

*2018 Report  
21th Edition – January 2019*

**#Obsepub**



présenté par



réalisé par



en partenariat avec



# Methodological reminder

1 Official revenues from **SRI** & **UDECAM** members

2 Total market estimation done by **PwC**

3 Qualitative interviews



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# Agenda

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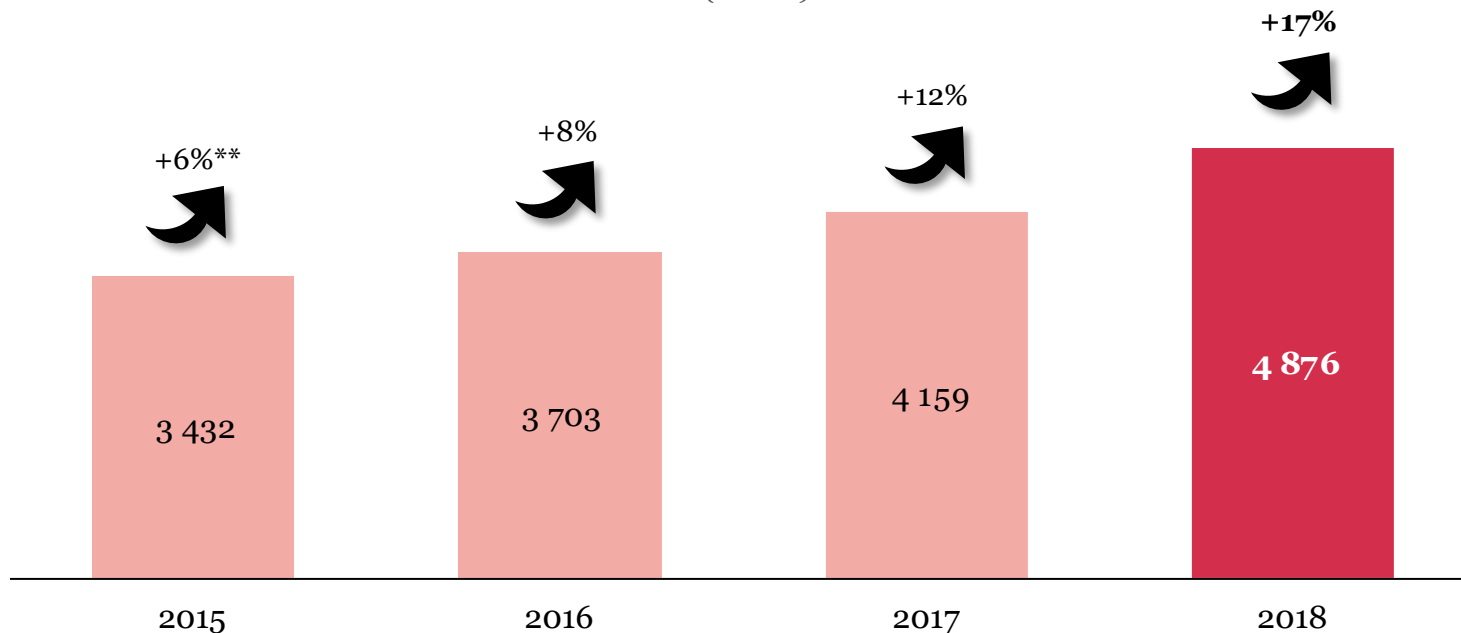
- 1. Digital Advertising Market growth**
- 2. Focus : Search and others channels**
- 3. Focus : Display & Social Display split by formats & purchase type**
- 4. Focus : Mobile Search & Display**
- 5. Conclusion & Key facts**
  - # 10YearsChallenge**
  - 🔍 Digital Ad-Trust Label update**

**01**

*FASTER DIGITAL ADVERTISING MARKET  
GROWTH IN 2018*

# Digital Advertising market growth is increasing in 2018 and now reaches nearly 4.9 billion euros

French Digital advertising market\* annual evolution \*  
(in €M)



\* Beginning with the 2017 edition, the E-Pub Observatory now includes (retrospectively) a broader perimeter for shopbots: banking/insurance, telecommunications, energy, etc., in addition to the usual shopping and travel bots

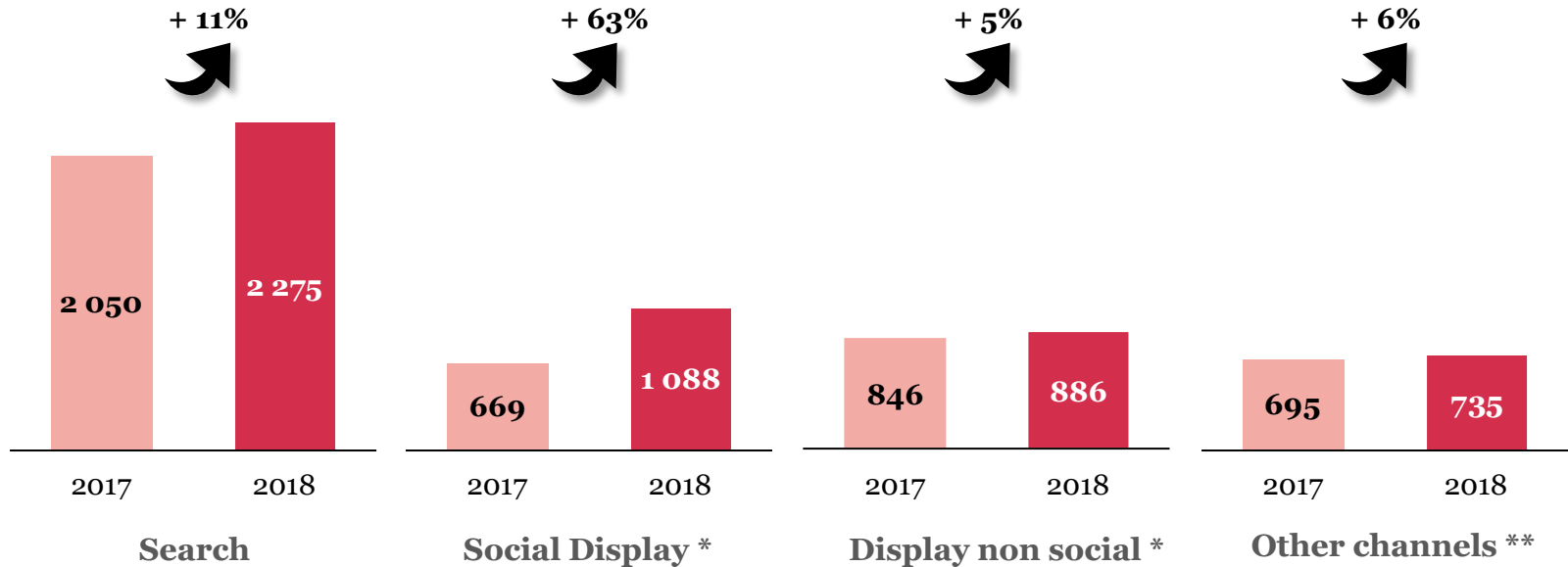
\*\* Growth observed on the old perimeter \*\*\* New perimeters

The perimeter included the following segments: search engines, display, local searches, referrals, direct e-mail, shopbots and mobile. Calculation of the total online market accounted for channel deduplication.

Sources: PwC analysis, SRI and UDECAM statements, CPA, public information

# Search market share decreases In favor of Social Display

Digital advertising media mix in France (in €M)



**Digital market share\*\*\* (%)**

48%



45%

16%



22%

20%



18%

16%



15%

\* Display includes all formats, all devices and all purchase type

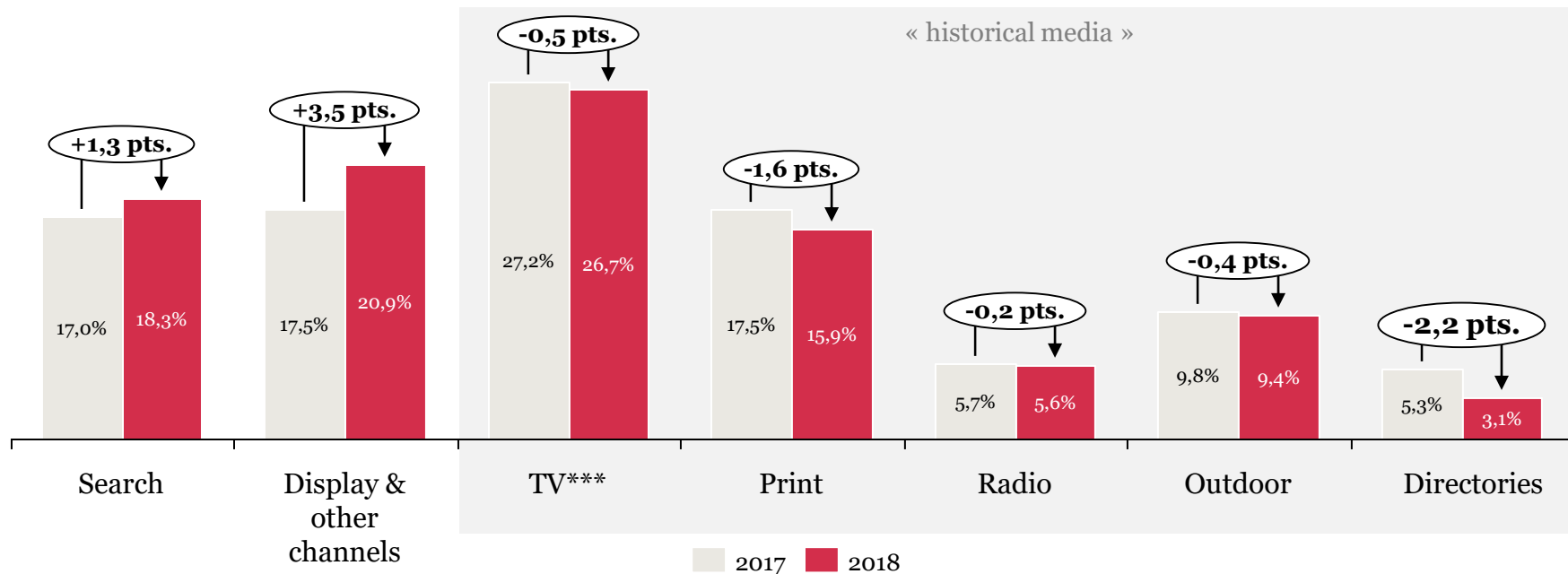
\*\* Referrals, direct e-mail, shopbots, search and display all include local advertising. Beginning with the 2017 edition, the E-Pub Observatory now includes (retrospectively) a broader perimeter for shopbots: banking/insurance, telecommunications, energy, etc., in addition to the usual shopping and travel bots

