



Alison Fennah, Executive Director
*European Interactive Advertising
Association*

EIAA Marketers' Internet Ad Barometer and
Mediascope Europe 2008

EIAA Objectives

- Represent European media owners
- Champion and improve the understanding of online advertising as a medium
- Promote the efficiency of online advertising as part of the 'media mix'
- Think regionally, benefit regionally and at local level
- Increase the total value of investment into online advertising



Presentation Agenda

EIAA Marketers' Internet Ad Barometer

- Overview
- Online bucks the ad spend trend
- Changing media strategies
- Objectives and impact for online

EIAA Mediascope Europe 2008

- Consumers take control of their lifestyles online
- 'Golden Youth' making the most of online
- The influence of the internet
- Five years of rapid growth in internet use
- Key European findings





ADBarometer

Marketers' Internet



Overview

Brief

- Interview advertisers in UK, France, Germany, Italy, Spain, Netherlands, Belgium, Sweden, Norway and the Pan-European sector to assess changing media strategies and ascertain attitudes towards internet advertising
- Focus on automotive, entertainment, travel, consumer electronics, FMCG, telecommunications, finance and retail sectors
- Mix of marketing decision-makers with local and European responsibilities

Research focus

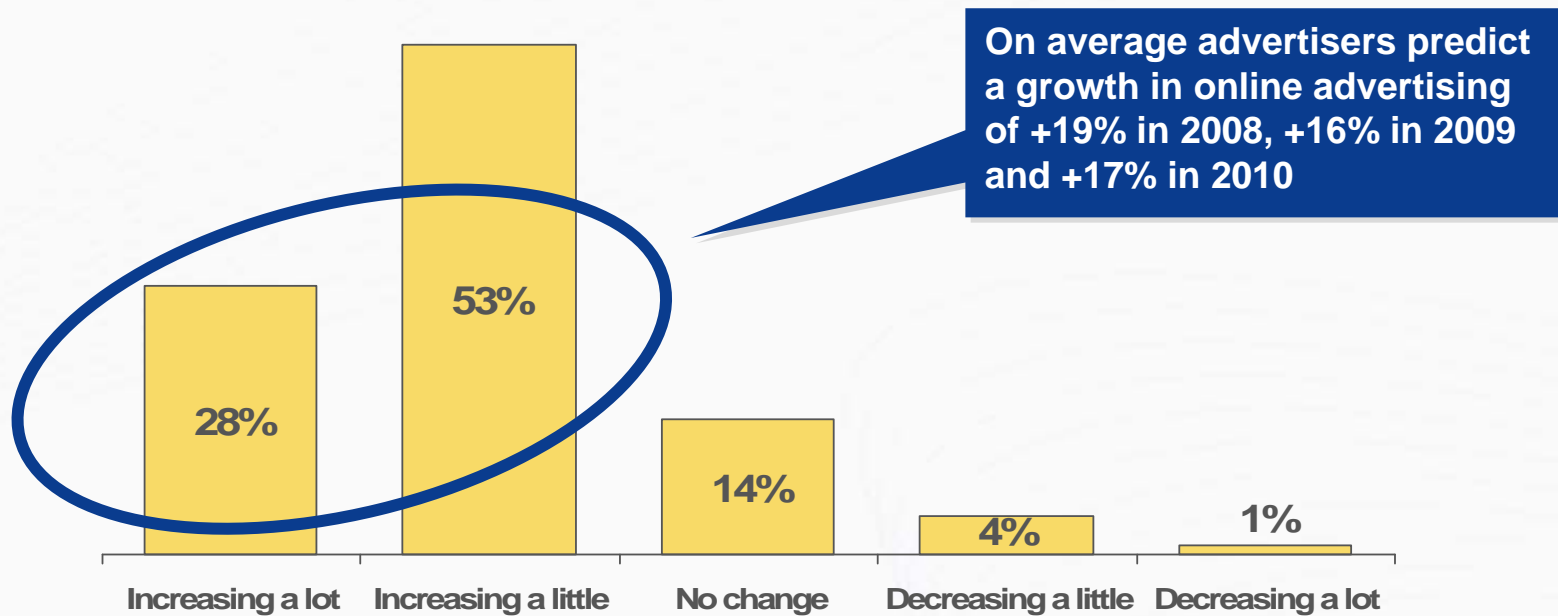
- Internet advertising expenditure
- Internet media strategy
- Media choice
- Business impact



Online bucks the ad spend trend

Q7. So far, would you say your internet ad spend in 2008 is...

