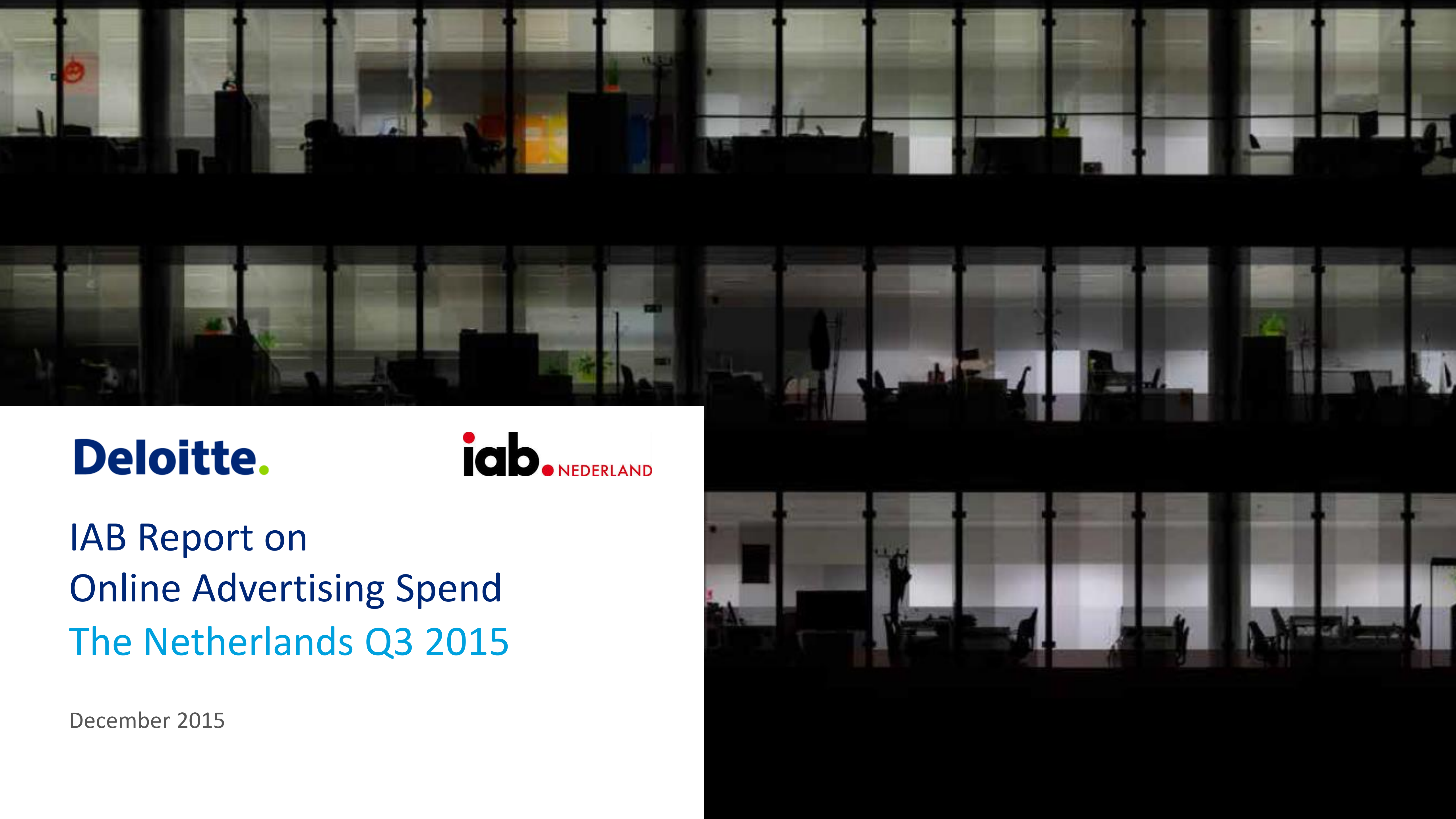

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IAB Report on Online Advertising Spend

The Netherlands Q3 2015

December 2015

Introduction

Since 2010, IAB and Deloitte are publishing the Online Ad Spend Report for the Netherlands. The content of this report is driven by data and information gathered directly from the online community, including publishers, advertisers and media planners. Due to a great number of participating key industry players we are able to gain extensive insight in the market.

