



Digital industry barometer during the war №4

july 2022



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The interactive advertising industry is on the road to gradual recovery. Six months of active hostilities on the territory of Ukraine deprived us of illusions about the fleetingness of the war and a painless return to the usual "life of a digitalist". However, during these six months, the industry learned extreme business adaptation and came to the conclusion that saving itself, businesses and the country is the business and responsibility of only ourselves. We all have a long and difficult road to recovery, reconstruction and ultimately development, but the management experience we gain along the way, the experience of the industry, and the experience of the country are also unique. Unique in the world sense.

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

KANTAR

● Methodology

This is the fourth wave of the IAB Ukraine Digital Industry Barometer during the war period in Ukraine, 2022. This is a survey of the current state and forecasts of advertisers, platforms and agencies of the interactive advertising market.

The research was conducted by means of an online targeted survey of market players. The period of implementation is July 2022. The survey involved 26 representatives of advertising agencies and platforms and 21 representatives of advertisers.

The pool of participants in each wave of the survey is not identical, the survey is conducted to identify trends in the industry.



DIGITAL AGENCIES AND PLATFORMS

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

Admixer Advertising

Adtelligent Inc.

AIR Brands

AMS agency

Carat Ukraine

Dentsu media

DORIS

INCREATE

ISD Group

Isobar Ukraine

MediaCom

MEDIA PARTNERSHIP BUYING

MGID

MixDigital Ukraine

NEOS

Netpeak

Optimum Media OMD

Promodo

Publicis Groupe Ukraine

RAZOM GROUP

Recreativ

Sasquatch Digital

TMGU

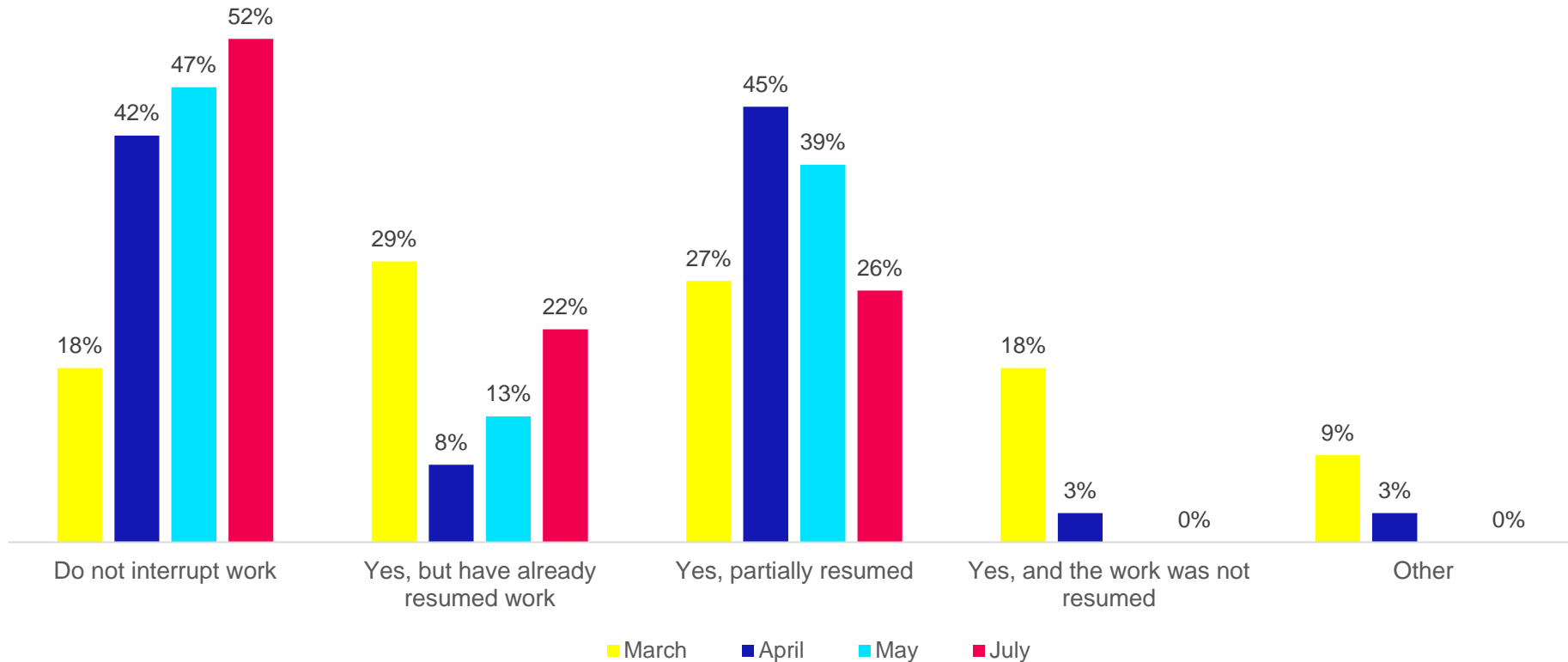
UAMOBILE.NET

WARTO Agency

Webpromo

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

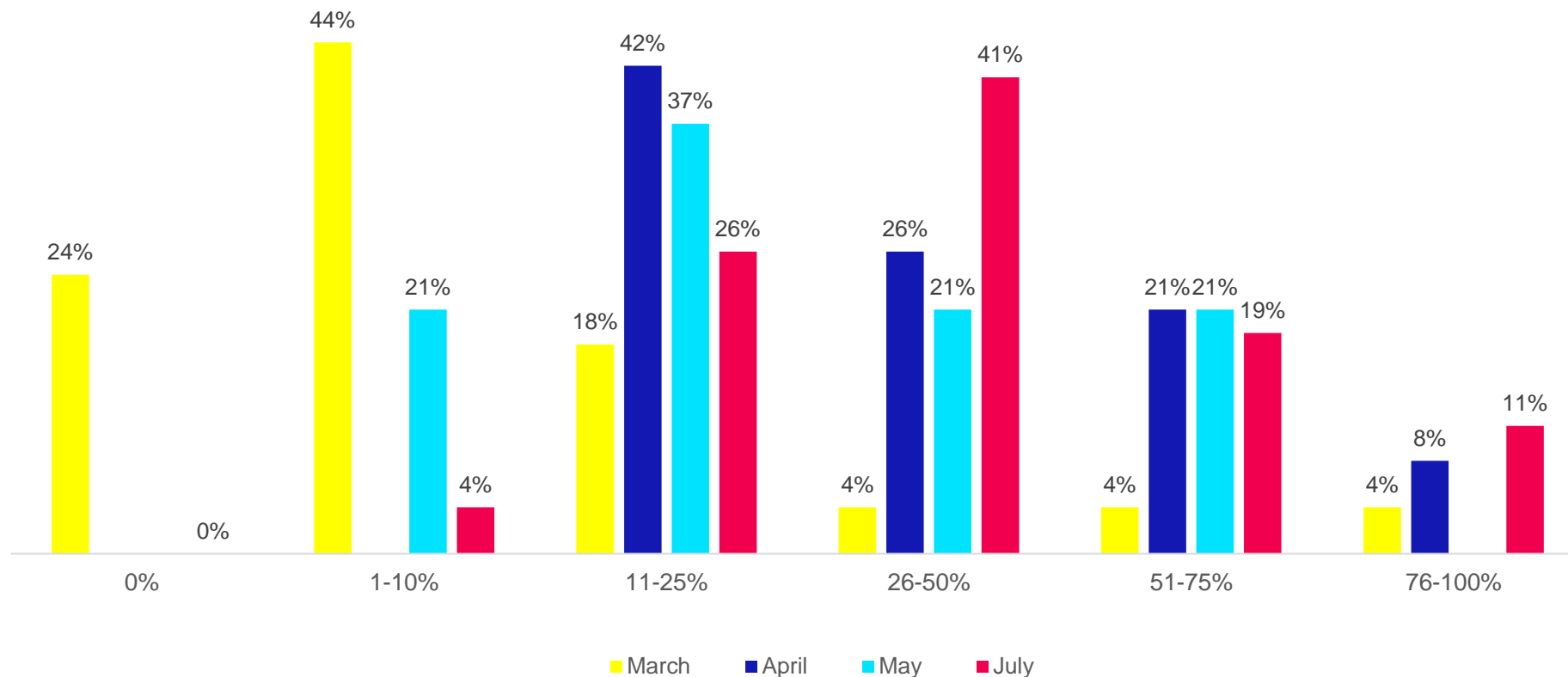
As of July 2022, there are no those who have not resumed commercial activities among the participants. ¼ of interviewed advertisers and platforms are in the recovery process, the rest has already resumed their activities.



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

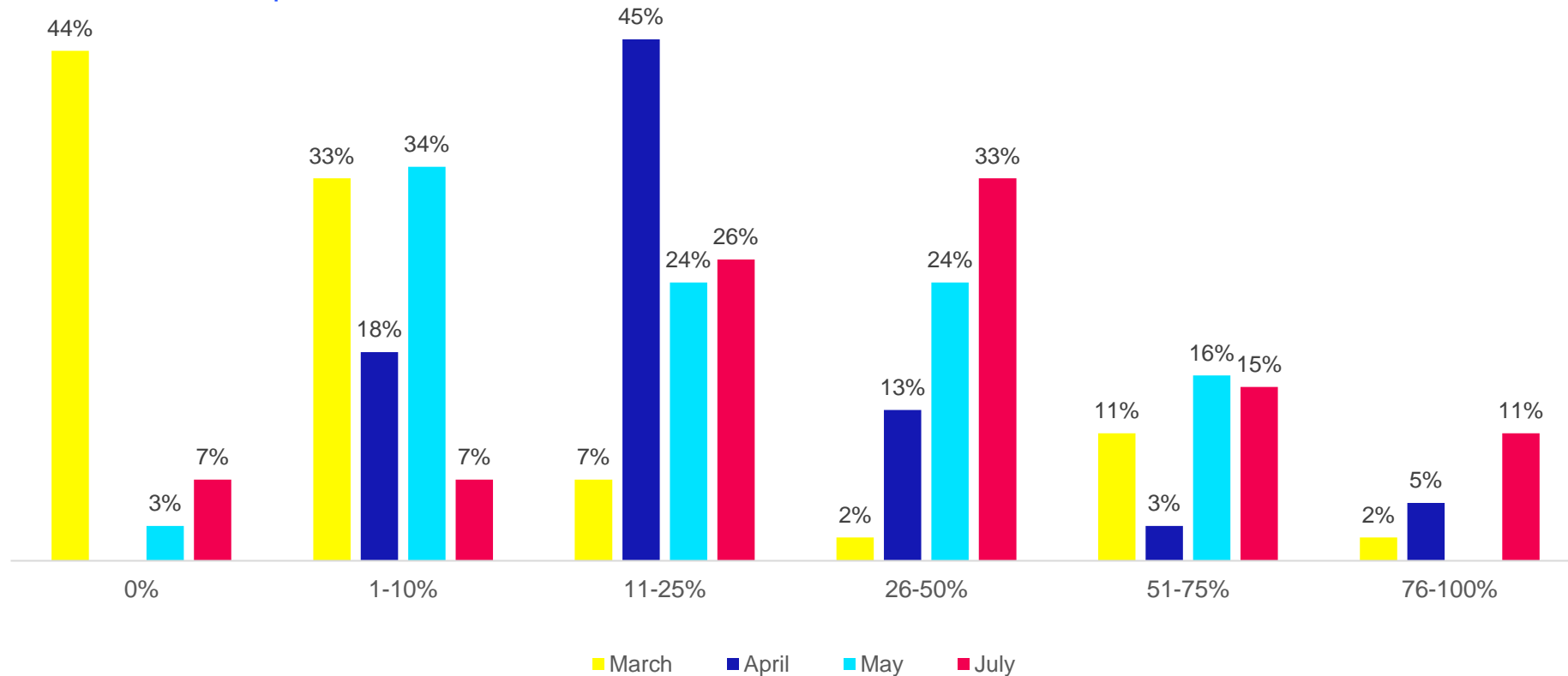
Now we record a smaller share (4%) of advertising agencies and platforms with a load of up to 10%.

The share of companies with a load level of up to 50% is growing; 11% of respondents report the maximum load level.



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

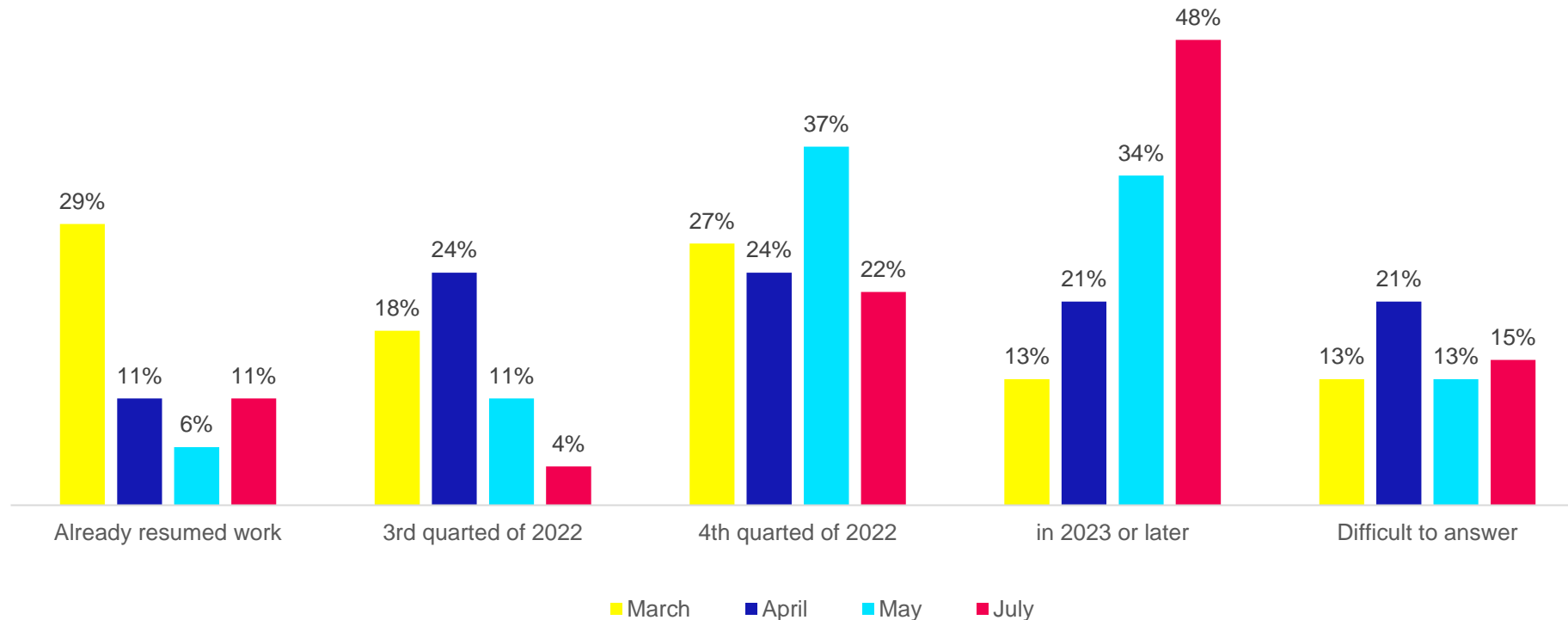
In July in general there is a positive dynamics of restoring advertising activity: a gradual growth of advertising activity at level 11-25% and above.
We have the smallest number of respondents with the level of advertising activity on the mark “up to 10%”



