IAB Ireland / PwC Online Adspend Study 2023

Measuring the size of the Irish digital advertising market

Launched 2nd May 2024

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Introduction

About

The IAB Adspend Study is a census of major Irish media owners and intermediaries, measuring the size and growth of the Irish digital advertising market performed annually.

Data Collection

Data collected includes desktop, tablet and smartphone advertising spend. The data is collated and presented by:

(i) category (display, search and classified),

(ii) format (banners, video, etc.),

(iii) environment (social and non-social media), and

(iv) industry sectors

Study Methodology

Internationally, IAB has been working with PwC since 1997 to survey the value of online adspend in Europe and North America.

Our study includes data from 21 leading publishers, representing multiple websites and media outlets in Ireland. 2 sales houses and ad networks also participated as well as 8 of the main digital and media buying advertising agencies[1].

All data was provided to PwC on a confidential basis and the analysis is undertaken by PwC based on the figures provided by participants, which have not been independently verified or audited by PwC.

Restatements occur when new data points become available to help refine modelling, or when participants submit more accurate historical data. Figures of previous adspend are restated where needed to offer the most accurate data possible.

Given the ongoing innovation in digital advertising new advertising formats will be introduced into the study when relevant. This inclusion will be highlighted and a like for like growth rate will be provided (excluding the new format) alongside the overall annual adspend growth.

Notes: 1) Where organisations do not submit data, revenues are based on publicly available data as well as consultation with Agencies and industry representatives.

Data Reporting

Total Advertising Revenue

Total advertising revenue is reported on a gross basis (including commission)

Study Participants Data

Figures are drawn up on the basis of actual revenues submitted by the study participants

Platform Data

Data has been included for Google, Meta, Twitter, LinkedIn, TikTok, Pinterest, Snapchat and other social media platforms based on publicly available information and consultation with advertising agencies and industry representatives

Participating Publishers

iab ireland

Publishers

- J MEDIA
- gradireland
- distilled.
- BAUER MEDIA GROUP
- JOE MEDIA GROUP
- dmg::media
- Carzone
- entertainment.ie
- Cars Ireland
- THE IRISH TIMES
- Reach
- Irish Examiner
- zahra
- yahoo!
- sky media
- urbanmedia onair online onstreet
- FCR MEDIA
- MEDIAHUIS
- News Ireland
- Acast
- myhome.ie
- RTÉ[1]
- Virgin media

pwc

Notes: 1) RTÉ data obtained via Freedom of Information Act

Participating Ad Networks, Agencies and Platforms

Ad Networks & Agencies

Platforms[1]

Notes: 1) Based on publicly available information and consultation with advertising agencies and industry representatives.

Digital Advertising

Digital advertising can be defined as traditional online advertising viewed on a desktop PC, laptop, tablet or smartphone and which is accessed via an internet connection

This report segments digital advertising into three core categories:

- **Display Advertising[1]**
- **Search Advertising**
- **Classified Advertising**

Notes: 1) Includes standard display units, section take-overs, social medial, video, native, email, digital audio, SMS/MMS, display and other networks

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Economic Factors 2023

- The Credit Union Consumer Sentiment Index was 62.4 in December 2023. This is the first year on year improvement in the December sentiment survey results since 2017 and, as well as underlining the range of challenges Irish consumers have faced in recent years, may hint that they feel 2024 could be a year where things feel slightly better.

- What are the three 3 key priorities for Consumers in 2024?

  - 76% of consumers see cost-of-living as a key area where improvement is needed.

  - 43% cite healthcare as a key priority area while 38% cite housing supply.

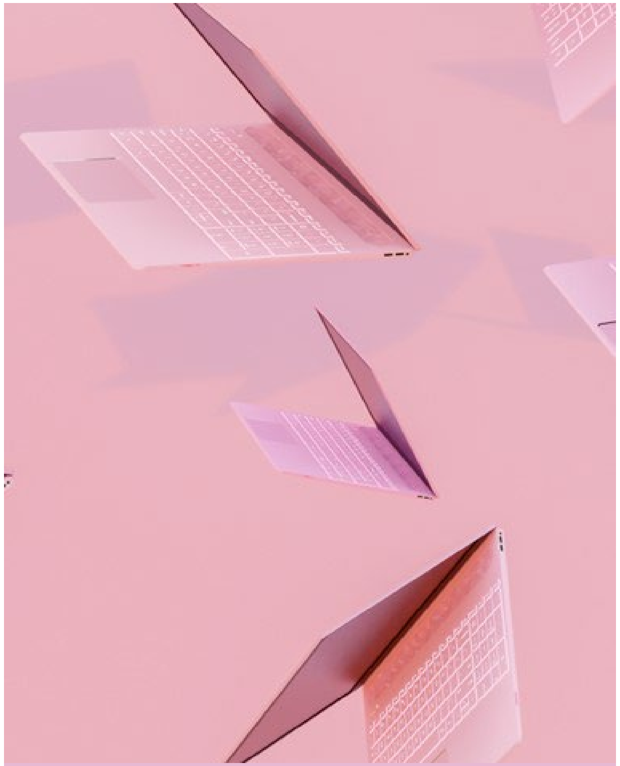
Source: The Credit Union Consumer Sentiment Index, in partnership with Core Research

Digital Consumer Behaviour 2023

- Email remains the most popular internet activity with 93% of internet users who were surveyed in 2023 saying they used email, up from 91% in 2022.

- Finding information about goods or services was the second most popular internet activity in 2023 at 90%, followed by internet or mobile banking (including PayPal, Revolut, Apple Pay, etc.) at 88%.

- Use of streaming services such as Netflix, Amazon Prime, Disney+ or downloads increased by five percentage points on 2022 up to 48% of internet users, compared with 43% in 2022.

