

**Registered Office:** Korunní 79/1171, 13000, Prague 3, Czech Republic

**Telephone:** +420 224 251 250 **E-mail:** info@spir.cz **Internet:** www.spir.cz

**Bank Account:** Raiffeisenbank **Acct. No.:** 375076001/5500 **Business ID:** 70108005 **Tax ID:** CZ70108005

**IBAN:** CZ0755000000000375076001 **SWIFT:** RZBCCZPP

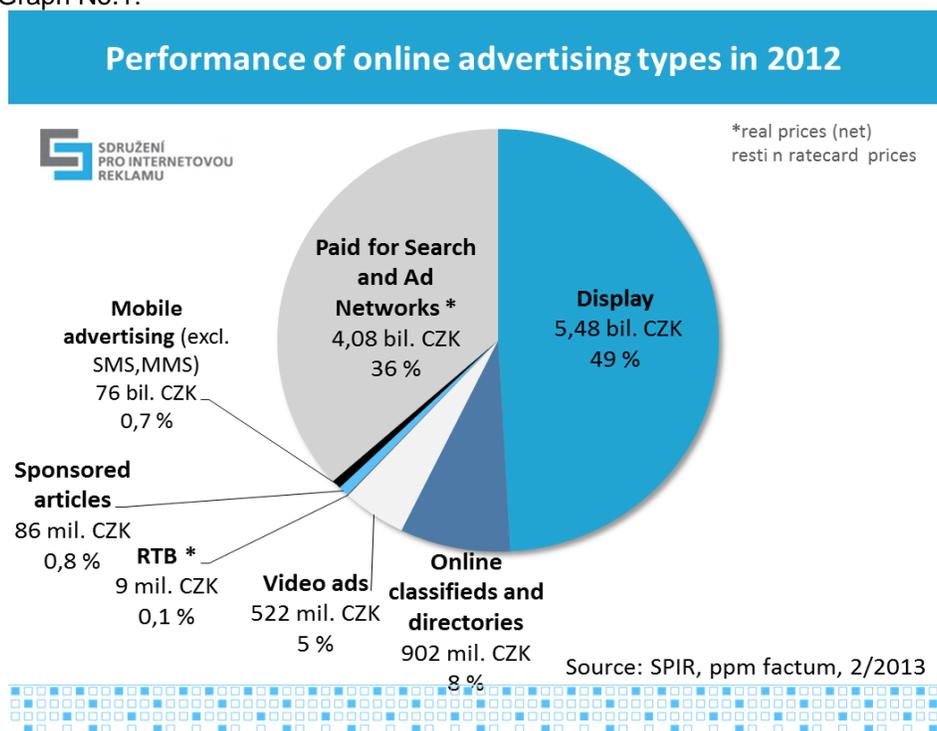
## Press Release

### PRAGUE, February 20, 2013 – More than 11 Billion CZK Spent on Internet Advertising and Volume Continues to Grow

Internet Advertising spending exceeded 11 billion Czech crowns last year. In comparison with 2011, this is an increase by one quarter, confirming the position of Internet as the most dynamic advertising media type, receiving 17% of the distribution of all advertising investment. The positive trend is in part the result of the constant demand for display advertising, using of performance models in search and advertising networks, and video advertising continues to gain in importance. The expectations for this year are optimistic, and SPIR estimates a 16% growth in spending for 2013. The data is based on a current survey of advertising performance done for SPIR by the Ppm Factum research agency and on the year-round outputs of the Admosphere agency.

Within the scope of display advertising, sponsors invested 5.5 billion Czech crowns in ratecard prices in Internet last year. In Google, Sklik, Facebook, eTarget and other advertising networks, spending exceeded 4 billion Czech crowns in net (real) prices. Almost a billion Czech crowns of the advertising performance are from classifieds and catalog entries (directories), and over a half a billion Czech crowns from the rapidly growing video advertising. Among other monitored types of advertising, 85.5 million Czech crowns went to PR articles, 76 million Czech crowns into advertising on mobile devices, and 9 million Czech crowns into the newly watched advertising sold through the RTB model (Real Time Bidding). The performance of the individual forms of advertising is shown in graph No. 1.

Graph No.1:



