



# Digital Trends 2016: Consumer Usage, Ad Revenue and Impact

Questions?

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# Digital Usage Trends: Topline Executive Summary

- **257 million Americans accessed the internet via computer or mobile device in December 2016, spending 1.5 trillion minutes online.**
- **Overall digital ad revenue grew 22% over the year to reach \$72.5 billion in 2016.**
- **The number of internet users on computers, smartphones or tablets is relatively flat at -1% while the amount of time spent online has grown slightly by 3%.**
- **The top 5 properties visited on any device via app or site visitors are Google, Facebook, Yahoo, Microsoft and Amazon.**
- **Internet advertising influences purchase decisions ranging from Electronics to Clothing, CPG, Auto and Finance. 39% of US adults are influenced by internet ads for Electronics.**
- **The shift to mobile continues: 69% of time spent online is on a mobile device. (12/16: 1 trillion mobile minutes)**
- **Ad dollars are now following: 51% of digital ad revenue for 2016 is from mobile advertising. (2016: \$36B mobile ads)**
- **Most consumers (78%) use both desktop and mobile to access the internet while those who only use a computer (10%) skew older and those who only use a mobile device (12%) skew younger.**

# Digital Usage Trends: Detailed Summary Points

## Top Categories by Device:

- 9 in 10 users visited the top categories in Dec.: Entertainment, Services, Portals, Search, Social, News, Retail but spent the bulk of their time on Entertainment, Services and Social Media.
- Most time spent on top categories is on a mobile device with the exception of Portals and Email which are primarily accessed using computers.
- Most visited properties are similar on desktop as on mobile, but time spent differs.

## Mobile Apps vs. Web:

- More mobile time is spent on apps (86%) than mobile web (14%), smartphones (85%) than tablets (15%).
- Time spent in apps differs from time spent on mobile web: Top apps include 3 streaming Audio apps, top mobile web sites include TV networks, Portals and Retail.
- While roughly two-thirds say they download apps, less than half pay for them, creating mobile ad opportunities.

## Digital Video:

- Video ad revenue is up 53% over the year to \$9.1 Billion in 2016, \$4.2 Billion of which is mobile video ad dollars.
- 232 million Americans streamed 42 billion videos and 31 billion video ads for a total of 162 billion minutes in Dec.
- While equal numbers of men and women stream video, men are more likely to watch more videos for longer.

# Digital Usage Trends: Detailed Summary Points

## Digital Video:

- Google, Facebook and Yahoo are the top 3 video sites on computers in terms of number of people streaming and number of videos streamed. Google, Netflix and Yahoo are the Top 3 in time spent streaming video.

## Music and Audio:

- Digital audio ad revenue has grown to \$1.1 billion, with 80% of that revenue from mobile.
- Nearly 200 million consumers, or 77% of the US population, visited entertainment music properties on computers or mobile devices, apps or sites, in December.
- Consumers spent 220 million minutes on music across devices in December: Streaming music is primarily accessed on mobile while music videos are primarily accessed on computers.

## News:

- Elections coverage resulted in dramatic growth in both visitors and time spent on News and Political sites in 2016.

## Social Media:

- 9 out of 10 internet users access social media at least once a month and 4 out of the top 10 mobile apps (by number of visitors) are social media apps.
- Social media influences purchase decisions especially in Electronics.
- As a result, social media ad revenue has grown 50% to \$16.3B in 2016.

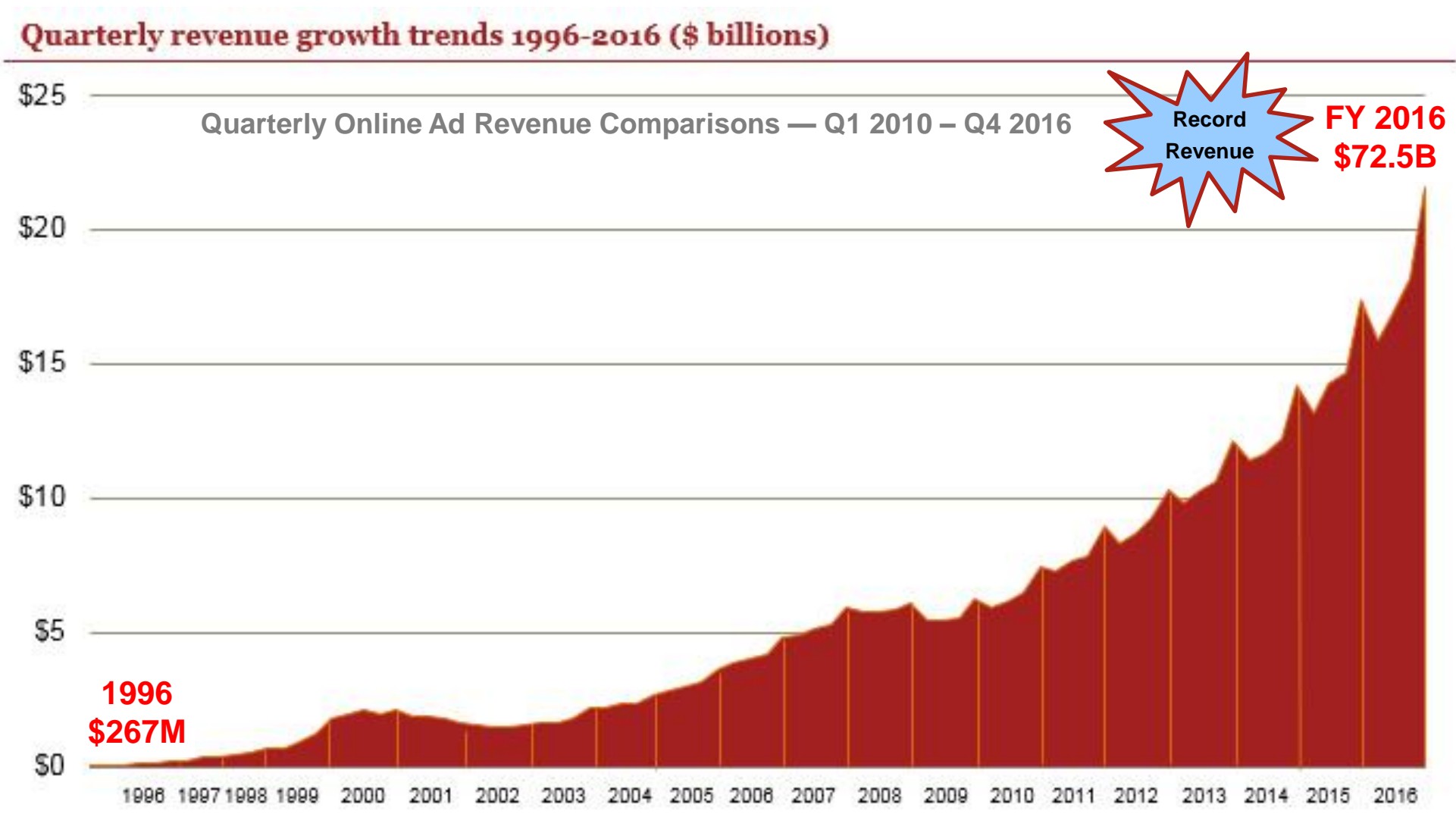


# **Total Digital Population: The Overall View**

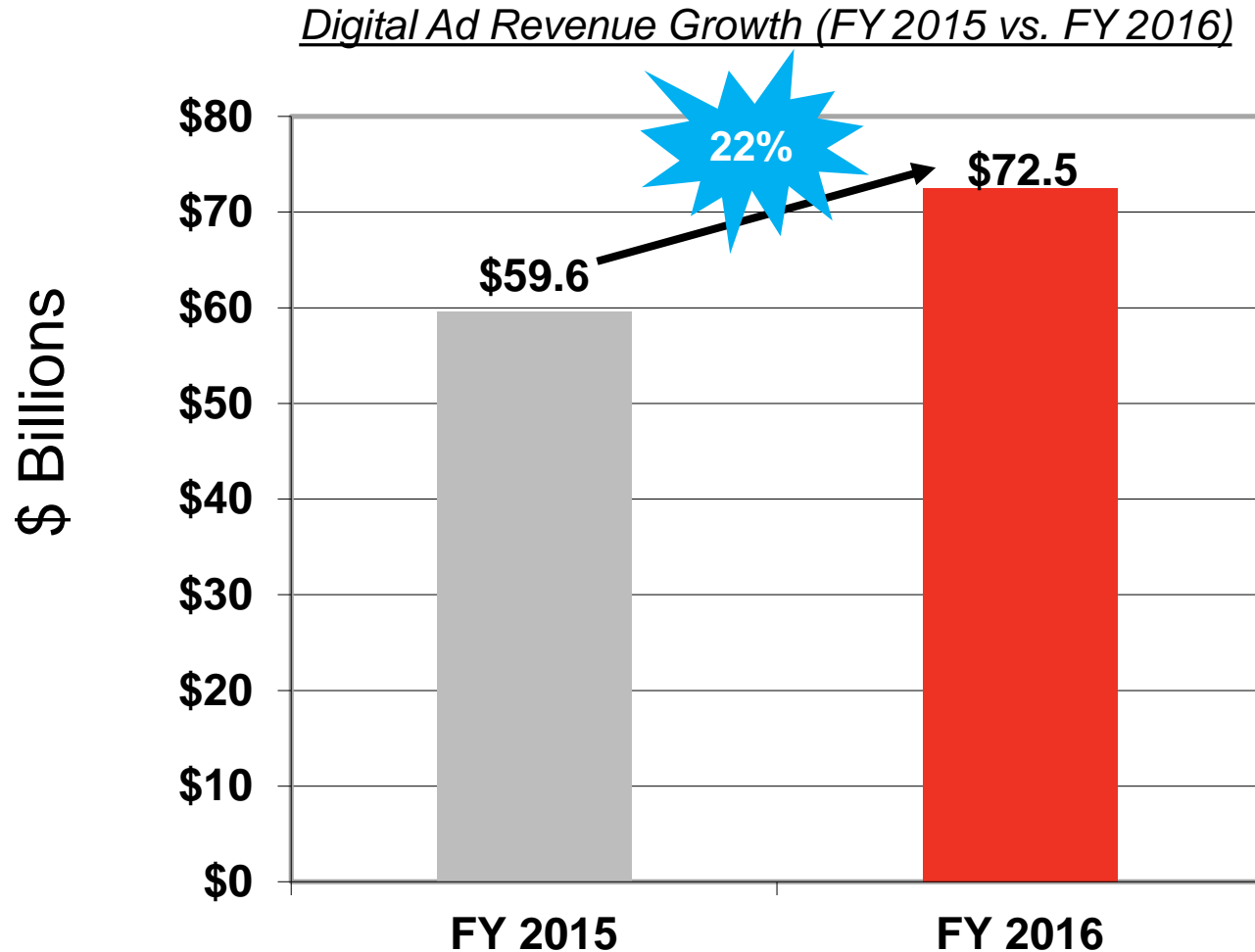
IAB Digital Trends 2016:

Consumer Usage, Ad Revenue and Impact

# The Big Picture: Online Advertising Revenue Continues Its Incredible Growth



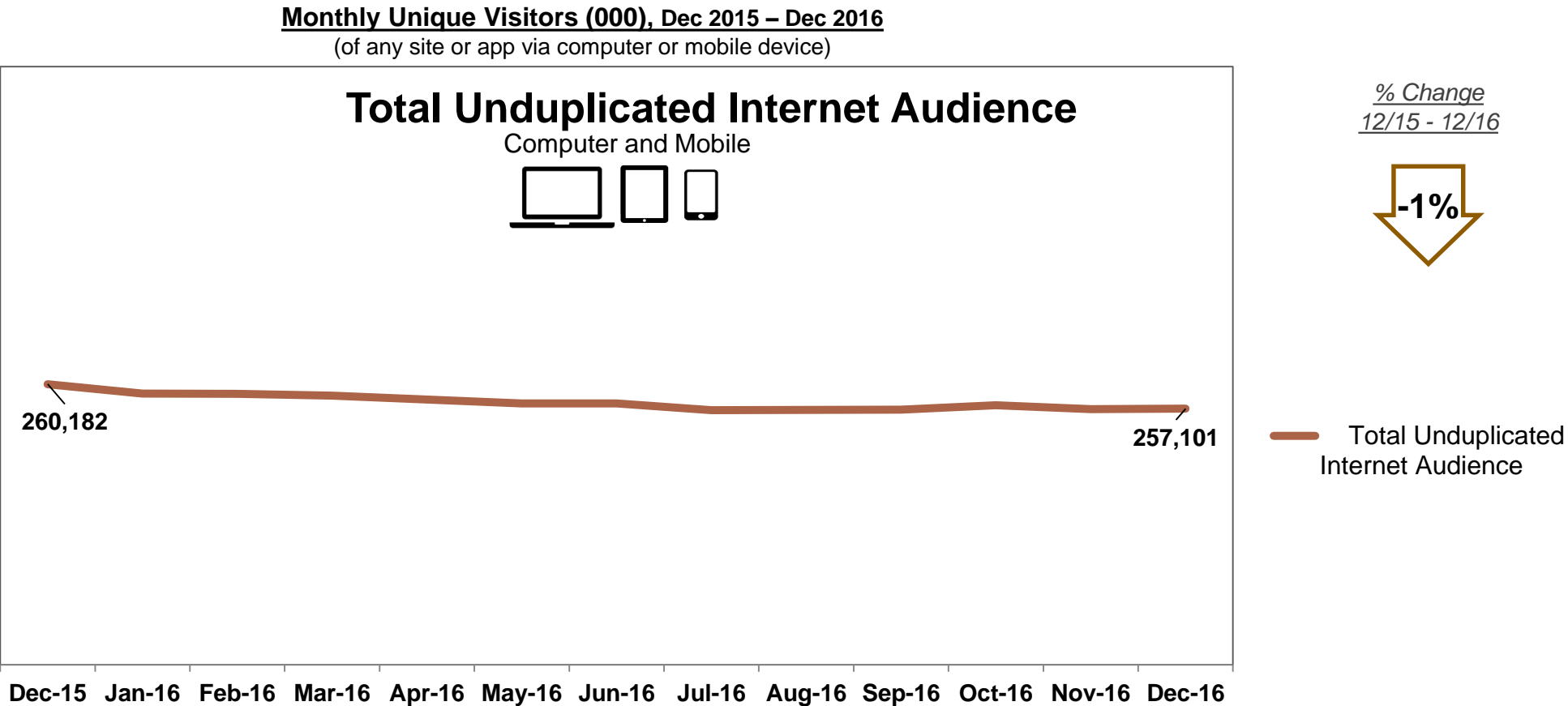
# Full Year 2016 Digital Ad Revenue Has Grown by Double Digits from the 2015 to \$72.5 Billion



Source: IAB Full Year and Q4 2016 Internet Advertising Revenue Report

# 257 Million Americans Access the Internet Monthly on Computers or Mobile Devices

- The total audience accessing the internet via computer or mobile device is 257 million monthly visitors (or 80% of the US population of 323M\*).

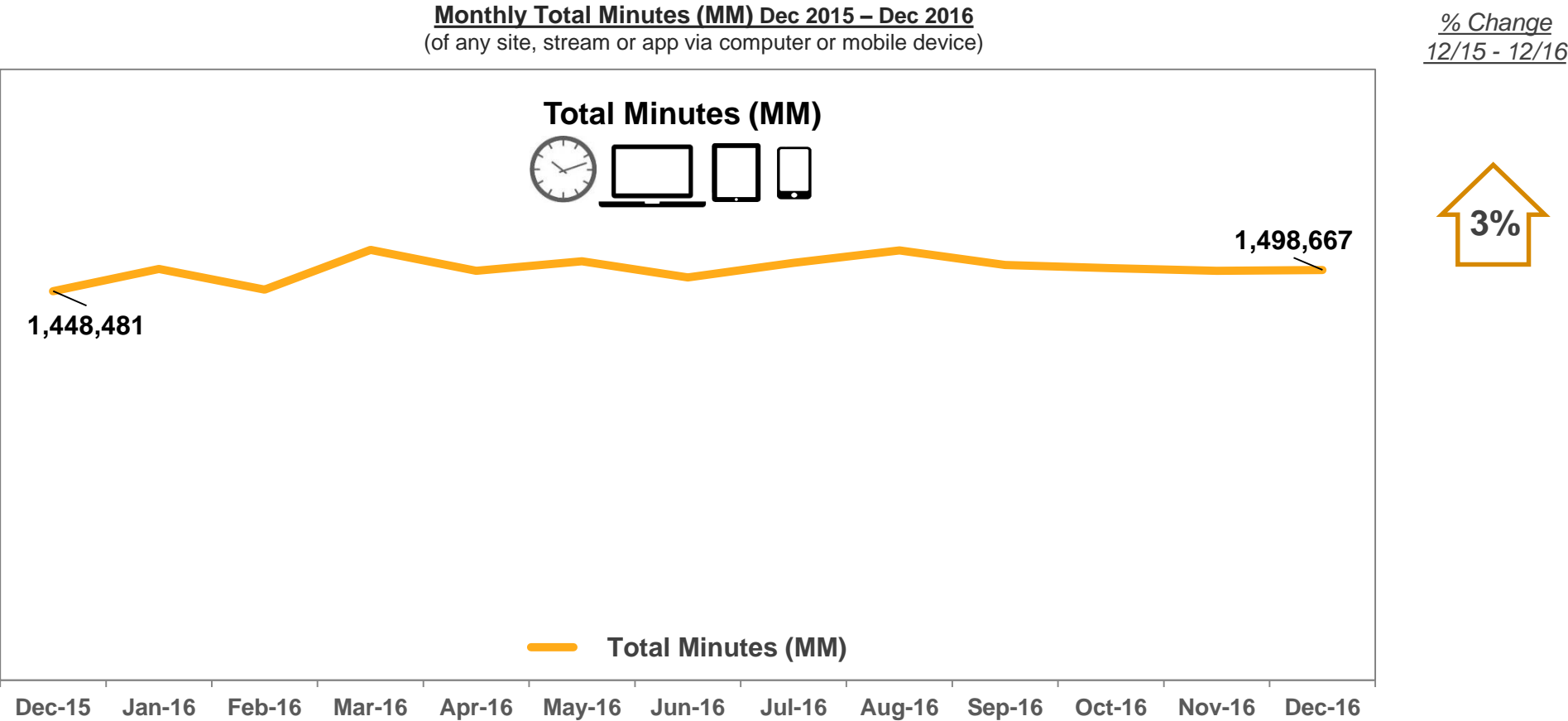


Effective with January 2016 data, the comScore audience product suite (Media Metrix MP, Media Metrix, Video Metrix, Mobile Metrix) underwent methodology and processing enhancements affecting all markets and all audience products.  
ComScore US Media Metrix Multi-Platform Dec. 2015 to Dec. 2016, Total Unduplicated Internet Audience.  
\*US Census Bureau estimates US population to be 323M as of most recent figures on July 2016.



