IAB Europe Adex Benchmark 2013

Daniel Knapp
Director Advertising Research IHS

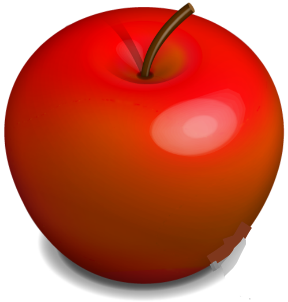
ABOUT THE STUDY

A meta-analysis of online ad spend in Europe

GROSS

Revenue Billed

NET



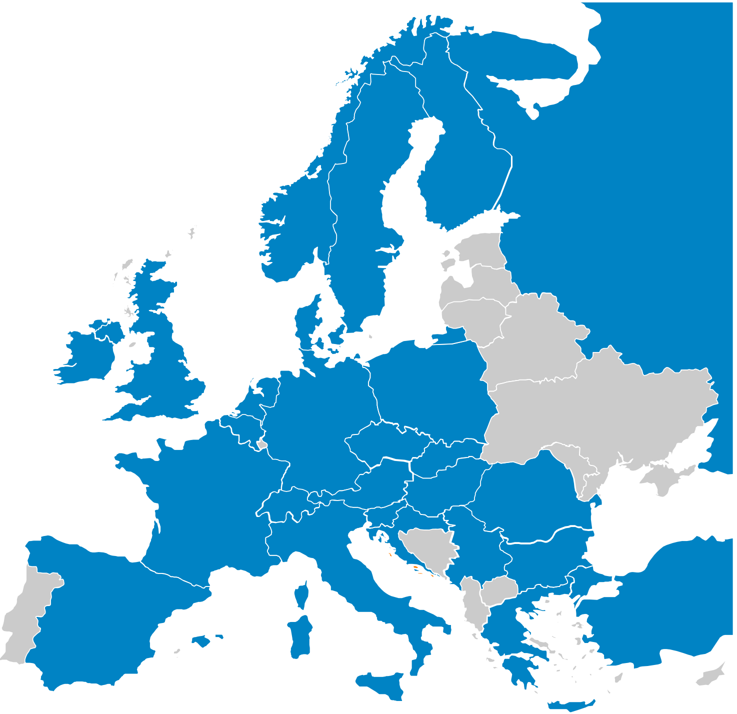
Revenue Billed
No Agency
commissions

RATECARD

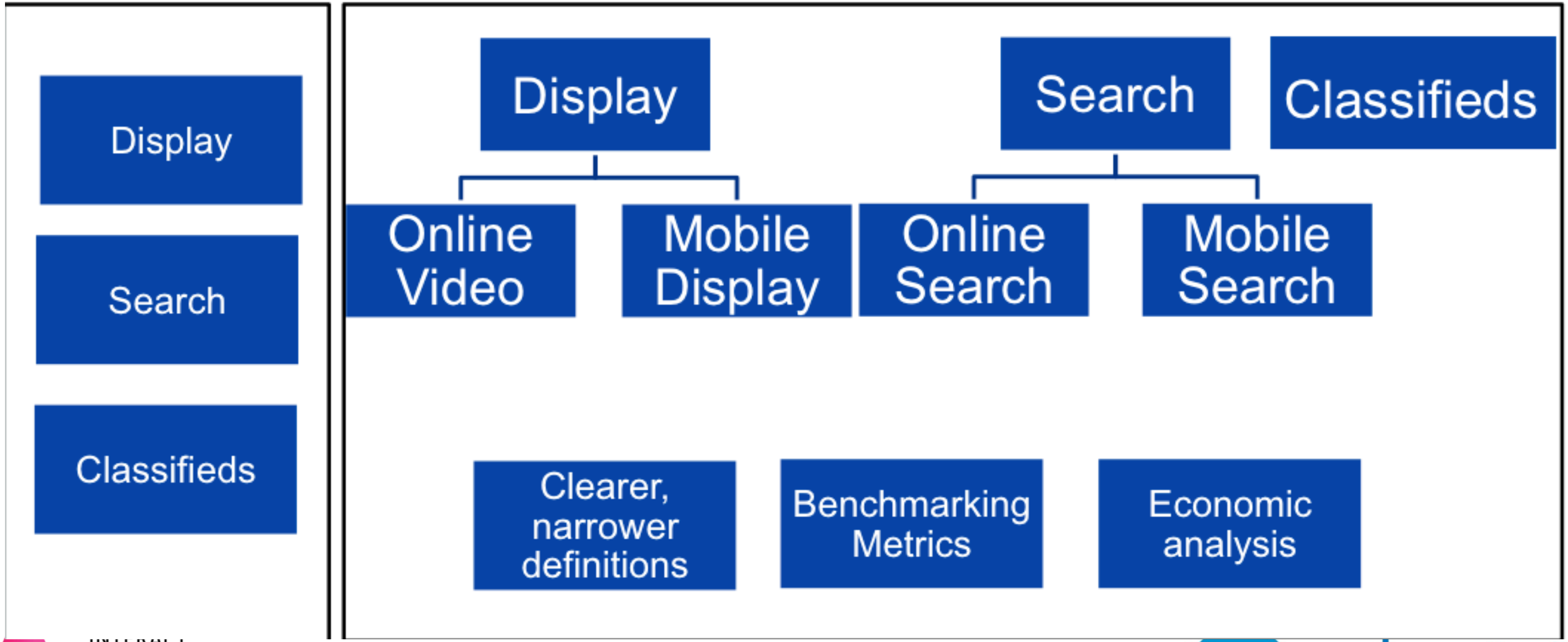
Campaigns x
Ratecard

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



Added format granularity & context

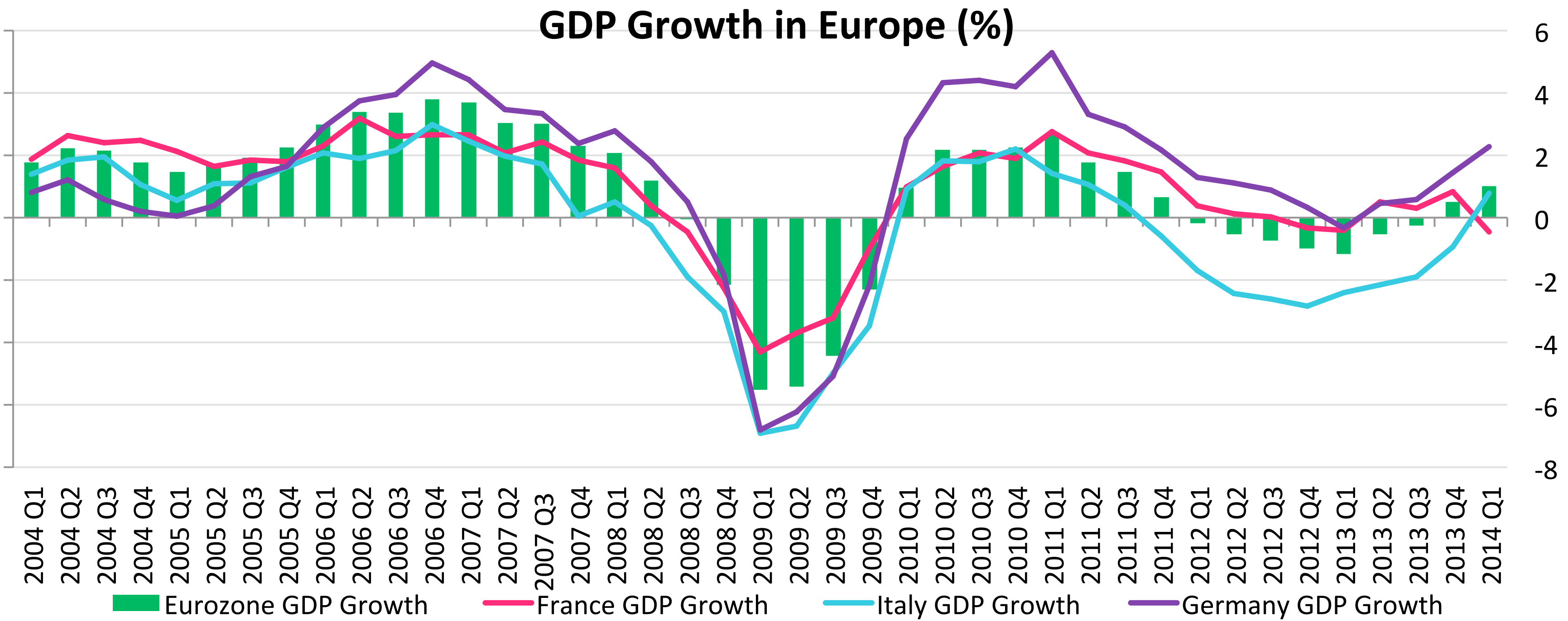


BIG PICTURE & CONTEXT

The value of online advertising in 2013

€27.3bn

Eurozone economy is coming out of a double-dip recession



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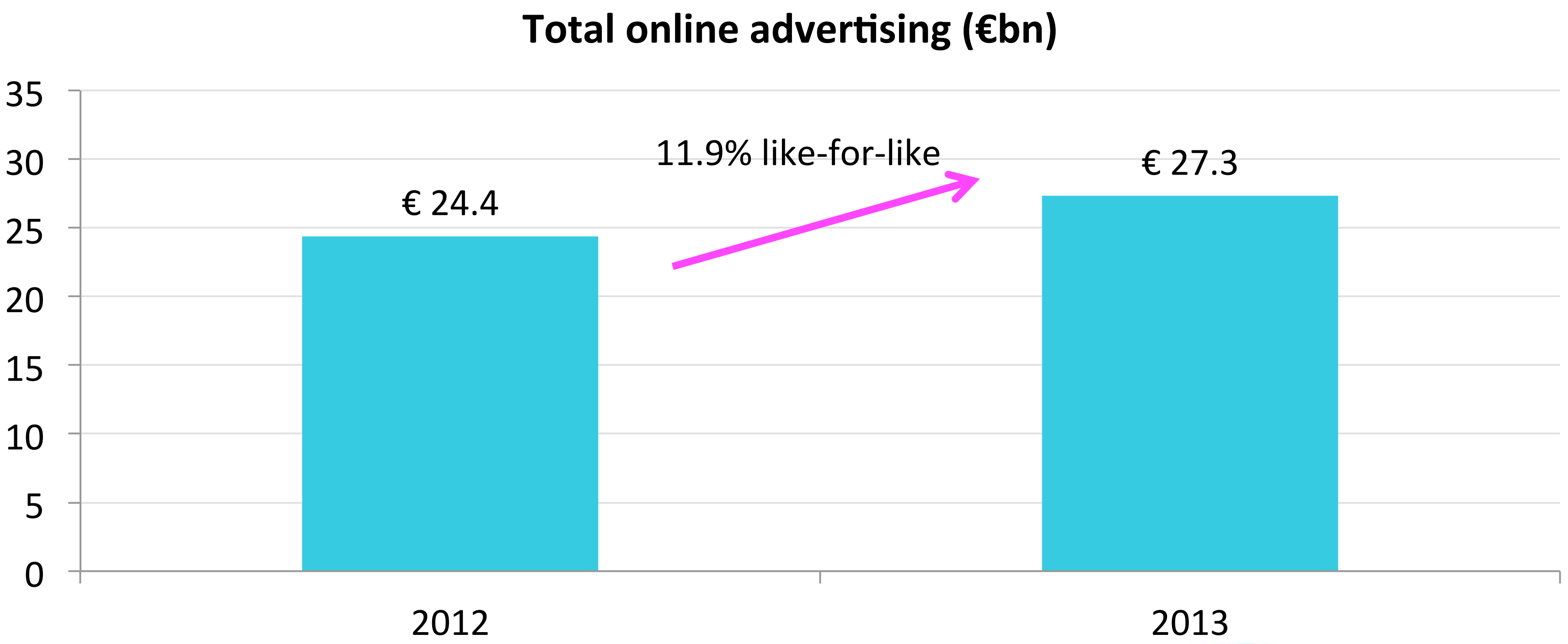
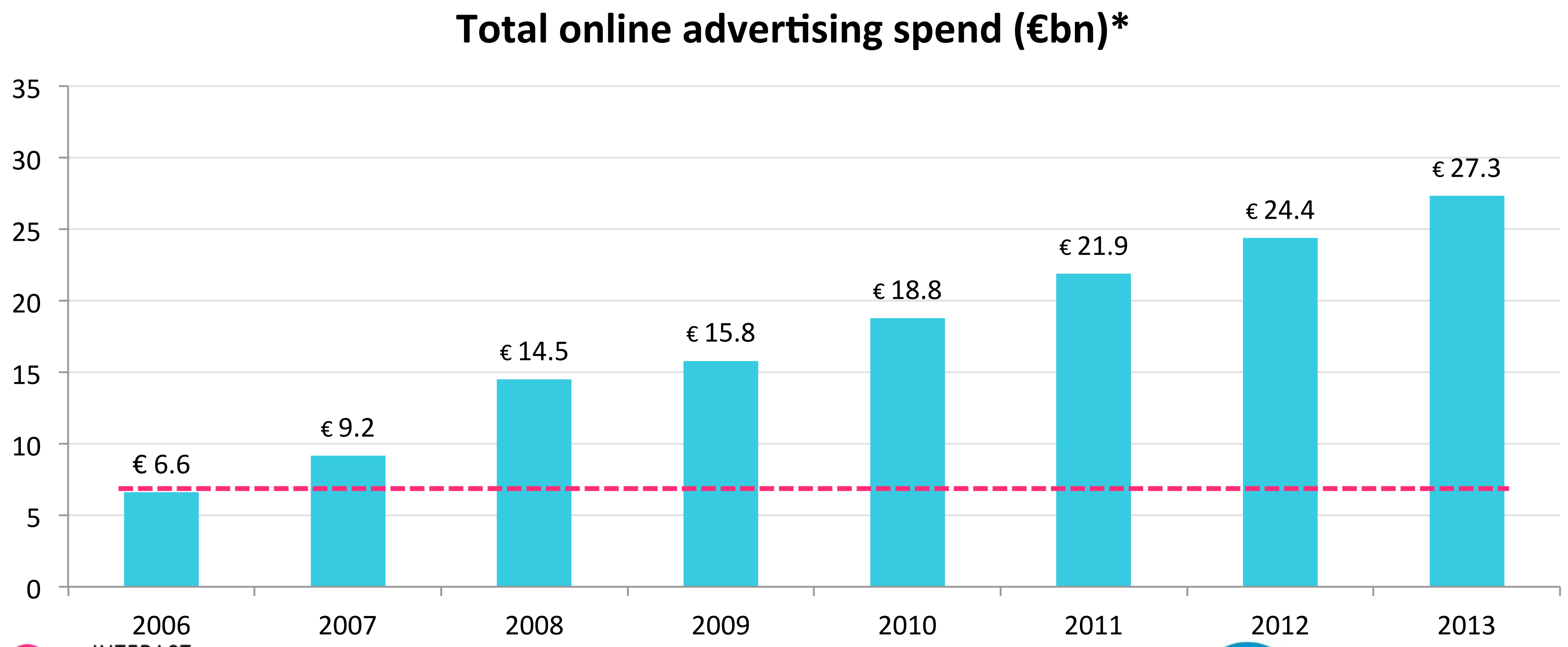
Double-digit growth in online advertising in 2013

