European Programmatic Market Sizing 2016

September 2017

Defining 'programmatic'

Advertising revenue that is generated through transactional or workflow automation mechanisms embedded in an infrastructure that relies on a set of rules applied by software and algorithms that draw on data, commonly known as 'ad tech'. Following the IAB's proposed taxonomy, 'programmatic' here is an aggregate category that is composed of four discrete transactional models, each of which we consider a sub-set:
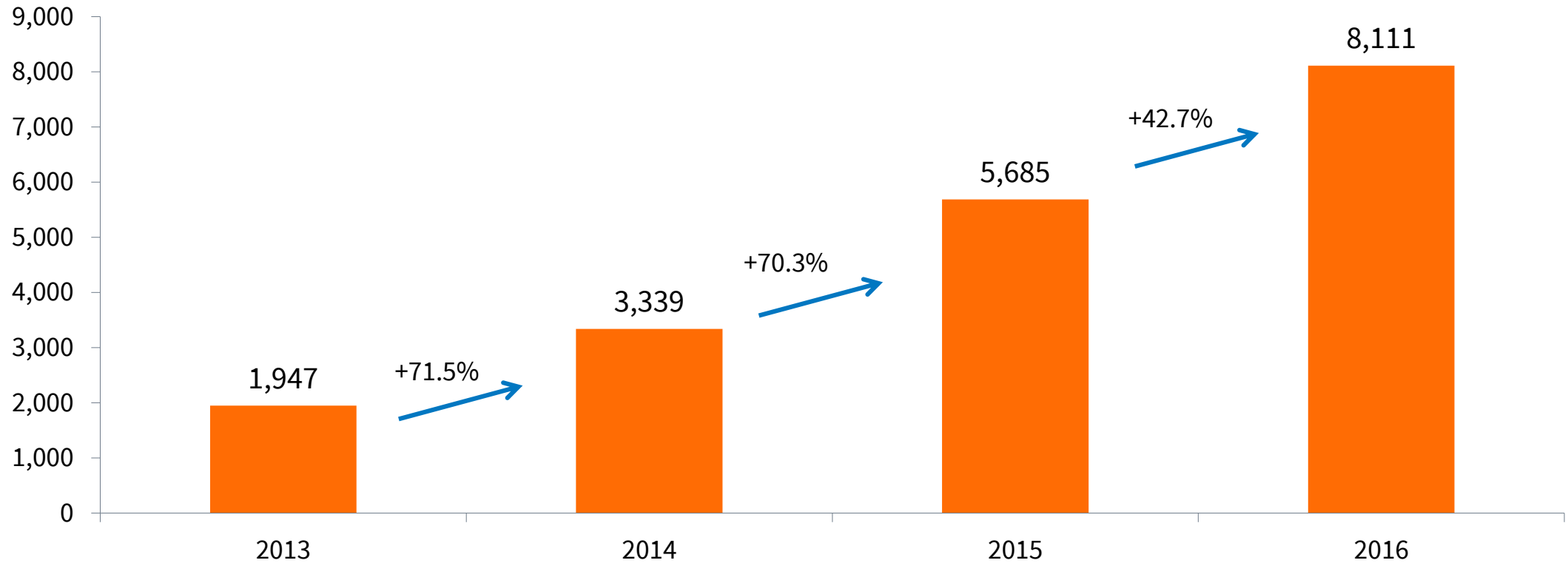
1. Automated Guaranteed

2. Unreserved Fixed Rate

3. Invitation-Only Auction

4. Open Auction.

Advertising revenues are recognised as 'programmatic' whenever any of those mechanisms applies, irrespective of the inventory owner's awareness of their involvement. This means that revenue is also considered programmatic if inventory that is originally sold to an intermediary through non-programmatic means (e.g. agency bulk buying) is re-sold to an end-buyer programmatically. Revenue is recognized as programmatic irrespective of whether the inventory owner acts directly or indirectly via an intermediary.

