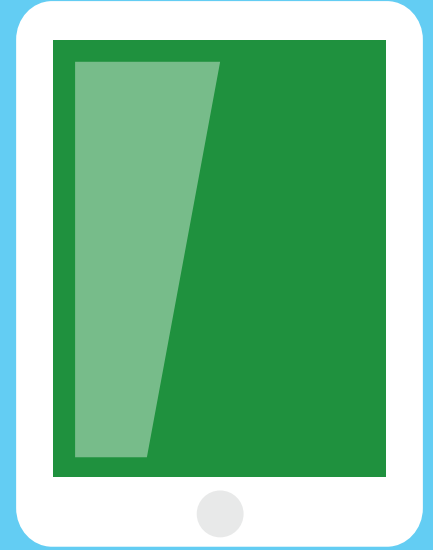


**Deloitte.**

**iab** NEDERLAND

# IAB report on Online Advertising Spend The Netherlands 2015

March 2016



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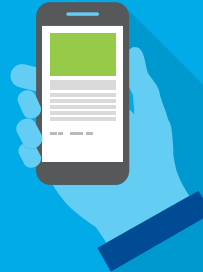
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# Introduction and summary



# Introduction

Since 2010, IAB and Deloitte have been reporting on the online advertising spend in the Netherlands by quarterly publishing the Online Ad Spend Study. The content of this full year study is driven by data and information gathered directly from the online community, including publishers, advertisers and media planners.

In this edition market analysis is based on data supplied by 49 companies, including publishers, media agencies, ad networks and programmatic platforms. Due to a great number of participating key industry players from different areas we are able to gain extensive insight into the online advertising market.



**Nathalie Peters**  
IAB Netherlands | Chairman

*"Total digital spend will continue to grow in 2016. But research shows that the concern among consumers about online advertising has also grown recently. Therefore we must make an effort to communicate in an effective, qualitative and consumer-friendly way. IAB Netherlands is helping, by explaining the industry position to the consumer, by initiating the dialogue with the consumer, and lastly by acting on the consumer feedback through introducing quality guidelines for Dutch online advertising."*



**Jeroen Verkroost**  
IAB Netherlands | MD

*"It's impressive to see that the total digital spending has increased tenfold in the space of only 10 years. It became clear 2015 really was the year of mobile, with an impressive growth rate of 51%. Mobile finally delivered on its promise with a share of 35% of digital revenue by the end of 2015. We expect that 2016 will be a breakthrough year for Online Video, continuing its rapid growth trajectory started in 2015. The momentum of Digital is exciting to witness."*



**Nathalie La Verge**  
Deloitte | Technology, Media & Telecom

*"In the last 5 years that we have published the online ad spend study we have seen several trends like mobile, video and programmatic that have developed towards established themes in the digital advertising market. In 2015 these themes developed further and rapidly expanded towards traditional medium types, resulting in more blurred lines between online and off-line, and their related budgets."*

# Methodology



# Executive summary



**The online advertising market** realized 1,5 b€ in revenues in 2015, a growth of +8,3% with respect to 2014. This growth is expected to continue in 2016.



**Search** realized +10,5% growth, totaling 673 m€ in ad spend revenues. Search advertising realizes the largest growth and stays the biggest category in online advertising with a 44% market share.



**Display advertising** realized +5,7% growth, totaling 615 m€ in advertising revenues which adds up to a slightly smaller market share of 41% in respect to search.



**Classifieds**, directories and listings shows a growth of +9,1% and a total revenue of 225 m€ in 2015. Classifieds, directories and listings realized a 15% share in the total online advertising spend.



**Online video** is the best performing format in display advertising with +28% revenue growth in 2015, totaling 98 m€ in ad spend. Within display advertising, online video accounts for a 16% market share.



**CPM** strengthens its position as most frequent used payment model. 65% of the total display spending is negotiated on a CPM basis in 2015. The use of performance based payment models declines.



**Mobile** is the strongest growing medium for display advertising, it increased its revenue compared to the previous year with +51% growth in 2015. Mobile advertising realized a 35% market share in display advertising at the end of 2015.



**Programmatic trading**, the sales of inventory through a digital exchange platform, realized a growth in revenues of +30% . In 2015, 187 m€ of display revenues was sold via programmatic platforms, which is 30% of total display advertising revenues.



**Affiliate networks** performed well and keep growing at a stable rate of +2,9% in revenues in 2015. Advertisers spent 137 m€ on online performance based affiliate networks in 2015.

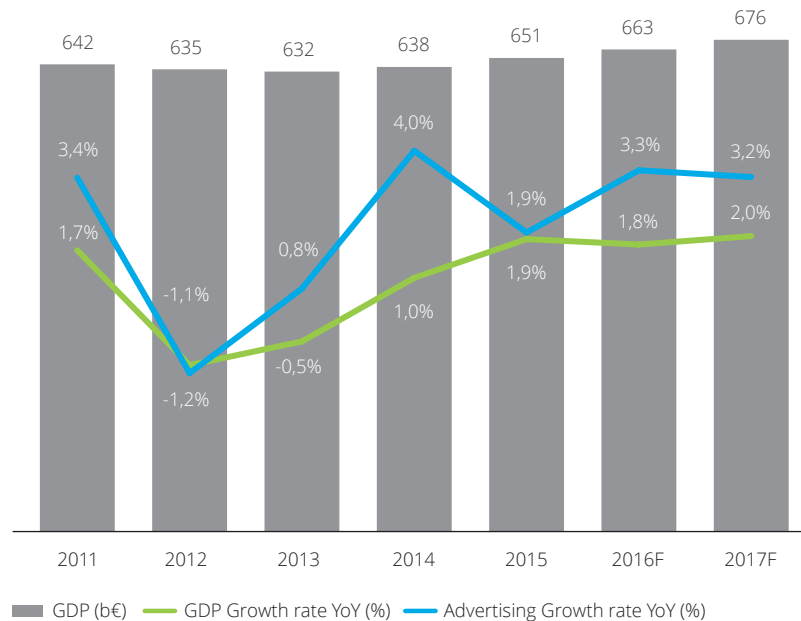
# Background economy



# Dutch economy

## Projected economic growth in the Netherlands results in a positive outlook for advertising

Dutch GDP projections (b€)



The Dutch economic environment started to recover during 2014 with a positive GDP growth of 1%. This growth has increased to 1,9% during the last year and is expected to remain around this level for the next 2 years.

Advertising budgets can be quickly adjusted and companies directly increase the ad spend at the end of the recession to be ahead of competition and increase their market share. After the 4% growth in advertising budgets during 2014 the advertising market stabilizes and is in 2015 on par with the GDP growth rate.