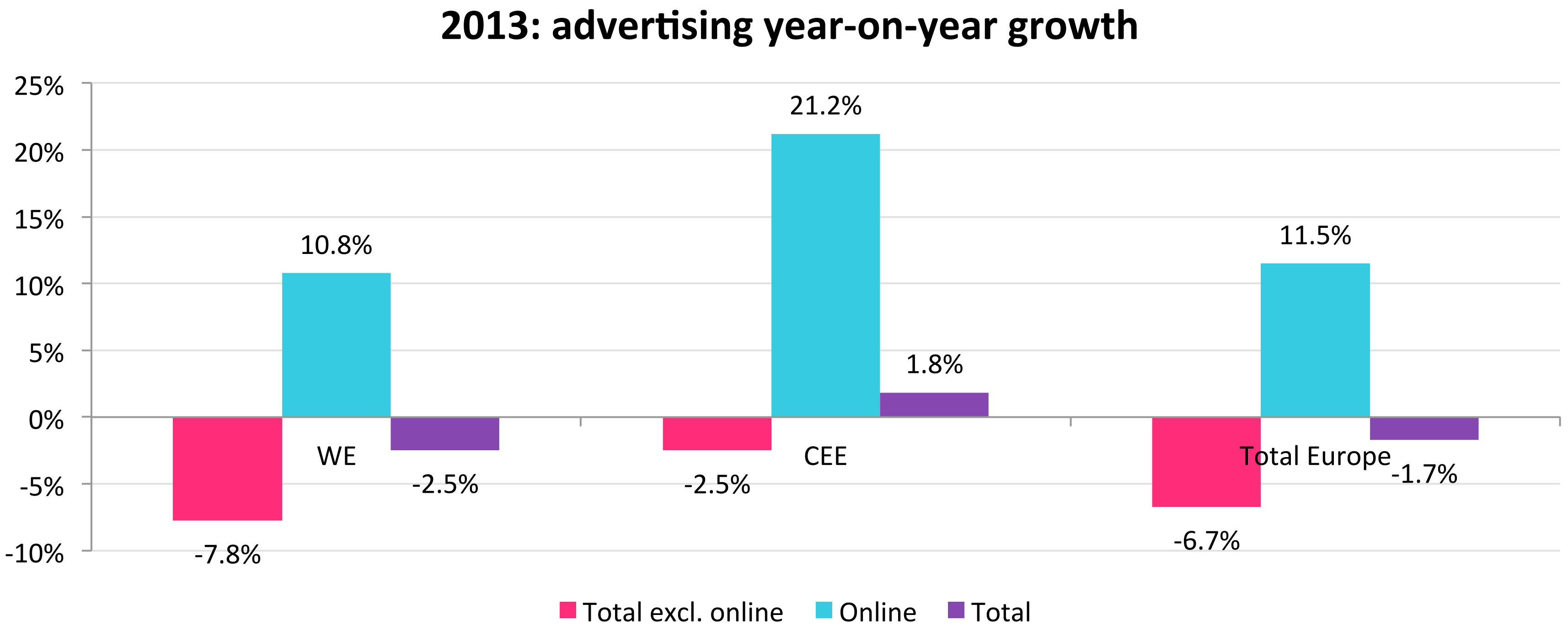


A historical perspective

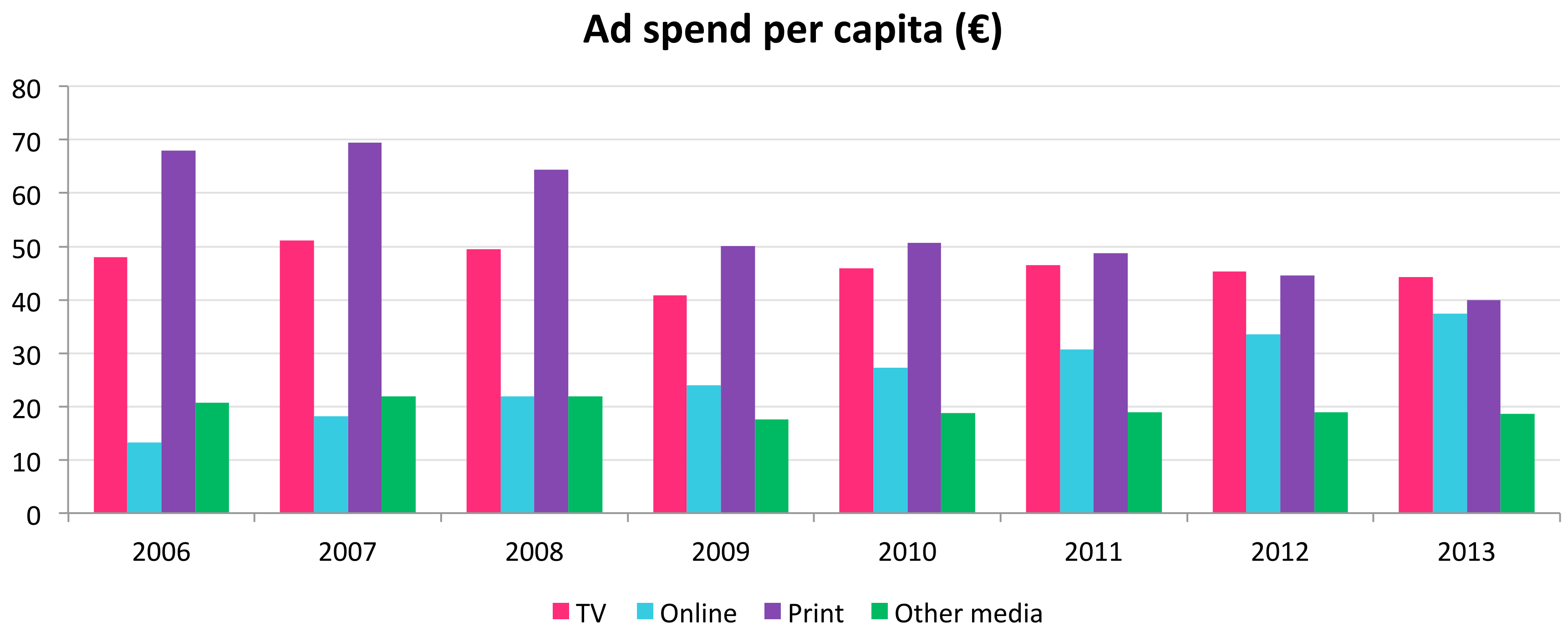


* Source: IAB Europe for 2011-2013; 2006-2011 retropolated based on IHS growth rates

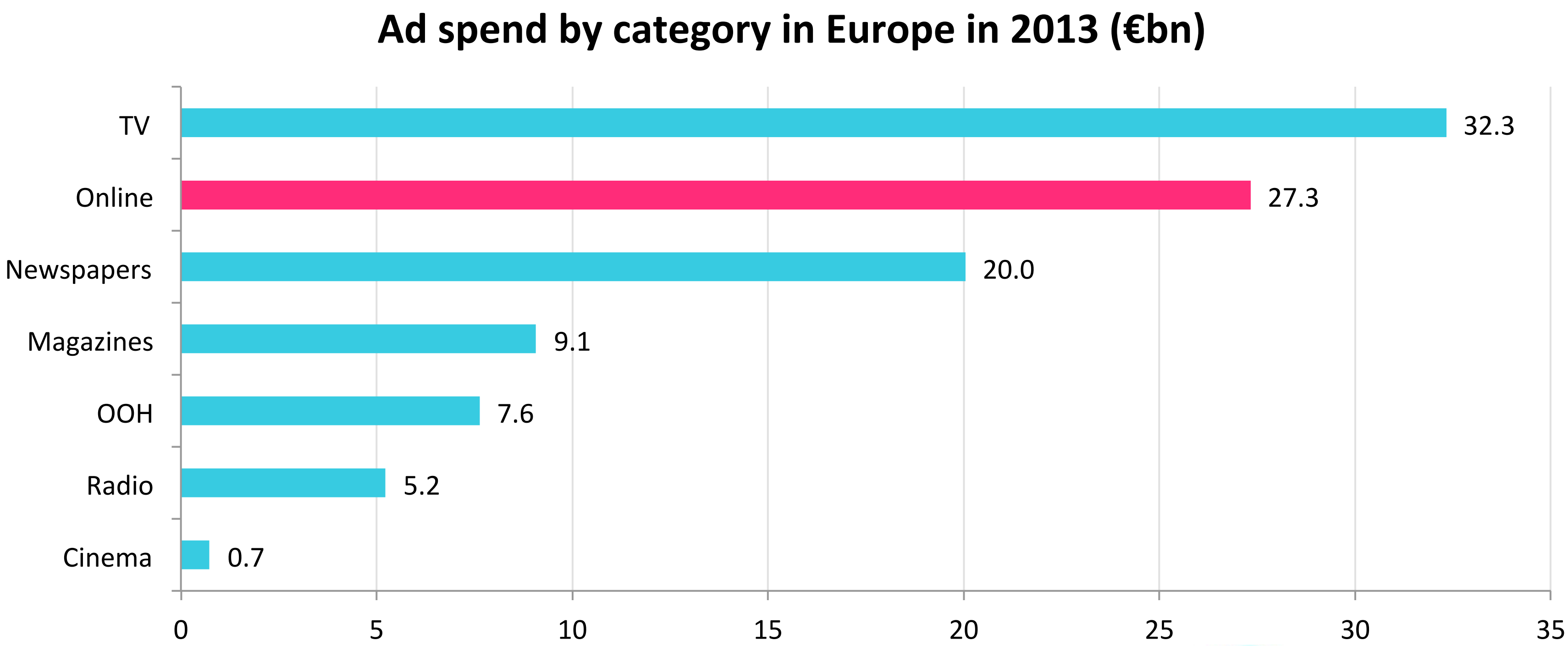
In a volatile market environment, online lifted overall ad spend



