

European Programmatic Market Sizing 2015

September 2016



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Defining 'programmatic'



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 that draw on data, 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:

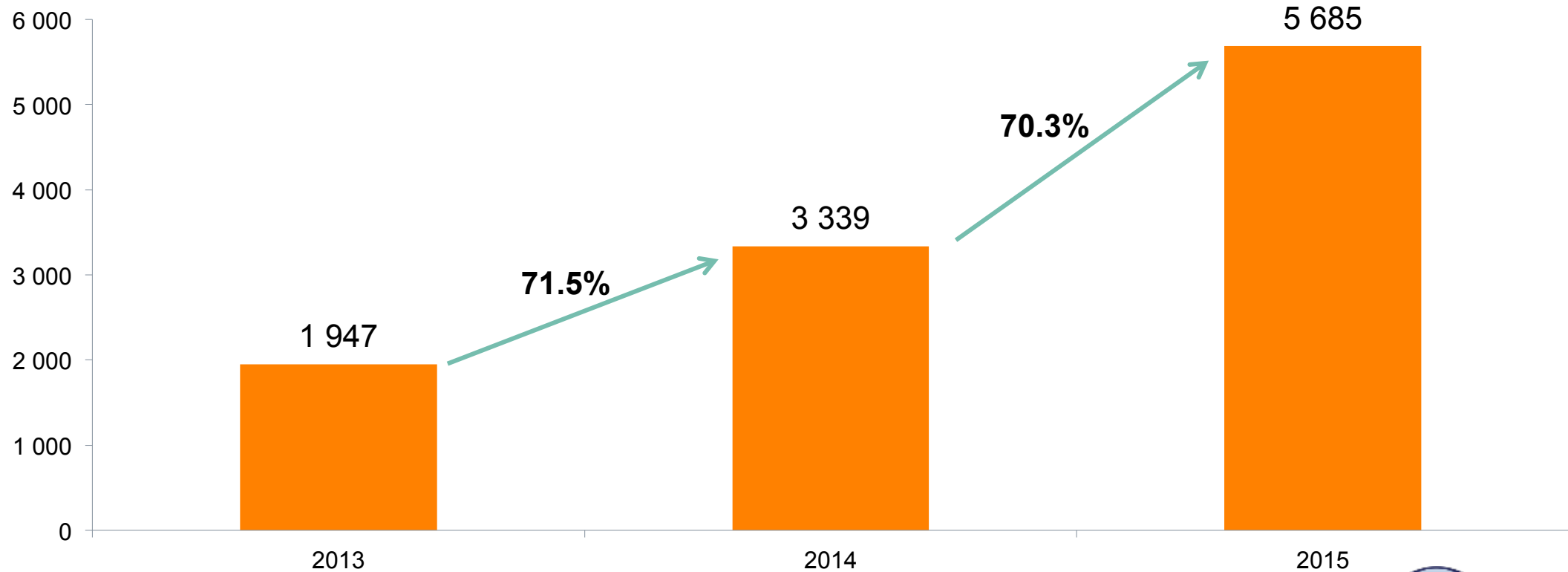
1. Automated Guaranteed
2. Unreserved Fixed Rate
3. Invitation-Only Auction
4. Open Auction.

Advertising revenues are recognised as 'programmatic' whenever any of those mechanisms applies, irrespective of the inventory owner's awareness of their involvement. 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. Revenue is recognized as programmatic irrespective of whether the inventory owner acts directly or indirectly via an intermediary.

