

# 2019 IAB UK & PwC Digital Adspend Study

Measuring the size of the UK digital advertising market

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# 1. Introduction



## Background

- Adspend is the official measure of the size of the UK digital advertising market
- A census of major UK media owners and intermediaries
- Adspend – includes desktop, tablet and smartphone
- Only media spend is reported to ensure fair comparison to other media
- Official Advertising Association figures since 1997
- Information collected annually
- Data shown by:
  - Category (display, search & classified)
  - Format (banners, video, etc.)
  - Environment (social vs non-social media)
  - Industry sectors using SMI data (split by display, search and social)

# Digital includes desktop, tablet and smartphone

## Total digital

- Online advertising viewed on a desktop PC or laptop, accessed via an internet connection
- Advertising that has been specifically tailored to and served on a tablet device, accessed via 3G, 4G or Wi-Fi
- Advertising that has been specifically tailored to and served on a smartphone device, accessed via 3G, 4G or Wi-Fi (feature phones included)
- All reported data includes desktop, tablet and smartphone unless otherwise stated

## Smartphone only cuts of data

- Advertising that has been specifically tailored to and served on a smartphone device, accessed via 3G, 4G or Wi-Fi
- For the purpose of this study, advertising on feature phones etc. is also included in this category e.g. SMS
- Smartphone only figures are signposted throughout

# 2.1 Methodology

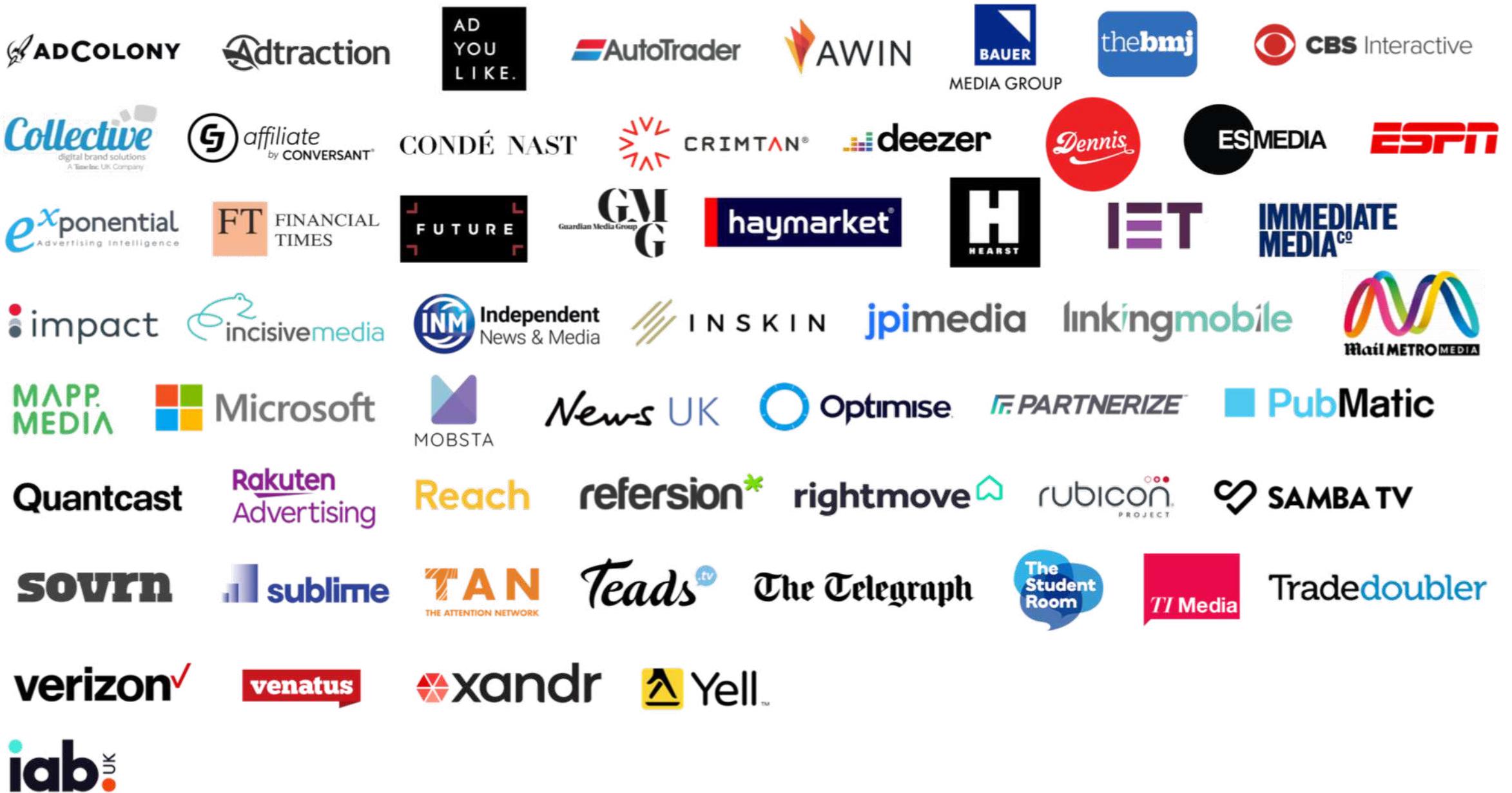


## Reported revenue

- Survey includes UK ad revenues submitted by **58 participants** plus additional recruitment sites and TV broadcasters reported by WARC
- The figures are drawn up on the basis of submitter declaration and have not been verified or audited
- Some revenues included in total figures are based on publically available ad revenues



# 2019 direct submissions



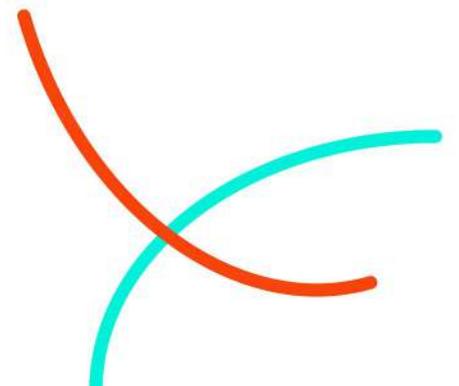
## Modelled revenue

- Modelling of UK ad revenues for:



As well as: Global, Archant, DAZN, Racing Post, Taboola, Outbrain, Blis, LoopMe, VI, Admaxim, Informa, Sizmek, The Trade Desk, Groundtruth, YuMe, Mediamath, SuperAwesome, MVF, MyOffers, Quidco

- Modelling is aided by [the IAB / PwC Advisory Board](#) and corroborated with additional [3rd party data](#) and [industry interviews](#)
- Revenues for video advertising on online TV broadcaster websites and apps are based on WARC estimates
- Except for the above companies, reported figures have not been adjusted for organisations that did not participate in the survey



# IAB / PwC Advisory Board

groupm



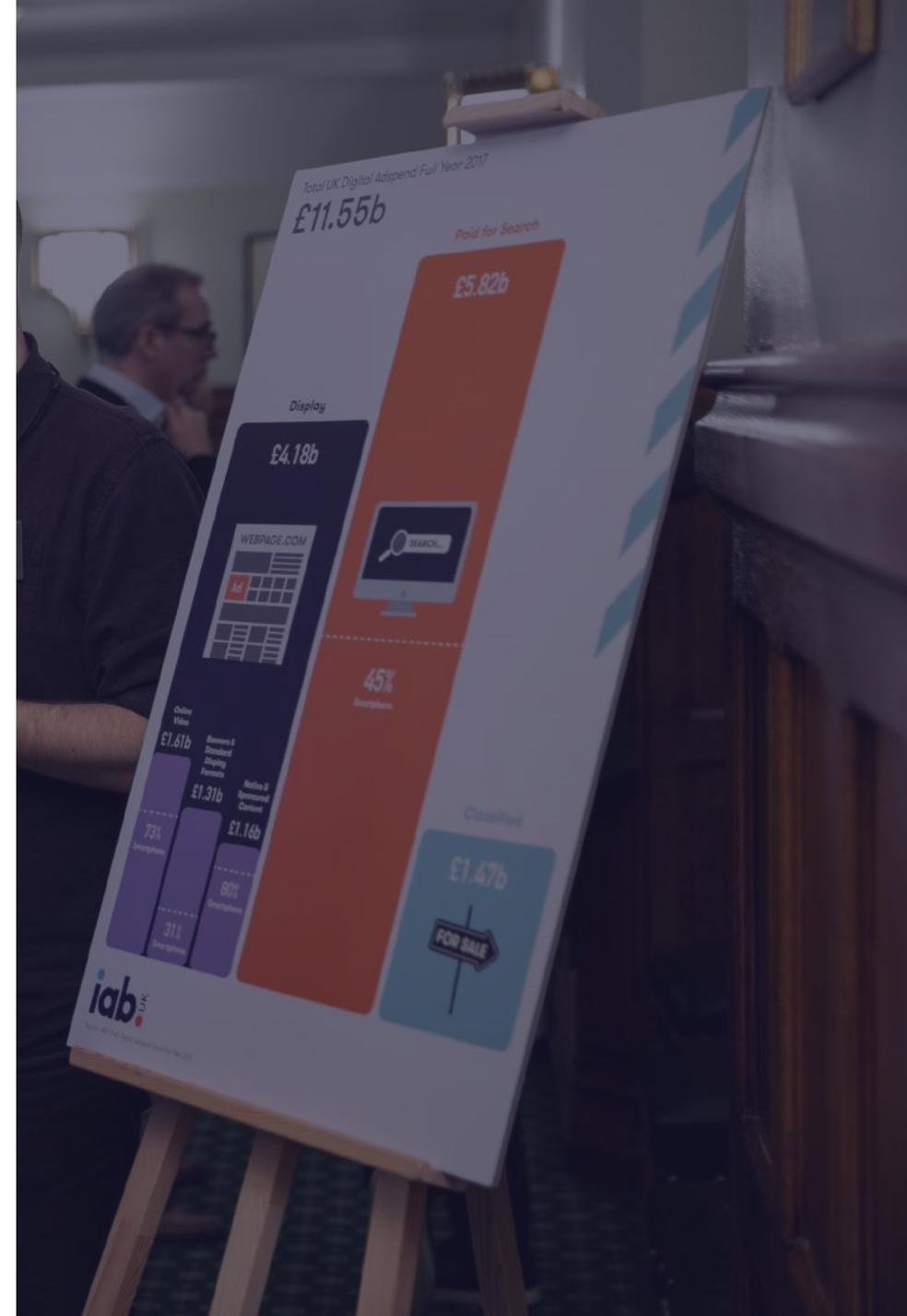
Manning Gottlieb | 

Wavemaker

iab<sup>UK</sup>



ENDERS | ANALYSIS



## Methodology notes

### Adjustments

- Figures are **adjusted for double-counting**, based on information provided by survey submitters (e.g. a media owner's revenue overlapping with an intermediary also submitting to the survey)

