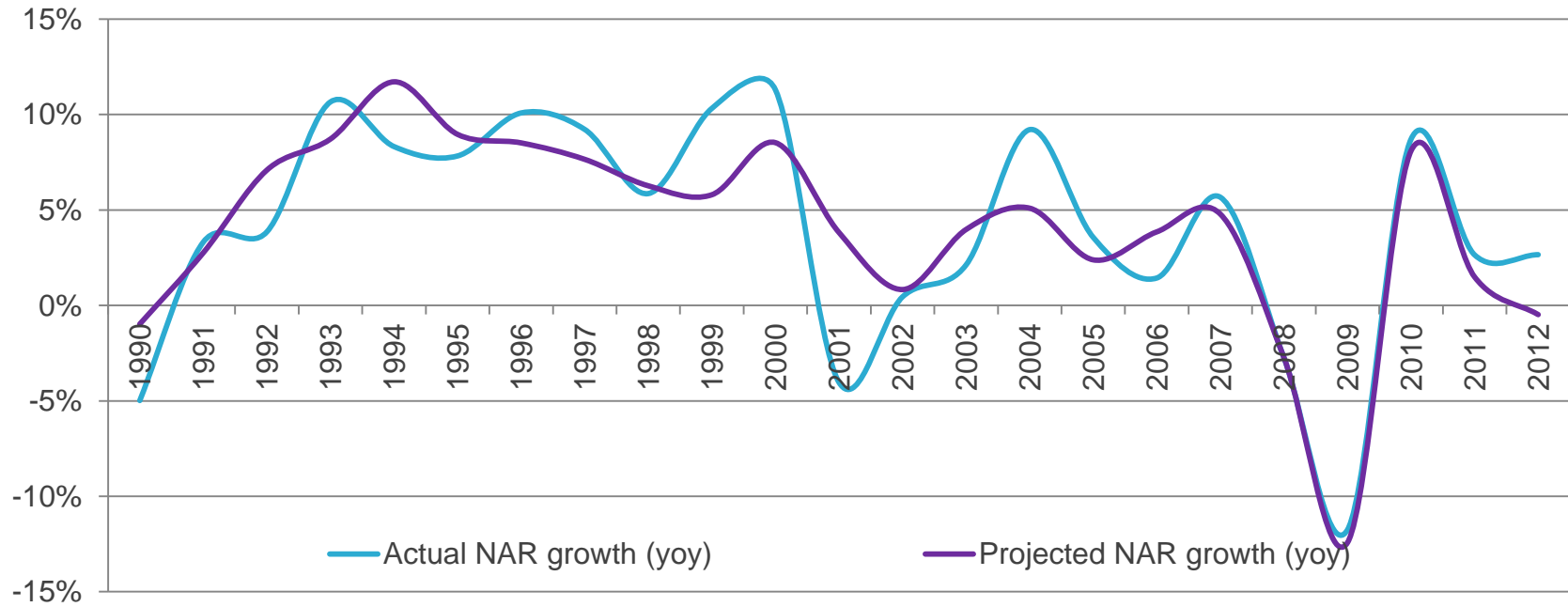
Eurozone volatility casts spell on media economy...

GDP growth in Europe



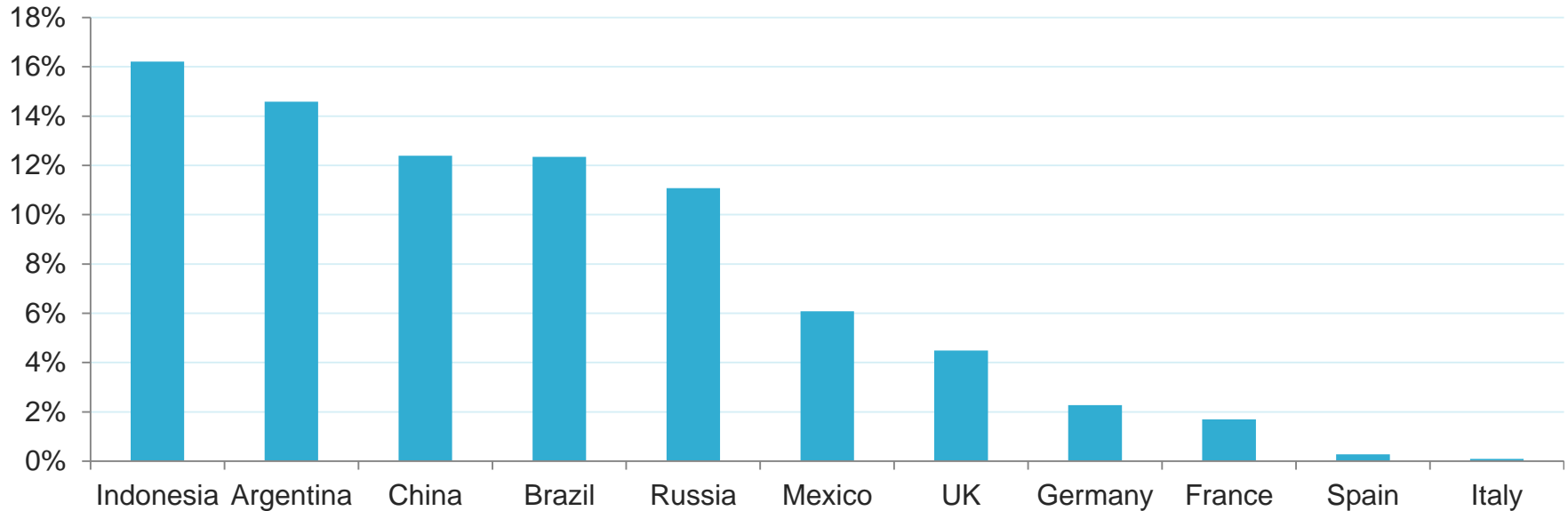
...industrial production & household consumption are good indicators for advertising market prospects...

UK advertising revenue growth



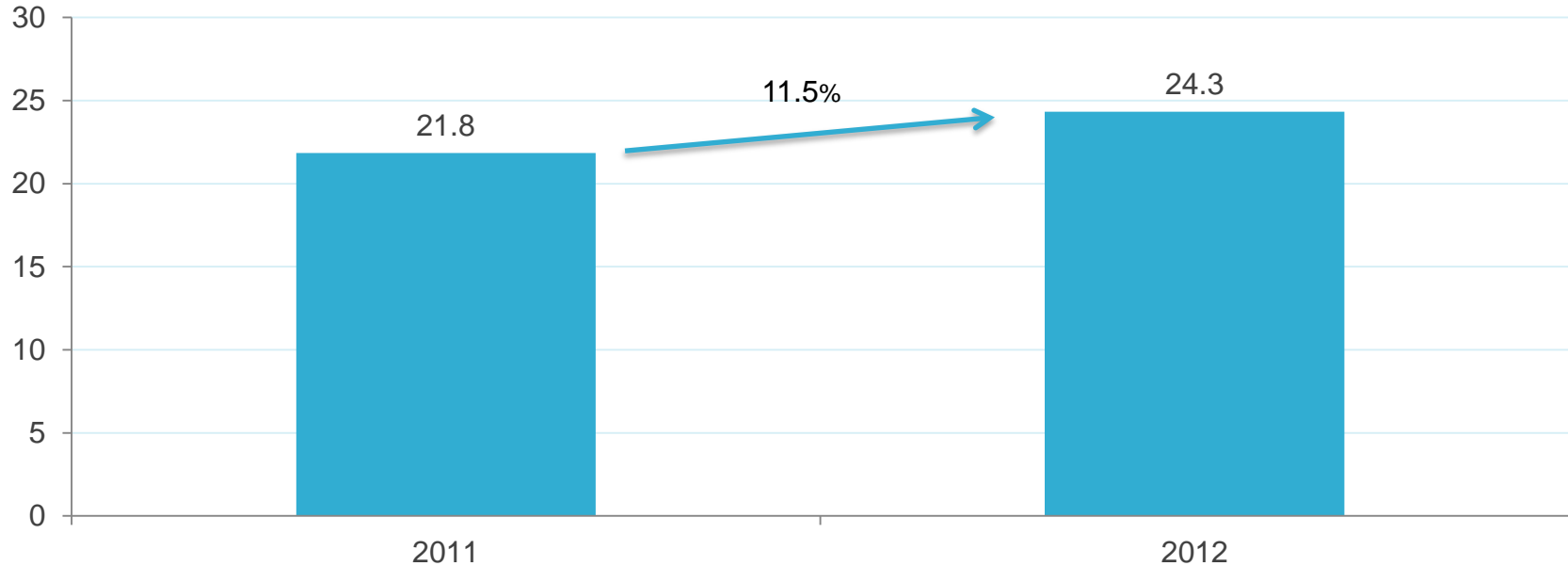
...tectonic shifts are characterizing ad markets...

