



Digital industry barometer during the war №3

June 2022



Анастасія Байдаченко

CEO IAB Україна

Our barometer shows some signs of improvement and recovery in the digital industry since March 2022. We must all understand that the balance is very unstable and extremely sensitive to the situation at the front. The high resilience of the industry and the absence of barriers to entry should ensure a rapid recovery of the digital advertising category after the victory. Meanwhile, we as an industrial organization, are calling for the resumption of advertising activity, at least in those regions where there is no active hostilities.

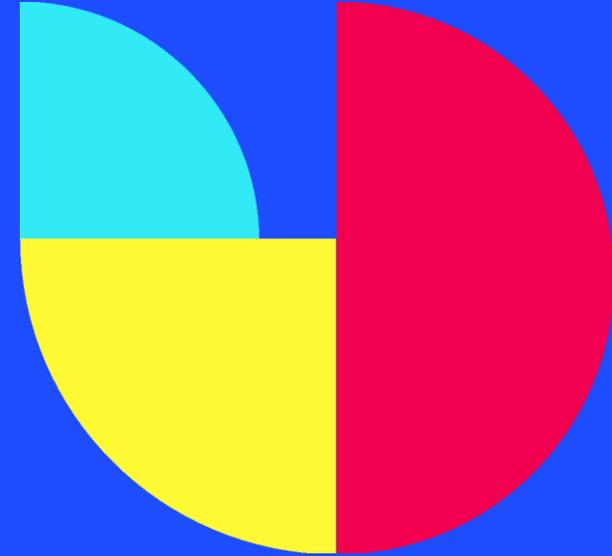
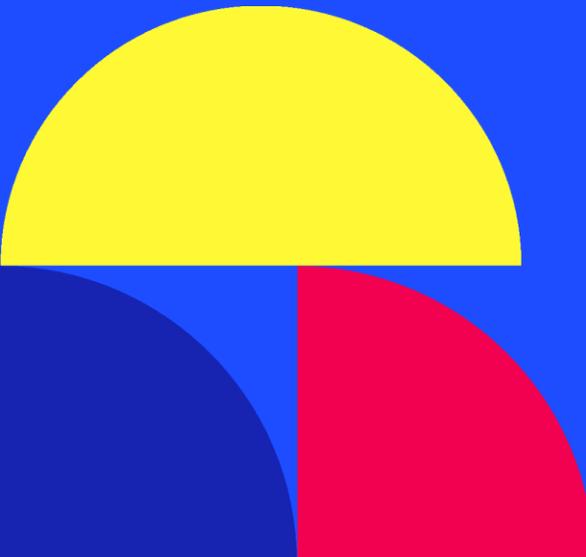
IAB Ukraine expresses its sincere gratitude to Kantar Ukraine for assistance in preparing questionnaires and analytical conclusions

KANTAR

● Methodology

Here is the third wave of survey of the IAB Ukraine Digital industry Barometer during war period in Ukraine, 2022. This is a survey of the current state and forecasts of advertiser, platforms and agencies of the interactive advertising market.

The research was conducted through a targeted online survey of market players. The period is May 2022. The survey involved 38 representatives of advertising agencies and platforms and 31 representatives of advertisers.



DIGITAL AGENCIES AND PLATFORMS

● IAB Ukraine expresses its sincere gratitude to all participants of the project

[isdgroup]

Агенція комунікацій ВАРТО

Бігмедіа

Бурда Медіа Україна

Зореліт

Ланет CLICK

Медіа Партнерство Баїнг

Admixer Advertising

Adtelligent Inc.

AIR Brands

AMS agency

Burda Media Influencer

Carat Ukraine

Dentsu Media

DORIS

hybrid.ai

INCREATE

iProspect Ukraine

Isobar Ukraine

kiwi agency

Media maker

MediaCom

MGID

MixDigital Ukraine

NEOS

Netpeak

New Strategies Group

Postmen

Promodo

RAZOM GROUP

Recreativ

Sasquatch Digital

SIGMA UA

SODA

Sparkle Design

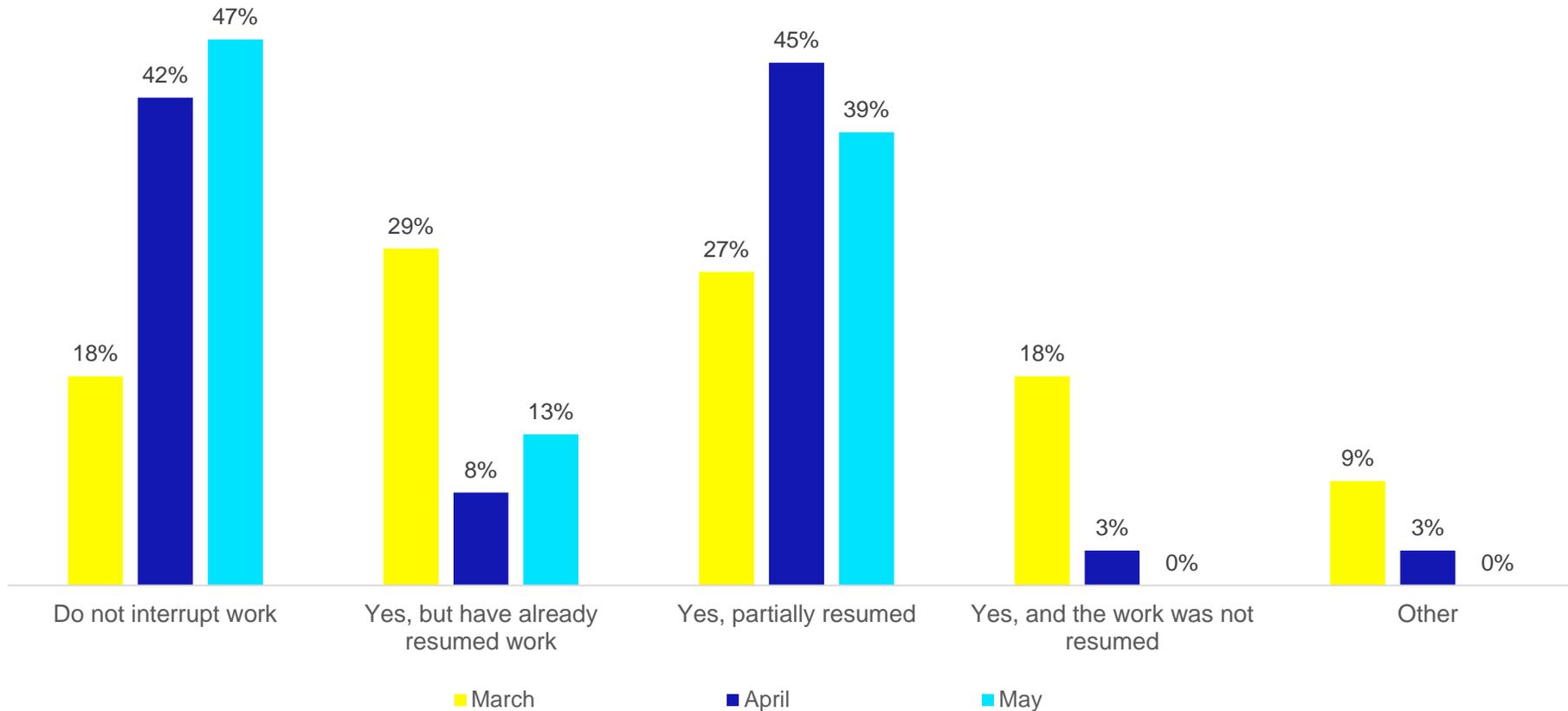
TMGU

Uamobile

Webpromo

- If you interrupted the company's commercial operations after 24.02, did you resume commercial activities?

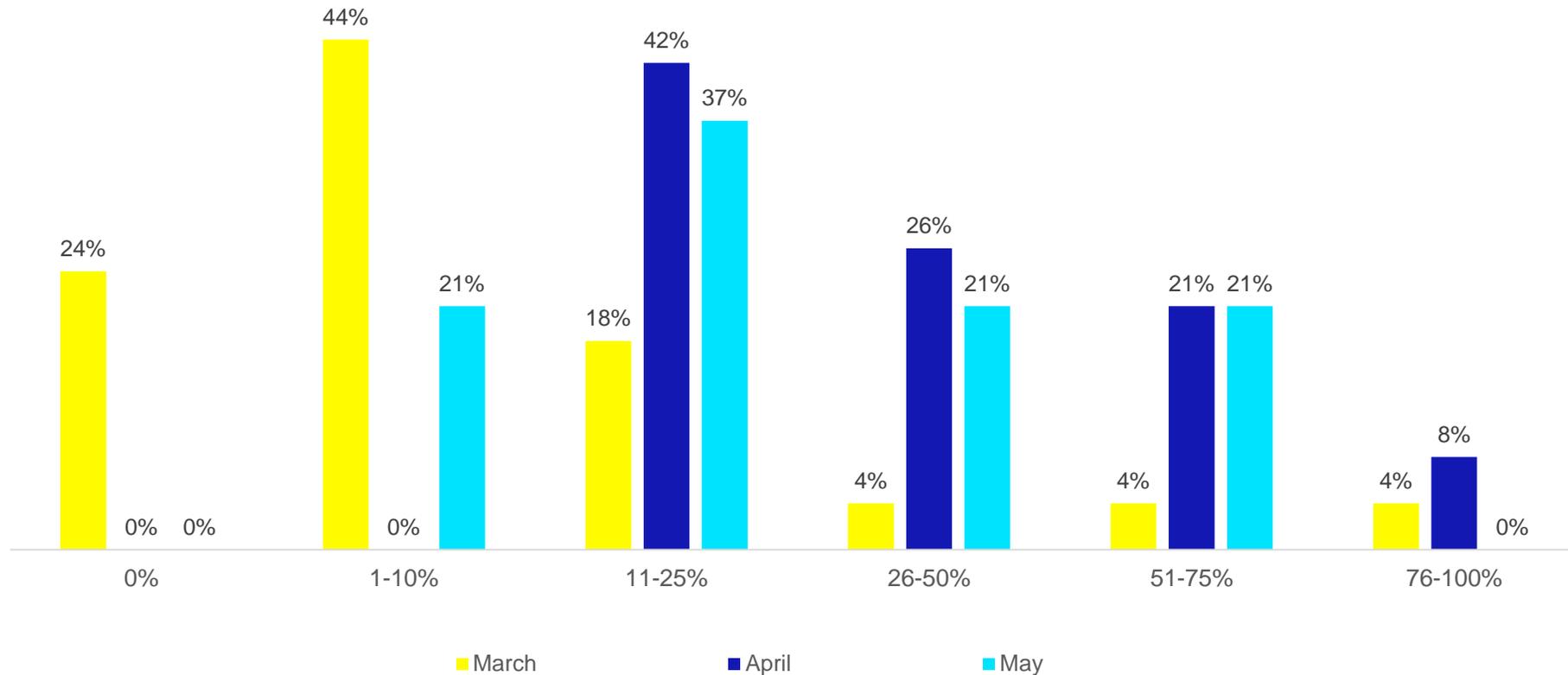
As of the end of May 2022, among the surveyed participants, there are no those who have not resumed their activities. The vast majority (52%) resumed commercial activity in full or in part, the rest report that they did not interrupt work.



● How would you estimate the level of commercial load of your company in May 2022 compared to January 2022?

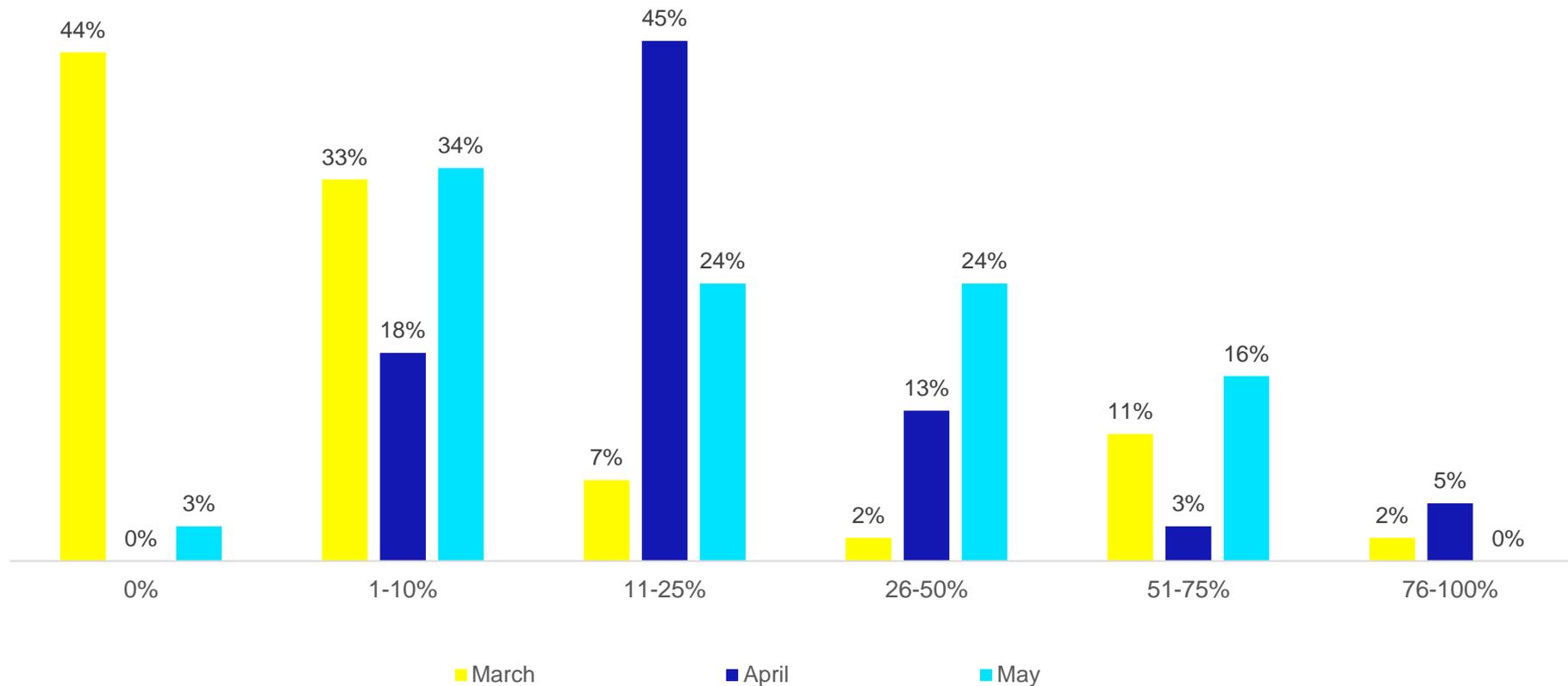
The load level resumption of advertising agencies and platforms has slowed down - 21% of companies report a load level of up to 10%.