European programmatic advertising is a €8.1bn market

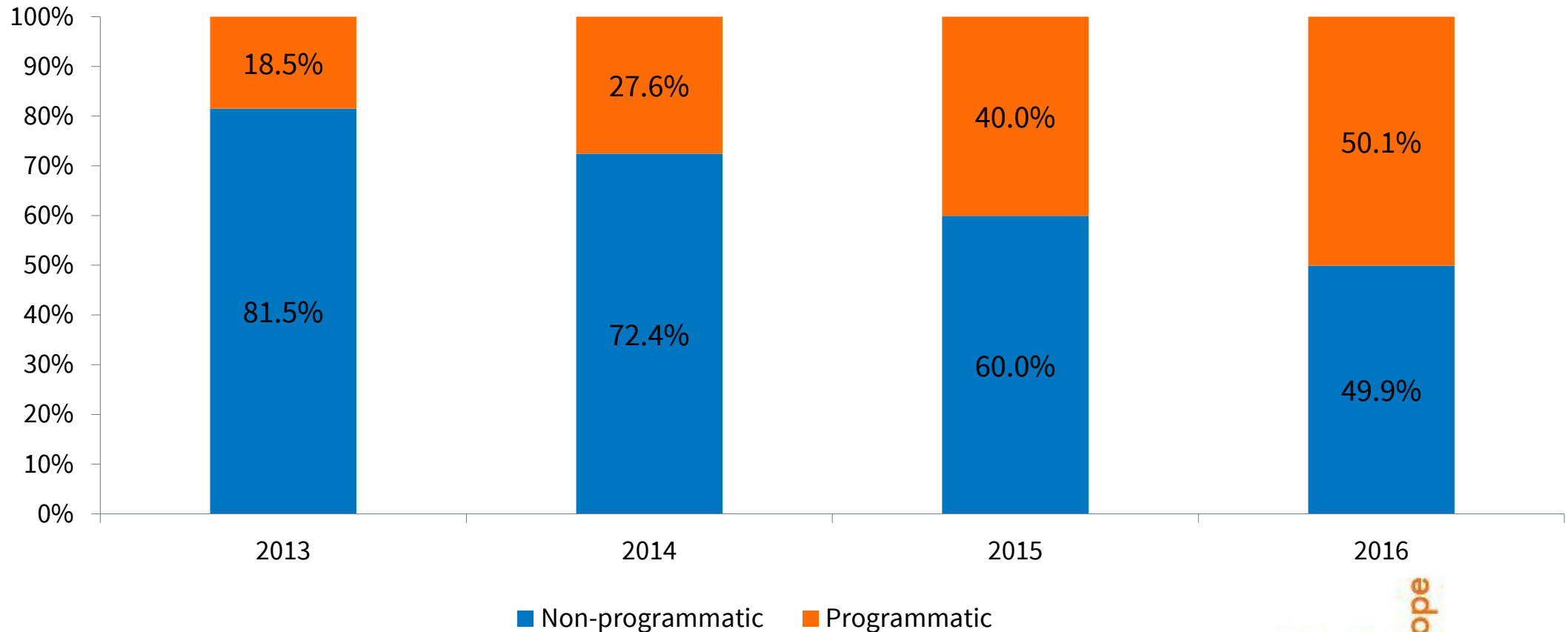**European programmatic ad spend (€m)**

- 2013: 1,947
- +71.5%
- 2014: 3,339
- +70.3%
- 2015: 5,685
- +42.7%
- 2016: 8,111

Traditional v programmatic

European digital ad spend by transaction mechanism

Stacked bar chart showing:

Year	Non-programmatic	Programmatic
2013	81.5%	18.5%
2014	72.4%	27.6%
2015	60.0%	40.0%
2016	49.9%	50.1%

