IAB European Agency Snapshot Study

European results February 2015

Background

The European Agency Snapshot study gives a real insight into current knowledge of mobile advertising and uptake within today's current media climate across five European markets (France, Germany, Italy, Spain and the UK). The study has been conducted for the first time in France, Germany, Italy and Spain.

- The report is divided into four sections
  - Agency understanding
  - Agency and client structure
  - Barriers to mobile growth
  - Mobile spend

Methodology

- In 2014 YouGov were commissioned host a survey to gain insight into mobile perceptions in the UK, France, Germany, Italy, and Spain

- IABs UK, France, Germany, Italy and Spain sent out the survey to media agency employees throughout November and December 2014

- This report is the European results, which have been calculated as an average of the five markets

- The total sample is 154

Participating IABs

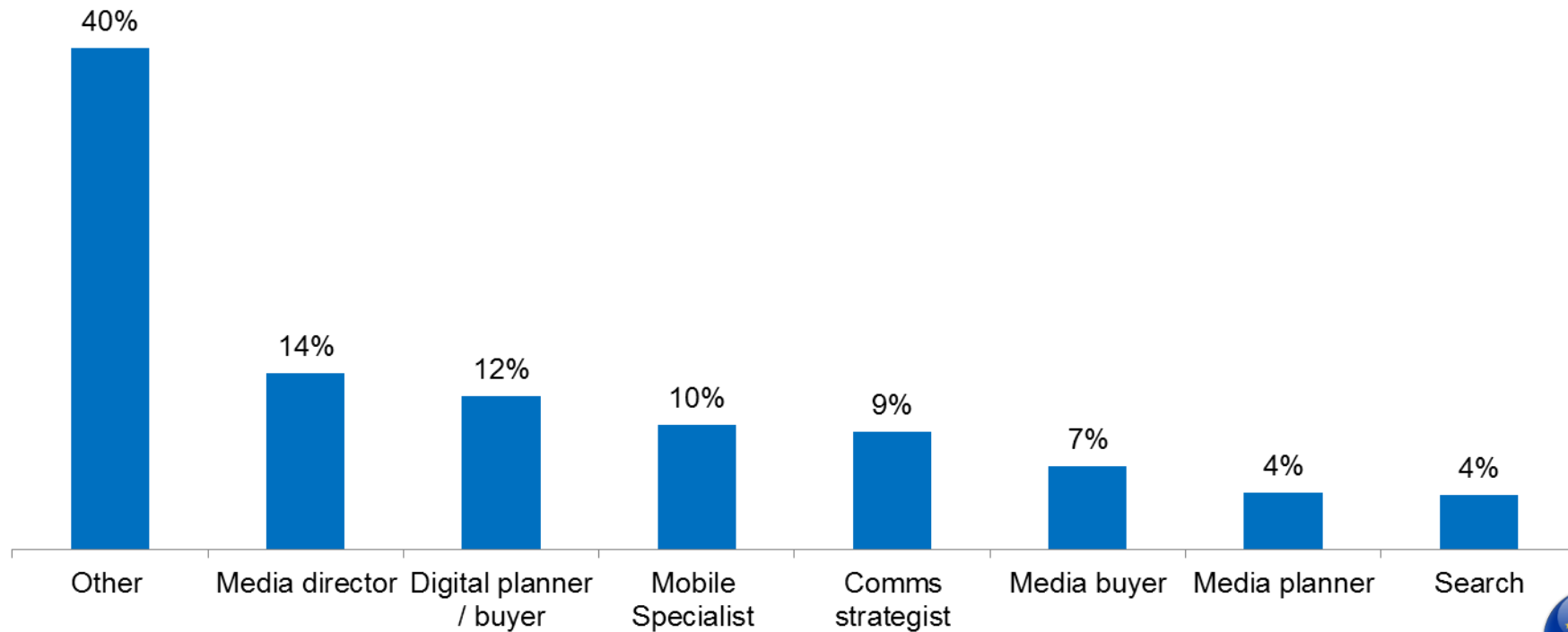# A total of 154 respondents from a range of job roles

Bar chart:

Job role	Percentage
Other	40%
Media director	14%
Digital planner / buyer	12%
Mobile Specialist	10%
Comms strategist	9%
Media buyer	7%
Media planner	4%
Search	4%

Source: IAB European Agency Snapshot study
European average (154)

Agency understanding

91% of European agency employees had an above average understanding of mobile advertising

How well do you feel you understand mobile advertising on a scale from 1 to 10?

91%

22%	
6%	
28%	
24%	
11%	
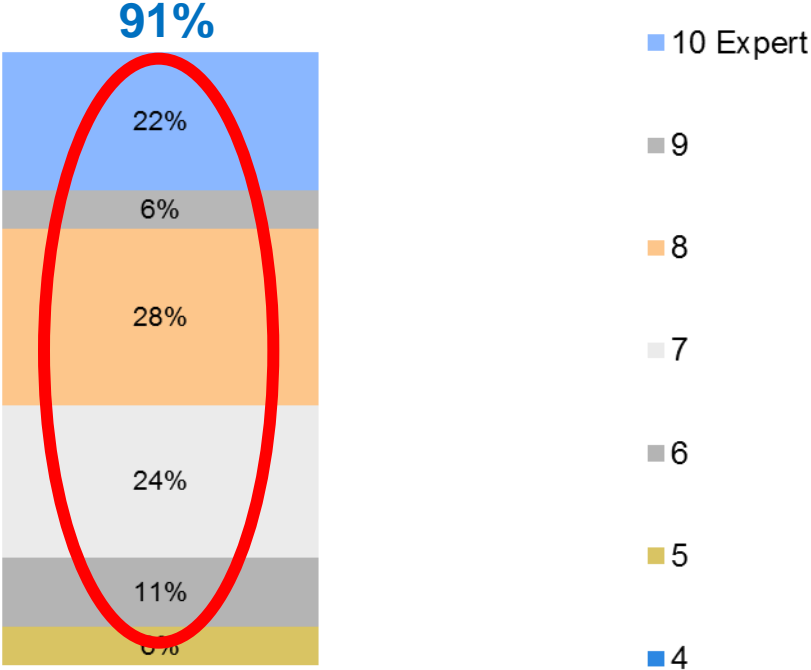
- ■ 10 Expert
- ■ 9
- ■ 8
- ■ 7
- ■ 6
- ■ 5
- ■ 4

Understanding of mobile advertising (index)