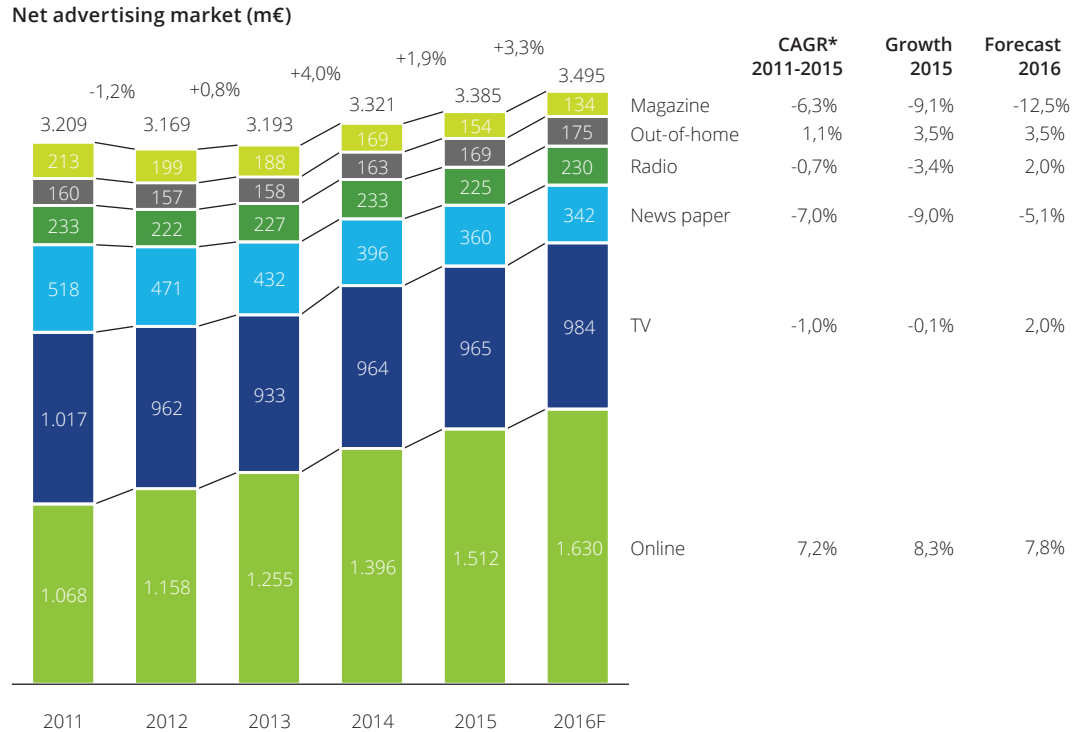
Indicators for advertising growth, consumer confidence and willingness to buy, improved during Q1 2016 in respect to the same period previous year. The total advertising spending is predicted to keep growing in the next years, with an annual growth percentage above 3%.

Note: Real GDP based on constant prices (reference 2010); GDP forecast based on CPB growth predictions  
Source: CBS, CPB, Deloitte analysis



# Dutch advertising market

Within the total advertising market, online advertising rapidly gains market share in the mix of media channels



*"Besides the growth in the traditional OOH market, we see for the first time in years that DOOH\* is also really picking up in the Netherlands. DOOH is or at least can be the new kid on the block as far as digital spendings are concerned with more flexibility, more data, better viewability, larger audiences, better targeting but as always, its all about the quality. Quality of screens, locations and audiences"*

Guy Grimmelt  
Exterion Media | Marketing & Business Development Director

\*Compound annual growth rate.

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.

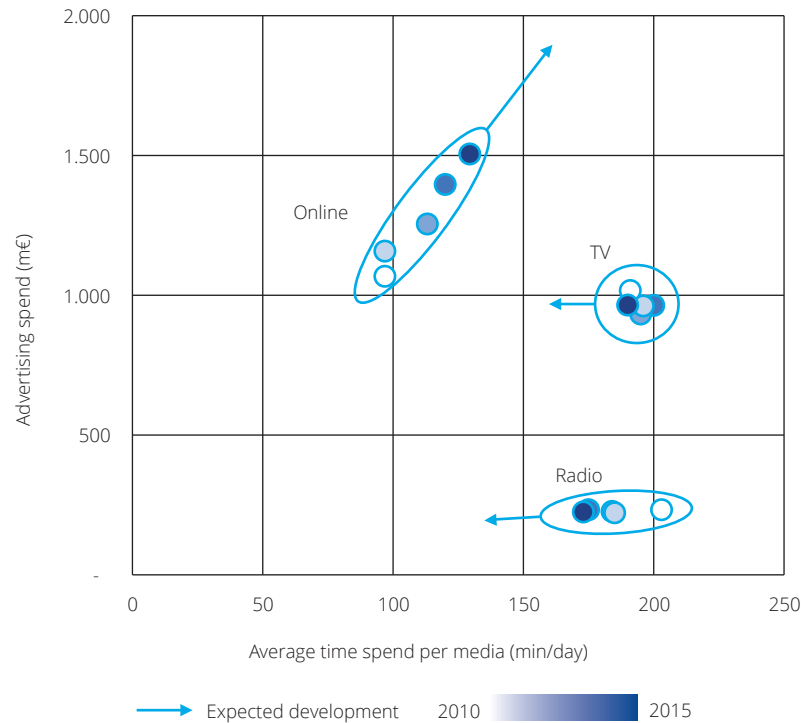
Source: NDP, Nielsen, SPOT, RAB, annual reports, Deloitte analysis

\*Digital out of home

# Time spend vs Ad spend

Time spent on digital media increases whilst time spent on radio and TV declines

Advertising spend versus time spend per media



Online:

The time people spend online has been increasing in the last years, resulting in a shift of marketing budgets to digital. For this reason advertising spending on online channels has been rapidly growing and this high growth is expected to continue in 2016.

TV:

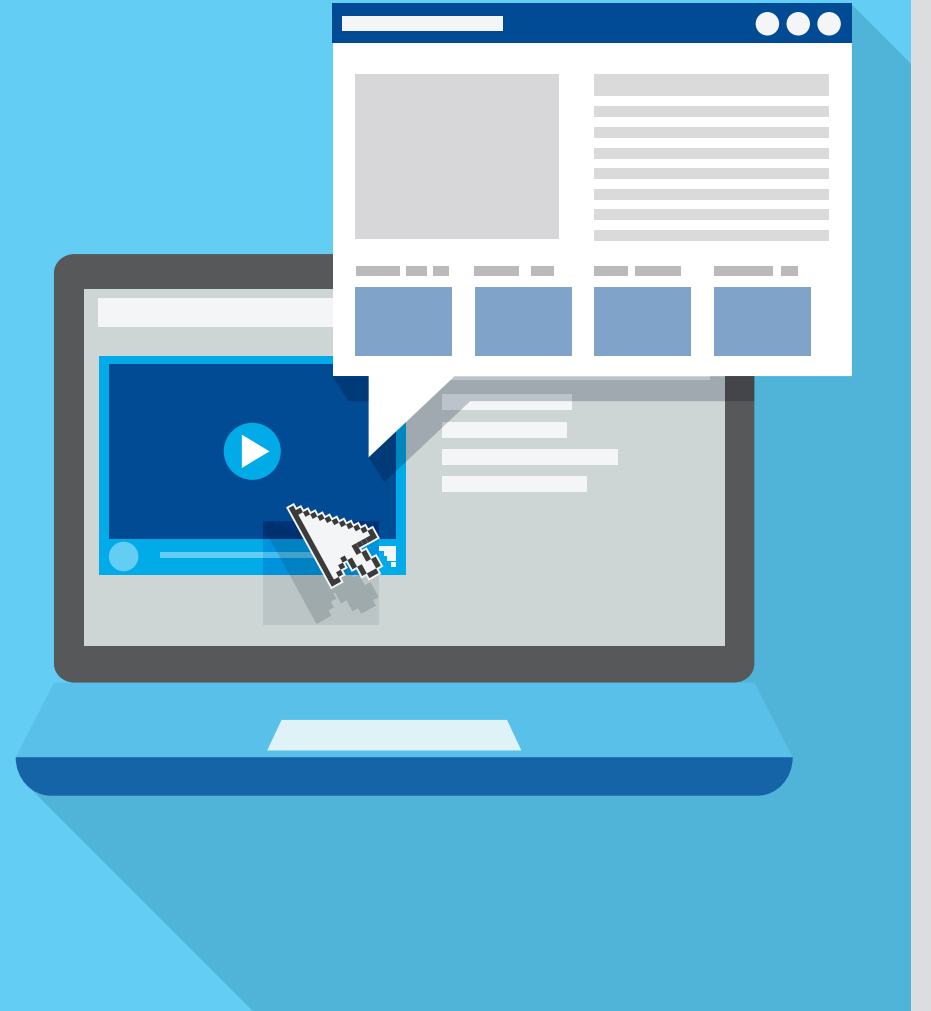
Both the amount of time people spend watching TV and TV advertising spending have been quite stable in previous years. We expect the average time spent on TV to decline in the near future, but this will not have a large immediate effect on TV advertising spending.

