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Introduction



Townsend Feehan
CEO, IAB Europe

IAB Europe's AdEx Benchmark report is the definitive guide to the state of the European digital advertising market. The report details facts and figures from across 28 markets in Europe including market size, growth and digital advertising investment by channel and format.

The latest report reveals that the European digital advertising market grew by 12.3% in 2019 and that an average of €4bn has been added to the digital advertising market every year since 2006.

In 2019, a total of twenty-one markets experienced double-digit year-on-year growth, dominated by growth in the CEE region; Serbia grew by 28.4%, Ukraine by 28%, Belarus by 25.2%, Croatia by 22.3% and Turkey by 19.1%.

As an important channel for building brands, video continues to experience strong growth and grew by approximately 30% to almost €10bn; out-stream video was the driving force behind this growth with an increase of 36%. In some markets such as Finland, Greece and the UK, out-stream video experienced growth of more than 40%.

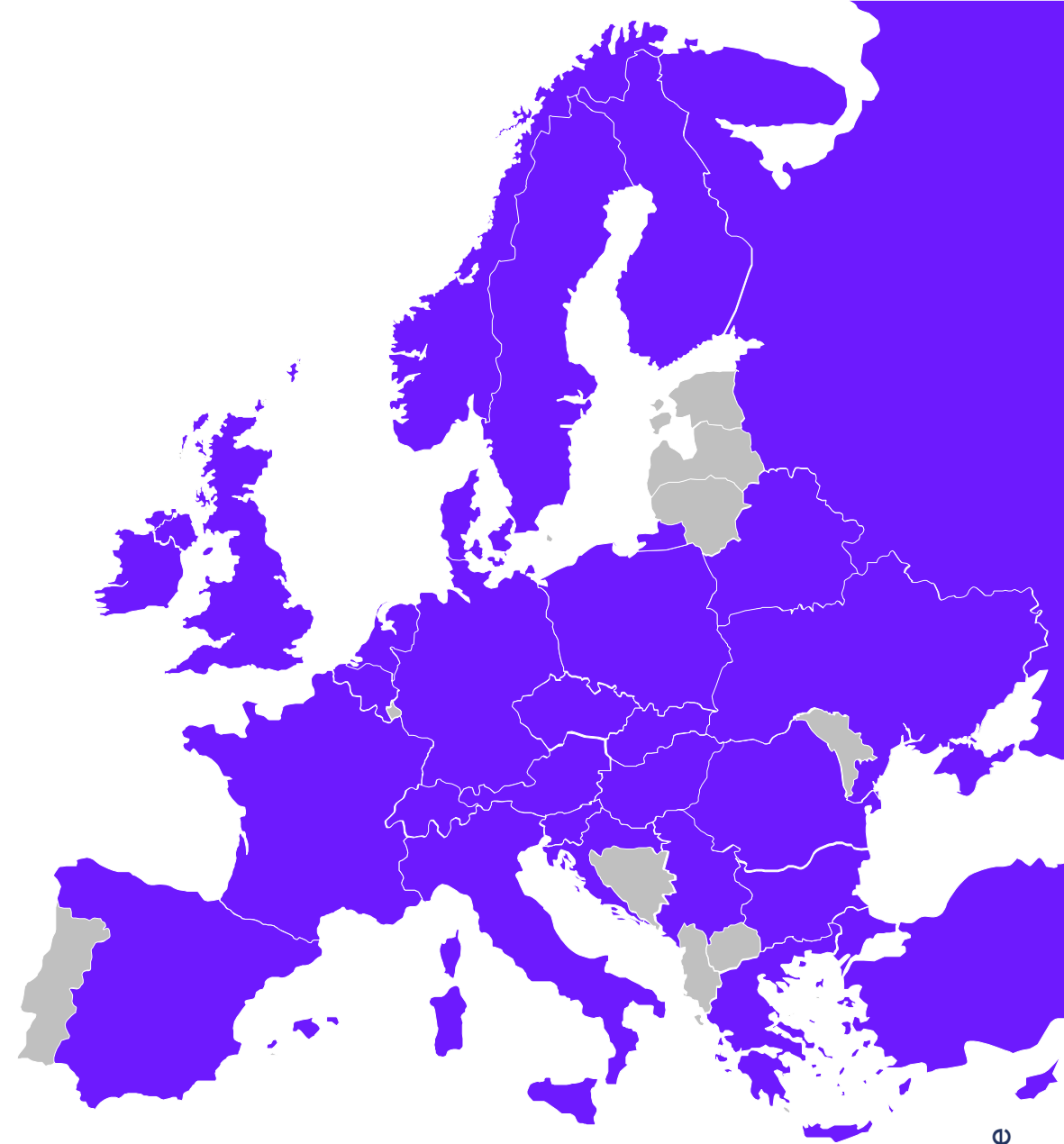
Whilst we are pleased to see another strong year of growth in 2019, we are well aware that 2020 will not follow the same trend due to the pandemic impacting all industries, businesses and lives. To prepare and help futureproof members and the wider industry, IAB Europe's Chief Economist, Dr. Daniel Knapp, has been providing a monthly economic impact assessment for the digital media sector in our [Economic Trends Forum](#). In these updates, Knapp models his forecasts on macroeconomic indicators, paired with industry data to estimate 2020 investment levels. IAB Europe is also working with its members to provide a series of fact based content and insights to help companies navigate these uncertain times and understand the changes that are happening in our industry.

About the data

- This market sizing is based on the following methods:
 - Reported data from national IABs
 - Estimates by national IABs based on local insight
 - Estimates by national IABs in collaboration with IAB Europe's Chief Economist
 - Econometric modelling from IAB Europe
- This study is designed to be a meta-analysis of ad spend reports by national IABs. The data from national IABs remains the principal input for this study. Due to the increasing complexity of the digital advertising market, we are increasingly modelling gaps and harmonising data between national IABs. This ensures the best possible like-for-like comparison between markets, while taking account of key market trends.
- All data is reported 'gross': after discounts, before commissions. Programmatic data is accounted for at the SSP level.
- Currency conversions are made based on constant 2015 EUR – local exchange rate.
- Unless indicated otherwise, the data in this study refers to 'total Europe' defined as all markets included in this study.

Data for 28 markets in Europe

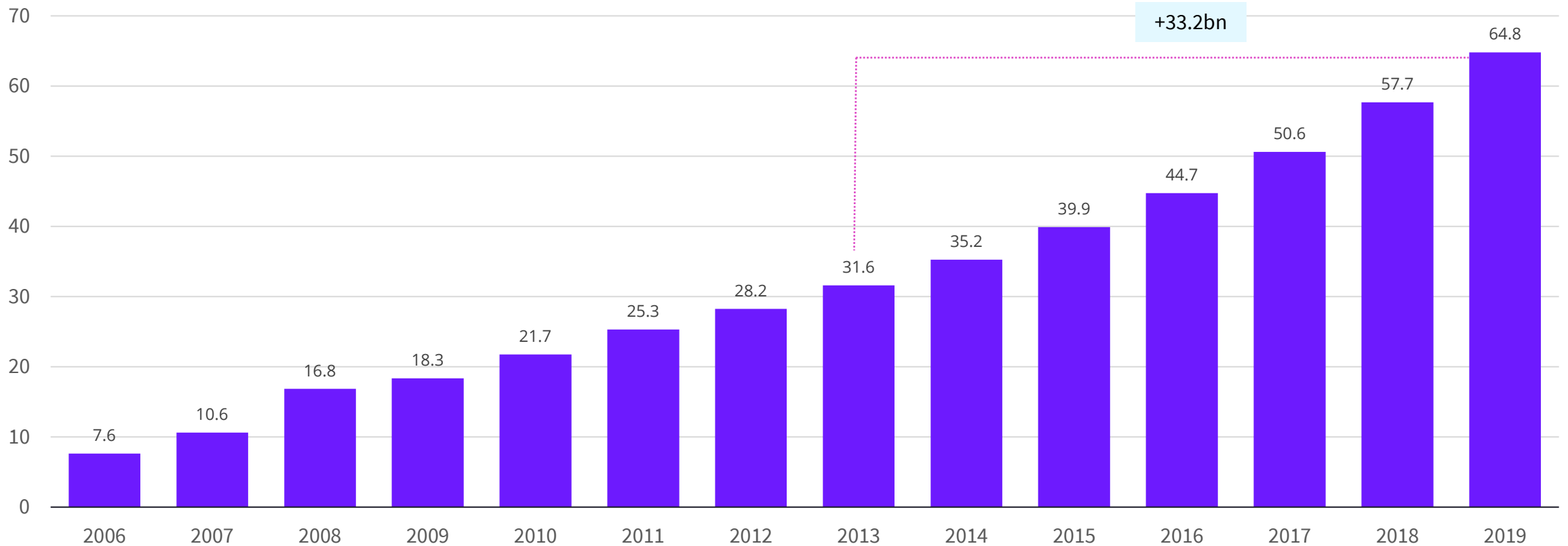
- Austria
- Belarus
- Belgium
- Bulgaria
- Czech Republic
- Croatia
- Denmark
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Netherlands
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- Poland
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- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- UK
- Ukraine



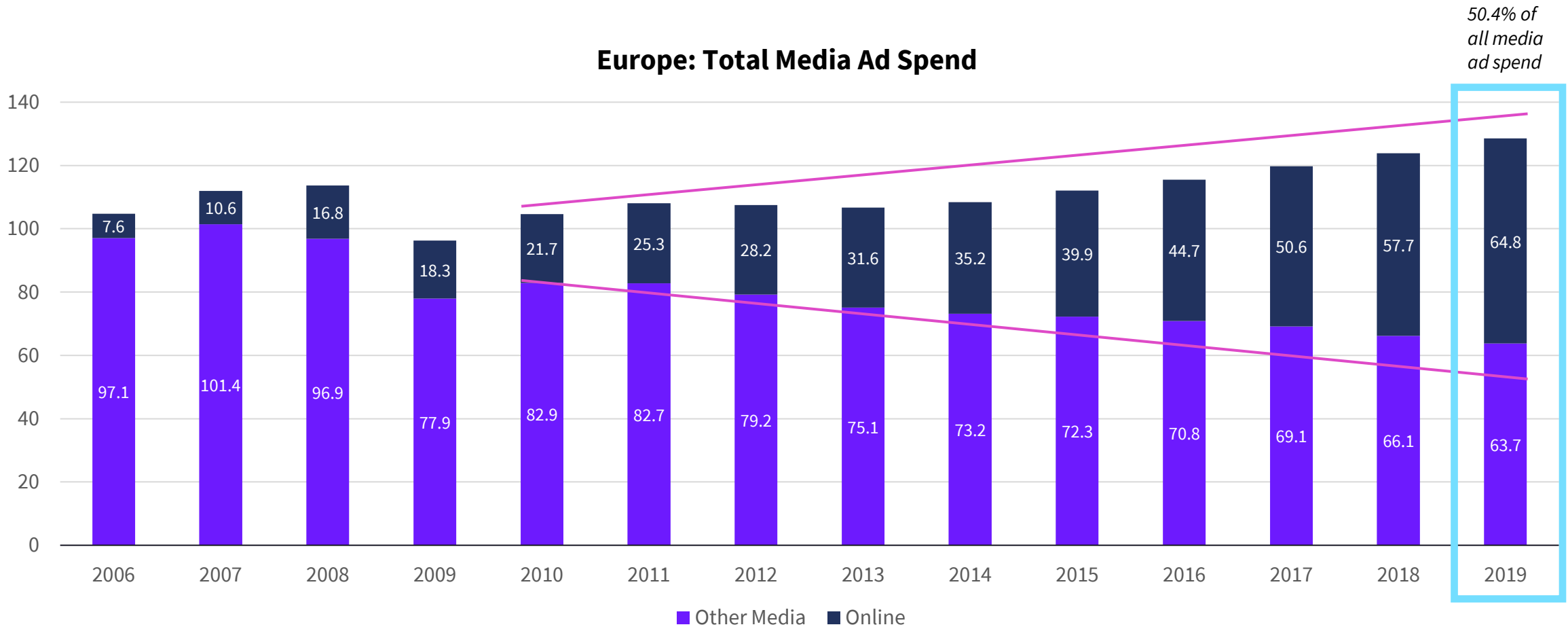
MARKETS

Market more than doubled since 2013 – on average €4bn added to the digital ad market every year since 2006

Europe: Total Digital Ad Spend (€bn)

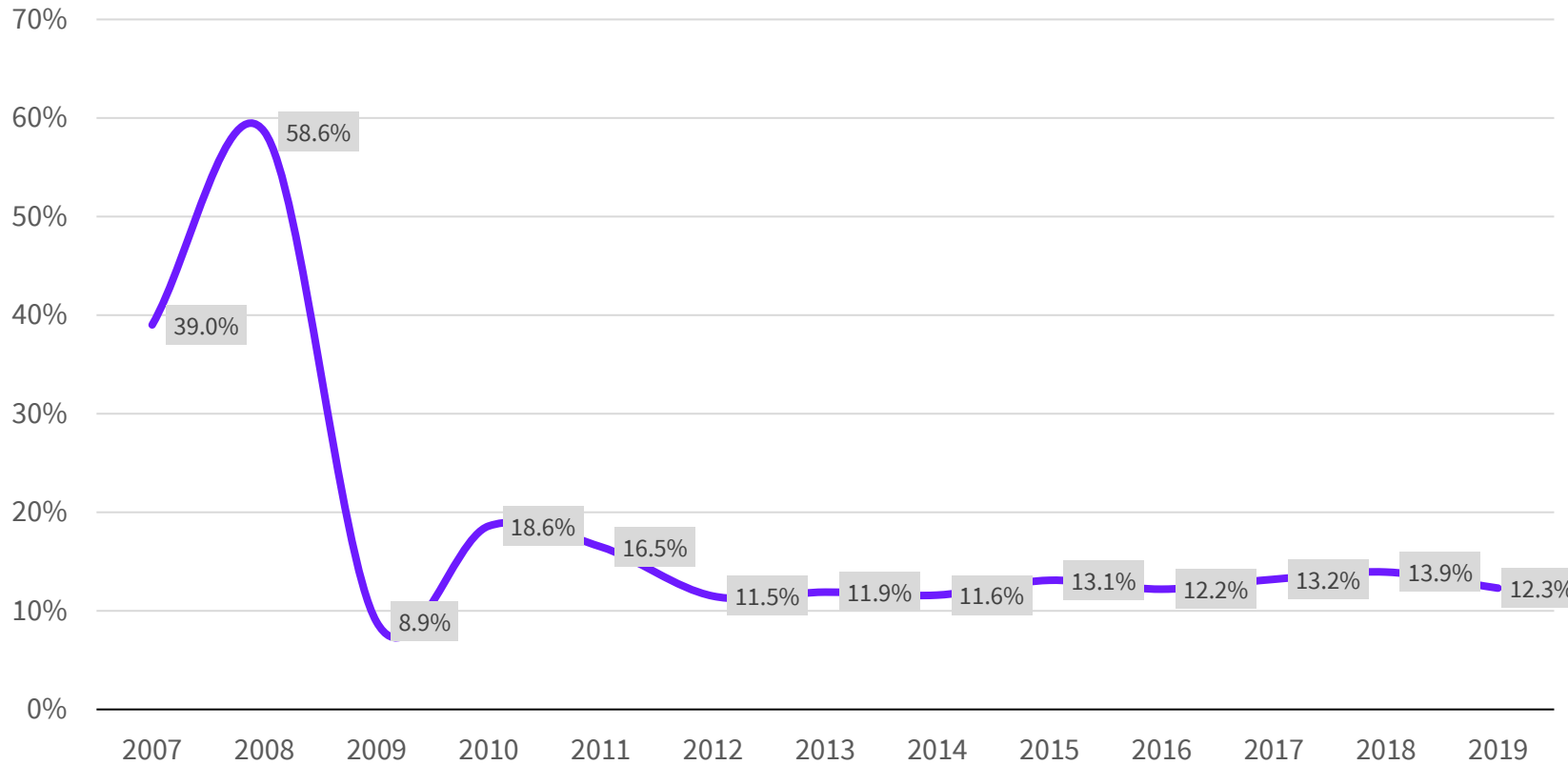


Digital drives European ad market to all-time high as aggregate category of ‘other media’ down since 2010 – digital exceeds 50% of all media ad spend for the first time

