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## Online Growth Slows in Europe's Top Markets; Continues Elsewhere



The European online advertising market was worth €12.9 billion and grew 20% in 2008, [according to the 2008 AdEx report](#), the latest from Europe's Interactive Advertising Bureau ([IAB Europe](#)) and PriceWaterhouseCoopers ([PwC](#)).

However, though the overall rate of pan-European growth remained close to 2007 levels, spending slowed significantly in the top 10 most mature markets and resulted in 2008 being one of the worst years for advertising in any medium, [writes MarketingCharts](#).

### Mature Markets Grow Less

The top 10 markets in Europe account for 93% of the total value of the market, and many of these countries saw year-on-year growth rates less than 20%:

- The Netherlands, Europe's early adopter of online advertising, grew only 9% in 2008.
- Other mature online markets saw similar trends, with growth slowing in France at 18.5%; the UK, Germany and Sweden at 19% and Italy at 20%.
- On the other hand, Belgium beat the 20% mark to grow 21%; Denmark and Norway hit 22%; and Spain saw relatively strong growth at 26%.

### Search is Leading Format

Search remains the leading format in Europe with the strongest year-over-year growth rate of 26%, accounting for 43% of online ad expenditure and a value of €5.6 billion in the 19 countries measured.

Online classified ads rank #2 in terms of year-over-year growth rates, at 17.4%, with a 26% share of ad spend and a market value of €3.8 billion.

"In 2008 search and classifieds enjoyed the most growth of the four formats we measured," said Alain Heureux, president and CEO of IAB Europe. "This can be partly explained by measurement and performance based marketing needs - in times of recession advertisers are more focused on proving return on investment for every Euro spent and these two formats are the most accountable in online advertising."

### Smaller Markets Grow Most

The markets outside of the top 10 are currently enjoying the strongest growth and still offer advertisers and digital media companies significant business opportunities, IAB said.

For example, Poland has experienced a 60% growth rate to bring the market to a value of €253 million, while the Slovenian market saw a 77% growth rate to bring its value to €19.6 million. IAB Europe also documents spending in three key Eastern European markets - Croatia, Hungary and Romania - for the first time in this edition of the AdEx report.

"2009 is set to be a difficult year for online advertising, and decline is likely in a number of mature markets and, where there is still growth, we expect it to be much lower than previously," said Eva Berg-Winters, senior manager at PwC who specializes in new media. "However, online continues to outperform other media and to increase its ad market share. The post-downturn era should therefore see another growth spurt for online."

*About the study:* The 2008 study was compiled by IAB Europe and processed and analyzed by PwC. It provides a guide to the size and value of the European online advertising industry and contains online expenditure data for 19 European markets.



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