Radio:

Radio advertising revenue has slightly declined in the past years, and as the time spent listening to radio decreases, this decline is expected to continue in the near future.

Source: VINEX, SKO, NLO, SPOT, RAB, Deloitte analysis

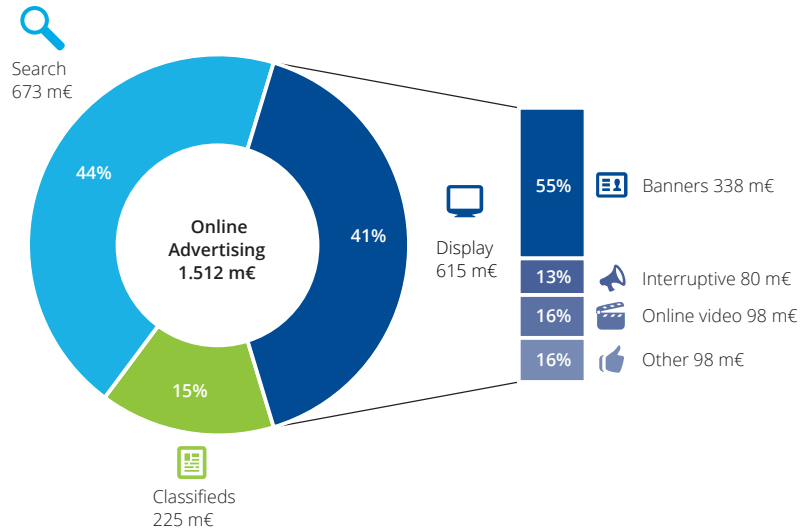
# Online advertising



# Dutch online advertising market 2015

Search advertising realized a market share of 44%, followed by display with 41% and classifieds with a 15% share

## Net online advertising market 2015



Search advertising includes:

- SEA: paid search advertising
- Google shopping: Product Listing Ads

Display advertising consists of 4 different formats:

- Banners: IAB / non-IAB formatted banners, buttons and skyscrapers.
- Interruptive: rich media formats such as over the page and page take-over.
- Online video: video pre-/mid-/ post-roll.
- Other: text links, native advertising, branded and sponsored content.

Classifieds, directories and listings includes:

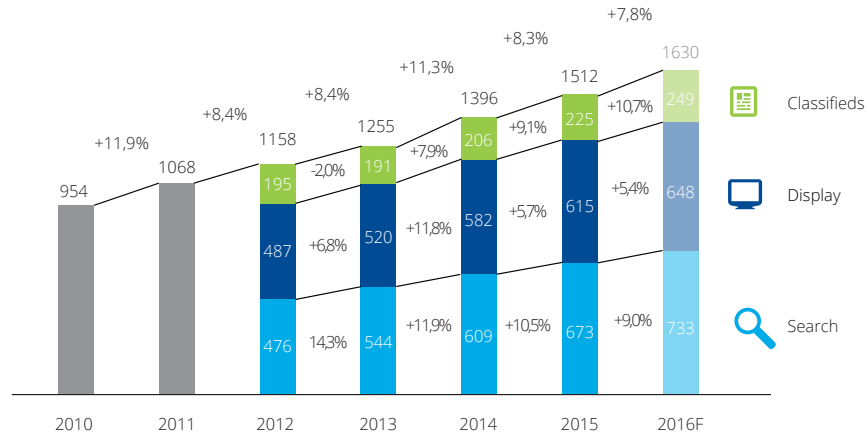
- B2B, B2C and C2C advertisement.

Note: The figures we report are net/net figures, meaning that the figures are reported after agency discount that in some cases may apply; Search numbers are estimated based on annual reports, media buyers and media agencies feedback; Classifieds, directories & listings are based on a limited number of data points; Shares and/or additions may not equal presented numbers due to rounding;  
Source: Survey respondents, Media buyers, Annual reports, Deloitte analysis

# Online advertising market 2010 - 2016

In 2015, online advertising spend realized a +8,3% increase in revenues with a +7,8% forecast in 2016

Net online advertising market (m€)



The online advertising market realized a 8,3% increase in revenues in 2015. Classifieds shows a double digit growth due to the growth in e-commerce, while Search growth figures decrease slightly, continuing the trend of the last years. Compared to previous years, the decreasing growth within display advertising is significant. A big difference exists between the different display categories; impressive growth figures in Video, while Interruptive formats shows a deep decline, as showed in the detailed section on display advertising in this report. Discussions around ad blocking and view-ability combined with the advertisers' wish to communicate in new ways with consumers, seems to cause a decline in growth in standard banners and high impact formats.

*“Digital spends will further increase in 2016, however there will be major differences between the separate online channels. This combined with further digitalization of offline media raises the question whether digital should still be reported on as a single “medium”*

Gijs van Beek  
Group M | Head of Digital Trading

Note: The figures we report are net/net figures, meaning that the figures are reported after agency discount that in some cases may apply; Search numbers are estimated based on annual reports, media buyers and media agencies feedback; 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; Forecast 2016 is calculated using regression on the monthly Y/Y Growth rate  
Source: Survey respondents, Media buyers, Annual reports, Deloitte analysis

# Online advertising market

All categories perform relatively stronger in the second half compared to the first half of 2015

Net online advertising market (m€)



All categories show growth compared to the same half of 2014. It was remarkable to see that budgets in Q4 had a very low start in October 2015, but recovered in November and December. Overall through the year, budgets showed less fluctuations and seem to be spread more equally throughout this year than in previous years.

