adex
Benchmark 2018

AdEx Benchmark Study H1 2018

November 2018
Digital Advertising in Europe

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iab.europe

IHS Markit

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All data and analysis must be quoted as "IAB Europe & IHS Markit".

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About the study

A meta-analysis of digital ad spend in Europe

GROSS

Spend Billed

NET

Revenue Billed
No Agency commissions

RATECARD

Campaigns x Ratecard

About the data

The content of this analysis is informed by:

1. Reported H1 2018 data from national IABs where available
2. Estimates by national IABs based on local insight, in collaboration with IHS Markit
3. Estimates by IHS Markit based on the IHS Markit Advertising Intelligence Service to:
   a) Fill coverage gaps and add granularity to the data provided by 13 IABs
   b) Provide data for markets where H1 2017 data was not available from IABs
4. Harmonisation of all reported data to ensure like-for-like comparison across markets

This is an interim update of the full year IAB Europe & IHS Markit Adex Benchmark study to provide nearer-term data on 2017 trends and facilitate understanding and decision-making in the European digital advertising market.

All data refers to 'Total Europe' based on the 27 countries on the next slide, unless mentioned otherwise.

Data for 27 markets in Europe

- 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

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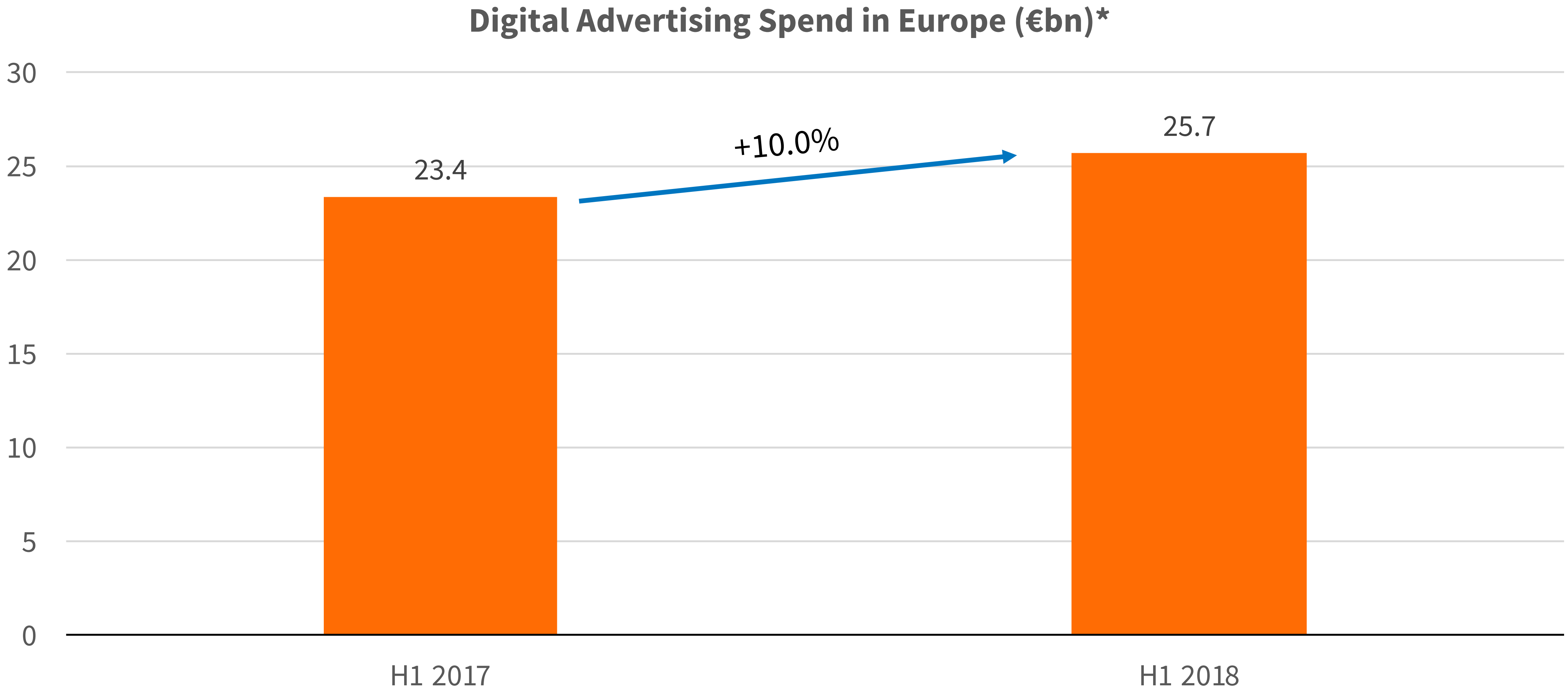
The size of the digital advertising market in Europe (H1 2018)

€25.7bn

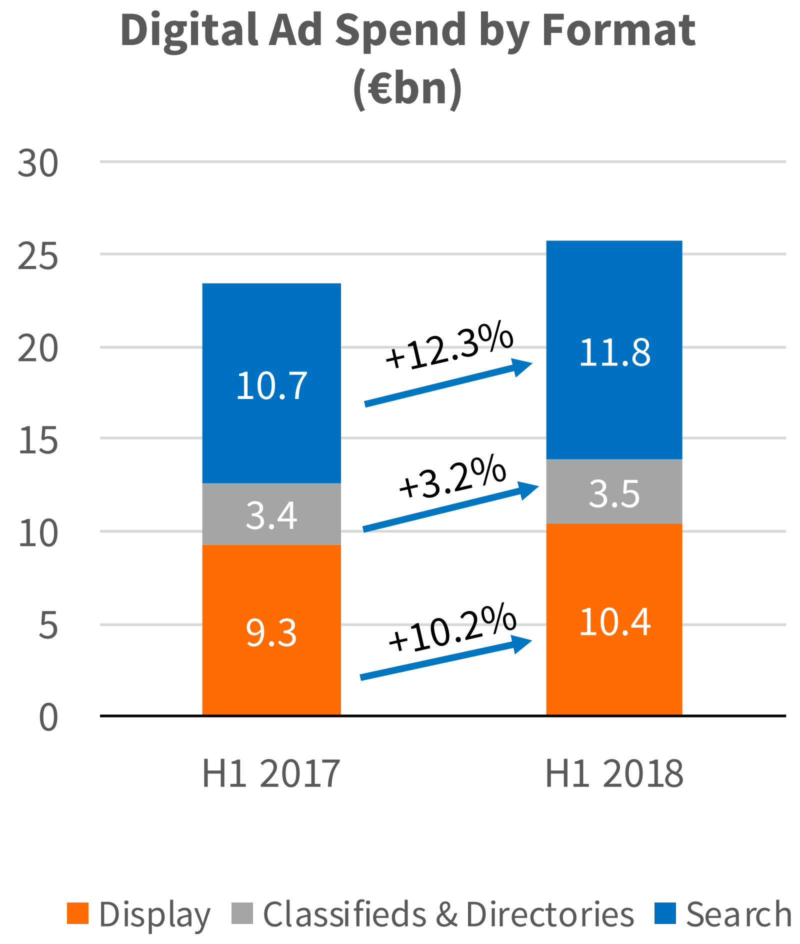
Digital advertising grew by 10% in H1 2018

