

# The UK's digital ad dominance

 By [Ann Nurock](#)

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Guy Phillipson took over as CEO of Internet Advertising Bureau (IAB) in January 2005 when UK online ad revenues totaled just £825 million.



Guy Phillipson

Following his 100-day review, the IAB was restructured and repositioned as a valuable resource for marketers to help them make the most of all online advertising disciplines, including search, display, video and mobile, with the emphasis on growing brand spend online. Today, it accounts for 40% of total ad spend and has overtaken TV as the most dominant channel in the UK.

I sat down with Phillipson at the IAB Digital Summit to discuss this:

## 1. The growth of digital spend in the UK has overtaken that of TV and is now 40% of total ad spend. How did the UK achieve this?

**Phillipson:** It's taken 10 years to go from last to first, but we saw video come along and taking good growth – we saw mobile coming along and also becoming a billion pound medium on its own very quickly, and social has been a huge factor. Programmatic is also driving display again with new forms of trading and half of all display advertising traded programmatically. The key thing is that the brands can see that it works. The early adopters of digital who were in finance, travel, automotive and retail ecommerce could see when they put the advertising out there from search to display that it was working and making them money, so the finance directors said, "Well, we will have some more of that because we can see that we are making sales out of it." So it started out as a great sales machine and then became a great brand machine.

## 2. What is your view on digital in South Africa?

**Phillipson:** I think it is a really exciting time – it's at a lowish level of penetration, at about 7% to 10% of total advertising with TV vastly dominating, which we see in a lot of territories around the world. But from the IAB Digital Summit I can see there are so many senior leaders getting together and they are networking really well and have a much better understanding of the job in hand. They also recognise the key priorities of measuring ad spend and education, leading to evangelising. It has to be put on everyone's agenda, which was always the thing in the UK. Only 1 in 10 advertisers really cared about it 12 years ago and now everybody cares about it. So how do you get to everybody caring about it? It's a challenge.

### 3. We have an issue here with a vast number of our population lacking an internet connection. While the connection rate is increasing it's still a big challenge for us, hence the dominance of TV and radio.

**Phillipson:** I'm sure they will always be dominant. The opportunity is mobile, which actually is going to become the dominant channel. In the UK, it's already the number one channel for internet usage. So, as feature phones become smart phones, particularly where advertisers provide free airtime off the back of their advertising, there are some very interesting business models going on, which I am quite envious of. As an example, by watching this advert I am going to provide you with a gift of free airtime – that kind of model is in India as well, so there are some good opportunities here. Despite the fact that the population don't seem to be online, there are still great opportunities in South Africa.

Time to open our eyes to those opportunities. [Click here](#) for more of Phillipson's views of digital in SA.

#### ABOUT ANN NUROCK

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