



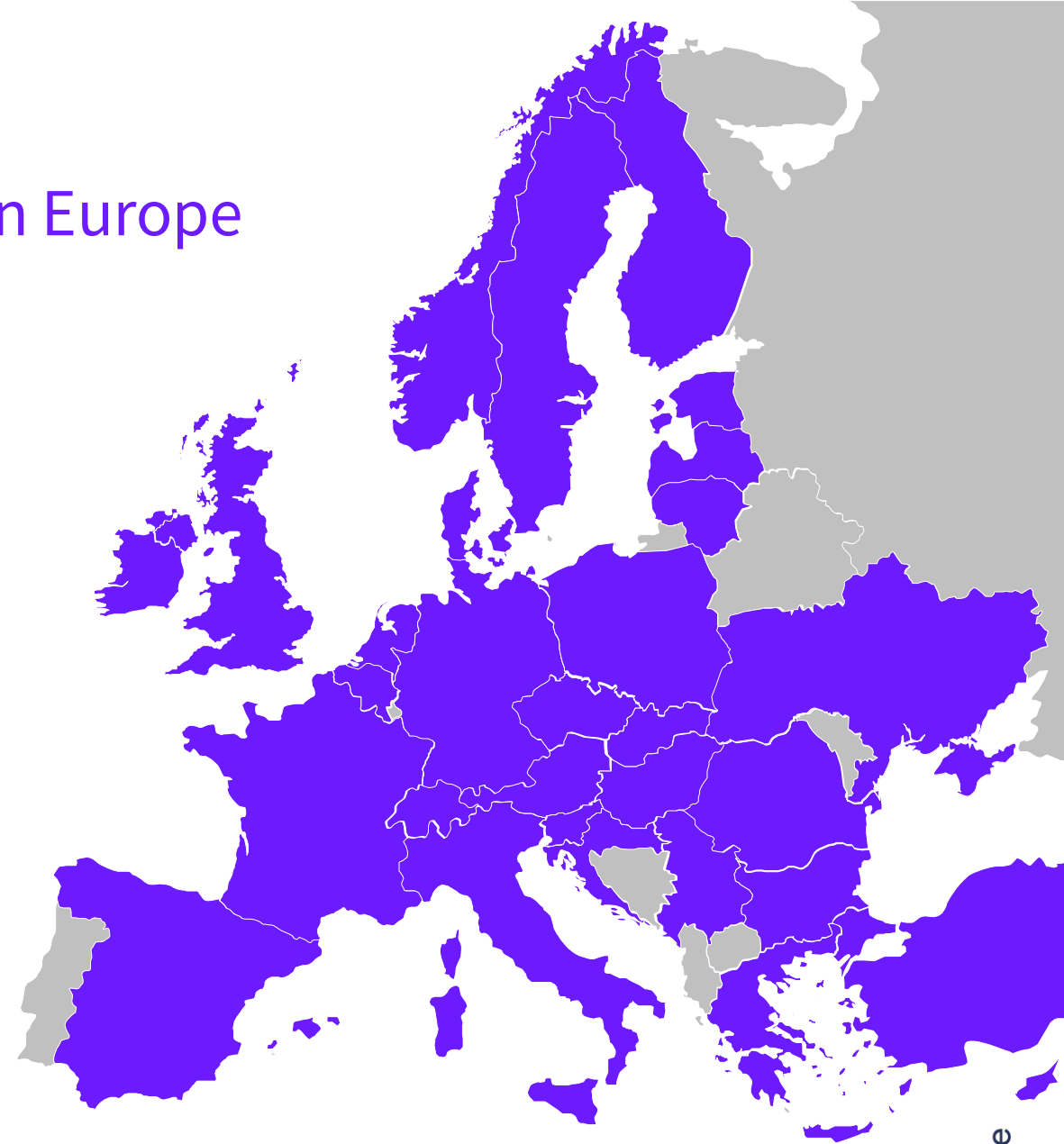
ADEX
BENCHMARK
2023
STUDY

MAY 2024



Report Coverage - Analysis of 29 markets in Europe

- Austria
- Belgium
- Bulgaria
- Czech Republic
- Croatia
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Italy
- Latvia
- Lithuania
- Netherlands
- Norway
- Poland
- Romania
- Serbia
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Turkey
- UK
- Ukraine



Opening Remarks



Townsend Feehan

CEO, IAB Europe

Welcome to the latest edition of IAB Europe's AdEx Benchmark Report, the definitive guide to the state of the European digital advertising market. Now in its eighteenth year, this report provides comprehensive insights into 29 European markets, covering market size, growth, and digital advertising investment across key channels and formats.

In 2023, the European digital advertising market defied expectations, achieving remarkable growth of 11.1% to reach a total market value of €96.9 billion. Despite challenging economic indicators, the market demonstrated exceptional resilience, with an additional €10.9 billion investment over 2022. Turkiye led the growth with a 50% increase, followed by Serbia at 27.6% and Ukraine at 25.2%.

This year, for the first time, the report includes additional quarterly data, offering deeper insights into the market dynamics over the last three years. This allows us to present a more comprehensive overview of the market.

The growth in 2023 can be attributed to improved interest rates and economic stabilisation, which gave advertisers the confidence to invest in digital advertising. Newer digital opportunities, such as audio, significantly contributed to this surge. Audio, one of the fastest-growing formats, saw a 23.1% increase to €0.9 billion, driven largely by a 32.5% growth in podcast spending. Video advertising grew by 20.9% to €22 billion, and social advertising rebounded with an 18.2% increase. Connected TV also saw significant expansion, growing by 23.5%.

Opening Remarks



Amidst economic turbulence, privacy concerns, and an impending world without third-party cookies, the growth and increased investment in our industry are truly encouraging. This highlights the resilient and innovative nature of the digital advertising ecosystem.

As an industry association, our mission is to support and drive trust, transparency, and innovation in digital advertising and marketing, ensuring that advertising continues to support a wide variety of online content and services for European citizens. We remain committed to leveraging our unique network of national federations to provide insights into key industry growth areas and the impact of external events, technology, business developments, and changing regulations.

Looking ahead, we anticipate the continued evolution of the industry in 2024 and beyond, navigating new economic and political horizons and exploring opportunities in Retail Media, Audio, and Connected TV to secure a sustainable future.

Comments from our Chief Economist



Dr Daniel Knapp

Chief Economist, IAB Europe

Digital advertising in Europe grew by 11.1% in 2023. This was an acceleration compared to 9.8% in 2022, despite a muted macroeconomic environment characterised by high interest rates, international conflict, supply chain constraints and low GDP growth.



At closer inspection, 2023 performance was divided into two halves. A weak H1 was followed by strong acceleration to double-digit growth in H2. This can be attributed, in part, to comparative effects with an inverse performance in 2022 which progressively weakened after a strong Q1. However, the acceleration is also due to increased economic confidence, advertisers continued investments in digital transformation and reallocation of budgets to digital media, targeting improvements post-ATT, trade budgets bringing net new spend via retail media and new business growth.

While inflation was slowing in 2023, it remained present overall and at double-digit levels in markets like Turkey and Ukraine. When we account for the impact of headline consumer price inflation, we find that the digital advertising market in Europe grew by 3.8%.

We saw particularly strong growth in social and non-social video as well as in CTV as supply increases. Retail media, accounted for in the report as media seller revenue from retailers, was another driver. Audio continues to grow above market average, but remains overall below €1bn. Banner display growth was static and while programmatic grew overall, its share of display slightly decreased, partly due to uncertainties around 3P cookie replacement.

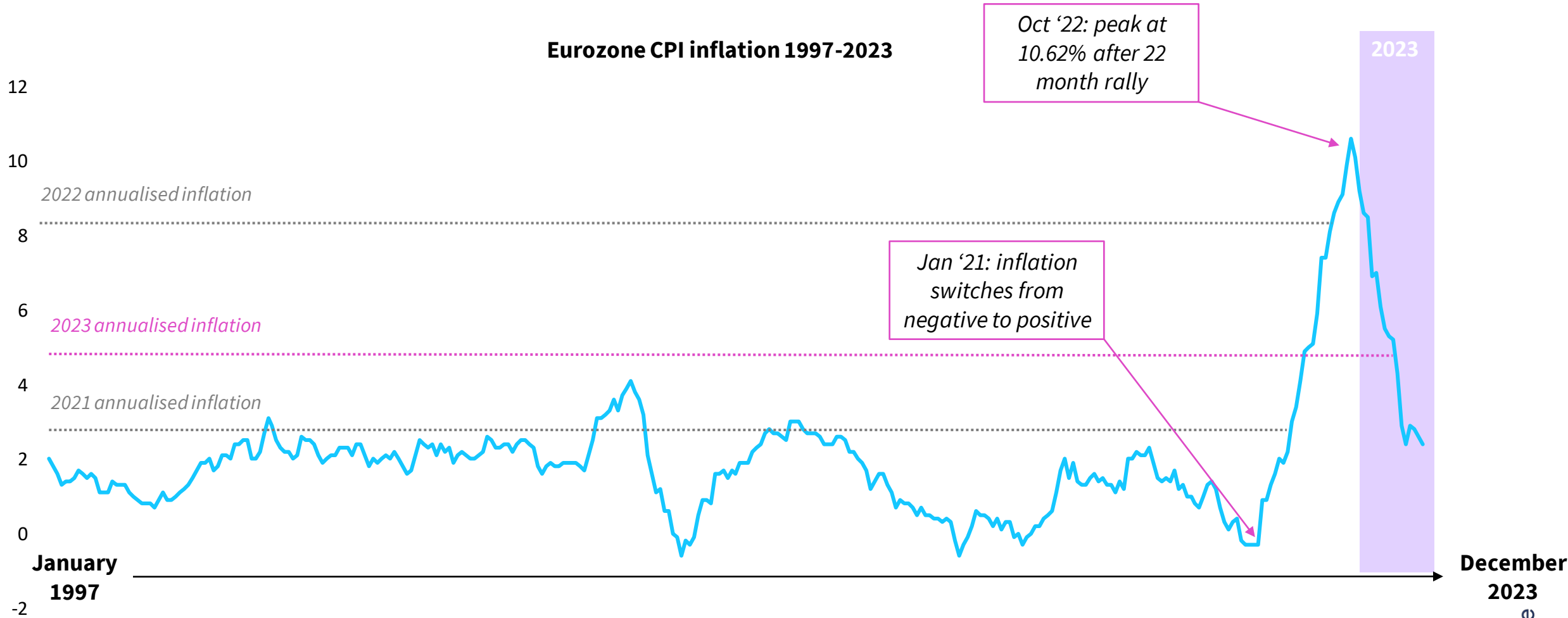
MACRO CONTEXT

Currency & exchange rates

- All data in this study is in Euros. Data originally reported in local currency is converted.
- We use constant currency exchange rates to accurately reflect growth in local markets and to provide a consistent time series of historical growth and spend.
- In this edition of the study, we use 2023 as a base year. This means we can more accurately compare the relative size of markets while maintaining consistency of historical growth rates. Selecting a 2023 base rate means however, that the absolute values of historical data have changed.
- We provide a key to exchange rates in the appendix to allow readers to re-calculate our data for their own purposes.
- Growth rates reported in this study are in nominal terms. They include the effects of consumer price inflation.
- In 2023 the markets in this study witnessed continued inflation. Additionally, the magnitude of inflation was unevenly distributed across markets. This created higher growth rates for markets with high inflation, which does not necessarily reflect the underlying health of the advertising market.
- We therefore provide alternative views by adjusting our data for inflation using the World Bank Cross-Country Database for Inflation (Spring 2024 release) for annual core consumer price inflation and annual headline consumer price inflation. The corresponding World Bank metrics are called “CCPI_A” and “HCPI_A”. The underlying data can be found here: <https://www.worldbank.org/en/research/brief/inflation-database>

Better than 2022, but inflation still affects 2023 ad spend data

Eurozone CPI inflation 1997-2023



Source: European Central Bank. Percentage change over same month in the previous year.

...with some markets particularly exposed

Consumer Price Inflation, growth 2023 vs 2022

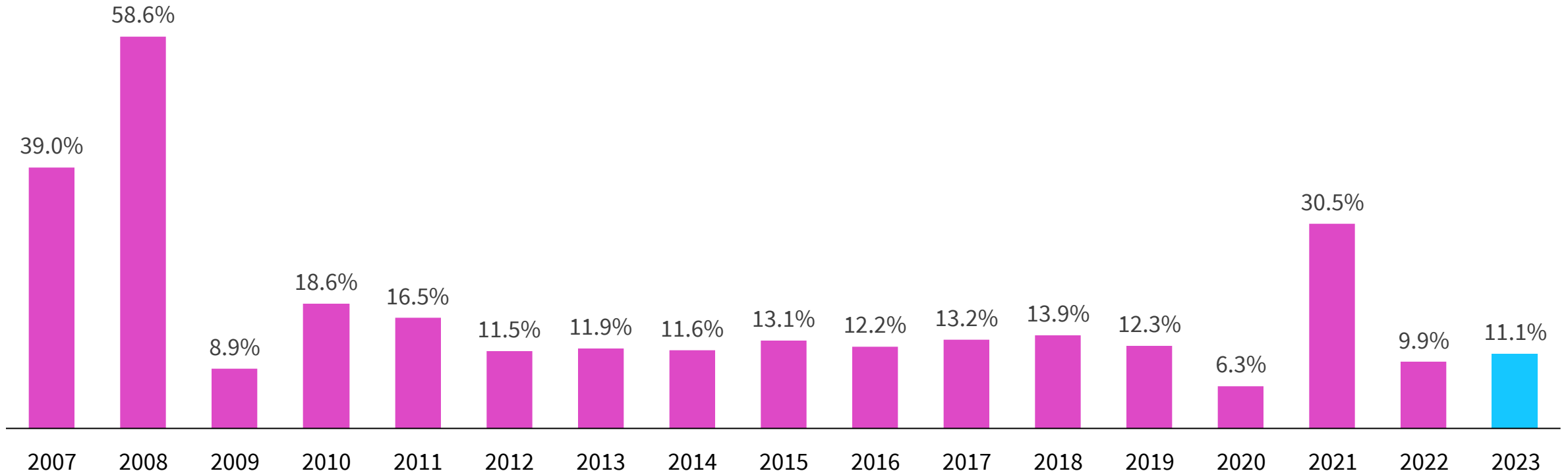


Source: World Bank, headline consumer price index (hapi)

MARKET

Growth of 11.1% was achieved despite ongoing macro uncertainty, helped by favourable comparatives & inflation

Europe: Digital Ad Spend Growth (YoY)



Note: Change in base currency & geographic adjustment affects comparability between 2023 and previous years. Restated & original time series available on www.iabeurope.eu

...but there are different “realities” that affect growth rates

Using 2023 exchange rate to capture growth rates as reported by local markets.

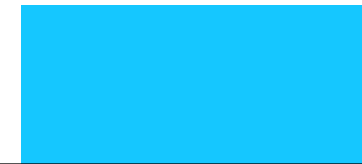
Accounting for total inflation. Includes volatile categories like food and energy prices.

11.1%



as reported

3.8%

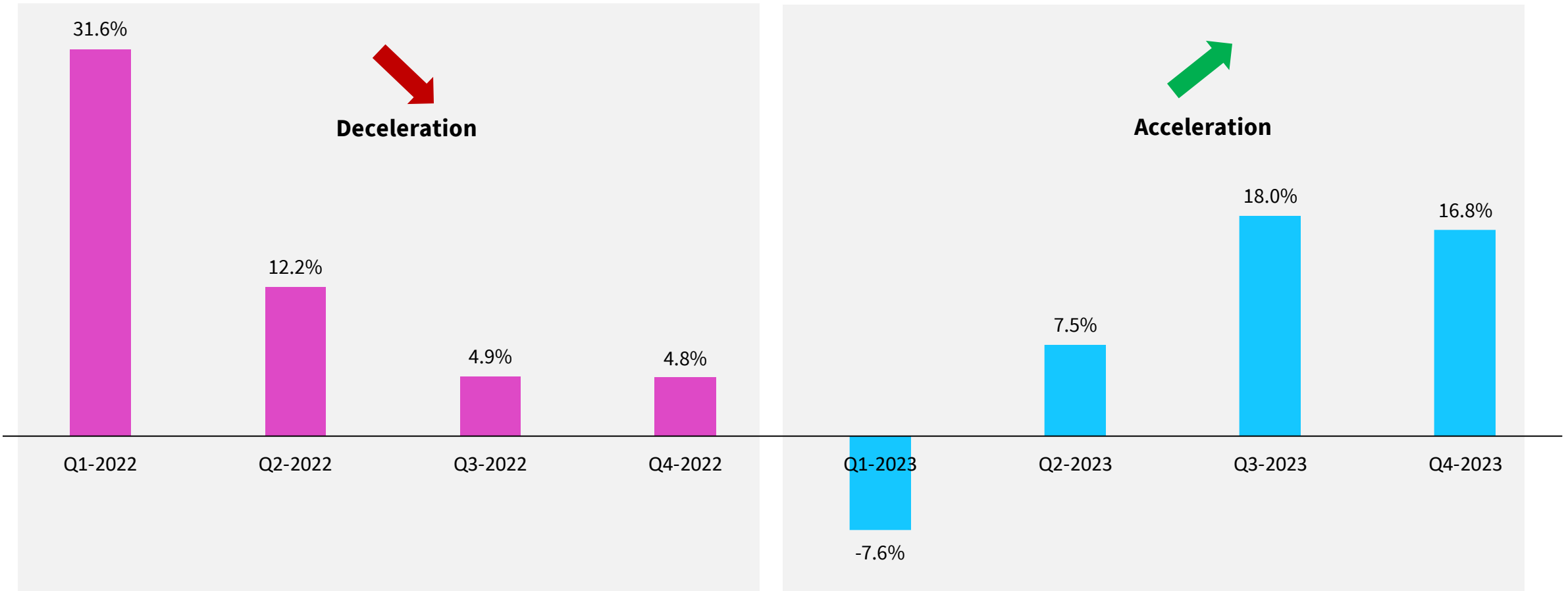


HCPI adjusted

Note: HCPI data sourced from World Bank for all countries to ensure like-for-like comparison.

