



Ad Spend on Luxury

Questions?

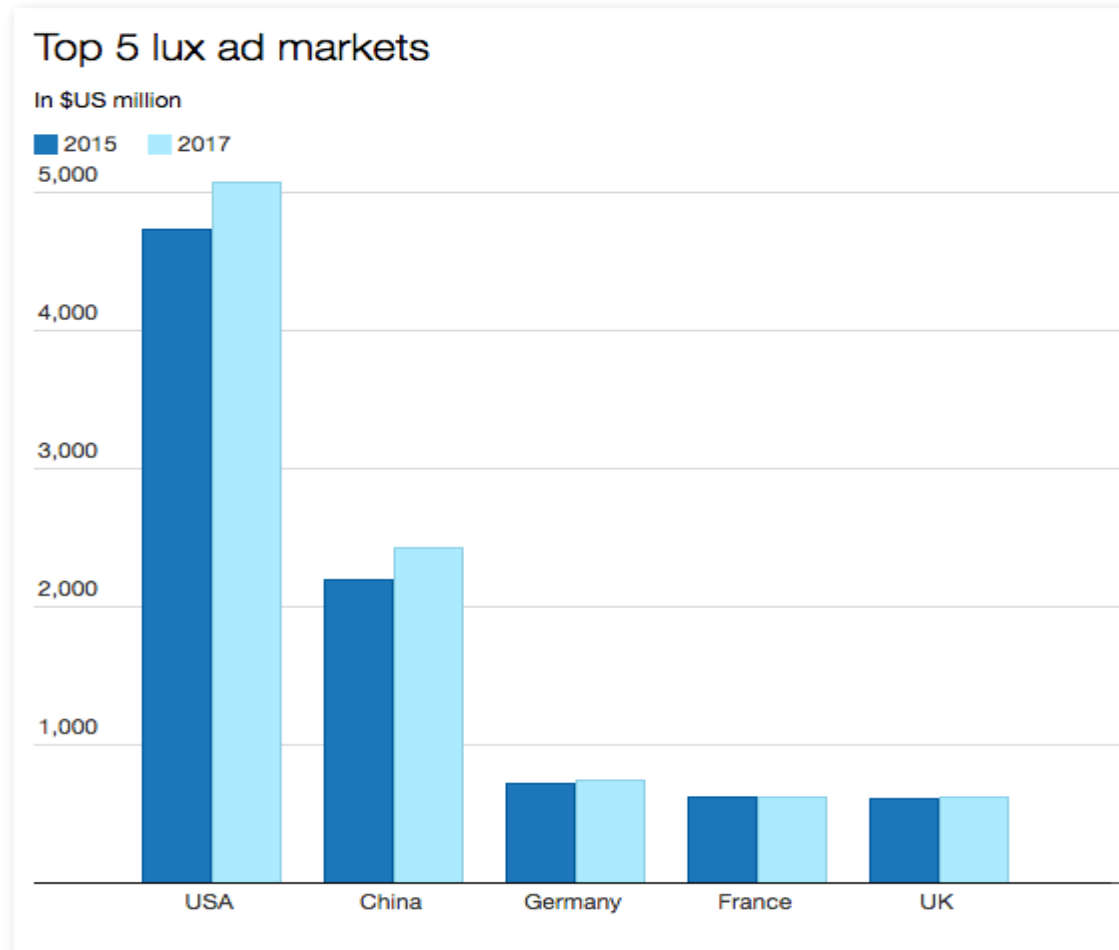
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