Realization of this study:

Collection	Deloitte collects data covering the majority of the market
Aggregation	Participants’ data is processed based on desk research and expert opinions
Conversation	Initial findings are verified with industry experts and media buyers
Validation	Findings are cross-referenced and validated with selected respondents
Publication	Final findings are presented to the IAB and industry participants

Survey methodology

- Our current report covers the total net online advertising spend in the Netherlands during Q3 2015 and is based on information supplied by 41 participating companies.
- Figures are adjusted for double counting, based on information provided by the survey participants
- The figures are drawn up on the basis of company input and have not been verified by Deloitte
- Only aggregated results are published; individual company information is held in strict confidence with Deloitte

Executive summary

Online advertising spend the Netherlands Q3 2015

Online ad spend

Spend on online advertising increased with +9,8% in revenues during Q3 2015. The net spend on online advertising in the Netherlands currently totals 348m€ for the 3th quarter of 2015.

+10%

Programmatic

Spend on display advertising through programmatic channels continues to expand with a steady growth of +42% in Q3 2015. Rich media /video formats are shifting towards the exchange.

+42%

Online Video

The integration of online video and tv advertising budgets results in a significant online video advertising growth since 2013. Online video accounts for an estimated 24m€ within display advertising spend.

+35%

Mobile

A third of the advertising budget is spend on mobile devices. The shift of revenue share from desktop to mobile is starting to show signs of equilibrium as mobile growth numbers are starting to decline from +82% in 2014 to +45% in Q3 2015

+45%

Social

We estimate that the advertising spend on Social platforms grows with an average of +33% during Q3 2015 to an estimated share of 24% within display advertising spend.

+33%

Classifieds

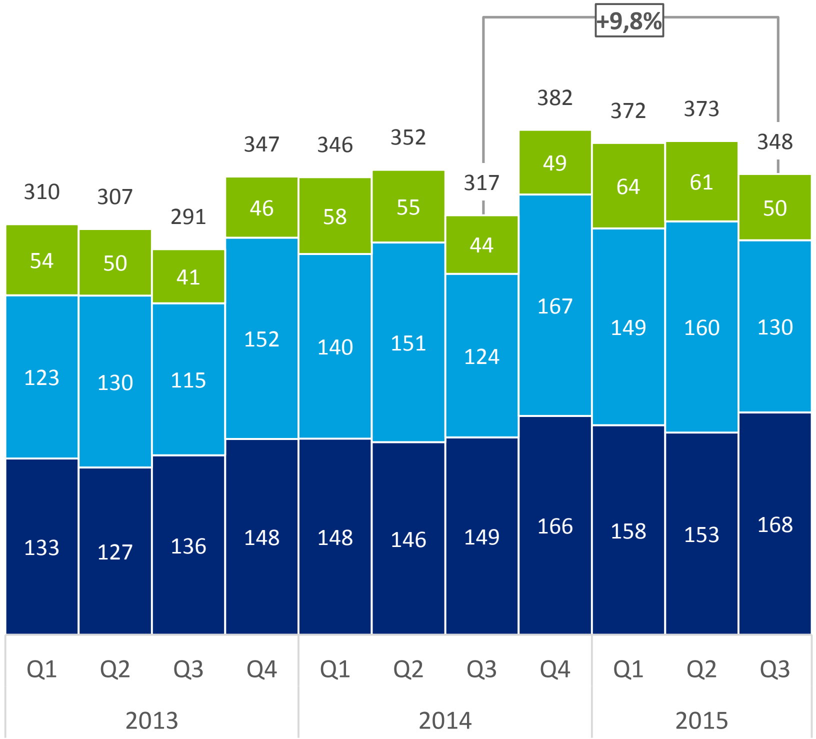
The online advertising category classifieds, directories and listings outperforms, with +13,2%, due to the strong development of e-commerce. Within the Netherlands 14% of the online ad revenue is spend on classifieds (50m€ for Q3 2015).

