IAB Europe AdEx Benchmark 2013

July 2014

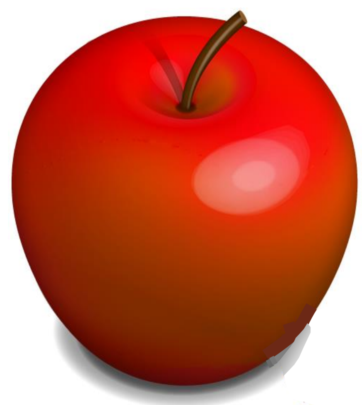
ABOUT THE STUDY

A meta-analysis of online ad spend in Europe

GROSS

Revenue Billed

NET



Revenue Billed
No Agency commissions

RATECARD

Campaigns x
Ratecard

Submissions from 26 European countries

- Austria
- Belgium
- Bulgaria
- Czech Republic
- Croatia
- Denmark
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Netherlands
- Norway
- Poland
- Russia
- Romania
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- UK

BIG PICTURE & CONTEXT

The value of online advertising in 2013

€27.3bn

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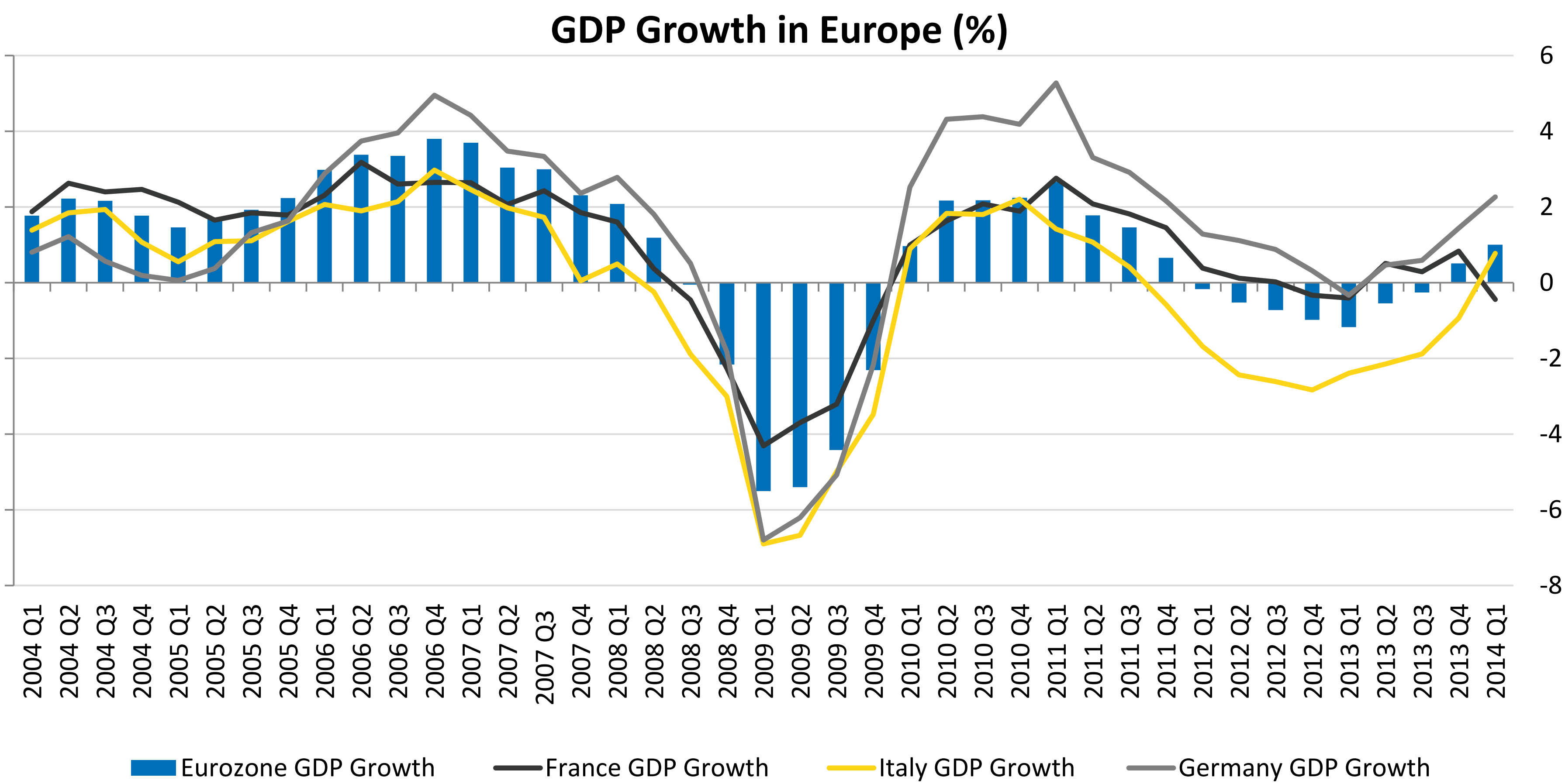
Eurozone economy is coming out of a double-dip recession



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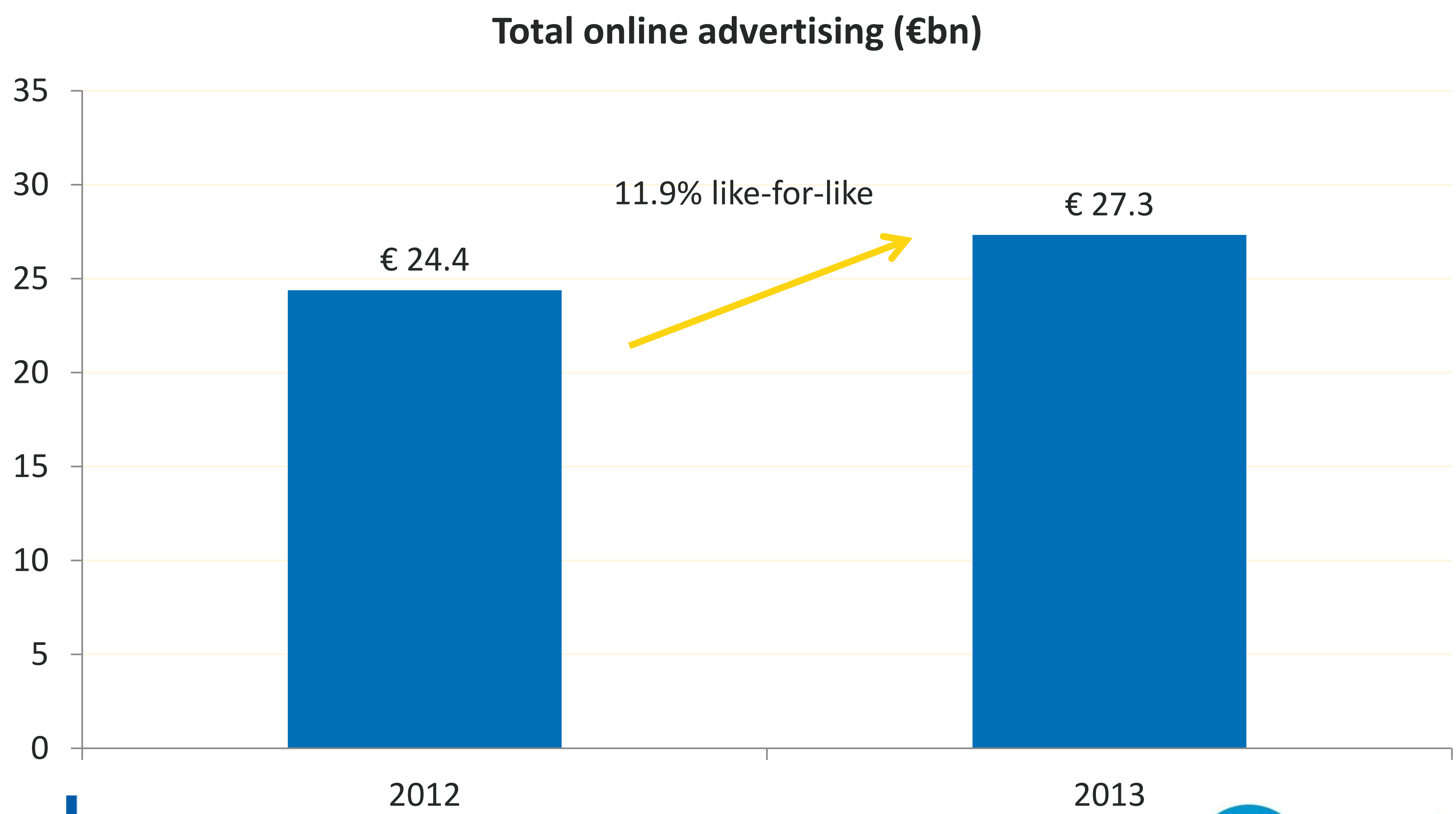
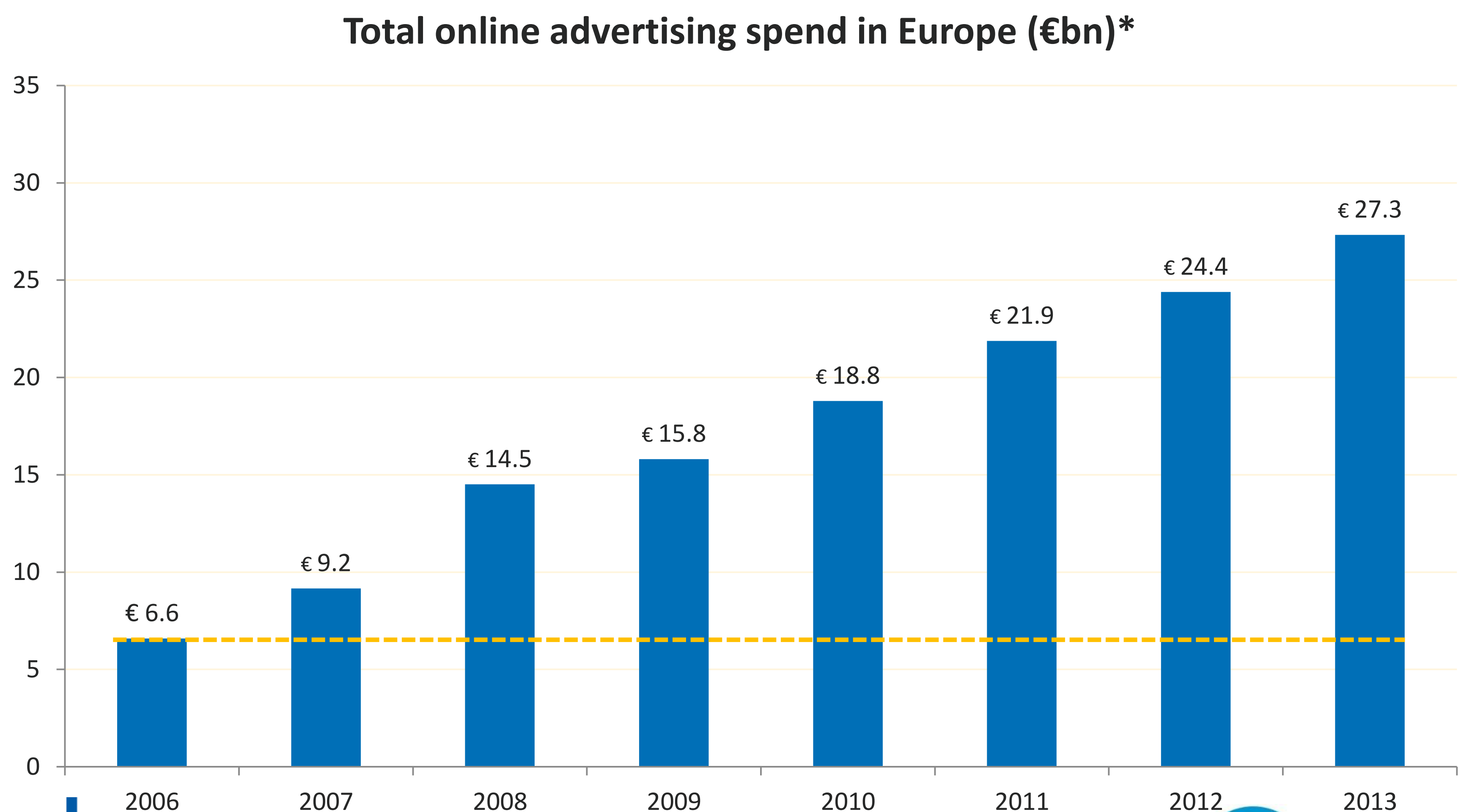
In a volatile market, online advertising is up double-digit



