



## **IAB Europe values European Programmatic Market at €2.1bn in 2013**

### **First industry initiative to size programmatic market across Europe**

**Cologne, 11 September 2014** – At its panel at dmexco 2014 today, IAB Europe announced that it has joined forces with IHS Technology to size the programmatic market at a European level<sup>1</sup>. Recognising the growing importance of programmatic within the digital advertising ecosystem, IAB Europe sees the need to deliver greater insight on this area. This is the first such initiative by a digital advertising industry body.

The research shows that **the programmatic market in Europe leaped 111%** from €0.98bn in 2012 to €2.08bn in 2013.

IAB Europe and IHS Technology took a holistic approach to aggregating the data to ensure all stakeholder perspectives were included. The numbers are based on ad spend reported by IABs, transactional data, statistical and econometric models to infer a European market size and knowledge from industry experts. This programmatic research will complement the [IAB Europe AdEx Benchmark report](#), the definitive guide to the state of the European online advertising market. Further development of research into the Programmatic market will continue to be undertaken in consultation with the IABs across Europe.

The European figure released today includes online display and mobile display to ensure all corners of the ecosystem are captured.

The project has been managed by the IAB Europe Programmatic Trading Task Force, a multi-stakeholder initiative to help Publishers, Agencies and Advertisers increase their understanding of the programmatic ecosystem and the impact it is having on digital advertising. The Task Force will deliver a comprehensive programme of educational activities.

**Townsend Feehan, CEO of IAB Europe** said *“A reliable sizing of the Programmatic market is another valuable asset both for businesses operating in the digital advertising ecosystem and for stakeholders seeking to better understand the development of this young and*

*innovative sector”.*

**Daniel Knapp, Director of Advertising Research at IHS Technology** and author of the research, said *“It is undeniable that programmatic trading is growing. The array of existing studies, IPO and investment activities and qualitative industry feedback say that much. However actual size and volume have remained open to debate. This study provides an impartial view in coordination with national IABs”.*

**Graham Wylie, member of the IAB Europe Programmatic Trading Task Force and Senior Director EMEA & APAC Marketing at AppNexus** said *“This programmatic market sizing from IAB Europe provides a compass for media owners, agencies and other players alike as to where the market is heading and which business decisions to make”.*

IAB Europe’s programme of initiatives includes the first [pan-European Programmatic Trading White Paper](#) published in July 2014 and will continue with a Glossary of Key Terms, further White Paper extensions and a presentation series.

**ENDS**

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### **About IAB Europe**

IAB Europe is the voice of digital business and the leading European-level industry association for the interactive advertising ecosystem. Its mission is to promote the development of this young and innovative sector by shaping the regulatory environment, investing in research and education, and developing and facilitating the uptake of business standards. Together with its members – companies and national trade associations – IAB Europe represents over 5,500 organisations

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### **<sup>1</sup> 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](#), ‘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 recognised 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.