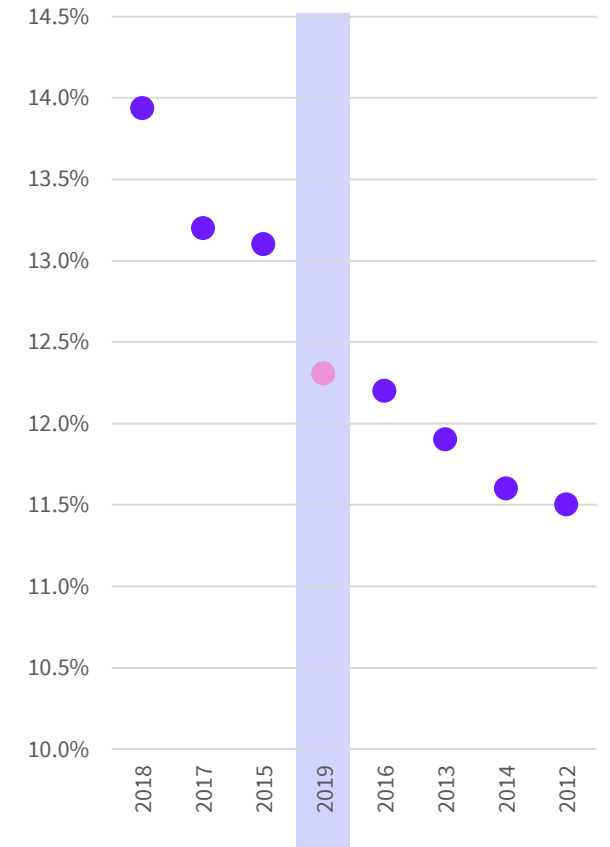


Double-digit growth despite maturing market: slower than previous two years, but still only 2.4 ppt variation between 2012 and 2019

Europe: Year-On-Year Growth Digital Ad Spend

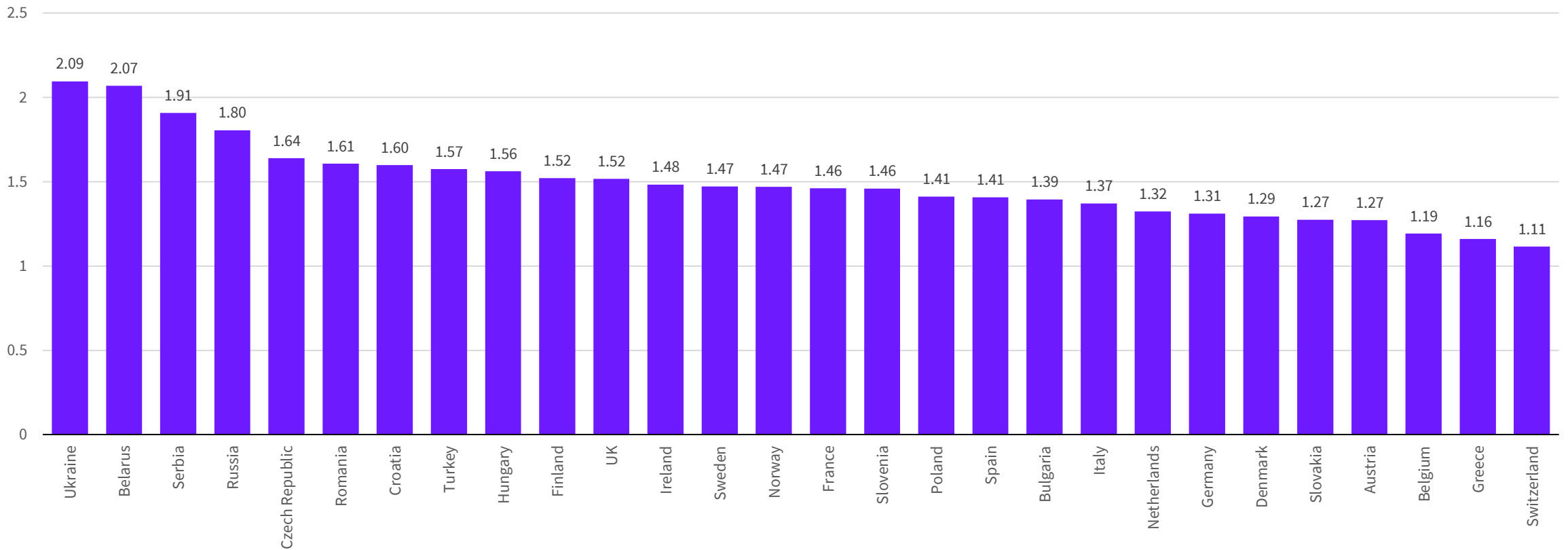


Growth 2012-2019 ranked



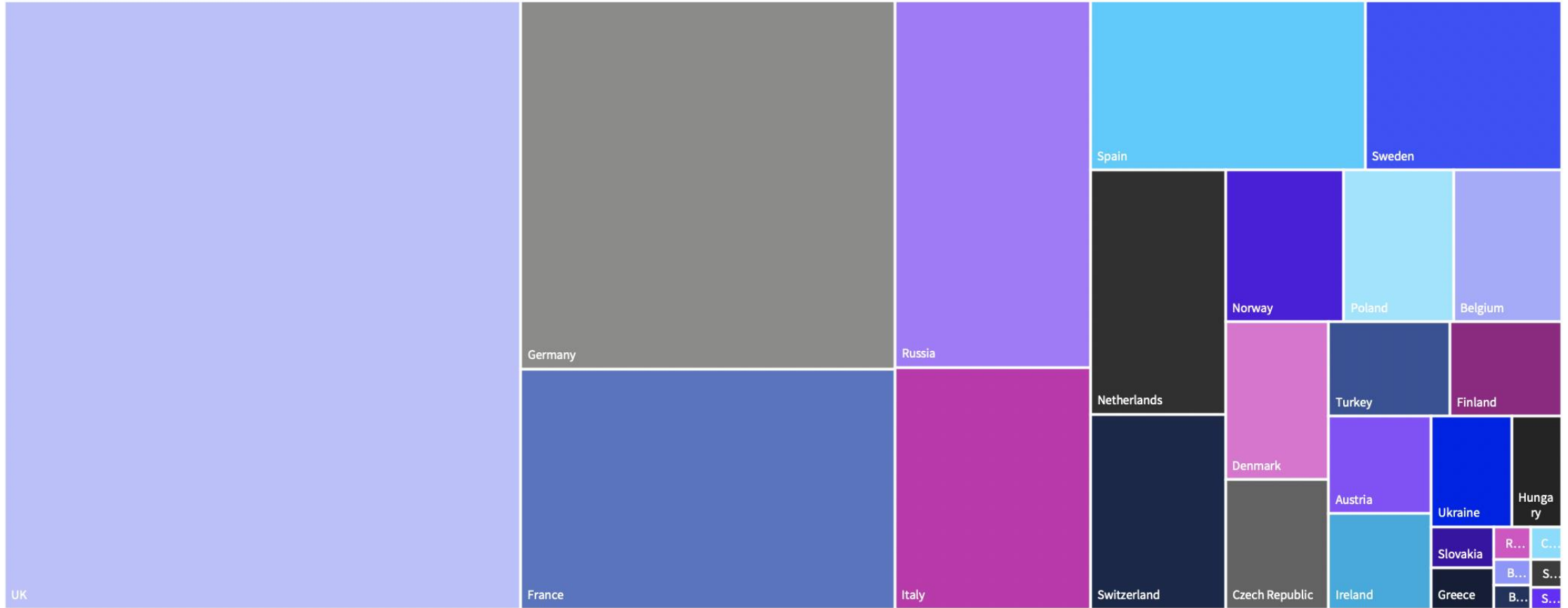
Long-term view: 9/10 fastest-growing markets are in CEE

Market Size: 2019 vs 2016 (multiplier)



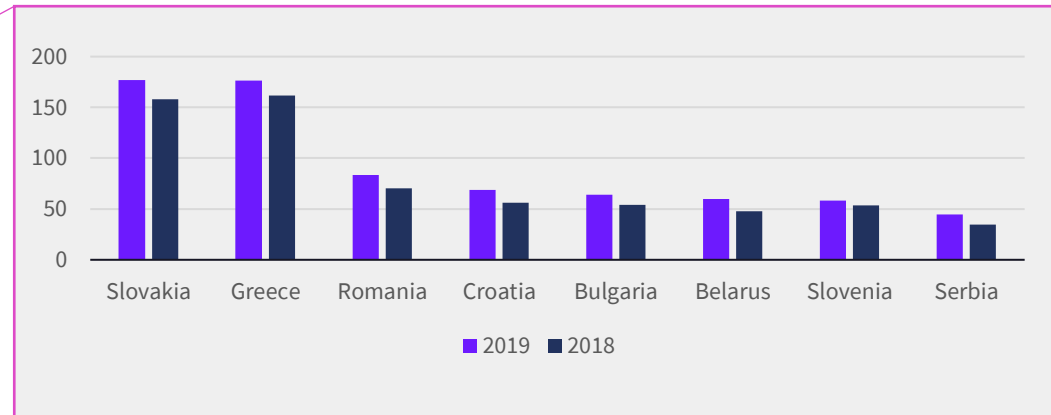
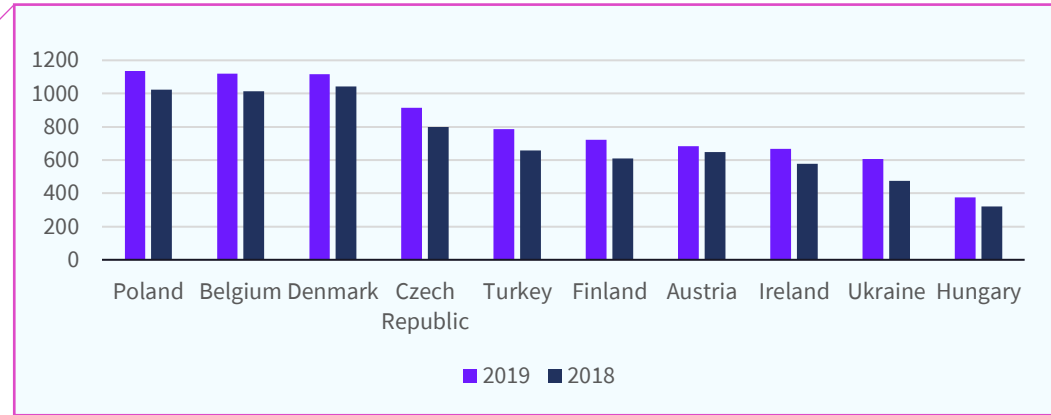
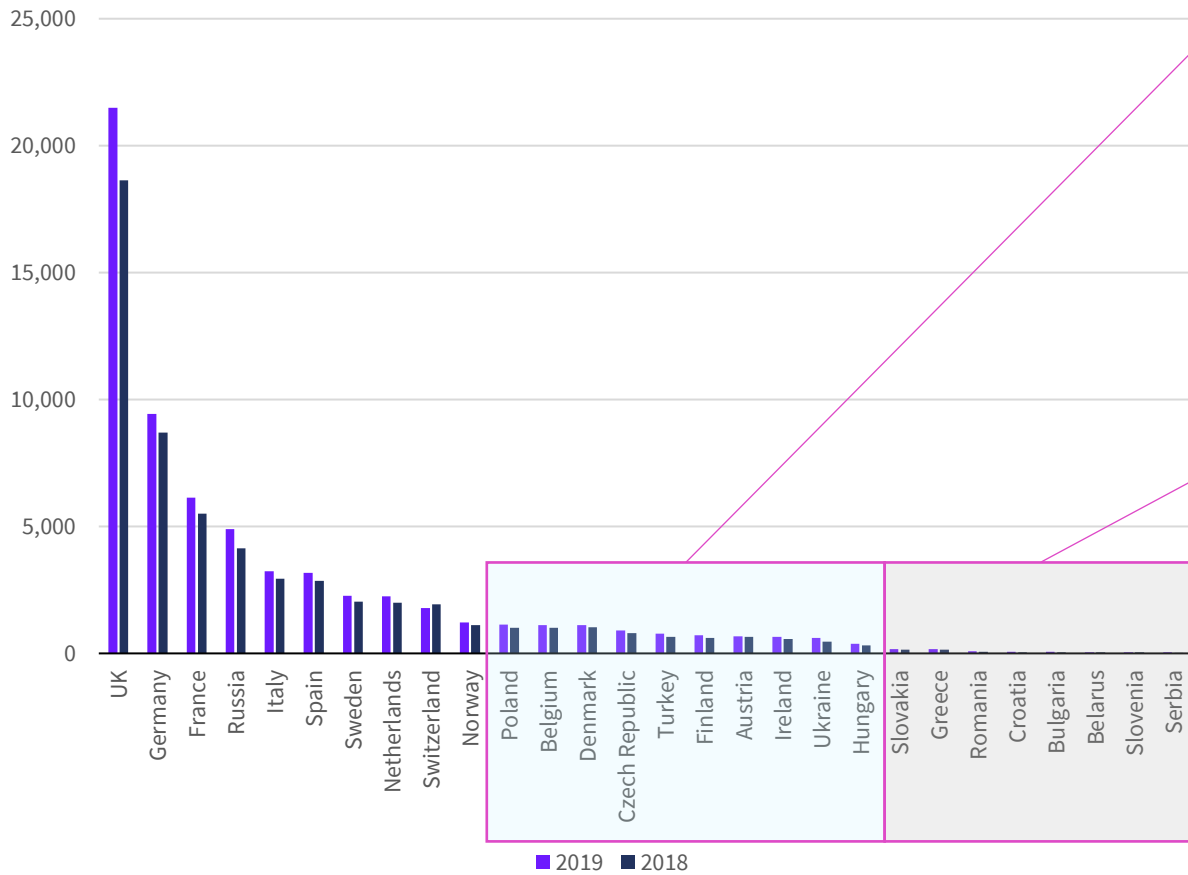
Top 10 markets concentrate 86% of digital ad spend

