

Full Year 2014: Digital Advertising worth over £7 billion

The IAB / PwC Digital Adspend Study, shows that digital advertising in the UK was worth £7.194 billion in 2014, up 14.0% on a like for like basis from £6.258 billion in 2013.

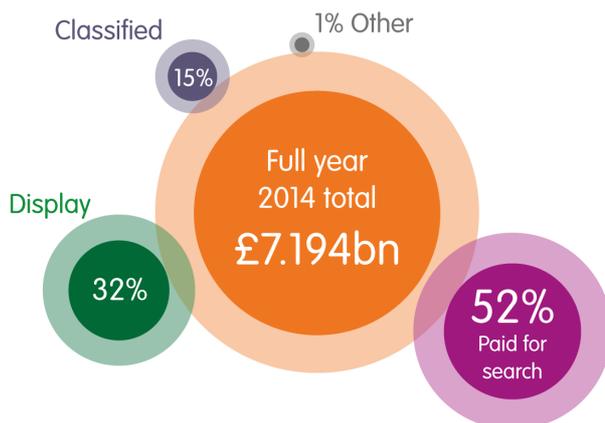
Introduction

These are the topline findings from the IAB / PwC Digital Adspend Study, which includes online, mobile and tablet revenues, for 2014. The UK digital advertising market continues to show exceptional growth, by over £936 million, or 14.0% on a like for like basis, from 2013.

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 2014 reached £7,194 million (£7.194 billion).
- Growth: Spend on digital advertising grew by 14.0% year on year, on a like for like basis.



Growth in Context

- Digital advertising grew by over £936 million.
- In addition to mobile, growth is fuelled by video, content and native including in-feed and display advertising in a social media environment.

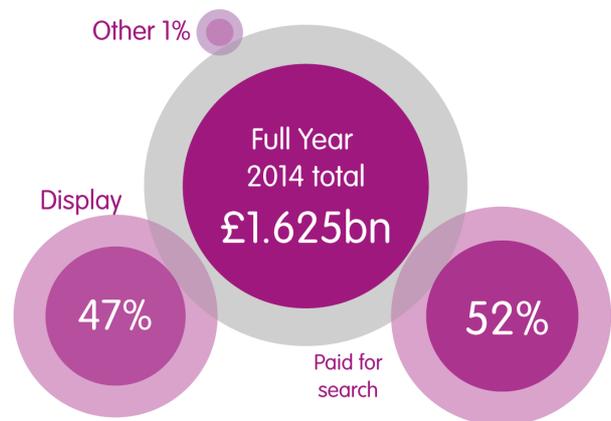
Advertising Categories

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

- Display:** Display advertising accounted for 32% of digital advertising in 2014, with £2,274 million spent across all display formats from Jan – Dec 2014.
- Search:** Paid-for listings maintained its position as the largest single category with a 52% share of the market. £3,773 million was spent on search in 2014.
- Classifieds:** Accounting for 15% of the market, classifieds continue to make up an important part of the share at £1,047 million for 2014.
- Other:** Lead Generation, Solus E-mail, Mobile SMS / MMS and Audio Advertising accounted for a 1% share of the market.

Mobile

- Worth £1.625 billion in 2014 – the mobile figures are included within the relevant categories in the 2014 Digital Adspend results.
- Mobile now accounts for over one fifth (22.6%) of all digital ad spend compared to just 2.0% five years ago.



Analysis

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

A nation of prolific internet users:

According to a YouGov online survey of 2,090 GB adults (aged 18+) undertaken between 16th – 17th March 2015, nearly four in ten (37%) British households bought a tablet in the last year. This brings the total number of internet connected devices in an average British household to 7.4 internet devices. Among Britons online, smartphones are the most common internet-enabled device, with an average of 1.7 devices per household, followed by laptops (1.3) and tablets (1.2). There are also 1.0 games consoles, 0.6 desktop computers and 0.5 connected TVs in the average British household.

Smartphones owned by the majority:

According to data from comScore Mobilens, in the three month average ending December 2014, 78% of mobile phone owners owned a smartphone up from 73% in the three month average ending in December 2013.

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. Non-members can obtain a PowerPoint copy of the full results for a charge of £1,000+vat. Email info@iabuk.net, or call 020 050 6969 to get your copy.