### Absolute growth

- Growth rates presented are based **on all revenues** included in the study. We have modelled revenues for companies with partial or missing submissions
- In previous years we have given like-for-like growth rates excluding companies that did not submit in either of the years

### Revenues

- Total digital advertising revenue (as presented in this report) is reported on a **gross** basis
- Participants are asked to provide UK only revenues (i.e. ad revenues generated in the UK with advertising served / intended for a UK audience)

## Restatements

Figures from previous waves of Adspend are restated, where needed, to offer the most accurate data possible

Restatements happen when new data points are available to help refine modelling, or when submitters provide more accurate historical data

2018 restatement - total market:



2018 recap — digital advertising reached

**£13.60 billion**

Paid for search:

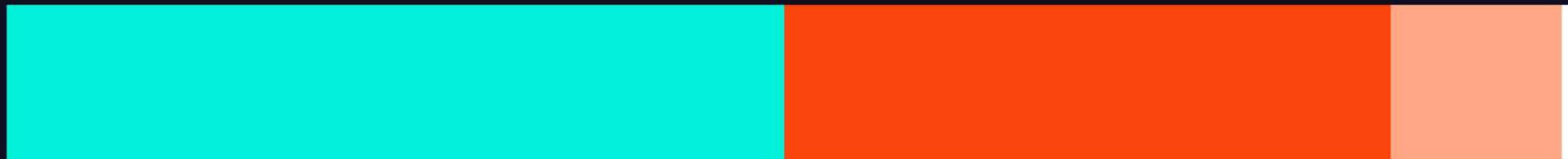
£6.79bn

Display:

£5.28bn

Classified:

£1.45bn



Other: £83 million

# 2.2 Headline Results



The total UK digital market in 2019

£15.69bn

An increase of  
£2.09bn  
year-on-year

15.4% increase

# The total market excluding the largest 5 companies grew 2%



Largest 5 companies 77%

Rest of market 23%

Year-on-year growth:

Largest 5 companies +19.9%

Rest of market +2.0%

All +15.4%

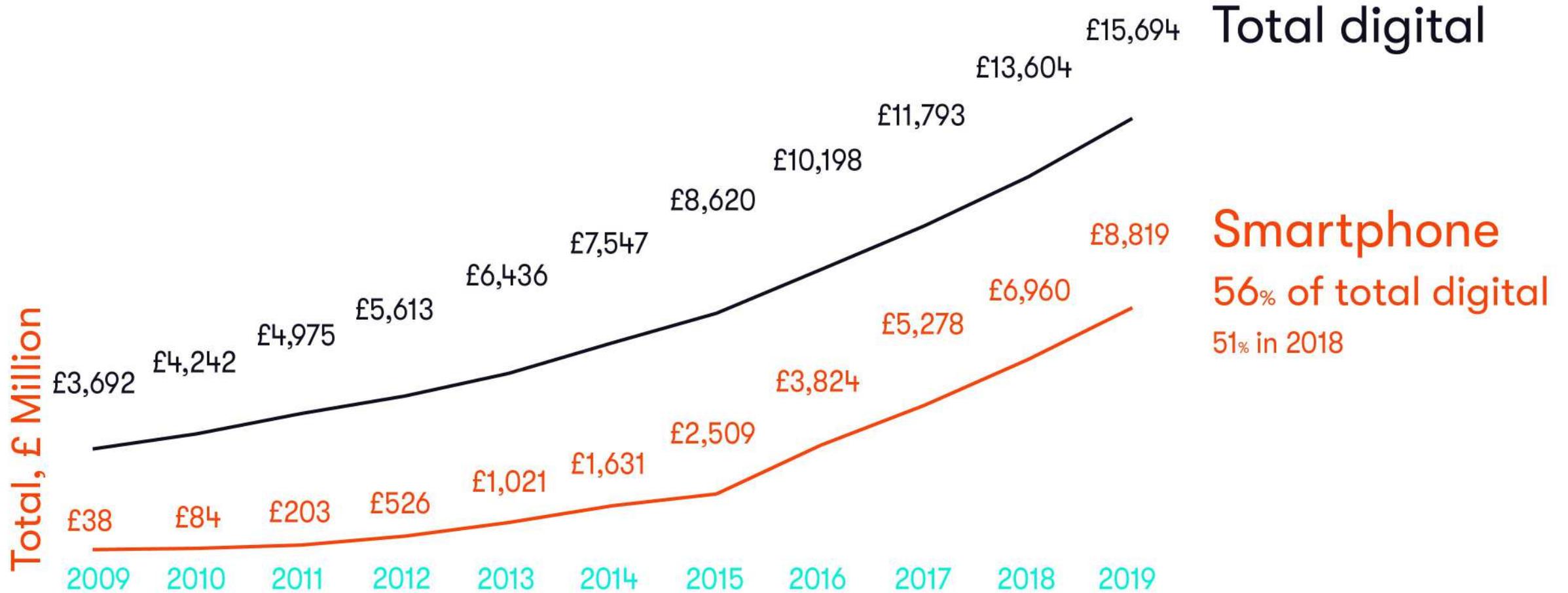
Almost all growth in 2019 is coming from smartphone

£8.82bn

An increase of  
£1.86bn year-on-year  
on smartphone

26.7% increase

# 56% of digital advertising is now on smartphone



## 2.3 The Digital Media Mix



# Which formats go where?

## Display:

Standard display banners

Native advertising (inc. in-feed and native distribution)

Paid sponsored content

Interruptive formats

Display ads on email

Tenancies

Pre-mid-post roll video

Outstream / social in-feed video

Video other

Affiliate display

Display other

## Search

Paid for search

## Classified

Recruitment classified

Other classified

## Other

Solus email

Audio advertising

Lead generation

Mobile SMS/MMS

Ads in or around games

# Search accounts for just over half of all online ad spend

Paid for search:

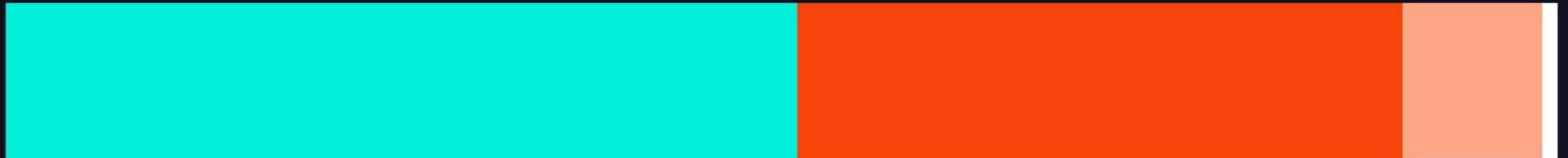
51%

Display:

39%

Classified:

9%



Other: <1%

2019 total £15.69bn

2018:

Search 50%, Display 39% Classified 11%, Other < 1%

# Smartphone is almost entirely display and search advertising

Paid for search:

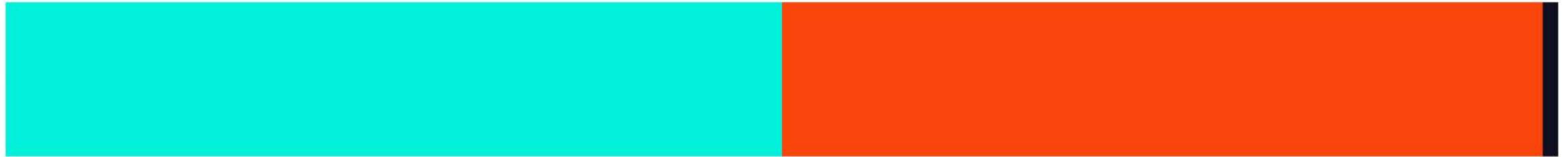
50%

Display:

49%

Classified / Other:

<1%



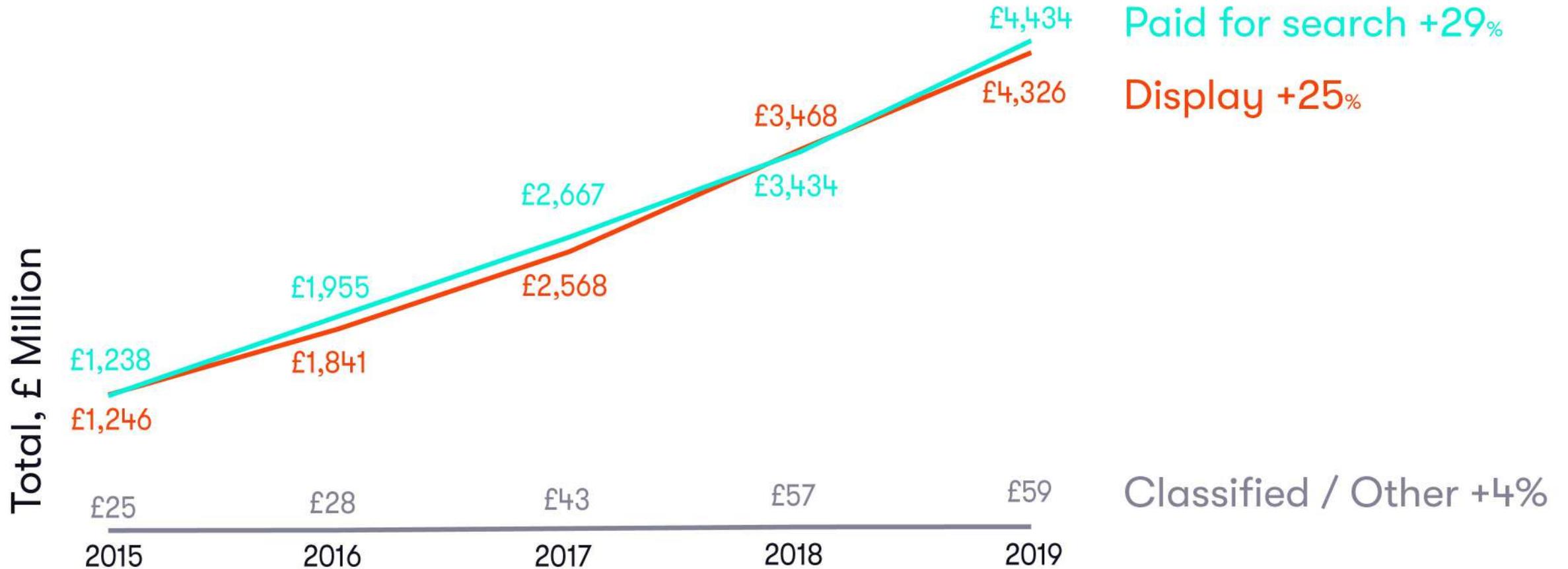
2019 Smartphone total **£8.82bn**

2018:  
Search 49%, Display 50%, Classified / Other < 1%

# Growth in paid for search accelerated to 18%



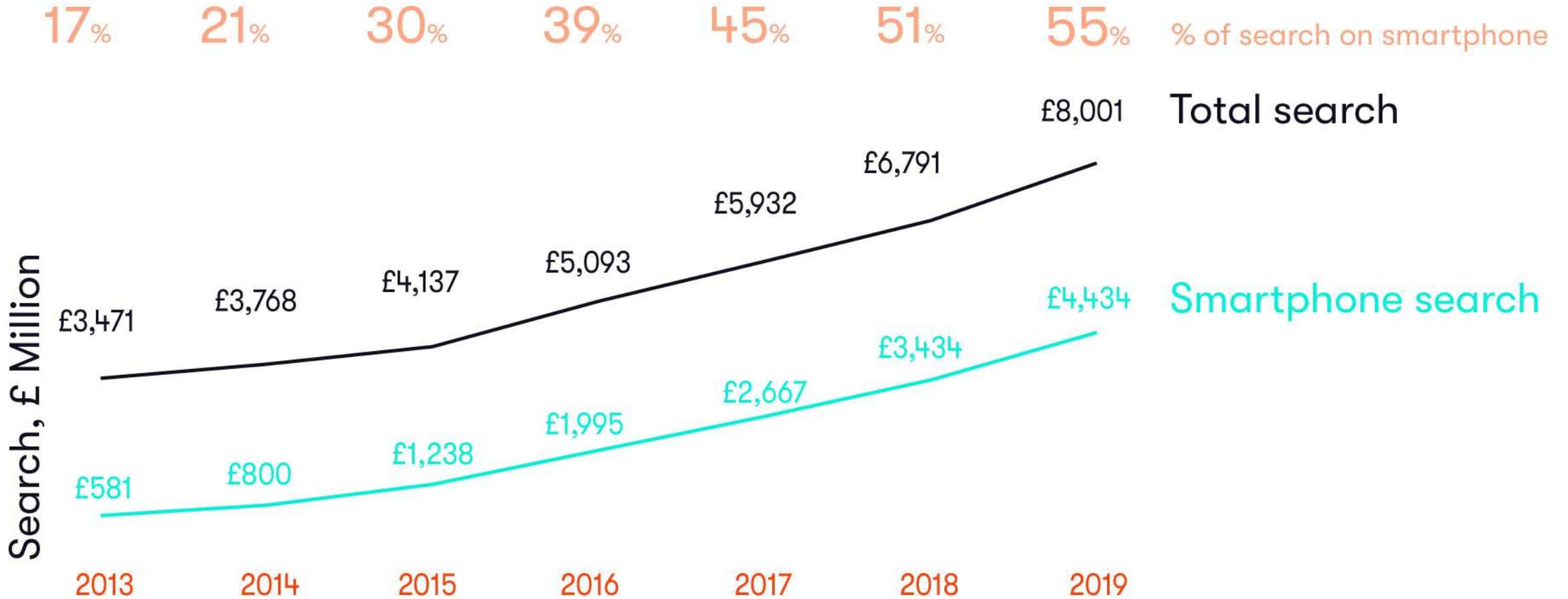
# Levels of spend on search and display are similar on smartphone



# Search



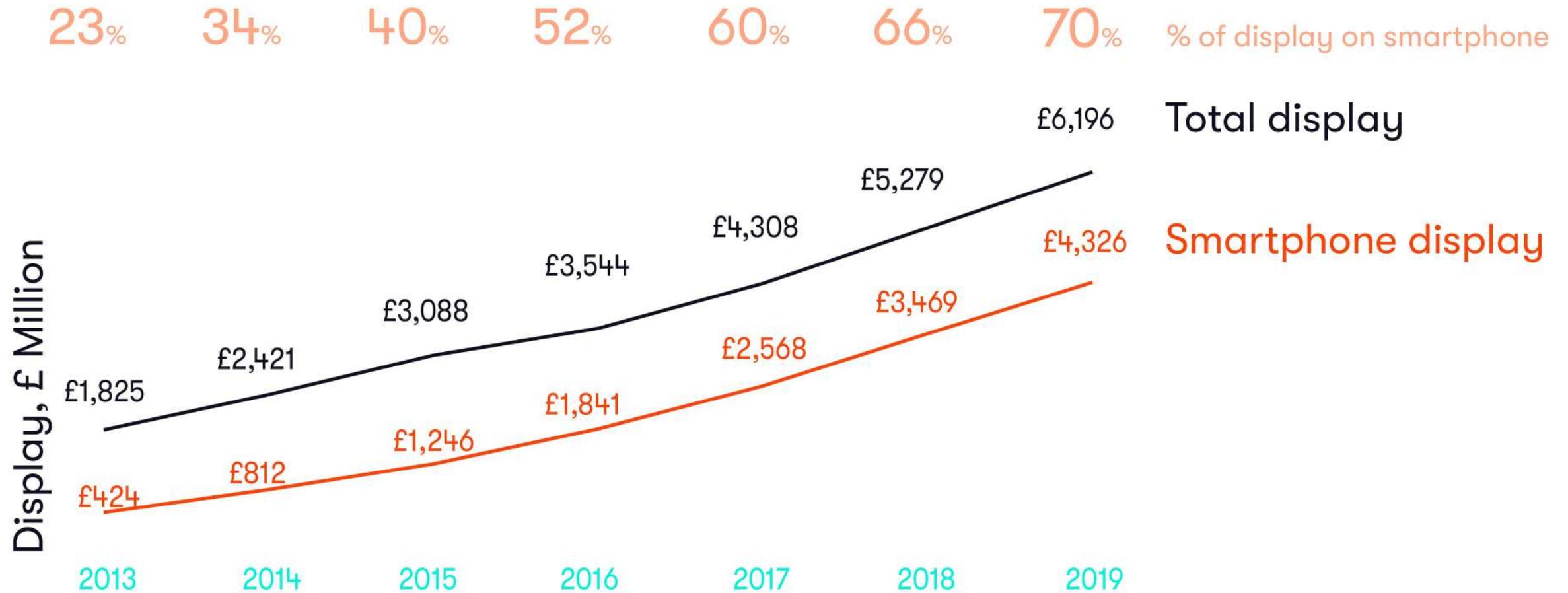
# 55% of all search spend is now on smartphone



# Display



# 70% of display is now on smartphone



# Video is the largest display format

Video:

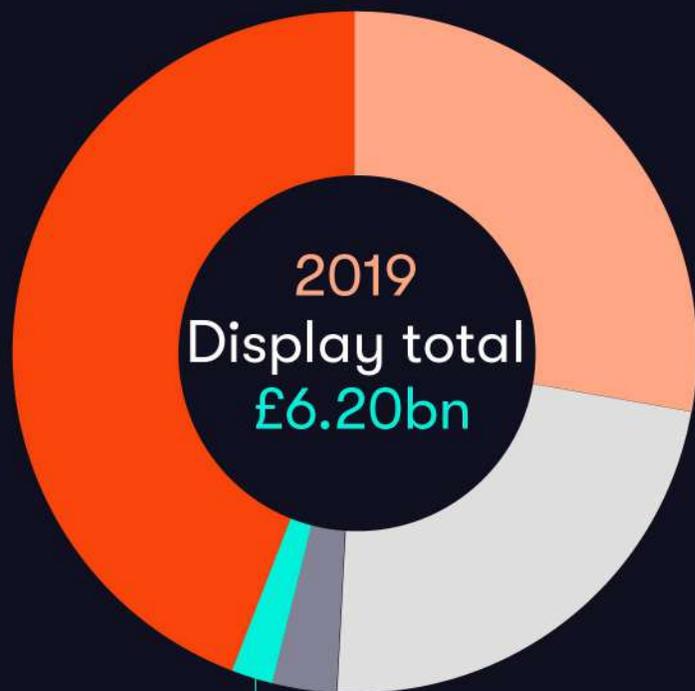
46%

£2,870m

Sponsored  
Content:

3%

£178m



Banners:

29%

£1,801m

Native\*

21%

£1,301m

Other:

>1%

£46m

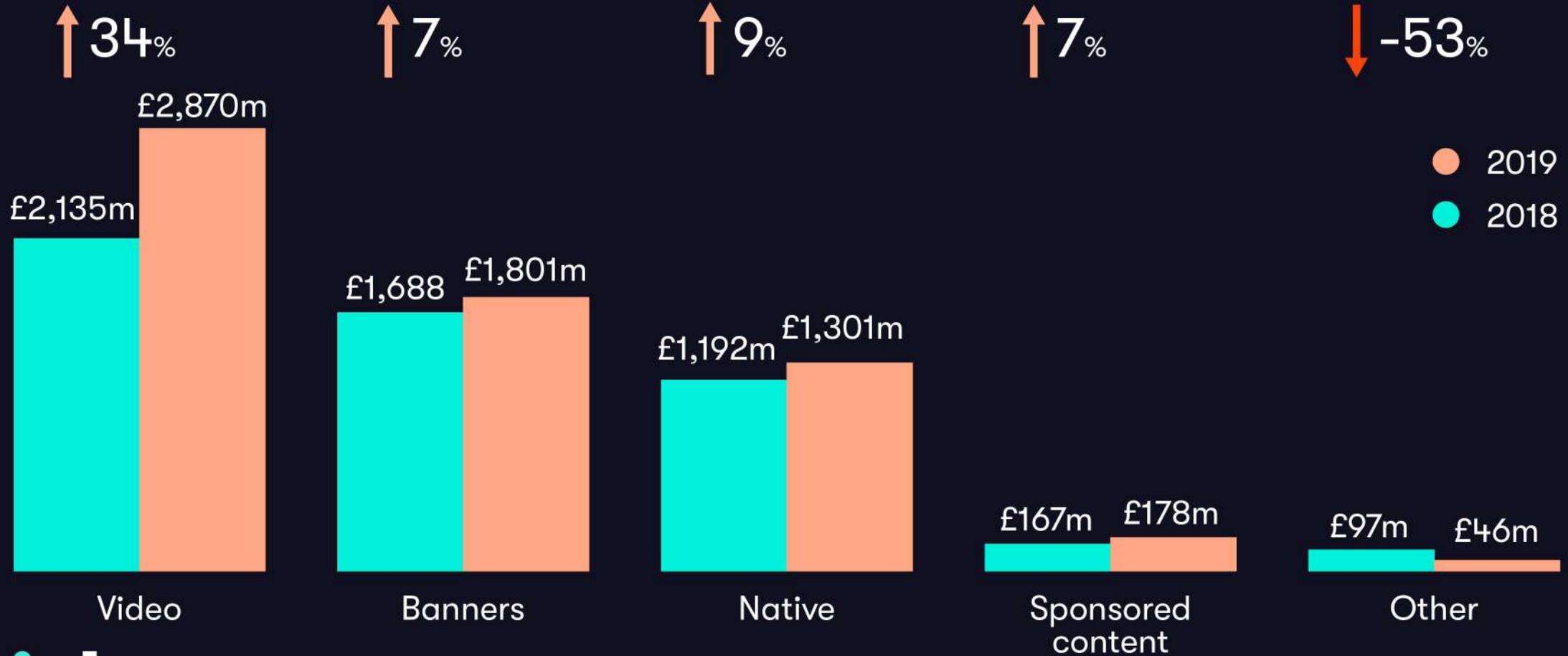


Other 0.2%, £12m

Tenancies 0.5%, £31m

Interruptive formats 0.1%, £3m

# Video is driving the majority of growth in display



# Over half of smartphone display is video

Video:

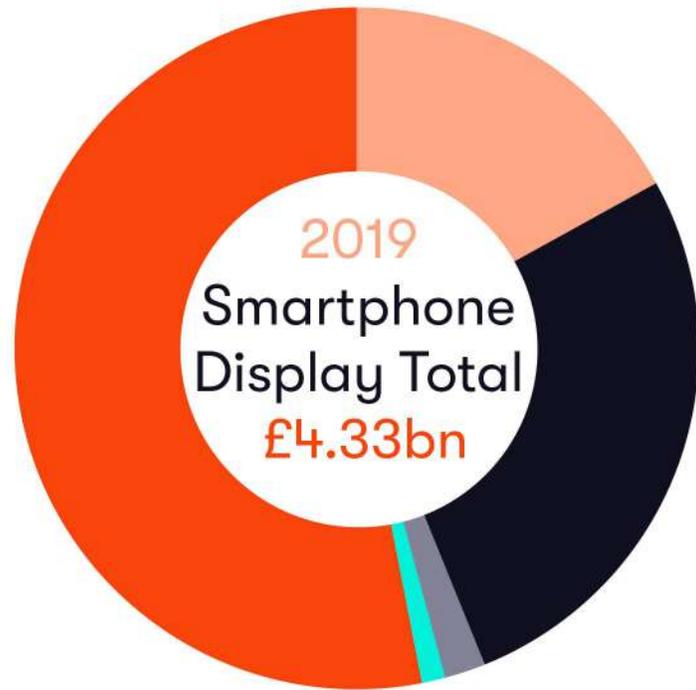
**53%**

£2,287m

Sponsored  
Content:

**2%**

£95m



Standard  
display\*:

**18%**

£775m

Remaining display  
formats\*\*:

**0.3%**

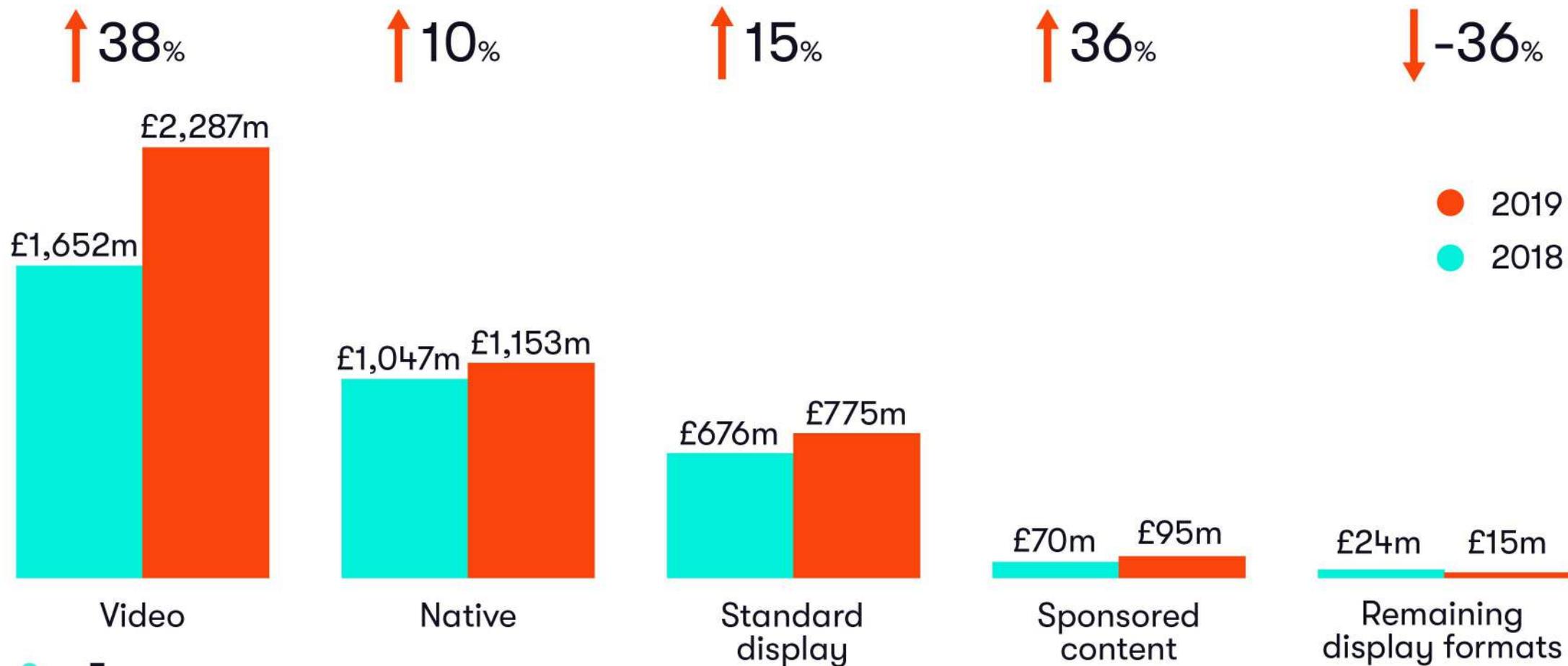
£15m

Native:

**27%**

£1,153m

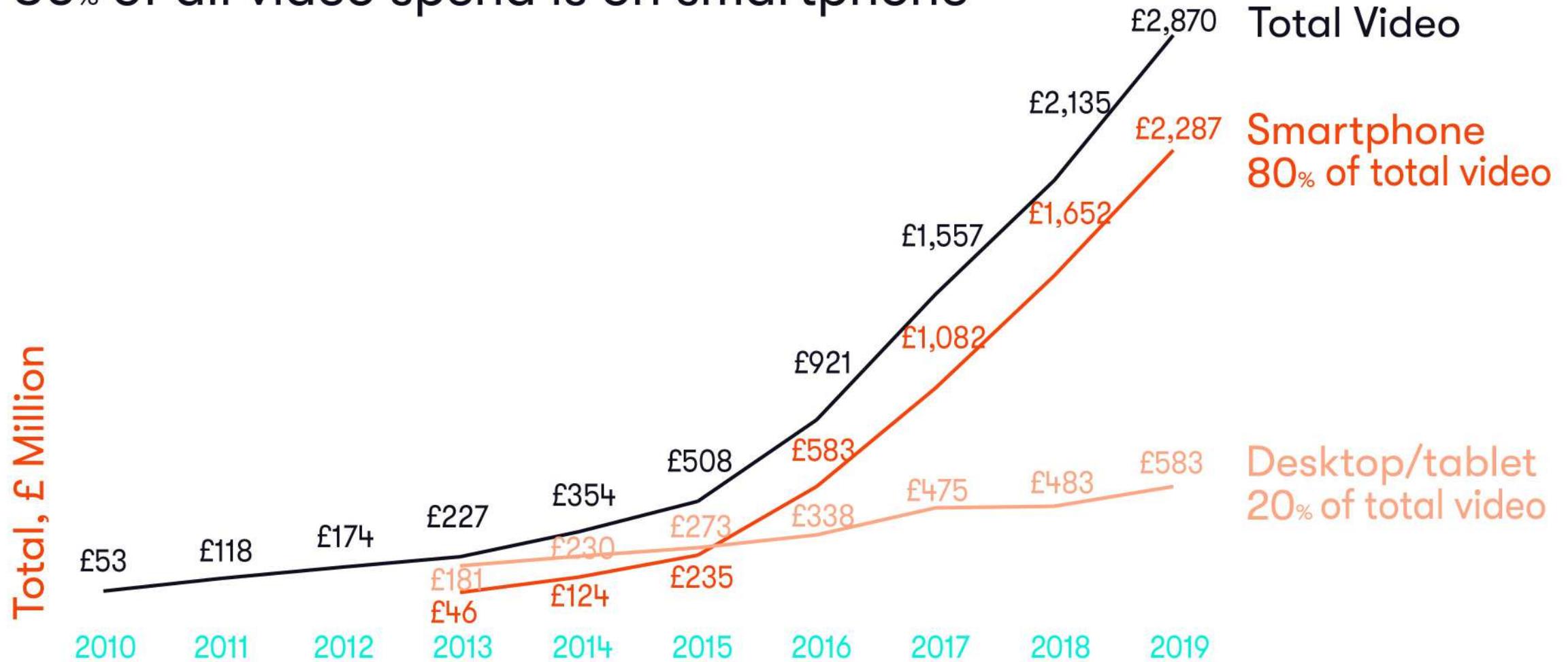
# Smartphone video shows strong growth



# Video

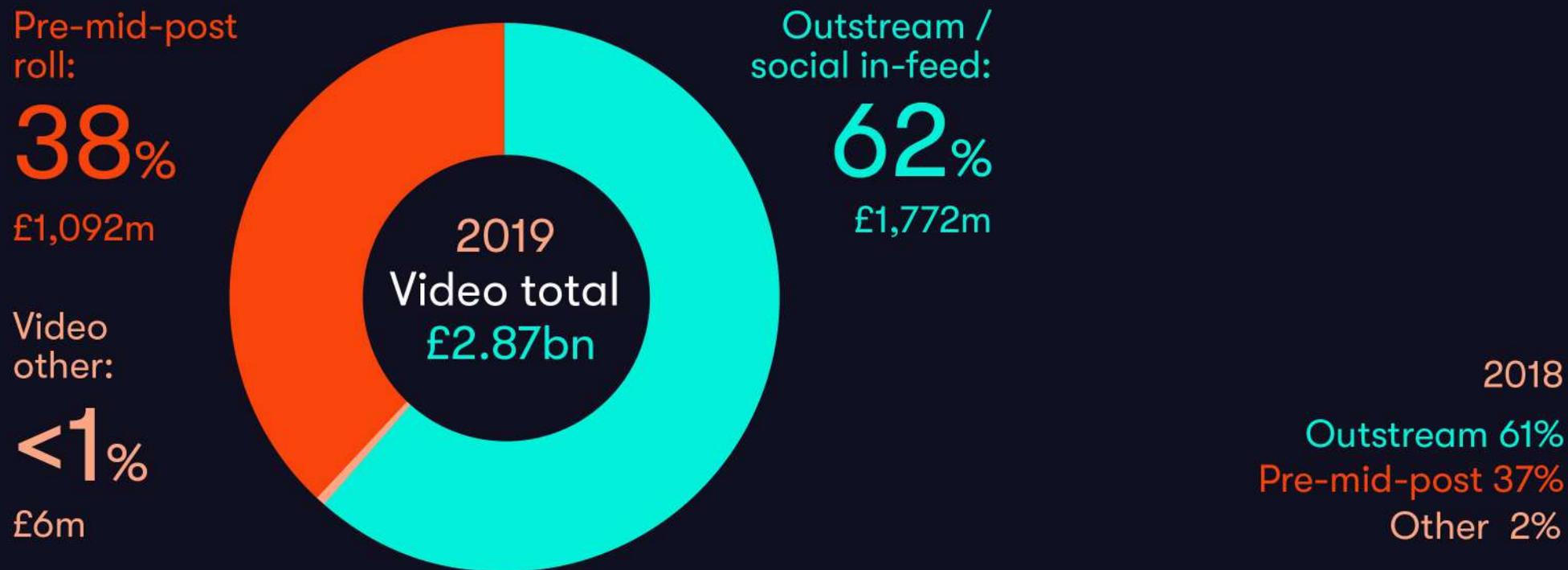


# 80% of all video spend is on smartphone



Total, £ Million

# Outstream is just under two thirds of all video spend



# Outstream grew by over £400m year-on-year



# 58% of pre-mid-post roll video is non-broadcaster VOD

Non-broadcaster VOD:

58%

£632m

Broadcaster VOD:

42%

£460m



2019 total pre-mid-post roll **£1,092m**

2018:

Non-broadcaster 51%

Broadcaster 49%

# Outstream over-indexes on smartphone

Outstream/social in-feed ●

Pre-mid-post roll ●

Video other ●

Desktop / Tablet video total: £583m



Smartphone video total: £2,287m



# Native



# The majority of native advertising is in-feed

Native distribution:

9%

£114m

In-feed:

91%

£1,187m



2019 total native **£1,301m**

2018:

Native distribution 9%

In-feed 91%

# Almost all native advertising on smartphone is in-feed

Desktop / Tablet total: £148m



Native distribution: 38% £56m

In-feed: 62% £92m

Smartphone total: £1,153m



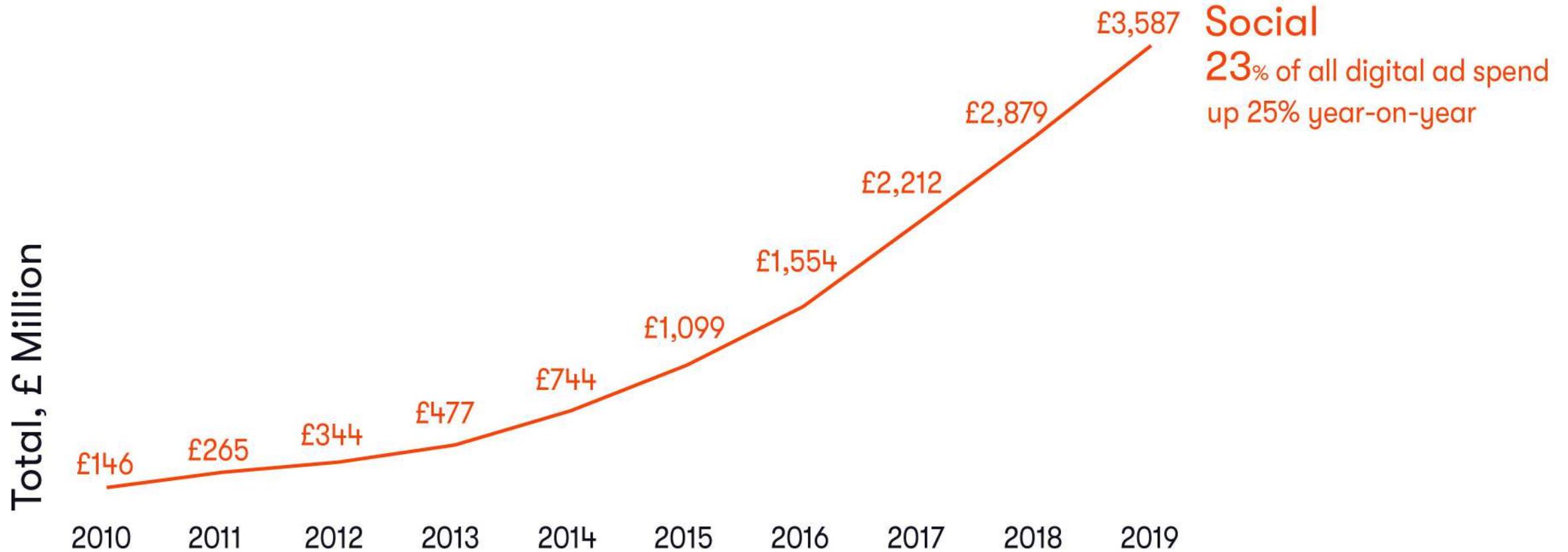
Native distribution: 5% £58m

In-feed: 95% £1,096m

# Social



# Social revenue is now £3.59bn, 23% of all digital ad spend



# 90% of all social spend is on smartphone

Smartphone:

90%

£3,216m

Desktop & tablet

10%

£371m



2019 total social **£3,587m**

2018:

Smartphone 88%

Desktop & tablet 12%

# 58% of all display is being served in a social environment

Non-social:  
**42%**  
£2,610m



Social:  
**58%**  
£3,587m

Non-social video:  
**21%**  
£608m



Social video:  
**79%**  
£2,262m

Non-social banners:  
**90%**  
£1,627m



Social banners:  
**10%**  
£174m

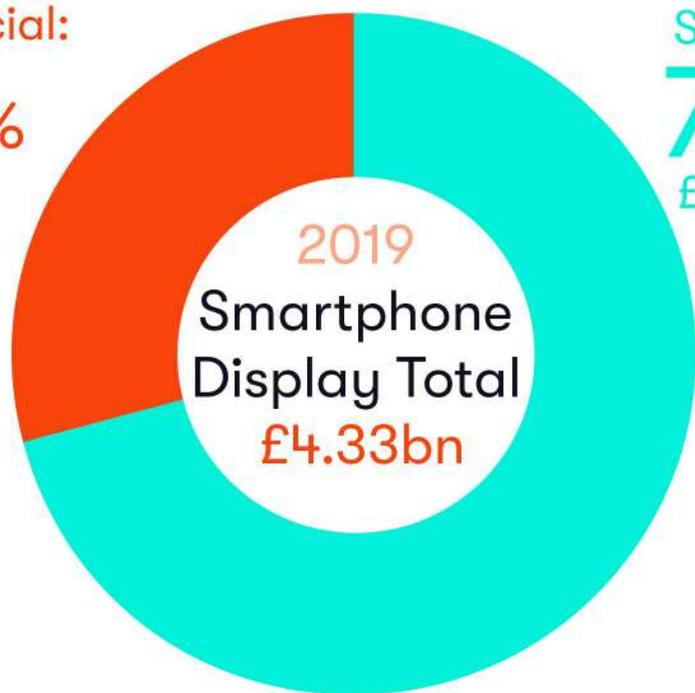
Non-social native:  
**12%**  
£151m



Social native:  
**88%**  
£1,151m

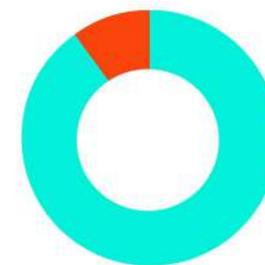
# 74% of all smartphone display is served in a social environment