Digital Ad Spend 2019



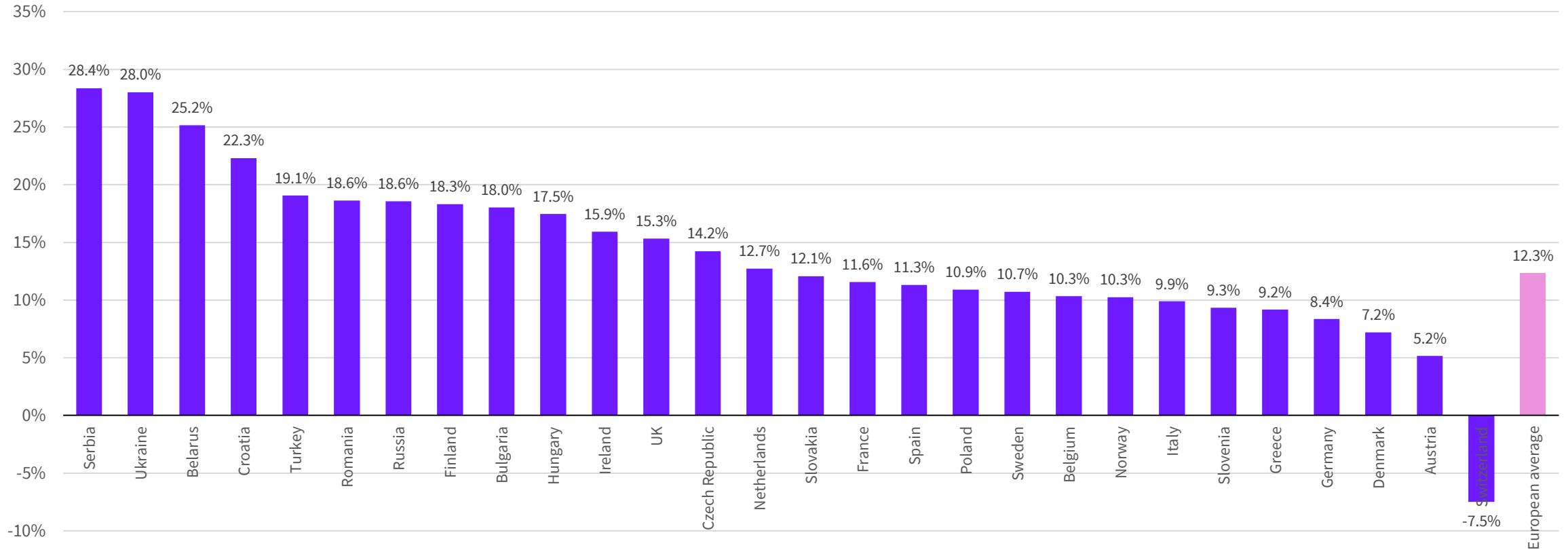
Zoom-in reveals nuances in size between markets

Europe: Digital Ad Market Size 2019 vs 2018

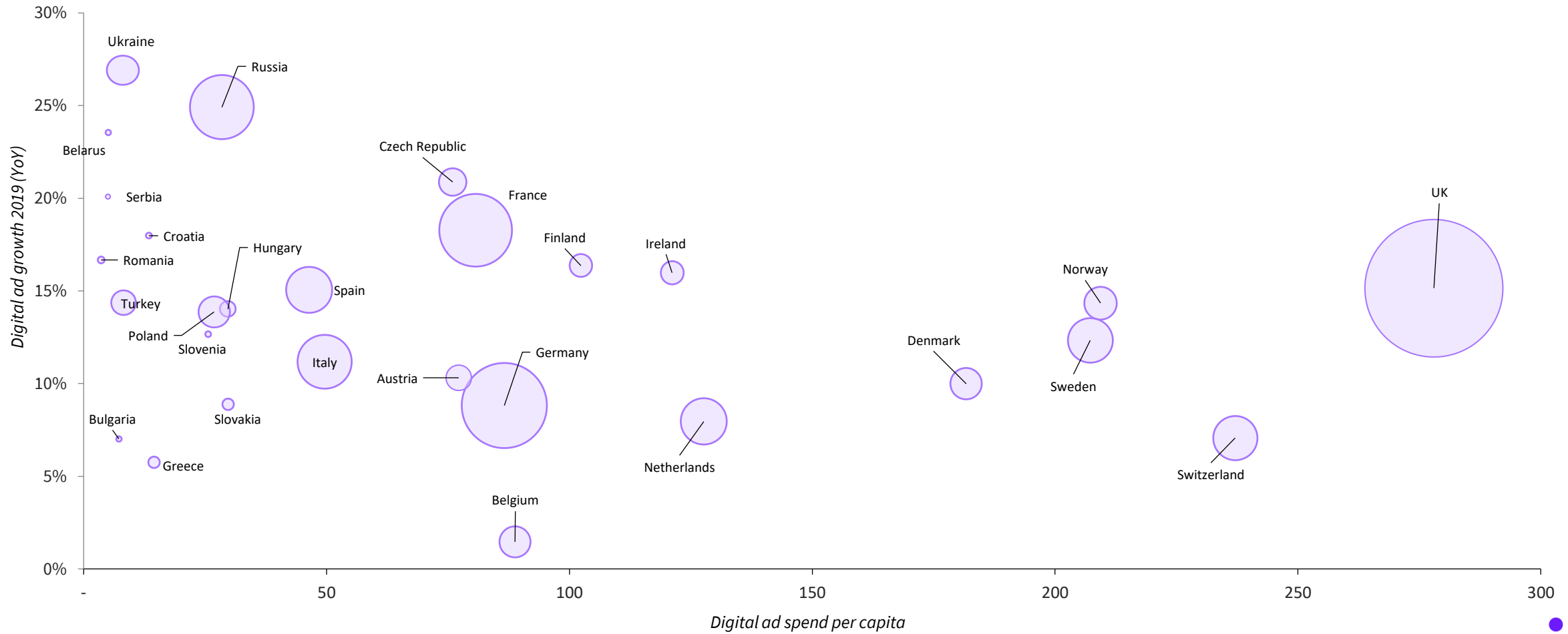


CEE markets lead growth: 10 out of 14 markets that grow above European average are from CEE

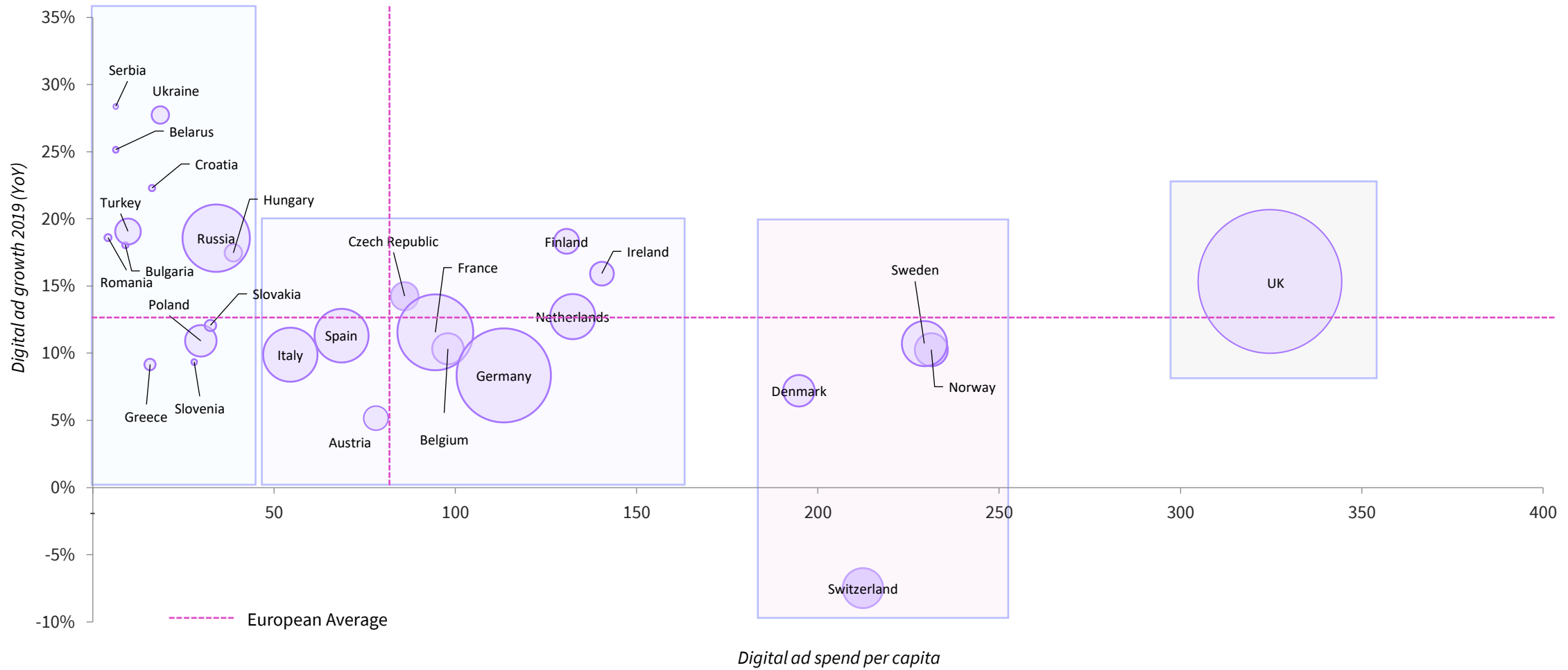
Digital Ad Spend Growth by Market (YoY)



A look back at 2018...



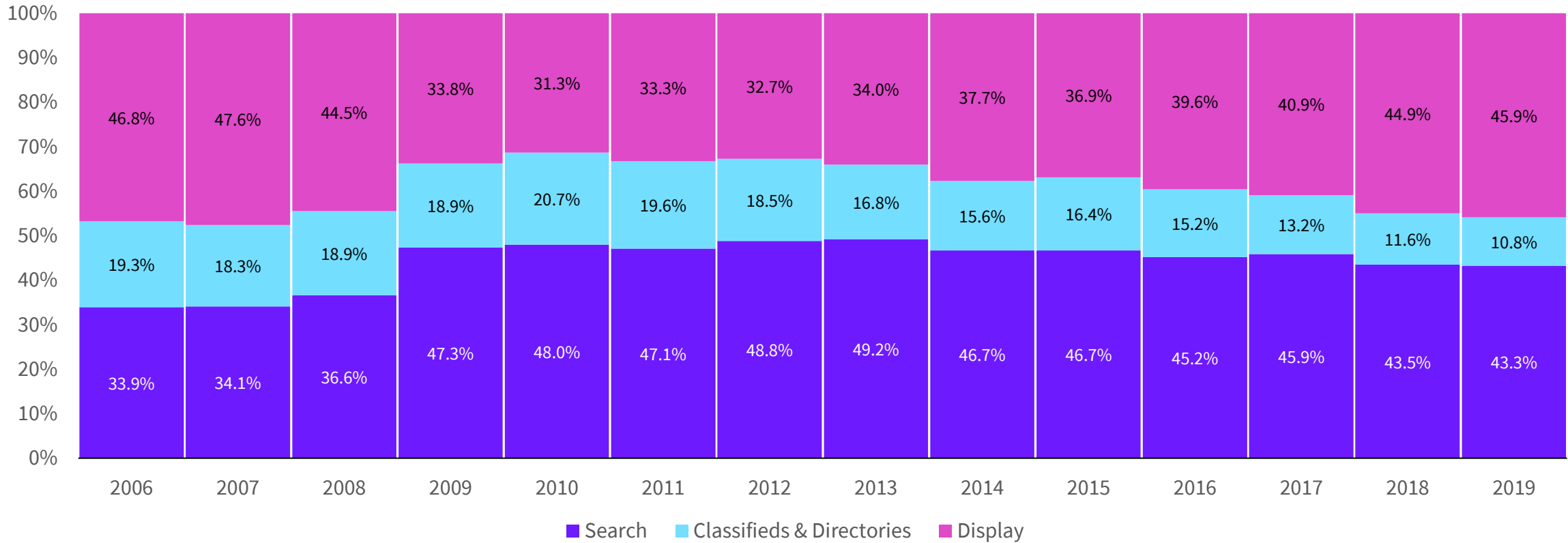
...reveals a tighter grouping of markets in 4 clusters



FORMATS

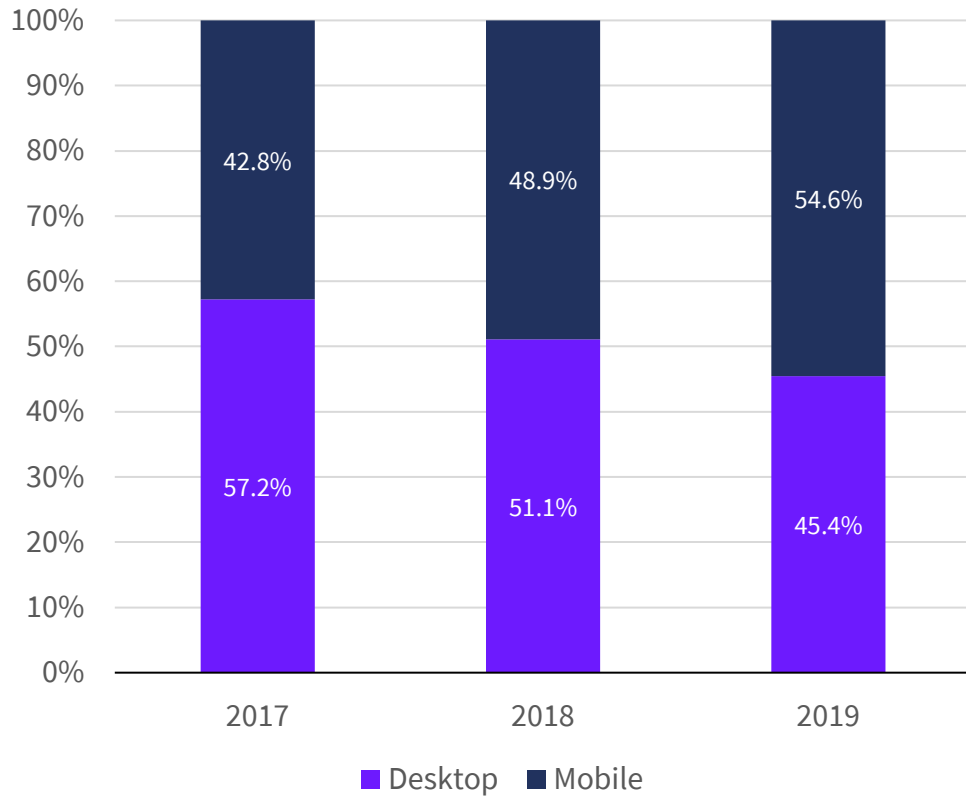
Display overtook Search as largest format in 2018, increases lead