■ Non-programmatic   ■ Programmatic

Source: IHS Markit and IAB Europe

Programmatic ad spend share in 2016

Video 17% / Non-video 83%

Mobile 34% / Desktop 66%
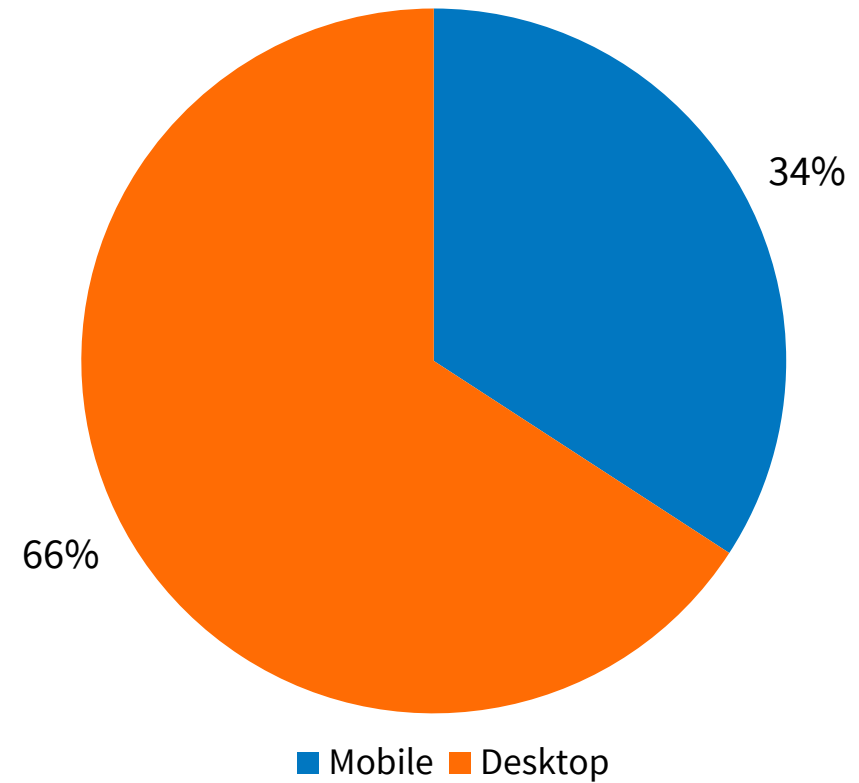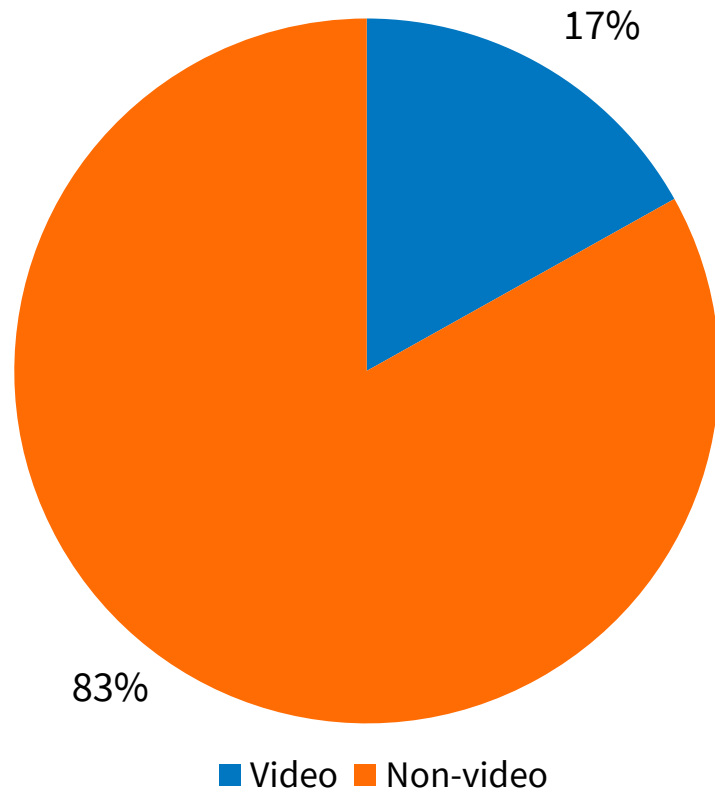
Source: IHS Markit and IAB Europe

WE and CEE share

Programmatic ad spend by region (€m)

