IAB Ireland / PwC Online Adspend Study 2022

Measuring the size of the Irish digital advertising market

Launched 12th May 2023

Contents

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 20 leading publishers, representing multiple websites and media outlets in Ireland. 2 sales houses and ad networks also participated as well as 7 of the main digital and media buying advertising agencies.

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.

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 consultation with advertising agencies and industry representatives

Participating Publishers

Publishers

- J Media
- gradireland
- distilled.
- Bauer Media Group
- GMG
- dmg::media
- Carzone
- entertainment.ie
- Cars Ireland
- The Irish Times
- Reach
- Irish Examiner
- zahra
- yahoo!
- Pundit Arena
- urban media onair online onstreet
- FCR Media
- Mediahuis
- News Ireland
- Acast
- myhome.ie
- RTÉ*
- Virgin media

* RTÉ data obtained via Freedom of Information Act

Participating Ad Networks, Agencies and Platforms

iab. ireland

Ad Networks & Agencies

SING! DO DIGITAL BETTER

WOLFGANG DIGITAL

Digitize Digital Media Solutions

TINDERPOINT

dentsu

groupm

core

OmnicomMediaGroup

Platforms*

Meta

Google

TikTok

Pinterest

twitter

LinkedIn

pwc

* Based on actual spend data via agencies and through consultations with social media and search companies

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

Contents

Economic Factors 2022

- 67% of consumers see global economic uncertainty as a significant negative.

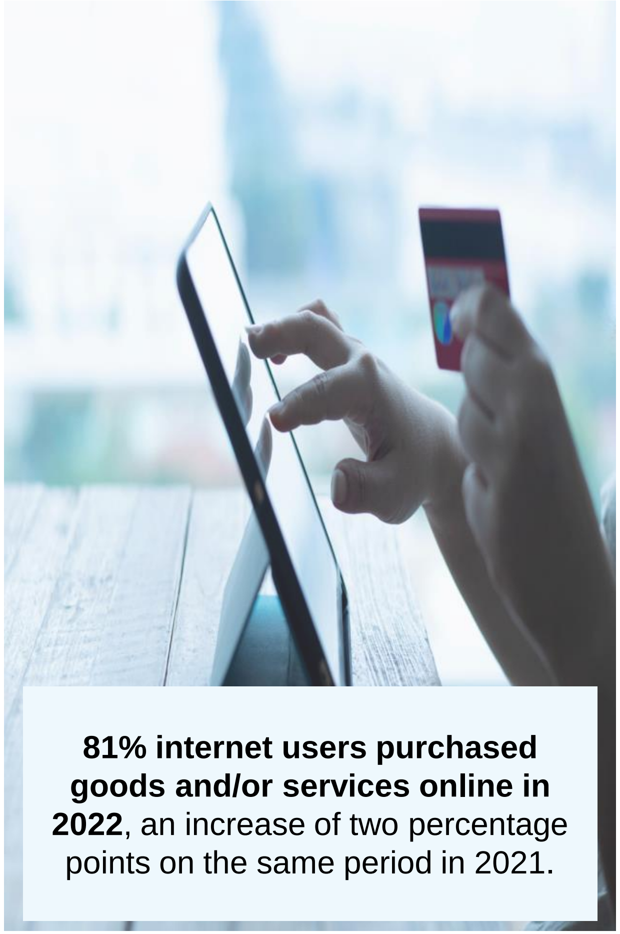
- The Credit Union Consumer Sentiment Index was 48 in December 2022. This has been called out as being significantly lower than the 85.6 point average over 27 years of Irish consumer sentiment survey data.

Cost of living difficulties represents the most widely felt problem issue for the year ahead, **cited by 69% of consumers**.

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

Digital Consumer Behaviour 2022

- Email remains the most popular internet activity at 91%.
- Internet banking is now the second most popular internet activity at 90%.
- The most popular online purchases remains clothes, shoes, or accessories (including bags, jewellery, etc.) at 71% of internet users. Although it has decreased by nine percentage points on 2021 figures.
- 78% of internet users engaged in social networking. This is an increase of eight percentage points on the same period in 2021 (70%).



81% internet users purchased goods and/or services online in 2022, an increase of two percentage points on the same period in 2021.