81% of advertisers say that their internet ad spend is increasing in 2008



Where has the increase in budget come from?

Q10 & 11. What % has come from other media and which media has is come from

Out of the advertisers who have seen an increase in their online budget 82% say their increase in ad spend has come from other media

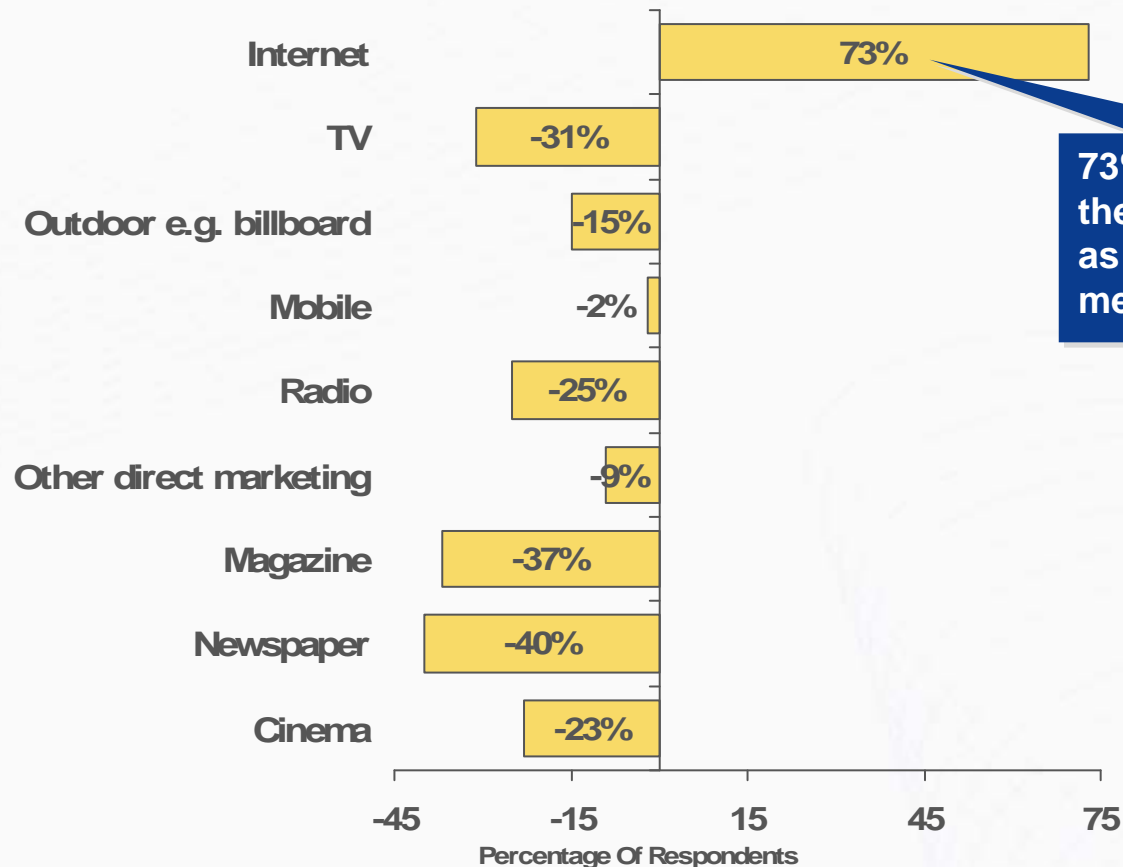
Respondents who say increase has come from other media	% of Respondents who think the budget has come from the following Media...						
	TV	Newspaper	Magazine	Radio	Cinema	Outdoor	DM
2008	39%	40%	40%	20%	13%	23%	32%
2006	38%	45%	49%	18%	8%	18%	22%



How Is The Mix Changing?

Q 52. Which media is your usage decreasing with?