Online ad spend in Europe increased 4-fold since 2006



** Source: IAB Europe for 2011-2013; 2006-2011 retropolated based on IHS growth rates*

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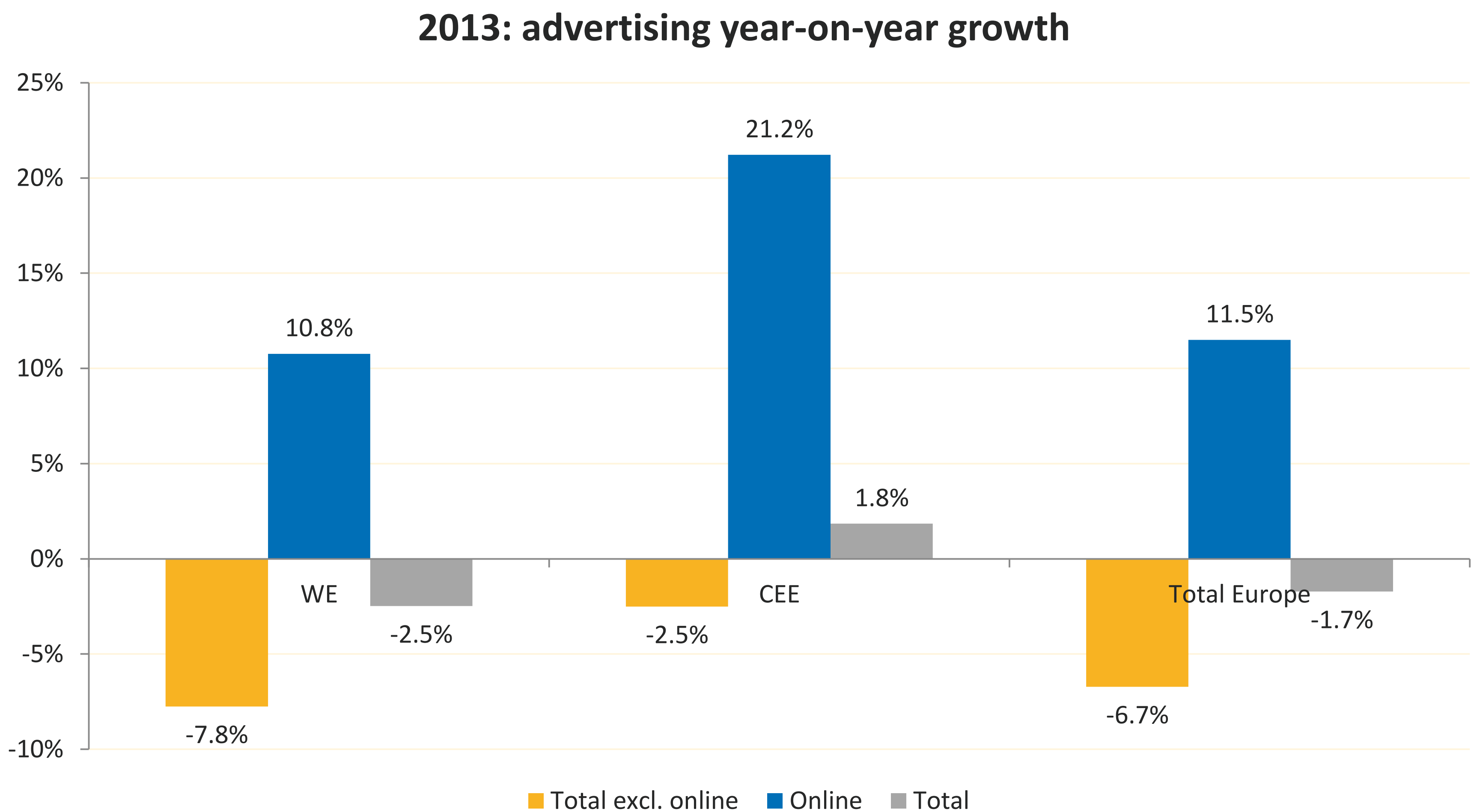
Online lifted overall ad spend as other media succumbed to economy and structural challenges