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

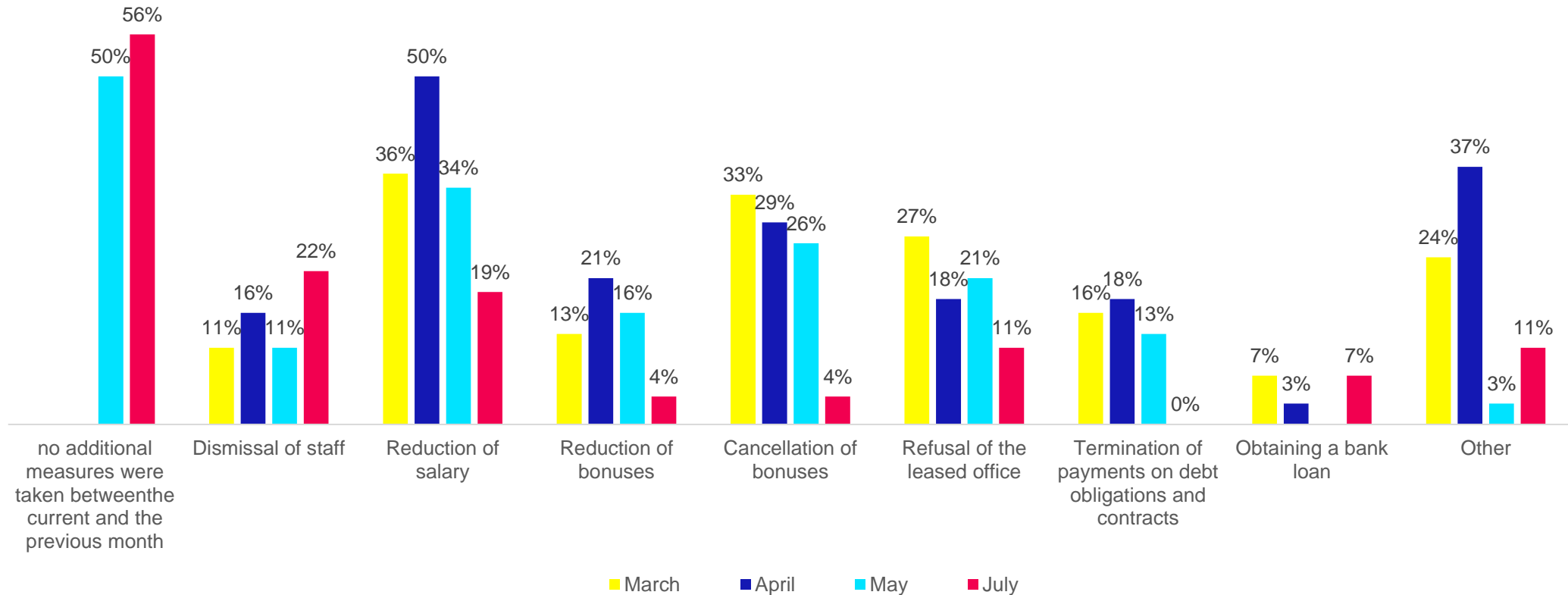
11% of respondents have already resumed the company's work at the level of at least 75%.

A quarter (26%) of the advertising agencies and platforms surveyed in July believe that the renewal of advertising activities at the level of 75% will occur in 2022. Almost half (48%) are expected in 2023 or later.



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

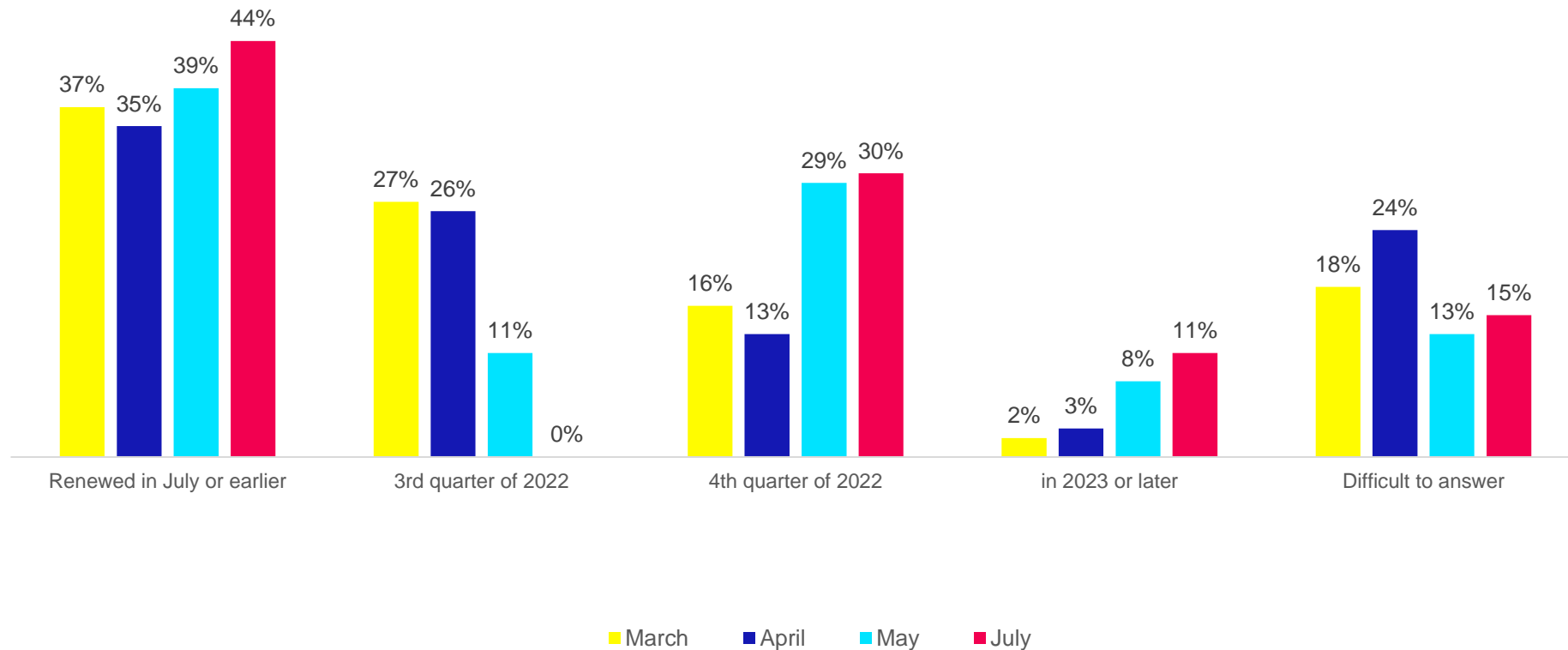
The vast majority (56%) of the surveyed advertising agencies and platforms did not take any additional measures between May and July to support business. Among the additional actions in July are the dismissal of personnel, reduction of salaries, refusal of rented offices and other measures



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

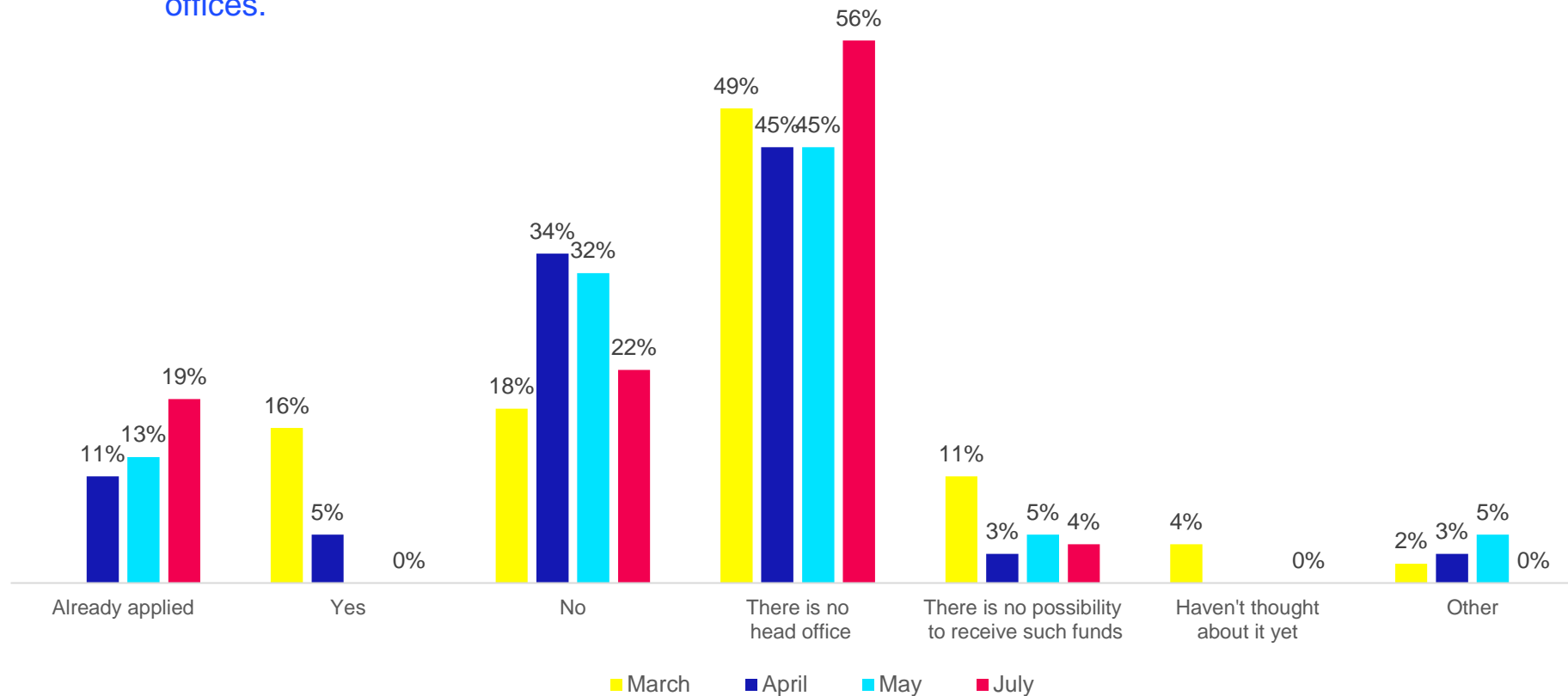
44% of the surveyed advertising agencies and platforms have already resumed the advertising activity of their companies.

There is no hope for the summer, one third (30%) expects renewal in the fourth quarter of 2022.



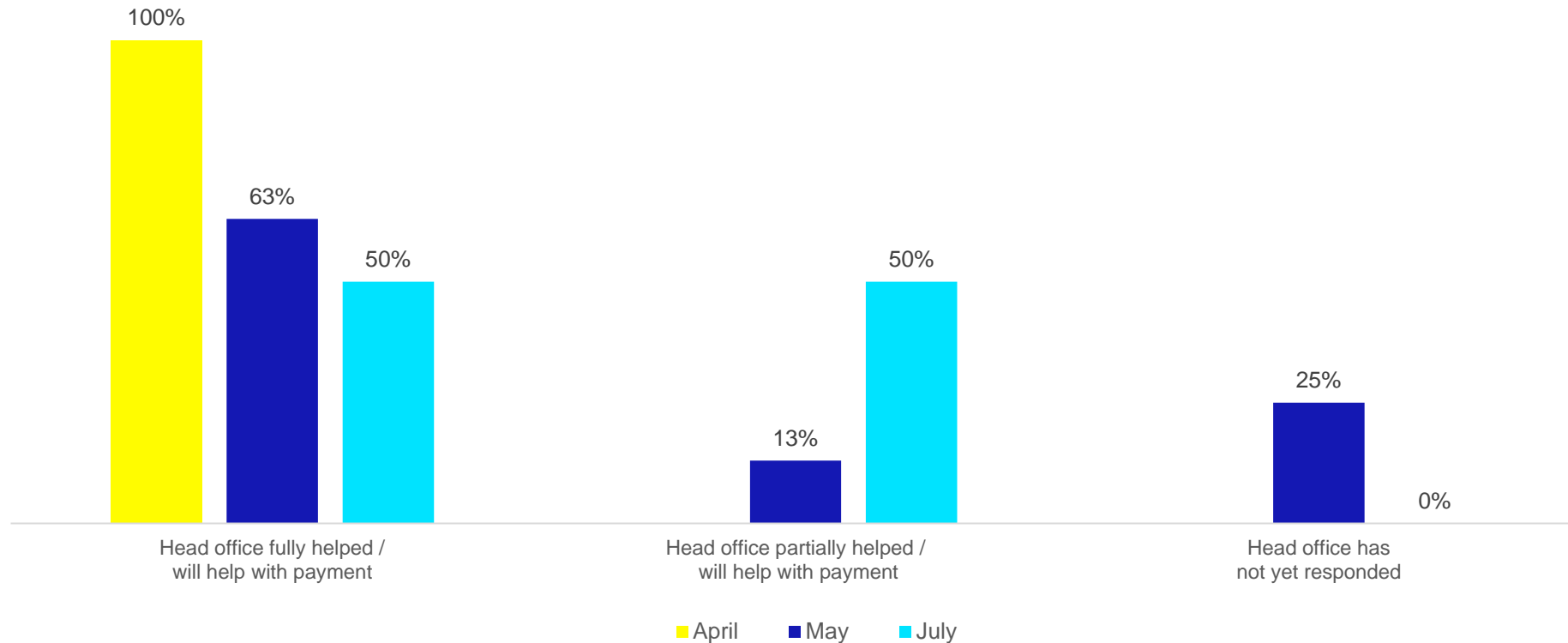
- Are you planning to apply to Head office to get money to pay for advertising campaigns in December-March?

There are no significant changes in communication with the head office compared to May. Half (56%) of the surveyed advertising agencies do not have head offices - and therefore, as a result, do not have the opportunity to apply. 19% have already contacted the main offices.