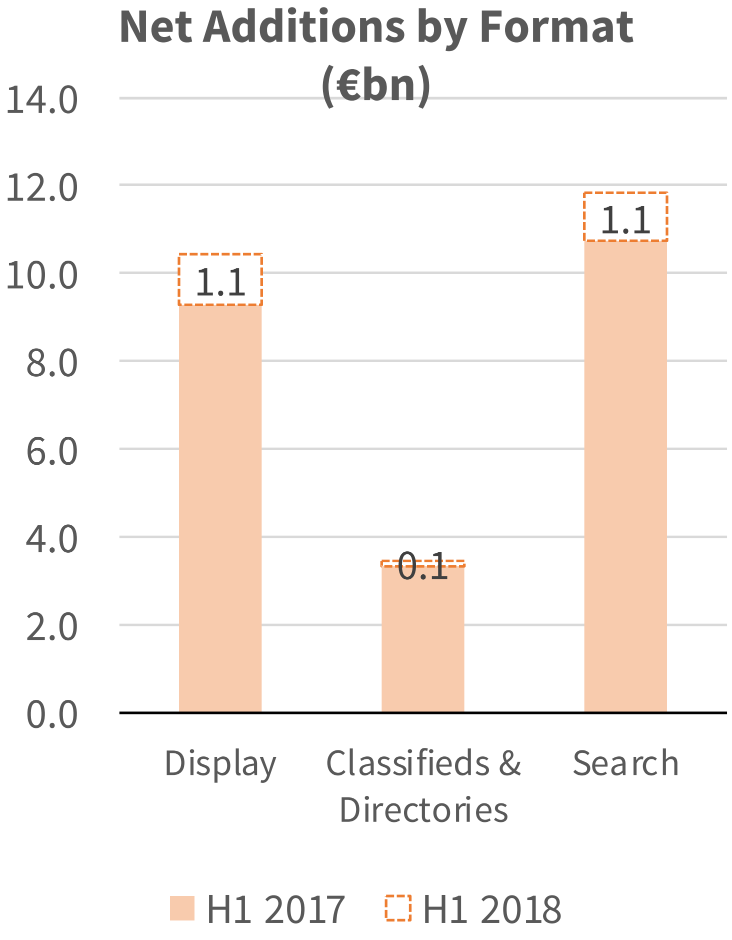


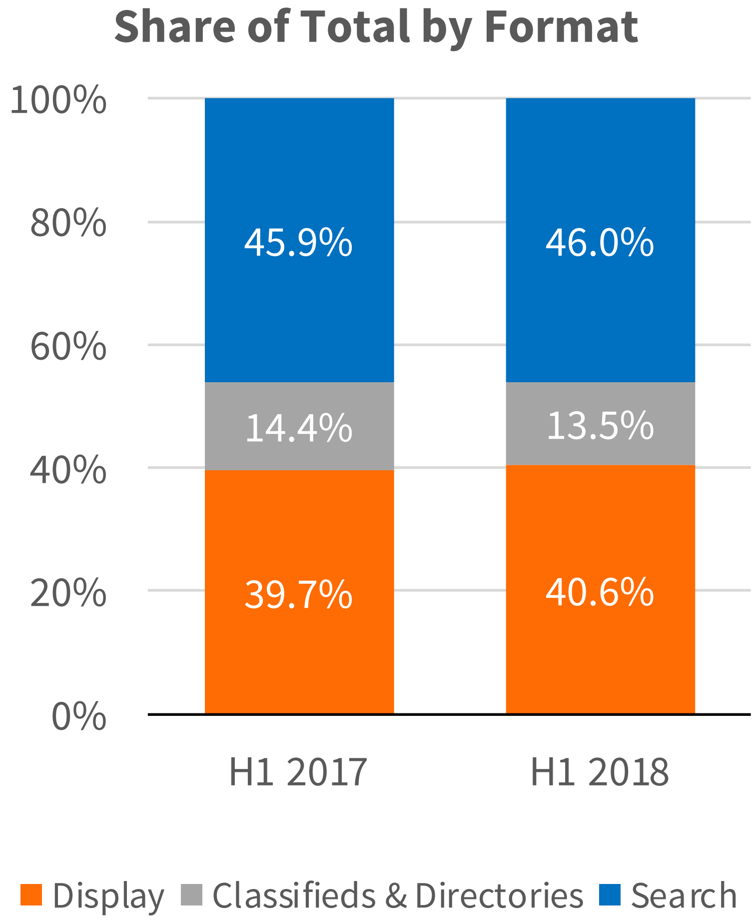
*H1 2017 restated based on fx-rate, measurement changes by national IABs, and full measurement of out-stream video

Source: IAB Europe & IHS Markit

€2.3bn added in H1 2018 across 3 formats: display grows fastest, search maintains lead, classifieds & directories see slow growth







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Source: IAB Europe & IHS Markit