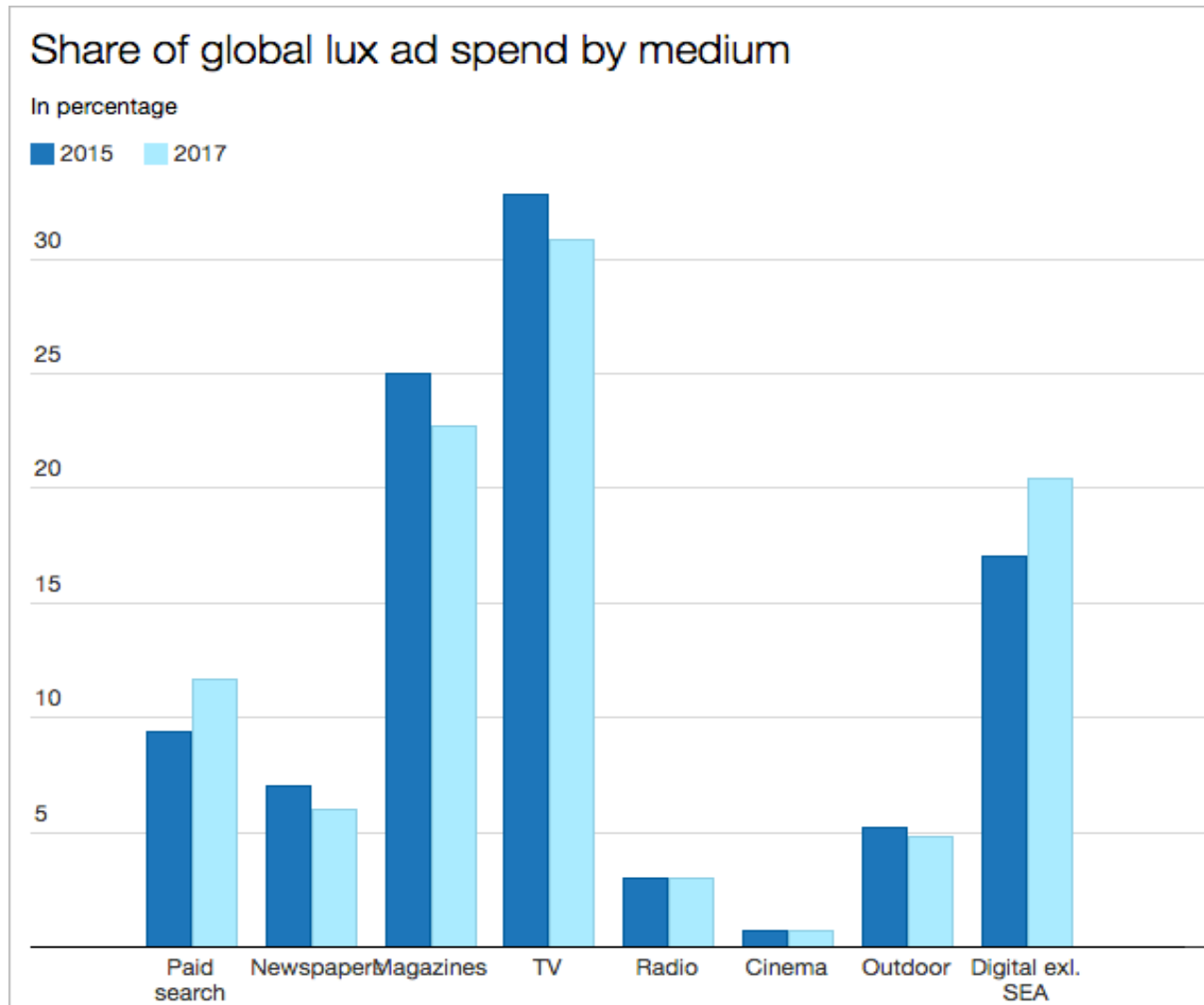
Spending on Luxury Advertising Expected to Increase, Especially in US