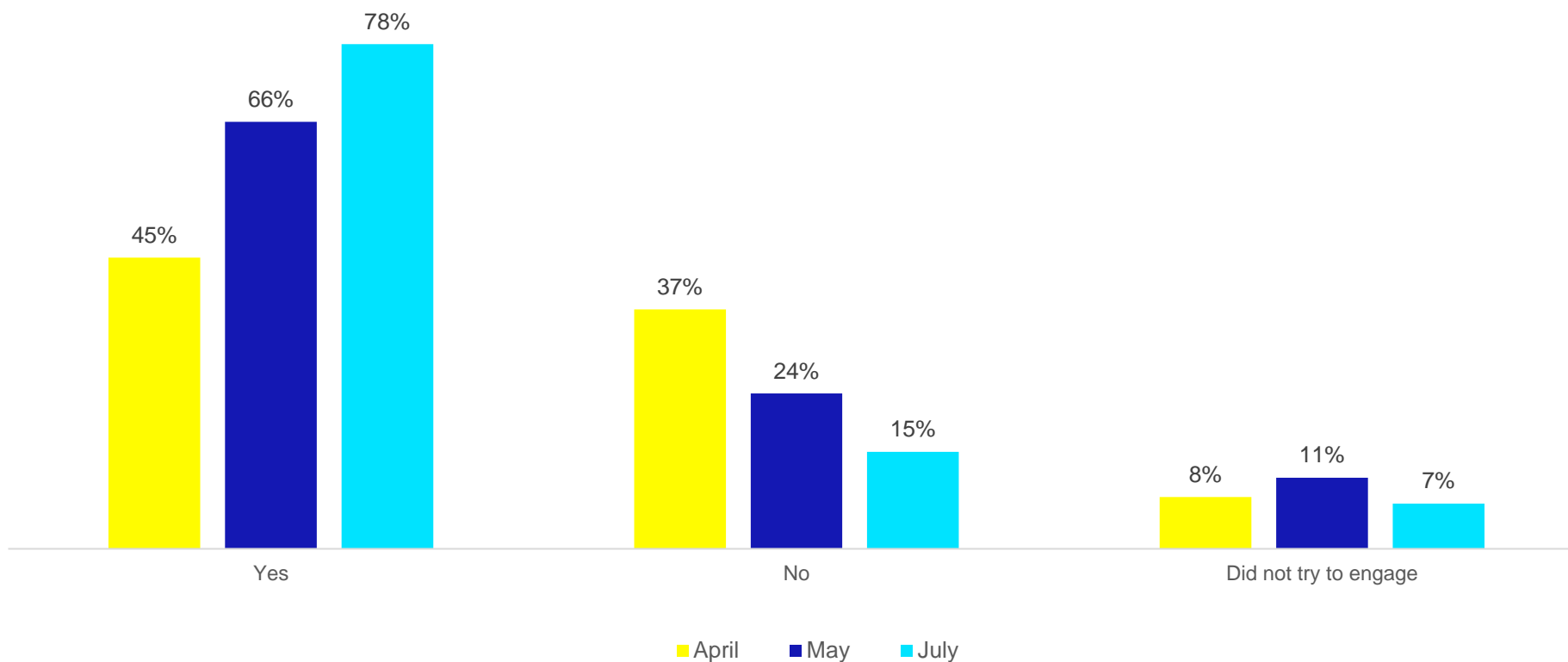
- If you approached the head office, how useful was the help of the head office to pay for advertising campaigns?

50% of the advertising agencies and platforms among the respondents who contacted the head office in July have already received help for paying for advertising campaigns or will receive it in the near future. Another 50% have partially received or will receive assistance from head offices.



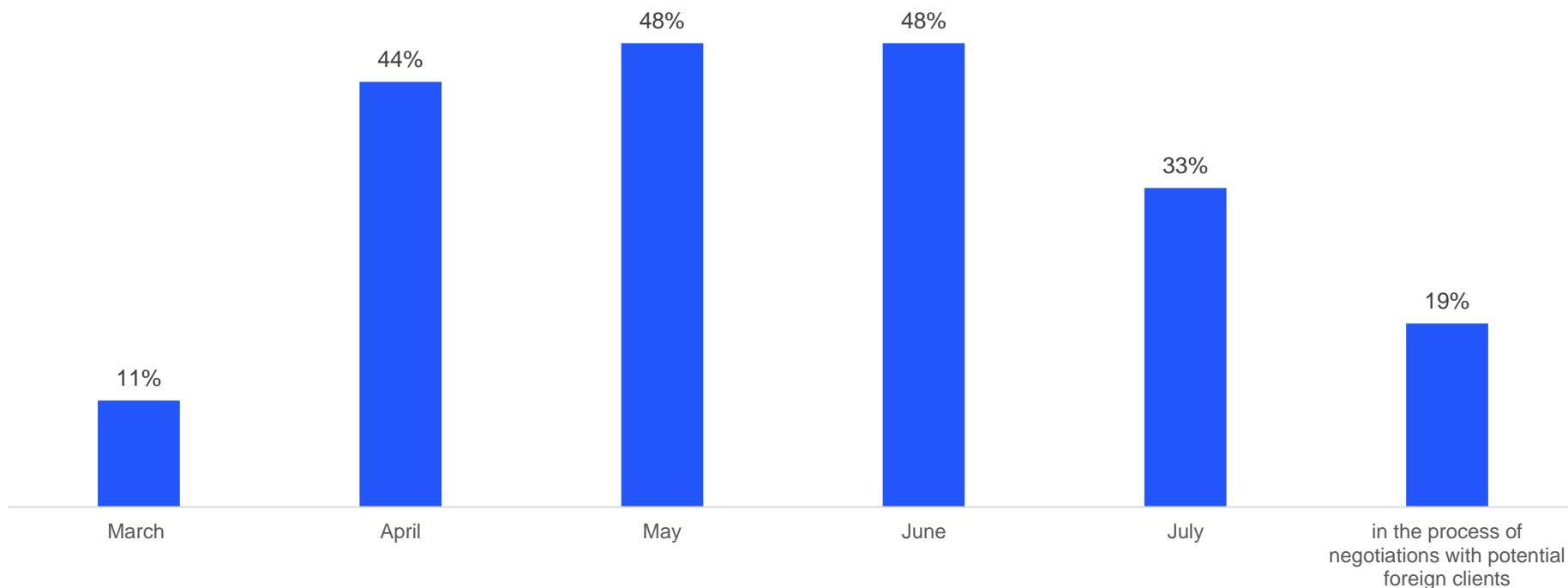
● Did you succeed to engage foreign clients after 24.02.?

There is a positive trend in cooperation with foreign clients – 78% of surveyed advertising agencies and platforms reported on attraction of foreign clients as of July.



- If you succeed to engage foreign clients after 24.02, indicate in which months it happened

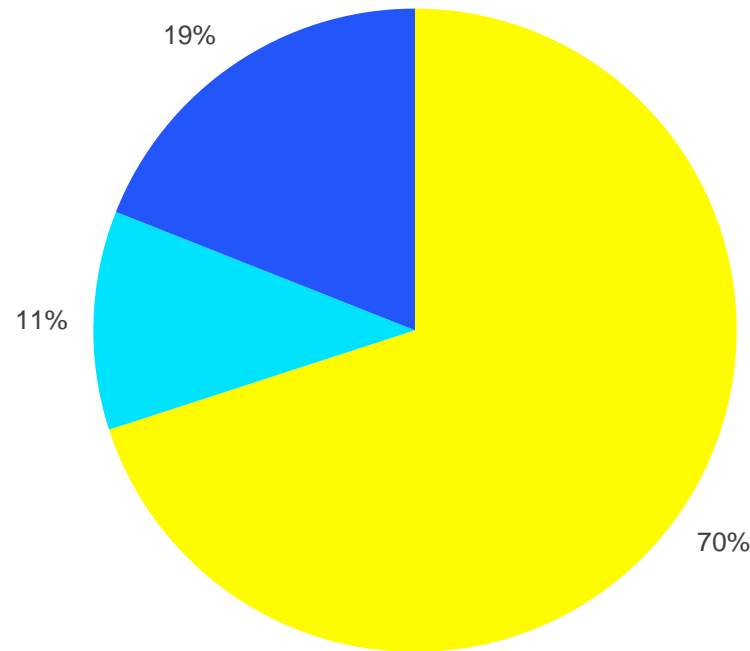
For most of the surveyed advertising agencies and platforms, the most profitable in attraction of foreign clients was April, May and June.
19% are still engaged in negotiations with potential clients.



- Are there any of your clients who have confirmed their readiness for advertising and commercial activity despite active hostilities or deterioration of the military situation?

70% of advertising agencies report that among their clients there are such who are ready to conduct commercial advertising activities despite active hostilities or deterioration of the military situation in Ukraine.

11% of advertising agencies have advertisers who are not ready to conduct commercial advertising activities in the conditions of deterioration of military situation.



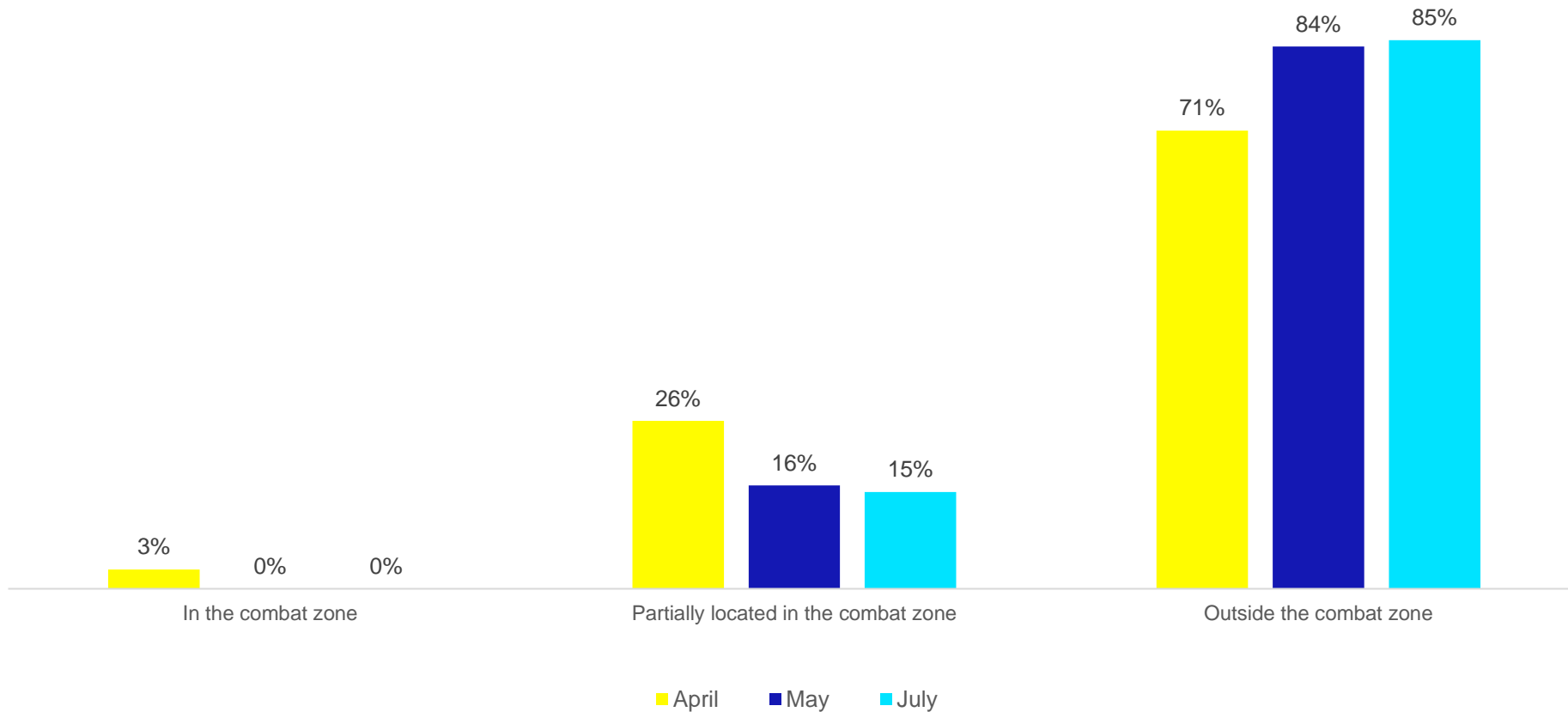
■ yes, there are those who have confirmed

■ no, there are no such customers

■ did not poll clients on this matter

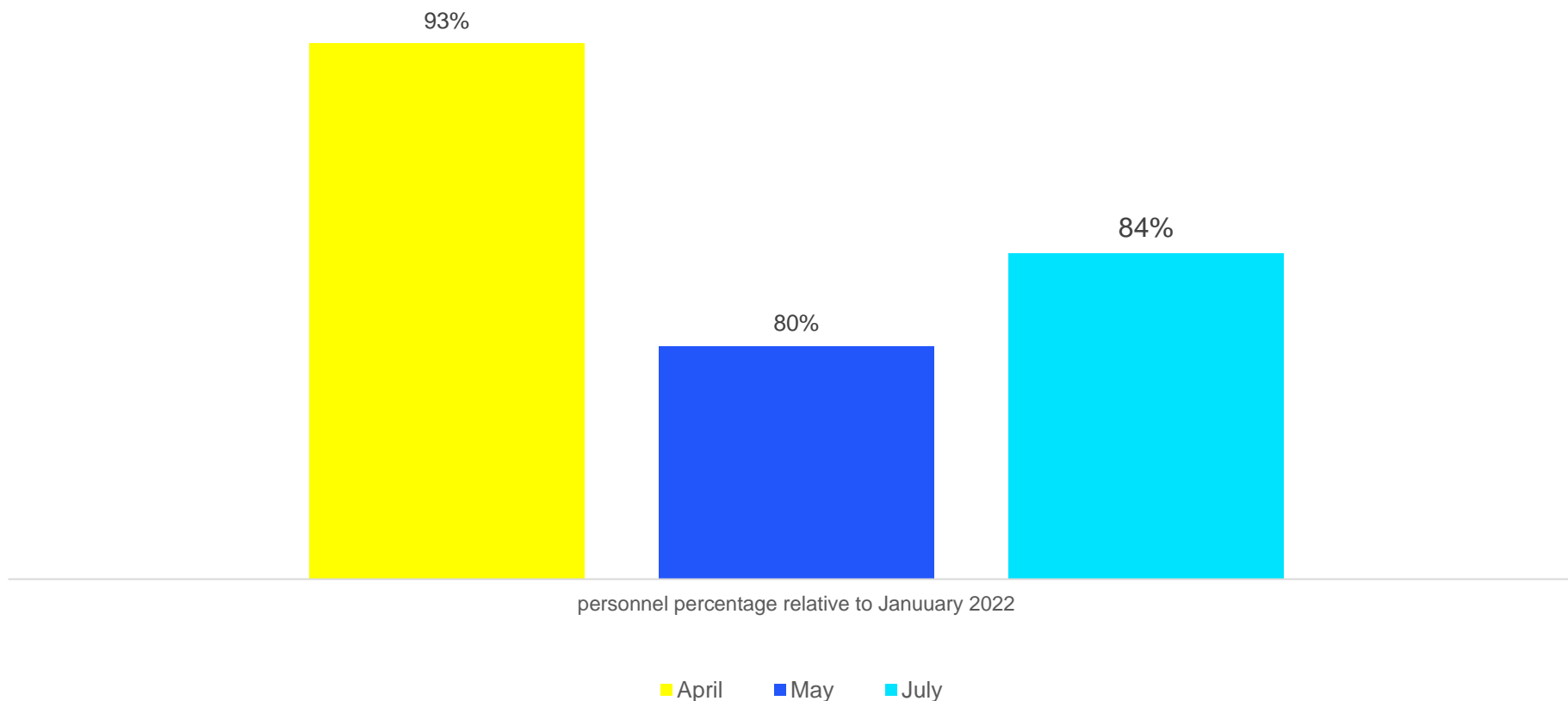
● Location of the critical infrastructure of your business

85% of advertising agencies and platforms report that the critical business infrastructure is out of the war zone, 15% in the war zone.



