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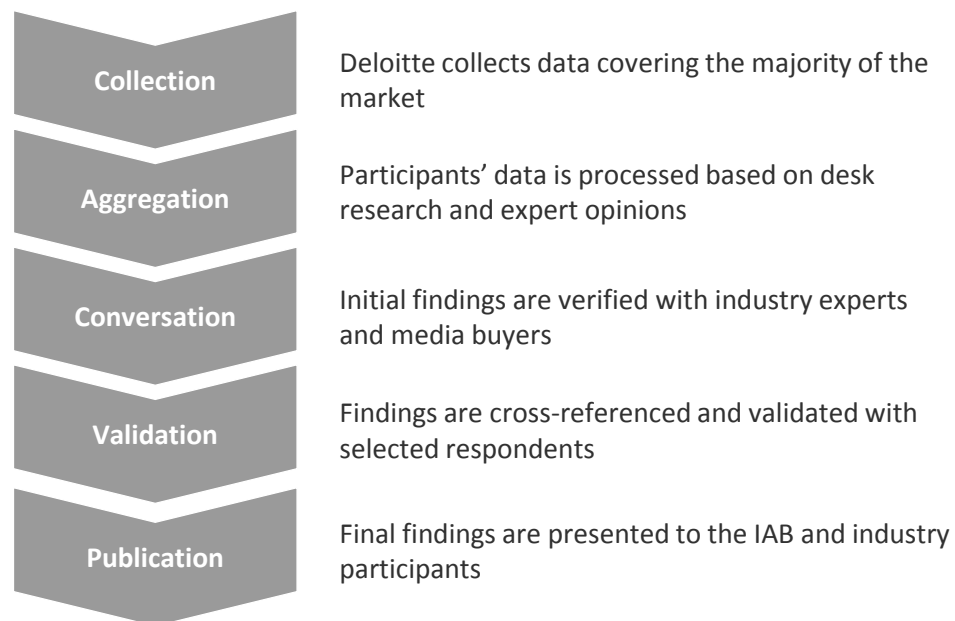
IAB Report on Online Advertising Spend The Netherlands H1 2015

October 2015

Introduction

Since 2010, IAB and Deloitte are publishing the Online Ad Spend Report for the Netherlands. The content of this report is driven by data and information gathered directly from the online community, including publishers, advertisers and media planners. Due to a great number of participating key industry players we are able to gain extensive insight in the market and offer most accurate online advertising market figures.

Realization of this study:



Survey methodology

- Our current report covers the total net online advertising spend in the Netherlands during H1 2015 and is based on information supplied by 40 participating companies.
- Figures are adjusted for double counting, based on information provided by the survey participants
- The figures are drawn up on the basis of company input and have not been verified by Deloitte
- Only aggregated results are published; individual company information is held in strict confidence with Deloitte

Executive summary

Online advertising spend the Netherlands H1 2015

Spend on online advertising increased with +6,7% in revenues during H1 2015, mainly due to good performance of classifieds, directories and listings (+10,7%). Within the Netherlands the net spend on online advertising currently totals 744m€ for the 1st half of 2015.

Spend on display advertising through programmatic channels continued to grow significantly and increased with +46% in H1 2015. Main contributors are the shift of rich media /video formats and more inventory towards the exchange (by existing and new publishers in the programmatic marketplace).

We estimate that the advertising spend on Social platforms grows with an average of +38% during H1 2015 to an estimated share of 19% within display advertising spend.