There is no increase in the full load of advertising agencies and platforms in May.



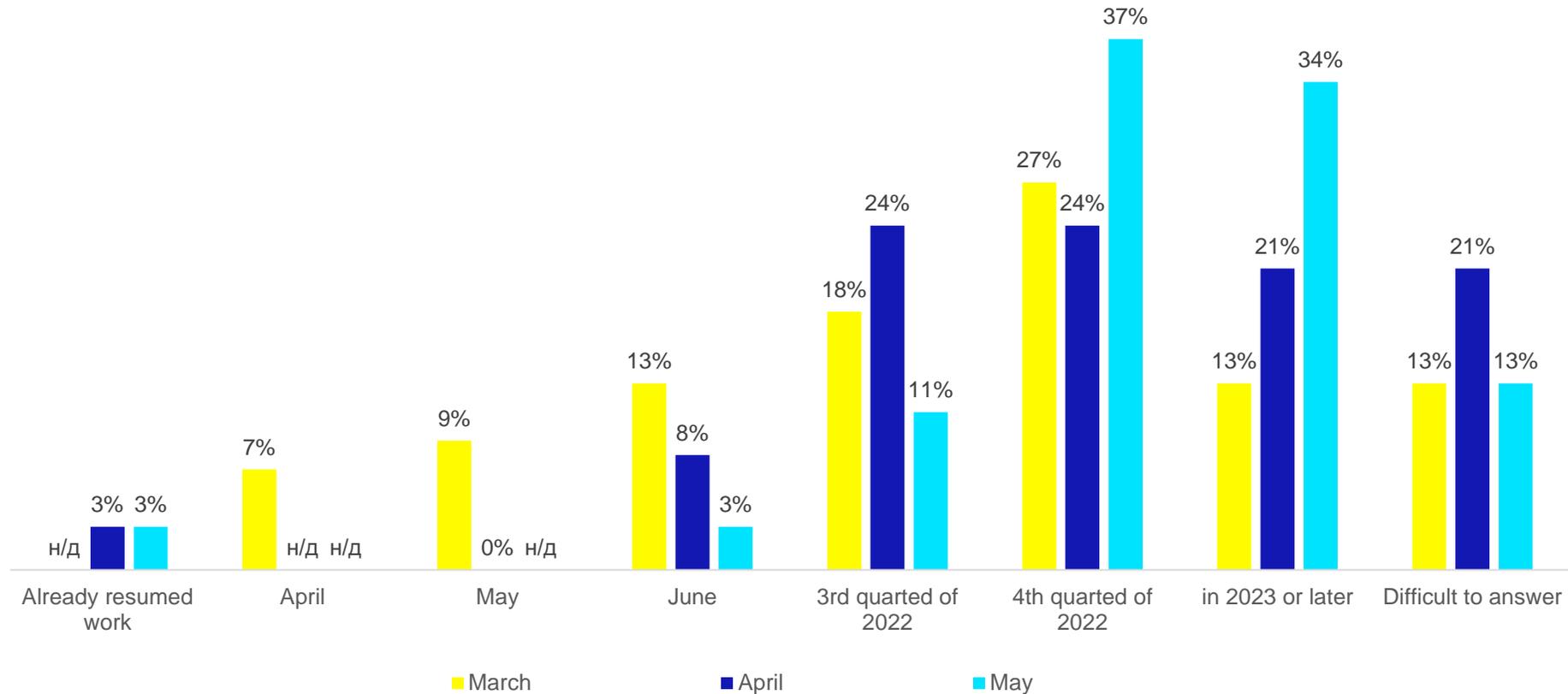
● How would you rate the level of advertising activity of your company in May 2022 compared to January 2022?

In May, there was a noticeable increase in advertising activity at the levels of 26-56% and 51-75%. In general, the positive dynamics of the restoration of advertising activity is noted



- When do you expect your company's resumption to be at least 75% compared to January 2022?

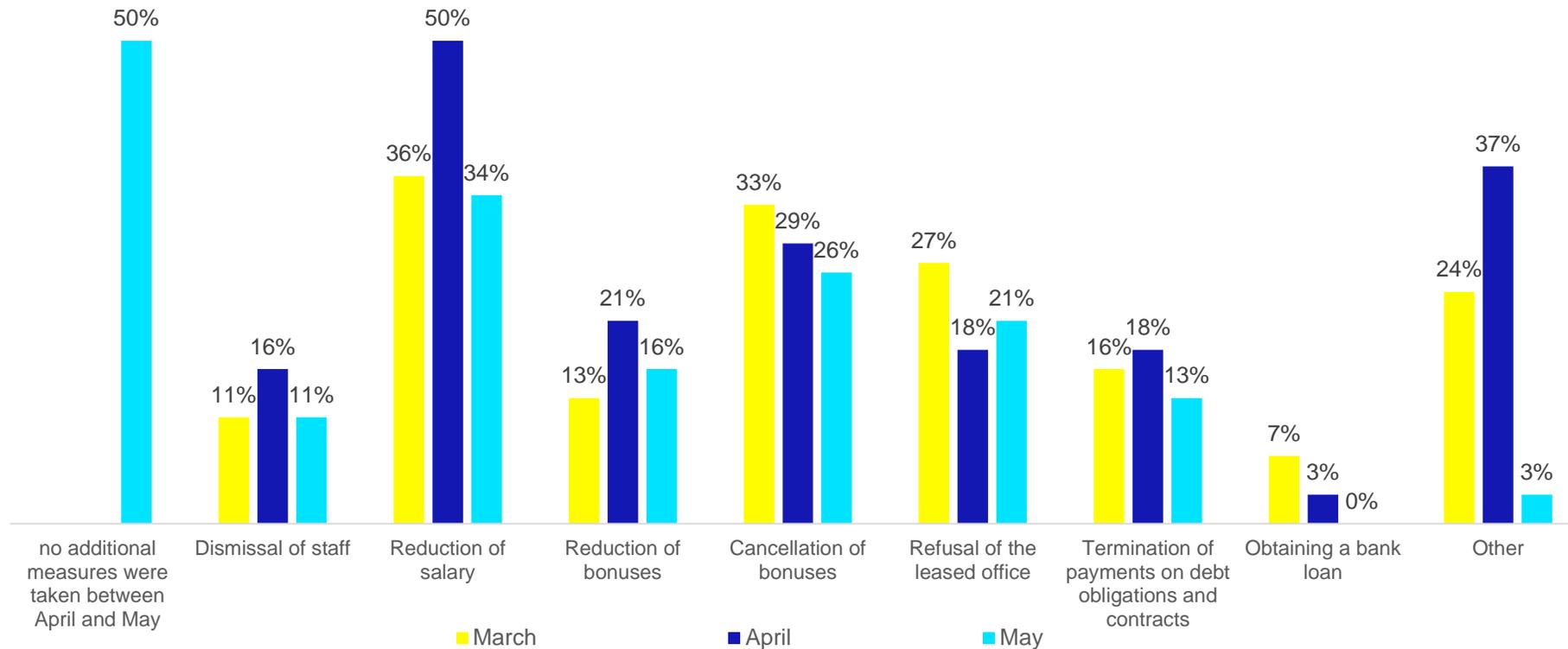
About half (48%) of advertising agencies and platforms surveyed in May expect activity to resume at the level of 75% in the second half of 2022.
 A third (34%) expect to renew in 2023 or later.



● What additional measures did you have to take to support your business compared to the previous month?

50% of surveyed advertising agencies and platforms did not take additional measures between April and May to support business.

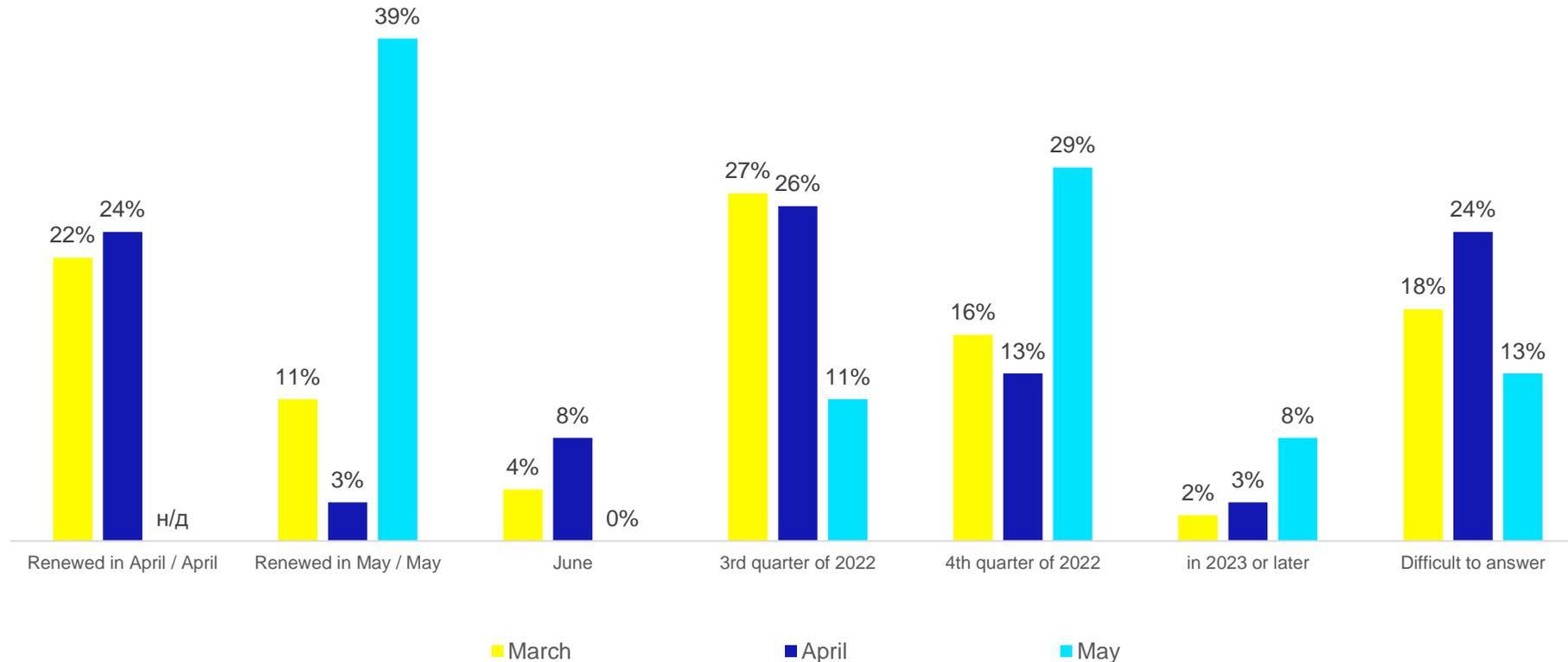
Among the additional actions - salary reductions, cancellation and reduction of bonuses, refusal of rented offices prevail.



● When do you expect your company's advertising activity to resume?

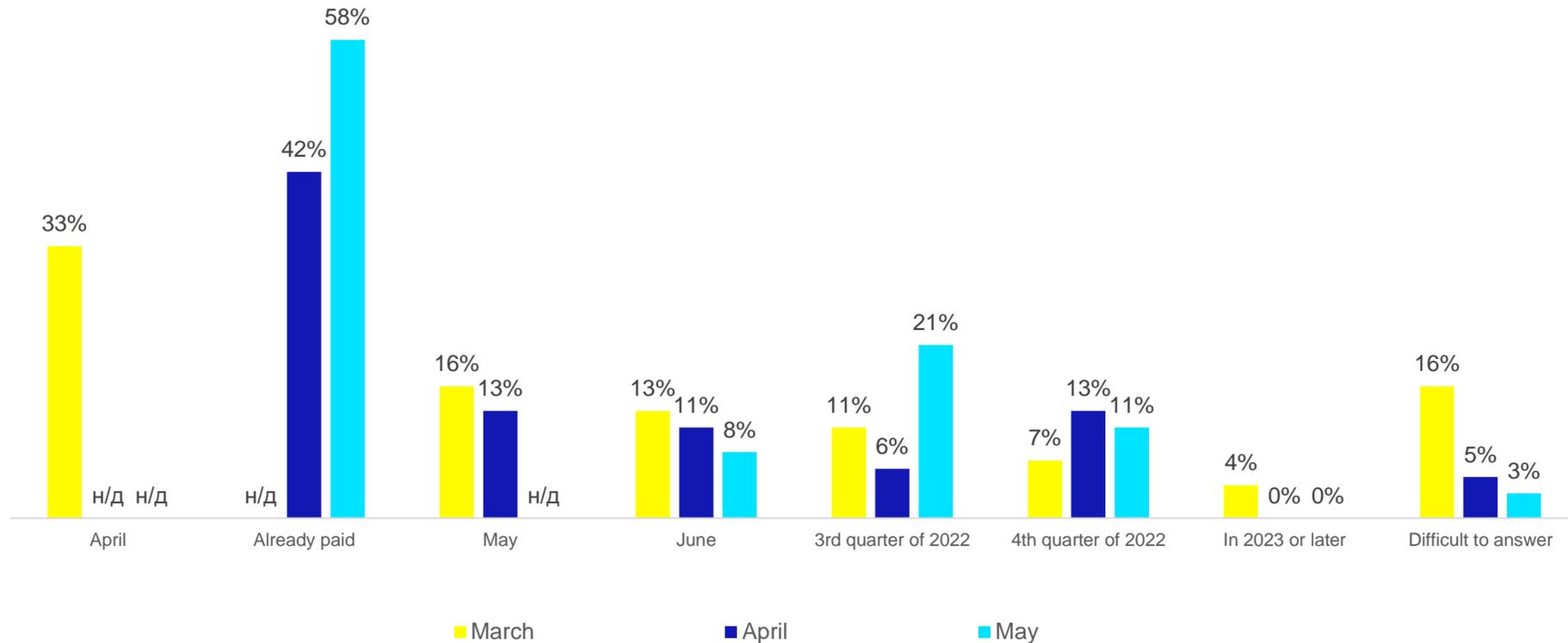
More than a third (39%) of surveyed advertising agencies and platforms have already resumed advertising activity in May.

40% expect recovery no earlier than the second half of 2022.



