

Ad Revenue – Key Stats

Overall Media

- Overall Media Ad Revenue
 - The Nielsen Company estimates total media revenues for Full Year 2016 increased by 1% to \$121.1B from FY'15
(Source: *IAB PWC FY'16 Digital Ad Revenue Report. The Nielsen Company, MonitorPlus*)
- Overall Media Ad Revenue and Spend Projections
 - MAGNA forecasts US media owners total net advertising revenues (NAR) will grow by +3.6% in 2017 (excluding the impact of cyclical events - Political & Olympics) to reach \$185 billion.
 - Offline media sales (linear TV, print, radio, OOH) are projected to decline by -5% to \$101bn.
(Source: *MAGNA US Ad Forecast, Sept. 2017*)
 - Overall marketing spend budgets are expected to increase by 10.9% in 2017, according to Deloitte.
(Source: *Deloitte 2017 CMO Survey. Feb. 2017*)
- Overall Media Trends:
 - Inflation in the media sector: The fragmentation of audiences and shift towards ad-free or ad-light alternatives to traditional media consumption is affecting every media type (except OOH). This is reducing supply, decreasing impressions delivered, and making some demographics increasingly hard to reach, therefore generating inflationary trends in the market.
 - National TV cost-per-thousand (CPMs) are expected to increase by an average +9% to +10% in 2017 (more for some day parts).
 - Print costs are expected to increase by +2% to +5% in 2017.
 - OOH is mostly immune from the scarcity trend and therefore costs evolve in line with general US general inflation (+2%).
(Source: *MAGNA US Ad Forecast, Sept. 2017*)

Digital Media

- Digital Ad Revenue
 - Overall digital ad revenue grew 22% over the year to reach \$72.5 billion in 2016.
 - Desktop ad revenue has grown 8% to \$35.9 billion in 2016
 - Mobile ad revenue has grown 77% to \$36.6 billion in 2016
(Source: *IAB PWC FY'16 Digital Ad Revenue Report*)
- Digital Ad Revenue Projections
 - Digital formats are expected to generate \$84 billion in advertising revenues in 2017, up 16%
 - Digital ad sales are expected to account for 45% of all media advertising revenues in 2017
(Source: *MAGNA US Ad Forecast, Sept. 2017*)

Mobile

- Mobile Ad Revenue
 - Mobile Ad Revenue has grown 77% since 2015 to total \$36.6 billion in 2016.
 - Mobile Video has grown 145% to \$4.2 billion in 2016

- Mobile Banner has grown 51% to \$13.9 billion in 2016
 - Mobile Search has grown 91% to \$17.2 billion in 2016
(Source: IAB PWC FY'16 Digital Ad Revenue Report)
 - Mobile has grown to account for over half (51%) of digital ad revenue for Full Year 2016, up from 35% of digital ad revenue in 2015.
 - Mobile revenue is over 10x larger (\$36.6B in 2016) than it was 5 years ago (\$3.4B in 2012)
- Mobile Ad Revenue and Spend Projections
 - Mobile ad revenue is expected to reach \$49.5 billion in 2017, up 37% yoy.
 - Mobile ad revenue is expected to account for 58% of all digital ad revenue in 2017.
 - Mobile ad revenue is expected to account for 27% of all media ad revenue in 2017.
(Source: MAGNA US Ad Forecast, Sept. 2017)

Digital Video

- Digital Video Ad Revenue
 - Total digital video accounted for 13% of all digital ad revenue in 2016
 - Total digital video ad revenue has grown 53% over the year to \$9.1 Billion in 2016
 - Mobile video grew 145% to \$4.2 billion in 2016
 - Desktop video grew 16% to \$4.9 billion in 2016
 - Video ad revenue is nearly 4x larger (\$9.1B in 2016) than it was 5 years ago (\$2.3B in 2012)
(Source: IAB PWC FY'16 Digital Ad Revenue Report)
 - Average annual digital video ad spend amount by the typical advertiser or agency buyer is expected to be \$6.8 Million in 2016
(Source: IAB Digital Content NewFronts: 2017 Video Ad Spend Study)
- Digital Video Ad Revenue Projections
 - Total digital video is expected to reach \$13.6 billion in 2017
 - Desktop video is expected to account for \$6.9 billion in 2017
 - Mobile video is expected to account for \$6.7 billion in 2017
 - Average annual digital video ad spend amount by the typical advertiser or agency buyer is expected to be \$9.4 Million in 2017
(Source: eMarketer Digital Ad Revenue Projections, Mar. 2016)
 - 61% of buyers plan to increase spending on digital video advertising over the next year
(Source: IAB Digital Content NewFronts: 2017 Video Ad Spend Study, May 2017)

Social Media

- Social Media Ad Revenue
 - Social media ad revenue has grown 50% to \$16.3B in 2016.
 - Social media inclusive of all formats in both mobile and desktop accounts for 22% of all digital ad revenue in 2016.
(Source: IAB PWC FY'16 Digital Ad Revenue Report)
- Social Media Ad Revenue Projections
 - Social media ad revenue is expected to grow 35% to \$22 billion in 2017
 - Within Social Media, Video is expected to more than double to \$4.8 billion in 2017

- Social media is expected to account for 26% of all digital ad revenue in 2017
- Social media is expected to account for 12% of all media ad revenue in 2017
(Source: MAGNA US Ad Forecast, Sept. 2017)

Search

- Search Ad Revenue and Projections
 - Total search revenue has grown 19% to \$35 billion in 2016.
 - Search revenue is shifting to mobile:
 - Mobile search grew 91% to \$17.2 billion in 2016
 - Desktop search has decreased 13% to \$17.8 billion in FY 2016
(Source: IAB PWC FY'16 Digital Ad Revenue Report)
- Search Ad Spend and Projections
 - Search is expected to grow 15% to \$40.3 Billion in 2017
 - Search is expected to account for 48% of all digital ad revenue in 2017
 - Search is expected to account for 22% of all media ad revenue in 2017
(Source: MAGNA US Ad Forecast, Sept. 2017)

Display

- Display Ad Revenue
 - Banner ads account for nearly 1 in 3 (32%) internet ad dollars
 - Total banner ads (desktop and mobile) grew 21% to \$22.8 billion in FY 2016
 - Mobile banner ads grew 51% in 2016 to \$13.9 billion in 2016
 - Desktop banner ads declined 5% to \$7.4 billion in 2016
(Source: IAB PWC FY'16 Digital Ad Revenue Report)
- Display Ad Revenue Projections
 - Total banner ad revenue is projected to grow to \$8.1 billion in 2017
 - Mobile banner ads are projected to grow to \$7.1 billion in 2017
 - Desktop banner ads are projected to grow to \$1 billion in 2017
(Source: eMarketer Digital Ad Revenue Projections, Mar. 2016)

Digital Audio

- Digital Audio Ad Revenue
 - Digital audio ad revenue is \$1.1 billion in 2016
 - 80% of digital audio ad revenue in 2016 is from mobile
(Source: IAB PWC FY'16 Digital Ad Revenue Report)
 - Podcast ad revenue is estimated to be \$119 million in 2016, up 72% yoy
(Source: IAB Podcast Ad Revenue Study, June 2017)
- Digital Audio Ad Revenue Projections
 - Podcast ad revenue is estimated to grow 85% to \$220 million in 2017
(Source: IAB Podcast Ad Revenue Study, June 2017)