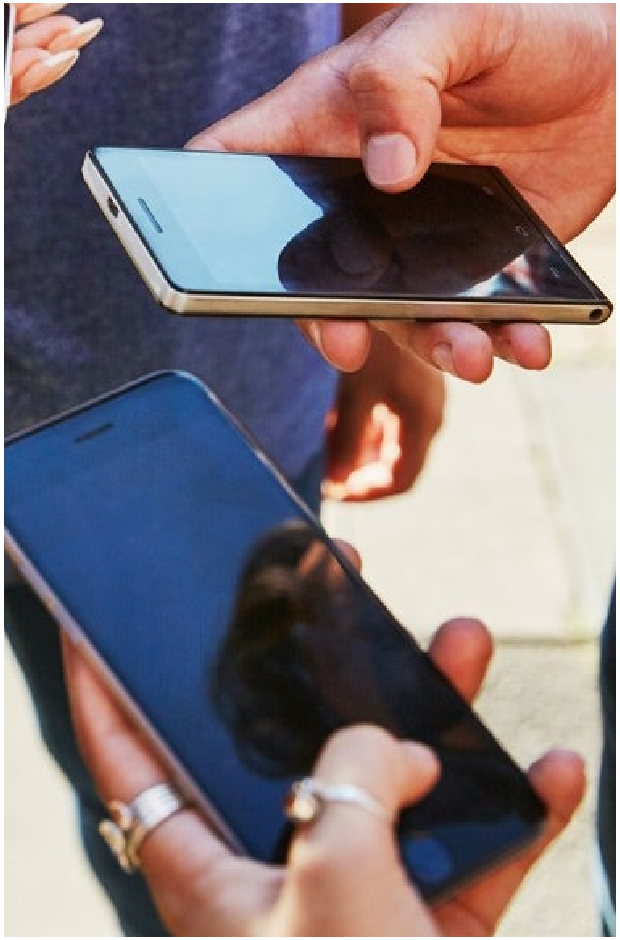


Approximately 80% of people used the internet for shopping, banking, or booking / ordering services online in 2023

Source: CSO – Household Digital Consumer Behaviour 2023

Consumer Trends 2023

- Smartphone penetration is up 2% to 96%*.
- There has been a significant increase in Wearables increasing from 50% to 67%*.
- Smart TVs increased from 66% to 71% in the past 12 months*.
- When purchasing online, 56% of consumers almost always or frequently rely on mobile devices for pre-purchase research**.



Source: * Deloitte Consumer Trends Ireland March 2024, ** PwC Global Consumer Insights Pulse Survey 2023, PwC Irish Consumer Insights Pulse Survey 2023,

Digital Audio Thriving

- Digital audio consumption has grown vs the last wave in October 2022, with 78% of adults in Ireland consuming digital audio - this represents an additional 280,000 weekly listeners with weekly reach now at 3.06m adults.
- Over a third of digital audio users or 1.1M adults are listening daily (+3% on 2022 levels).
- Just under 9 in 10 digital audio users (+4% on 2022 levels) are listening weekly.
- The growth in listening is shared across all digital audio formats with on demand music at 69%, online radio at 46% and podcasts at 38%.
- Smartphone continues to dominate with 54% of digital audio users declaring it their most used device, especially among younger cohorts (73%), and among podcast listeners (63%).
- Smart speaker is the next most used device at 15% followed by connected car at 12%.

Digital Audio continues to thrive with just under 8 in 10 adults listening in an average week

Source: IAB Ireland Listen Up Ireland Research 2024 – conducted by Red C Research

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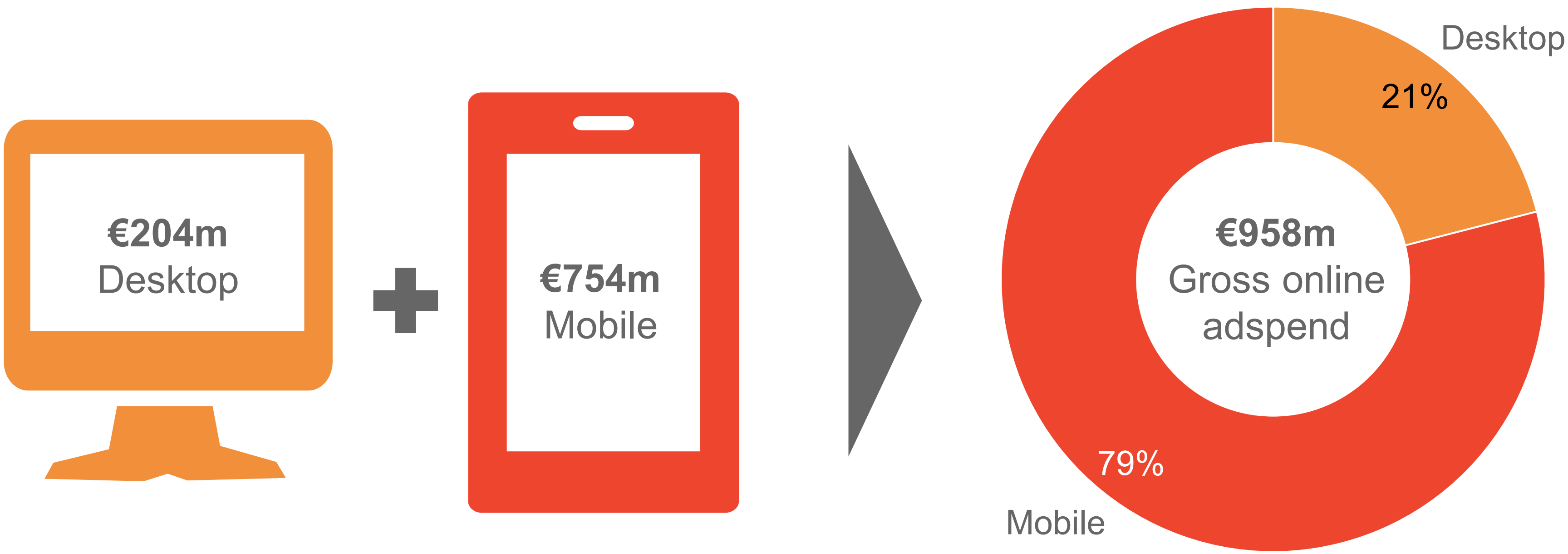
Digital Adspend

