# IAB Europe Programmatic Market Sizing

IAB Europe and IHS Technology, September 2014

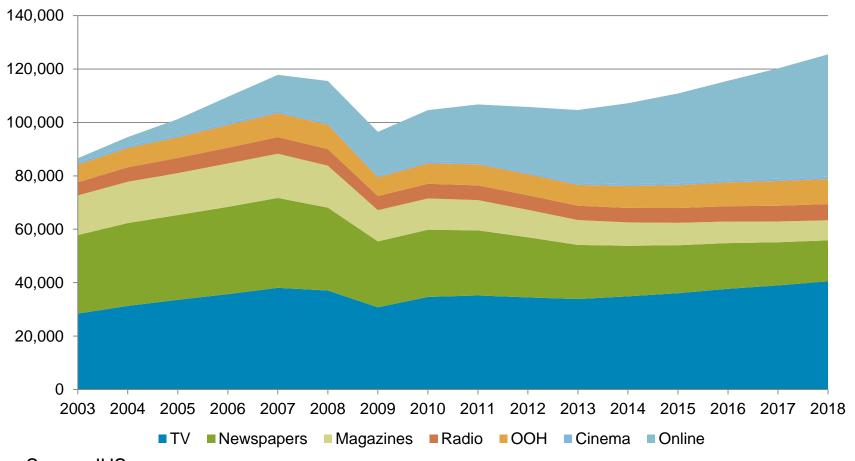




## Online will become biggest advertising medium by 2018



#### **Europe: Net advertising revenue by medium (€m)**

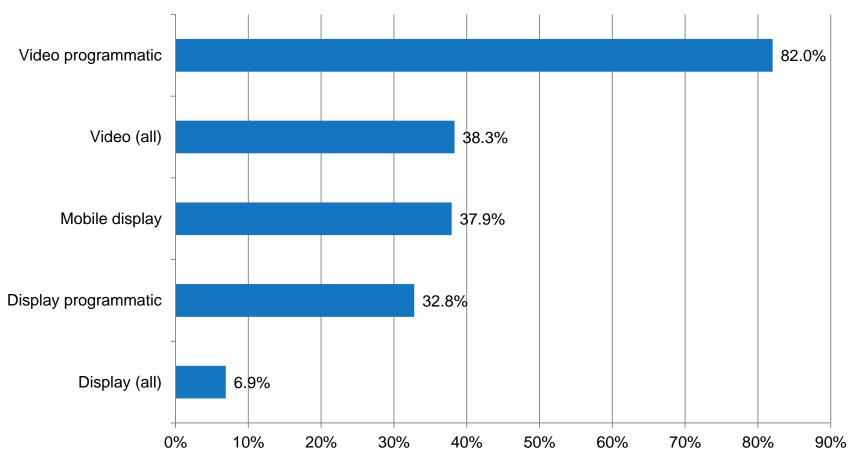


Source: IHS ©IHS 2014

## Online growth is fuelled by video, mobile, and tech





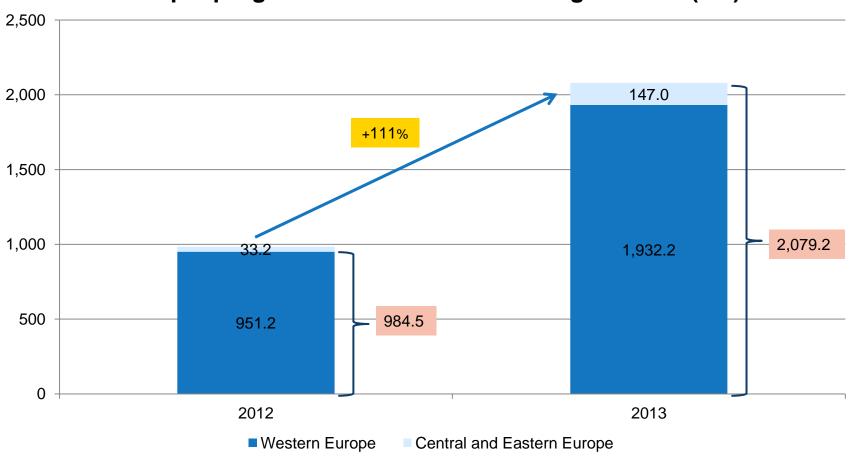


Source: IHS ©IHS 2014

# Online advertising revenue generated through programmatic mechanisms **exceeded €2bn** in 2013





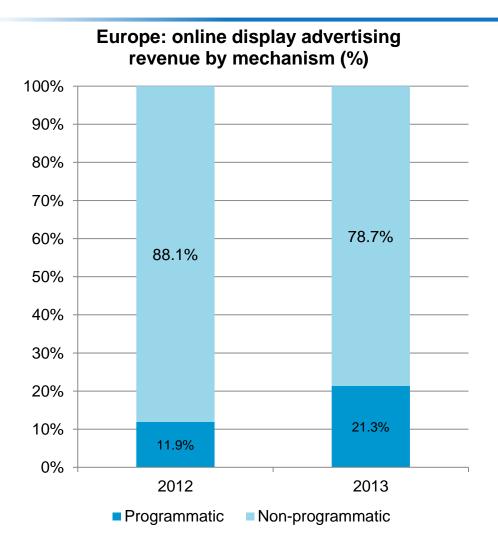


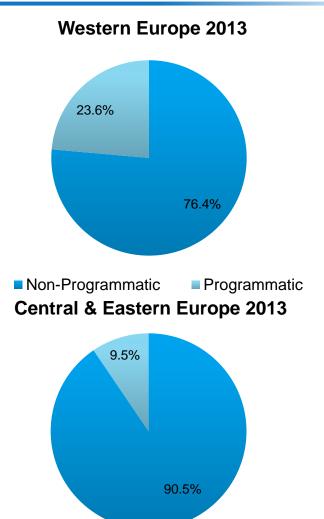
Source: IHS/IAB Europe Programmatic Sizing Initiative

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### Display Programmatic in Europe







Source: IHS/IAB Europe Programmatic Sizing Initiative ©IHS 2014

### This study defines programmatic as:



Advertising revenue that is generated through transactional or workflow automation mechanisms embedded in an infrastructure that relies on a set of rules applied by software and algorithms, commonly known as 'ad tech'. Following the IAB's proposed taxonomy[1], 'programmatic' here is an aggregate category that is composed of four discrete transactional models, each of which we consider a sub-set:

- 1. Automated Guaranteed.
- 2. Unreserved Fixed Rate.
- 3. Invitation-Only Auction,
- 4. Open Auction.

Advertising revenues are recognised as 'programmatic' whenever any of those mechanisms applies, irrespective of the inventory owner's awareness of their involvement.

This means that revenue is also considered programmatic if inventory that is originally sold to an intermediary through non-programmatic means (e.g. agency bulk buying) is re-sold to an end-buyer programmatically.

Revenue is recognized as programmatic irrespective of whether the inventory owner acts directly, or indirectly via an intermediary.

The rate of revenue is net of any fees, commissions, service charges and any other deductions.

[1] http://www.iab.net/media/file/IAB\_Digital\_Simplified\_Programmatic\_Sept\_2013.pdf

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