CAGR of Total Media Ad Revenue (2011-2017)



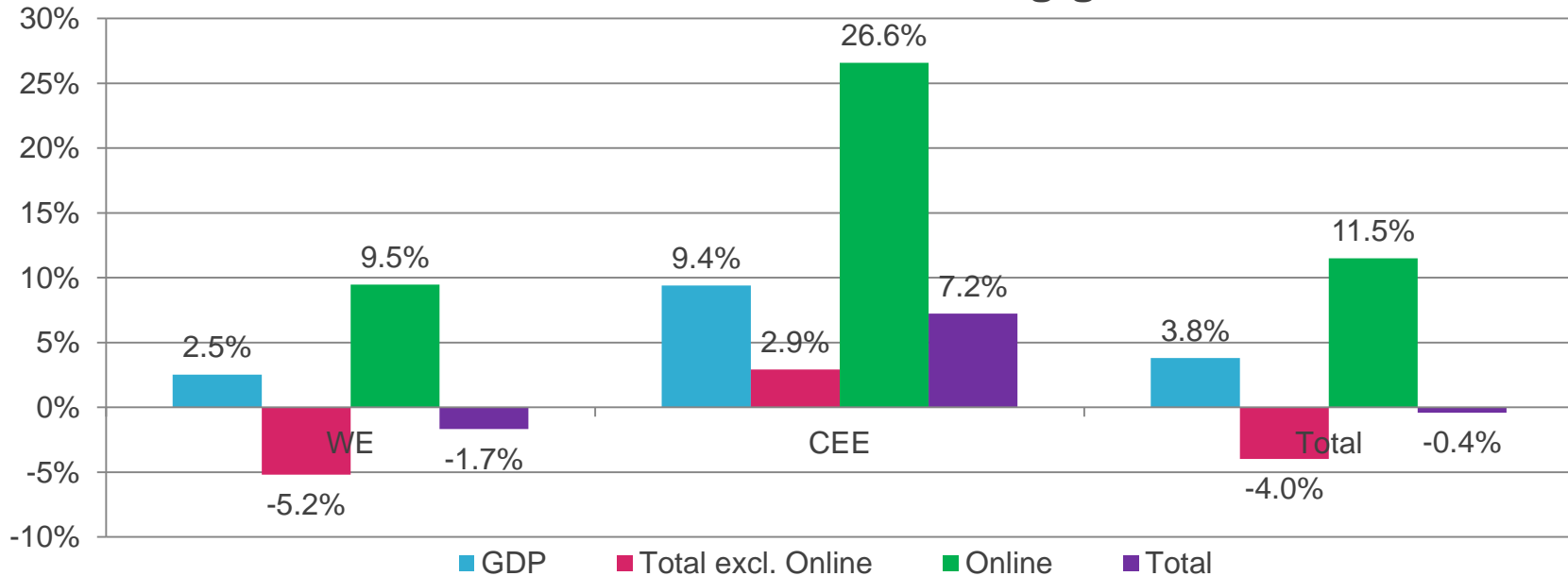
...but European online ad growth continues at a double-digit rate

Total online advertising (€bn)



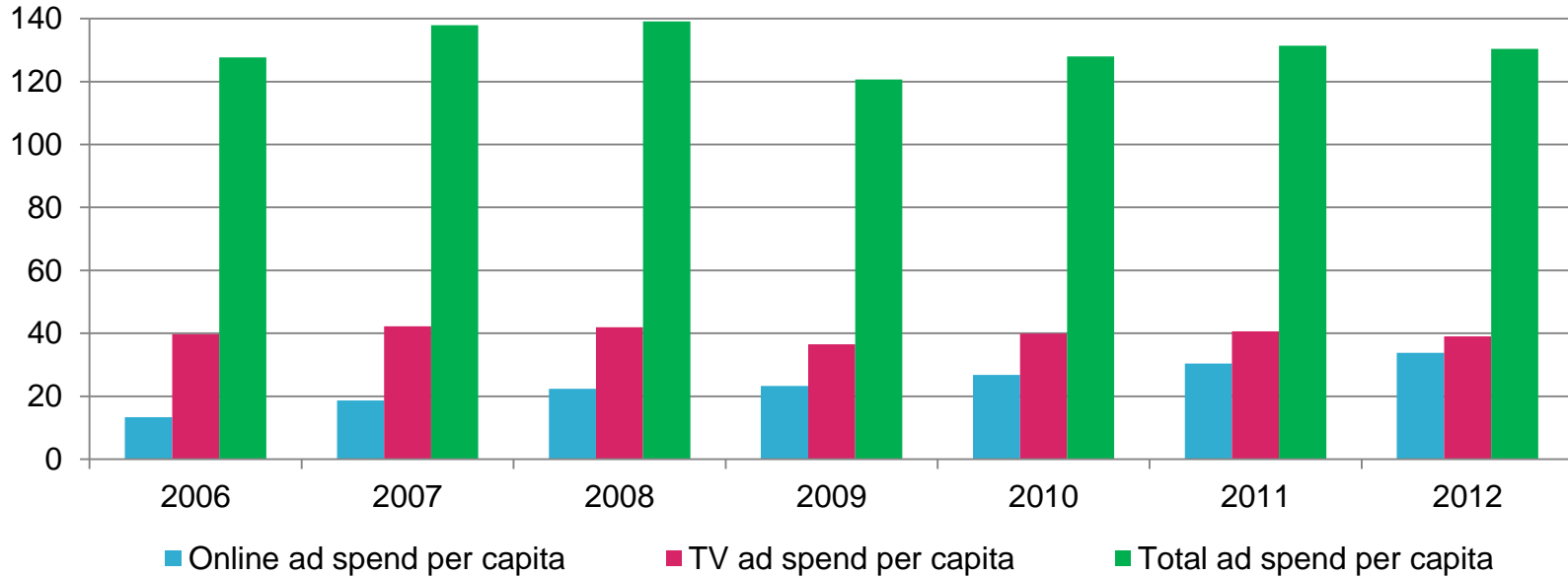
Indeed, online is more resilient to macro-pressure than other media

2012: economic & advertising growth

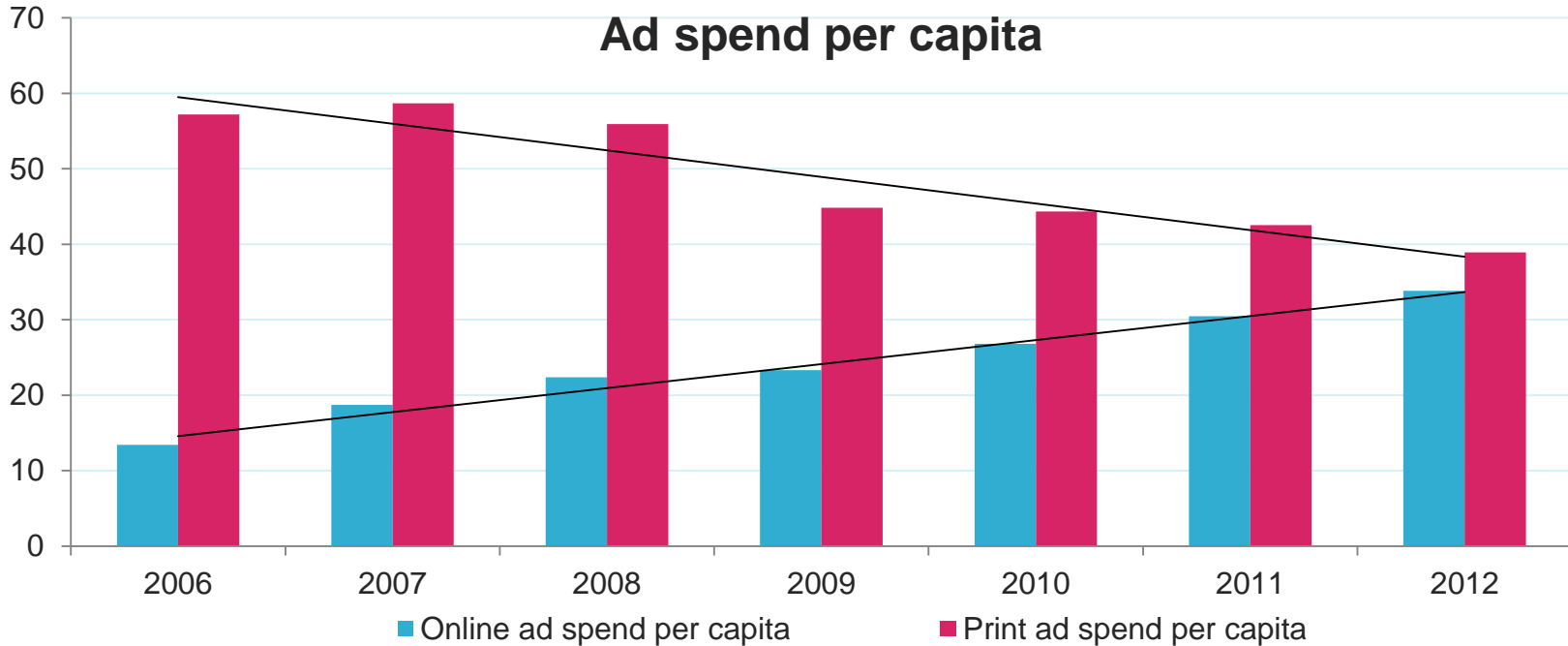


Overall ad spend shows volatility, TV is resilient, online shows linear growth trajectory