73% of advertisers say their use of the internet as an advertising medium is increasing, in 2006 it was 52%



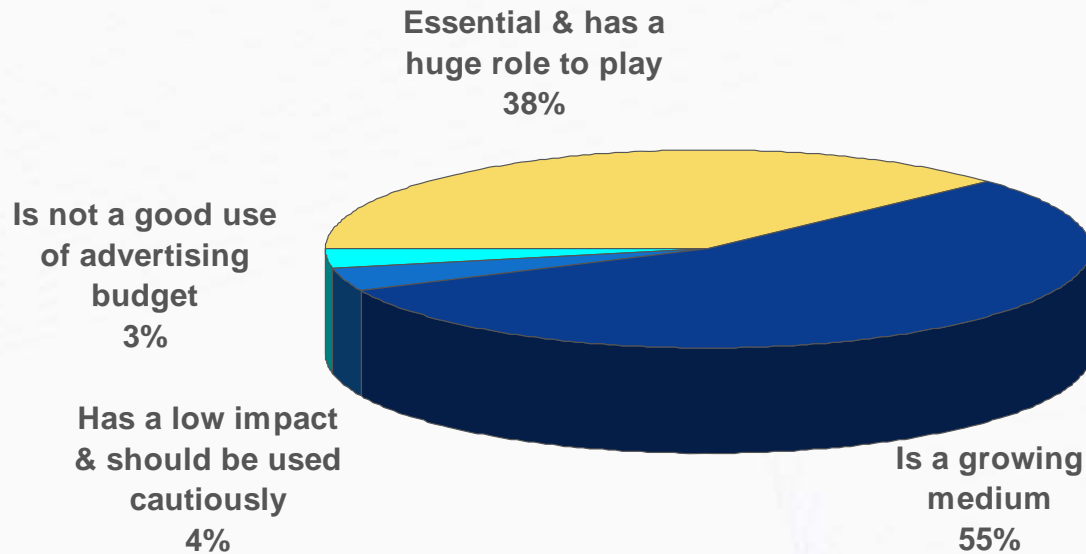
73% of advertisers say their use of the internet as an advertising medium is increasing



Advertiser views on internet advertising

Q46. Which of these statements summarises your views about internet advertising as part of a communications strategy for a company like yours?

38% of advertisers said that the internet is essential and has a huge role to play, vs. just 17% who agreed with this statement in 2006



Media objectives

Q21 On a scale of 1-5, where 1 is not at all important and 5 is very important, how important is internet advertising strategy to your company on the following objectives?

All Respondents	% who rated internet advertising 3-5	
	2008	2006
Influence purchase decisions	92%	80%
Deliver customer contacts	88%	77%
Generate sales	87%	75%
Increase customer loyalty	79%	-
Change brand perceptions	74%	70%



Impact of online advertising

Q43. What impact has online advertising had on the following for your business?

 **77% of advertisers found that internet advertising had a positive impact on the perception of their brand**

All Respondents	Positive	
	2008	2006
Brand Perception *	77%	67%
Customer acquisition	74%	70%
Brand/product attributes recall	69%	64%
Advertising recall	69%	60%
Intent to purchase	75%	71%
Profitability	54%	47%
Market Share	54%	42%

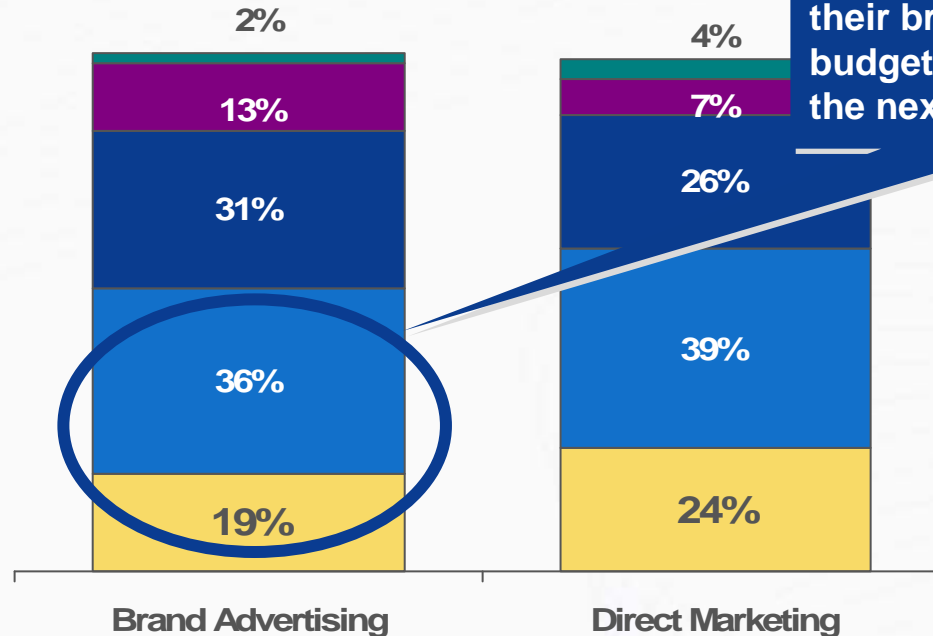


Brand advertising vs. direct marketing

Q12 & 13. What % of your company's ad spend goes on Direct Marketing and Brand Advertising and how do you see this changing in the next 2 years

