



IAB Europe AdEx Benchmark 2014

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About the study



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A meta analysis of online ad spend in Europe

GROSS



NET

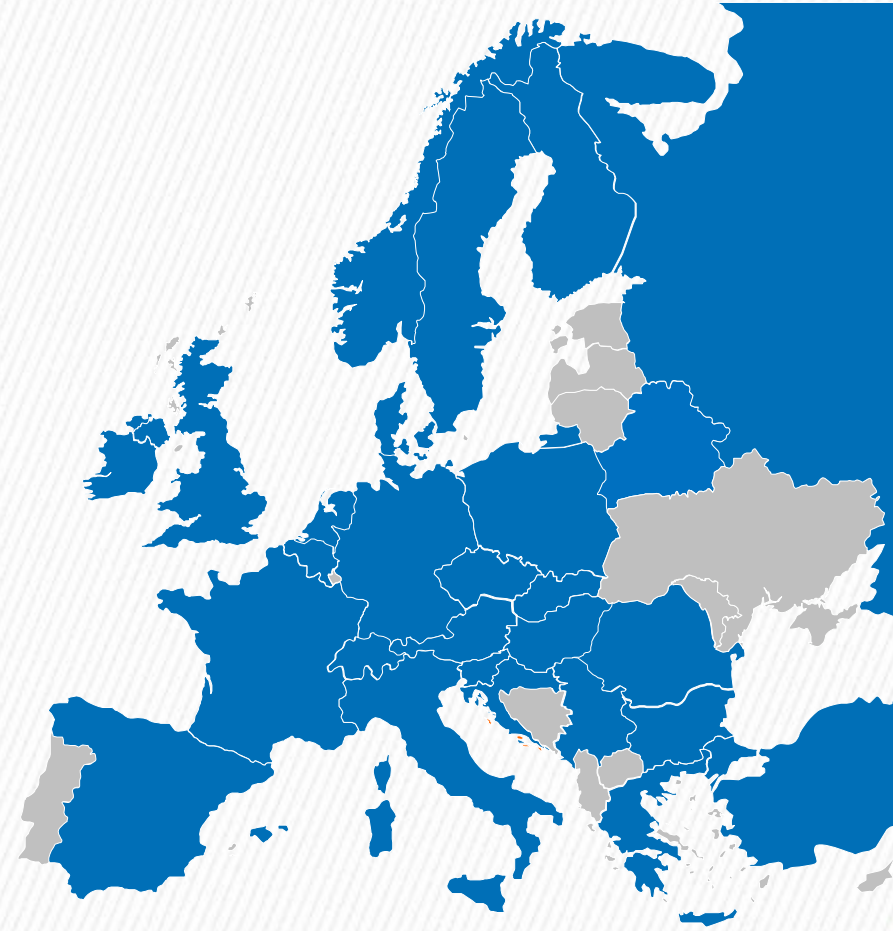


RATECARD



Submissions from 27 European countries

- Austria
- Belarus*
- 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



**New participant from 2014*

Big Picture and Context



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The value of European online advertising in 2014

€30.7bn



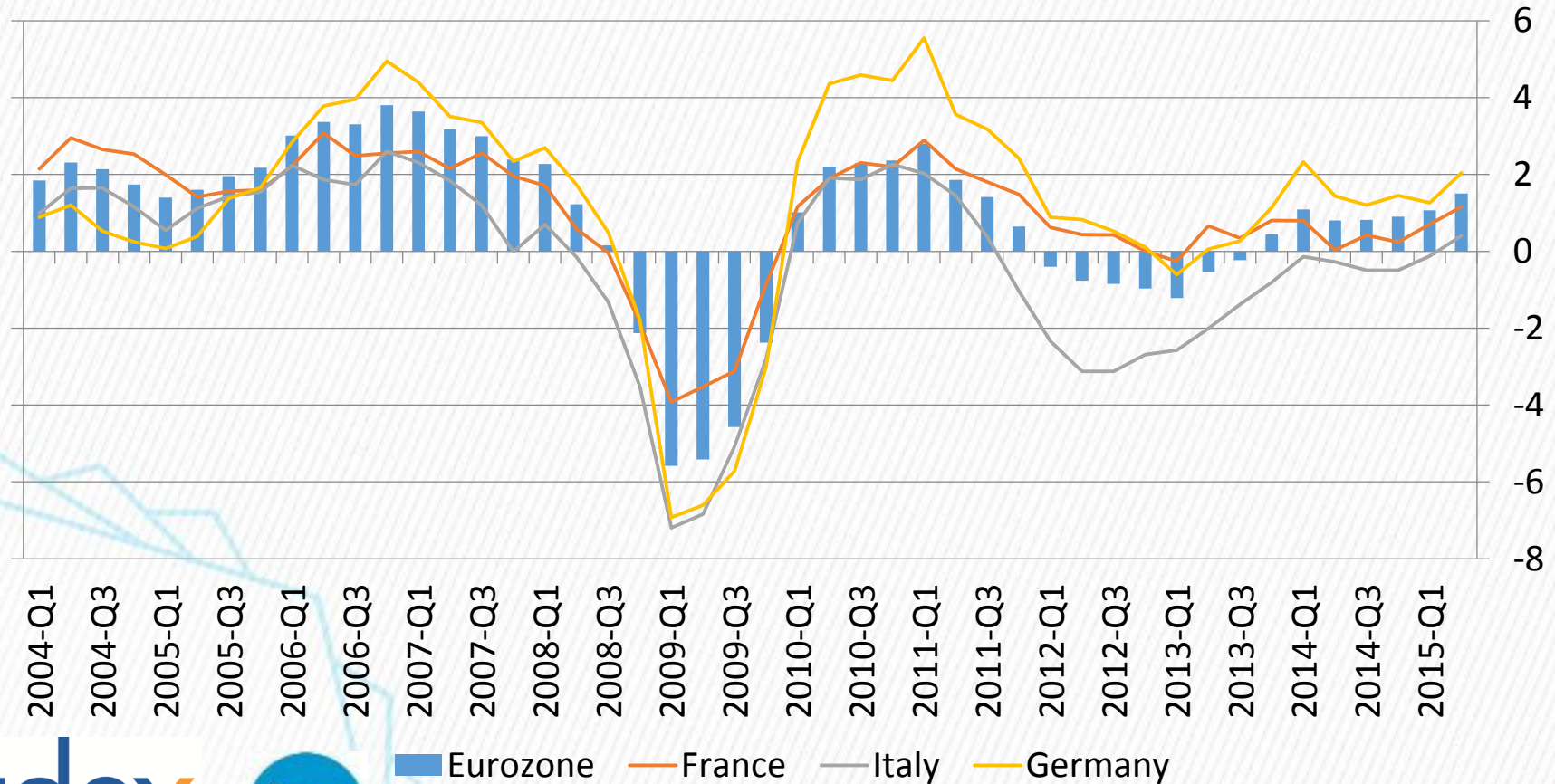
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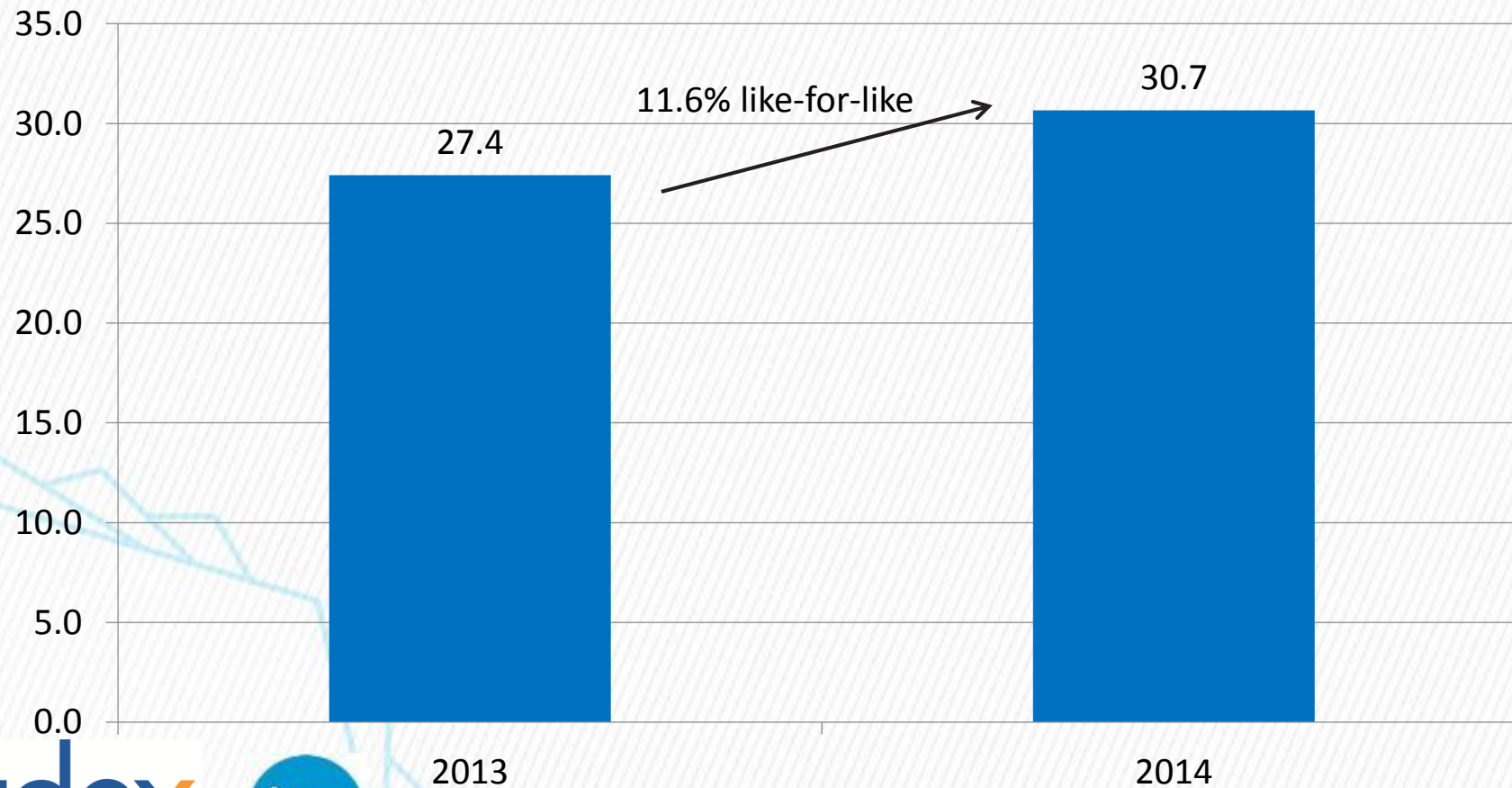
2014: Eurozone macro-recovery provides foundation for ad growth

GDP growth in Eurozone (%)