Source: CSO – Household Digital Consumer Behaviour 2021; Deloitte – Digital Usage and Entertainment Digital Consumer Trends 2022

New Technologies Gathering Pace 2022

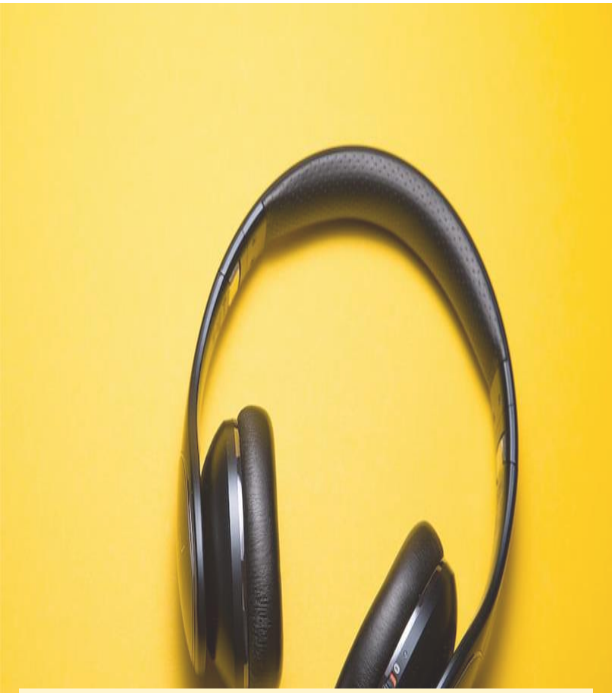
- Device access has stayed relatively stable overall in terms of penetration. Access to smartphones in Ireland remains consistent year on year with 94% of 18-75 year olds having access to one.
- Access to Smart TVs has grown to 66% up from 44% five years ago, representing a 50% increase.
- Voice assisted speakers have seen the largest increase over the same period up from 3% in 2017 to 32% this year and 58% of us use them daily.
- Access to subscription services having grown significantly over the last number of years remains stable at 75% in 2022 having risen from 55% in 2018.

Overall, **88%** of respondents now own at least one connected device. **Gaming consoles** also continue to grow up 3 percentage points to **41%.**

Source: Deloitte – Digital Usage and Entertainment Digital Consumer Trends 2022

Digital Audio Thriving 2022

- Digital audio consumption has grown vs 2021, with 77% of adults in Ireland consuming digital audio (71% in 2021).
- The demographic profile of digital audio users remains the same, with younger cohorts, those working full time and ABC1s over-indexing.
- While frequency of consumption follows a similar pattern to 2021, there is an increase in the number of hours spent listening to digital audio (average weekly consumption 19.3hrs).
- There is growth across all digital audio formats: on-demand music, online radio and podcasts.
- While smartphone continues to dominate as the most used device, compared to 2021, connected car & smart speakers overtake desktop/laptop.



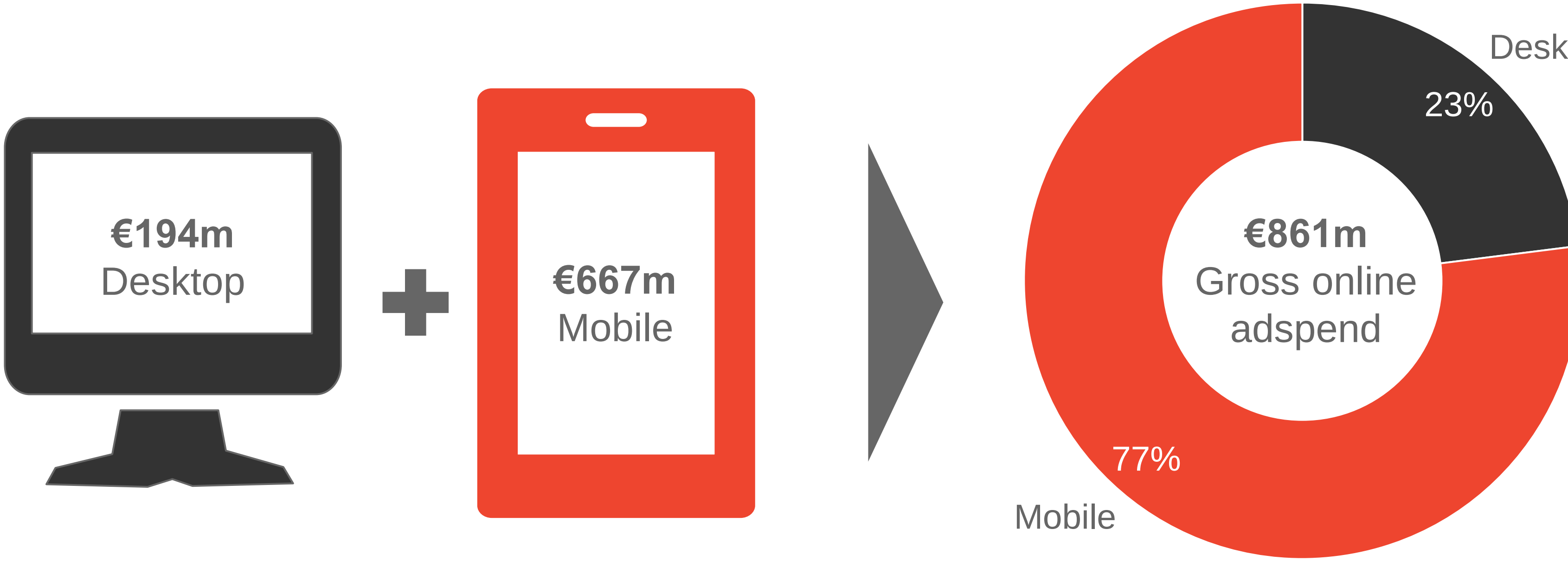
Entertainment, relaxation and having an **accompaniment to daily tasks** are the top 3 reasons why digital audio users engage with the medium.