Digital Ad Spend Split by Format

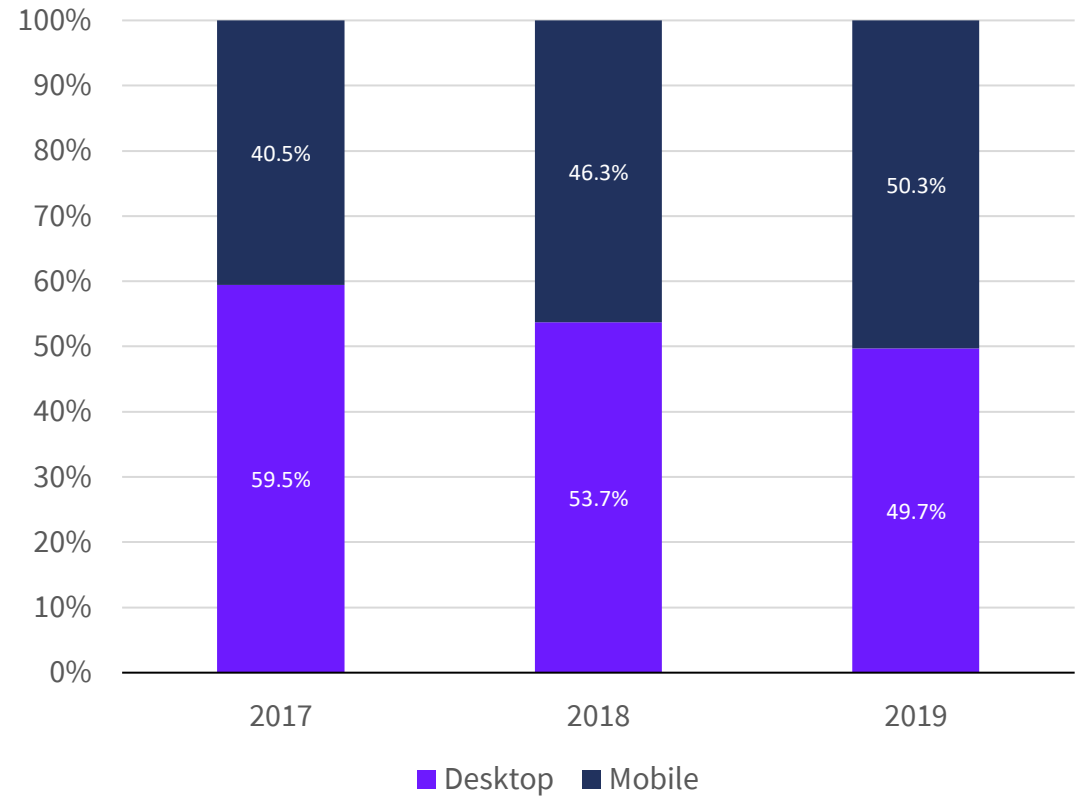


Mobile ad spend overtakes desktop

Display: Desktop vs Mobile

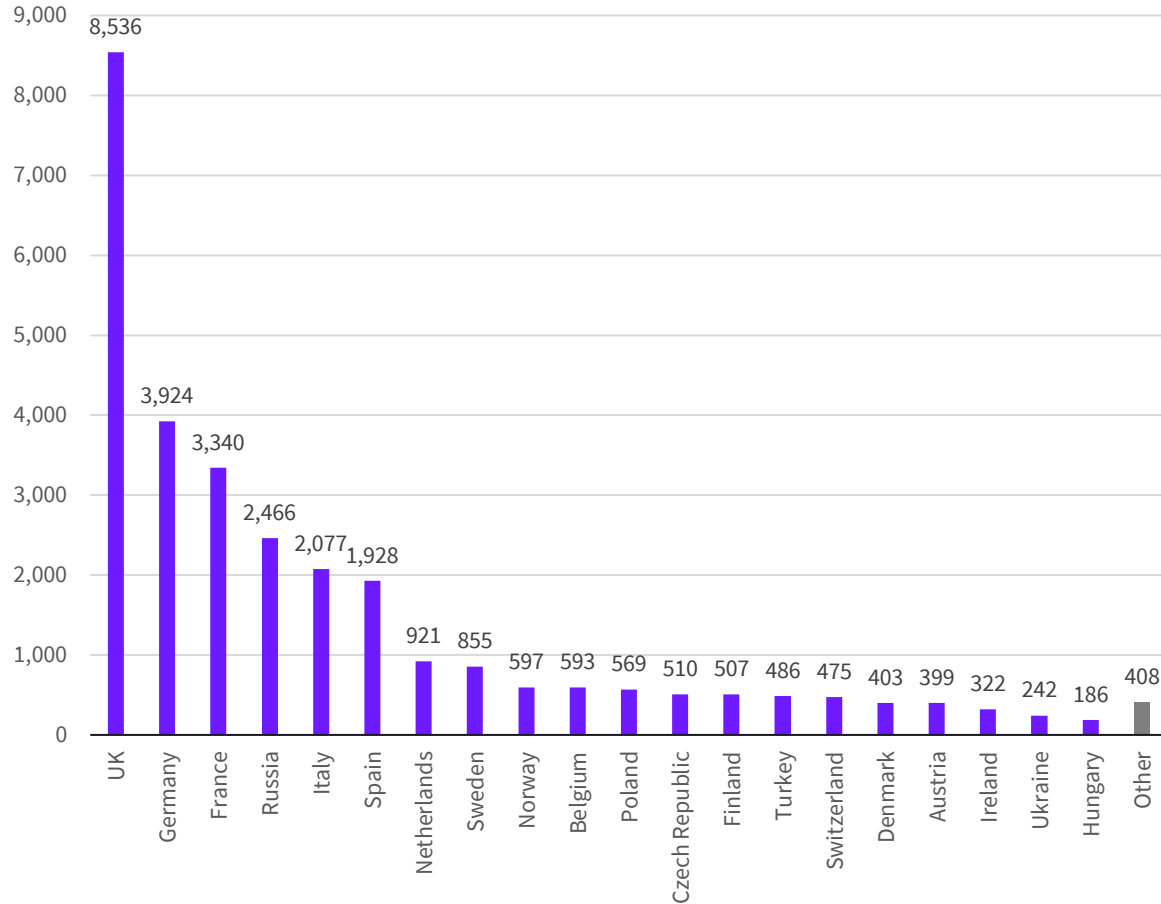


Search: Desktop vs Mobile

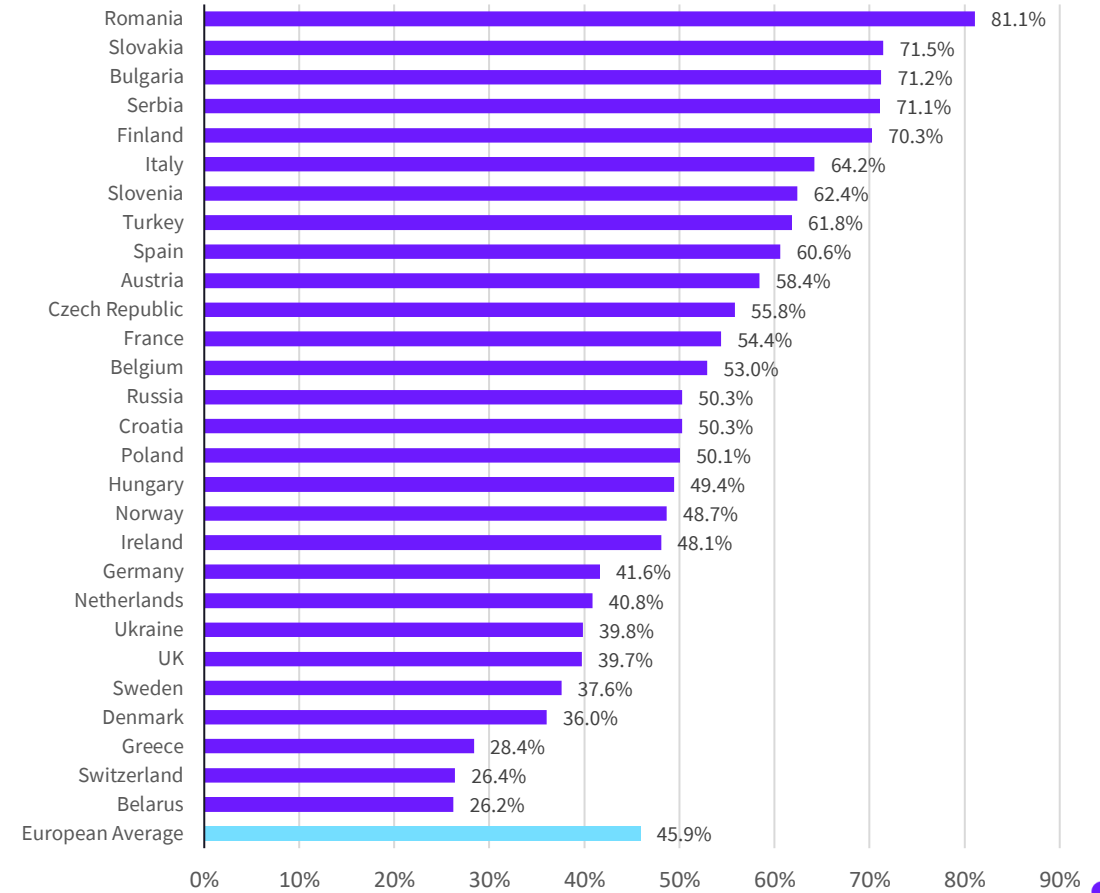


Display ad spend dominated by 6 markets - €1bn gap to next largest

Display Ad Spend 2019 (€m)

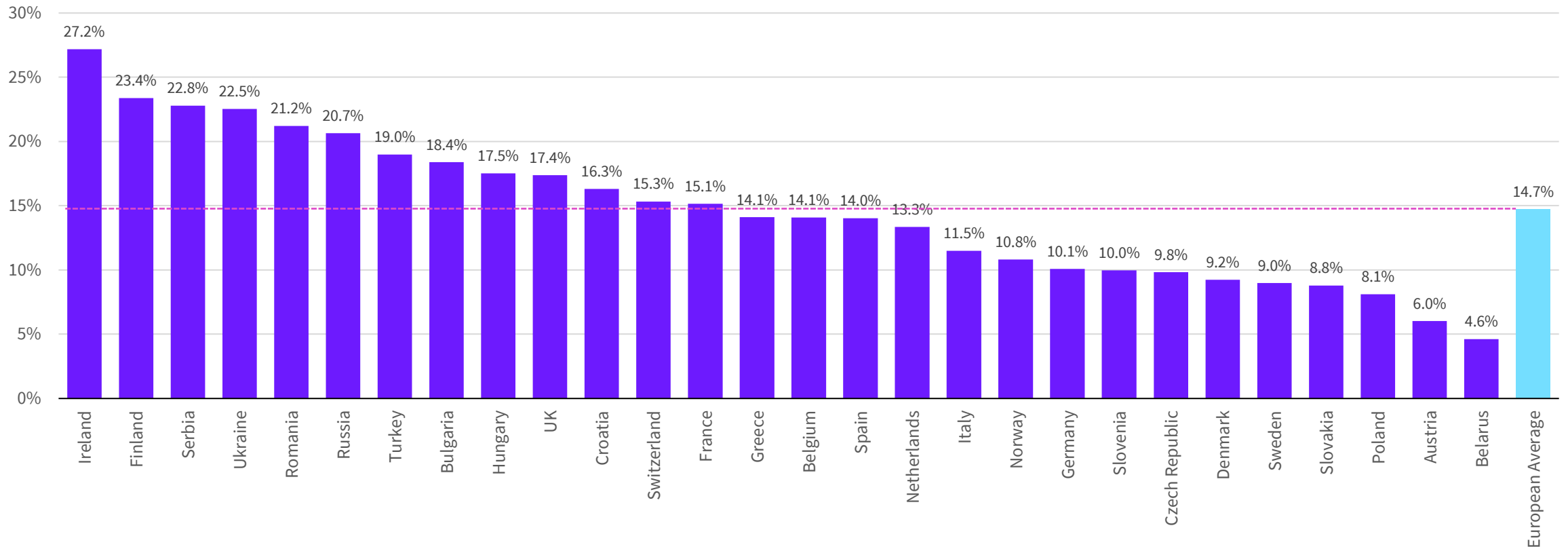


Display Share of Total (2019)