Online ad spend

+7%



Mobile

+54%



Programmatic

+46%



Online Video

+27%



Social

+38%



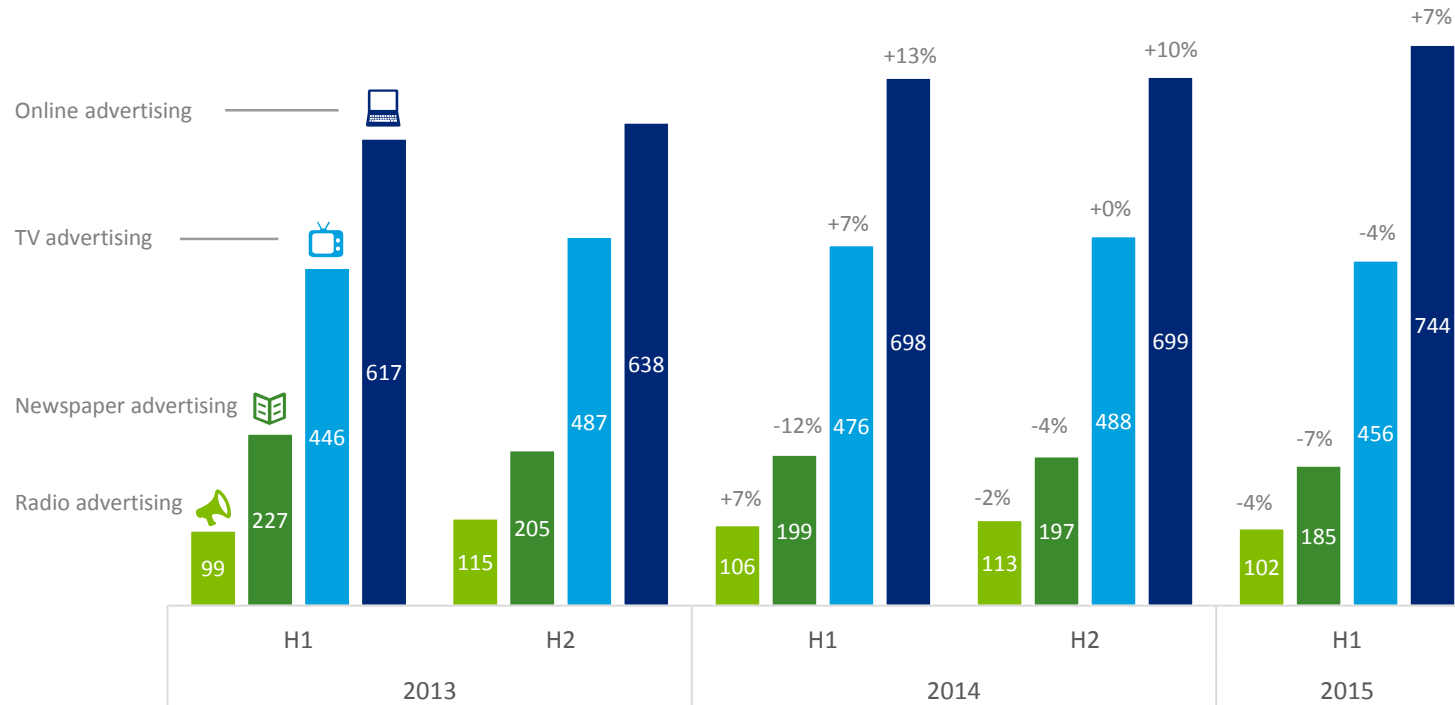
24% of display advertising is spent on mobile devices and showed an increase of +54% in revenues in respect to the first half of last year. Ad spend is following consumption shifting towards mobile devices.

Since 2013 spend on online video advertising is growing steadily and realized +27% in revenues during H1 2015. Online video accounts for an estimated 40m€ within display advertising spend.

Advertising spend 2013 – H1 2015

The 4 largest advertising markets: Online, TV, Newspaper and Radio

Net advertising market (m€) / YoY* Growth (%)



*Year-on-year growth rate; Growth rate of a time period against the same time period last year.

Note: The Internet figures we report are net/net figures, meaning that the figures are reported after agency discount that in some cases may apply;; Growth rate and/or additions may not equal presented numbers due to rounding;

Source: RAB, SPOT, Annual reports, Survey respondents, Deloitte analysis

Advertising markets

The net advertising revenues realized by the 4 largest markets (incl. Online, TV, Newspaper and Radio advertising) only marginally increased with +8m€ from a combined revenue of 1.479 m€ in H1 2014 to 1.487 m€ in H1 2015 (+0,6%).

Online advertising

Online advertising is outperforming all other forms of advertising year on year, realizing a H1 2015 growth of +7% in respect to H1 2014. However the performance of online during this first half is significantly less than the growth realized in 2014, due to stabilization of the market after the economic recession that ended fall 2013.

TV advertising

TV advertising revenue is declining with -4% in H1 2015. In a year without big sports events, TV advertising is faced with a declining market share, as consumption is shifting towards online on-demand content.