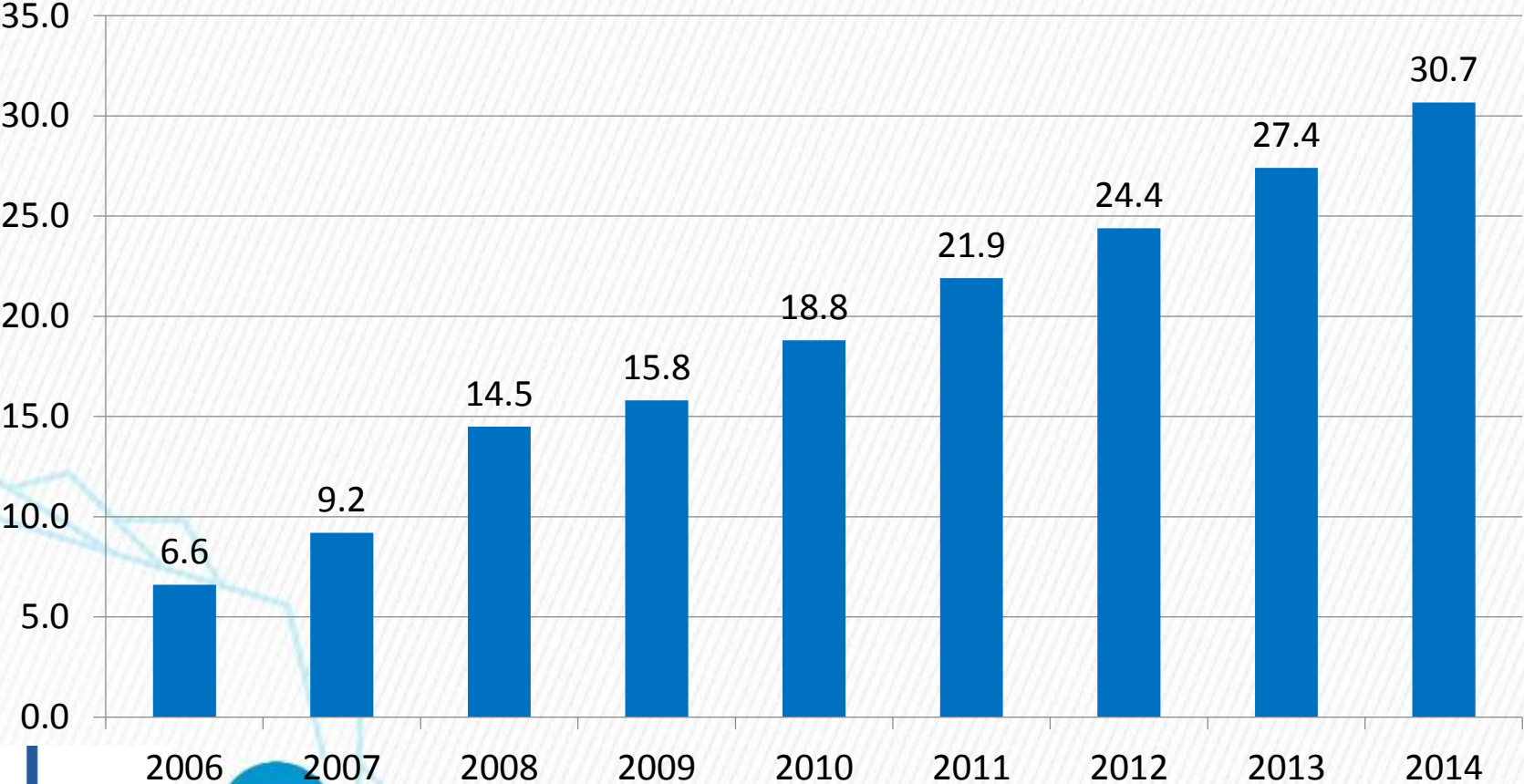
Double-digit online advertising growth in 2014

Total online advertising spend (€bn)



Online advertising spend has doubled in the last five years...

Total online advertising spend (€bn)*



* Source: IAB Europe for 2011-2014; 2006-2011 retroplated based on IHS growth rates



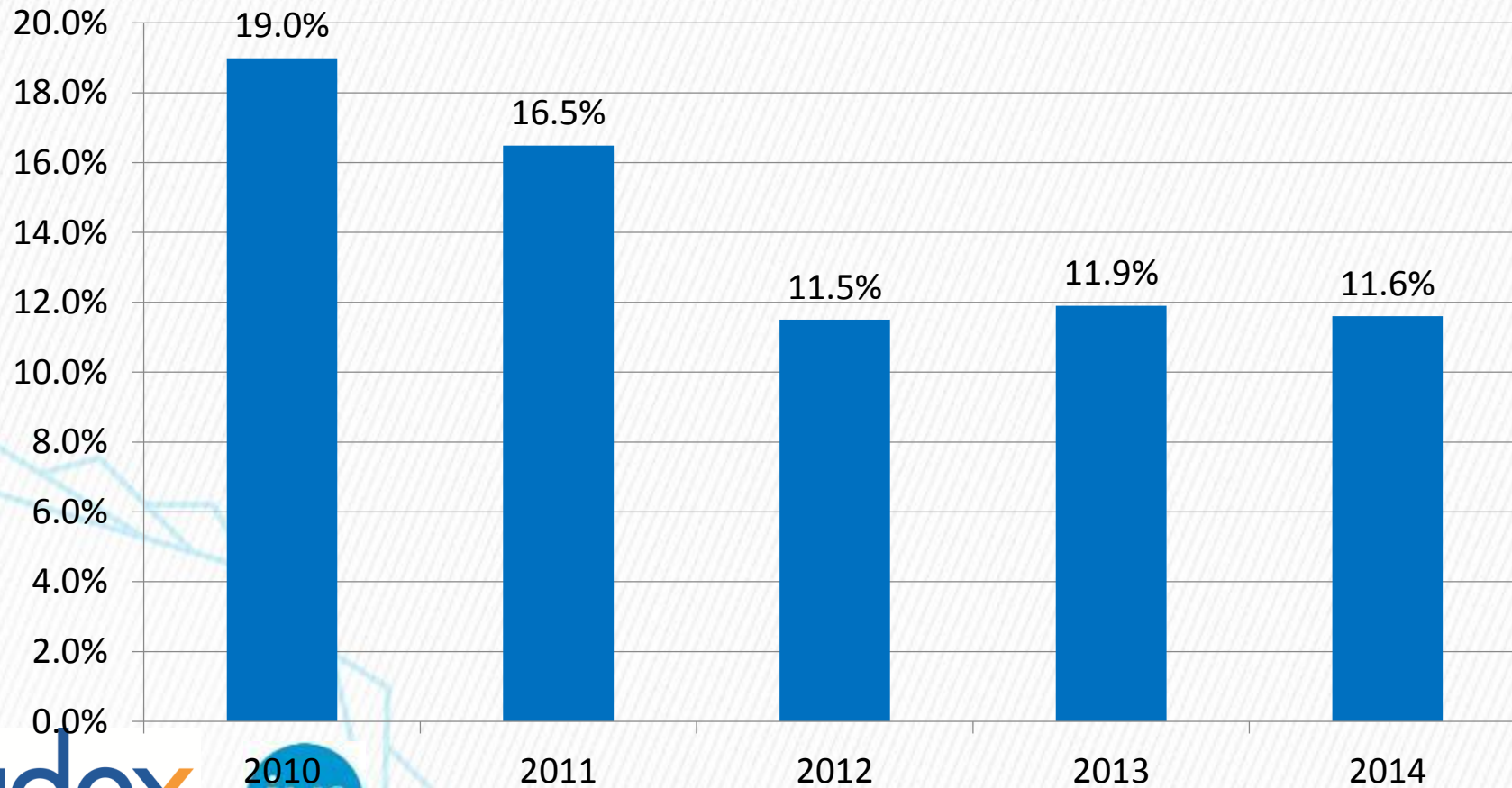
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...while maintaining double-digit growth for five consecutive years

Online advertising year-on-year growth (%)



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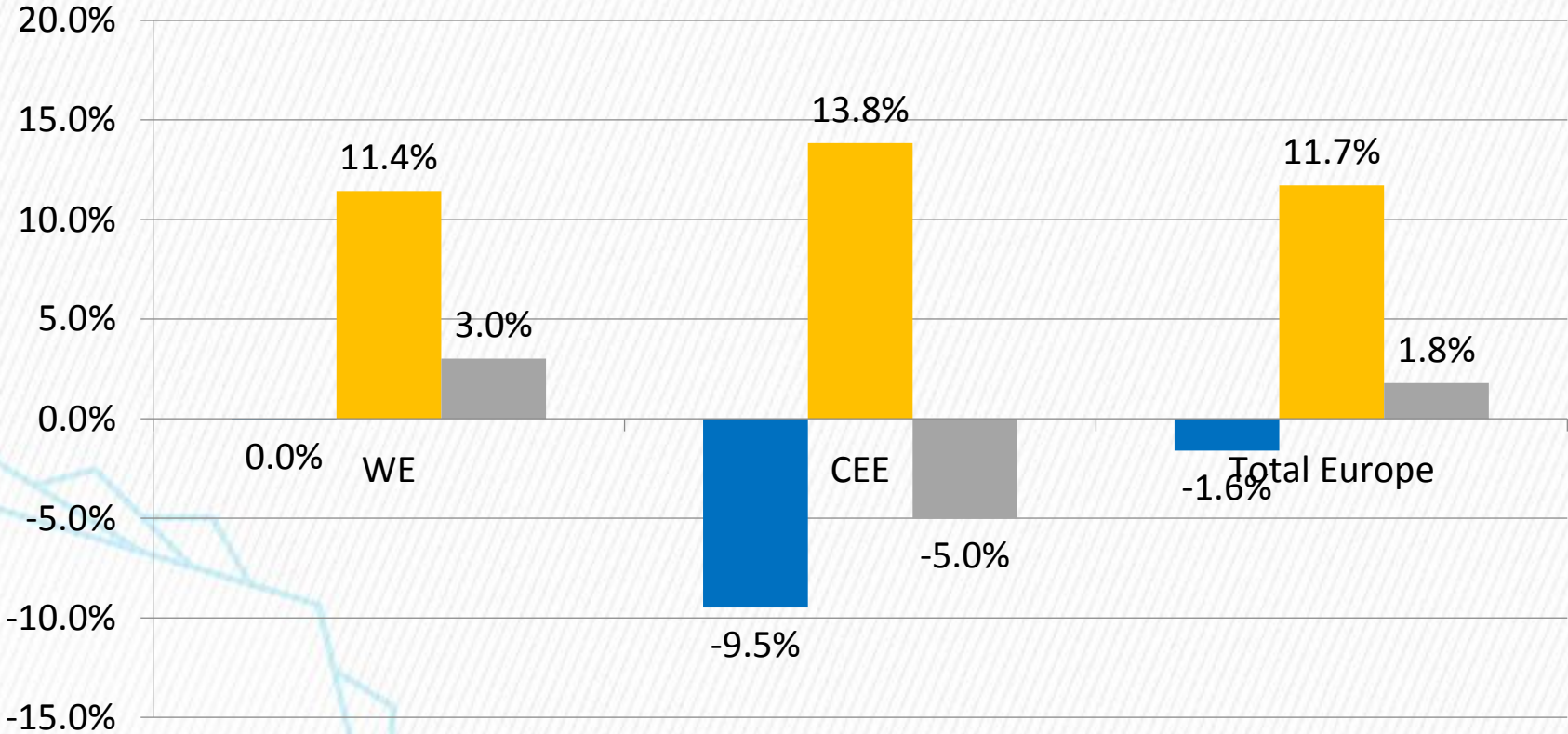
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Online growth rescued overall European advertising market in 2014

2014: advertising year-on-year growth (%)



