



DIGITAL AD SPEND REACHES AN ALL-TIME HIGH OF \$88 BILLION IN 2017, WITH MOBILE UPSWING UNABATED, ACCOUNTING FOR 57% OF REVENUE

Mobile Advertising Hits Landmark \$49.9 Billion, While Digital Video Climbs to a Record \$11.9 Billion, According to 2017 IAB Internet Advertising Revenue Report

NEW YORK, NY (May 10, 2018) — Total U.S. digital ad spend reached a record-setting \$88 billion last year, according to the latest IAB Internet Advertising Revenue Report, released today by the Interactive Advertising Bureau ([IAB](#)), and prepared by PwC US. This represents a 21 percent uptick over the previous year at \$72.5 billion, and marks the first time in this report that digital ad revenues have overtaken television (broadcast and cable combined).

Mobile built on its momentum from 2016, when it first took more than half of total revenues—claiming an even bigger slice of the pie in 2017 at 57 percent. Spend on mobile rose from \$36.6 billion in 2016 to \$49.9 billion in 2017, marking a 36 percent increase year-over-year.

Other highlights from the report include:

- Digital video hit a record \$11.9 billion in 2017, a 33 percent year-over-year increase from \$8.9 billion in 2016
- On mobile devices, video revenue surged by 54 percent to \$6.2 billion, representing the first time that mobile video revenues have surpassed desktop video
- Social media advertising commanded \$22.2 billion last year, rising 36 percent over \$16.3 billion in 2016
- Search revenues reached nearly \$40.6 billion in 2017, up 18 percent from \$34.6 billion in 2016
- Banner advertising is up 23 percent to \$27.5 billion, 67 percent of which is derived from mobile banners.
- Digital audio, measured for the second time in a full-year report, is up 39 percent to \$1.6 billion from \$1.1 billion in 2016

“Consumers are increasingly spending a tremendous amount of time with interactive screens and content – from mobile to desktop and audio to OTT – and brands are in lockstep with a growing commitment to digital ad buys,” said Randall Rothenberg, CEO, IAB. “Mobile captured more than half of the total digital ad spend last year and we can easily expect that share to continue to climb. Video also saw significant growth. That is no surprise—especially after seeing buyers clamoring to get into last week’s NewFronts presentations in New York.”

“Smartphones and tablets have become indispensable tools in the hands of consumers, from the moment they wake up to right before they go to sleep,” said Anna Bager, Executive Vice President, Industry Initiatives, IAB. “A double digit uptick in spend on mobile video is testament to both the pull of mobile and consumer’s never-ending demand for sight, sound, and motion—even while on-the-go. In addition, brands are embracing digital audio at a fast clip, recognizing the power of this burgeoning medium.”



“Digital advertising revenues have been steadily rising for several years and buyers continue to increase their investment,” said David Silverman, Partner, PwC US. “From mobile to video, consumers are constantly turning to digital, whether for information, entertainment, shopping, sharing, or more.”

IAB 2017 Full Year Report - Media Alert

Comparison of 2017 and 2016 Data

(in millions)