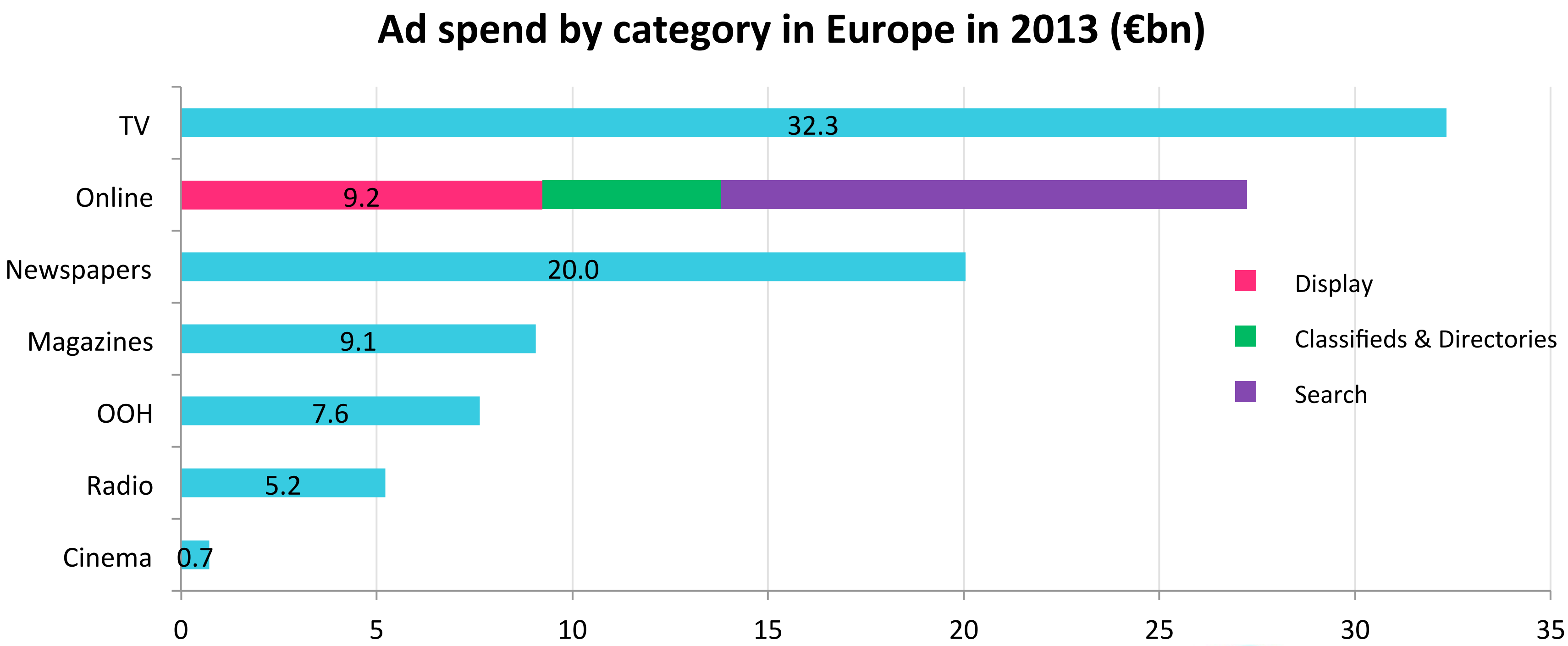
Despite economic turmoil, online grew its ad spend per capita steadily since 2006



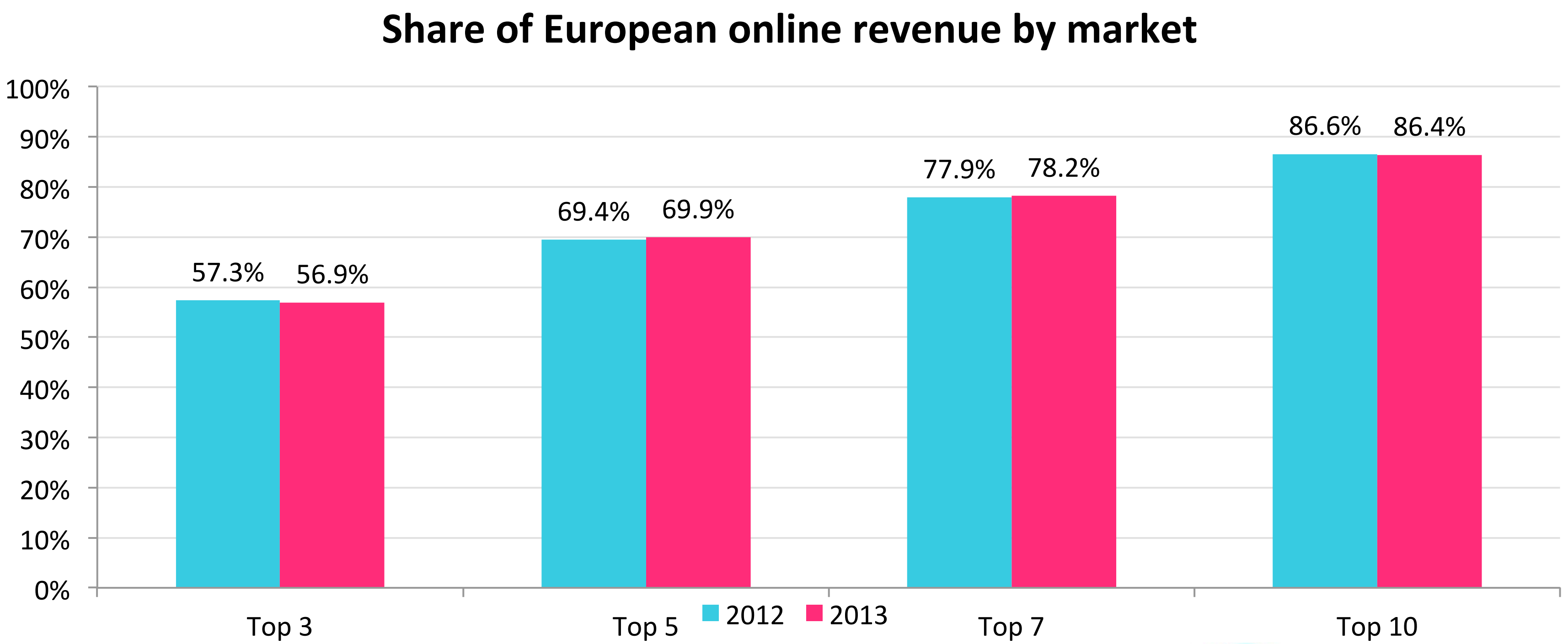
Due to weak 2013 for all other media, online strengthened its position as it approaches TV



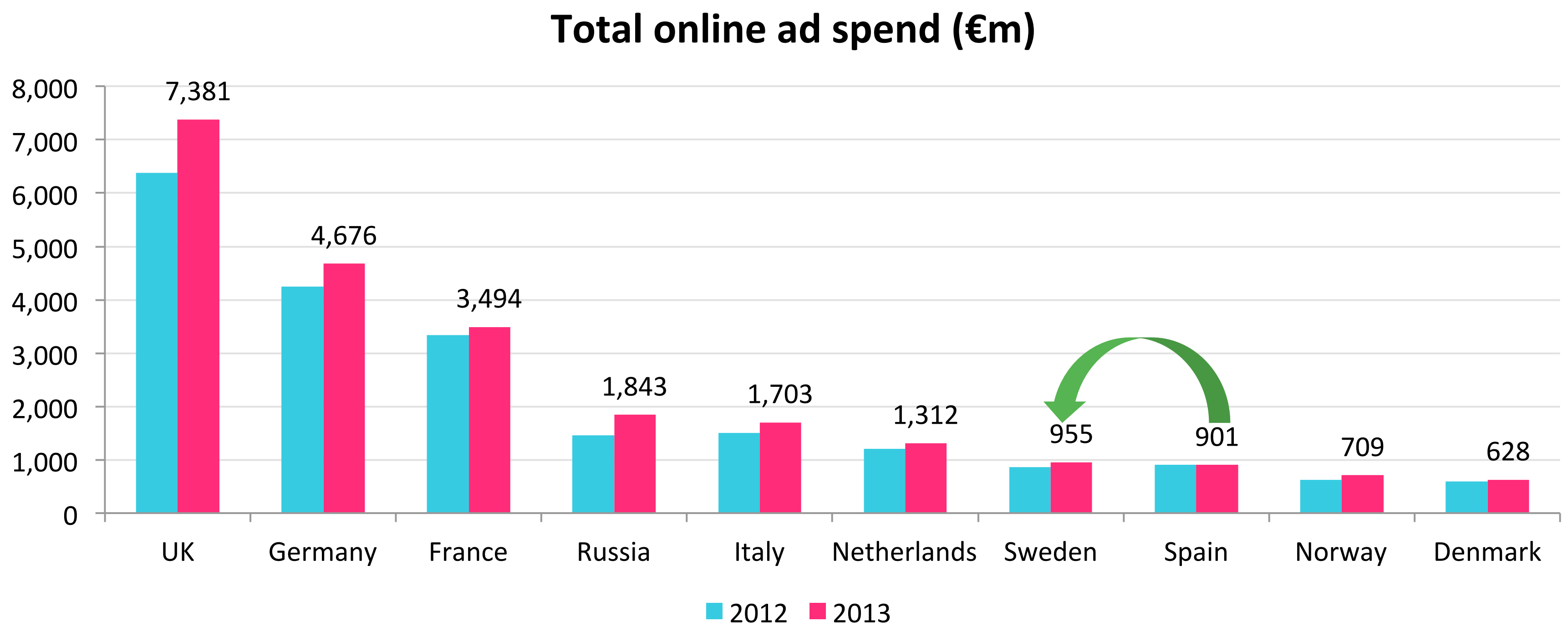
However, no one online category has yet surpassed Newspapers ad spend