Total digital adspend has grown by 11% overall in 2023



+ 11% from 2022 (€861m)

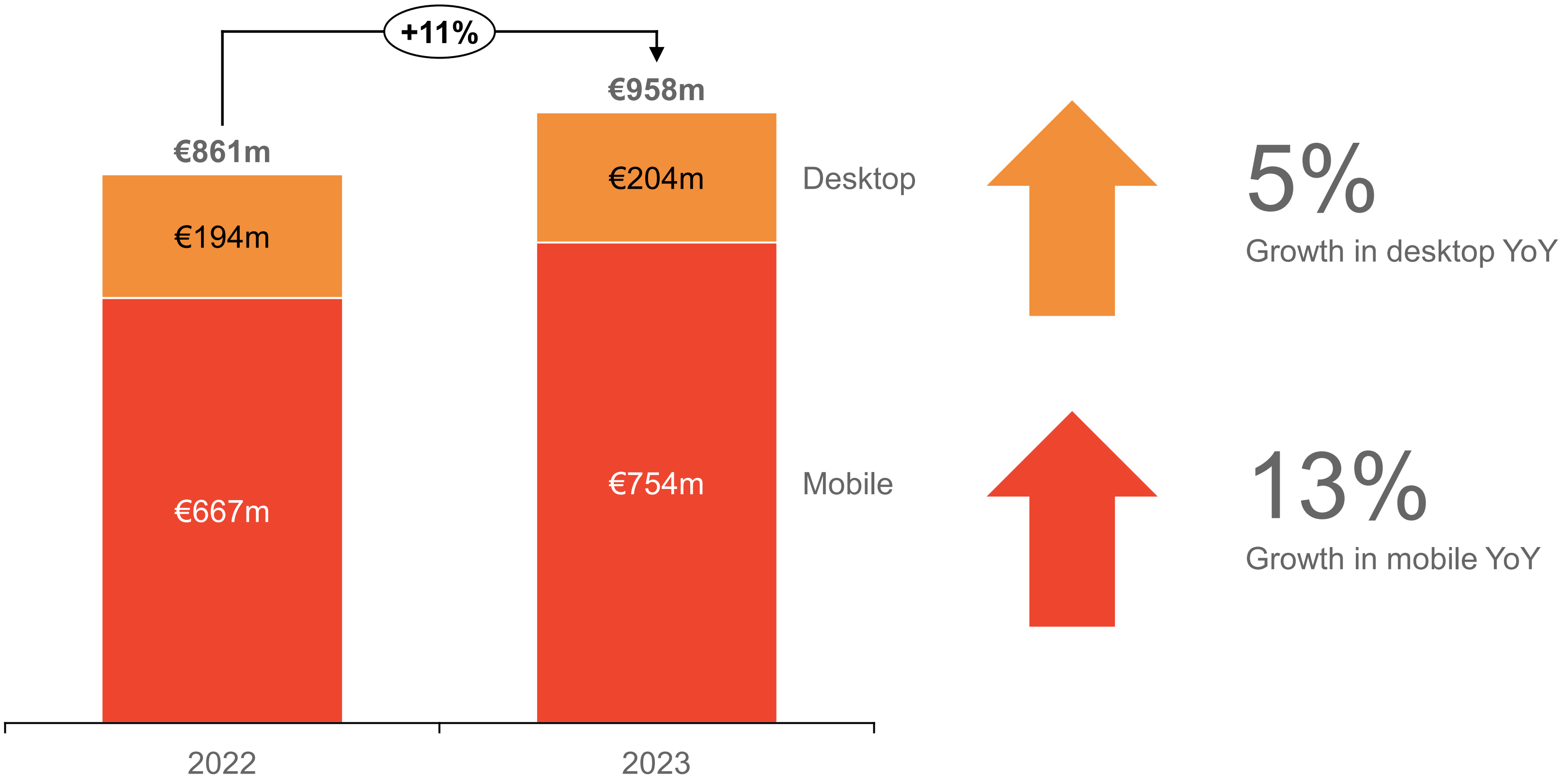
+ 15% from 2021 (€830m)

Notes: Figures and percentages are rounded | Source: IAB / PwC Online Adspend Study 2023

Digital Adspend

Mobile is driving digital ad growth with a 13% increase in 2023, while desktop continues its stable increase with 5% growth in 2023