Legend: ■ WE ■ CEE

Year	WE	CEE
2013	1,839	108
2014	3,088	251
2015	5,287	398
2016	7,501	610
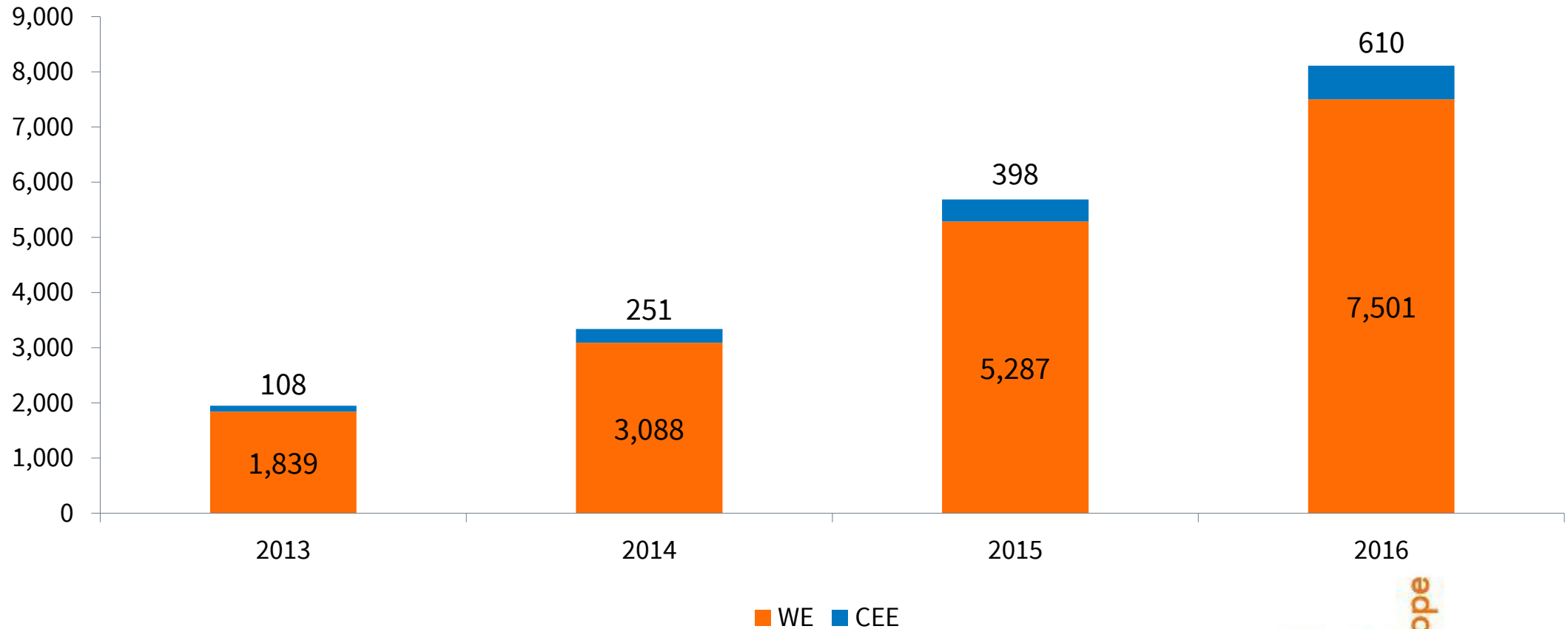
Programmatic video spend

Programmatic online video ad spend (€m)