Source: Deloitte – Digital Usage and Entertainment Digital Consumer Trends 2022

Contents

Digital Adspend

Total digital adspend has grown by 4% overall in 2022



+ 4% from 2021 (€830m)

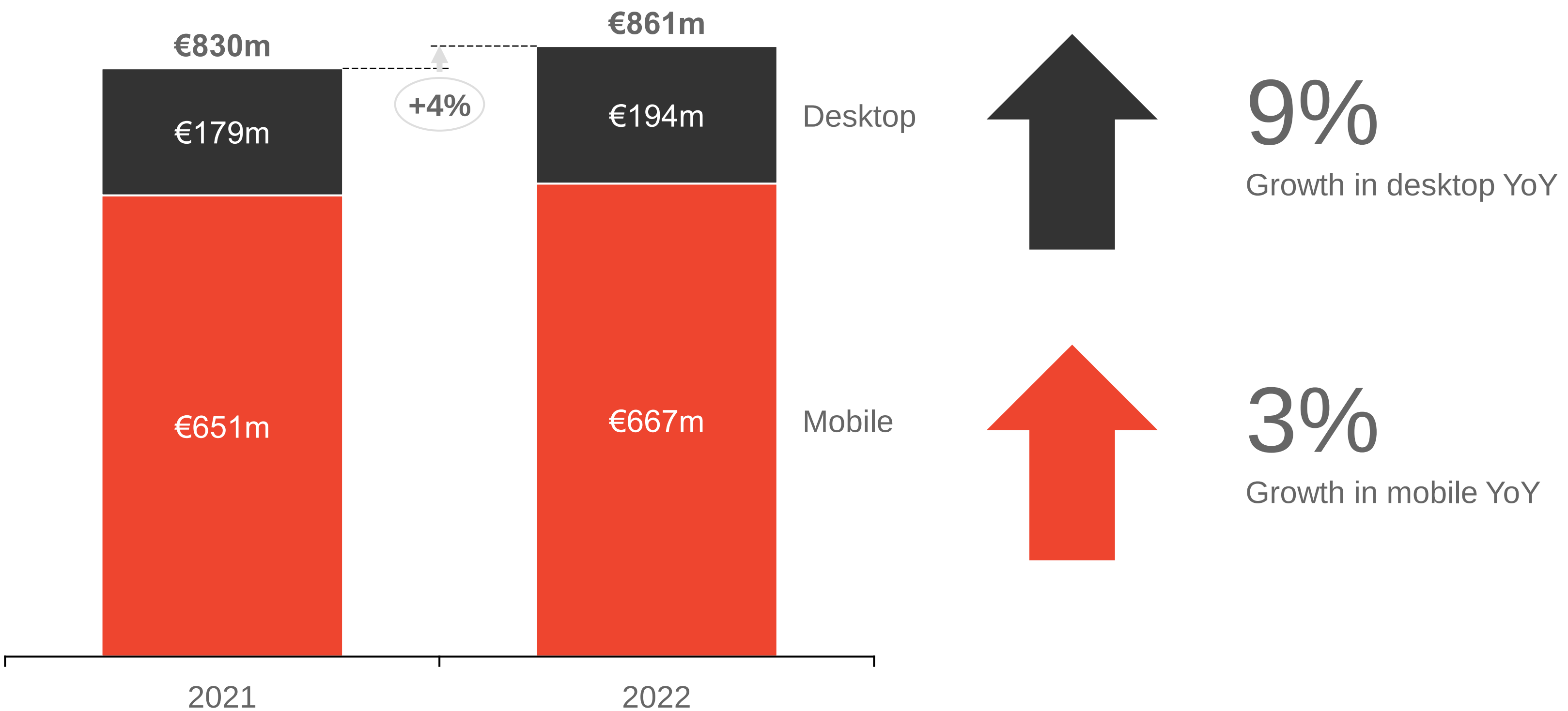
+ 31% from 2020 (€655m)

Figures and percentages are rounded
Source: IAB / PwC Online Adspend Study 2022

Digital Adspend

Desktop is driving digital ad growth with a 9% increase in 2022, while mobile continues its upward trajectory with a 3% rise in 2022