Online adspend, 2022 – 2023

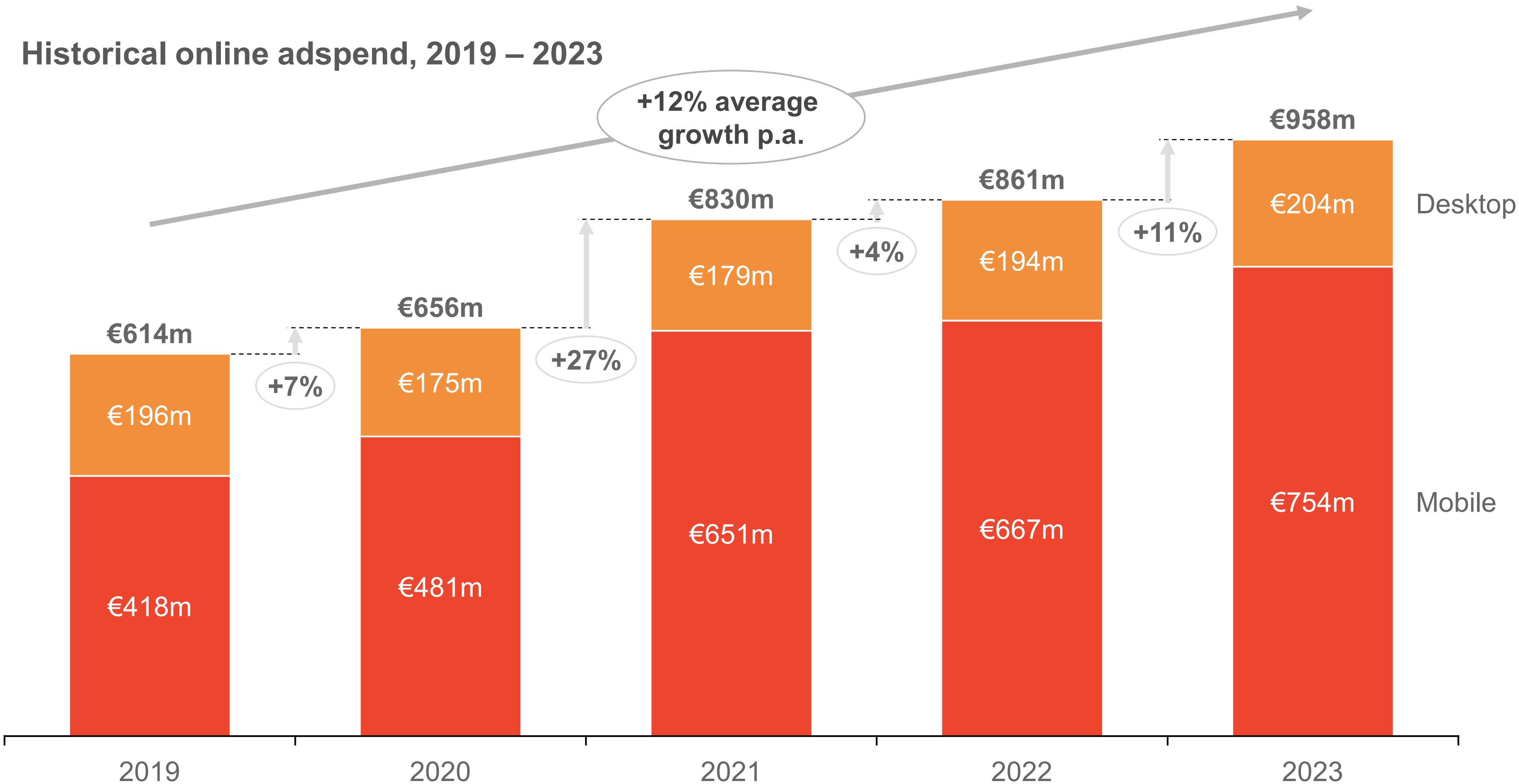


Notes: Figures and percentages are rounded | Source: IAB / PwC Online Adspend Study 2023

Digital Adspend

Mobile adspend has grown strongly over the last 5 years (+80%), while desktop is continuing its positive trajectory after its fall during Covid-19

Historical online adspend, 2019 – 2023

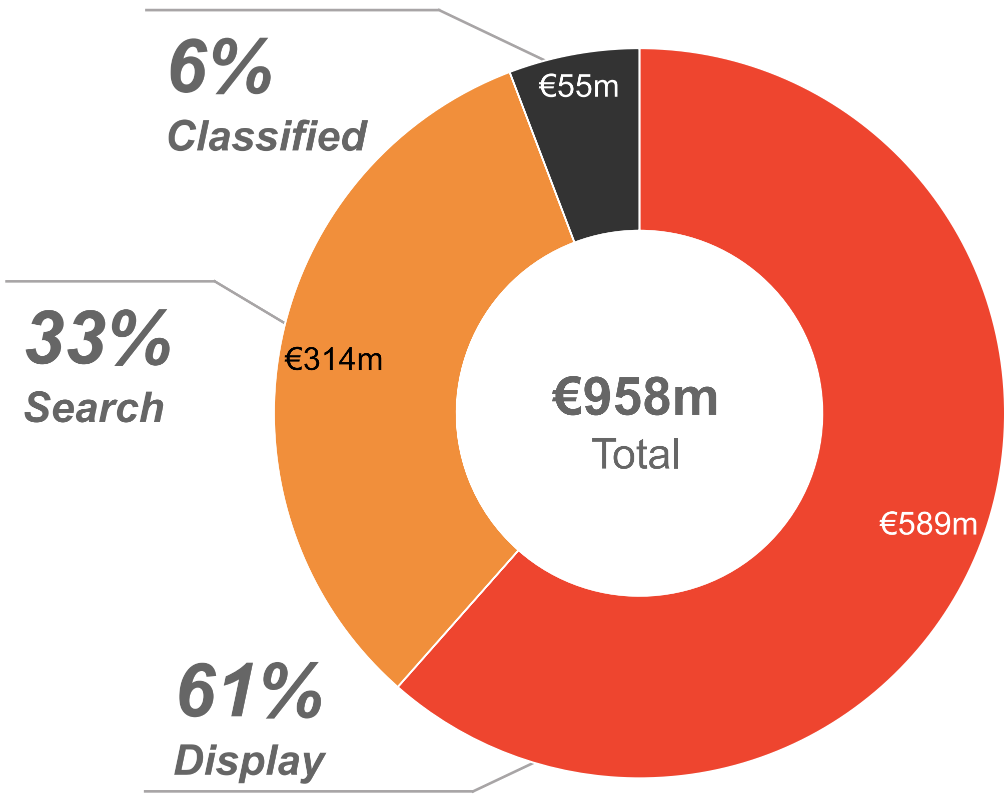


Notes: Figures and percentages are rounded | Source: IAB / PwC Online Adspend Study 2023