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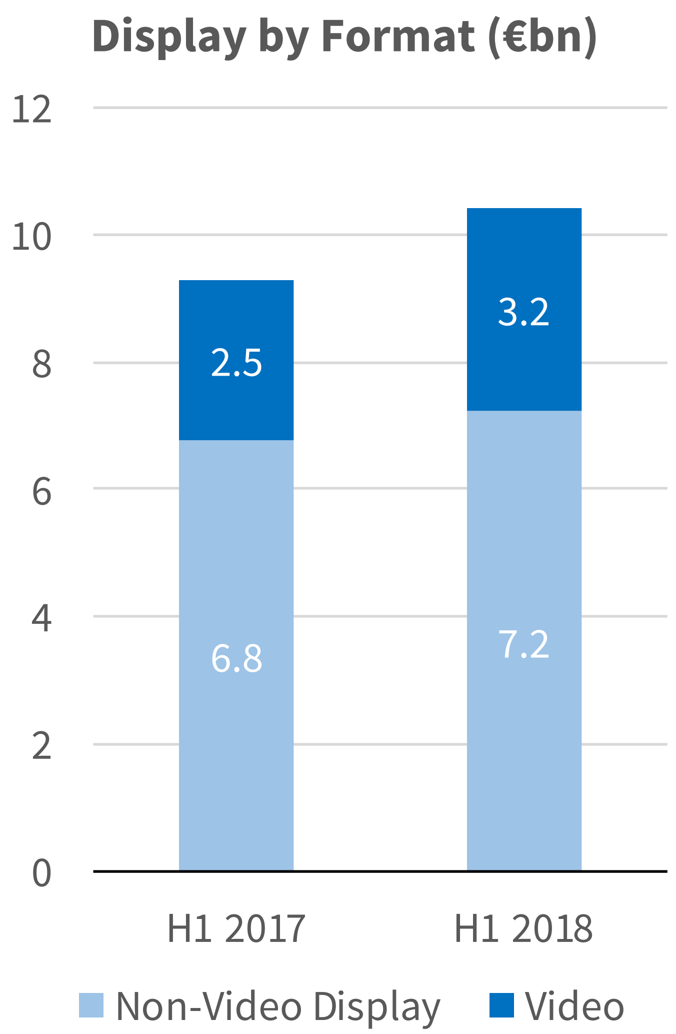
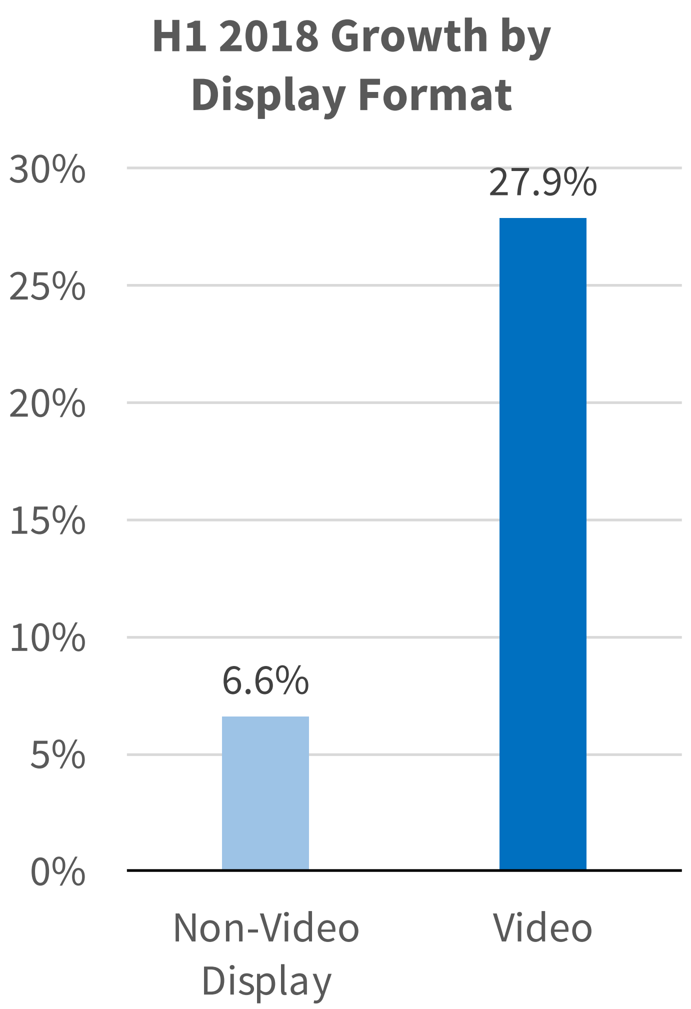
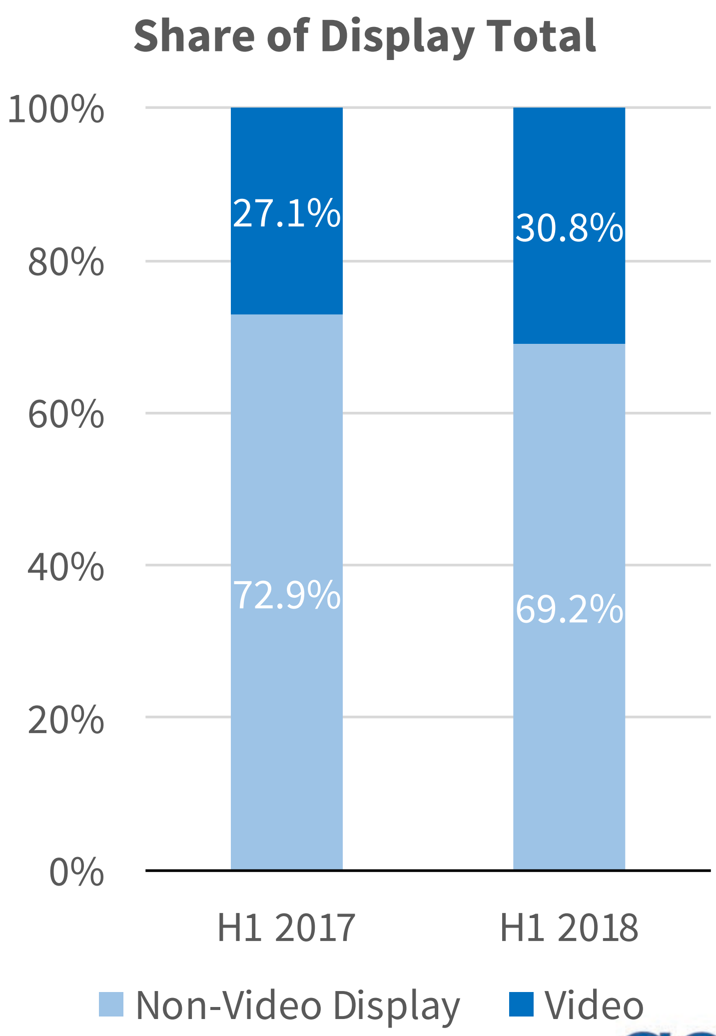
Digital video reaches 30% of total display spend – growing 4.2x faster than non-video display spend