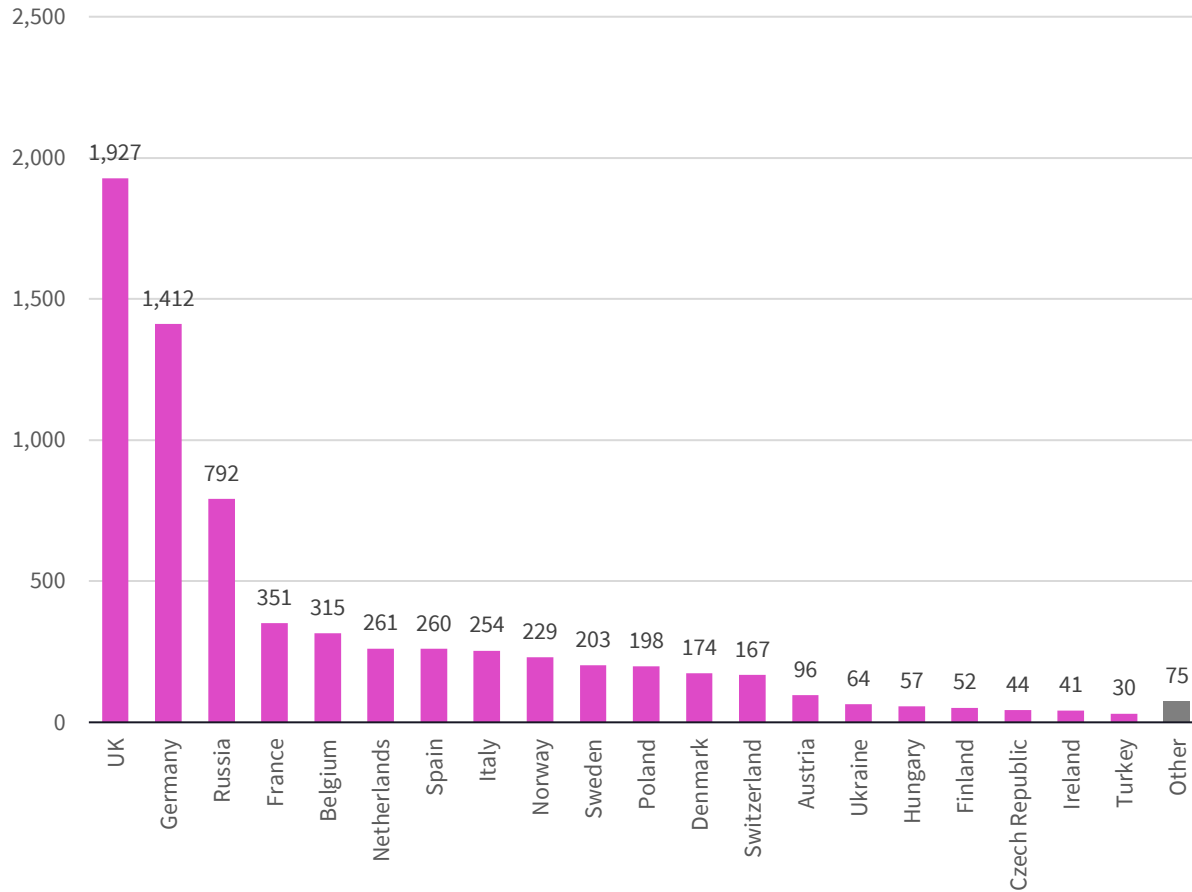
21 markets record double-digit display growth

Europe: Digital Display Ad Spend Growth 2019 (YoY)

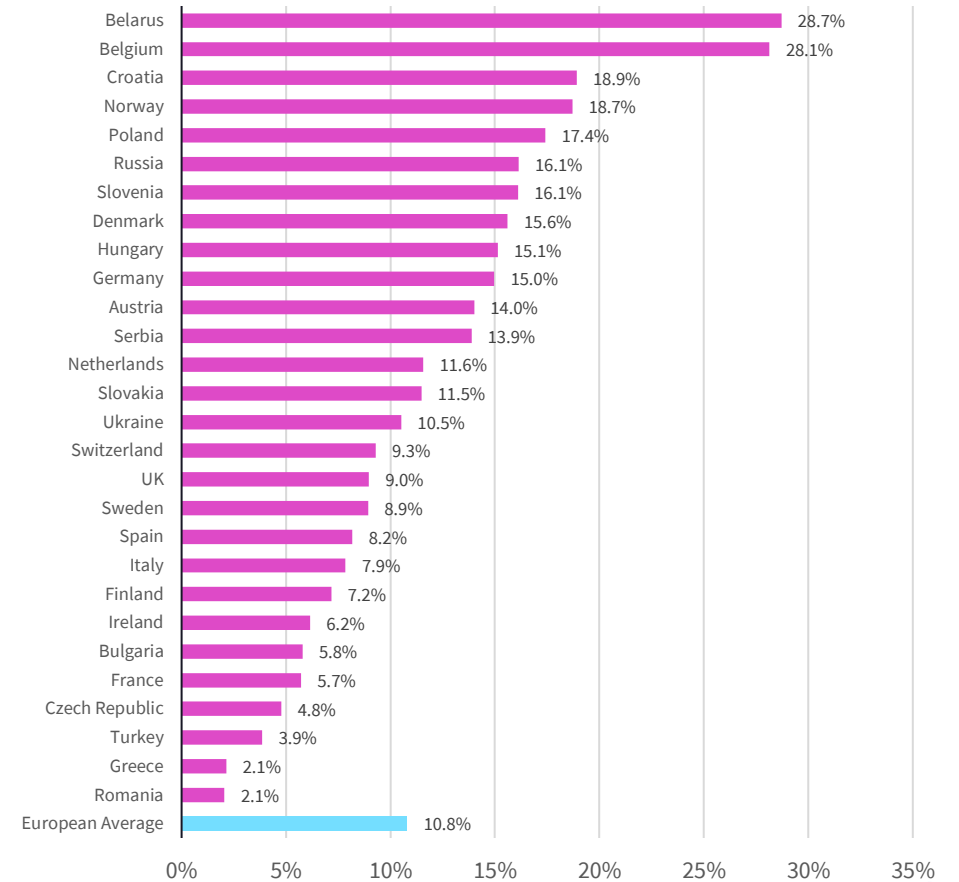


13 Classifieds & Directories (C&D) markets larger than €100m

C&D Ad Spend 2019 (€m)

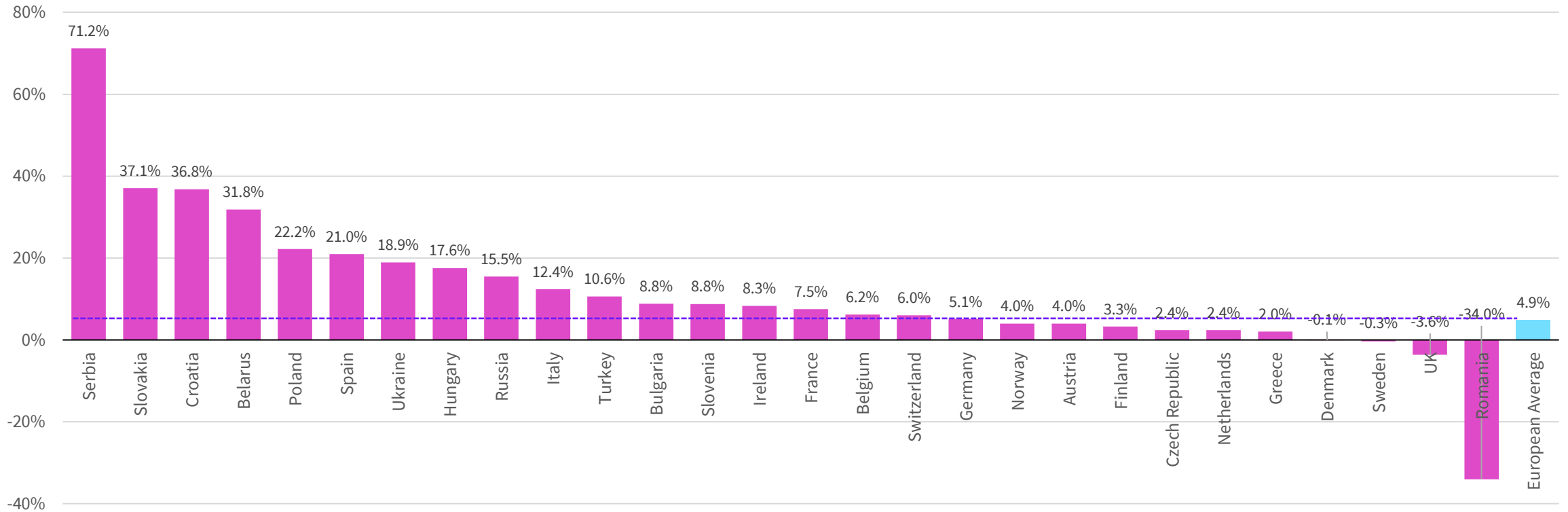


C&D Share of Total (2019)



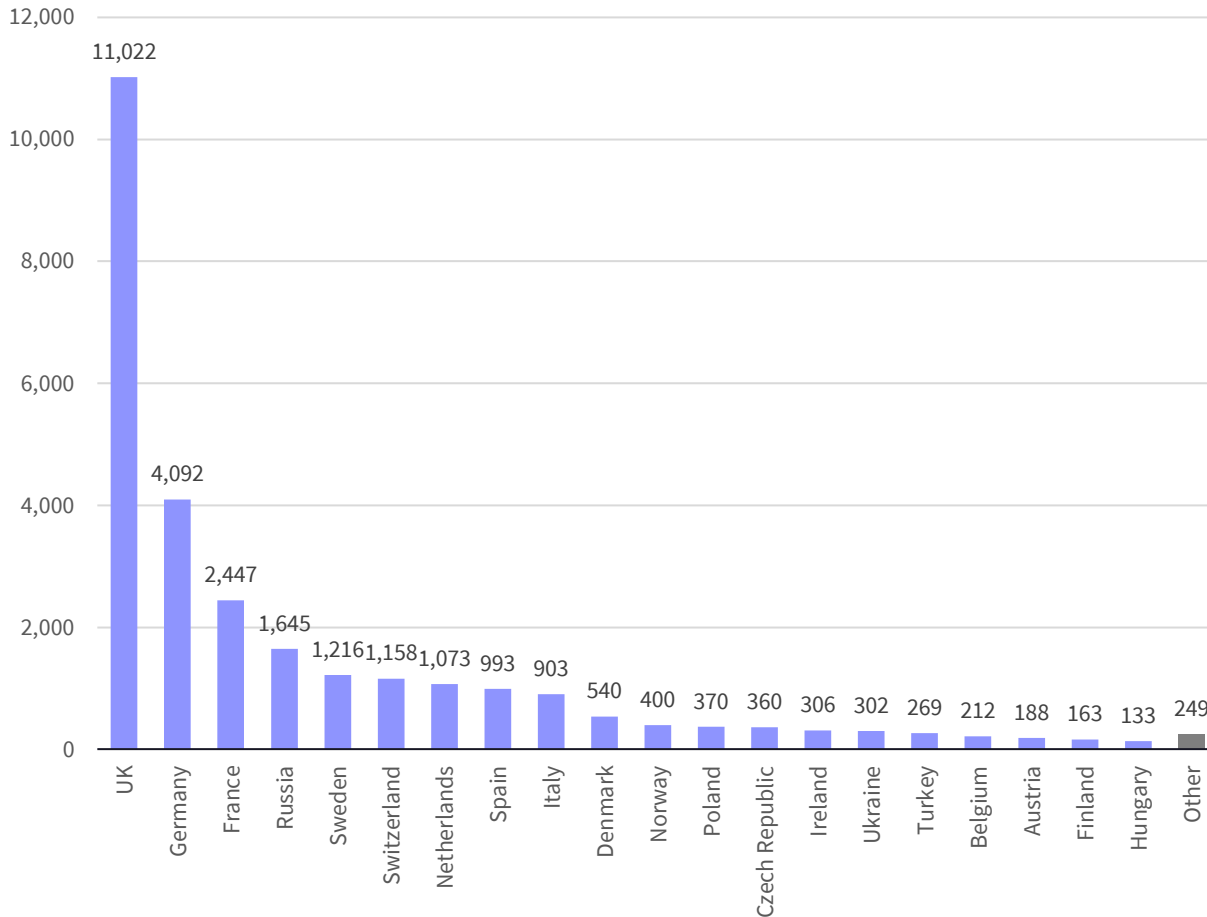
Strong variation of growth across Europe as sector consolidation drives scale effects

Europe: Digital Classifieds & Directories Ad Spend Growth 2019 (YoY)

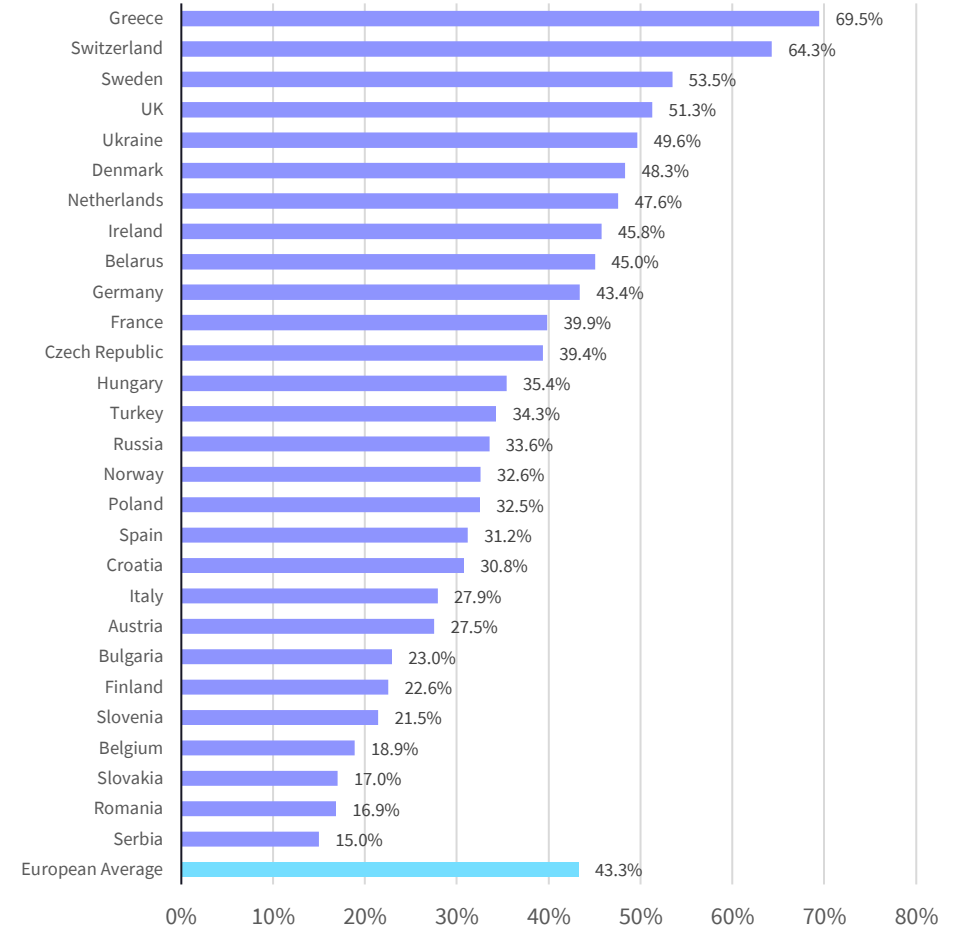


7 search markets worth more than €1bn

Search Ad Spend 2019 (€m)