Non-social:  
**26%**  
£1,110m



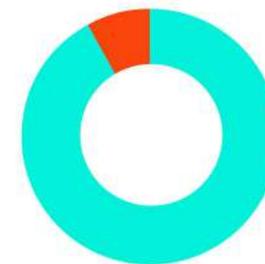
Social:  
**74%**  
£3,216m

Non-social video:  
**10%**  
£232m



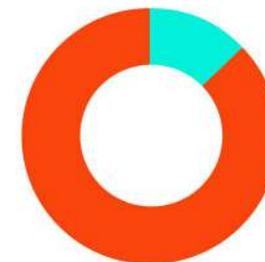
Social video:  
**90%**  
£2,055m

Non-social native:  
**8%**  
£87m



Social native:  
**92%**  
£1,067m

Non-social standard display\*:  
**88%**  
£681m

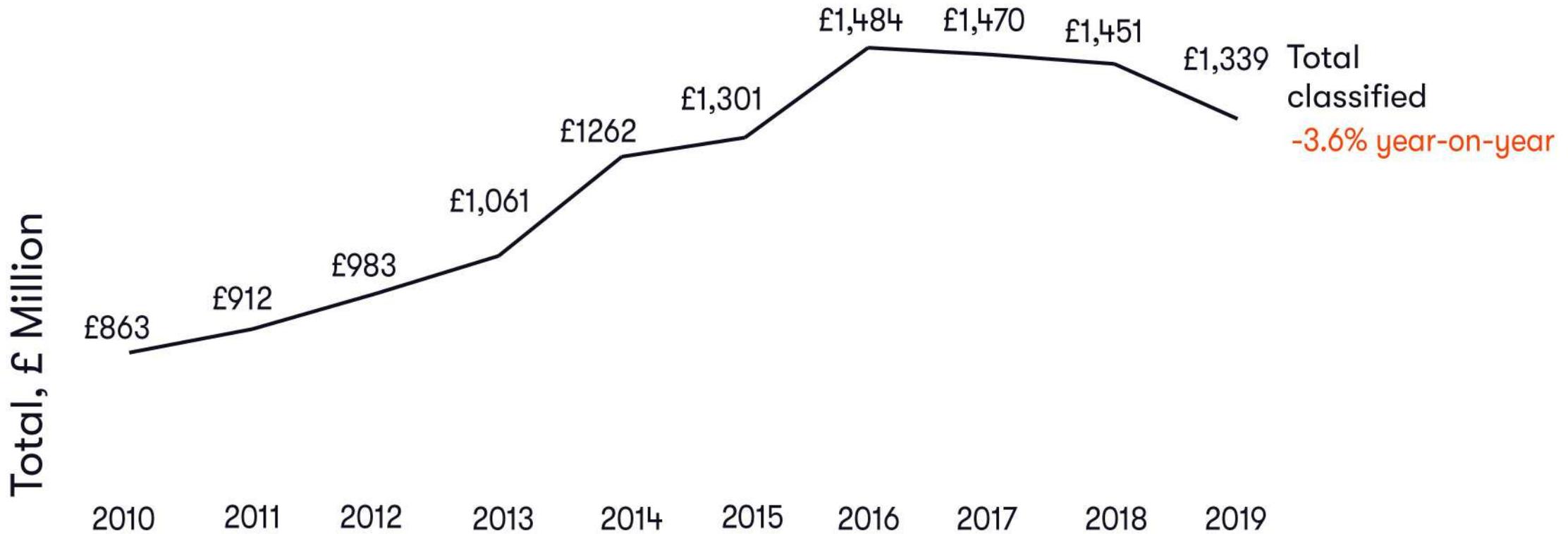


Social standard:  
**12%**  
£94m

# Classified



# Classified spend declined by 3.6% in 2019



# 2.4 Industry Sectors



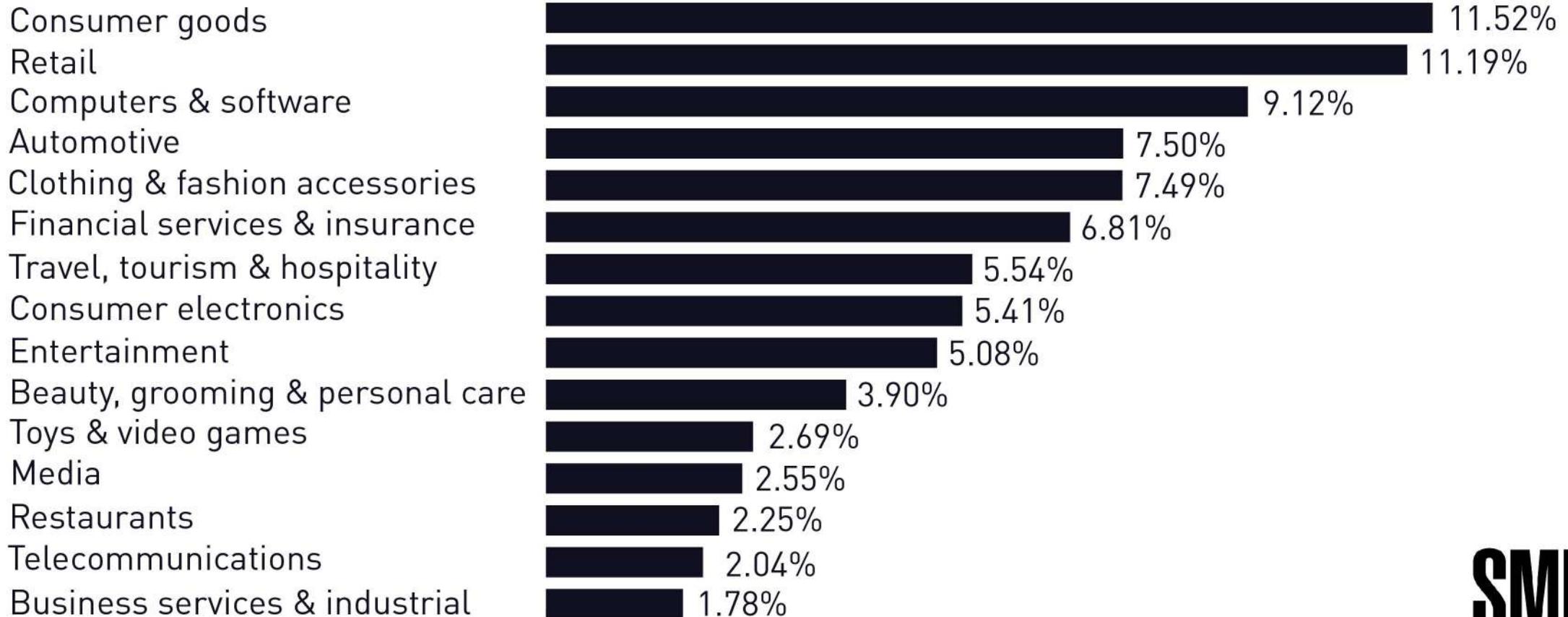
## Reported revenue

- Data collected from 5 out of 7 UK media agency groups
- Except for these groups, figures have not been adjusted for other organisations
- Display: all paid media space that isn't search
- Social: display advertising across all social networking sites
- Non-social display: display advertising across all non-social networking sites
- Paid for search data does not account for search bought directly (i.e. not through a media agency)

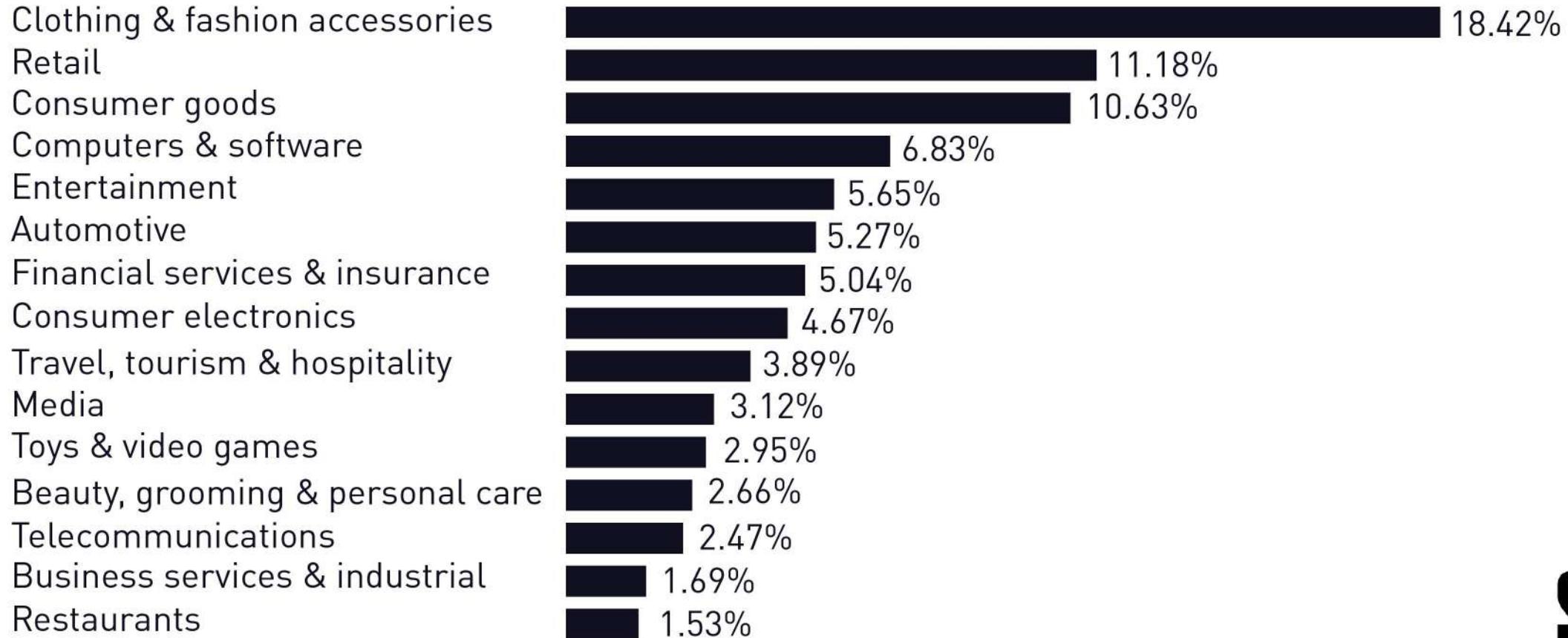
**SMI** | **STANDARD  
MEDIA  
INDEX™**

[www.standardmediaindex.com](http://www.standardmediaindex.com)

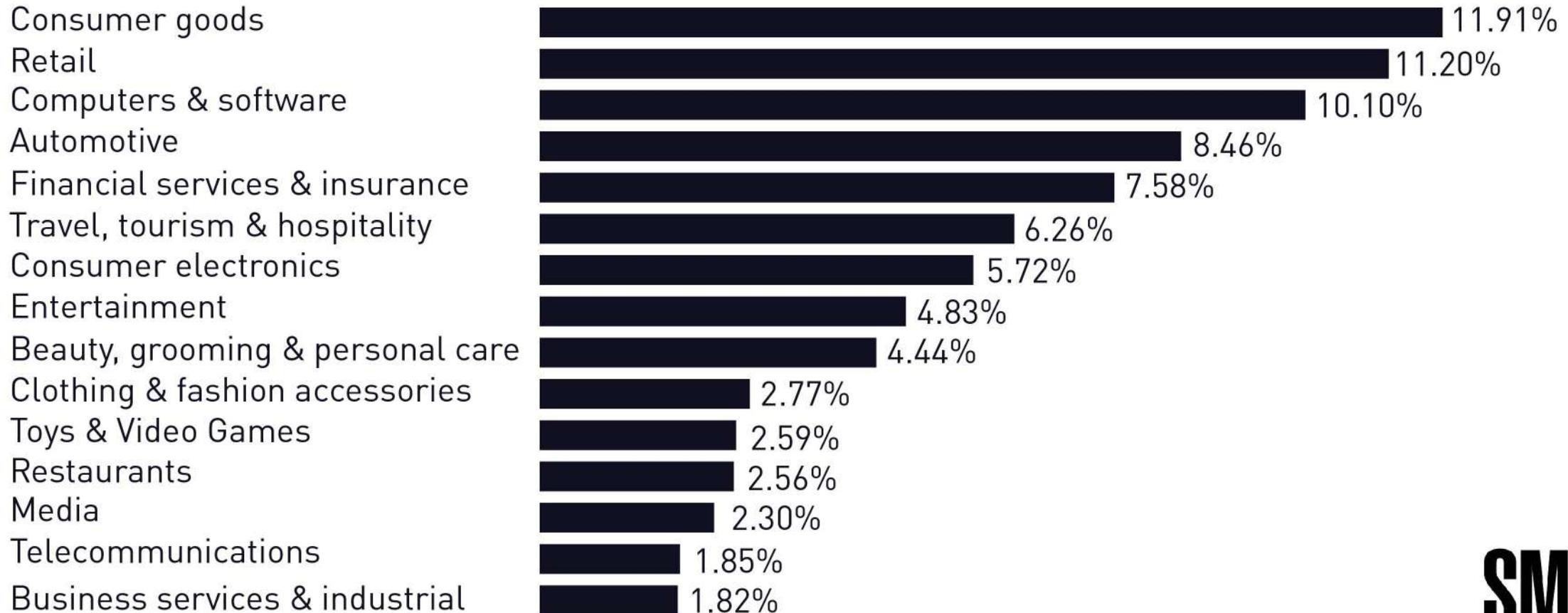
# Industry sectors: total display advertising