Newspaper advertising

Newspaper is not able to stop the steep decline in advertising revenues and realized a -7% loss.

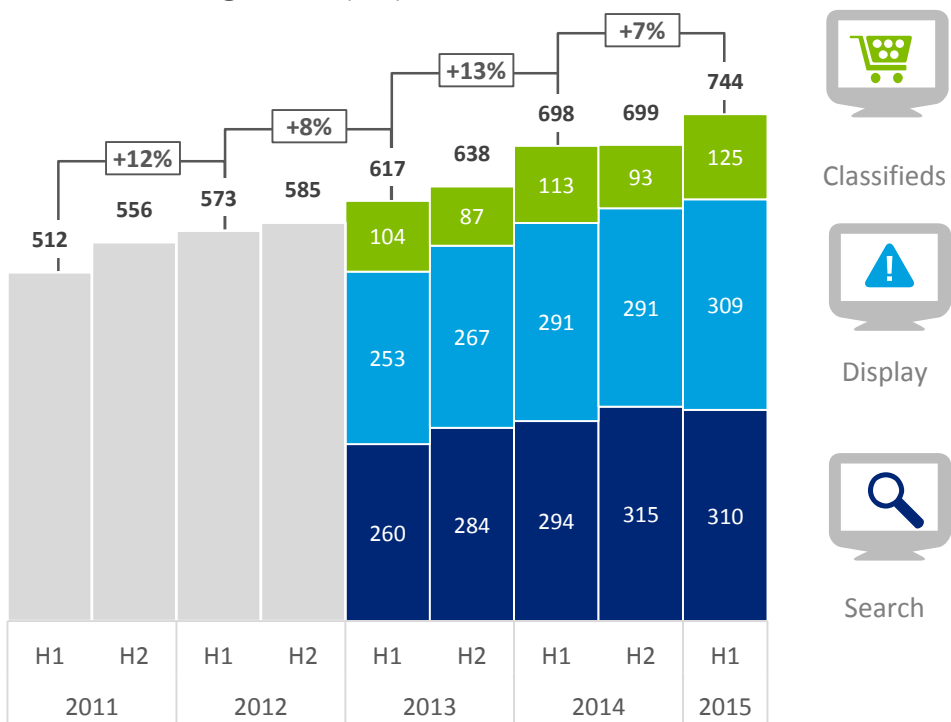
Radio advertising

Radio advertising shows a similar -4% decline in advertising revenues as TV during the first half of 2015.

Online advertising spend 2011 – H1 2015

Revenue per online advertising category

Online advertising market (m€)



YoY Revenue Growth

H1 2014	H2 2014	H1 2015
+9%	+7%	+11%
+15%	+9%	+6%
+13%	+11%	+6%

Online advertising market

Revenue spend on online advertising has grown with +6,7% in H1 2015 in respect to the same period of the previous year.

Classifieds, directories and listings

Starting from the first quarter of 2015, the best performing category in online advertising is classifieds, directories and listings. Driven by strong development of e-commerce numbers, revenues in this category increased with +10,7%.

Display advertising

Online advertising through display advertising increased with +6,3%, due to good performance of video and social. However display growth numbers in the first half year of 2015 are slowing down compared to the growth numbers of the first half of last year. This effect is due to the following trends:

- 1.The increase of mobile consumption with related lower prices for mobile inventory
2. Shift of premium content towards programmatic, resulting in a more seasonal price pattern (with lower prices in the first half year and higher prices in the second half year)

Paid search advertising

We estimate that spend on search engine advertising increased with +6% in H1 2015. Within the search market there is a trend that more advertisers buy directly from the publishers, without media agency interventions. As a result, traditional search oriented media planners diversify their portfolio's including more display advertising.