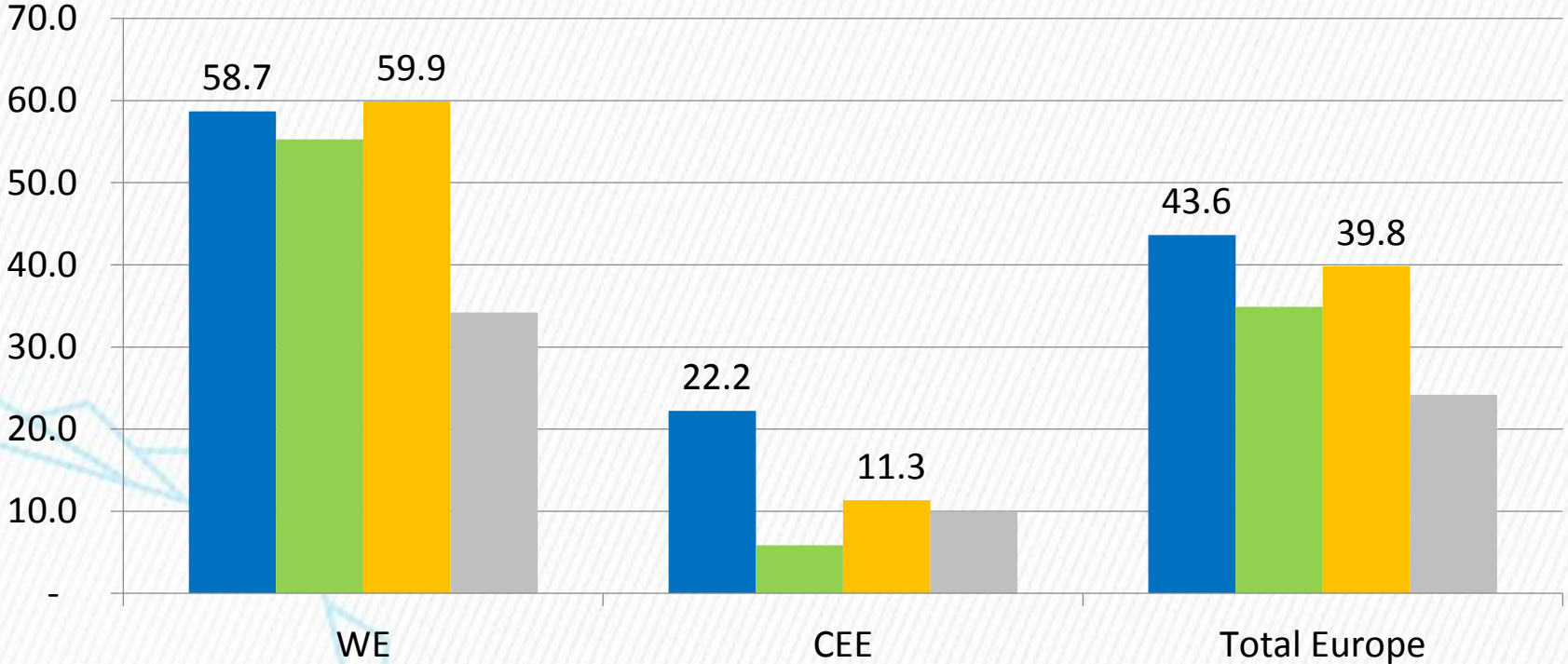
■ Total excluding online ■ Online ■ Total

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In Western Europe, online advertising spend per head for the first time exceeded spend on all other media in 2014

Ad spend per capita in 2014 (€)



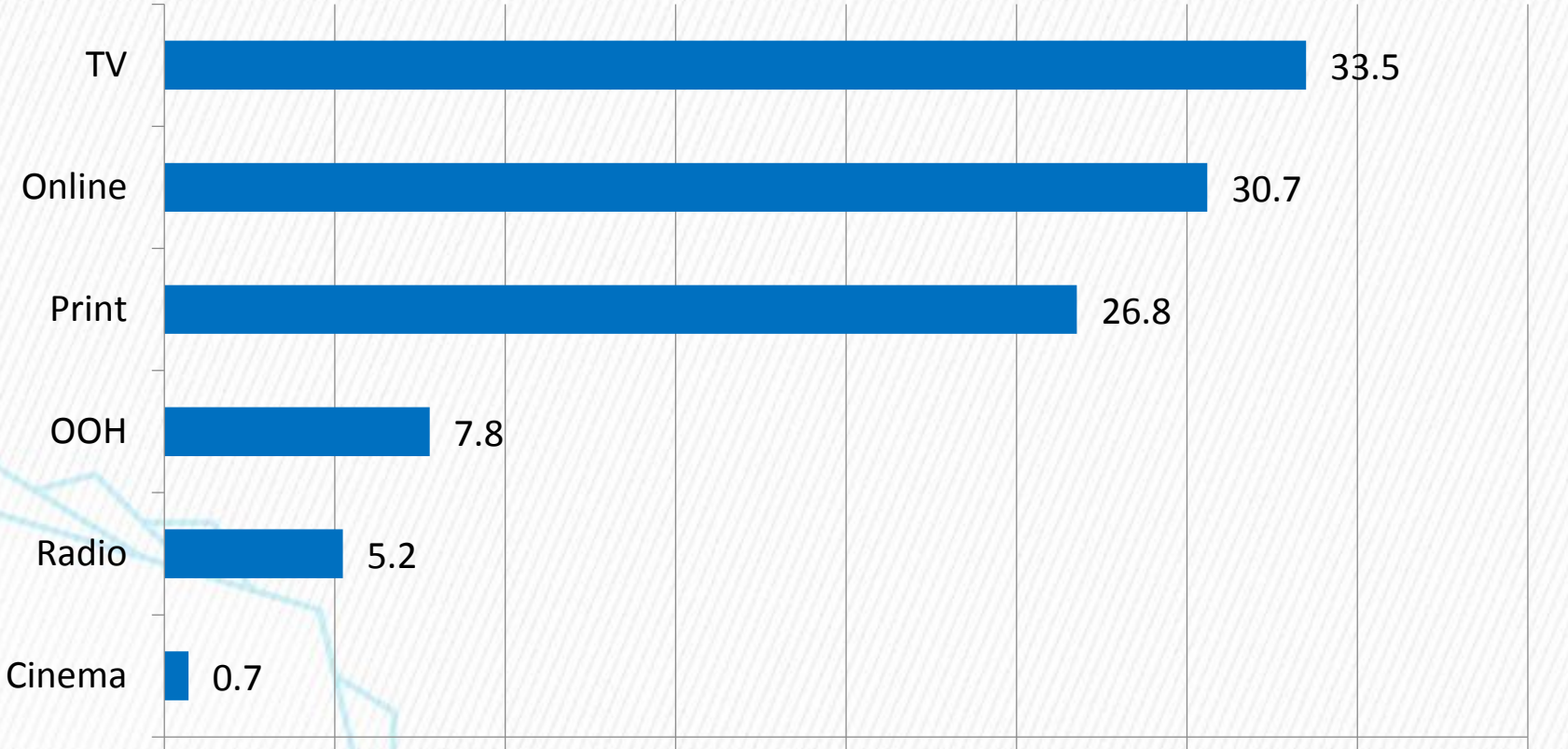
■ TV ■ Print ■ Online ■ Other

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Strong growth puts size of online ad market nearly on par with TV

Ad spend by category in Europe in 2014 (€bn)



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Markets



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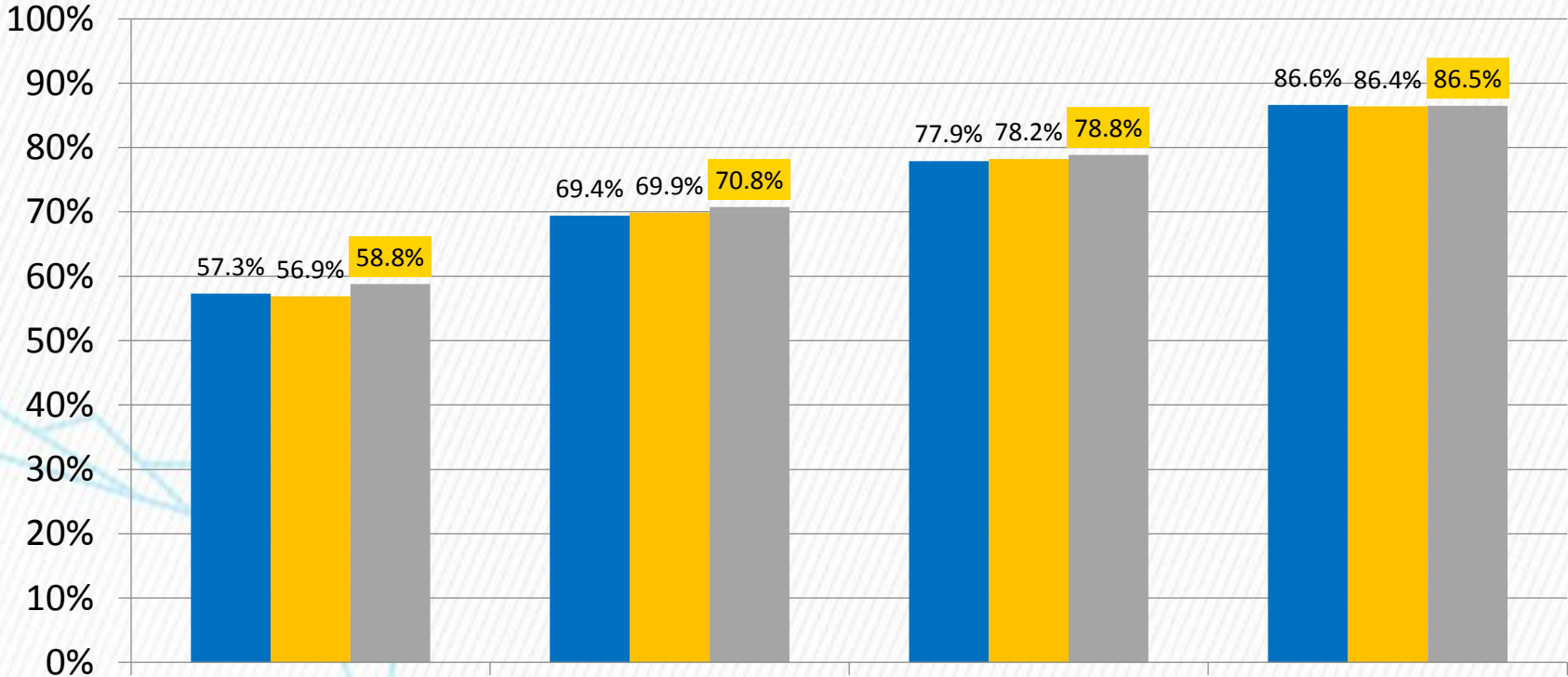
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Over half of all European online ad spend comes from three markets; contribution by top 10 to total market stable

Share of European online ad revenue by market (%)

