



The Advertising Industry

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Advertising

Part of our everyday

Advertisers pay for our attention

Drive economic growth

We get things for “free”



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Market size & trends

Total ad spend worldwide **\$750 billion**

7% yearly growth

7% of companies' revenues

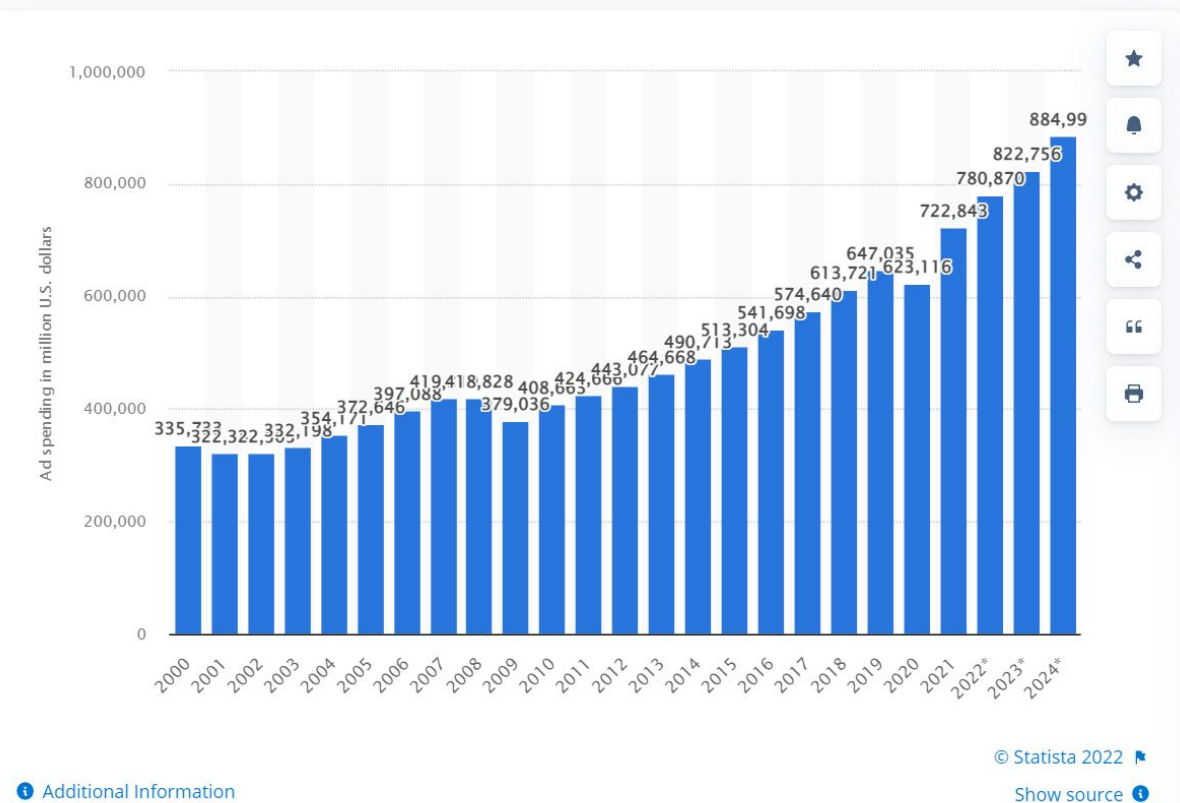
By media type

Digital (60%, rising quickly) – duopoly of Google and Facebook

TV (25%)

Outdoor, radio, print, cinema (15%)

Advertising spending worldwide from 2000 to 2024
(in million U.S. dollars)



