Meta-Analysis of 28 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
- Ukraine
MARKETS
Ladder of hope: From bad to better to good

European Digital ad growth expectations for 2020 over time

-12.1%  -10%  -5%  0%  5%  10%

April forecast

€69.4bn (+6.3%)
Digital advertising growth slowest since first Adex study – but still strong performance in exceptionally tough macro conditions

Europe: Total digital ad spend (€bn)

- 2008/2009 financial crisis: +8.9%
- Average annual growth rate 2006-2019: +19.5%
- +6.3%

Digital share of all media advertising:

- 2006: 7.7%
- 2007: 10.7%
- 2008: 17.0%
- 2009: 18.5%
- 2010: 21.9%
- 2011: 25.5%
- 2012: 28.4%
- 2013: 31.8%
- 2014: 35.5%
- 2015: 40.2%
- 2016: 45.1%
- 2017: 51.0%
- 2018: 58.1%
- 2019: 65.3%
- 2020: 69.4%

- 2006: 19.2%
- 2019: 56.5%
24 out of 28 markets posted growth, some even double-digit
Fast-forward acceleration: share gains for digital during pandemic

Digital Share of All Media Advertising (%)

“By how many points did the digital share of all media advertising increase in 2020?”

Source: WARC December forecasts for all media apart from “internet”, which was substituted by Adex Benchmark data
Zoom-in reveals nuances in size between markets
The Adex ‘Cohorts’: different growth narratives
Multi-speed growth: different ad markets operating under the digital umbrella

**Europe: Digital Ad Spend by Format (€bn)**

- Classifieds, Directories, Affiliate
- Search
- Display

**2019**
- Classifieds, Directories, Affiliate: 8.1
- Search: 28.0
- Display: 29.1

**2020**
- Classifieds, Directories, Affiliate: 7.4
- Search: 30.3 (↑+9.1%)
- Display: 31.8 (↑+9.1%)

**Europe: Social vs Other Display (€bn)**

- Social
- Other Display

**2019**
- Social: 13.9
- Other Display: 15.2

**2020**
- Social: 16.1 (↑+15.9%)
- Other Display: 15.6 (↑+2.9%)
Europe: 2020 share by format

- Search: 42.6%
- Social: 23.2%
- Other Display: 22.5%
- Classifieds, Directories & Affiliate: 10.7%

Total Display: 45.8%
Display could accelerate share gains in 2020...
...but underlying is an acceleration of pre-pandemic trends
Sectoral shift towards video – audio nascent but growing

Europe: Display Ad Spend excl. Social (€bn)

- Traditional: Banners, Native, Special Ads, Integrated Content, Newsletter Ads
- Video: In-Stream (Pre-roll, Mid-roll, Post-roll) Out-Stream (specific formats vary by country)
- Audio: Online radios (IP-delivery), music streaming services, podcasts, voice assistants; covered for the first time; European total modelled from 11 markets that report audio

10.0 -1.1% 9.9
4.7 +10.1% 5.2
0.4 +16.7% 0.5

€15.6bn (+2.9%)
50.7% of display spend is now programmatic

Display Ad Spend Programmatic vs Traditional (€bn)*

*Some markets define programmatic as including social, others as excluding social. In our final report, we provide both views. Here, we use programmatic excl. social in order to better document the market dynamics of the so-called ‘open internet’. Data has been harmonized between markets based on IAB Europe calculations. Includes banner, video and audio.
Social found a fertile climate for growth in 2020

Europe: Social Ad Spend (€bn)

<table>
<thead>
<tr>
<th>Market</th>
<th>2019</th>
<th>2020</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>13.9</td>
<td>16.1</td>
<td>+15.9%</td>
</tr>
<tr>
<td>Total Traditional</td>
<td>7.9</td>
<td>8.8</td>
<td>+12.0%</td>
</tr>
<tr>
<td>Total Video</td>
<td>6.0</td>
<td>7.3</td>
<td>+21.1%</td>
</tr>
</tbody>
</table>

Social Ad Spend YoY growth by market
In total display, 13 markets recorded double-digit growth...

Europe: Total Digital Display Ad Spend Growth 2020 (YoY)

Note: incl social & other display
...video (+16.3%) is a crucial enabler with 3.4x rise vs traditional...
...and it now exceeds half of total display spend in 3 markets
Search growth is driven by CEE as structural and pandemic factors push key Western markets below the European average.
Only 8 market posted growth due to weak labour market and high household savings rate during the pandemic.

Note: Affiliate added to Classifieds & Directories constitutes approx. 15% of the category total. Methodology change in 2020 to account for changing IAB reporting standards and divergent definitions of 'affiliate' in local markets.
Past the tipping point: Mobile double-digit as desktop declines
Outlook

Europe: Digital Ad Spend Forecast (€bn)

- Q1 started cautiously
- Easy comparatives with Q2 2020, then further growth in H2
- Acceleration towards digital behaviours remains Post-Covid, increasing demands for digital advertising & marketing
- Post-Covid is only part 1 of the ‘new normal’ as the industry needs to drive its own structural transformation
THANK YOU!