Tales of two years: inverse trends between 2022 & 2023

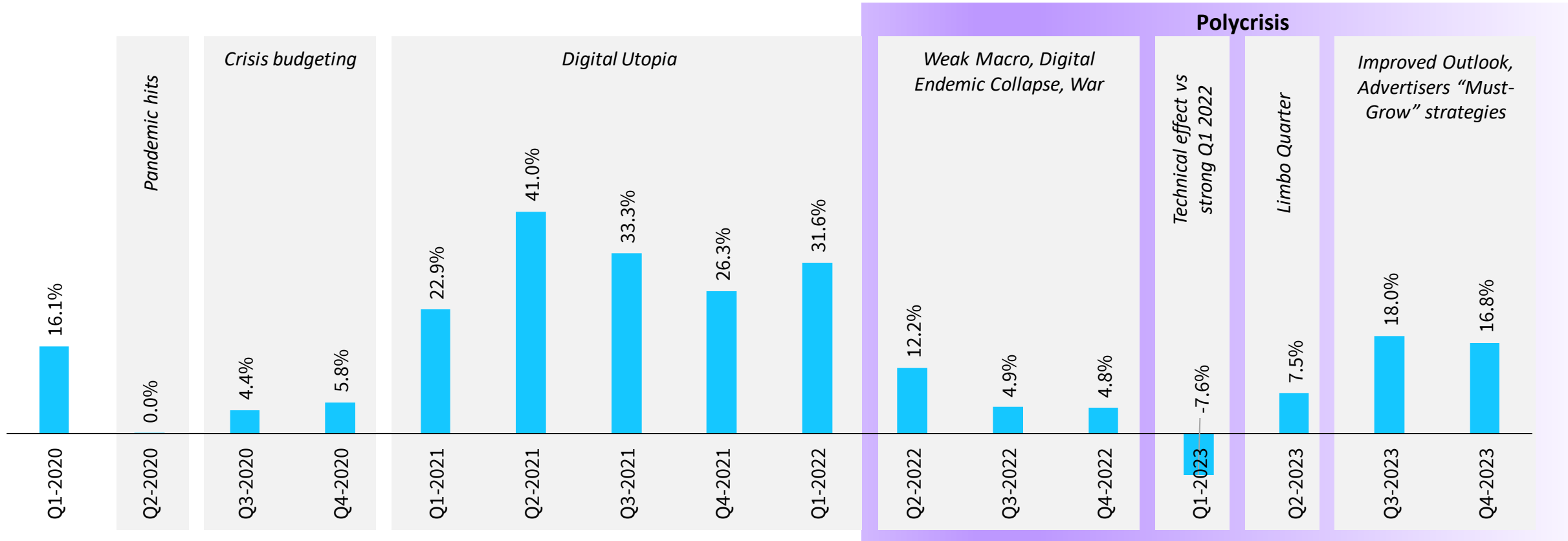
Europe: Quarterly Digital Ad Spend Growth (YoY)



Note: Quarterly data is modelled based on annual and H1/H2 submissions from local IABs & quarterly company data from public filings

Zooming out: Quarterly data reveals complex dynamics of past 3 years

Europe: Quarterly Digital Ad Spend Growth (YoY)



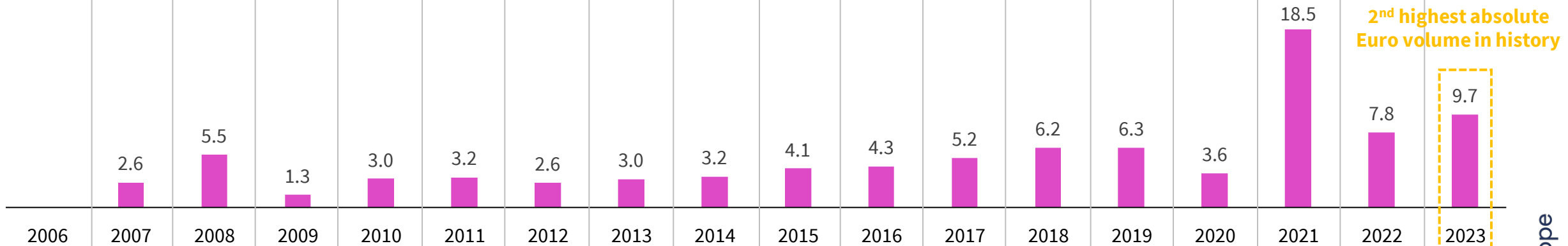
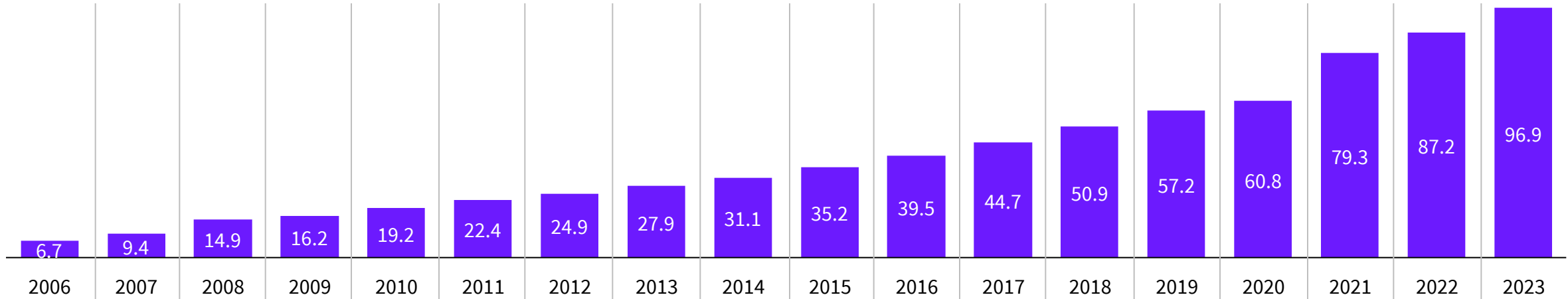
Note: Quarterly data is modelled based on annual and H1/H2 submissions from local IABs & quarterly company data from public filings

The value of digital ad spend in Europe

€96.9bn

Market grew 14x since 2006, added €9.7bn in 2023

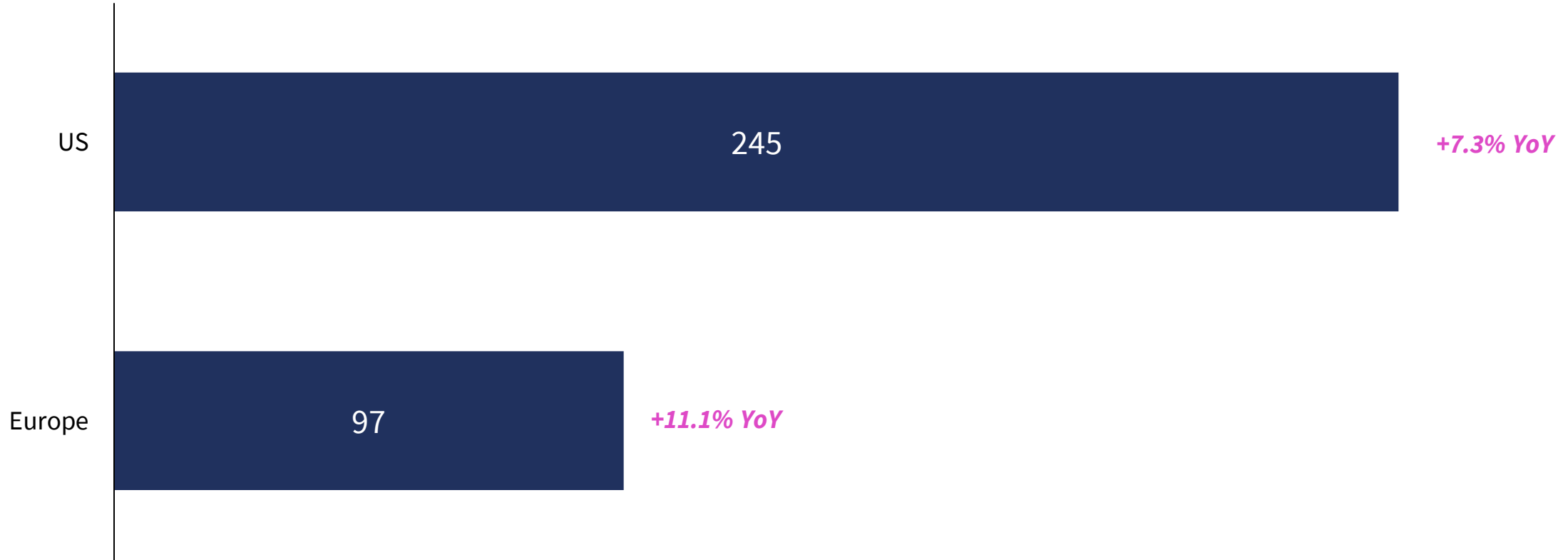
Total digital ad spend (€bn)



Net spend addition vs previous year (€bn)

US is 2.5x bigger, but faster growth in Europe

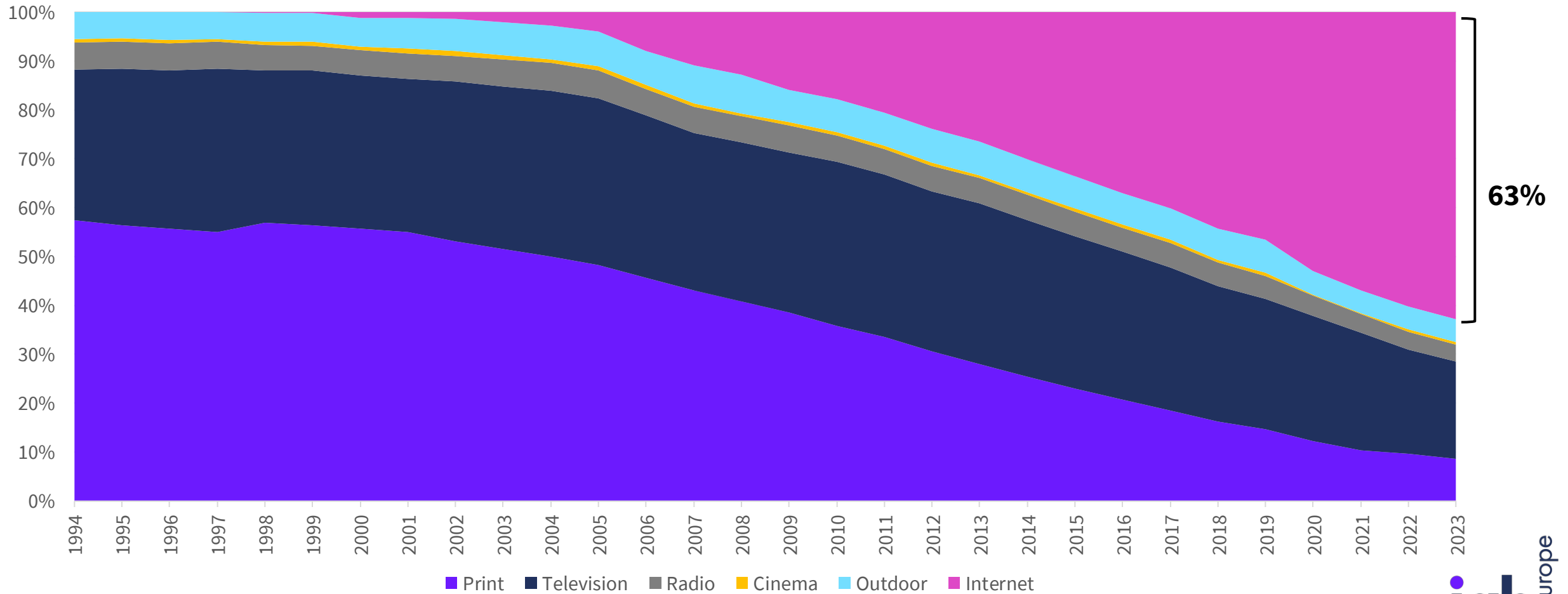
Digital Ad Spend 2023 (€bn) & YoY Growth



Source: IAB Europe & IAB US, US data converted with 1 USD = 0.92 EUR

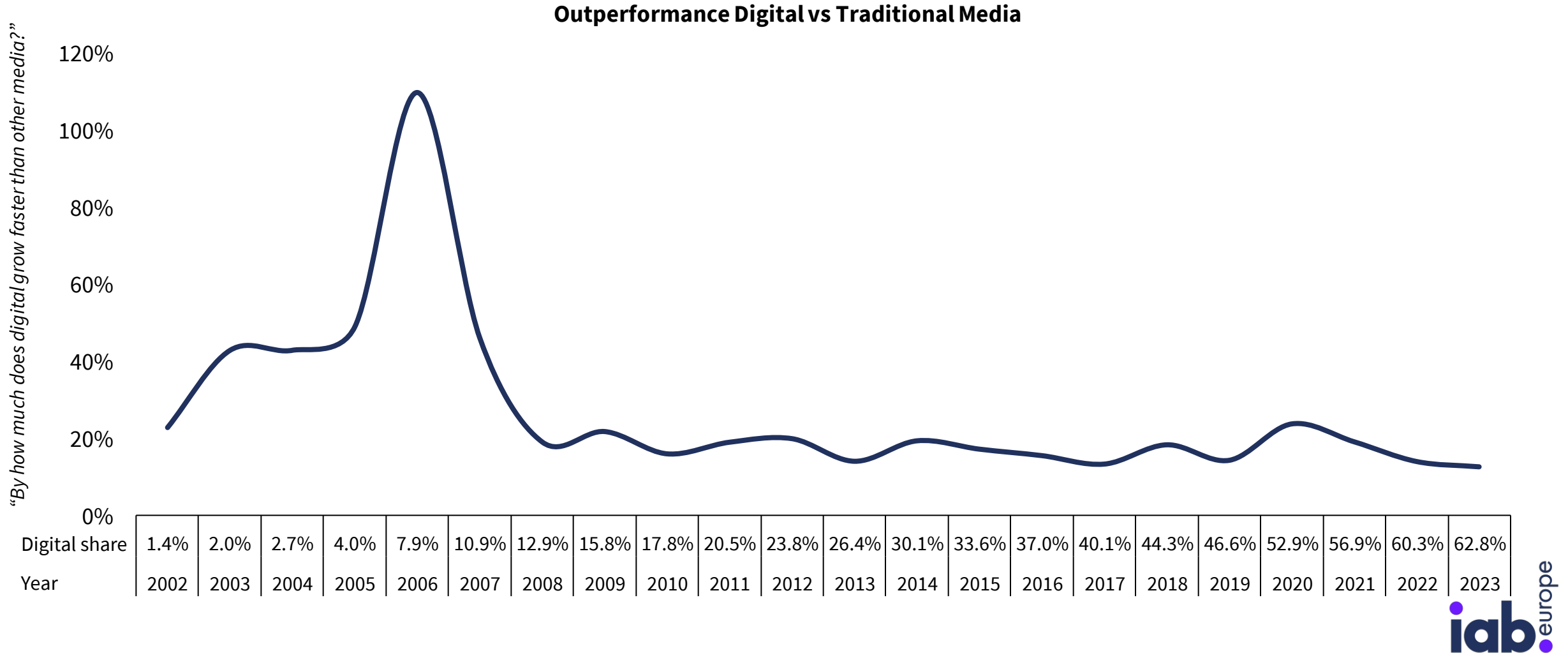
Digital commands 63% of all media ad spend