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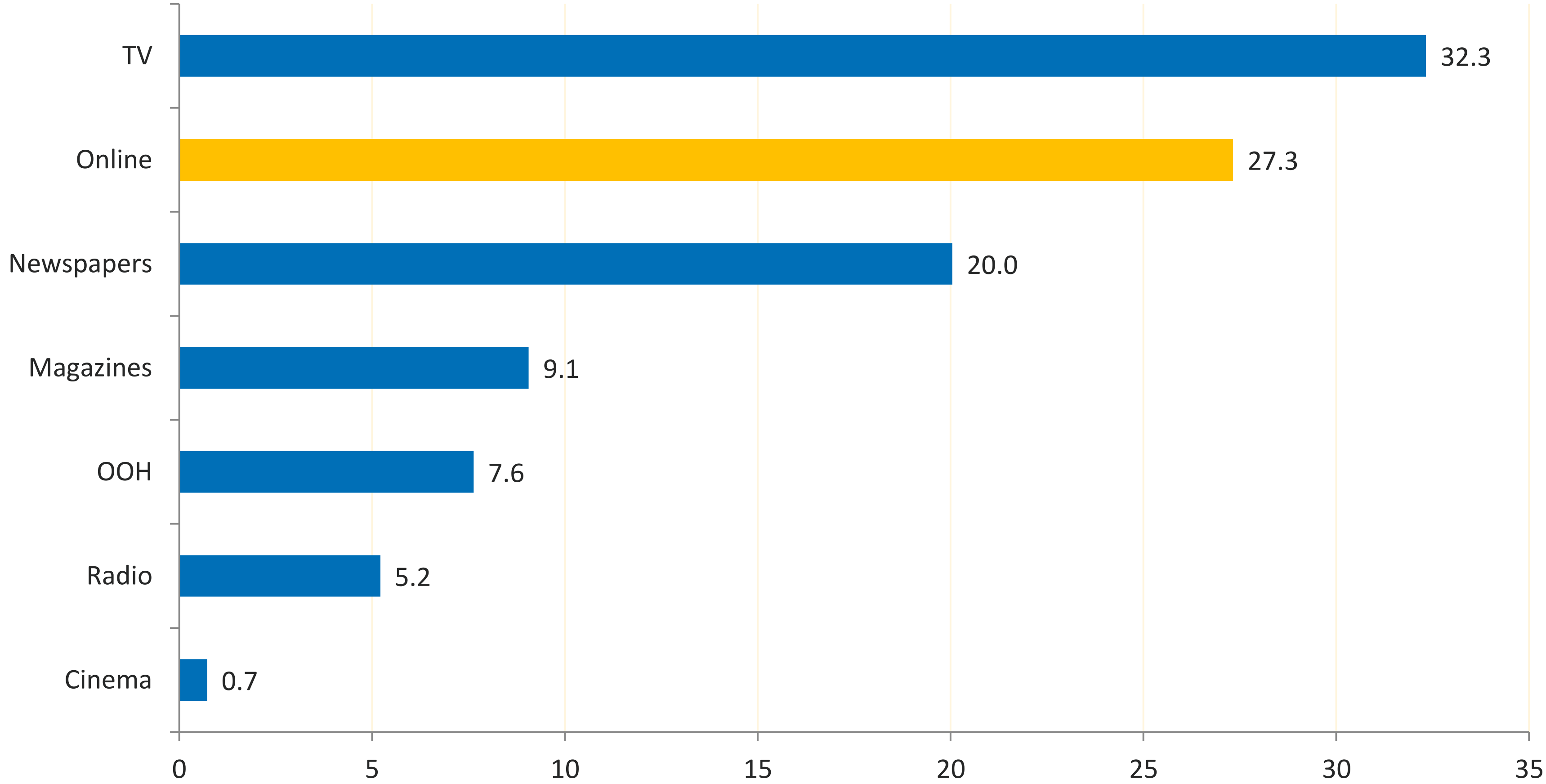
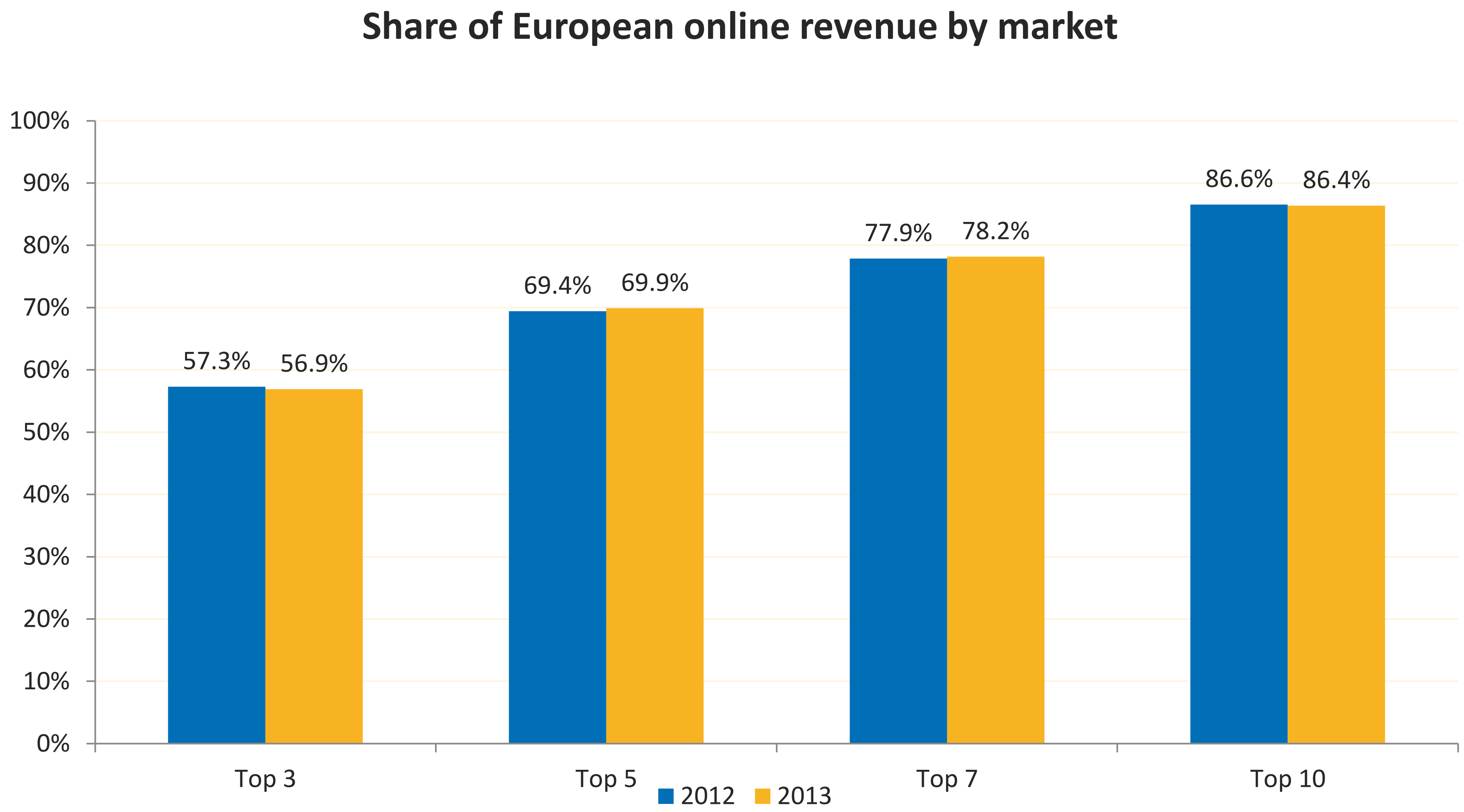
Due to weak 2013 for all other media, online strengthened its position as it approaches TV

Ad spend by category in Europe in 2013 (€bn)



Over half of all European ad spend comes from three markets



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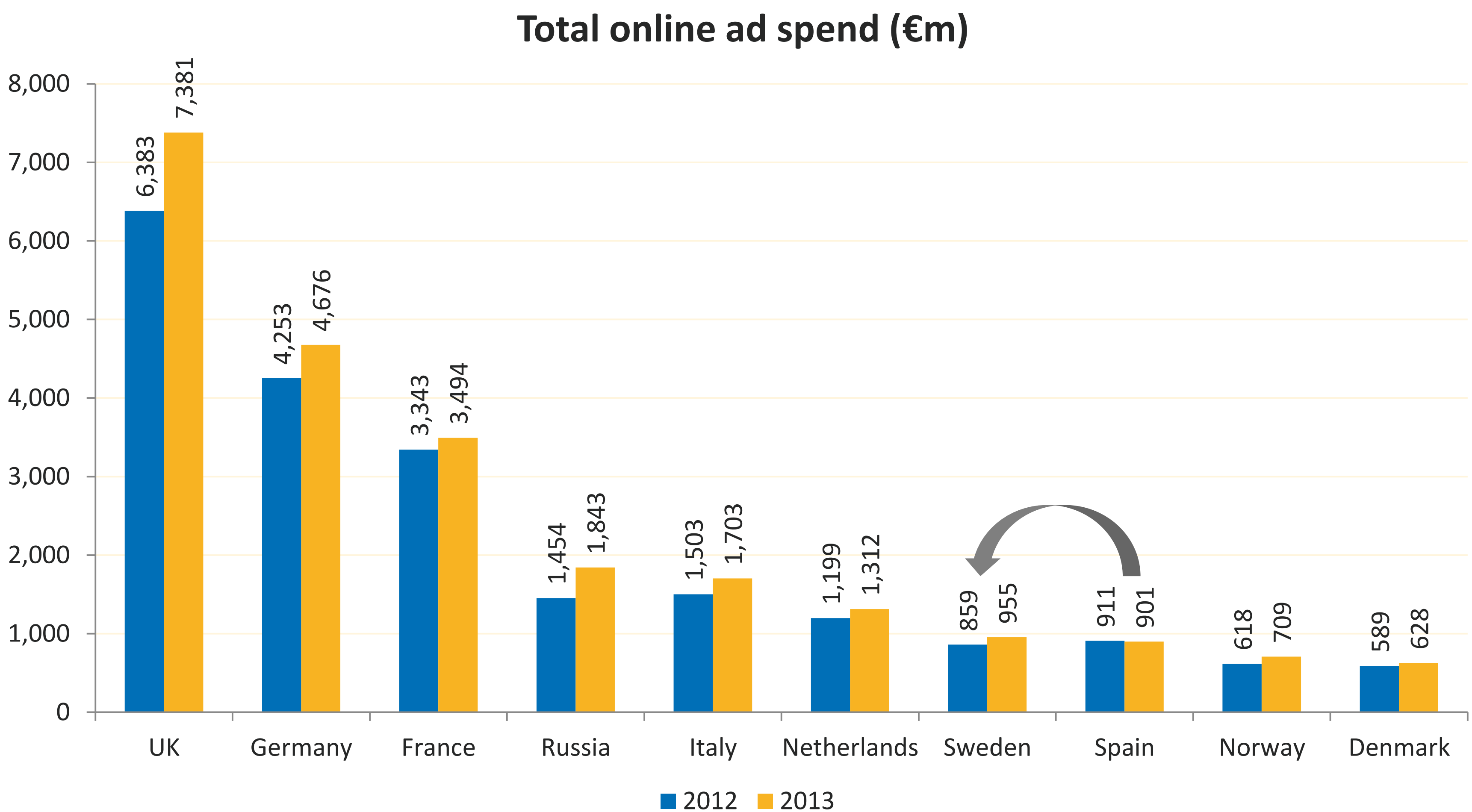
After a tough year, Sweden increases in rank, helped by economic crisis in Spain