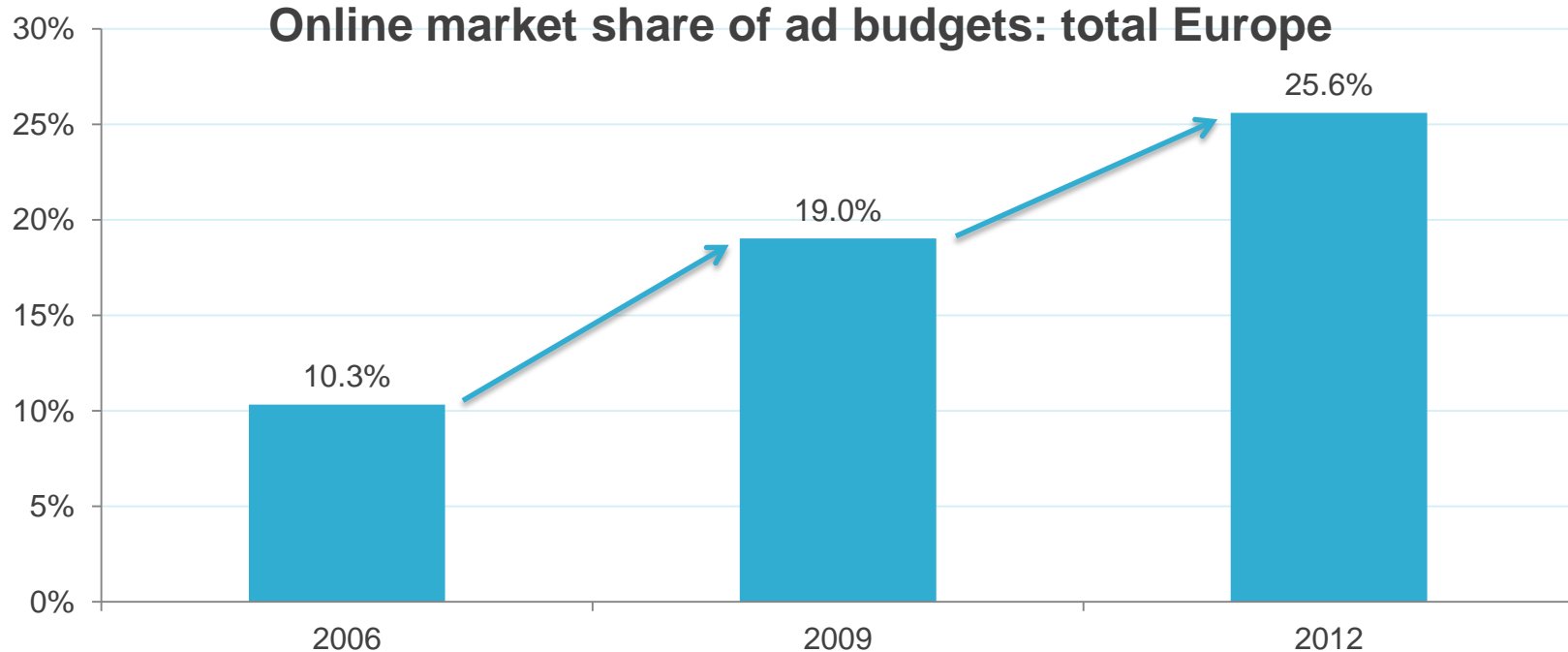
Ad spend per capita by medium



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

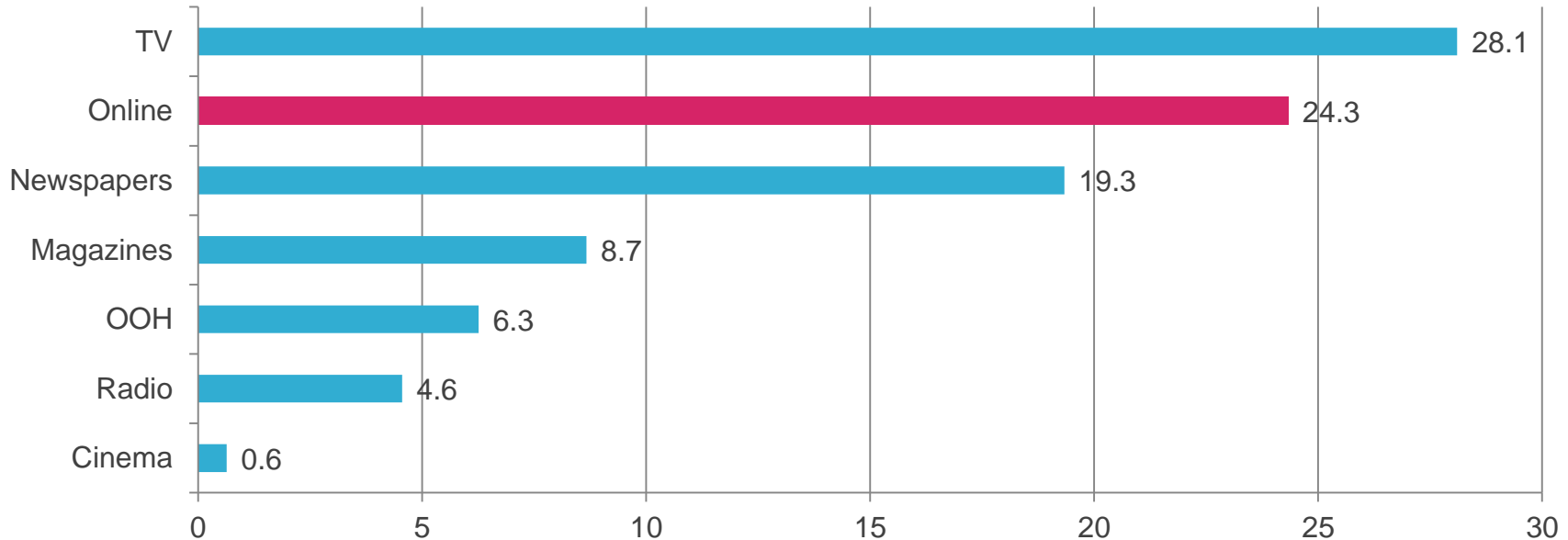


In 6 years online more than doubled its share of all media revenue: 1 in 4 ad €s go to online in 2012



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

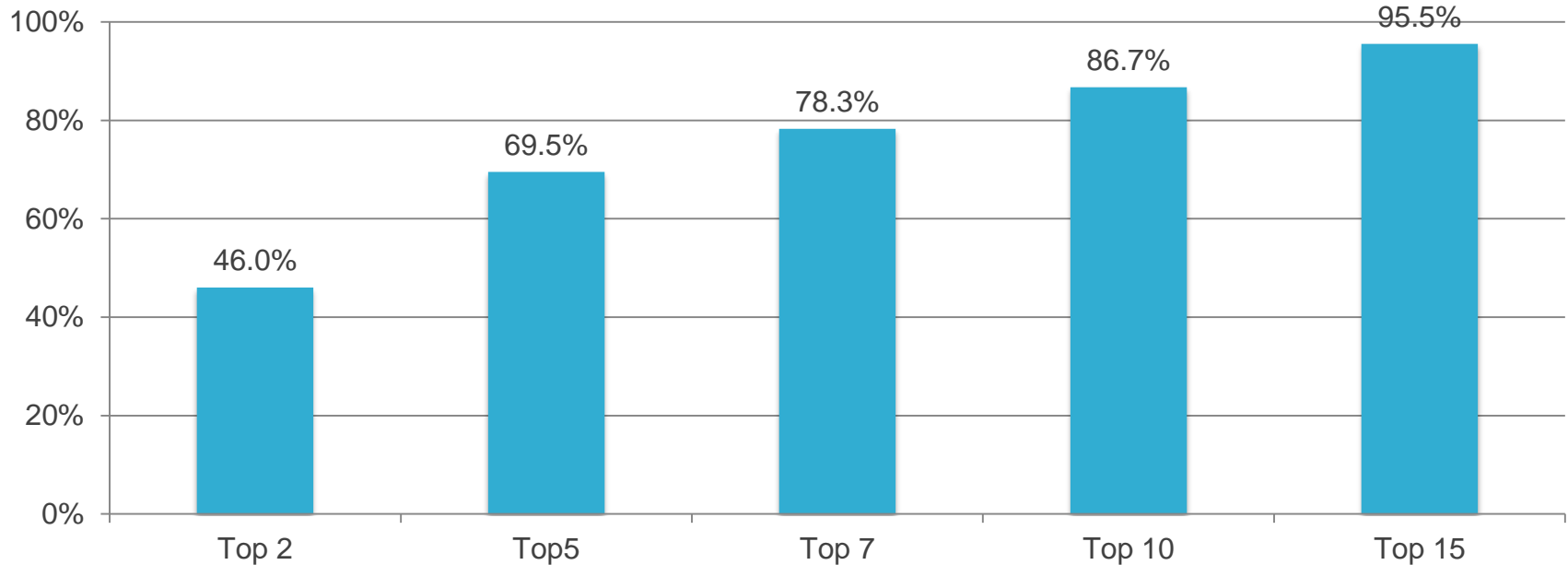
2012: European advertising market share by medium



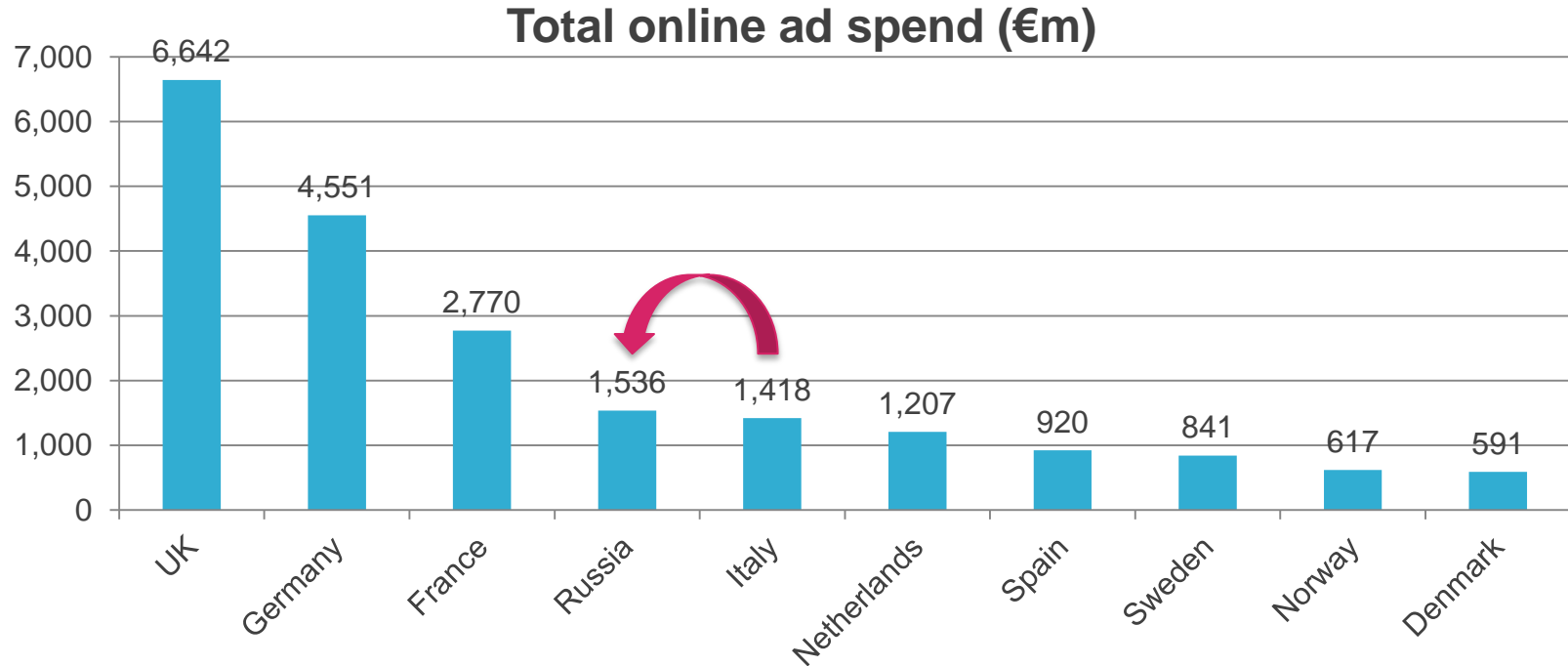
Note: Source for non-online ad revenue is IHS. Print ad spend excludes direct mail.