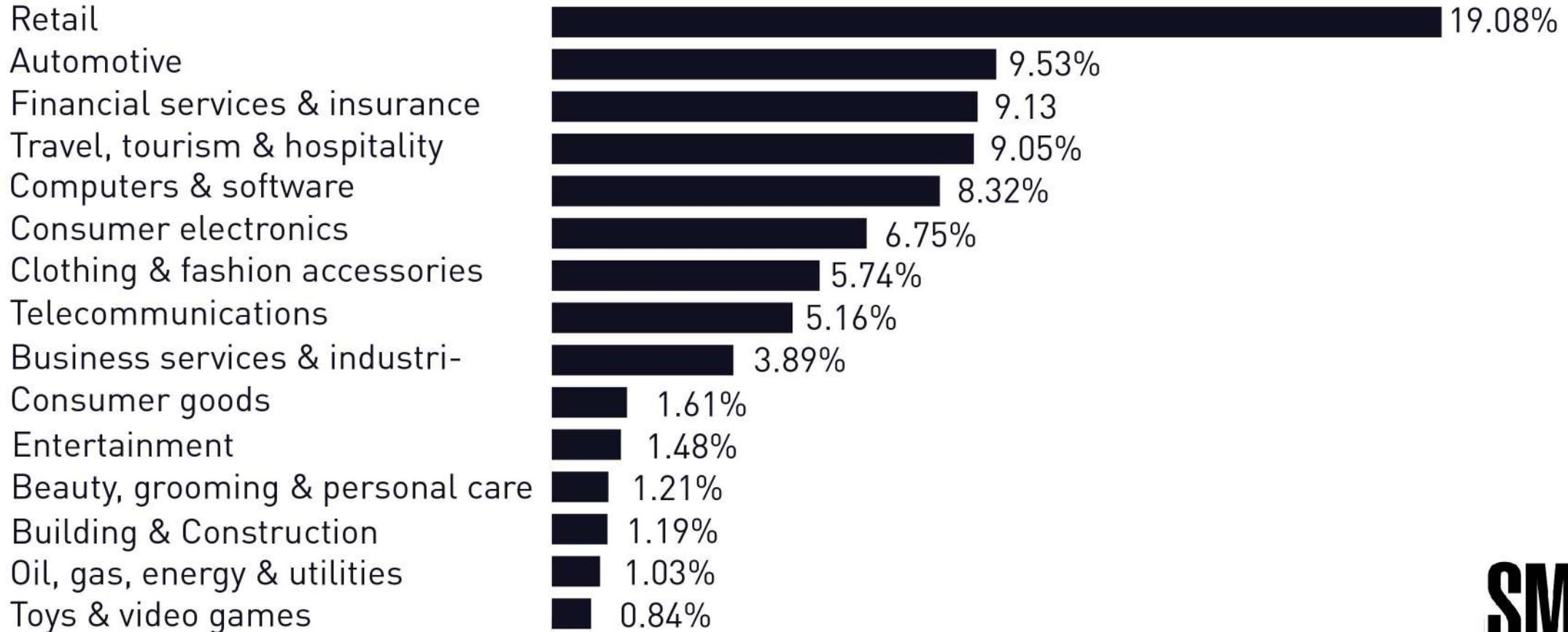
# Industry sectors: social networking sites only



# Industry sectors: content (display excluding social networking sites)



# Industry sectors: paid search



# 2.5 Forecast & Summary



## 2020 UK advertising forecast pre COVID-19

GroupM forecast (pre COVID-19)	Full year 2020 forecast
UK Advertising Market	+6.7%
Digital*	+11.1%
Display*	+10.1%
Search	+9.5%

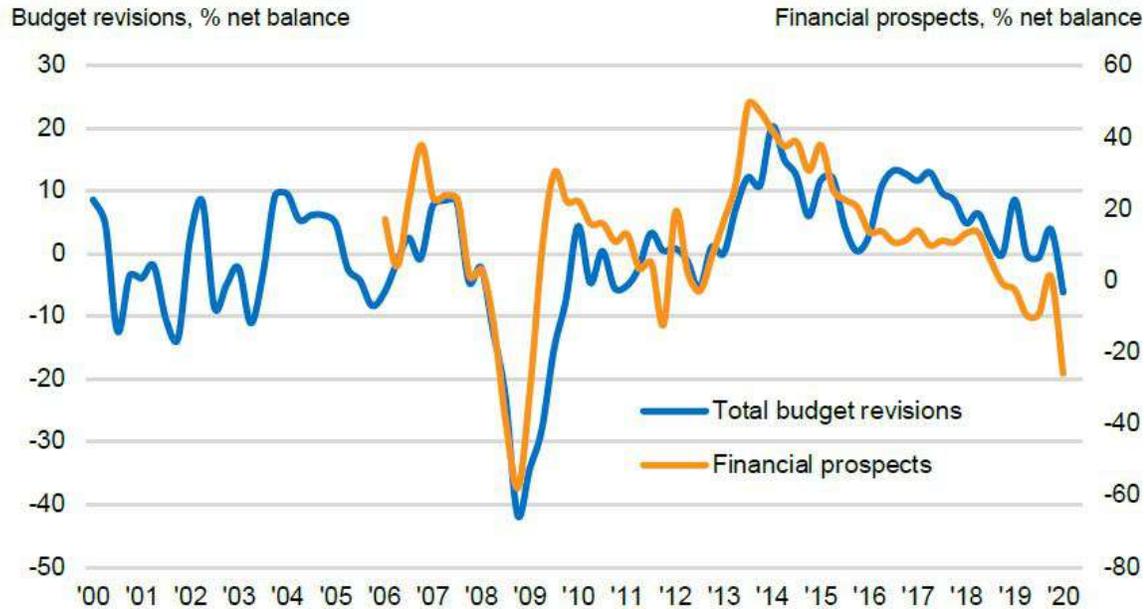
Martin Galvin, Digital Trading Director, **groupm**

“A market that was already feeling the impact of long-term Brexit uncertainty, has been hit further in the wake of COVID-19.

However, we remain realistically optimistic for H2 and beyond, with many businesses having a great opportunity to hold their nerve in order to gain disproportionate market share when we all come through this. What that pattern of demand will look like by then though will be almost impossible to predict.”

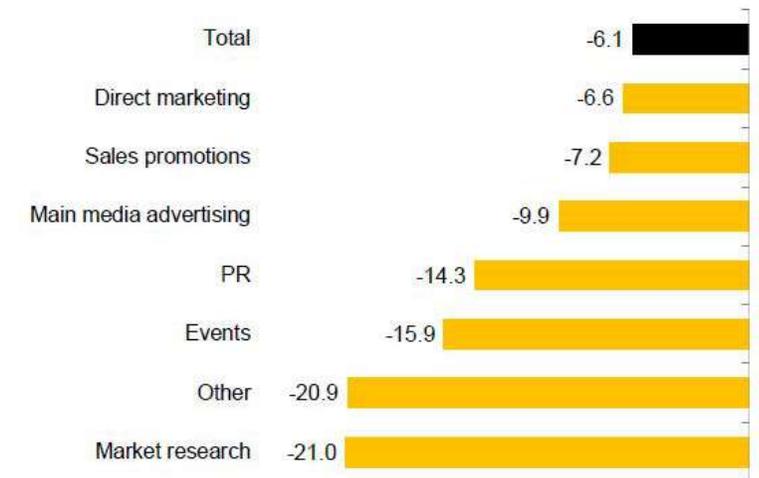
# 2020 UK marketing forecast – Q1 2020

Total marketing budgets and business confidence:



Breakdown of revisions to current budgets:

% of all companies reporting an upward revision to current budgets minus % reporting a downward revision.



Paul Bainsfair, IPA Director General, 

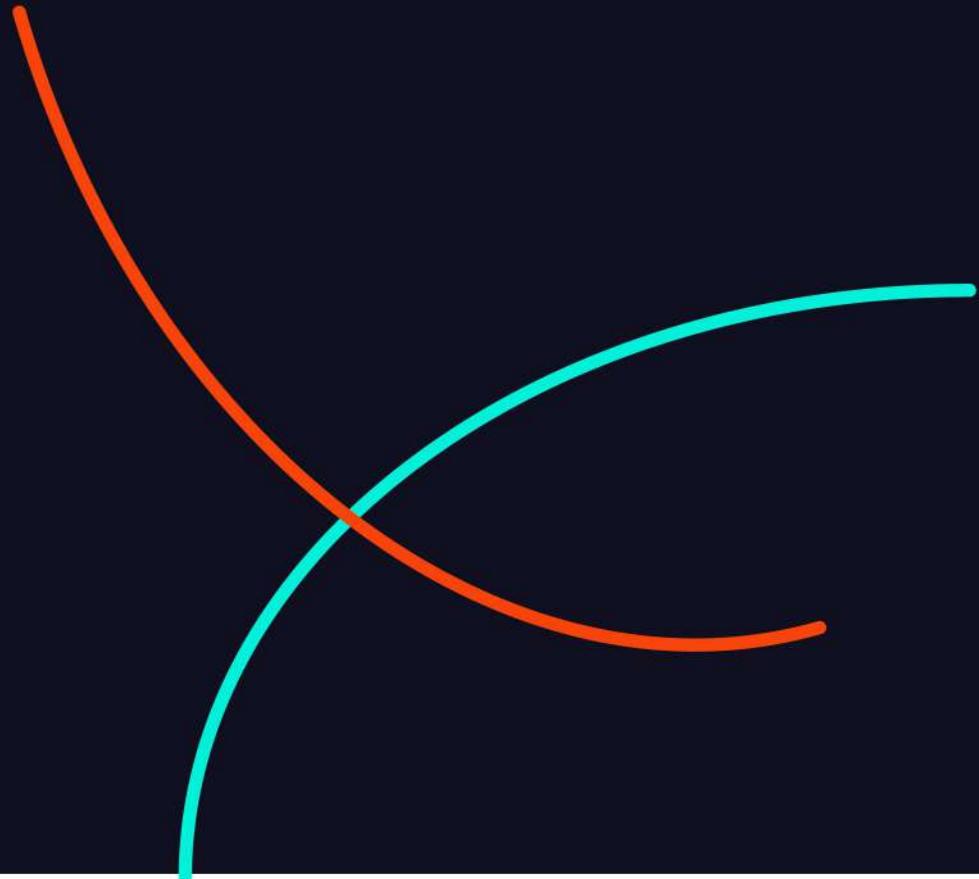
“These are undoubtedly the toughest overall trading times that any business and indeed any marketer will have ever experienced, but while we suspect the fuller, sharper extent of this global pandemic to be captured in Q2 data, the hope from this report is that we will see a more upbeat end to the year.”