*“Within TUI we want to combine our knowledge about travel and customers with new digital methods to run our marketing campaigns. This means that we believe in ownership of digital data, bringing this data and the knowledge of data marketing in-house, working with the best digital marketing people, creating Digital 1st content and targeting the right technology and the right audience at the right time on the right device and finally optimize, learn & innovate based on Digital 1st KPI’s. Furthermore we see a big increase and shift towards video content production and media investment, it is not about one message fits all anymore but rather creating and targeting of one-to-one messages”*

Edwin Hof  
TUI Nederland | Manager Online Marketing

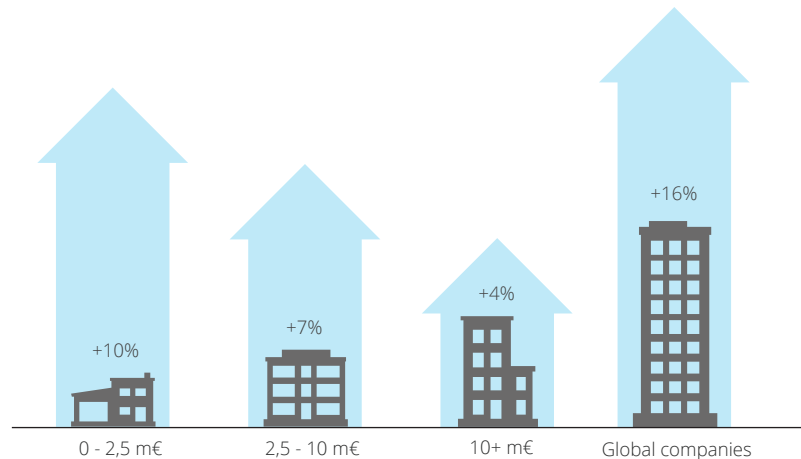


Note: Adjustment in H1 2015 data due to revised and additional respondent data; Growth rate and/or additions may not equal presented numbers due to rounding; Adjustment in figures due to revised respondent data  
Source: Survey respondents, Media buyers, Annual reports, Deloitte analysis

# Online advertising revenue growth

Local online advertising players achieve less growth than their global competitors

Average online advertising revenue growth per company size in 2015



Company revenue in 2015

In 2015, the top tier local companies (+10m€) measured growth decreased from +7% in 2014 to +4%.

For medium sized companies, with revenues between 2,5m€ and 10m€, growth decreased from +13% in 2014 to +7% in 2015.

Companies with revenues below 2,5m€, realized a growth of +10%. This growth is clearly lower than in 2014, which proved to be an ideal year for highly specialized companies with a growth rate of +37%.

Global companies, including global search and social publishers, outperform their local competitors by showing an impressive estimated growth rate in 2015 of +16%, with individual company growth figures of more than +50% in some cases.

Note: Revenue growth rate is calculated on a L4L basis; Global companies include global search and social publishers  
Source: Survey respondents, Deloitte analysis

# Display advertising

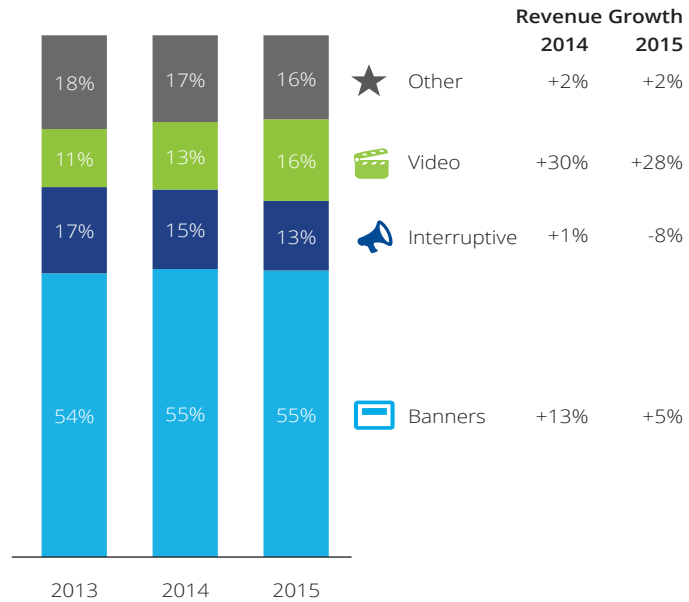




# Display advertising formats

Video realized the largest revenue growth of all display formats in 2015, whereas interruptive formats show a strong decrease

The share of each display format in display revenue



In 2015, the differences between the individual display categories are remarkable. While Online video shows an impressive growth in accordance with last years growth expectations, embedded display formats realized a revenue growth of +5%, which is significantly lower than last year, and interruptive formats shows a decrease in revenue of -8%.

In the category "other", tekstlinks are included this year, causing an overall flat growth rate, since the share of textlinks in display revenue is declining rapidly and budgets shifting to branded/native content, which is also included in the "other" category.

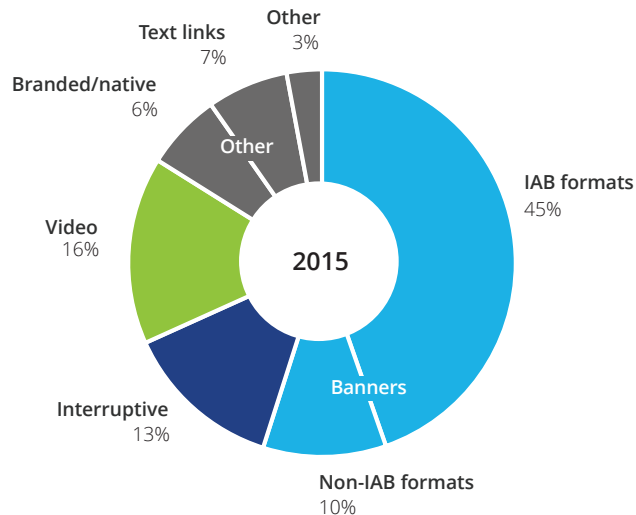
Note: Revenue growth rate is calculated on a L4L basis; Figures include estimates of non participating companies; Growth rate and/or additions may not equal presented numbers due to rounding; Adjustment in figures due to revised respondent data; The category Other includes text links, native, branded and sponsored content and other formats.

Source: Survey respondents, Media buyers, Annual reports, Deloitte analysis

# Display advertising formats

Native advertising / Branded content is one of the new popular formats within display advertising

The share of each display format in display revenue



More than half of total display revenue is generated through banners, within which IAB formats are most popular with 45% of total display revenue. Video advertising is gaining market share and accounts for 16% of total display revenues. Within "other" formats, branded and native content is gaining popularity, while the interruptive formats share diminishes.

*"Video is booming, however there is still a lack of high value inventory and advertisers ask for better accountability. This leads to an increased tension between supply and demand"*

Remon Buter  
GroupM | Head of Trading

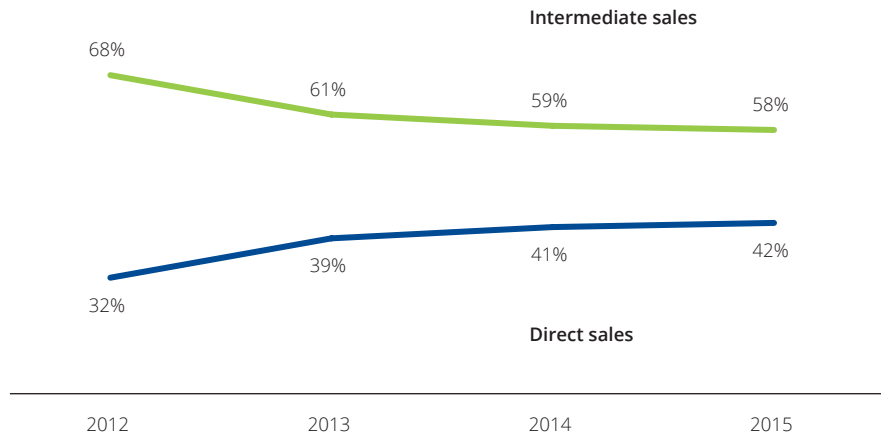
Note: Figures include estimates of non participating companies; Shares and/or additions may not equal presented numbers due to rounding; Adjustment in figures due to revised respondent data

Source: Survey respondents, Media buyers, Annual reports, Deloitte analysis

# Sales channels

Publishers stabilize their revenues through directly negotiated deals with advertisers