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

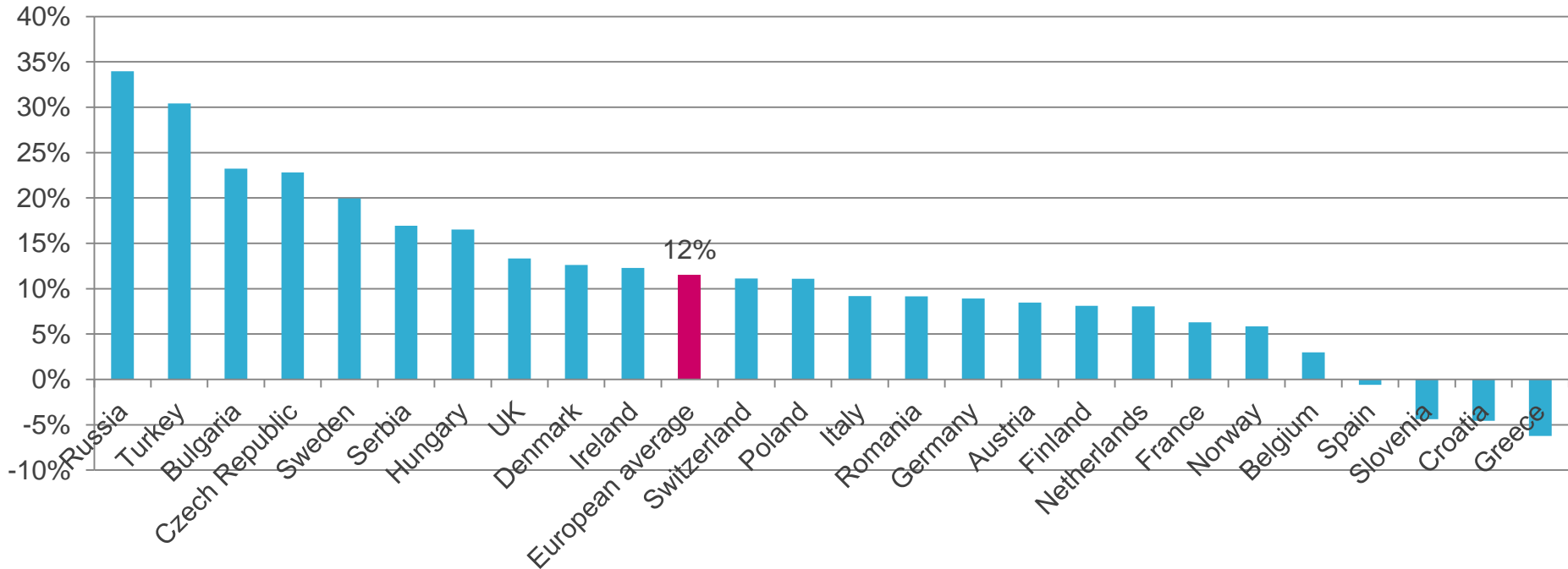


What is driving growth?

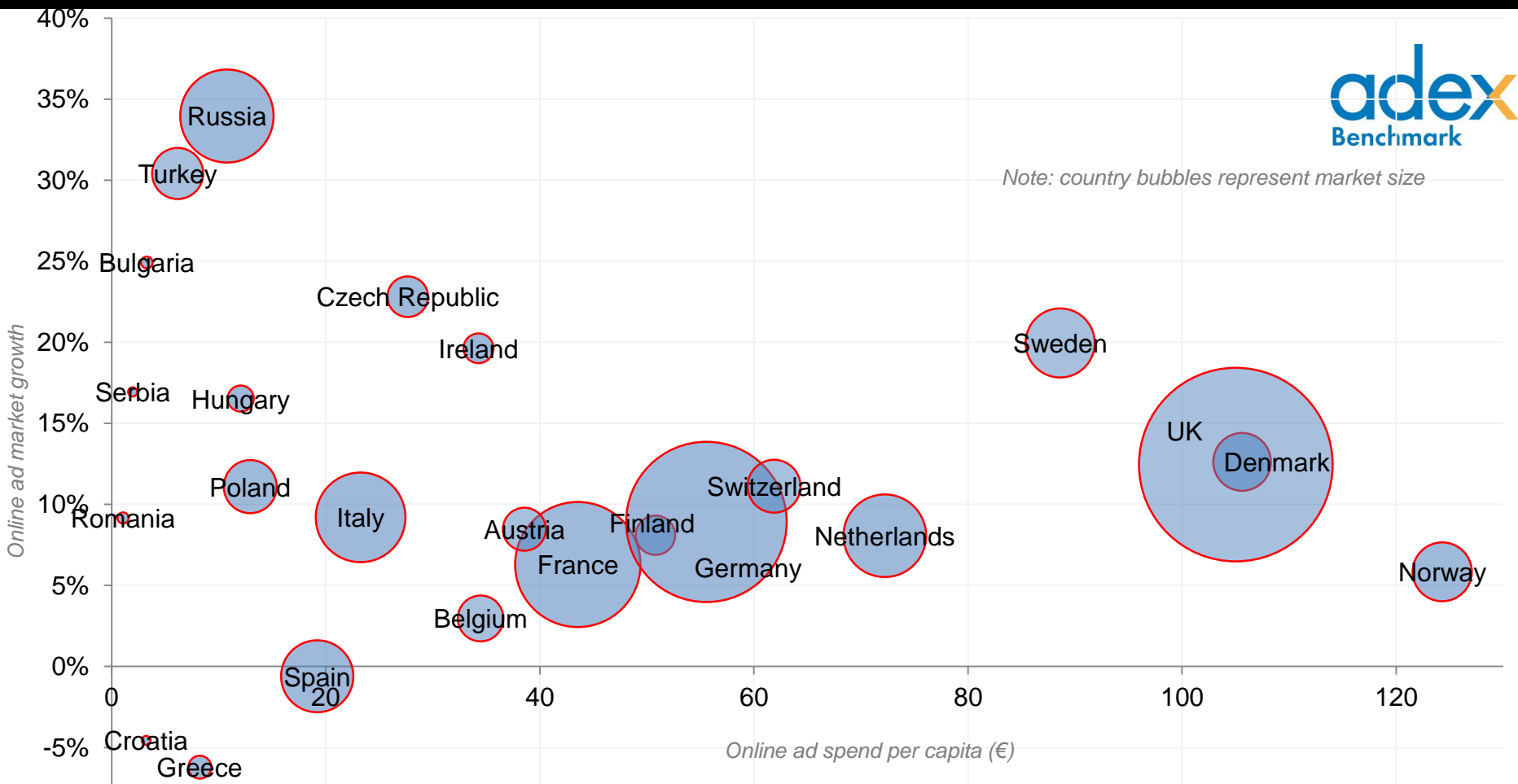
- Both emerging markets growing from low basis and established markets that demonstrate sustainability of online ad momentum
- Video
- Mobile
- RTB has the potential to be a driver
- Social networking sites
- Europeanisation and consolidation of classifieds & directories
- Localisation & individualisation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