Digital Media Mix

Digital media mix split has largely remained stable, with a slight increase in display and decrease in search

Share of total digital media mix, 2023



2%
Increase in share of digital adspend for display

2%
Decrease in share of digital adspend for search

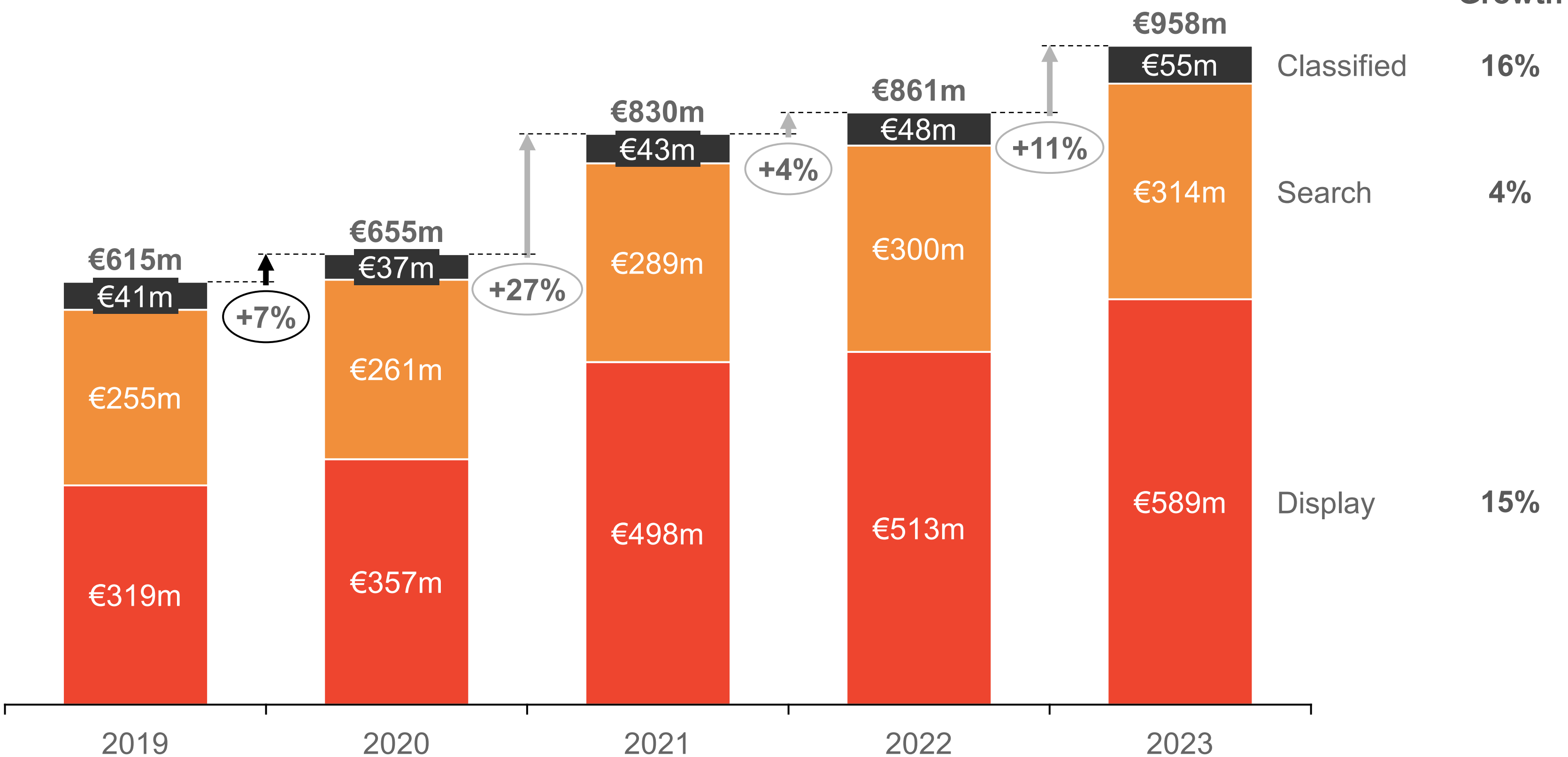
No change in share of digital adspend for classified

Notes: Figures and percentages are rounded | Source: IAB / PwC Online Adspend Study 2023

Digital Media Mix

Classified ads have the strongest growth this year at 16% YoY, compared to 15% YoY for display and 4% YoY for search

