IAB report on Online Ad Spend

The Netherlands H1 2014

September 2014

Introduction

Since 2010, IAB and Deloitte are publishing the Online Ad Spend Report for the Netherlands. The contents 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 and offer the most accurate online advertising market figures.

Starting this edition, we will present our report in a new format on a quarterly basis. This way, data is up to date and aligns better with the industry requirements by providing relevant market information on a similar frequency with business reporting periods. Data will be presented in a new way and reflects key numbers. The quarterly reports of Q1, Q2 and Q3, will be followed by a full year report, that is still presented in the full format as started since 2010.

Roel van Rijsewijk | Deloitte Digital

Methodology

Collection
Deloitte collects data covering the majority of the market

Estimation
Missing participants' data is estimated based on previous figures, desk research, expert opinions, industry databases, extrapolation and modeling

Conversation
Initial findings are verified with industry experts, media buyers and selected publishers

Validation
Findings are cross-referenced and validated with respondents

Publication
Final findings are presented to the IAB and industry participants

Survey methodology

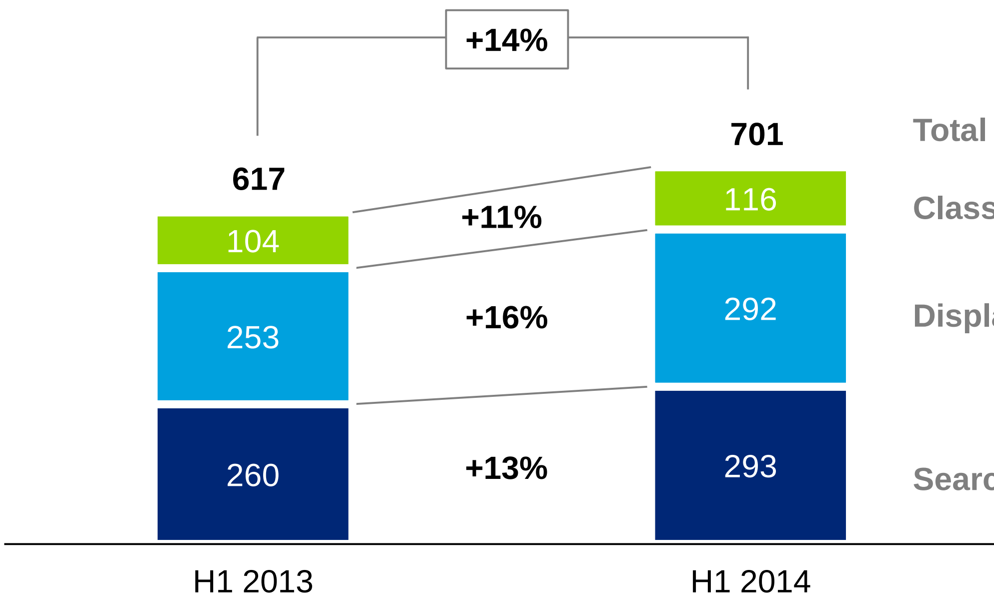
- Our current survey is based on 31 participating companies listed in the end of this report
- Figures are adjusted for double counting, based on information provided by the survey participants
- The figures are drawn up on the basis of company input and have not been verified by Deloitte
- Only aggregated results are published, individual company information is held in strict confidence with Deloitte

Executive summary

- **Total online advertising market** has shown **excellent** performance this year with a **growth** of **14%** and **701m€** revenue in H1 2014
- **Search** advertising has **grown** with **+13%** to **293m€** and is the biggest category in online advertising this half year.
- **Display** is this years **winner** with an **impressive growth** of **+16%** to **292m€** revenue which adds up to a **market share** of **42%**, on par with search
- **Classifieds** shows double digit **growth** of **+11%**, performing little behind display and search, with a total revenue of **116m€** for the first half of this year and a **16% market share**
- **Embedded IAB formats** is traded most frequently through **Programmatic** platforms with **62% of the revenue,** this is double than the **31%** share Programmatic over **all display revenue**
- **Video** is the **fastest growing format** with **+46%** totaling **41 m€** in revenue in the first half of 2014
- **Mobile** is the **best performing medium** with **+72% growth** in revenue compared to last years first half. As of Q2 mobile has reached a **14% market share** in display advertising
- **CPM** continues to grow as of payment model. In the Q2 **63%** of the **display spend** was negotiated on a CPM basis
- **Affiliate networks** profit from the improved online market, the **69 m€** revenue of this first half, translates into a **respectable growth** of **+13%** showing positive numbers again after the market stagnation last year

Online advertising market in the Netherlands

Net/Net Advertising market (m€)