Source: IAB Europe & IHS Markit

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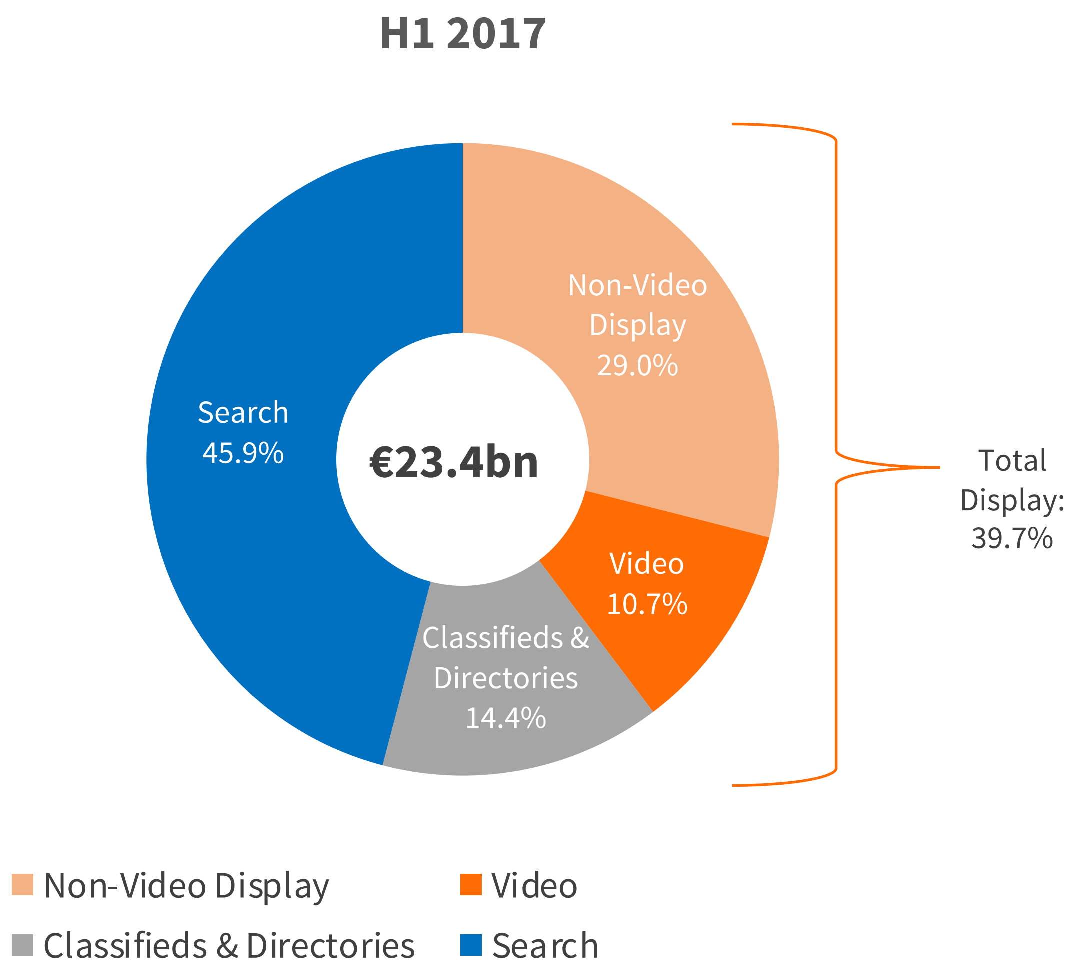
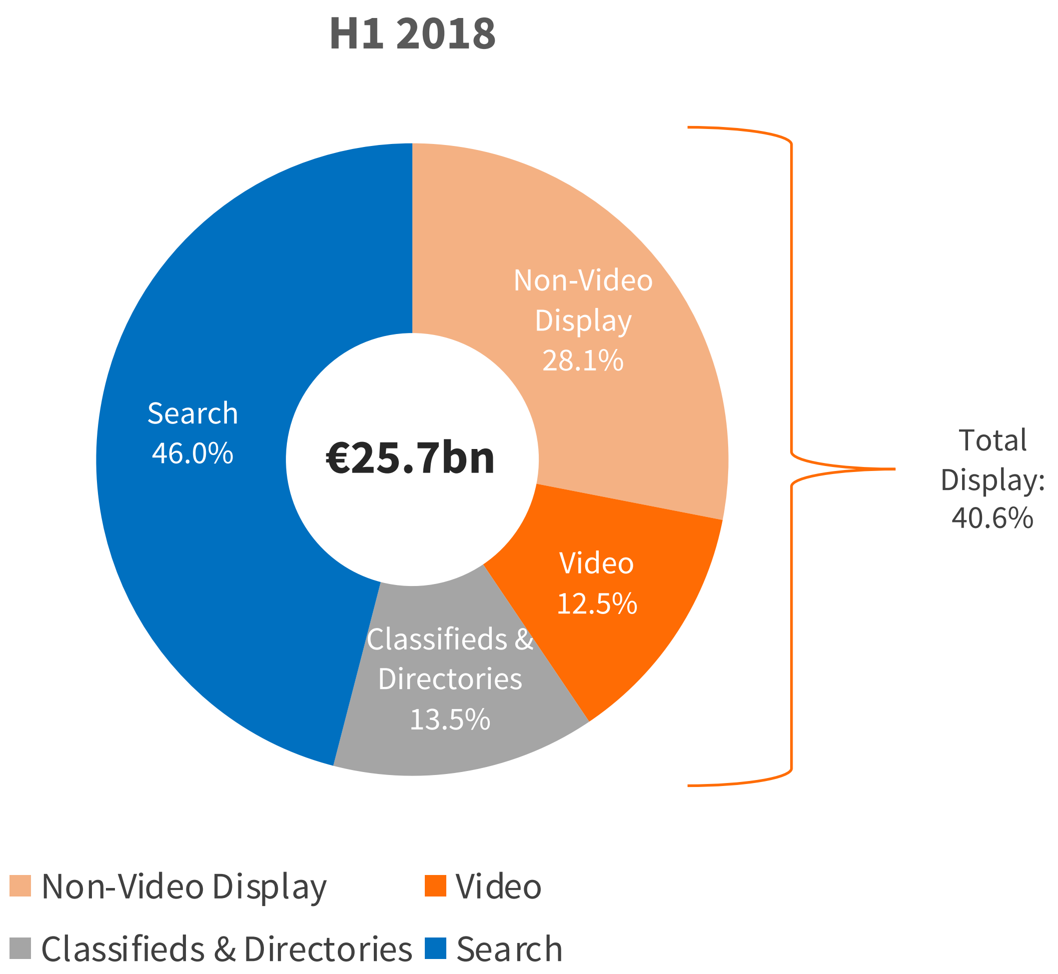
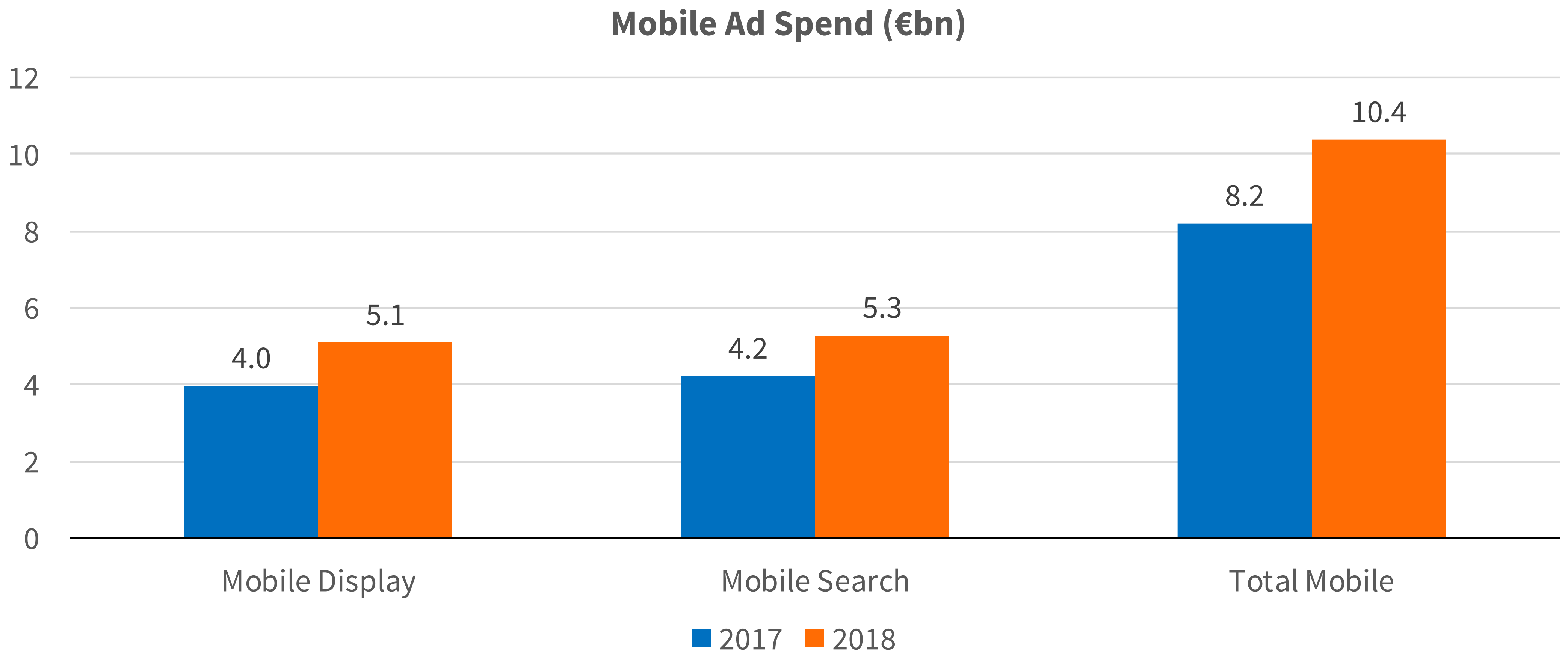
The expansion of video drives the share gains of total display