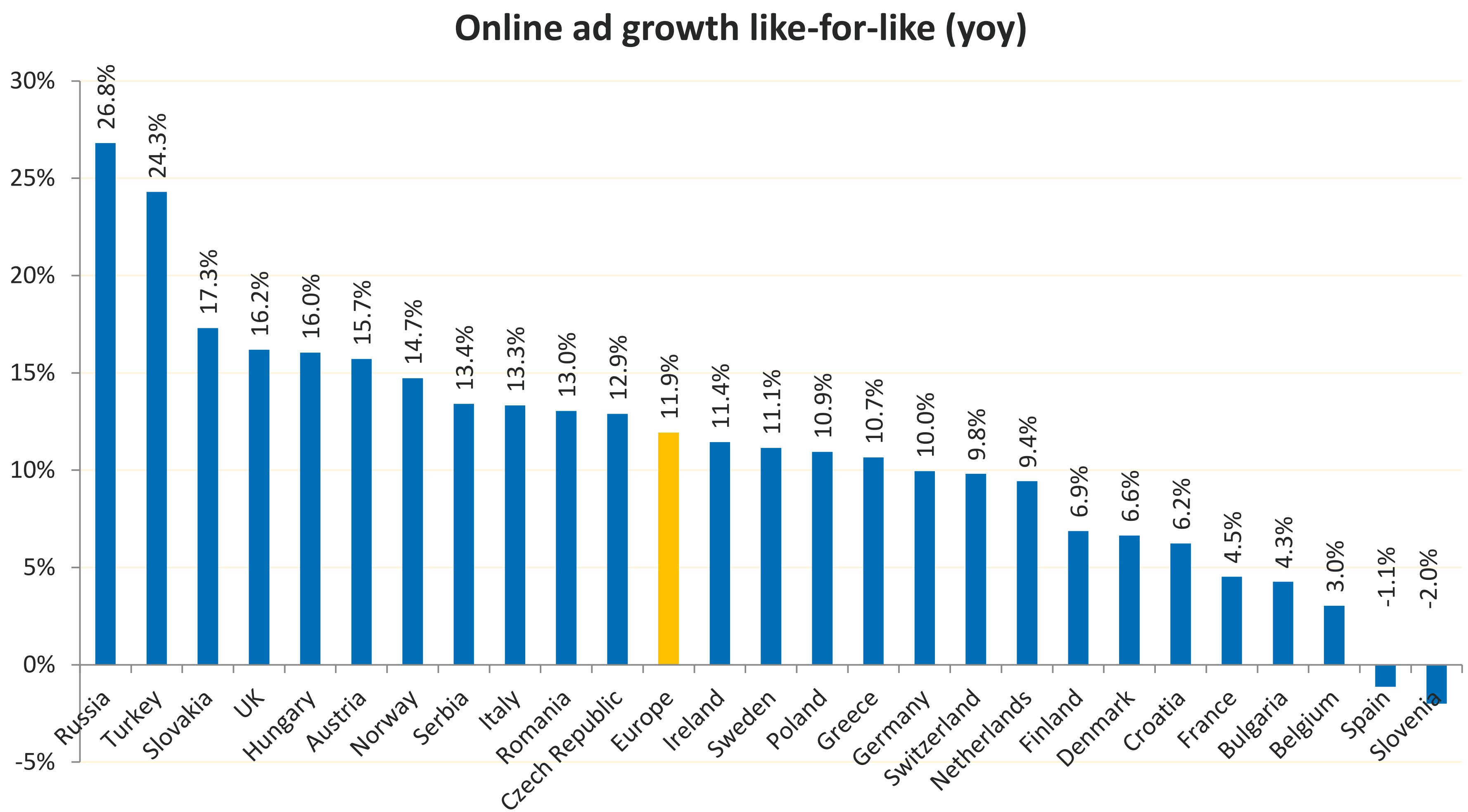
Growth drivers

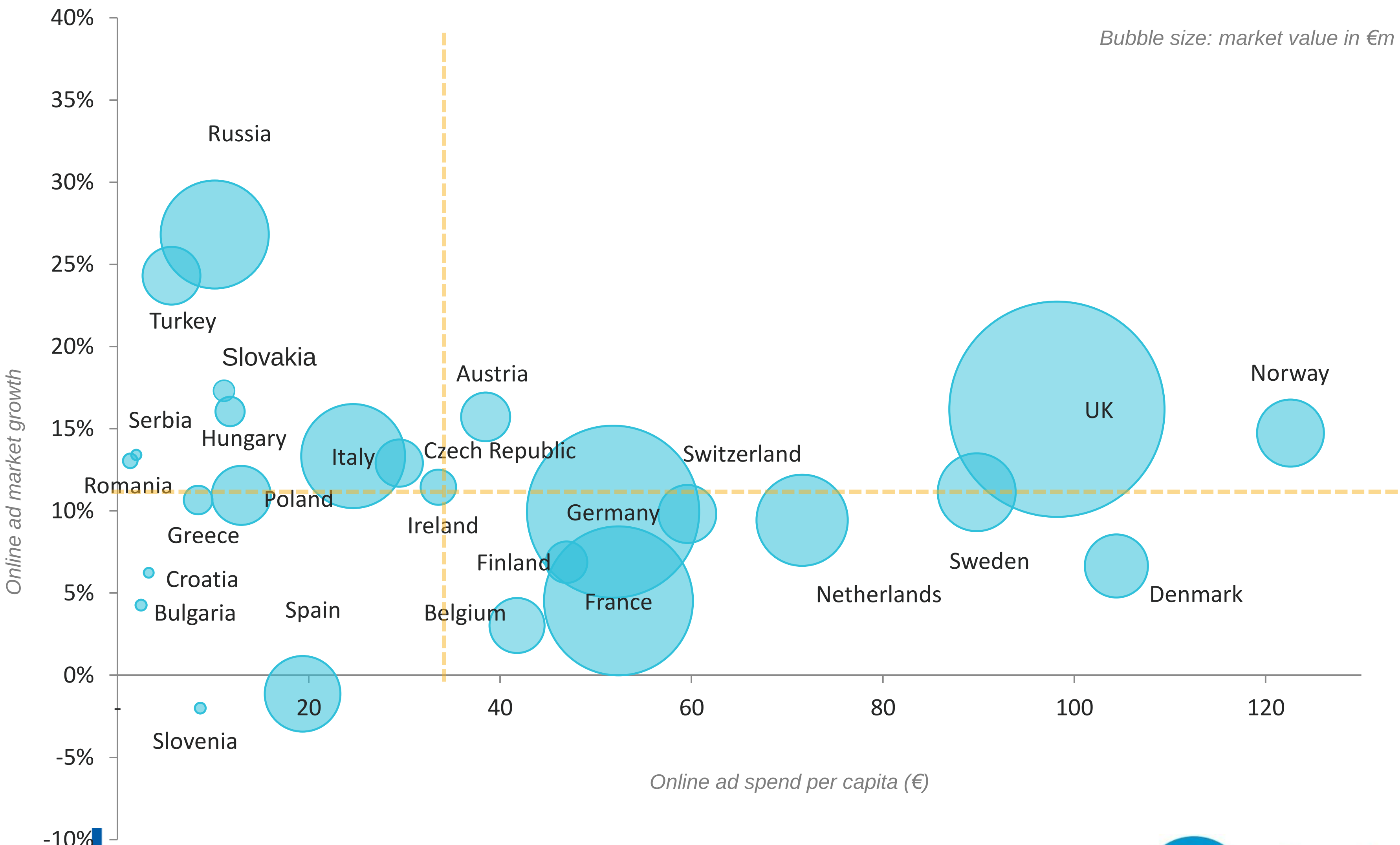
- Social media
- Video
- Rich media
- Mobile internet penetration increasing across all of Europe
- Programmatic and RTB come into the mainstream
- E-commerce driving C&D growth

Growth hurdles

- Attracting brand spend online
- Measurement
- Mobile
- Video inventory – still very limited
- TV dominance in some European markets
- Data literacy
- Regulation

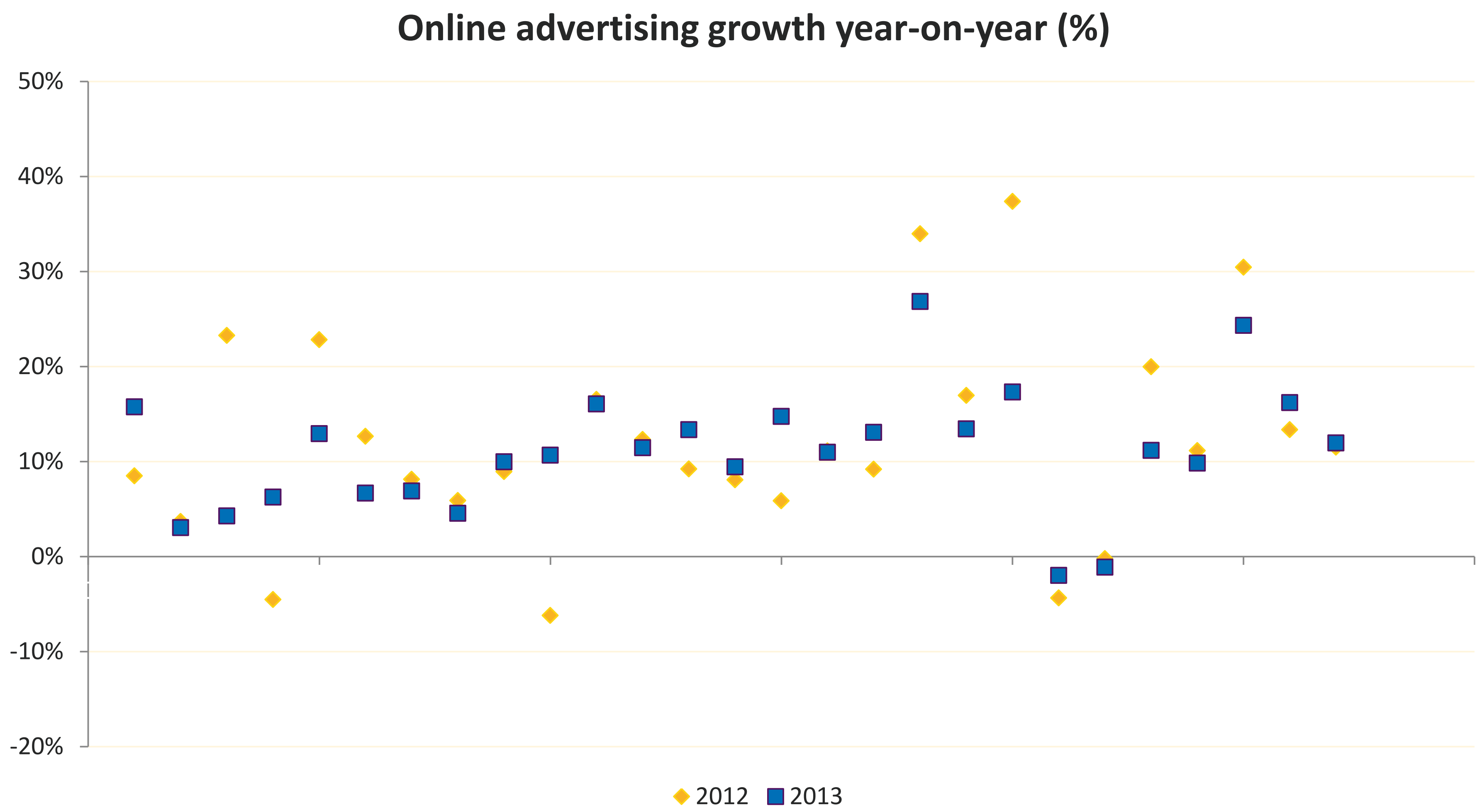
Mix of CEE and WE markets above European average; Russia and Turkey only 2 markets above 20%