Advertising Spend

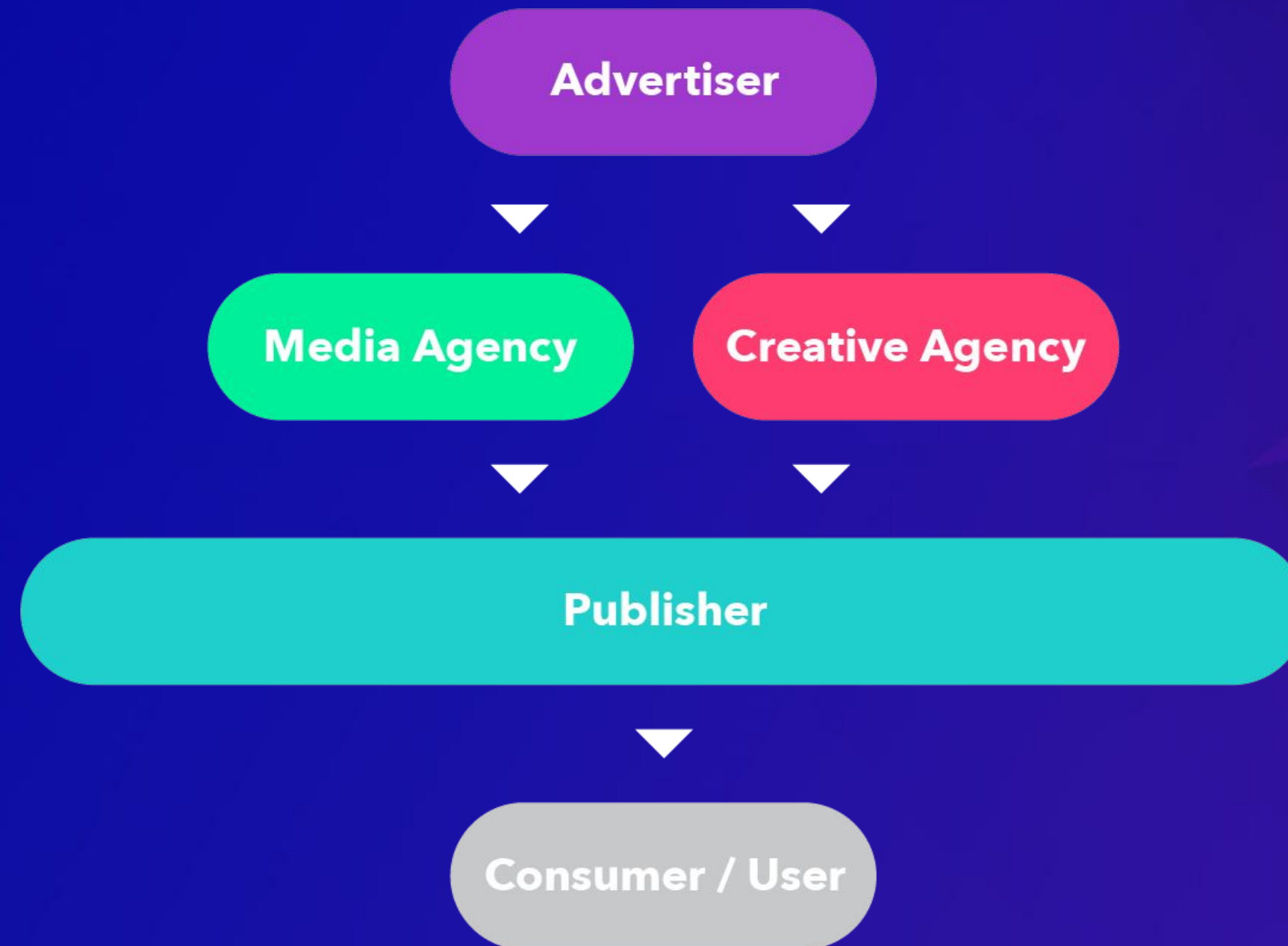
By device

- Desktop (35%)
- Mobile (65% and increasing)

By format

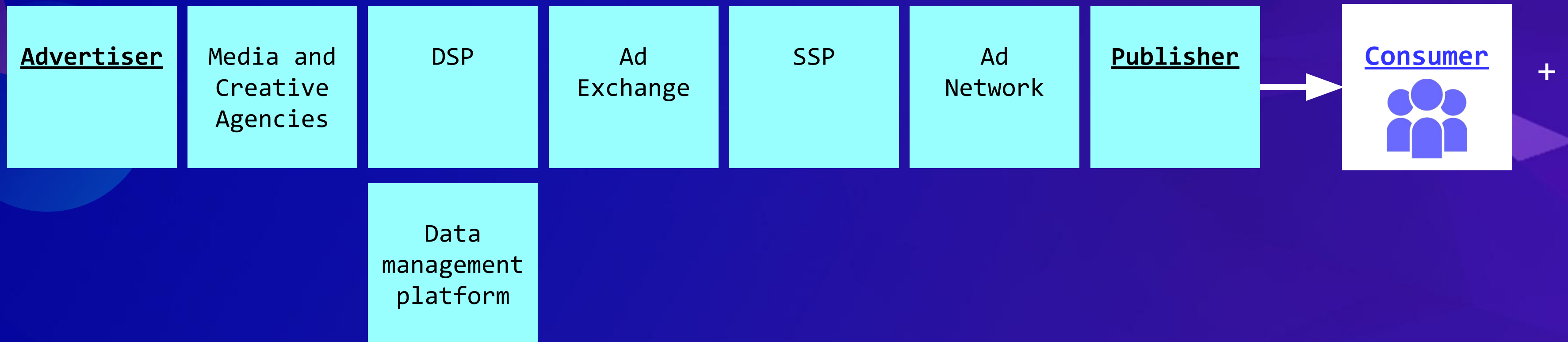
- Search (20%)
- Display (20%)
- Video (20%)
- Social (up to 40%)
- Other (email, SMS, ...) (<5%)

The Ecosystem (simplified)



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The Ecosystem (real)