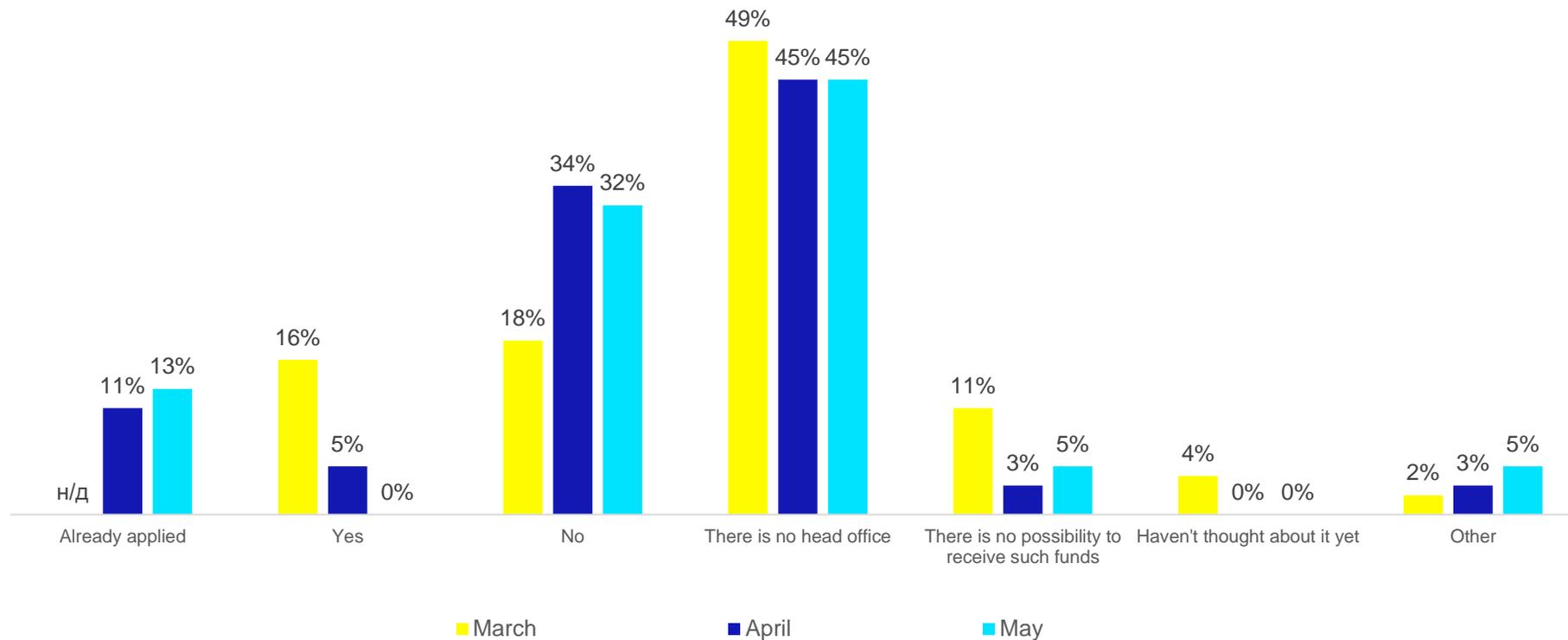
- When do you expect to plan to completely close the payment for the acts of work performed for December 2021-March 2022?

The majority of advertising agencies (58%) have already fulfilled their financial obligations under the acts of completed works for December 2021-March 2022. The rest plan to pay by the end of 2022



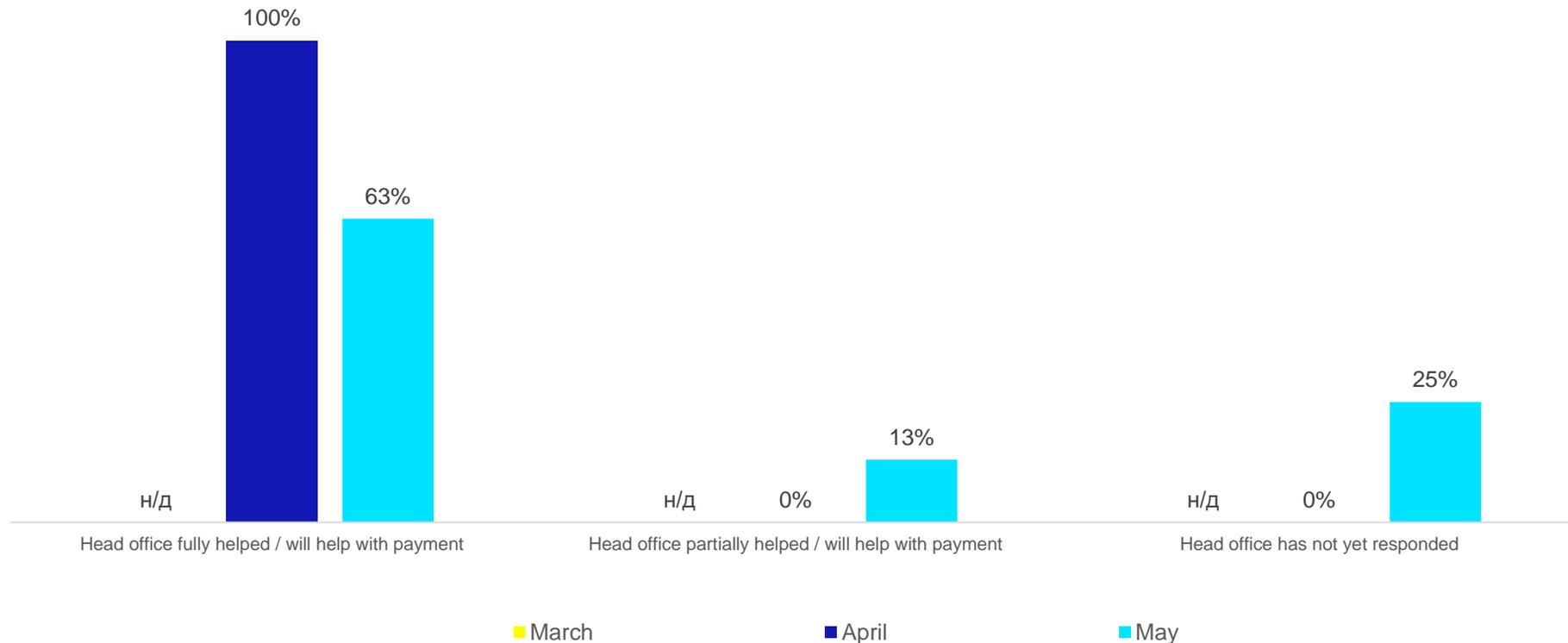
● Are you planning to apply to Head office to get money to pay for advertising campaigns in December-March?

There are no significant changes in communication with the head office compared to April. Half of the surveyed advertising agencies do not have head offices - and therefore, as a result, do not have the opportunity to apply. At the same time, a third did not apply



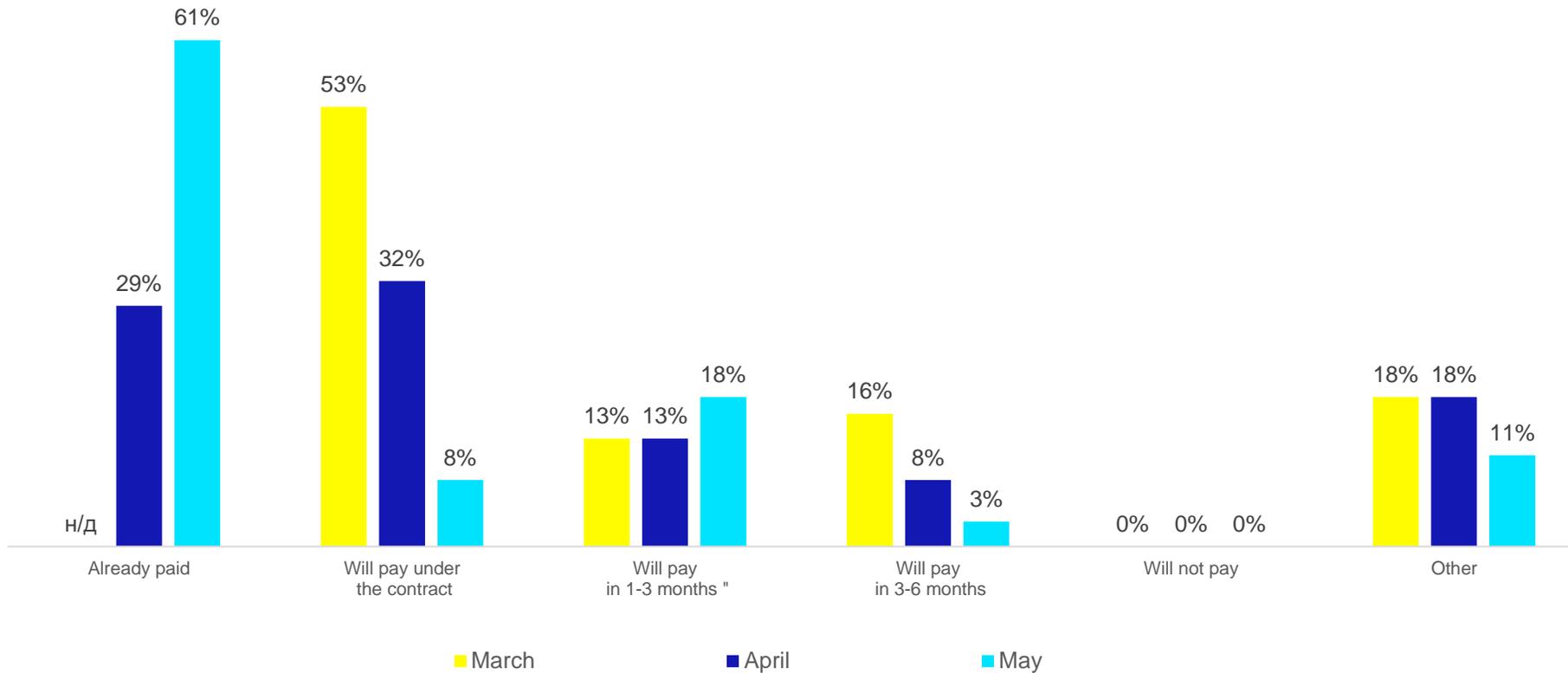
- If you approached the head office, how useful was the help of the head office to pay for advertising campaigns?

63% of the advertising agencies among the respondents who contacted the head office in May have already received help for paying for advertising campaigns or will receive it in the near future. 13% of respondents – head office partially helped or will help. 25% are still waiting for an answer.



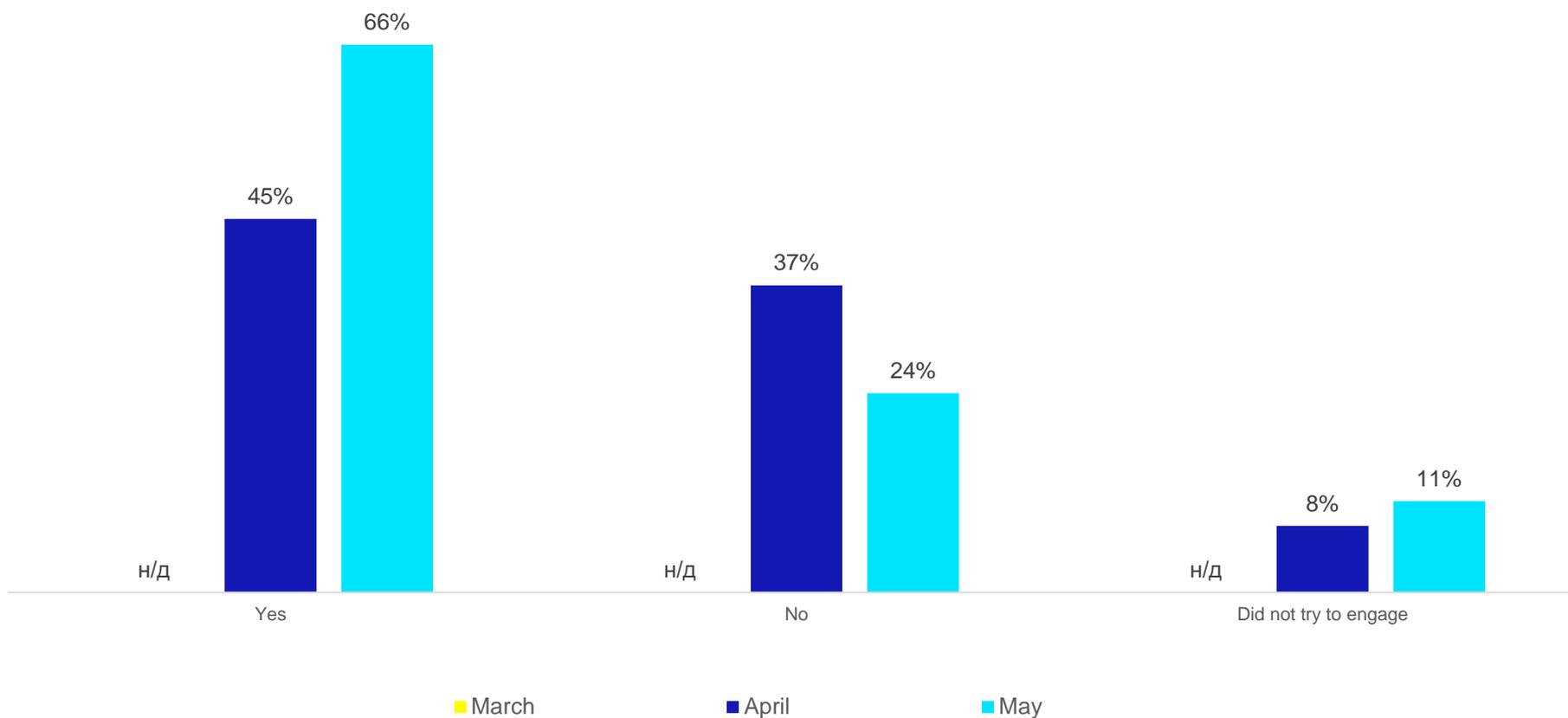
● Attitude to debt for advertising campaigns

Most advertising agencies and platforms have already fulfilled their financial obligations, the share of those who plan to pay debts within 1-3 months has increased