Advertisers state that currently 38% of their internet ad spend goes on brand and 35% goes on direct marketing

- Decreasing a lot
- Decreasing a little
- No Change
- Increasing a little
- Increasing a lot



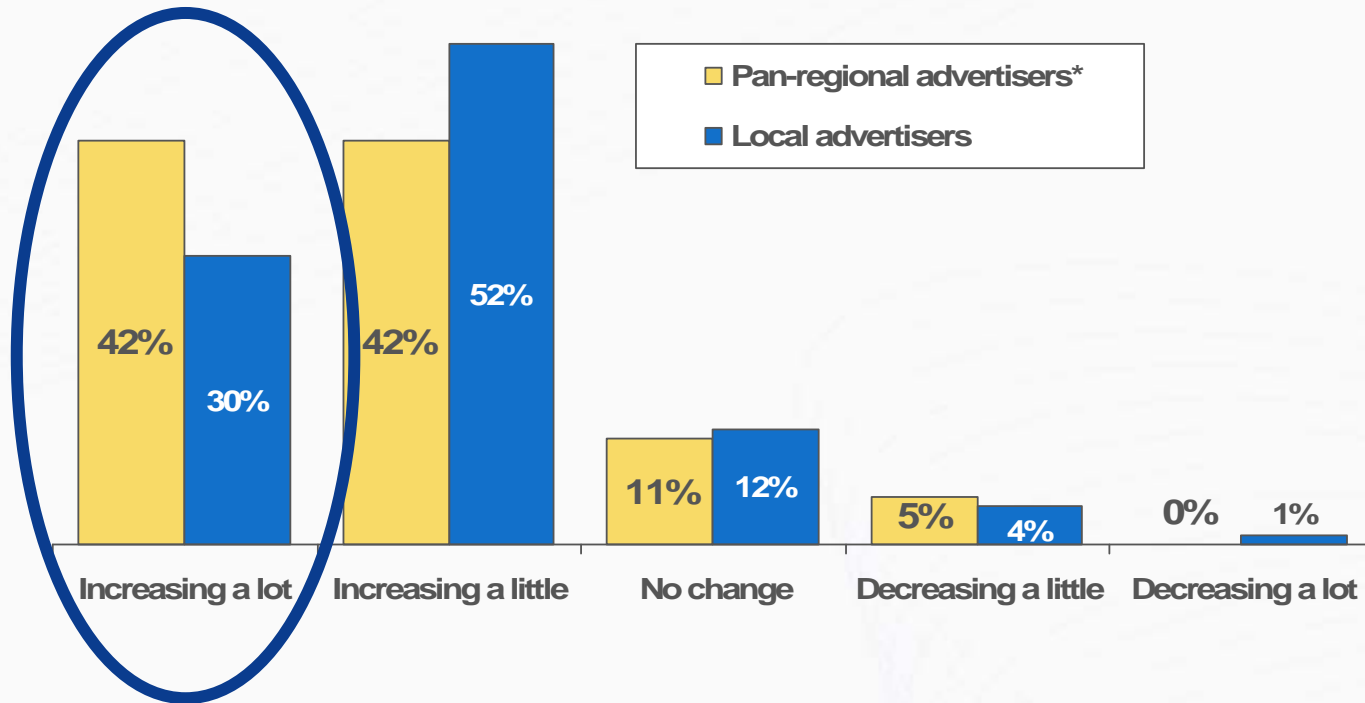
55% of advertisers said that their brand advertising budget would increase in the next 2 years



Multi-national online ad budgets

Q7. So far, would you say your internet ad spend in 2008 is...