Over half of all European ad spend comes from three markets



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

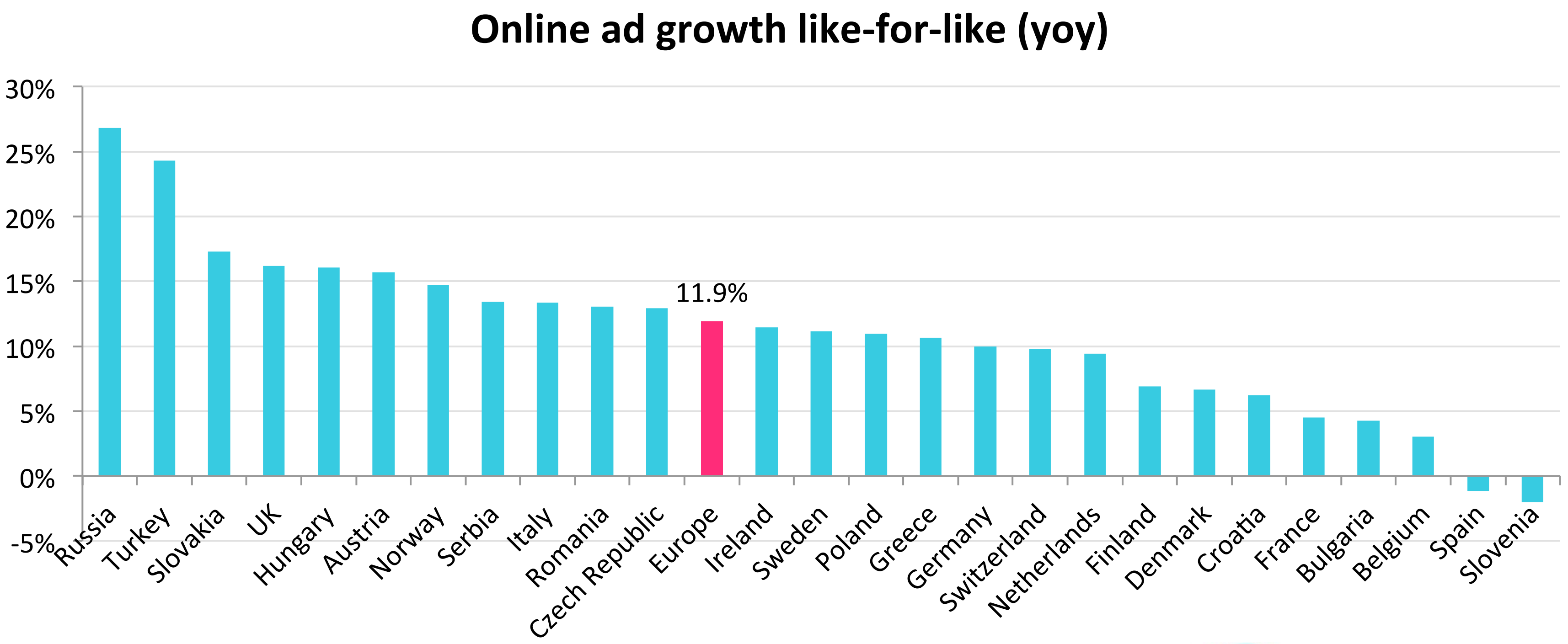
Video inventory – still very limited

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%



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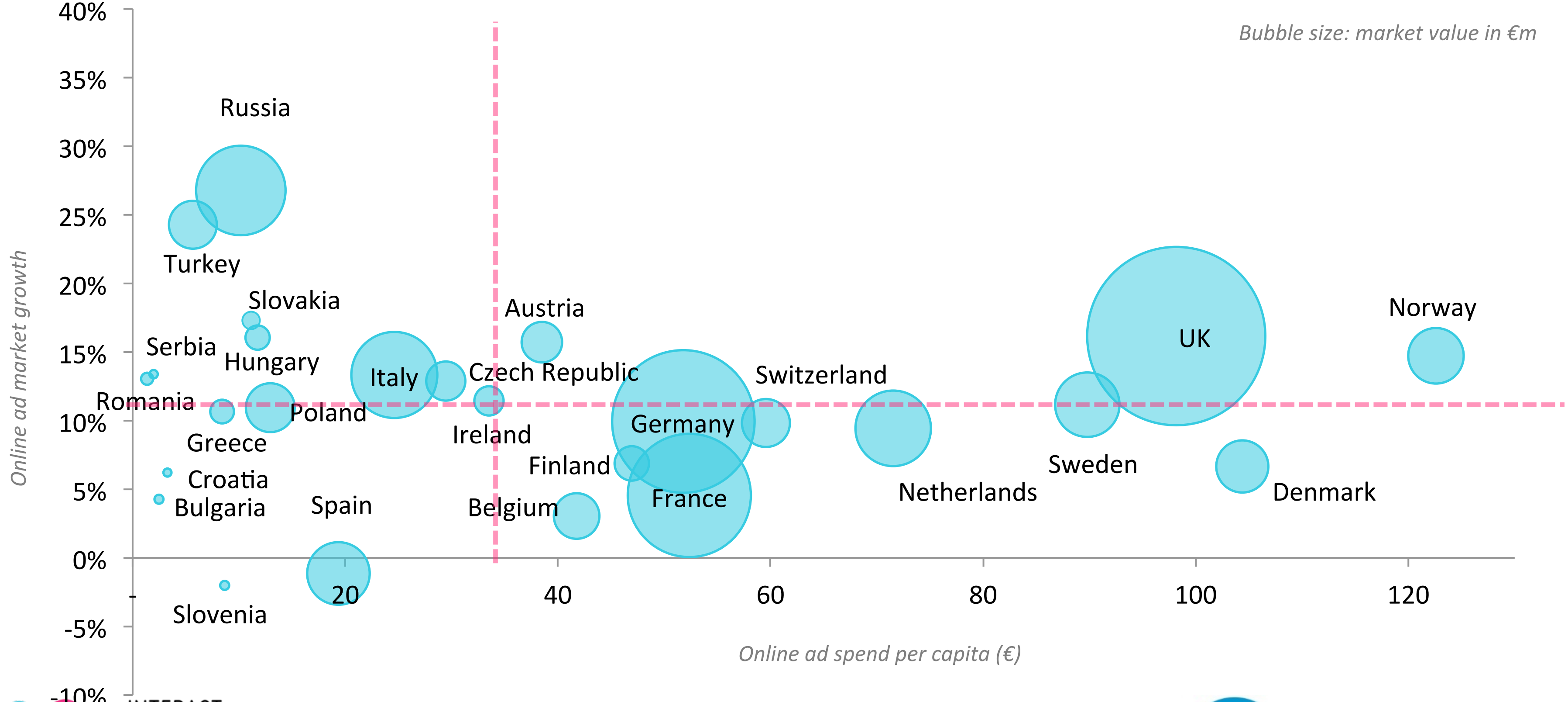
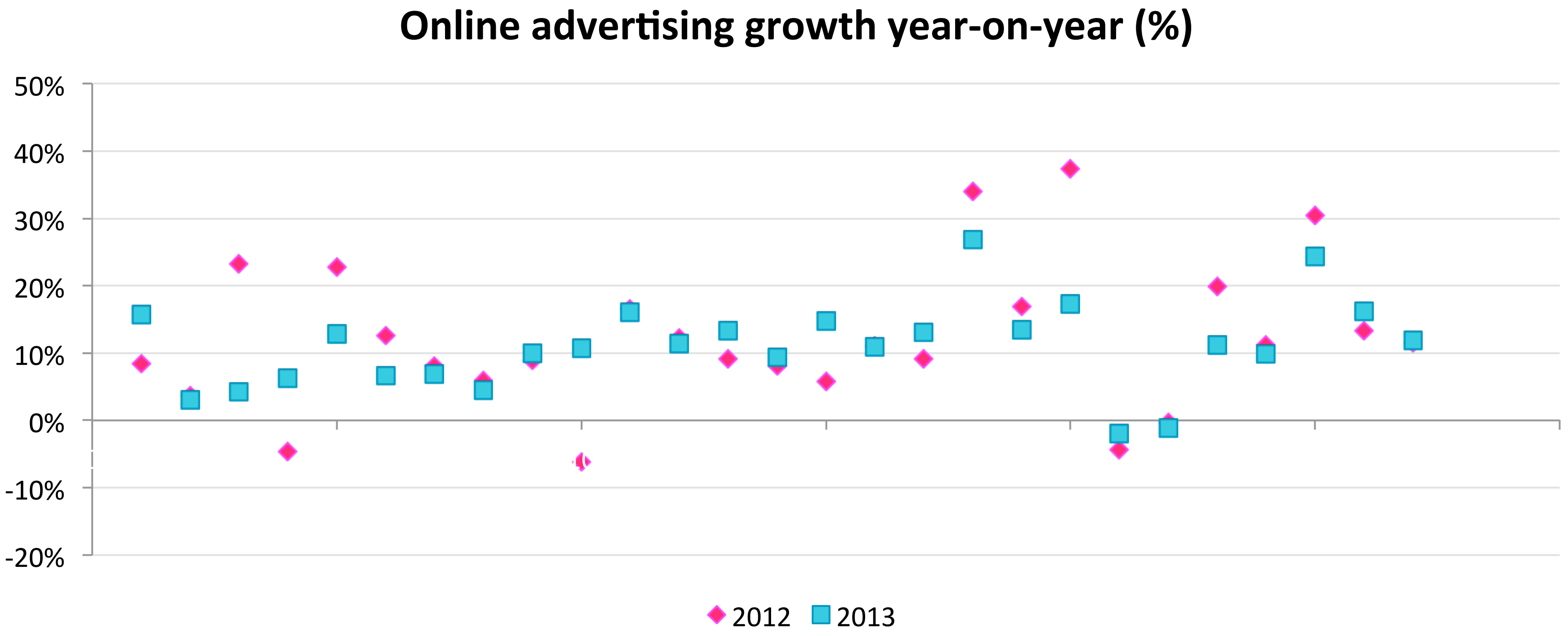
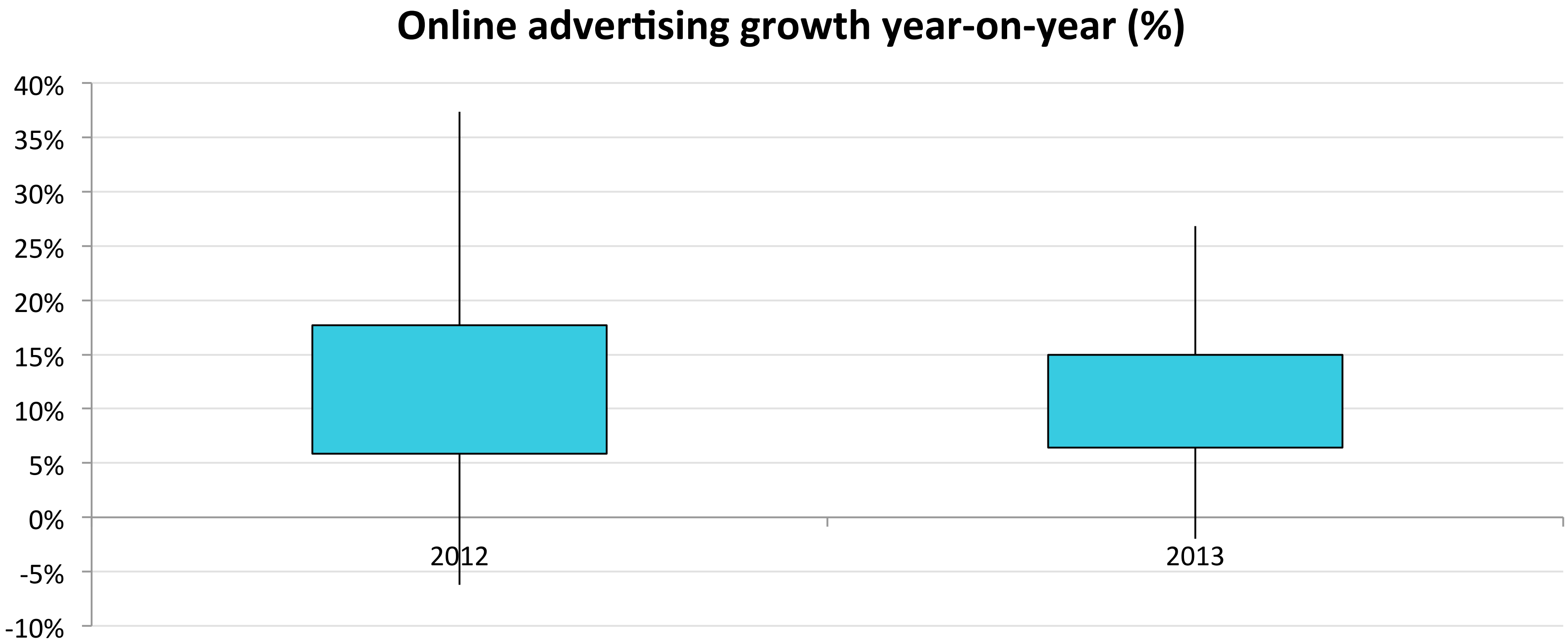

Bubble size: market value in €m
Online ad market growth
Online ad spend per capita (€)
40%
35%
30%
25%
20%
15%
10%
5%
0%
-5%
-10%
-
20
40
60
80
100
120
Russia
Turkey
Slovakia
Serbia
Hungary
Romania
Italy
Poland
Greece
Croatia
Bulgaria
Spain
Slovenia
Austria
Czech Republic
Ireland
Finland
Belgium
Germany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