Bubble size: market value in €m
40%
35%
30%
25%
20%
15%
10%
5%
0%
-5%
-10%
Online ad market growth
Russia
Turkey
Slovakia
Serbia
Hungary
Romania
Italy
Czech Republic
Austria
Poland
Ireland
Greece
Croatia
Bulgaria
Spain
Belgium
Finland
Germany
France
Switzerland
Netherlands
Sweden
UK
Norway
Denmark
Slovenia
-
20
40
60
80
100
120
Online ad spend per capita (€)

Uniform growth patterns in 2013



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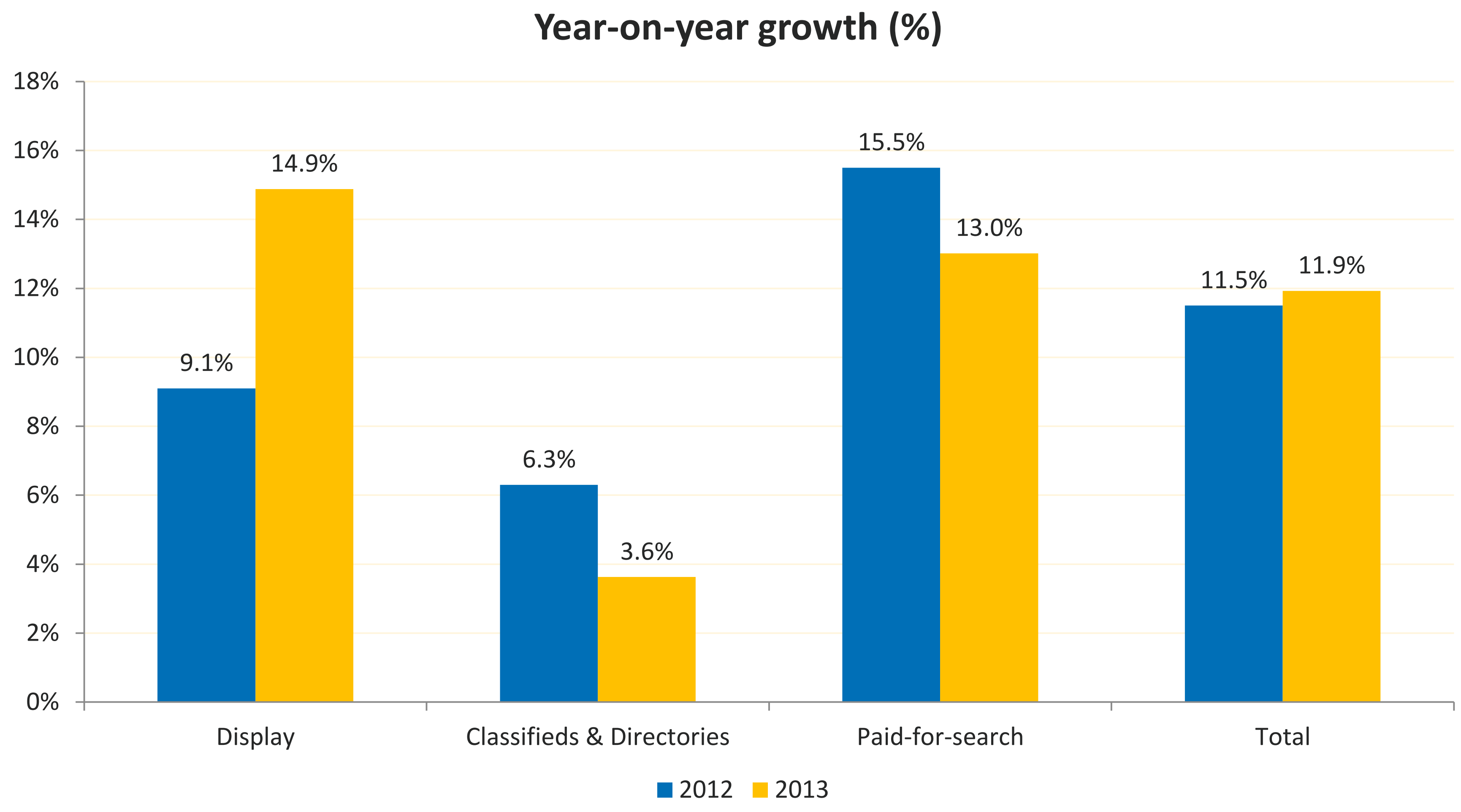
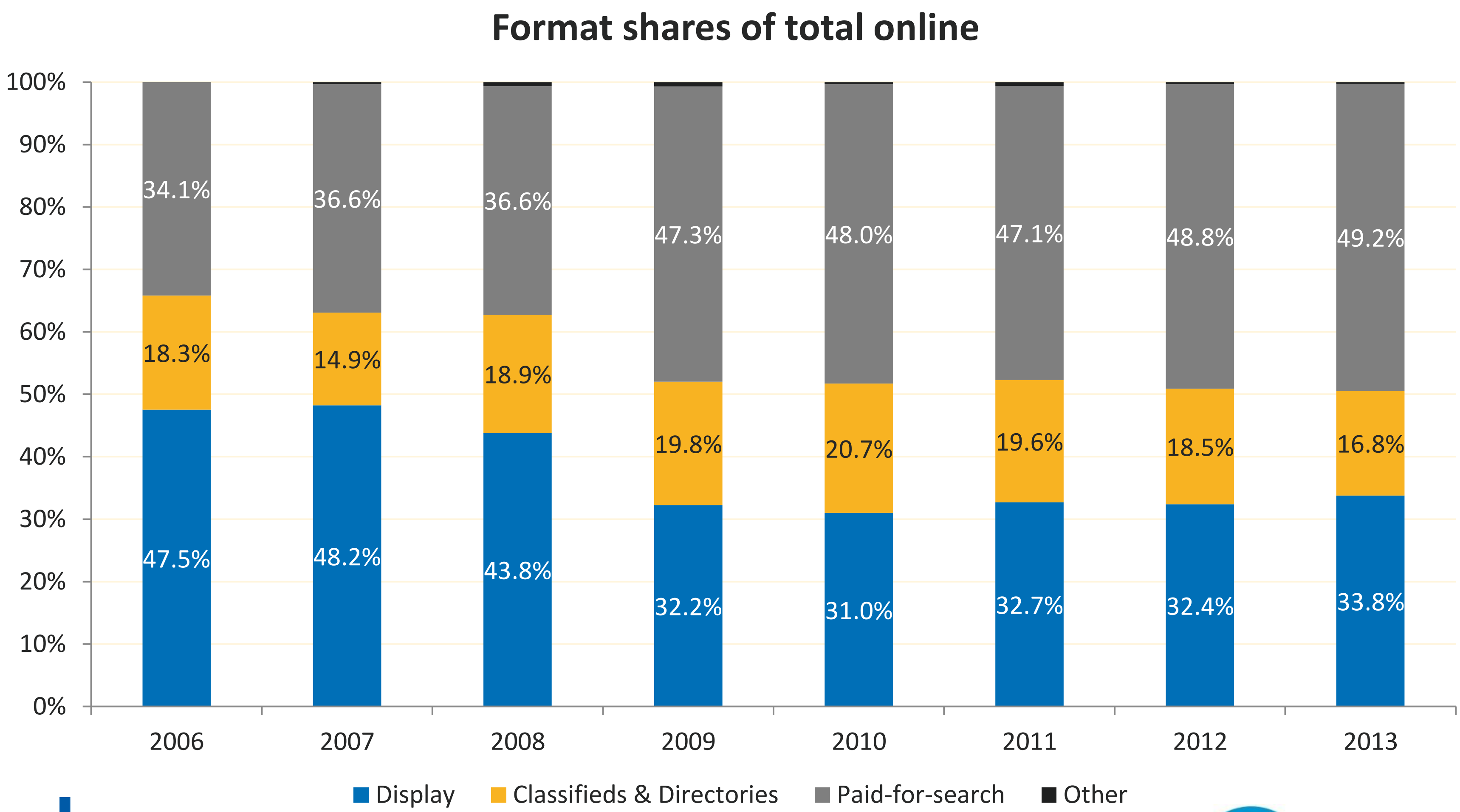
FORMATS