\*\*\* Calculation of the share of the total online market accounts for channel deduplication

Sources: PwC analysis, SRI and UDECAM statements, CPA, public information

# Digital strengthens its position in the global media advertising market

## French advertising market Annual evolution (share of revenue in the media \*)



Note: Figures based on 2017 actuals, an annualized estimate of IREP revenue in 2018, and an estimate of the Digital Advertising market re-estimated retroactively to H1 2018 in 2017, providing some variations in percentages when these are reduced to figures published in 2017

Sources: SRI-IREP figures 2017 and 2018, analysis and estimates PwC, CPA

\* Media: TV, radio, print, display, digital, directory

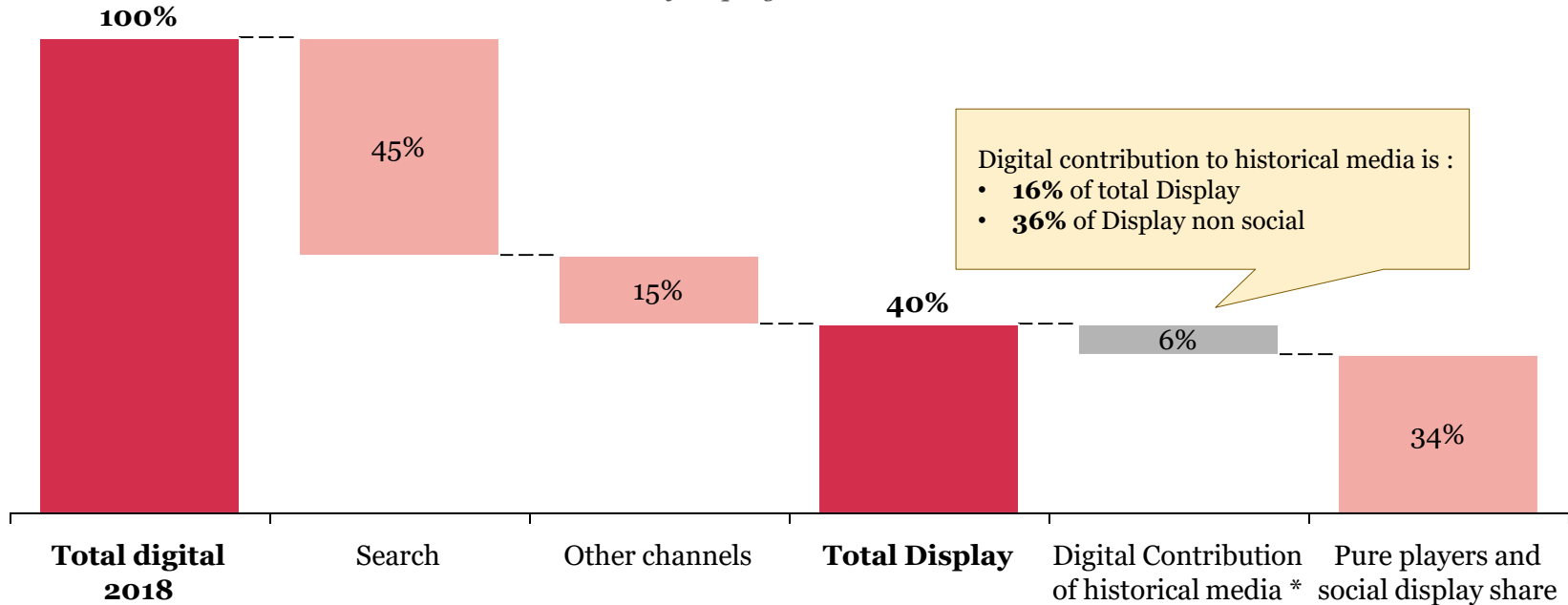
\*\* Affiliation, e-mailing, comparators. Search and Display include local advertising

\*\*\* Figures are based on estimate made by IREP

# Legacy media account for 16% of total Display revenues

## French digital advertising split

(% of display ad revenues)



Historical media are TV, radio, print

Sources: SRI-IREP figures 2017 and Q1-Q3 2018, analysis and estimates PwC, CPA

The calculation of the total online market takes into account the deduplication of the channels

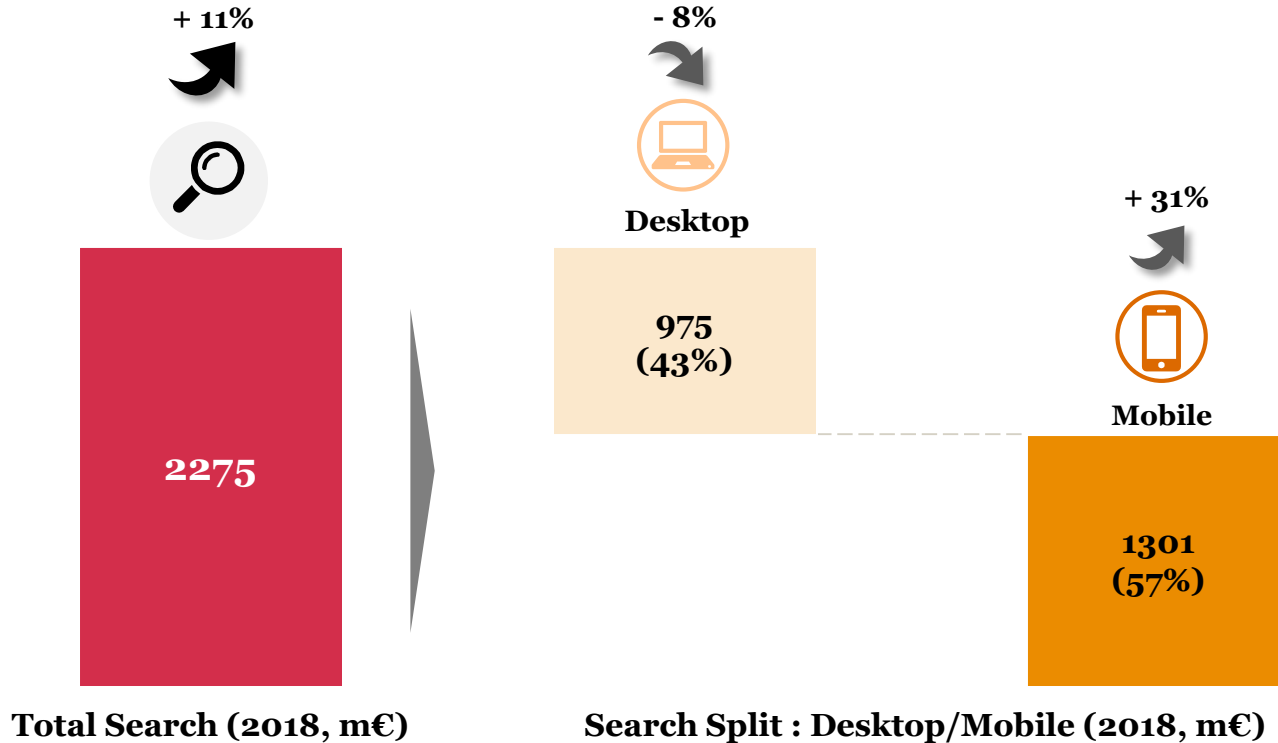
Included: comparators, emailing, affiliation



**2**

*SEARCH GROWTH DRIVEN BY MOBILE,  
OTHER CHANNELS KEEP ON INCREASING*

# Search market grows by 11% in 2018, driven by the growth of Mobile

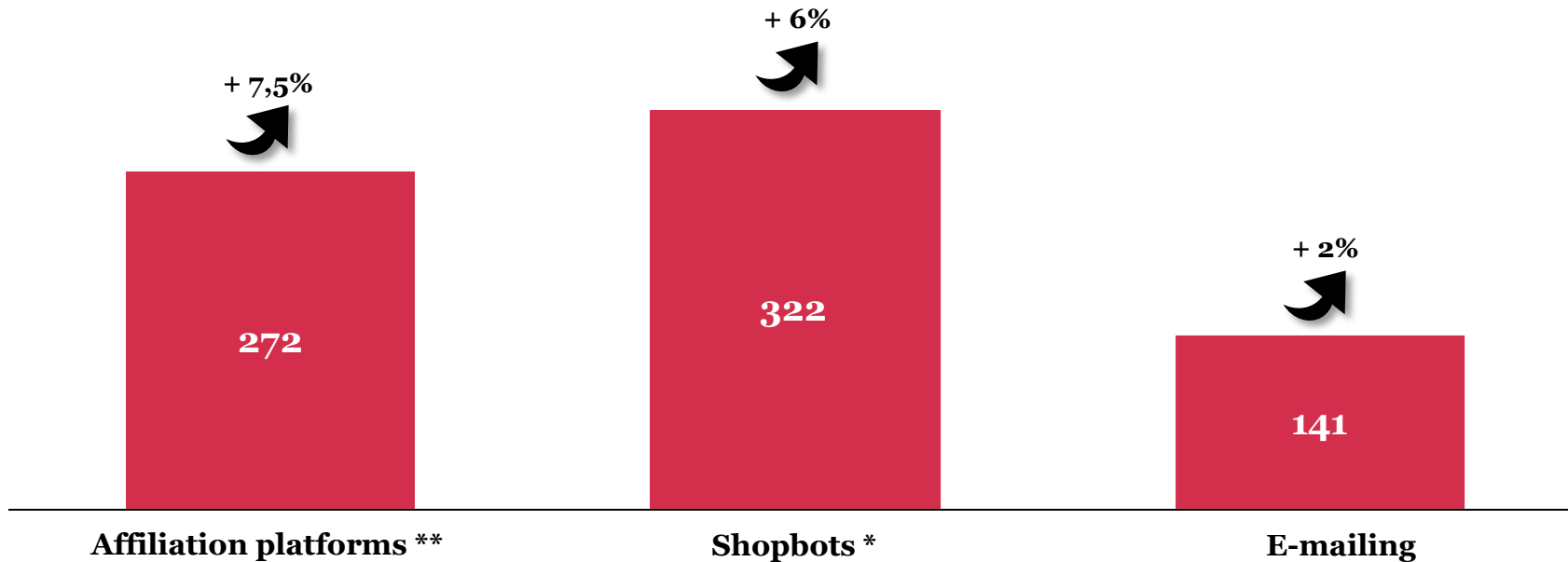


## Other channels up 6% in 2018

**Other channels\***

**735 m€**

**+ 6%**



Sources: PwC analysis, SRI and UDECAM statements, CPA, public information













\* Beginning with the 2017 edition, the E-Pub Observatory now includes (retrospectively) a broader perimeter for shopbots: banking/insurance, telecommunications, energy, etc., in addition to the usual shopping and travel bots