How well do you feel you understand mobile advertising on a scale from 1 to 10?
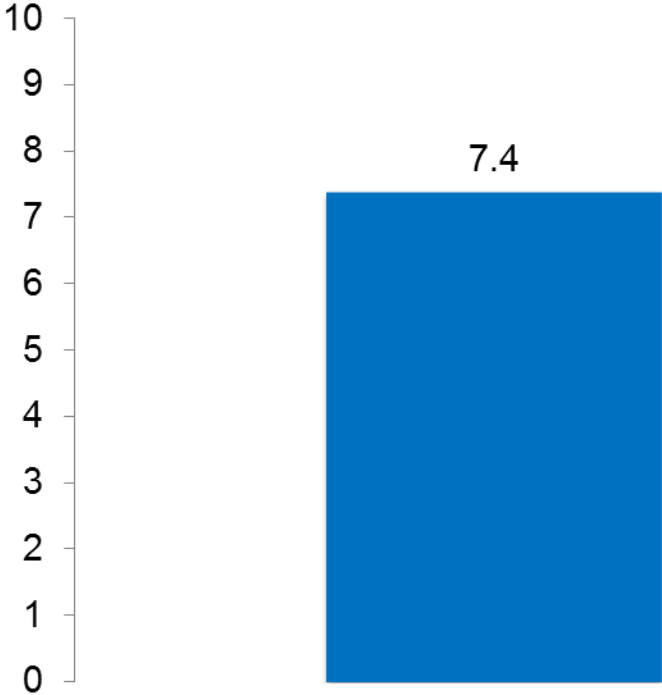
62% of respondents said mobile was a regular part of client proposals

What experience do you have with mobile advertising?

Regular part of client proposals	62%
A significant part of our business	32%
Experimented and liked it	29%
Experimented, then stopped	2%
None	0%
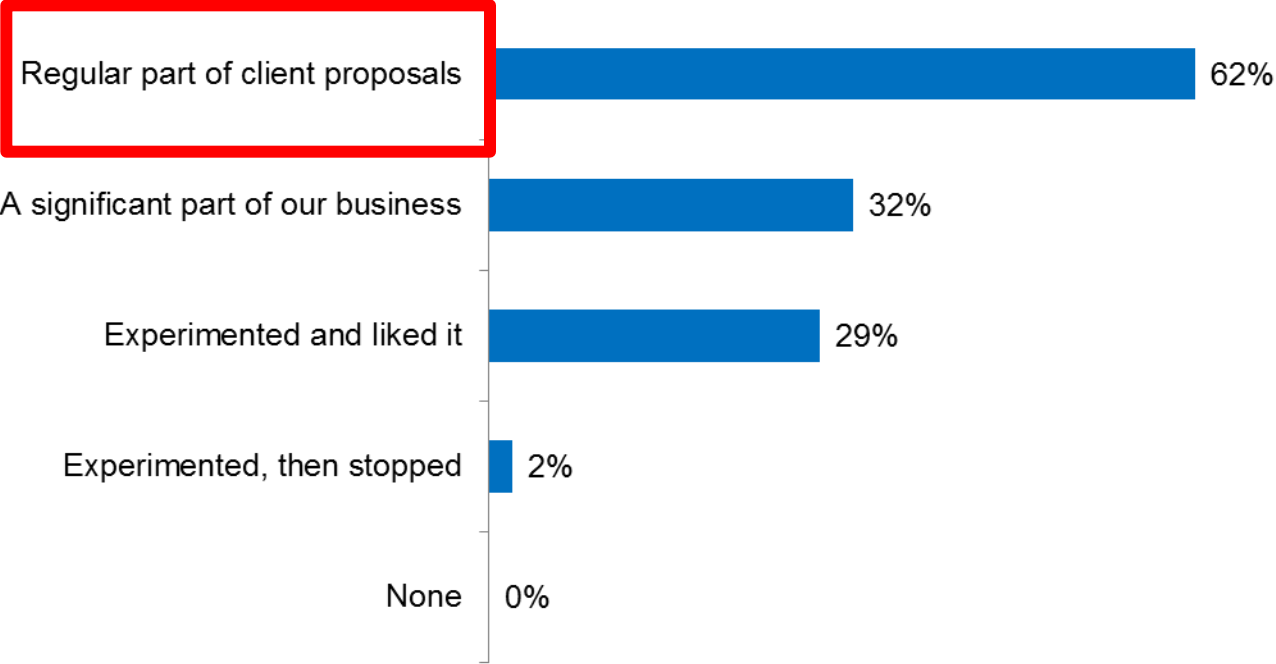
A quarter of respondents have 'no experience' of mobile privacy
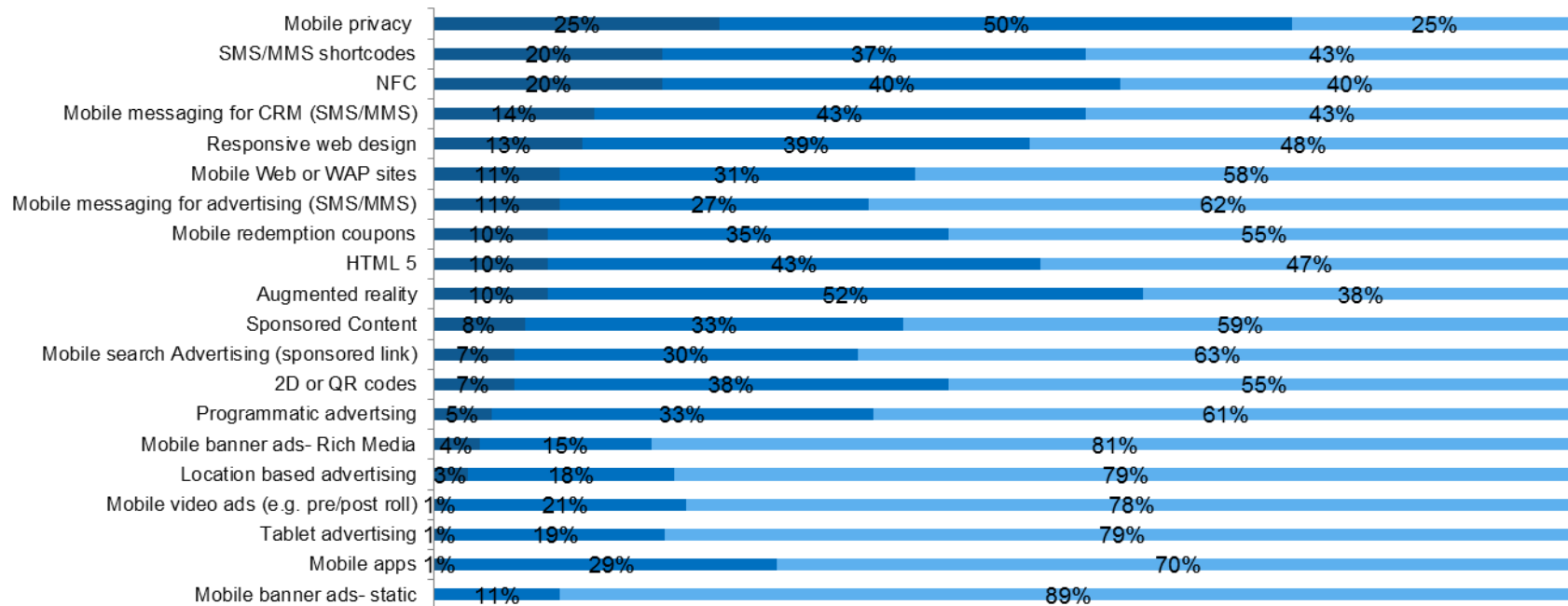
For each of the following, please indicate your level of familiarity