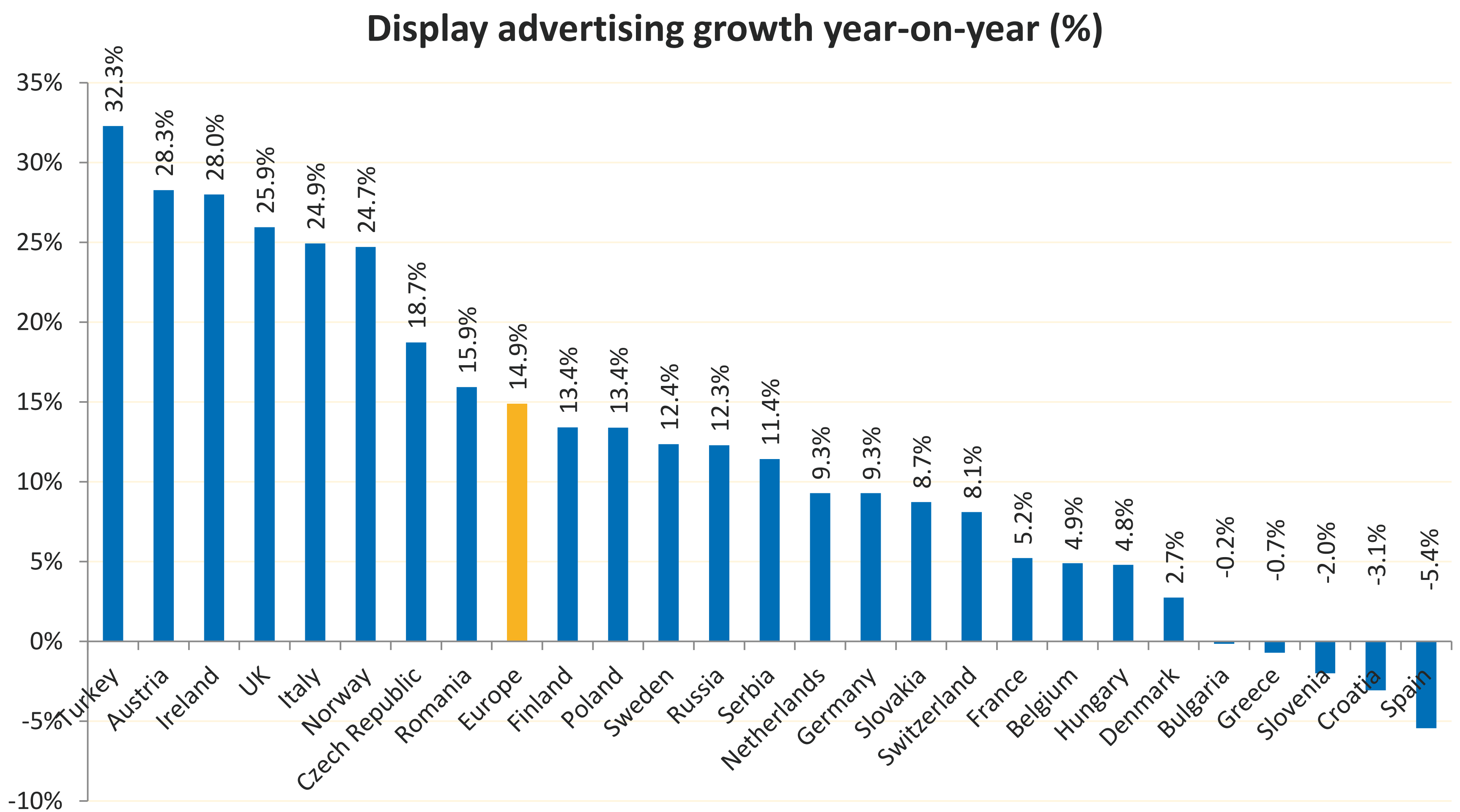
Acceleration in Display growth, Display and Search drove online ad spend in 2013



Search and Display grow their share at the expense of Classifieds & Directories



A renaissance of Display advertising as even mature markets post high growth



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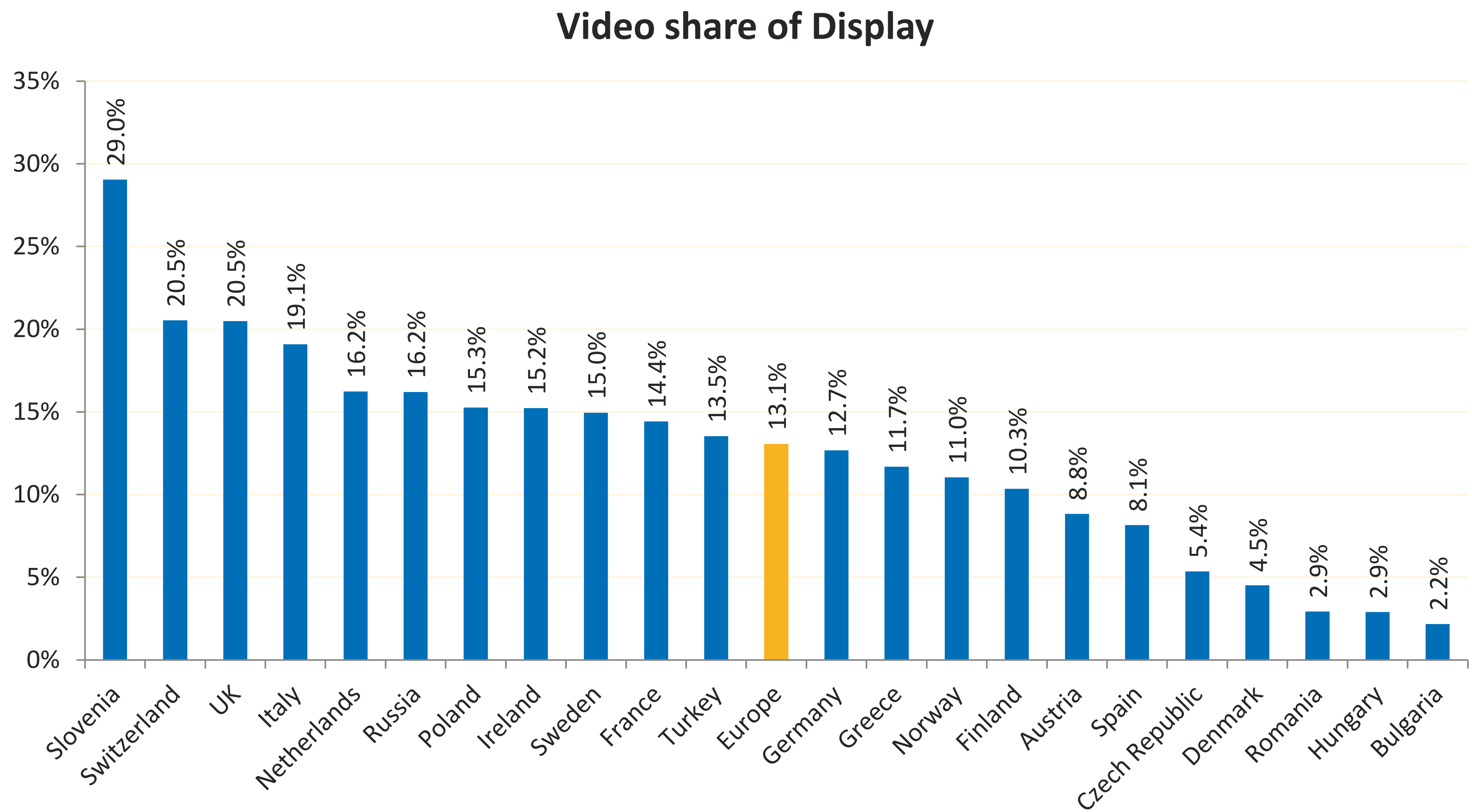
Online video is now a significant part of Display advertising



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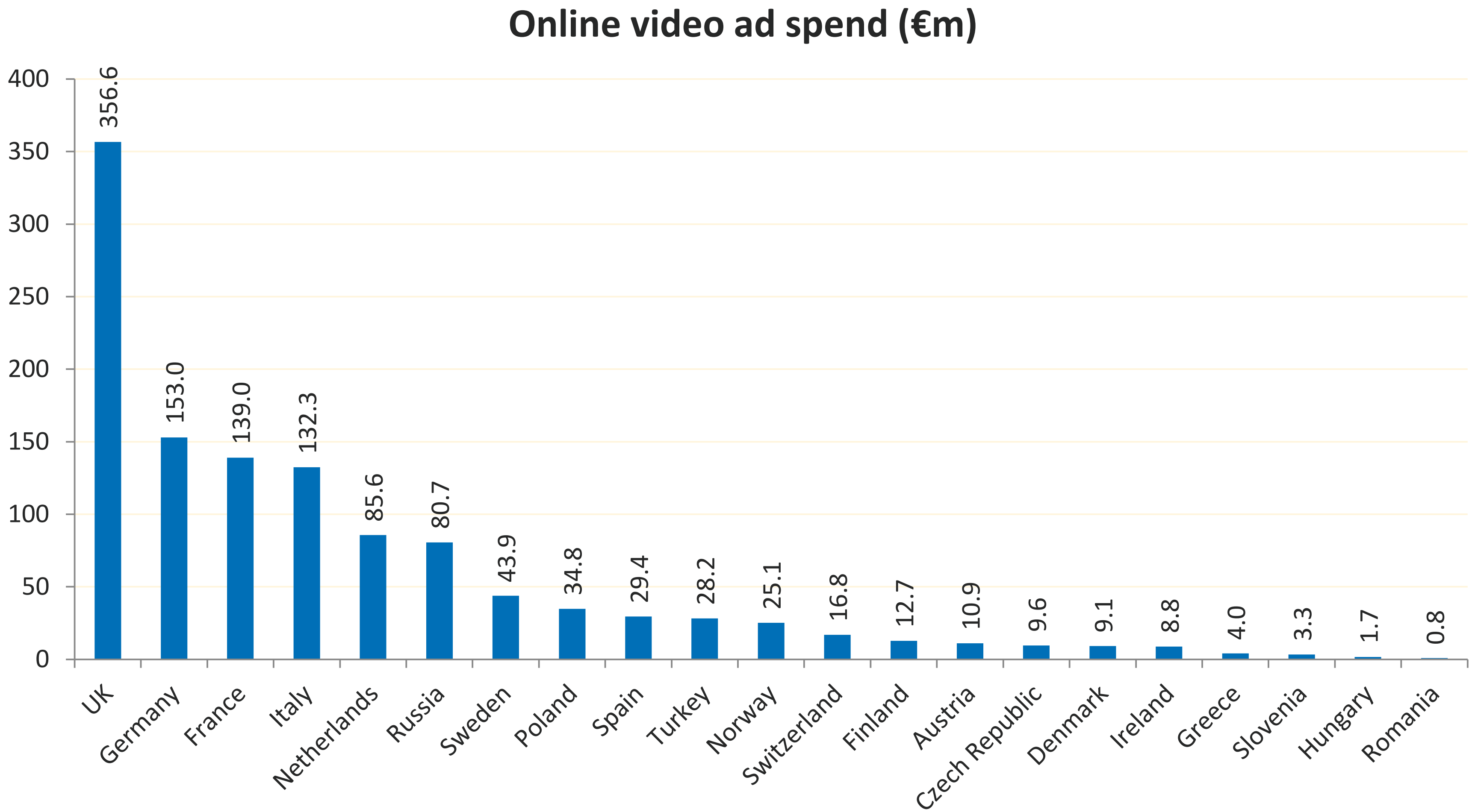
Video ad spend mirrors total online ad spend ranking