42% of pan-regional advertisers cited that their internet ad spend is increasing a lot in 2008 vs. 30% of local advertisers



* In this context pan-regional advertising budgets are those which are allocated and managed at a pan-regional rather than a country level



Some participants and key findings

- 20th Century Fox, 3suisse, Adidas, Apple, Air France, Beiersdorf, Cadbury, Citibank, Coca Cola, Danone, Ford, Heinz, Inbev, ING, Kraft Foods, lastminute.com, Mars, Mobistar, Nissan, P&G, Paramount Pictures International, Philips, Sony, Starwood Hotels & Resorts, Telefonica, Thomas Cook, Toyota, Unilever, Universal Pictures International, Vauxhall, Vodafone, Volvo, Warner Bros, Yves Rocher and Xbox.
- Online ad spend continues to increase despite current economic climate
- Advertisers diverting spend across the board to online
- Online is a fundamental and growing part of marketing strategies across Europe





Mediascope Europe

2003 to 2008



Research objectives

OVERALL PROJECT OBJECTIVE

The broad aim of this study is to measure and track changes in media consumption patterns by various demographic segments and nationalities. This work will show when, why and how often people are using different media – in particular use of the Internet for content, communication and commerce



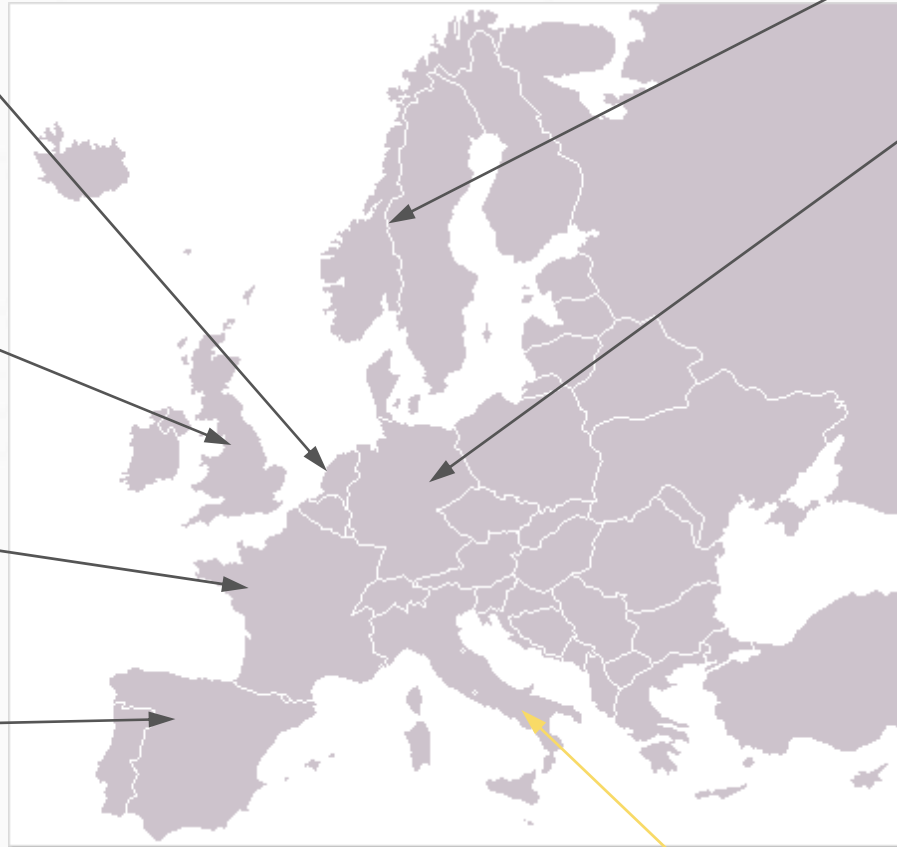
Methodology & sample

- Belgium - 500
- Netherlands - 500

UK - 1000

France - 1000

Spain - 1000



Italy - 1000

Scandinavia

- Sweden - 1000
- Norway - 1000
- Denmark - 1000

Germany - 1000

TOTAL SAMPLE

9,000 interviews across 10 European countries

- 6,000 CATI interviews in UK, France, Spain, Italy, Germany, Belgium and Netherlands
- 3,000 Online interviews in Scandinavia along with 3,000 interviews using an Omnibus study

Within each territory quotas were set to ensure our sample was representative of each market.