Spending on luxury advertising is expected to rise 3 percent this year to \$10.9 billion, up from 1.9 percent in 2015, according to media agency Zenith's Advertising Expenditure Forecasts. The forecasts are based on ad spending for luxury cars, fragrances and beauty, fashion and accessories, and watches and jewelry, in 18 key markets around the world.



Luxury ad spend is expected to grow by \$346 million in 2017 to over \$5 billion in the U.S.

Luxury Digital Advertising Continues to Soar Globally

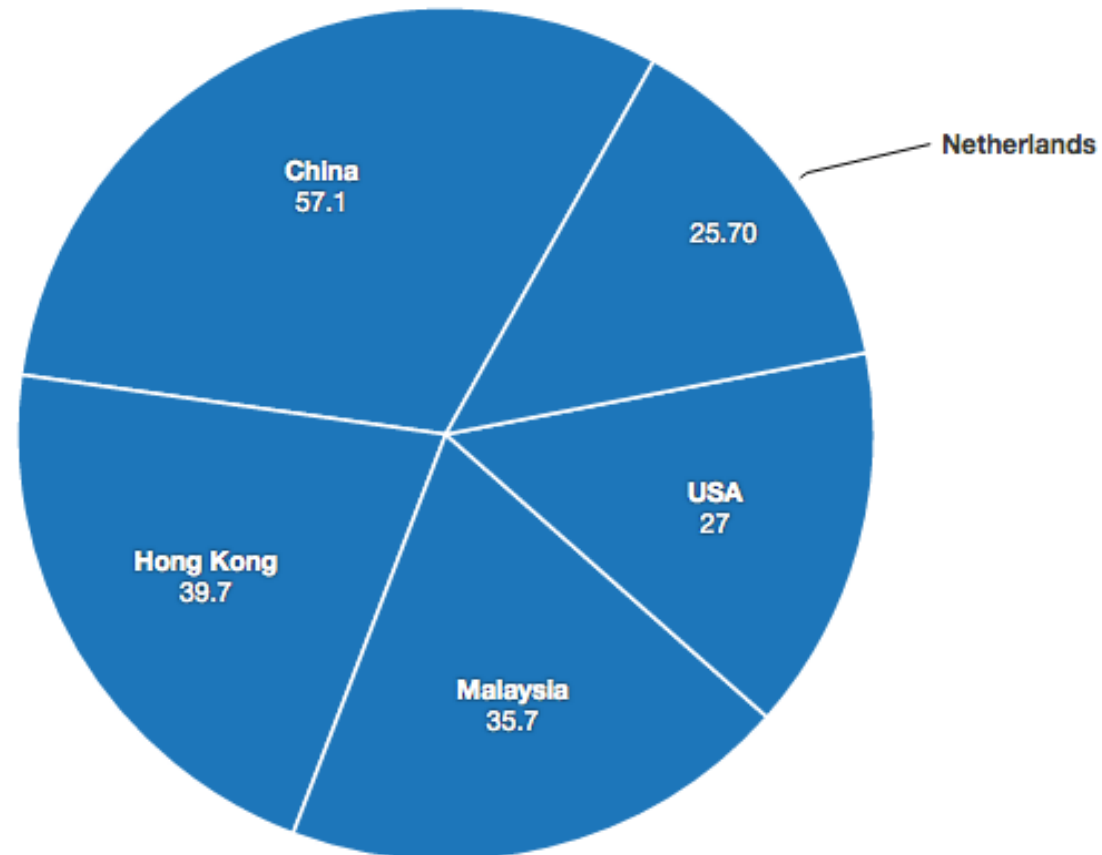


Digital advertising is growing consistently at double digit rates and will be responsible for 97 percent of total growth between 2015 and 2017, equaling \$837 million.