Note: Search and classifieds, directories & listings are based on a limited number of data points; Growth rate and/or additions may not equal presented numbers due to rounding;

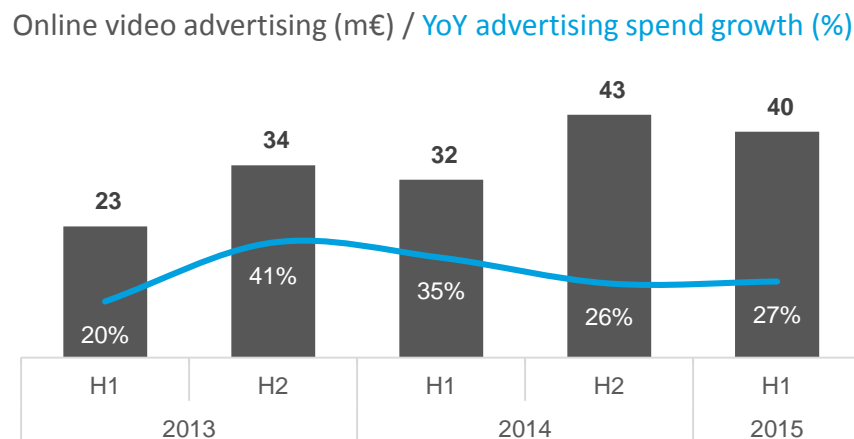
Source: Annual reports, Survey respondents, Deloitte analysis

Display advertising spend

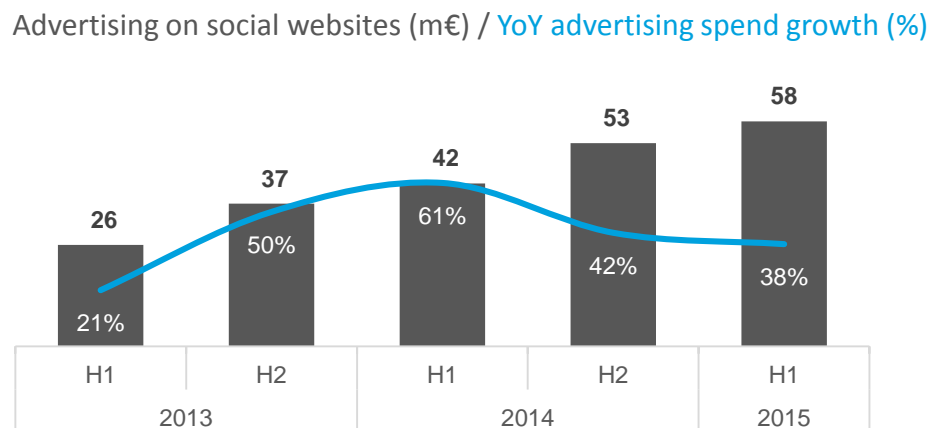
Trending topics; Video & Social



Video



Social



Note: Adjustment in 2013/2014/2015 data in Online Video due to extensive research and correction on Facebook and YouTube basis defined in 2013; Growth rate FB/Google is calculated by media buyers data.

Source: Annual reports, Media Buyers, IAB UK/US, Survey respondents, Deloitte analysis

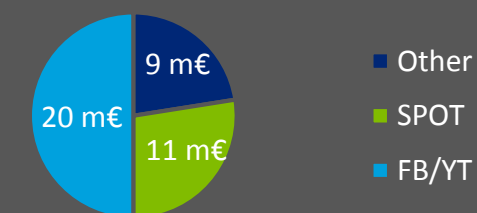
Trending in online display advertising

One of the trending topics in online advertising for several years is the spend on social and the spend on online video. Due to changing consumer behavior, where the consumer spends more time on mobile devices, social networks and watches content on digital on-demand platforms, part of the traditional advertising budgets are shifting towards online video and social.

This year we started to report our estimation on social spend. The methodology of the estimation on Social advertising is similar to our search revenue spend estimate, largely based on media buyers data combined with publicly available information.

Online video

Advertising spend on online video increased with +27% in respect to the same period last year. First half spending is traditionally lower than the second half and totals 40m€ in spend on pre- /mid- / post rolls during H1 2015. We have measured the following net Online Video revenues:



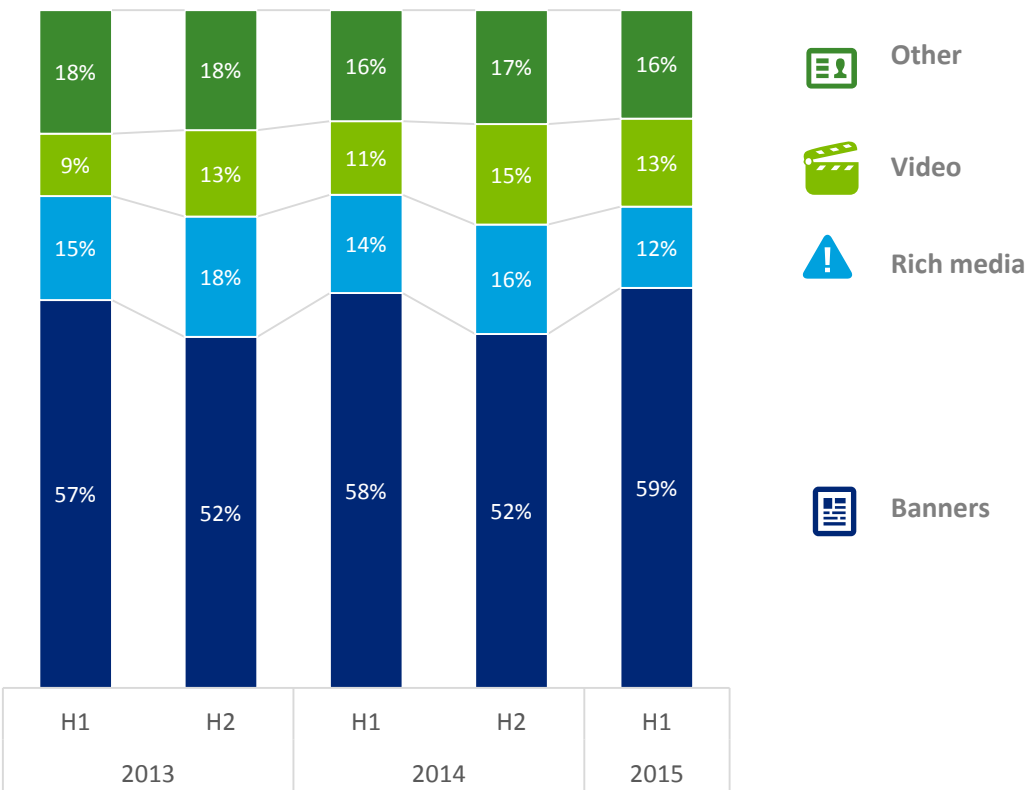
Social

We estimate that ad spend on all social platforms (incl. Facebook, Twitter, LinkedIn) reached 58m€ in H1 2015. The estimated market share in the Netherlands is 19% of total display advertising spend.

Display advertising spend

Share of display advertising revenue per format %

Allocation of display revenue per format



YoY Revenue Growth

2014	H1 2015
+3%	+2%
+30%	+27%
+5%	-13%
+12%	+9%

Online display advertising formats

Within display we measure 3 distinct formats; Video, Banners and Rich media. All formats which could not be classified in one of these formats are consolidated into the “Other” category (incl. text links /native and promoted- / branded content)

Online video

Online video grows with +27%, and is from 2013 onwards the fastest growing format in terms of ad spend.

Banners

Spend on IAB and non-IAB format banners (embedded) increased with +9%, performing little above the average online ad spend growth.

Rich media

The advertising spend on rich media (interruptive formats; incl. rich media, over the page and page takeover) declined with -13%. Rich media shows a strong negative trend in performance. The shift of rich media formats from traditional channels where the prices are more constant over the year to the exchange with low prices during the first half of the year results into a negative impact in overall performance.

