

## Full Year 2012: Digital Advertising worth £5.4 billion

The IAB / PwC Digital Adspend Study, shows that digital advertising in the UK was worth £5.416 billion in 2012, up 12.5% on a like for like basis from £4.809 billion in 2011.

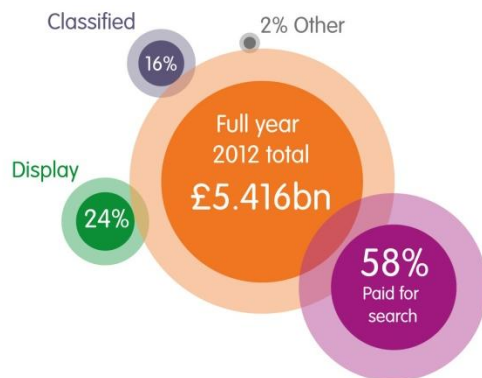
### Introduction

These are the topline findings from the IAB / PwC Digital Adspend Study, which includes online and mobile revenues, for full year 2012. Despite continued difficult economic conditions in 2012, the UK digital advertising market continues to show exceptional growth, by over £607 million, or 12.5% on a like for like basis, from 2011.

This tracking study, dating back to 1997, presents the official industry measure and acts as the barometer for the health of the market.

### Total Market Size

- Record Full Year Spend: Digital Adspend in 2012 reached £5,416 million (£5.4 billion).
- Growth: Spend on digital advertising grew by 12.5% year on year, on a like for like basis.



### Growth in Context

- Digital advertising grew by over £607 million.
- In addition to search, the growth is fuelled by mobile, video and display advertising in a social media environment.

### Advertising Categories

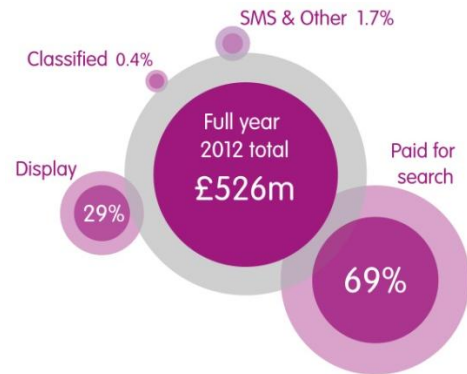
The online industry has experienced strong growth across all major format categories.

- Display:** Display advertising accounted for 24% of digital advertising in 2012, with £1,304 million spent across all display formats from Jan – Dec 2012.
- Search:** Paid-for listings maintained its position as the largest single category with a 58% share of the market. £3,168 million was spent on search in 2012.
- Classifieds:** Accounting for 16% of the market, classifieds continue to make up an important part of the share at £854 million for 2012.

- Other:** Lead Generation, Search Affiliate, Solus E-mail, Mobile SMS / MMS and Audio Advertising accounted for a 2% share of the market.

### Mobile

- Worth £526 million in 2012 – the mobile figures are included within the relevant category in the 2012 Adspend results.
- Mobile now accounts for 9.7% of all digital adspend compared to 1.1% in 2009.



### Analysis

The IAB tracks dozens of drivers that are maintaining the market and growth. Among them, the main catalysts include:

#### More people online:

According to data from comScore, on average more people went online each month in 2012 than in 2011. The average number of monthly internet users in December 2011 was 42.7 million which grew by 5% to 44.8 million in December 2012.

#### A nation of prolific internet users:

According to comScore data, internet users made an average of 78.1 visits per visitor and visited an average of 2,996 web pages per visitor in December 2012.

#### Smartphones owned by the majority:

According to data from comScore MobiLens, in the three month average ending January 2012, 51.3% of mobile phone owners owned a smartphone but by December 2012, this had increased to 64%.

A full presentation of the results, including industry breakdowns, is available for free to IAB members and study participants. This can be accessed in the Research section of the IAB website or by emailing us at [info@iabuk.net](mailto:info@iabuk.net). Non-members can obtain a PowerPoint copy of the full results for a charge of £1,000+vat. Email [info@iabuk.net](mailto:info@iabuk.net), or call 020 050 6969 to get your copy.