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

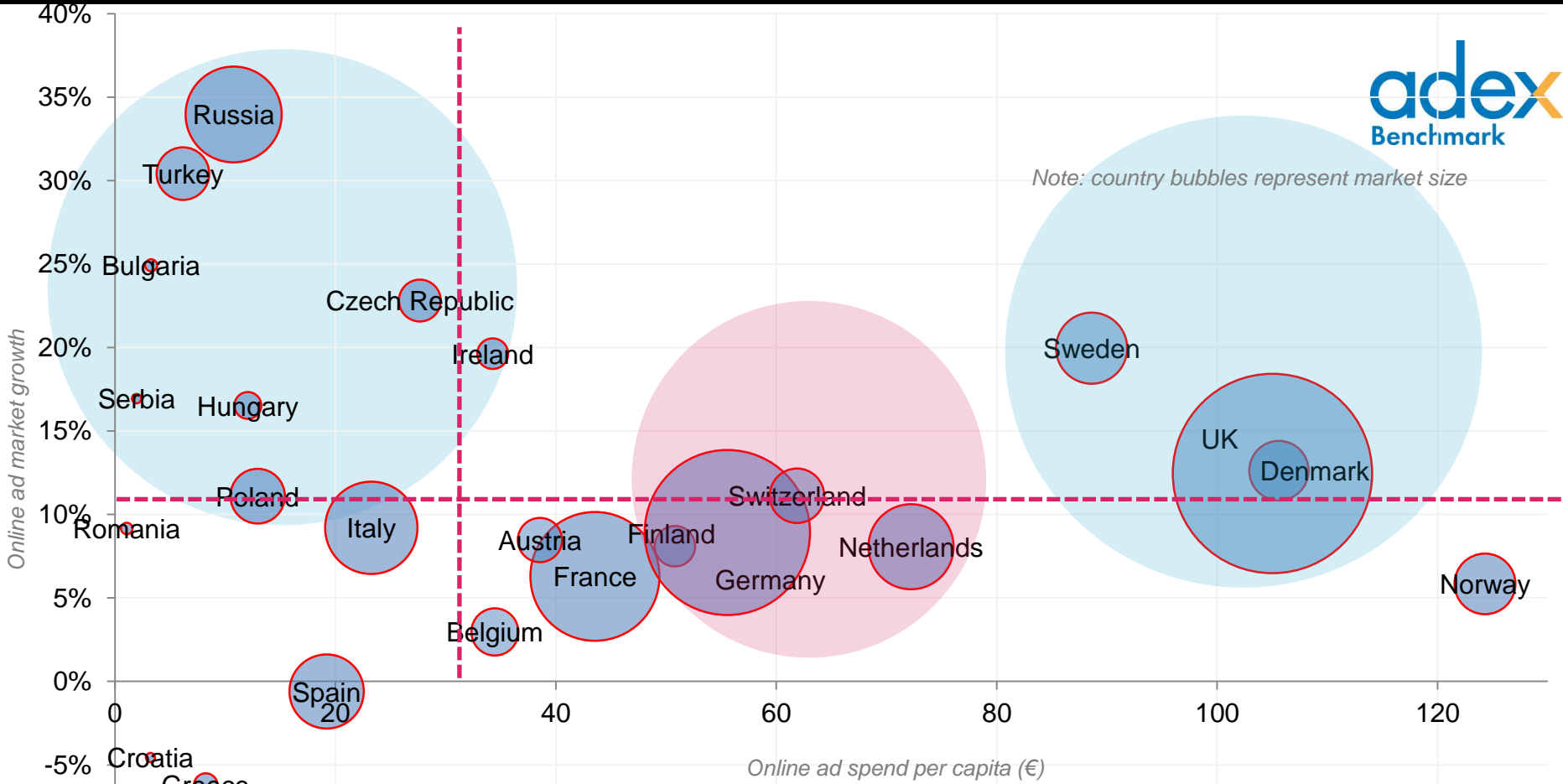
Online ad growth



Note: country bubbles represent market size

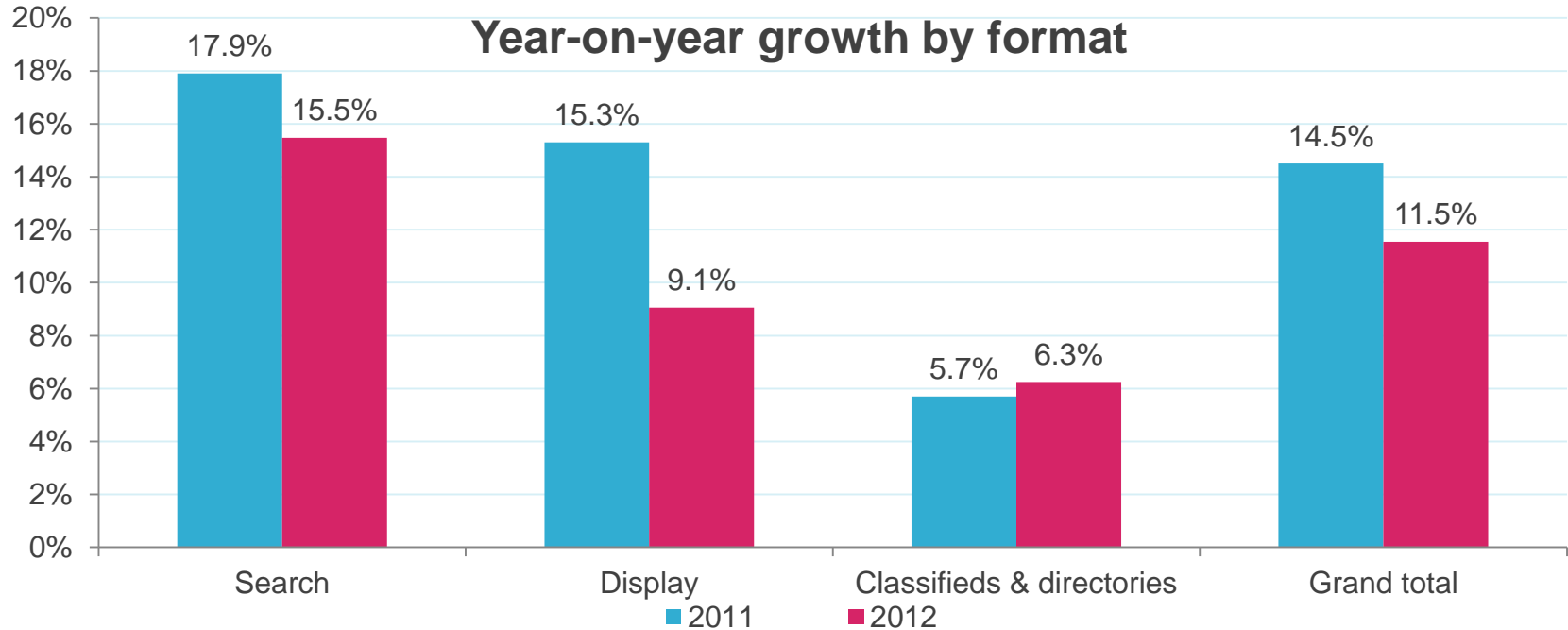


Note: country bubbles represent market size



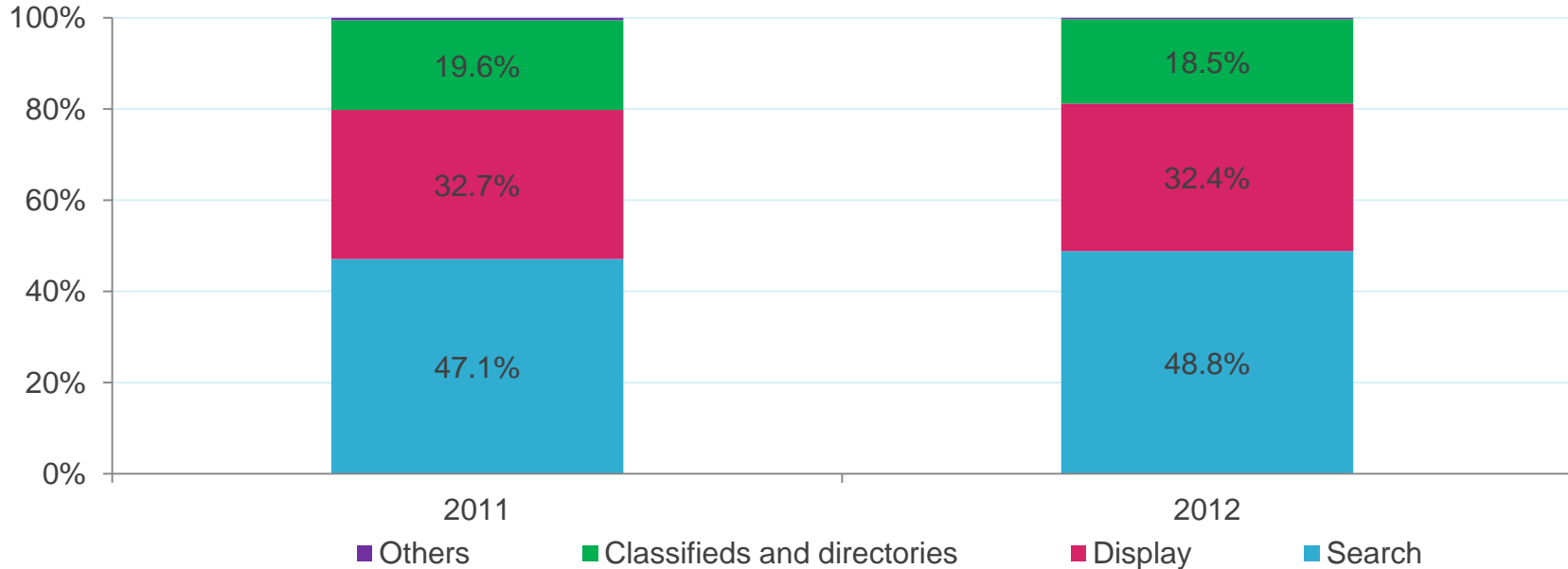
FORMATS

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