\*\* CPA member companies

3

*DISPLAY GROWTH STILL DRIVEN BY  
SOCIAL NETWORKS*

# Display advertising market segmentation

Players	Formats	Purchase type	Devices
<b>Social networks</b> 	<b>Classic</b> 	<b>Programmatic</b> 	<b>Desktop</b> 
	<b>Non social Native Ads *</b> 		
<b>Non social</b> 	<b>Video</b> 	<b>Non programmatic</b> 	<b>Mobile</b> 
	<b>SOs</b> 		
	<b>Audio</b> 		<b>IPTV</b> 

\* Native non-social = Formats respecting the nomenclature / definition Image + Title + Description (anchors top and / or middle of page)s & Recommendation modules (anchors at the bottom of page)

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# *What is « social networks » for this report ?*

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## *Definition*



*All websites and mobile sites that allow their users to build a network of acquaintances using tools and interfaces designed for interactions, presentations and communication.*

*For the purposes of this report, YouTube is not considered as a social network. Our definition excludes owned media\* and earned media\*\*.*

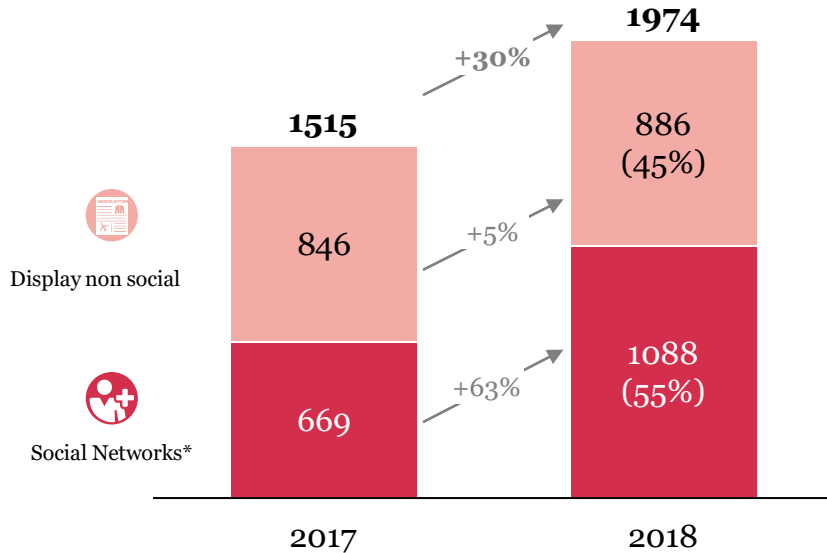
\* Owned: a corporate page or account on a social network

\*\* Earned: the brand's influencers and intermediaries on social networks

Source: PwC

# 30% growth in display still driven by social networks

Annual evolution of the digital display market in France (in €M)



## +30%

display growth in France in 2018 compared to 2017

## +63%

of Social Growth in France in 2018 compared to 2017

\* Social networks, including all formats, all devices and all marketing methods (excluding YouTube)  
Sources: PwC analysis, SRI and UDECAM statements, public information



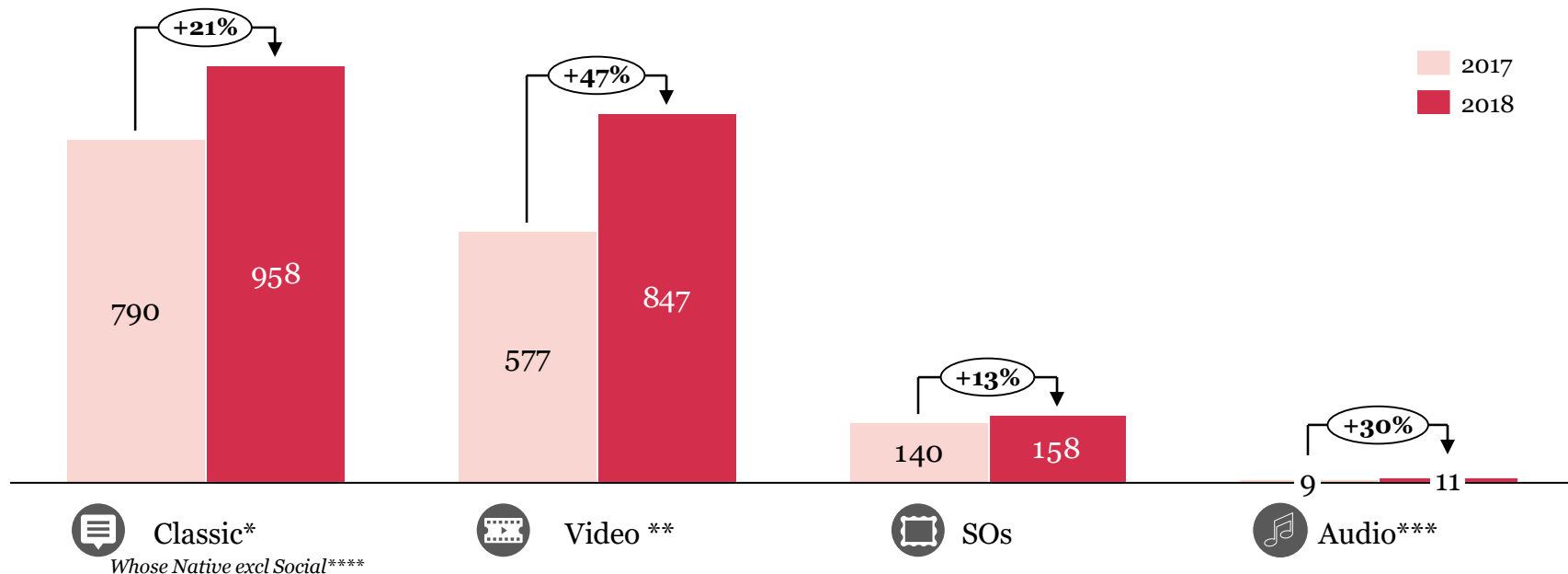
*VIDEO CONTINUES  
TO ENHANCE DISPLAY*



## Formats

# Classic and Video keep on growing in 2018 and contribute to Display growth

Display\* revenues, by format (in €M) and share of each format out of total display in France (as a%)



\* "Classic Display" includes banner formats, standard IAB formats and native formats including recommendation platforms and "Display Social" - all commercialization / all devices

\*\* Video format includes Instream & Outstream - all sales type / devices

\*\*\* Audio Digital includes web radio, voice assistants, podcasts (download or streaming) - all purchase type / devices

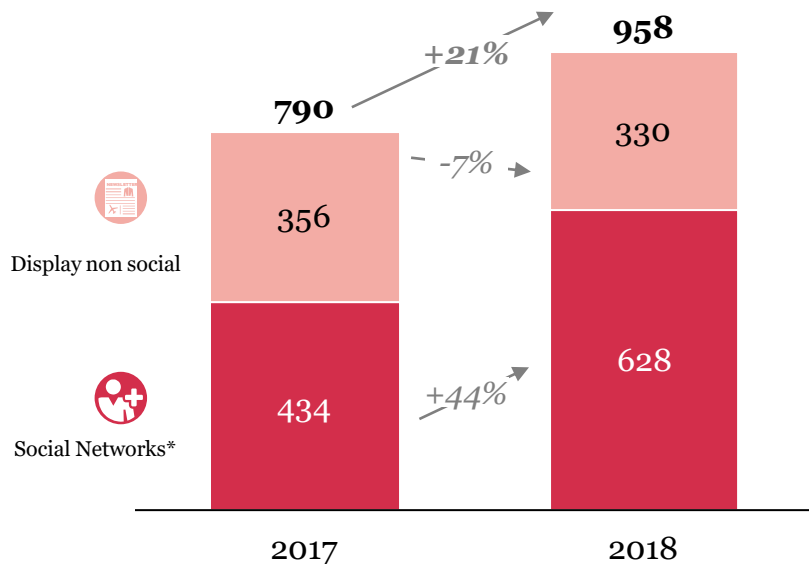
\*\*\*\* Native non-social = Formats respecting the nomenclature / definition Image + Title + Description (anchorage top and / or middle of page) & Recommendation modules (anchors at the bottom of page)

Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

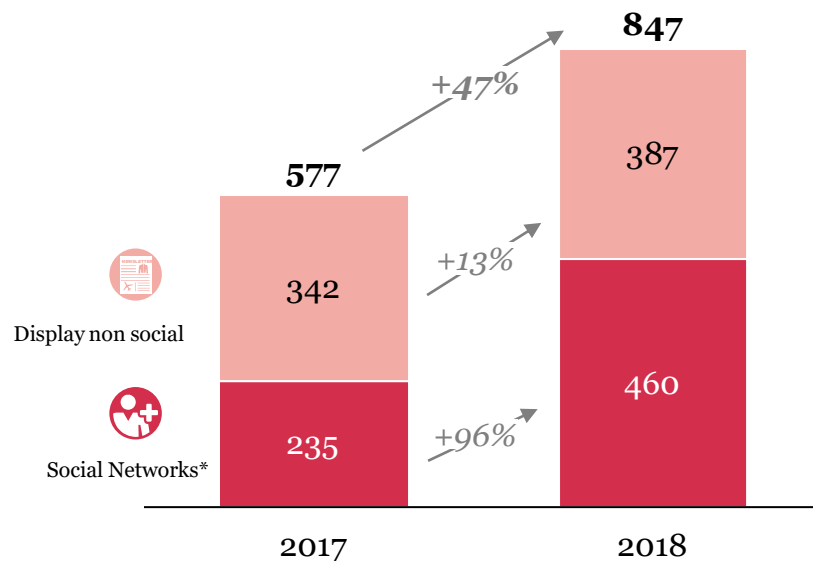


# Social Networks Drives Growth in Classic Display and Video

Display revenues evolution  
Classic\* (m€)