- Indicate percentage of your company's personnel relative to January 2022

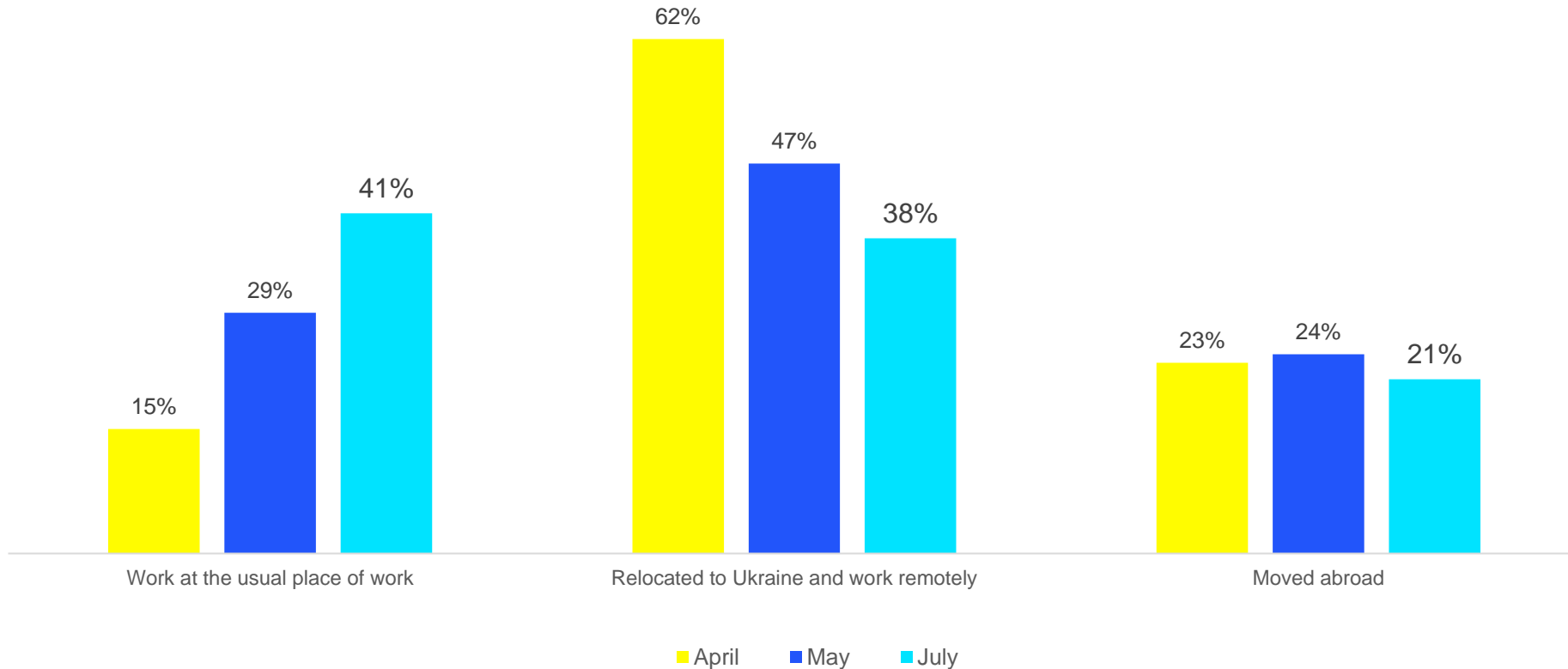
In July, there is a positive trend in the number of personnel.



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

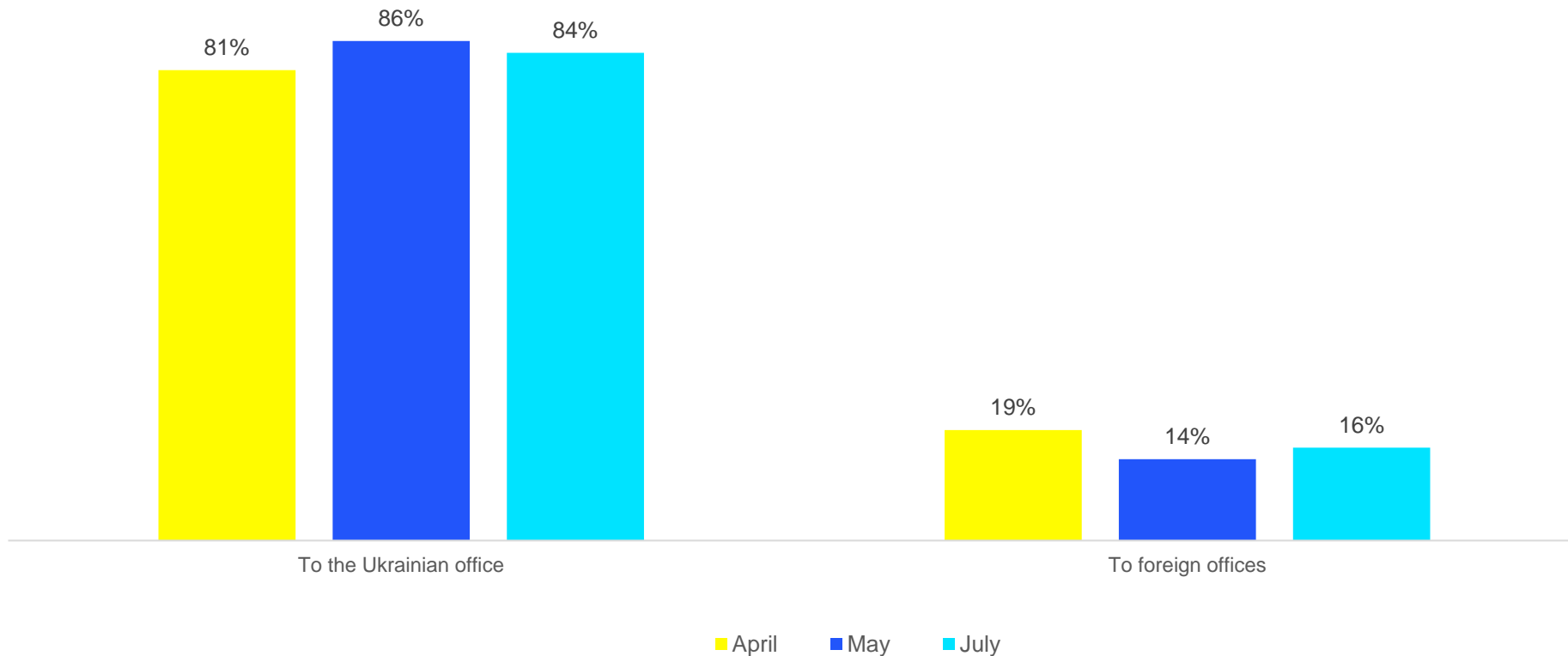
In July, advertising agencies and platforms maintains an increase in the number of employees (41% in July relative to 29% in May), who work at the usual place of work among advertising agencies and platforms.

The share of employees working abroad – 21% remains almost stable



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

The percentage of employees of advertising agencies and platforms working for Ukrainian offices remains almost unchanged - 84%.



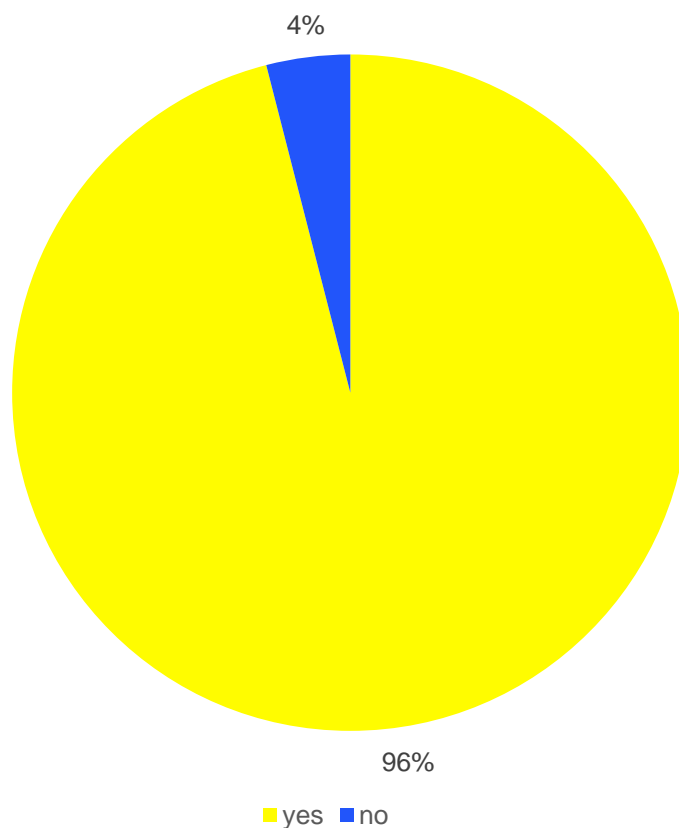
- The number of workers who were mobilized

At least 40 people are mobilized to the Armed Forces of Ukraine among 26 advertising agencies and platforms surveyed.

40 people

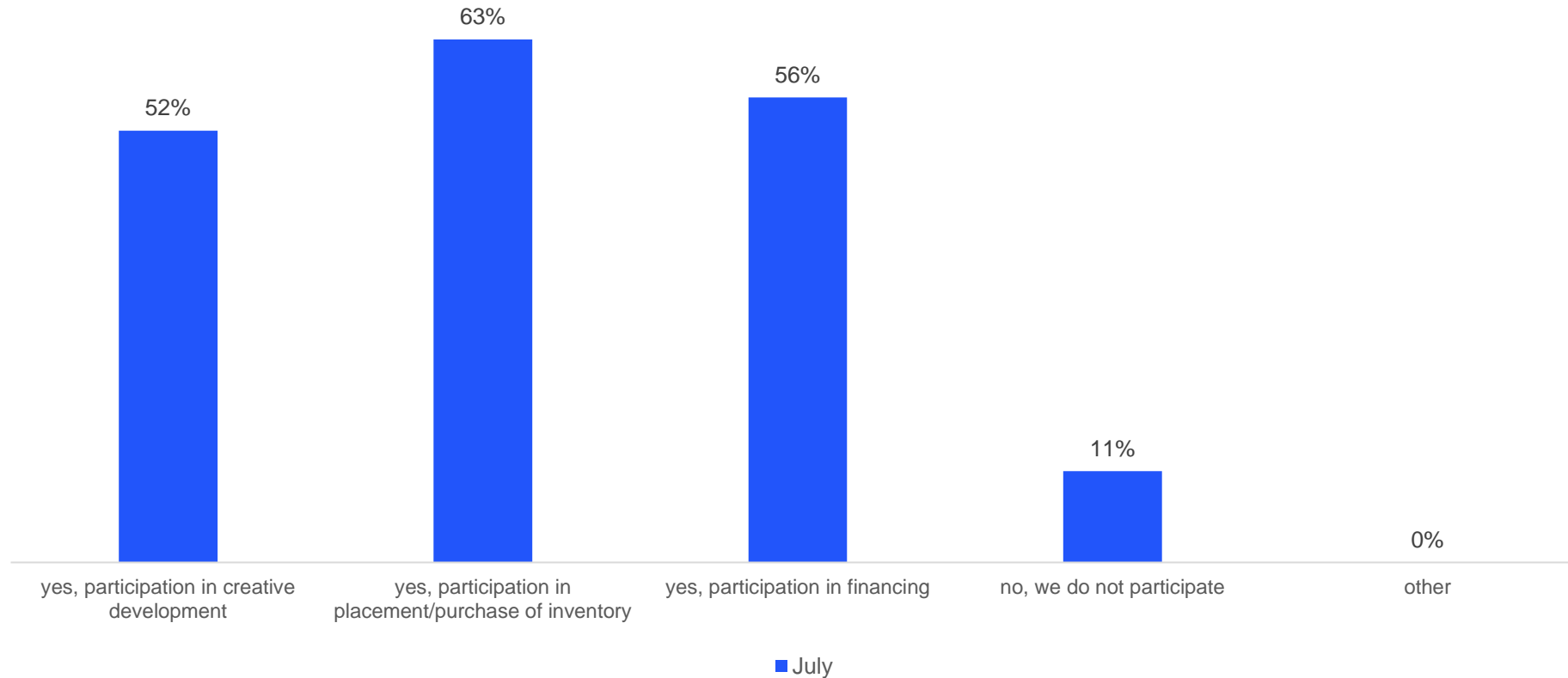
- Does your organization participate in charitable initiatives to support humanitarian activities or the armed forces?