27% of Luxury Advertising in the US to be Digital in 2017

Digital's share of ad spend 2017- top 5 countries

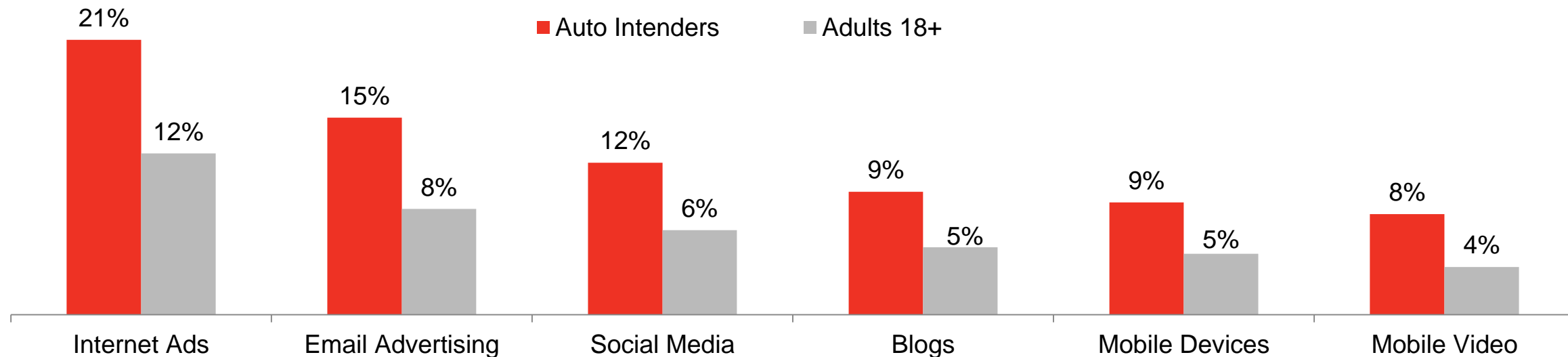
In percentage



Auto Intenders' Vehicle Purchases are Influenced by Digital Media and Ads

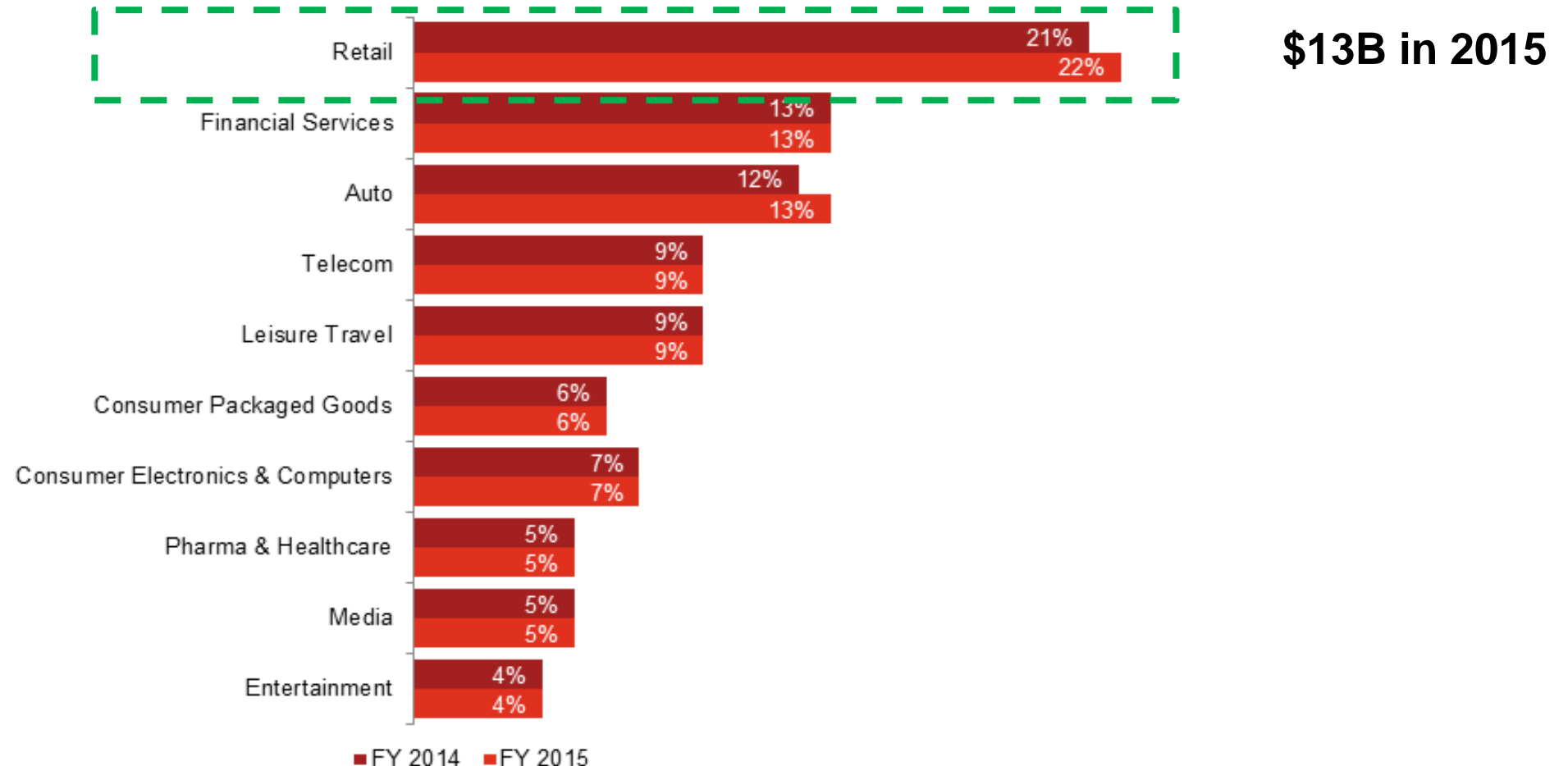
Car brands spent nearly a third of their luxury advertising budgets in digital in 2015
(Zenith Advertising Expenditure Forecasts, 2016)