Source: IAB Europe & IHS Markit

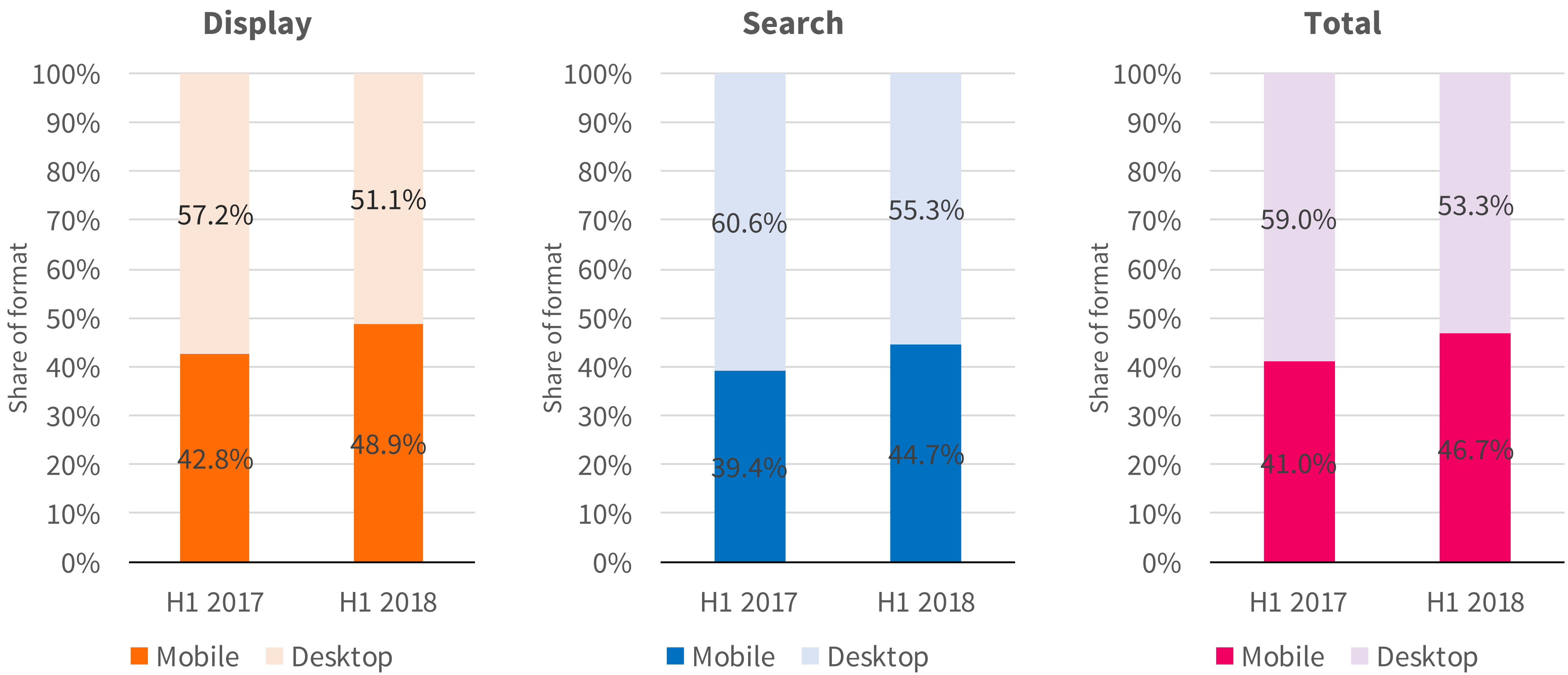
Mobile ad spend crosses €10bn mark in H1 2018



Note: In the H1 2017 study, several markets were excluded from mobile due to data availability. We have restated H1 2017 to include all markets.