Online adspend, 2021 – 2022

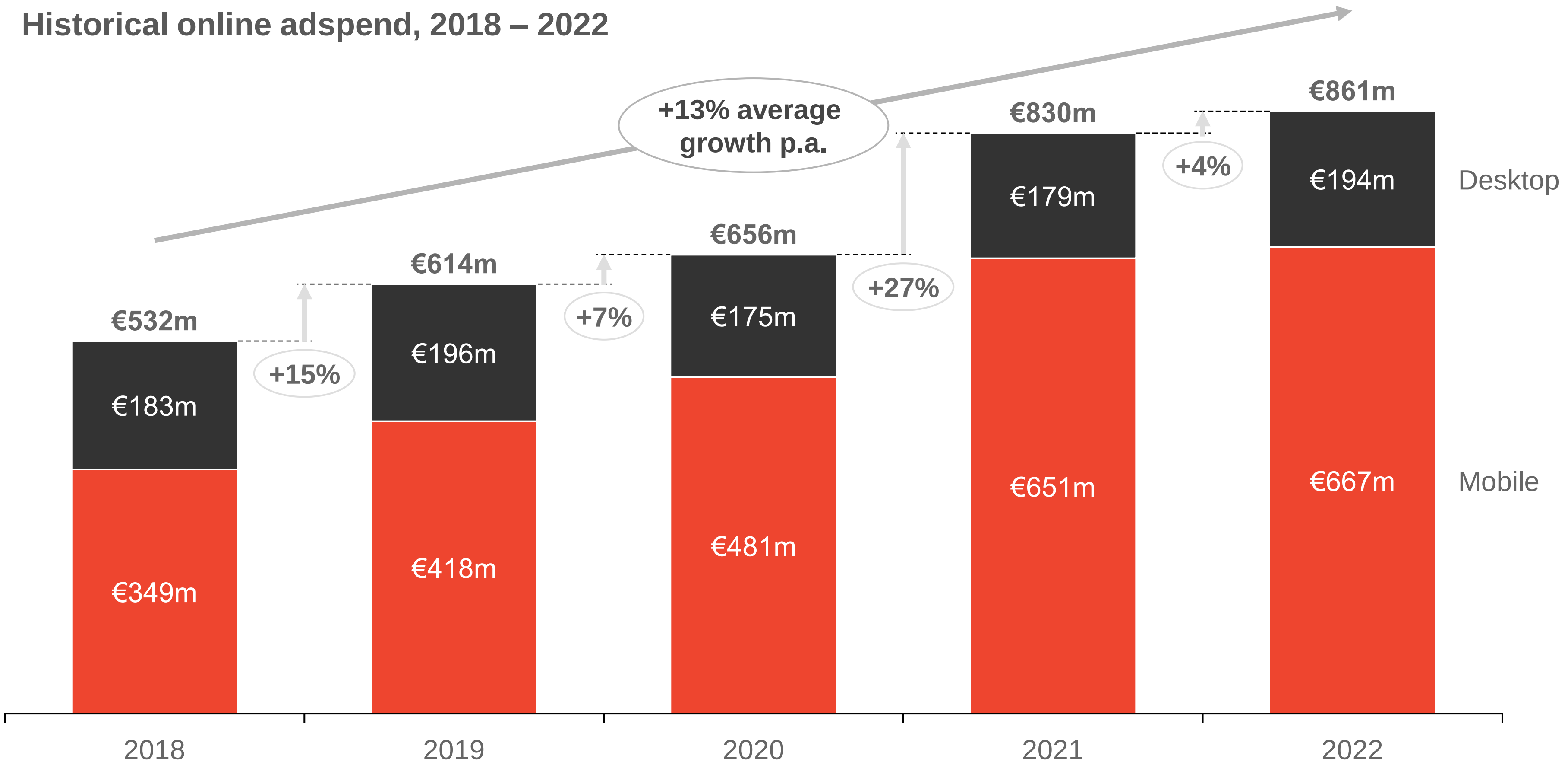


Figures and percentages are rounded
Source: IAB / PwC Online Adspend Study 2022

Digital Adspend

Mobile adspend has grown strongly over the last 5 years (+91%), while desktop has grown in 2022 and is returning to pre-pandemic levels