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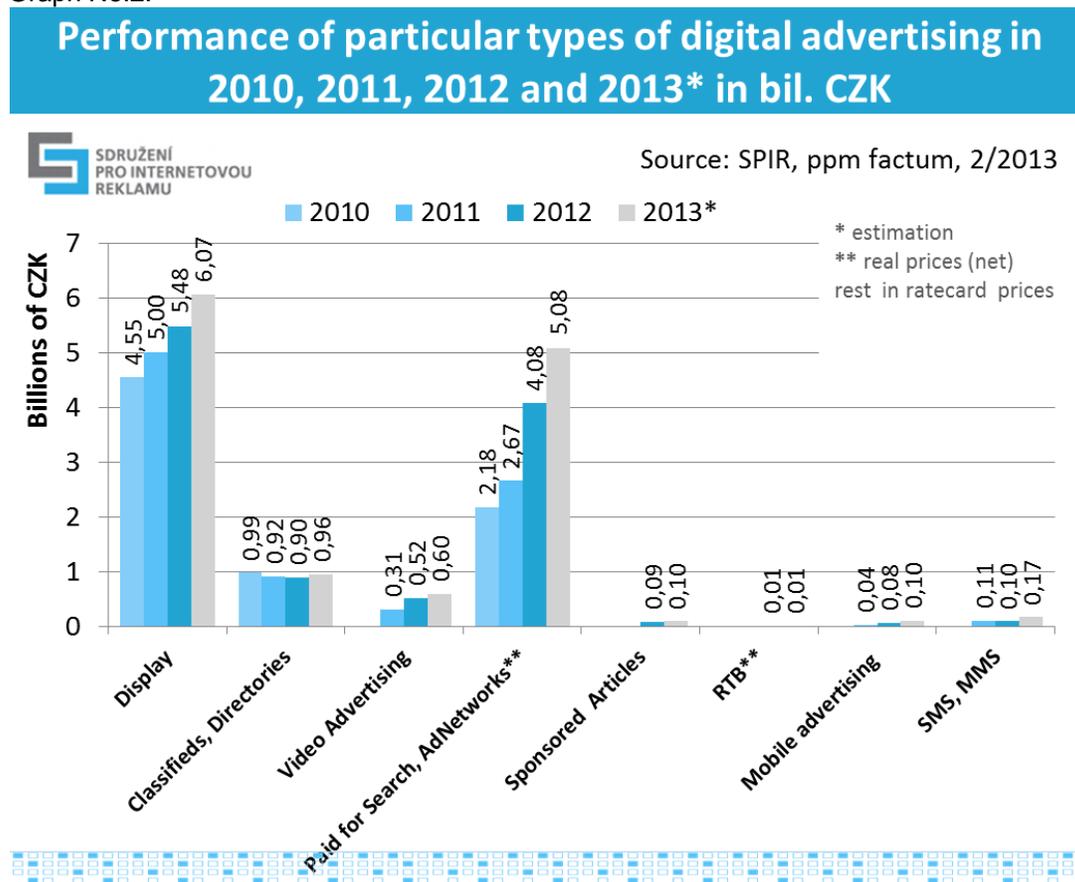
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Display advertising remains as the main internet advertising area, with half of the total expenditures (49%). During the last year, performance of advertising networks and paid for search advertising has strengthened significantly, gaining more than a third (36%) of online marketing advertising budgets and showed an increase of 1.4 billion Czech crowns compared to 2011. Video advertising is also showing rapid growth (67%), with a volume of over half billion Czech crowns, as well as advertising in mobile devices (96%). Expenditures for directory entries and online classifieds are relatively stable over time.

In the current year, the performance of PR articles and advertising sold via the RTB model was newly surveyed. While PR articles are an established form of advertising and no further significant growth or decline in interest in them is expected, auction sales of display advertising is new in the Czech Republic and has great potential for growth in the future. Although there is now only a minimum volume of advertising spending in it now, expectations are of an increase of almost 50% this year, and on the part of some media even more optimistic estimates are heard.

A separate area included in the research is advertising in SMS and MMS messages. Operator network campaign advertising received investments, similarly to last year, of 100 million Czech crowns. The trend of the last 3 years and the expectations for this year are shown in graph No. 2.

Graph No.2:



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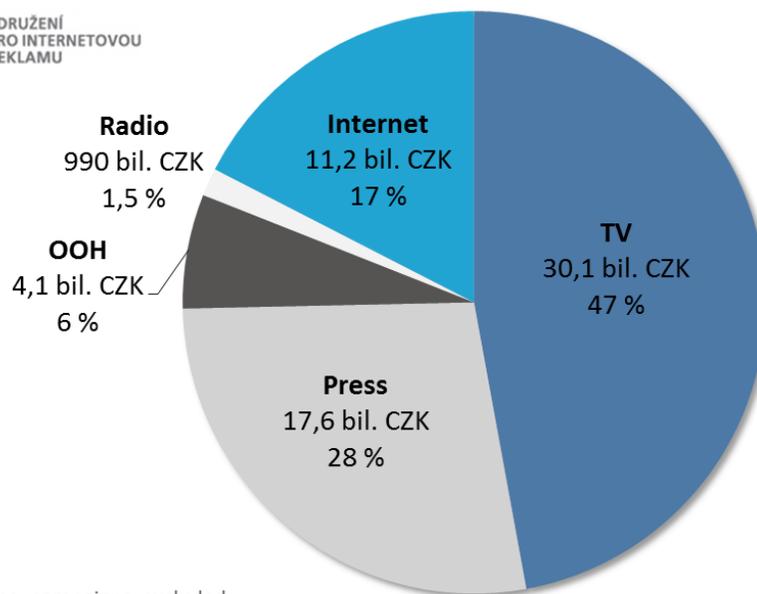
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If we compare the overall Internet advertising performance with the performance of other media in the last year, based on monitoring of advertising performance by Admosphere, then Internet as a media type assumed third place behind television and print, earning more than 11 billion Czech crowns. The overall share of Internet on all advertising expenditures reached 17.4 % last year, which is 3 % higher than the share of the previous year 2011. Internet thus again narrowed the gap between it and print media, where the share conversely dropped by 4%. A comparison of media type is given in graph No. 3 and Table No. 1.