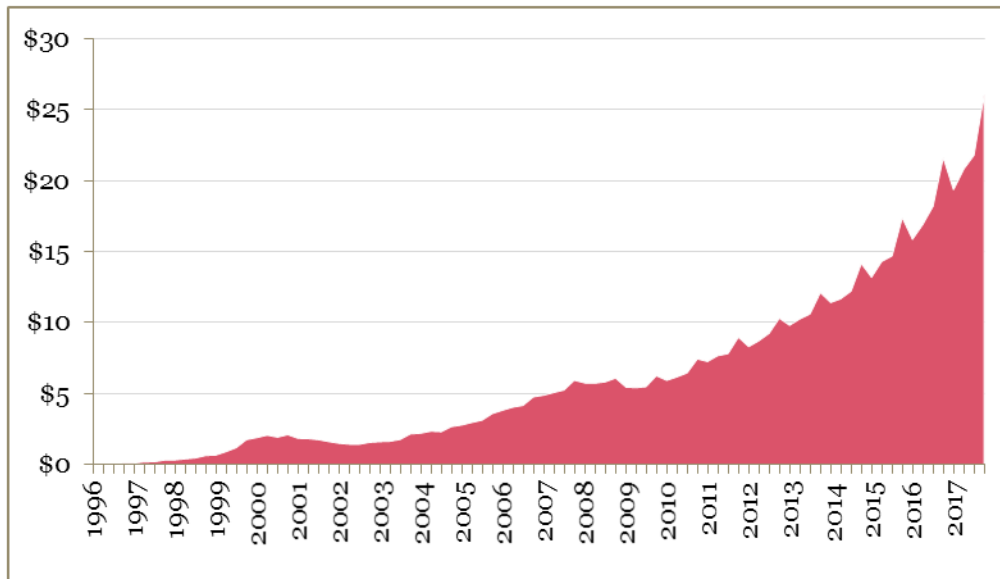
Revenue (Ad Formats)	Full Year 2016		Full Year 2017	
	%	\$	%	\$
Search (Mobile and Desktop)	47.7%	\$34,575	46.2%	\$40,630
Banner (Mobile and Desktop)	30.7%	\$22,288	31.2%	\$27,491
Sponsorships	1.0%	\$722	0.9%	\$824
Rich media	2.8%	\$2,011	2.9%	\$2,509
Ad banners / display ads	27.0%	\$19,554	27.4%	\$24,158
Digital Video Commercials (Mobile and Desktop)	12.3%	\$8,926	13.5%	\$11,863
Other (Mobile and Desktop)	9.3%	\$6,732	9.1%	\$8,023
Classifieds and Directories	4.2%	\$3,018	3.8%	\$3,354
Lead Generation	3.4%	\$2,497	3.4%	\$2,953
Audio	1.6%	\$1,130	1.8%	\$1,574
Other (Mobile Other)	0.1%	\$86	0.2%	\$142
Total	100.00%	\$72,521	100.00%	\$88,007

Revenue (Desktop v Mobile)	Full Year 2016		Full Year 2017	
	%	\$	%	\$
Desktop	49.5%	\$35,881	43.3%	\$38,105
Mobile	50.5%	\$36,641	56.7%	\$49,902
Total	100.00%	\$72,521	100.00%	\$88,007

Revenue (Pricing Models)	Full Year 2016		Full Year 2017	
	%	\$	%	\$
Impression-based	34.6%	\$25,085	33.9%	\$29,794
Performance-based	64.0%	\$46,432	62.3%	\$54,813
Hybrid	1.4%	\$1,004	3.9%	\$3,400
Total	100.00%	\$72,521	100.00%	\$88,007

The following chart highlights quarterly ad revenue since IAB began measuring it in 1996.

Quarterly revenue growth trends 1996 – 2017 (\$ billions)



IAB sponsors the IAB Internet Advertising Revenue Report, which is conducted independently by the New Media Group of PwC. The Q4 2017 revenue is estimated based upon a representative sample of the overall survey respondents. The results are considered a reasonable measurement of interactive advertising revenues because the data is compiled directly from information supplied by companies selling advertising on the internet. The survey includes data concerning online advertising revenues from web sites, commercial online services, free email providers, and all other companies selling online advertising.

The full report is issued twice yearly for full and half-year data, and top-line quarterly estimates are issued for the first and third quarters. PwC does not audit the information and provides no opinion or other form of assurance with respect to the information. Past reports are available at www.iab.com/adrevenue report.



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About IAB

The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. Its membership is comprised of more than 650 leading media and technology companies that are responsible for selling, delivering, and optimizing digital advertising or marketing campaigns. The trade group fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. In affiliation with the IAB Tech Lab, it develops technical standards and best practices. IAB and the IAB Education Foundation are committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., IAB advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, the IAB is headquartered in New York City and has a San Francisco office.

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