Please tell us which of the following media influences your CAR/TRUCK purchases:



Retail, Which Includes Clothing, is the #1 Category in Annual US Digital Ad Revenue

Internet ad revenues by major industry category*, year to date: 2014 vs. 2015

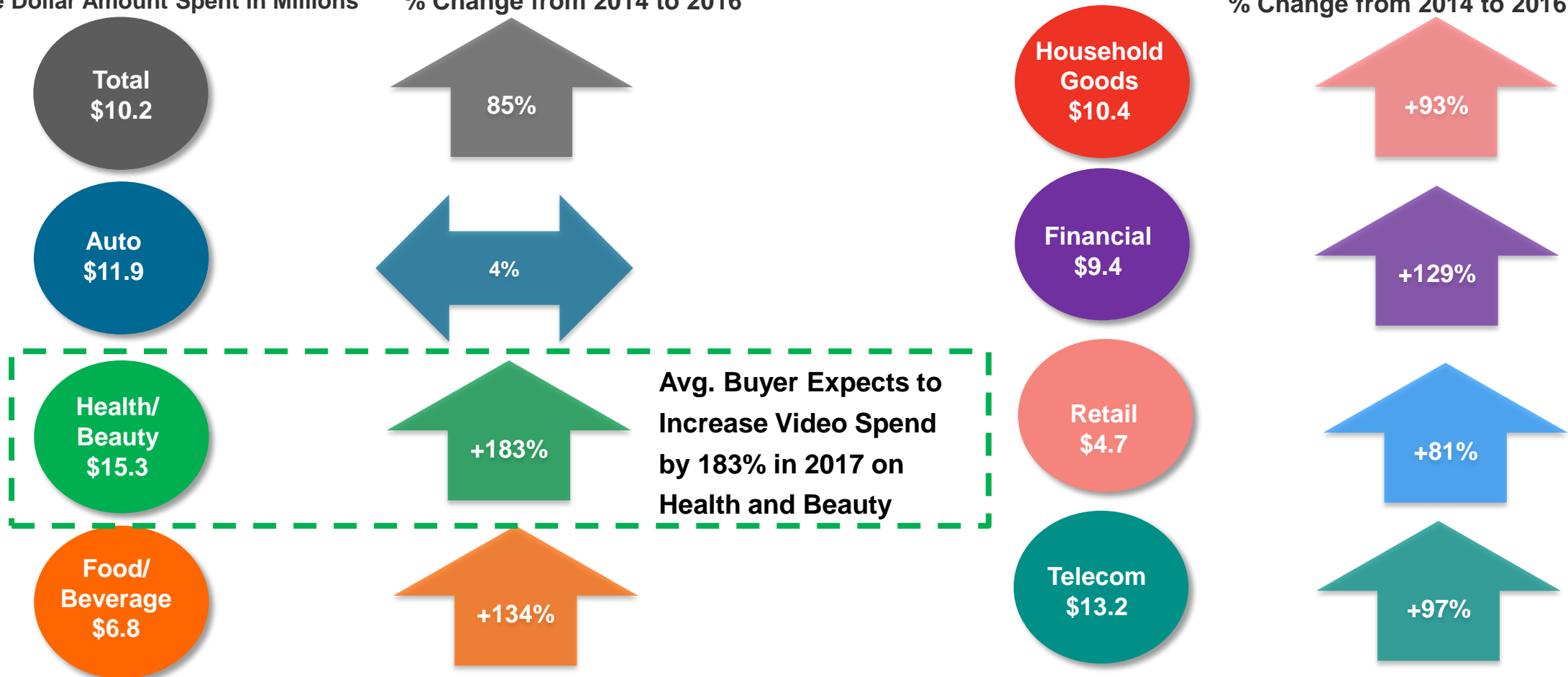


Source: IAB/PwC Internet Ad Revenue Report, FY 2015

http://www.iab.com/wp-content/uploads/2016/04/IAB_Internet_Advertising_Revenue_Report_FY_2015-final.pdf