Legend: ■ No experience ■ Some familiarity ■ Understand it well

Category	No experience	Some familiarity	Understand it well
Mobile privacy	25%	50%	25%
SMS/MMS shortcodes	20%	37%	43%
NFC	20%	40%	40%
Mobile messaging for CRM (SMS/MMS)	14%	43%	43%
Responsive web design	13%	39%	48%
Mobile Web or WAP sites	11%	31%	58%
Mobile messaging for advertising (SMS/MMS)	11%	27%	62%
Mobile redemption coupons	10%	35%	55%
HTML 5	10%	43%	47%
Augmented reality	10%	52%	38%
Sponsored Content	8%	33%	59%
Mobile search Advertising (sponsored link)	7%	30%	63%
2D or QR codes	7%	38%	55%
Programmatic advertsing	5%	33%	61%
Mobile banner ads- Rich Media	4%	15%	81%
Location based advertising	3%	18%	79%
Mobile video ads (e.g. pre/post roll)	1%	21%	78%
Tablet advertising	1%	19%	79%
Mobile apps	1%	29%	70%
Mobile banner ads- static		11%	89%

38% of media professionals across Europe want to know more about mobile privacy

You said you have no/some familiarity with the following. Which ones would you be wanting to know more about?

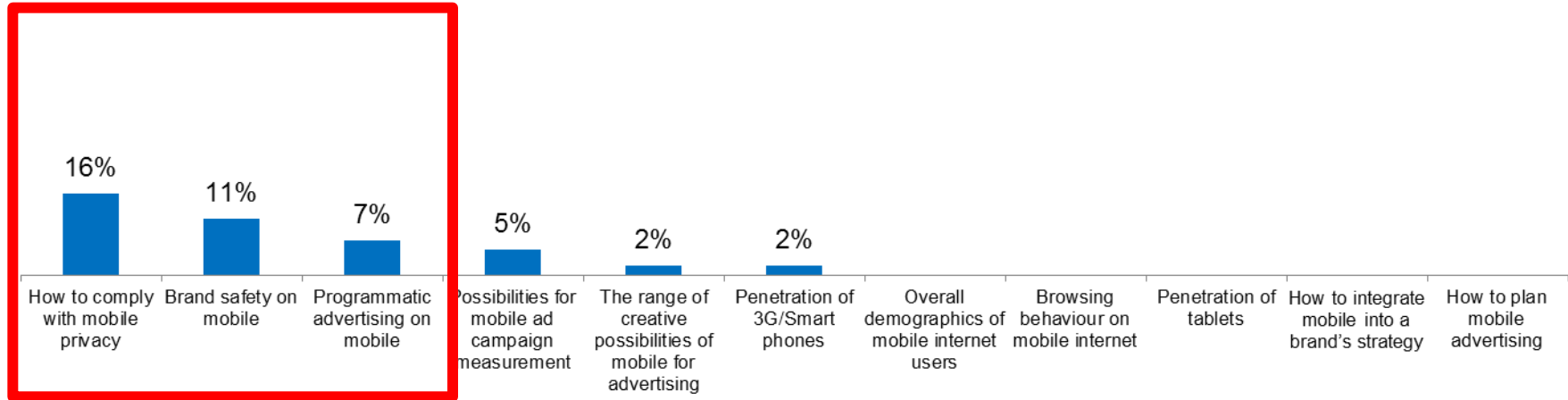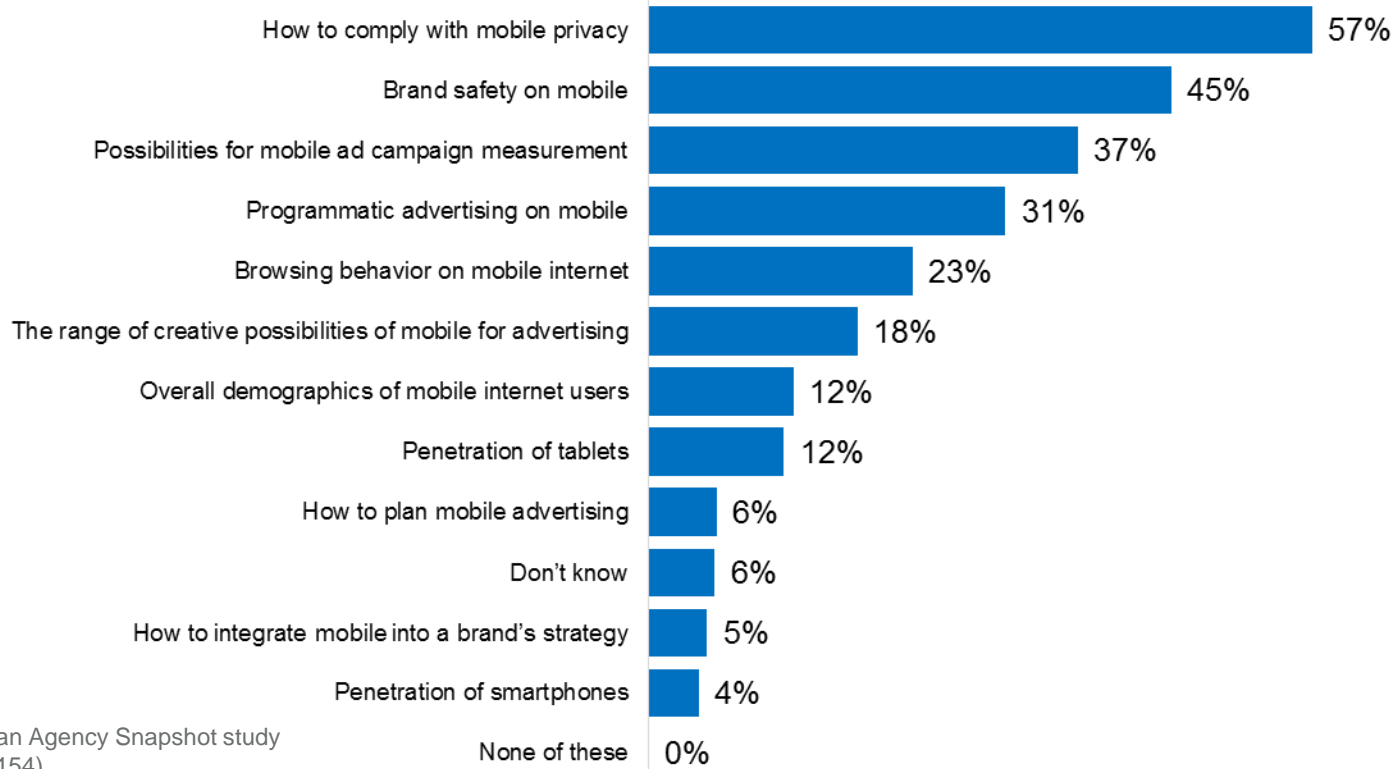|	
Mobile privacy	38%
NFC	33%
Augmented reality	29%
Programmatic advertising on mobile	28%
HTML 5	26%
Responsive web design	19%
Mobile redemption coupons	15%
Mobile search advertising (sponsored link)	15%
Mobile apps	14%
Mobile messaging for CRM (SMS/MMS)	13%
Location based advertising	13%
Tablet advertising	13%
Sponsored content	10%
Mobile video ads (e.g. pre/post roll)	7%
Mobile banner ads – Rich Media	7%
2D or QR codes	6%
Mobile messaging for advertising (SMS/MMS)	4%
SMS/MMS shortcodes	3%
Mobile Web or Wap sites	3%
Mobile banner ads-static	1%