Europe: Share of Total Advertising Spend by Medium



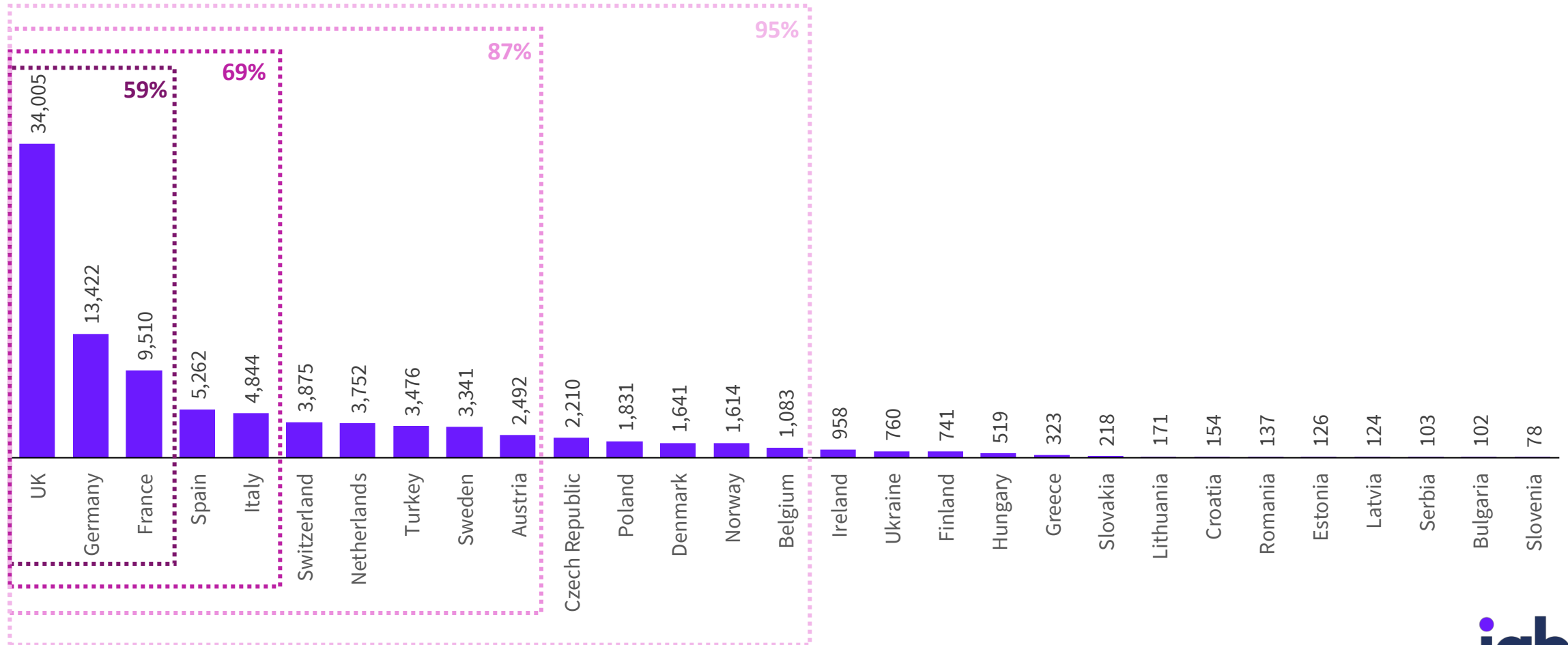
Source: IAB Europe; WARC for traditional media

As the market matures, digital outperformance (moderately) slows



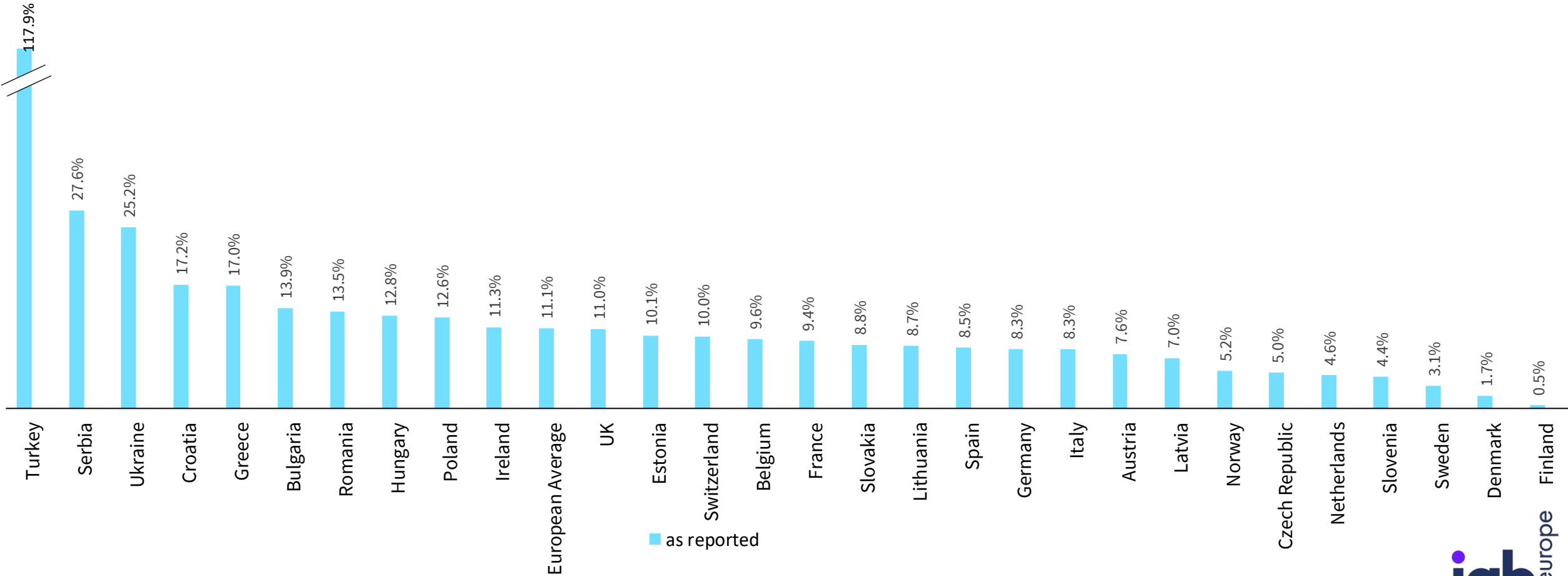
Spend remains concentrated on top markets

2023: Digital Ad Spend by Market (€m)



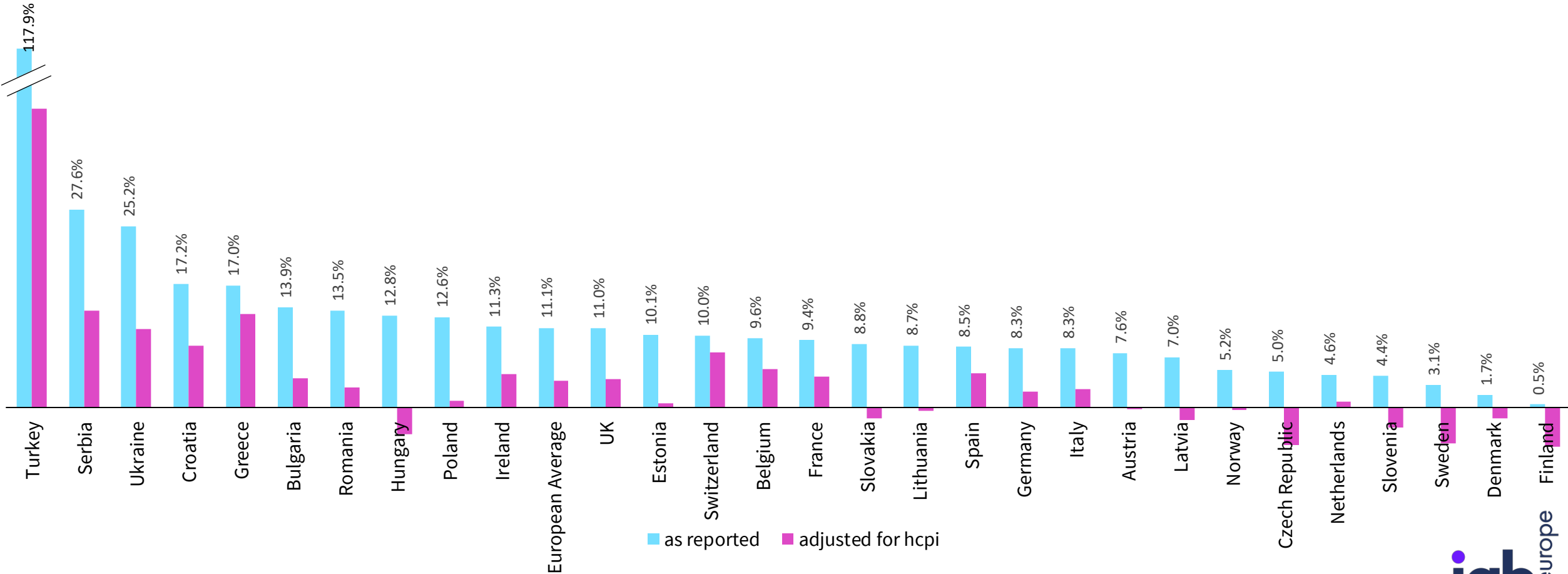
Most European markets show robust gains...