+102.2% (2013 → 2014)
+95.3% (2014 → 2015)
+155.1% (2015 → 2016)
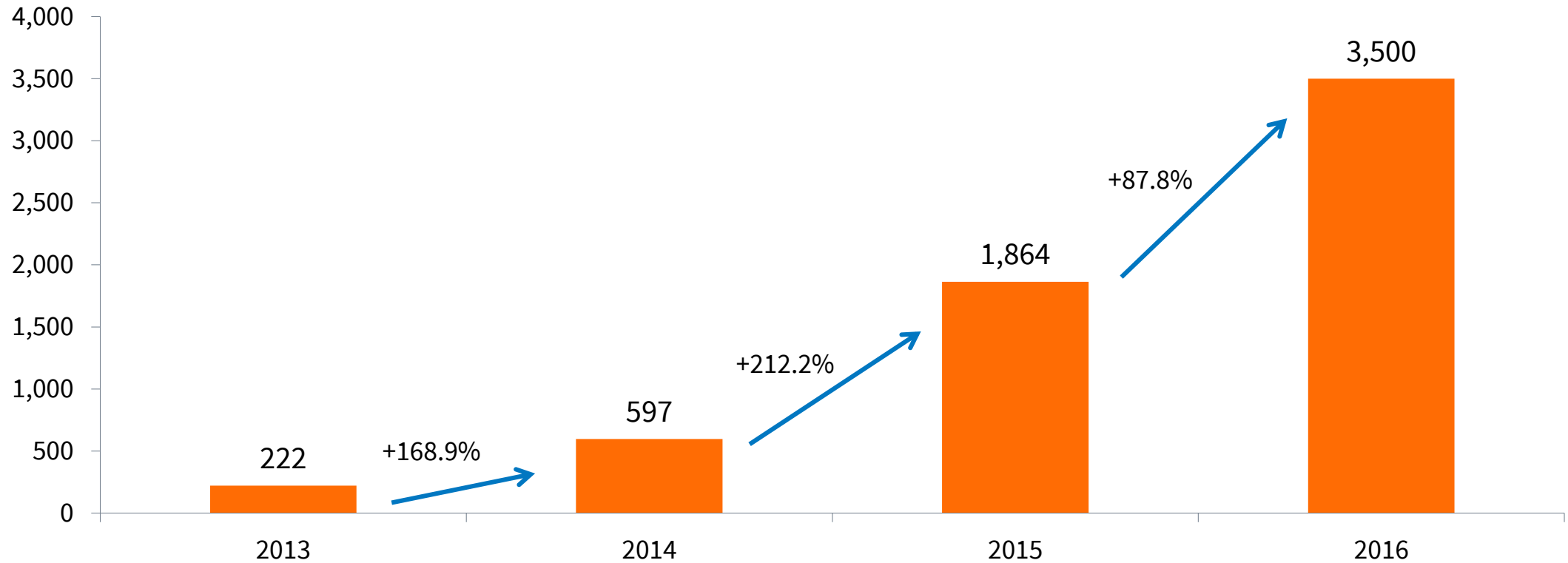
2013: 136
2014: 275
2015: 537
2016: 1,370
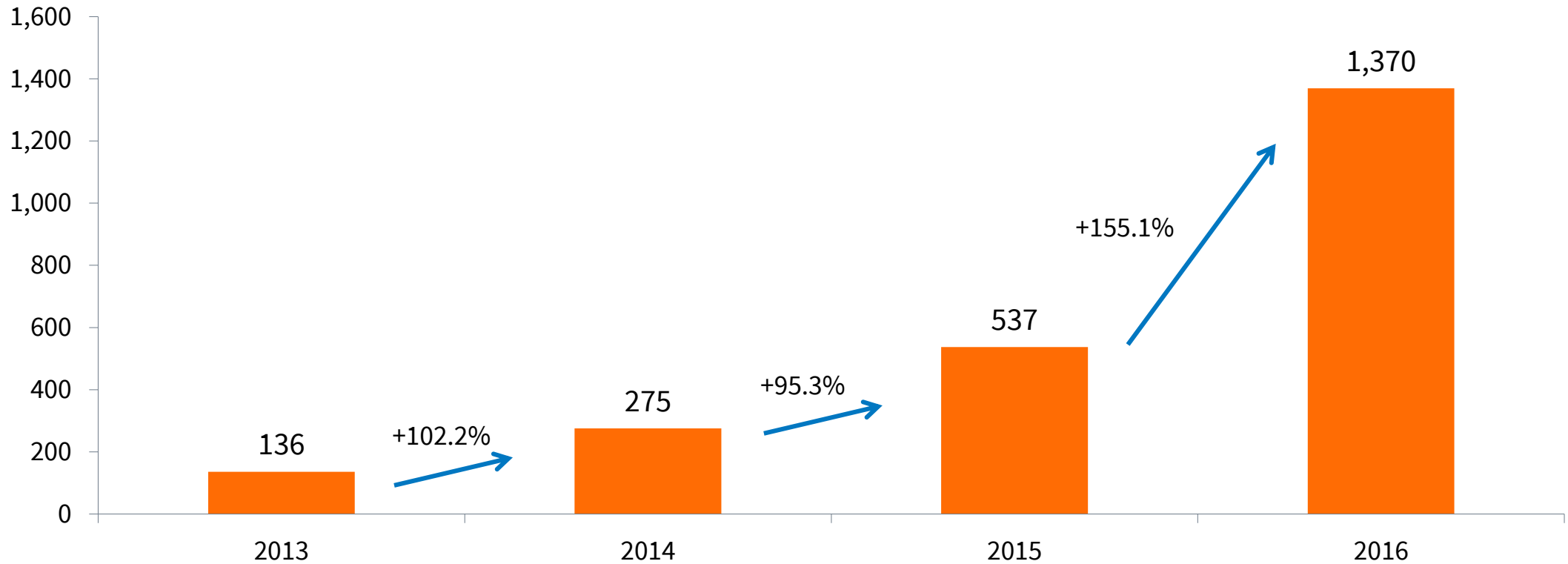
Source: IHS Markit and IAB Europe