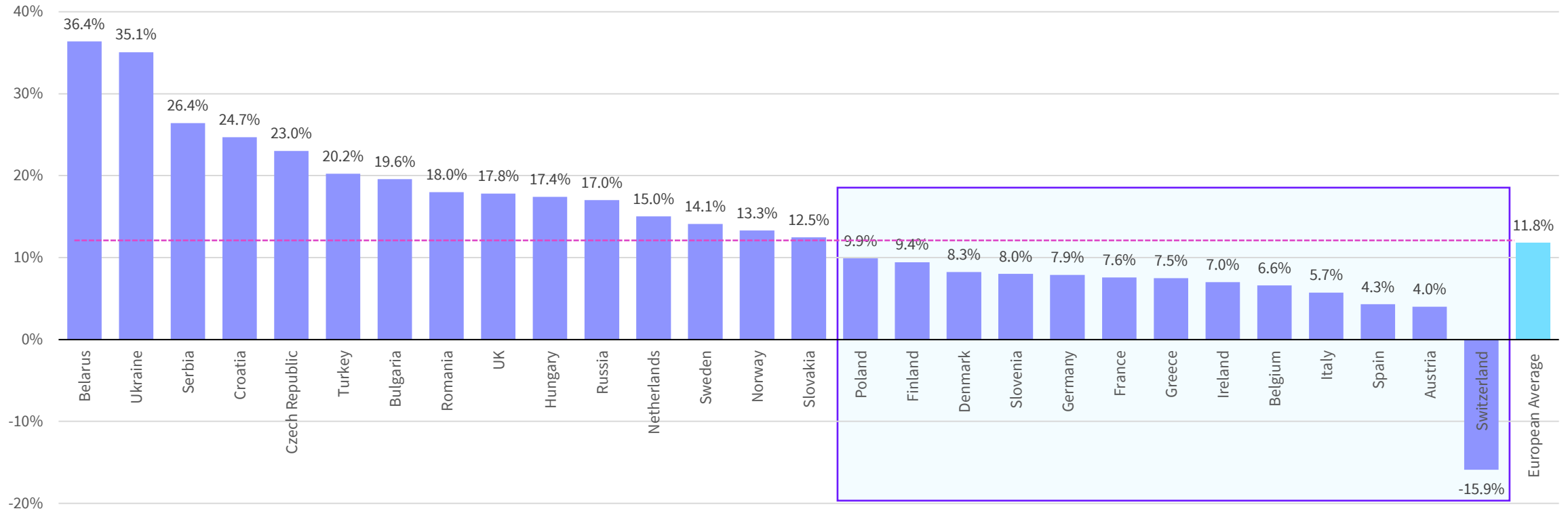


Search Share of Total (2019)



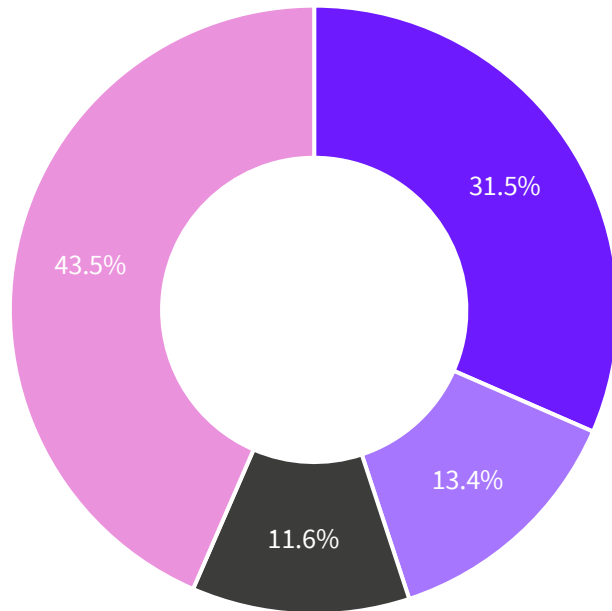
CEE markets lead Paid-for-Search growth, markets below average largely range in the middle of the ad spend per capita spectrum

Europe: Paid-for-Search Ad Spend Growth 2019 (YoY)



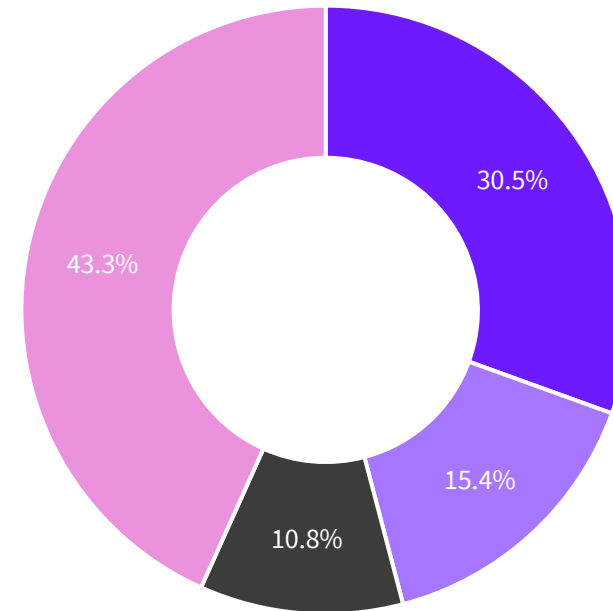
Video contribution to display growth increases

2018



■ Non-Video Display ■ Video ■ Classifieds & Directories ■ Search

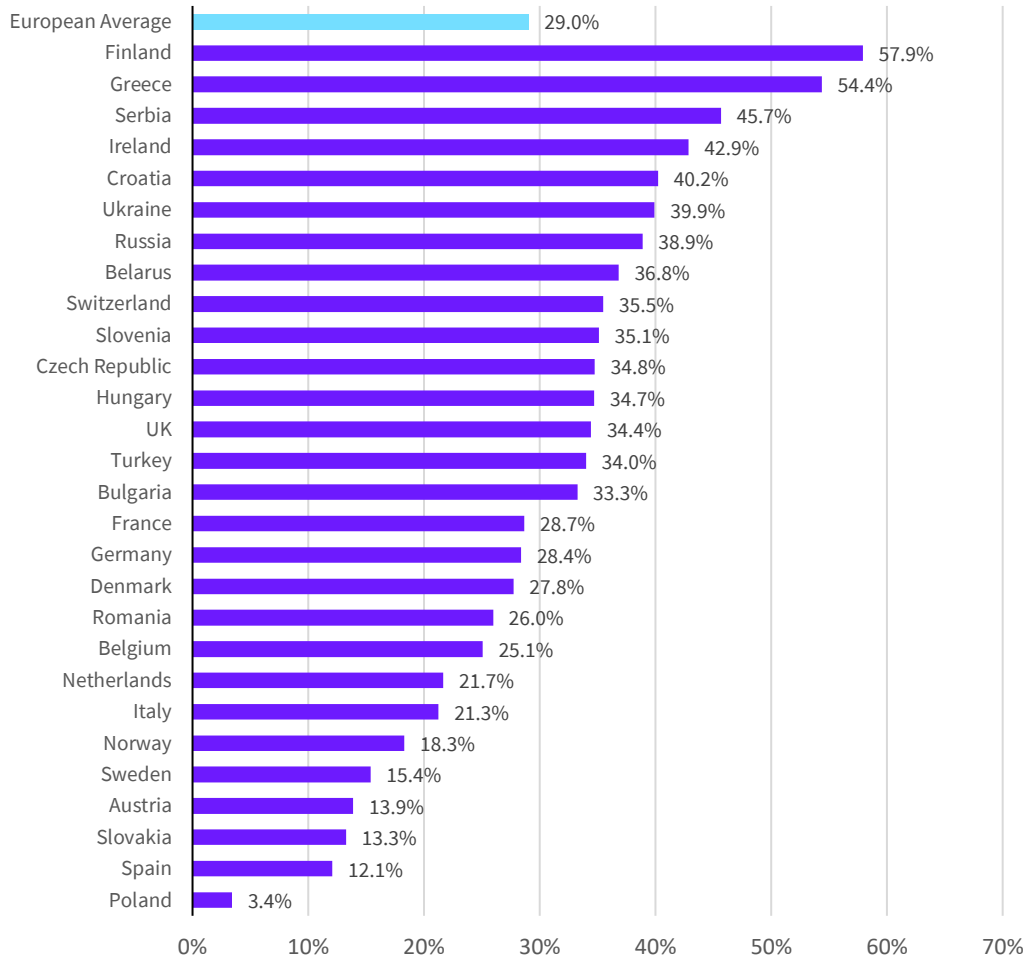
2019



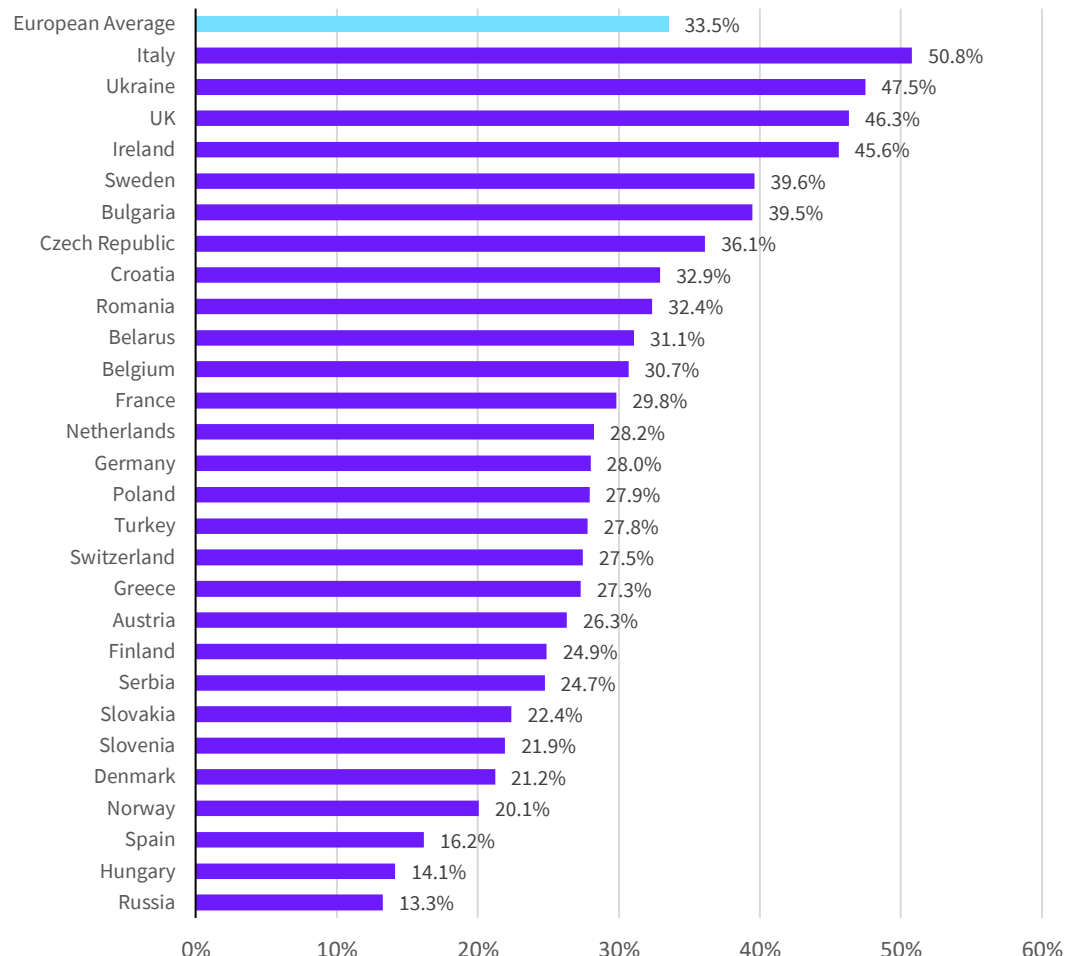
■ Non-Video Display ■ Video ■ Classifieds & Directories ■ Search

1/3 of display is video, growth steady vs 2018 (+30.8%)

Video Growth YoY

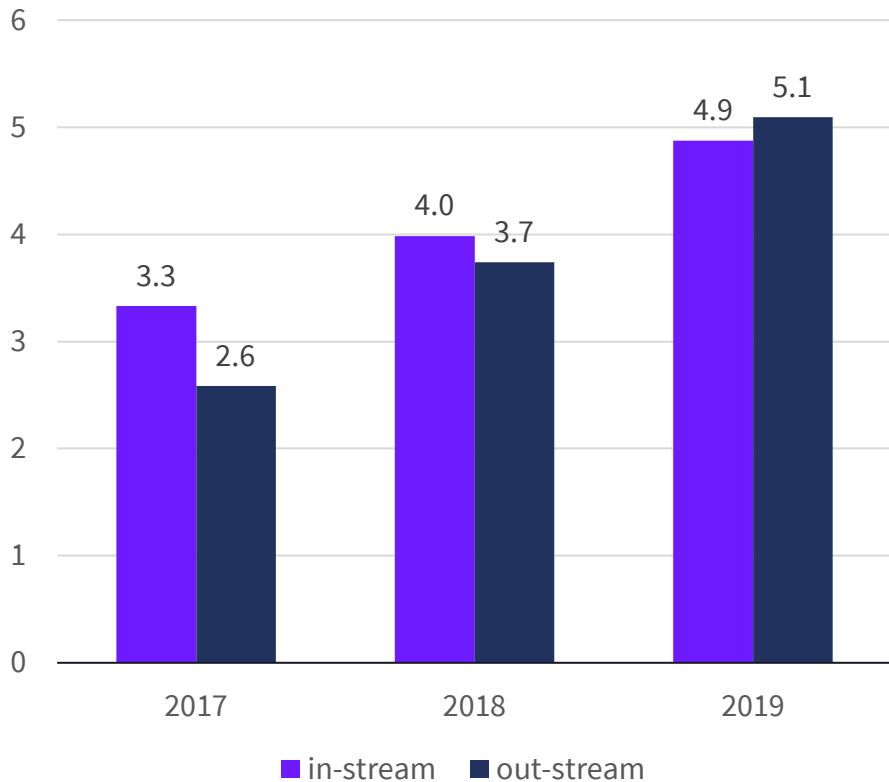


Video Share of Display

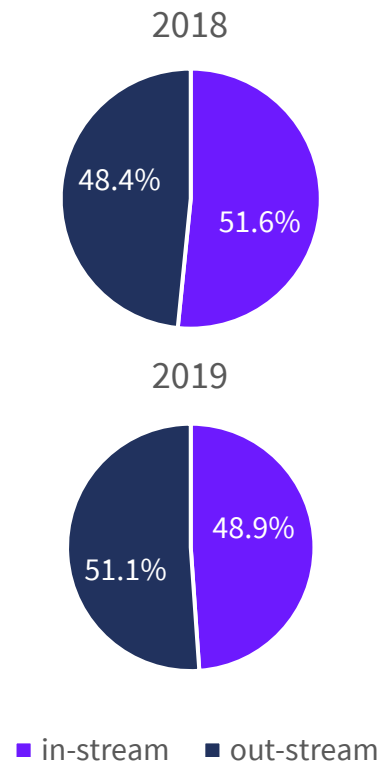


Out-Stream Video now dominates, but In-Stream Video growth is accelerating

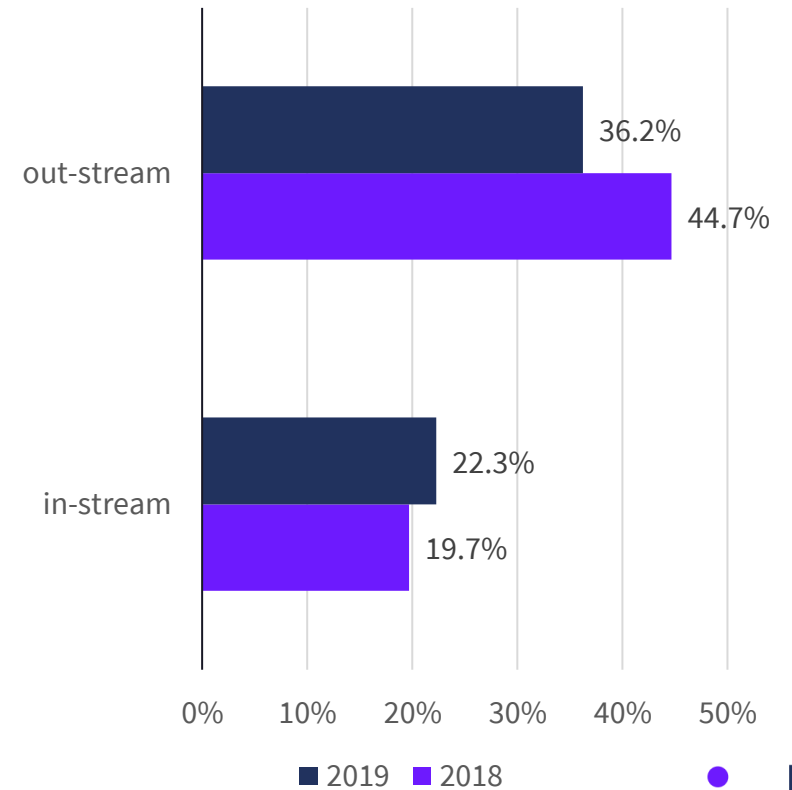
In-Stream vs Out-Stream Video Spend (€bn)