Uniform growth patterns in 2013

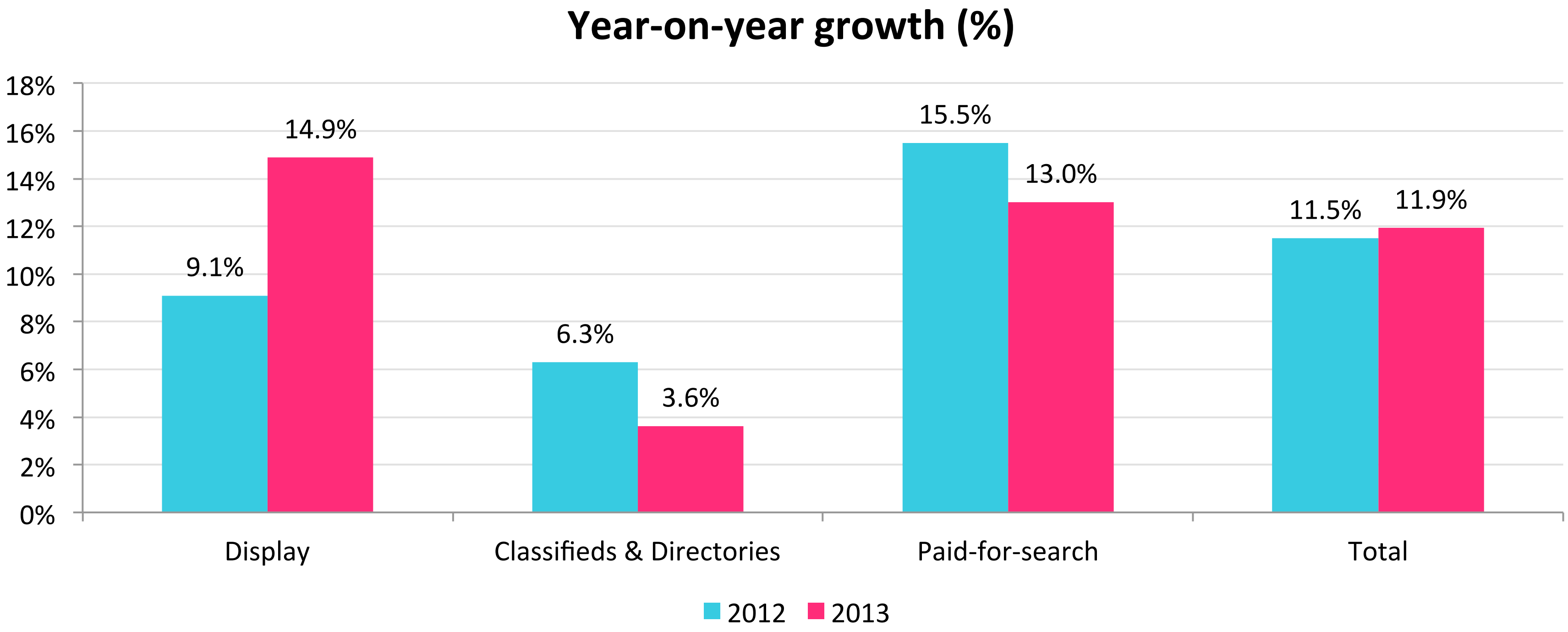


The range of growth is converging across Europe

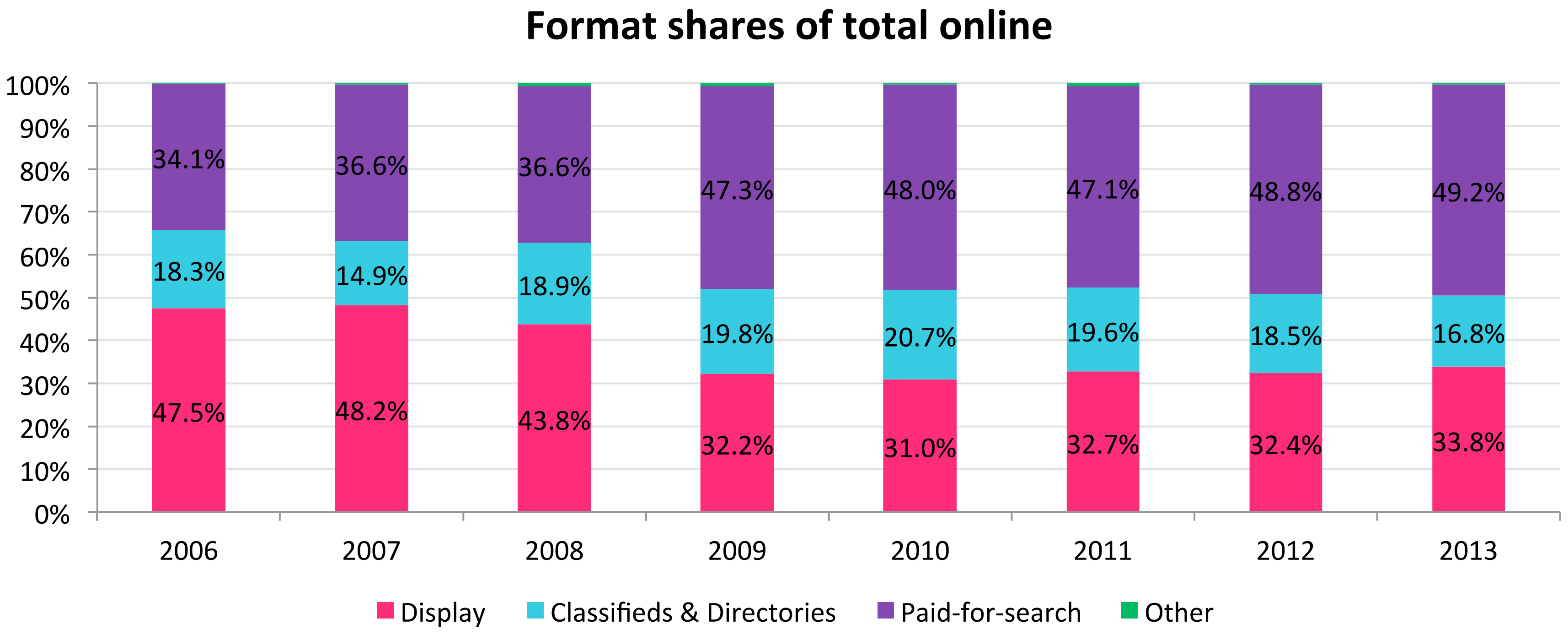


FORMATS

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



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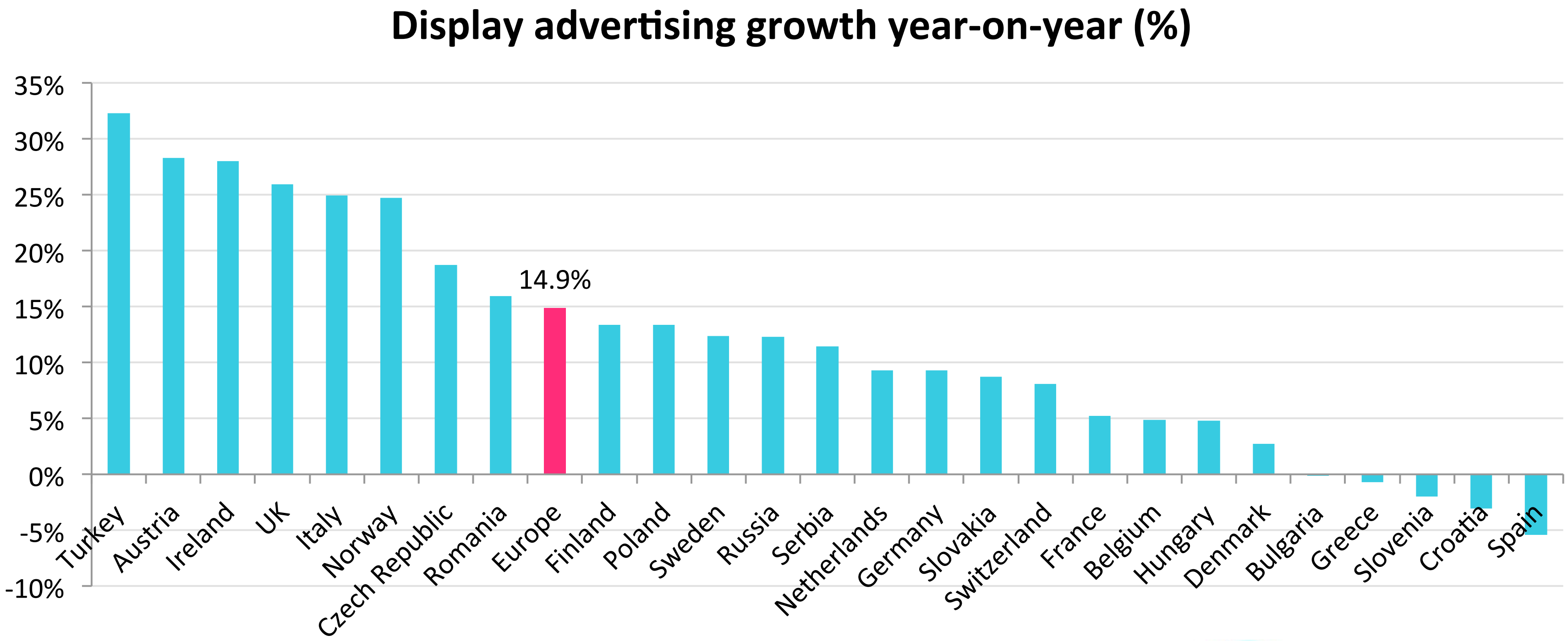
A renaissance of Display advertising: mature markets saw strongest growth in 2013