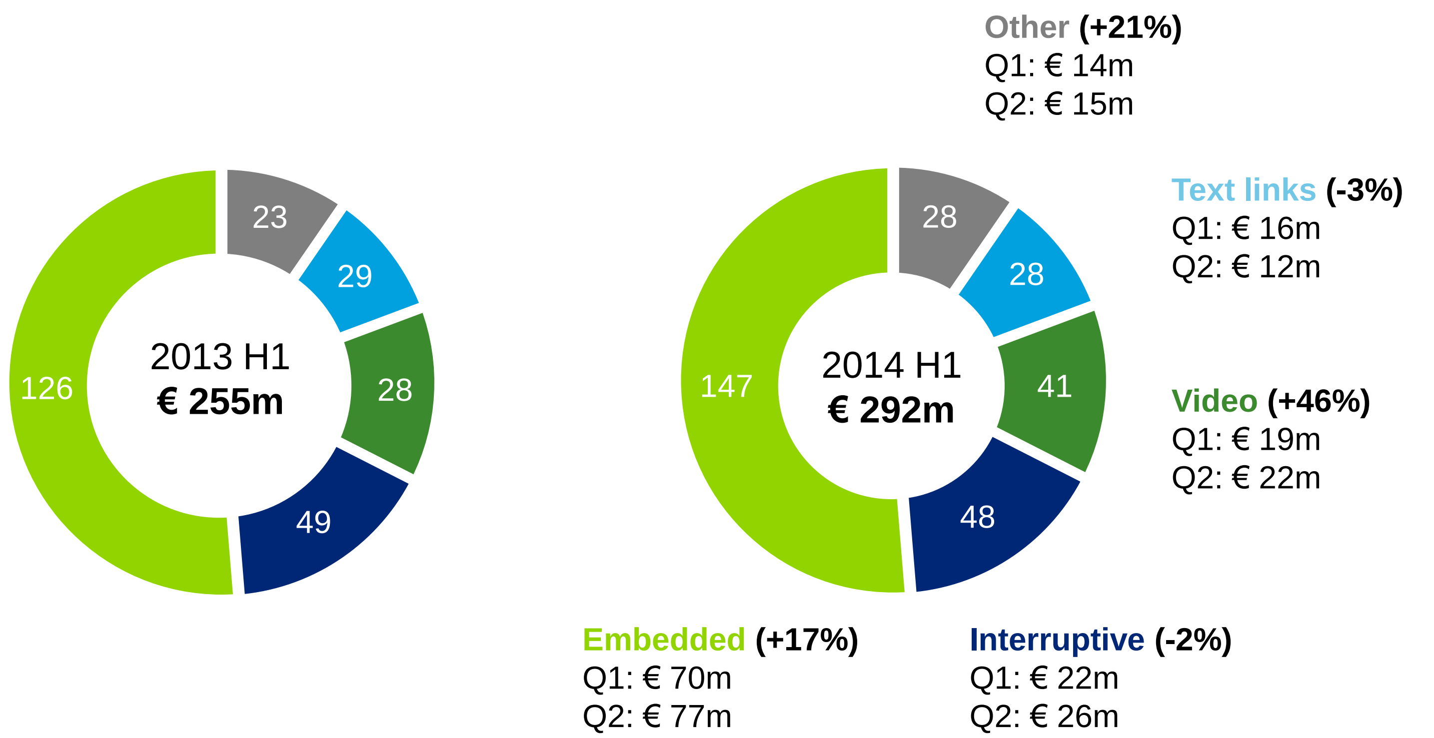


	Revenue Growth 2013	Revenue Growth H1 2014
Total	**+8%**	**+14%**
Classifieds	-2%	+11%
Display	+7%	+16%
Search	+14%	+13%

Note: The Internet figures we report are after agency discount that in some cases may apply; Search number are estimated based on annual reports, media buyers and media agencies feedback; Classifieds, directories & listings are based on a limited number of data points;
Source: Survey respondents, Media buyers, Annual reports, Deloitte analysis