+13%

Online advertising quarterly spend

Revenue per online advertising category

Online quarterly market (m€)



YoY Revenue Growth

	2014	H1 2015	Q3 2015
Classifieds	+8%	+11%	+13%
Display	+13%	+6%	+5%
Search	+11%	+6%	+13%

Note: The Internet figures we report are net/net figures, meaning that the figures are reported after agency discount that in some cases may apply; Search and classifieds, directories & listings are based on a limited number of data points; Growth rate and/or additions may not equal presented numbers due to rounding.

Source: Annual reports, Survey respondents, Deloitte analysis

Online advertising market

Revenue spend on online advertising has grown with +9,8% in Q3 2015 in respect to Q3 2014.

Classifieds, directories and listings

Classifieds, directories and listing continues to perform strongly during 2015 driven by the strong development of e-commerce (products and services) and continues to outperform the other online advertising categories. Revenues increased with +13,2%.

Display advertising

Online advertising through display advertising increased with +5,1%. Growth of in-app and mobile consumption is decreasing the willingness to pay premium prices for overall inventory resulting in a slight declining trend in advertising spend growth numbers.

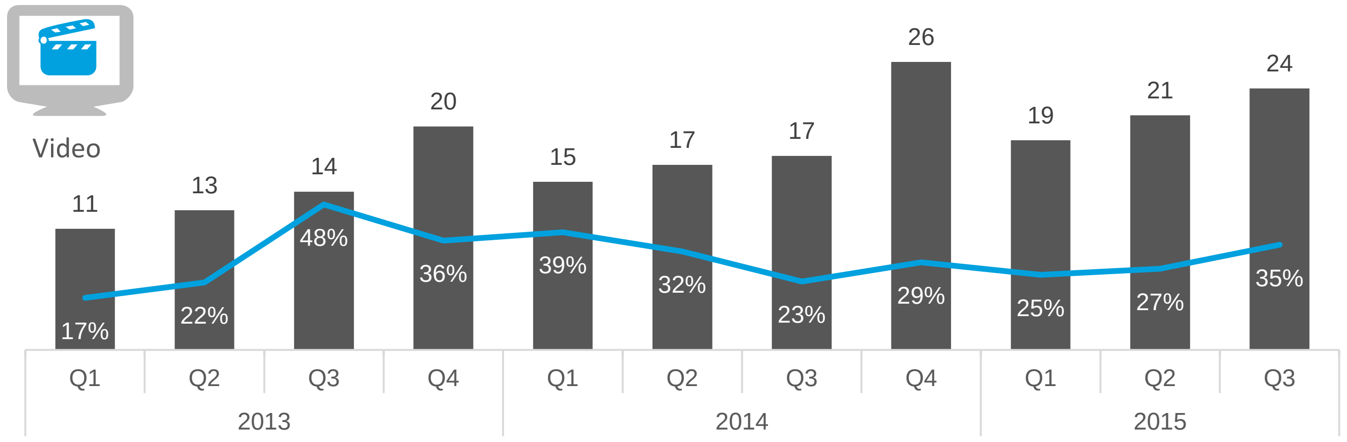
Paid search advertising

We estimate that spend on search engine advertising increased with +13% in Q3 2015. The similar effect as in display advertising of declining cost per click is for search advertising countered by increased growth of paid clicks.