# Time Spent Online Via Computer or Mobile Device Has Grown Slightly

➤ Users spend roughly 1.5 trillion minutes per month online



Source: ComScore US Media Metrix Multi-Platform Dec. 2015 to Dec. 2016  
Effective with January 2016 data, the comScore audience product suite (Media Metrix MP, Media Metrix, Video Metrix, Mobile Metrix) underwent methodology and processing enhancements affecting all markets and all audience products.

# Monthly Internet Usage Summary



**257 Million Users**

Access the  
**Internet Monthly**

on **Computers or  
Mobile Devices**  
on sites or apps  
(in Dec. 2016)



**1.5 Trillion  
Minutes**

Spent  
**Online Monthly**

on **Computers or  
Mobile Devices**  
on sites or apps  
(in Dec. 2016)



**711 Billion  
Views**

of Pages, Videos or Apps  
**Monthly**

on **Computers or  
Mobile Devices**  
on sites or apps  
(in Dec. 2016)

Source: ComScore US Media Metrix Multi-Platform Dec. 2016



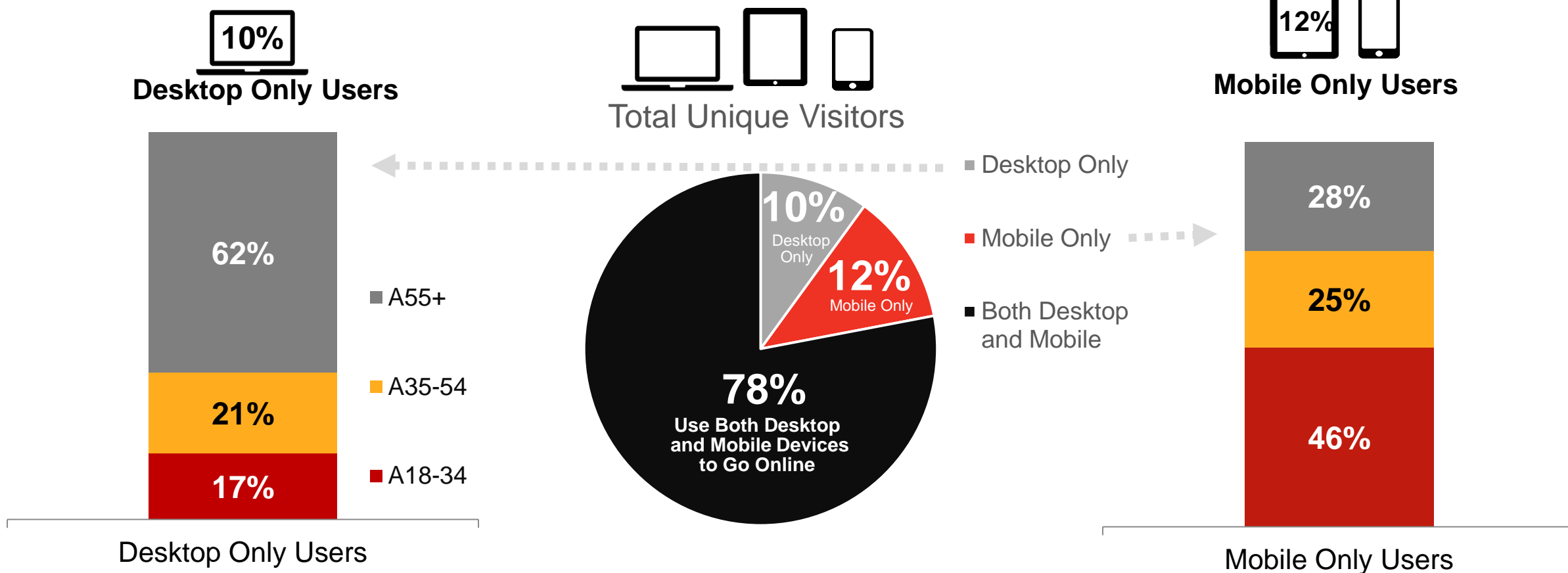
# **Desktop and Mobile Usage Patterns**

IAB Digital Trends 2016:

Consumer Usage, Ad Revenue and Impact

# Most Consumers Use Both Desktop and Mobile to Access the Internet

- Those Who ONLY Use Computers to Access the Internet Skew Older
- Those Who ONLY Use Mobile to Access the Internet Skew Younger



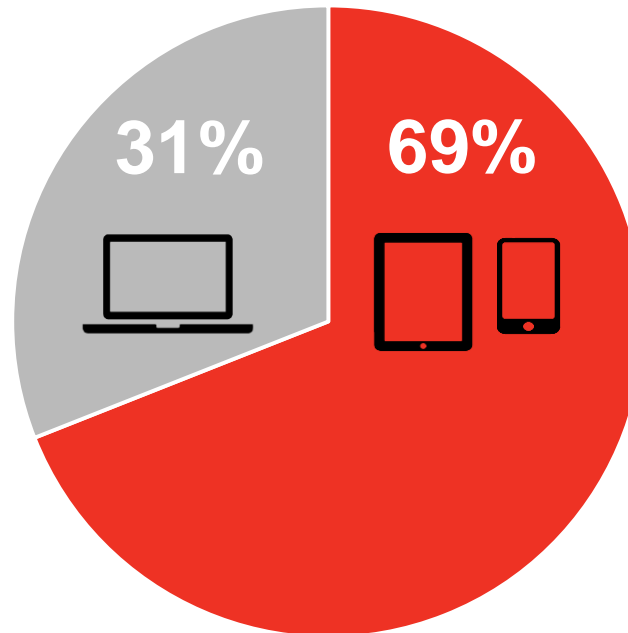
Composition of Total Monthly Unique Visitors Who Only Use Desktop, Mobile  
ComScore Multi-Platform Dec. 2016. Total Audience, Home and Work. Desktop. Mobile.

# However, Most of the Time They Spend Online Tends to be on a Mobile Device

- Over two-thirds of all internet time is spent on a mobile device
- The share of time spent online using a mobile device continues to grow, up from 65% a year ago

## Time Spent Online by Device

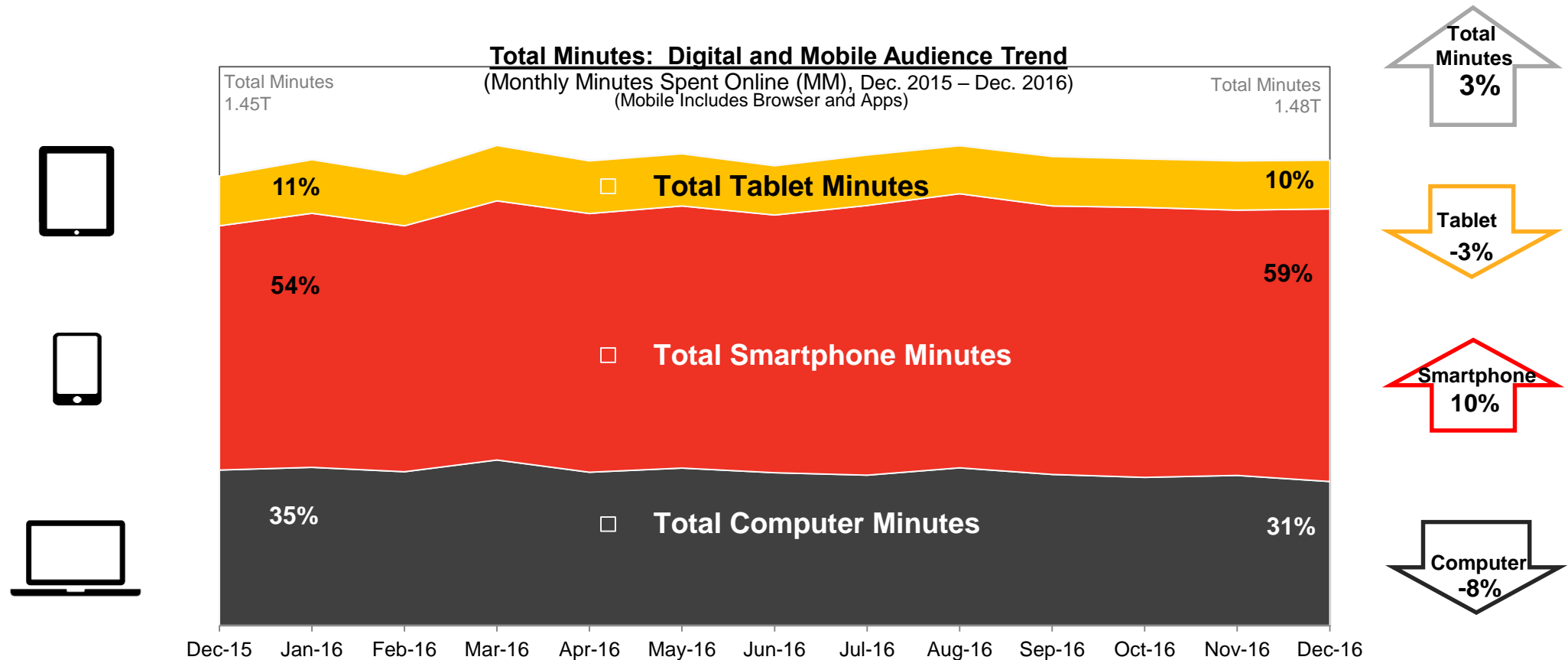
Monthly Online Minutes, Dec. 2016  
On Desktop, Tablet or Smartphone (Mobile Browser or Apps)



ComScore US Media Metrix Multi-Platform, Dec '16, Total Internet Time Spent

# Time Spent Online is Further Shifting to Smartphones

- While users continue to spend more time online overall (up 3%), most of that growth is driven by consumers on smartphones
- Time spent online on smartphones is up 10%

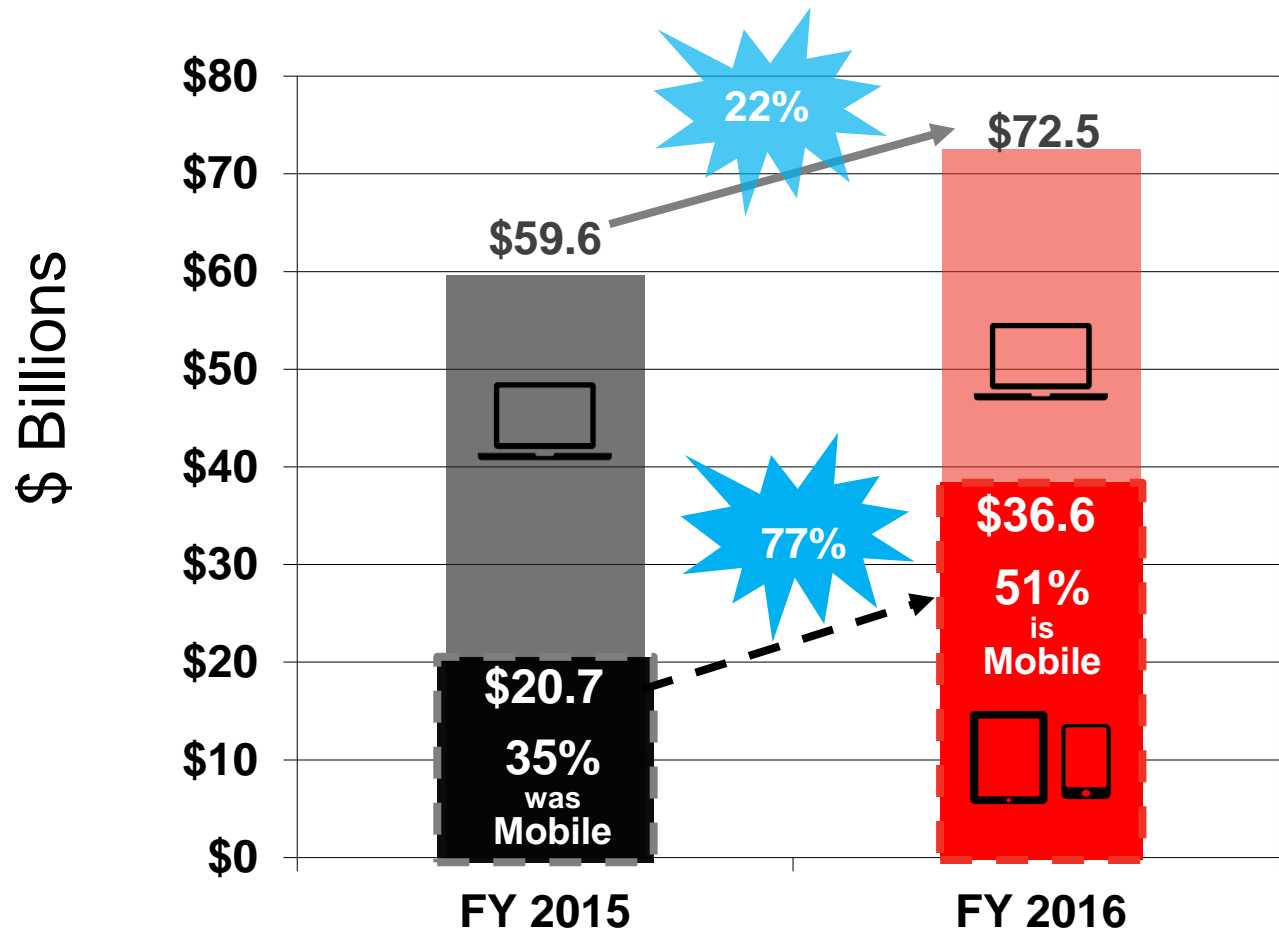


Source: comScore US Media Metrix Multi-Platform, Dec '15 – Dec '16, Total Internet Time Spent (MM)

Effective with January 2016 data, the comScore audience product suite (Media Metrix MP, Media Metrix, Video Metrix, Mobile Metrix) underwent methodology and processing enhancements affecting all markets and all audience products.

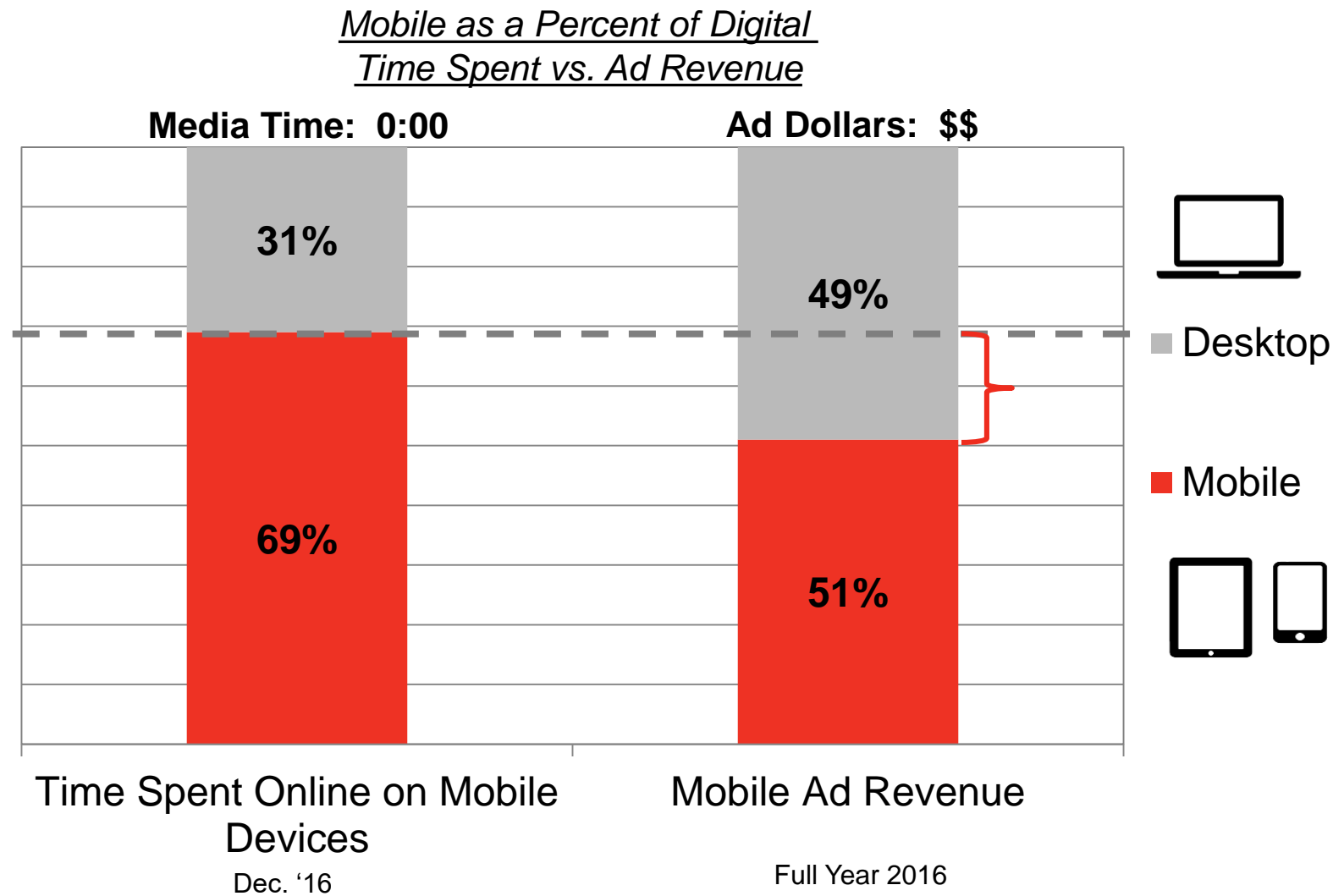
# Consumer Use of Mobile is Reflected in Ad Revenue: Mobile Now Accounts for Over Half of All 2016 Digital Ad Revenue

*Mobile as a Percentage of Digital Ad Revenue Growth  
(Full Year 2015 vs. Full Year 2016)*



Source: IAB Full Year and Q4 2016 Internet Advertising Revenue Report

# Mobile Advertising Revenue is Catching Up to Consumer Usage But Still Has Room for Growth



ComScore US Media Metrix Multi-Platform, Dec '16, Total Internet Time Spent (MM)