Mobile privacy, brand safety, and programmatic are key areas for education

Do you feel you have a good enough understanding of the following global trends and issues to include mobile in your business?
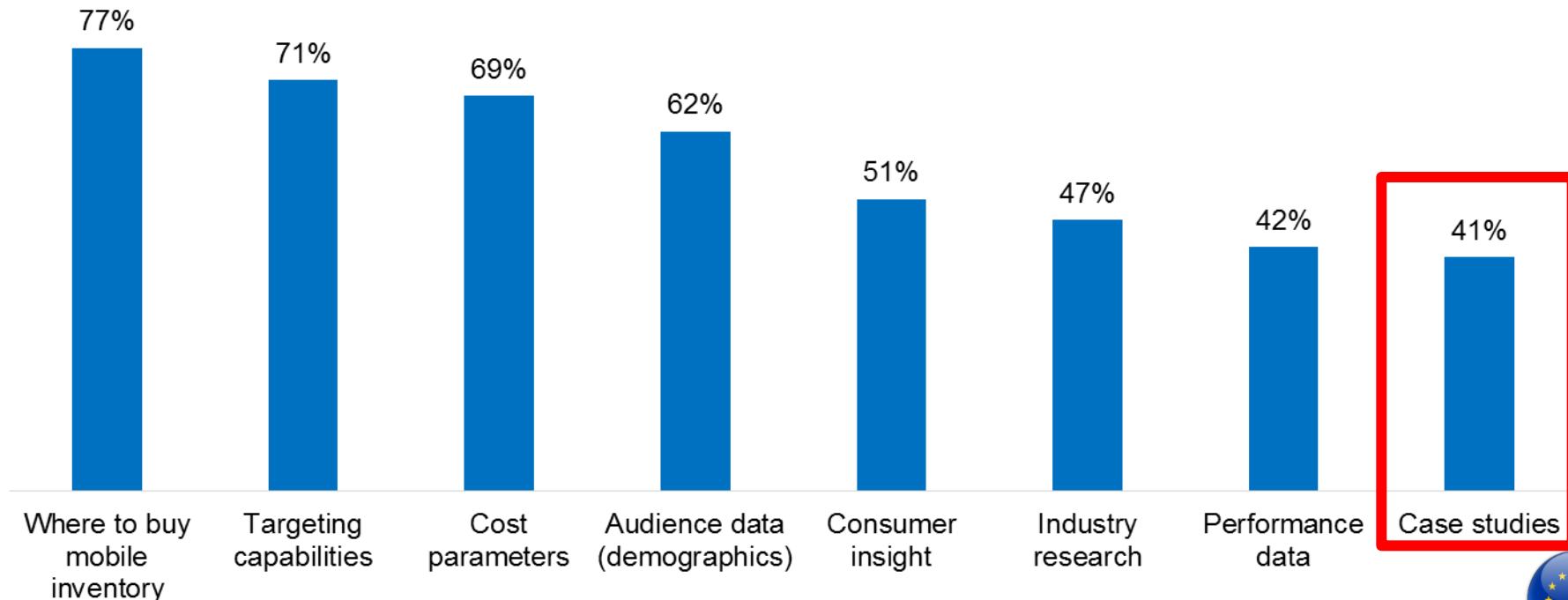

16%	11%	7%	5%	2%	2%					
How to comply with mobile privacy	Brand safety on mobile	Programmatic advertising on mobile	Possibilities for mobile ad campaign measurement	The range of creative possibilities of mobile for advertising	Penetration of 3G/Smart phones	Overall demographics of mobile internet users	Browsing behaviour on mobile internet	Penetration of tablets	How to integrate mobile into a brand's strategy	How to plan mobile advertising

Source: IAB European Agency Snapshot study
European average (154)

1 in 2 media agency employees want to know more about complying with mobile privacy

You said you have no/some familiarity with the following. Which ones would you be wanting to know more about?

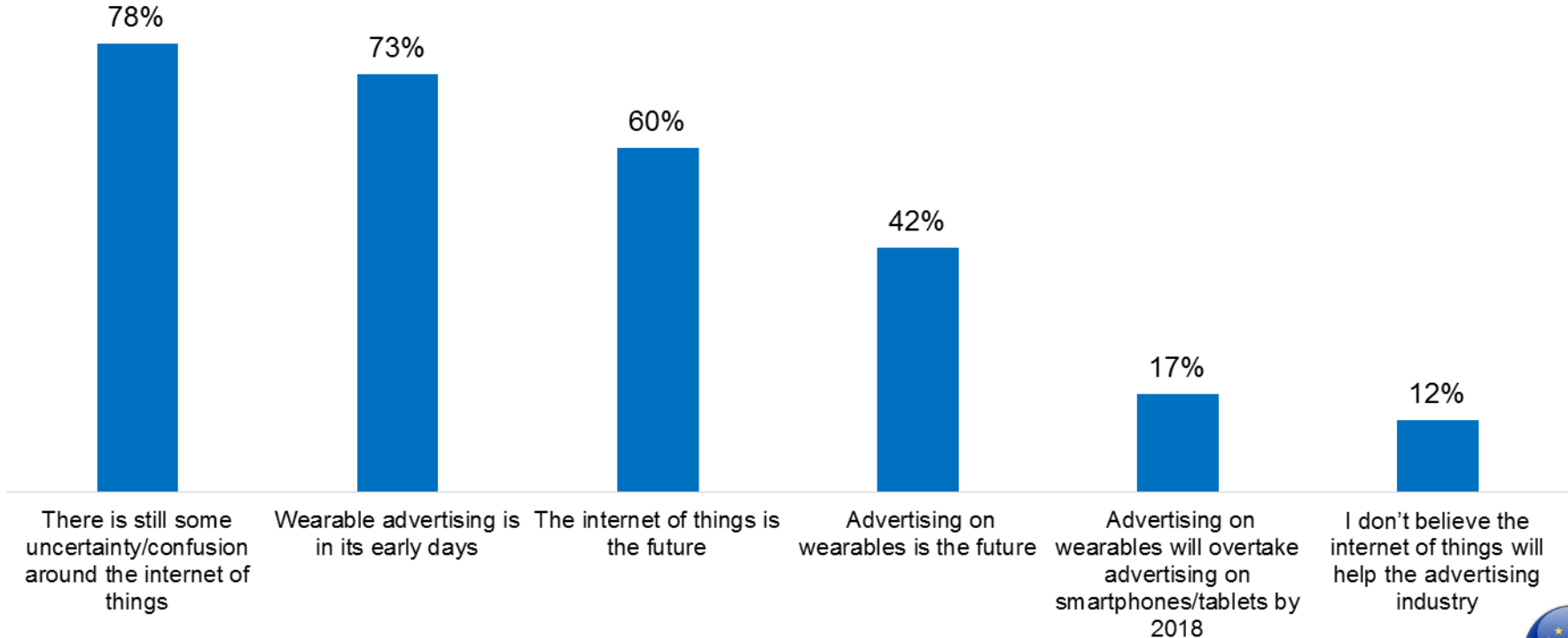|	
How to comply with mobile privacy	57%
Brand safety on mobile	45%
Possibilities for mobile ad campaign measurement	37%
Programmatic advertising on mobile	31%
Browsing behavior on mobile internet	23%
The range of creative possibilities of mobile for advertising	18%
Overall demographics of mobile internet users	12%
Penetration of tablets	12%
How to plan mobile advertising	6%
Don't know	6%
How to integrate mobile into a brand's strategy	5%
Penetration of smartphones	4%
None of these	0%