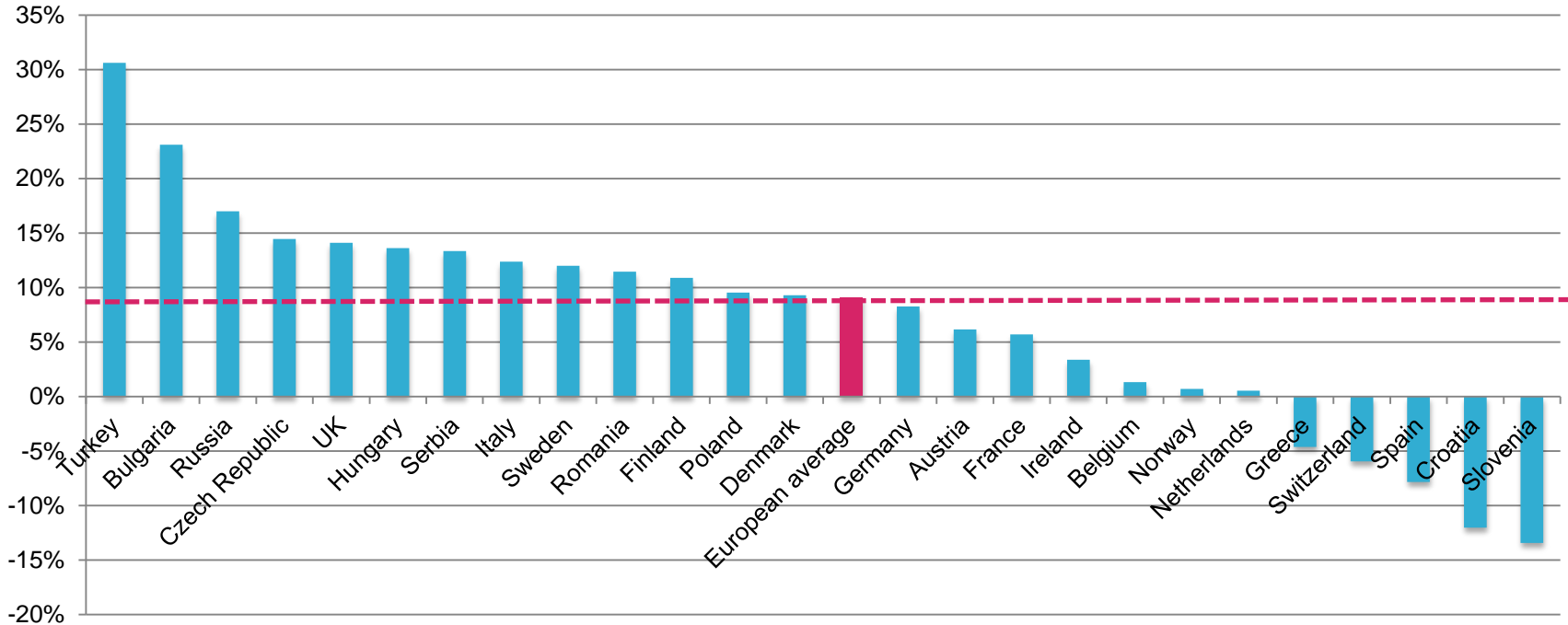


Search remains strongest segment in 2012

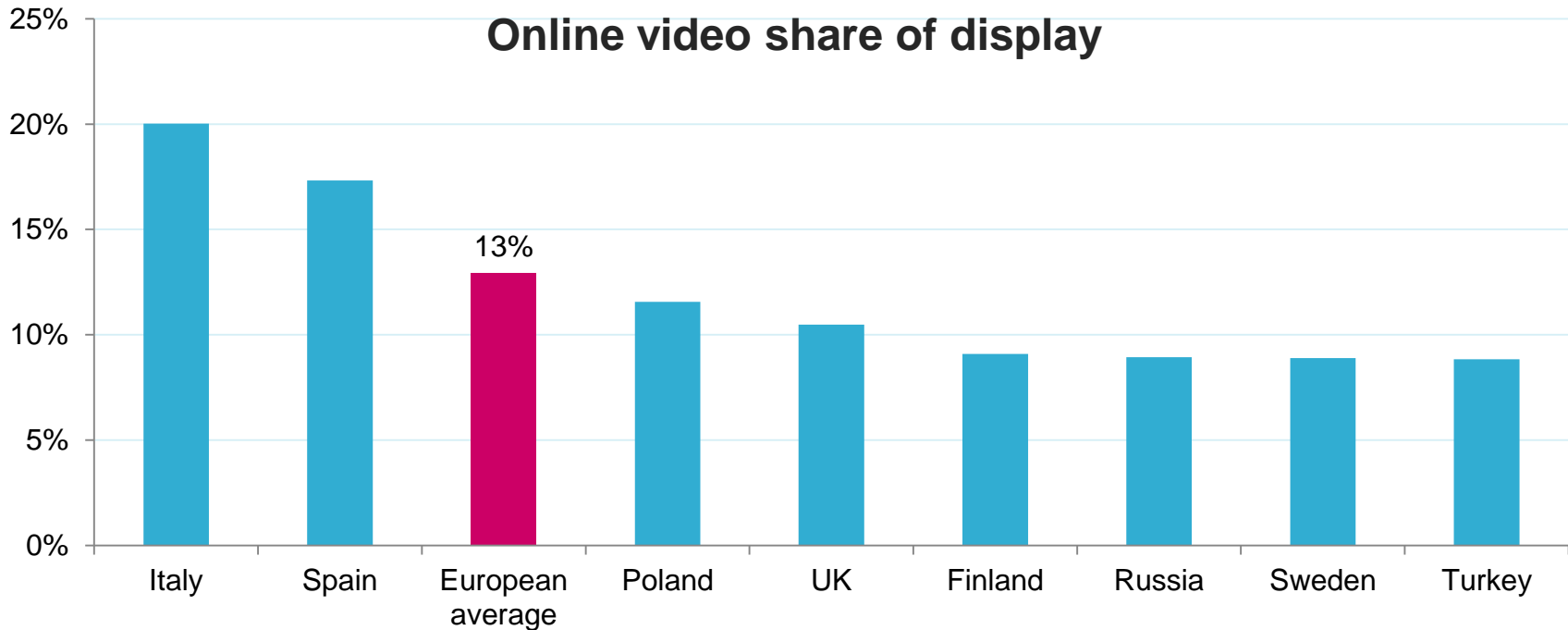
Format shares of online



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

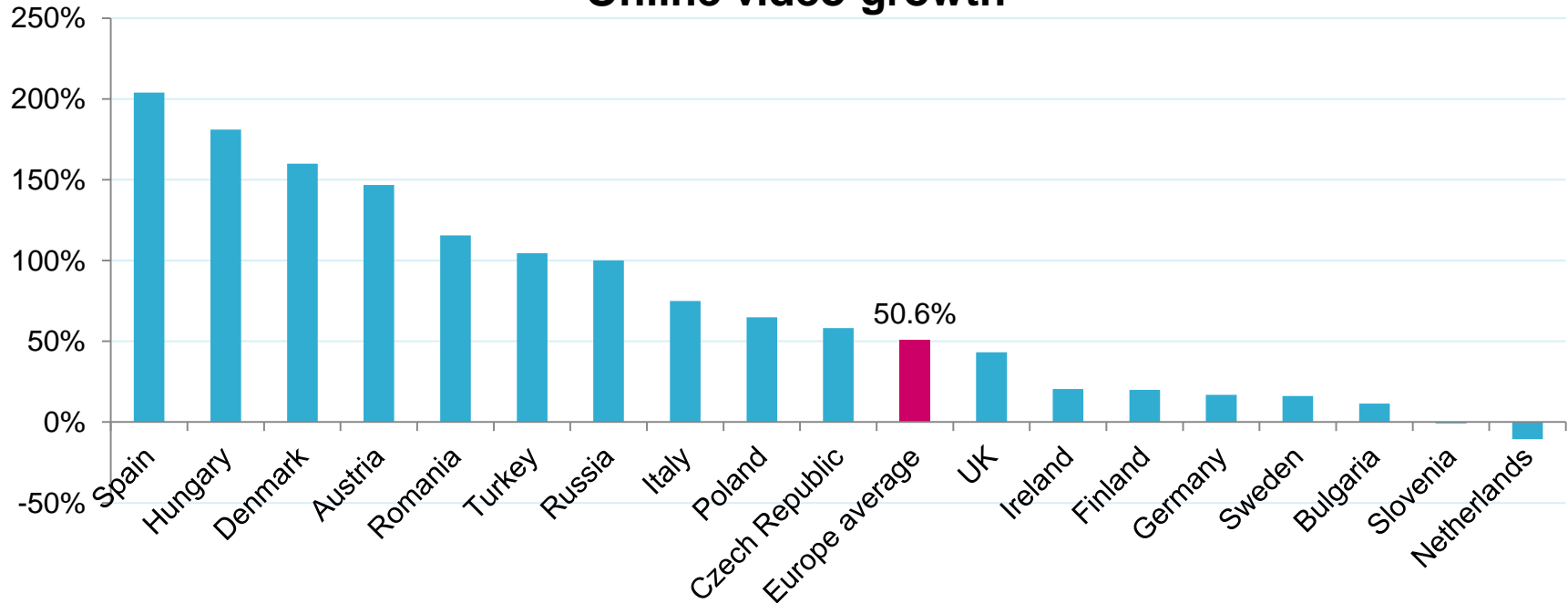


Online video is now 13% of all online display...



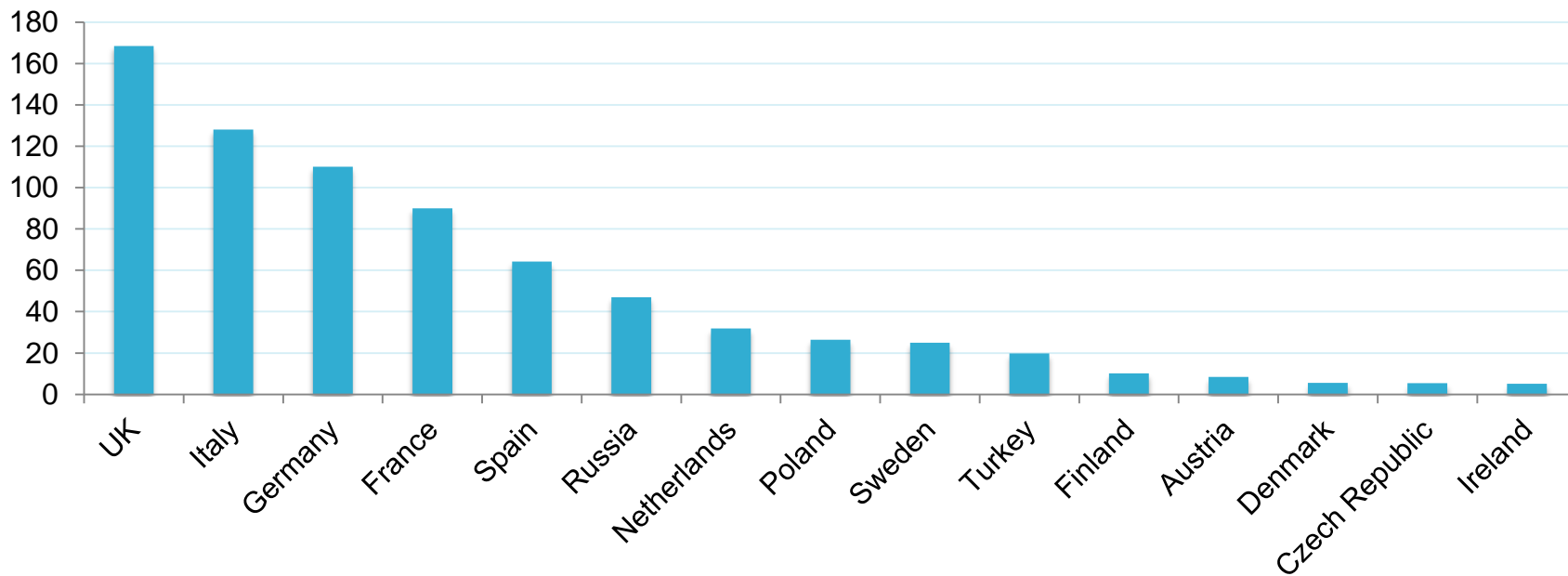
...but range of growth varies tremendously...