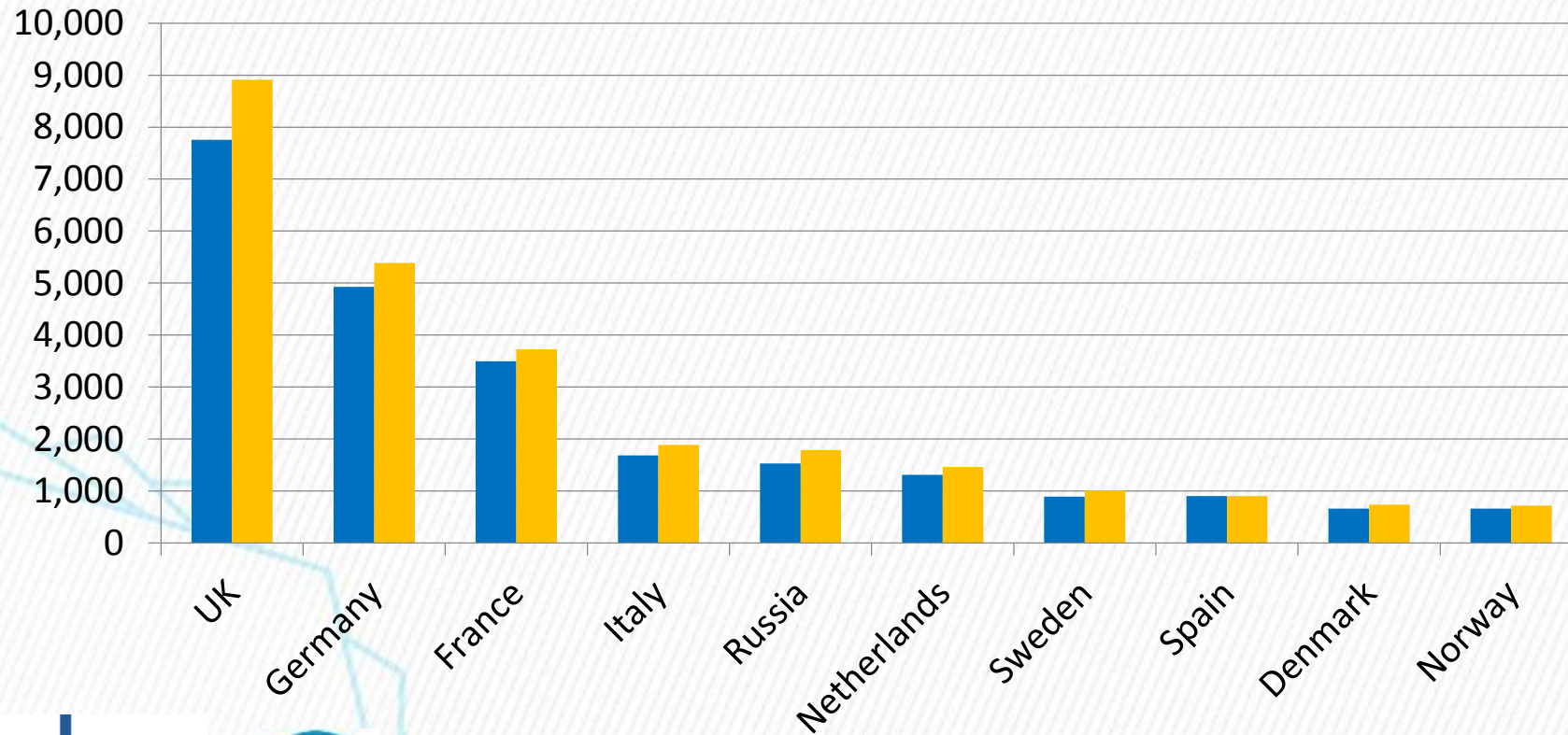


■ 2012 ■ 2013 ■ 2014
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Top 10 European online advertising markets at a glance

Total online ad spend (€m)



■ 2013 ■ 2014

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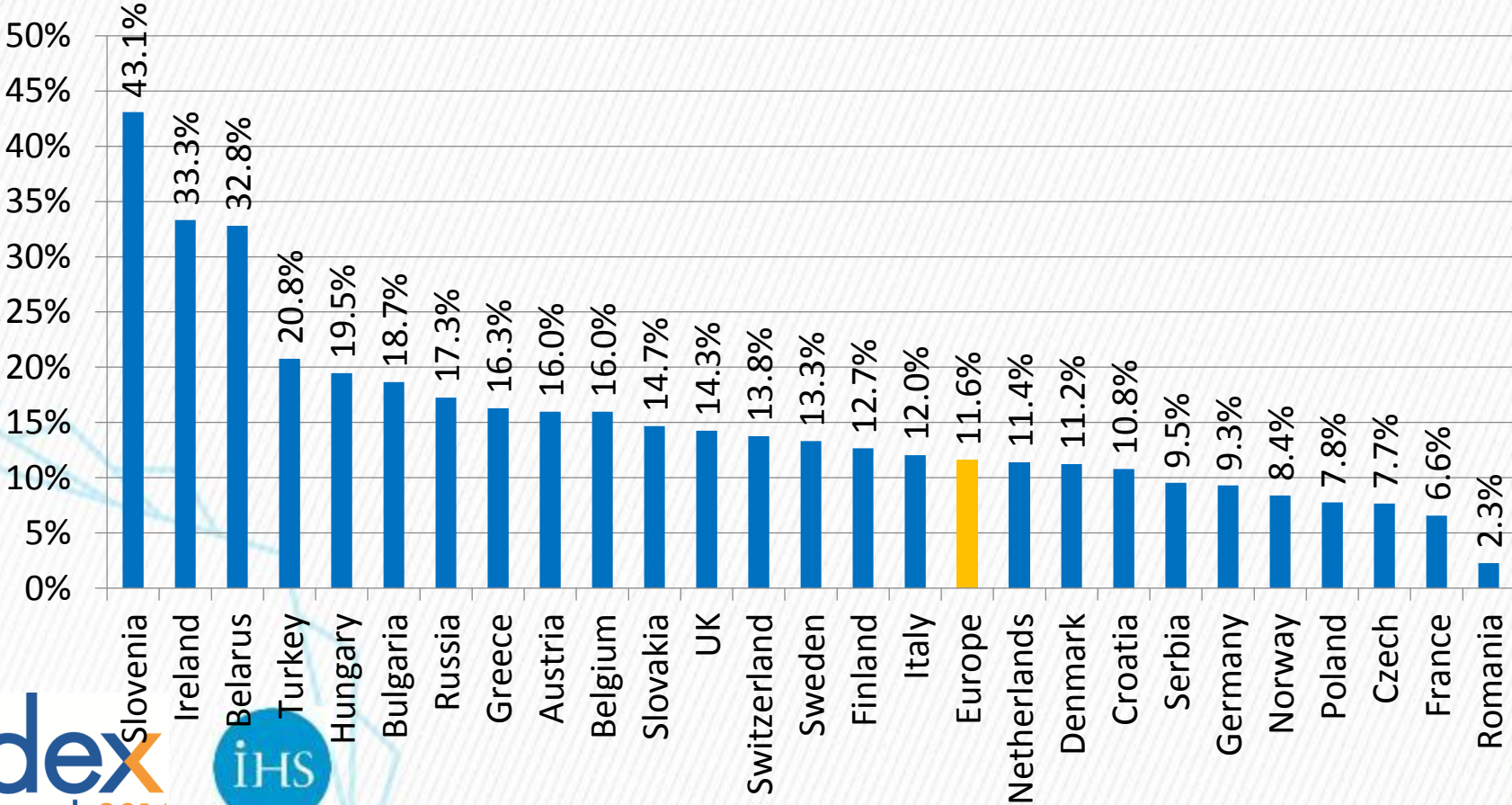
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All European markets recorded positive growth in online advertising in 2014...

Online ad growth like-for-like in 2014 (%)



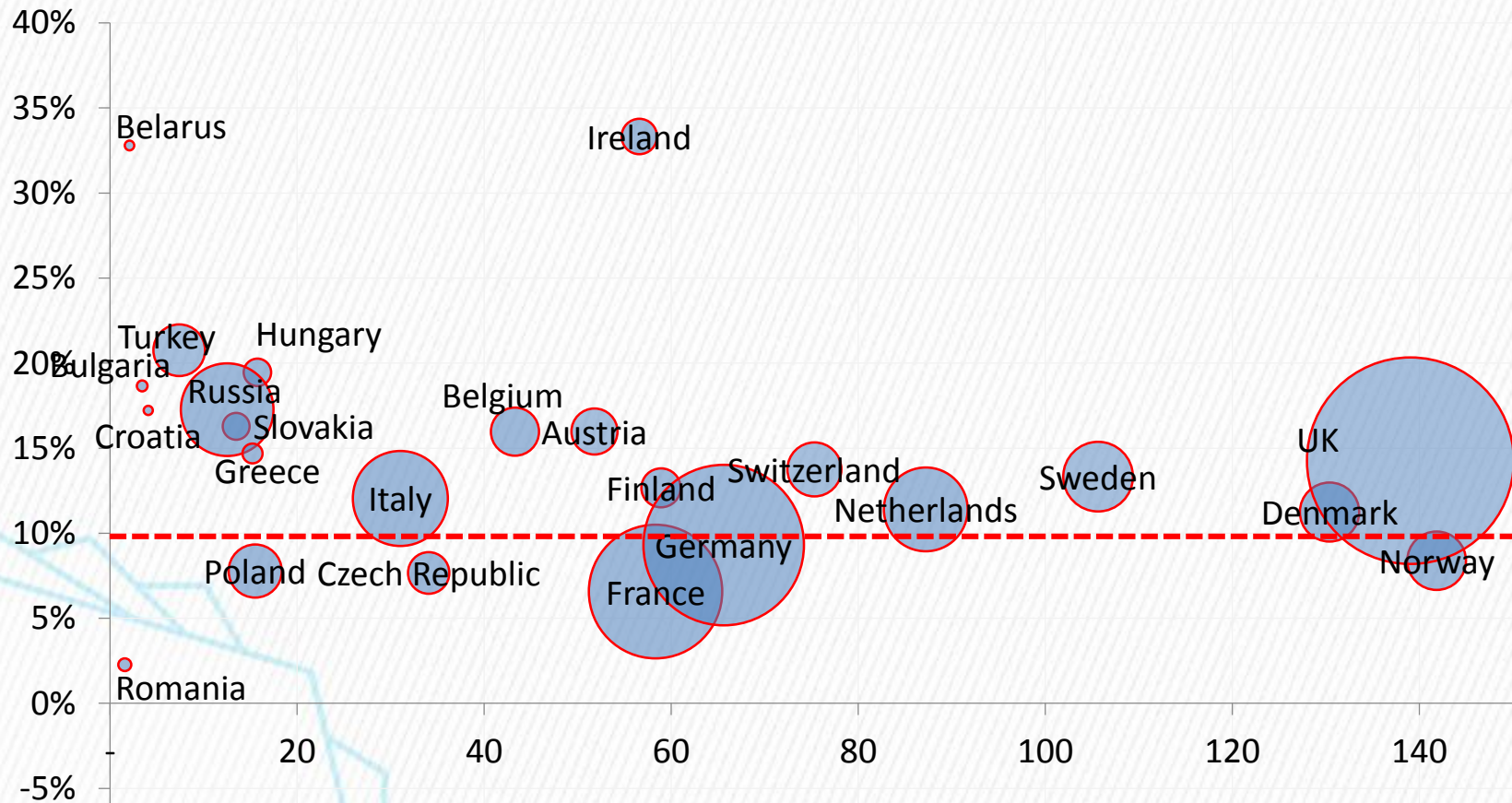
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...and 20 markets grew double-digit