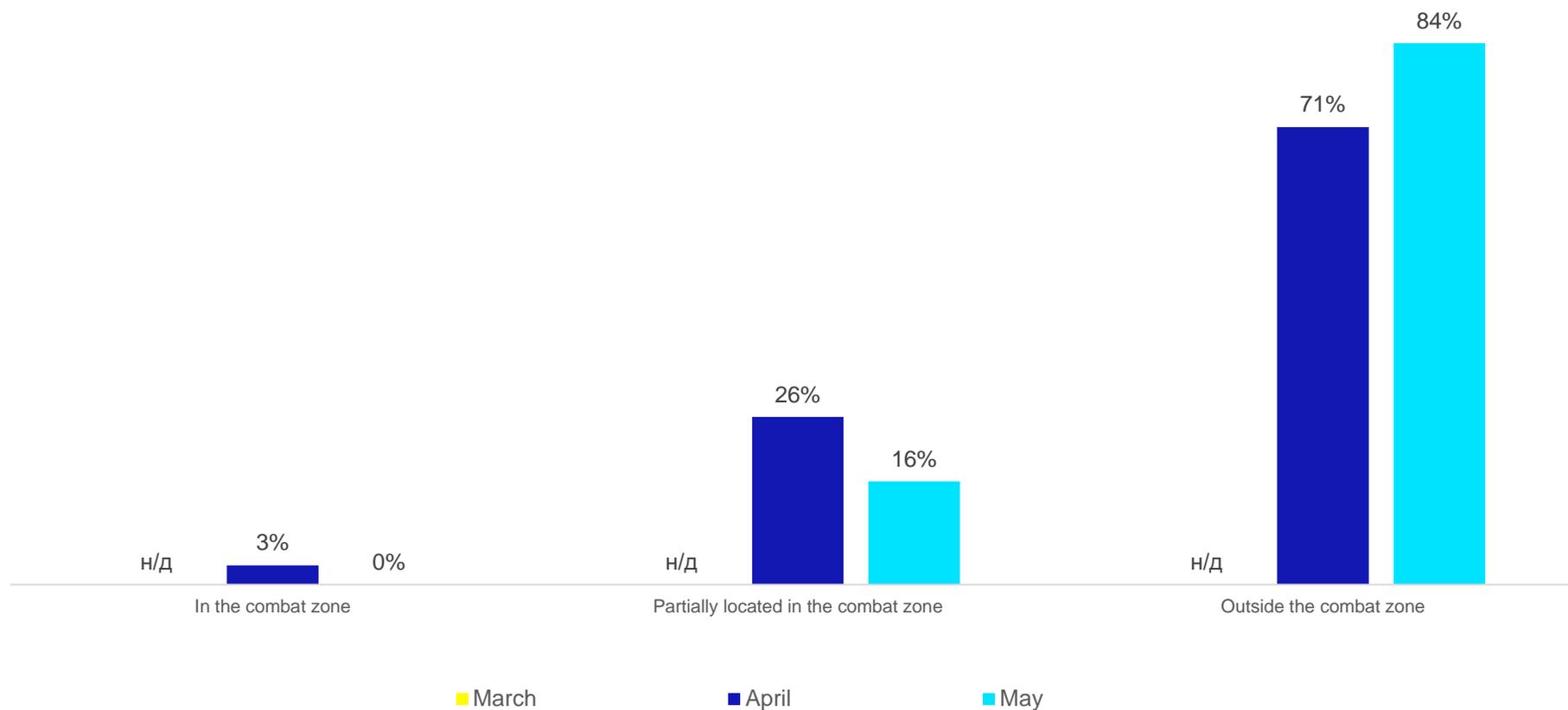
● Did you succeed to engage foreign clients after 24.02.?

The majority (66%) of representatives of advertising agencies and platforms surveyed in May managed to attract foreign clients - this segment has grown significantly



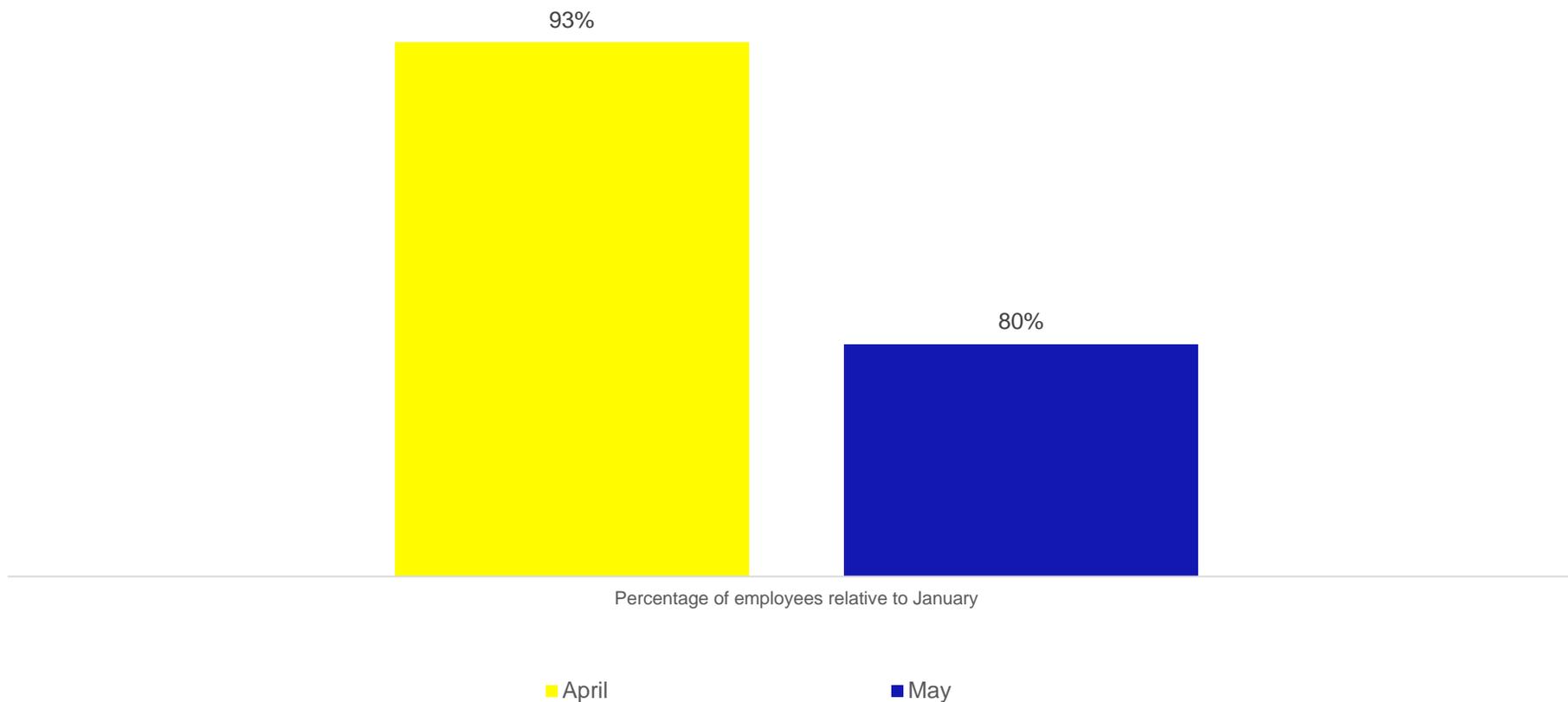
● Location of the critical infrastructure of your business

84% of advertising agencies and platforms report that critical business infrastructure is outside the war zone, 16% - partially in the war zone.



- Specify the percentage of your company's staff in January/April and January/May

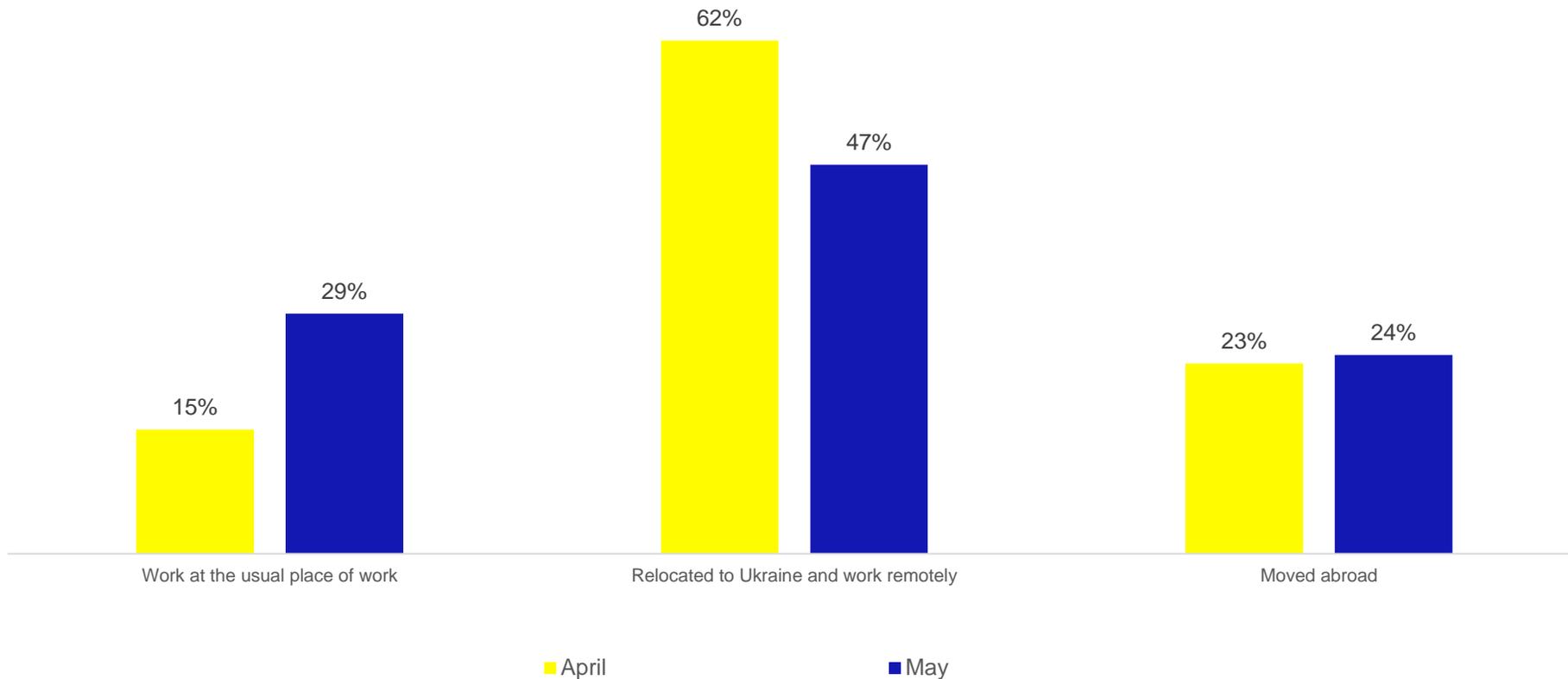
In May, the tendency to reduce the total number of personnel continues



- Indicate the percentage of employees at the place of work from 24.02

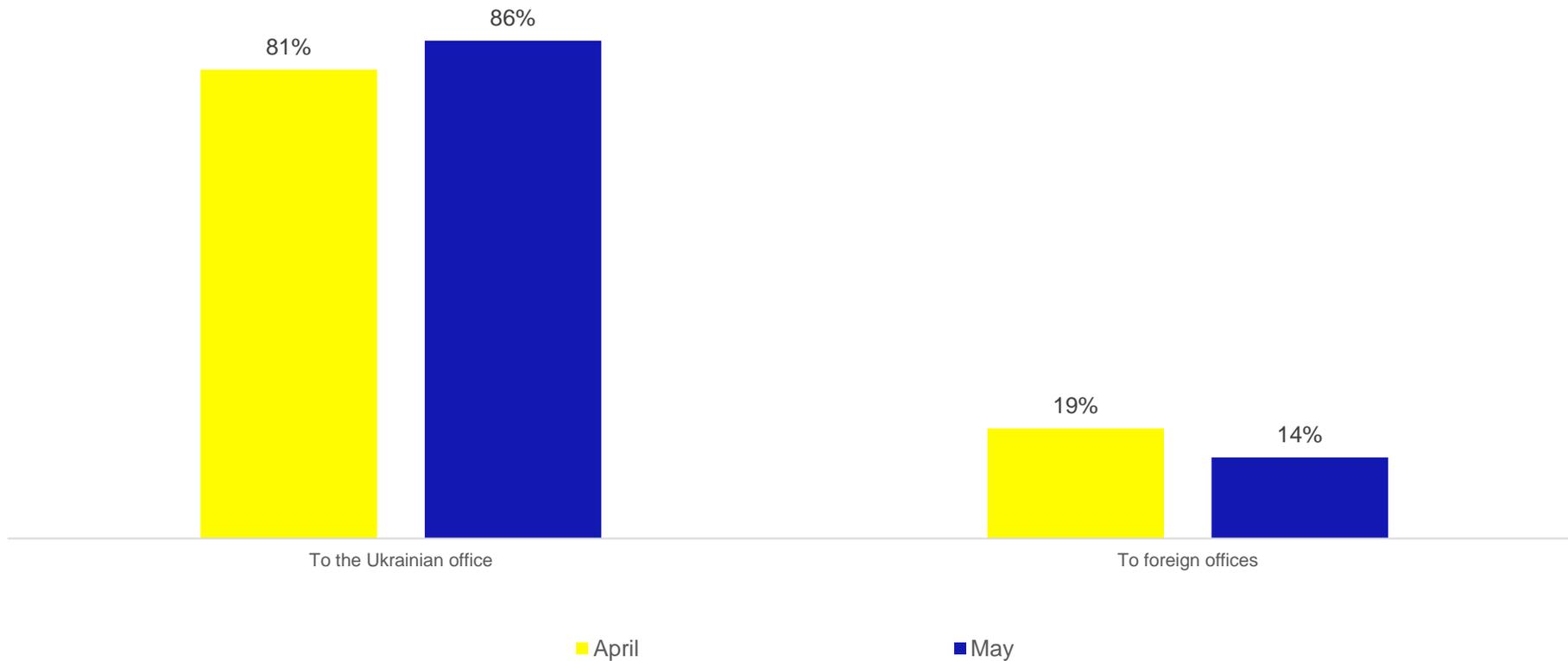
The number of workers who returned to their usual place of work doubled (29% in May compared to 15% in April).

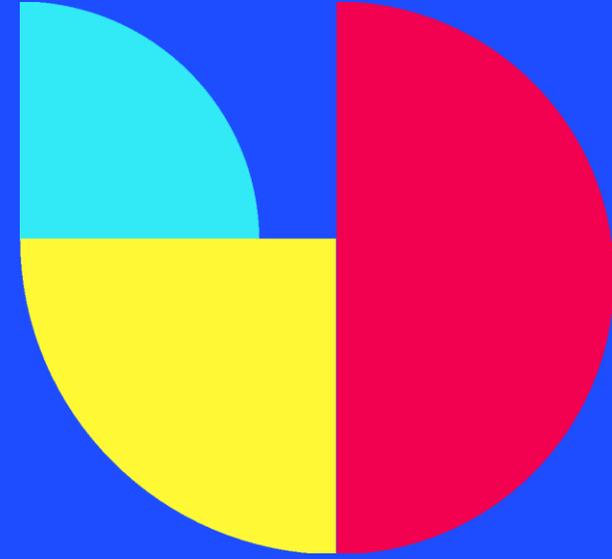
As before, the majority work remotely, $\frac{1}{4}$ of the workers are displaced abroad.