Online video growth

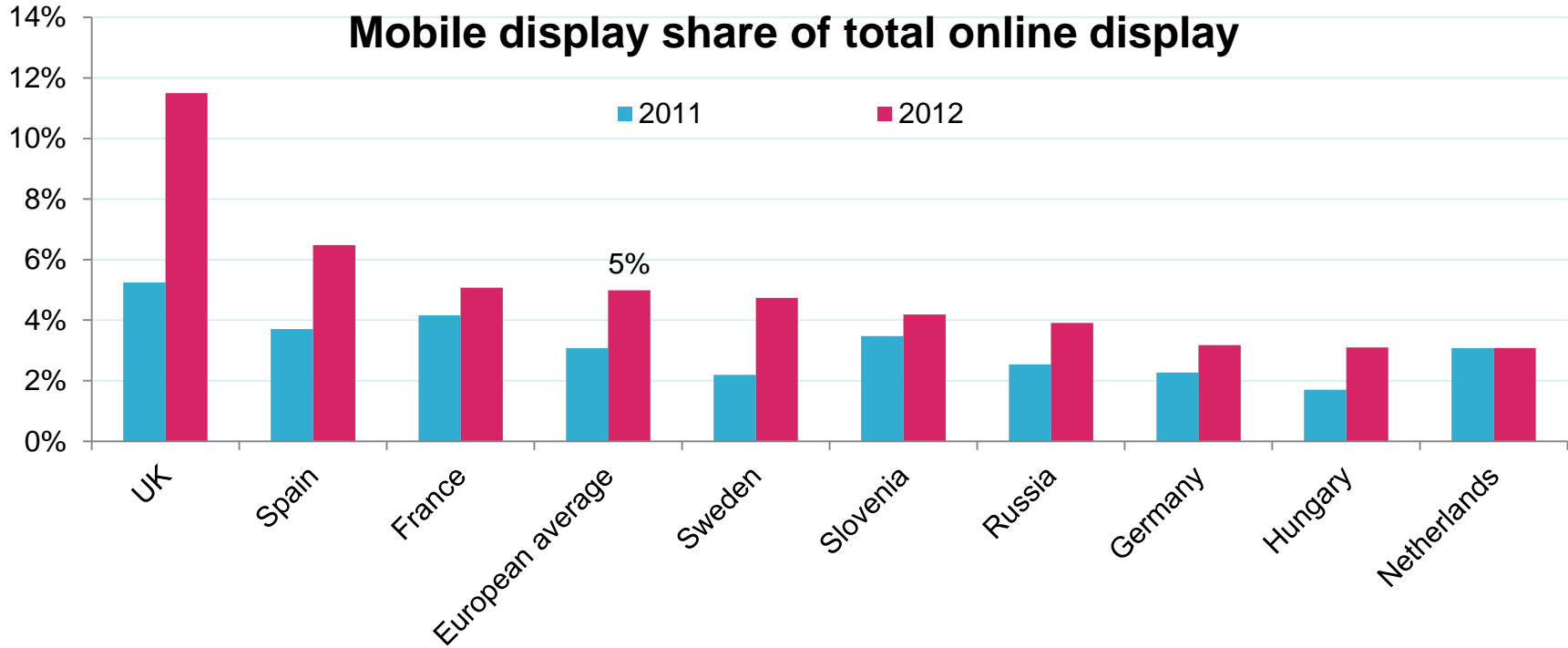


...and so do absolute video market sizes

2012: size of online video advertising by market

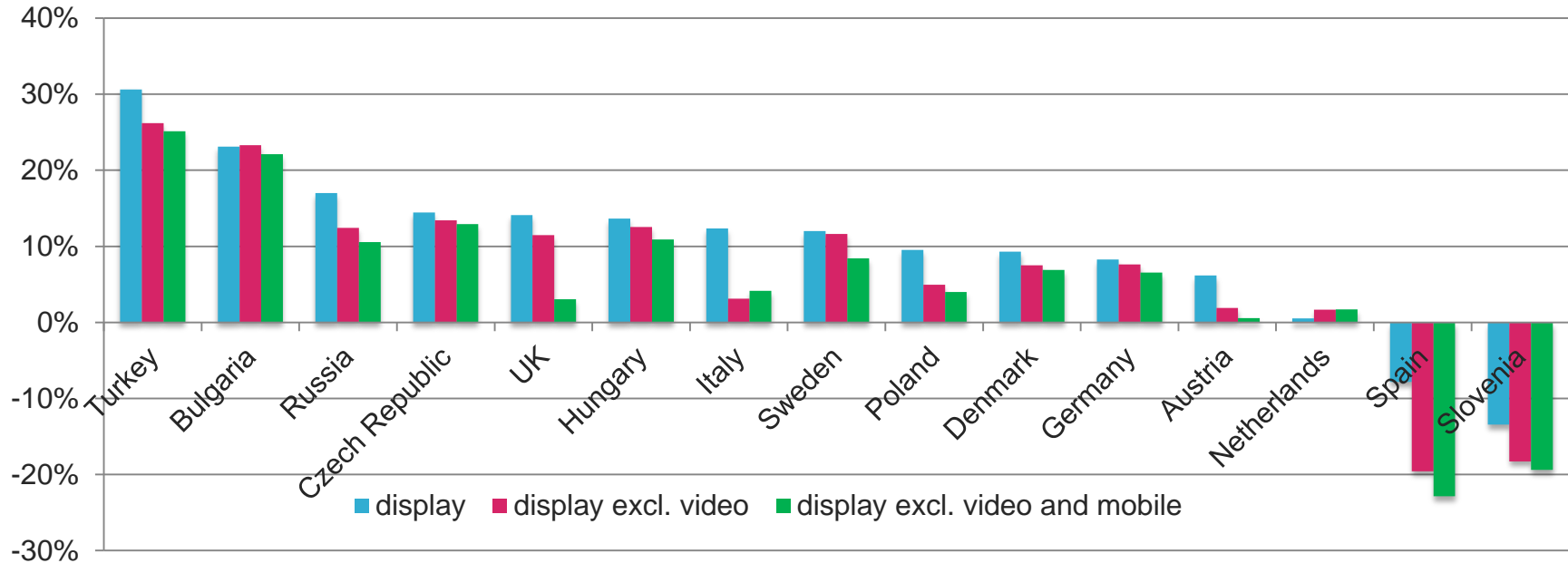


Mobile revenues are becoming significant, but are still lagging behind consumption

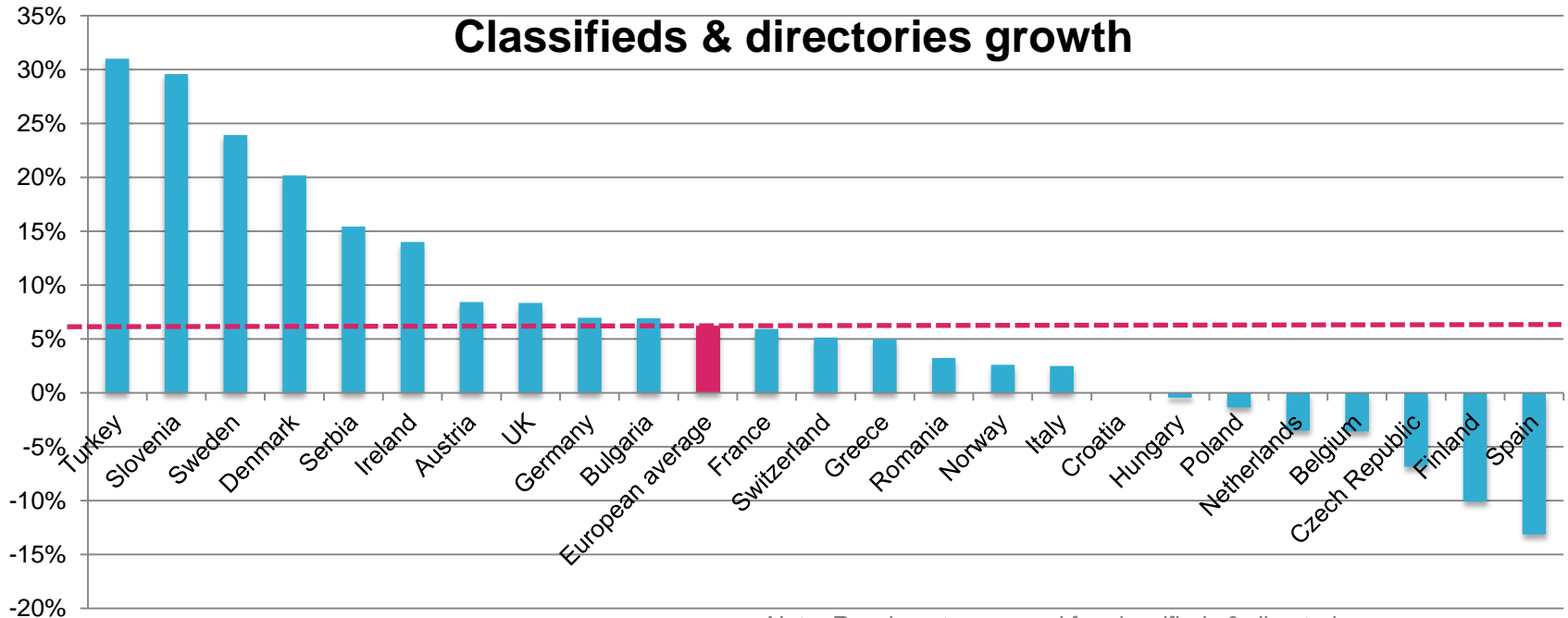


Role of video & mobile as drivers becomes apparent if factoring them out of display

