Programmatic ad spend in Europe 2018

September 2019
WHAT IS PROGRAMMATIC: DIFFERENT SCHOOLS OF THOUGHT DEPENDING ON COUNTRY & COMPANY

• Automated process of buying and selling advertising inventory through software, data, and algorithms. Programmatic can refer to the automation of workflows associated with buying and selling, as well as the transactions themselves. Transactions are either based on fixed prices, or on auction-based models.

• Ad Spend transacted via the Open RTB protocol.
PROGRAMMATIC IN EUROPE IS A €16.8BN MARKET

Total programmatic (incl. social)
PROGRAMMATIC IS THE NEW ‘DIGITAL’ - AN UNNECESSARY PREFIX

Share of Digital Ad Spend in Europe by Transaction Mechanism

2013
- Programmatic: 20.0%
- Non-Programmatic: 80.0%

2018
- Programmatic: 27.9%
- Non-Programmatic: 72.1%
EUROPE HAS BEEN A PROGRAMMATIC-FIRST DIGITAL AD MARKET SINCE 2016

Europe: Digital Ad Spend by Transaction Mechanism

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Programmatic</th>
<th>Total Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>8,943</td>
<td>2,234</td>
</tr>
<tr>
<td>2014</td>
<td>9,045</td>
<td>3,831</td>
</tr>
<tr>
<td>2015</td>
<td>8,568</td>
<td>6,522</td>
</tr>
<tr>
<td>2016</td>
<td>7,913</td>
<td>9,306</td>
</tr>
<tr>
<td>2017</td>
<td>7,206</td>
<td>12,589</td>
</tr>
<tr>
<td>2018</td>
<td>6,480</td>
<td>16,781</td>
</tr>
</tbody>
</table>

Inflection point
PROGRAMMATIC CONTINUES TO GROW DOUBLE-DIGIT DESPITE MARKET MATURITY

Europe: Digital Ad Spend YoY Growth
APPLYING A NARROWER DEFINITION: SOCIAL DOUBLE THE SIZE OF PROGRAMMATIC TRANSACTED VIA OPEN RTB STANDARD

Europe: Programmatic Ad Spend (EURm)

- Total programmatic (excl. social)
- Social as programmatic
- Total programmatic (incl. social)

2017:
- Total programmatic (excl. social): 4,325 EURm
- Social as programmatic: 8,264 EURm
- Total programmatic (incl. social): 12,589 EURm

2018:
- Total programmatic (excl. social): 5,477 EURm
- Social as programmatic: 11,305 EURm
- Total programmatic (incl. social): 16,781 EURm
A NARROWER DEFINITION: GROWTH COMES FROM PROGRAMMATIC, NOW HALF OF DISPLAY

Europe: Programmatic Ad Spend excl. social (EURm)

2017
- Programmatic: 4,325
- Non-programmatic: 1,712

2018
- Programmatic: 5,477
- Non-programmatic: 5,477

Note: Total adjusted by removing affiliate, email newsletter to provide relevant display subset against which to benchmark 'programmatic'.
MORE THAN HALF OF ALL VIDEO SPEND IS PROGRAMMATIC

Europe: Digital Video Ad Spend by Transaction Model (EURm)

- Programmatic video
- Other video
- Share programmatic video

Note: includes in-stream, out-stream and in-feed video
¾ OF ALL PROGRAMMATIC SPEND IS VIDEO

Programmatic in Europe: video vs other formats

- 2013: 7.6% video, 92.4% non-video
- 2014: 9.0% video, 91.0% non-video
- 2015: 10.3% video, 89.7% non-video
- 2016: 18.4% video, 81.6% non-video
- 2017: 22.3% video, 77.7% non-video
- 2018: 24.8% video, 75.2% non-video
PROGRAMMATIC VIDEO GROWS FASTEST, BUT VIDEO OUTSIDE PROGRAMMATIC IS ACCELERATING

Europe: Digital Ad Spend Growth by Format & Transaction Model

- Programmatic
- Non-programmatic
- Programmatic video
- Other video

2014: 71.5% (1.1%), 32.9%, 70.3%, 1.5%
2015: 102.2% (3.9%), 70.3%, 28.1%, -5.3%
2016: 101.1% (1.4%), 42.7%, 7.7%, -7.7%
2017: 118.7% (3.3%), 35.3%, 8.9%, -8.9%
2018: 86.4% (4.1%), 33.3%, 7.2%, -10.1%
2019: 47.6% (5.3%), 15.2%, 7.2%, -15.2%
CEE REGION IS ENJOYING 2\textsuperscript{ND} MOVER ADVANTAGE, OUTPERFORMING GROWTH AND CLAWING SHARE
CONTACT

Marie-Clare Puffett
Marketing & Business Programmes Manager

puffett@iabeurop.eu
iabeurope.eu
@iabeurope
/iab-europe