European programmatic advertising is a €5.7bn market



Europe: programmatic display spend (including video and mobile) (€m)



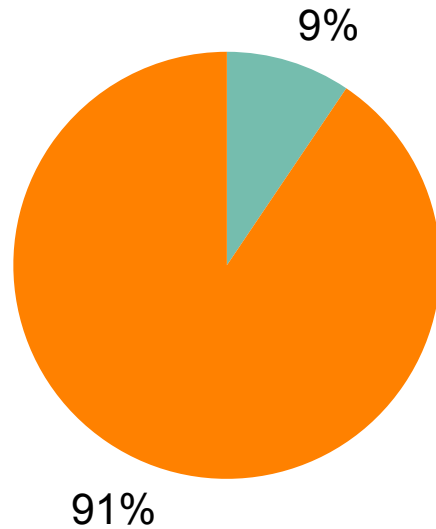
Source: IHS and IAB Europe



Desktop display still accounts for the majority of programmatic spend



Programmatic spend in 2015

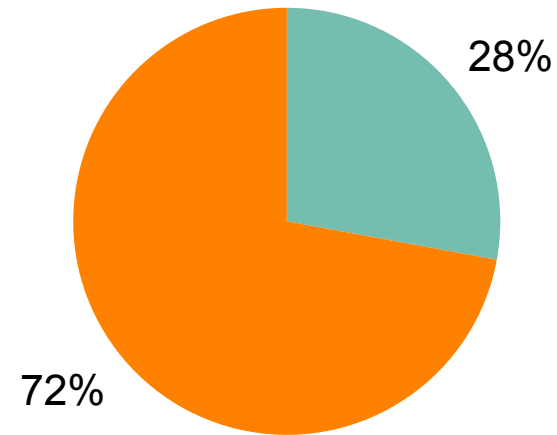


■ Video ■ Non-video

Source: IHS and IAB Europe

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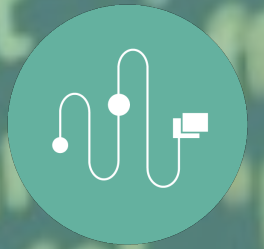
Programmatic spend in 2015