Historical online adspend by digital media mix, 2019 – 2023

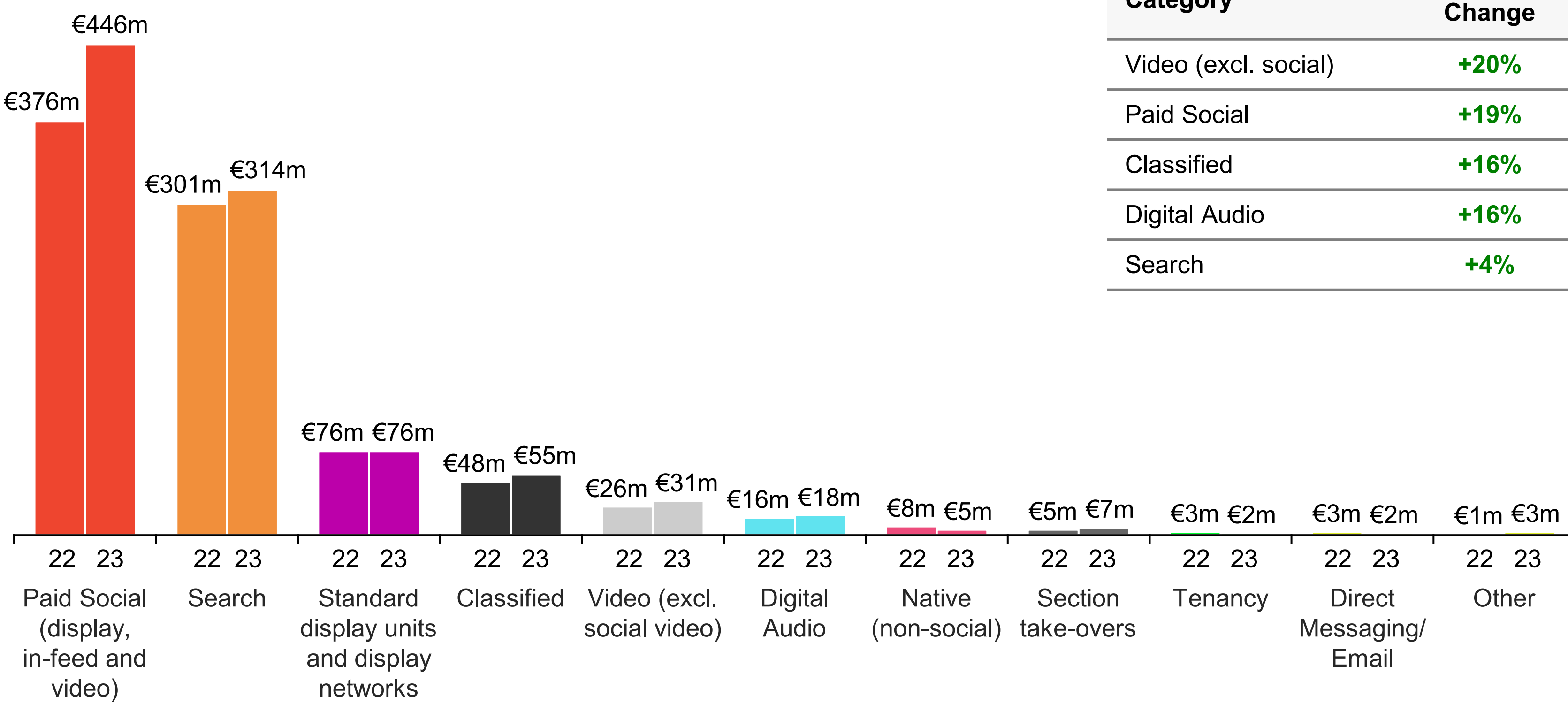


Notes: Figures and percentages are rounded | Source: IAB / PwC Online Adspend Study 2023

Detailed Digital Media Mix

Video (excl. social) and Paid Social saw the largest growth YoY at 20% and 19% respectively with Classified and Digital Audio each increasing at 16% YoY

Historic detailed digital media mix, 2022 – 2023[1]



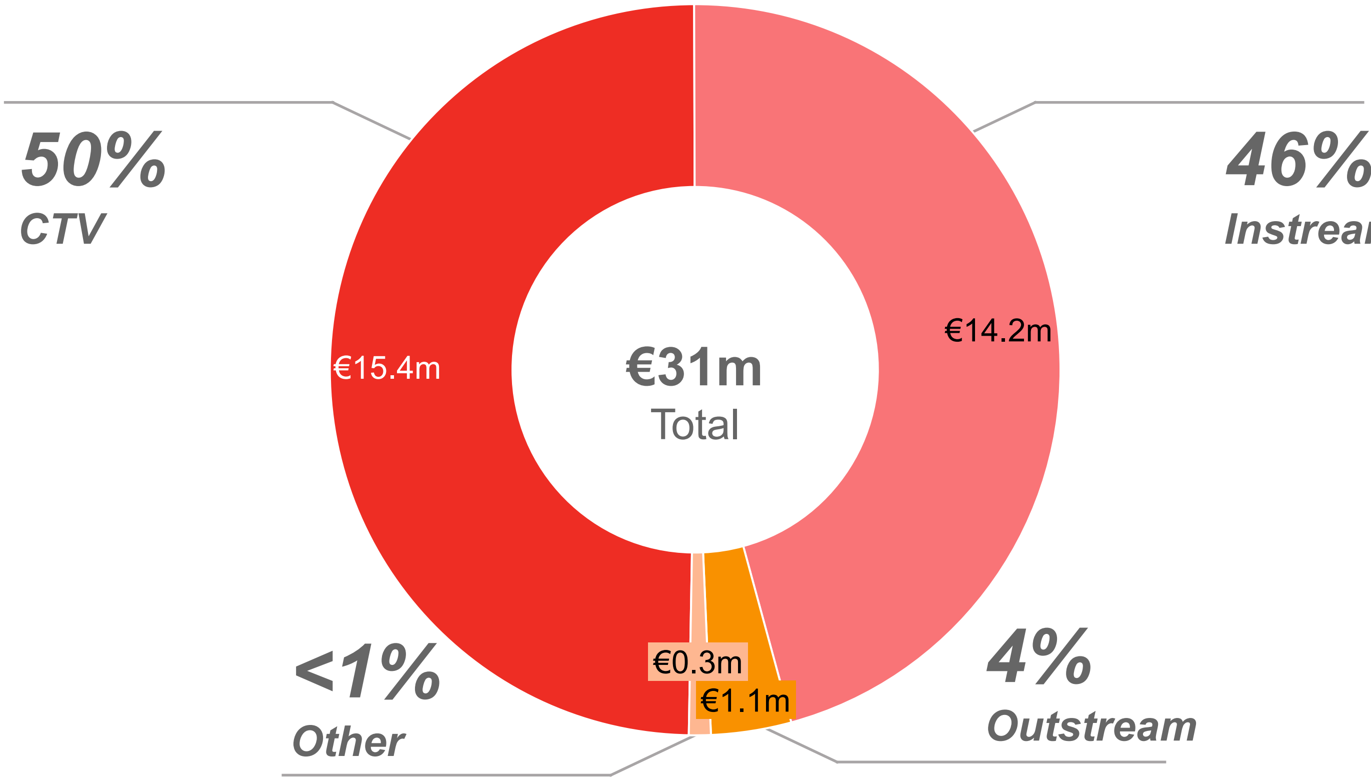
Category	2022 – 2023 Change
Video (excl. social)	+20%
Paid Social	+19%
Classified	+16%
Digital Audio	+16%
Search	+4%