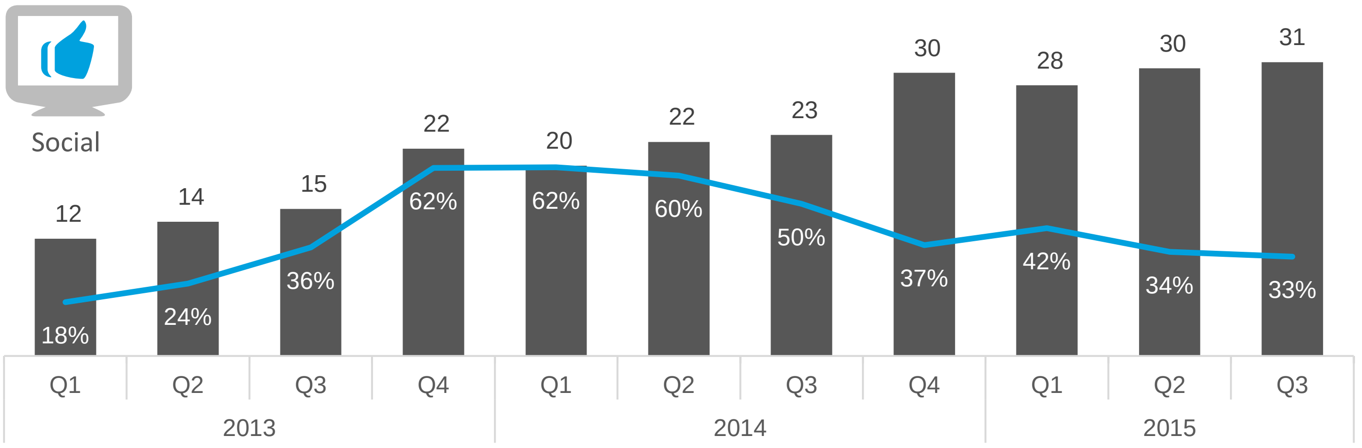
Display advertising spend

Trending topics

Online video advertising (m€) / Y/Y advertising spend growth (%)



Advertising on social websites (m€) / Y/Y advertising spend growth (%)



Source: IAB UK/US, Survey respondents, Deloitte analysis

Trending in online display advertising

This year we started to report our estimation on social spend. The methodology of the estimation on Social advertising is similar to our search revenue spend estimate, largely based on media buyers data combined with publicly available information.

Online video

Advertising spend on online video totals 24m€ in spend on pre- /mid- / post rolls during Q3 2015 and increased +35% in revenues in respect to the same period last year.