Display revenues evolution  
video (m€)



\* "Classic Display" includes banner formats, standard IAB formats and native formats including recommendation platforms and "Display Social" - all purchase type / all devices

\*\* Video format includes Instream & Outstream - all purchase type / devices

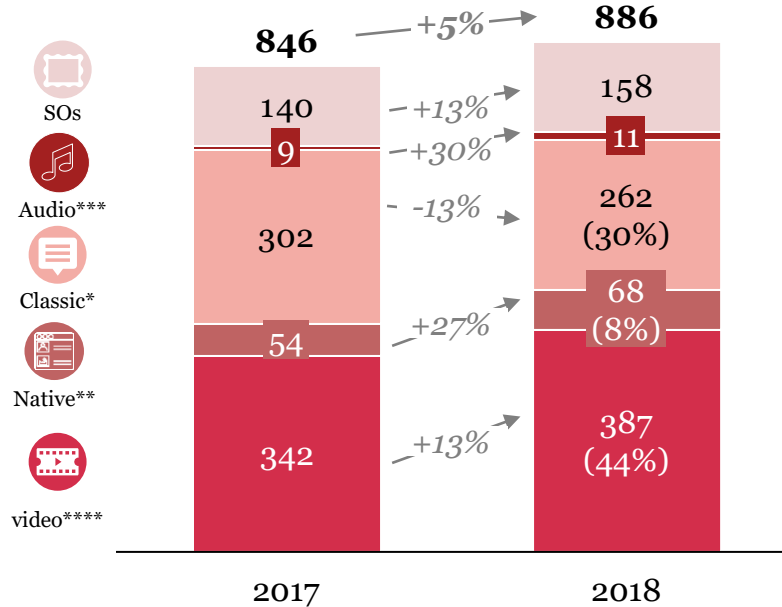
Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

## Formats

# Video and Native formats remain key contributors to the growth of Social Display.



Display revenue evolution (non social) (m€)



\* "Classic Display" includes banner formats, standard IAB formats, excluding Native, excluding Social Networks - all purchase type / all devices

\*\* The native includes native formats excluding social networks - all purchase type / all devices

\*\*\* Audio Digital includes web radio, voice assistants, podcasts (download or streaming) - all purchase type / devices

\*\*\*\* Video format includes Instream & Outstream - all purchase type / devices

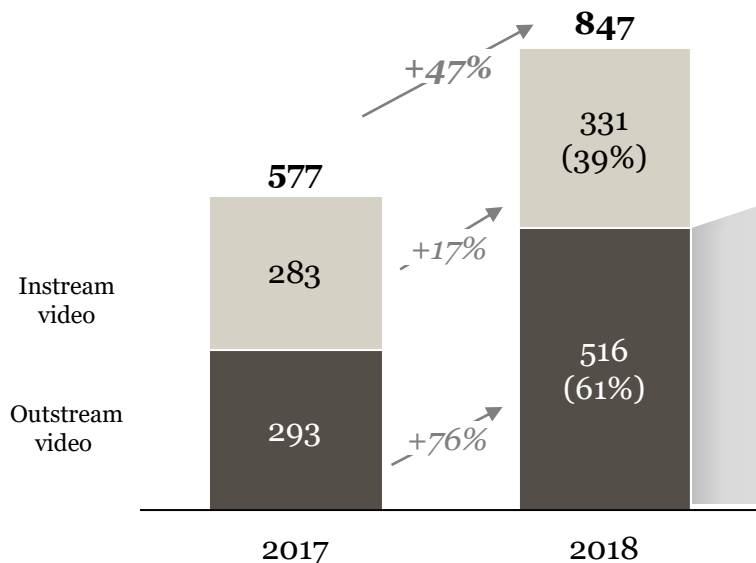
Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

## Formats

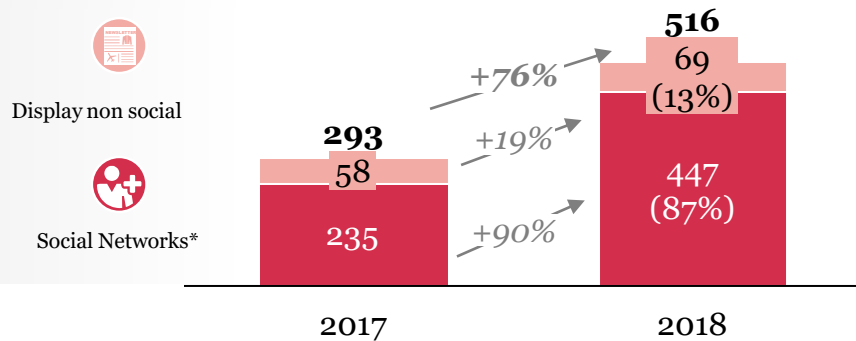


# Video remains primarily outstream Thanks to social networks

**Instream vs outstream video\* revenues evolution (in €M)**



**Outstream video\* revenues evolution social network share (in €M)**

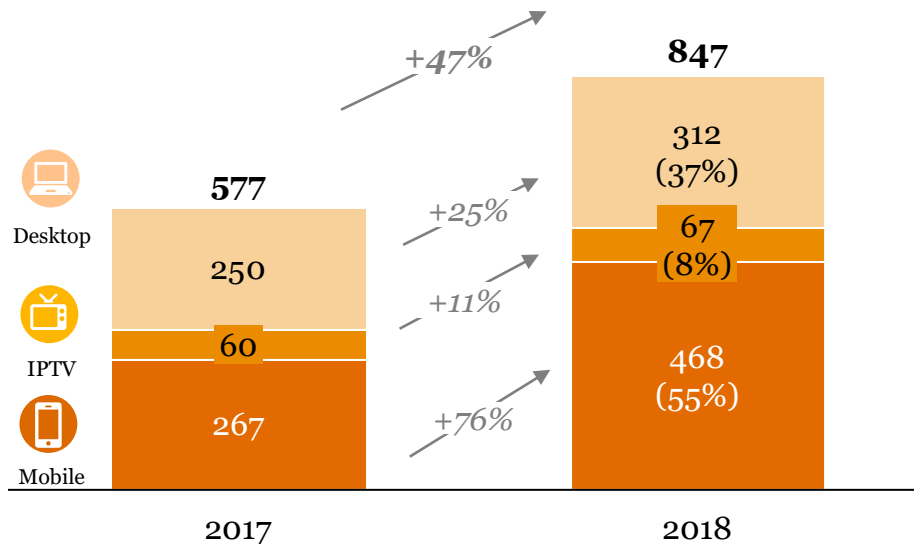


\*All devices, all purchase type,  
YouTube is not considered as a Social Network  
Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information



# Mobile consolidates its #1 position as “first screen” for Video

Video display ad revenues evolution (m€)



Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information



— *PROGRAMMATIC KEEPS ON GROWING* —  
*... AGAIN AND AGAIN*

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# What is « Programmatic » for this report ?

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## Definition

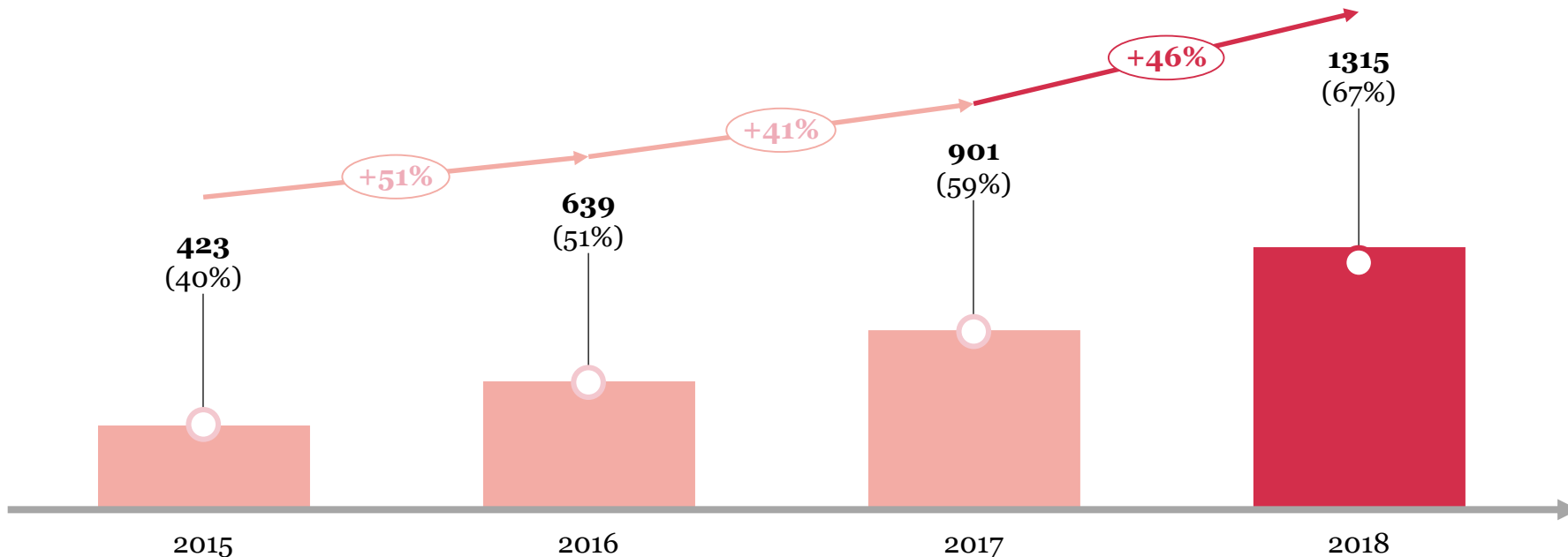


*Inventory sold by automatically connecting buyers and sellers. It includes all automated sales models: guaranteed or not, fixed price or RTB, private marketplaces or open auctions, self-serve platforms or trading desks. Social network sales are also considered programmatic sales.*