Quotas were applied on:

- age, gender, education and regional distribution within countries

Methodology & sample

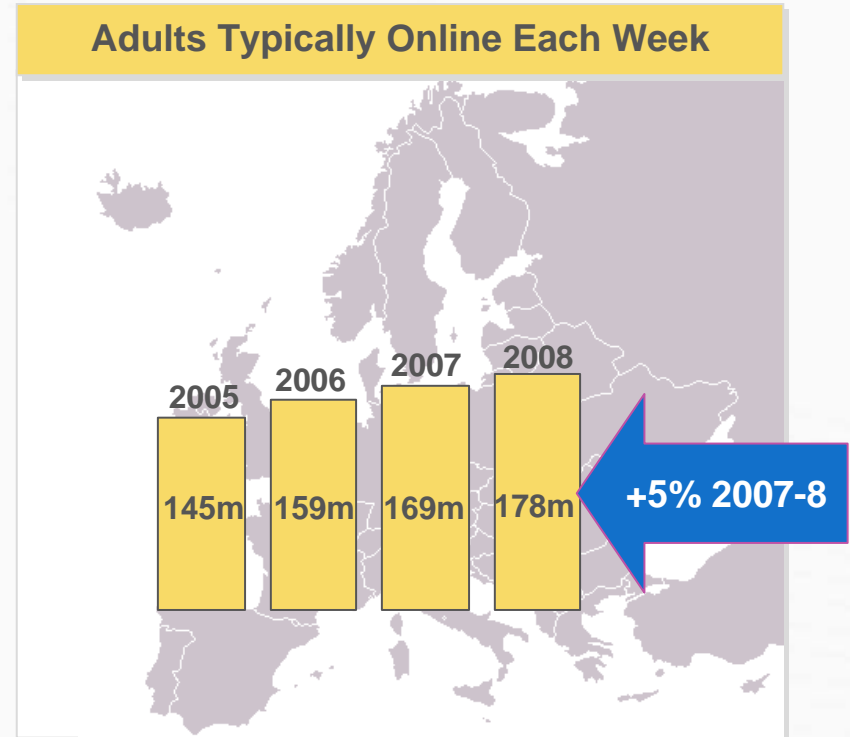
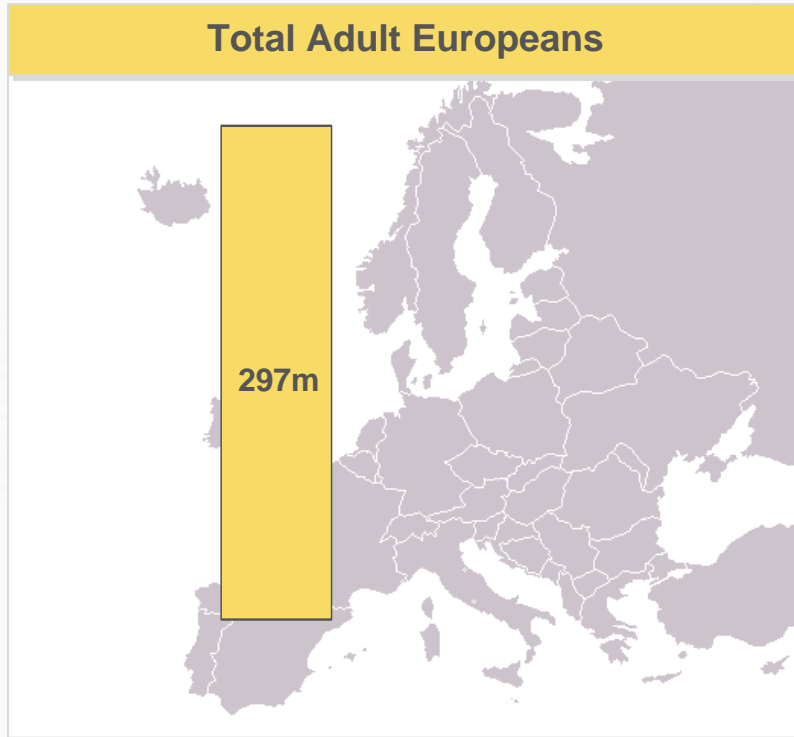
- 6000 Computer Aided Telephone Interviews (CATI) were conducted by Synovate on behalf of EIAA in 6 countries across Europe (UK, Germany, France, Spain, Italy, Belgium and Netherlands)
- 3000 online interviews were conducted using an online panel in Scandinavia as well as 3000 interviews using an Omnibus study
- A sample size of 9000 provides accurate data to $\pm 1.3 - 0.7\%$ at the 95% confidence level
- Fieldwork took place between 1st – 21st September 2008
- Interview length ranged from 20-25 minutes
- Representative samples were achieved in each country