Display format

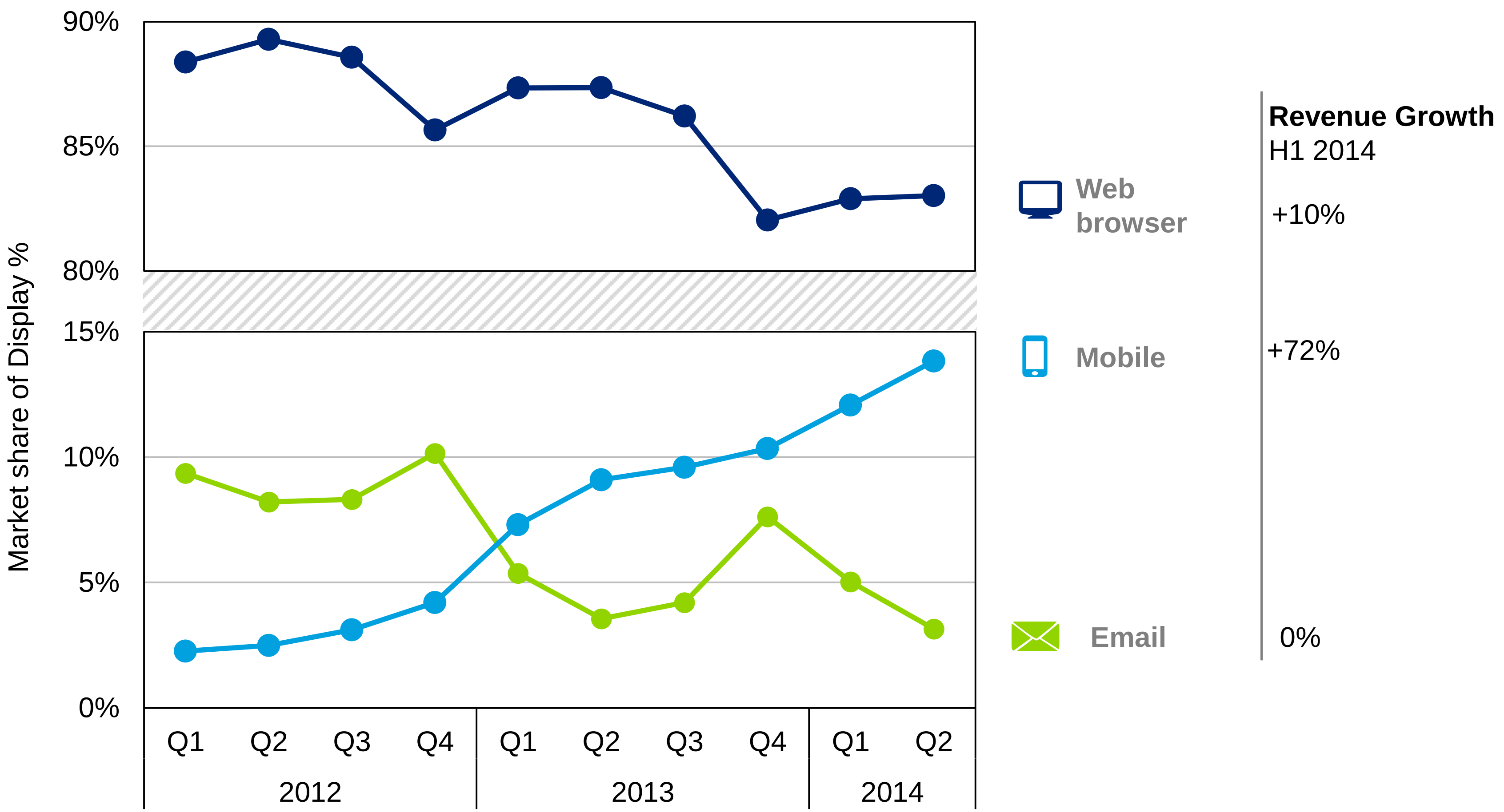
Display revenue, H1 2014 revenue growth per format



Note: Growth rate is this year calculated on a L4L basis which includes estimates of non participating companies; Growth rate and or additions may not equal presented numbers due to rounding;
Source: Survey respondents, Deloitte analysis

Medium

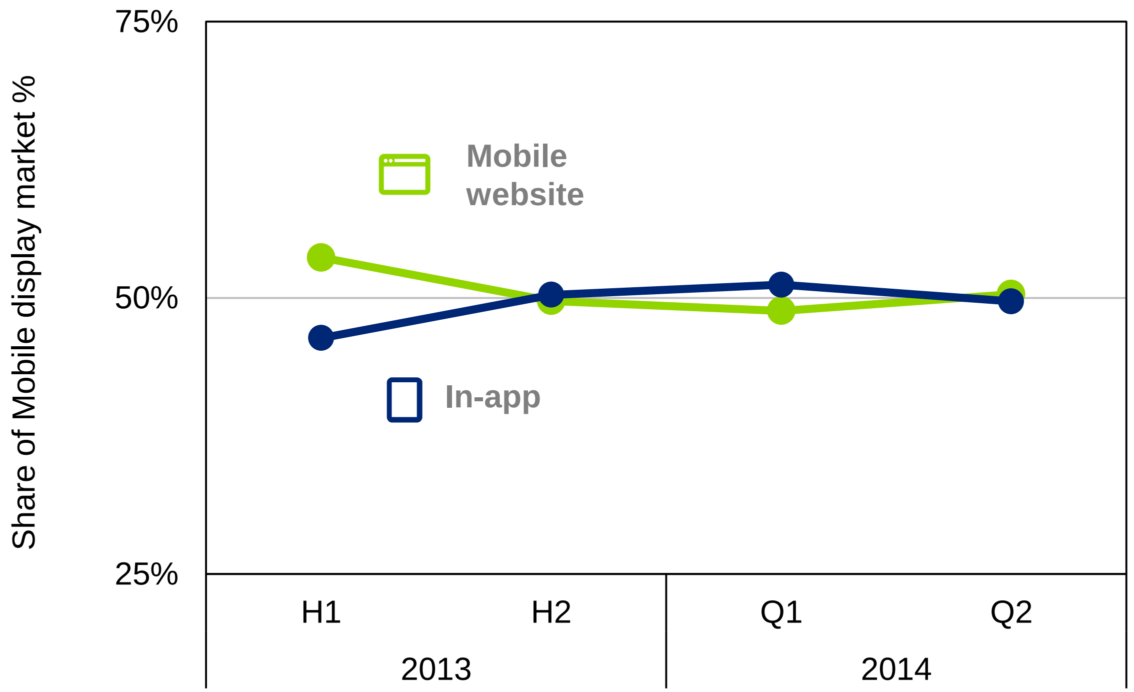
Share of display advertising revenue per medium %