Historical online adspend, 2018 – 2022

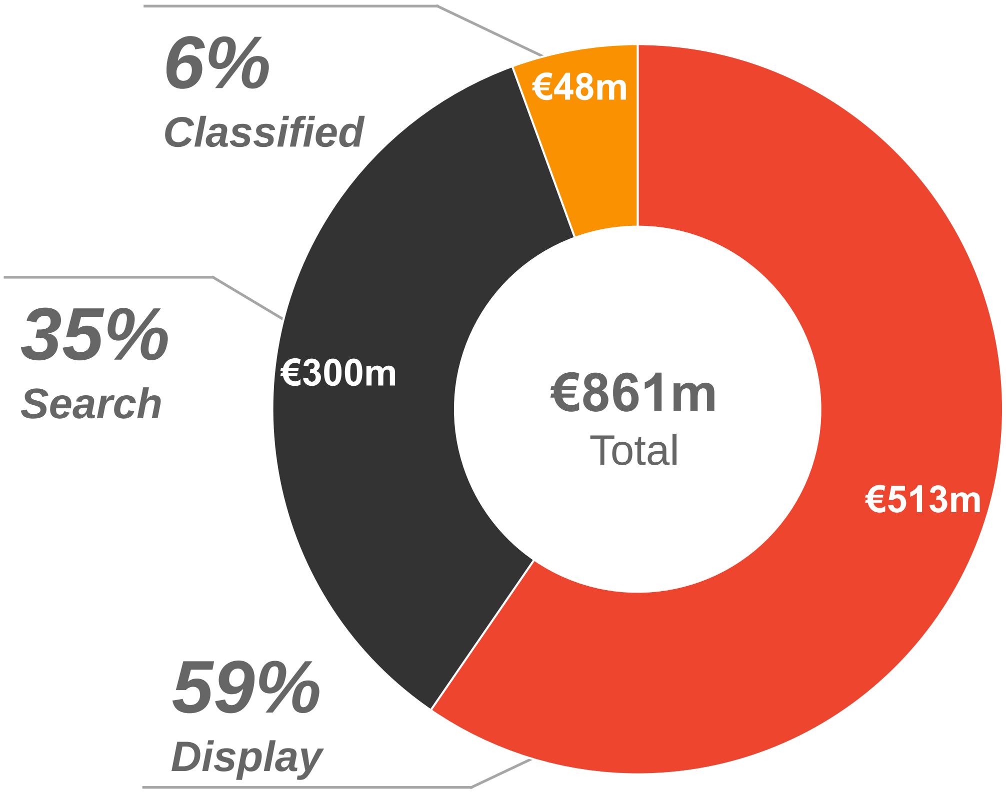


Figures and percentages are rounded
Source: IAB / PwC Online Adspend Study 2022

Digital Media Mix

Digital media mix split has largely remained stable, with classified share increasing to 6%

Share of total digital media mix, 2022



1% Increase in share of digital adspend for classified

1% Decrease in share of digital adspend for display

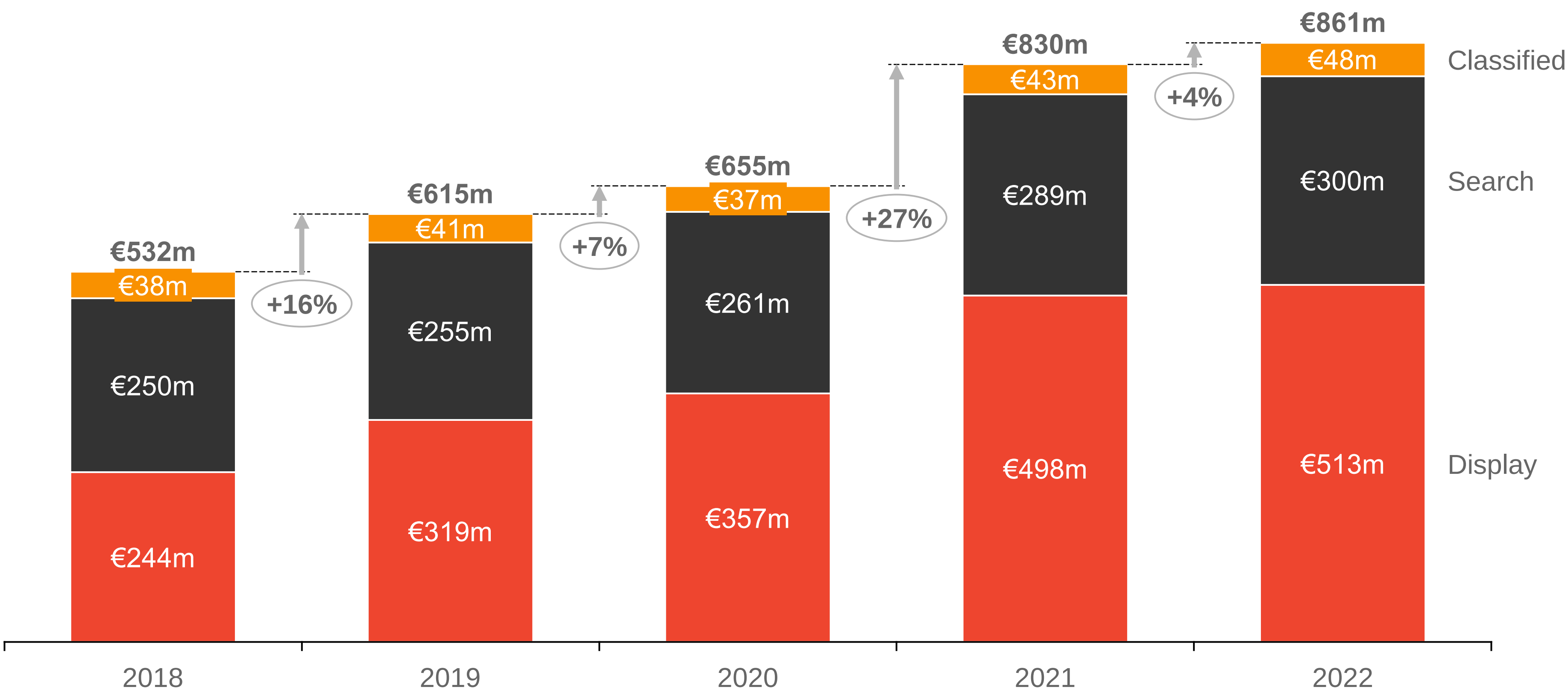
No change in share of digital adspend for search