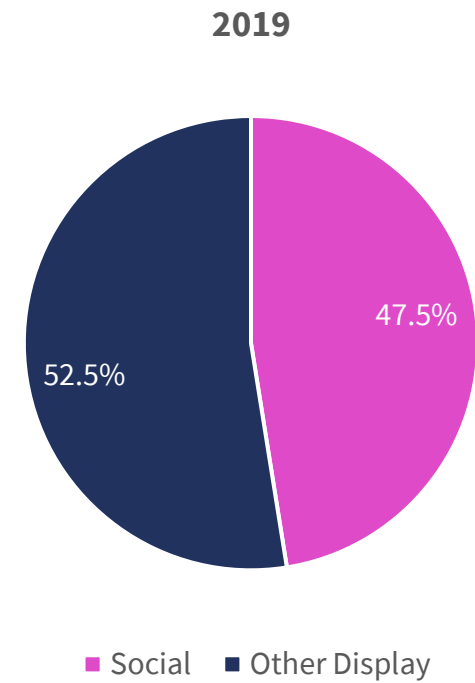
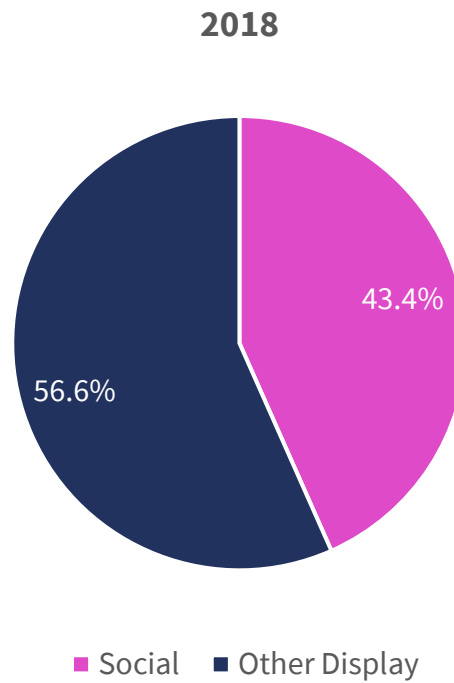
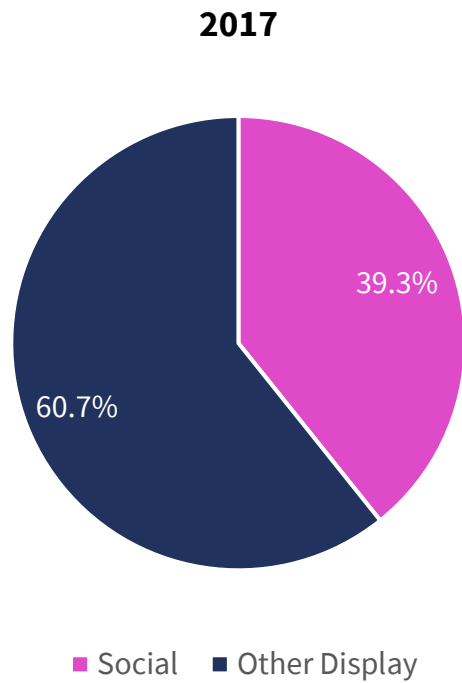
Share of Video Ad Spend



YoY Growth



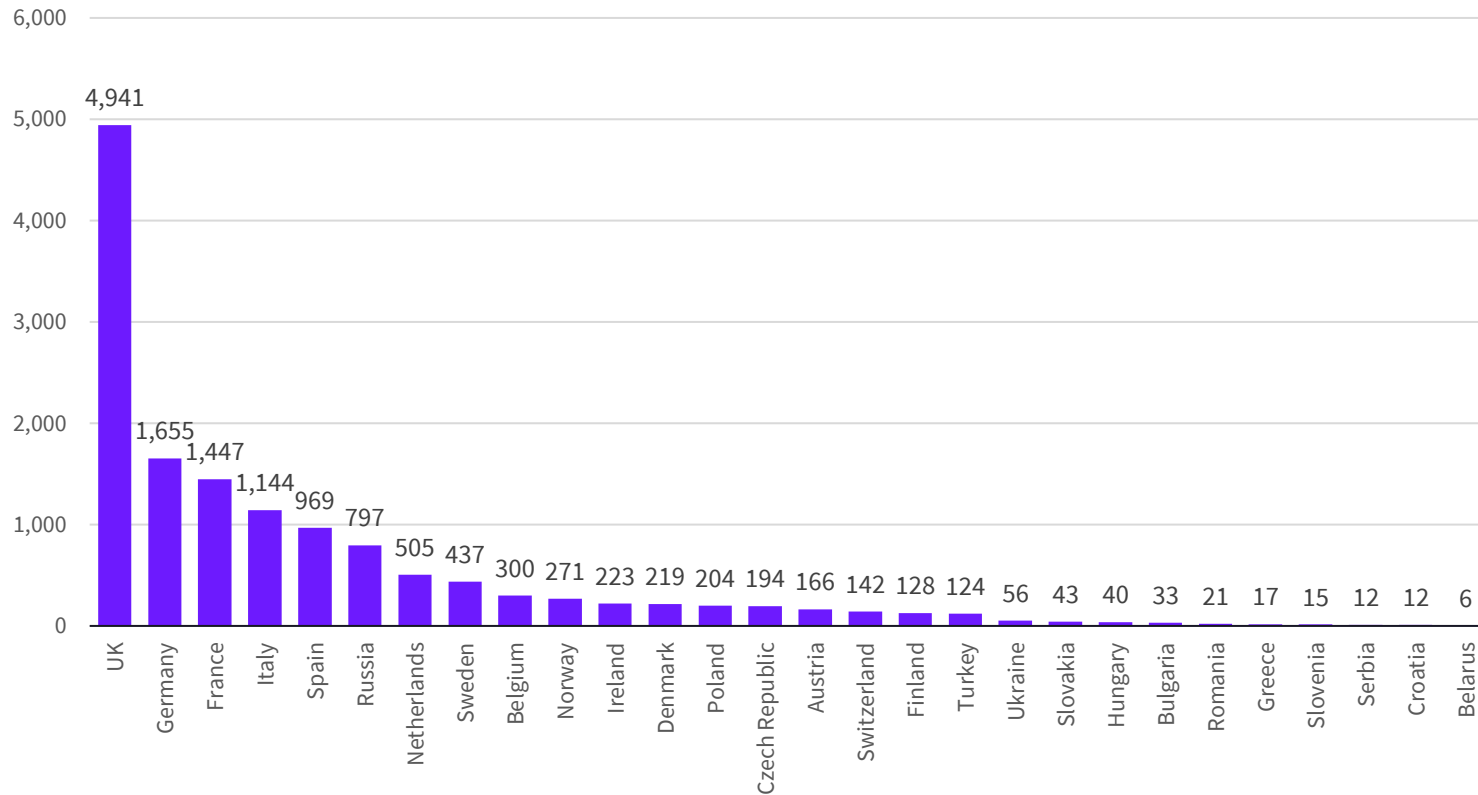
Social gained ~4 ppt share annually over the last two years



Note: numbers restated vs 2018 study due to revised methods of measuring social from national IABs

Social ad spend exceeds €1bn in 4 markets, and €100m in further 14 markets

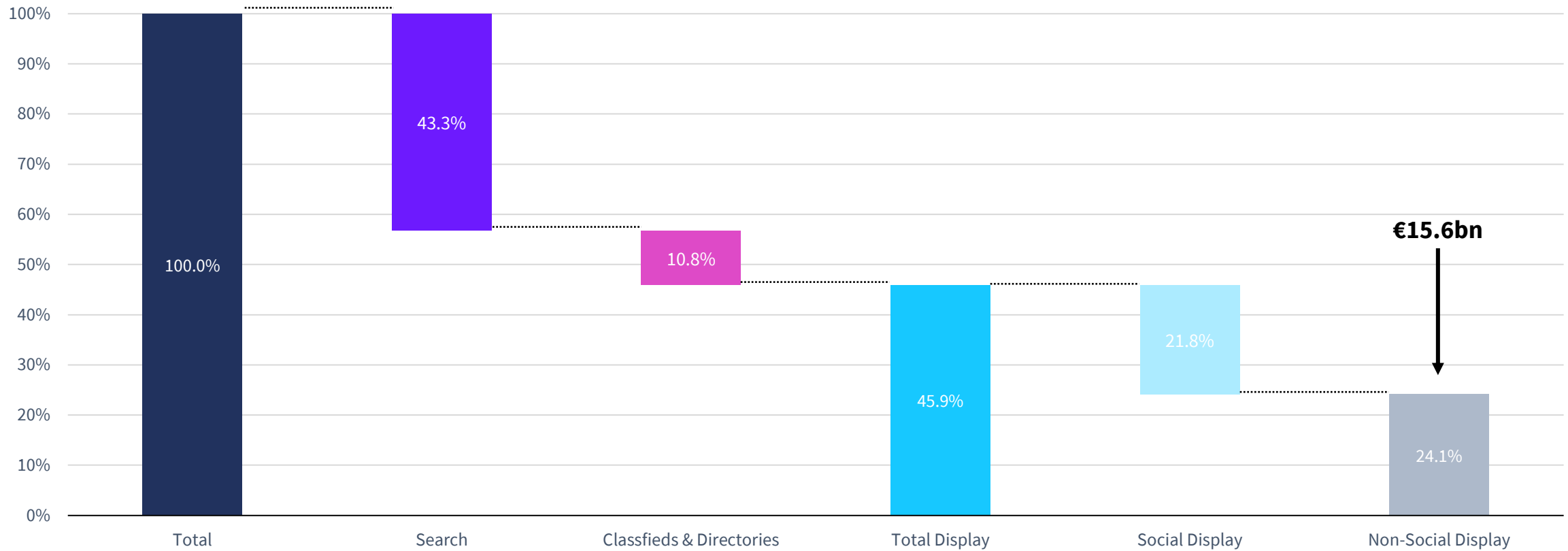
Social Ad Spend by Market 2019 (€m)



- For the first time, IAB Europe is providing a by-country breakout of social ad spend
- Country-split data are estimates
- Modelled based on reported data by national IABs, company filings, agency reports, local market expert committees
- Local data has been adjusted and harmonised where possible due to different local definitions of social and data collection methods

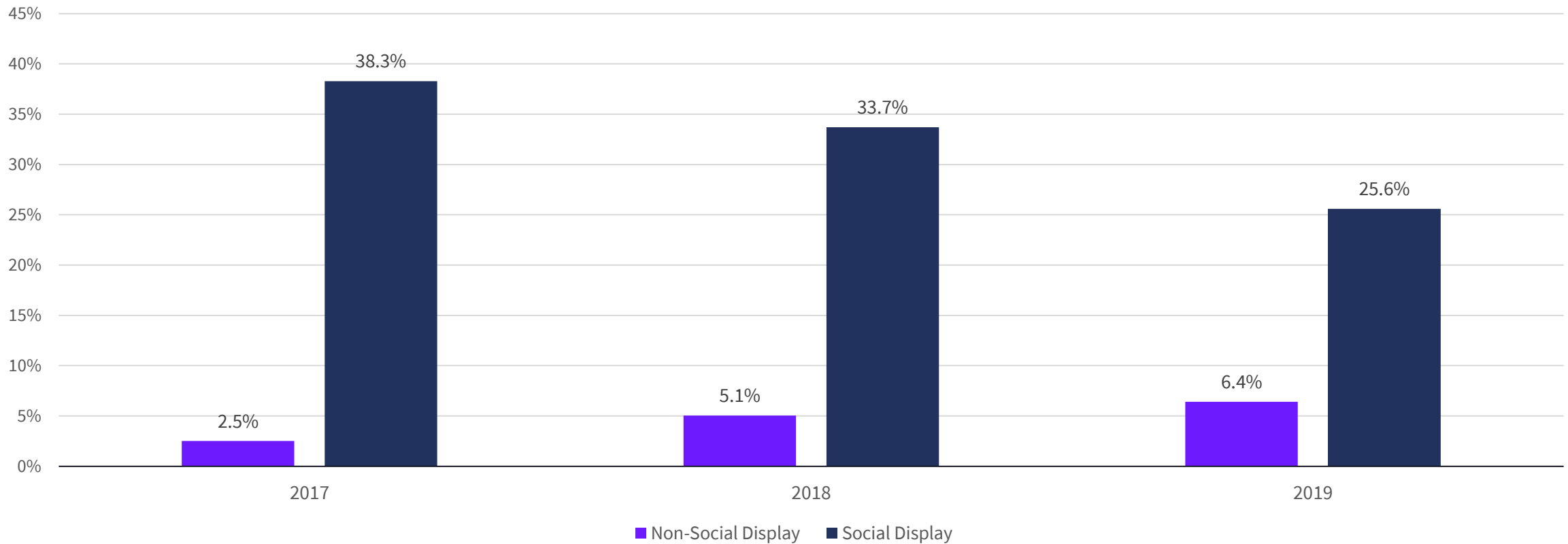
Non-Social Display is 24.1% of the market