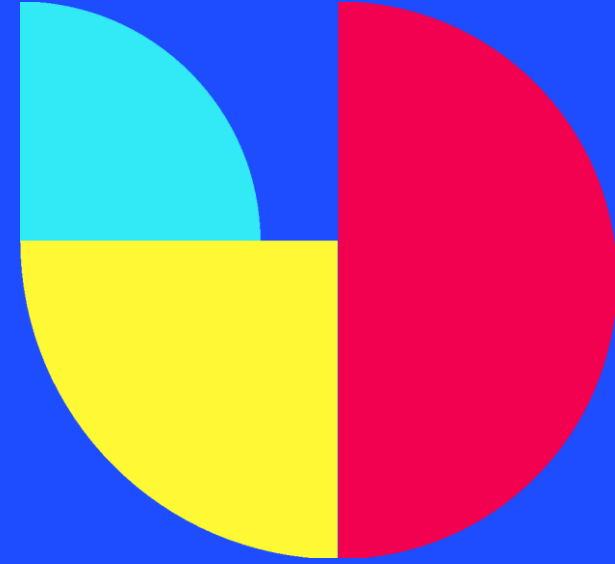
The overwhelming majority (96%) among the advertising agencies and platforms surveyed in July are involved in charitable initiatives to support the Humanitarian Activities or the Armed Forces of Ukraine.



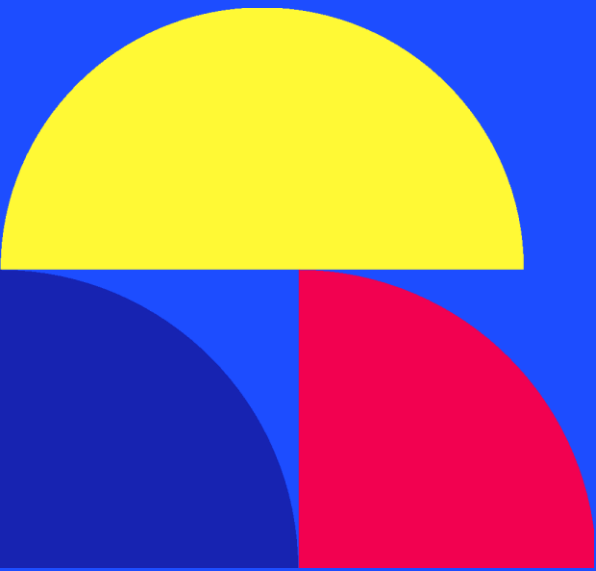
● Does your organization participate in information campaigns both in Ukraine and abroad in support of Ukraine?

Only 11% of the agency and platform are not involved in information campaigns aimed at supporting Ukraine





ADVERTISERS



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

Beko Ukraine

Biola

Bionorica

Darnitsa

Epicentr K

Henkel

Kinomania LLC

KRKA

Mastercard Ukraine

MHP

Obolon

Okay Monday

OLAINFARM-UKRAINE LLC

OLX Ukraine

Organosyn LTD, LLC

PepsiCo Ukraine

robota.ua

Schedro

Sniezka Ukraine LLC

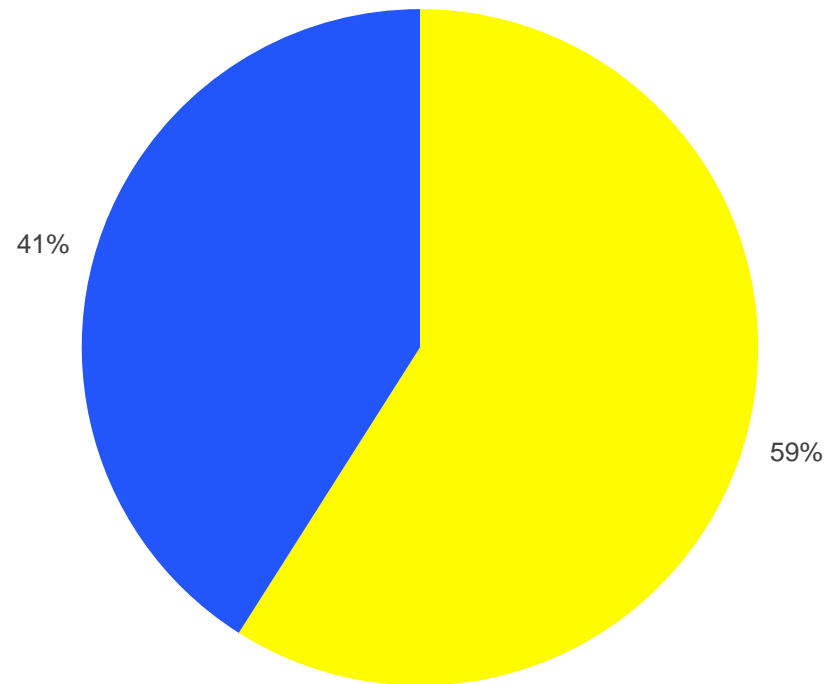
SPERCO UKRAINE

Strauss Ukraine

SUNOCO TRADING, LLC

● How do you define your business?

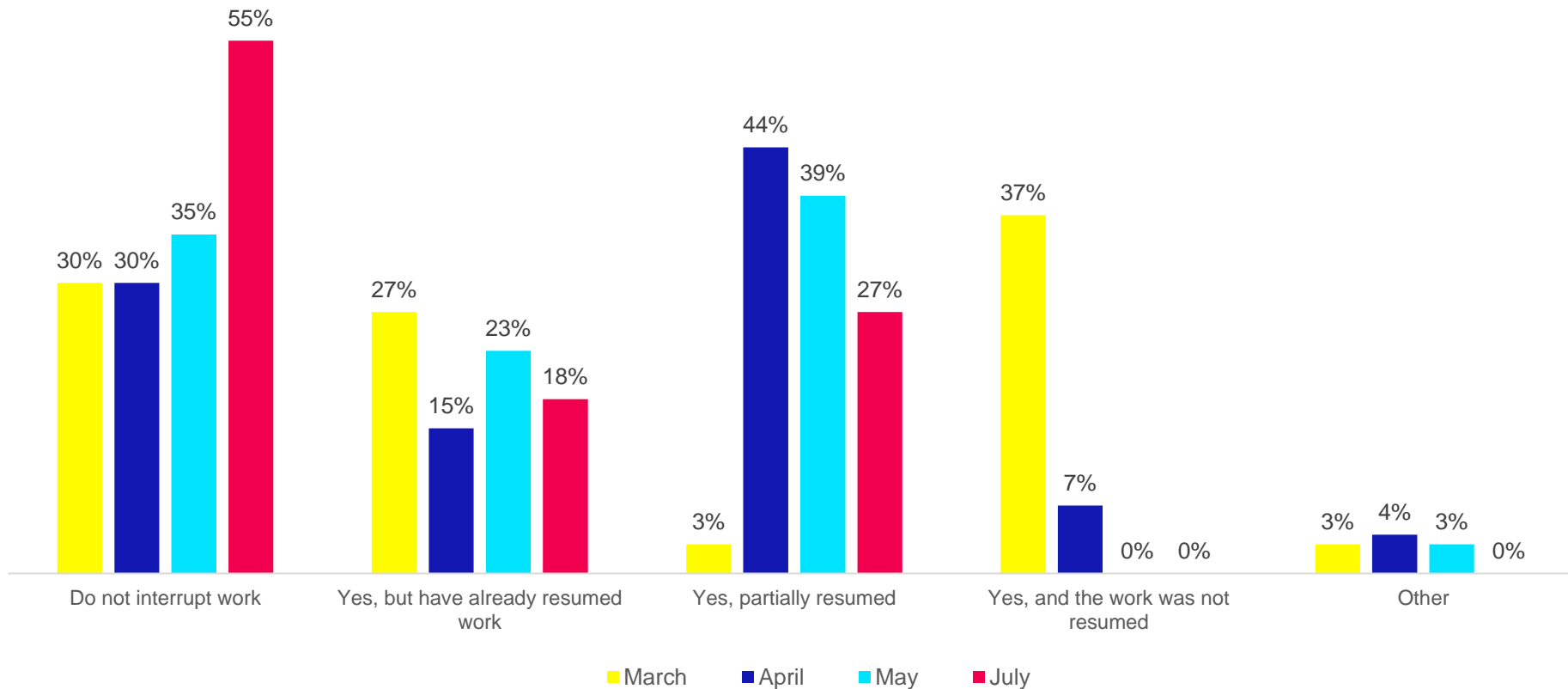
Among the advertisers surveyed in July - 41% are representatives of global/network business, 59% are local.



■ local advertiser ■ global / network advertiser

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

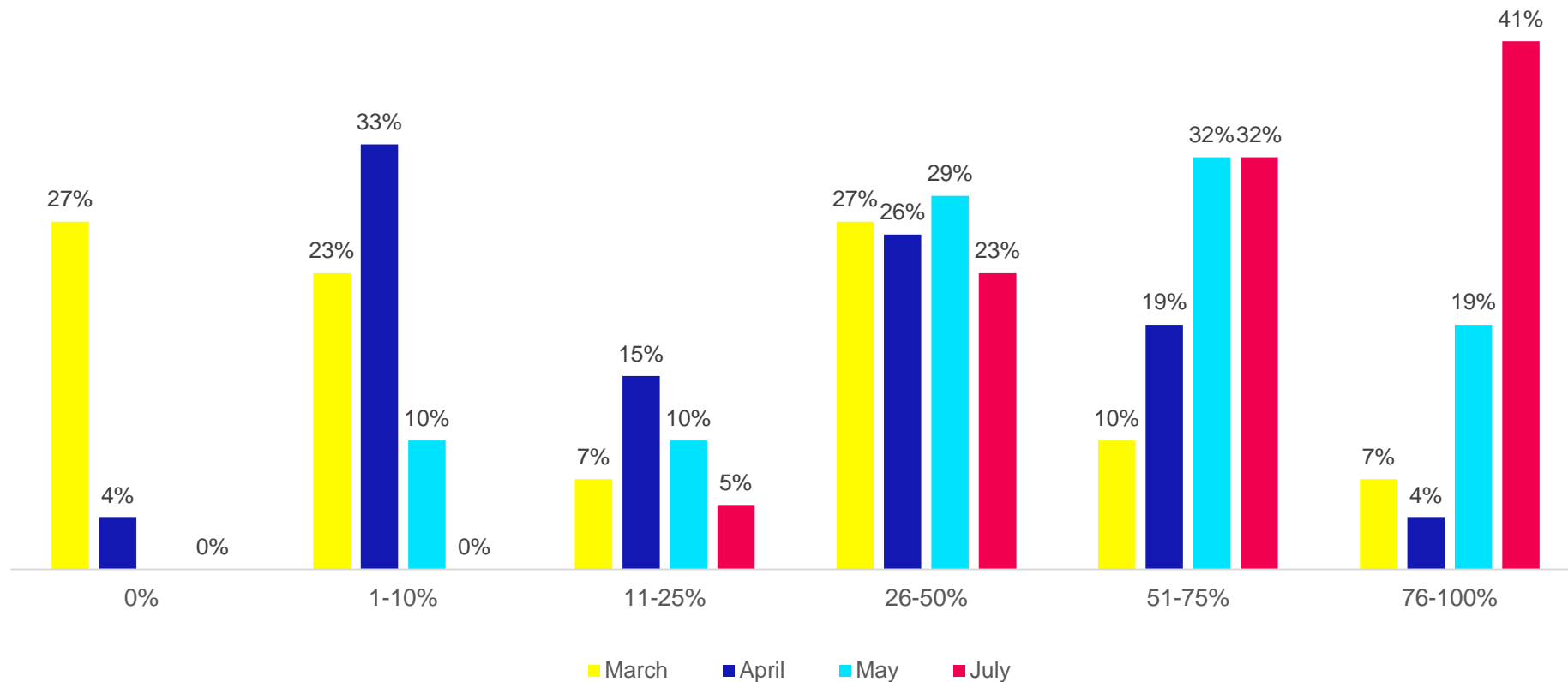
Among the surveyed advertisers as of July 2022, there are none who have not resumed their work.



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

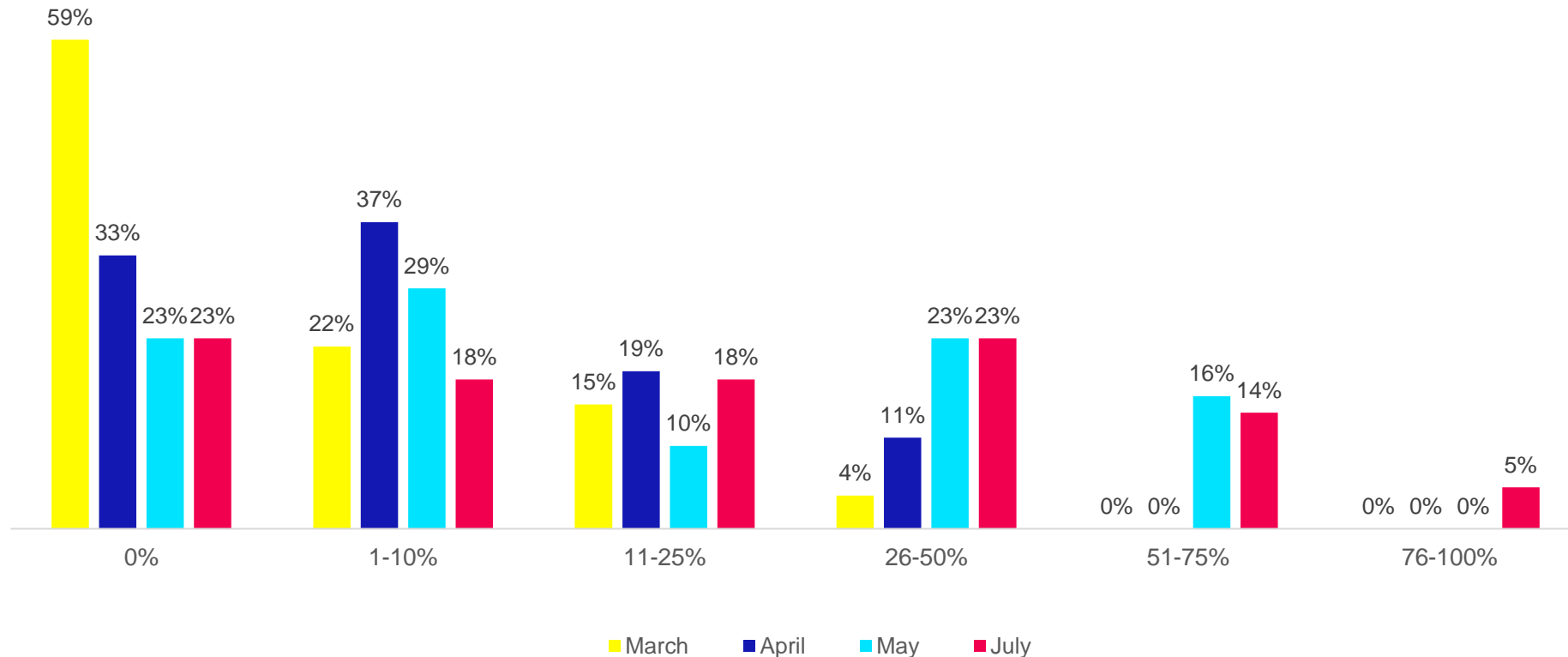
In July, there was a significant increase in commercial load among advertisers: the share with the level of 76%+ has doubled.