Notes: 1) Any discrepancies between figures and percentages are due to figures being rounded while percentages are calculated on exact figures. | Source: IAB / PwC Online Adspend Study 2023

Detailed Digital Media Mix

The split of Non-Social Video indicates that CTV and Instream make up the majority of the market

Non-Social Video 2023[1]

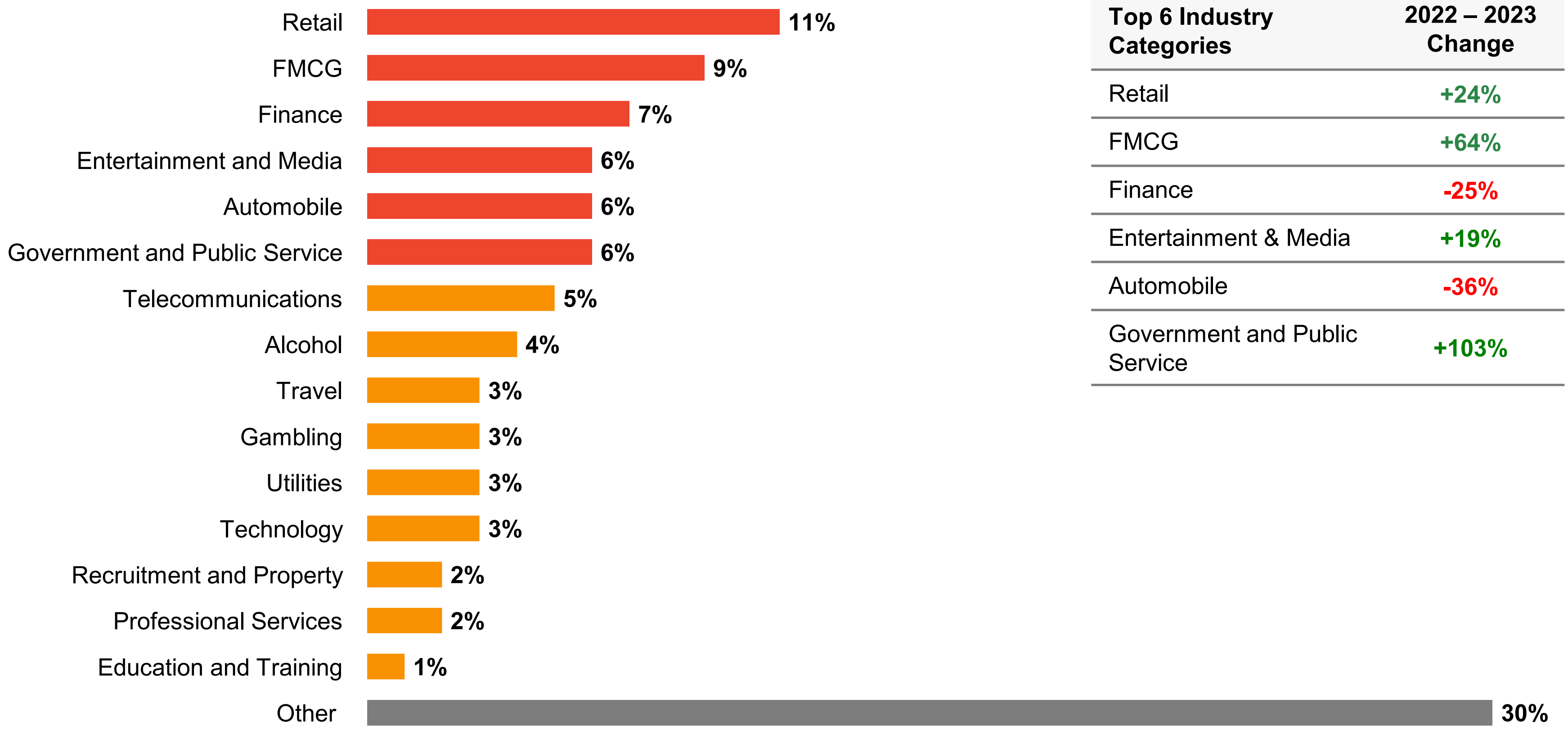


Notes: Figures and percentages are rounded, 1) This represents 97% of total non-social video spend. | Source: IAB / PwC Online Adspend Study 2023

Display Spend By Industry Category

Among the top industries, Government & Public Service experienced the most significant growth at 103% with Automobile seeing the largest fall at -36%

Display spend by industry category[1], 2023



Top 6 Industry Categories	2022 – 2023 Change
Retail	+24%
FMCG	+64%
Finance	-25%
Entertainment & Media	+19%
Automobile	-36%
Government and Public Service	+103%

Notes: Figures and percentages are rounded, 1) Industry breakdown based on non-social display revenue, 2) Some participating companies were unable to allocate their digital advertising revenue by industry category, resulting in a significant amount accounted under 'Other' | Source: IAB / PwC Online Adspend Study 2023

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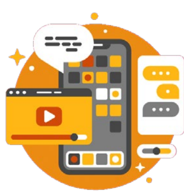
2023 Market Drivers

