

## Full Year 2013: Digital Advertising worth over £6 billion

The IAB / PwC Digital Adspend Study, shows that digital advertising in the UK was worth £6.300 billion in 2013, up 15.2% on a like for like basis from £5.448 billion in 2012.

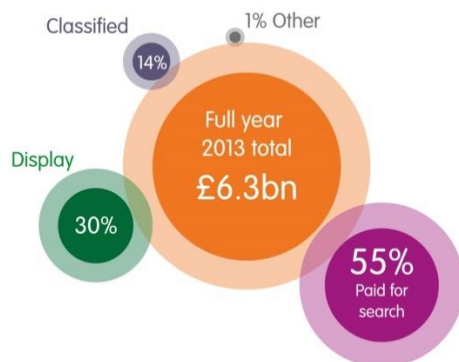
### Introduction

These are the topline findings from the IAB / PwC Digital Adspend Study, which includes online, mobile and tablet revenues, for 2013. With the UK economy growing at its fastest rate since 2007, the UK digital advertising market continues to show exceptional growth, by over £853 million, or 15.2% on a like for like basis, from 2012.

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 Spend: Digital Adspend in 2013 reached £6,300 million (£6.300 billion).
- Growth: Spend on digital advertising grew by 15.2% year on year, on a like for like basis.



### Growth in Context

- Digital advertising grew by over £853 million.
- In addition to search, the growth is fuelled by mobile, video and display advertising in a social media environment.

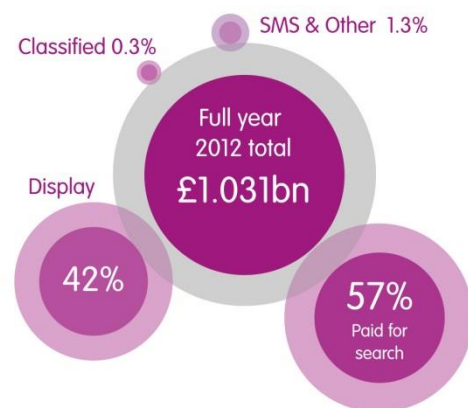
### Advertising Categories

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

- Display: Display advertising accounted for 30% of digital advertising in 2013, with £1,862 million spent across all display formats from Jan – Dec 2013.
- Search: Paid-for listings maintained its position as the largest single category with a 55% share of the market. £3,495 million was spent on search in 2013.
- Classifieds: Accounting for 14% of the market, classifieds continue to make up an important part of the share at £887 million for 2013.
- Other: Lead Generation, Solus E-mail, Mobile SMS / MMS and Audio Advertising accounted for a 1% share of the market.

### Mobile

- Worth £1.031 billion in 2013 – the mobile figures are included within the relevant categories in the 2013 Digital Adspend results.
- Mobile now accounts for 16.3% of all digital ad spend compared to 4.2% three years ago in 2011.



### 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 UKOM and comScore, more people are accessing the internet each month in 2013. The average number of monthly internet users (Multi Platform) in January 2013 was 46.0 million which grew to 48.6 million by January 2014.

#### A nation of prolific internet users:

According to a YouGov online survey undertaken between 31<sup>st</sup> March – 1<sup>st</sup> April 2014, 51% of Brits say they own a tablet (such as iPad or Kindle Fire), with two thirds of them saying its easier to go online using a tablet. The top three elements of people's lives that would be most affected without the internet or smartphone are 1) banking / finance, 2) keeping up with current affairs, and 3) relationships with friends and family.

#### Smartphones owned by the majority:

According to data from comScore MobiLens, in the three month average ending January 2013, 66% of mobile phone owners owned a smartphone but by January 2014, this had increased to 73%.

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.