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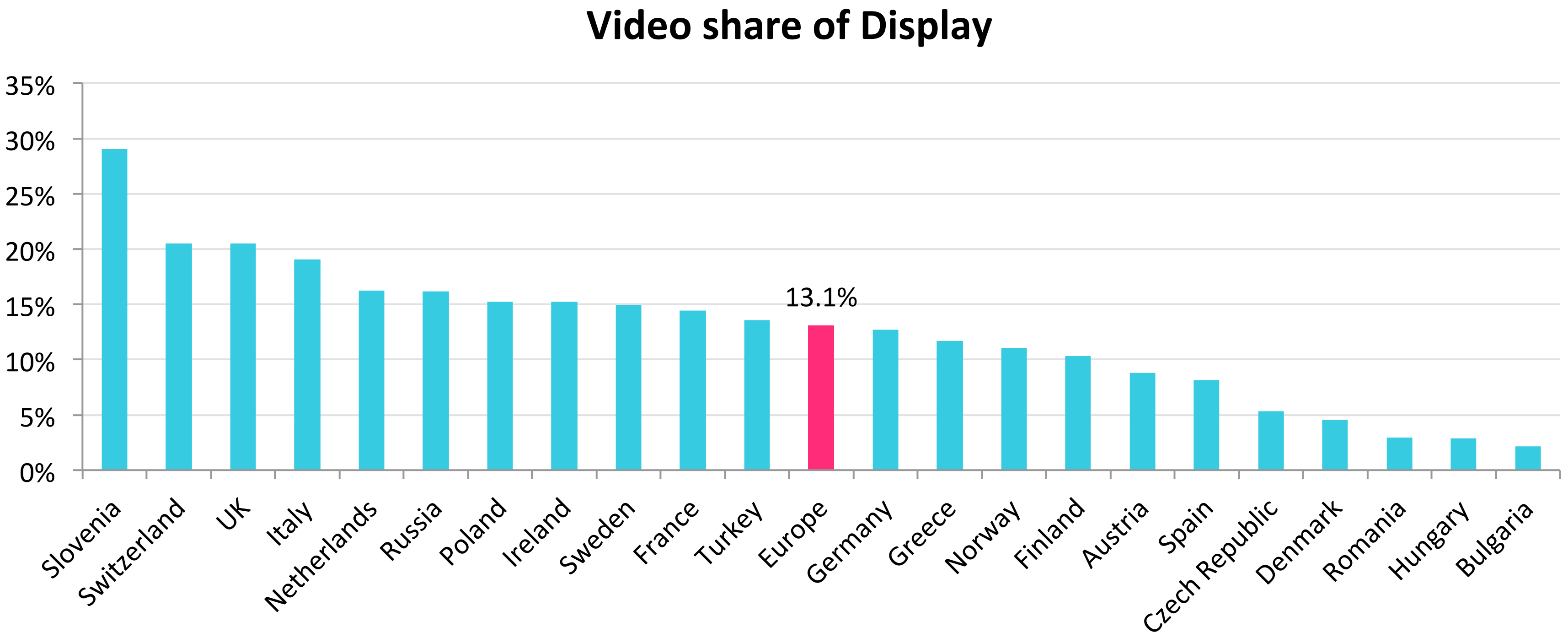
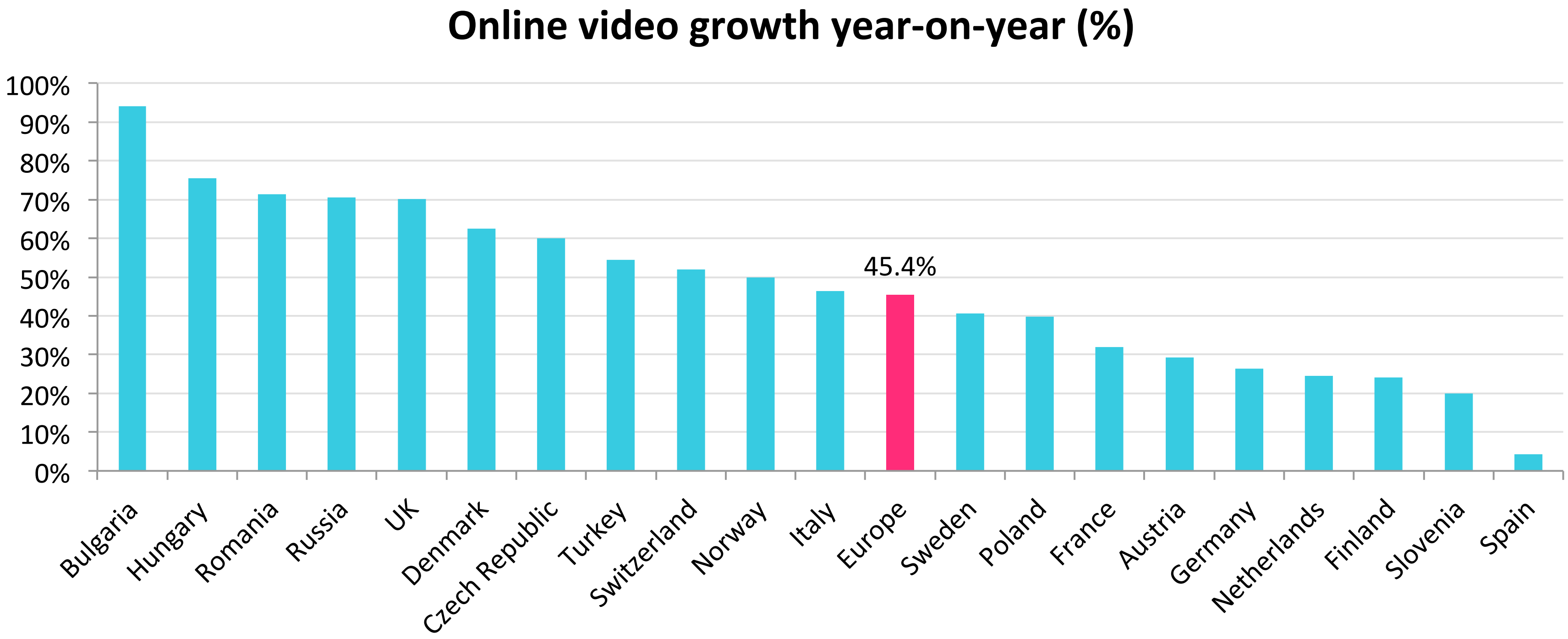
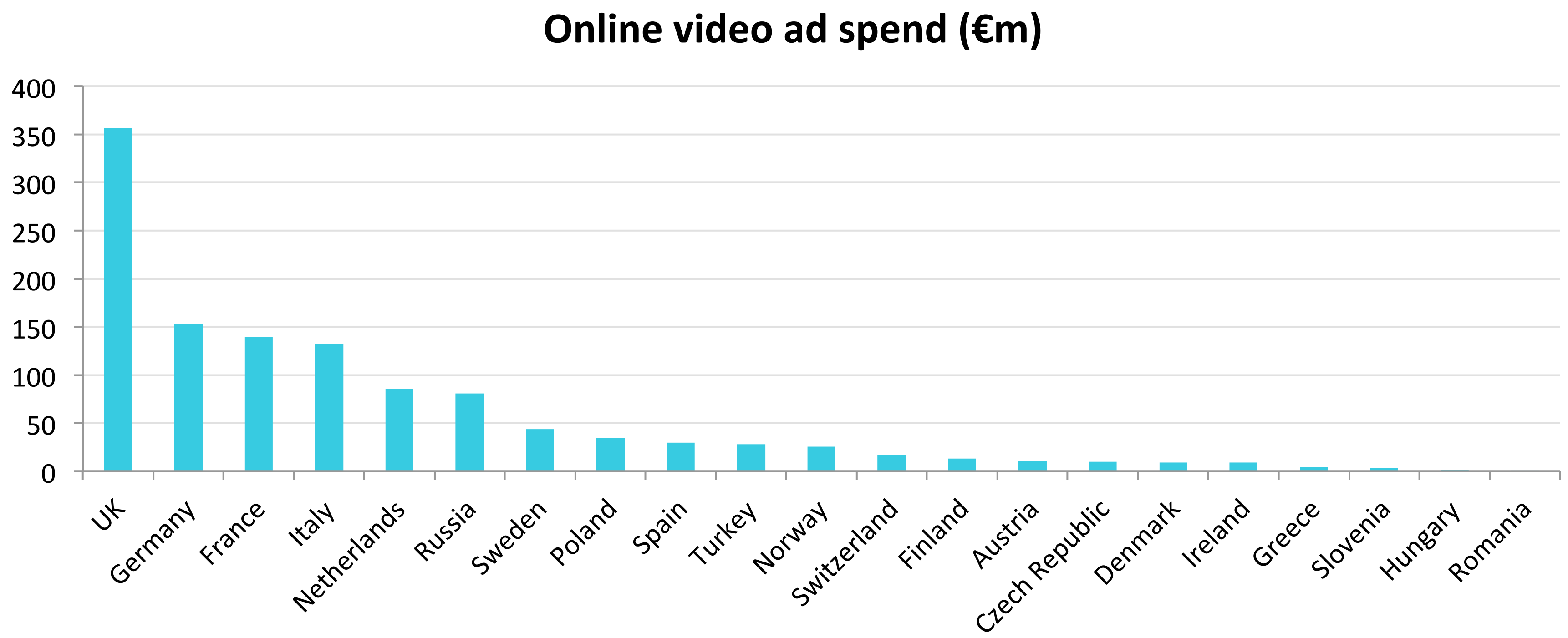
Online video is now a significant part of Display advertising



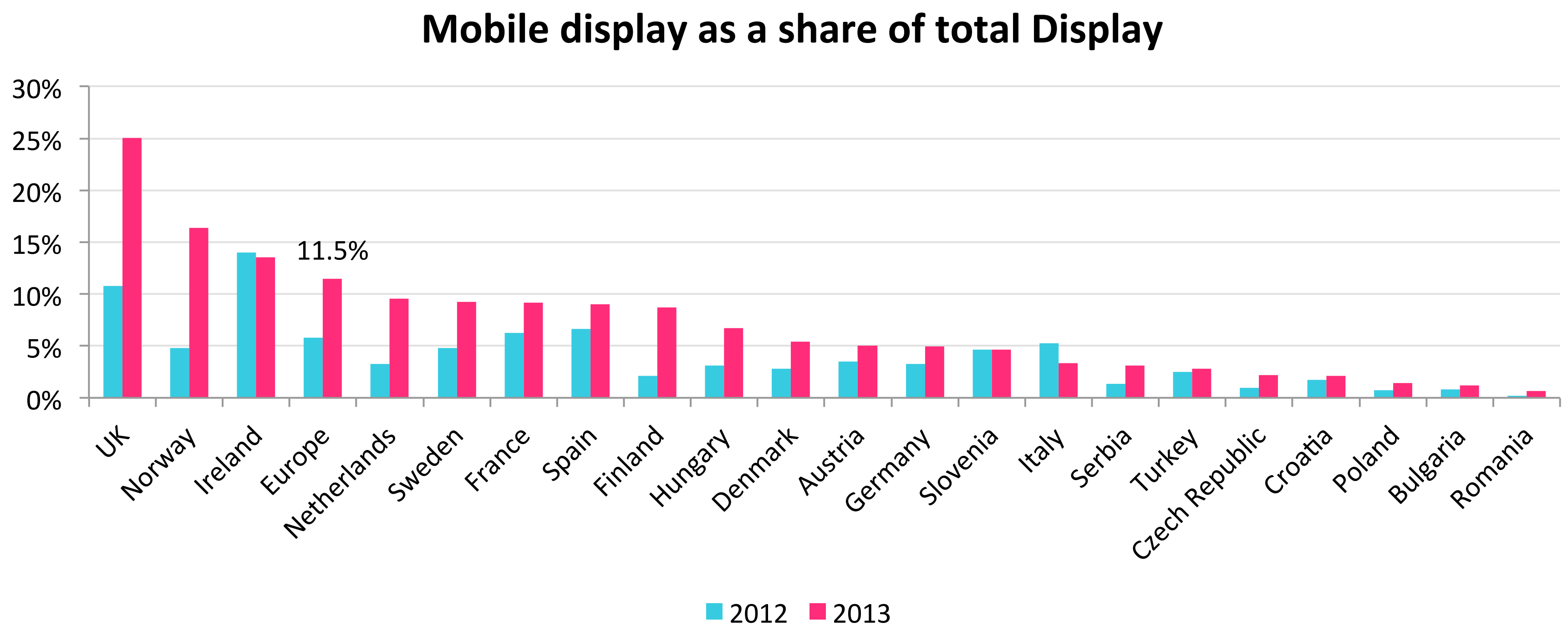
Growth in video strong, but no country achieves triple-digit growth



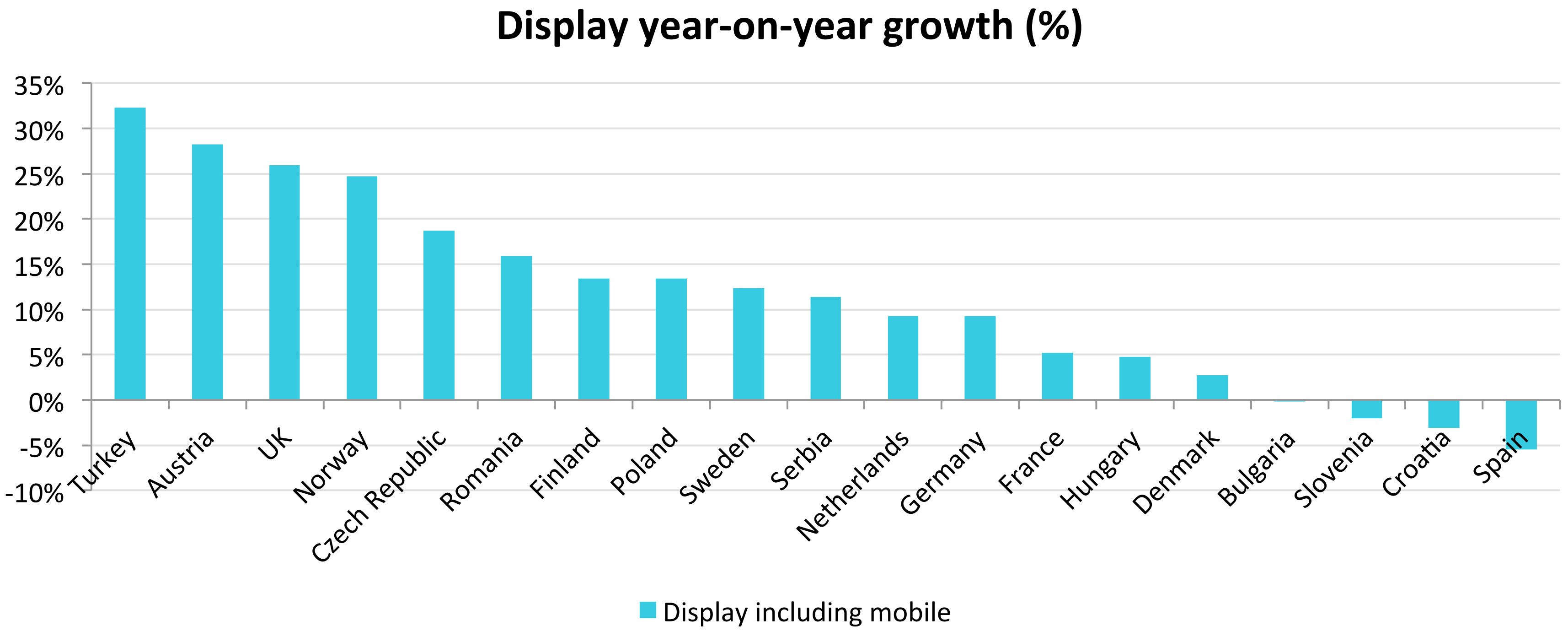
Video ad spend mirrors total online ad spend ranking