Digital Ad Growth by Market 2023 vs 2022

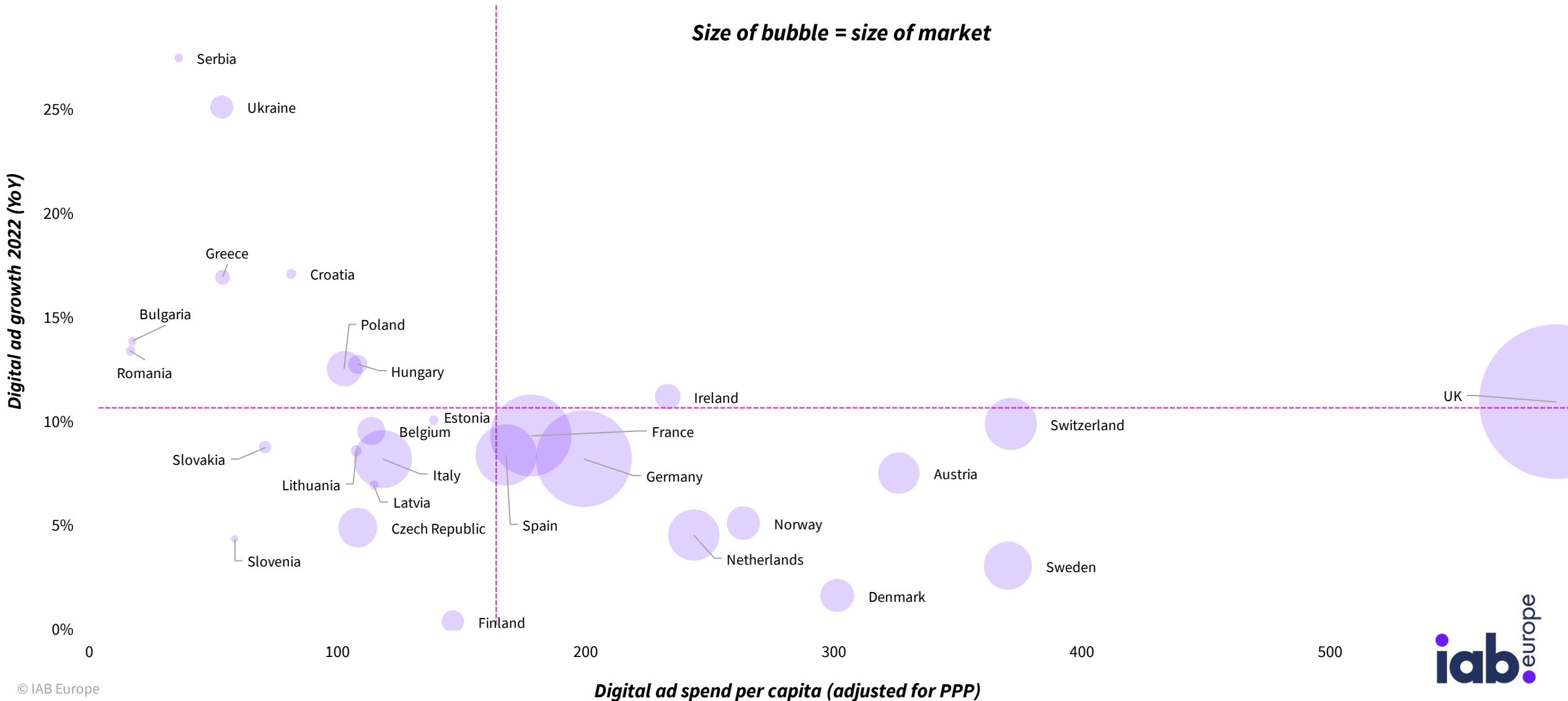


...but accounting for the effect of inflation changes the picture

Digital Ad Growth by Market 2023 vs 2022



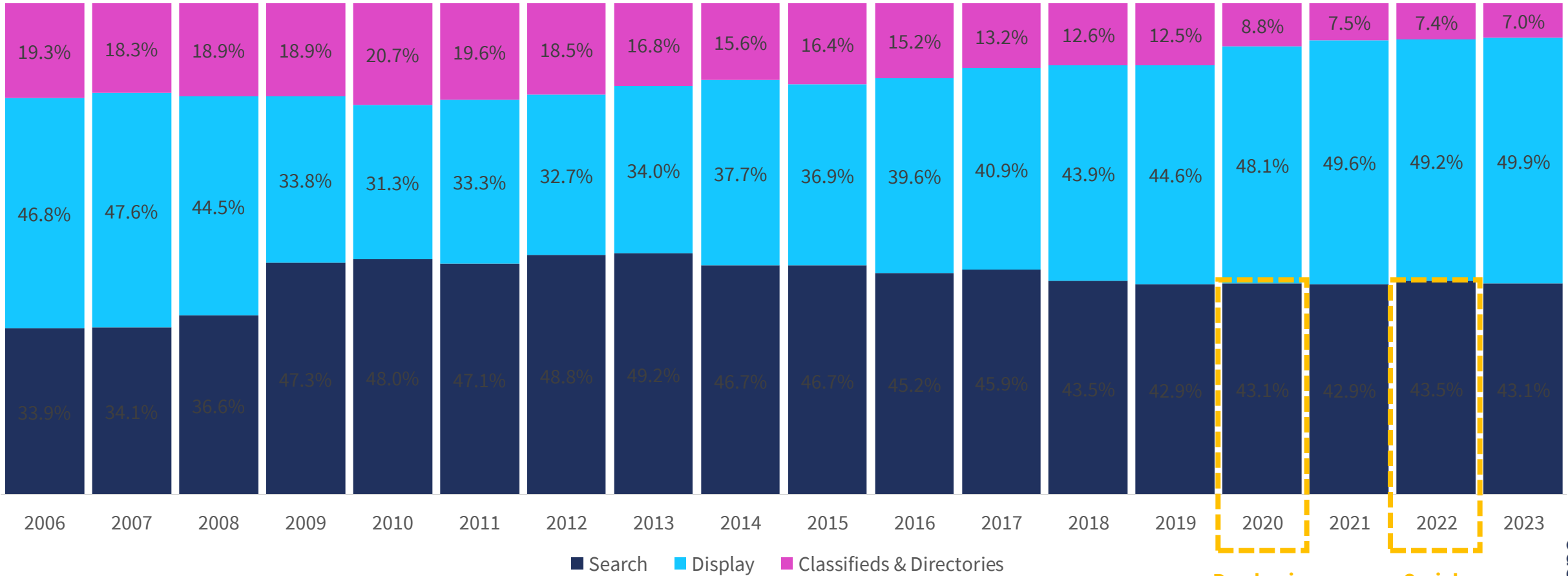
Market comparison: growth & maturity



FORMATS

Display formats have gained further ground

Europe: Digital Ad Spend Share by Format

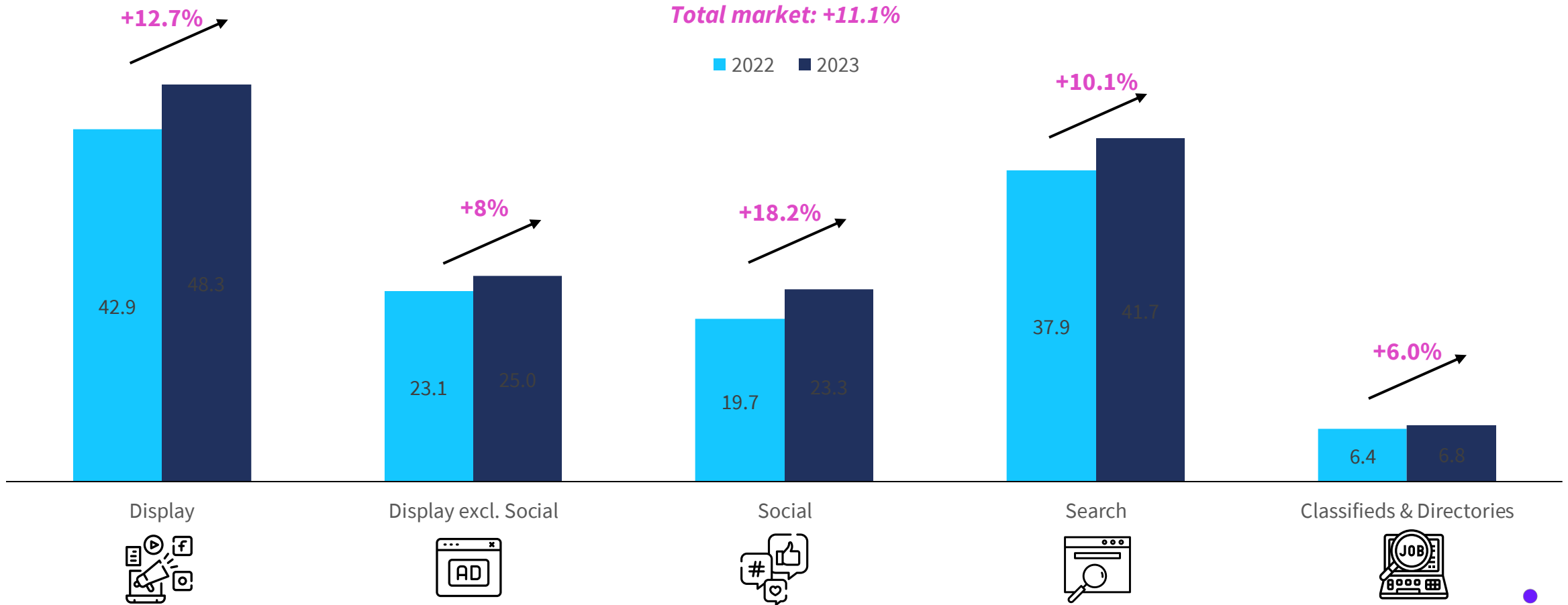


Pandemic performance

Social correction

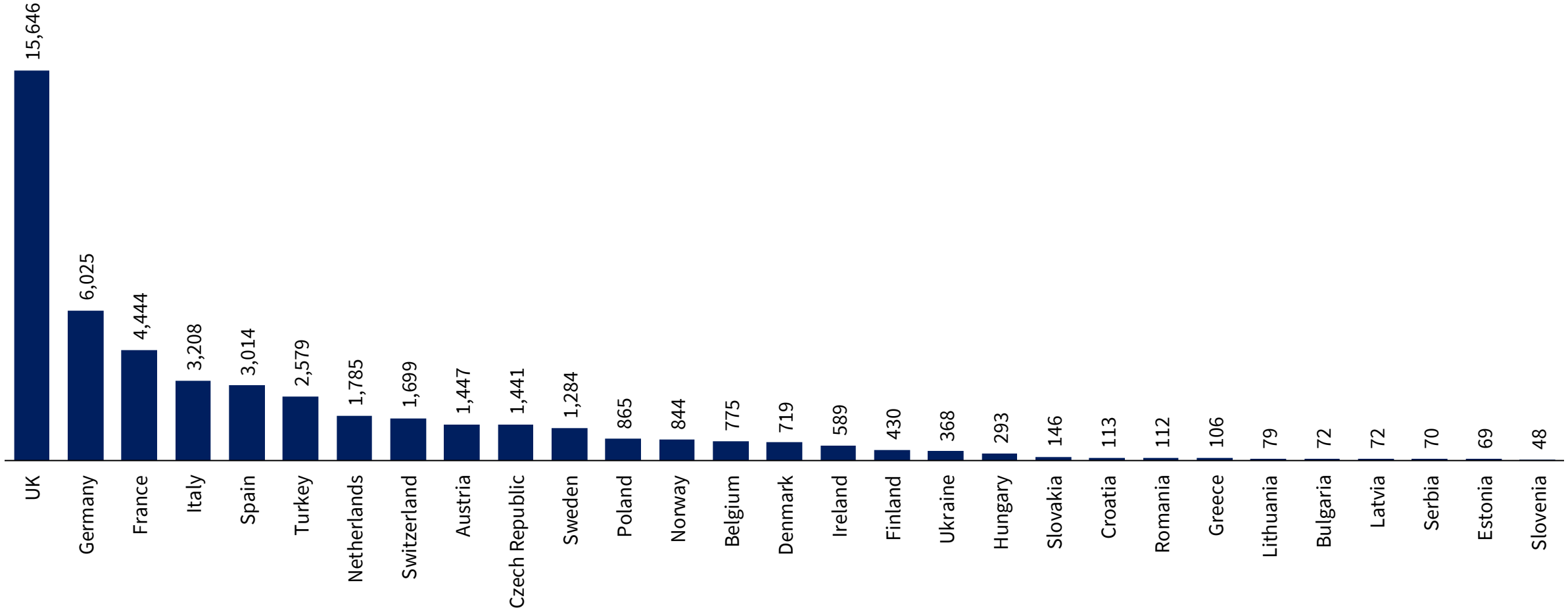
Social growth dominated following rebound from 2022 underperformance

Digital Ad Spend by Format



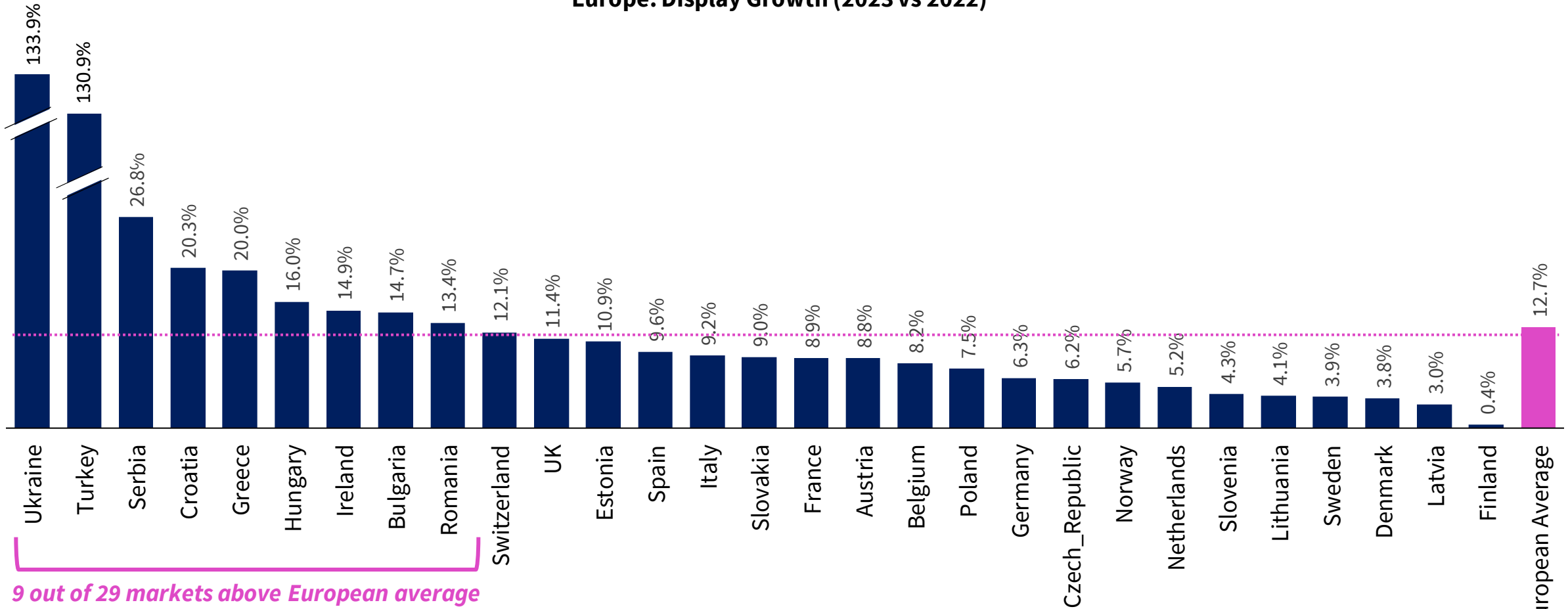
Display: “Big 5” European markets dominate

Europe: Display 2023 (€m)



Display: Most markets saw single digit growth framed by extremes

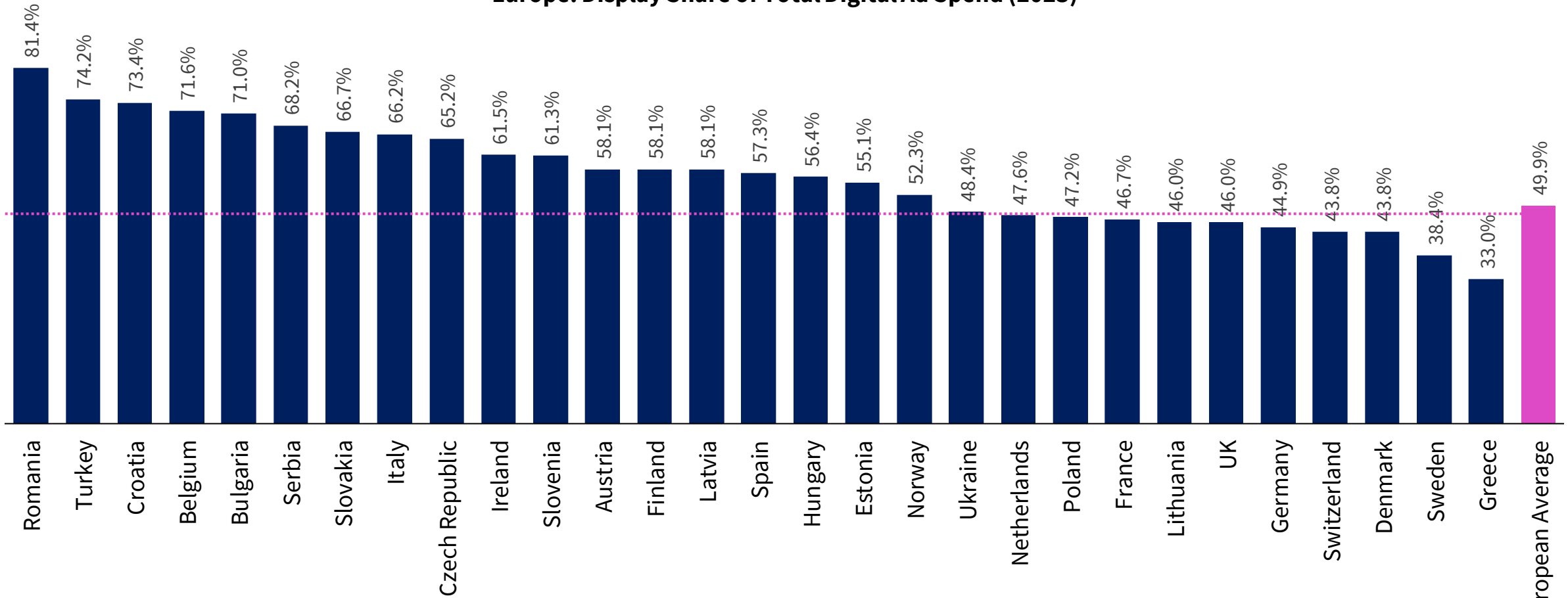
Europe: Display Growth (2023 vs 2022)*



*incl. social

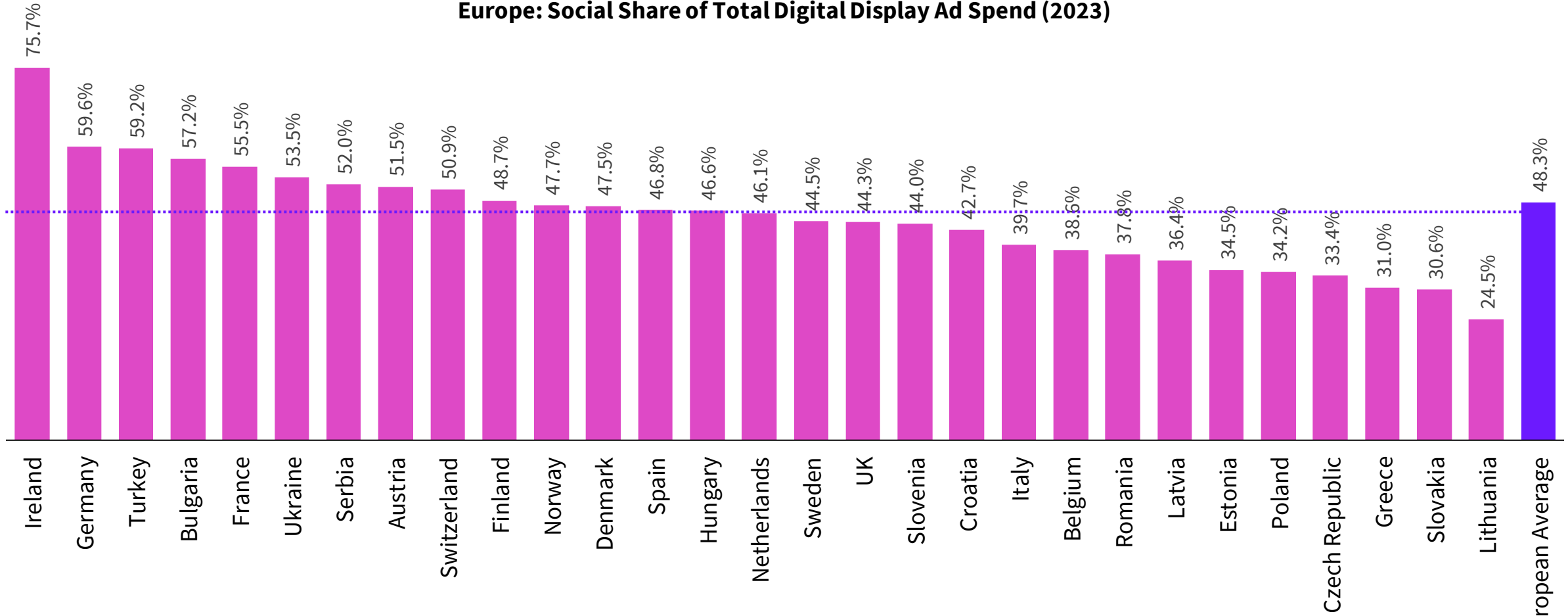
Display: 18 markets have a display share higher than 50%

Europe: Display Share of Total Digital Ad Spend (2023)



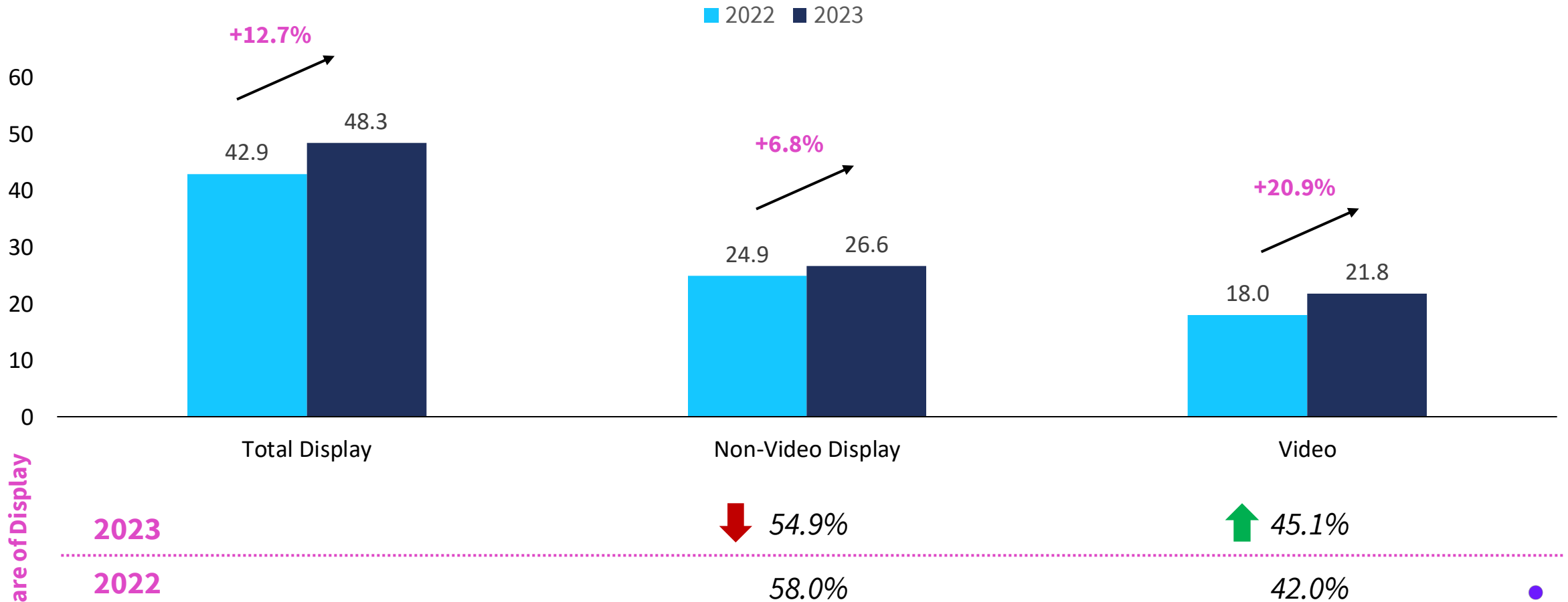
Social is 48% of Display

Europe: Social Share of Total Digital Display Ad Spend (2023)



Total display shows gains in video share...