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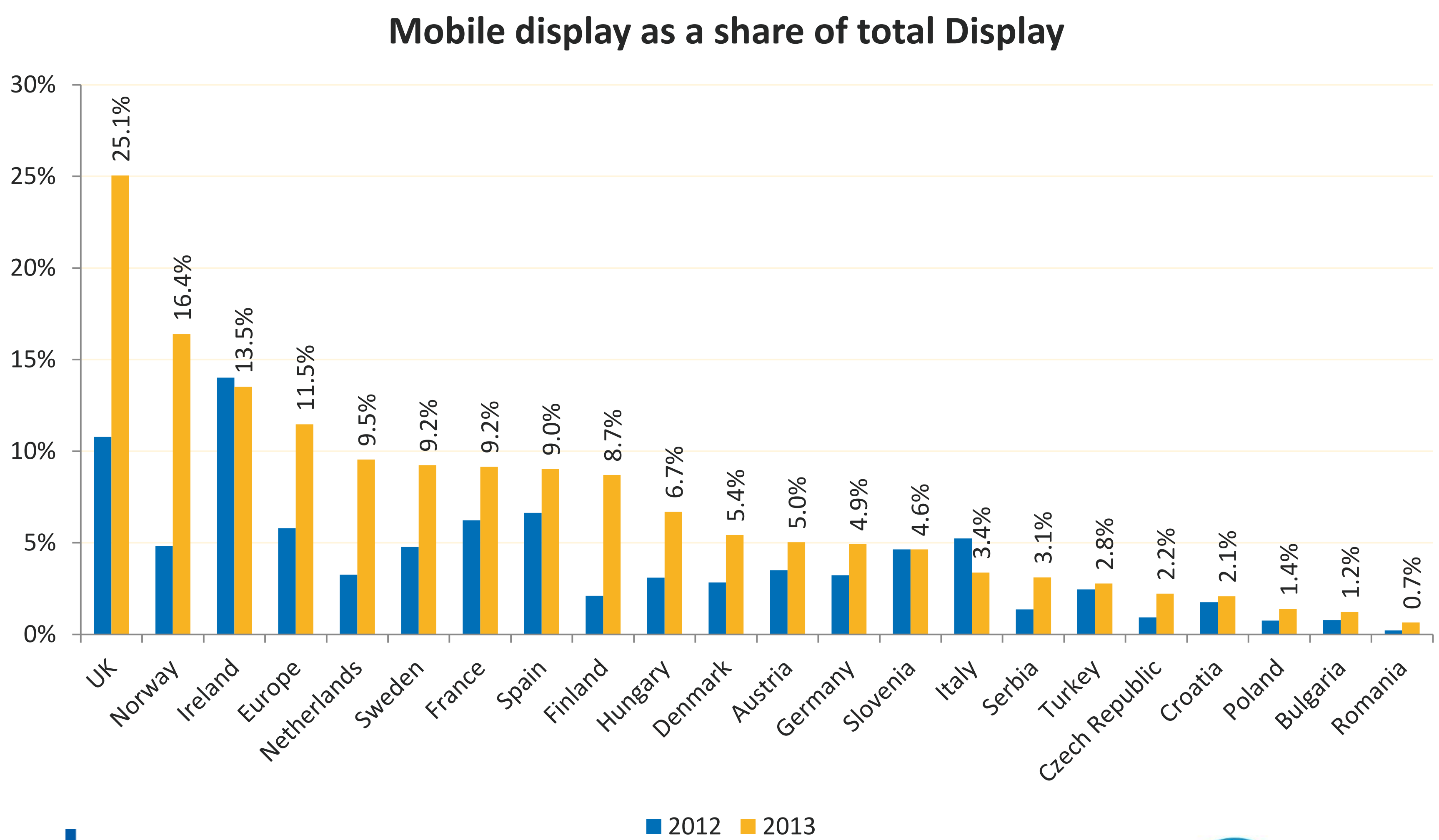
Mobile now has a double-digit share of online display



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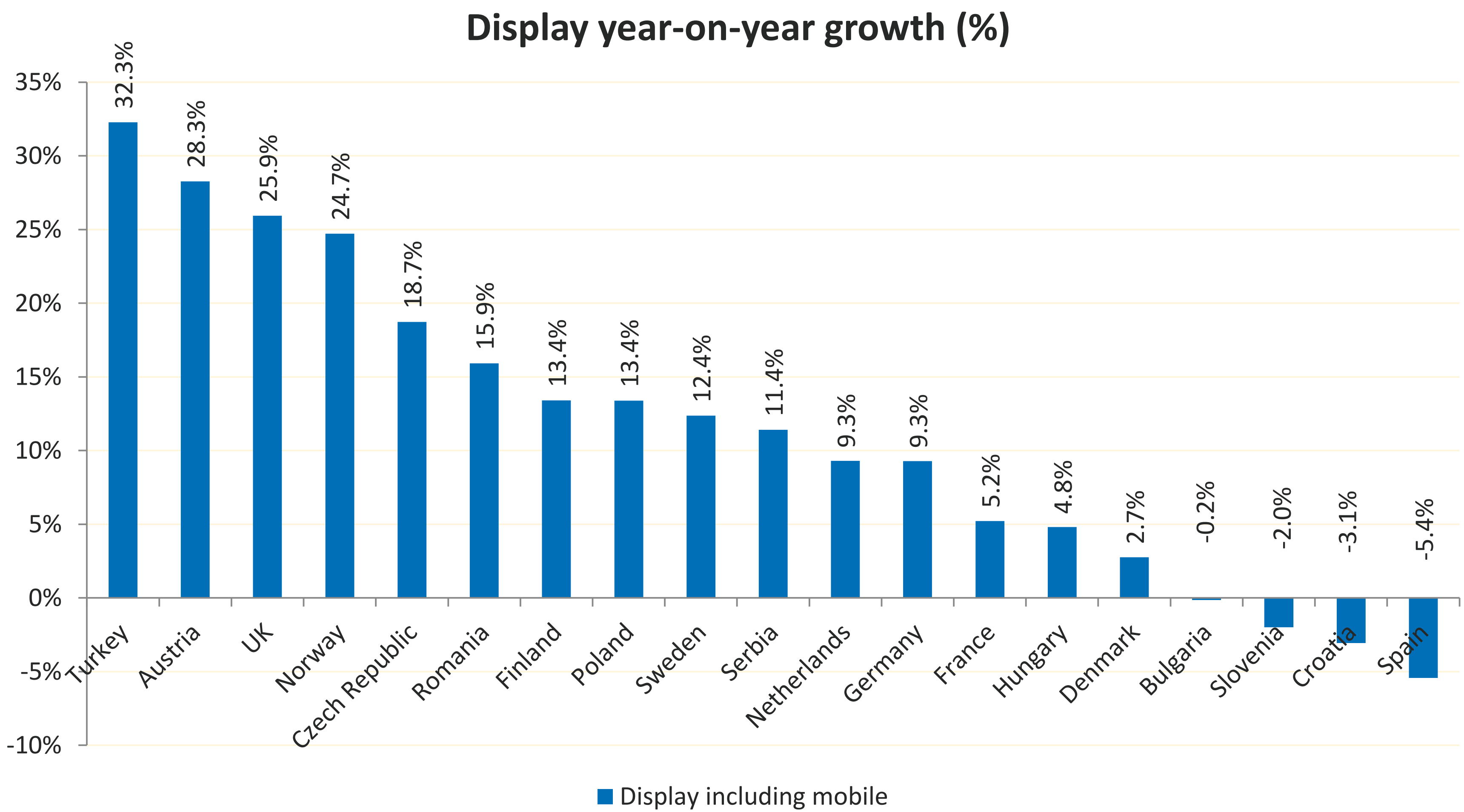
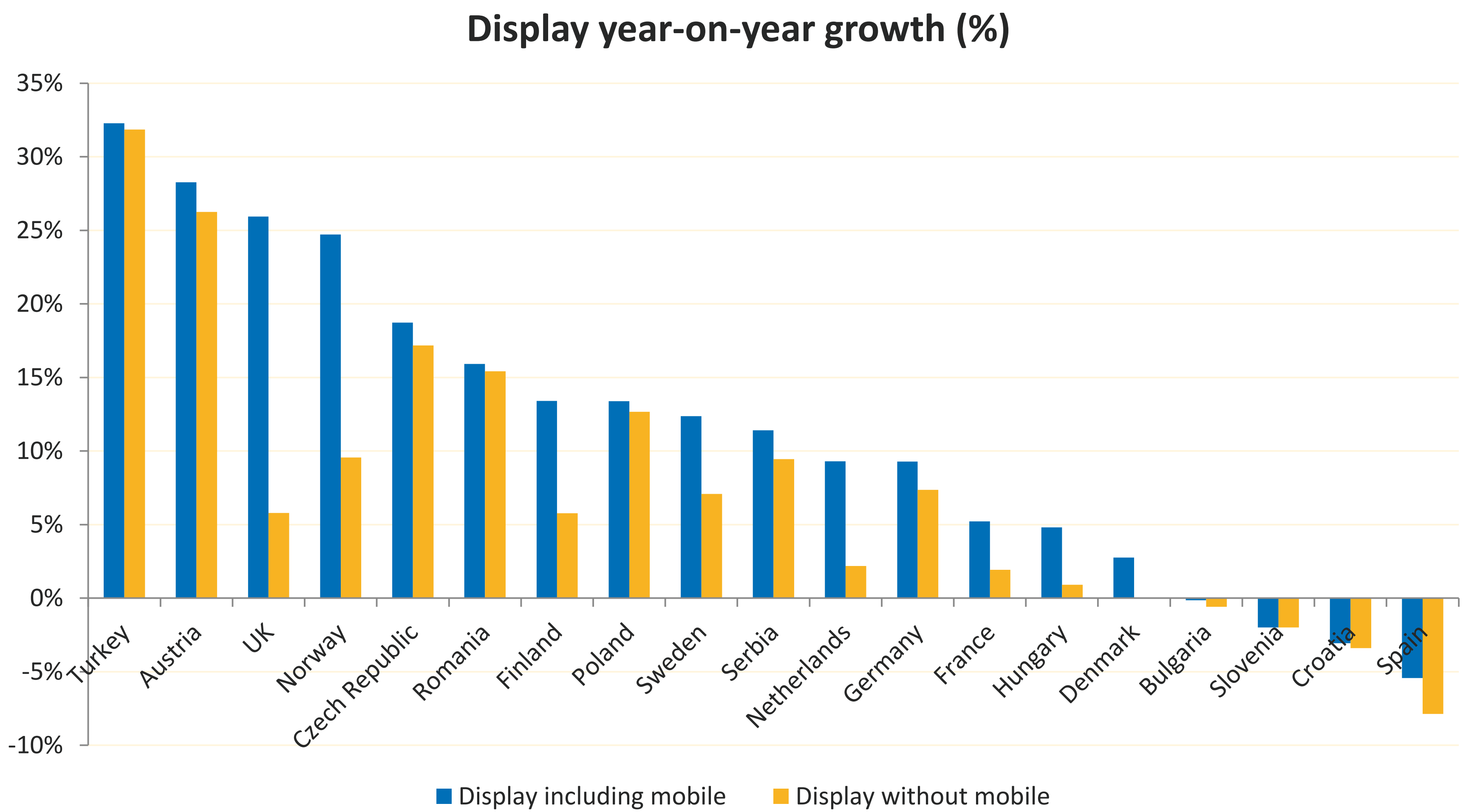
This is more evident…