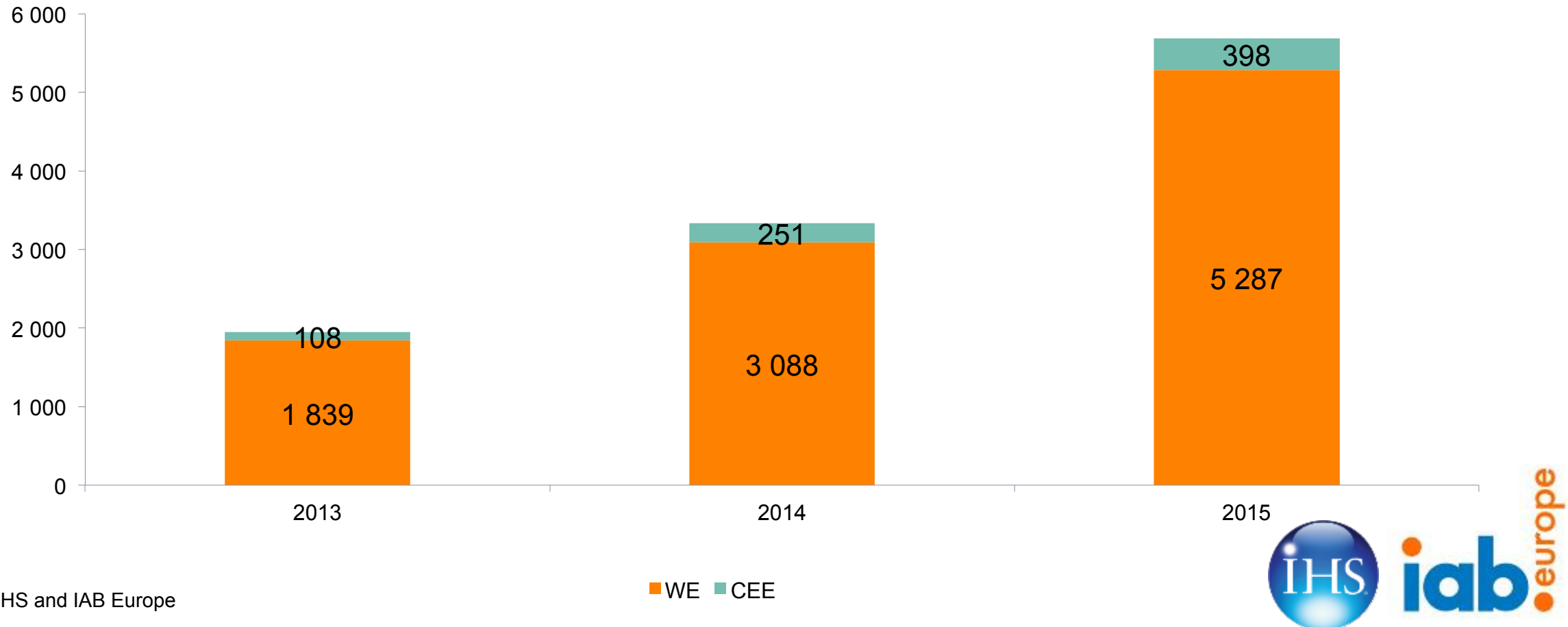
■ Mobile ■ Desktop

Source: IHS and IAB Europe

Programmatic is still mostly a Western European trading mechanism



Europe: programmatic display spend (including video and mobile) (€m)

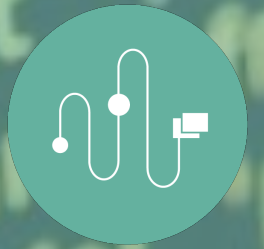


Source: IHS and IAB Europe

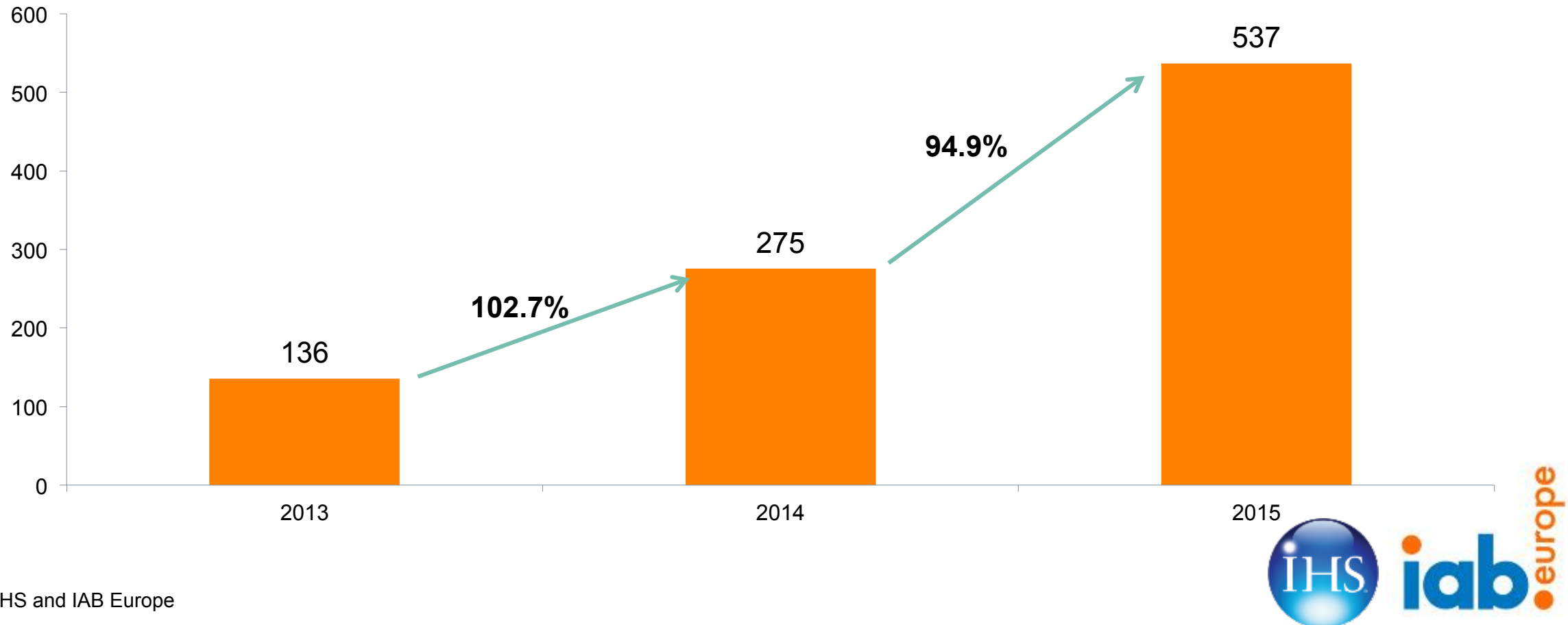
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Programmatic video is growing fast, but is still nascent