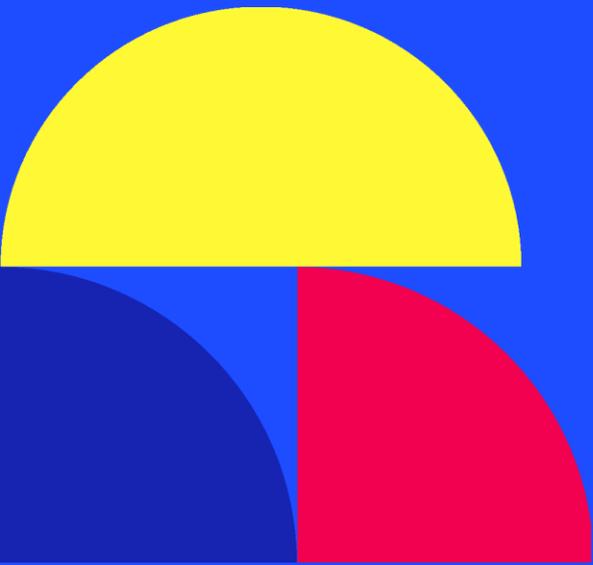
- Indicate the percentage of employees of your company who work in Ukrainian and foreign offices

The vast majority (86%) of employees of advertising agencies and platforms continue to work for Ukrainian offices.





ADVERTISERS



● IAB Ukraine expresses its sincere gratitude to all participants of the project

AMADEO, the only official distributor
of the Pandora brand in Ukraine

ASBIS Ukraine

Auchan

BAT

Blago

Epicentr K

Foxtrot

iHerb

Ipsen

JS "Oschadbank"

JS Idea Bank

KAN Development

Klion Group (TM Veladis)

KRKA

Lantmannen AXA

LEGO Ukraine

lifecell

Mega Lifesciences

MHP

MyCredit

OLX Ukraine

Persha Pryvatna Brovarnya

Philips

Polpharma Ukraine

RIEL

SE "AVTO International"

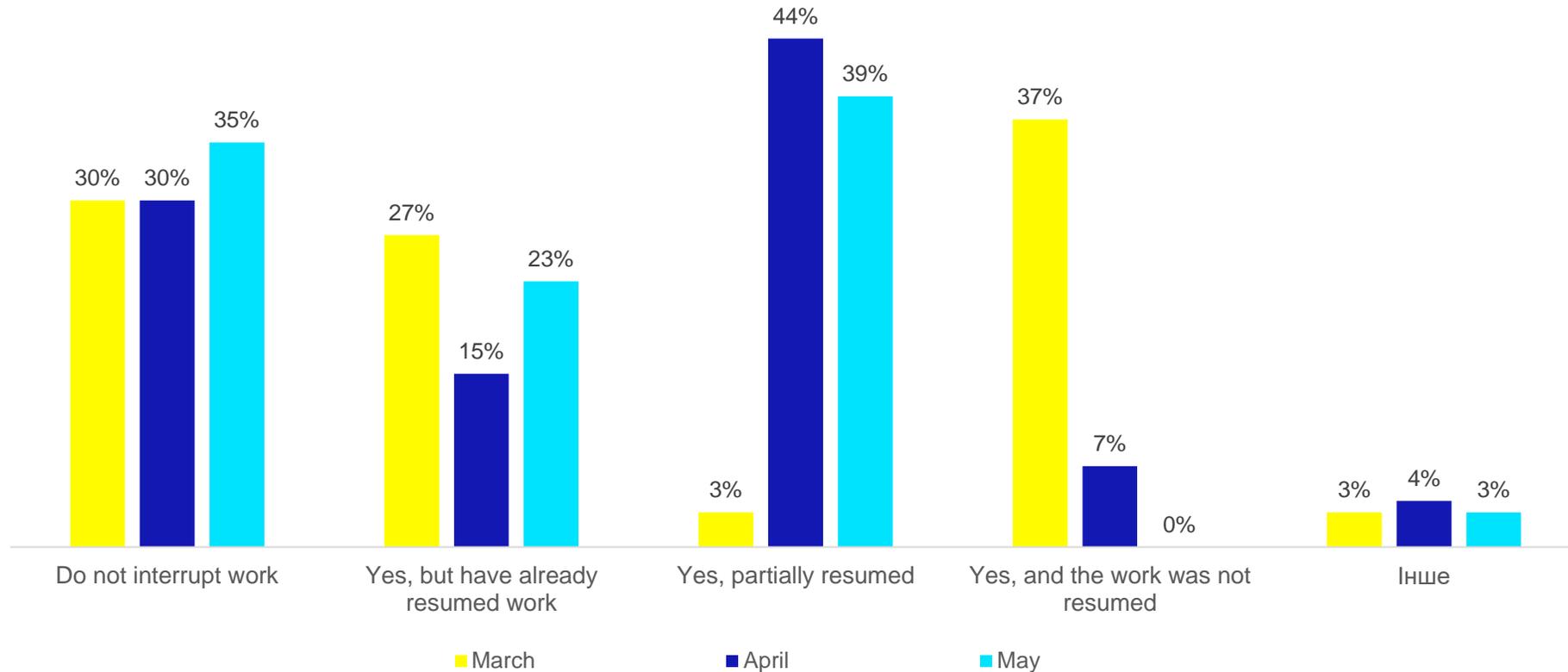
SE "Caparol Ukraine"

Unilever

Vitmark Ukraine

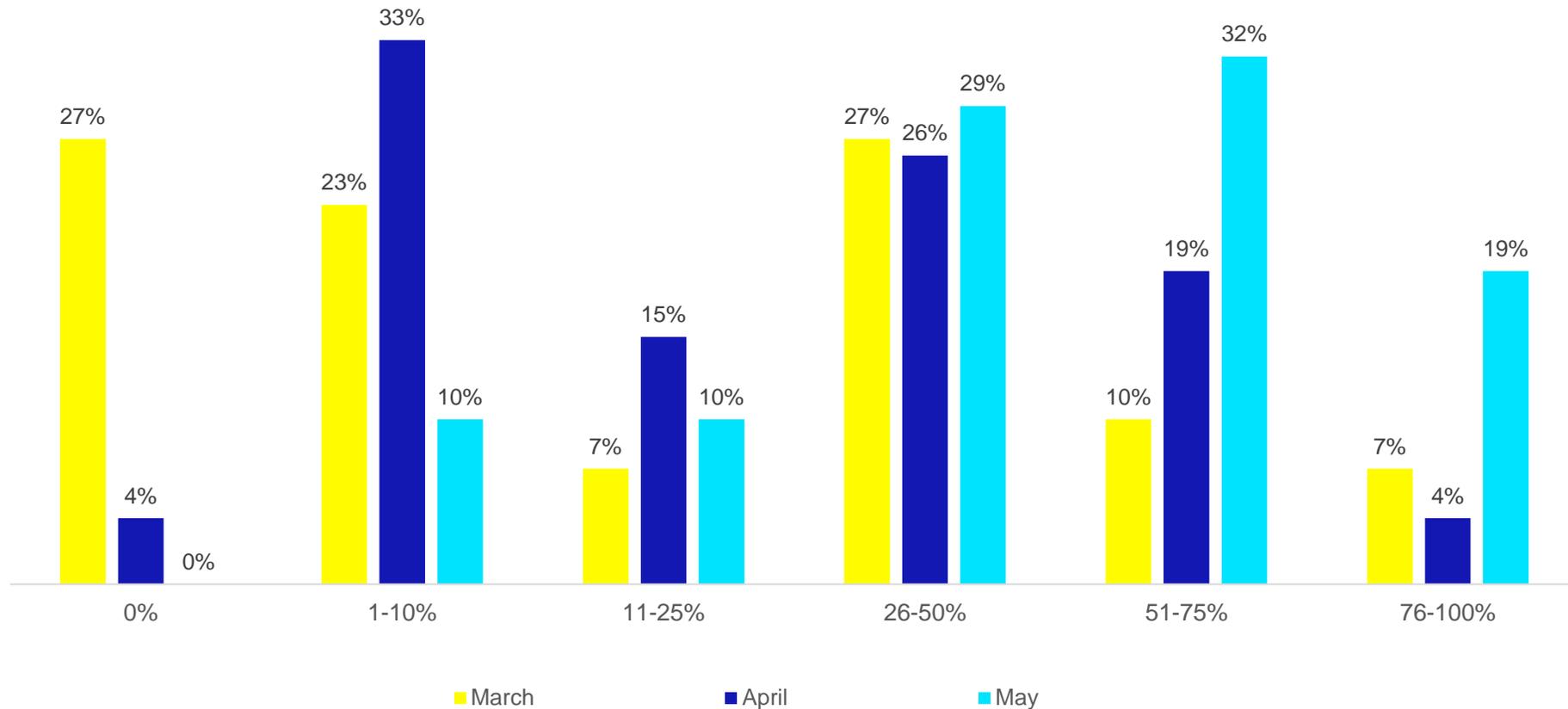
● If you interrupted the company's commercial operations after 24.02, did you resume commercial activities?

Among the surveyed advertisers, all resumed work in May. There is an increase in the share of those who have fully recovered



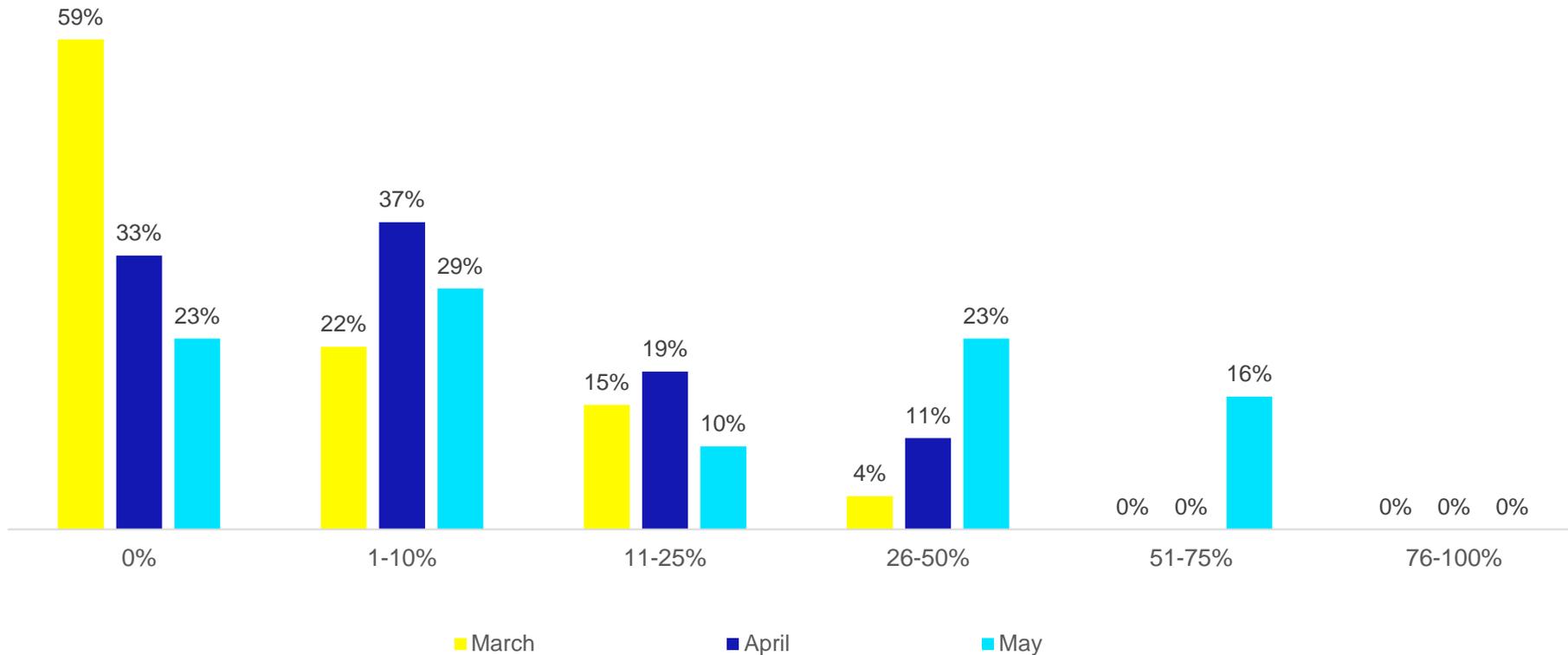
● How would you estimate the level of commercial load of your company in May 2022 compared to January 2022?

In May, the level of commercial activity increased significantly - the share of advertisers with a level of commercial activity of 50%+ increased



● How would you rate the level of advertising activity of your company in May 2022 compared to January 2022?

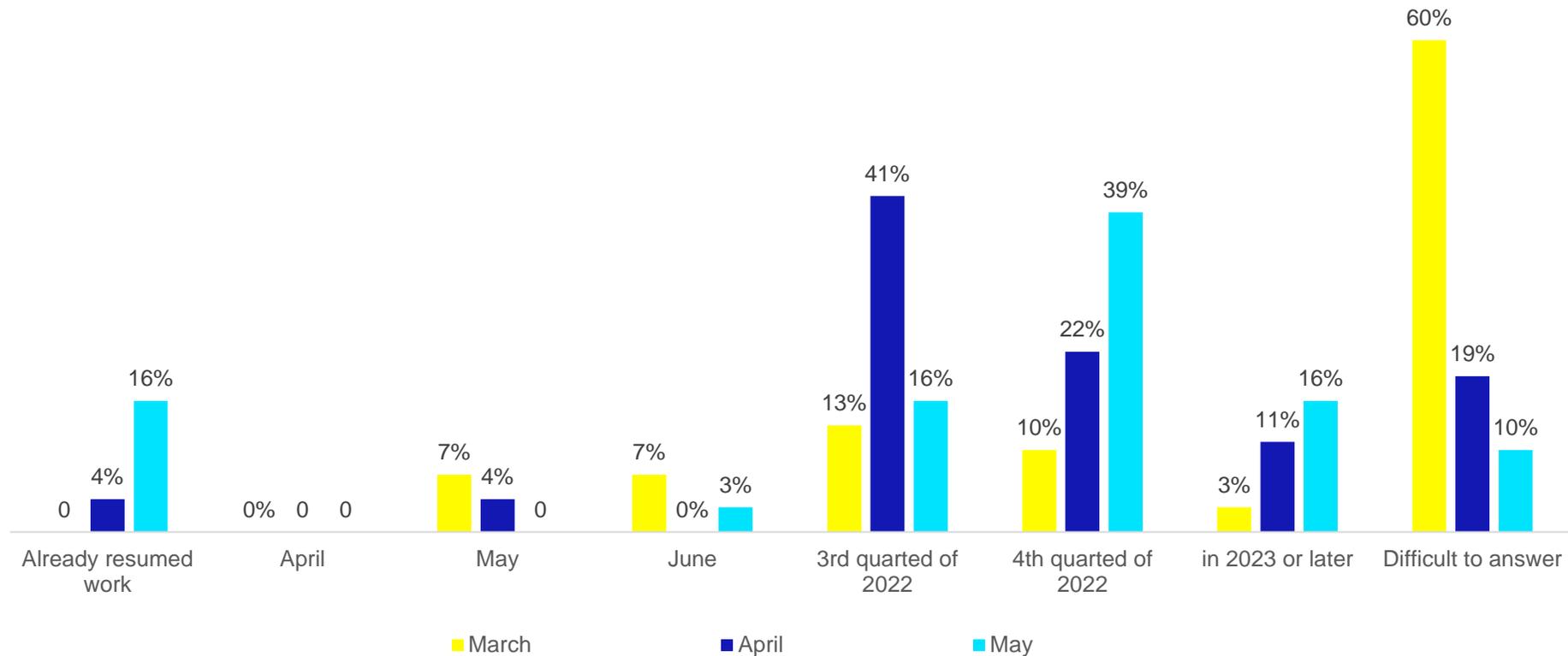
In May, 16% of advertisers surpassed the 50%+ level of advertising activity.
There is a doubling of the occupancy rate of 26-50%



● When do you expect your company's resumption to be at least 75% compared to January 2022?