## Programmatic continues its strong growth and now represents more than 2/3 of the Display

France revenues and share of programmatic\* out of total display revenues  
evolution (in €M)



\* All devices, all formats  
Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

xxx Revenues (m€)

(x%) Programmatic share out of total display revenues



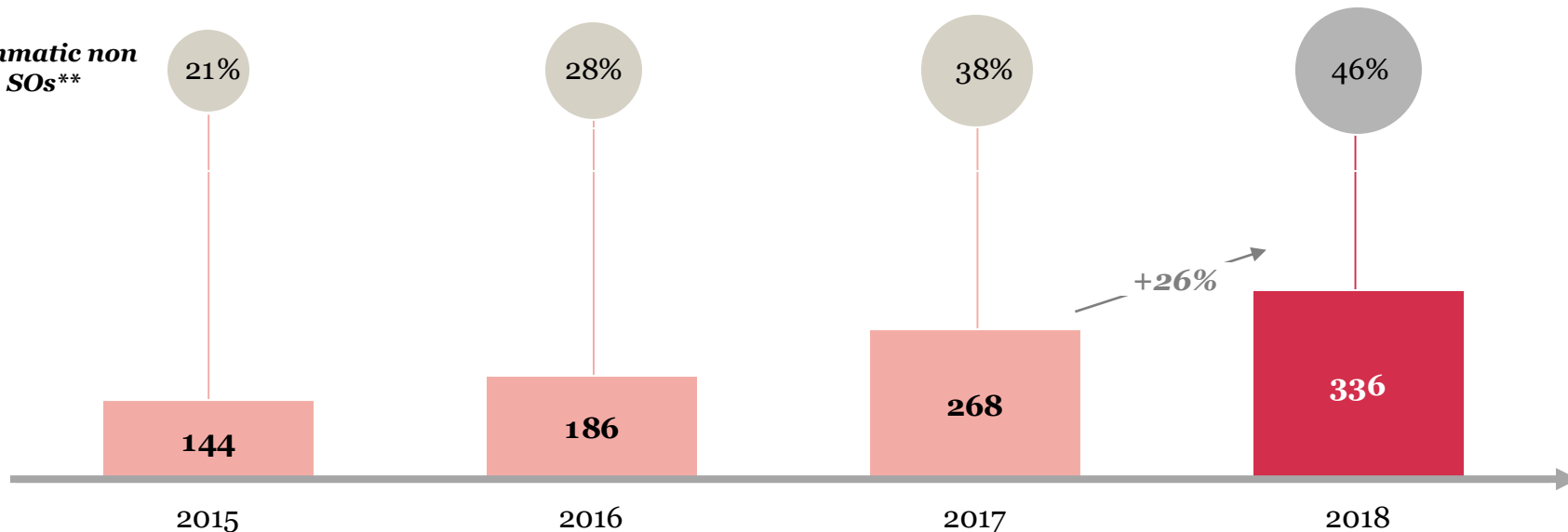
**Purchase  
type**



# Non Social Programmatic reaches 46% of revenue, growing strongly

Programmatic Revenue and market share (non social and SOs \*)  
in France (m€)

**% Programmatic non  
social and SOs\*\***



\* All devices, all formats

\*\* Programmatic share excluding Social Networks, excluding special operations

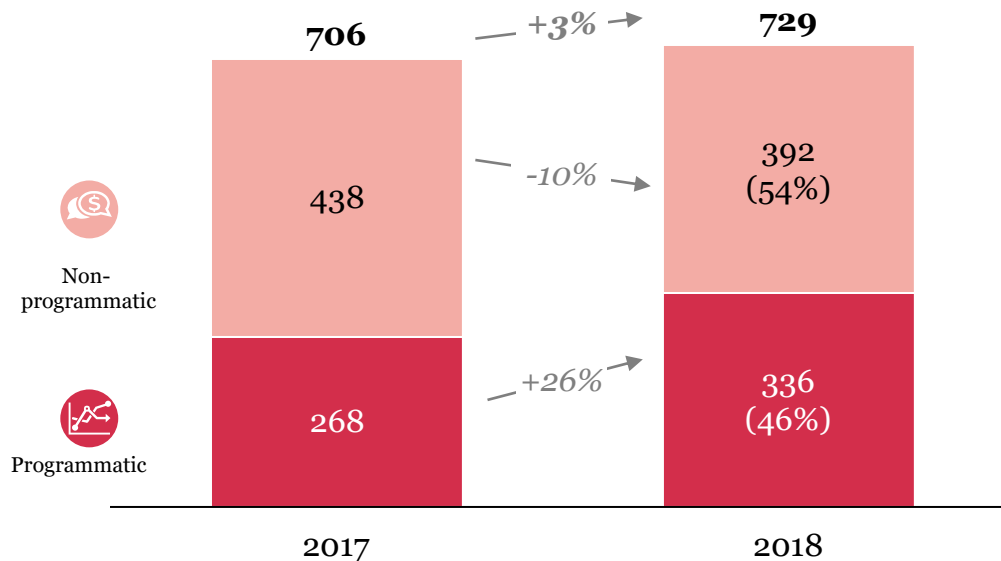
Note: The share of the Programmatic 2017 on Social Networks has been re-estimated retroactively to H2 2018

Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

xxx Programmatic Revenues (m€)

## Non Social revenues keep on shifting to programmatic

Display revenues evolution (non social and Sos) (m€)

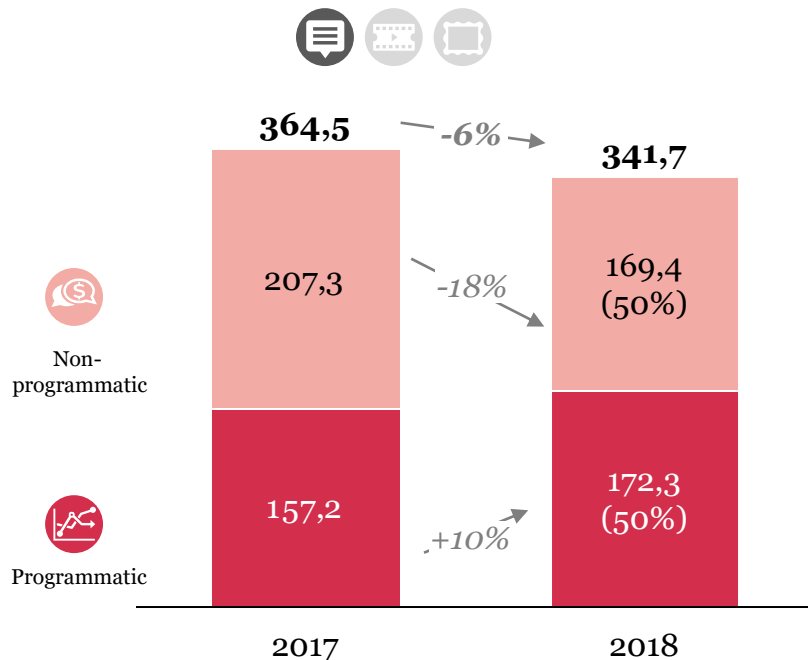


Note: The share of 2017 Programmatic on Social Networks has been re-estimated retroactively to H2 2018  
Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

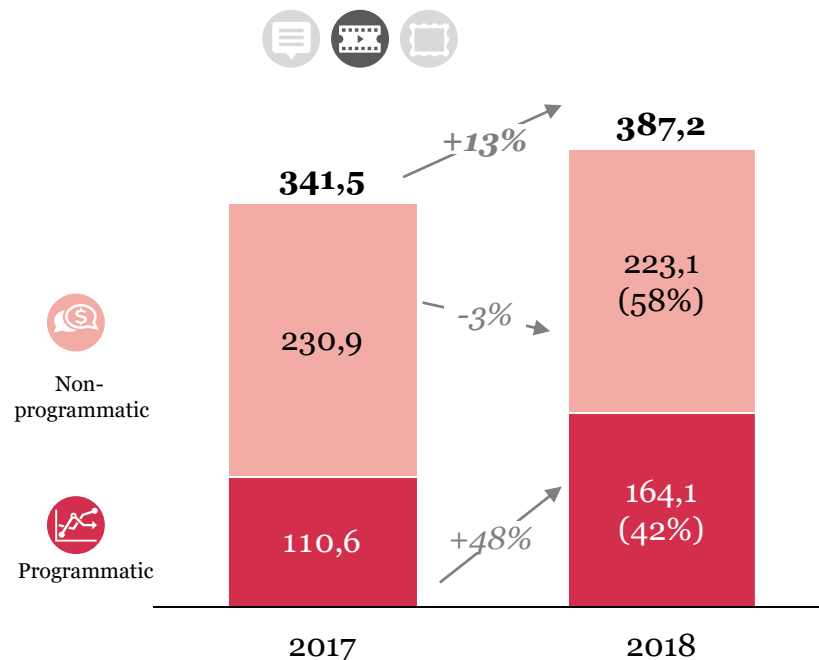
## Purchase type

# Non Social programmatic grow in all formats

Revenue non Social in Classic \*, Native \*\* and Audio \*\*\* by purchase method evolution(m€)



Revenue non Social in video \*\*\*\* by purchase method evolution(m€)



\* "Classic Display" includes banner formats, standard IAB formats, excluding Native, excluding Social Networks - all purchase type / all devices

\*\* The native includes native formats excluding social networks - all purchase type / all devices

\*\*\* Audio Digital includes web radio, voice assistants, podcasts (download or streaming) - all purchase type / devices

\*\*\*\* Video format includes Instream & Outstream - all c purchase type / devices

Note: The share of the Programmatic 2017 on Social Networks has been re-estimated retroactively to H2 2018