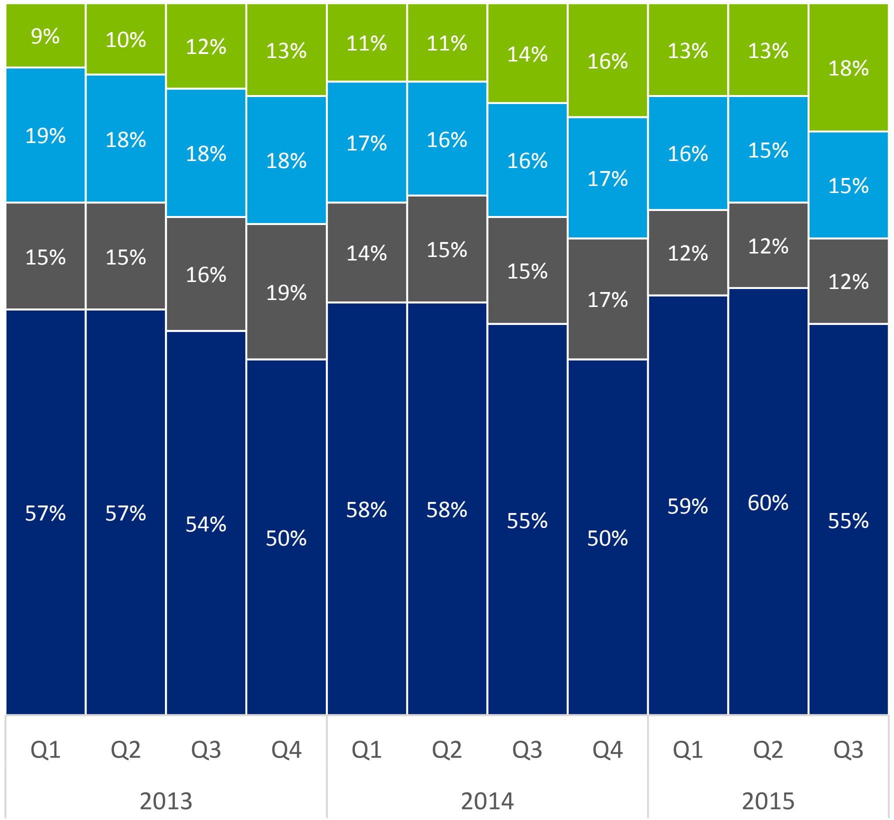
Social

We estimate that ad spend on all social platforms (incl. Facebook, Twitter, LinkedIn) reached 31m€ in Q3 2015. The estimated market share of social in the Netherlands is 24% of total display advertising spend.

Trend of spend per format

Share of display advertising revenue per format %

Allocation of display revenue per format



YoY Revenue Growth	2014	H1 2015	Q3 2015
Video	+30%	+26%	+35%
Other	+3%	+2%	-1%
Rich media	+5%	-14%	-16%
Banners	+12%	+8%	+5%

Note: Text links and other formats are consolidated in this figure.

Source: Survey respondents, Deloitte analysis

Online display advertising formats

Within display we measure 3 distinct formats; Video, Banners and Rich media. All formats which could not be classified in one of these formats are consolidated into the “Other” category (incl. text links /native and promoted- / branded content)

Online video

Online video continues to outperform all other formats in terms of ad spending (+35% growth). Within display advertising online video has gained a share of 18%.

Banners

Spend on banners (IAB and non-IAB formats) increased with +5%. Growth is in a slight decline from 2014 and the beginning of 2015, as publishers indicate lower CPM rates, due to the shift towards mobile consumption.

Rich Media

The strong negative trend of rich media formats continues during Q3 2015, as advertising spend on rich media declined with -16% during the 3th quarter. A possible explanation of this strong decline is the shift to video advertising on the one hand, and at the same time we see price pressure on rich media formats that are more and more sold through programmatic channels.