Compared to April, the number of advertisers who have already resumed the company's work at the level of at least 75% has quadrupled.

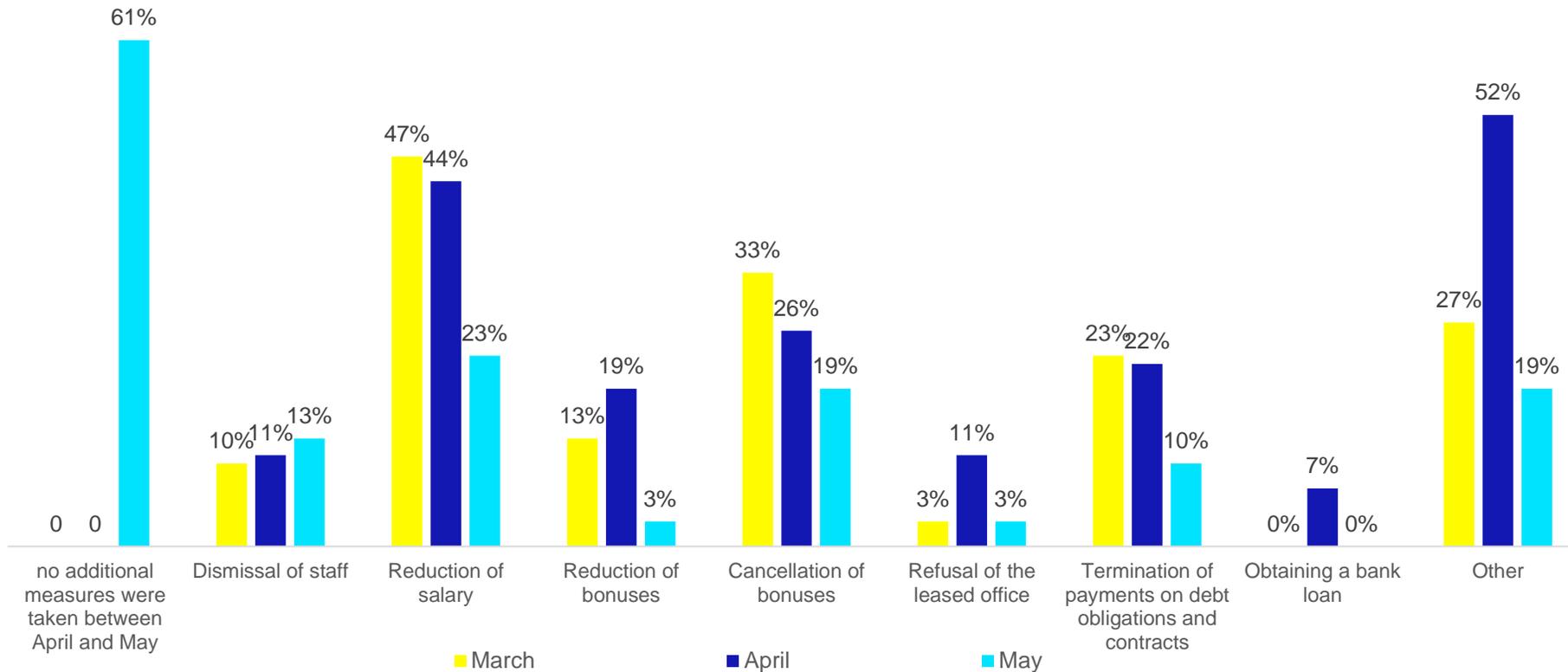
Half (55%) of surveyed advertisers expect to renew in the second half of 2022.



● What additional measures did you have to take to support your business compared to the previous month?

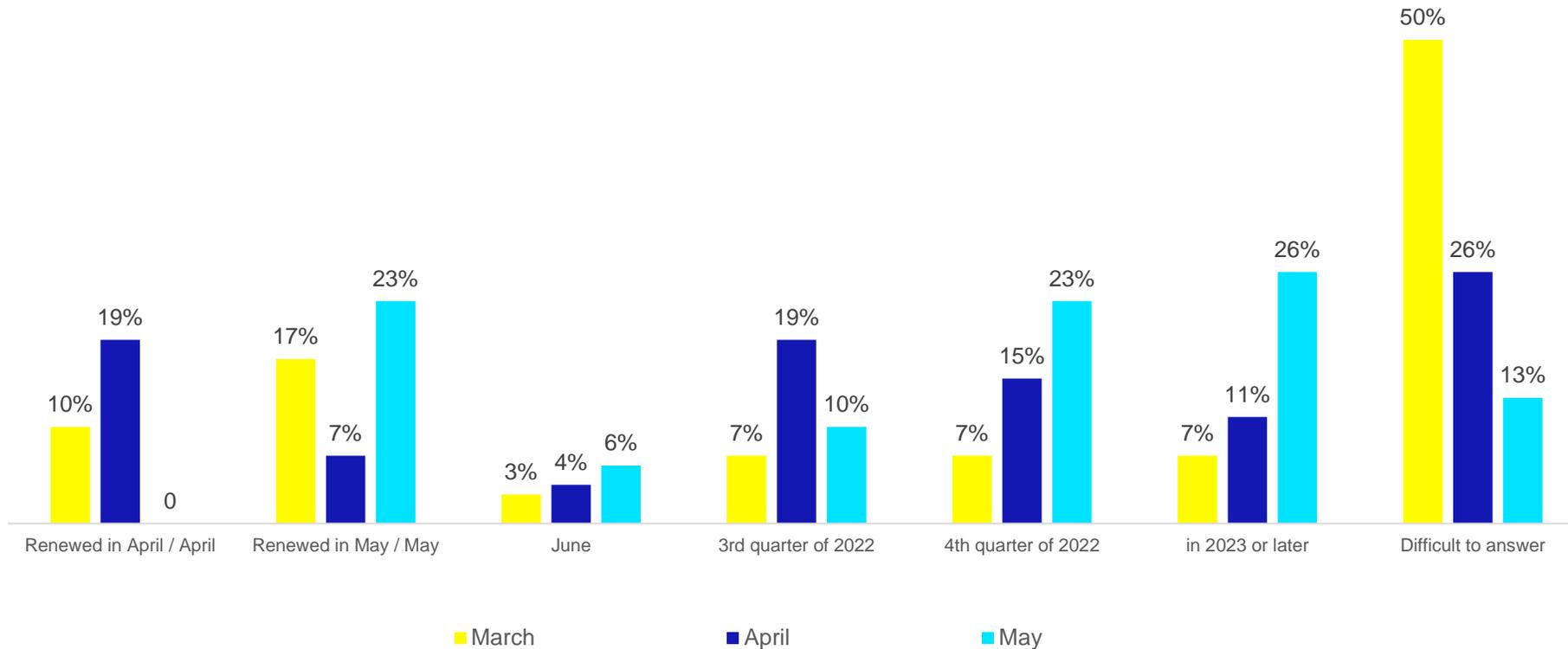
The vast majority (61%) of the surveyed advertisers did not resort to additional measures to support business.

The rest of the advertisers were forced to further cut wages, cancel bonuses or lay off staff in May.



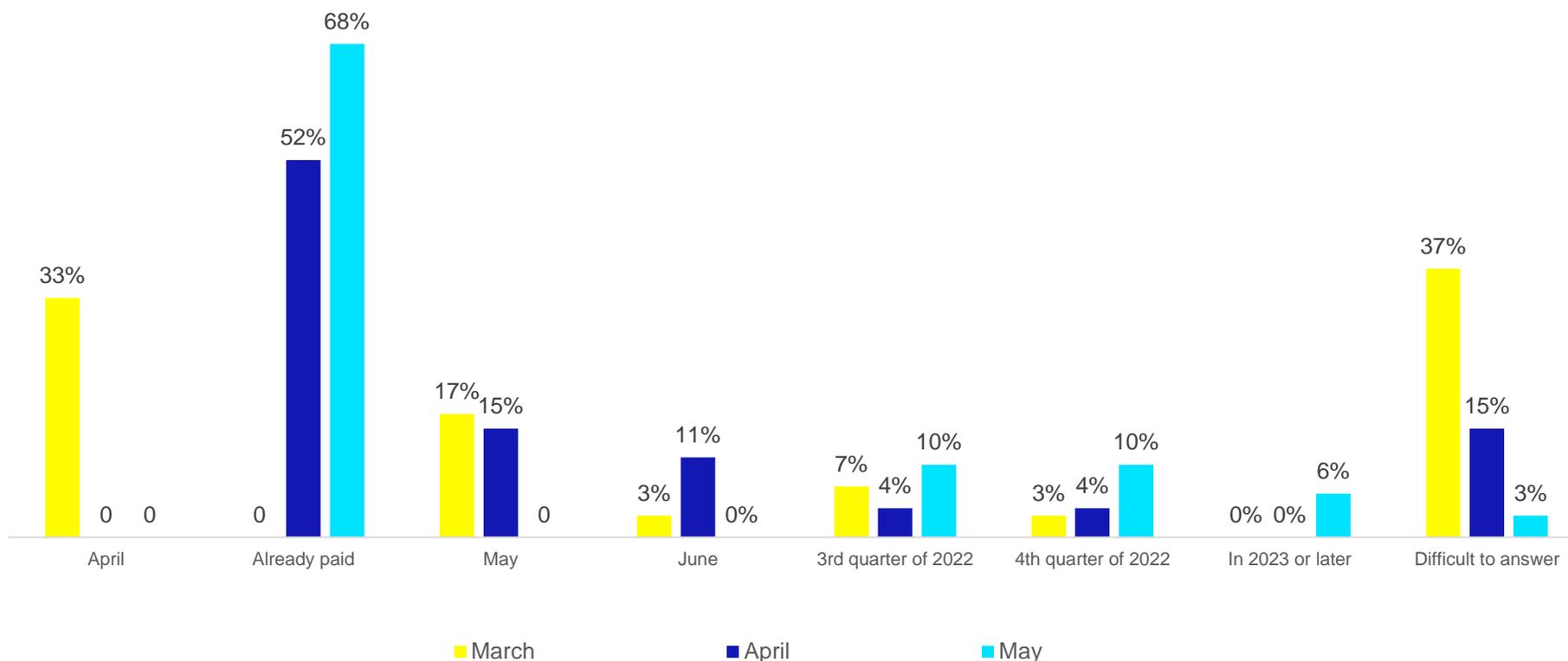
● When do you expect your company's advertising activity to resume?

23% of the surveyed advertiser representatives already renewed advertising activity in May, 33% expect renewal in the second half of 2022, and 26% expect renewal of advertising activity no earlier than 2023.



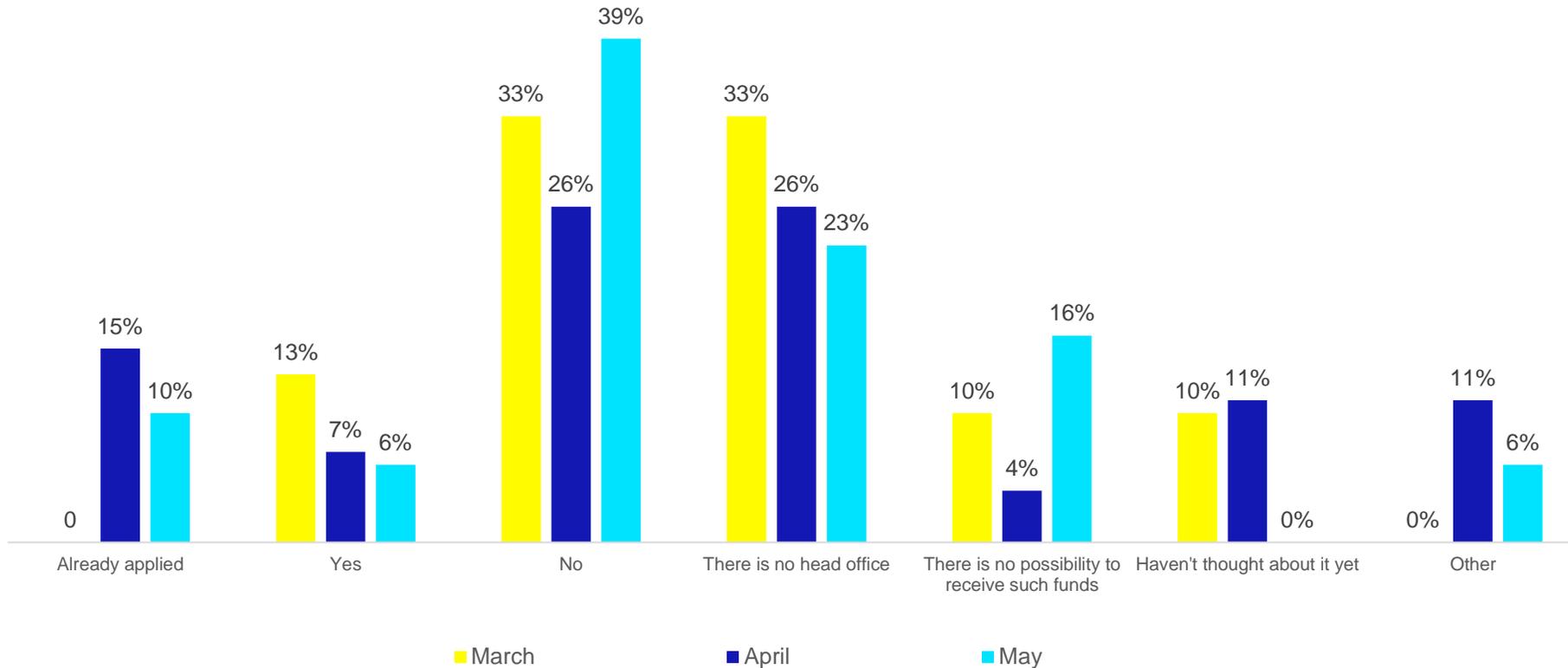
● When do you expect to plan to completely close the payment for the acts of work performed for December 2021-March 2022?