## 2019 Summary

- The total UK digital advertising market in 2019 is worth **£15.69bn**
- **Smartphone** is driving almost all growth in the market, up **£1.86bn**
- At **£8.82bn**, smartphone now makes up **56%** of all digital spend
- Paid-for-search grew **18%** year-on-year
- Video is the largest display format at **46%**, up **34%** year-on-year
- Outstream / social in-feed formats now make up **62%** of all video spend
- **80%** of all video spend is on smartphone
- Social revenue is now **23%** of all digital spend

# 2.6 Appendix



# SMI industry sector definitions

## Automotive

Aftermarket Parts & Services : Auto Parts, Tires & Additives: Wheels, tires, lubricants, motor oil, filters, brake pads, batteries, auto accessories etc. Automotive Service & Repair: Mechanics, repair shops, car washes, auto service companies, auto review websites. Automotive Vehicles & Dealerships: Auto Dealers & Associations: Vehicle dealers & services, dealership associations (DAA) Motor Vehicles: Cars, SUVs, trucks, sedans, motorcycles, vans. Brand Examples: Ford; Toyota Dealers, Michelin; Pennzoil, Cars.com

## Beauty, Grooming & Personal Care

Hair Care: Hair dryers, hair straighteners, shampoos, conditioners, hair styling products, hair coloring products, hair salons, barbershops. Makeup, Fragrances & Grooming: Cosmetics, fragrances, colognes, makeup, lipstick, foundation, nail polish. Oral Care: Toothbrushes, toothpaste, mouthwash, dental floss, tooth picks. Personal Hygiene & Shaving: Aftershaves, shaving cream, electric razors, razor blades, products used for personal hygiene such as condoms, lubricants, tampons, sanitary napkins, diapers. Skin Care: Sunscreen, tanning lotions & creams, lip balms, all skin creams not used for a specific medical purpose or ailment (such as a non-prescription acne cream). Brand Examples: Head & Shoulders; Maybelline; Crest; Degree; Olay

## Building & Construction

Construction Equipment: Tractors, heavy duty machinery, construction companies, raw construction materials, concrete, paving, masonry, lumber, insulation, wallboard, roofing, siding. Paint & Home Improvement: Paint, brushes, finishes, coatings, portable hand and power tools, or equipment that would be used in the building or improving of any physical structures. Plumbing, HVAC & Bathroom Fixtures: Sinks, faucets, bathtubs, toilets, heating & cooling equipment Brand Examples: Benjamin Moore Paint; American Standard; Kohler

## Business Services & Industrial

Business, Courier, Legal & Management Services: Legal services, auction houses, funeral homes, courier services, consultants, other various business services. Consumer review websites that do not solely focus on another SMI Category. Employment & Recruitment Services: Recruitment or employment agencies or websites and services used for career development. Brand Examples: FedEx; Legalzoom; Monster.com; TheLadders. Manufacturing Materials & Equipment: Military & aviation equipment, chemical companies, aircraft manufacturers, and any type of electronics or machinery used for industrial production. Brand Examples: John Deere; Boeing

# SMI industry sector definitions

## Clothing & Fashion Accessories

Clothes & Apparel: Dresses, suits, dress shirts, formal wear, bridal wear, jackets, coats, jeans, pants, underwear, lingerie, socks, bras, hosiery etc. (excludes sports apparel & footwear). Fashion Accessories: Handbags, luggage, wallets, ties, belts, gloves, hats, scarfs, sunglasses and all other types of fashion accessories. Jewelry & Watches. Shoes, Boots & Footwear: Casual & dress shoes, boots, sandals, slippers, and other types of non-sports related footwear. Brand Examples: DKNY; Samsonite luggage; Omega watches; Hunter boots

## Computers & Software

Internet & Software Companies: Software, technology, data storage, networking services & equipment, social networking companies. Brand Examples: Facebook; Oracle; Salesforce. PCs & Laptops: Computers, hardware, computer components. Printers & Office Machines: Printers, scanners, ink, office machine peripherals, multi-function office machines, copiers, label-makers etc.

## Consumer Electronics

Cameras & Camcorders. Portable Electronic Gadgets: iPods, MP3 players, portable media players, navigation/GPS systems. Smartphones & Tablets: Mobile phone or hand held mobile tablets built on a mobile operating system, with more advanced computing capability connectivity than a feature phone. TVs & Home Entertainment Equipment: TVs, DVD players, home theatre sound system equipment, speakers, Blu-ray players. Brand Examples: Dell; Canon Powershot; Canon Pnixma; iPod; Samsung Galaxy; LG TV

# SMI industry sector definitions

## Consumer Goods (Food produce, dairy, drinks, household supplies)

Cereals & Breakfast Foods: Hot & cold cereals, waffles, pancakes, bagels, muffins etc. Confectionary, Snacks & Dessert Items: Candy, mints, gum, chips, nuts, popcorn, pretzels, cookies, crackers, cakes, pies, pastries, donuts, ice cream, frozen yogurt, sorbet, popsicles, gelatins, pudding. Dairy, Produce, Meat & Baked Goods: Milk, butter, eggs, yogurt, sour cream, cheese, dairy products, dairy substitutes, fruits vegetables, meat, poultry, fish, sea food, hot dogs, bacon, sausage, grains, beans, breads, rolls Ingredients, Condiments, Mixes & Seasonings: Sugar, salt, pepper, jellies, jams, preserves, Peanut butter, mayonnaise, sandwich spreads, marinades, seasonings, spices, extracts, pickles, relish, salad dressing, cooking oils, syrup, honey. Prepared & Frozen Foods/Meals: Soups, pasta, pasta dishes, prepared dinners & entrees, baby food, frozen foods Brand Examples: Cheerios; Snickers Chocolate; Sugar in the Raw; Green Giant frozen foods. Bottled & Enhanced Water: Bottled water, vitamin water, sparkling water, flavoured water. Coffee & Tea. Juice & Flavored Beverages: Fruit juice, vegetable juice, orange juice, apple juice, Kool-Aid, Capri Sun and other types of flavored beverages. Soft Drinks: Soda, pop, carbonated & non-carbonated soft drinks, diet and regular soft drinks. Sports & Energy Drinks. Brand Examples: Vitamin Water; Tropicana; Gatorade; Lipton Tea; Coca-Cola; Red Bull. Beer & Ale: Beer, lager, cider, light beer, breweries. Liquor & Spirits: Whiskey, brandy, cognac, cordials, liqueurs, gin, rum, tequila. Wine & Champagne: Wine, champagne, wineries, vineyards, wine coolers Brand Examples: Budweiser; Jack Daniels; Yellowtail. Air Fresheners & Cleaning Products: Air fresheners, disinfectants, kitchen and bathroom cleaning products Disposable Paper Goods: Paper towels, toilet paper, napkins, tissues, paper cups and plates. Laundry & Dishwashing Preparations: Laundry detergent, bleach, dishwashing soaps, fabric softener, and other laundry and dishwashing preparations. Pet Food & Care: Cat food, dog food, pet food, pet vitamins, cat litter, leashes, cages, collars, pet medication and other pet care products. Brand Examples: Febreze; Charmin; Dawn; Pedigree Miscellaneous. Household Supplies & Services: Batteries, etc.

## Entertainment

Books: Book publishing houses, actual book titles, electronic books. Motion Pictures: Theatrical movie releases. Online Ticketing & Entertainment Websites. Pre-recorded media content: DVDs, home videos, CD's, pre-recorded music or non-internet based video. Spectator Sports, Concerts & Live Entertainment: Professional sports team, athletic leagues, opera houses, symphonies, music concerts, festivals, museums, zoos, live entertainment etc. Brand Examples: Little Brown & Co.; Avengers Age of Ultron (Theatrical Release); Fandango; Spotify; NY Giants

## Financial Services & Insurance

Banking: Banks, financial exchanges, boards of trade, savings & checking accounts, mortgages, personal loans & corporate loans / lending. Credit Cards: Credit cards, credit card companies, traveler's checks, bank gift cards. Investment Products & Services: Stocks, Bonds, Mutual Funds, Retirement Accounts, Pensions, Asset management & other forms of investments. Brand Examples: HSBC; Capital One; American Express; Charles Schwab. Insurance: automobile, life, home, health, dental & any other form of insurance Brand Examples: Geico; Allstate; Liberty Mutual

# SMI industry sector definitions

## Health & Medical

**Health/Fitness Facilities & Services:** Gyms, fitness centers, diet programs, and health-related websites  
**Supplements & Vitamins:** Vitamins, minerals, weight loss, health & nutritional supplements not sold in food form. Brand Examples: NY Sports Club; LA Fitness; South Beach Diet; Centrum.  
**Medical Equipment & Facilities:** Hospitals & Medical Centers: Hospitals, health service centers, nursing homes, doctors, veterinarians, medical centers, hospices.  
**Medical Equipment & Supplies:** Medical equipment, heart monitors, pregnancy tests, first aid equipment, bandages, braces, crutches, contact lenses, hearing aids, canes, walkers, and any other piece of medical equipment or device needed to treat or manage a medical problem or ailment. Brand Examples: First Response; Acuvue

## Media

**TV Networks:** Cable and Network television stations, and TV networks/channels Brand Examples: HBO; AMC; CBS; CW  
**Magazines:** Consumer, trade, weekly, monthly, annually, bi-annually, quarterly, and all other forms of print publications in a magazine format.  
**Media Websites & Content Providers.**  
**Newspapers:** Dailies, local, community papers, and all other forms of print publications in newspaper format  
**Radio:** Satellite, terrestrial, digital, local, national, syndication, college and or student radio. Brand Examples: Vogue; NYTimes; Sirius Radio

## Oil, Gas, Energy & Utilities

**Electricity & Water:** Electricity and water companies.  
**Gasoline & Oil:** Petroleum companies, gasoline, and oil companies.  
**Power & Energy:** Power & energy companies, Natural energy, windmills etc.  
Brand Examples: ConEd; BP; Exxon

## Organizations & Associations

**Charitable, Health & Humanitarian:** Charities, societies, institutions, associations.  
**Labor Unions & Advocacy Groups:** Non-government affiliated political groups, unions, lobbyist groups  
Brand Examples: Ronald McDonald House; United Way; Teachers Union; Corn Refiners Association

## Retail

**Department Stores:** Retail establishment which sells a wide range of durable good and products while offering consumers a wide variety selection amongst various merchandise lines at variable price points in all product categories. Brand Examples: Macy's; JCPenny; Dillard's.  
**Specialty Retailers:** Retail chains our outlets that specialize in one or more particular industries or segments Brand Examples: Gap; Victoria Secret; Sunglass Hut.  
**Discount Stores:** Wholesale clubs and discount retail establishments that sell a variety of goods at less than normal retail prices.  
**Online Retailers:** Retail stores that specialize or only participate in online sales.  
**Supermarkets, Convenience & General Stores.** Brand Examples: Coscos; Amazon; Duane Reade

# SMI industry sector definitions

## Toys & Video Games

Dolls & Action Figures: Action figures, figurines, dolls. Interactive Entertainment: Video games, video game manufacturers, video game websites, online and or internet games, video games consoles.

Toys & Games: Board games, card games, collector's cards, playing cards, various toys Brand Examples: Barbie; X-Box; Scrabble

## Travel, Tourism & Hospitality

Airlines: Commercial airlines. Cruise Lines: Commercial cruise lines. Excludes travel websites that may specialize in cruise vacations. Only cruise lines, Hotels & Casino Resorts: Includes both foreign and domestic luxury and lower class hotels, motels, hostels, casinos, destination resorts, and other forms of vacation and or temporary hospitality. Tourism Bureaus: Local & national government tourism bureaus, individual state and or city tourism campaigns and websites, local and or national CVBs. Travel Services & Websites: Various online travel booking and or review sites, travel agents, travel centers, car rental companies, tour companies, and other various forms of travel or vacation services. Brand Examples: Jet Blue; Royal Caribbean; Mohegan Sun; Aruba Tourism; Orbitz

## Restaurants

Casual & Upscale Dining: Steakhouses, non-chain restaurants, sit-down upscale fine dining establishments Brand Examples: TGI Fridays; IHOP; Olive Garden Ice Cream, Coffee & Pastry Shops, Bakeries, cafes, coffee houses, donuts shops etc. Pizza Eateries: Quick-Serve and or sit-down pizza specialty restaurants. Quick Serve Restaurants: Fast food, sit-down and or drive through restaurants Brand Examples:

Dunkin Donuts; Pizza Hut; McDonalds