

New research shows mobile drives digital ad spend growth

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The Internet Advertising Bureau (IAB) has [released its latest figures](#) for U.K. digital ad spend in 2016, in a study compiled with PricewaterhouseCoopers (PwC).

The trends in ad spend follow consumer and industry trends we have been seeing recently, resulting in a strong year for digital advertising. It is growing at its fastest rate over the course of nine years – mainly driven by mobile.

Nearly three-quarters of display is traded programmatically, which results in continued strong display ad spend. This is where advertisers can see a more efficient use of budget to reach their target audiences at the right time based on data insights in addition to the

benefits of automation.

As a newer digital advertising platform, mobile has been driven significantly by the use of programmatic targeting and buying of advertising. With recent [brand safety scores](#), it will be interesting to see if ad spend is affected for 2017 in the programmatic space.

Spend on mobile video ads more than doubled (up 103%) to £693 million, making it the fastest growing advertising format. It accounts for 29% of the total growth in digital ad spend.

The rise in mobile video ad budgets reflects online YouGov data. This showed that, in the last six months, 54% of British smartphone users watched video clips on their phones. Two out of five people say they do more of this today than a year ago. Six out of 10 people who watched short clips, TV, or film on their phone did so whilst “out and about.”

Native formats have also had a large influence on the growth in ad spend. Both formats are naturally mobile friendly if created with mobile first at the forefront of creative asset production.

What is also clear is social is a huge driving factor, with mobile video and native formats instinctively fitting in the news feed-style environment, where consumers discover and access content through social platforms rather than directly at a publisher source. Again, the video and native formats naturally fall into social feed environments, all accessed on mobile devices. In fact, 56.5% of Facebook users [only log in on mobile](#).

Ad spend updates provide good news for the digital advertising industry, with strong year-on-year growth. It is important to keep track of ad spend to keep abreast of trends in the industry, always align with consumer usage, and think about which platforms offer future opportunities for brands to reach their audiences with messaging that stands out.

By Lorna White, Senior Planner

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