The majority (68%) of the surveyed advertisers have already fulfilled their financial obligations under the acts of completed works for December 2021-March 2022. The rest plan to pay by the end of 2022.



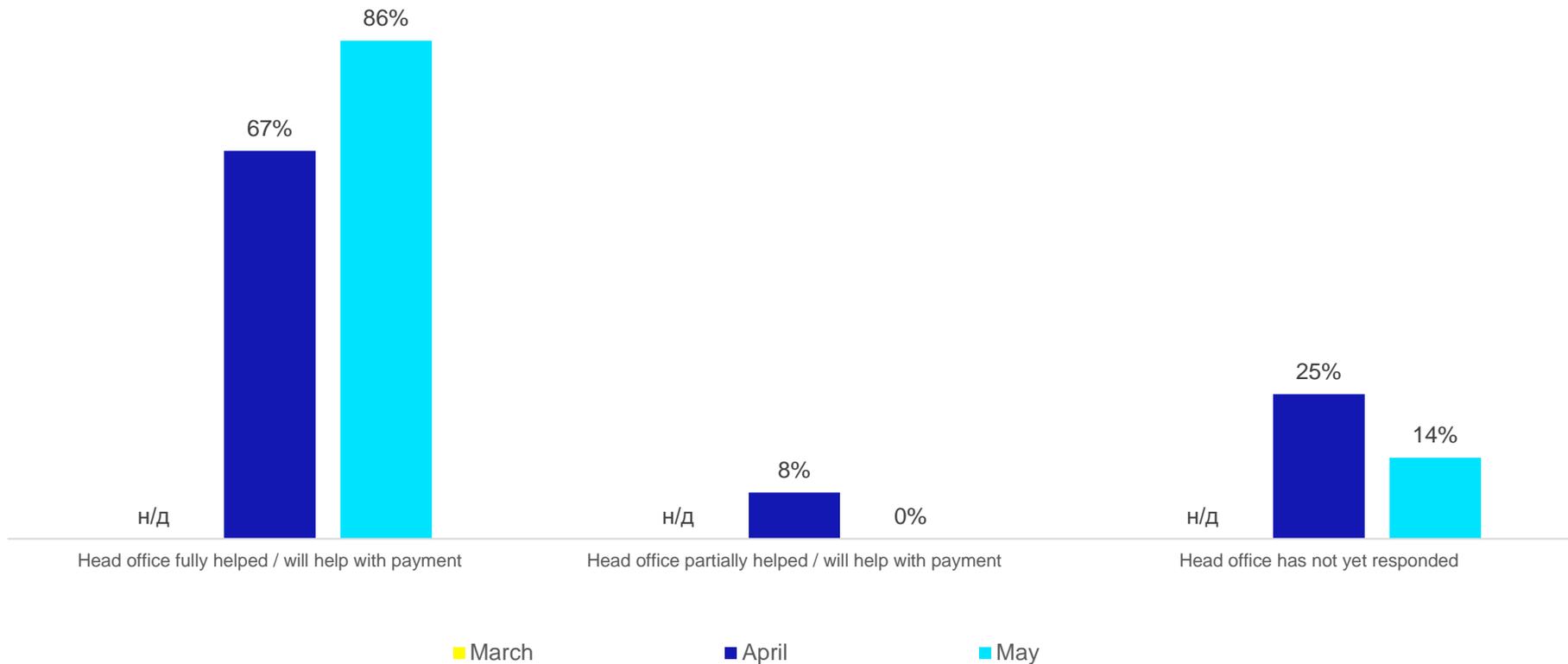
- Are you planning to apply to Head office to get money to pay for advertising campaigns in December-March?

The majority (39%) of advertisers interviewed in May did not apply to head offices, 23% - do not have a head office, 10% - have already applied, 6% - plan to apply. 16% - do not have the opportunity to receive funds.



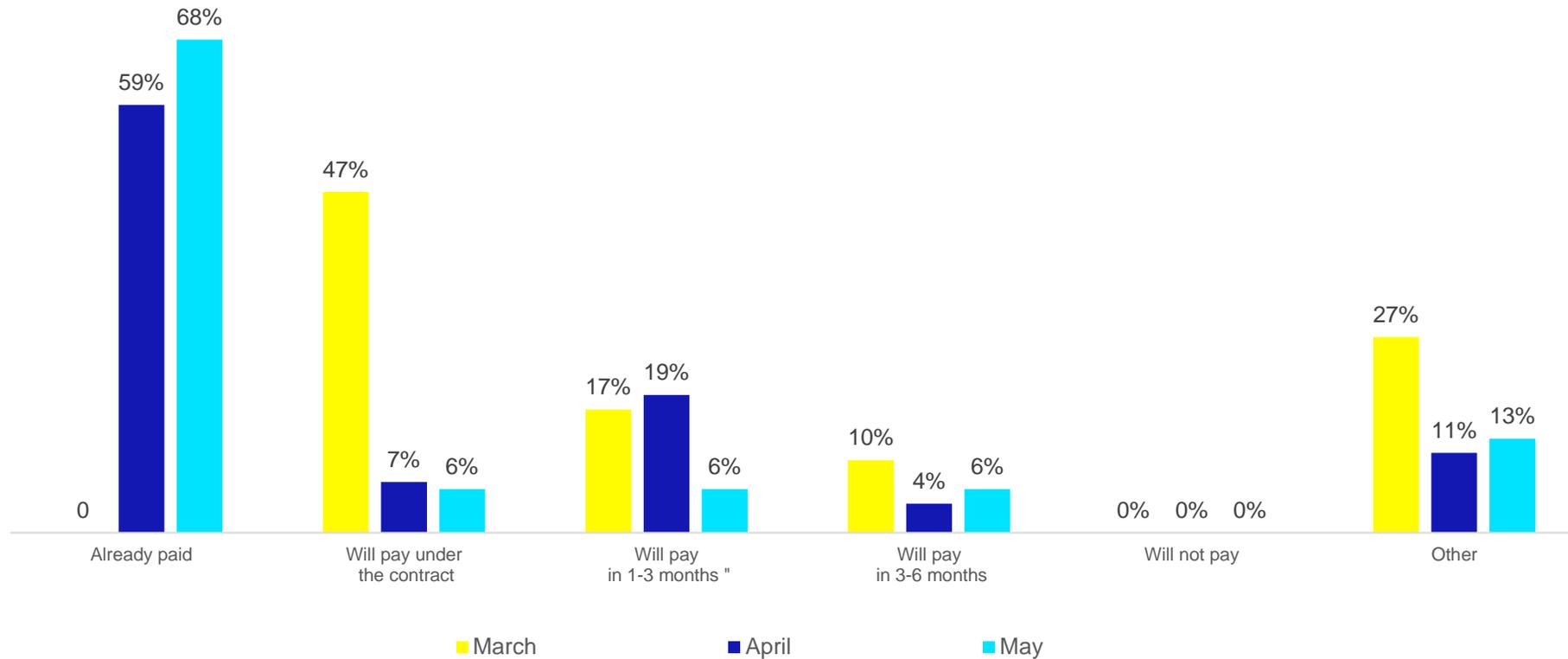
- If you approached the head office, how useful was the help of the head office to pay for advertising campaigns?

The majority (86%) of advertisers who contacted headofis have already received help for paying for advertising campaigns or will receive it in the near future.
14% of advertisers are still waiting for a response from head offices.



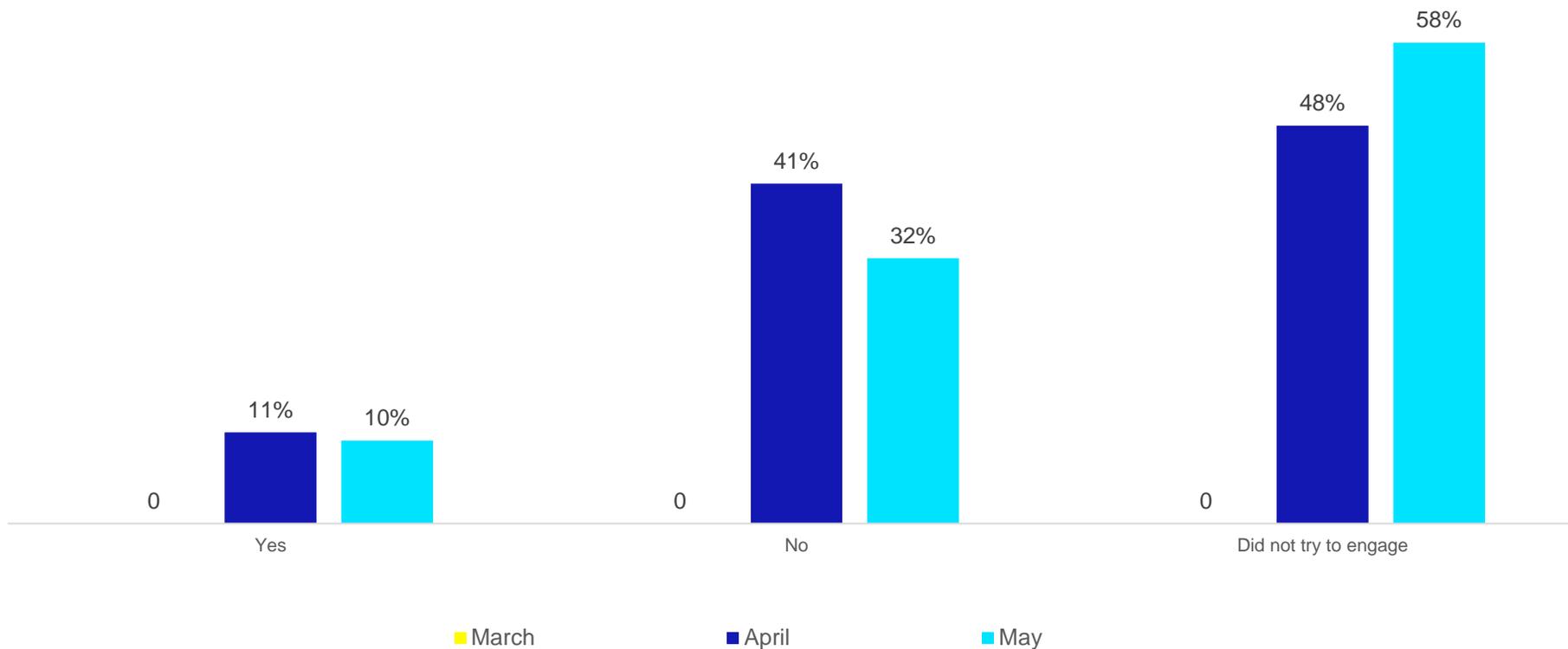
● Attitude to debt for advertising campaigns

The majority (68%) of advertisers have already fulfilled their financial obligations, 18% plan to pay within 6 months or according to the terms of the contract.



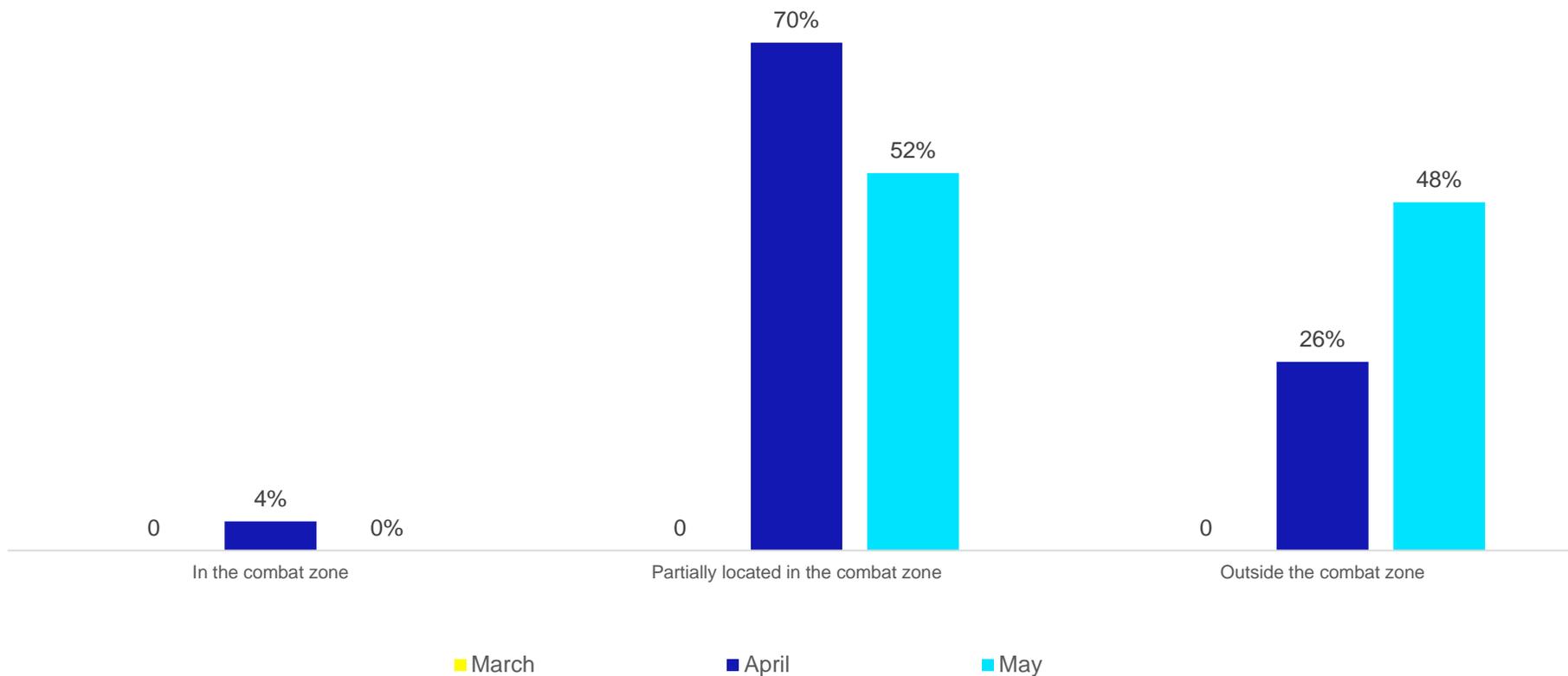
● Did you succeed to engage foreign clients after 24.02.?