Share of display advertising revenue per sales channel



*"We see a trend from low cpm to more valuable impressions - from clickbait to context - anticipating on consumer demand. Publishers and third parties are obliged to adapt and increase the level of inspiration and consumer engagement. Advertisers and media agencies have to adapt as well and alignment as well as partnerships within the media landscape will become the ingredients for success."*

Stefan Havik  
Sanoma | Director Marketing & Advertising

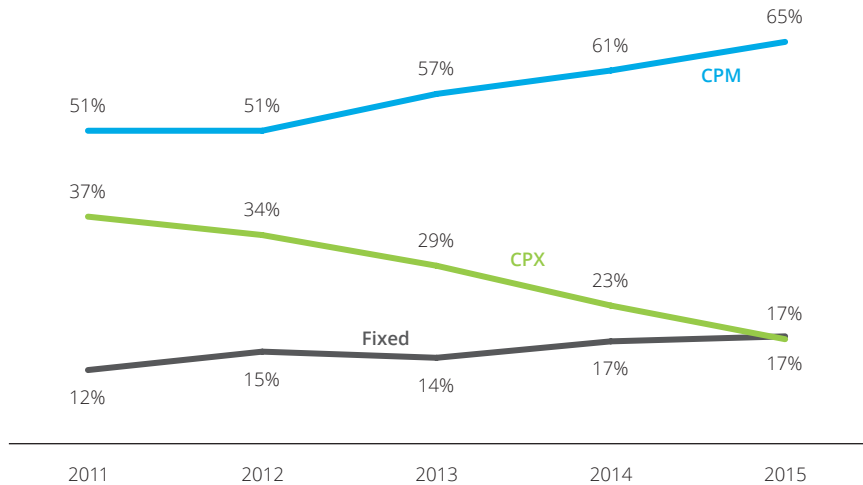
Note: Figure based on survey respondents only; Intermediate sales is sales through media agencies, ad network/ad exchange, agency trading desks, sales houses and independent trading desks.

Source: Survey respondents, Deloitte analysis

# Payment model

## CPM strengthens its dominant position in favor of performance based payment models

Share of display advertising revenue per payment model



### Payment models

- Fixed fee: payment model based on a fixed fee
- CPM: Cost Per Mille: payment model where the advertiser pays per thousand views
- CPC: Cost Per Click: payment model based on the number of clicks on an advertisement
- CPL: Cost Per Lead: payment model that is based on the number of leads generated. A lead is an online conversion where the consumer shares its contact details and indicates interest
- CPS: Cost Per Sale: payment model based on the number of generated sales

With the growth of programmatic trading, the dominant payment model continues to be CPM. While the deals can be based on performance targets, the final cost calculation is based on eCPM rates, influencing the results of this study.

From all performance based payment models CPS still has the largest market share, although this declined from 17% to 13% in 2015. CPC and CPL have market shares of 1% and 3% respectively.

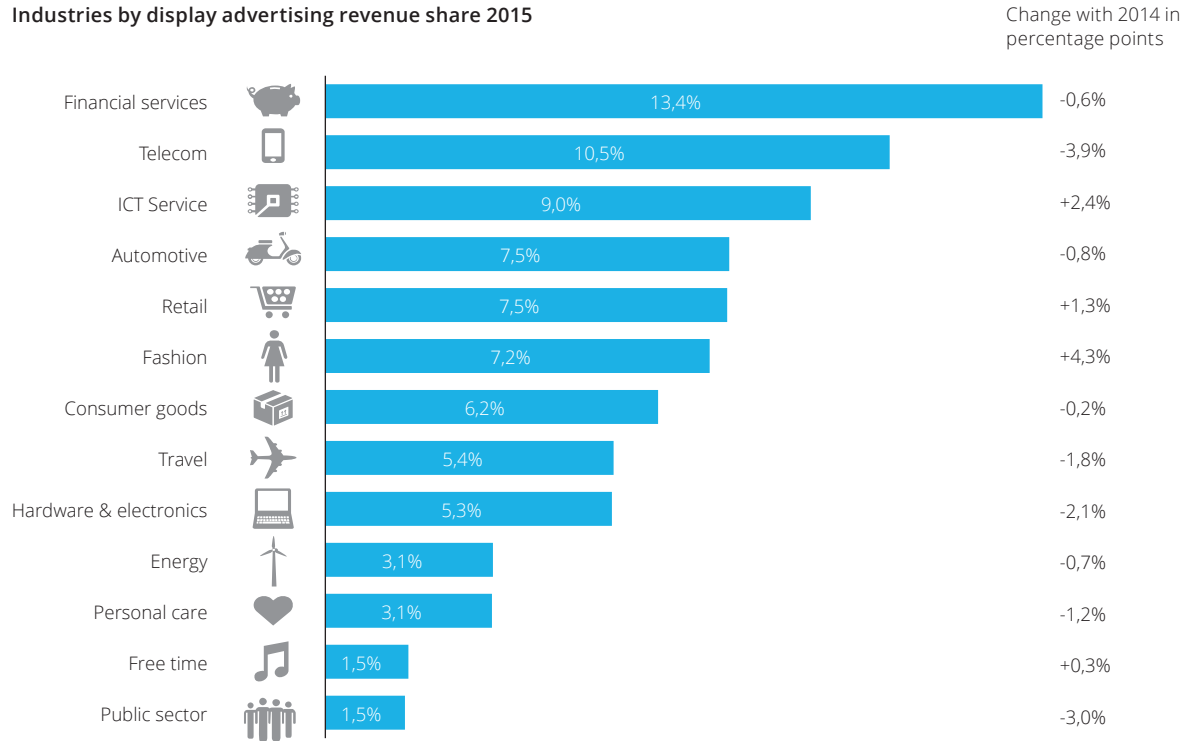
Note: Figure based on survey respondents only; Amounts may not equal 100% due to rounding and omission of "other" category

Source: Survey respondents, Deloitte analysis

# Display Industry

Financial services has the largest industry spend in online advertising in 2015

Industries by display advertising revenue share 2015



The top industries differ depending on the magnitude of the publisher (measured in turnover): Small publishers show a relatively large share of revenue in the Travel industry. Large publishers have a relatively large share of total revenue in Financial services and Telecom.

For several years the top industries consisted of Telecom, Financial services and Automotive. In 2015 the industries strong in e-commerce gained in market share, such as ICT Service, Fashion and Retail.