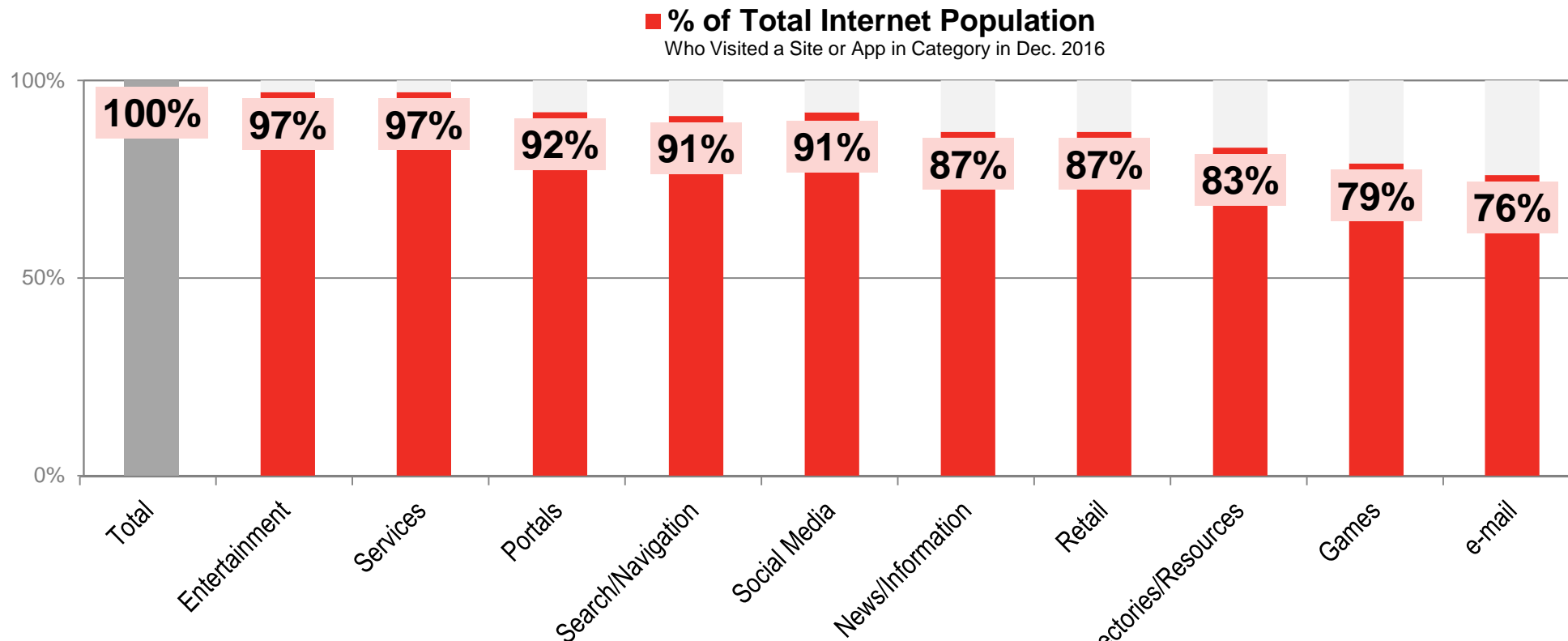


**IAB Digital Usage Trend Report**

# **Top Categories and Sites**

# Top Categories are Visited by Nearly All Internet Users Monthly

- 257 Million consumers accessed the internet in the month of December
- The vast majority visited sites or apps for activities ranging from entertainment to social media to shopping



## Top Categories by Unique Visitors as a % of Total Online Pop.

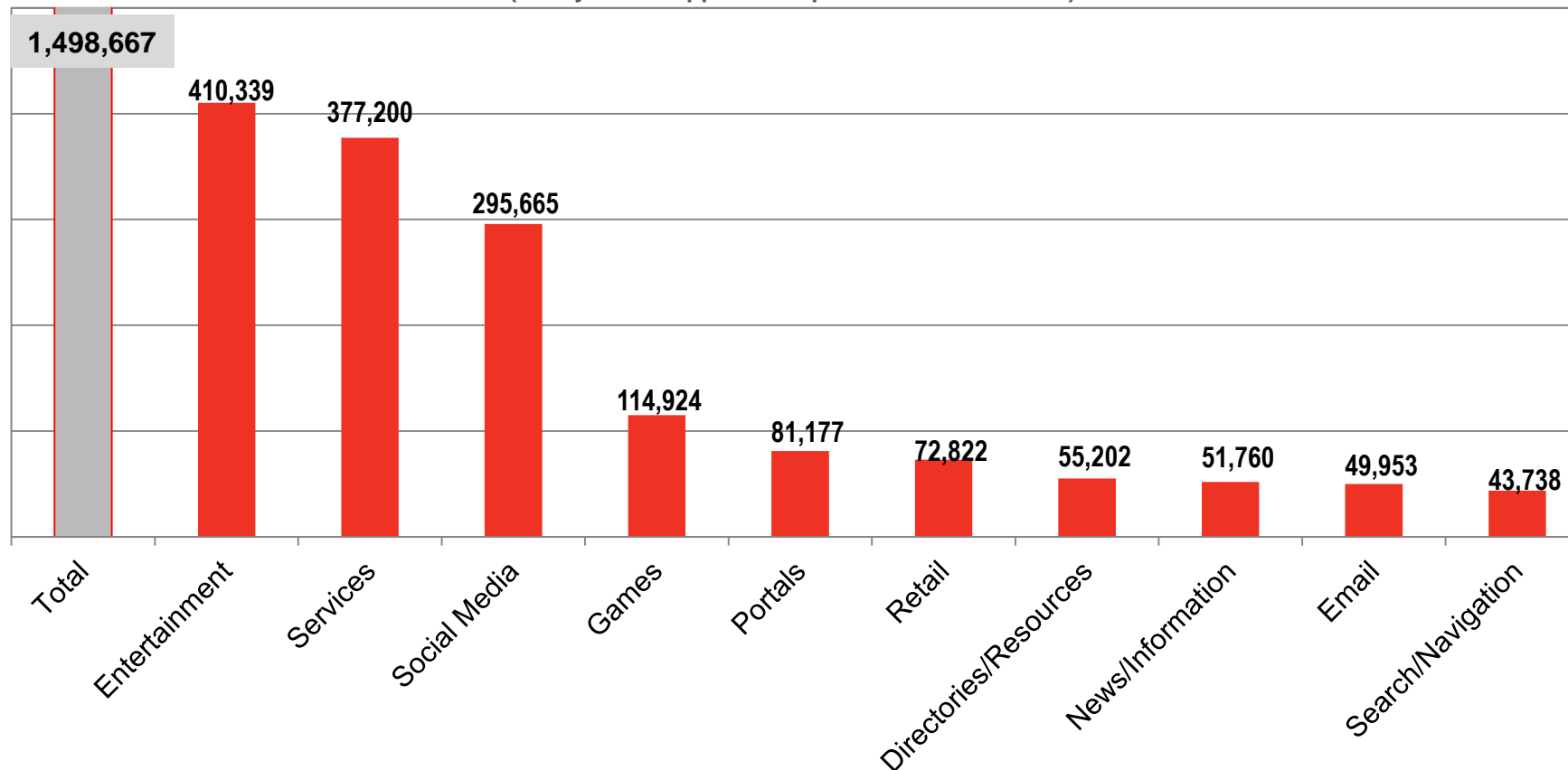
Monthly Total Unique Visitors/Viewers (000), Dec 2016  
(to any site or app via computer or mobile device)

comScore US Media Metrix Multi-Platform, Dec '16, Total Unduplicated Internet Audience

# Most Time Online is Spent with Entertainment, Services, Social Media

## Top Categories by Time Spent on Any Device

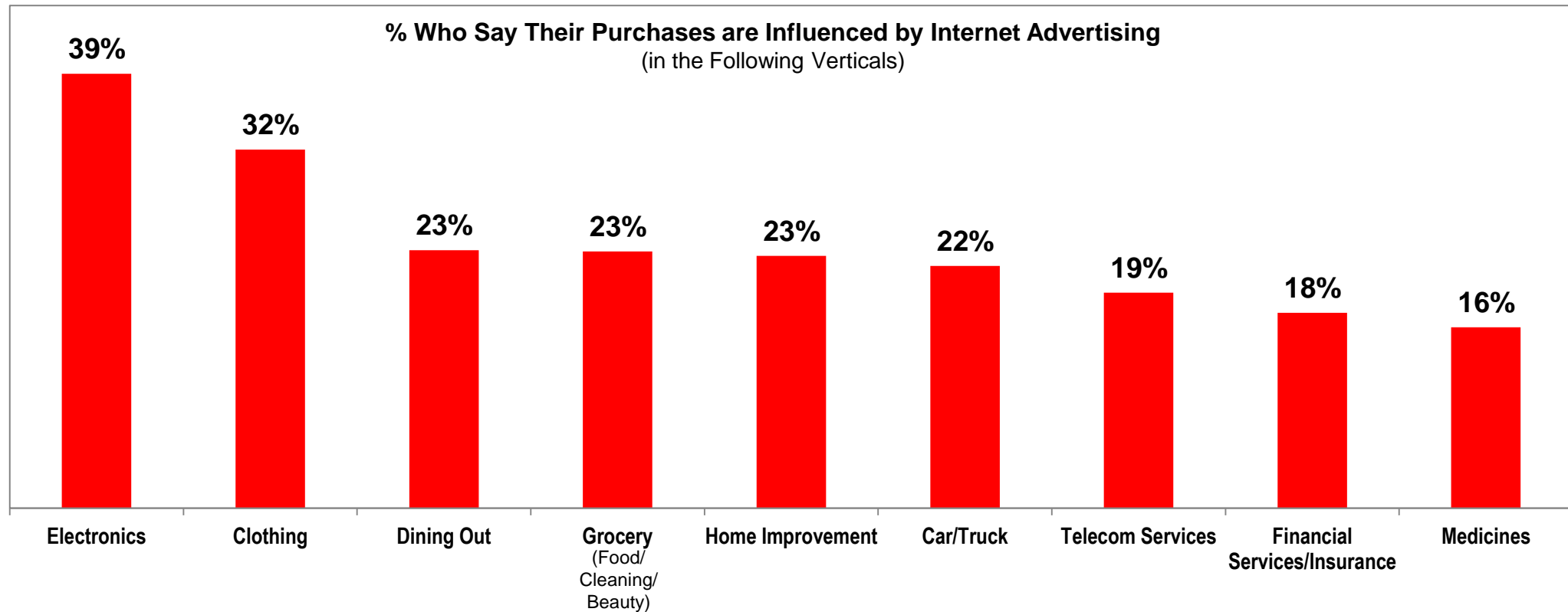
Monthly Minutes (MM), Dec 2016  
(to any site or app via computer or mobile device)



comScore US Media Metrix Multi-Platform, Dec '16, Total Unduplicated Internet Audience, Total Minutes

# Impact of Digital: Internet Advertising Influences Purchase Decisions

- 39% of US adults say their electronics purchases are influenced by internet advertising

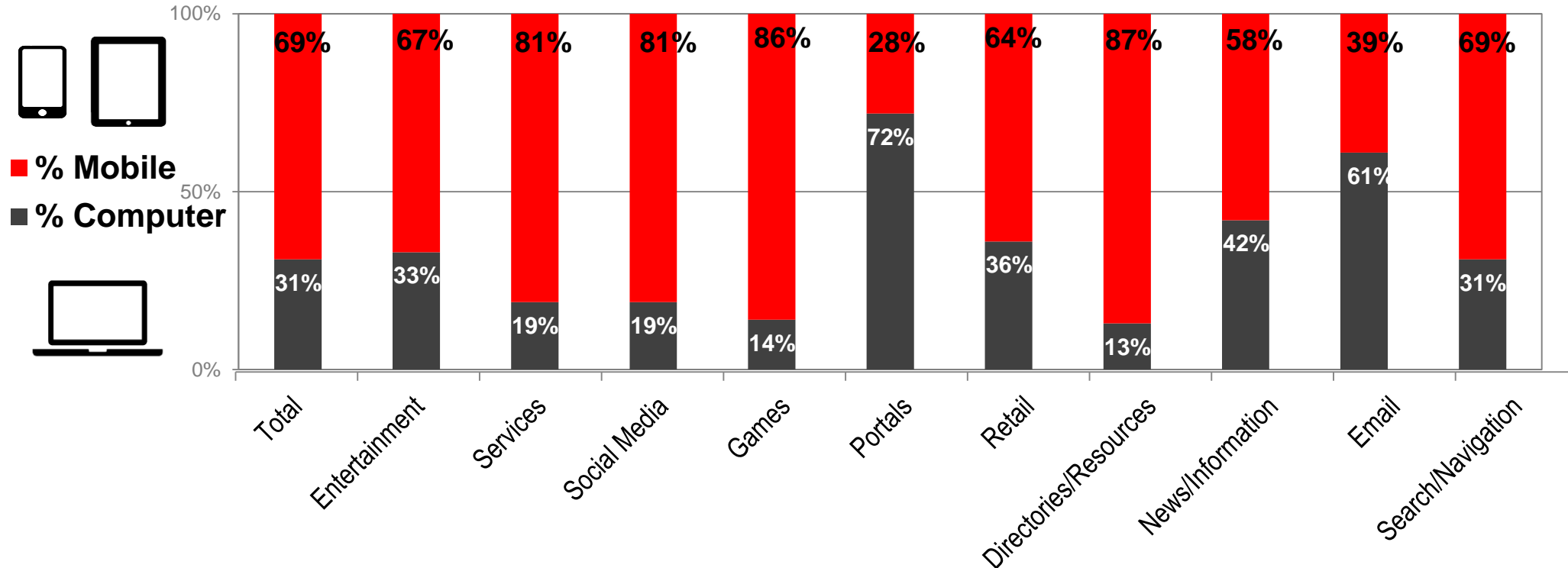


*Prosper Insights, Media Behavior and Insights data, Jan. 2017. n=16,644 US Adults 18+*

# Most Top Categories by Time Spent Online Are Accessed Primarily from Mobile Devices

## Top Categories by Time Spent on Device

Monthly Minutes, Dec 2016  
(to any site or app via computer or mobile device)

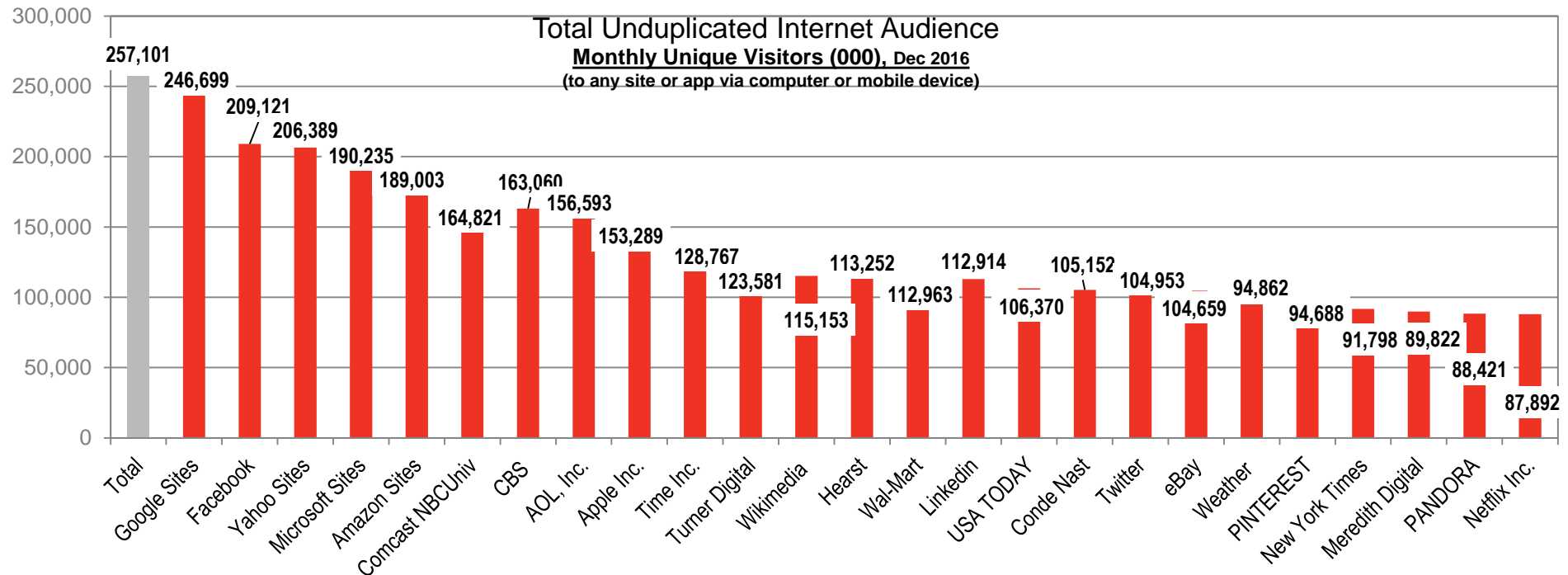


comScore US Media Metrix Multi-Platform, Dec '16, Total Unduplicated Internet Audience, Total Minutes

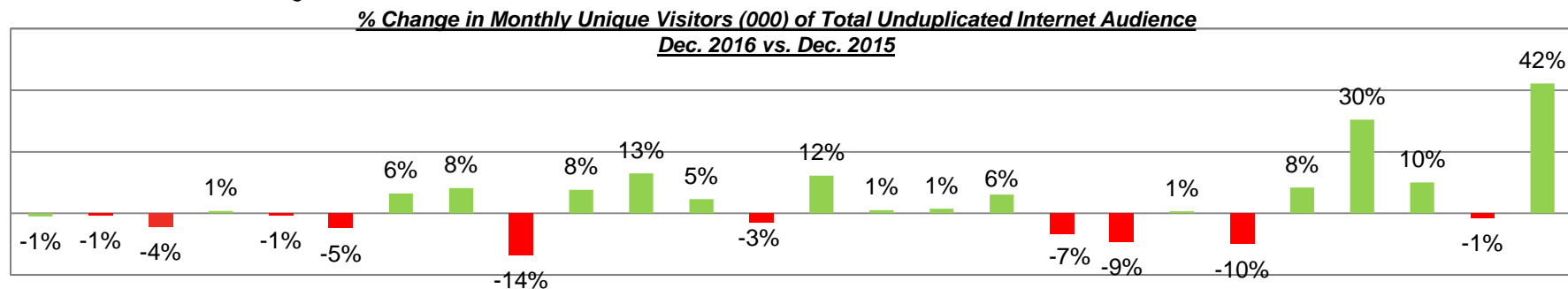
# Top 25 Properties with the Most Visitors Accessed by Computer or Mobile

by Unduplicated Monthly Unique Visitors

- News sites had more monthly visitors leading up to the elections and continuing afterwards