Agency employees see the need for more industry case studies

When planning a specific campaign, do you feel that currently you have sufficient information about the following?

It's early days for the internet of things

Do you agree with these statements?

Statement	Percentage
There is still some uncertainty/confusion around the internet of things	78%
Wearable advertising is in its early days	73%
The internet of things is the future	60%
Advertising on wearables is the future	42%
Advertising on wearables will overtake advertising on smartphones/tablets by 2018	17%
I don't believe the internet of things will help the advertising industry	12%

Agencies see the need for mobile tracking to help them do their jobs better

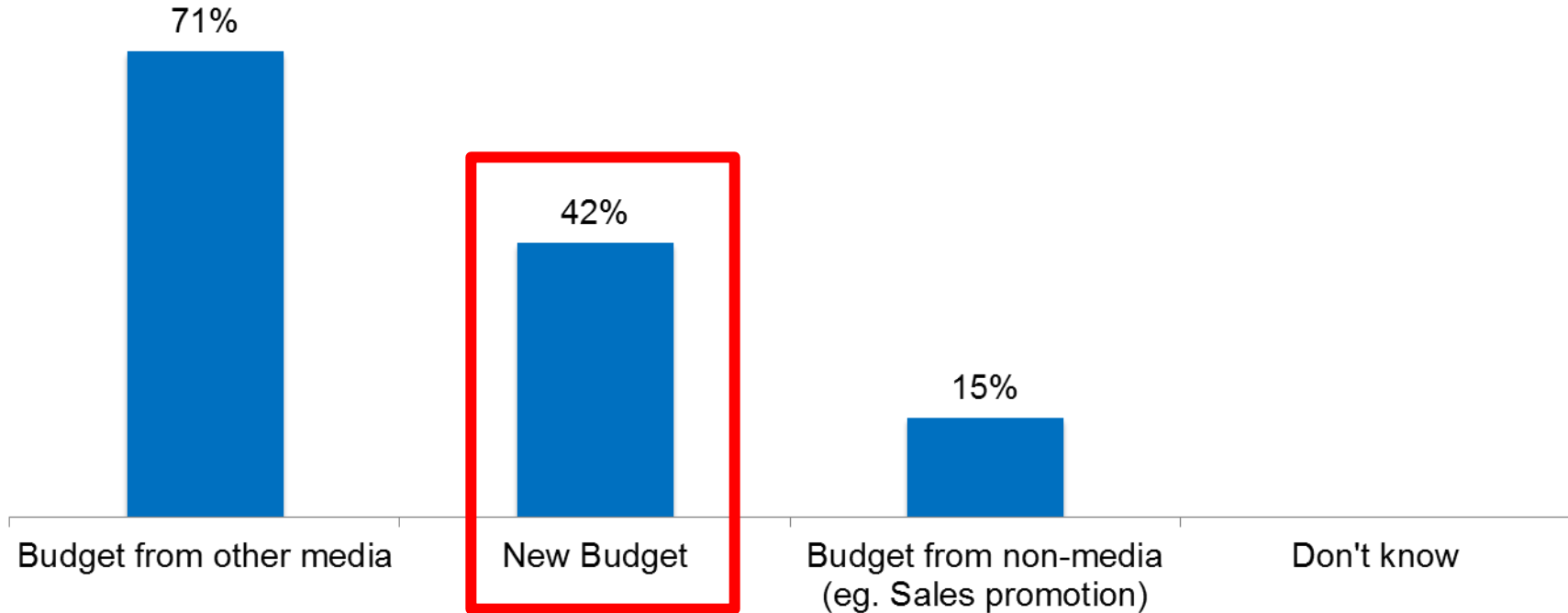**What single thing would help you to do you job better, relative to mobile advertising?**
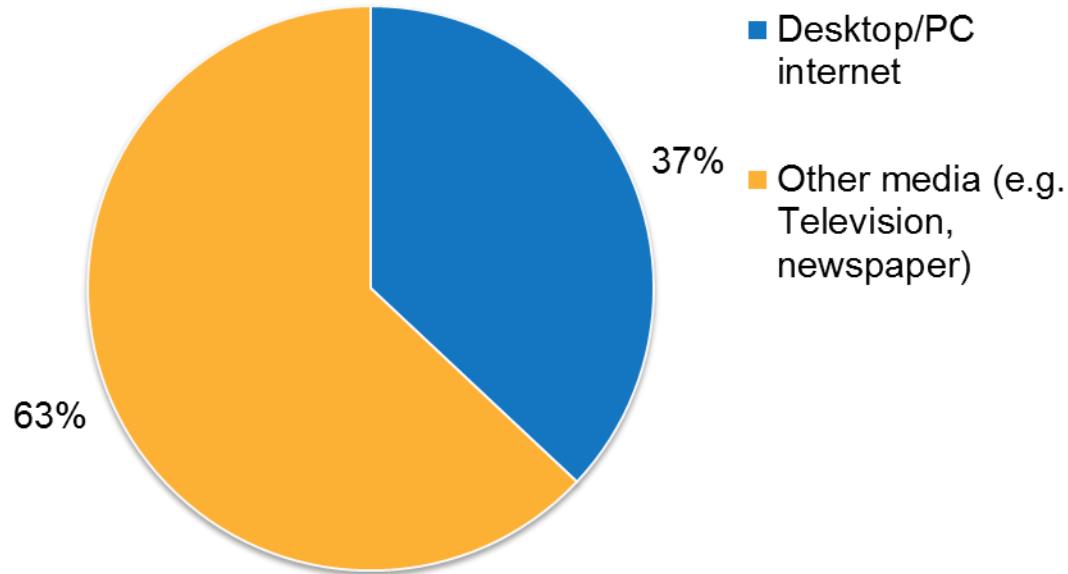
Mobile spend

42% of respondents across Europe claimed mobile is unlocking new budgets within agencies

Where, in your agency, has the spend on mobile come from?