Note: Share of each medium is based on repondents data only; Mobile advertising is specified spend by advertisers on mobile website or in-app ads
Source: Survey respondents, Deloitte analysis

Mobile display advertising

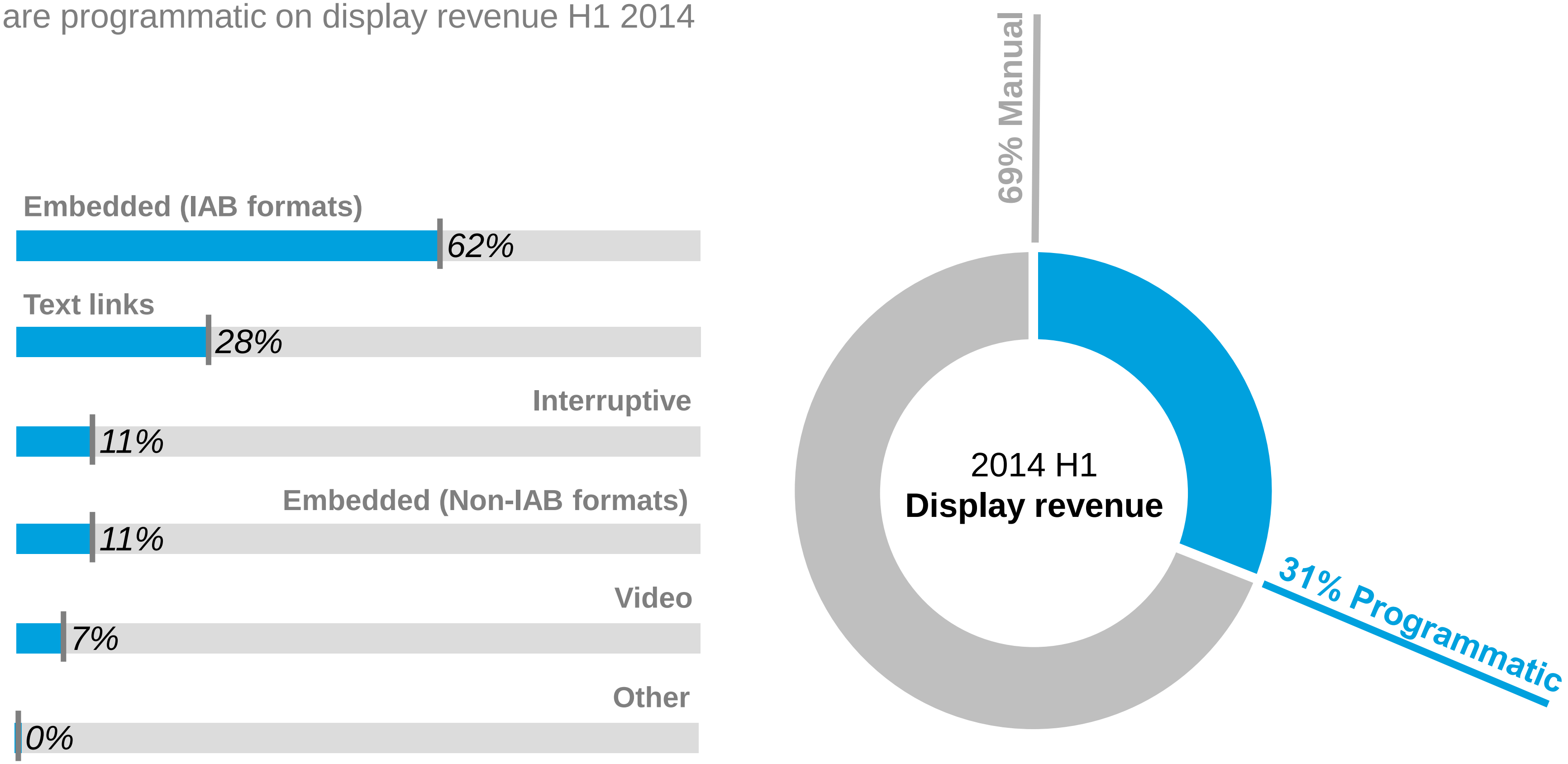
Mobile website and In-App advertising share in the mobile display revenue (%)