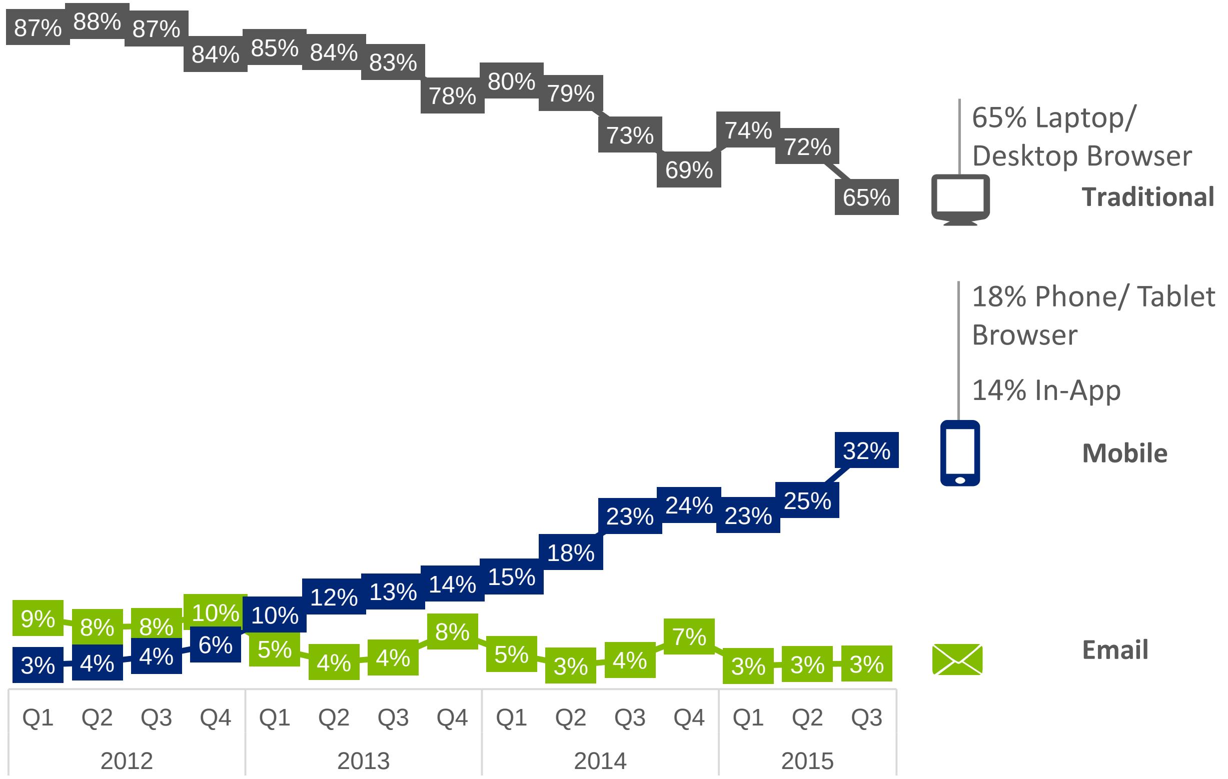
Other formats

The spend on other formats consolidates with a marginal decline of revenue (-1%).

Online advertising spend per medium

Share of display advertising revenue per medium

Share of display revenue



YoY Revenue Growth

	2014	H1 2015	Q3 2015
Traditional	+5%	-3%	-7%
Mobile	+82%	+54%	+45%
Email	+0%	-12%	-8%

Note: Mobile is ad revenue by impressions delivered to phone, tablet or in-app; Traditional is ad revenue by impressions delivered to desktop and laptop devices; Adjustment in pre 2015 data due to revised definition of mobile (based on historic L4L growth using the mobile definition basis introduced in Q1 2015); Growth rate and/or additions may not equal presented numbers due to rounding;

Source: Survey respondents, Deloitte analysis

Revenue per device

This year the used definition for mobile has been changed. In previous studies the share of mobile was based on the advertiser allocation of mobile budget. However due to the introduction of technical cross device solutions such as responsive websites there is a rising share of budget that is device independent (from the advertisers perspective). We discussed this trend with the taskforce mobile of IAB Netherlands, and agreed that mobile revenue is now based on revenue generated by impressions delivered onto the actual device of the consumer.

Mobile

During Q3 2015 the mobile share within display revenue (phone / tablet browser and in-app) has significantly increased to 32% of the display advertising spend. Within mobile, 56% of the spend is generated by phone / tablet browsers, the remaining revenue is generated by In-App advertising (44%).

Traditional

The majority of the display spend is still on desktop and laptop devices however the decline in revenue that we saw during the first half of 2015 continues even more strongly in Q3 with -7%, due to the shift towards mobile consumption.