Only 5% of the surveyed advertisers are not more than 25% of the commercial load.



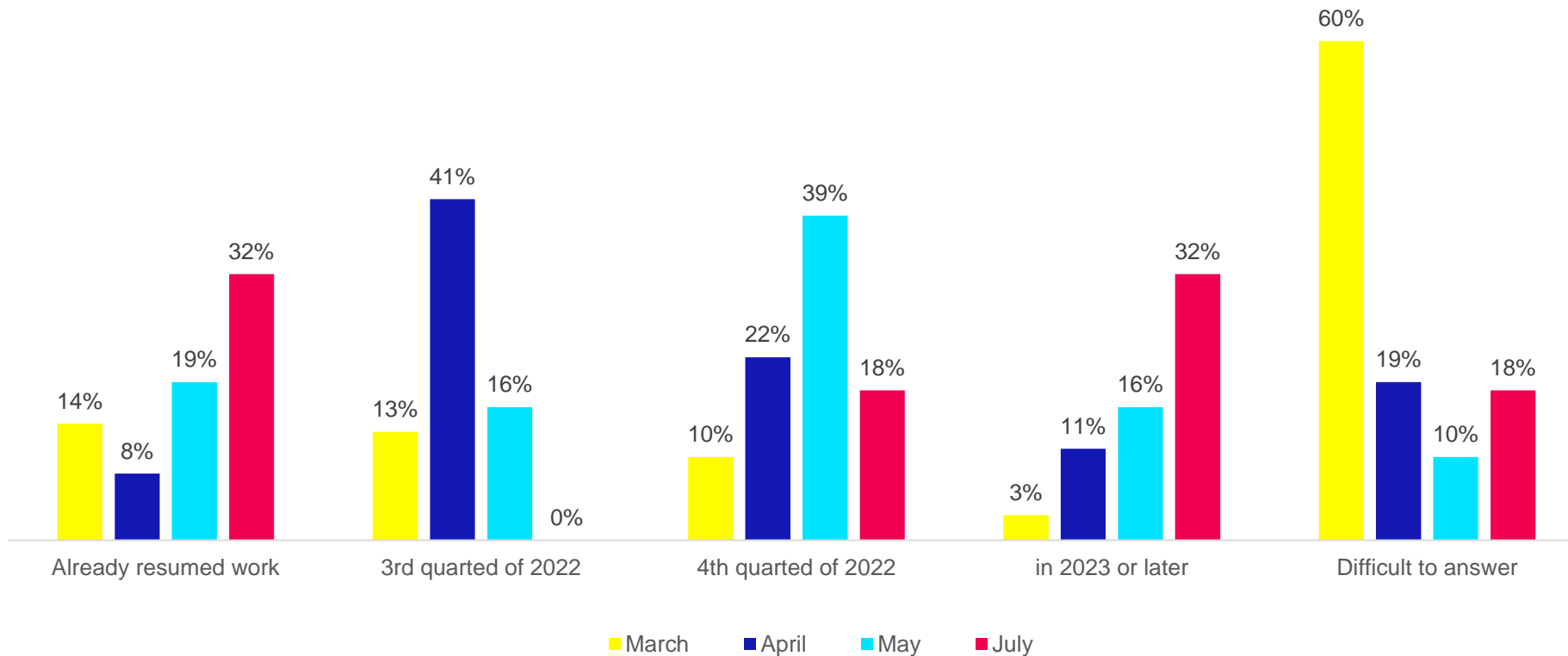
● How would you rate the level of advertising activity of your company in July 2022 compared to January 2022?

In July, 5% of advertisers managed to cross the mark in 75% of advertising activity, but 59% of respondents reported activity at the level of up to 25%.
A quarter (23%) does not conduct advertising activity



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

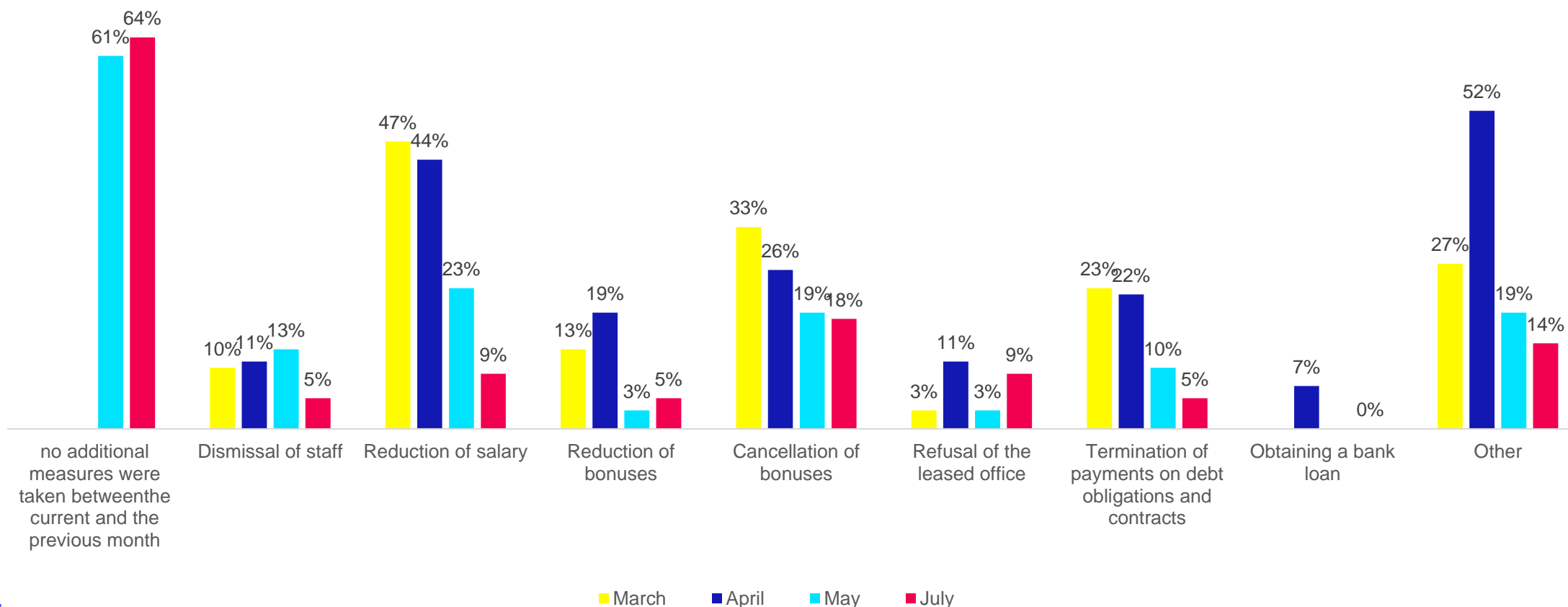
The number of advertisers who have already resumed work at the level of at least 75% is increasing - such 32% of respondents among advertisers. .
 18% are expected to be renewed in 4 quarter of 2022, 32% in 2023 or later.



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

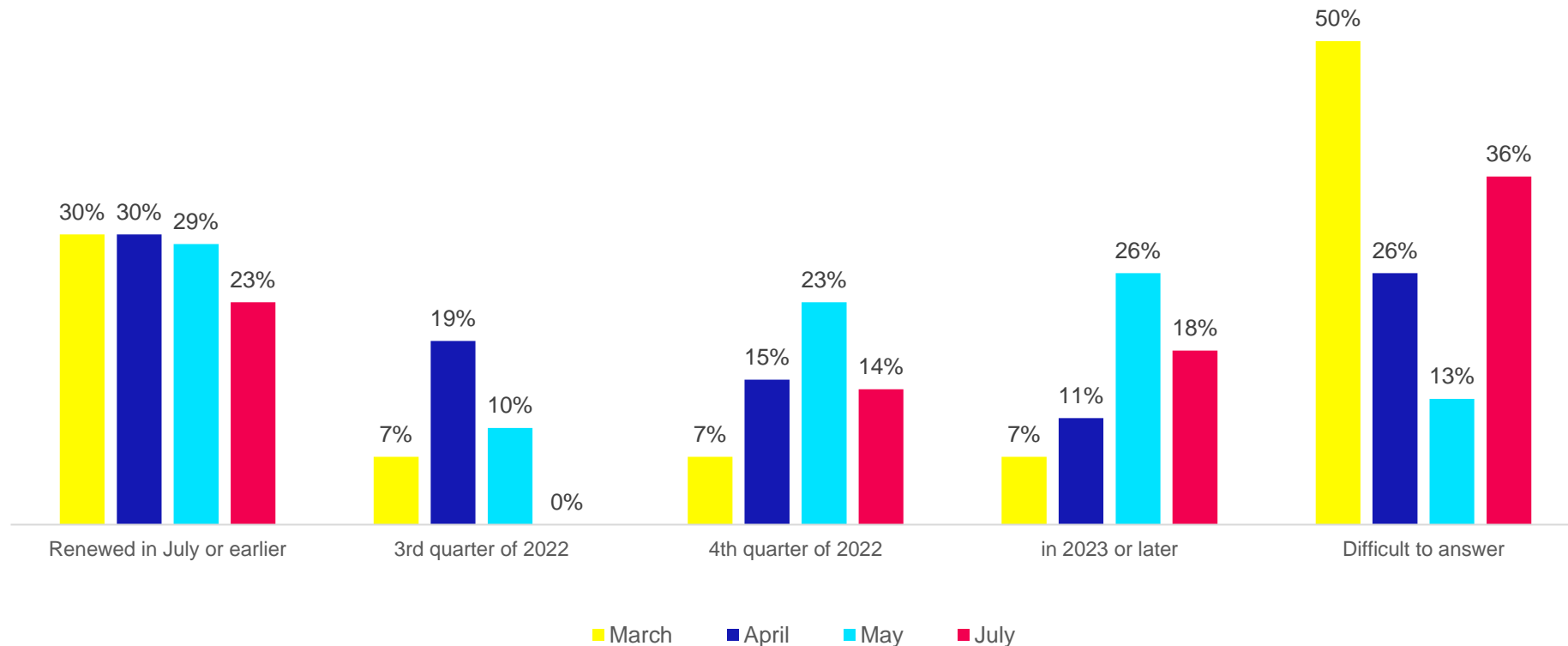
The vast majority (64%) of the surveyed advertisers did not take any additional measures to support business in July.

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



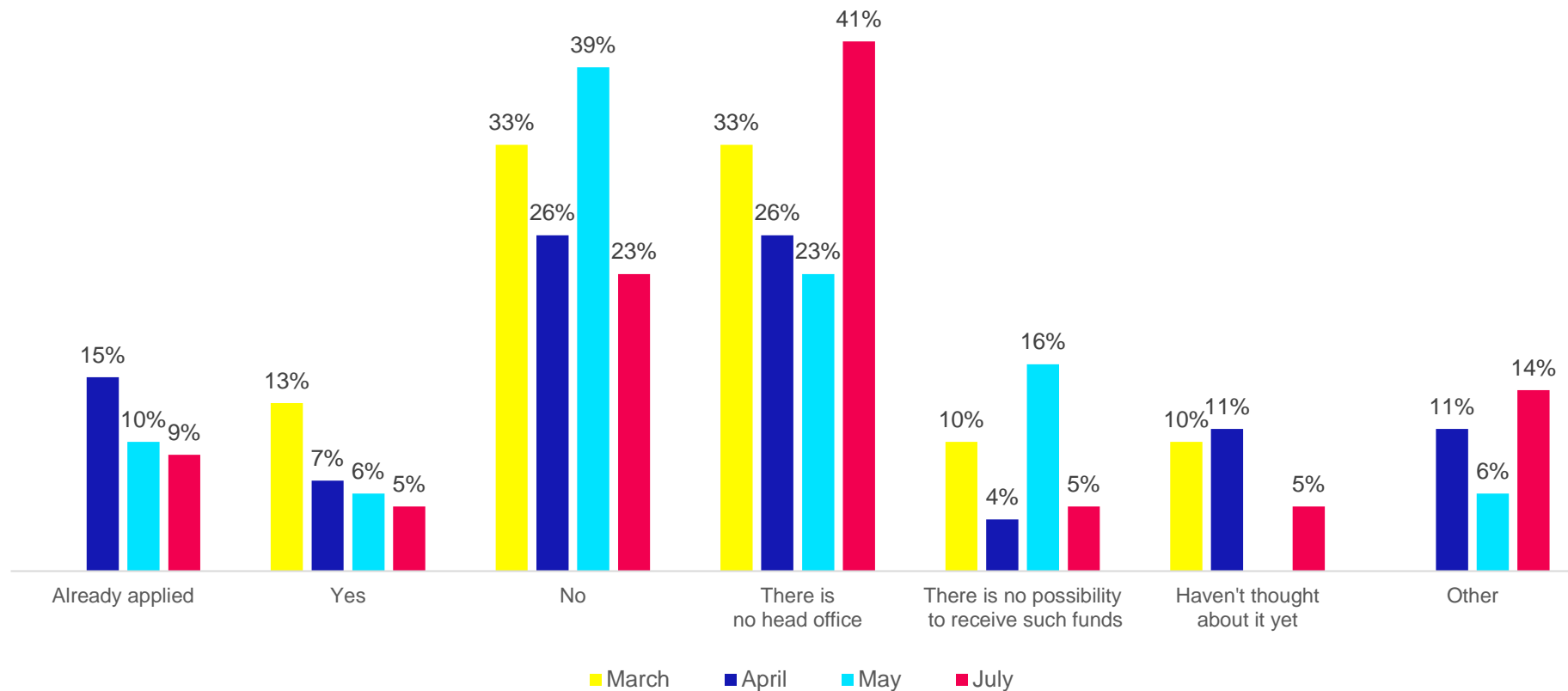
● When do you expect your company's advertising activity to resume?

23% of surveyed advertisers report that they have renewed their advertising activity in July or earlier, 14% expect to be renewed in the 4th quarter of 2022, and 18% expect renewal of advertising activity no earlier than 2023. 36% do not give any forecasts.