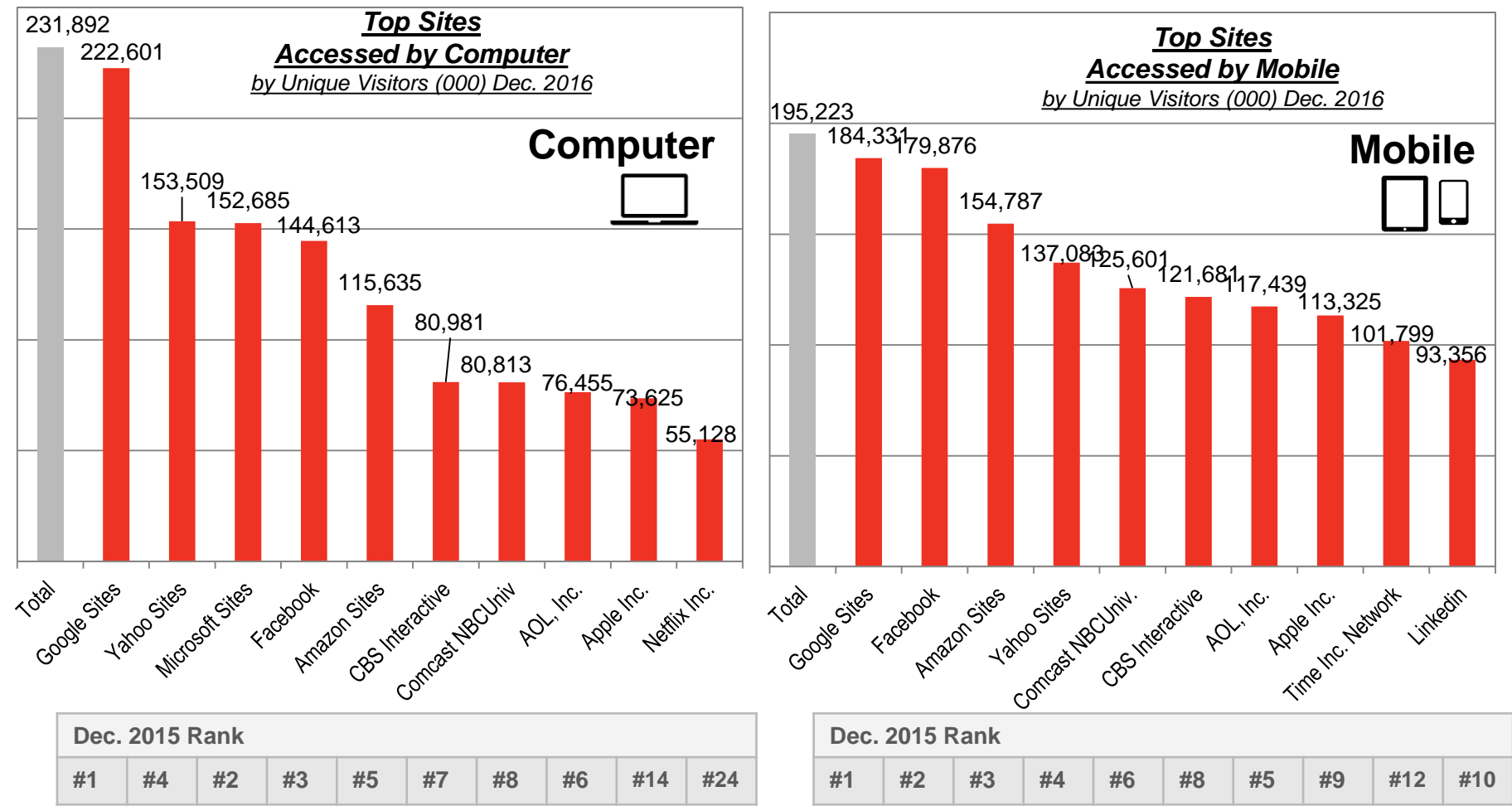
**Growth**  
 ↑  
 from a year ago  
**Decline**  
 ↓



comScore US Media Metrix Multi-Platform, Dec '15 – Dec '16, Total Unduplicated Internet Audience, Monthly Unique Visitors (000)

# Slight Differences Between Top 10 Most Visited Sites Accessed by Computer vs. Mobile Device

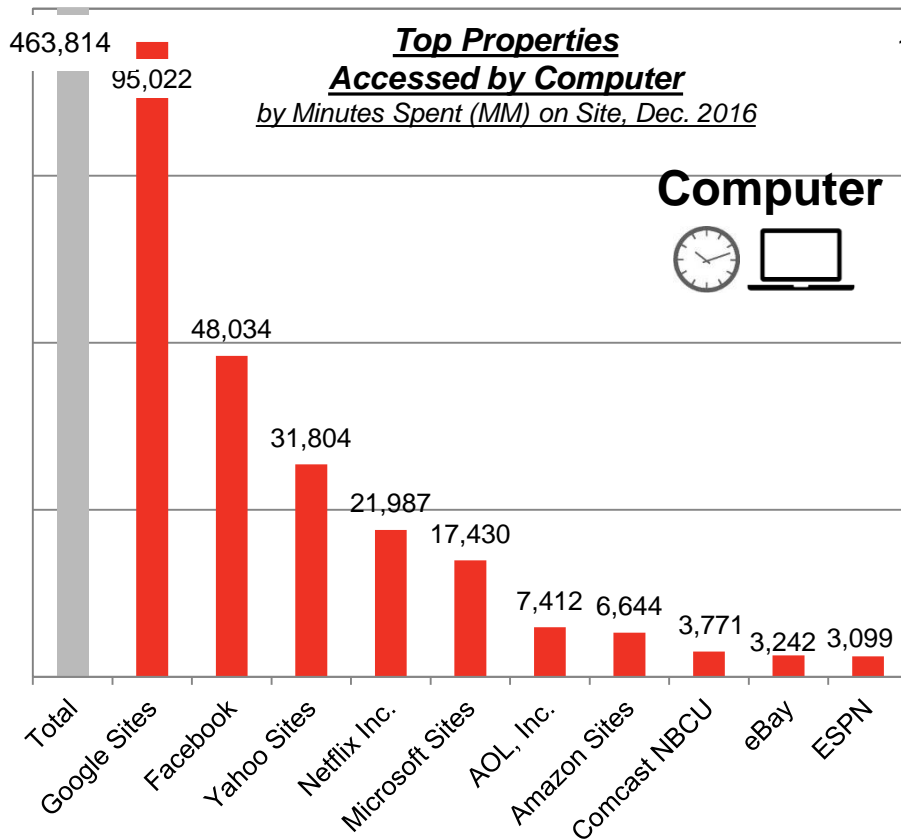
by Unique Visitors



comScore US Media Metrix (Desktop only), Mobile Metrix, Dec '16, Unique Monthly Visitors (000).

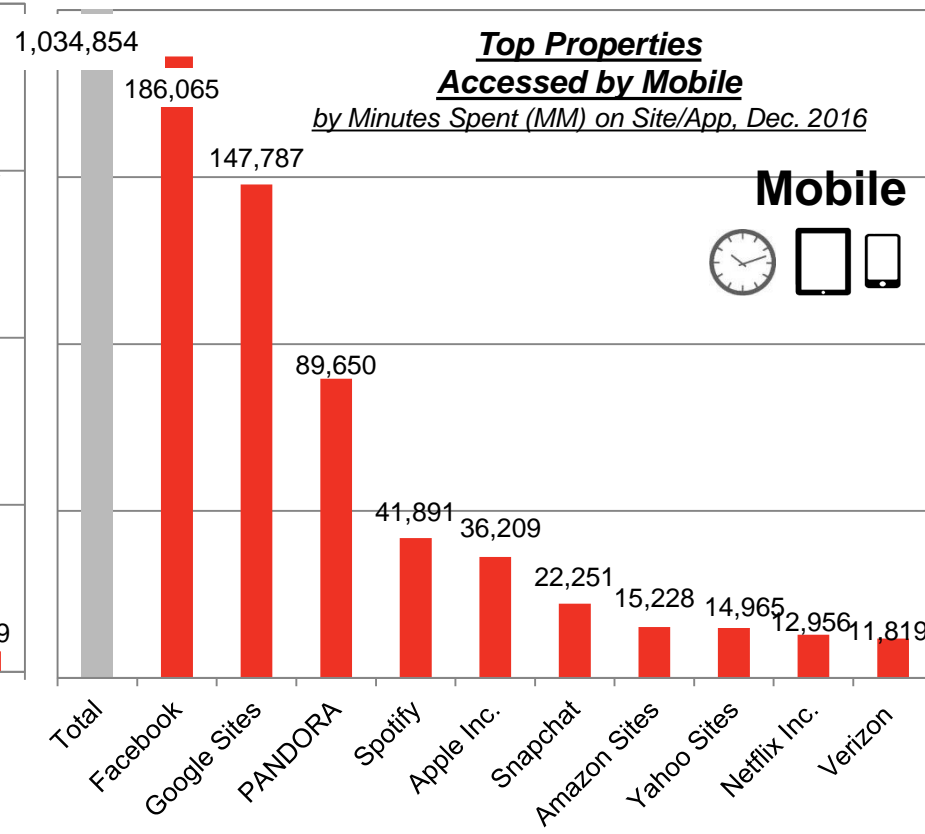
# More Apparent Differences in Top 10 Sites by Time Spent Online by Device

- After Google and Facebook, most computer time online is spent on portals, retail and TV/video streaming sites
- After Facebook and Google, most mobile time is spent streaming music, video, accessing apps and retail



Dec. 2015 Rank

#1	#2	#3	#5	#4	#6	#7	#8	#9	#13
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Dec. 2015 Rank

#1	#3	#2	#5	#4	#11	#7	#6	#10	#8
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comScore US Media Metrix (Desktop only), Mobile Metrix, Dec '16, Minutes Spent Online (MM)



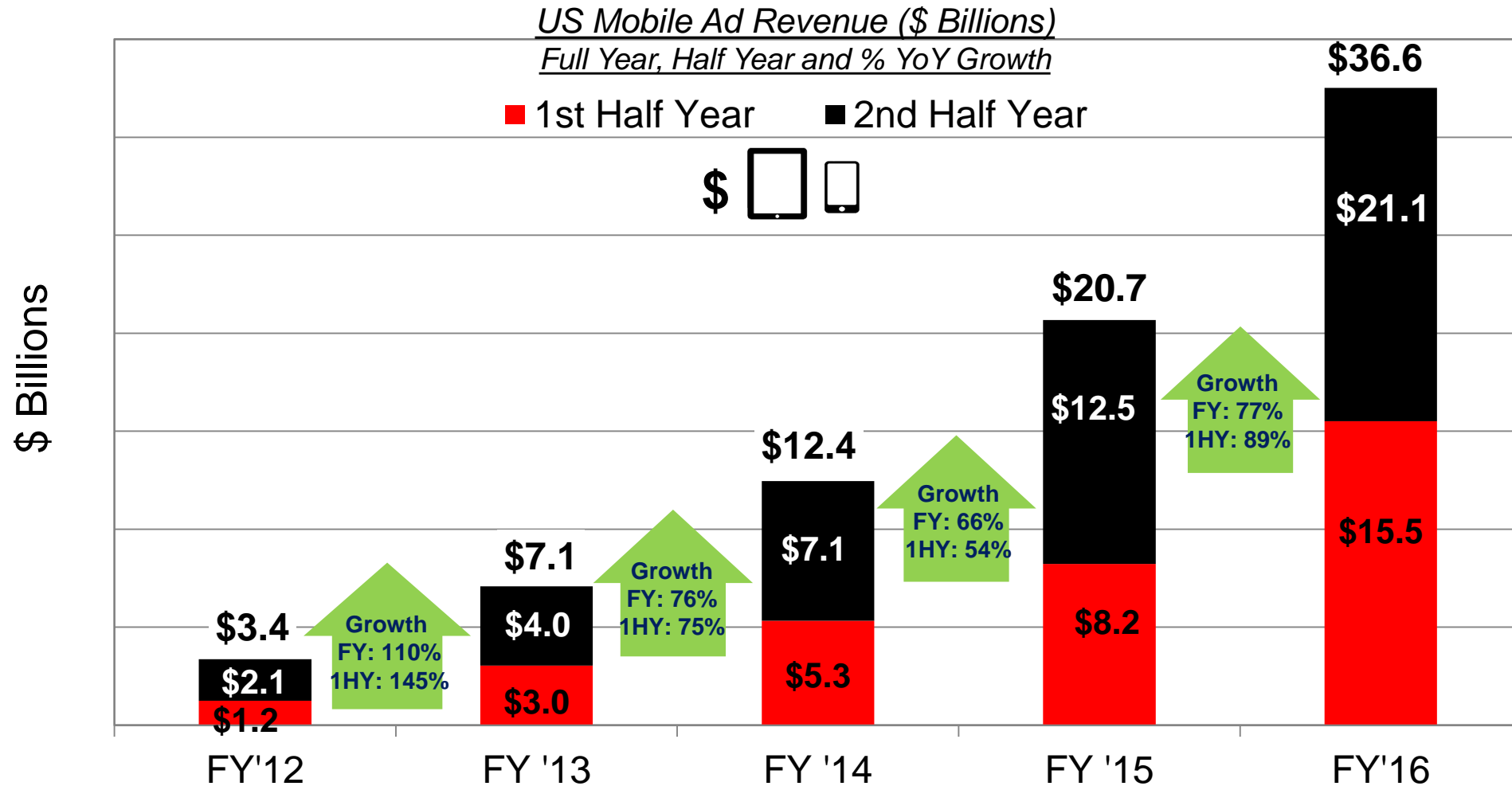


# **Mobile**

IAB Digital Trends 2016:

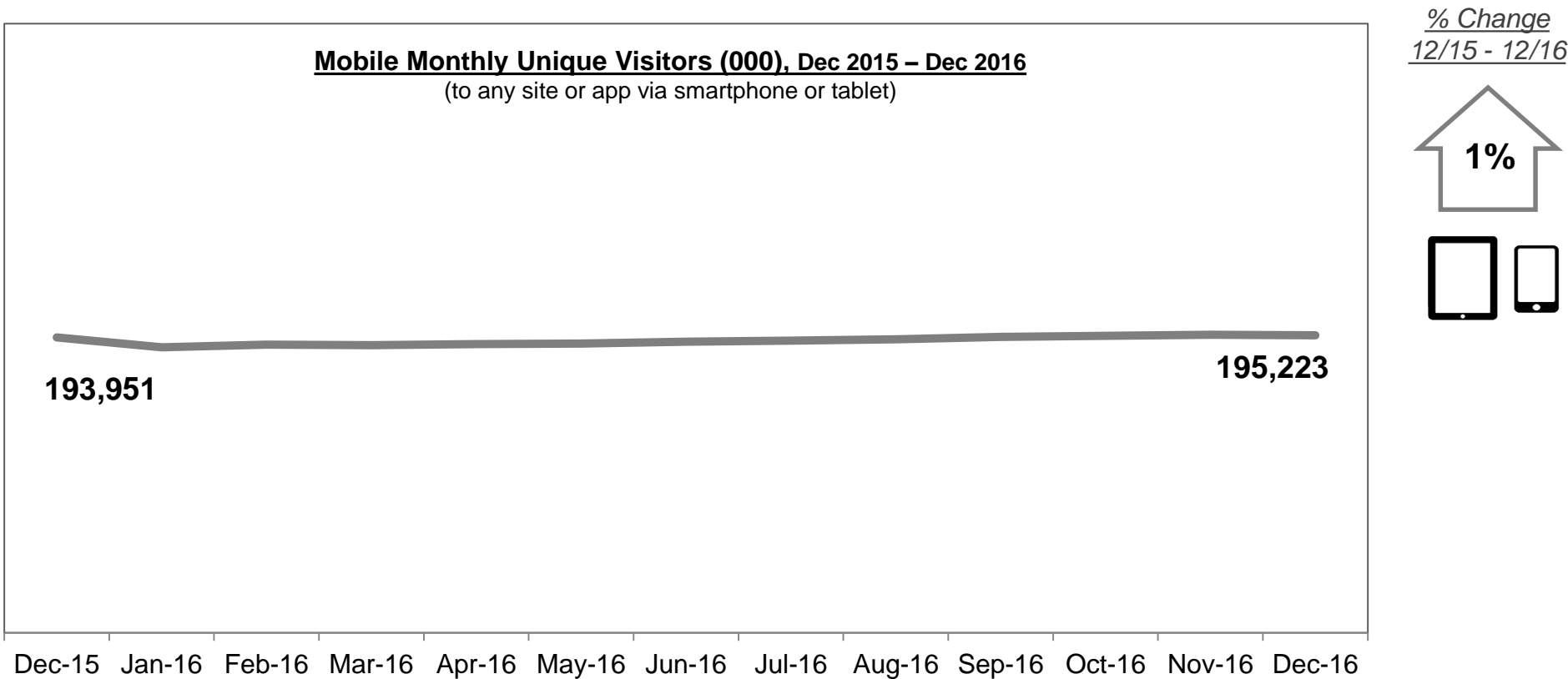
Consumer Usage, Ad Revenue and Impact

# Mobile Advertising Revenue Growth: Mobile Revenue is Over 10x Larger Than It Was 5 Years Ago



*Note: Full Year totals accurately reflect the sum of Half Year totals as rounded to two decimal places.*

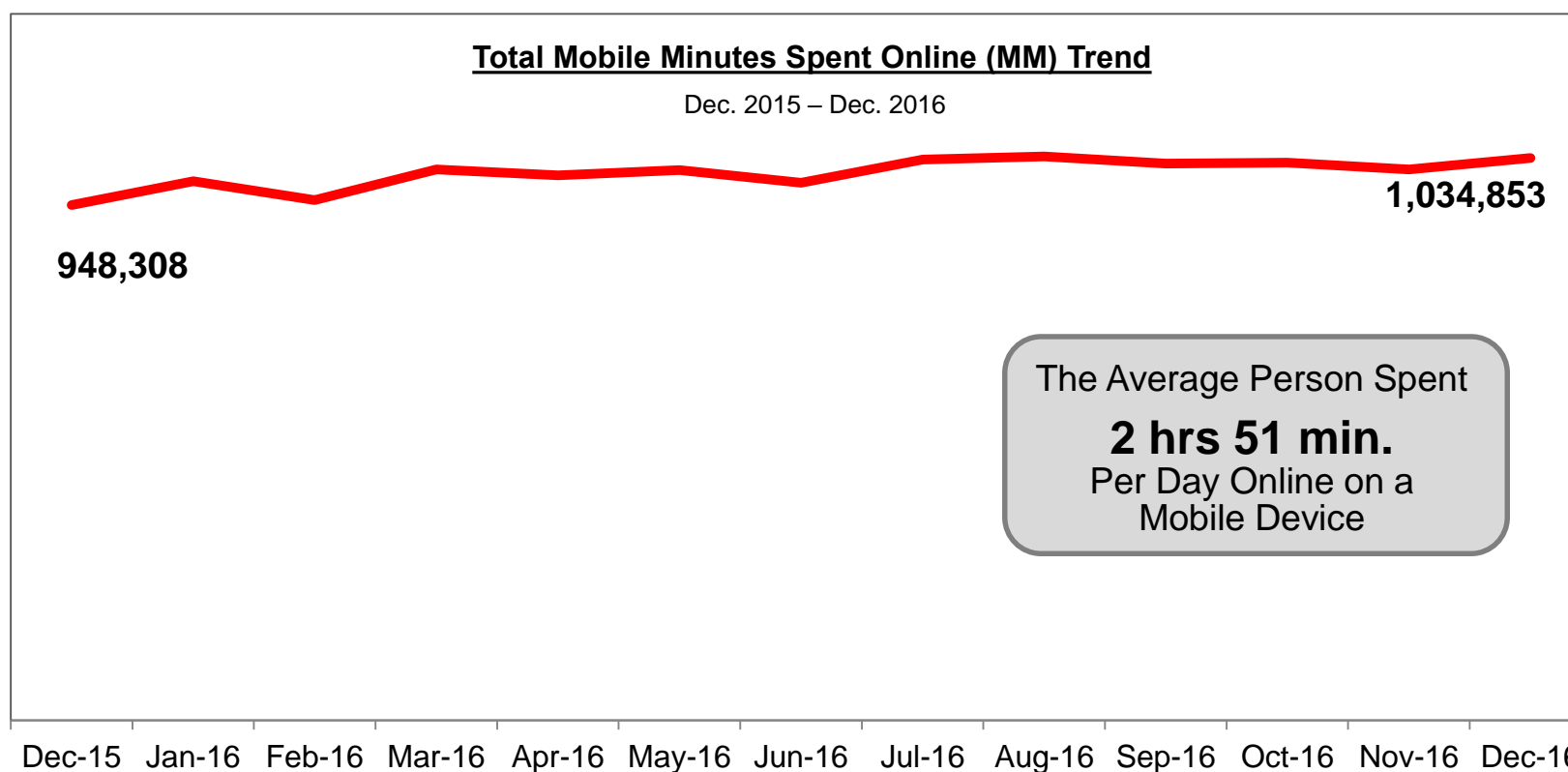
# Number of Mobile Unique Visitors is Steady



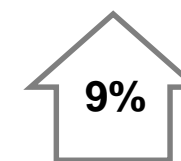
Source: comScore US Mobile Metrix Dec '15 – Dec '16, Total Unique Visitors on Smartphone or Tablet, Site or App.  
Effective with January 2016 data, the comScore audience product suite (Media Metrix MP, Media Metrix, Video Metrix, Mobile Metrix) underwent methodology and processing enhancements affecting all markets and all audience products.