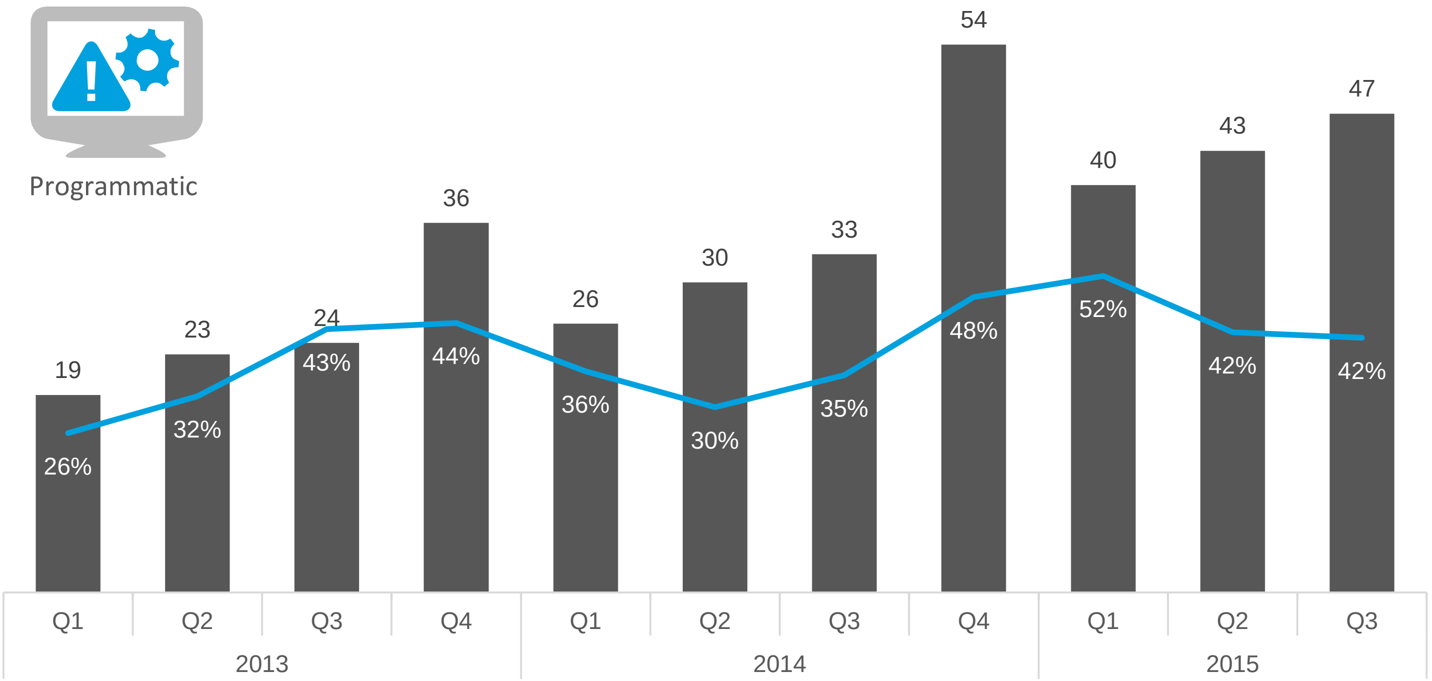
Email

Email accounts for 3% of the revenues in 2015.

Trend of programmatic spend

Programmatic display advertising spend per format

Display advertising through programmatic channels (m€) / Y/Y Revenue growth (%)



Note: Programmatic market includes estimates of the size of FBX and GDN.

Source: IAB programmatic study, Survey respondents, Deloitte analysis

Programmatic market

The online display advertising spend through programmatic channels increased with +42% in Q3 2015, totaling 47m€ in revenues.