Other formats

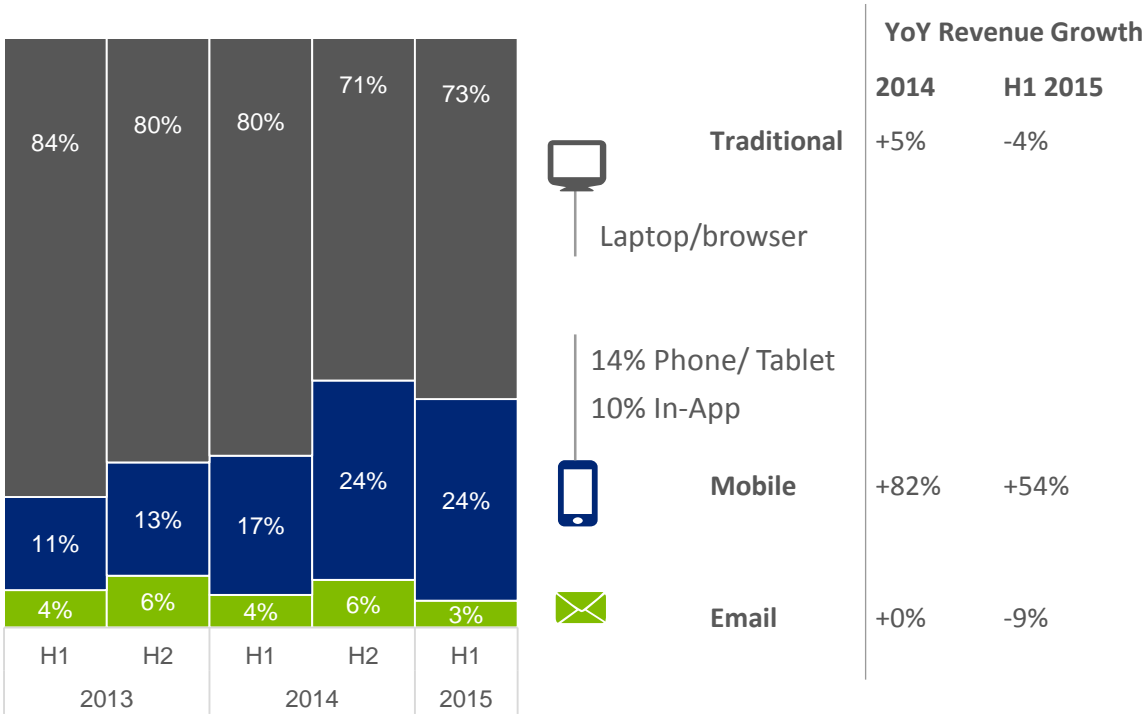
Other formats show similar advertising spend as in 2014 and spending growth marginally with +2%.

Note: Adjustment in 2013/2014 data due to revised respondent data; Sum of all presented categories may not equal 100% due to rounding;
Source: Survey respondents, Deloitte analysis

Online advertising spend per medium

Share of display advertising revenue per medium

Share of display revenue



Note: Mobile is ad revenue by impressions delivered to phone, tablet or in-app; Traditional is ad revenue by impressions delivered to desktop and laptop devices; Adjustment in pre 2015 data due to revised definition of mobile (based on historic L4L growth using the mobile definition basis introduced in Q1 2015); Growth rate and/or additions may not equal presented numbers due to rounding;

Source: Survey respondents, Deloitte analysis

Revenue per device

This year the used definition for mobile has been changed. In previous studies the share of mobile was based on the advertiser allocation of mobile budget. However due to the introduction of technical cross device solutions such as responsive websites there is a rising share of budget that is device independent (from the advertisers perspective). We discussed this trend with the taskforce mobile of IAB Netherlands, and agreed that mobile revenue is now based on revenue generated by impressions delivered onto the actual device of the consumer.

Mobile

As of H1 2015, 24% of display revenue is spend on mobile devices. Within mobile the majority of the spend is generated by phone / tablet browsers, the remaining revenue is generated by In-App advertising.

Traditional

The majority of the display spend is on desktop and laptop devices however this revenue stream is starting to decline due to shift towards mobile consumption.