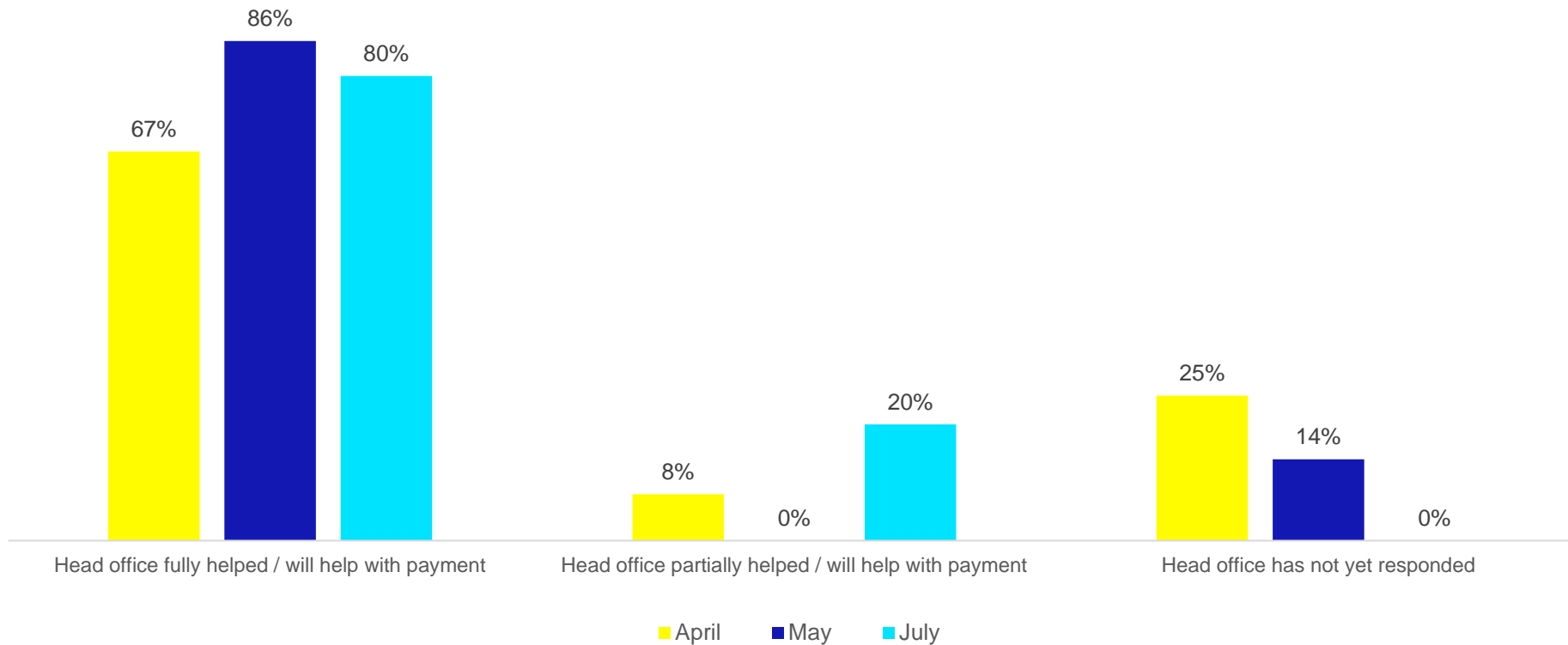
- Are you planning to apply to Head office to get money to pay for advertising campaigns in December-March?

14% of the surveyed advertisers turned to head offices in July or earlier, 23% did not make appeals, most (41%) - do not have an head office



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

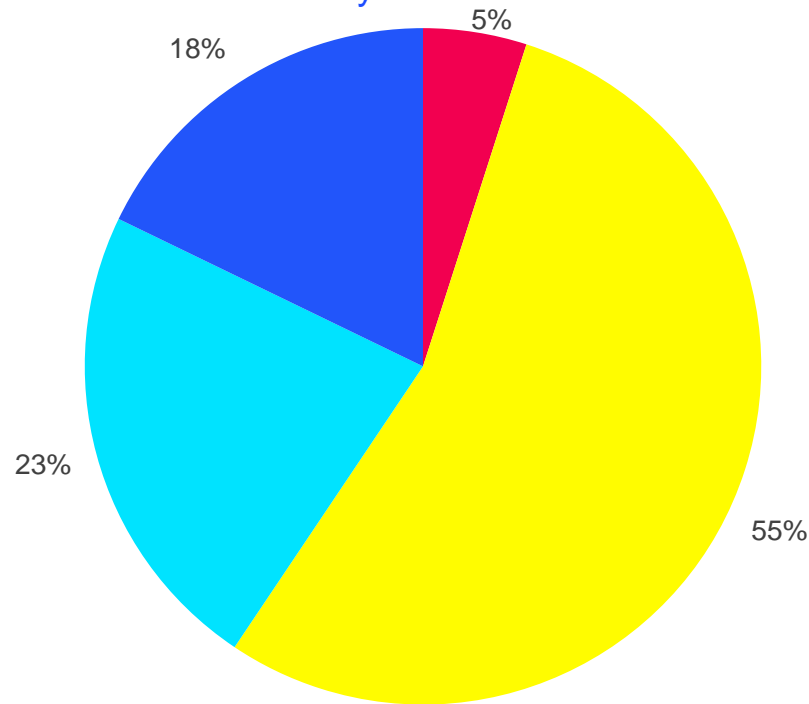
Most (80%) of advertisers who have applied to the Head office have already received assistance to pay for advertising campaigns or will receive it in the near future. 20% of advertisers report that the head office will provide partial assistance.



- Define your position regarding to advertising commercial activity during active hostilities or deterioration of the military situation?

In case of deterioration of military situation in Ukraine, 55% of surveyed advertisers are not ready to advertise.

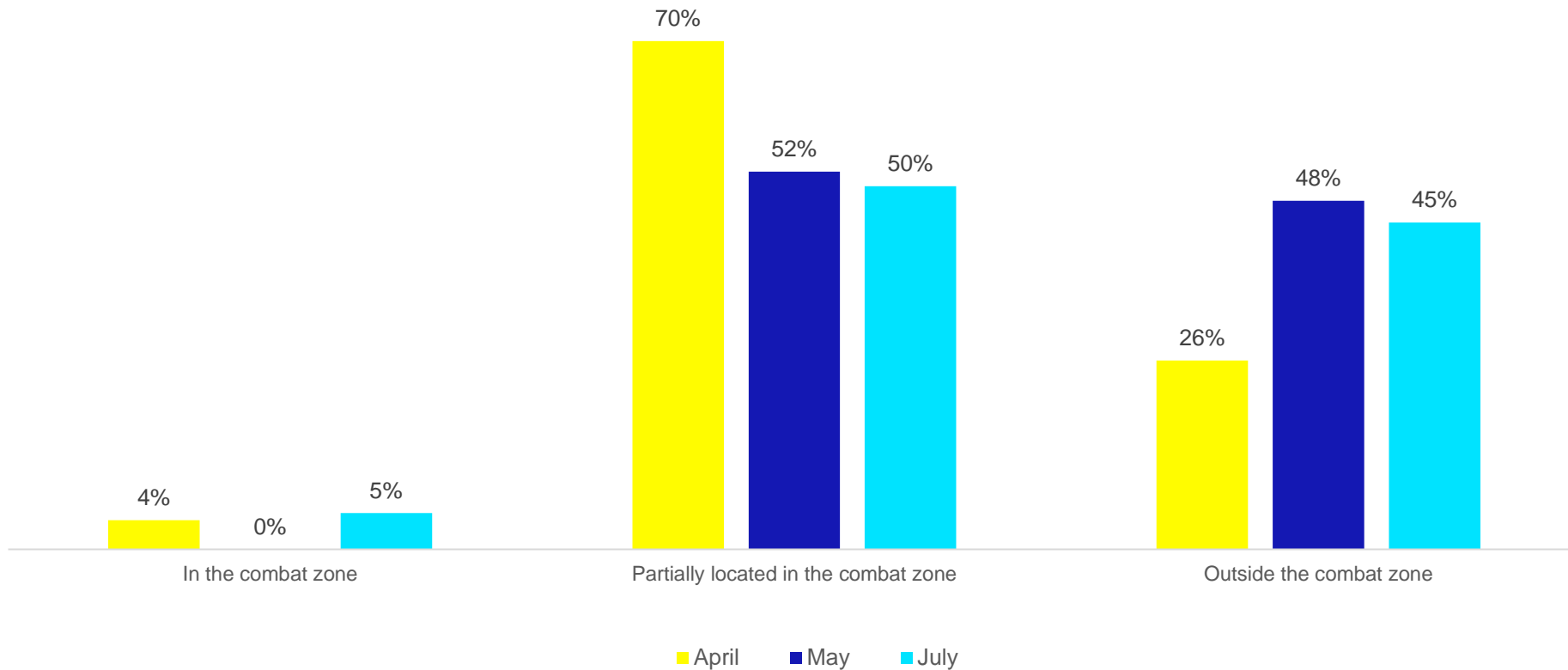
Only 5% are ready to advertise under any conditions



■ ready to advertise under any conditions ■ not ready to advertise ■ Difficult to answer ■ other

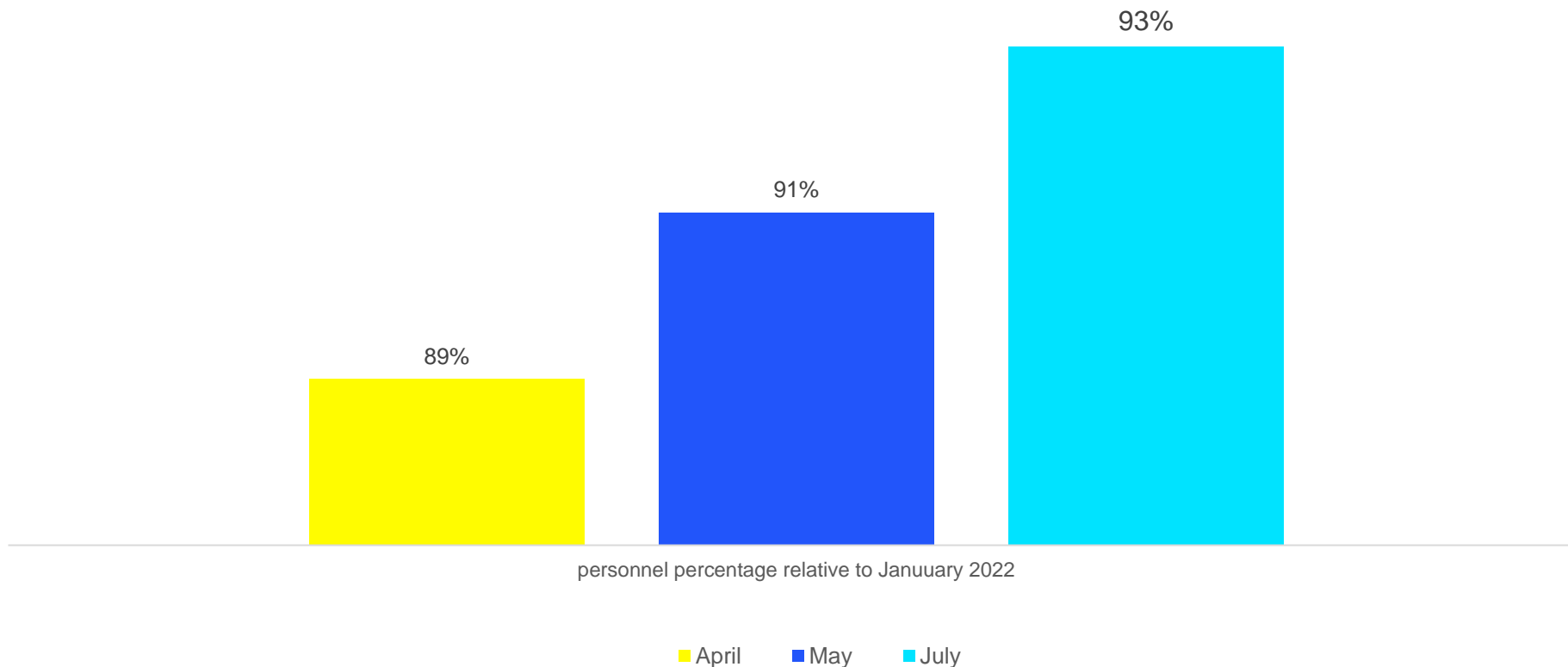
● Location of the critical infrastructure of your business

The critical infrastructure of 45% of surveyed advertisers is located outside the zone of active hostilities



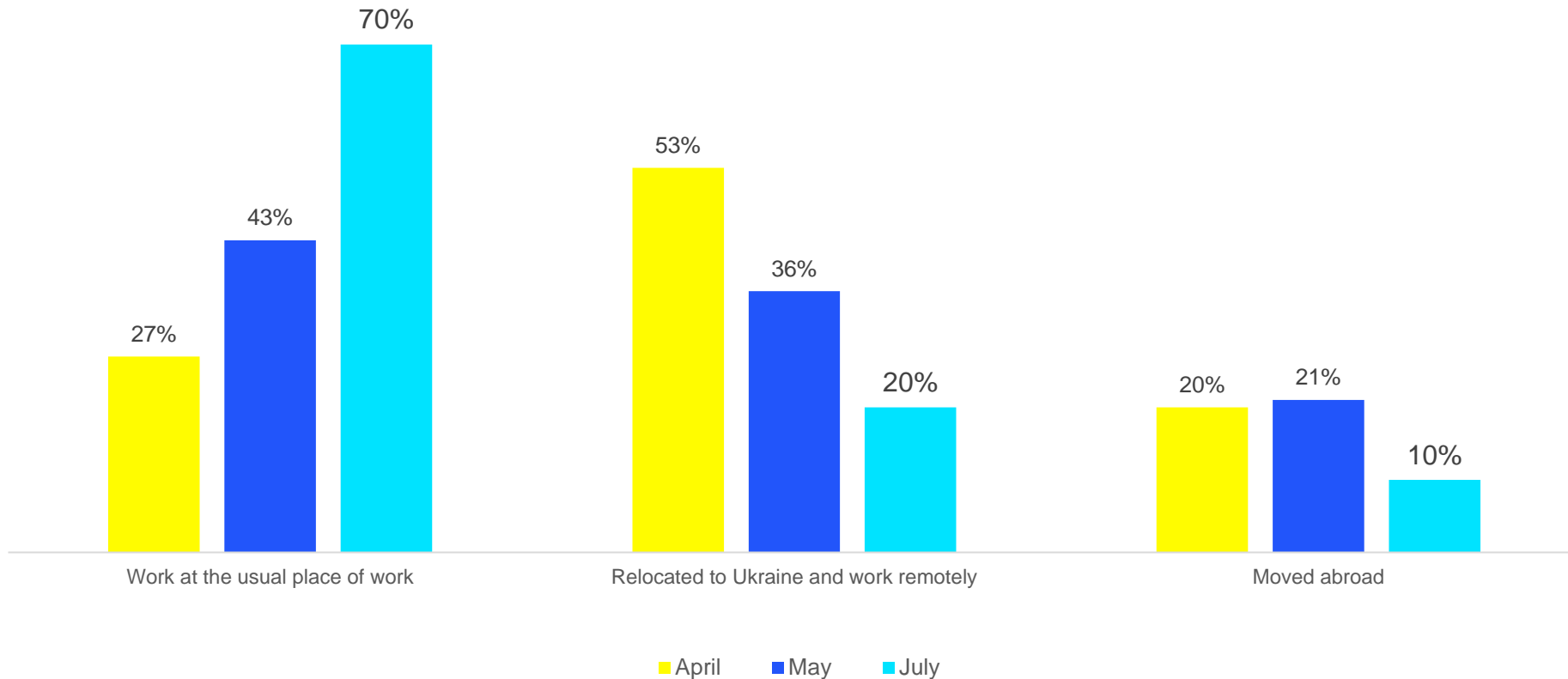
- Indicate percentage of your company's personnel relative to January 2022

We record the improvement of the personnel situation with advertisers.
The maximum mark of the personnel number loss, indicated by the representatives of advertisers was 40%, growth – 10%.