Figures and percentages are rounded
Source: IAB / PwC Online Adspend Study 2022

Digital Media Mix

Classified ads have the strongest growth this year at 11% YoY, compared to 4% YoY for search and 3% YoY for display

Historical online adspend by digital media mix, 2018 – 2022

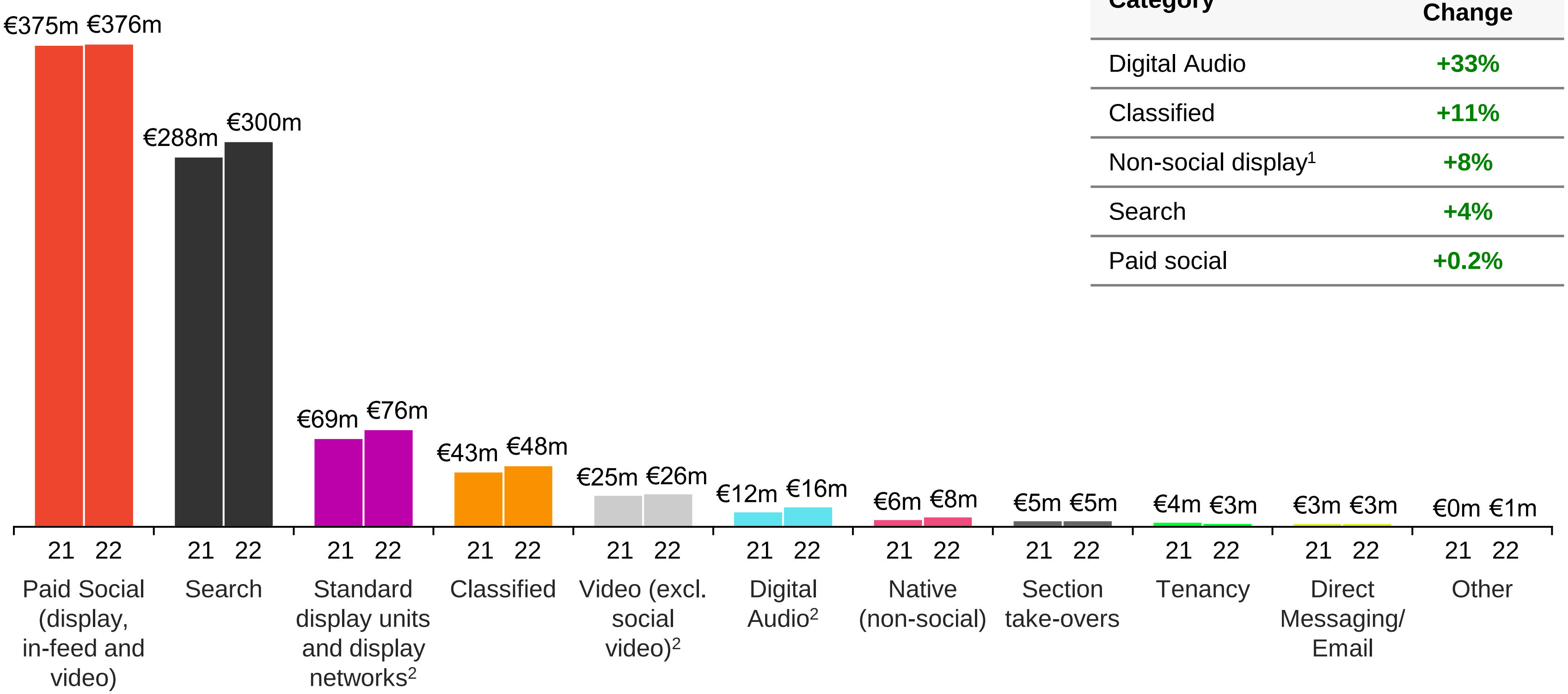


Figures and percentages are rounded
Source: IAB / PwC Online Adspend Study 2022

Detailed Digital Media Mix

Digital audio has increased by 33% YoY to €16m, while paid social has remained stable due to a difficult year faced by many prominent social media players