Europe: programmatic video spend (€m)

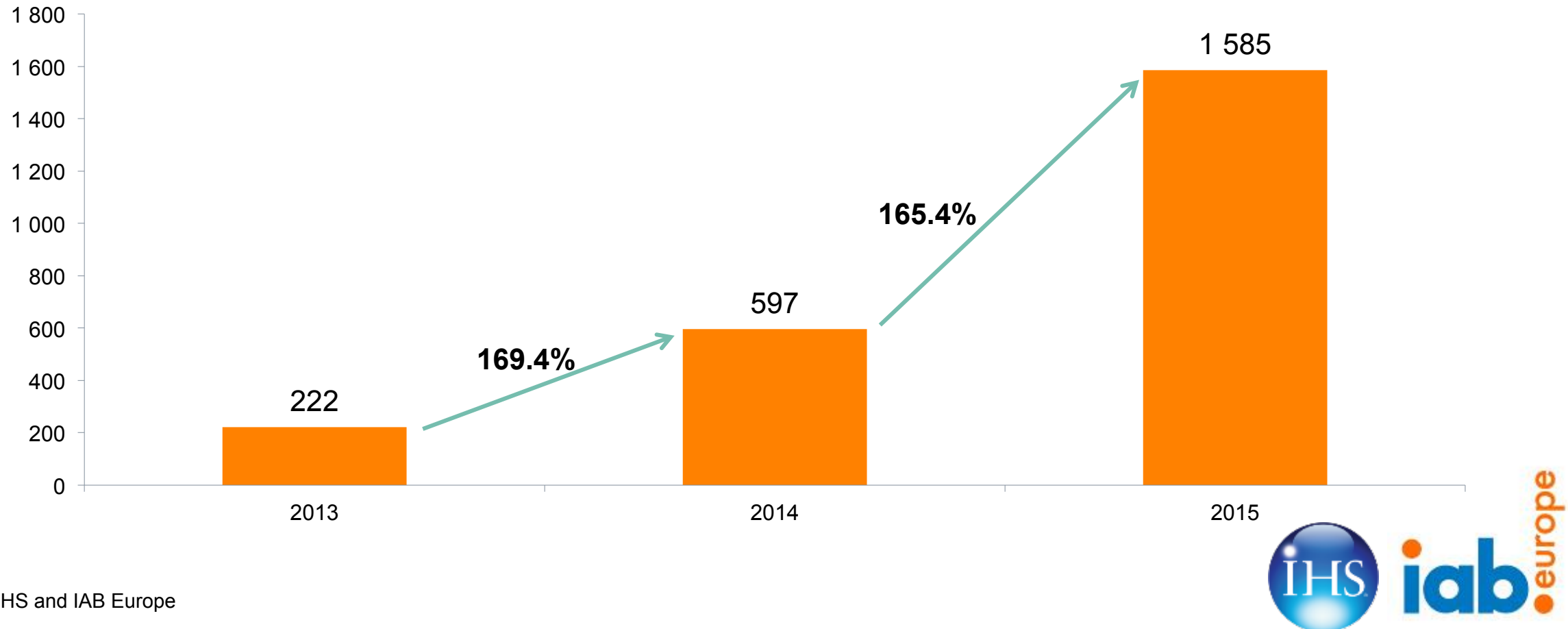


Source: IHS and IAB Europe

Programmatic mobile is exploding largely driven by the growth in social media advertising