Source: IAB Europe & IHS Markit

Mobile is approaching a 50% share of digital ad spend



Note: shares based on extrapolation of mobile data to all countries

Source: IAB Europe & IHS Markit

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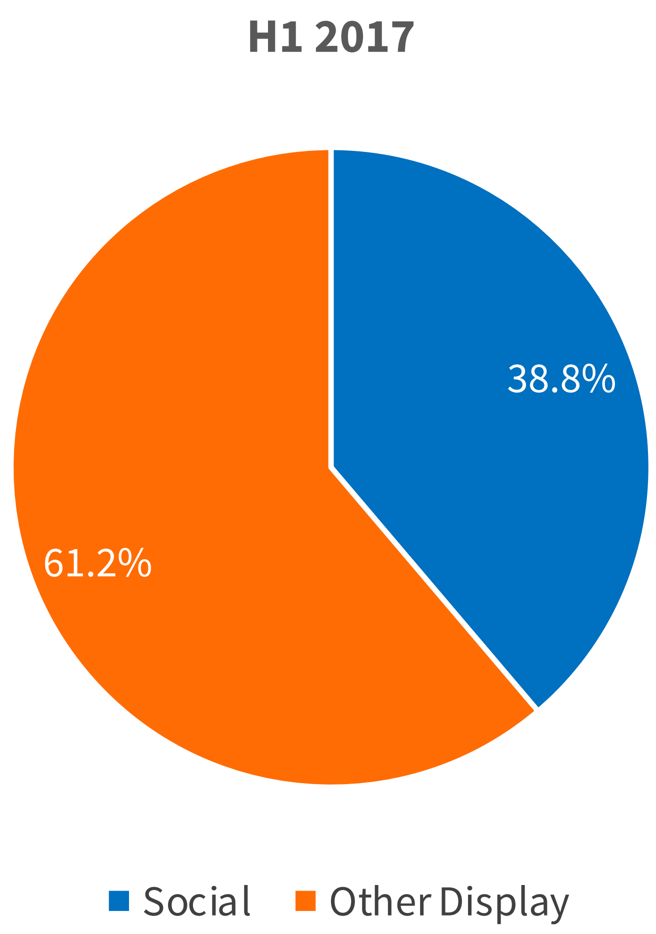
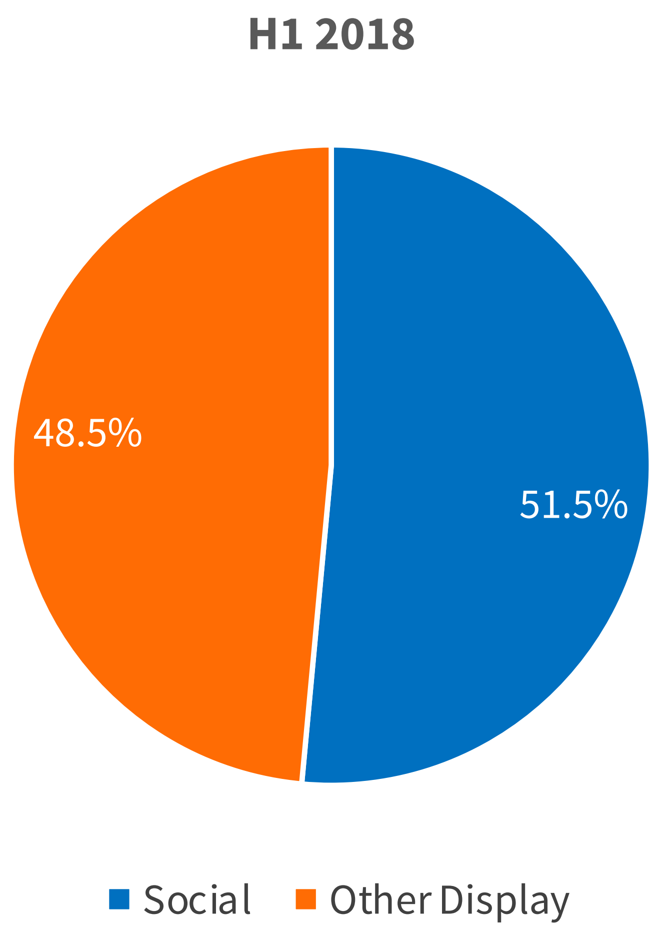
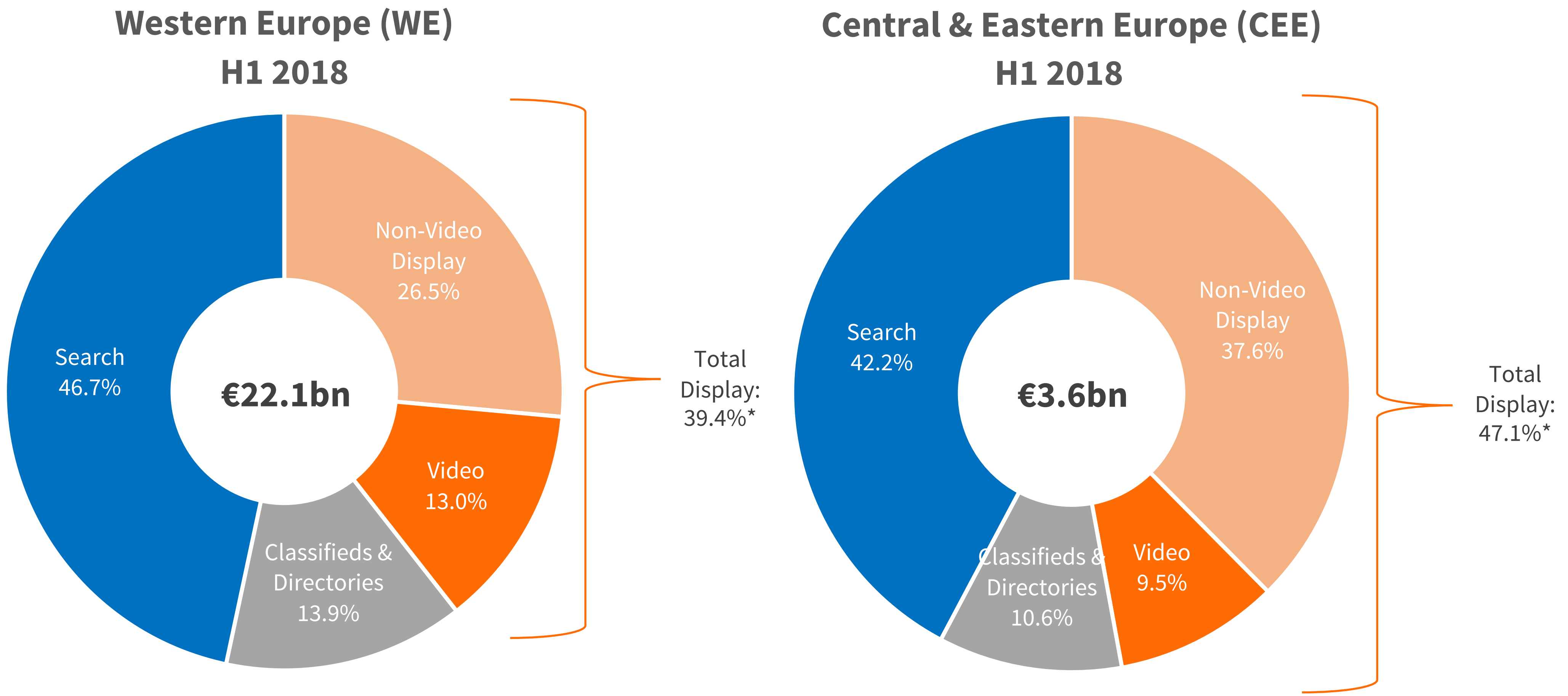
Social accounted for more than half of all display spend in H1 2018