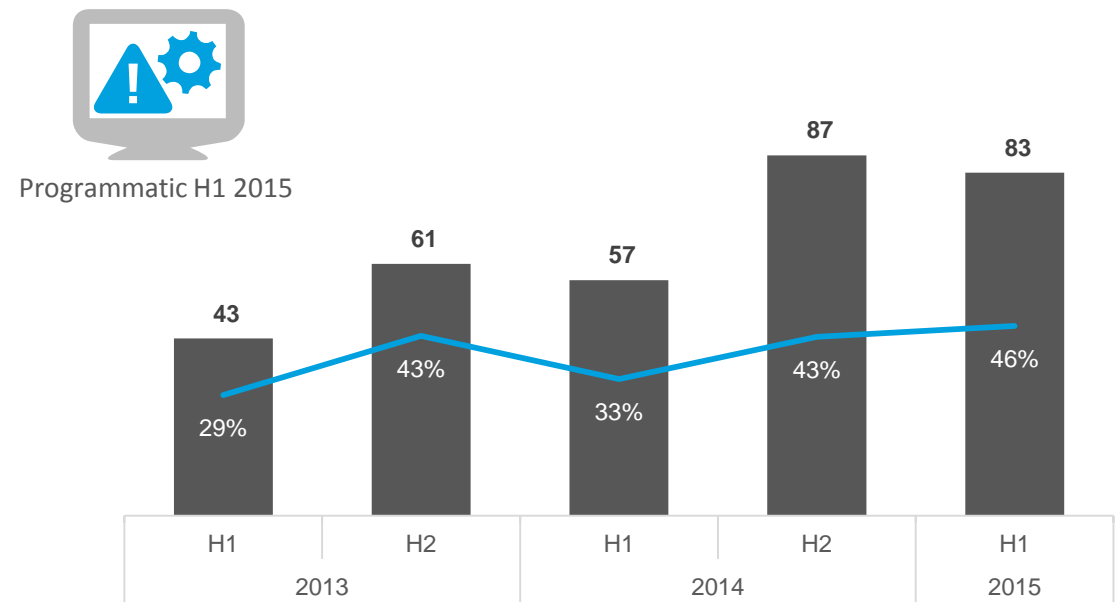
Email

Email advertising traditionally shows the smallest share within display advertising during H1 and accounts for 3% of the revenues in 2015. Email advertising revenues are a stable 10 m€.

Trend of programmatic spend

Programmatic display advertising spend per format

Display advertising through programmatic channels (m€) / Y/Y Revenue growth (%)



Note: Programmatic market includes estimates of the size of FBX and GDN.
Source: IAB programmatic study, Survey respondents, Deloitte analysis

Programmatic market

The online display advertising spend through programmatic channels increased with +46% in H1 2015, totaling 83m€ in revenues.