*“In a world where we increasingly communicate through digital channels, not only technical expertise is required, but also a digital mindset: a culture of short-cycle thinking and trial and error.”*

Katrien von Heijden-Kleintjes  
ABN AMRO | Media Manager

Note: Figure based on survey respondents only; Amounts may not equal 100% due to omission of “other” and minor categories  
Source: Survey respondents, Deloitte analysis

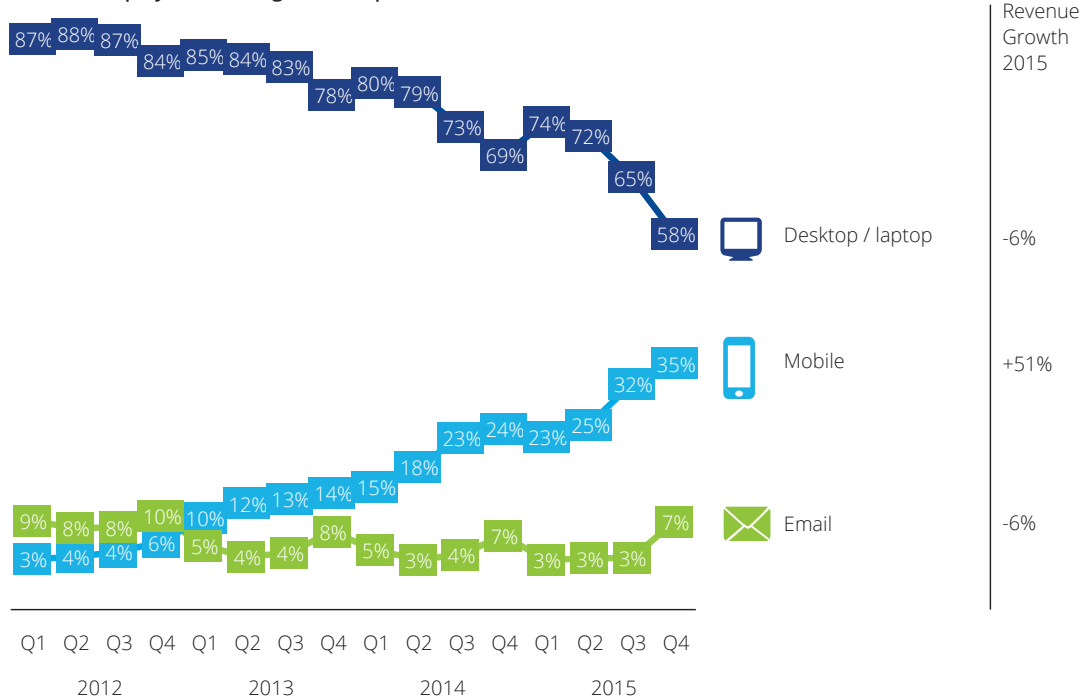
# Mobile advertising



# Display advertising medium

Mobile shows an impressive growth rate of +51%, reaching a revenue share of 35% by the end of 2015

Share of display advertising revenue per medium



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

While in the previous years Mobile continued to be the big promise, in 2015 Mobile took a substantive marketshare from Desktop, resulting in a 35 % revenue share at the end of the year.

Within the share of display advertising through mobile devices, in app advertising accounts for 42% and advertising in mobile browsers for 58%.

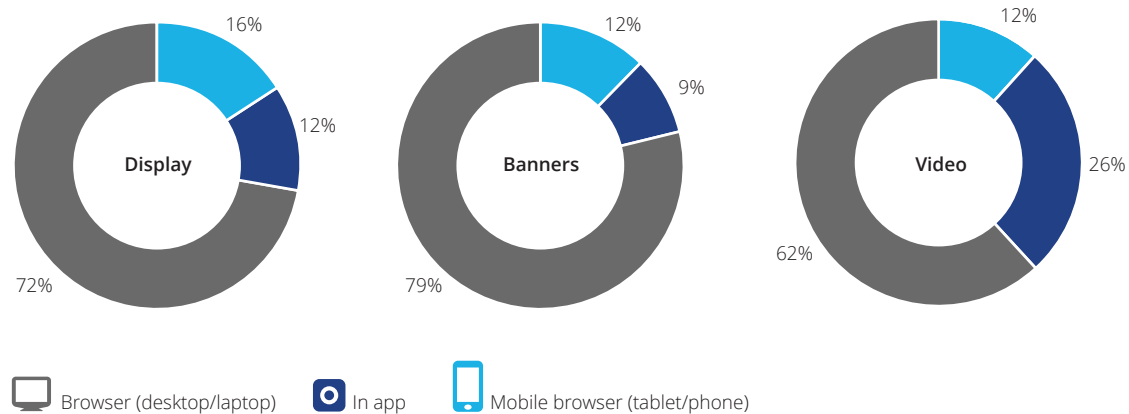
*“Mobile ad spend is catching up quickly with the time consumers spend on their mobile devices. Apart from adspend however there is still a lot of room to grow in terms of understanding what the consumers want and how to captivate them with the ads on their mobile devices. Consumers expect nothing less than a seamless, relevant to them, non-intrusive experience with brands. This requires not only ad dollars being spend on mobile, it also requires a specific focus and a willingness to truly understand users on their most personal and intimate device. Marketers need to do more than copying their desktop or TV campaign on to a smartphone. The growth of mobile ad spending will only increase the urgency of getting mobile advertising right.”*

Diederick Ubels  
MobPro | General Manager

# Mobile ad spend

A large share of online video budgets are spend on mobile/ in-app

Share of display advertising revenue delivered per device in 2015



*"Now, in 2016, it is clear that consumers have moved to mobile. Brands are aware that they have some catching up to do when it comes to addressing the time spent by consumers. Advertisers realize that making use of mobile advertising is essential if they want to reach consumers. Our conversations with clients have shifted from "do we need to focus on mobile advertising" to "how do we focus on mobile advertising"*

Arno Lubrun  
Facebook | Managing Director Benelux

*"Again a year of growth for Online video, and most of the buys programmatic. In 2016 advertisers should focus more on mobile video. They should follow their clients who consume more video on mobile devices."*

Marcel Udo  
TMG | Director Automated Trading

Note: Figure based on survey respondents only;  
Source: Survey respondents, Deloitte analysis



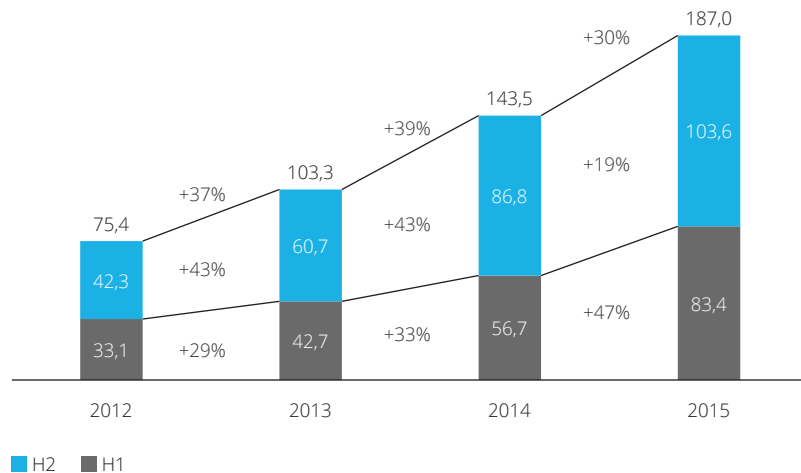
# Programmatic trading



# Programmatic trading

Programmatic traded display advertising grows with +30% in revenues due to strong first half of 2015

Display advertising revenue by programmatic trading (m€)



Revenues through programmatic trading increased in 2015 with a similar growth rate as in 2014. Especially the first half of the year shows an impressive growth rate of 47%. Contrary to previous years the second half of 2015 shows declining growth rates, with a steep declining growth in Q4. Fluctuations in absolute figures became less in 2015, which could be an indication of a next maturity level in programmatic advertising, spreading the budgets more equally over the year.