Some Players

Advertisers / Brands



Agencies



Publishers / Ad Networks



Technology Evolving Fast



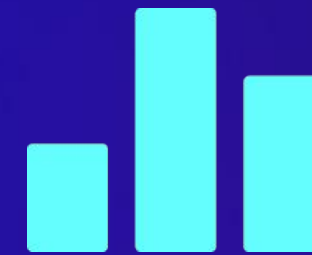
Programmatic Buying

Rapid, automated media placement



New Inventory Sources

More options, formats & metrics



Data Driven Marketing

Greater personalization

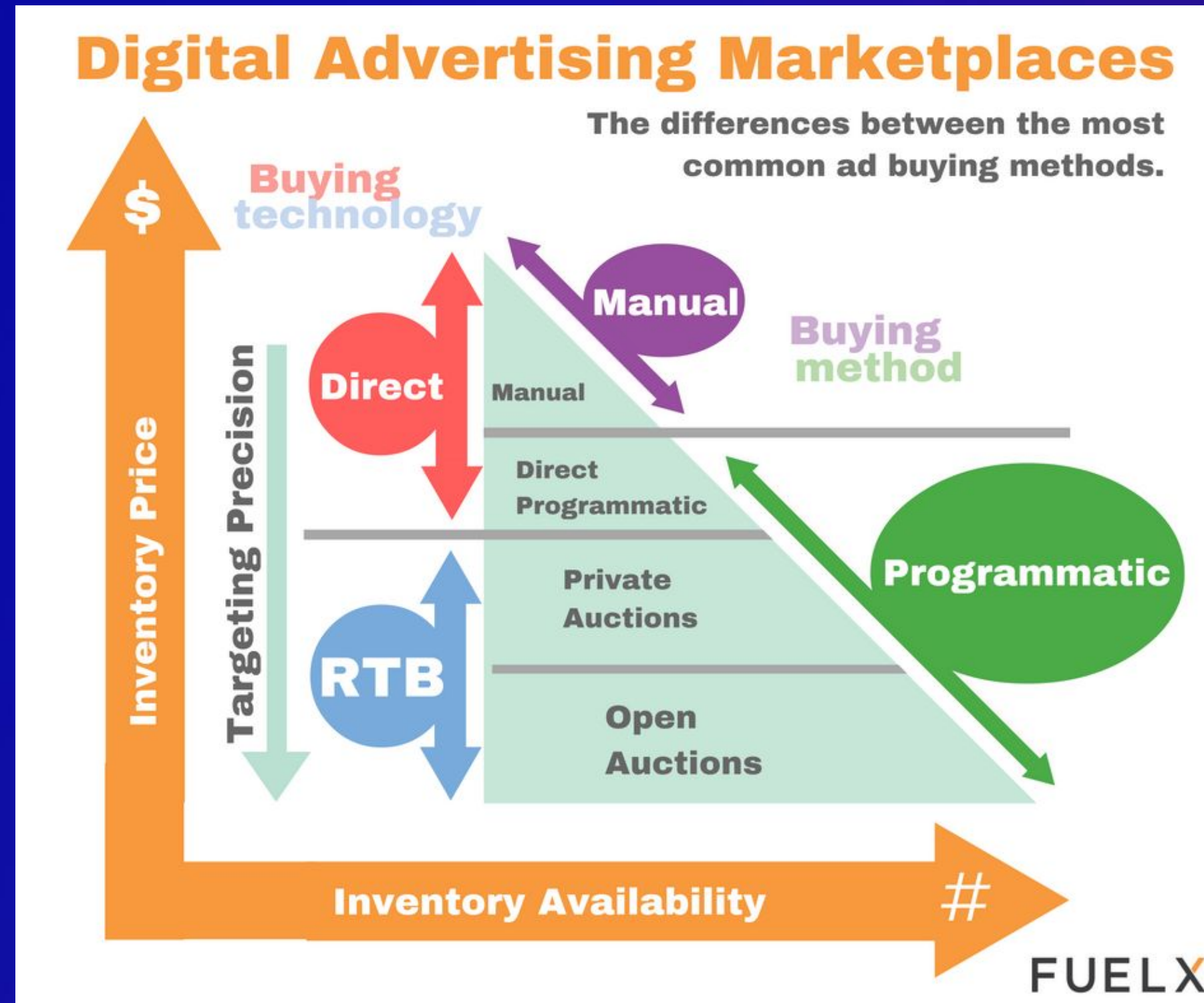
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Device / Usage Changes

New targeting strategies

Buying Media



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Negative Impact of Ads

Intrusive, obstructive, irrelevant

Ad blockers

Coalitions for Better Ads

- No pop-ups
- No autoplaying videos with sound
- Ad density below 30%
- ...

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Basic Terminology

Campaign

Creative

Media

Impressions/experiences

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Performance Metrics

Engagements

Engagement rate

Click-through rate (CTR)

Reach

Conversions

Brand awareness

Incrementality

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CTR in range 0.05% - 3% depending on format

Cost Metrics

Cost per thousand impressions \$1-30 (depends on channel, average \$5)

- display \$1-10
- video \$20-30
- FB \$10

Cost per click \$1

Cost per conversion \$30

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Recap

The advertising ecosystem

Size and trends

Performance metrics & dimensions

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