European Online Advertising Market Surpasses €24.3bn in Value

2012 AdEx Benchmark Survey Launched at Interact Barcelona

Barcelona 23 May 2013 - IAB Europe's annual AdEx Benchmark survey - the definitive guide to the state of the European online advertising market - was released today at IAB Europe's Interact conference in Barcelona.

The AdEx Benchmark research revealed that online was the best performer in the advertising market with an overall growth of 11.5% in 2012. Europe continues its strong growth curve in both early adopter and emerging markets. Diversity of online advertising was a strong contributor to ongoing European growth in spite of continuing macroeconomic volatility.

Kimon Zorbas, CEO of IAB Europe, said that the trajectory was positive. "With a 15.3% growth in 2011 and continuing strong growth of 11.5% in 2012, our sector is bucking the trend in Europe. Display advertising has continued its renaissance, driven both by the recognition of online display as a branding medium and the explosion of the big data economy. Big data relies on the rich metrics delivered through the online medium."

Continued strong migration of ad spends online, which followed media usage patterns, underpinned the overall strong growth. Demand for online video advertising increasingly acted as a major draw for brand advertisers growing by 50.6% in 2012, to nearly €661.9M. This is the first time in Europe that online video has grabbed double-digit display market share, jumping to 12.9%.

Mobile advertising also continued its surge, growing 78.3% to nearly €392M in total value. Mobile advertising now accounts for 5% of all online display spends in Europe.

The IAB Europe AdEx Benchmark study splits the online ad market into 3 top-level segments: Display, Classifieds and Directories and, Paid-for-Search. Growth in these online advertising formats has been underpinned by shifting uses of devices and changing consumption patterns.

In 2012, the Display Ad market experienced a like-for-like growth of 9.1%, with a total value of €7.8bn. Growth was mainly driven by mobile and online video. More reliable audience metrics, better campaign measurements, improved automation and simplification of purchasing online advertising space developed by industry, increased confidence amongst marketers in the online ad medium.

The 2012 market value of Classifieds and Directories was €4.5bn and was underpinned by strong redistribution of spends on classified from print to online. Continued consolidation in the sector enhanced the scale of classifieds sites, making them more attractive for advertisers. The strong legacy position of Classifieds and Directories in Scandinavia also continued to boost the European market. Outstanding performances were noted in Denmark - up 20% - and Sweden - up 23.9%.

Paid-For-Search experienced the strongest like-for-like growth of 15.5% - and had a market value of €11.9bn. Dynamic results from Russia, which grew a whopping 44.9% was an important influencing factor. However, even some of the largest and most mature Search markets in Europe, such as Germany and the UK continued to grow, helped by larger volumes of Search ads. Increased ad spends from small advertisers and mobile search using smartphones and tablets were a significant contributor to this shift.

Daniel Knapp, Director Advertising Research at IHS Electronics and Media, and author of the research said,“ While the macroeconomic situation in Europe pointed to a challenging year for the media industry in 2012, online advertising tells a better story. Our study shows that growth engines are not just markets, which are developing from a low basis. Double-digit growth from mature online economies such as Scandinavia and the UK demonstrates that investment in technology, improved measurement and strategies to monetise the increasingly mobile consumer facilitate sustainable growth of online advertising."

The top 10 list remained the same, with the exception of Russia moving from 5th to 4th place, replacing Italy, which dropped down a place to 5th. Top Individual market growth was registered by Russia 34%, followed by Turkey with 30.4%.

Top 10 Rankings

1. UK – €6.6bn
2. DE – €4.6bn
3. France – €2.8bn
4. Russia – €1.5bn
5. Italy – €1.4bn
6. NL – €1.2bn
7. ES – €0.9bn
8. Sweden – €0.8bn
9. Norway – €0.6bn
10. Denmark – €0.6bn

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About IAB Europe’s AdEx Benchmark:
Compiled by IHS Screen Digest, the research covers the entire European region, from the mature markets of Western and Northern Europe to the emerging markets in Eastern and Southern Europe for the calendar year 2012.

Note to Editors:
*The figure would be 3.6% were online advertising to be included in ‘all media’. Source: IHS Screen Digest**.**
Display includes PC-based and mobile banners, rich media and video formats.
The data has been compiled by IAB Europe based on information provided by the national IAB offices around Europe. It is then processed and analyzed by IHS Screen Digest. The report includes market size and value information for the full membership of the IAB Europe in 2011 including Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Norway, Poland, Slovenia, Romania, Russia, Spain, Slovakia, Serbia,

Turkey, Sweden, Switzerland and the UK. The data represents the calendar year 2011 January-December. This is the sixth edition of AdEx which began in the calendar year 2006.

About IHS Electronics and Media
IHS is a global information company with world-class experts in the pivotal areas shaping today's business landscape: energy, economics, geopolitical risk, sustainability and supply chain management. We employ more than 5,500 people in more than 30 countries around the world.

Explanatory note on IAB Europe/IHS Electronics and Media Digest AdEx Benchmark figures

Each national IAB in Europe runs its own annual online advertising spending study and the IAB Europe AdEx figures are based on these results. As the methodology of the studies varies country by country, IAB Europe and IHS Screen Digest have defined methodology rules to represent the figures in such a way as to make them realistically comparable. This involves:

- Readjusting local figures to allow for harmonised representation. Readjustment rates are supplied by groups of local market experts

- Estimating/harmonising ad spend data for certain formats or segments in certain countries where local IAB studies do not include data or the definition or scope of a format is substantially different from IAB Europe standardised segments

- Where local data is collected in a currency other than Euros, the average exchange rate in 2010 has been used to convert this to Euros. To provide data for prior year growth rates, the prior year figures have also been re-calculated using the 2011 exchange rate in order to give transparency over the growth rate

- AdEx Benchmark focuses on four normalised segments: 'Display' (including mobile Display, rich media and video), 'classifieds and directories', 'paid search' and 'other' (including email but excluding email marketing).

- Figures quoted are gross figures (i.e. net invoiced value of the media, plus agency commission if any).

About IAB Europe
IAB Europe is the voice of digital business. Its mission is to protect, prove, promote and professionalise Europe's online advertising, media, market research and analytics industries. Together with its members – companies and national trade associations – IAB Europe represents over 5,500 organisations.
The member countries are: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Netherlands, Norway, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and United Kingdom. The corporate members include: AB Inbev, Adconion Media Group, Adition, Adobe, ADTECH, AGOF Services GmbH, AOL Advertising Europe, AudienceScience, BBC Advertising, CNN, CoAdvertise, comScore Europe, Creafi Online Media, Criteo, Deutsche Post, eBay International Advertising, Emediate, Evidon, Expedia Inc, Fox Interactive Media, Gemius, Goldbach Group, Google, GroupM, Hi-Media, Koan, Mediamind, Meetic, Microsoft Europe, Millward Brown, News Corporation, nugg.ad, Nielsen Online, OMD, Orange Advertising Network, PHD, Prisa, Proxistore, Publicitas Europe, Pubmatic, Quisma, Sanoma Digital, Selligent, Tradedoubler, Triton Digital, Truste, United Internet Media, ValueClick, Verisign, Viacom International Media Networks, Webtrekk, White & Case, Yahoo!, Yandex and Zanox. The associate members include: Advance International Media, Aegis Media, Banner, Clarins, Desigual, ePrivacyConsult, Exponential, Intelliad, Mediabrands, Meetrics, NextPerformance, Rocket Fuel, Rubicon and Turn Europe. www.iabeurope.eu