

Full Year 2015: Digital Advertising worth £8.6 billion

The IAB / PwC Digital Adspend Study, shows that digital advertising in the UK was worth £8,606 billion in 2015, up 16.4% on a like for like basis from £7.335 billion in 2014.

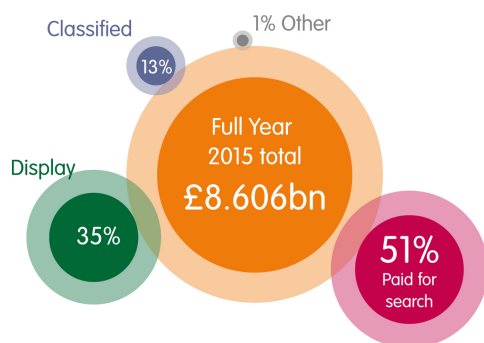
Introduction

These are the topline findings from the IAB / PwC Digital Adspend Study, which includes online, mobile and tablet revenues, for 2015. The UK digital advertising market continues to show exceptional growth, by over £1,271 million, or 16.4% on a like for like basis, from 2014.

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 2015 reached £8,606 million (£8.606 billion).
- Growth: Spend on digital advertising grew by 16.4% year on year, on a like for like basis.



Growth in Context

- Digital advertising grew by over £1,271 million.
- In addition to mobile, growth is fuelled by search, banners, video, content and native including in-feed.

Advertising Categories

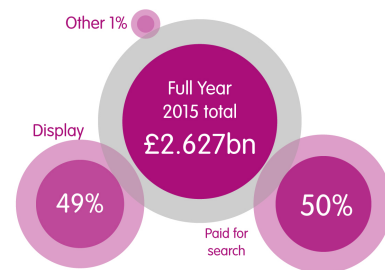
The share of digital advertising in each category has remained fairly steady in the online industry, with Display's share growing by 2 percentage points compared to 2014.

- Display:** Display advertising accounted for 35% of digital advertising in 2015, with £3,033 million spent across all display formats from Jan – Dec 2015. 60% of the display market is traded programmatically.
- Search:** Paid-for listings maintained its position as the largest single category with a 51% share of the market. £4,355 million was spent on search in 2015.
- Classifieds:** Accounting for 13% of the market, classifieds continue to make up an important part of the share at £1,115 million for 2015.

- Other:** Lead Generation, Solus E-mail, Mobile SMS / MMS and Audio Advertising accounted for a 1% share of the market.

Mobile

- Worth £2.627 billion in 2015 – the mobile figures are included within the relevant categories in the 2015 Digital Adspend results.
- Mobile now accounts for nearly a third (30.5%) of all digital ad spend compared to just 2.0% back in 2010.

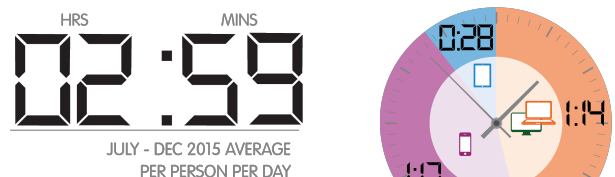


Analysis

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

More time spent online:

The IAB, UKOM and comScore have published a definitive figure on how long people actively spend online each day, to bring clarity to the market by removing any confusion around the conflicting sources claiming to measure time online. The average person spends 2 hours 59 minutes online per day; 41% on desktop, 43% on Mobile and 16% on Tablet:



Smartphones owned by the majority:

According to data from comScore Mobilens Plus, 74% of mobile phone owners owned a smartphone in December 2015.

Online Performance Marketing (OPM):

In addition to the £8.6 billion above the line spend captured in the Adspend study, we measure the OPM market at £1.3 billion, of which £953 million is incremental to the adspend total.