# Time Spent Online on Mobile Devices Has Grown

- Time spent online on mobile is up 9% from a year ago.
- Time spent online on smartphones is up 10% while tablet time is down -3%



% Change  
12/15 - 12/16



Source: comScore US Media Metrix Multi-Platform, Dec '15 – Dec '16, Internet Time Spent on Smartphone and Tablet, Total Monthly Minutes (MM). Mobile includes browser and apps  
Effective with January 2016 data, the comScore audience product suite (Media Metrix MP, Media Metrix, Video Metrix, Mobile Metrix) underwent methodology and processing enhancements affecting all markets and all audience products.

# Monthly Mobile Internet Usage Summary



**195 Million Users**

Access the  
**Internet Monthly**

on  
**Mobile Devices**

to sites or apps  
(in Dec. 2016)



**1 Trillion  
Minutes**

Spent  
**Online Monthly**

on  
**Mobile Devices**

on sites or apps  
(in Dec. 2016)



**864 Billion  
Minutes**

Spent  
**Monthly**

on  
**Mobile Apps**

on Smartphones or Tablets  
(in Dec. 2016)

*ComScore US Mobile Metrix Dec. 2016*



# **Mobile Apps vs. Mobile Web**

IAB Digital Trends 2016:

Consumer Usage, Ad Revenue and Impact

# While Most Consumers Use Smartphones and Tablets, More Mobile Time is Spent Online Using a Smartphone

## Total Mobile Minutes Online

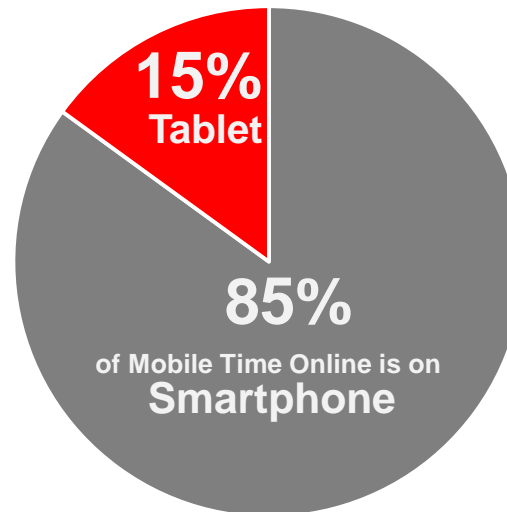
*Total Mobile Minutes on Browser vs. In App*

■ Total Smartphone Minutes

■ Total Tablet Minutes



**195 Million**  
went Online via  
**Smartphone**  
in Dec. 2016



**Dec. 2016**

**172 Million**  
went Online via  
**Tablet**  
in Dec. 2016



comScore US Mobile Metrix, Dec '16, Total Minutes (000) Browsing, Applications  
comScore US Media Metrix Multi-Platform, Dec '16, Total Monthly Unique Users Accessing Mobile App (MM)

# While Most Consumers Use Both Mobile Apps and Mobile Web, More Time is Spent in App

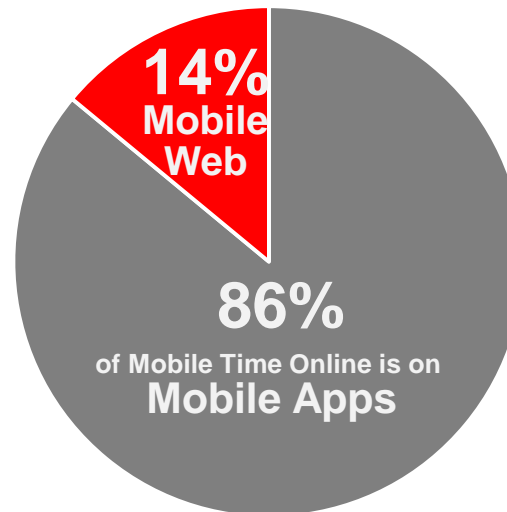
## Total Mobile Minutes Online

*Total Mobile Minutes on Browser vs. In App*

■ Total App Minutes ■ Total Browser Minutes



**182 Million Users  
Accessed Mobile Apps  
In Dec. 2016**



**Dec. 2016**

**170 Million Users  
Accessed Mobile Web  
In Dec. 2016**

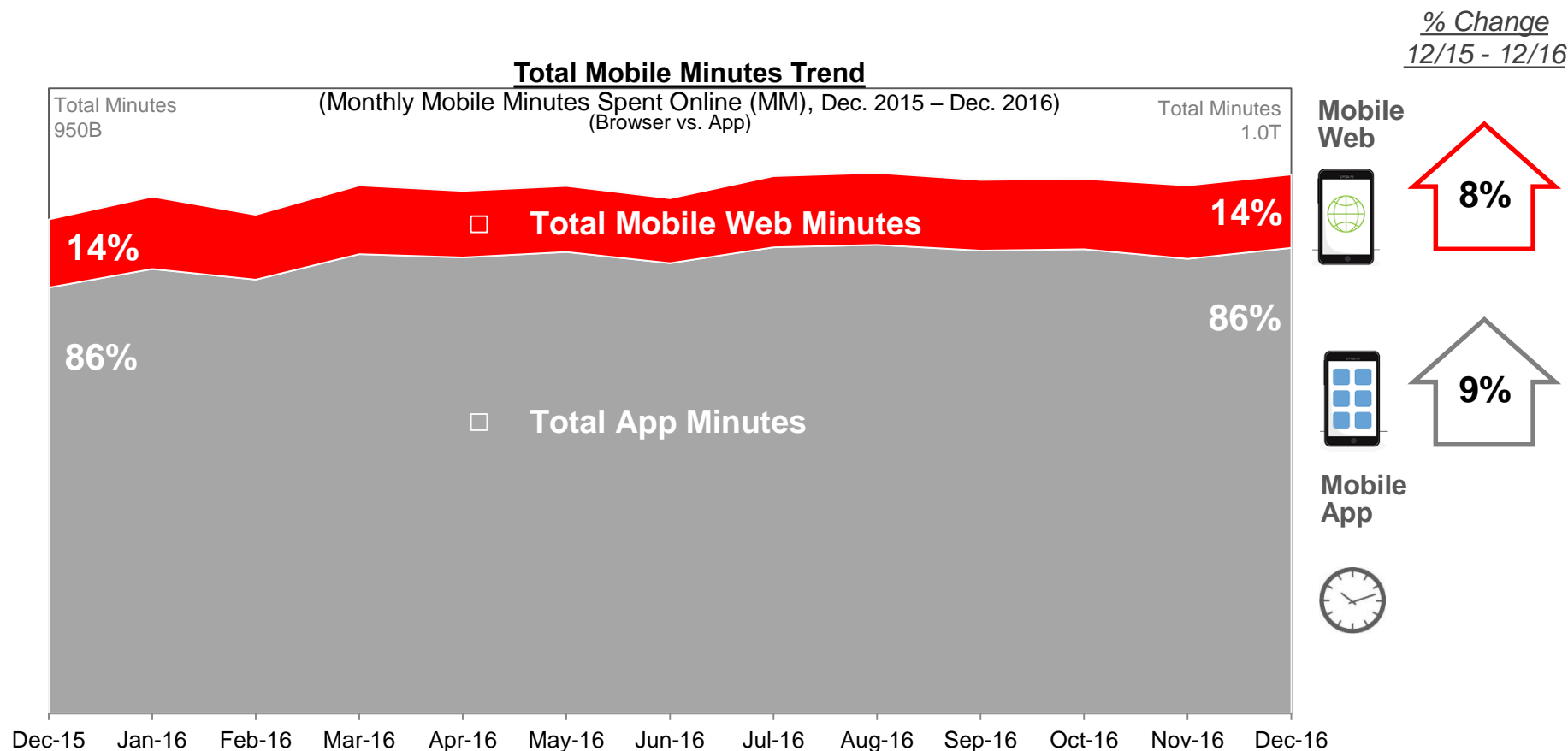


*comScore US Mobile Metrix, Dec '16, Total Minutes (000) Browsing, Applications  
comScore US Media Metrix Multi-Platform, Dec '16, Total Monthly Unique Users Accessing Mobile App (MM)*



# Consistently, 86% of Mobile Time is Spent in App

- US consumers spent 1 Trillion minutes online using a mobile device in December, up 9% from a year ago.
- Time spent online on apps grows 9% while mobile web time grows 8%



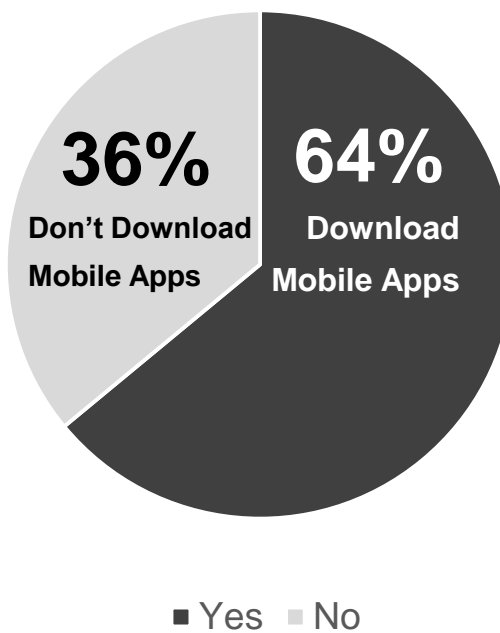
comScore US Mobile Metrix, Dec '15 – Dec '16, Total Internet Time Spent

Effective with January 2016 data, the comScore audience product suite (Media Metrix MP, Media Metrix, Video Metrix, Mobile Metrix) underwent methodology and processing enhancements affecting all markets and all audience products.

# Nearly Two-Thirds of US Adults Download Mobile Apps

*Do you download apps to your mobile device?*

Download Mobile Apps

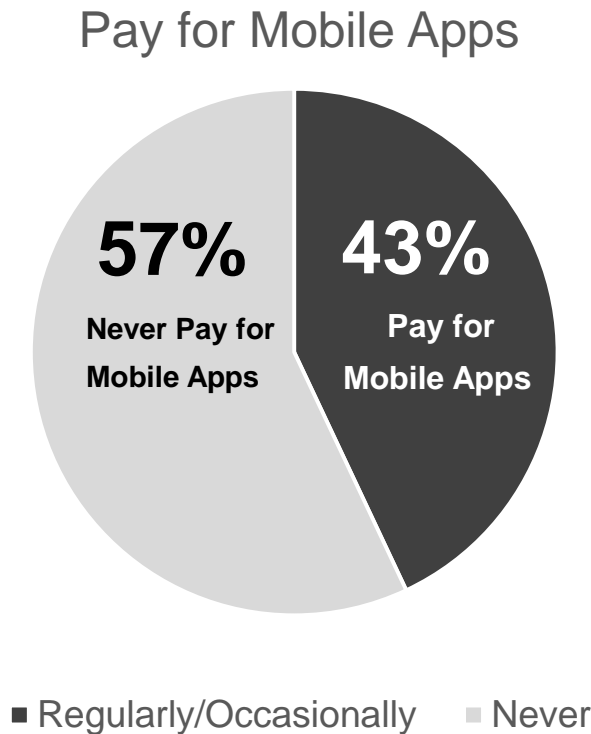


IAB Analysis of Prosper Media Behavior & Influence Data  
Jan. 2017. n=16,644 US Adults 18+

# Less Than Half of US Adults Pay for Mobile Apps

## ➤ Providing opportunities for mobile advertising in ad-supported free apps

*How often do you pay for apps you use on your Smartphone or Tablet?*

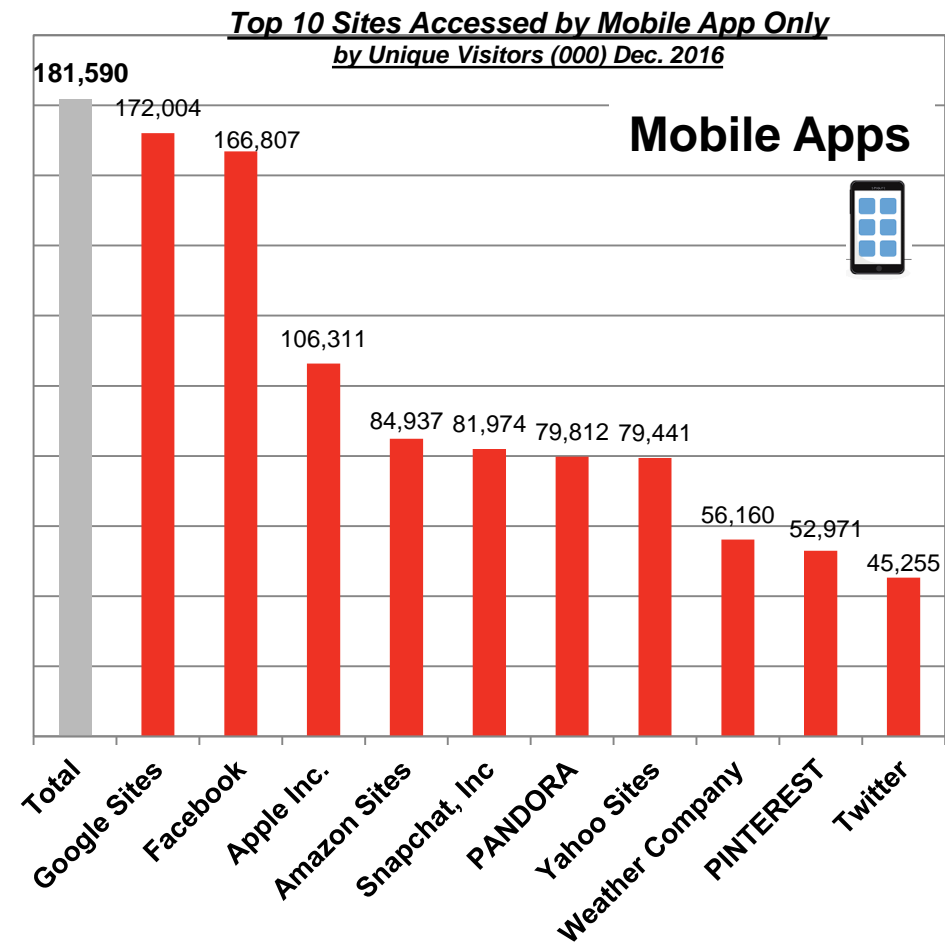
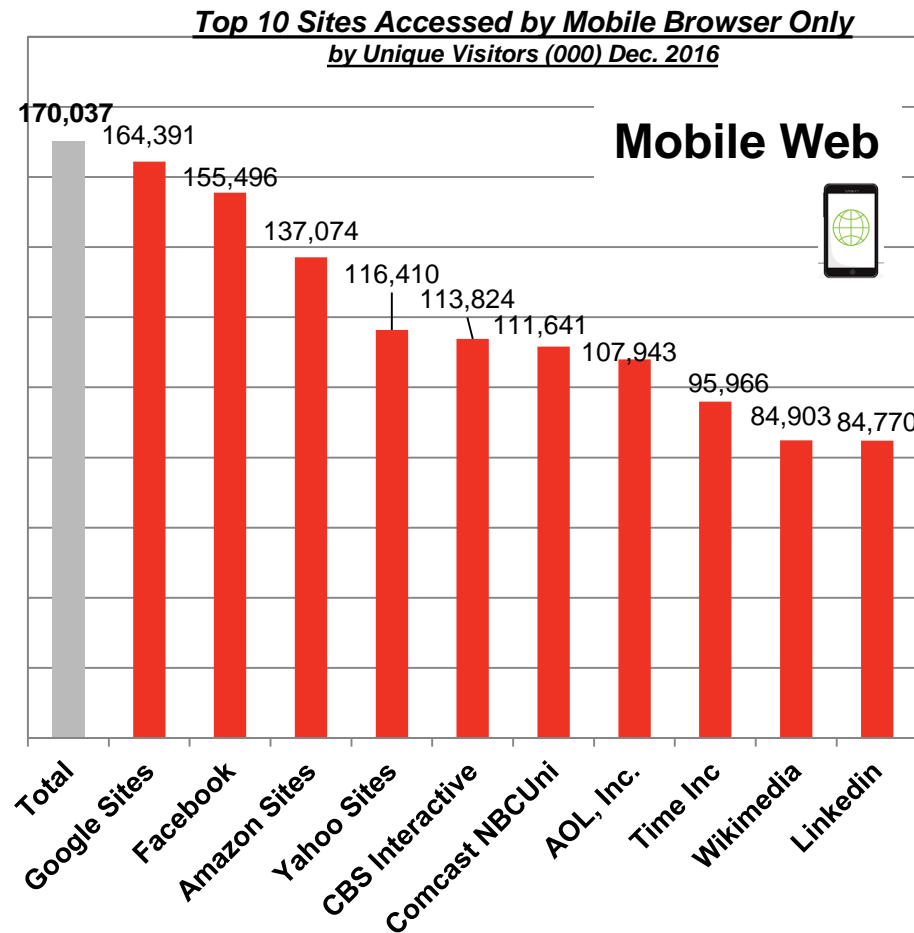