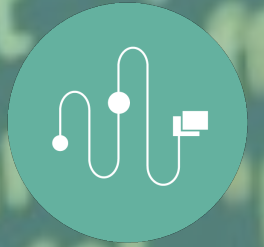
Europe: programmatic mobile spend (€m)



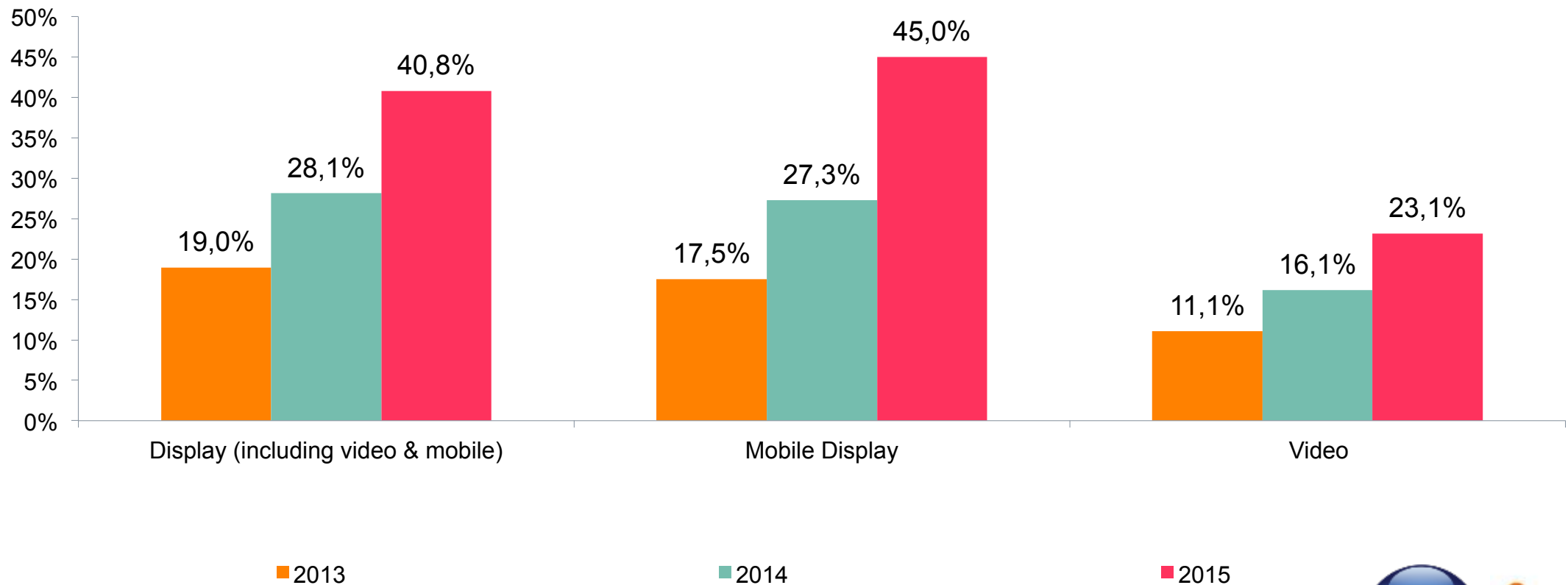
Source: IHS and IAB Europe



Mobile display becomes the “most” programmatic format in 2015



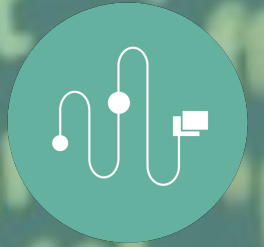
Programmatic share of format spend



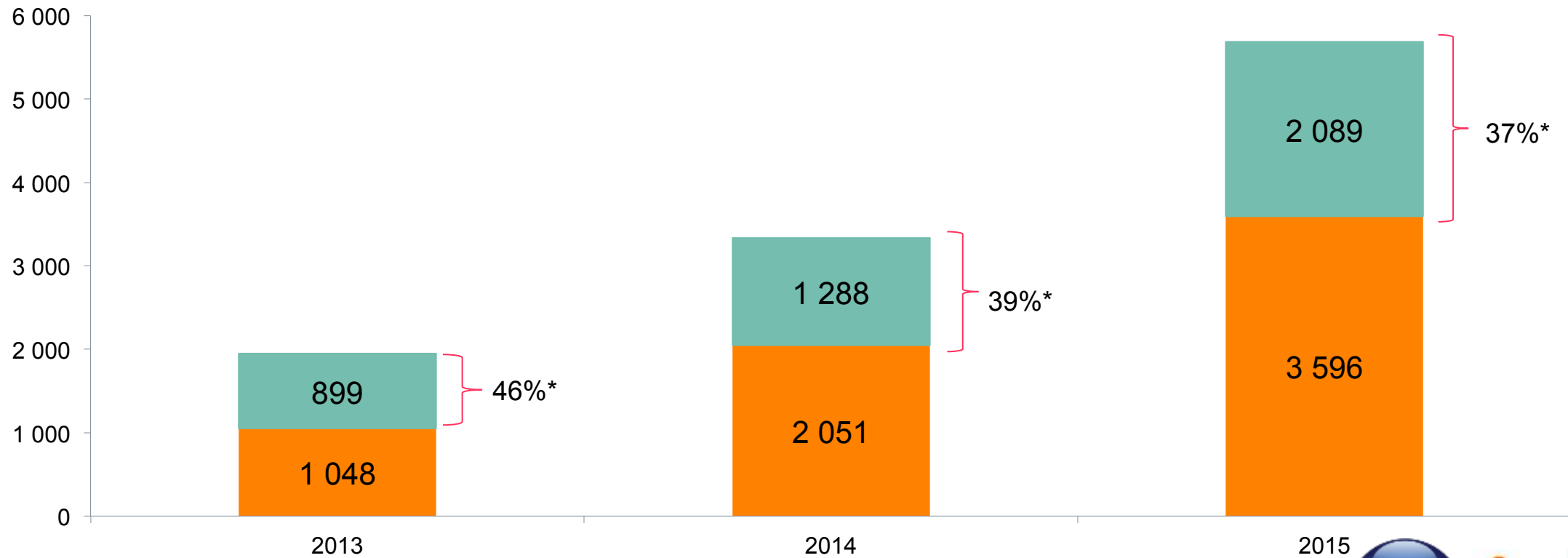
Source: IHS and IAB Europe



RTB is declining as a share of programmatic spend in favour of more nuanced approaches



Europe: programmatic display spend (including video and mobile) (€m)

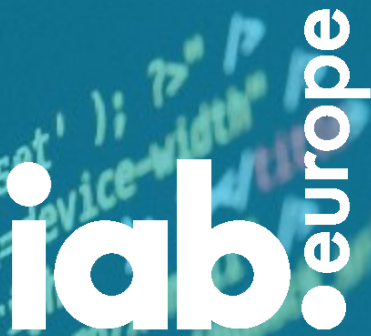


* RTB Share of programmatic

Source: IHS and IAB Europe

■ Non-RTB ■ RTB





IAB Europe is the voice of digital business and the leading European-level industry association for the digital advertising ecosystem.

THANK YOU



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