Health & Beauty Advertisers Are the Biggest Spenders on Digital Video Advertising

Annual Spending on Digital/Mobile Video Advertising – by Market Sector
 2016 Average Dollar Amount Spent in Millions % Change from 2014 to 2016



Q143. Previously you said your company will spend [INSERT RANGE FROM QS30b_1] on digital/mobile video in 2016. We'd like to get a bit more detail on that and prior year's spending. To the best of your knowledge, what exactly was that spending amount in 2014 and 2015? What do you anticipate spending in 2016? **Base:** Total Respondents

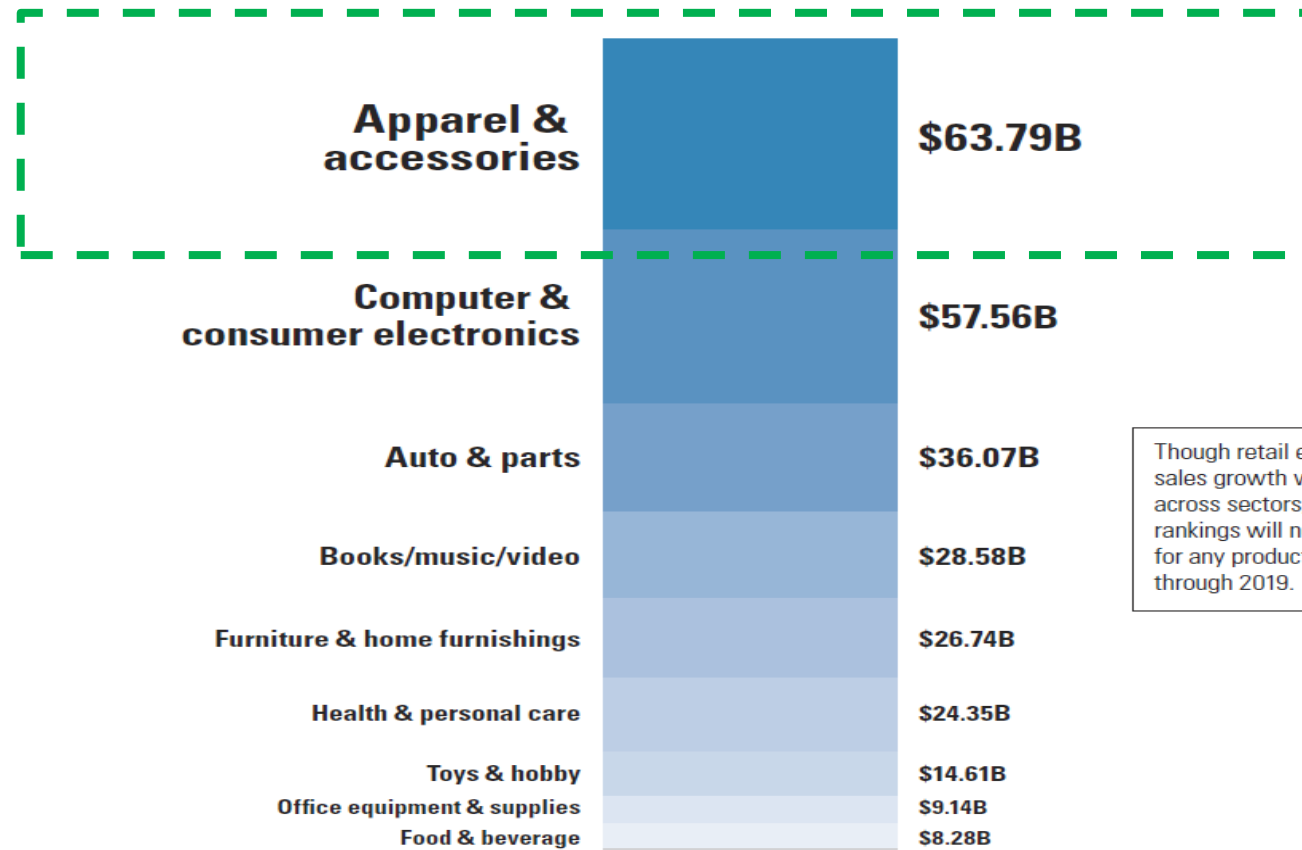
Clothing is the #1 Product Category Sold Online