IAB Analysis of Prosper Media Behavior & Influence Data  
Jan. 2016. n=16,644 US Adults 18+

# Some Sites are More Popularly Visited in Apps Than Mobile Web

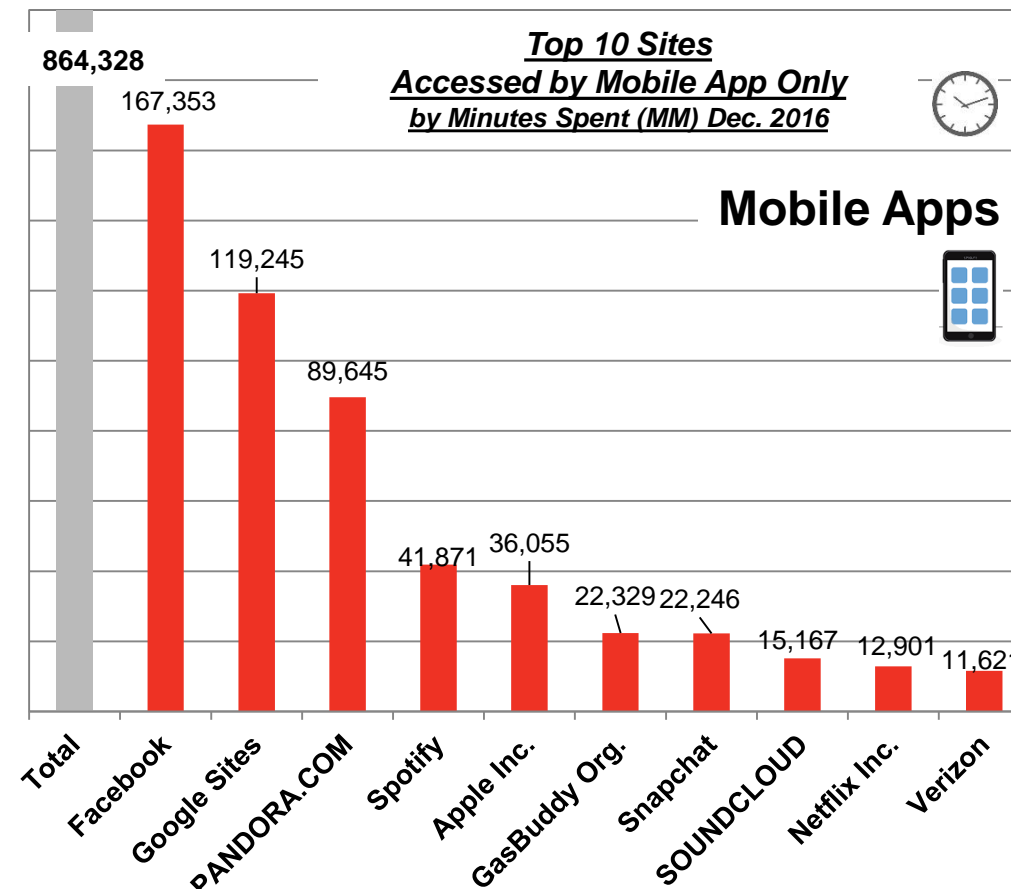
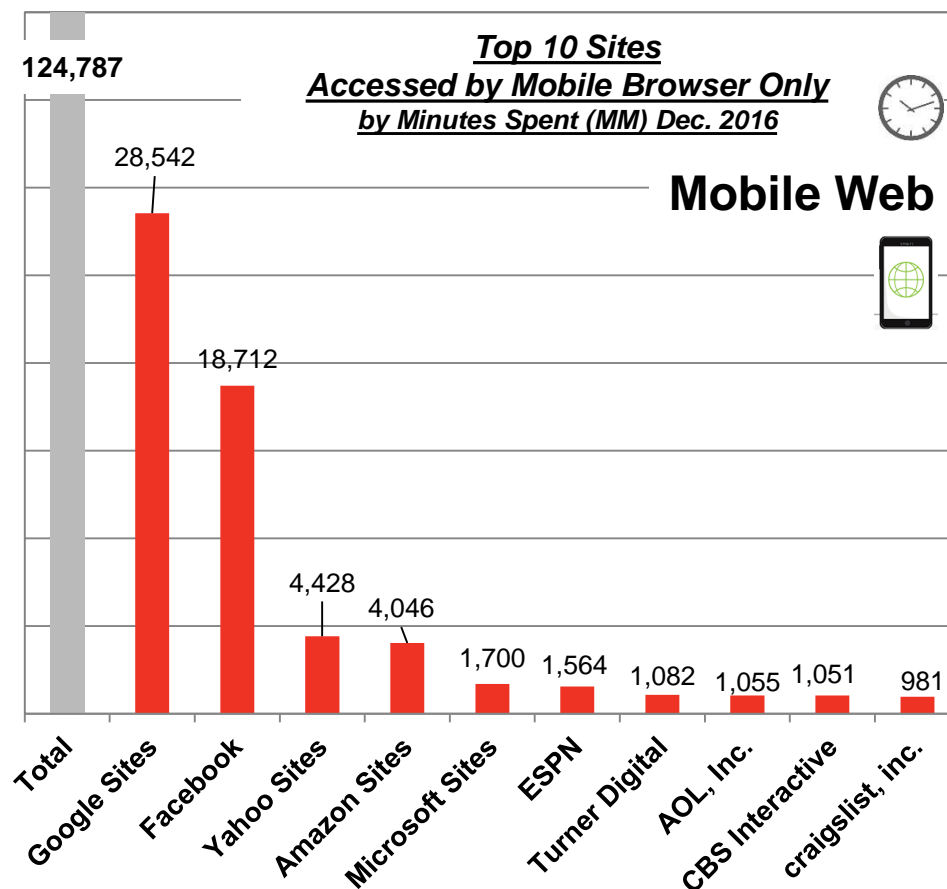
by Unique Visitors

- Google, Facebook and Amazon are consistent top properties both in apps or mobile web
- Social media, streaming audio and weather are more popularly visited in apps while TV sites, portals and article-heavy sites are more likely to be visited on mobile browsers



# Top Mobile Properties by Time Spent Online are Very Different in Mobile Web vs. In App

- Facebook and Google hold the top mobile spots by app or mobile web
- Top mobile apps by time spent include 3 pure play streaming audio properties
- Top properties by time spent on mobile web include TV networks, portals and shopping sites



ComScore Mobile Metrix, Total Mobile (All Smartphones,iPhone,Android Phone,All Tablets,iPad,Android Tablet), Mobile Browser Only, Mobile App Only

Note: Duplication is likely since someone who visits a site using a computer might also visit that site using a mobile device.



# **Digital Video**

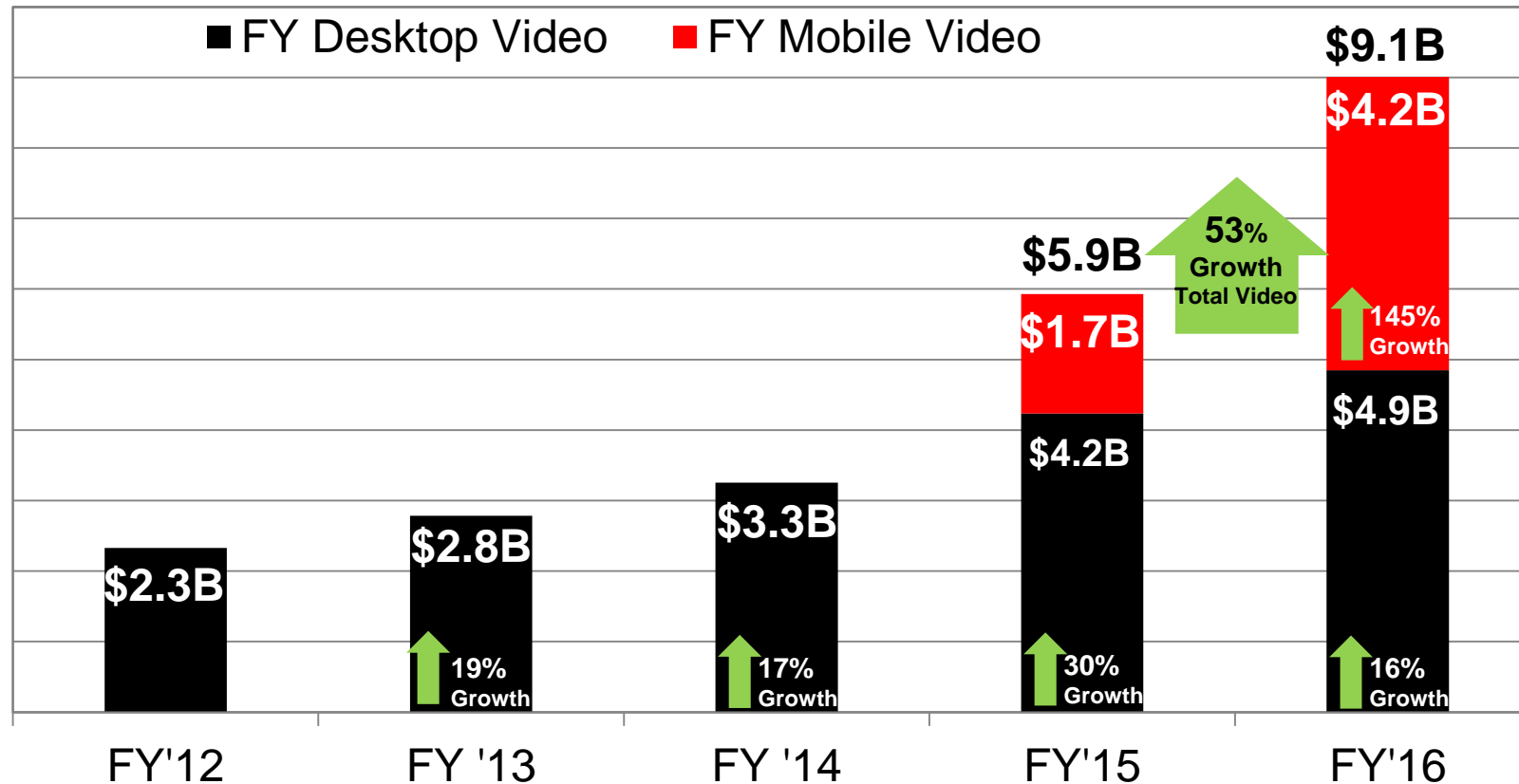
IAB Digital Trends 2016:

Consumer Usage, Ad Revenue and Impact

# 2016 Digital Video Ad Revenue: \$9.1 Billion

## Digital Video Ad Revenue Growth Accelerates with Mobile Video

US Desktop and Mobile Video Ad Revenue (\$ Billions)  
Full Year and % Year Over Year Growth



*\*Half Year totals accurately reflect the sum of half year totals as rounded to two decimal places.*

*Prior to 2016, mobile video was included in mobile ad revenue*

*Source: IAB Internet Advertising Revenue Reports, Conducted by PWC, Full Year 2012-2016*

# 232 Million Users Streamed 42 Billion Videos for 162 Billion Minutes

- In December 2016, 232 million Americans streamed digital video, or 72% of the US population of 323 million\*
- 31 billion video ads were streamed in Dec. 2016

**232 Million  
Users Streamed  
Digital Video**

**162 Billion  
Minutes  
Spent  
Streaming Video**

**42 Billion  
Videos  
Streamed**

**31 Billion  
Video Ads  
Streamed**

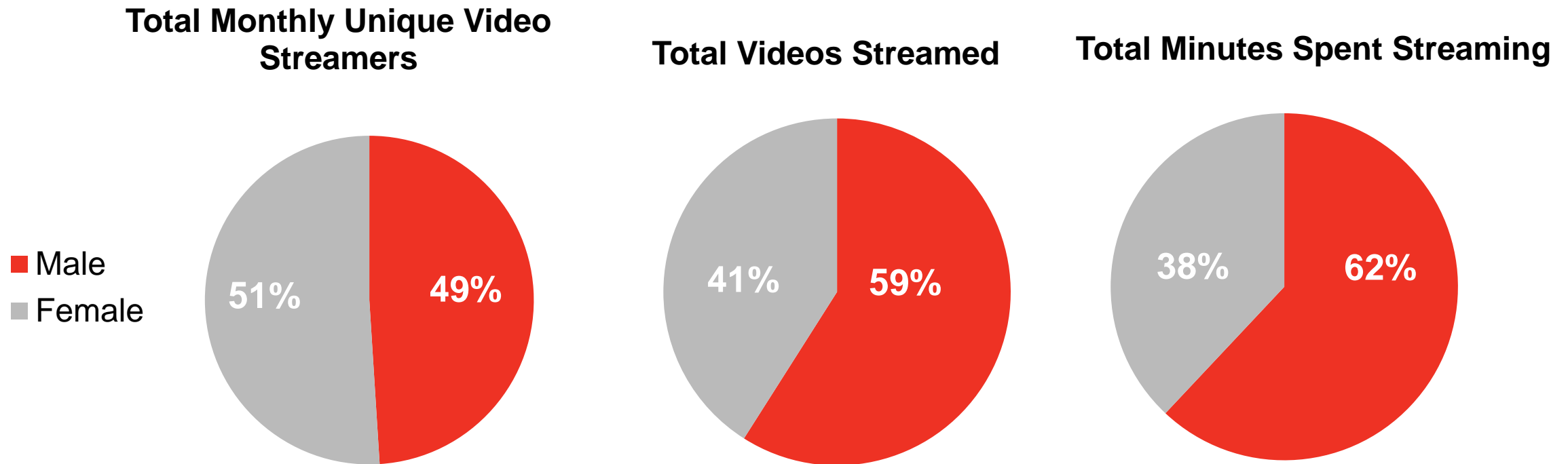
ComScore VideoMetrix Dec. 16, Total Audience, Home and Work. Desktop only

\*US Census Bureau estimates US population to be 323M as of most recent figures on July 2016.



# Men Stream More Videos for Longer

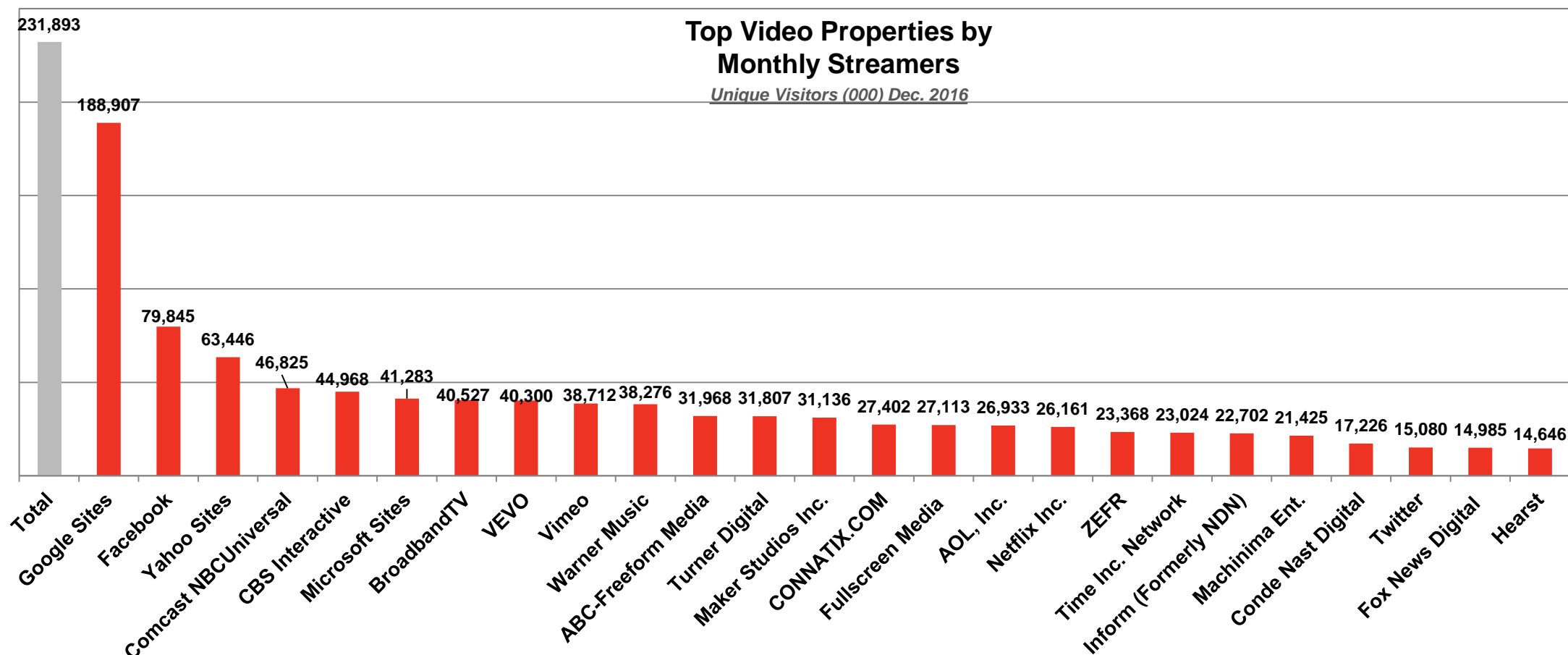
- Roughly equal numbers of men as women stream digital video on computers but men account for 59% of videos streamed and 62% of time spent streaming.



ComScore VideoMetrix Dec. 2016, Total Audience, Home and Work. Doesn't include mobile.