Source: Survey respondents, Deloitte analysis

Programmatic trading

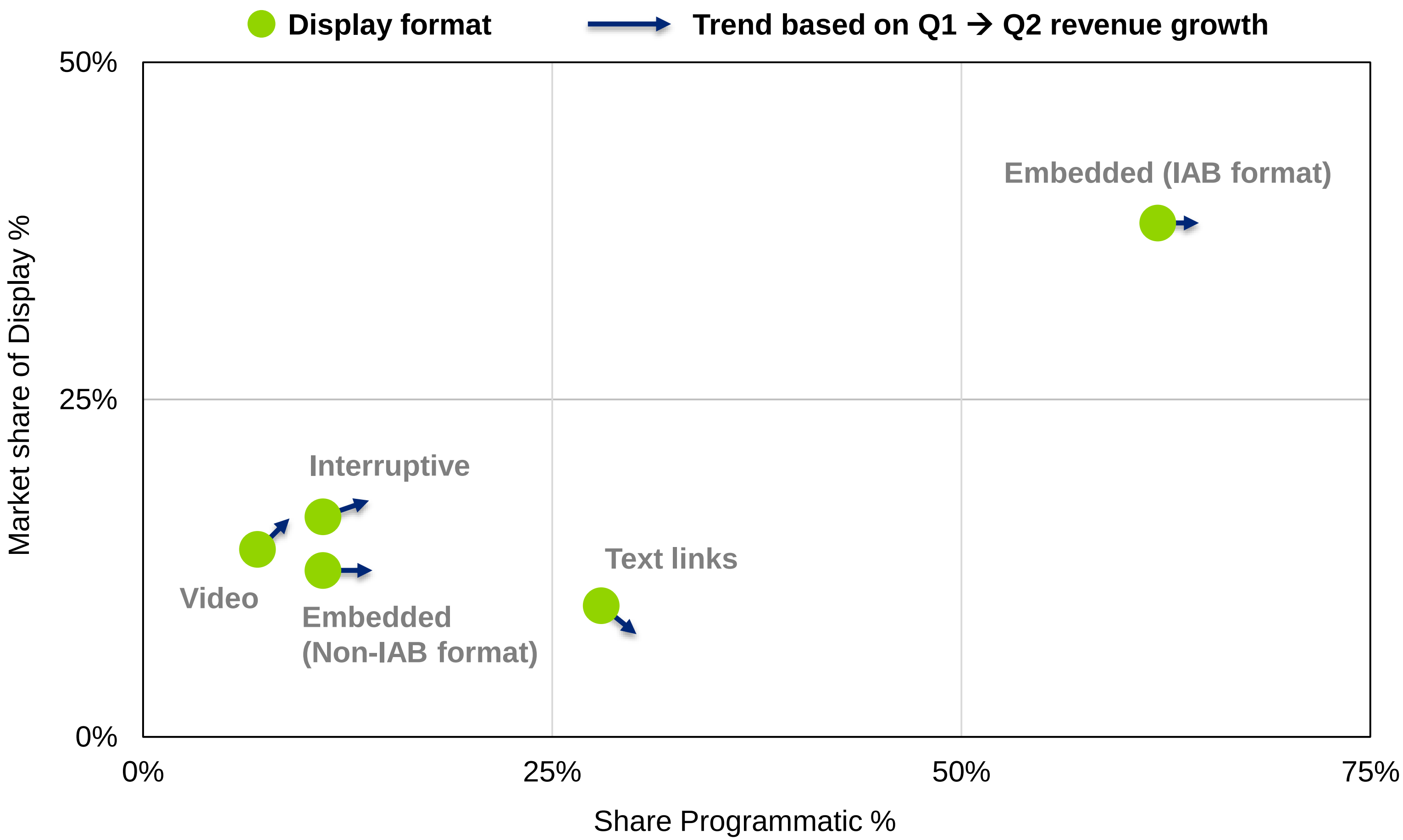
Share programmatic on display revenue H1 2014



Note: Embedded is split into IAB and non-IAB formats, with 38% and 12% market share of display revenue respectively; share Programmatic is based on repondents data only; share Programmatic = Programmatic ad spend / Total ad spend;
Source: Survey respondents, Deloitte analysis