Source: IAB Europe & IHS Markit

Regional comparison of digital ad spend by format



*may not add up to 100% due to rounding

Source: IAB Europe & IHS Markit

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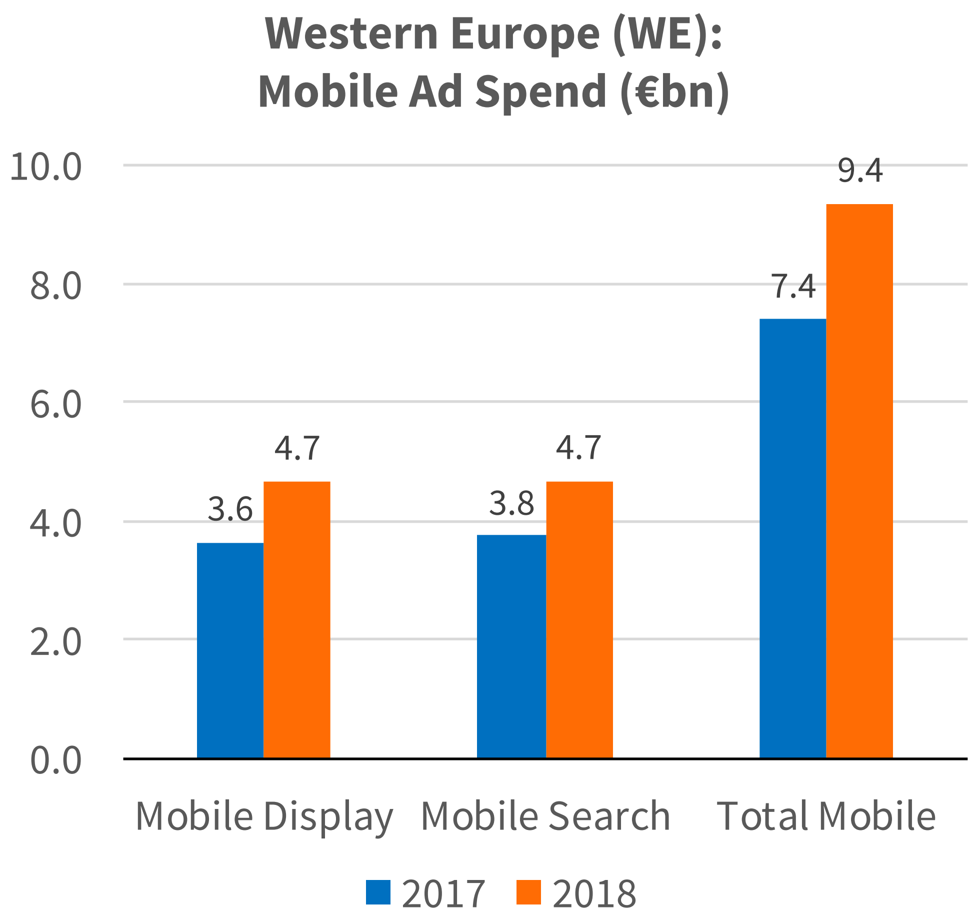
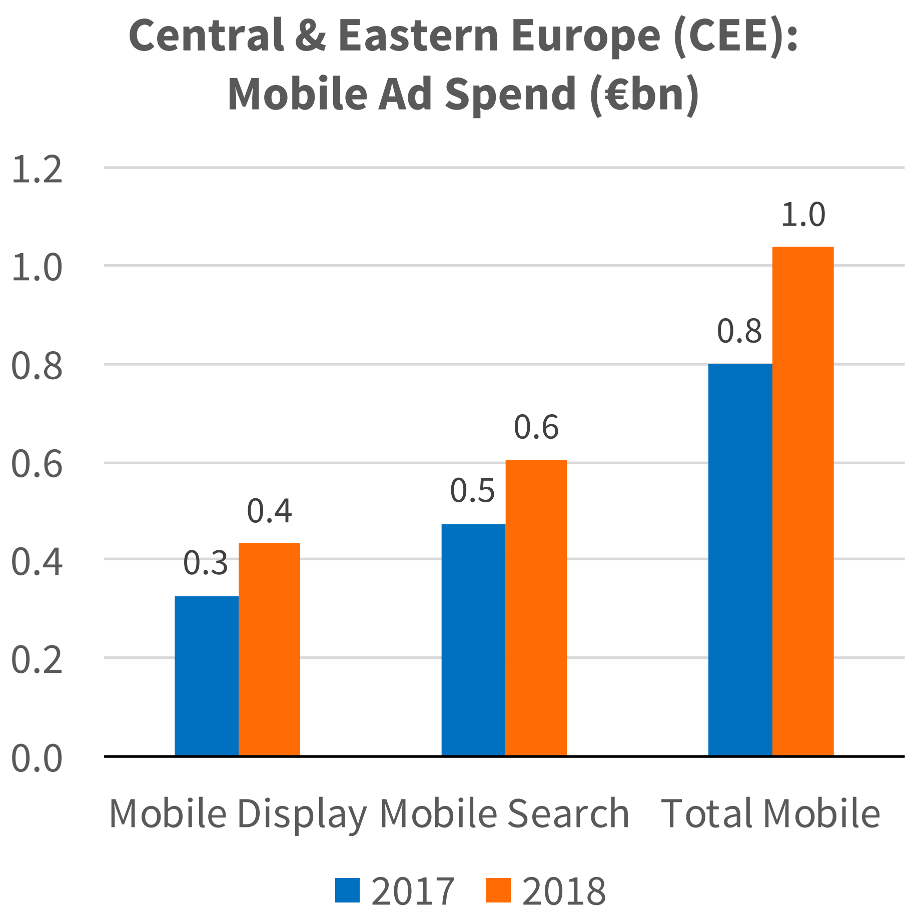
Mobile exhibits similar trajectories in WE & CEE