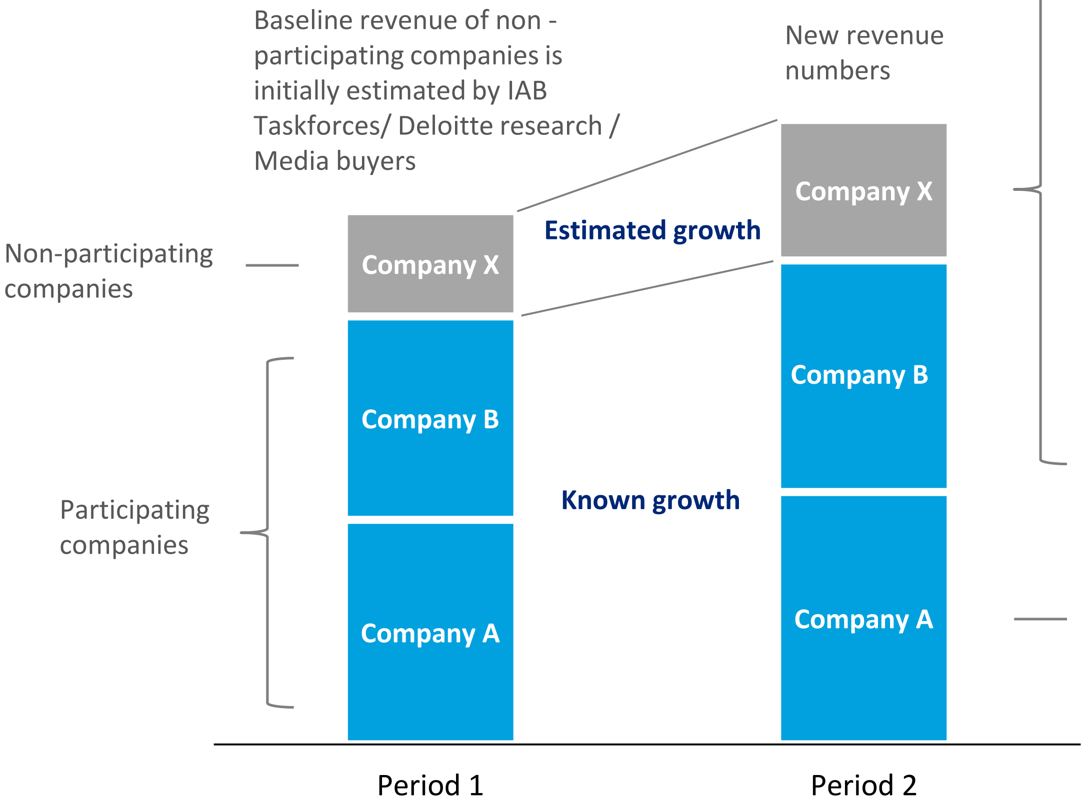
Programmatic formats

Video and rich media continue to gain momentum at the programmatic exchange, showing huge growth numbers of 254% and 123% respectively:

Programmatic display formats growth breakdown	YoY Growth 2014	H1 2015	Q3 2015
Banners	+35%	+33%	+23%
Rich media	+86%	+116%	+123%
Video	+126%	+262%	+254%

Methodology: Estimation

For each report Deloitte tries to include as many companies as possible to ensure an accurate representation of the online advertising market, however due to various reasons we cannot collect figures from all companies active in the online advertising market.



Estimated revenue

- Growth of medium to small non –participating companies
  1. Trend in growth from previous submissions
  2. Known growth of similar companies (proxy)
- Growth of large non –participating companies
  1. Trend in growth from previous submissions
  2. Results from annual reports
  3. Known growth of similar companies (proxy)
- Google and Facebook related revenue:
  1. Quarterly earnings
  2. Google and Facebook media buyers feedback
  3. Public datasets

Known revenue

- Realized net/net revenue is disclosed to Deloitte

Participating companies

Q3 2015 report is based on data supplied by the following companies

1. addurance*
2. Adfactor
3. Adform*
4. Autotrack*
5. BrandDeli
6. Cadreon
7. Daisycon*
8. Digital Agency Group*
9. Funda
10. Mannenmedia
11. Marktplaats
12. Massarius
13. MediaScience*
14. Microsoft*
15. Mobile Professionals
16. Nakko Media*
17. Nochii Online Marketing
18. NRC Media*
19. Perform Group NL
20. Performics
21. Persgroep
22. RTL Nederland
23. S&D Interactive Media
24. Sanoma
25. SBS Broadcasting
26. Semilo*
27. Smartclip*
28. Spil Games*
29. SpotX
30. Ster
31. Telegraaf Media Groep
32. The Online Company*
33. To20*
34. Tweakers
35. Vergelijk.nl*
36. Vivaki*
37. Voetbal International*
38. Widespace
39. Yonego*
40. Zanox*
41. Zoover*

*Partial dataset supplied

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Dutch IAB research includes the IAB Netherlands/ Deloitte Ad Spend Study, all IAB commissioned research, and assisting Dutch IAB members with their research projects. Also responsible for shaping the IAB knowledge base so that it meets members' needs moving forward.