What Digital Shoppers Are Buying

Apparel and accessories is the No. 1 product category sold digitally, and will retain the top spot through at least 2019. Growth is highest this year for health and personal care products, followed closely by toys and hobby, and food and beverage.

Apparel and Electronics are the top product categories sold digitally and will account for \$64B and \$58B in sales by 2019.



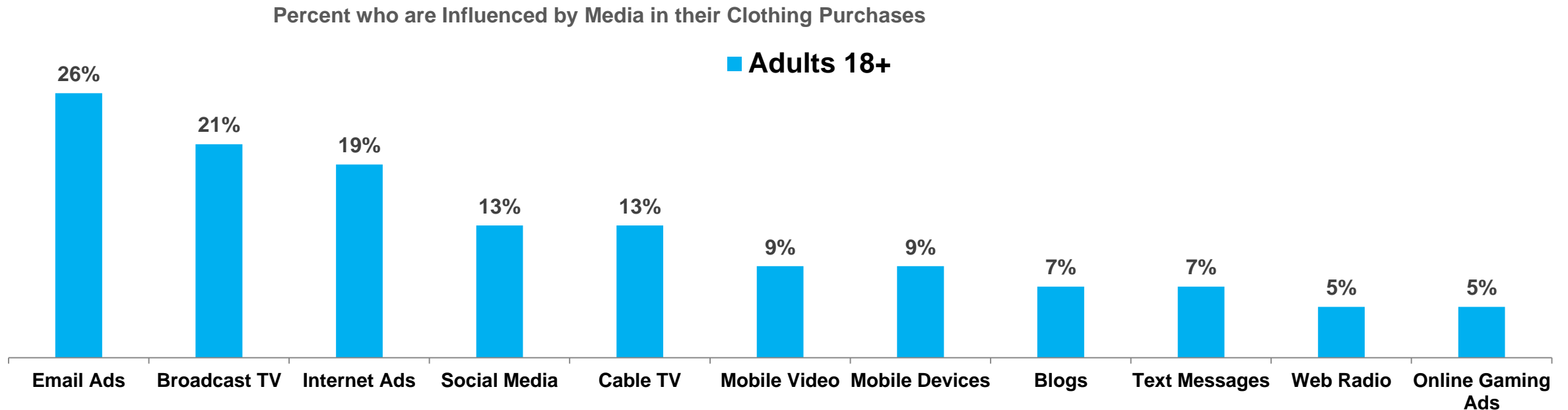
Consumer Online Spend on Apparel

Though retail ecommerce sales growth will vary across sectors, relative rankings will not change for any product category through 2019.

Source: eMarketer, "What Digital Shoppers are Buying" 2019

Digital Media Influences Clothing Purchases: 1 in 4 US Adults Report that their Clothing Purchases are Influenced by Email Ads

- 1 in 5 are Influenced by Internet Ads
- Social Media is as persuasive as Cable TV in influencing Clothing Purchases
- More are influenced by Email (26%) than Broadcast TV (21%)
- More are influenced by Email Ads (26%) or Internet Ads (19%) than Cable TV (13%)



Please tell us which of the following media influences your CLOTHING purchases?

2% difference is statistically significant

Source: IAB Holiday Shopper Playbook, Nov. 2015

<http://www.iab.com/wp-content/uploads/2015/12/IAB-Holiday-Shopper-Playbook-FINAL.pdf>
<http://www.iab.com/wp-content/uploads/2016/05/IAB-Online-Holiday-Shoppers-and-Digital-Influence.pdf>





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