- 71% — Budget from other media
- 42% — New Budget
- 15% — Budget from non-media (eg. Sales promotion)
- Don't know

63% of mobile spend across Europe comes from other media budgets

Please indicate what % of budget comes from each of the following media

- ■ Desktop/PC internet
- ■ Other media (e.g. Television, newspaper)

37%

63%

Measurement is a key barrier to increasing spend in mobile advertising

What single thing would the mobile advertising industry need to do in order for you to increase your spend on mobile?

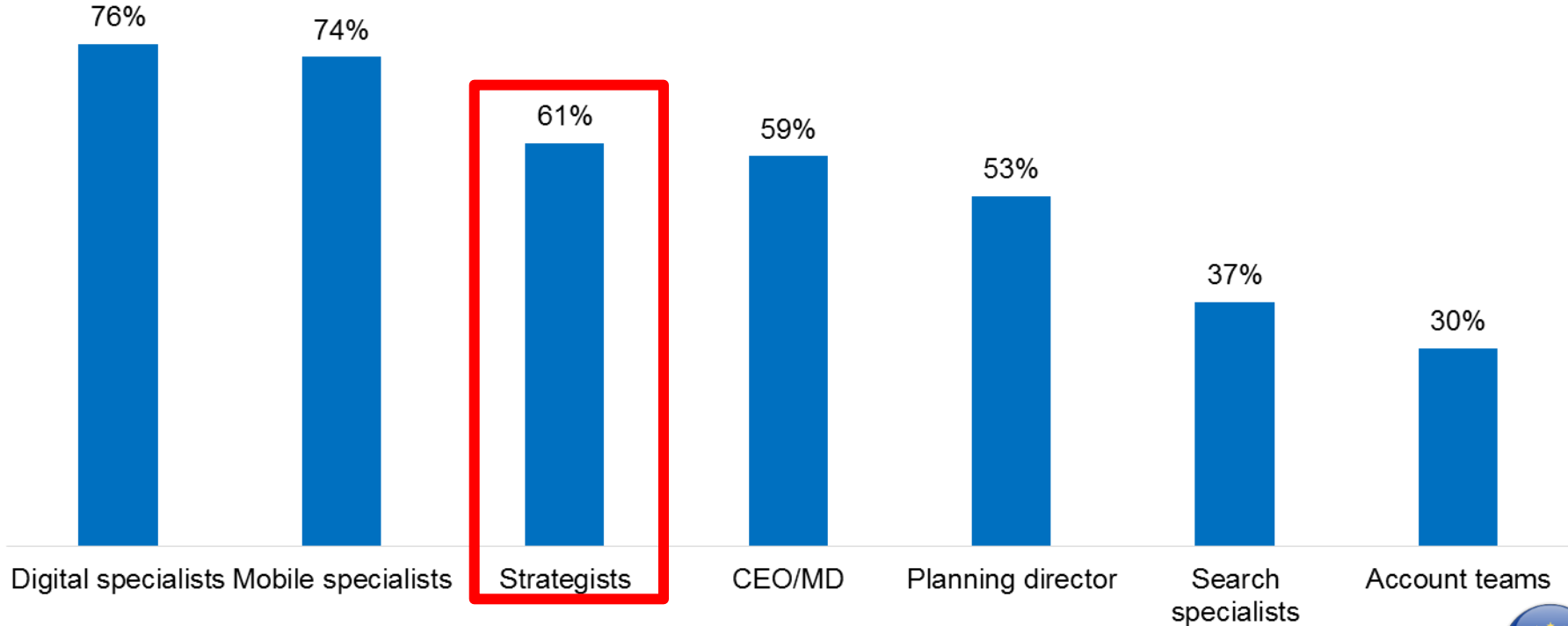# Targeting is seen as one of the most exciting developments in mobile advertising

What do you think is the most exciting development in mobile advertising?

Source: IAB European Agency Snapshot study
European average (154)

Agency and client structure

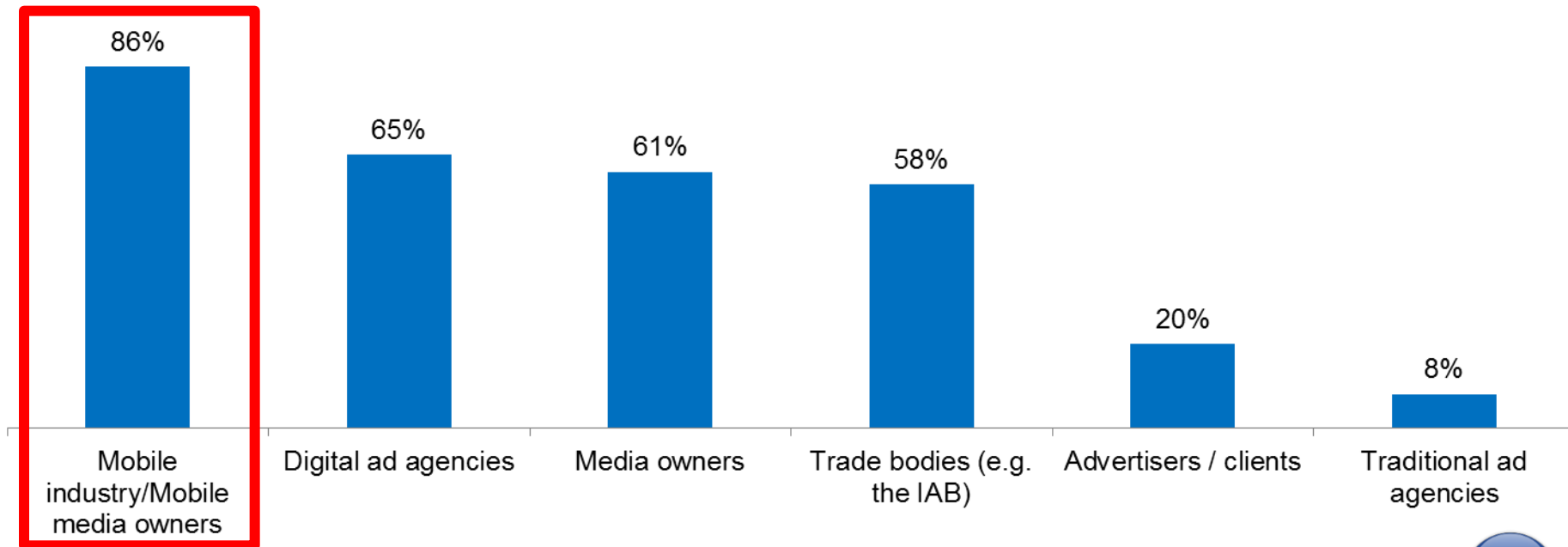# Mobile and digital specialists main advocates of mobile advertising but strategists also driving the move

Within your company, who do you feel is currently driving the move to mobile advertising?