*"We clearly see the market embracing revenue and profit opportunities that programmatic provides. This report highlights the continuous growth in the Dutch market, with a record 187 million euros of display revenue traded programmatically during 2015. This figure will only increase with the growth of brand budgets looking for automated solutions beyond online display advertising into mobile, video and the final frontier of TV."*

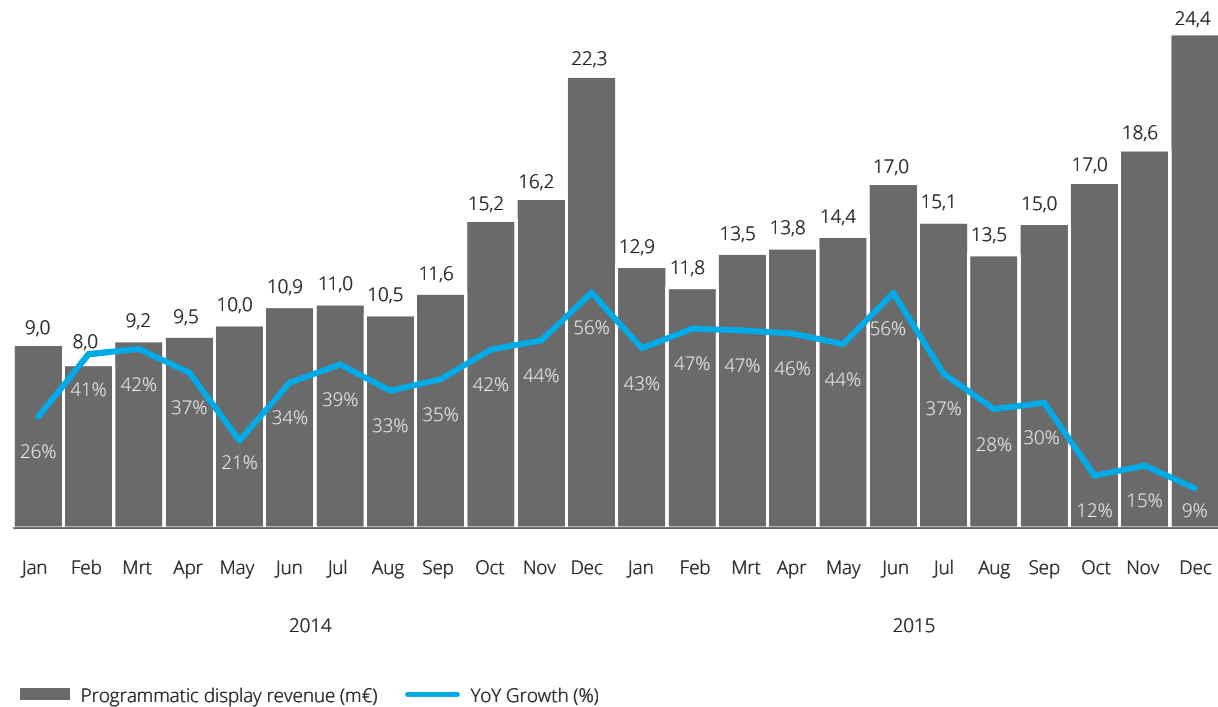
Joëlle Frijters  
Improve Digital | CEO & Co-founder

Note: Adjustment in H1 2015 figure due to revised respondent data;  
Source: Ad spend and programmatic survey respondents, Deloitte analysis

# Programmatic trading per month

Q4 decrease in growth rates shows maturity of programmatic market

Display advertising revenue by programmatic trading



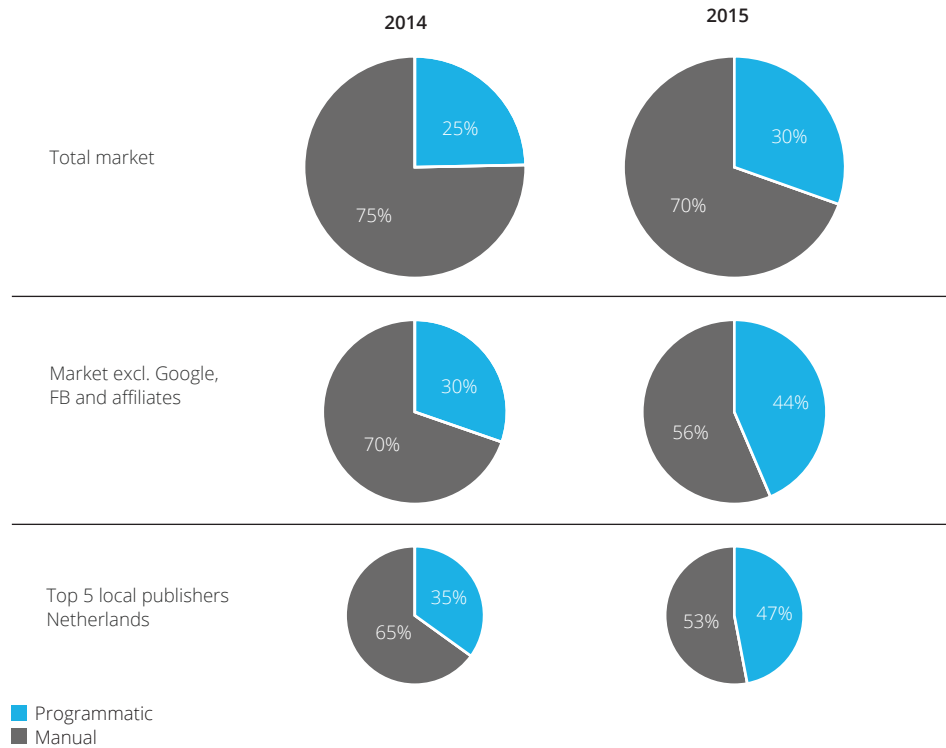
Although the growth rate of programmatic traded display advertising was lowest in December 2015, the total revenue in this month showed the traditional peak and therefore it still exceeded the revenue in the other months.

Source: Ad spend and programmatic survey respondents, Deloitte analysis

# Programmatic versus manual trading

30% of display revenue is traded through programmatic channels in 2015

## Share programmatic versus manual revenue in display advertising



Google, Facebook and affiliate parties trade a relatively large share of their display revenue manually.

Amongst the top 5 local publishers in the Netherlands programmatic trading is already widely used: it accounts for almost half of their display revenue in 2015.

Source: Ad spend and programmatic survey respondents, Deloitte analysis

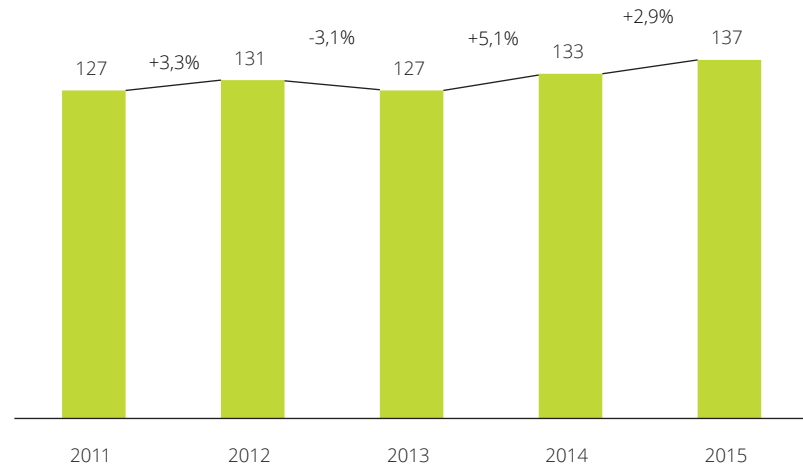
# Affiliate marketing



# Affiliate marketing

## Performance based affiliate marketing realized growth in 2015

Spend on affiliate marketing (m€)



The affiliate market continues to grow at a steady pace after a dip in 2013. In 2015 137 m€ was spent on affiliate marketing.