Growth in mobile, paid social and video were key trends seen this year

Mobile annual growth was higher than desktop at
13% YoY

Paid Social[1] saw strong growth at
19% YoY



Video[2] saw large growth at
24% YoY

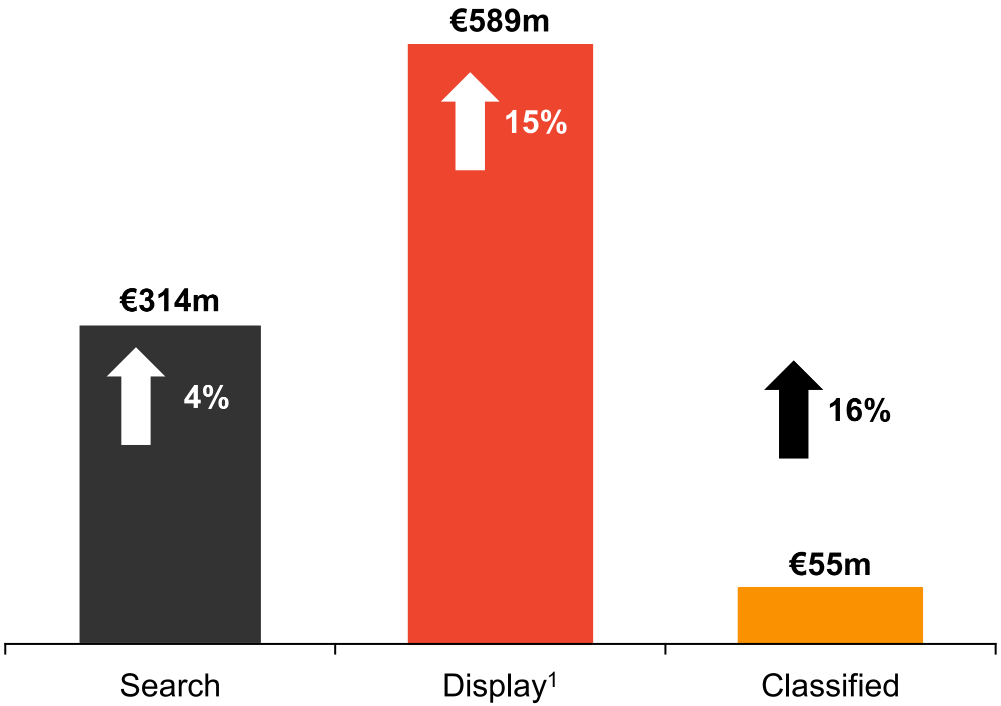
Classified grew by
16% YoY

Notes: Formats are not all mutually exclusive, there is some overlap across specific formats, and therefore do not amount to the market total, All growth figures are cross platform, with figures and percentages rounded, 1) Paid Social includes social video, social native (in-feed) and social display, 2) Video includes publisher video and social video | Source: IAB / PwC Online Adspend Study 2023

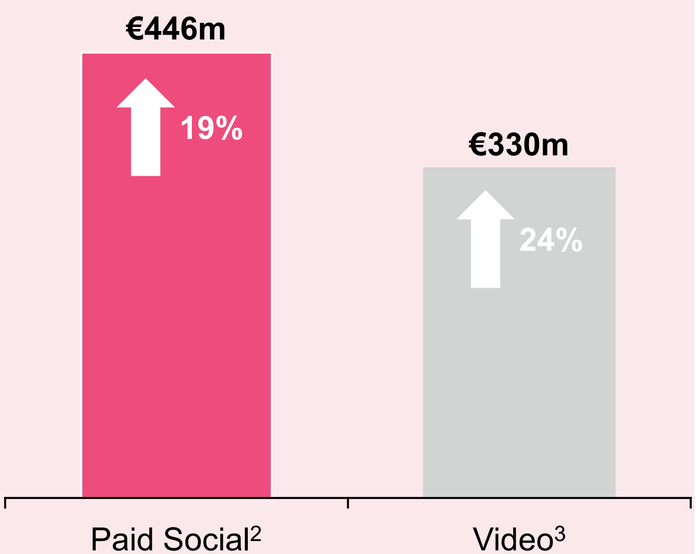
Growth in Digital Formats in 2023

Paid Social and Video are the largest drivers of digital advertising growth

Growth across digital advertising market, 2022 – 2023



Largest growth drivers, 2022 – 2023



Notes: Formats are not all mutually exclusive, there is some overlap across specific formats, and therefore do not amount to the market total, All growth figures are cross platform, with figures and percentages rounded, 1) Display includes paid social, native, video, email, embedded / interruptive formats, email, digital audio and network-related advertising, 2) Paid Social includes social video, social native (in-feed) and social display, 3) Video includes publisher video and social video | Source: IAB / PwC Online Adspend Study 2023

Industry Outlook Adspend Respondents’ View

According to respondents, audio and video are key opportunities in 2024, while many fear an the increasing level of regulation could impact growth in the industry

Growth

- Growth in 2023 was as strong as predicted by respondents last year, with the positive growth outlook continuing into 2024:
  - Based on survey responses, participating organisations predict digital adspend growth in 2024 of almost 8% on average.
  - Participants have recorded a number of opportunities and challenges which are likely to affect the industry in the coming year.

Video

- **77%** of respondents believe video advertising is a **strong opportunity** in 2024.
- This follows from a strong year of growth in 2023.

Audio

- **Audio** has also been cited as an area for strong growth by **73%** of respondents.
- This aligns with the positive market outlook for digital audio

Regulation

- **67%** have cited **post third party cookie preparation** as a substantial challenge.
- **Increasing digital regulation** is also a concern for the future **(40%).**

Economic Downturn

- **47%** of respondents are concerned with the challenge **economic downturn** will pose.
- While less than last year, this is still a prominent worry in the market.

Notes: Figures and percentages are rounded | Source: IAB / PwC Online Adspend Study 2023