Europe: Total Digital Ad Market Split (2019)



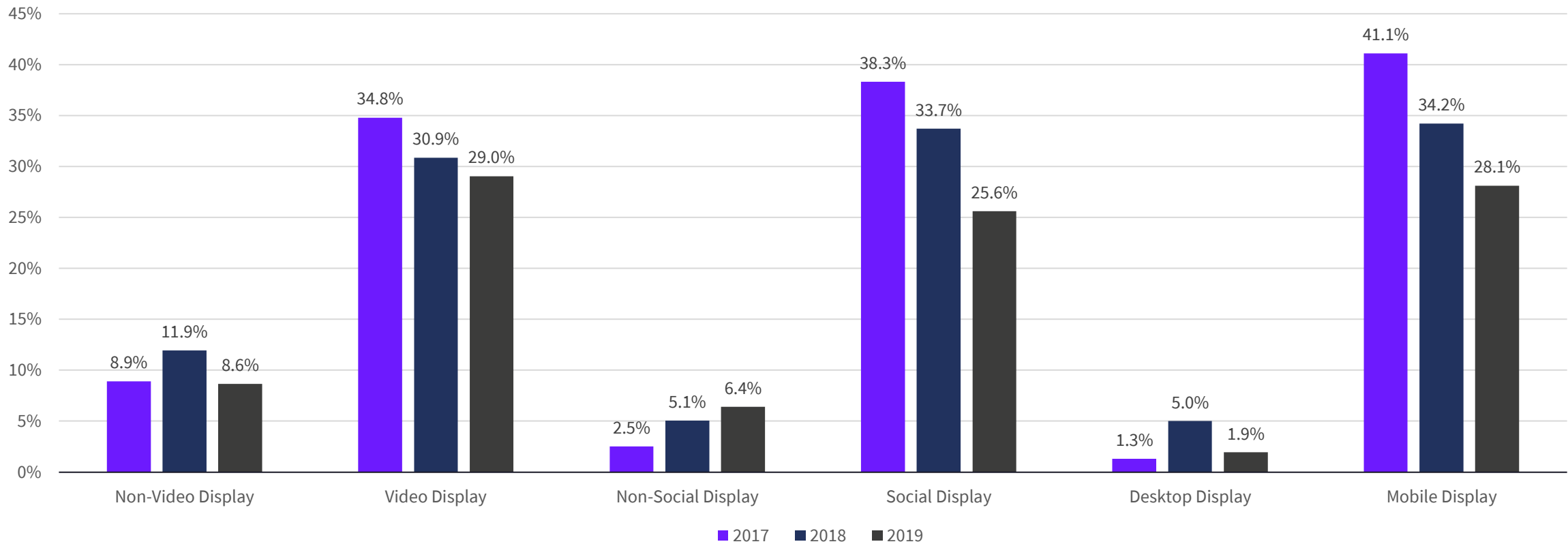
Non-Social Display sees growth acceleration for 2nd year in a row...

Europe: YoY Growth 2019



...while video and mobile remain other display drivers

Europe: Digital Display Ad Growth 2019 (YoY)



SUMMARY

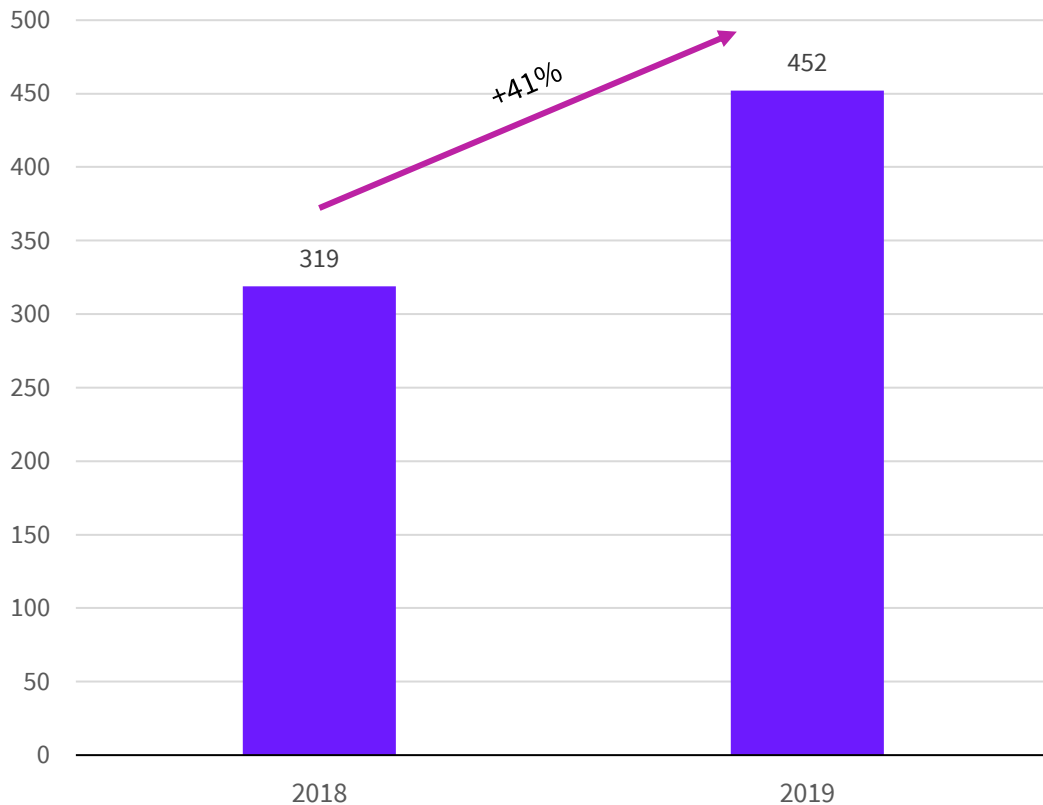
Summary

- Digital ad spend in Europe recorded its tenth consecutive year of double-digit growth in 2019. This is despite a growing maturity of digital ad markets. In aggregate, digital exceeded 50% of all media ad spend for the first time in 2019.
- The display category continues to be the main growth driver and largest category having displaced search from the top spot in 2018. Within display, growth is predominantly coming from video and social.
- Out-stream established itself as the largest format within video. However, while in-stream video growth has slowed in recent years, it accelerated again in 2019.
- While social increased its share of total display to 47.5% in 2019 and outperformed non-social display growth over the past years, the display market outside of social experienced accelerated growth in 2019.
- The European digital ad market is now mobile-first: mobile ad spend crossed the 50% threshold in 2019 both for display and search.

FUTURE ADDITIONS

Evolution of AdEx Benchmark: addition of new formats

Europe: Digital Audio Ad Spend (€m)



- For 2019, we have provided a first estimate of digital audio ad spend. It is not yet included in the total of this study due to local differences in definition.
- We will provide further addition of emerging channels and formats(e.g. CTV) in the next iterations of this study.
- The maturity and growth of digital audio will be reflected in more detailed breakouts in future studies.
- Currently, we release a separate study on programmatic ad spend each autumn. As of next year, we will add programmatic data to this study.

KEY METRICS

Austria	
Digital Ad Spend	€682m
Year-on-Year Growth	5.2%
Digital Ad Spend per Capita	€78.1

Belarus	
Digital Ad Spend	€60m
Year-on-Year Growth	25.2%
Digital Ad Spend per Capita	€6.3

Belgium	
Digital Ad Spend	€1,120m
Year-on-Year Growth	10.3%
Digital Ad Spend per Capita	€98.0

Bulgaria	
Digital Ad Spend	€64m
Year-on-Year Growth	7.0%
Digital Ad Spend per Capita	€9.0

Croatia	
Digital Ad Spend	€69m
Year-on-Year Growth	22.3%
Digital Ad Spend per Capita	€16.4

Czech Republic	
Digital Ad Spend	€913m
Year-on-Year Growth	14.2%
Digital Ad Spend per Capita	€86.0

Denmark	
Digital Ad Spend	€1,117m
Year-on-Year Growth	7.2%
Digital Ad Spend per Capita	€194.8

Finland	
Digital Ad Spend	€722m
Year-on-Year Growth	18.3%
Digital Ad Spend per Capita	€130.7

France	
Digital Ad Spend	€6,139m
Year-on-Year Growth	11.6%
Digital Ad Spend per Capita	€94.5

Germany	
Digital Ad Spend	€9,428m
Year-on-Year Growth	8.4%
Digital Ad Spend per Capita	€113.4

Greece	
Digital Ad Spend	€176m
Year-on-Year Growth	9.2%
Digital Ad Spend per Capita	€15.8

Hungary	
Digital Ad Spend	€377m
Year-on-Year Growth	17.5%
Digital Ad Spend per Capita	€38.8

Ireland	
Digital Ad Spend	€669m
Year-on-Year Growth	15.9%
Digital Ad Spend per Capita	€140.4

Italy	
Digital Ad Spend	€3,234m
Year-on-Year Growth	9.9%
Digital Ad Spend per Capita	€54.5

Netherlands	
Digital Ad Spend	€2,255m
Year-on-Year Growth	12.7%
Digital Ad Spend per Capita	€132.4

Norway	
Digital Ad Spend	€1,227m
Year-on-Year Growth	10.3%
Digital Ad Spend per Capita	€231.3

Poland	
Digital Ad Spend	€1,137m
Year-on-Year Growth	10.9%
Digital Ad Spend per Capita	€29.8

Romania	
Digital Ad Spend	€83m
Year-on-Year Growth	18.6%
Digital Ad Spend per Capita	€4.3

Russia	
Digital Ad Spend	€4,902m
Year-on-Year Growth	18.6%
Digital Ad Spend per Capita	€34.1

Serbia	
Digital Ad Spend	€45m
Year-on-Year Growth	28.4%
Digital Ad Spend per Capita	€6.4

Slovakia	
Digital Ad Spend	€177m
Year-on-Year Growth	12.1%
Digital Ad Spend per Capita	€32.5

Slovenia	
Digital Ad Spend	€58m
Year-on-Year Growth	9.3%
Digital Ad Spend per Capita	€28.0

Spain	
Digital Ad Spend	€3,180m
Year-on-Year Growth	11.3%
Digital Ad Spend per Capita	€68.6

Sweden	
Digital Ad Spend	€2,273m
Year-on-Year Growth	10.7%
Digital Ad Spend per Capita	€229.4

Switzerland	
Digital Ad Spend	€1,800m
Year-on-Year Growth	-7.5%
Digital Ad Spend per Capita	€212.4

Turkey	
Digital Ad Spend	€785m
Year-on-Year Growth	19.1%
Digital Ad Spend per Capita	€9.7

UK	
Digital Ad Spend	€21,486m
Year-on-Year Growth	15.3%
Digital Ad Spend per Capita	€324.7

Ukraine	
Digital Ad Spend	€608m
Year-on-Year Growth	28.0%
Digital Ad Spend per Capita	€13.69

FORMAT DEFINITIONS

Online display advertising

Banners, buttons, skyscrapers, overlays, interstitials, pop ups displayed on a website.

Online video advertising

There are numerous definitions of online video advertising. Principally included can be:

- in-stream video advertising (pre-rolls, mid-rolls, post-rolls)
- in-stream banner overlays
- out-of-stream video advertising (e.g. self-play video on social network, not embedded in non-advertising video content)
- in-banner video advertising
- in-text video advertising
- contextual video advertising (e.g. branded video players, contextual banner advertising sold against video content).

Social

A subset of display advertising. Can include banner and video. Refers to advertising on social networks such as Facebook, LinkedIn, etc. We do not count YouTube as a social network.

Affiliate marketing

Fees paid to third party (affiliate) for traffic generation (e.g. pay-per-visit). Note: for the time being affiliate spend will be included in display spend in the AdEx Benchmark study (rather than reported as stand-alone category).

Online classifieds

A fee is paid by an advertiser to display an ad or listing around a specific vertical such as automotive, recruiting and real estate, regardless of the outcome of the ad (i.e., the fee is paid even if there is no 'sale').

Online directories

Online version of printed yellow pages (business listing paid for by advertiser).

Paid-for-search advertising

Advertising appearing on specific word requests on search engines.

Search engine optimisation

Fees paid to a third party to improve website ranking in search engines.

Integrated content

Advertising space without a direct link to the advertiser's website, including tenancies and sponsorships (see below for detailed definitions of these).

E-Mail marketing

Where the body of the email is determined by the advertiser and is sent on their behalf by an email list manager/owner.

Newsletter advertising

Advertising (text or banner) that appears around the unrelated editorial content of email newsletters.

Interactive television

Any advertising distributed through the digital television platform.

Mobile advertising - display

Any display advertising viewed or read on a mobile phone, including rich media advertising and online video advertising. This could be browser-based as well as in-app.

Mobile advertising - search

Advertising appearing on specific word requests on search engines, viewed on a mobile device.

Mobile advertising – SMS/MMS	Third party ads in SMS and outbound SMS only – this includes advertising either within the body copy of an SMS / MMS message, or outbound messaging.
Mobile advertising - other	All other mobile advertising (e.g. mobile classifieds).
Online auctions	The fees received by online auction houses, e.g. Ebay, from successful sales through their sites.
In-game advertising	Fees paid for advertising, sponsorship or product placements within an online game.
Tenancies	Long term partnership between advertiser and media owner. Media owner benefits from content or service offered by tenant to their customers, although media space may be paid for in usual ways.
Sponsorships	Advertiser sponsorships of content areas.
Interruptive formats	A type of internet display advertising that interrupts the user experience with the page content e.g. pop ups, overlays.
Programmatic	<p>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, 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:</p> <ol style="list-style-type: none">(1) Automated Guaranteed,(2) Unreserved Fixed Rate,(3) Invitation-Only Auction,(4) Open Auction. <p>Advertising revenues are recognised as 'programmatic' whenever any of those mechanisms applies, irrespective of the inventory owner's awareness of their involvement.</p> <p>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.</p> <p>Revenue is recognised as programmatic irrespective of whether the inventory owner acts directly, or indirectly via an intermediary.</p> <p>The rate of revenue is net of any fees, commissions, service charges and any other deductions.</p>
Real-time bidding (RTB)	A subset of programmatic. A single method of offering, which involves an auction to determine the appropriate price of a unit of ad inventory in real-time.
Digital audio	Streaming audio advertising including pure-play music services, IP-based radio, podcasts.
Connected TV	Video content consumed on a TV screen, delivered via an internet connection. This includes TVs directly connected to the internet (Smart TV), as well as hardware that enables a TV to become connected, e.g. TV sticks, games consoles and set-top boxes that are connected to the internet.

CONTACTS

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