Growth drivers

Social media

Video

Programmatic transactions and data infrastructures

Improved data literacy on both demand and supply side

Mobile internet penetration increasing across all of Europe

Measurement initiatives in mobile and video taking effect

Growth hurdles

Viewability and fraud

Some cannibalization of desktop budgets by mobile

CPM/CPC inflation

Limited inventory in video

Attribution

Measurement issues remain despite improvements

Formats



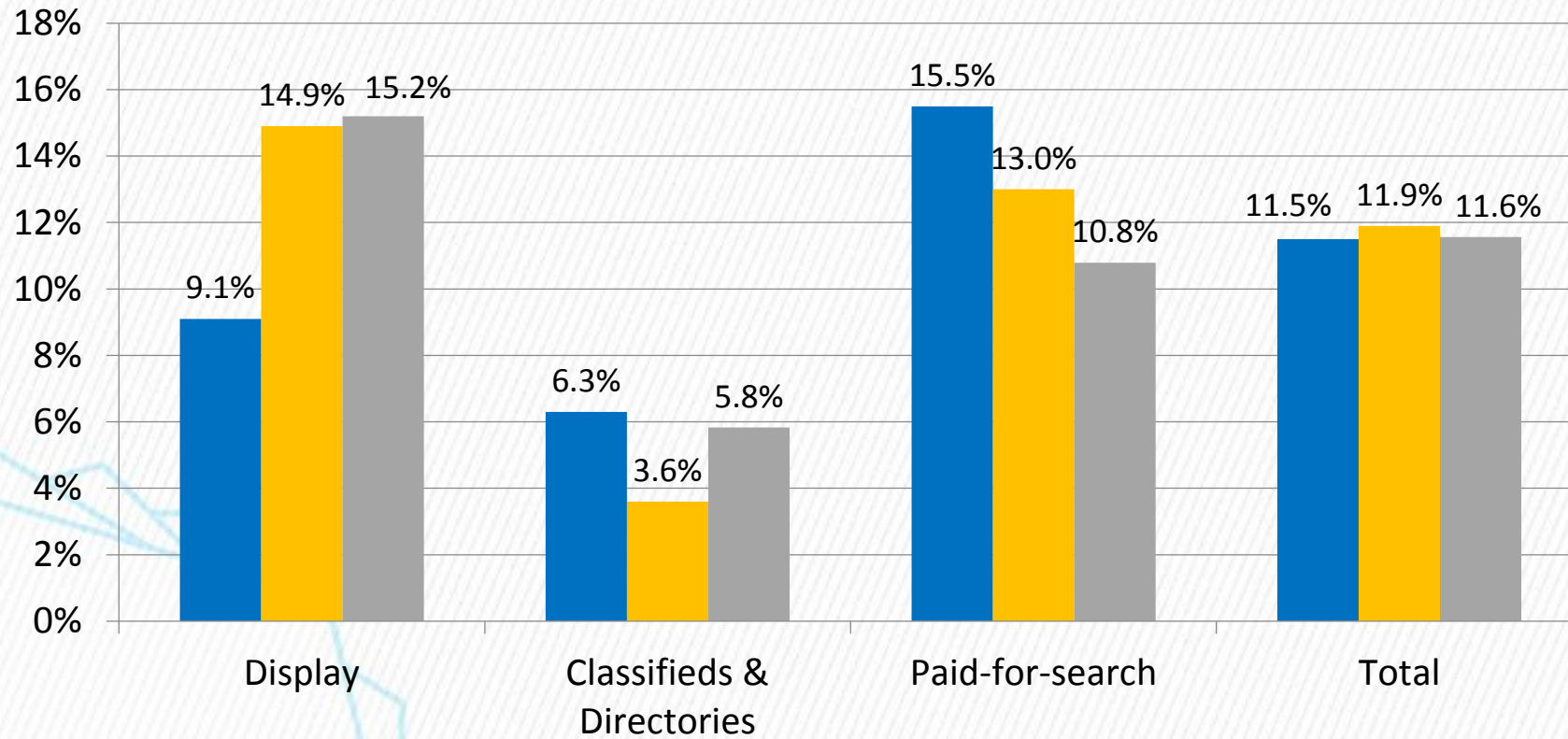
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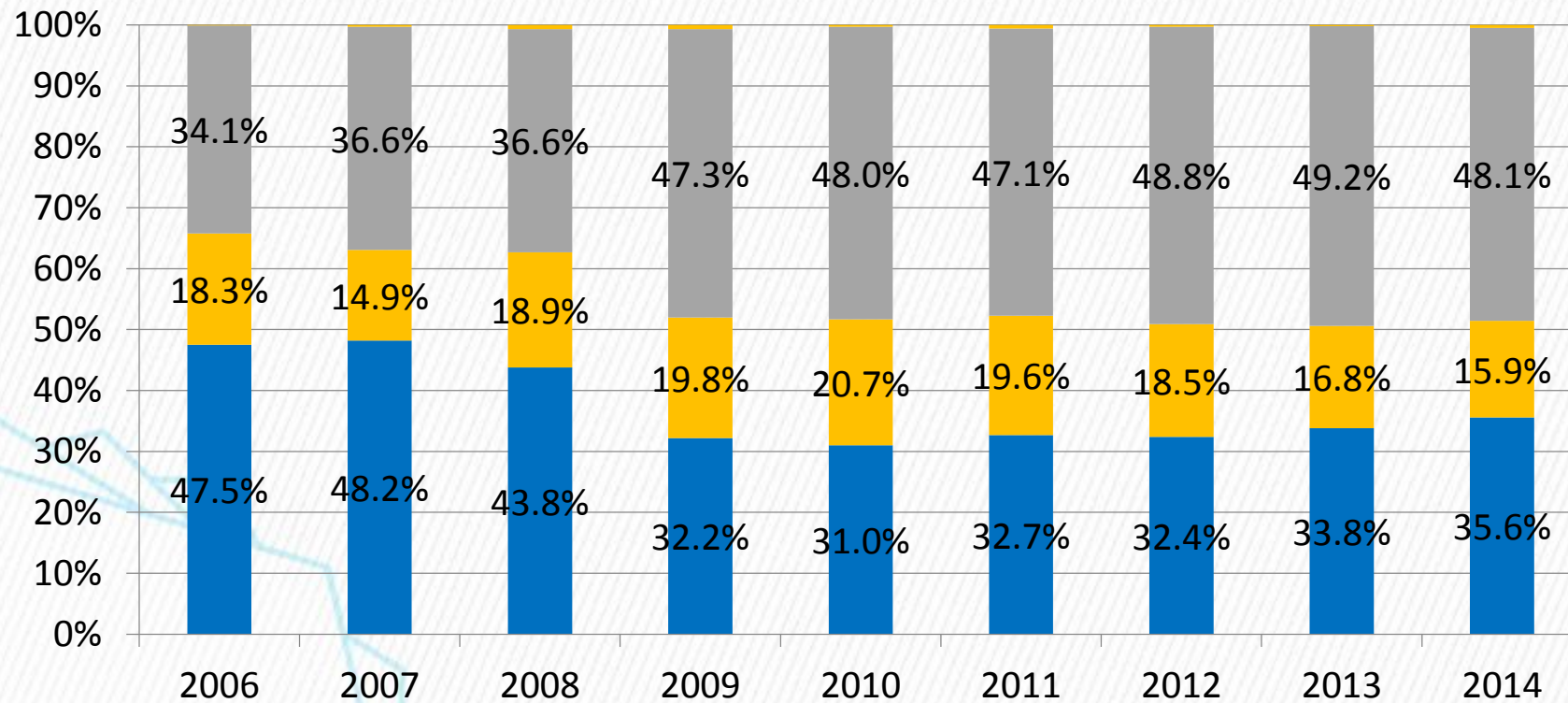
Display drove online advertising growth in 2014

Year-on-year growth (%)



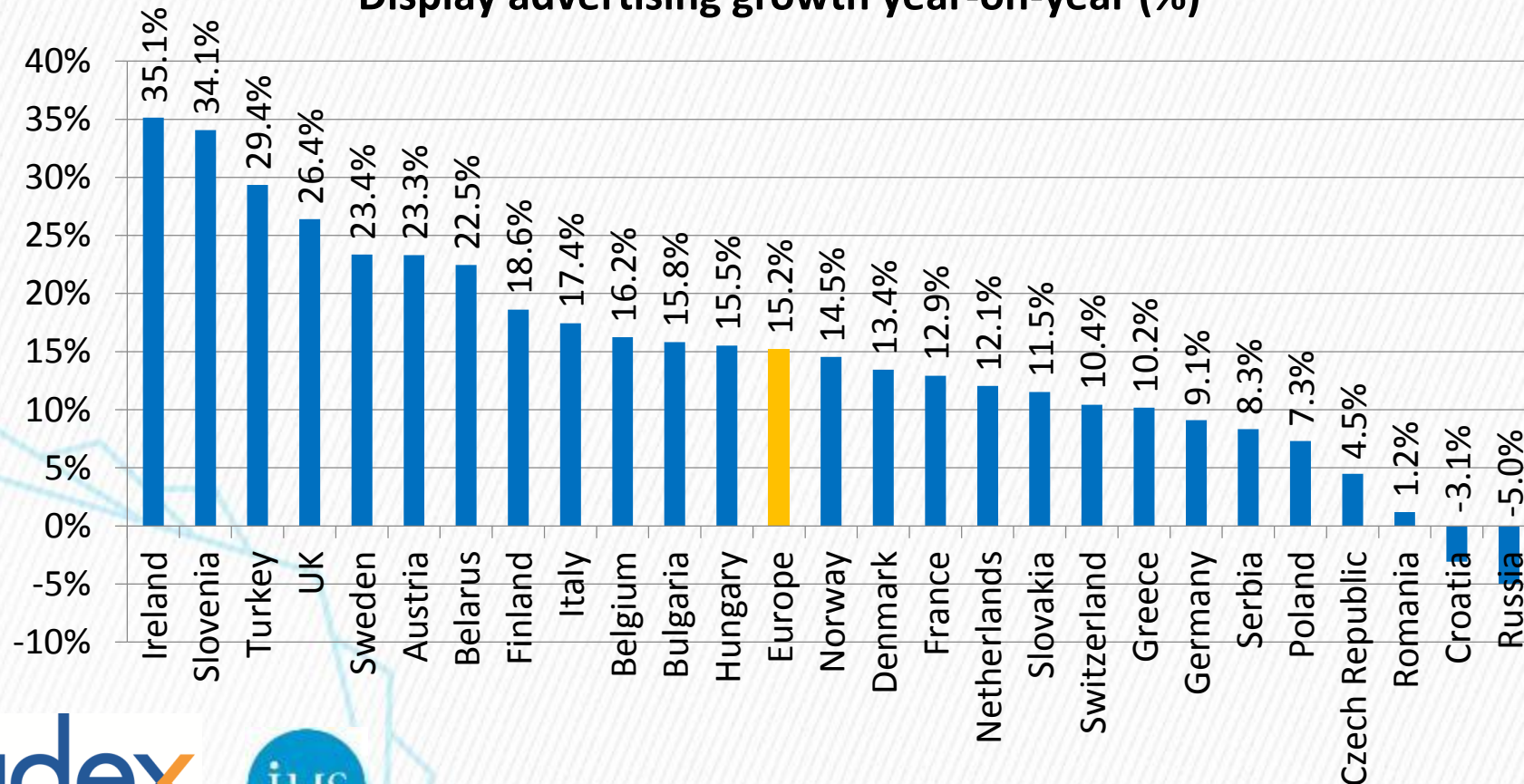
Display grew its share, eating into both Paid-for-search and Classifieds & Directories

Format shares of online (%)