*“The affiliate channel is still an important part of the online marketing mix. New types of business models are being developed constantly. An increasing amount of attention is paid to different privacy issues within the industry. Notwithstanding all new developments, the variation of the type of publishers, like content, comparison and voucher, make the affiliate channel vital and unique. And this will remain.”*

Jessica Haagmans  
Affilinet | Managing Director

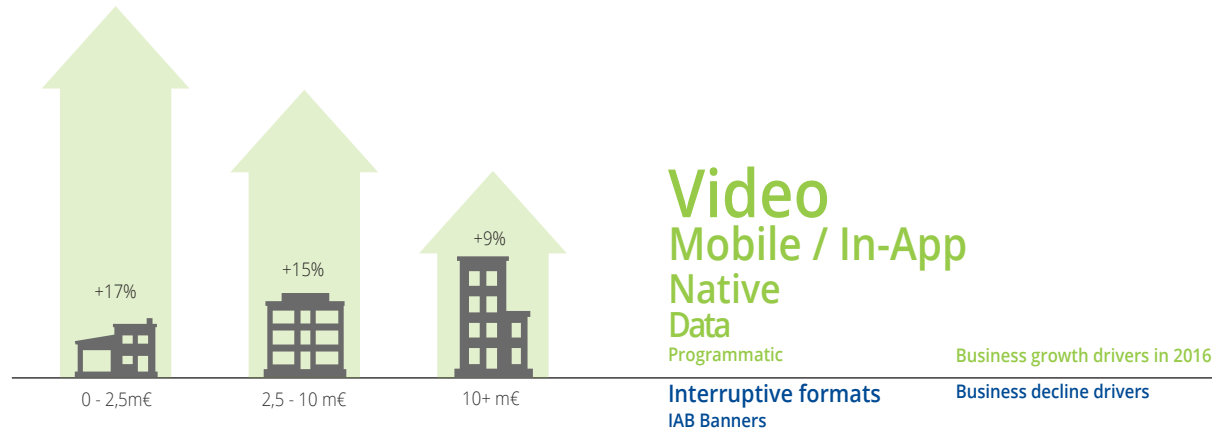
# Outlook



# Outlook 2016

Respondents indicate a positive outlook and set high targets for 2016

Target revenue growth in 2016 per company size



Company revenue in 2015

*"Quality (authority and engagement) and attention must return to center stage in online advertising. Ad-blocking, bots and fraud has made the market realize that reliability should be a key consideration when choosing a method of online advertising. Agencies and publishers can be of added value in this respect, while our clients always remain our main consideration."*

Jeroen Swiers

De Persgroep Nederland | Directeur Digital Sales Development

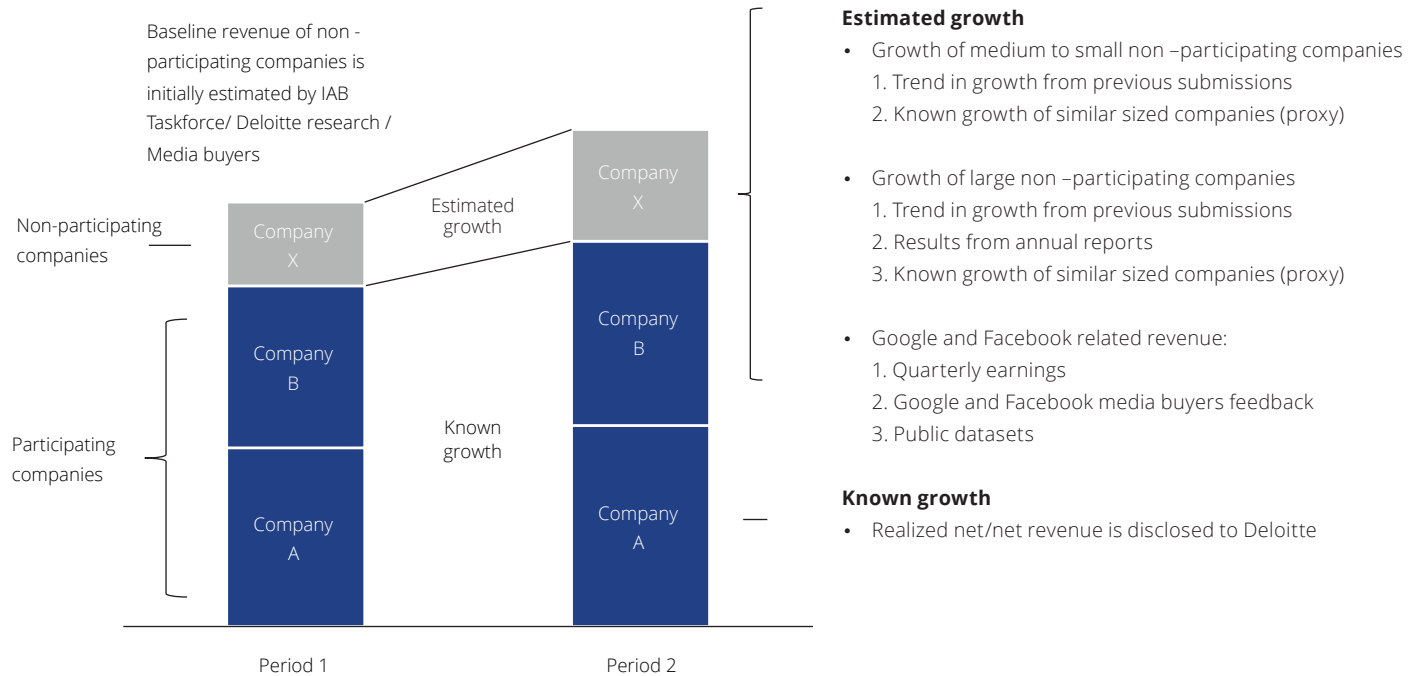


# Background information and contact details



# Methodology: Estimation

For each report Deloitte tries to reach 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.



# List of participating companies

AD2ONE  
Addurance  
Adfactor  
Adform  
Affilinet  
Autotrack  
Bannerconnect  
BrandDeli  
Cadreon  
Daisycon  
Digital Agency Group  
Funda  
Greenhouse Group  
Improve Digital  
Mannenmedia  
Marktplaats Media  
Massarius  
MediaScience  
Microsoft\*

Mobpro  
Nakko Media  
Nochii Online Marketing  
NRC Media\*  
OmnicomMediaGroup  
Persgroep  
Performics\*  
Perform Group NL  
RTL Nederland  
S&D Interactive Media  
Sanoma  
SBS Broadcasting  
Semilo\*  
Smartclip Benelux\*  
Spil Games\*  
SpotX  
Ster  
Telegraaf Media Groep  
ToTwenty\*

Tradedoubler  
Traffic Builders  
Traffic4u  
Tweakers.net  
Vergelijk.nl  
Vivaki\*  
Voetbal International  
Widespace\*  
Yonego\*  
Zanox  
Zoover\*

\*Partial 2015 data only

# Contact

For questions concerning this research feel free to contact:



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Nathalie is 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.



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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.



**Jorrit Sloot**  
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Jorrit Sloot is a Consultant within the Deloitte Risk Services practice and specialized in data modeling, mathematical and quantitative data analyses.

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