Graph No.3:

### Share of mediatypes in Czech Republic in 2012\*



\* self-promo campaigns excluded

Source: SPIR, ppm factum, Admosphere, 2/2013



Note. Regional sales are not included in radio performance

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Table No. 1: Share of Advertising performance of Individual Media Types in the last 3 Years

	2010	Share %	2011	Share %	2012	Share %
<b>TV</b>	CZK 25,587,562 000	43.1%	CZK 29,162,723,000	46.8%	<b>CZK 30,126,262,000</b>	<b>47.1%</b>
<b>Print</b>	CZK 21,553,641,000	36.3%	CZK 19,500,741,000	31.3%	<b>CZK 17,604,300,000</b>	<b>27.5%</b>
<b>Internet</b>	CZK 7, 716,454,000	13.0%	CZK 8,900,469,000	14.3%	<b>CZK 11,151,399,000</b>	<b>17.4%</b>
<b>OOH</b>	CZK 3,285,289,000	5.5%	CZK 3,676,360,000	5.9%	<b>CZK 4,056,608,000</b>	<b>6.3%</b>
<b>Radio</b>	CZK 1,284,310 000	2.2%	CZK 1,122,994,000	1.8%	<b>CZK 989,663,000</b>	<b>1.5%</b>
<b>TOTAL</b>	CZK 59,427,256 000	100.0%	CZK 62,363,287,000	100.0%	<b>CZK 63,928,232,000</b>	<b>100.0%</b>

Note. The costs given do not include self-promotion, and not included in the radio performance are regional sales

Source: SPIR, Admosphere, Ppm Factum, February 2013

#### Note to the Terminology:

*Advertising in advertising networks means paid for search advertising or sales of advertising in content networks. This kind of advertising usually has a performance model for the payment of advertising, in which payment is made per click or actually delivered traffic, not for the number of impressions or the time interval as is the case, for example, with banner advertising or preference entries in directories. In paid for search, PPC advertising usually appears in browsers on the right, next to the search results, or also in premium positions. On content websites, PPC advertising is displayed on the right or under the article.*

*RTB (real-time-bidding) is a new type of business model for selling banner advertising. In RTB, advertising is sold according to the number of impressions, where each impression is delivered in real time by automatic systems as is appropriate for the required target group. In the RTB model, behavioral targeting of advertising is often used, on the basis of previous activity and the interests of the user.*

#### Description of the Methodology:

*While surveying and processing the results, in the interest of objectivity and the protection of sensitive data, the Ppm Factum agency was commissioned. The survey was conducted during January and February 2013, so that it was based on current closings of individual subjects. The performance of all types of advertising was based on declared performance of individual providers of content, agencies, and operators of advertising networks and mobile operators.*

*From the addressed 50 important internet operators, 28 became actively involved, whose media impacts 95% of Czech Internet users. All the addressed mobile operators provided funds for SMS and MMS advertising messages. To get the performance of individual advertising networks, three operators were addressed and a total of 40 agencies (media, specialized SEM, web-development). Also actively involved was an operator of an advertising network (Sklik of Seznam.cz) and 18 agencies. What is important is that the companies with a dominant share of the turnover in the market mostly provided their data actively during the survey. To calculate the total advertised amount in advertising networks, the claimed performance of the Sklik advertising network is used, along with the weighted average of the percentage distribution of spending by agencies into advertising networks, where the weight is the absolute spending of the given agency.*

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*In order to arrive at one aggregate number for all forms of internet advertising for the purpose of comparison with other media types, we had to add up the real prices of advertising performance in advertising networks with the ratecard prices of all forms of internet advertising. The reason is that the performance advertising does not have any ratecard prices. Raising real prices with performance advertising by a hypothetical margin and so improve the overall Internet budget would not be correct. With other media types, estimates of real prices are not available. In the overall performance of the Internet were not included SMS and MMS campaigns, which cannot be considered as a type of Internet advertising.*

SPIR is a professional association engaged in the area of internet advertising since the year 2000. At the present time the membership base consists of 60 members. In addition to conducting individual, widely respected online audience measurement NetMonitor, it is also conducting the AdMonitoring project of internet advertising expenditures, audit of online campaigns, the professional internet marketing conference IAC, provides expert analyses of the development of the internet market, and is a self-regulatory organisation of audiovisual content.

For more details contact:

**Pavel Ševera**

SPIR Project Manager

E-mail: pavel.severa@spir.cz