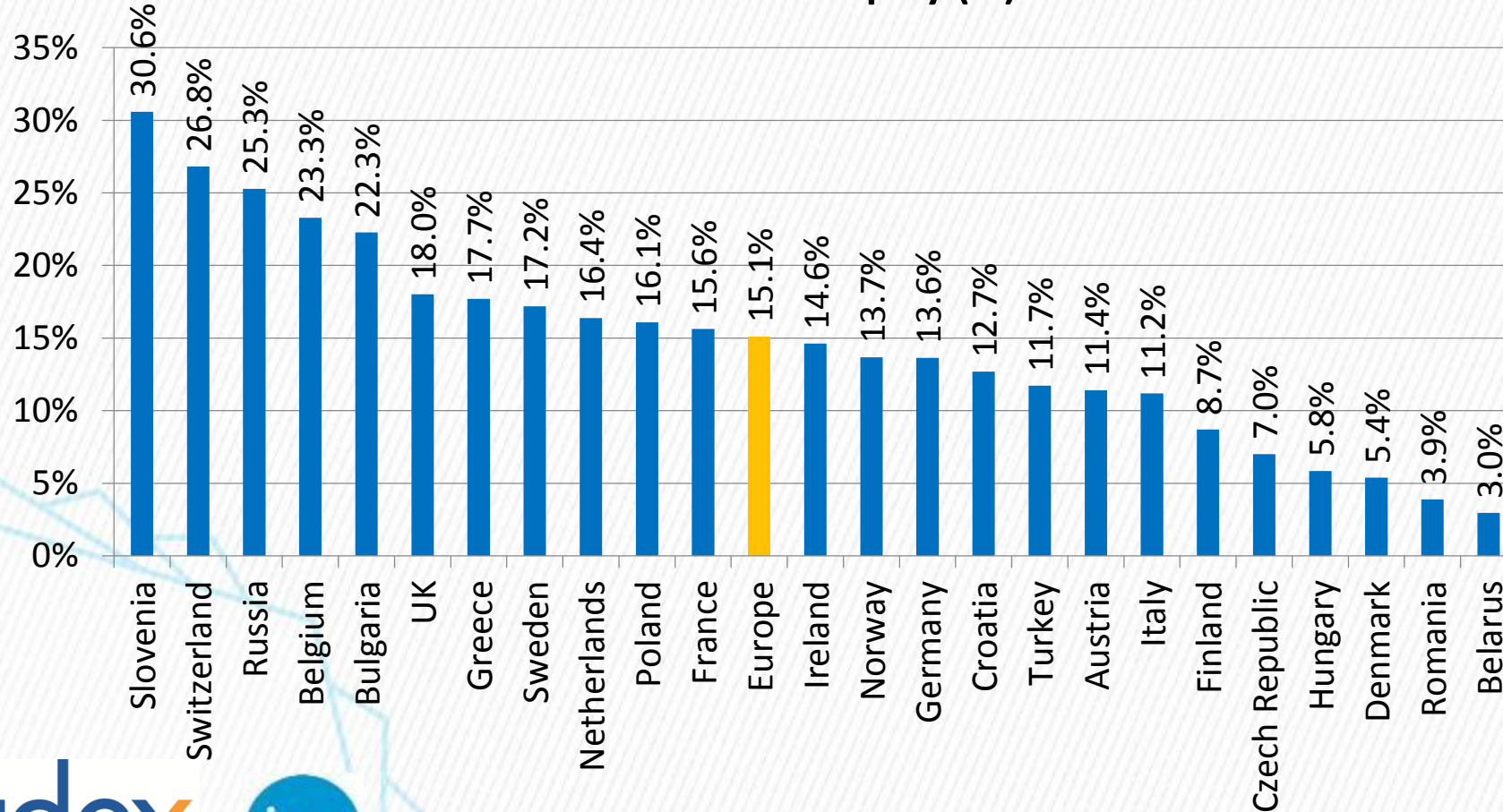
Display showed uneven growth with a 40 percentage point range across markets

Display advertising growth year-on-year (%)



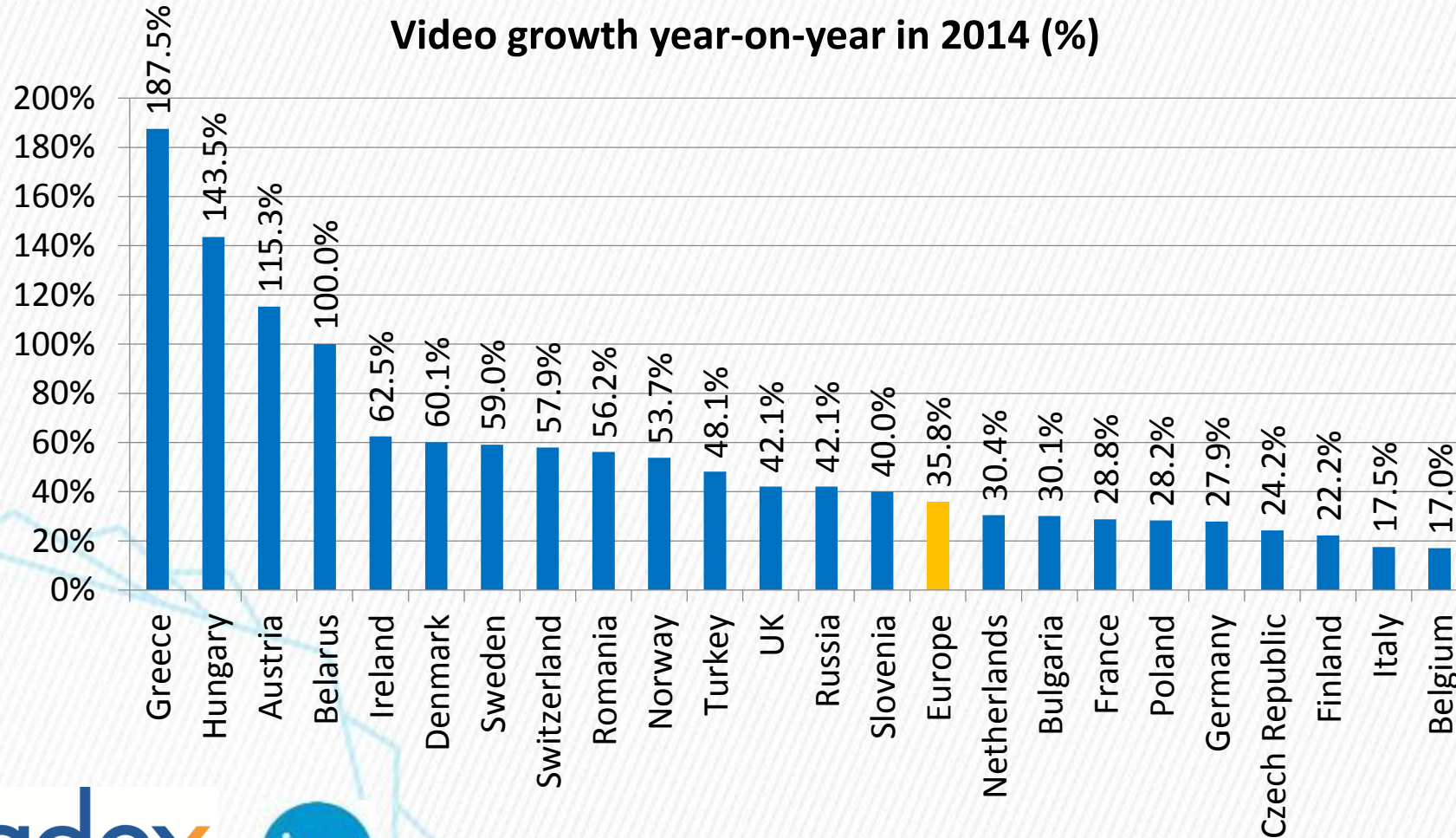
Video is now an integral part of online display advertising

Video share of Display (%)



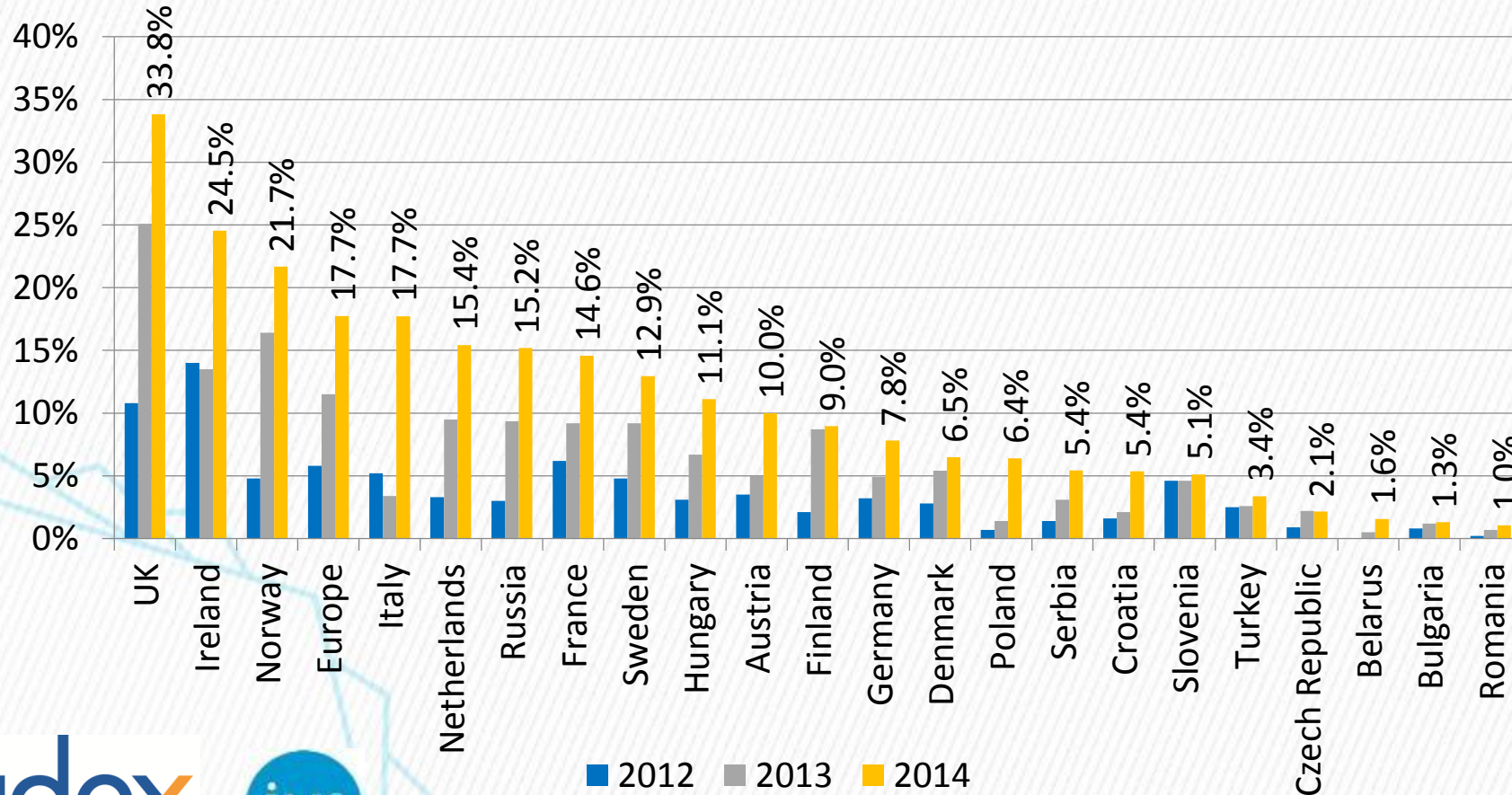
Video growth is at least double-digit in all markets

Video growth year-on-year in 2014 (%)