Display format and Programmatic

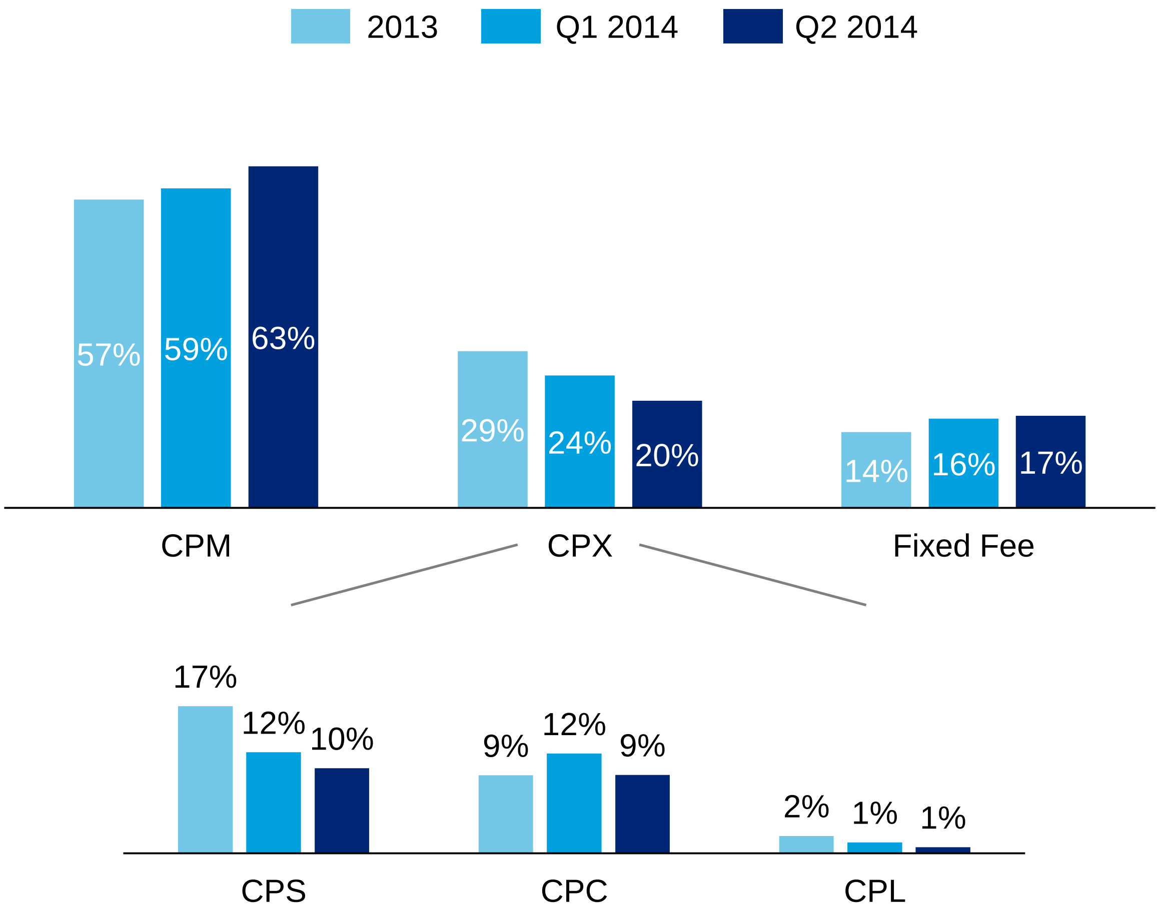
Programmatic landscape for display formats H1 2014



Note: Display format Other is omitted due to 0% share Programmatic
Source: Survey respondents, Deloitte analysis