Europe: Display Ad Spend Details (€bn)*



Share of Display

2023

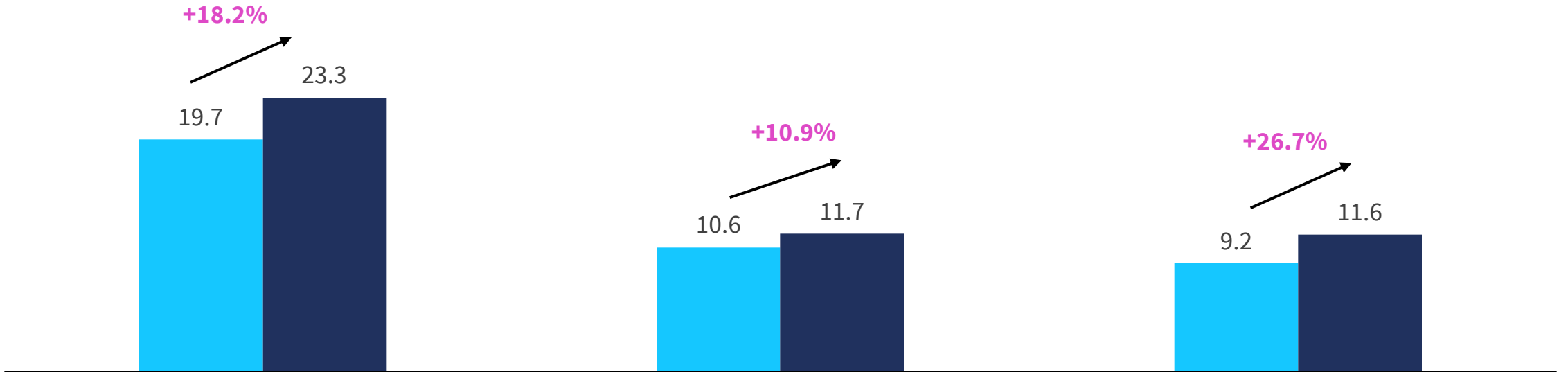
2022

*incl. social

...further accentuated by social video

Europe: Social Ad Spend Details (€bn)

■ 2022 ■ 2023



Total Social

Non-Video

Video

2023

↓ 50.2%

↑ 49.8%

2022

53.5%

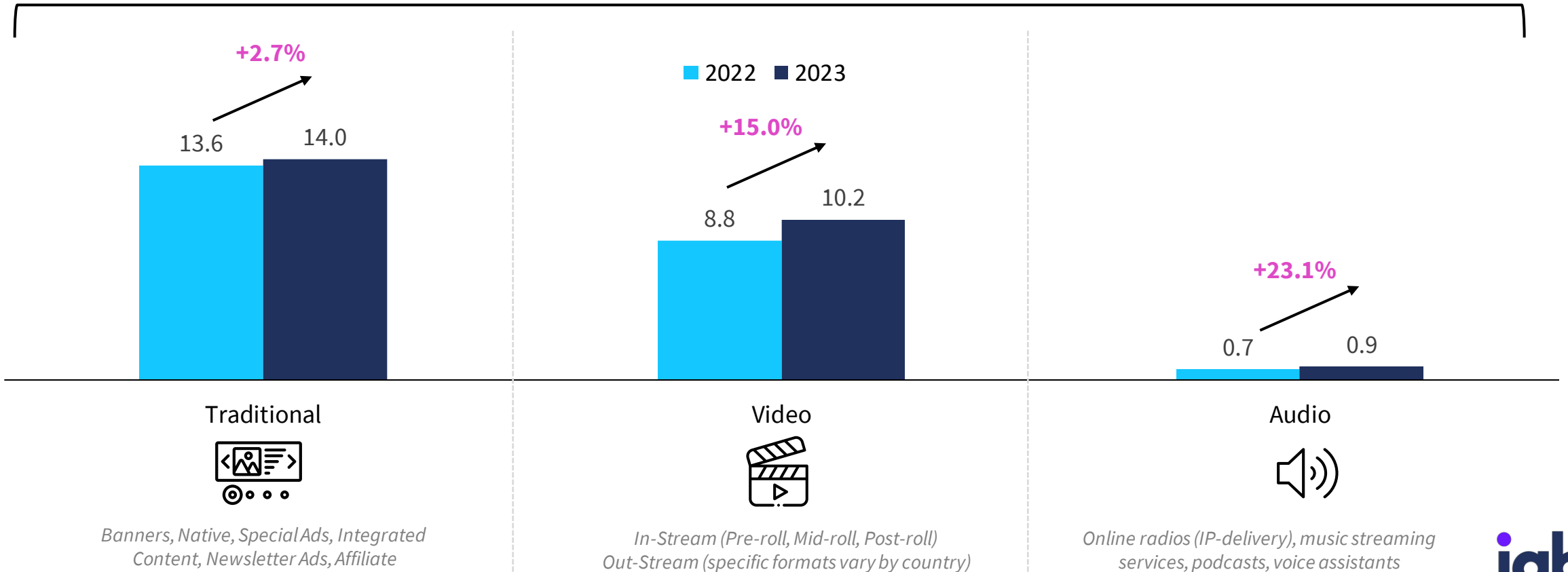
46.5%

Share of Social

“Traditional” ad spend flat while non-social video drives growth

Europe: Display Ad Spend excl. Social (€bn)

€25bn +8.0%



Traditional



Banners, Native, Special Ads, Integrated Content, Newsletter Ads, Affiliate

Video



*In-Stream (Pre-roll, Mid-roll, Post-roll)
Out-Stream (specific formats vary by country)*

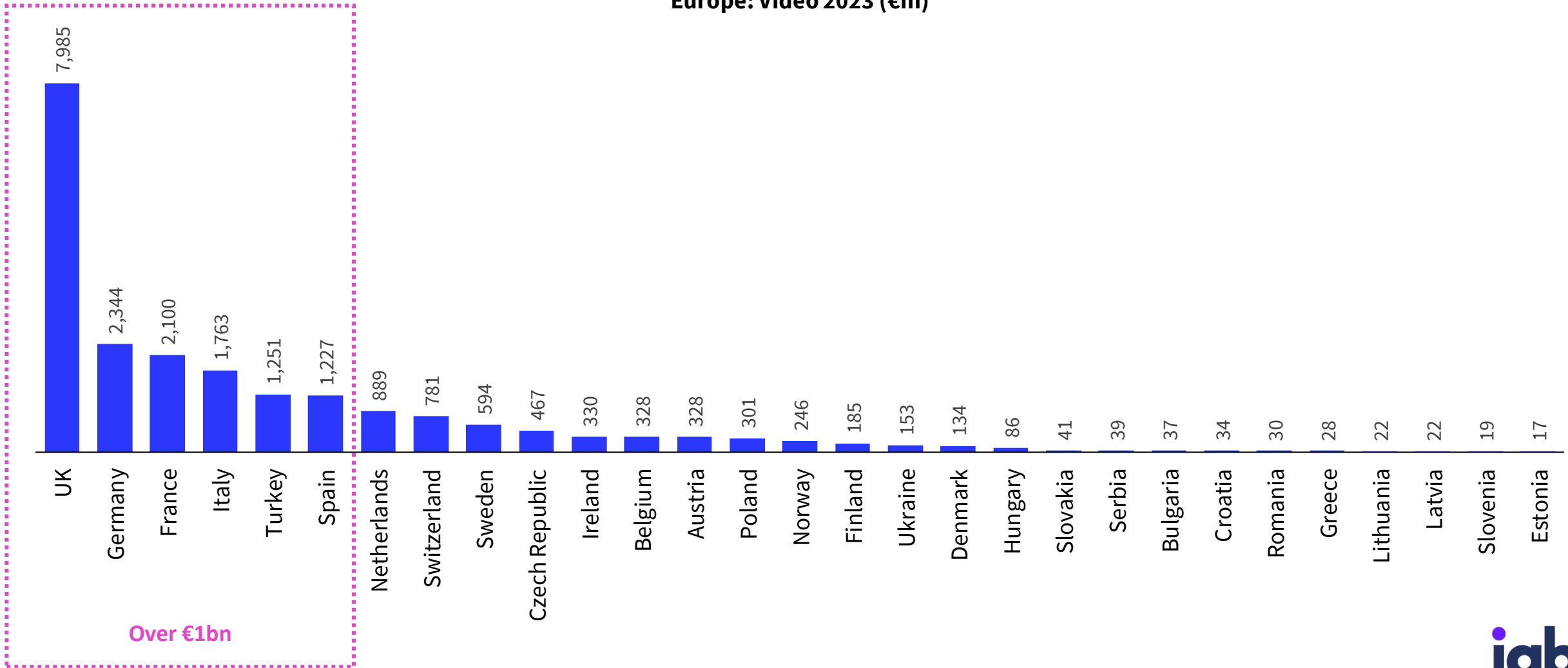
Audio



Online radios (IP-delivery), music streaming services, podcasts, voice assistants

Video: 6 markets exceed €1bn

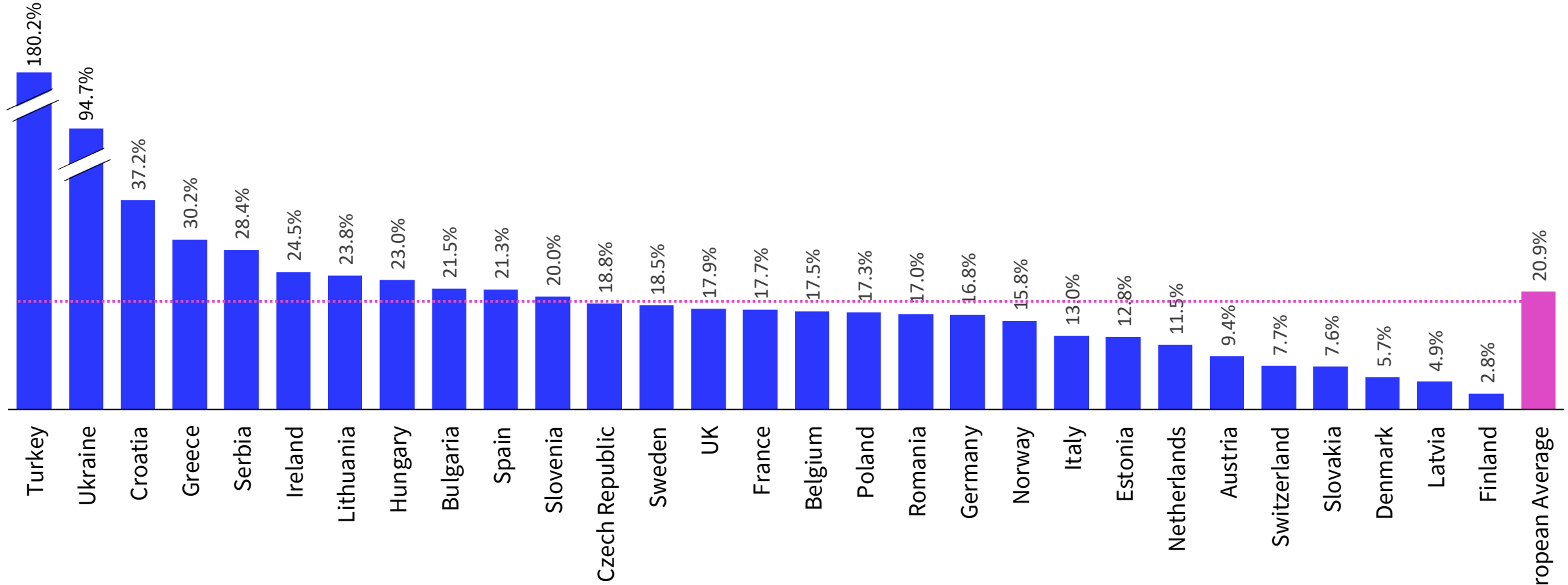
Europe: Video 2023 (€m)



Over €1bn

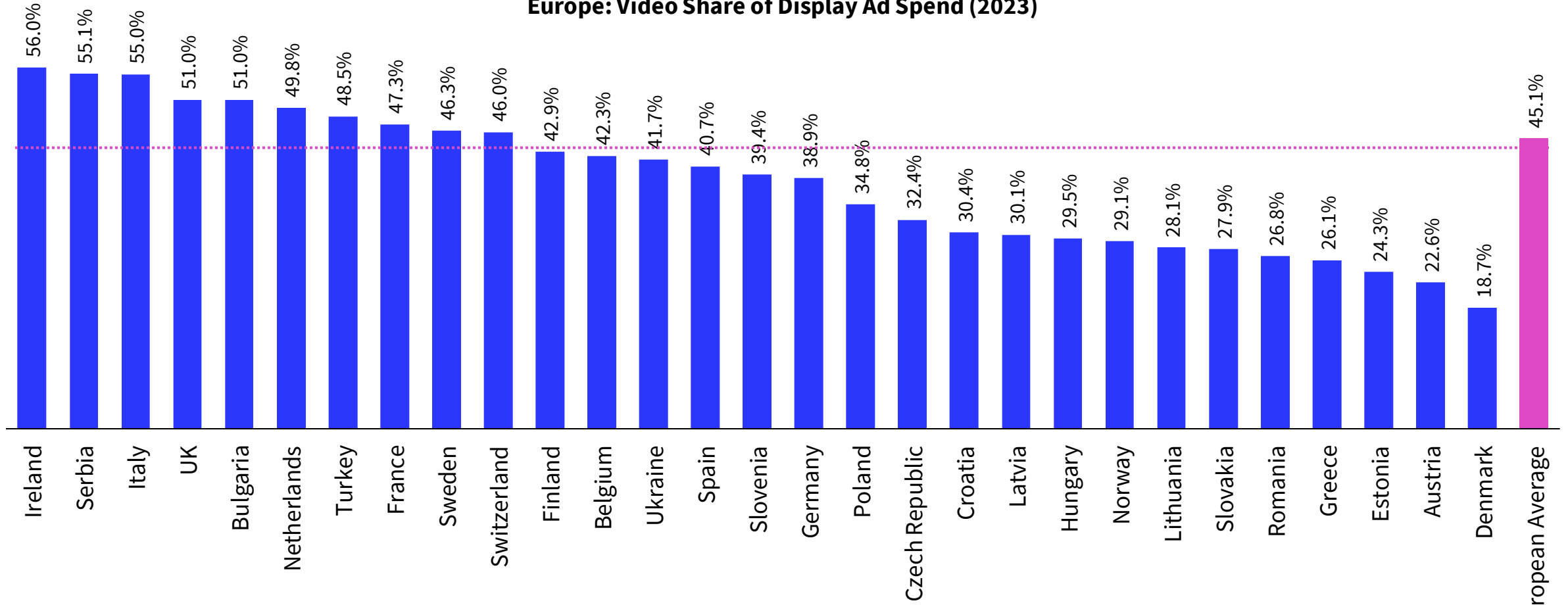
Video: Most markets recorded double-digit growth

Europe: Video Growth (2023 vs 2022)