Programmatic mobile spend

European programmatic mobile spend (€m)
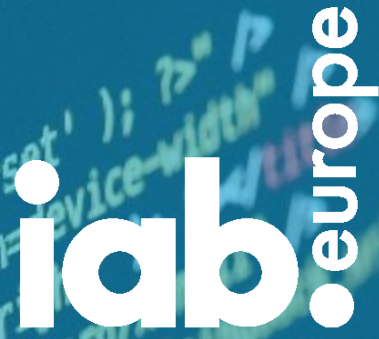

Source: IHS Markit and IAB Europe

Programmatic share of format spend
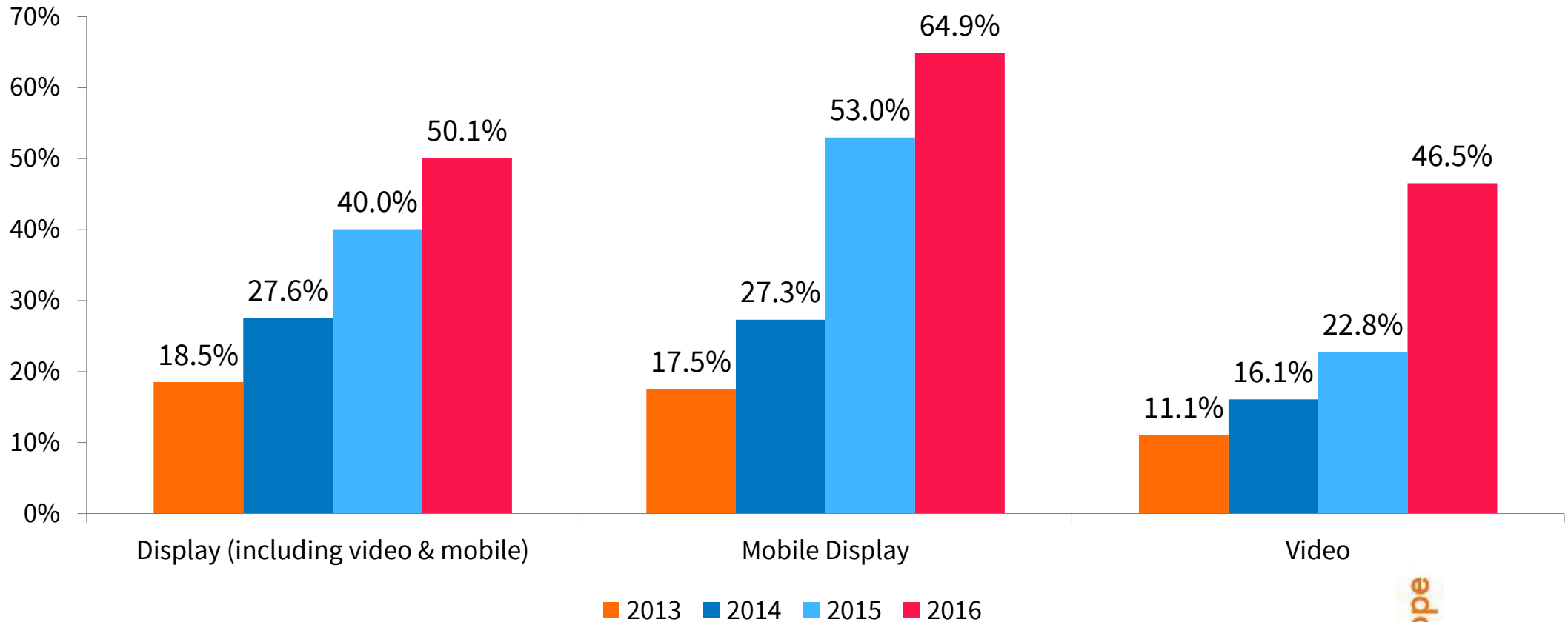
IAB Europe is the voice of digital business and the leading European-level industry association for the digital advertising ecosystem.

Contact:

Alison Fennah – fennah@iabeurope.eu
Marie-Clare Puffett – puffett@iabeurope.eu
Daniel Knapp – daniel.knapp@ihsmarkit.com

Connect with us:

@IABEurope   IAB Europe   @IHS4Tech

www.iabeurope.eu

www.technology.ihs.com