Sources: PuC Analysis, SRI and UDECAM Declarations, Public Information

4

*MOBILE REVENUES FINALLY ALIGNS  
WITH CONSUMERS USES*

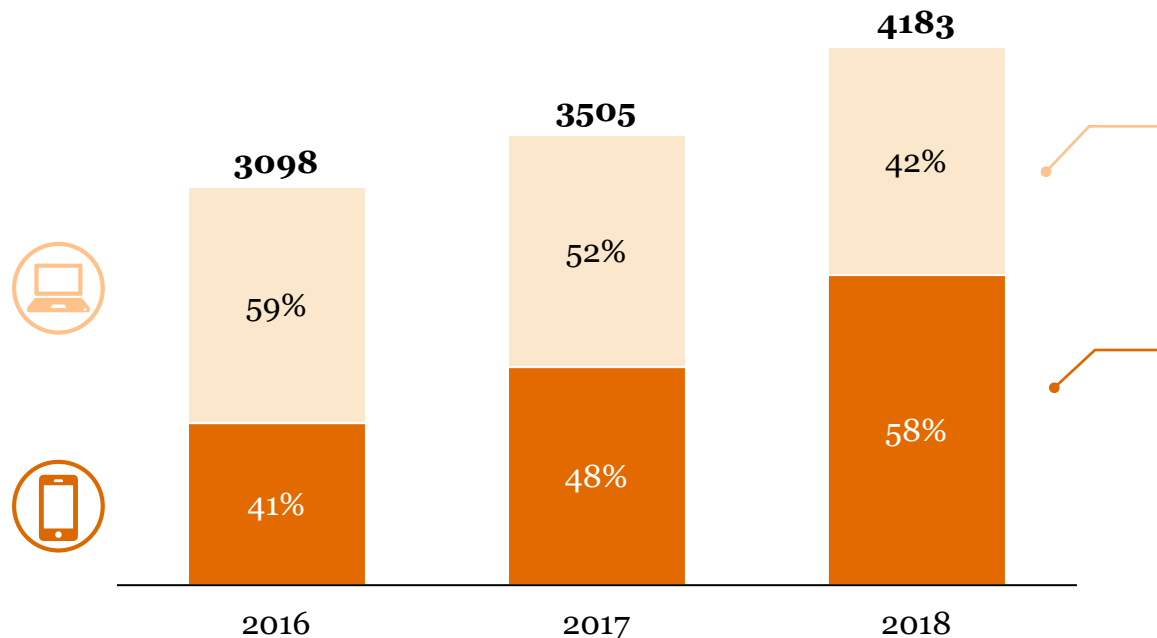
## Devices



# Mobile share surpasses desktop in line with consumers uses

Display et Search revenues split by device (m€)

Uses\*



- French population spend an average of 33 minutes a day on the internet on desktop
- The French spend an average of 52 minutes per day on the internet on mobile screens and 19 minutes on tablets
- 50% of the time spent on the internet is on a mobile device (68% on tablets)
- GAFAs accounts for 44% of time spent on mobile

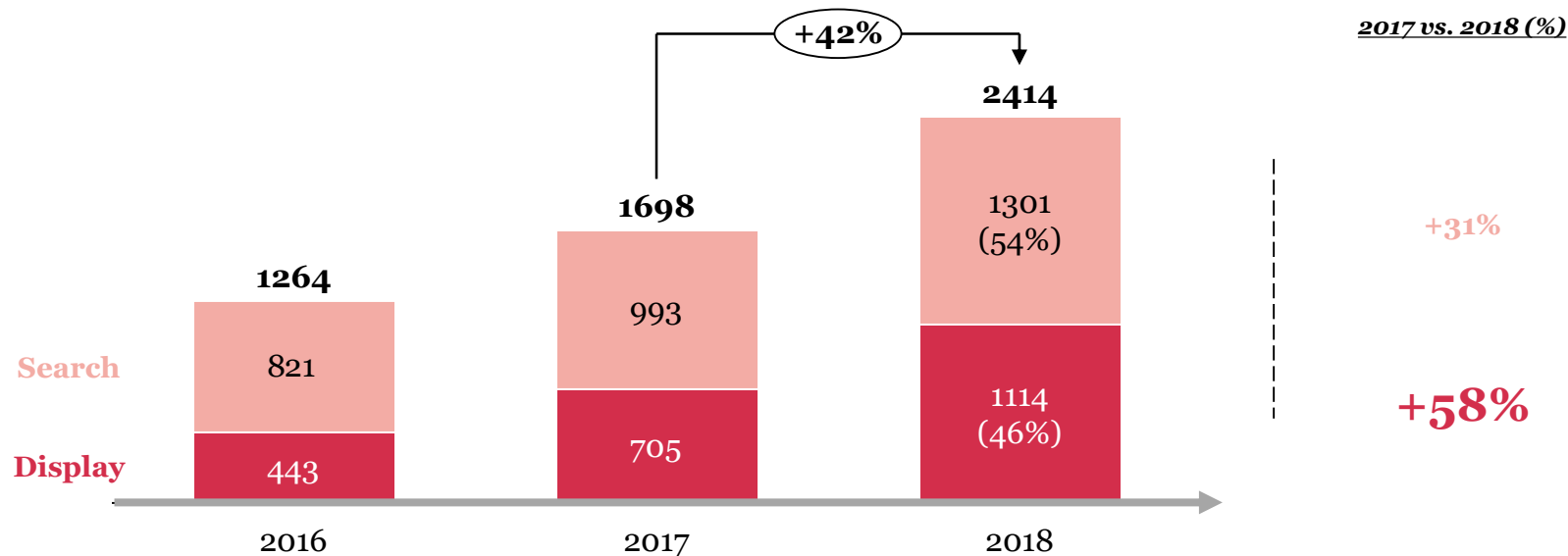
Taking into account the Desktop and Mobile (smartphone and tablet) for Search and Display out IPTV  
\* Médiamétrie - Global Internet audience in France, November 2018  
Sources: PwC analysis, SRI declarations and UDECAM,

## Devices



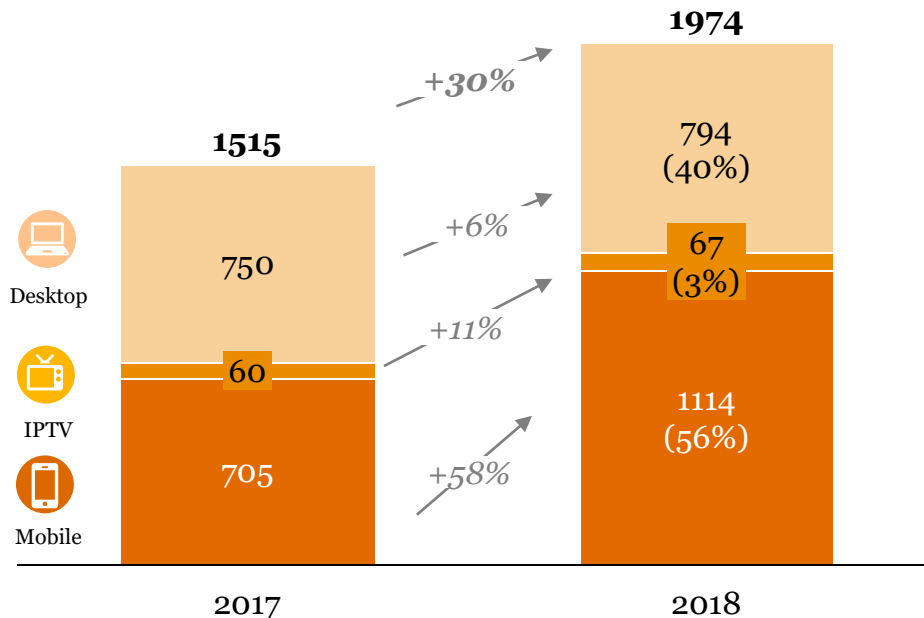
# Continuous growth in mobile in 2018, led by display

Mobile Search and Display media revenues evolution (m€)



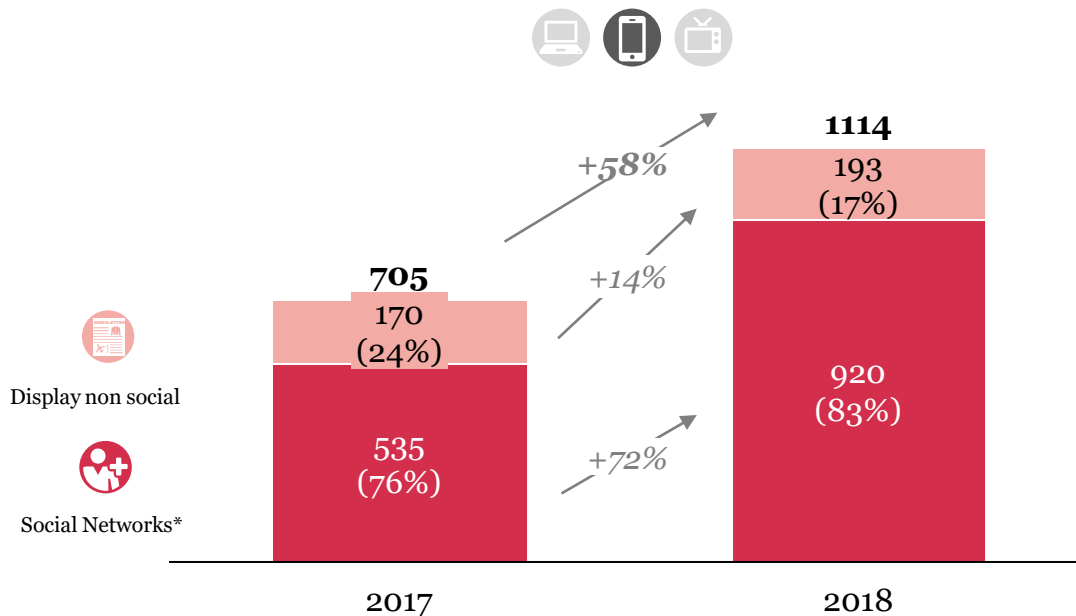
# Mobile accounts for nearly 60% of non social display growth, and is now the “1st screen”

Display revenues evolution, by device (in€M)



# Social networks now reach 80% of mobile revenues

Mobile Display media revenues evolution (m€)