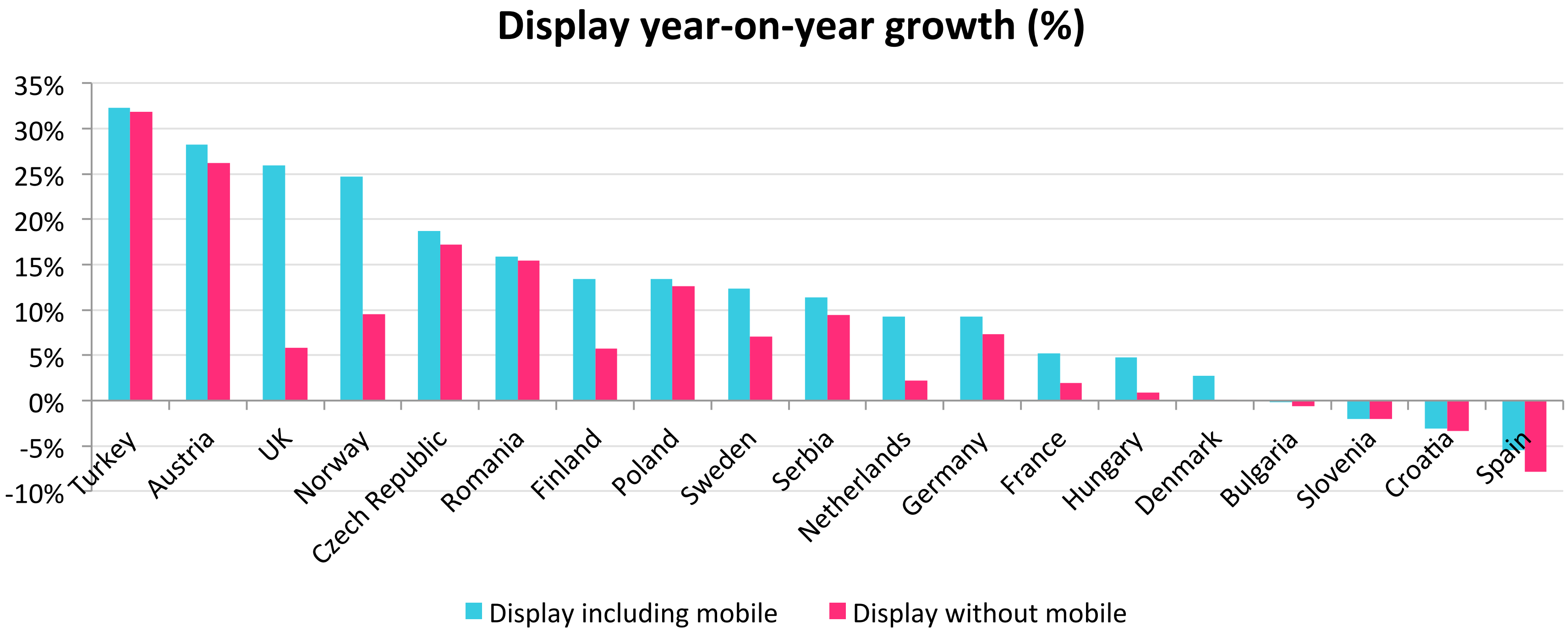
Mobile now has a double-digit share of online display



This is more evident…



…when we remove Mobile from Display

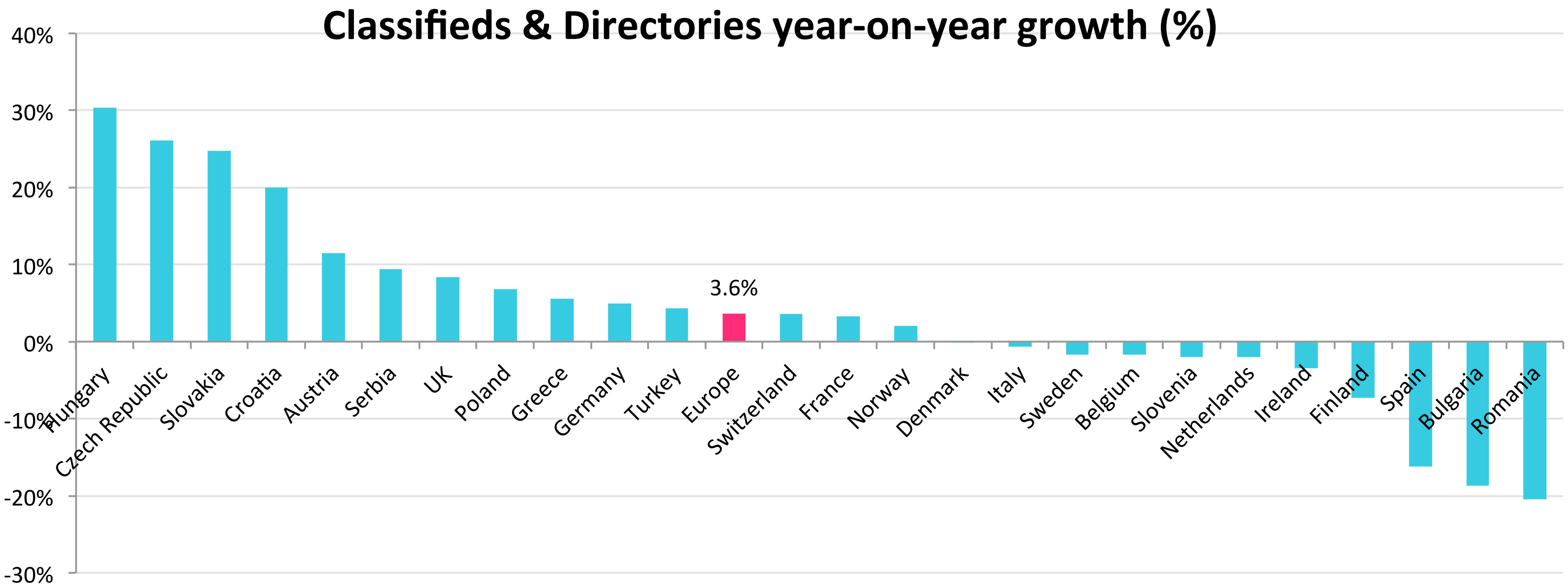


Mobile is most important growth engine for online display

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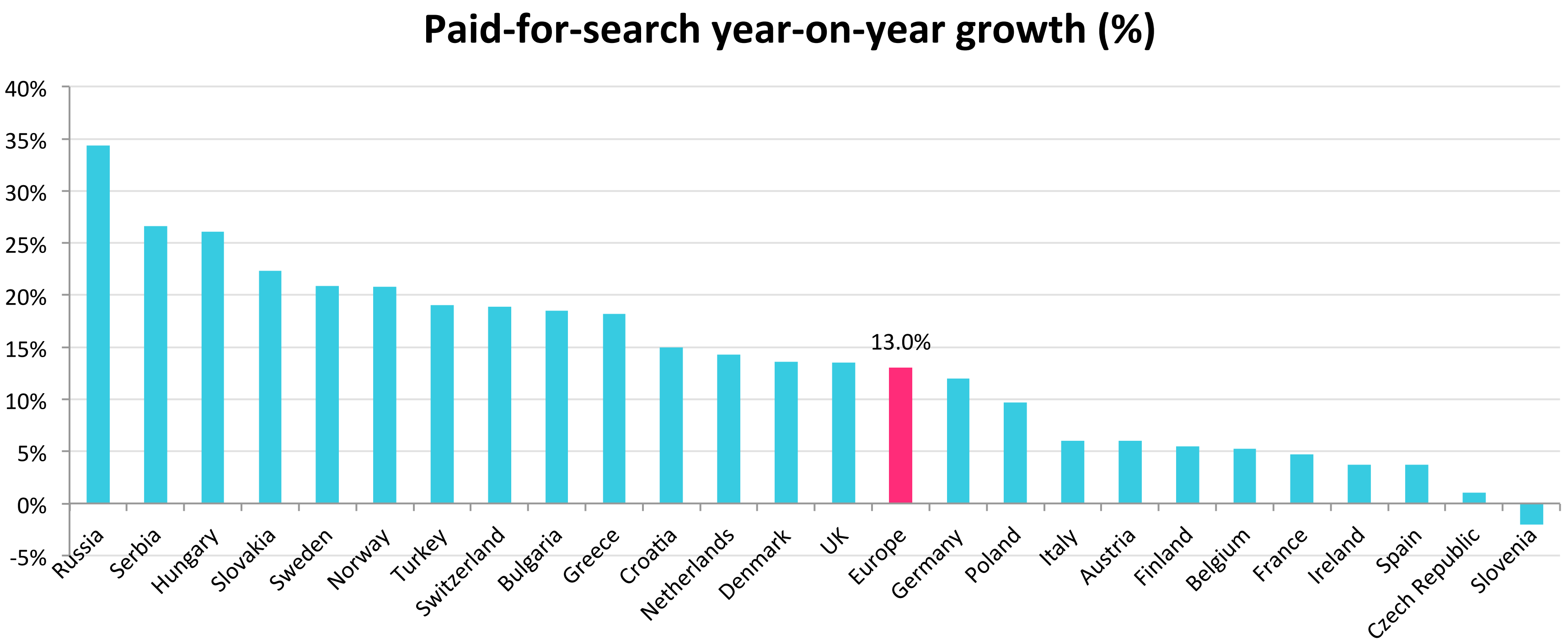
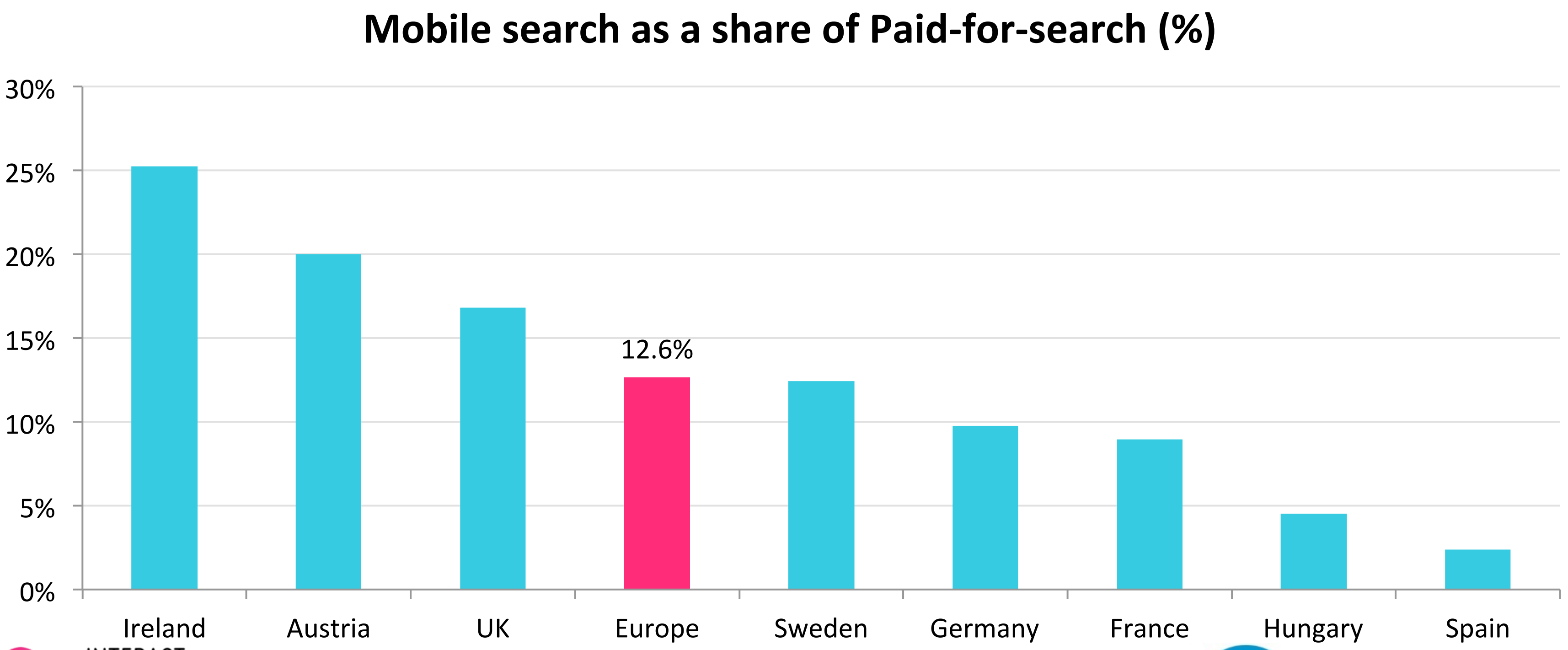
Continued growth in Paid-for-search shows the success of the format