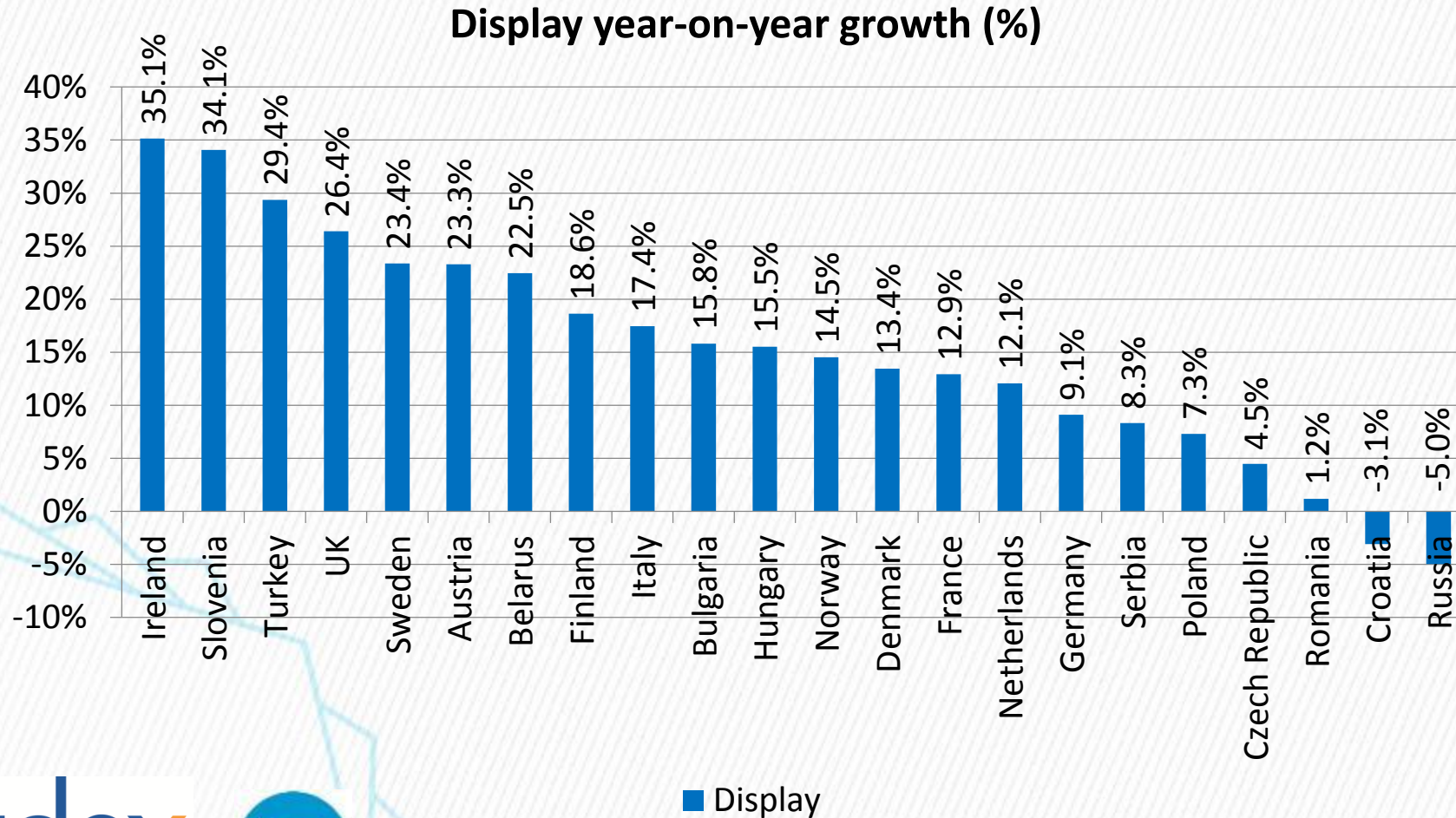


Mobile consolidates its position as key driver of display advertising

Mobile display as a share of total Display (%)

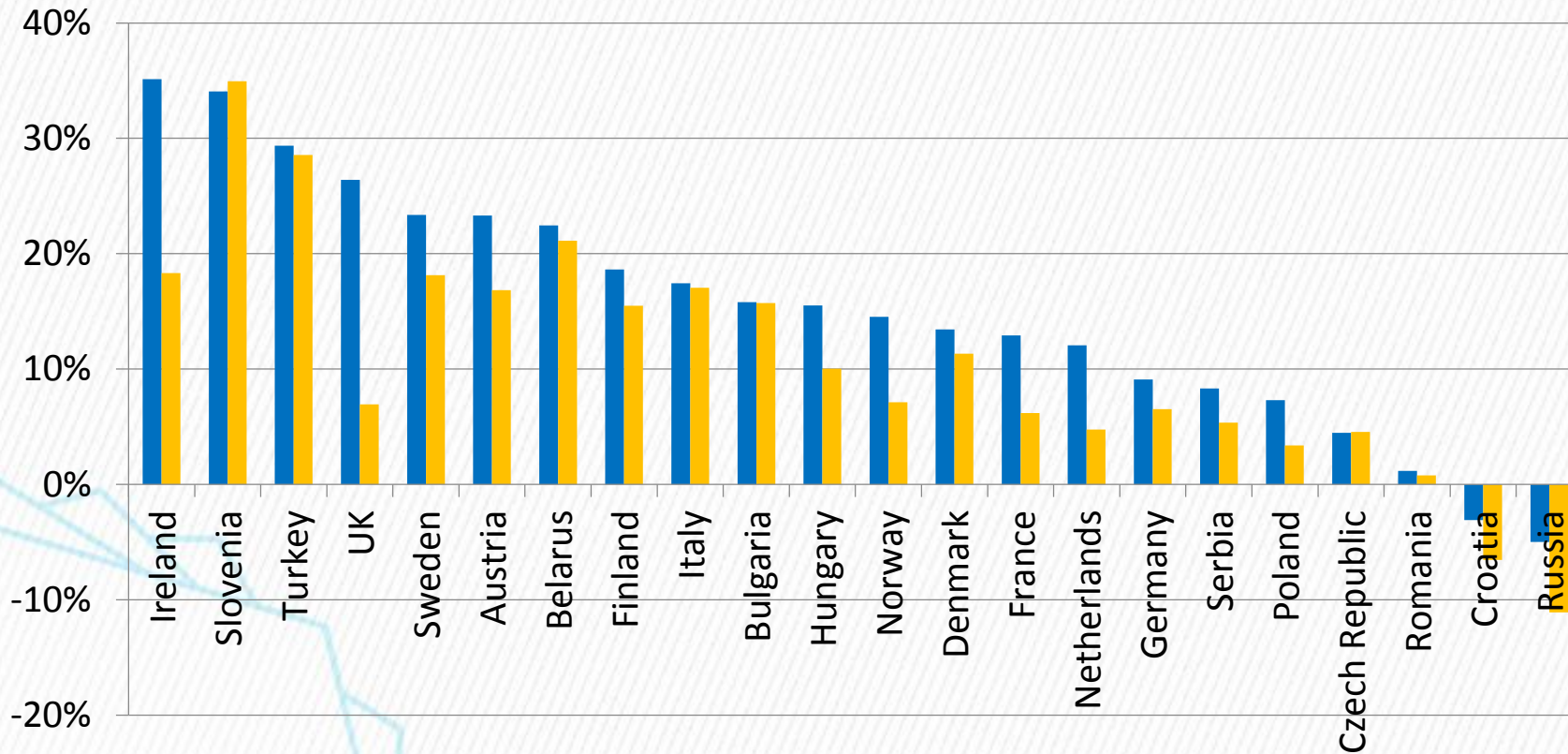


This is more evident...



...when we remove Mobile from Display

Display year-on-year growth (%)



