

Press Release

Online advertising grew by 5% in 2023, Ad spends reached nearly CZK 60 billion

Prague, April 15, 2024 – In 2023, expenditures on online advertising reached nearly 60 billion crowns, growing by 5% year-on-year. The growth was most significantly contributed to by display advertising (+6%) and search advertising (+3%). From the perspective of the method of trading advertising space, programmatic buying of display advertising grew by 7%. These data come from research on the performance of internet advertising conducted for the Association for Internet Development (SPIR) by the Median agency. Given the unprecedented changes in online advertising, which Google repeatedly announces in connection with the planned discontinuation of support for third-party cookies in its globally dominant Chrome web browser, SPIR does not publish a growth forecast for 2024.

“In 2023, we faced an economic downturn and double-digit inflation, and therefore, we only expected a modest increase in online investments, which the numbers from the advertising performance research confirm. Although the economic situation is improving, online advertising will experience a turbulent period this year due to the announced end of support for third-party cookies, making it impossible for the first time in the history of this measurement to predict further development as we have in past years”, commented Michal Hanák, chairman of the SPIR presidency.

“The approach of the dominant company, Google, regarding the Chrome browser is rightly criticized by SPIR as well as other associations including, for example, IAB Tech Lab. The current steps taken by Google in relation to third-party cookies create huge uncertainty in the advertising market for publishers and advertisers who still do not know all the details of what the solution will look like after the support for third-party cookies is definitively ended”, added Michal Feix, vice-chairman of the SPIR presidency.

The research was conducted in January and February 2024 and involved internet operators, media, digital and specialized agencies, advertising networks, and direct advertisers. The research methodology and its adjustments for 2023 are described on the website www.inzertnivykony.cz/en.

Development of Total Expenditures on Internet Advertising

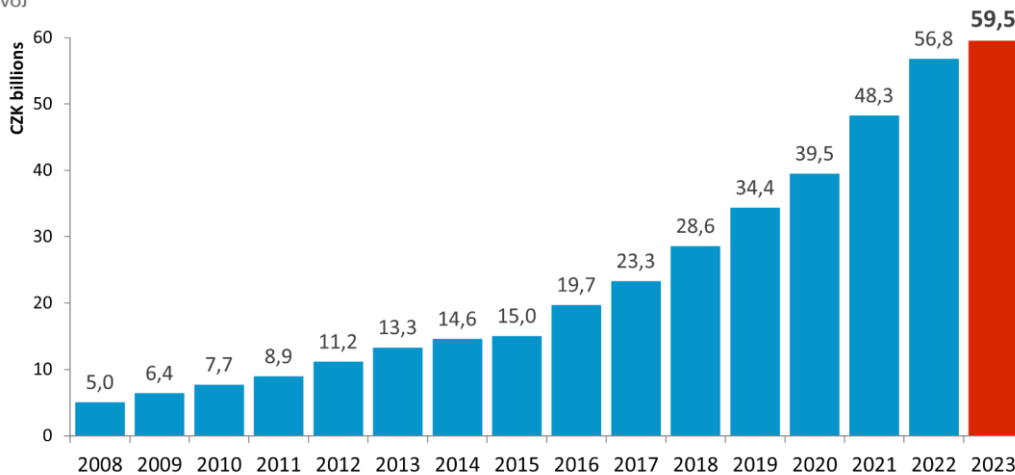
The total volume of internet advertising from advertisers amounts to 595 billion crowns, representing the highest investment to date, marking a 5% increase compared to the previous year and continuing the steadily rising trend in the use of online advertising.

Growth estimates have traditionally been conservative for research participants, with actual growths usually being higher than forecasts. The growth estimate from 2022 for 2023 was historically the lowest, mainly due to the unfavorable economic situation and the impacts of

inflation, and reality has shown that this was indeed the case. A 7% growth was expected for 2023, but the data shows a 5% increase.

The Development of Total Expenditures in Internet Advertising

Source: SPIR, Median, March 2024



- mix of ratecard and net prices

Chart 1: The Development of Total Expenditures in Internet Advertising in Billion CZK

Performance of Individual Forms of Internet Advertising

The largest portion of advertising expenditures is attributed to comprehensive (display) advertising (422 billion crowns in combined prices), including advertising in content networks (notably Seznam Sklik, Google Ads, and Facebook), RTB traded advertising, and native advertising. The second most used form of advertising is search advertising, into which advertisers invested 161 billion crowns in real prices. For catalog listings and classified advertising, media declared revenues of 12 billion crowns in ratecard prices.

Display advertising in 2023 experienced a 6% growth, search advertising a 3% increase. Catalogs and classified advertising recorded a 2% decrease last year. Overall, internet advertising in 2023 grew by 5%.

Performance of Individual Forms of Internet Advertising in CZK millions

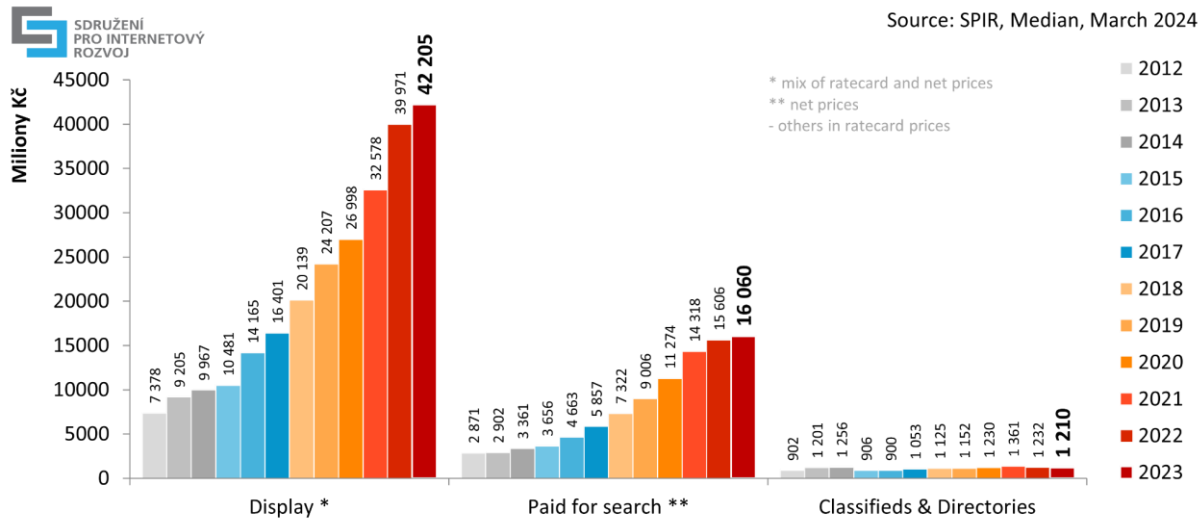


Chart 2: Performance of Individual Forms of Internet Advertising in Million CZK

For more detailed research results, including the share of individual forms of internet advertising, visit www.inzertnivykony.cz/en.

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