Country / Territory	UK	France	Germany	Italy	Spain	Belgium	Netherlands	Sweden	Norway	Denmark	Total
Total weight	17.3%	18.2%	23.4%	16.5%	11.5%	3%	4.7%	2.6%	1.3 %	1.5%	100%



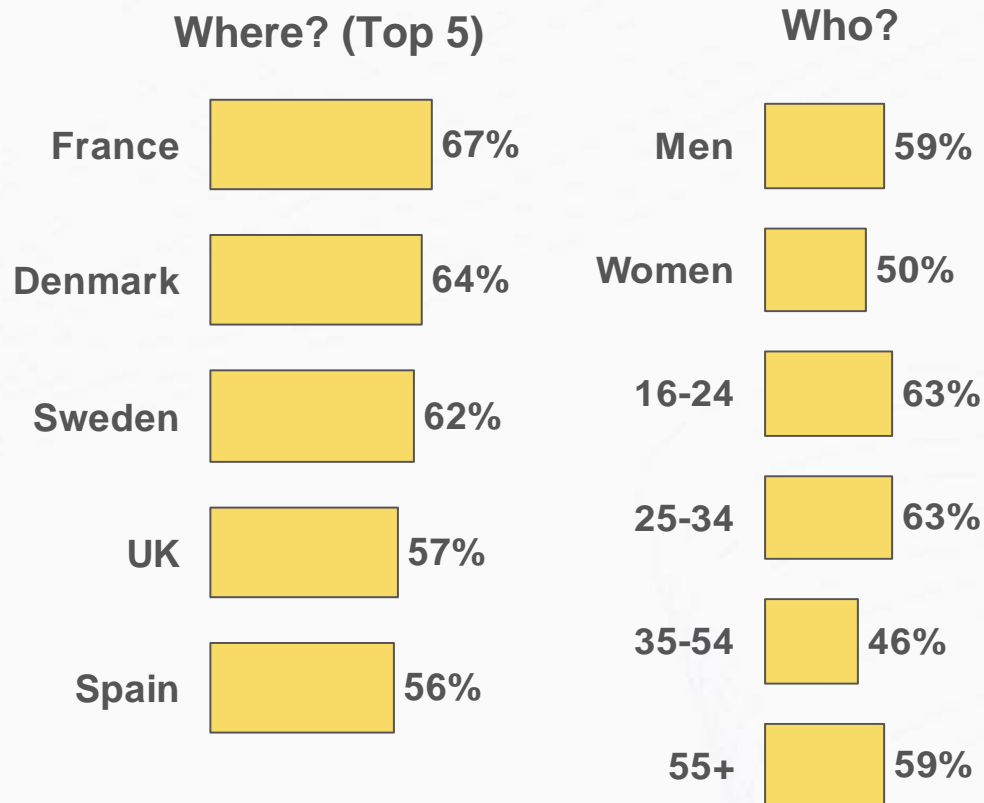
178 million Europeans are online each week

Q1a/2a. In a typical 7 day week, that is Monday to Sunday, can you tell me if you use the internet?



Over half (55%) of internet users online everyday

Q4. In a typical seven day week, on how many days do you use the internet?



Weekend and evening internet use increases

Q1a/2a. In a typical 7 day week, that is Monday to Sunday, can you tell me if you...?

Q1b. What times of the day do you typically...during week?

- During traditional leisure times of the weekend or evenings, internet usage has increased since 2007
- Over half of all adults use the internet during the weekend
- Three quarters of all internet users are active during the evening

Internet use during
the weekend

+13%
since 2007



51% of all adults



Internet use in the
evening between

5.30pm – 9pm

+12%
since 2007



75% of all internet users



Internet users online for 12 hours

Q4. In a typical seven day week, on how many days do you use the internet?

Q5ai – Q5aiii. In a typical seven day week, approximately how many hours do you tend to spend using the internet?