Mobile was responsible for 50% of market growth

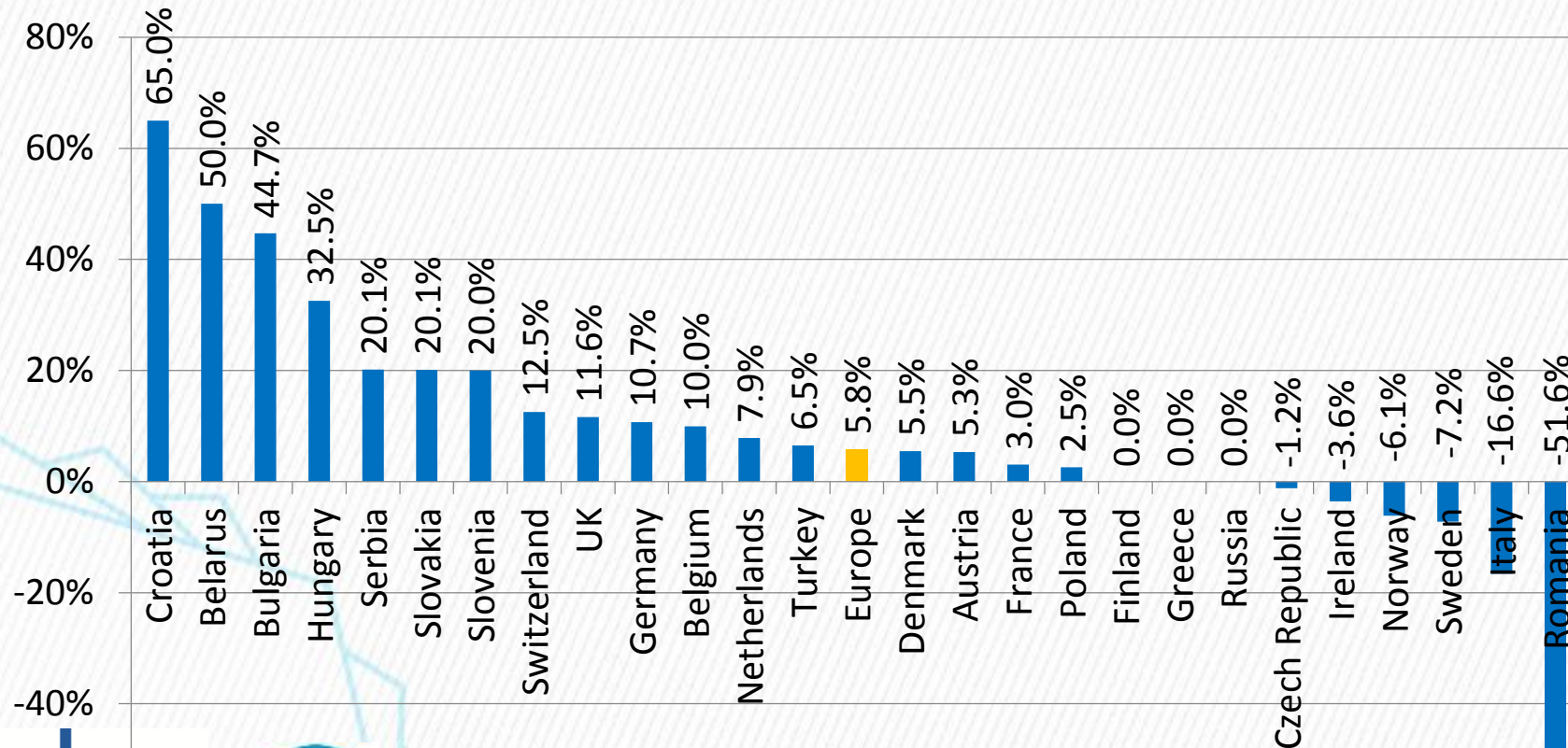
European
Display with
mobile: +15.2%



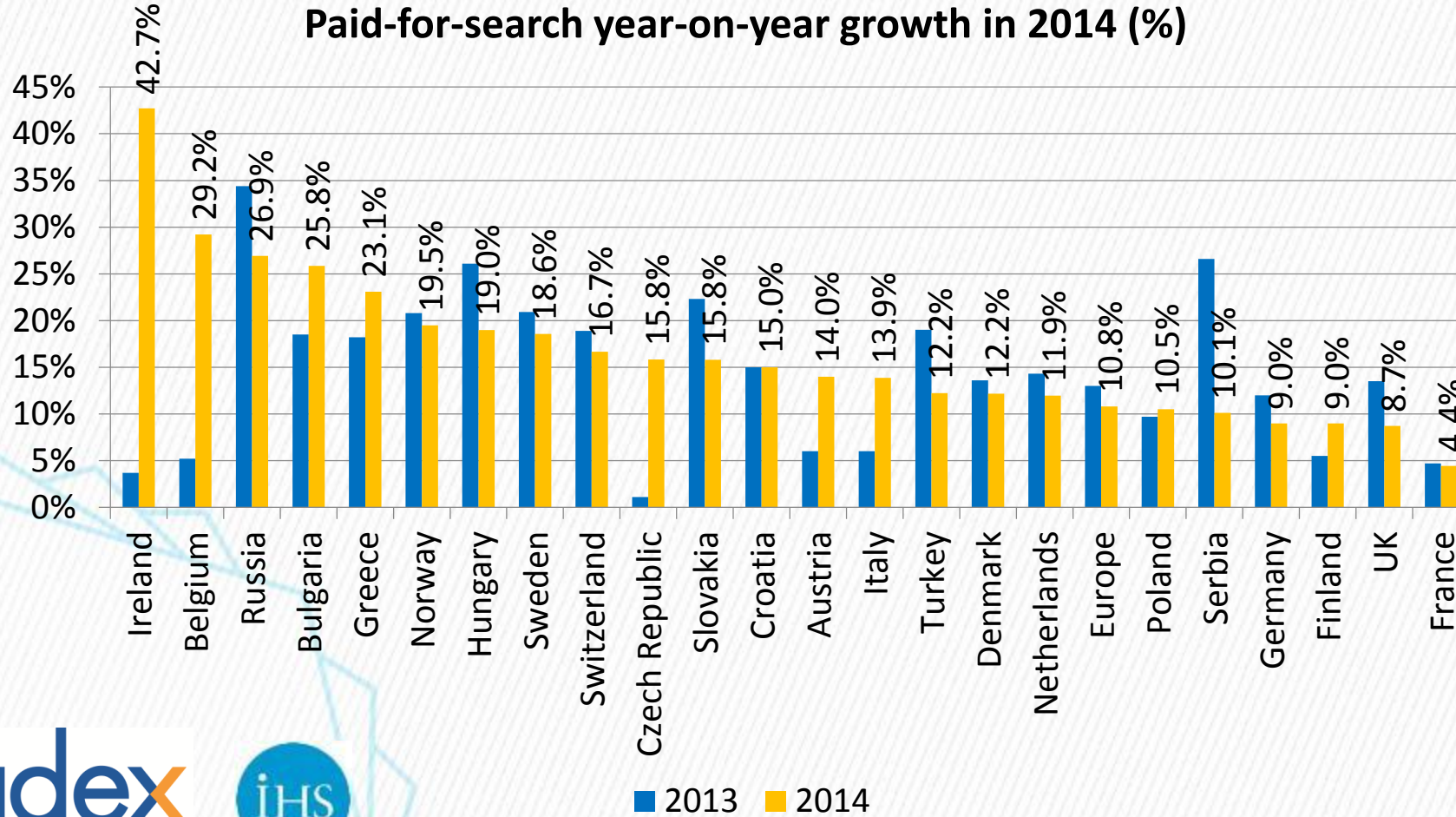
European
Display without
mobile: +7.9%

Classifieds & Directories struggled in 2014 with 11 countries experiencing decline

Classifieds & Directories year-on-year growth in 2014

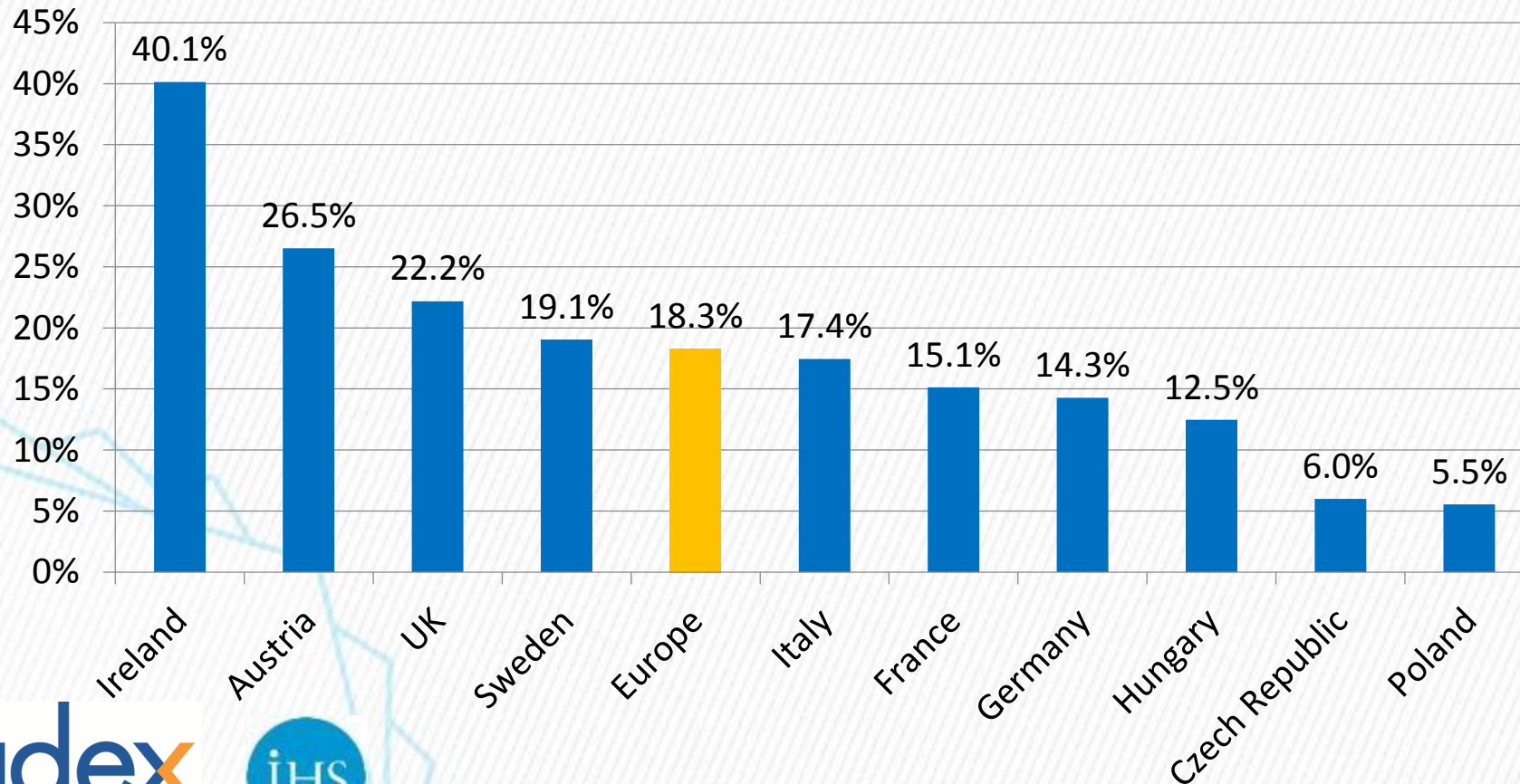


Deceleration of Search in mature markets dampens overall growth



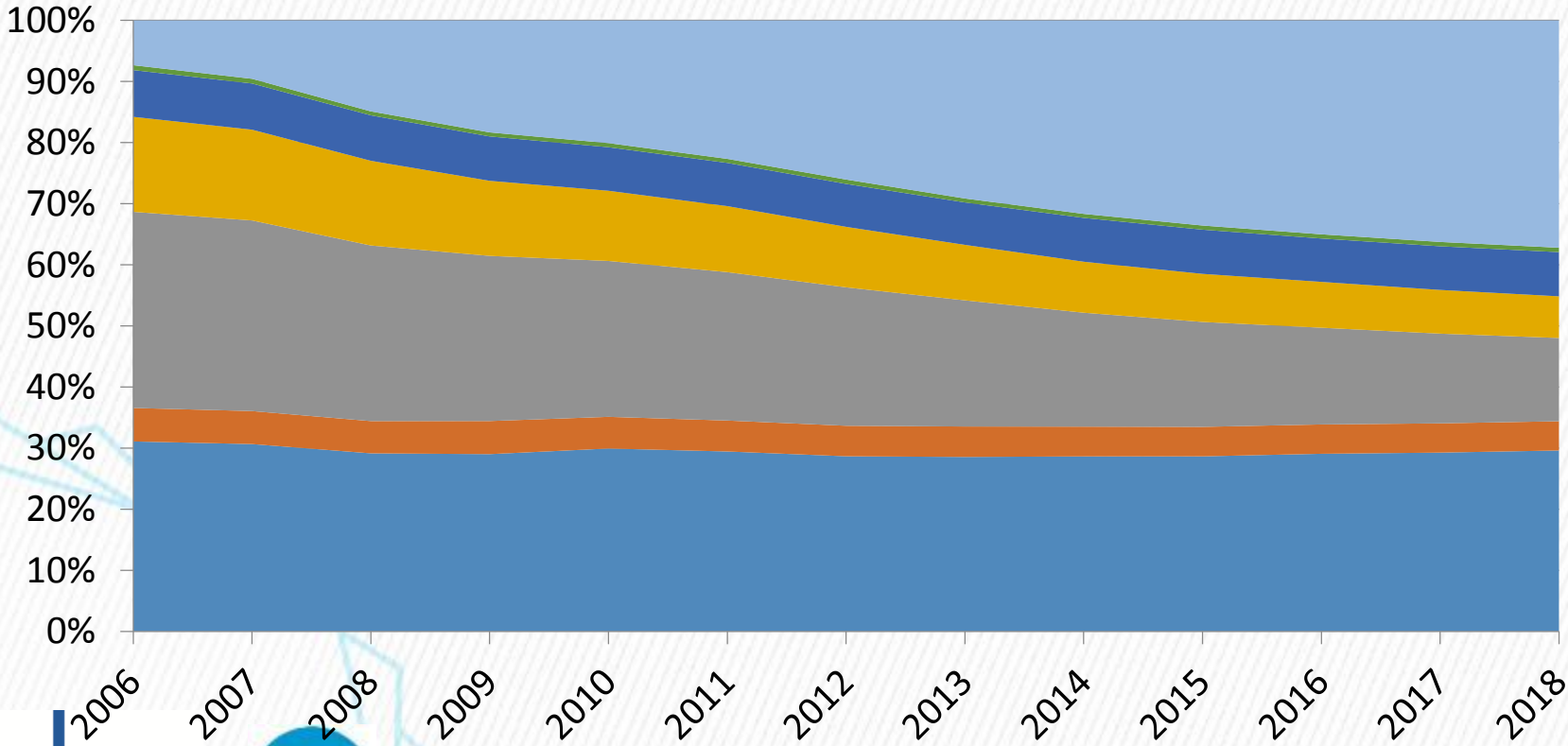
Notable part of paid-for search is now mobile

Mobile share of Paid-for-search in 2014



First market signals from IABs confirm outlook that online will command the highest share of all media ad spend in 2015

Media advertising revenue in Europe



TV Radio Newspapers Magazines OOH Cinema Online

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Thank you

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Data + Ideas = Audience



adex
Benchmark 2014