

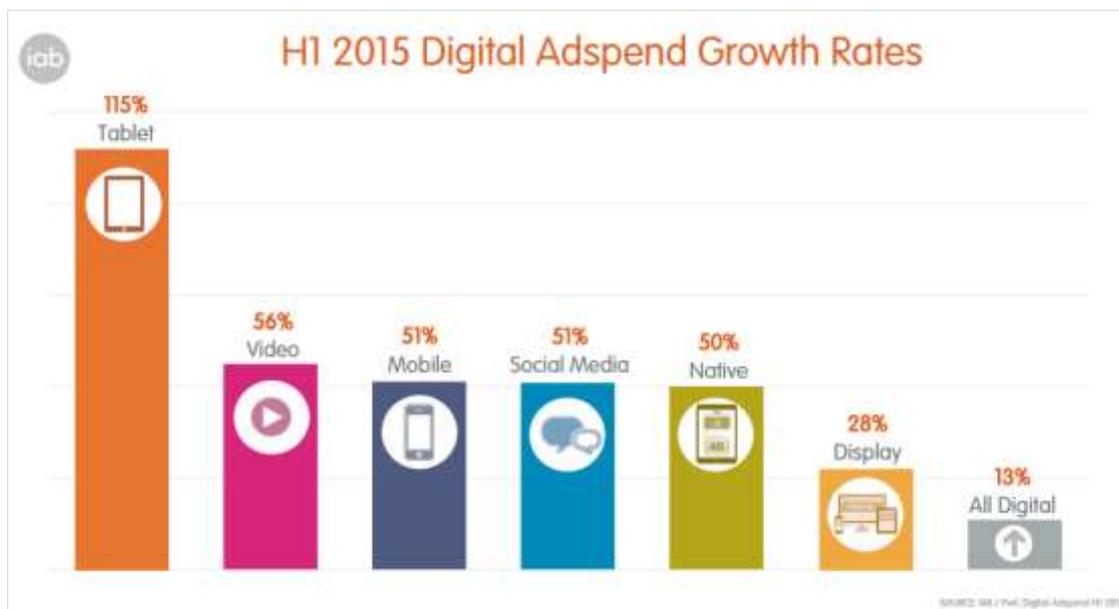
EMBARGO: 00.01AM BST THURSDAY 8 OCTOBER 2015

UK digital display advertising revenues rise 27.5% despite challenges from ad blocking

- Total digital ad spend grows 13.4% to touch £4bn in first half of 2015
- Mobile spend up 51%, accounts for nearly 80% of the rise in digital ad revenues

London, 8 October 2015. Advertisers spent a record £3.98 billion on digital advertising in the first half of 2015 – up 13.4%¹ year-on-year – according to the latest Internet Advertising Bureau UK Digital Adspend report, conducted by PwC.

Display advertising revenues grew at more than twice the overall digital rate (27.5%) to hit £1.31 billion – 33% of total digital ad spend, its largest-ever share. Within display, **video** ad spend grew 56% to £292 million – accounting for 22% of display revenue. **Social media** spend rose 51% to £574 million while **native/content**² grew 50% to £325 million – accounting for 25% of display revenue. **Tablet**-dedicated³ ad spend grew 115% to £68 million.



“Recently, a lot of the attention on digital advertising has been around the challenges, such as ad blocking,” says Tim Elkington, Chief Strategy Officer, IAB UK “However, it’s clear to see the UK digital advertising industry is maintaining its strong revenue growth at a much greater rate than the overall economy. The fact remains, as consumers spend more time on connected devices, advertisers must increasingly direct their attention and budgets there.”

Mobile ad spend up 51%; accounts for nearly 80% of the rise in digital ad revenues

Ad spend on mobiles increased 51% to £1.08 billion in the first half of 2015. The actual increase of £370 million year-on-year accounts for 79% of the rise in digital ad revenues.

Over a quarter (27%) of all digital advertising spend now comes from mobile, compared to 20% a year earlier. Mobile accounts for 39% of display spend, 43% of video spend, 63% of social media spend and 74% of native/content ad spend.

“Mobile is unquestionably the engine of digital growth, with mobile display spend up 63% on the back of mobile video spend more than doubling,” says Dan Bunyan, Senior Manager at PwC.

“However, there’s plenty of room to grow, as mobile accounts for 40% of internet time⁴ but only 27% of ad spend. Marketers are realising this is out-of-kilter, hence mobile is likely to continue gaining share at pace.”

Travel/transport overtakes consumer goods as biggest display advertiser

The biggest spending sector on display ads in the first half of 2015 was travel/transport (16.8% share) – overtaking consumer goods (16.1%). Finance was third (13.4%), just ahead of retail (13.3%).

Paid-for search marketing increased 8.4% to £2.07 billion in the first half of 2015. **Classifieds** including recruitment, property and automotive listings, grew 6.6% to £547 million – accounting for 14% of digital ad spend.

ENDS

Notes to editors

Definitions:

¹All growth rates except video and social media advertising are a like-for-like basis, i.e. only companies that submitted in H1 2014 and H1 2015 have been included in year-on-year growth calculations.

²Content marketing = paid for sponsorship, advertisement features, in-feed & native distribution tools.

³Tablet-specific advertising only (i.e. not including internet advertising displayed on a tablet by default).

⁴IAB/UKOM/comScore: Digital Time Spent Study (H1 2015)

For more information:

Alex Burmaster, Meteor Public Relations - T: 020 3544 3570 E: alex@meteorpublicrelations.com

Harriet Gale, IAB UK - T: 0207 050 6957 E: harriet@iabuk.net

Sian Gentle, PwC - T: 020 7213 2538 E: sian.gentle@uk.pwc.com

About the Internet Advertising Bureau

The Internet Advertising Bureau (IAB) is the UK trade association for digital advertising, representing most of the UK's leading brands, media owners and agencies. Given the rapidly evolving nature of the digital landscape, the IAB works to ensure that marketers can maximise the potential of digital media and mobile devices, helping members engage their customers and build great brands. By disseminating knowledge and fostering dialogue through research, policy guidance, training and events, the IAB aims to be every marketer's authoritative and objective source for best practices in internet advertising. To access the IAB's current research, policy briefings, training opportunities and events schedule, please visit www.iabuk.net.

About PwC

PwC helps organisations and individuals create the value they're looking for. We're a network of firms in 157 countries with more than 195,000 people who are committed to delivering quality in assurance, tax and advisory services. Find out more and tell us what matters to you by visiting us at www.pwc.com.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details.

©2015 PricewaterhouseCoopers. All rights reserved.