Digital specialists	Mobile specialists	Strategists	CEO/MD	Planning director	Search specialists	Account teams
76%	74%	61%	59%	53%	37%	30%

The mobile industry/mobile media owners are seen as the biggest drivers of growth

Outside of your company, who do you feel is currently driving the move to mobile advertising?

Active/very active (European average)

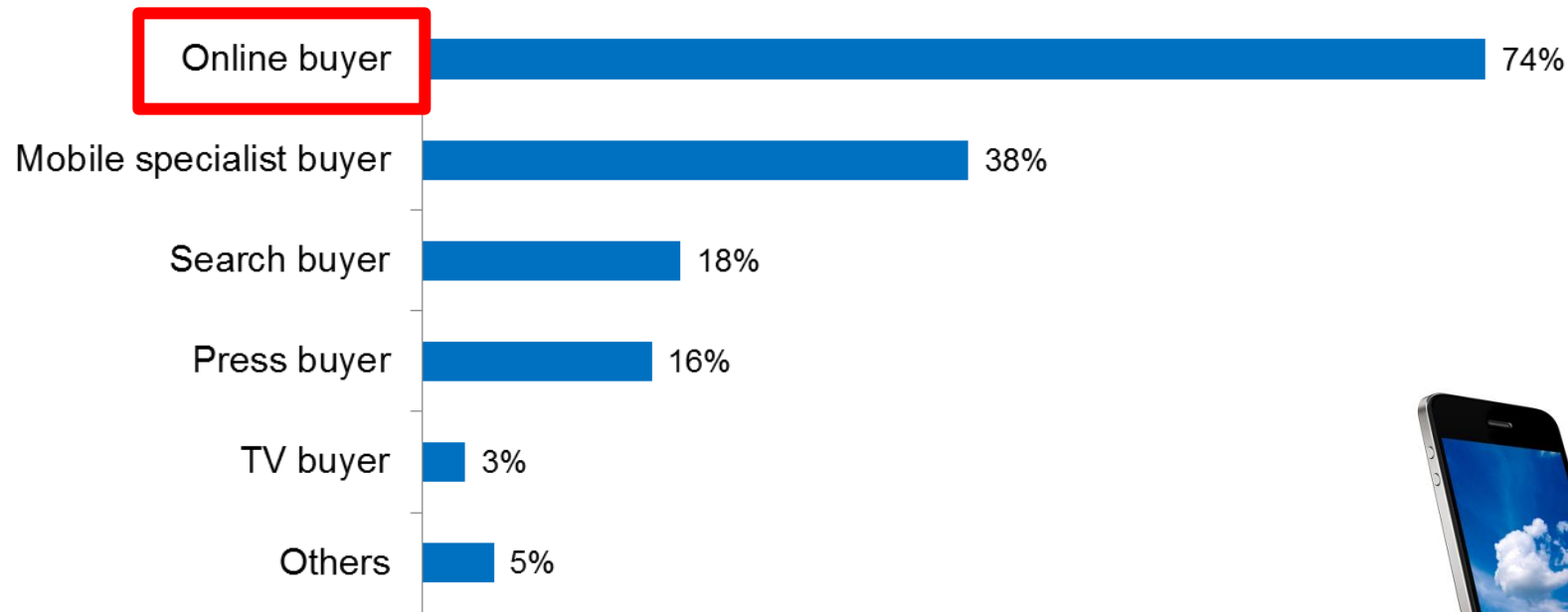|	
Mobile industry/Mobile media owners	86%
Digital ad agencies	65%
Media owners	61%
Trade bodies (e.g. the IAB)	58%
Advertisers / clients	20%
Traditional ad agencies	8%

Media planners and digital specialists seen as the most responsible for planning mobile campaigns

Who is responsible for the <u>planning</u> of mobile campaigns within your agency?

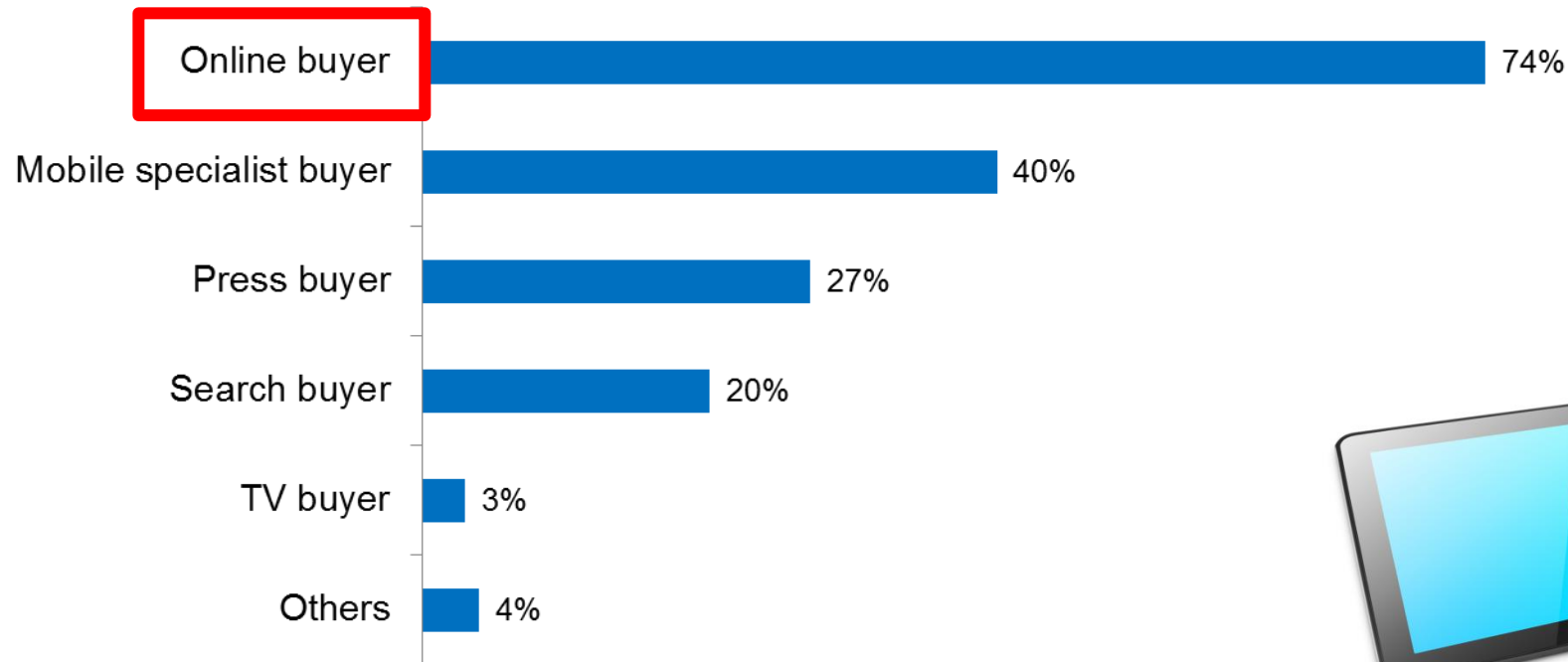| Role	Percentage
Media planner	51%
Digital specialist	44%
Mobile specialist	37%
Comms strategist	21%
Others	9%
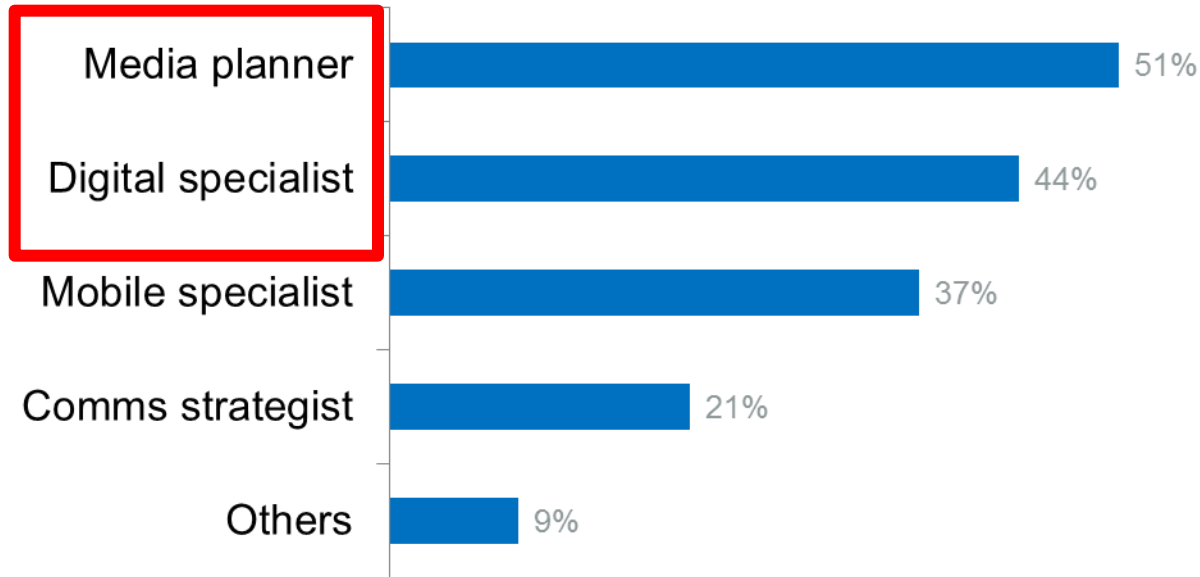
Online buyers are considered the most responsible for buying mobile campaigns