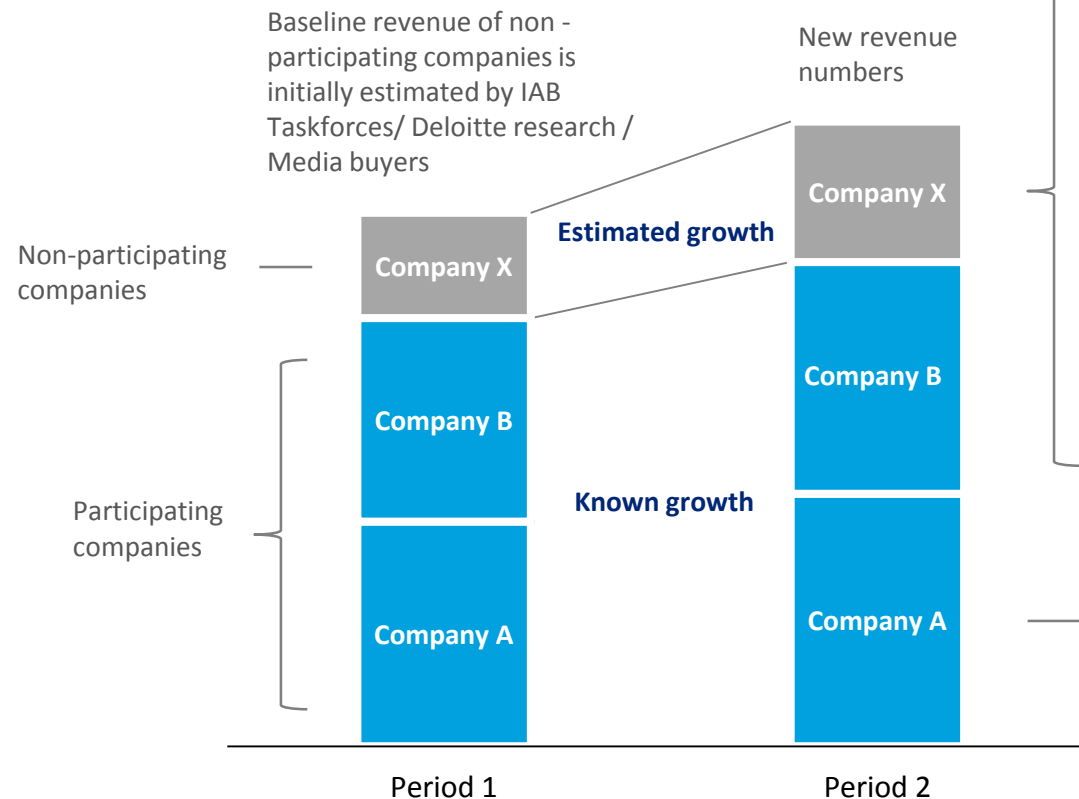
Programmatic formats

Further development of the technology makes more inventory available at the exchange. Video and rich media continue to gain momentum at the programmatic exchange. We expect the trend in revenue growth to continue in H2 2015 when the more expensive formats are sold at premium prices due to the stacking effect of generally high demand on the programmatic exchange during last months of the year and relative higher demand for video and rich media formats for display advertising during the second half of the year.

Programmatic display formats growth breakdown	Y/Y Growth 2014	Y/Y Growth H1 2015
Banners	+35%	+33%
Rich media	+86%	+109%
Video	+126%	+262%

Methodology: Estimation

For each report Deloitte tries to include as many companies as possible to ensure an accurate representation of the online advertising market, however due to various reasons we cannot collect figures from all companies active in the online advertising market.



Estimated revenue

- Growth of medium to small non-participating companies
 1. Trend in growth from previous submissions
 2. Known growth of similar companies (proxy)
- Growth of large non-participating companies
 1. Trend in growth from previous submissions
 2. Results from annual reports
 3. Known growth of similar companies (proxy)
- Google and Facebook related revenue:
 1. Quarterly earnings
 2. Google and Facebook media buyers feedback
 3. Public datasets

Known revenue

- Realized net/net revenue is disclosed to Deloitte

Participating companies

H1 2015 report is based on data supplied by the following companies

- | | |
|-----------------------------|---------------------------|
| 1. Addurance* | 21. RTL Nederland |
| 2. Adfactor | 22. S&D Interactive Media |
| 3. Adform | 23. Sanoma |
| 4. Autotrack | 24. SBS Broadcasting |
| 5. BrandDeli | 25. Semilo* |
| 6. Cadreon | 26. Smartclip* |
| 7. Daisycon* | 27. Spil Games |
| 8. Digital Agency Group | 28. SpotX |
| 9. Funda | 29. Ster |
| 10. Mannenmedia* | 30. Telegraaf Media Groep |
| 11. Marktplaats | 31. The Online Company |
| 12. Massarius* | 32. To20 |
| 13. MediaScience* | 33. Tweakers |
| 14. Microsoft* | 34. Vergelijk.nl |
| 15. Mobile Professionals | 35. Vivaki |
| 16. Nakko Media | 36. Voetbal International |
| 17. Nochii Online Marketing | 37. Widespace |
| 18. NRC Media* | 38. Yonego* |
| 19. Perform Group NL | 39. Zanox |
| 20. Persgroep | 40. Zoover* |

*Q1 dataset only



Contact

For questions concerning this research feel free to contact:



Nathalie La Verge
Deloitte | Deloitte Digital
Tel: +31 (0)6 23 367 886
Email: nlaverge@deloitte.nl

Nathalie La Verge is a manager with the Risk Services practice from Deloitte with more than 10 years of experience in risk consulting for companies in the Technology, Media & Telecommunications (TMT) industry. Nathalie leads all Deloitte projects commissioned by IAB Netherlands.



Jorrit Sloot
Deloitte | Data Analytics
Tel: +31 (0)6 82 019 387
Email: jsloot@deloitte.nl

Jorrit Sloot is a consultant within the Deloitte Risk Services practice and specialized in risk analytics, data modeling, mathematical and quantitative data analyses for the digital industry. Jorrit supported the research of all IAB Ad Spend/ Programmatic and Search studies for the Netherlands since 2013.



Govaert Plesman
IAB Nederland
Tel: +31 (0)85 401 0802
Email: govaert@iab.nl

Dutch IAB research includes the IAB Netherlands/ Deloitte Ad Spend Study, all IAB commissioned research, and assisting Dutch IAB members with their research projects. Also responsible for shaping the IAB knowledge base so that it meets members' needs moving forward.





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