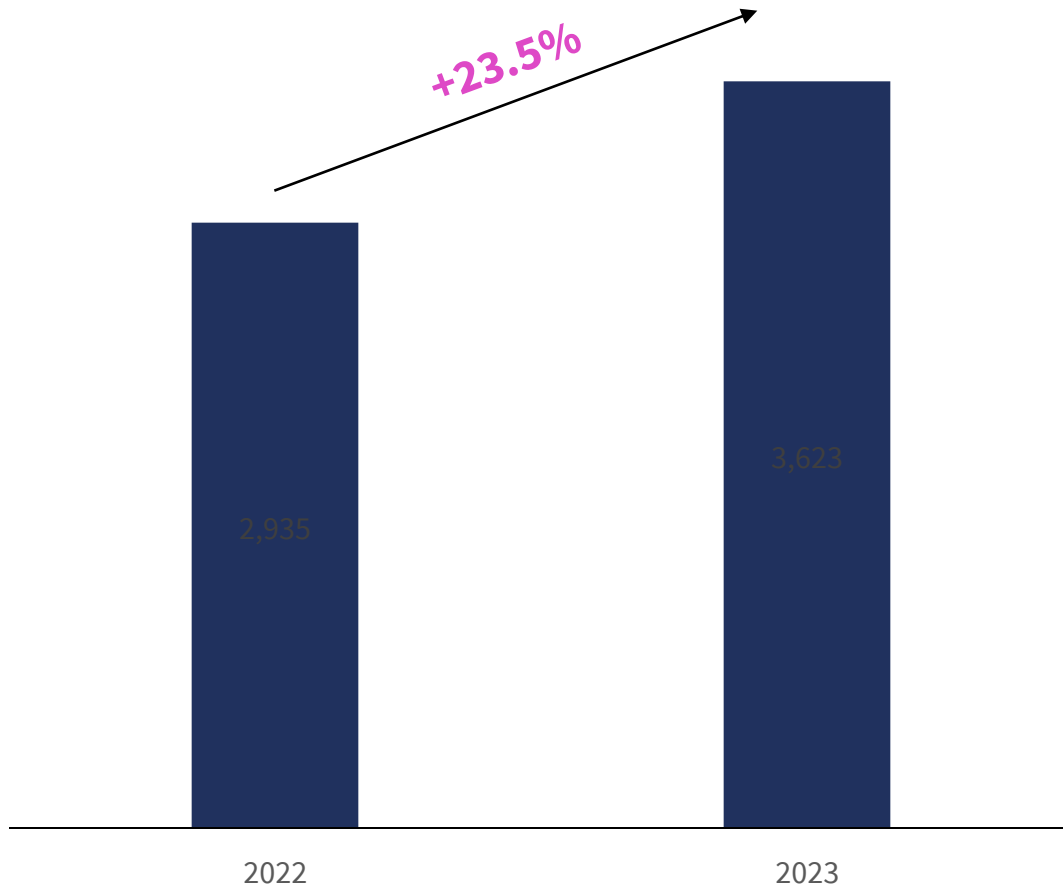
Video exceeds 50% of display in 5 markets

Europe: Video Share of Display Ad Spend (2023)

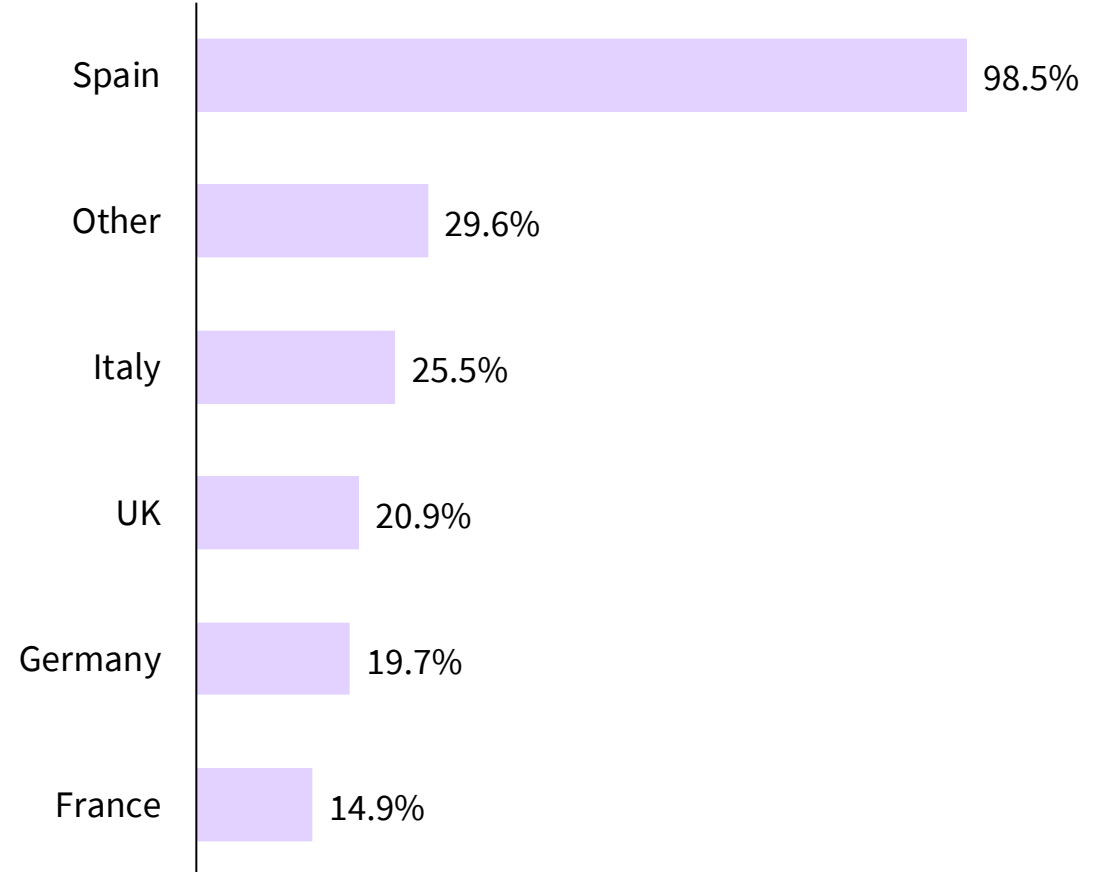


CTV (+23.5%) outperforms non-social video (+15.0%)

Europe: CTV Ad Spend (€m)*

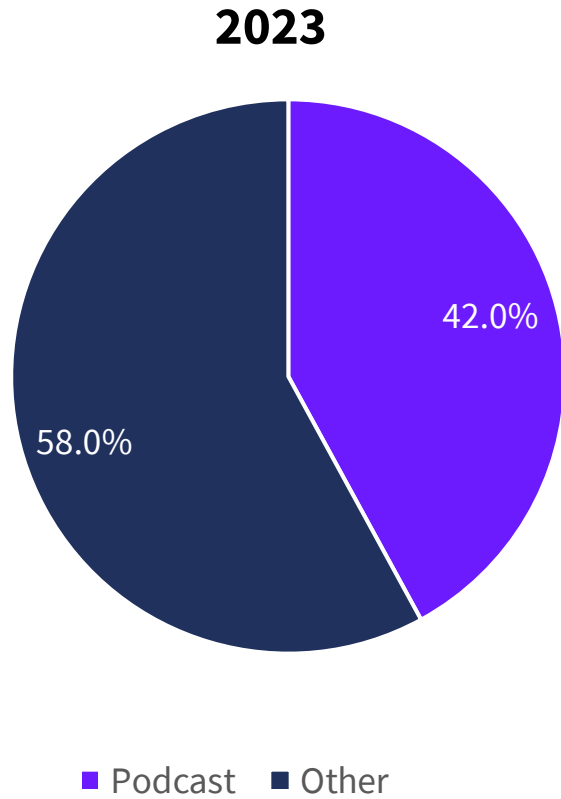


CTV Ad Spend Growth (2023 vs 2022)



*submitted data from 6 IABs definitions not harmonised, extrapolated to total market

Digital Audio driven by Podcasts



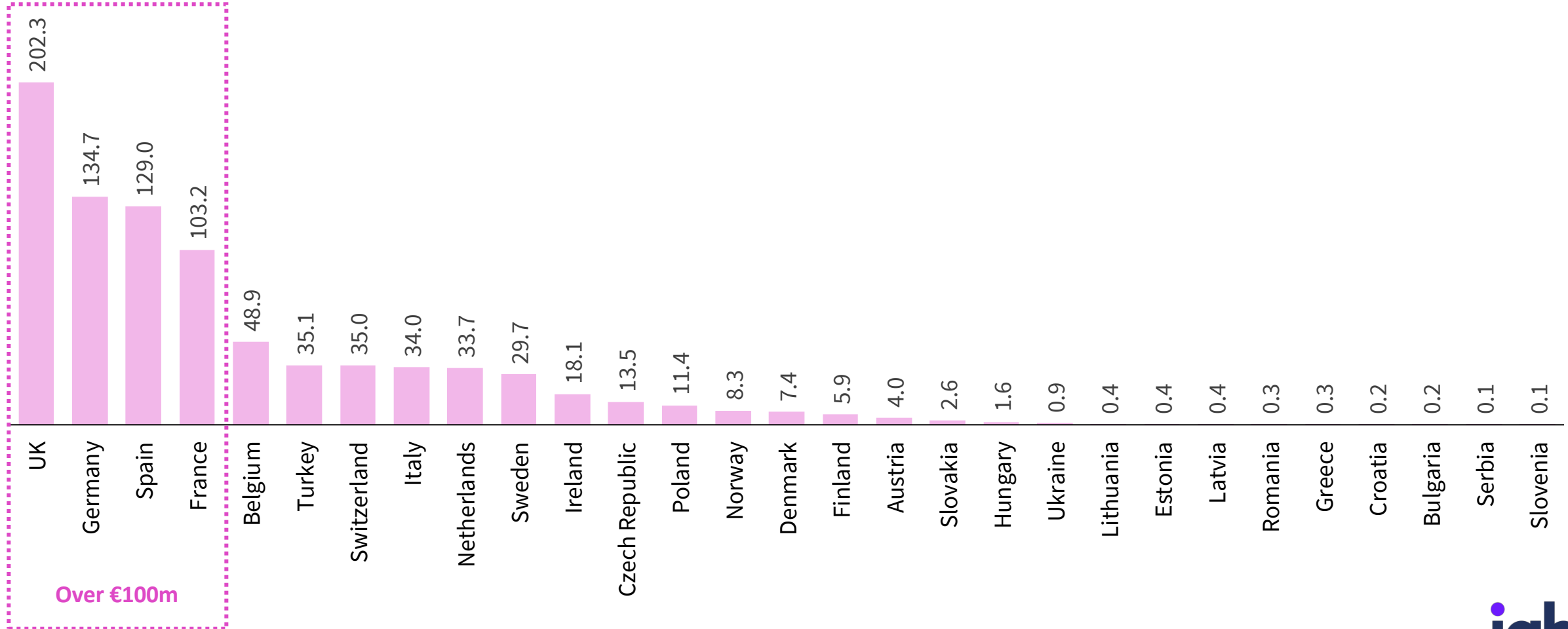
Podcast: +32.5% YoY



Other Formats: +17.1% YoY

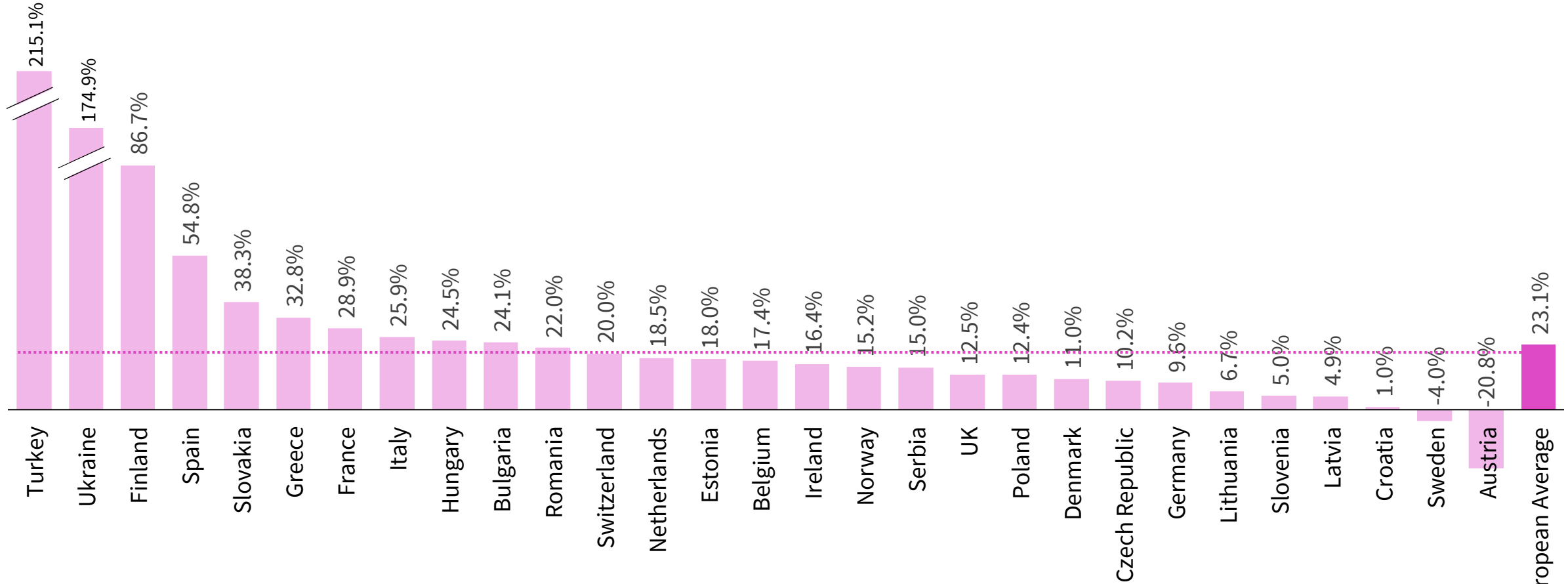
Digital Audio: Four markets over €100m

Europe: Audio 2023 (€m)



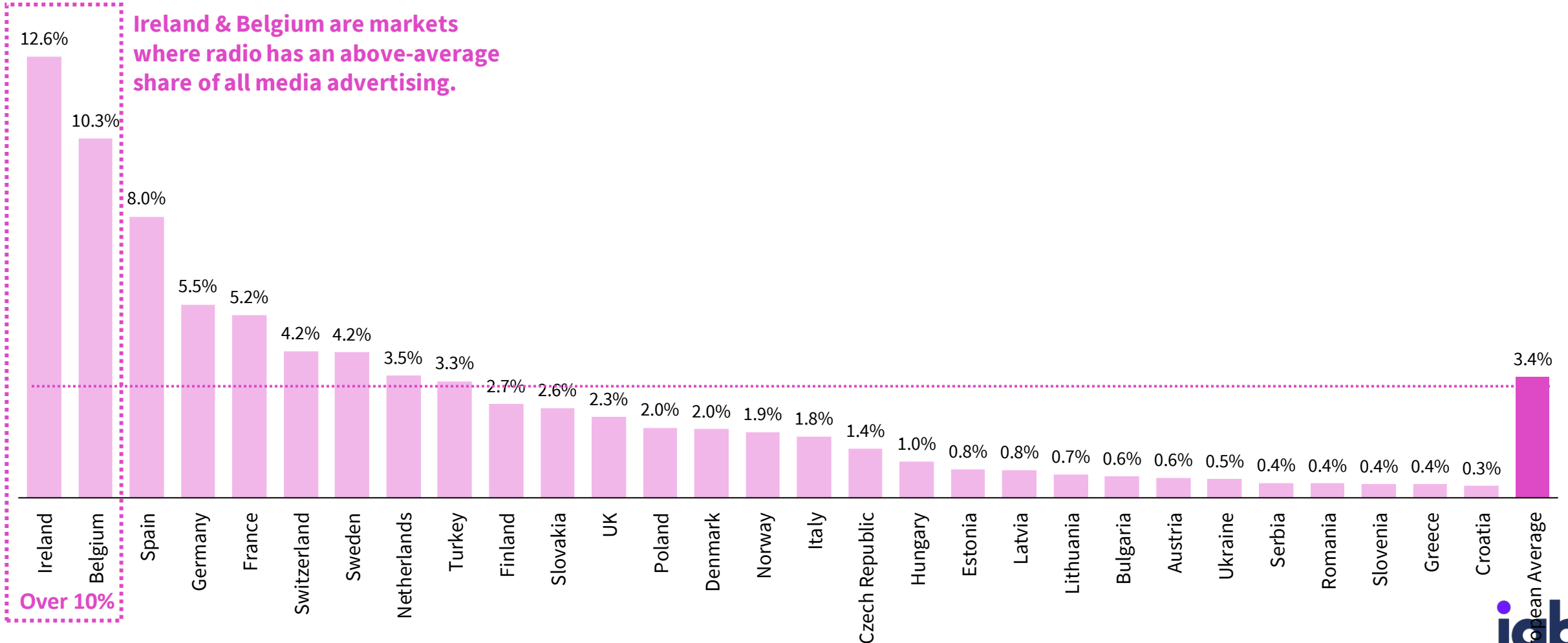
Digital Audio: Wide spectrum of growth between markets

Europe: Digital Audio Growth (2023 vs 2022)