…when we remove Mobile from Display



Mobile is most important growth engine for online display

European Display with mobile: +14.9%

European Display without mobile: +1.1%

Classifieds & Directories struggled in 2013 with 11 countries experiencing decline

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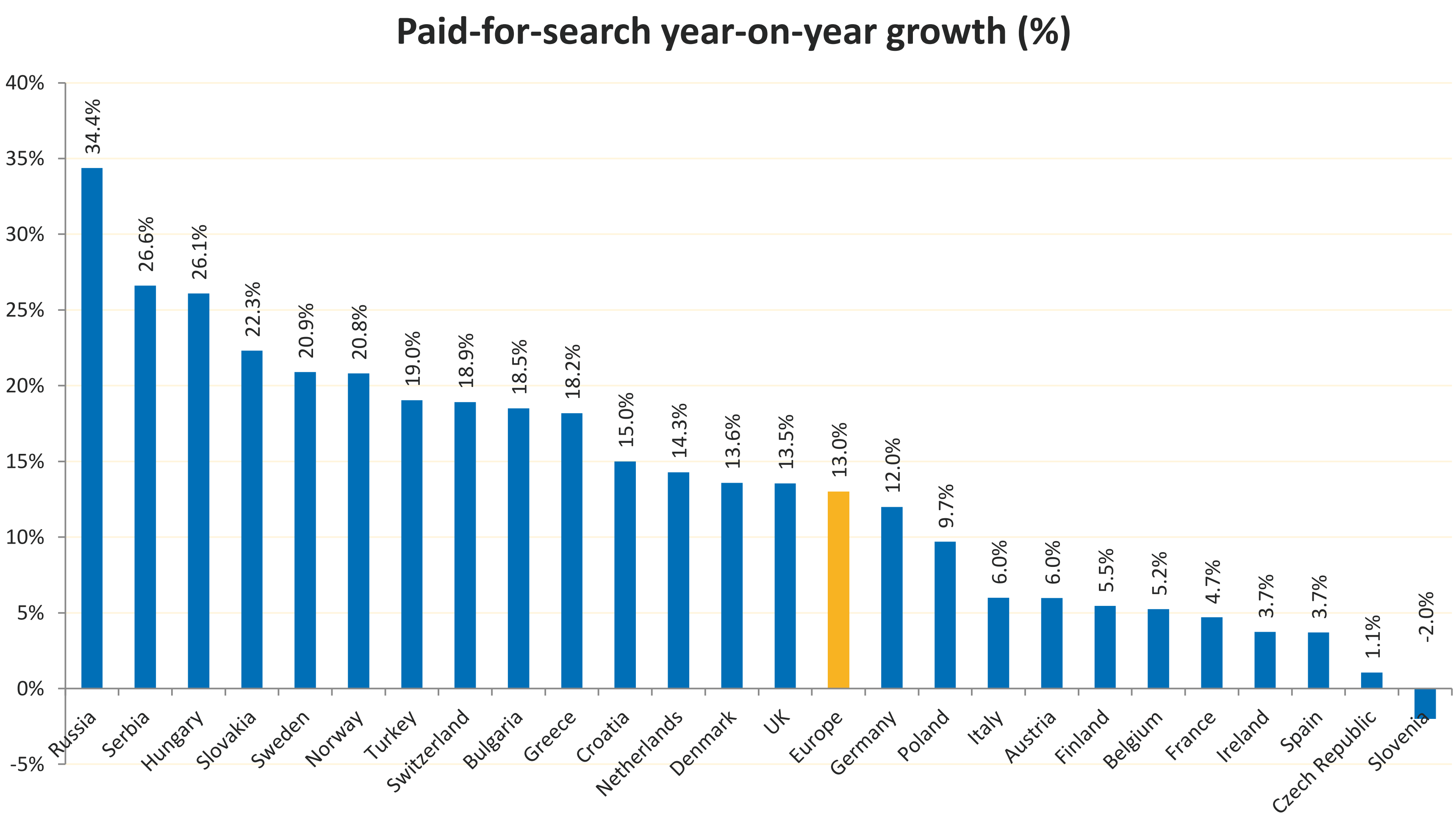
Continued growth in Paid-for-search shows the success of the format



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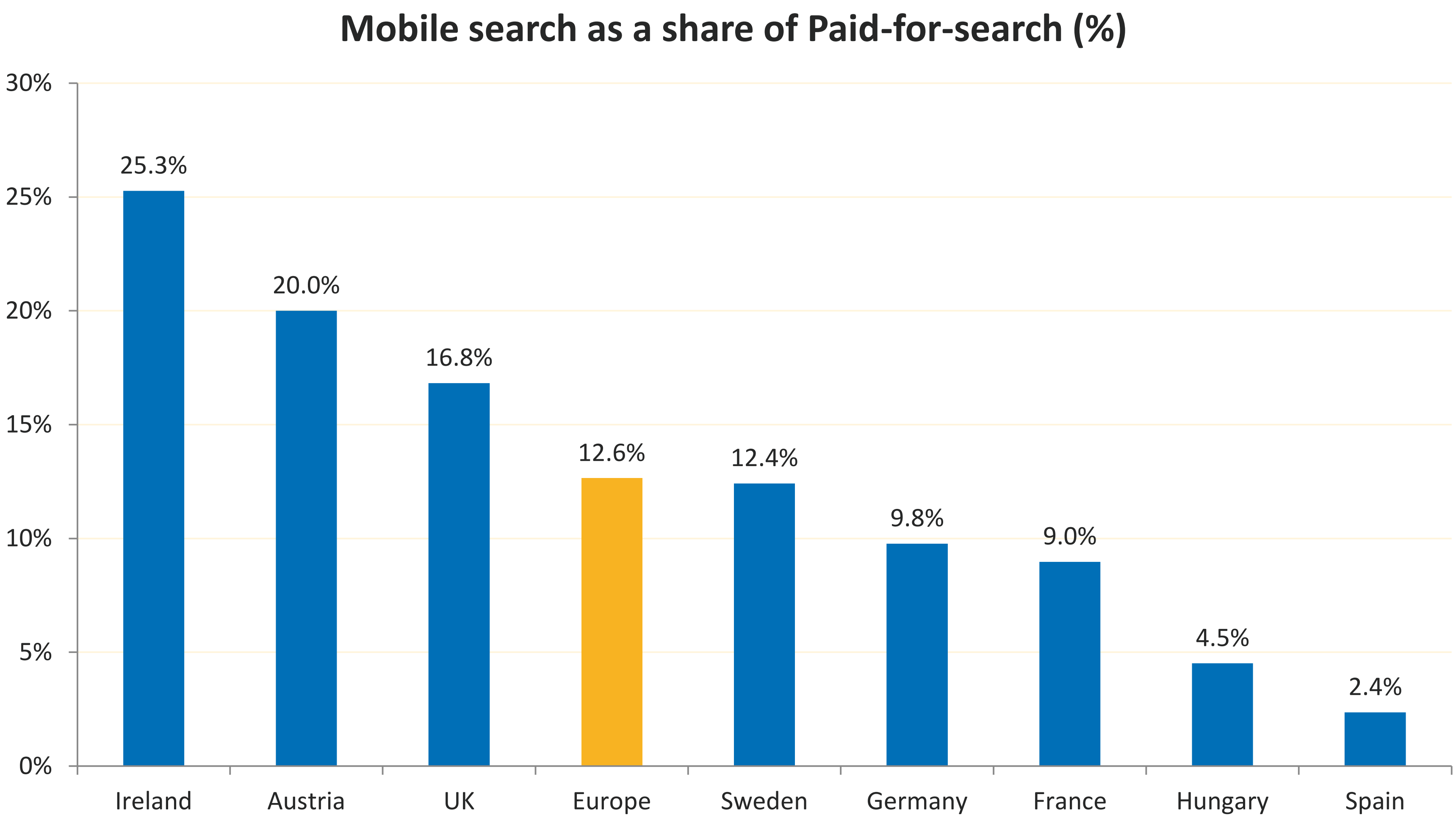
Like in Display, Mobile is now a significant driver of Paid-for-search



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