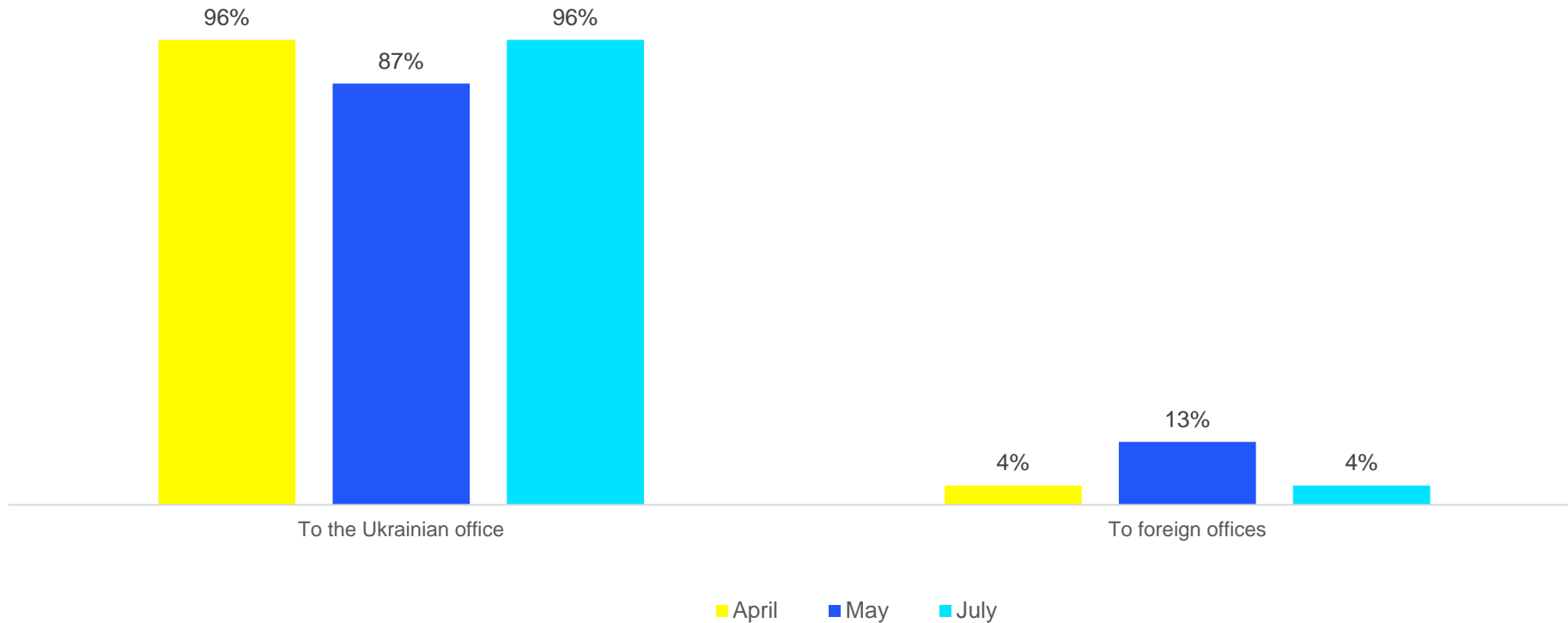
- Indicate the percentage of employees at the place of work since 24.02

The vast majority (70%) of advertiser representatives' employees now work at their usual place of work. 20% are relocated within Ukraine and work remotely, 10% are displaced abroad



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

The vast majority (96%) of advertisers continue to work for Ukrainian offices, the remaining 4% cooperate with foreign offices



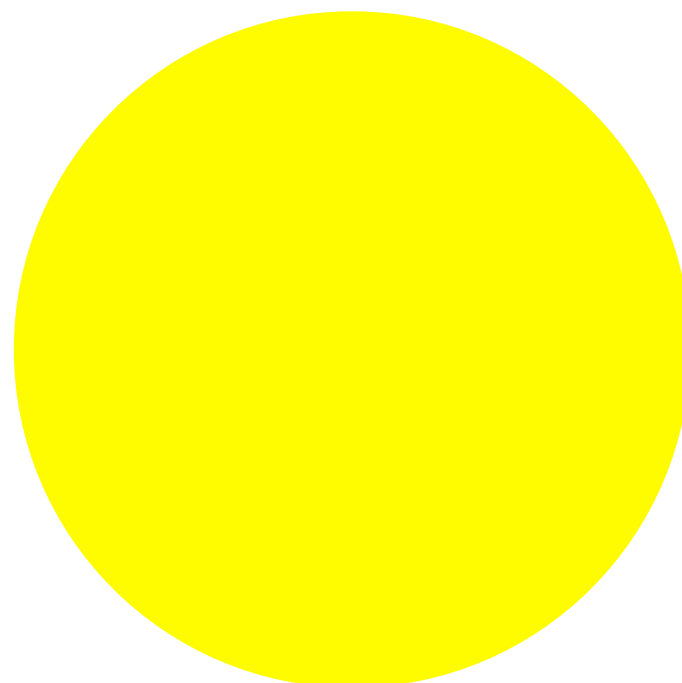
- The number of workers who were mobilized

At least 190 people are mobilized to the Armed Forces of Ukraine among 21 advertisers

190 people

- Does your organization participate in charitable initiatives to support humanitarian activities or the armed forces?

All surveyed advertisers support charitable initiatives on humanitarian activities or help the Armed Forces of Ukraine

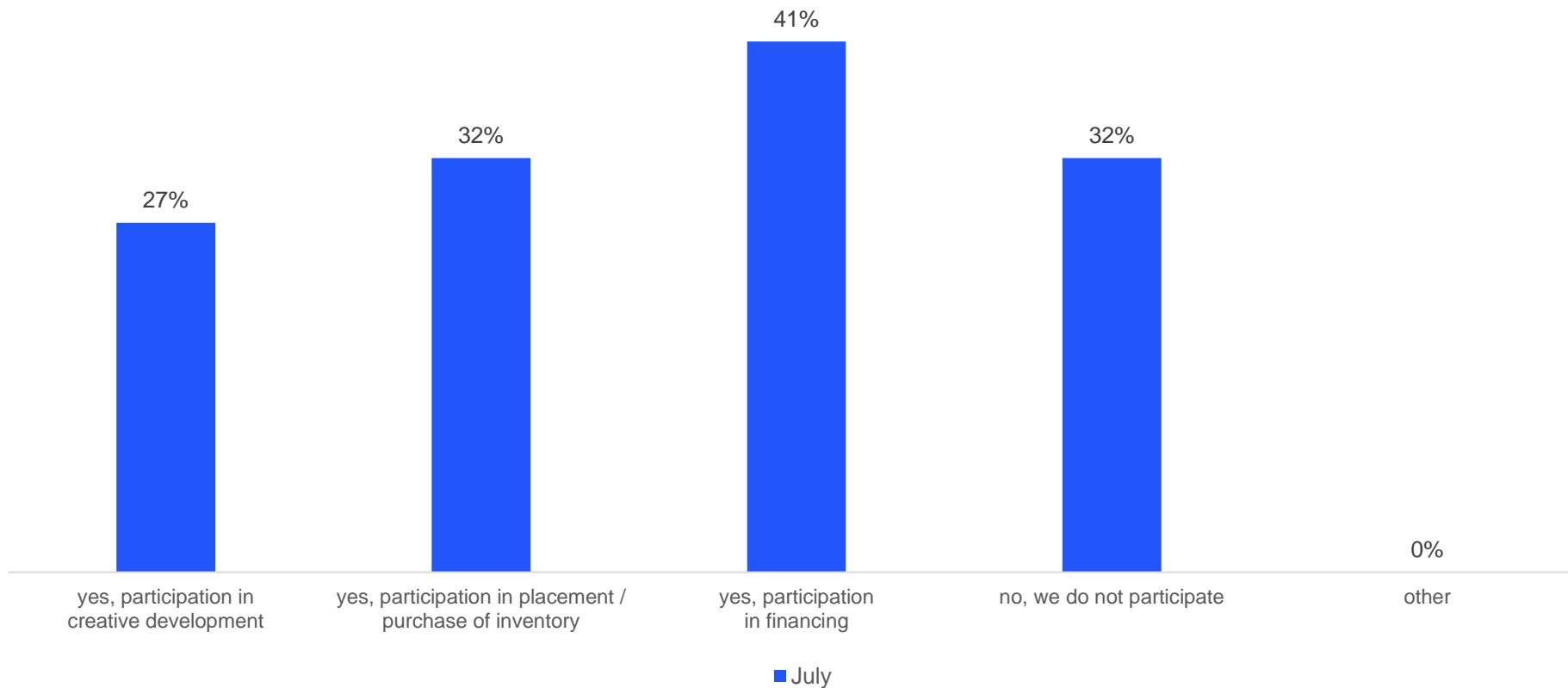


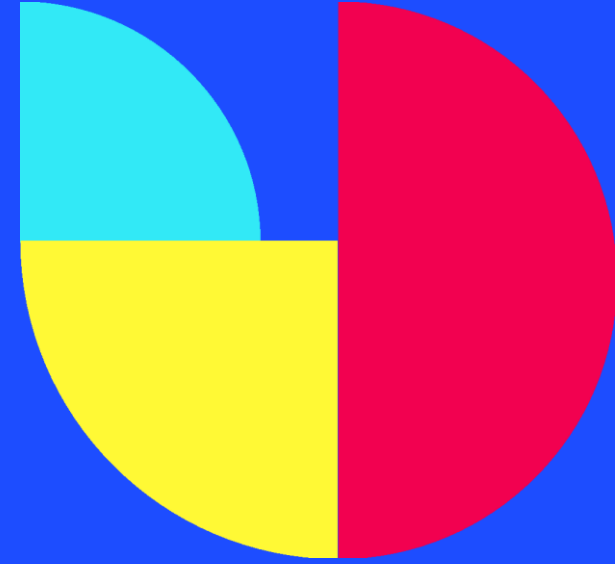
100%

■ yes

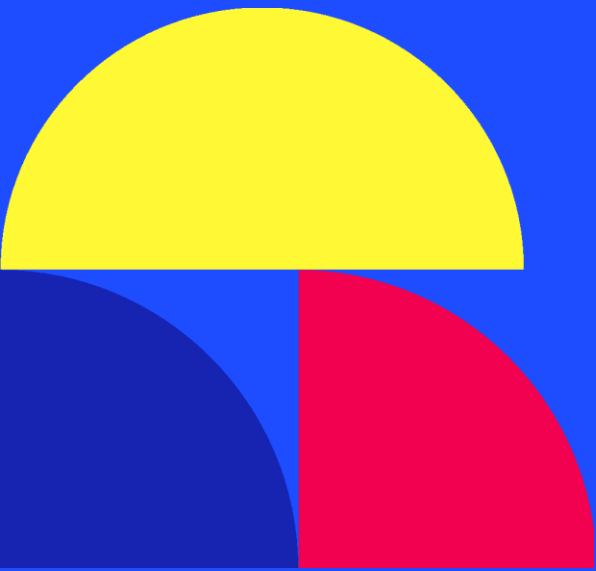
● Does your organization participate in information campaigns both in Ukraine and abroad in support of Ukraine?

Advertisers contribute mainly financially to information campaigns aimed at supporting Ukraine - 41%; 32% do not participate





CONCLUSIONS



● Conclusions

- The gradual recovery of business continues. In July, for the first time, 100% of surveyed advertising agencies, platforms, and advertisers either continue or have resumed work in full or in part.
- In July, we continue to record an increase in the commercial load of agencies and advertisers: 11% of advertising agencies reached a load level of 76%+, the vast majority (71%) work with a load of 26%+; there are no advertisers with a load level less than 10%, the share of advertisers with a load level of 76%+ is high.
- The trend of increasing the level of advertising activity persists in July: 11% of advertising agencies declare a level of 76%+, there are almost no agencies with advertising activity at the level of up to 10%; advertisers, unlike advertising agencies, increase the volume of advertising activity more slowly - only 14% of advertisers exceeded the 51% mark and only 5% of advertisers - the 76% mark, the rest do not exceed the 50% level. A quarter of advertisers (23%) do not advertise
- There is a revival of advertising activity of players: 44% of advertising agencies and 23% of advertisers have already resumed activity. Among the rest, more optimistic advertising agencies – a third are already waiting for renewal by the end of 2022. 36% of advertisers hesitate with forecasts. A quarter of the surveyed advertisers today (23%) do not conduct advertising activity.
- In the perception of the assessment of the possibility of work on deterioration of the military situation of the group diametrically differ- according to advertising agencies 70% of their clients are ready for advertising in case of deterioration of the military situation; at the same time, only 5% of surveyed advertisers report to be advertised under such conditions
- At the same time, the evaluation of the renewal of advertising agencies is more restrained by advertisers: Half (48%) of respondents expect the RA to resume work at the level of 75% not earlier than in 2023. In contrast, advertisers are more optimistic about business renewal.
- The overwhelming majority of digital agencies and platforms (56%) and advertisers (64%) did not take additional measures during May-July to optimize the situation and maintain business. Among the advertising agencies that are forced to take individual optimization measures have increased the percentage of those who are forced to reduce staff. Advertisers contain a tendency to reduce or cancel bonus payments and refuse to rent office space.
- The share of employees returning to usual places of work is growing: 29% vs 41% among advertising agencies and 43% vs 70% among advertisers. A gradual increase in the total staff in both categories of market players has been recorded.



Stand with Ukraine!