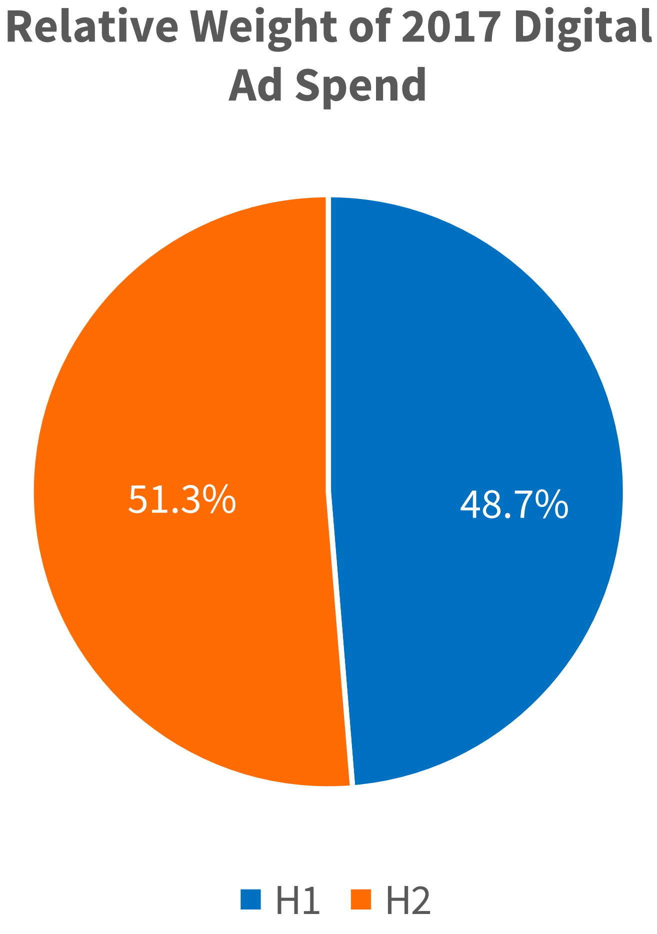


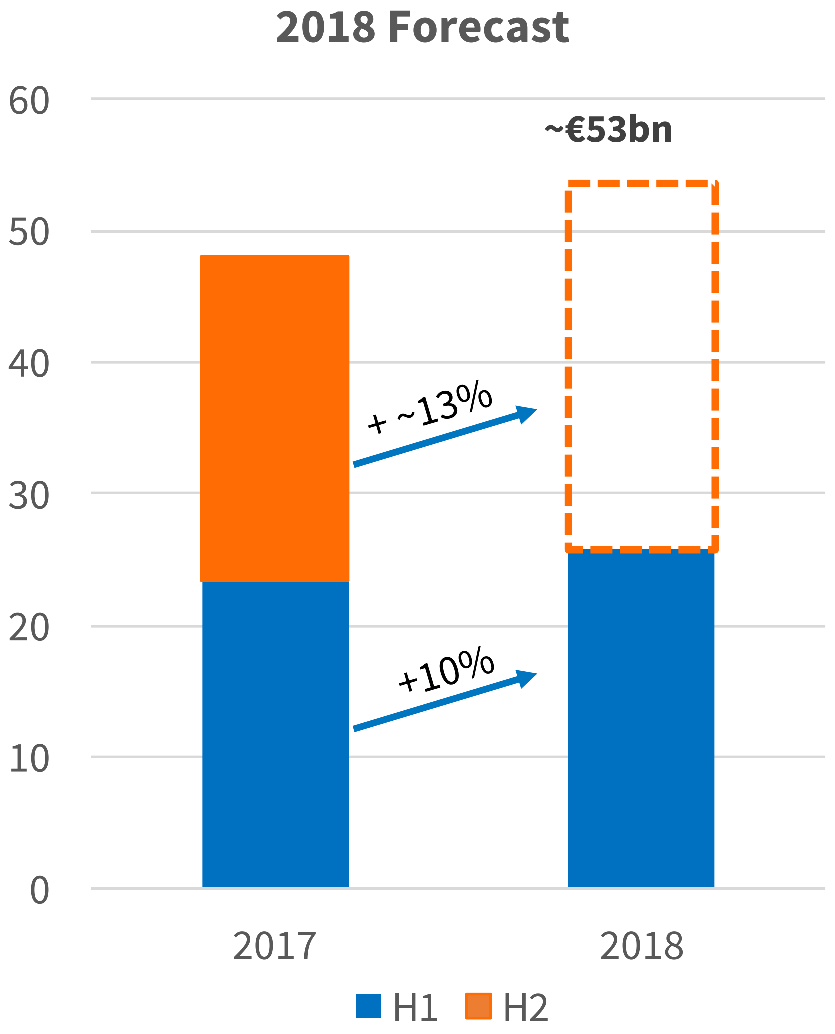


Note: In the H1 2017 study, several markets were excluded from mobile due to data availability. We have restated H1 2017 to include all markets.

Source: IAB Europe & IHS Markit

Outlook to full year 2018





- GDPR has dampened investment in digital advertising in H1 2018 in several markets, in particular between March and June.
- Market feedback in H2 2018 signals that the cautious climate around GDPR is improving, suggesting stronger growth in H2.
- Assuming a slight acceleration of growth in H2 to 13%, we estimate the 2018 market to arrive at approx. €53bn.
- Factoring in measurement artifacts*, full-year growth for 2018 is likely to be between 11% and 12%. Brexit remains a key unknown that can still affect forecasts during the vital Christmas business.

*
(1) *A minority of national IABs report half-year data, and often less granular than their full year reports;*
(2) *we need to rely on estimates and our proprietary database to a higher degree instead;*
(3) *measurement methods and survey scope of national IABs may change for full year 2018.*

Source: IAB Europe & IHS Markit

Appendix: reported and estimated data by market (H1 2017 / H1 2018)

Partial or full data reported by national IABs:

- Denmark
- Finland
- France
- Germany
- Netherlands
- Norway
- Poland
- Russia
- Slovakia
- Spain
- Sweden
- Turkey
- UK

Estimated / modelled data:

- Austria
- Belarus
- Belgium
- Bulgaria
- Croatia
- Czech Republic
- Greece
- Hungary
- Italy
- Romania
- Serbia
- Slovenia
- Switzerland

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