Payment model

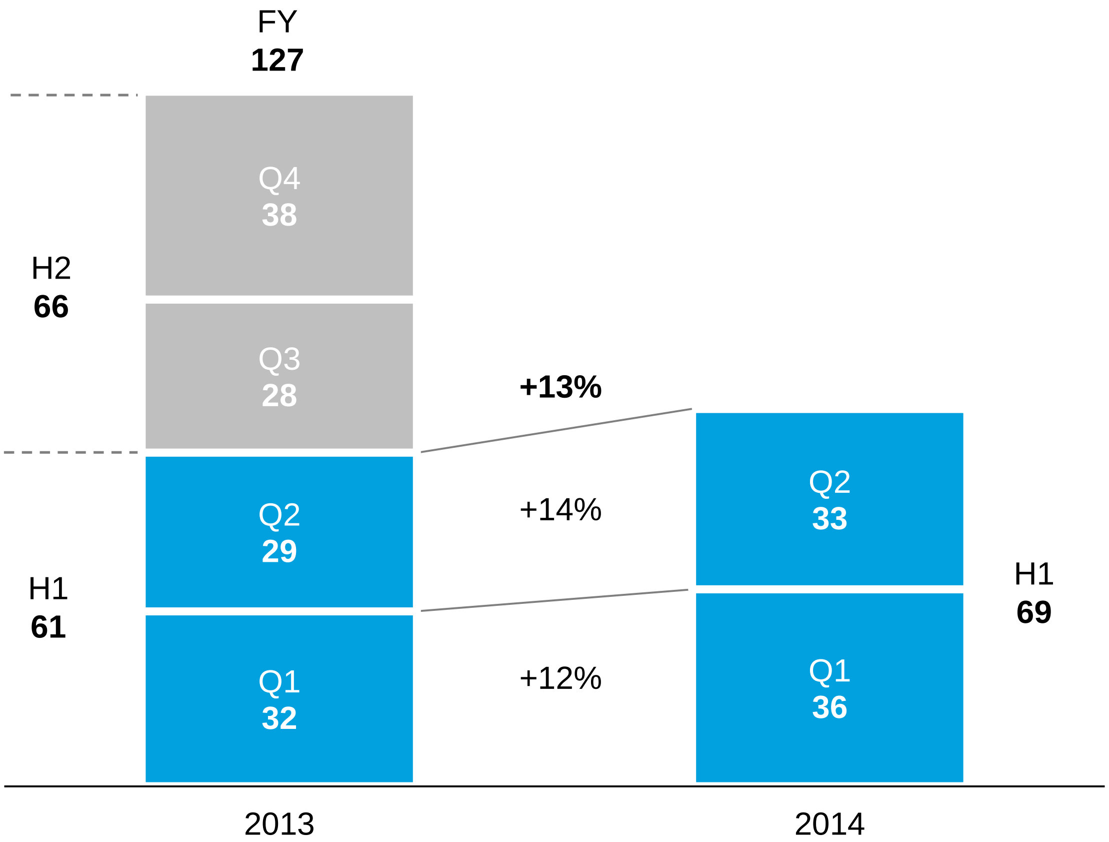
Share of display advertising revenue per payment model %



Note: Amounts may not equal 100% due to rounding and omission of “other” category
Source: Survey respondents, Deloitte analysis

Affiliate marketing

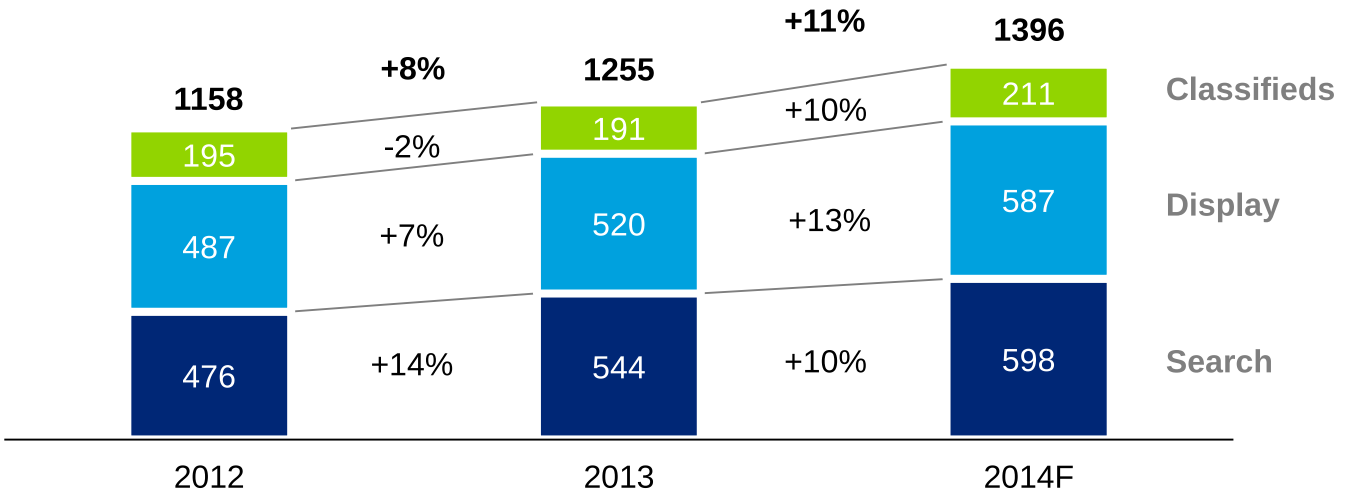
Spend on affiliate marketing (€m)