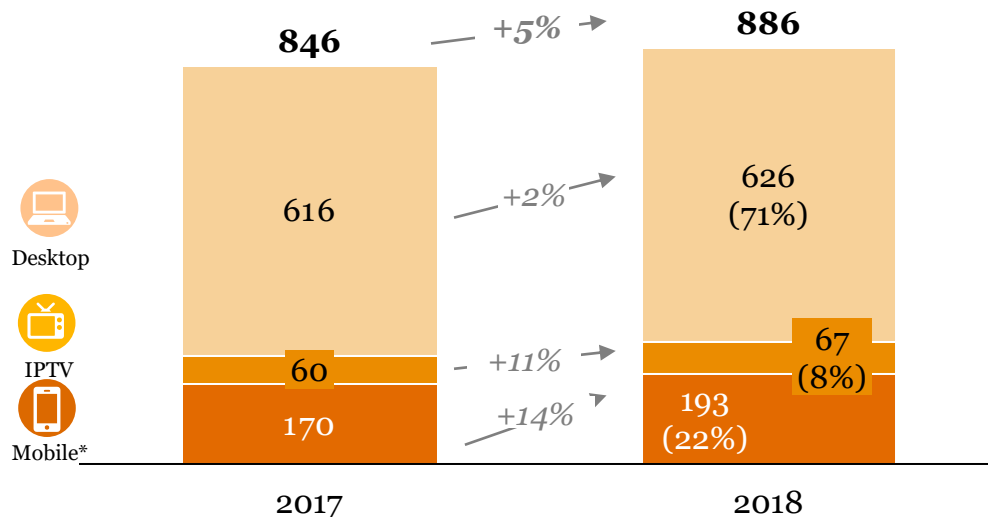
\* Smartphone and tablets

Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information



# Outside Social, Mobile accounts for nearly 60% of Display growth

Display media revenues evolution by devices non social (m€)



\* Smartphone and tablets

Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

**5**

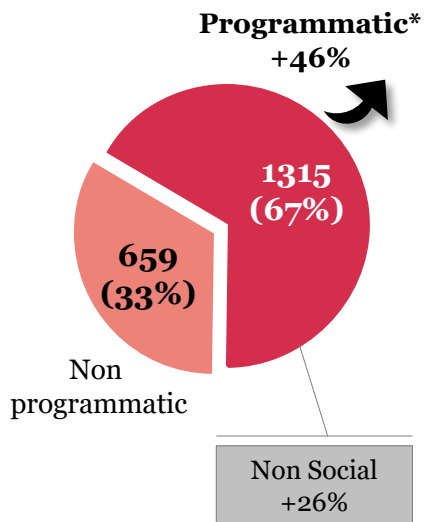
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*KEY FACTS*

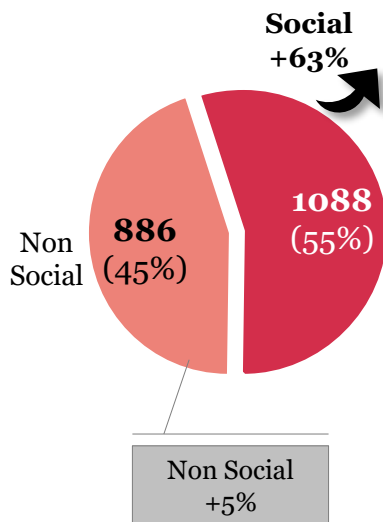
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# Digital display advertising market in France at a glance

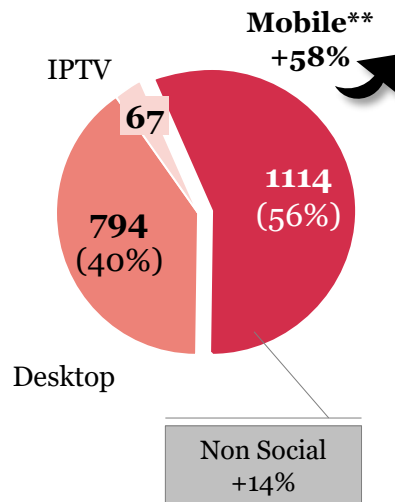
Breakdown by buying method (in €M)



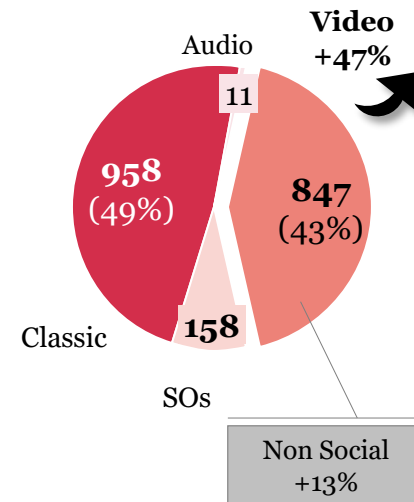
Breakdown by actors (in €M)



Breakdown by device (in €M)



Breakdown by formats (in €M)

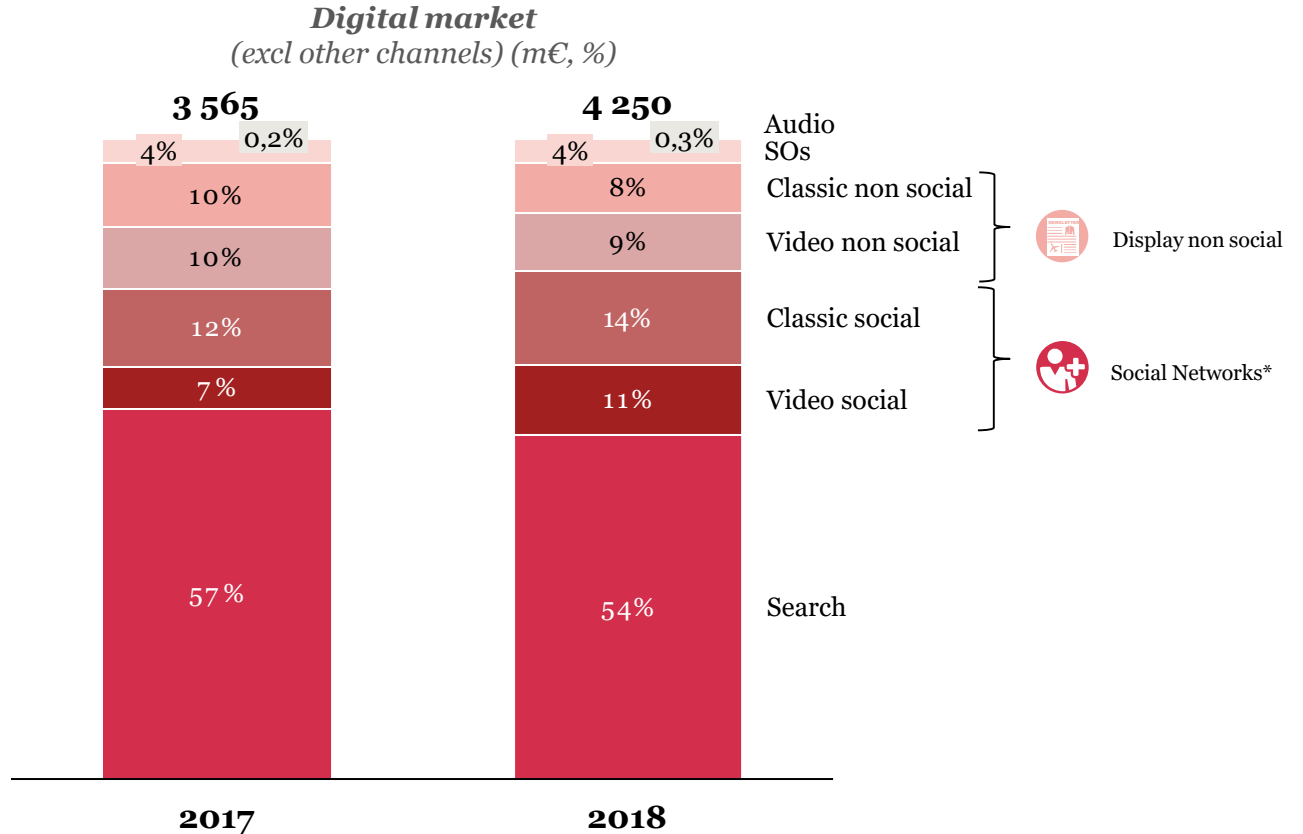


\* Programmatic is always off SOs

\*\* Mobile = smartphones and tablets

Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

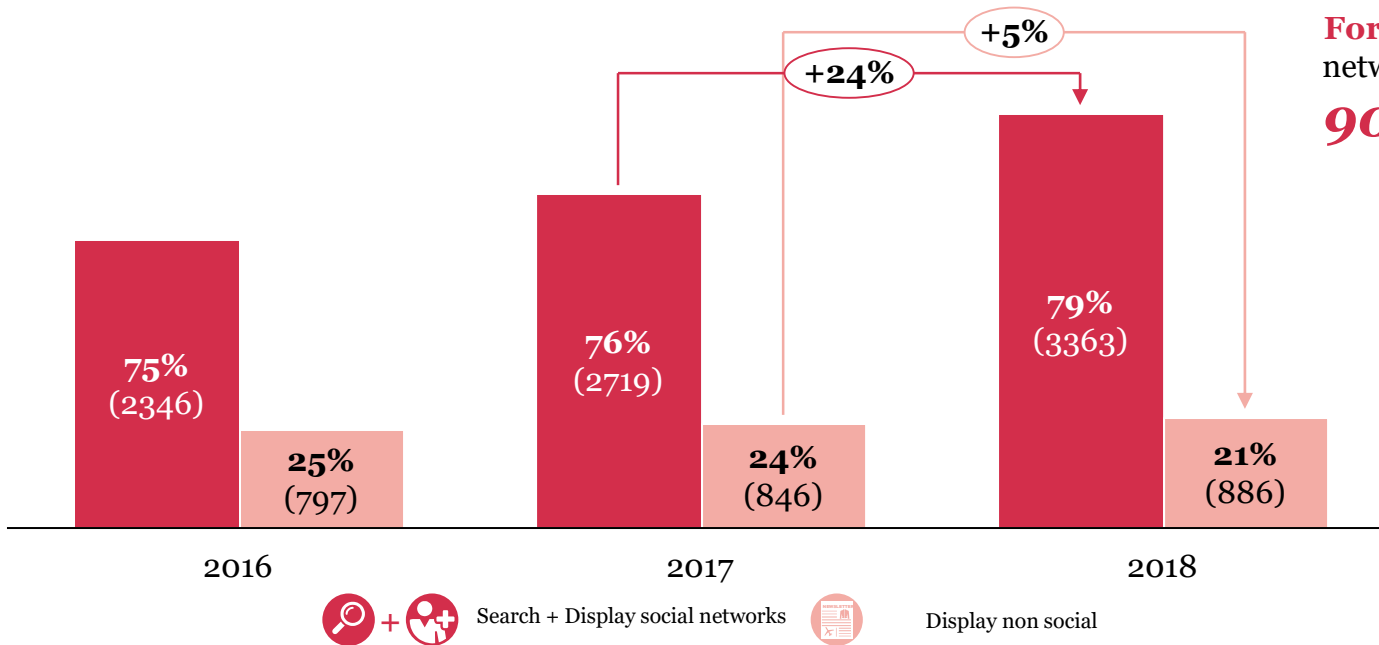
# Digital advertising market in France at a glance