- Amount of time spent online has increased to 12 hours per week
- 25-34s now spend 13.9 hours, up from 13 hours in 2007

2004

Average hours spend
online per week:
8.8

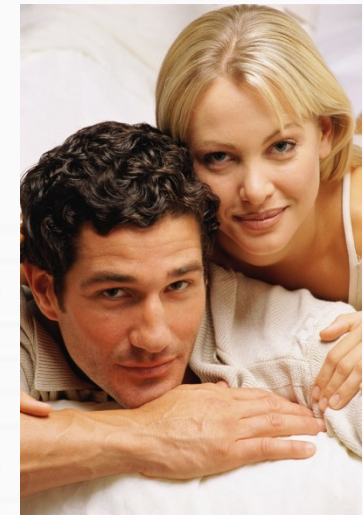
+36%

2008

Average hours spend
online per week:
12.0



Across 5.6 days



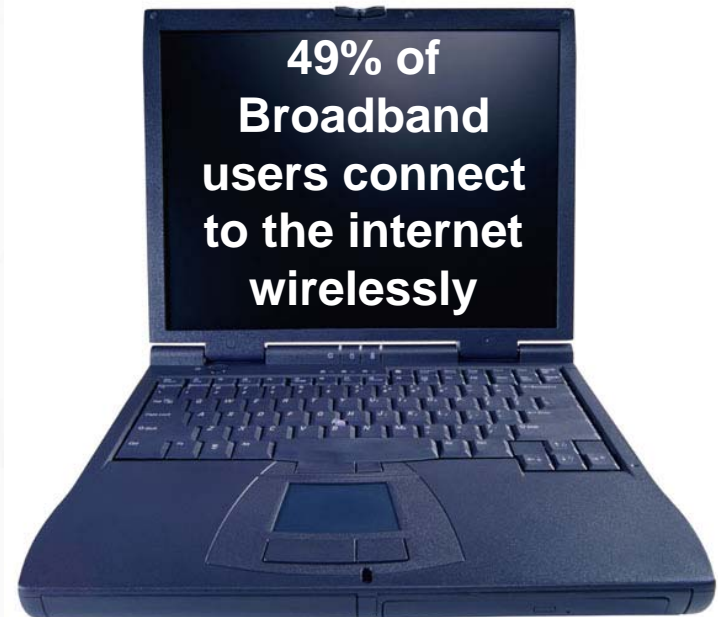
Time spent online
has risen amongst
25-34s and 36% are
now heavy users of
the internet



Half of European Broadband users access wirelessly – more media meshing

QC3. Thinking about the place where you use the Internet the most, do you have a broadband connection?

- 📁 TV/Internet up, radio/internet up, print moves online
- 📁 TV/Magazines and Newspapers down



Internet helps manage lifestyle

Q20c. Which of the following do you do you feel you have been able to do more of as a result of using the internet?

 **83% use the internet for lifestyle management**

Activities manage to do more



73%

**Keep in touch
with friends
(increasing to
88% amongst 16-
24 years olds)**



64%

**Book travel /
holidays**



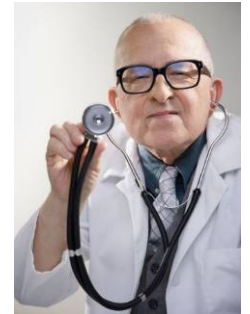
61%

**Choose better
products**



48%

**Manage finances
(increasing to 68%
amongst 25-34
years olds)**



42%

**Access health
information**



Internet users value internet highly for making choices

Q5h. Which of the following do you consider to be an important source of information when researching or considering a product or service?

41% of respondents in Europe researching on the internet changed their mind about the brand they were about to purchase

49% use websites of well known brands

46% use customer reviews



Travel and holidays still driving e-commerce

Q16: EV

84% of internet users shop online



Travel tickets **50%**



Books **38%**



Holidays **35%**



Concert/theatre/festival tickets **35%**



Electrical goods **32%**



Italians show more mature use of the web

Spending 13.4 hours online each week

Engagement changes to lifestyle management and family

39% online every day of the week, +105% since 2007

62% buy online

74% of internet users use broadband at their main point of internet connection

Italy has highest growth rate for weekend use in Europe

41% have a wireless broadband connection



Key European findings



- ✦ 178 million Europeans are online each week
- ✦ Over half (55%) of internet users online everyday
- ✦ Time online by 25-34's is driving digital growth in 2008
- ✦ Online research changes brand decisions for 41%
- ✦ Almost half (49%) of all broadband users are now wireless



THANK YOU

For more information please go to www.eiaa.net or email

Alison Fennah

afennah@eiaa.net