Who is responsible for the <u>buying</u> of mobile campaigns within your agency?

Category	Percentage
Online buyer	74%
Mobile specialist buyer	38%
Search buyer	18%
Press buyer	16%
TV buyer	3%
Others	5%

Online buyers are considered the most responsible for buying tablet ads

Who is responsible for <u>buying tablet</u> ads within your agency?

Role	Percentage
Online buyer	74%
Mobile specialist buyer	40%
Press buyer	27%
Search buyer	20%
TV buyer	3%
Others	4%

Barriers to mobile growth

Client understanding is a key barrier to mobile growth

What is stopping mobile being a larger proportion of digital ad spend?

Source: IAB European Agency Snapshot study
European average (154)

Measurement and tracking are seen as key barriers to client adoption of mobile

What do you see as the most important barriers to the adoption of mobile advertising by your clients?
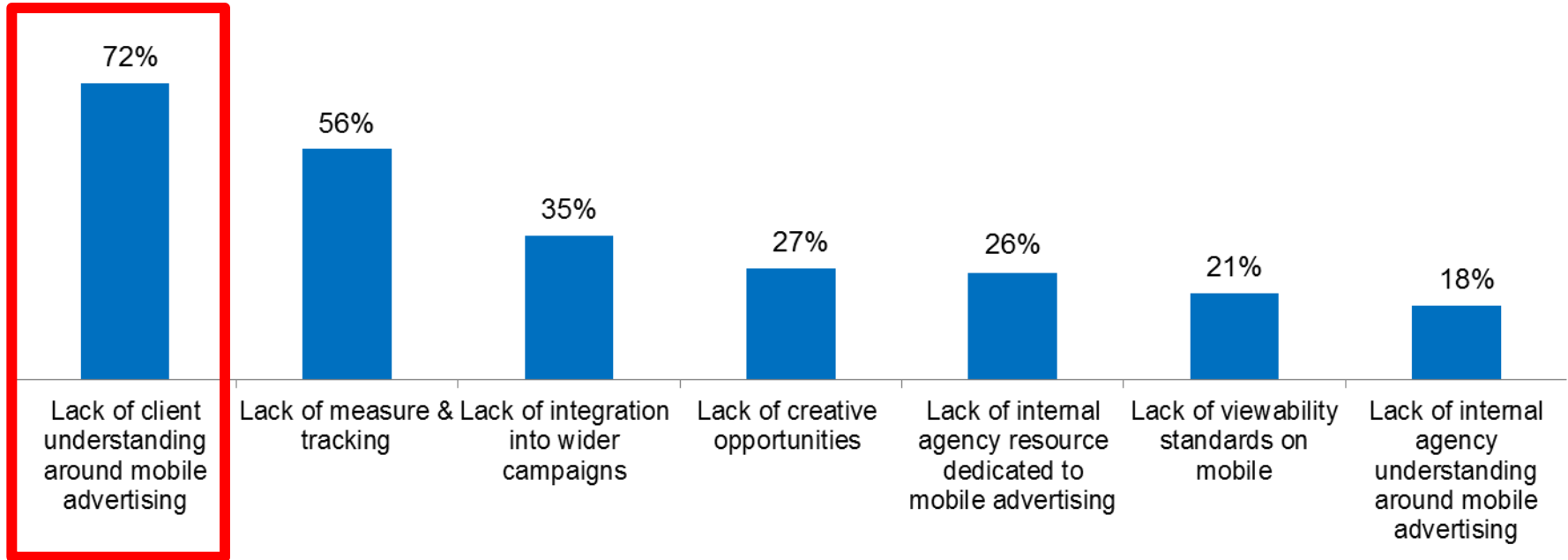
63% of respondents felt that location based advertising was the most exciting mobile opportunity

Do you agree with these statements?

Statement	%
Most media agencies will integrate mobile into the wider agency by the end of 2015	82%
Not being able to track cross screen campaigns is holding back the growth of mobile	79%
Location based advertising is the most most exciting mobile opportunity	63%
Mobile search will overtake PC search by 2015	57%
The majority of mobile display inventory wil be bought programmatically by the end of 2015	43%
Mobile inventory is good value for money compared to other media	42%

Key findings

- Overall understanding of mobile advertising across Europe is strong but there are some key barriers to adoption such as measurement and tracking

- Encouragingly, mobile is unlocking new advertising budgets

- Mobile is becoming more integrated into the wider agency which could mean an increase in cross-media campaigns

- Some key areas of focus for the industry are:
    - Mobile privacy
    - Brand safety
    - Measurement and tracking