Digital Audio: Historically strong radio markets exhibit higher share

Audio Share of Display (2023)*



*excl. social

Programmatic share stagnating, but over 50% of Display

Value
€12bn

Growth
+7.4%

2022 Share of Display

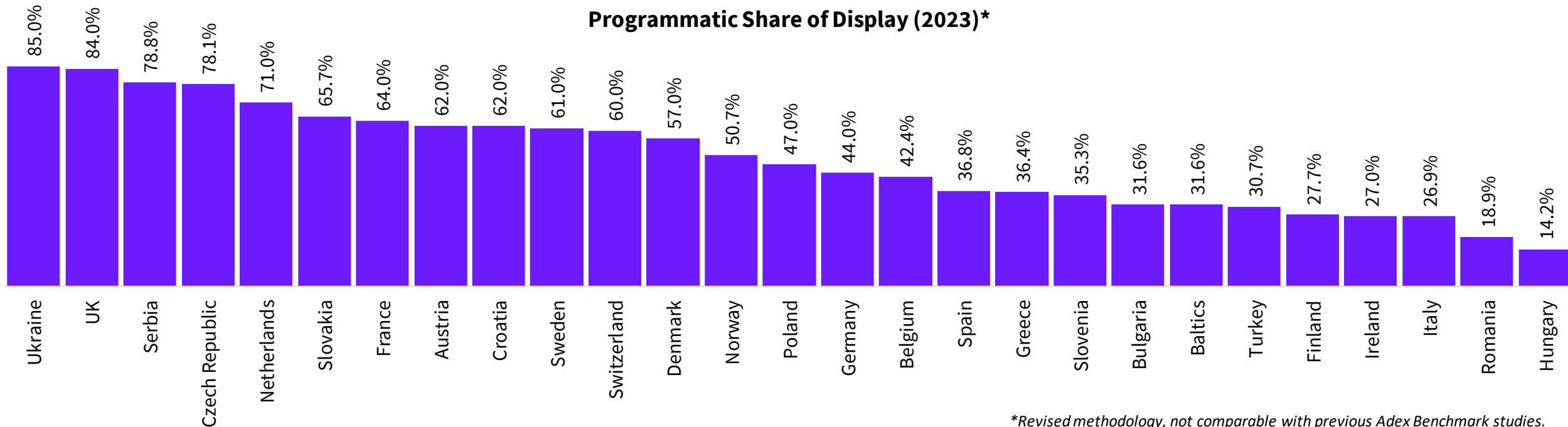
53.4%



2023 Share of Display

51.9%

Programmatic Share of Display (2023)*



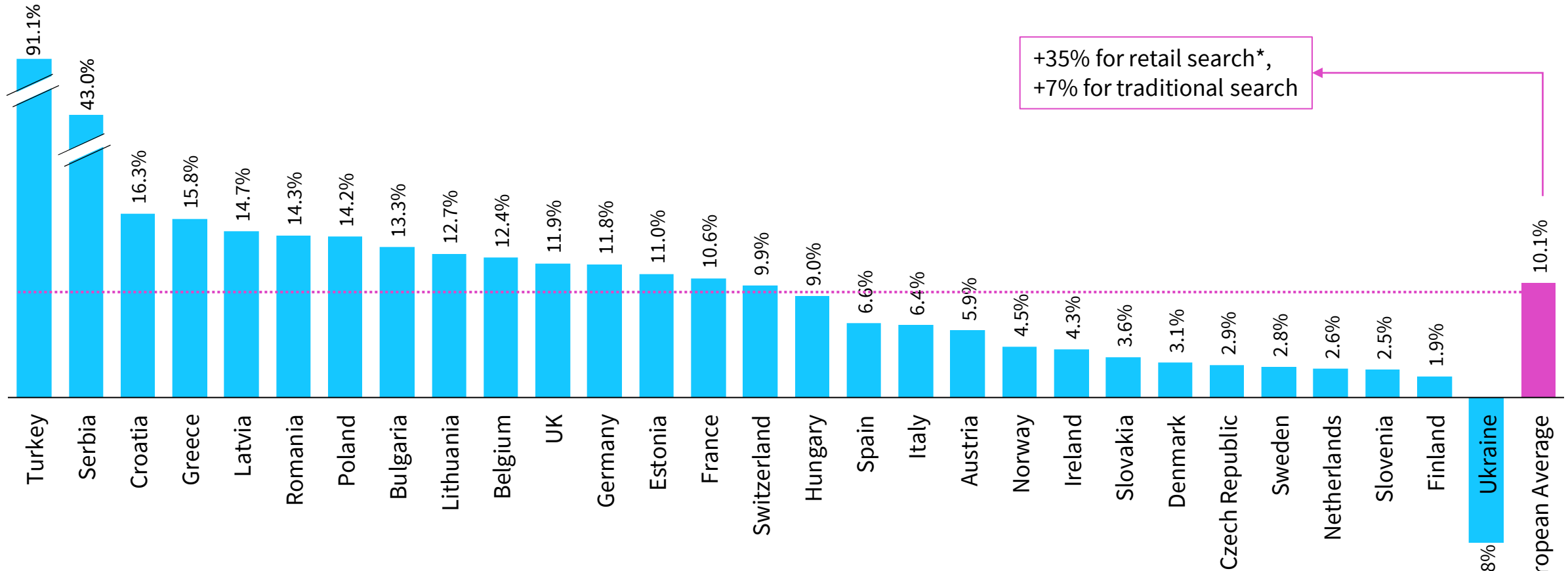
**Revised methodology, not comparable with previous Adex Benchmark studies. Excl. Social and Search "Automation".*

Paid-For Search: Top 3 markets command 66% of total



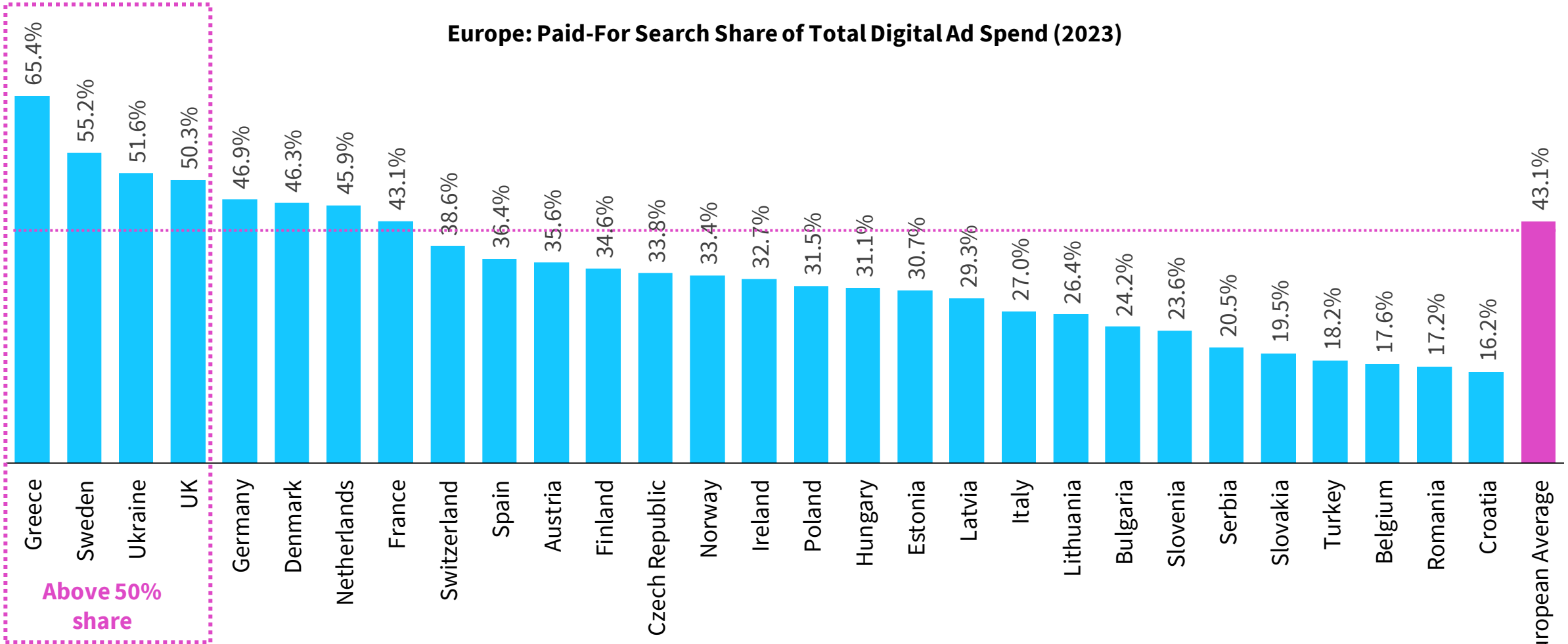
Search double digit in 14 markets, growth source shifting to retail

Europe: Paid-For Search Growth (2023 vs 2022)



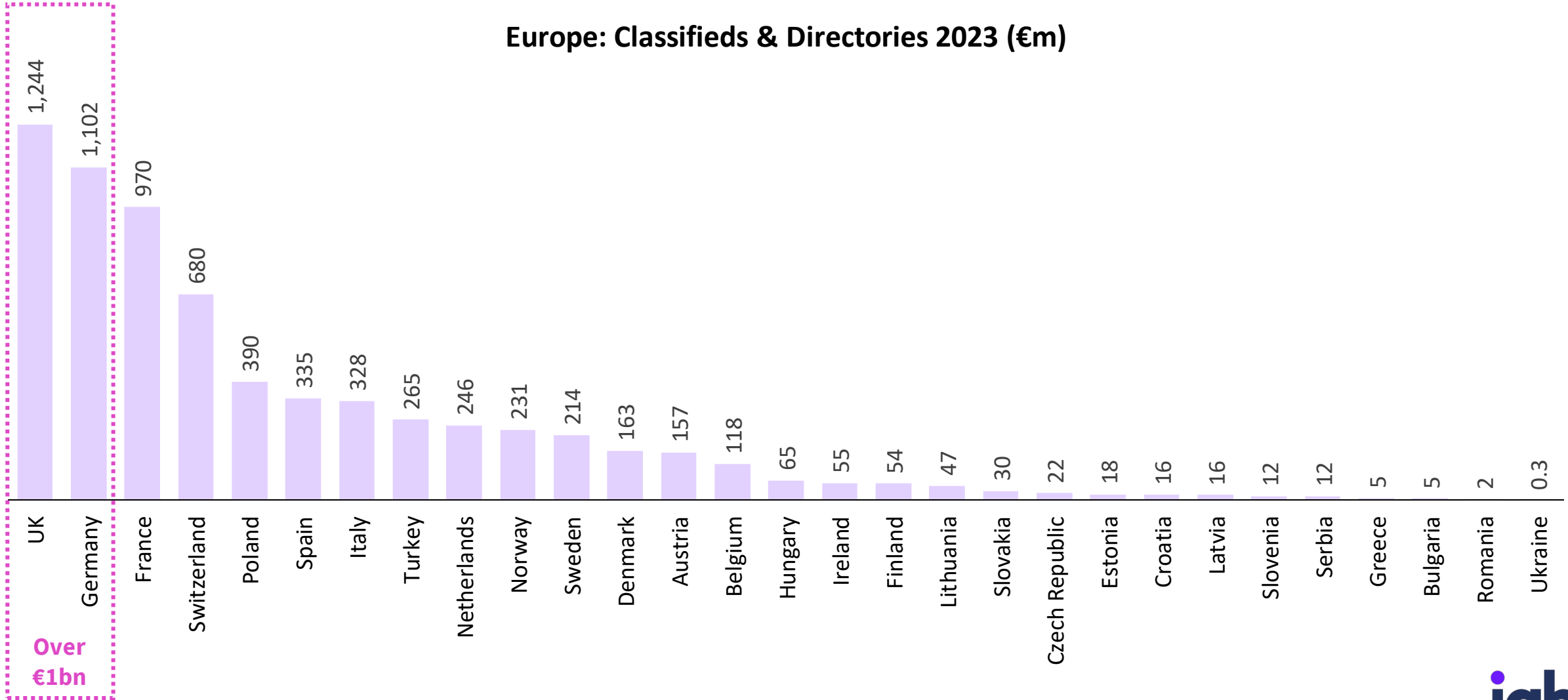
*Retail Search includes the marketing of advertising space on the search engines of E-commerce and traditional retail sites. Excludes revenue generated by Google Shopping.

Search is over 50% of spend in 4 markets



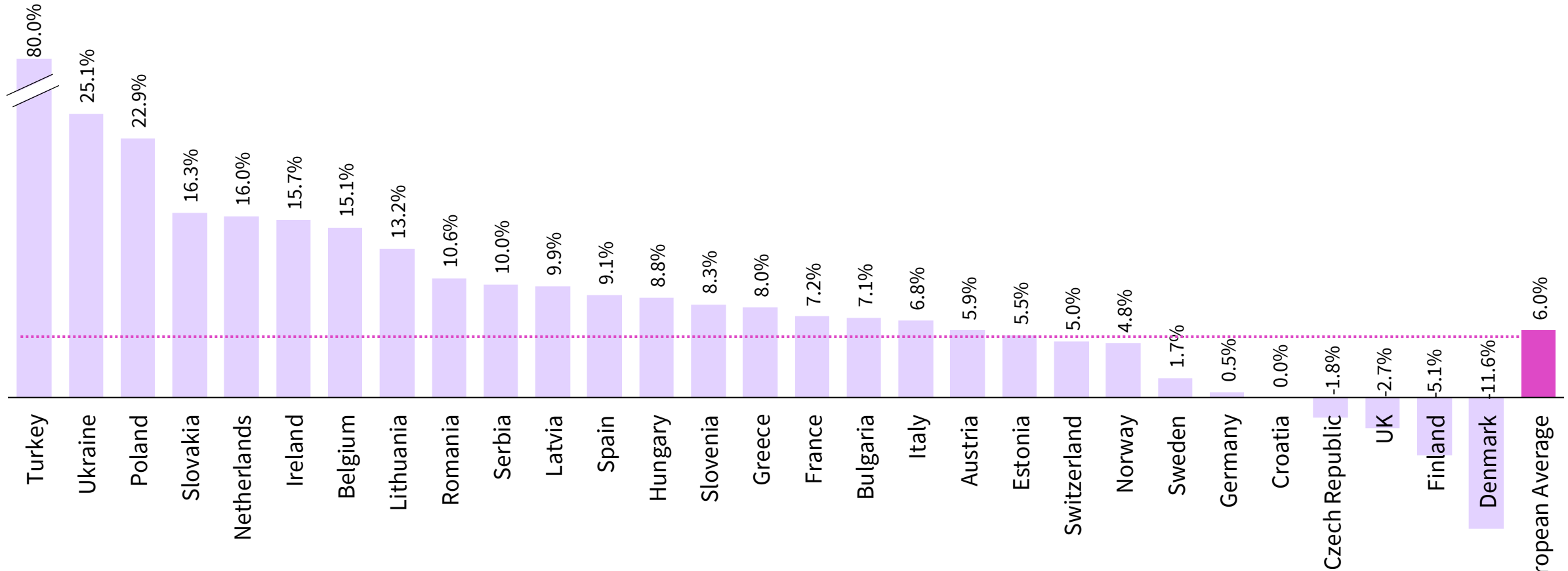
Classifieds & Directories: Two markets over €1bn

Europe: Classifieds & Directories 2023 (€m)