Source: Survey respondents, Annual Reports, Deloitte analysis

Online advertising market in the Netherlands

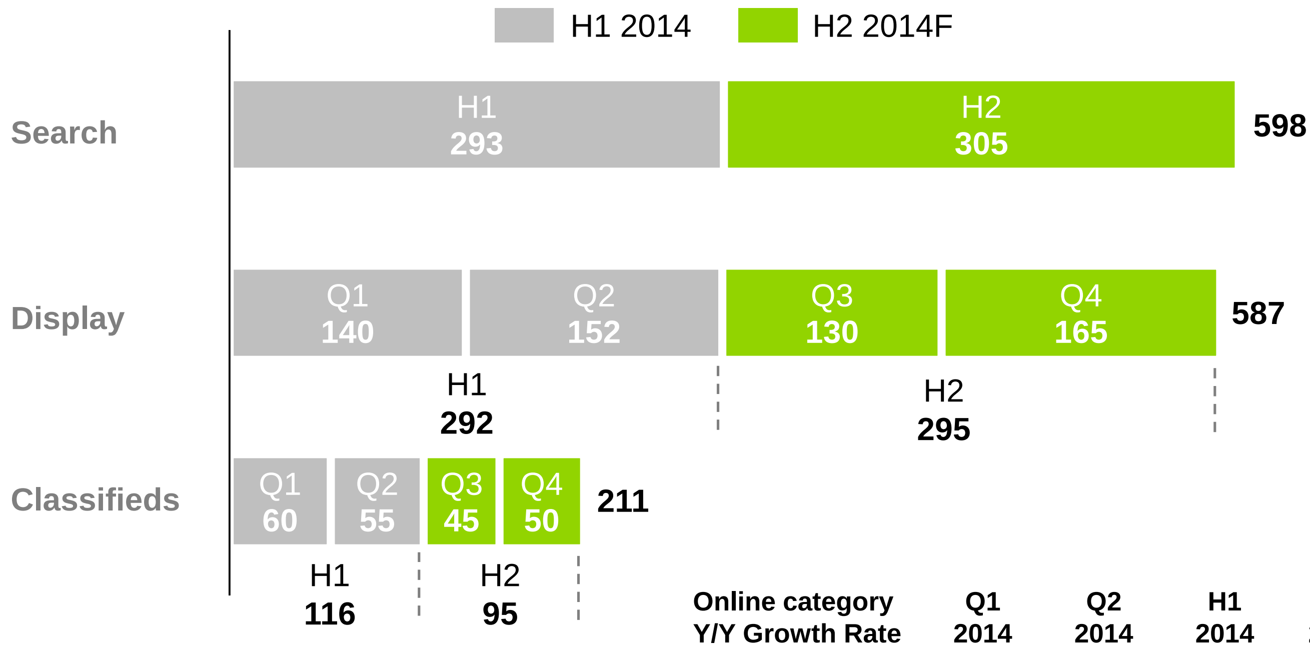
Forecast 2014
Net/Net Advertising market (m€)



Note: Forecast for Display and Classifieds is calculated using regression on the monthly Y/Y Growth Rate; Forecast for Search is calculated using regression on the 6 monthly Y/Y Growth Rate; Growth rate and or additions may not equal presented numbers due to rounding;
Source: Survey respondents, Agency Feedback, Annual reports, Deloitte analysis

Online advertising market in the Netherlands

Forecast 2014 per quarter
Net/Net Advertising market (m€)



Online category Y/Y Growth Rate	**Q1 2014**	**Q2 2014**	**H1 2014**	**Q3 2014F**	**Q4 2014F**	**H2 2014F**
Search			+13%			+7%
Display	+14%	+18%	+16%	+12%	+9%	+10%
Classifieds	+13%	+10%	+11%	+10%	+9%	+9%
Total online			+14%			+9%

Note: Growth rate and or additions may not equal presented numbers due to rounding;
Source: Survey respondents, Agency Feedback, Annual reports, Deloitte analysis

Participating companies

- AD2ONE
- Addurance
- Adfactor
- AdLantic
- Affilinet Nederland
- Bisnode
- BrandDeli
- Daisycon
- FD Mediagroep
- Funda Real Estate
- Mannenmedia
- Marktplaats Media
- MediaScience
- Microsoft
- Mobile Professionals
- Nakkomedia
- Persgroep Advertising
- RTL Nederland
- Sanoma
- SBS Broadcasting
- Semilo
- Smartclip Benelux
- Spil Games
- Ster
- Telegraaf Media Groep
- The Online Company
- Tibaco Internet Media
- ToTwenty
- Tweakers.net
- Vergelijk.nl
- Videostrip
- Widespace
- Zanox

Definitions

Categories

- Display
  - Embedded formats (banners, buttons, skyscrapers etc)
  - Interruptive formats (rich media, over the page, page take-over etc)
  - Tekstlinks (incl. AdSense)
  - Video (pre-/mid-/ postroll)
  - Other uncategorized display advertising
- Online classifieds, directories & listings
  - B2B
  - B2C
  - C2C

Payment models

- Fixed Fee: Payment model based on a fixed fee
- CPM: Cost per Mille = Payment model where the advertiser pays per thousand views
- CPC: Cost per Click = Payment model based on the number of clicks on an advertisement
- CPL: Cost per Lead = Payment model that is based on the number of leads generated. A lead is an online conversion where the consumer shares its contact details and indicates to be interested
- CPS: Cost per Sale = Payment model based on the number of generated sales

Contact

For questions concerning this research feel free to contact:

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

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