# Most Popularly Visited Video Properties: Google, Facebook and Yahoo

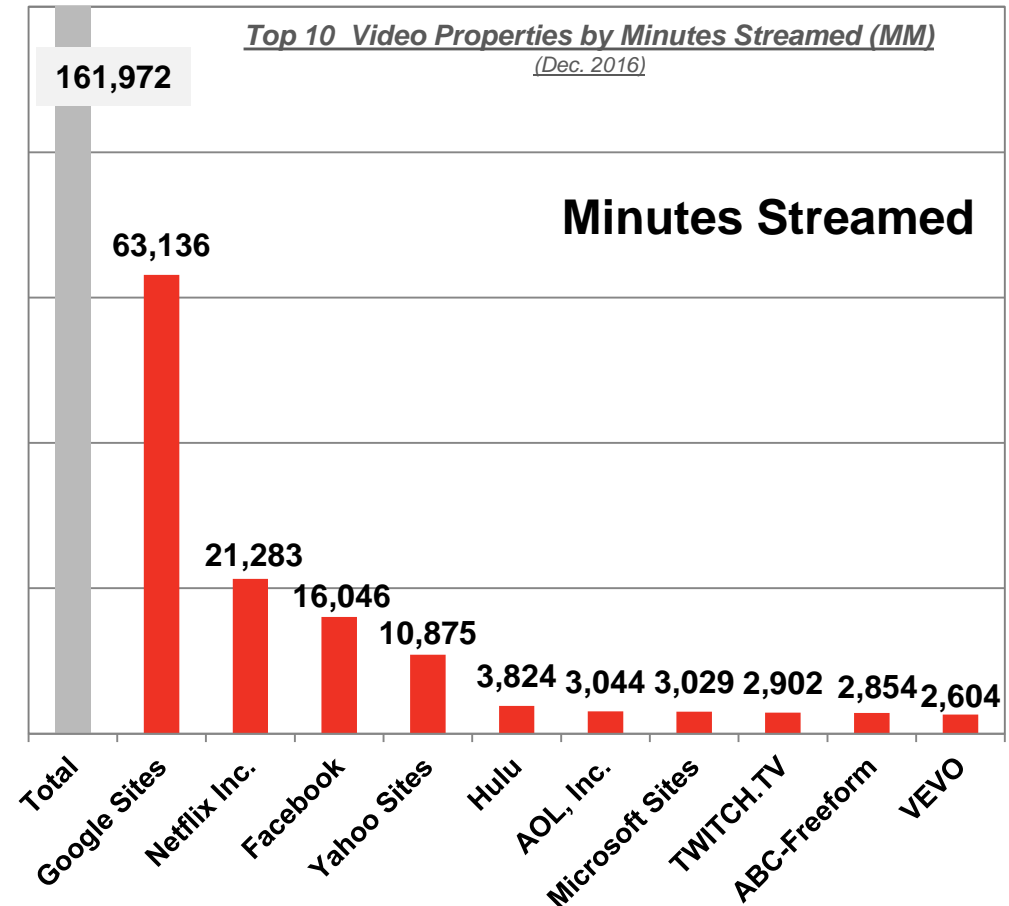
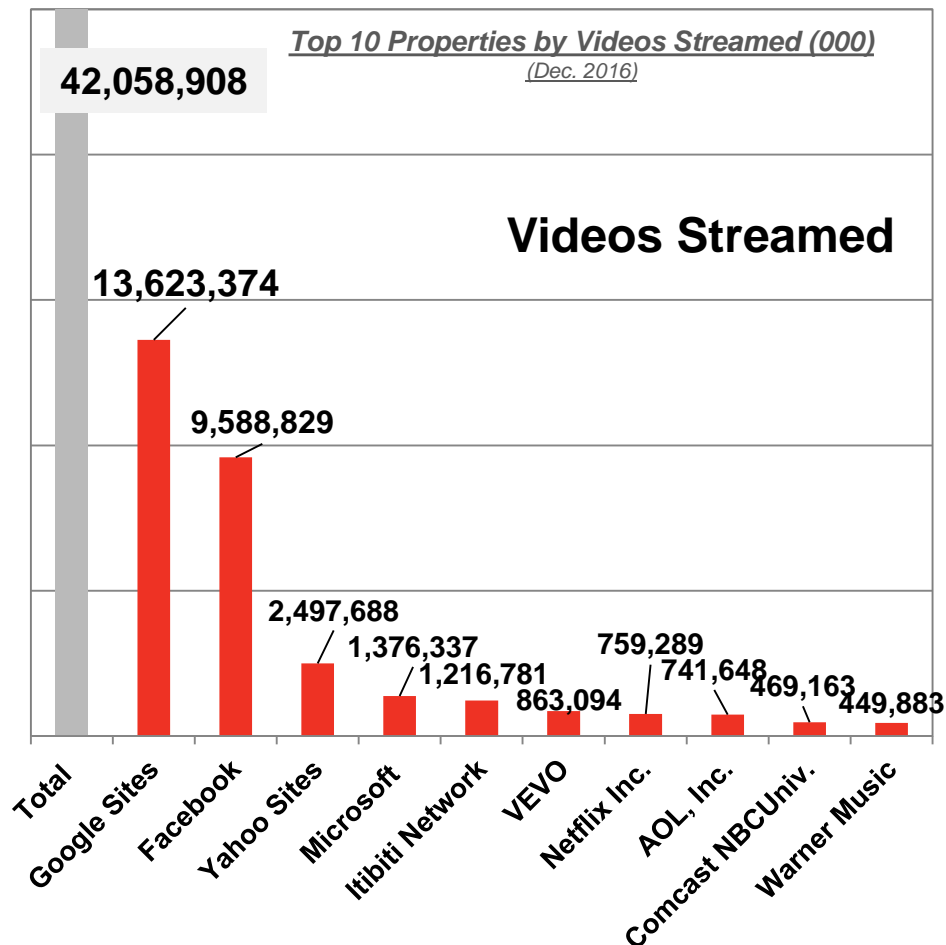
- The #1 site, Google, had more than twice the monthly video streamers as the #2 property, Facebook



ComScore VideoMetrix Dec. 2016, Total Audience, Home and Work. Doesn't include mobile.

# Top Video Properties by Videos Streamed and Time Spent Streaming

- Users streamed the most videos at Google, Facebook and Yahoo
- Users spent the most time streaming on Google, Netflix and Facebook





# **Digital Audio**

IAB Digital Trends 2016:

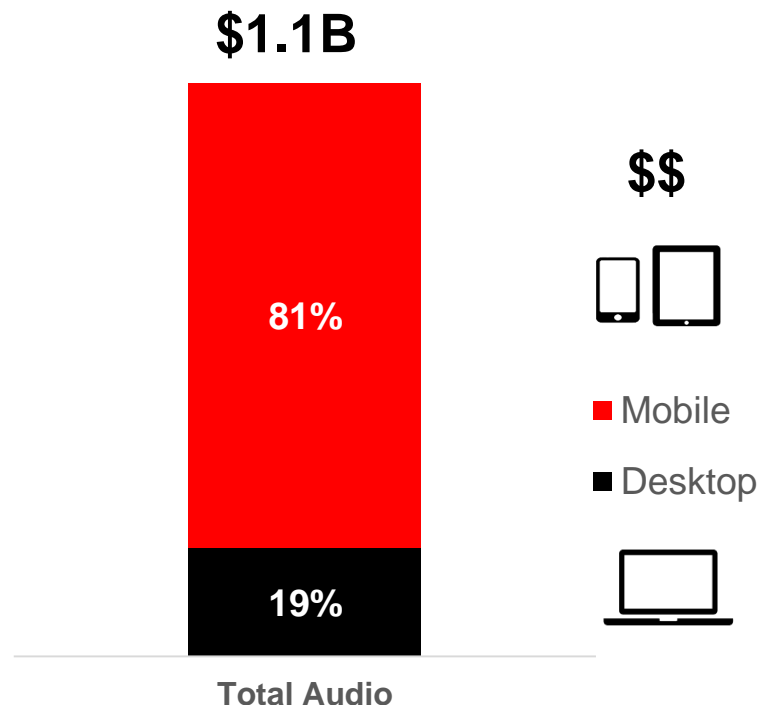
Consumer Usage, Ad Revenue and Impact

# Digital Audio Ad Revenue has Grown to \$1.1 Billion, Largely Due to Mobile

## 2016 Digital Audio Ad Revenue

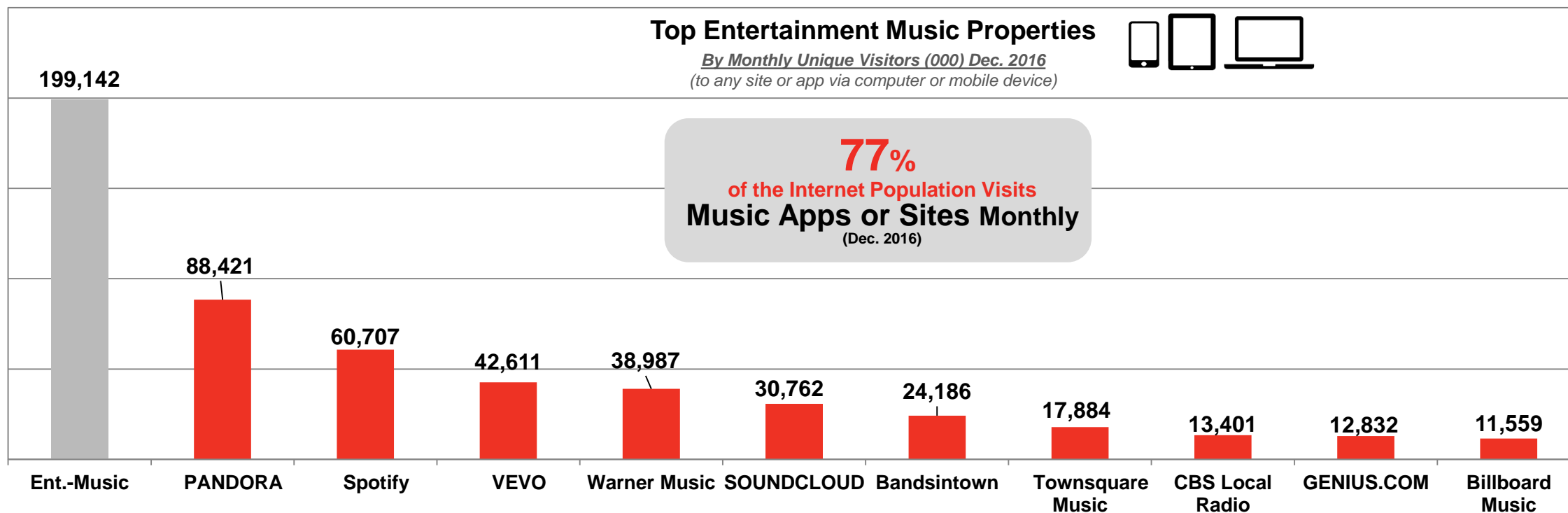
*(Mobile + Desktop) FY 2016*

*% of Ad Revenue Derived from  
Mobile vs. Desktop*



# Nearly 200 Million Consumers Visited Entertainment Music Properties in December

- Many top entertainment music properties are focused on streaming audio



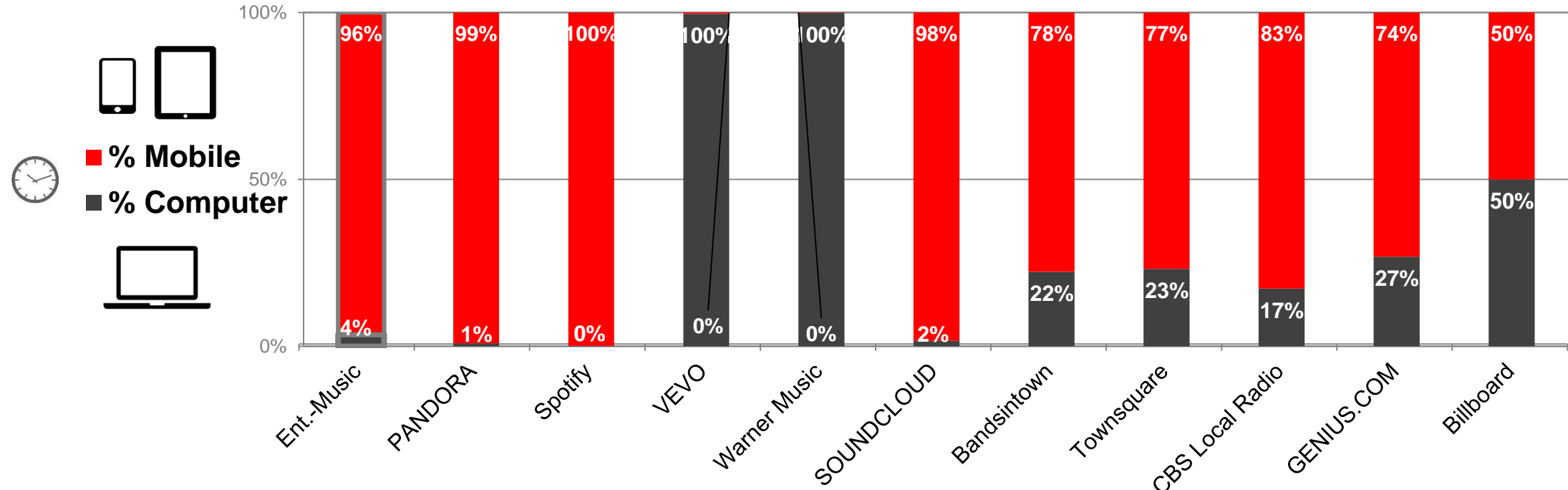
comScore US Media Metrix Multi-Platform, Dec '16, Total Unduplicated Internet Audience

# Streaming Audio is Primarily Accessed on Mobile While Music Videos are Primarily Accessed on Computers

## Top Entertainment Music Properties % of Time Spent on Mobile vs. Computer

Monthly Minutes, Dec 2016  
(to any site or app via computer or mobile device)

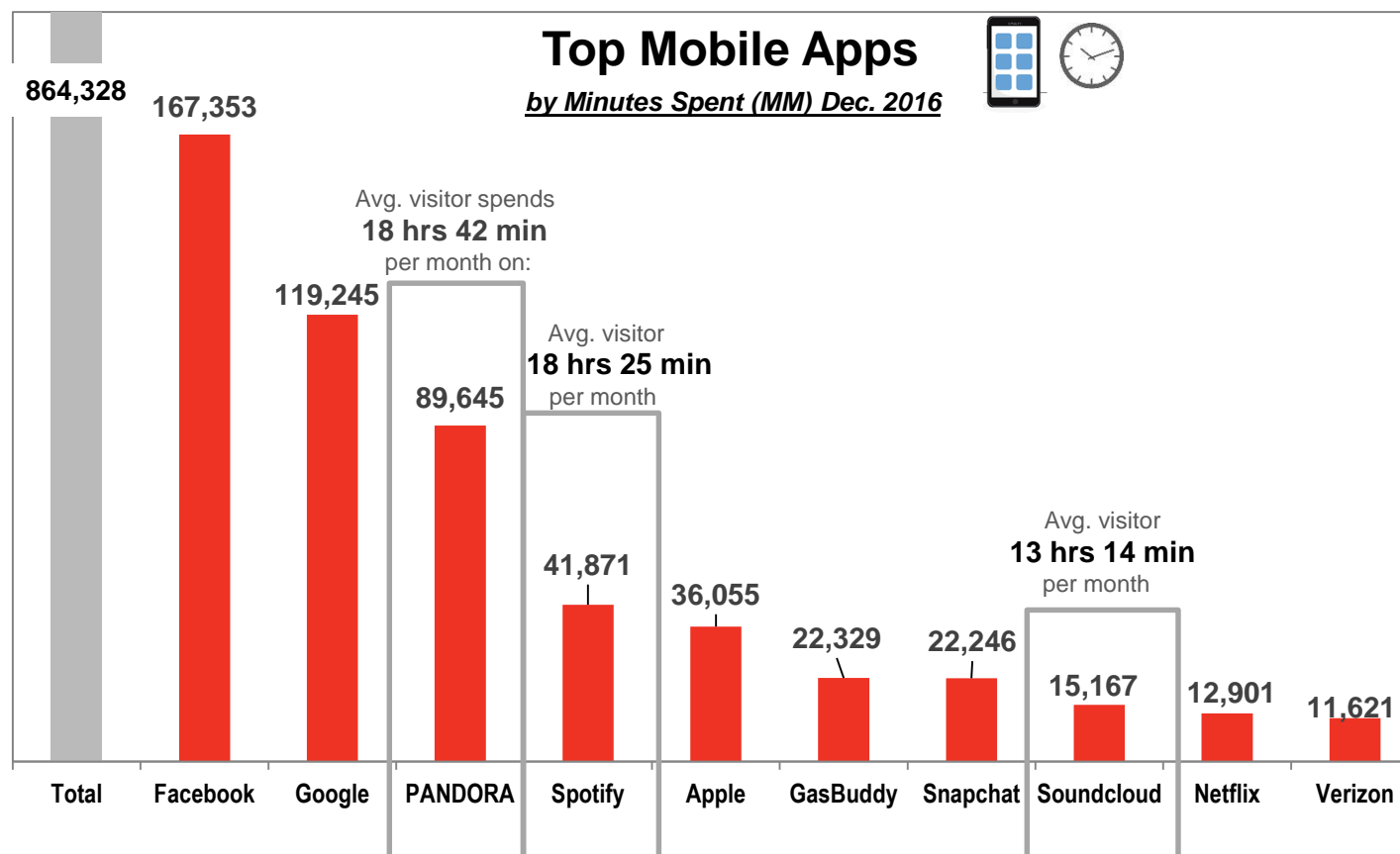
**160M Minutes**  
Per Month Spent on  
Music Apps or Sites Monthly  
(Dec. 2016)



comScore US Media Metrix Multi-Platform, Dec '16, Total Unduplicated Internet Audience, Total Minutes

# Streaming Audio Apps Account for 3 of the Top 10 Mobile Apps in Time Spent Online

- The typical user spends over 18 hours a month streaming audio on Pandora or Spotify and over 13 hours on Soundcloud



comScore US Mobile Metrix, Dec '16, Total Unduplicated Internet Audience, Total Minutes, Avg. Time Spent on App