\* Classic format includes banner formats, standard IAB formats and Native formats - all purchase type / devices  
 Sources: PwC Analysis, SRI and UDECAM Declarations, Public Information

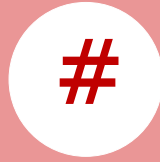
# Search and Social Levers account for nearly 80% of the whole Display + Search market

Breakdown of revenues between social network search and display and non-social display, and share of the total\* (in €M and as a %)



**For mobile**, share of social network search + display is **90%** (+2 pts vs. 2017)

**Search and Social Networks** contribute 94% of growth



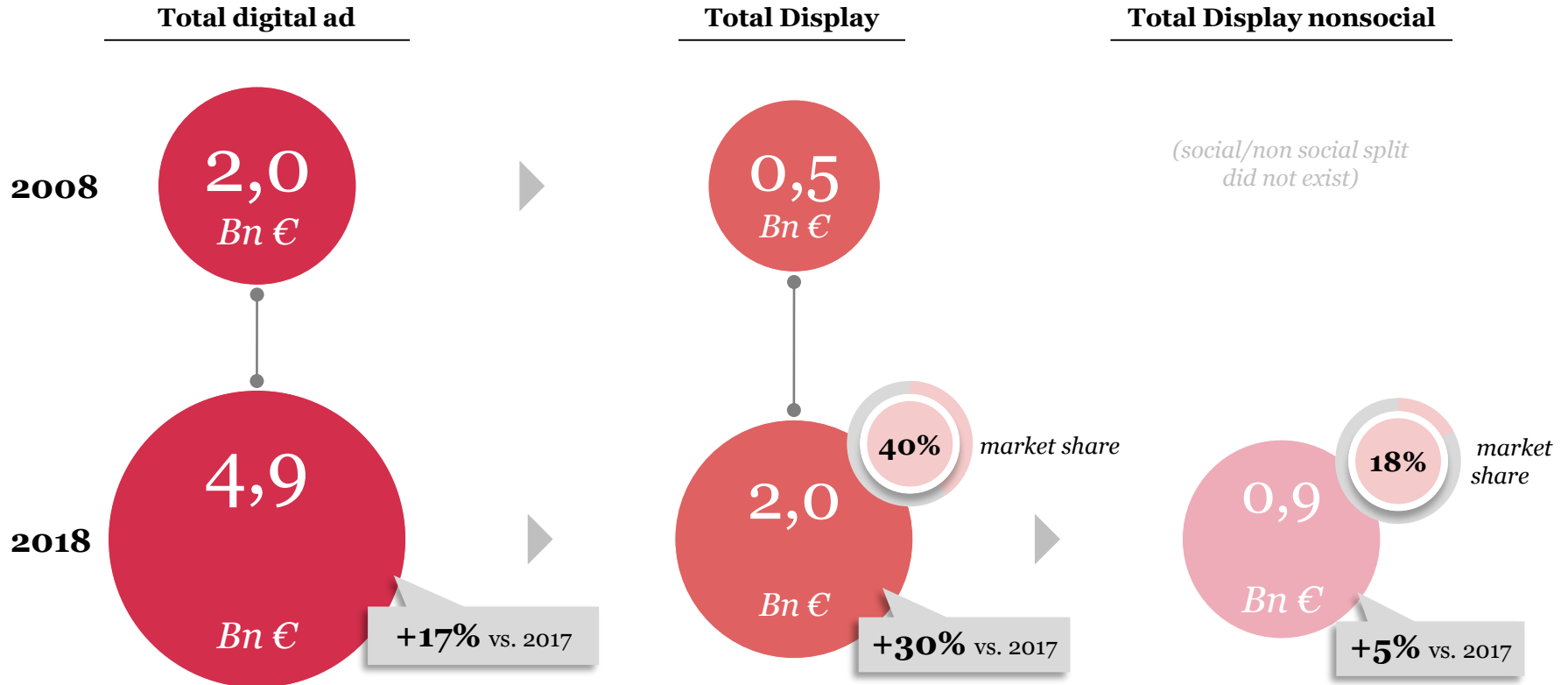
*#10YEARSCHALLENGE*

# 2018 : a transition year for digital advertising in France

1. **GDPR Implementation** had structuring impacts for the market: #DBMgate, CMP implementation by publishers, integration of IAB Transparency & Consent Framework of #**GDPR**
2. Social, video and mobile growth are now permanently established. For non-social actors, native and audio formats offer promising revenues, especially in programmatic growth. #**Growth**
3. Programmatic continues to grow, on all types of actors, and naturally follows the US & UK trends (+ 80% of display) #**Programmatic**
4. **Quality Data** is the key issue. Demand for data is always stronger and at the same time, the expectations in terms of targeting guarantees and impact on targets are growing. The challenge will be to give easy access to campaign performance reporting: more transparency, for more confidence. #**Data**
5. Will the advertisers' requirements for higher quality and the market initiatives that meet them succeed in shifting trends and rebalancing #**FairShare** ?

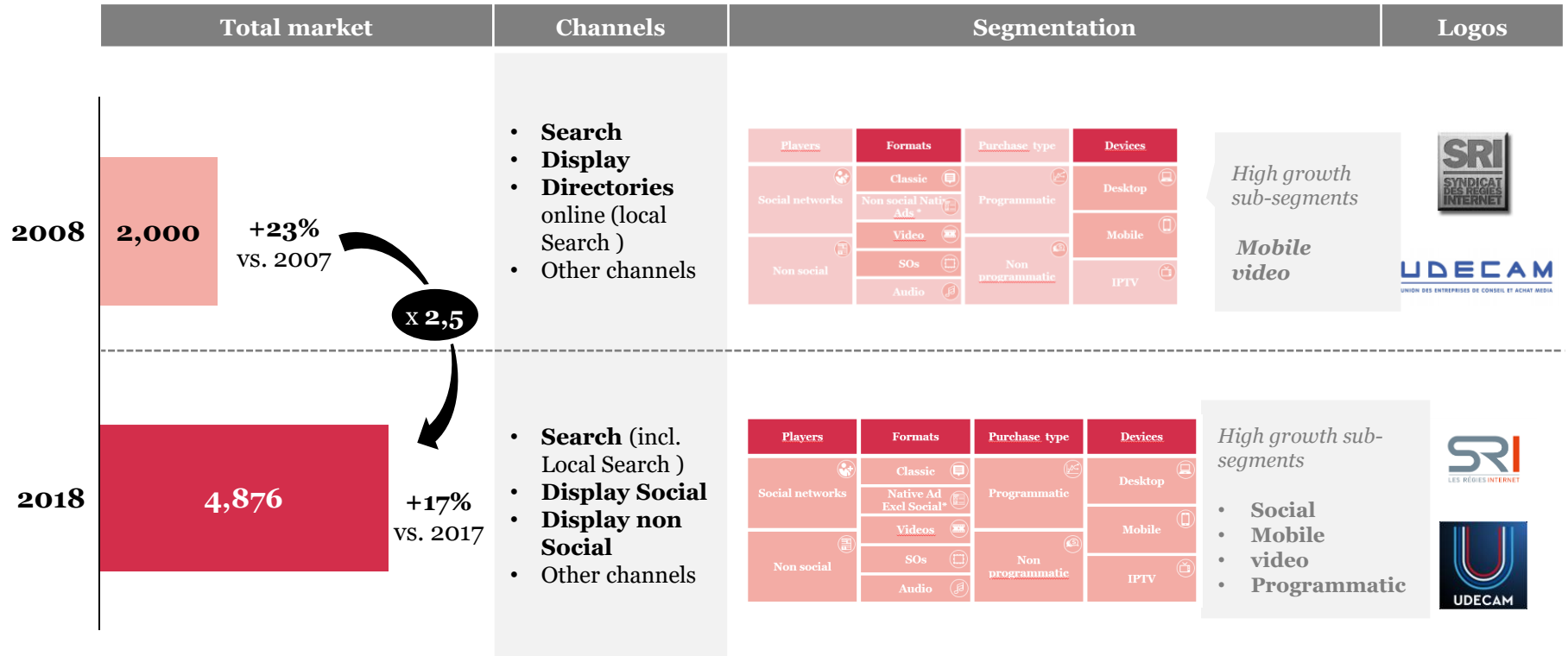


# Digital Advertising market key figures 2018 vs. 2017





# #10yearschallenge – Digital Advertising market has multiplied by 2.5 in 10 years





*DIGITAL AD-TRUST LABEL  
UPDATE*

## Digital Ad-Trust label celebrates its 1 year

**92**  
labeled sites

A significant reach now after 1 year on main advertising targets:

47,3 M UV / month - 26,2 M daily UV

- 63,2% reach on +15 yo target
- 70% reach on women « household purchase decision maker » target

Progressive integration with market tools:  
Médiamétrie (audience measurement and  
media planning)

Programmatic: Google, Smart, Appnexus, Oath

**41%** of SRI sales revenue with a  
**+7%** growth (higher than the 5%  
growth on non social display)

Strong initiatives in media agencies

Support of the entire advertising  
ecosystem, in particular via UDA  
(Advertisers Association) position



Les éditeurs  
de contenus  
et services  
en ligne

GESTE



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