Historic detailed digital media mix, 2021 – 2022



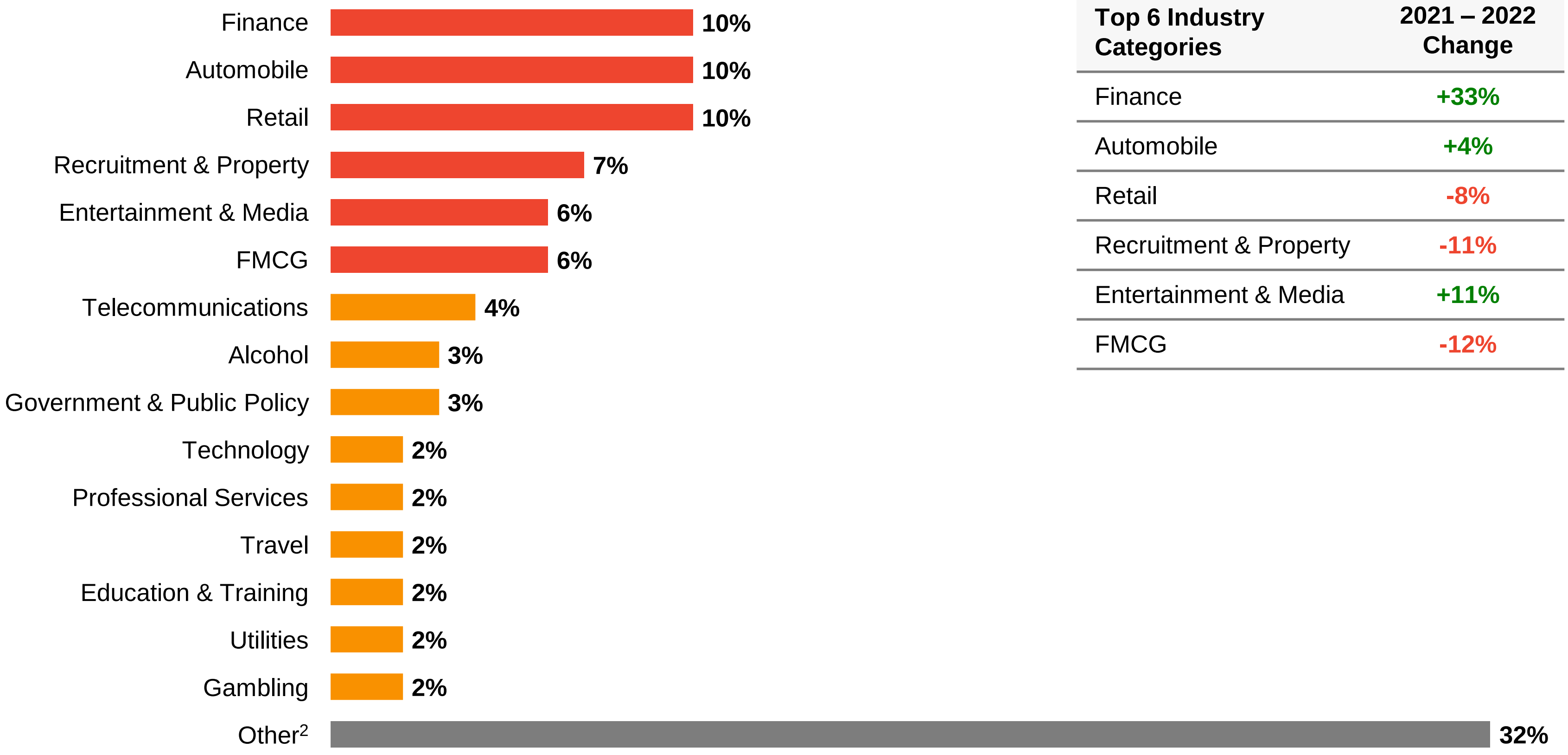
Category	2021 – 2022 Change
Digital Audio	**+33%**
Classified	**+11%**
Non-social display[1]	**+8%**
Search	**+4%**
Paid social	**+0.2%**

Figures and percentages are rounded
1. Non-social display includes standard display units and display networks, video, native, section take-overs, tenancy, direct messaging/email and other
2. There has been a slight readjustment of 2021 figures relating to standard display units, video and digital audio
Source: IAB / PwC Online Adspend Study 2022

Display Spend By Industry Category

Among the top industries, finance experienced the most significant growth at 33%

Display spend by industry category[1], 2022



Top 6 Industry Categories	2021 – 2022 Change
Finance	+33%
Automobile	+4%
Retail	-8%
Recruitment & Property	-11%
Entertainment & Media	+11%
FMCG	-12%

Figures and percentages are rounded
1. Industry breakdown based on non-social display revenue, which is 27% of total display revenue for 2022
2. Many 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 2022

Contents

2022 Market Drivers

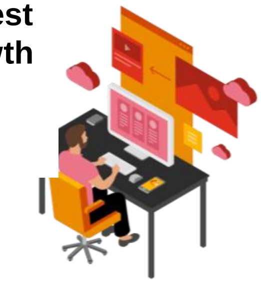
Growth in desktop, digital audio and classified were key trends seen this year

Desktop annual growth was higher than mobile at

9% YoY

Digital audio experienced the highest level of adspend growth with an increase of

33% YoY



Programmatic advertising has fallen slightly in 2022 following substantial YoY growth from 2020 to 2021 of 42%