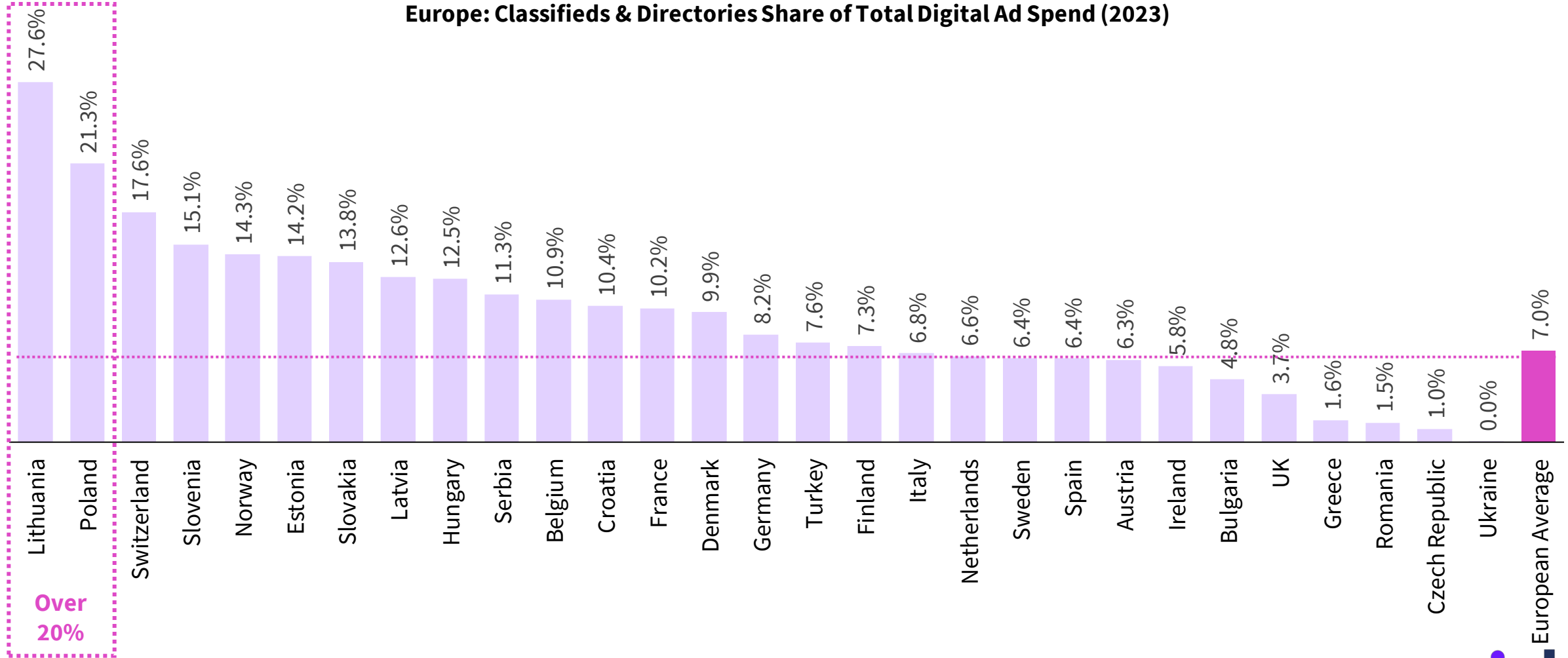
Divergent trends in C&D as category undergoes transformation

Europe: Classifieds & Directories Growth (2023 vs 2022)

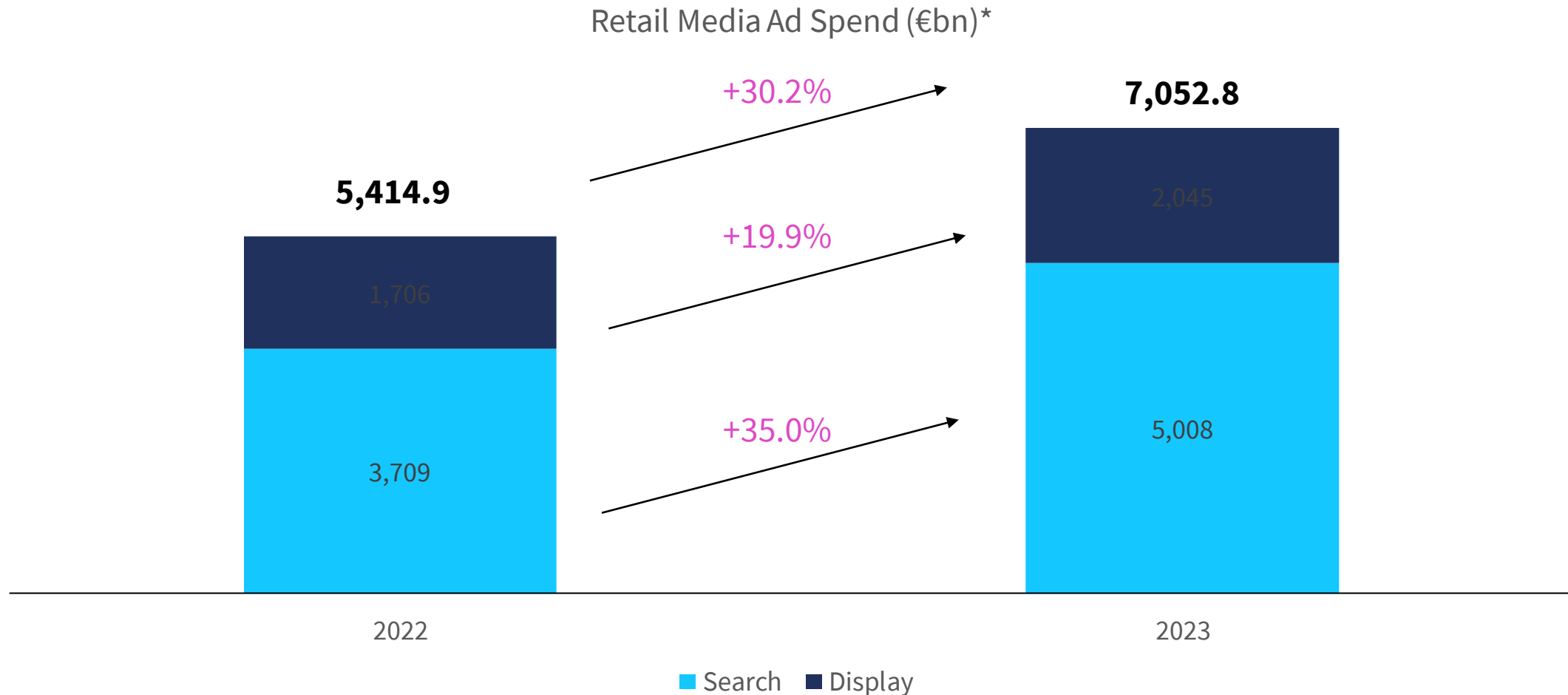


Classifieds & Directories exceed 20% in 2 markets

Europe: Classifieds & Directories Share of Total Digital Ad Spend (2023)

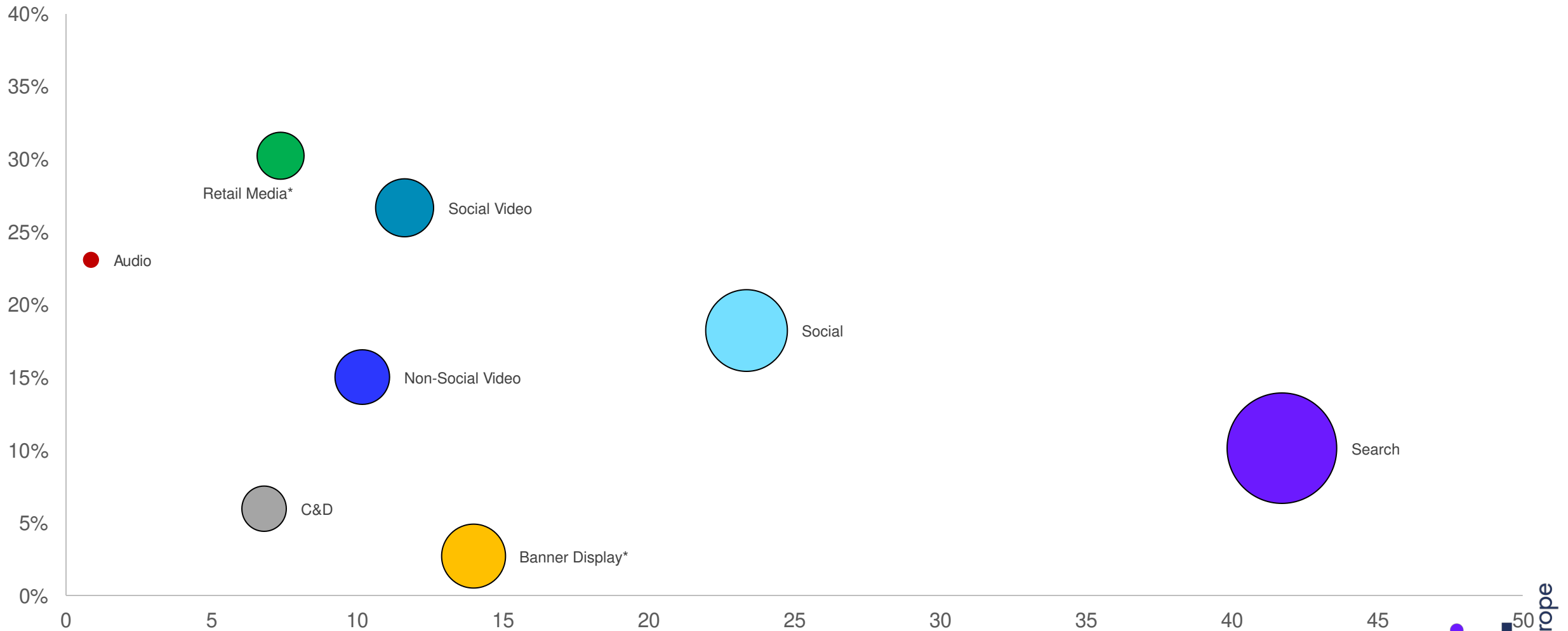


Retail Media only partly covered by existing study



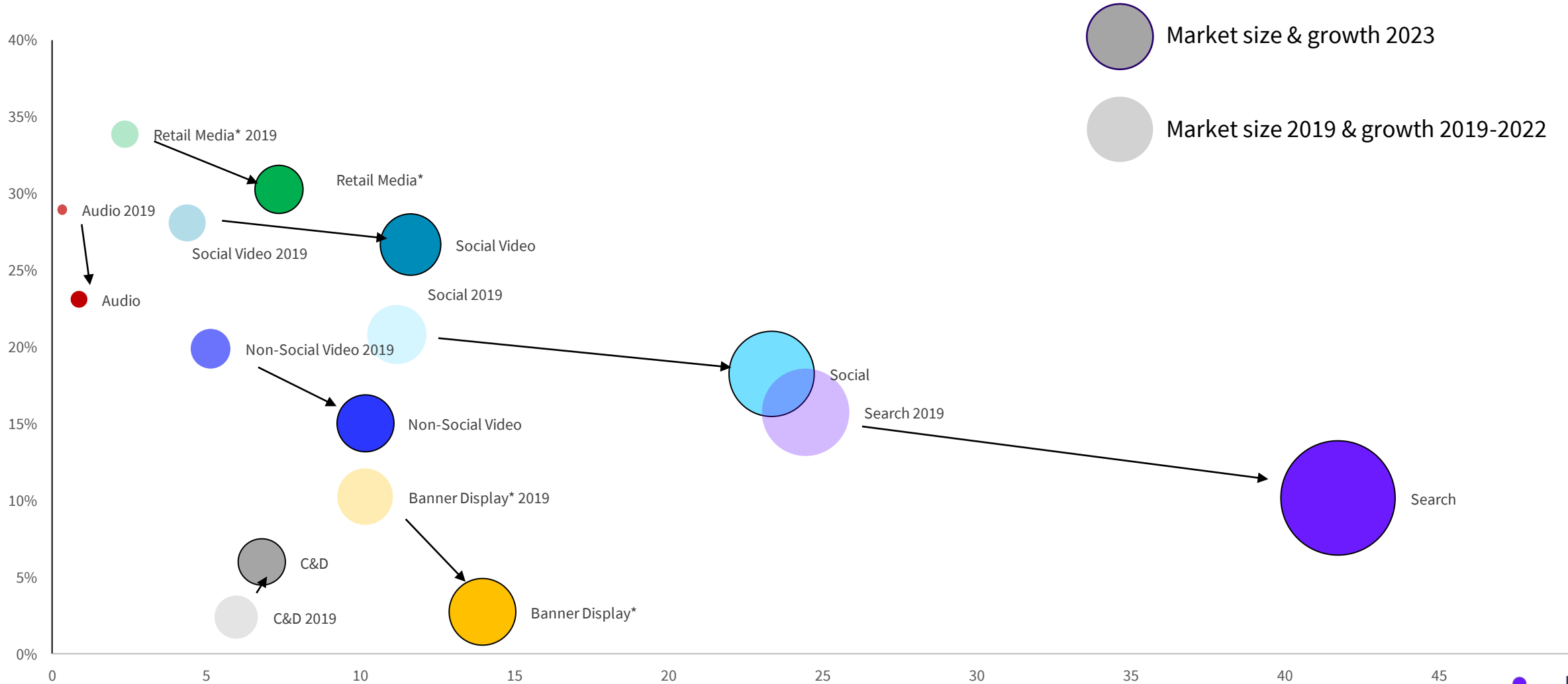
*only partly covered by national IABs/this study. Numbers thus smaller than IAB Europe Retail Media Model.

Growth drivers at a glance: 2023



*only partly covered by national IABs/this study. Numbers thus smaller than IAB Europe Retail Media Model.

Growth drivers at a glance: 2019 vs 2023



*only partly covered by national IABs/this study. Numbers thus smaller than IAB Europe Retail Media Model.

Exchange rates used*

Country	fx: 1 EUR = x local
Austria	1
Belgium	1
Bulgaria	1
Croatia	1
Czech Republic	24.7240
Denmark	7.4529
Estonia	1
Finland	1
France	1
Germany	1
Greece	1
Hungary	382.800
Ireland	1
Italy	1
Latvia	1

Country	fx: 1 EUR = x local
Lithuania	1
Netherlands	1
Norway	11.2405
Poland	4.3395
Romania	4.9756
Serbia	1
Slovakia	1
Slovenia	1
Spain	1
Sweden	11.0960
Switzerland	0.9260
Turkey	25.8600
UK	0.8691
Ukraine	39.8360

*if fx=1 but local currency is not EUR, the country has reported the source data to us in EUR.
Exchange rates are sourced from the European Central Bank.



Thomas Duhr

Executive Committee Member, Vice-President BVDW, Executive Vice-President IP Deutschland & Chairman of the IAB Europe Board



"IAB Europe's AdEx Benchmark has reached a stage of legacy, with the 18th edition marking an important step in the long-term success story of digital advertising. The latest IAB Europe AdEx Benchmark Report reveals an inspiring story of resilience and innovation in the digital advertising market. Despite economic turbulence, and the looming challenges of privacy concerns and a world without third-party cookies, the market grew by an impressive 11.1% in 2023, showing the continued importance of digital investment to brands. This growth, driven by dynamic central and eastern European markets including Turkiye, Serbia, and Ukraine, and emerging formats such as digital audio and video, showcases the industry's adaptability and forward-thinking nature. It's a testament to advertisers' renewed confidence, publishers adapting to innovative new strategies and the creative potential that the industry continues to offer to drive the future of digital forward."



Anastasiya Baydachenko

CEO of IAB Ukraine



“The Ukrainian economy and its digital economy are going through difficult times. More than 10 million people were forced to leave the country. The supply of labor resources in the Ukrainian market is extremely difficult now. This is connected, firstly, with the migration of highly qualified personnel from abroad with the beginning of a full-scale invasion, and secondly, with the demographic gap, which statistically now falls on university graduates. Despite this, the digital industry shows growth in national currency thanks to a long tail of small and medium-sized businesses that actively use the advertising tools of global players as well as through the budget reallocation from classic non-digital media, from TV to CTV and Youtube. Global advertisers are returning to advertising campaigns much better than last year, but not all have returned to their usual advertising activities, compared to pre-war period.”



Jörg Vogelsang

Chief Digital Officer at Brand Community Network & Vice-Chair of IAB Europe's Programmatic Trading Committee



“After around two decades, digital advertising reached a total of nearly €100bn in Europe. Even in a more mature market like Germany – the second biggest market in Europe in terms of digital ad spend – the latest IAB Europe's AdEx Benchmark Report shows robust growth rates. And the digital market is still an innovation powerhouse. In Europe and in Germany Video is the eye-catching format and becoming the new normal. With CTV and DOOH digital advertising is getting the full attention of consumers in their living rooms and on the high street. So, although we are still facing tough challenges in the current years of an ongoing poly-crisis, I am confident that the agility and creativity of our digital advertising industry will get us beyond the €100bn threshold for the next 2024 AdEx Benchmark report.”



Burak Ertaş

Chairman of IAB Türkiye



“Turkey's digital advertising market has been consistently ranking in the top 10 in Europe and has seen the fastest growth for the last two years. With a growth rate of 50%, adjusted for inflation, it's clear that digital advertising is booming in Turkey.

According to Kantar Media, there's been a significant increase of over 9% in the number of companies advertising digitally from 2022 to 2023. Interestingly, this rise happened while the total number of advertisers across all platforms remained almost the same. This suggests that more advertisers are shifting their investments from traditional to digital platforms. This trend indicates that Turkey's digital advertising market is expanding, fuelled by both existing digital advertisers increasing their budgets and new advertisers entering the scene.

Moreover, Turkey's e-commerce volume soared by 115% in 2023 compared to the previous year, with transactions increasing by 22%. This rapid growth in e-commerce is another driving force behind the increased investments in digital advertising. Gemius, Turkey's monthly top 100 advertisers report, also confirms that e-commerce platforms and the retail sector are the leading digital advertisers in the country.”

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