Only 10% of the surveyed advertisers managed to attract foreign customers. Half (58%) did not try, 38% failed to do so.



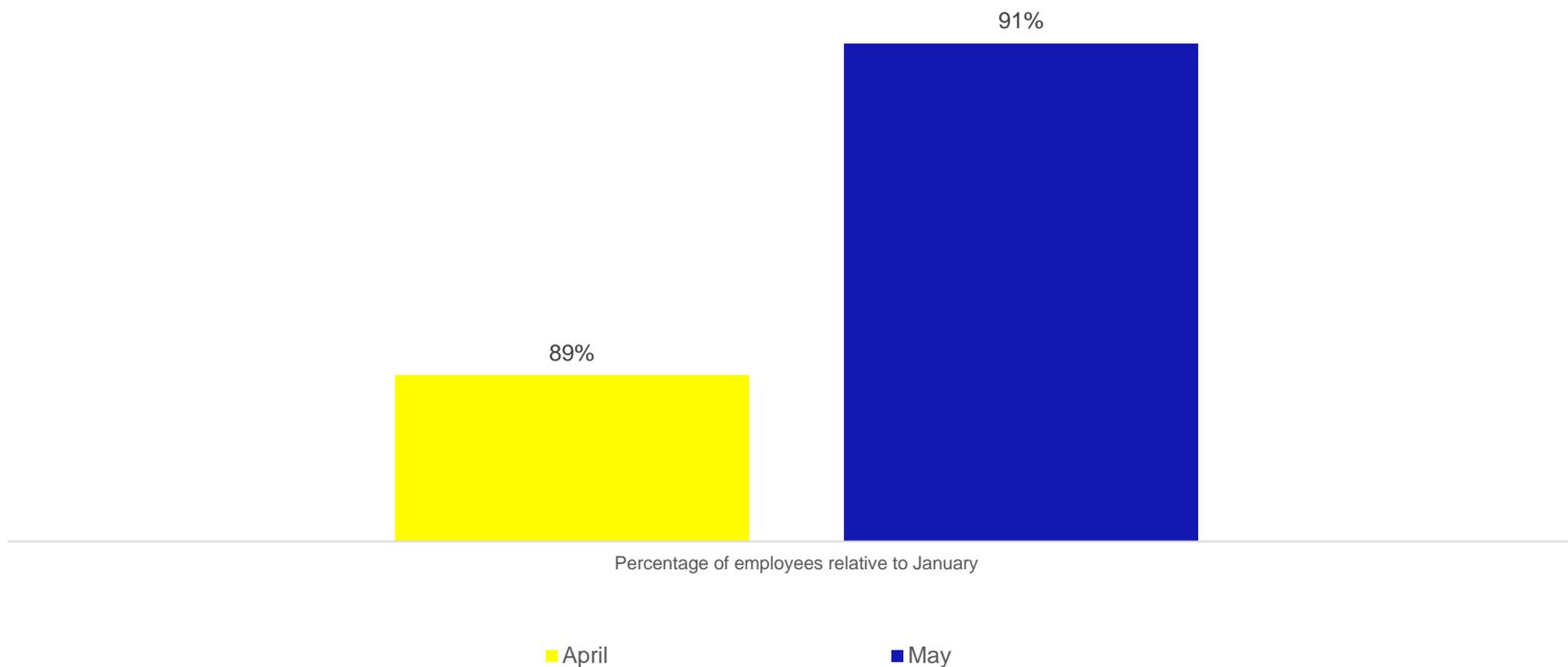
● Location of the critical infrastructure of your business

Half of the surveyed advertisers have critical infrastructure located partly in the war zone



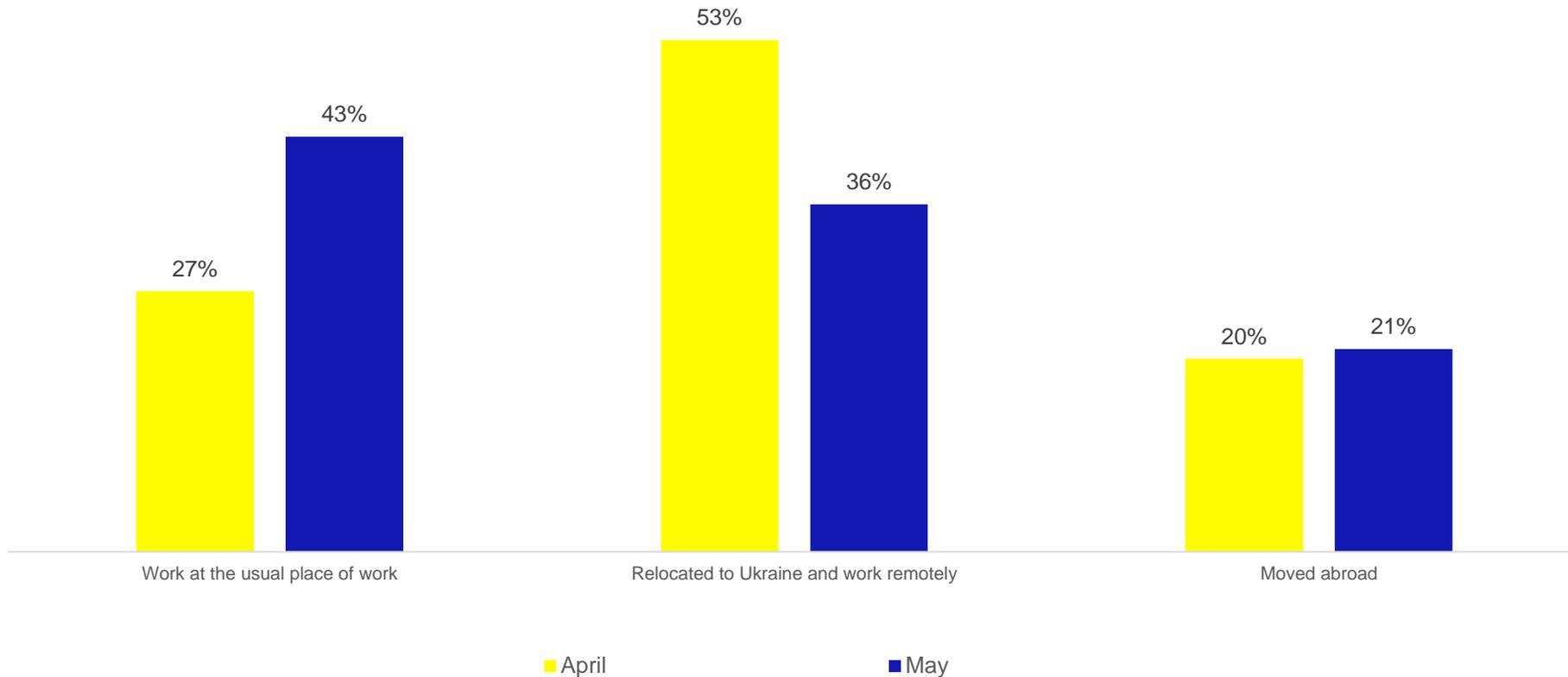
- Specify the percentage of your company's staff in January/April and January/May

A slow improvement in the personnel situation among advertisers is observed - a growth of 2%. But as of May, advertisers have lost an average of 9% of their employees since the start of the war.



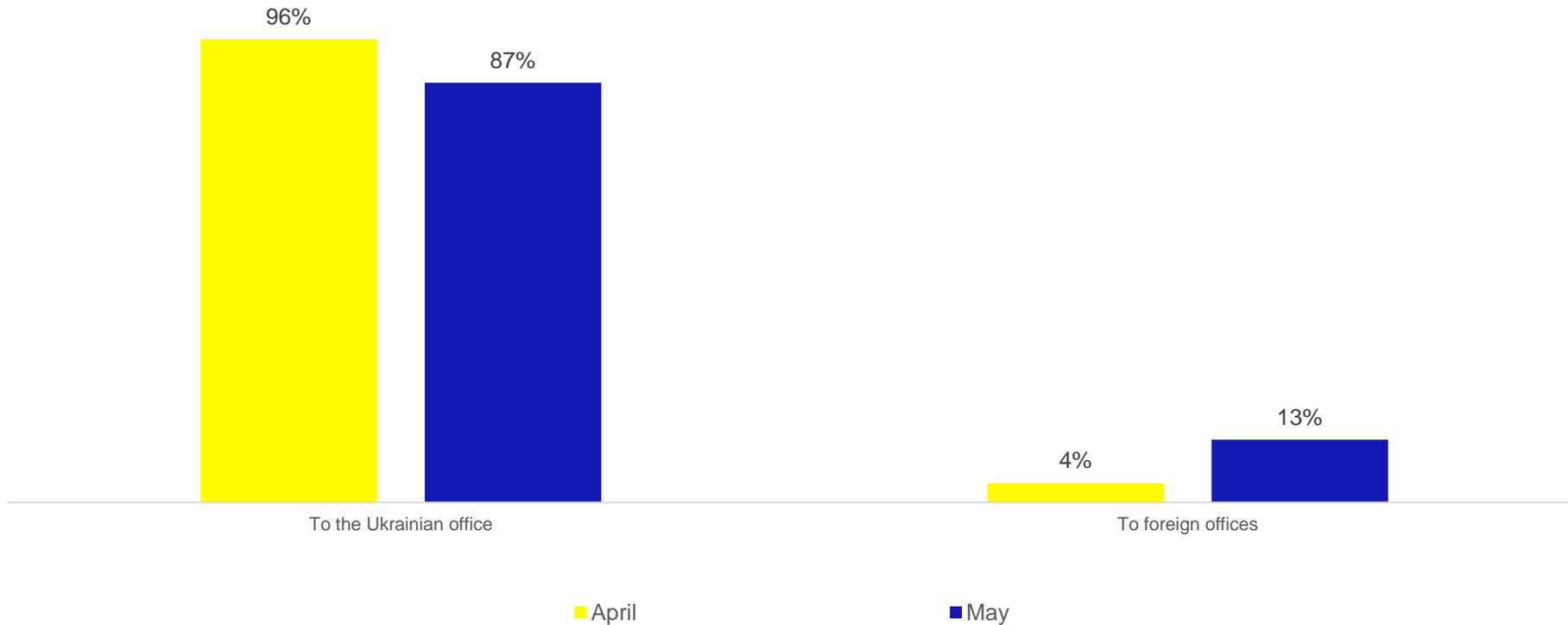
- Indicate the percentage of employees at the place of work from 24.02

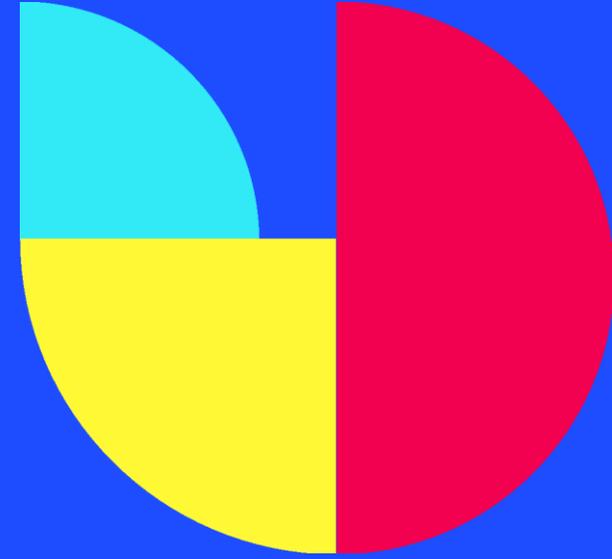
Almost half (43%) of the employees of advertiser representatives already work at their usual place of work - this indicator is growing. 36% are displaced within Ukraine and work remotely, the 5th part is displaced abroad



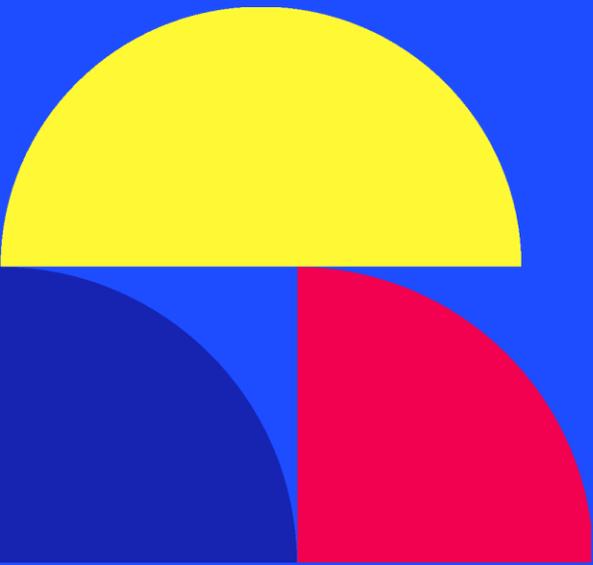
- Indicate the percentage of employees of your company who work in Ukrainian and foreign offices

As in April, the vast majority (87%) of advertisers continue to work for Ukrainian offices, the remaining 13% cooperate with foreign offices





Conclusions



● Conclusions

- Business is gradually recovering - more than 90% of both advertising agencies and advertisers either continue or have resumed work in full or in part. The pace of market recovery is increasing.
- In April, there was a significant increase in the commercial workload of RAs and advertisers: there are no agencies with a workload of less than 10%; the share of advertisers without commercial load decreased from 26% to 4%. Although the rate of recovery of advertising agency workload has slowed down
- Advertising agencies and advertisers mostly continue to work for Ukrainian offices, but the share of foreign clients is significantly higher in RA than advertisers (45% VS 11%) and continues to grow
- Among advertising agencies, the share of those who take individual measures to optimize the situation and support business is increasing - among RAs, the share of those who are forced to cut salaries has increased, and there is a tendency to reduce staff. Advertisers have reduced optimization
- 42% of advertising agencies fulfilled their financial obligations for December-March, the rest plan to pay by the end of 2022. For advertisers, this indicator is even higher: 52% have already paid for acts, 59% have paid for the services of advertising campaigns.
- Optimism about the resumption of work is growing, it is higher among advertisers: 45% of advertising agencies expect a resumption of activity at the level of 75% in the second half of 2022, among advertisers such 63%.



Stand with Ukraine!