Online display growth

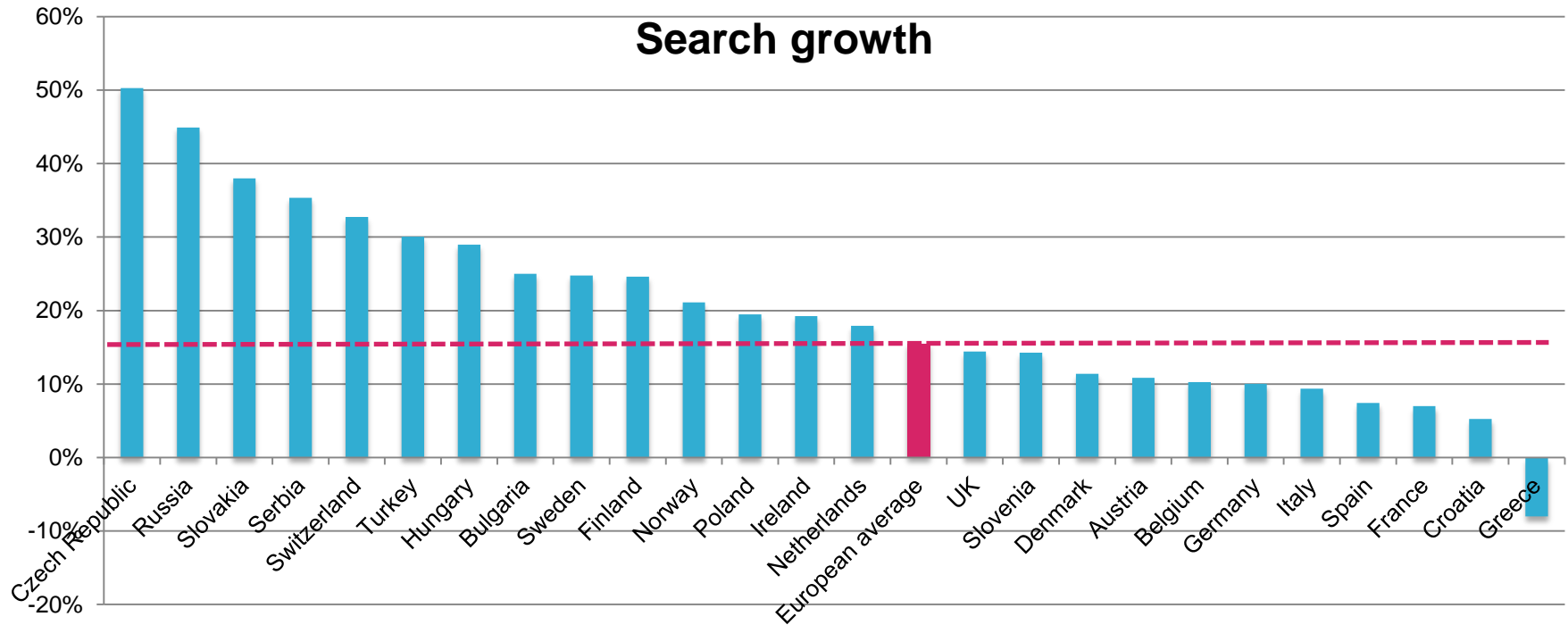


Classifieds & Directories sees group of countries with strong positive outliers above average rate



Note: Russia not measured for classifieds & directories

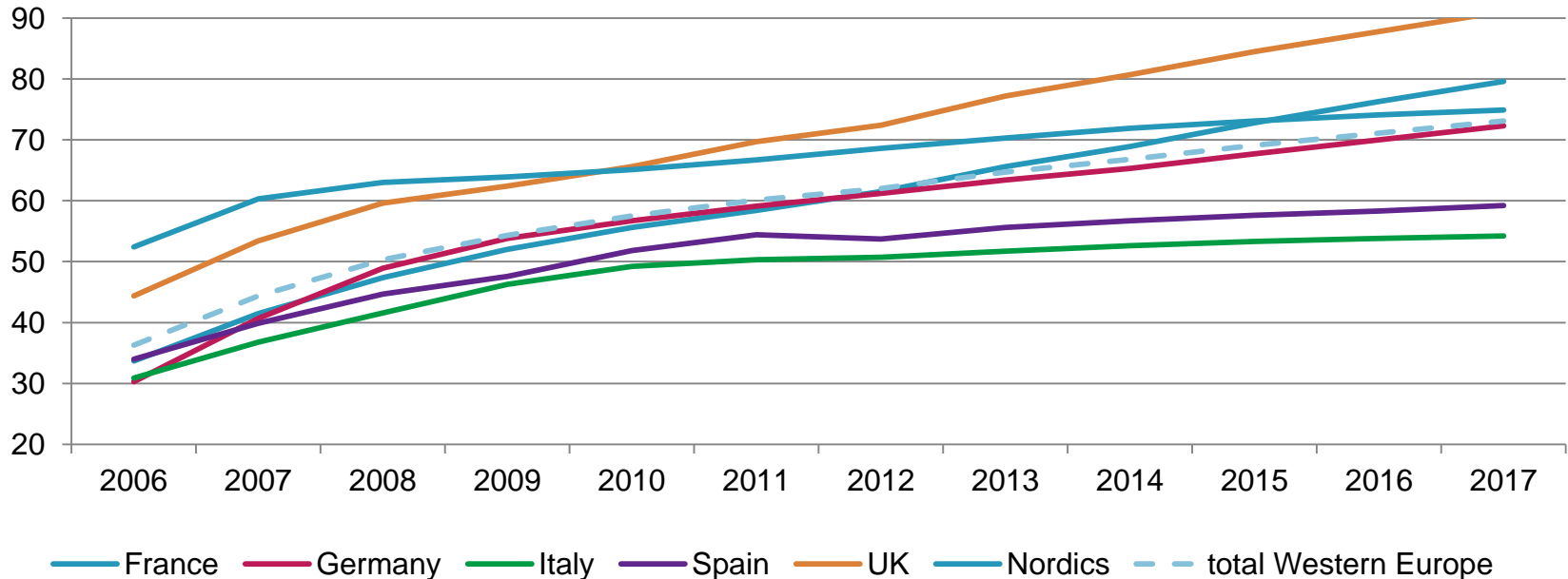
Majority of markets outperform average search growth, largest search market just shy of average



OUTLOOK

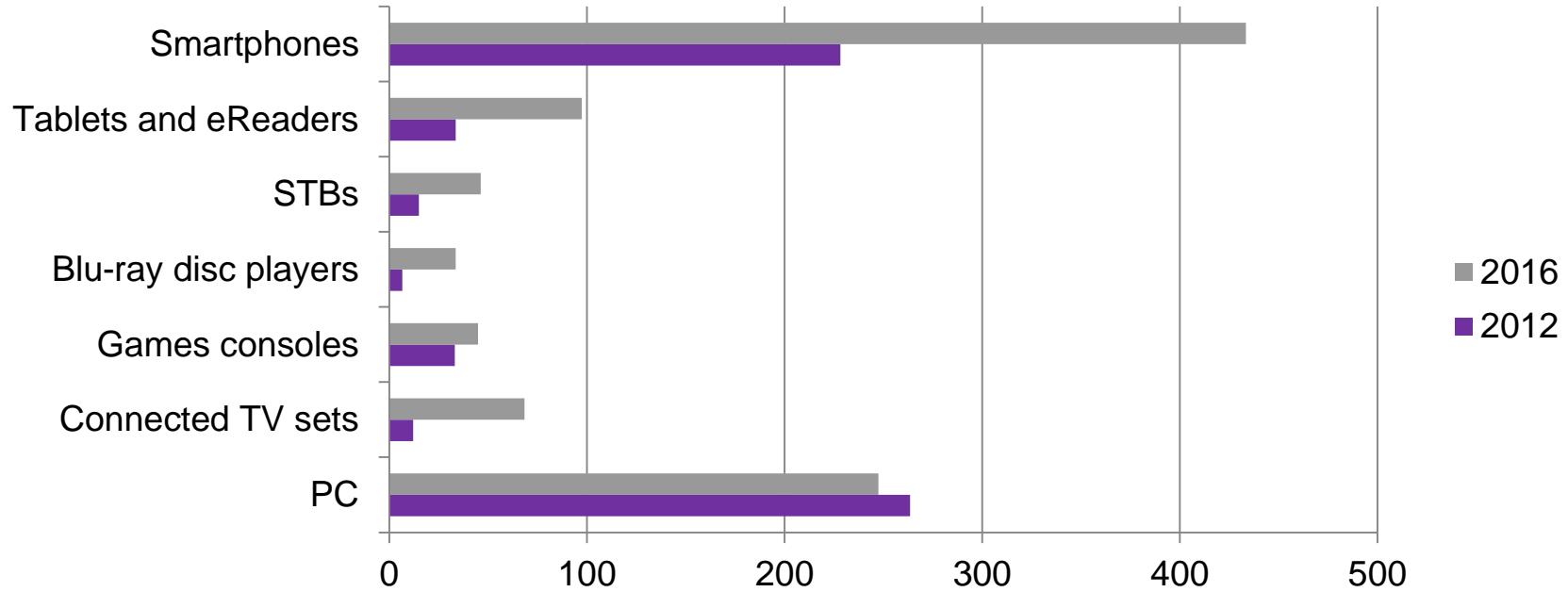
What may the future hold? Addressable market is not only growing in mobile, but fixed-line as well...

Fixed Broadband penetration of households (%)



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

Western Europe: Connected Devices (m)



Thank you!
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