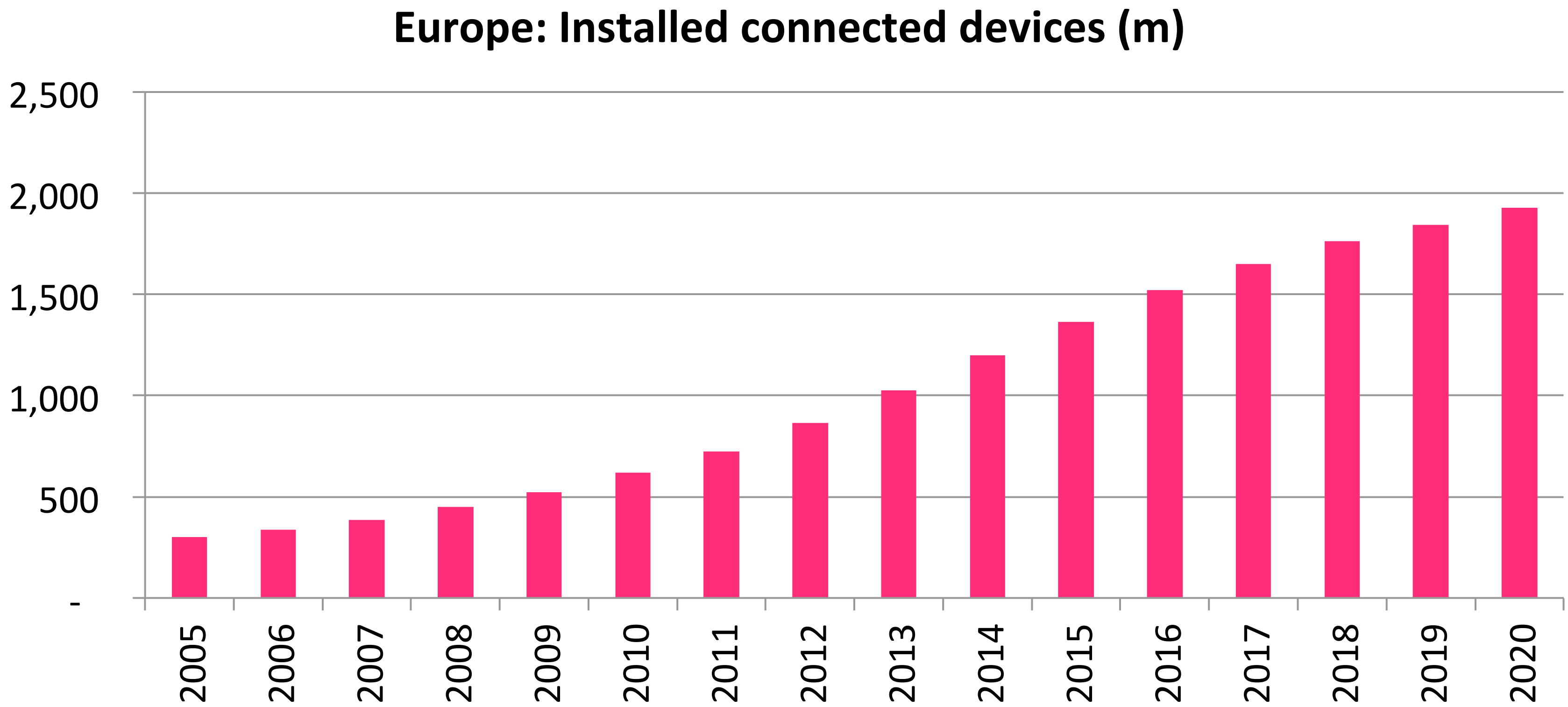


Like in Display, Mobile is now a significant driver of Paid-for-search

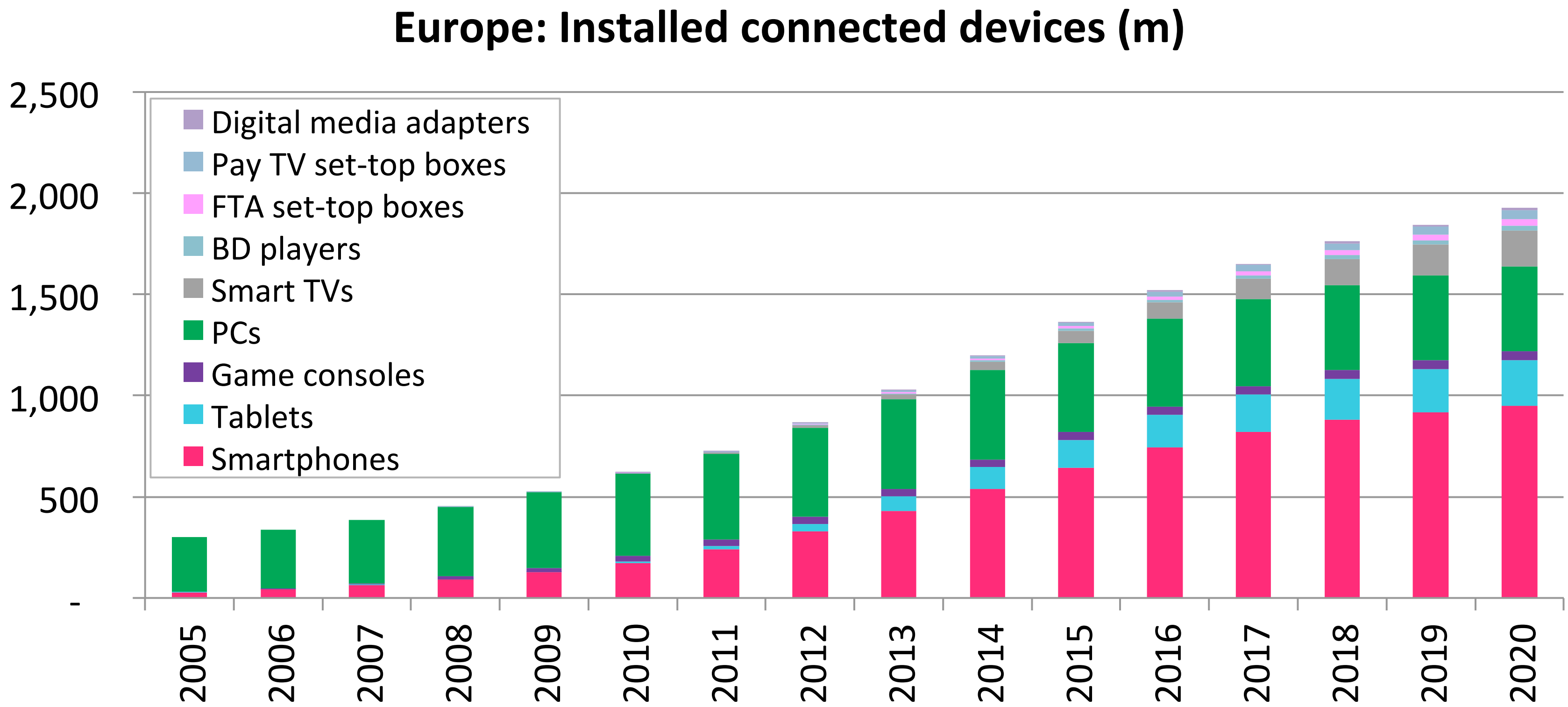


OUTLOOK

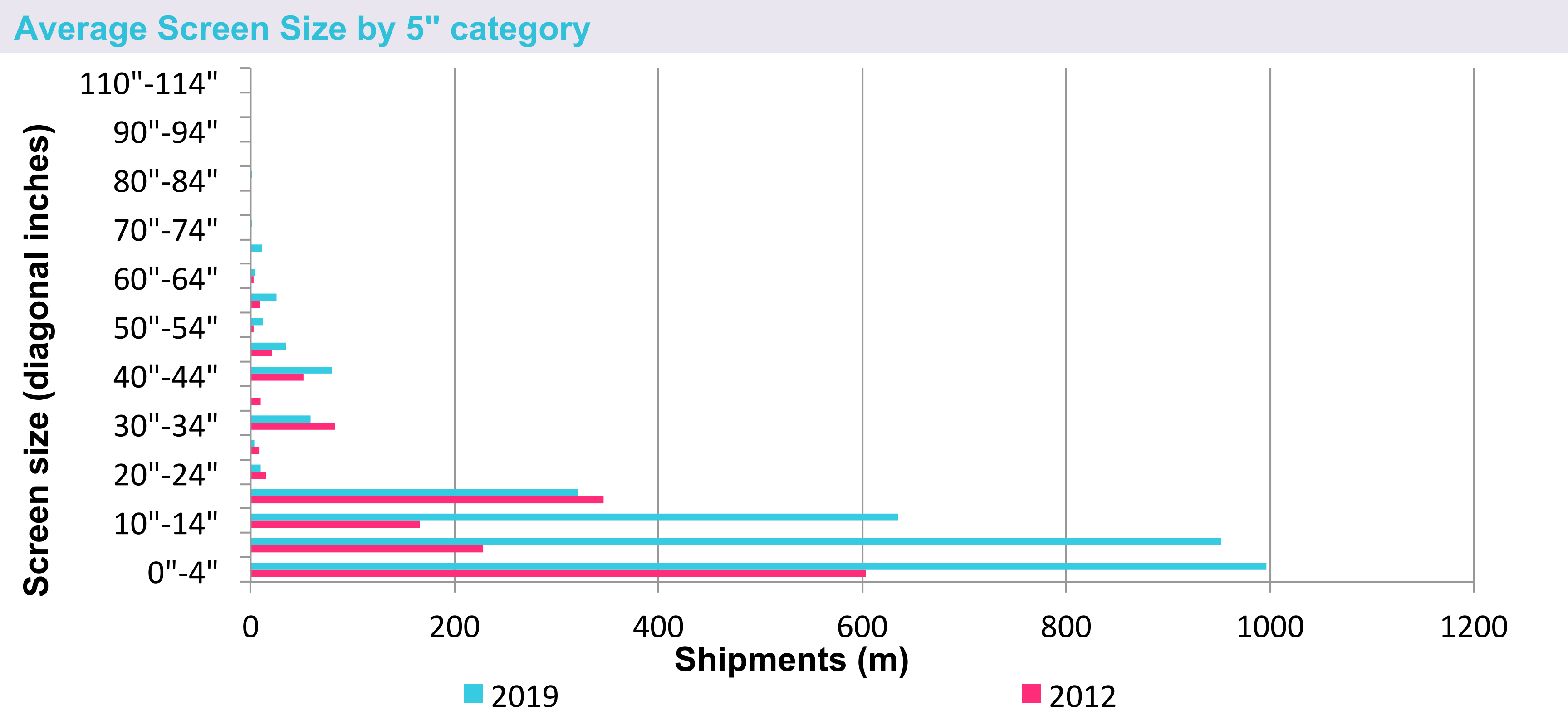
By 2020, we expect there to be 2bn connected devices across Europe



With growth driven by smartphones, tablets and smart TVs



What this means is that there will be a huge increase in very small screens, sub-15"



Thank you! Questions?

Daniel Knapp
@_dknapp
daniel.knapp@ihs.com