4% Since 2021

33% Since 2020

Classified adspend led the digital advertising growth in Ireland up

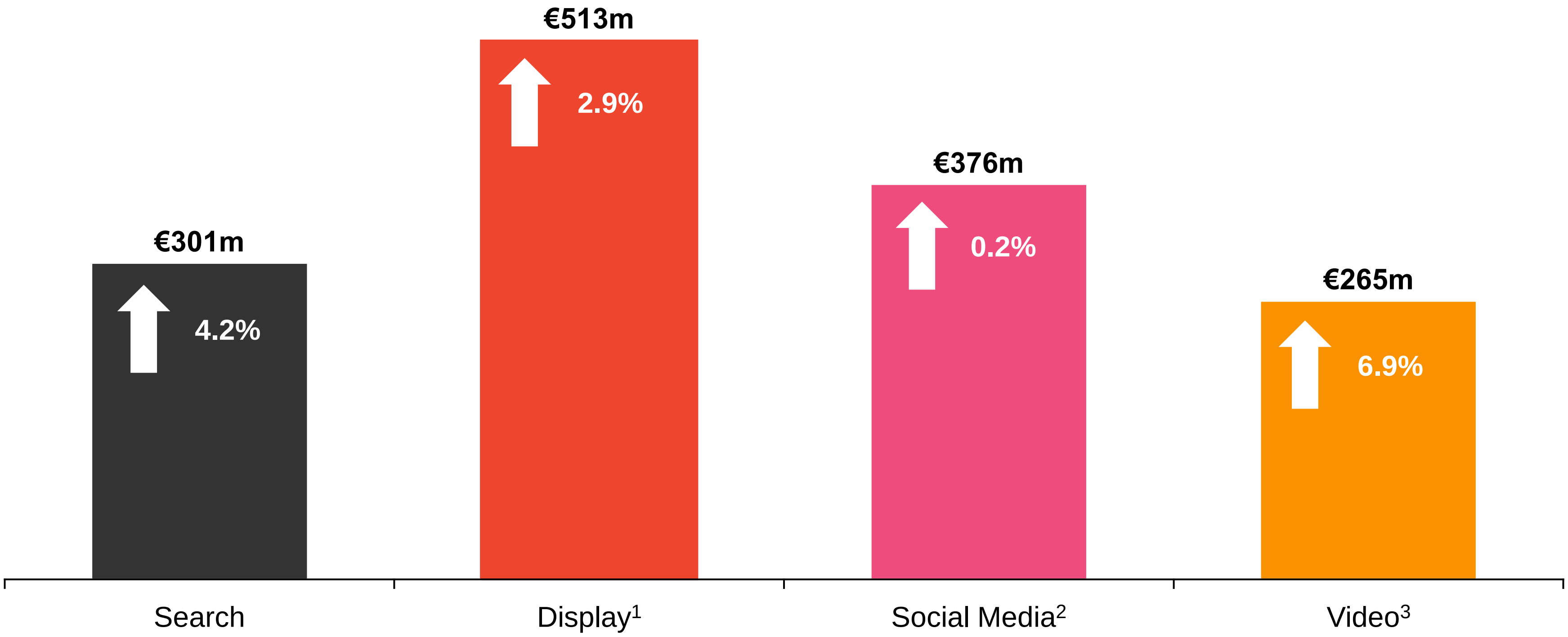
11% YoY

Figures and percentages are rounded
Source: IAB / PwC Online Adspend Study 2022

Growth in Digital Formats in 2022

Search and video are the largest drivers of digital advertising growth

Growth across search, display, social media and video, 2021 – 2022



Formats are not all mutually exclusive – there is some overlap across specific formats
All growth figures are cross platform, with figures and percentages rounded
1. Display includes social media, native, video, email, embedded / interruptive formats, email, digital audio and network-related advertising
2. Social Media includes social video, social native (in-feed) and social display
3. Video includes publisher video and social video
Source: IAB / PwC Online Adspend Study 2022

Industry Outlook Adspend Respondents' View

According to respondents, audio and video are key opportunities in 2023, while many fear an economic downturn impacting the industry

Growth

- 2022 was a year of settling back into the trend post-Covid, however there are still strong expectations for growth next year:
    - Based on survey responses, participating organisations predict digital adspend growth in 2023 of over 7% on average.
    - Participants have recorded a number of opportunities and challenges which are likely to affect the industry in the coming year.

Audio

- **64%** of respondents believe audio advertising is expected to be an opportunity in 2023.
- This supports the **current strong growth** in the area.

Video

- Video advertising has also been cited as a **strong opportunity** according to **75%** of respondents.

Economic Downturn

- **71%** of respondents are concerned with the challenge **economic downturn** will pose.

Regulation

- **64%** have cited **post third party cookie preparation** as a substantial challenge.
- **Increasing digital regulation** is also a concern for the future **(36%).**

Figures and percentages are rounded
Source: IAB / PwC Online Adspend Study 2022