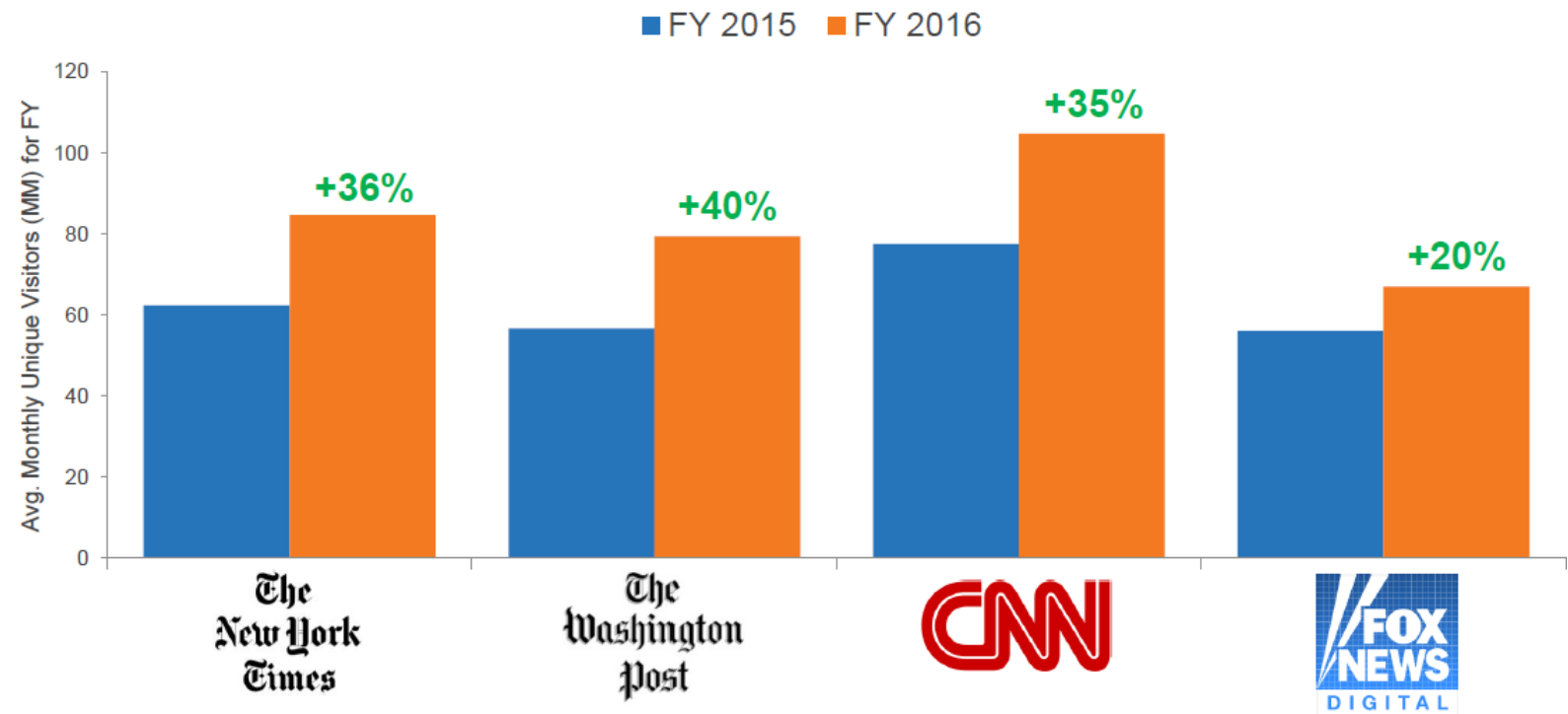
## **News**

IAB Digital Trends 2016:

Consumer Usage, Ad Revenue and Impact

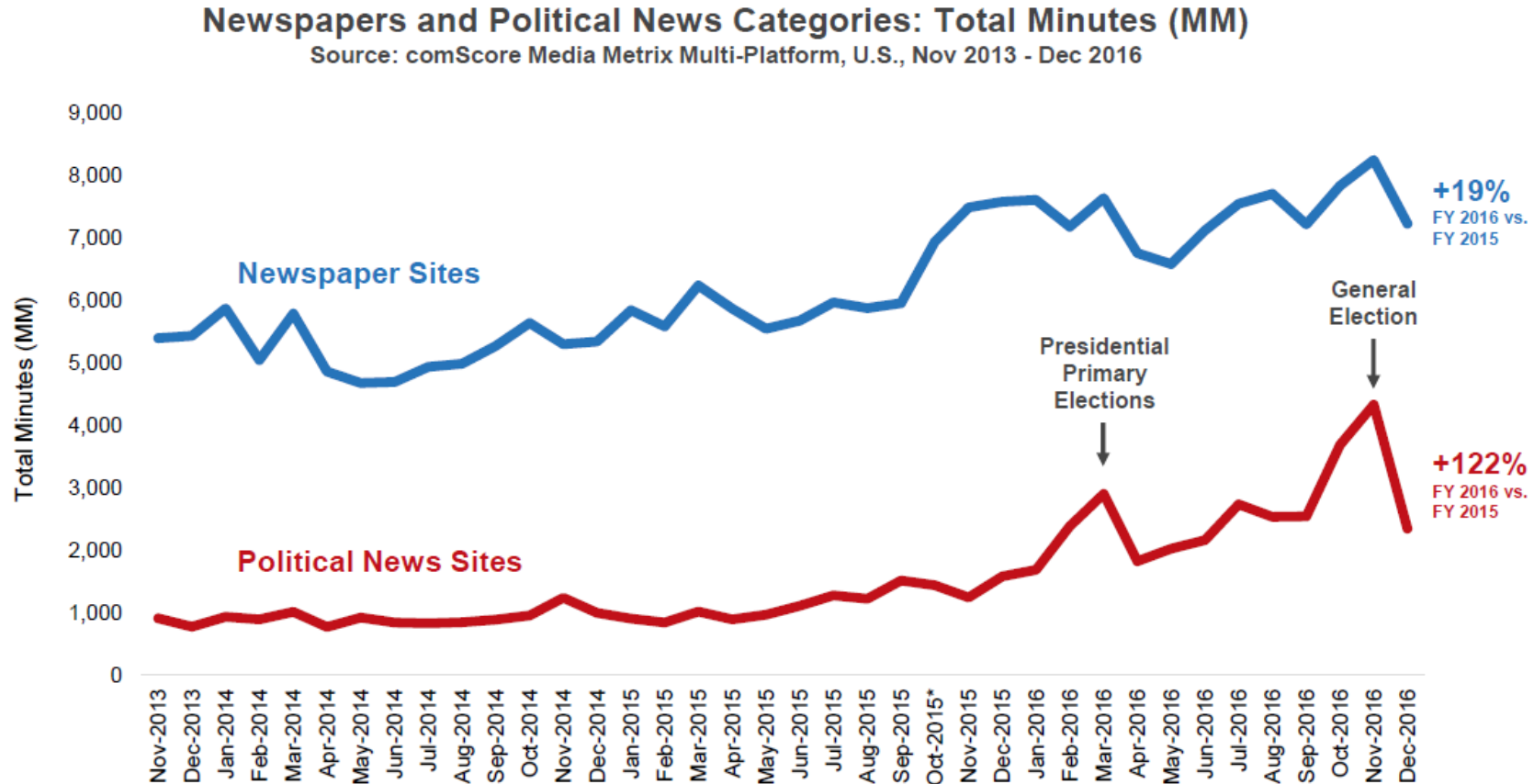
# Elections Coverage Drove Growth in Visitors to Leading Print and TV News Sites

Y/Y Digital Audience Growth of Select Leading Print and TV News Organizations  
Based on Average Monthly Unique Visitors for Full Year  
Source: comScore Media Metrix Multi-Platform, U.S., Full Year 2016 / Full Year 2015



Source: Comscore, 2017 U.S. Cross-Platform Future in Focus

# Time Spent on Newspaper and Political Sites Grew Dramatically with Elections Coverage



\* Total Minutes for the Newspapers category in October 2015 was recalculated to remove the impact of overstated data for an individual mobile news app that had a substantial impact on topline category time spent.

\*\* Newspapers and Political News are two sub-categories within the broader News/Information category and are not fully inclusive of all news properties. There is also a small amount of duplication between the two sub-categories.

Source: Comscore, 2017 U.S. Cross-Platform Future in Focus



## **Social Media**

IAB Digital Trends 2016:

Consumer Usage, Ad Revenue and Impact

# Social Media is Now an Integral Part of Most Consumers' Lives

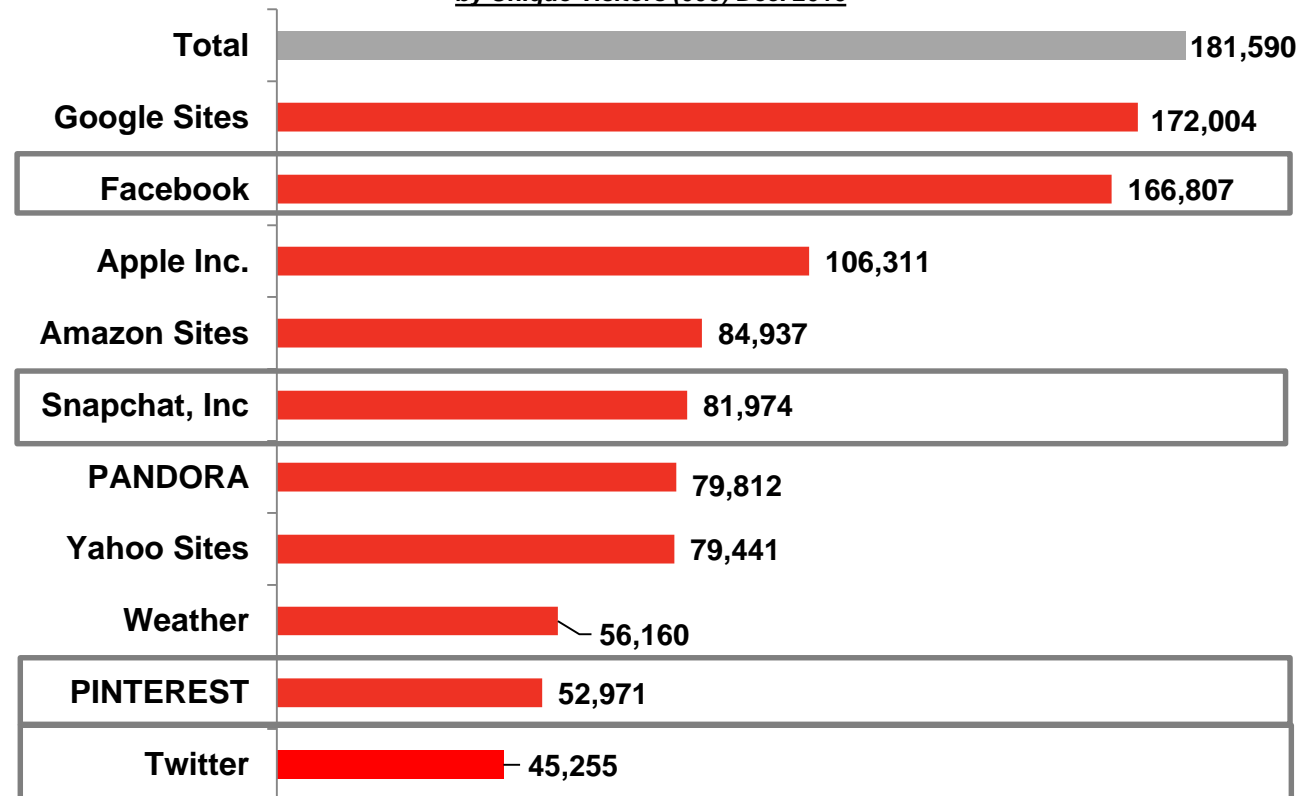
- 9 out of 10 internet users access social media at least once a month
- 4 out of the top 10 mobile apps (by number of visitors) are social media apps

**91%**  
of Internet Population  
Access Social Media Monthly  
Unique users via any device via app or site

**233M Unique Users**  
Access Social Media Monthly  
Using any device via app or site

**296B Minutes**  
Are Spent Monthly on  
Social Media  
Using any device via app or site

**Top 10 Mobile Apps**  
*Top 10 Properties Accessed by Mobile App  
by Unique Visitors (000) Dec. 2016*

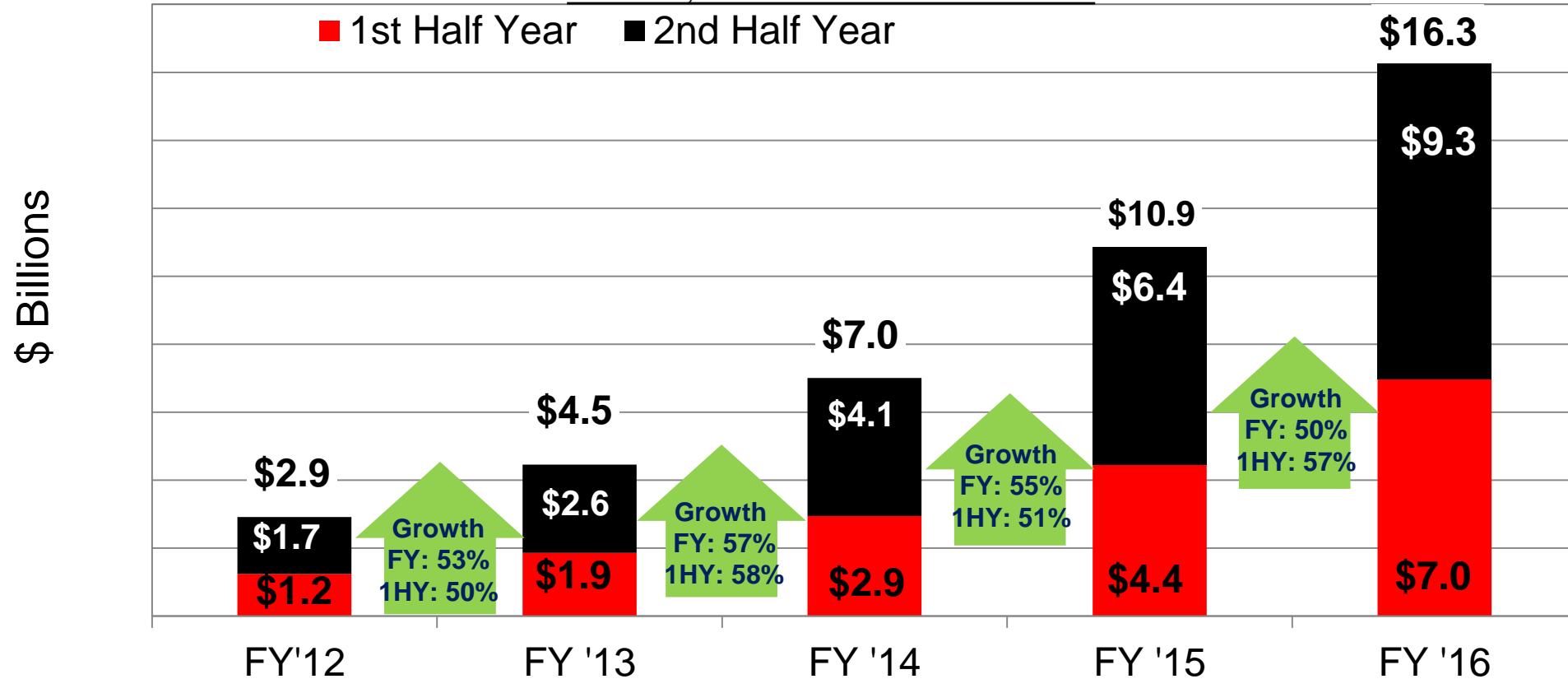


# As a Result, Social Media Ad Revenue Continues to Climb

- Total Social Media Revenue (Mobile + Desktop) is up 50% to \$16.3 Billion in FY 2016

*Across Formats and Devices*

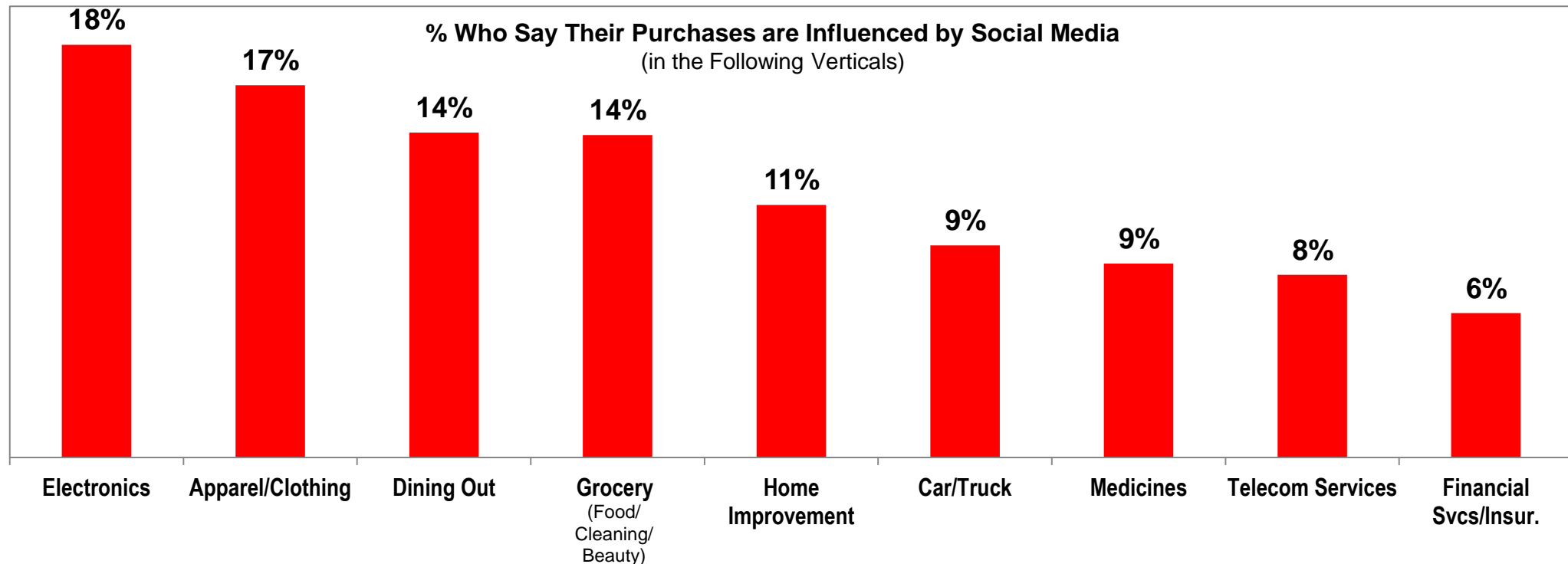
*Full Year, Half Year and % YoY Growth*



*Note: Full Year totals accurately reflect the sum of Half Year totals as rounded to two decimal places.*

# Social Media Influences Purchase Decisions

- Electronics, Clothing, Dining and CPG purchases are most influenced by social media



*Prosper Insights, Media Behavior and Insights data, Jan. 2017. n=16,644 US Adults 18+*

# Digital Trends 2016: Consumer Usage, Ad Revenue and Impact

➤ **Questions?**  
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