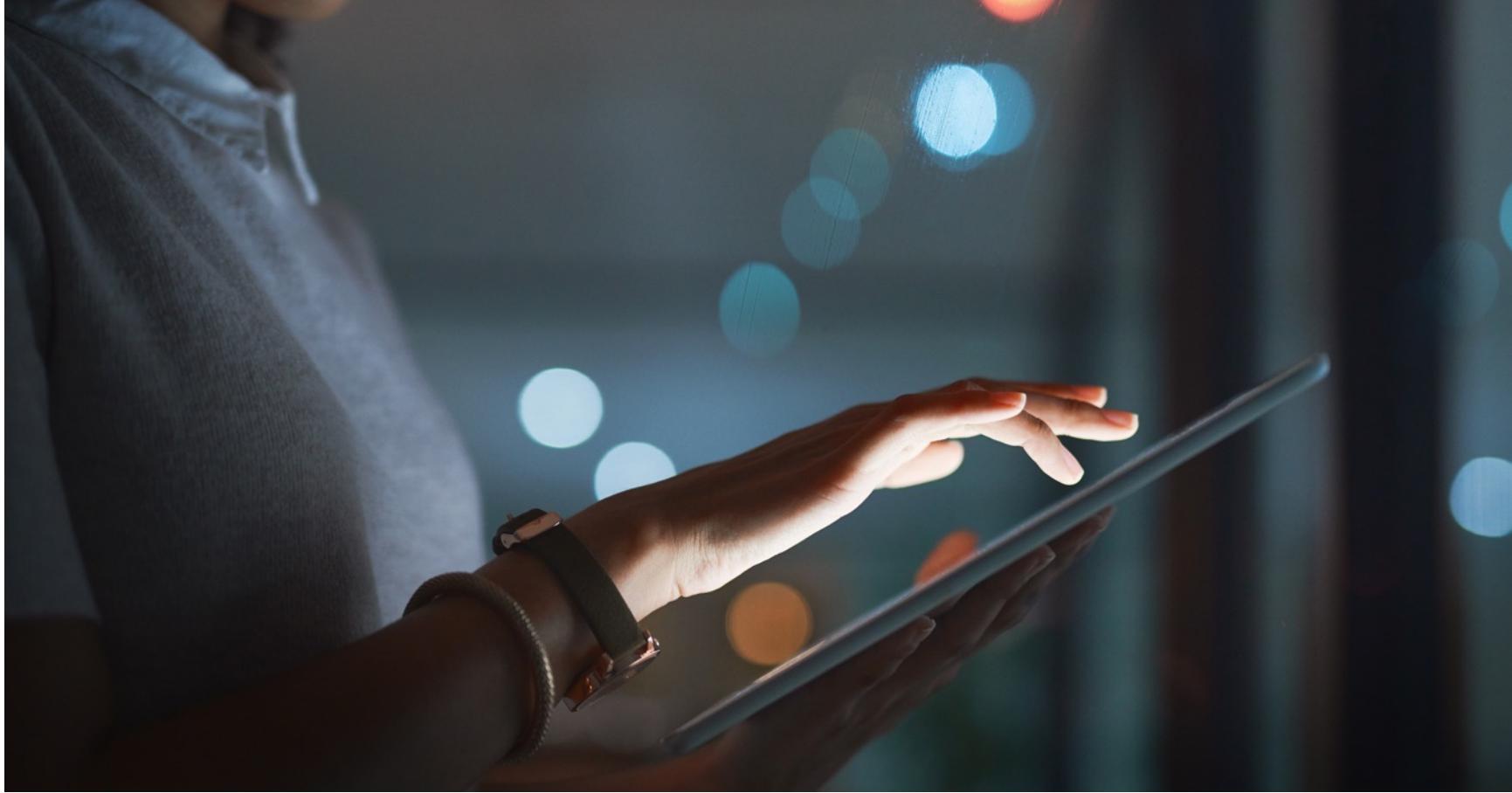
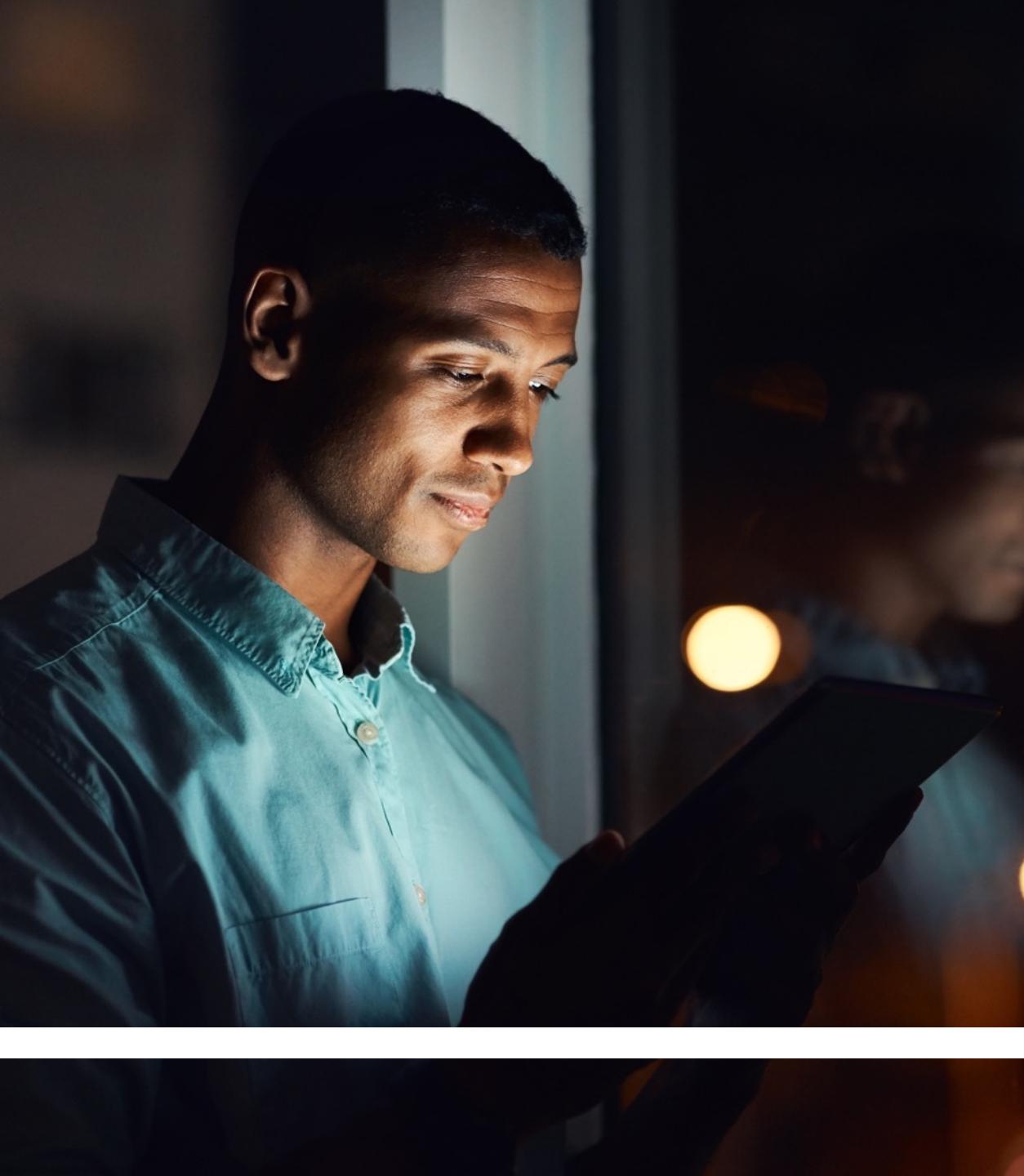


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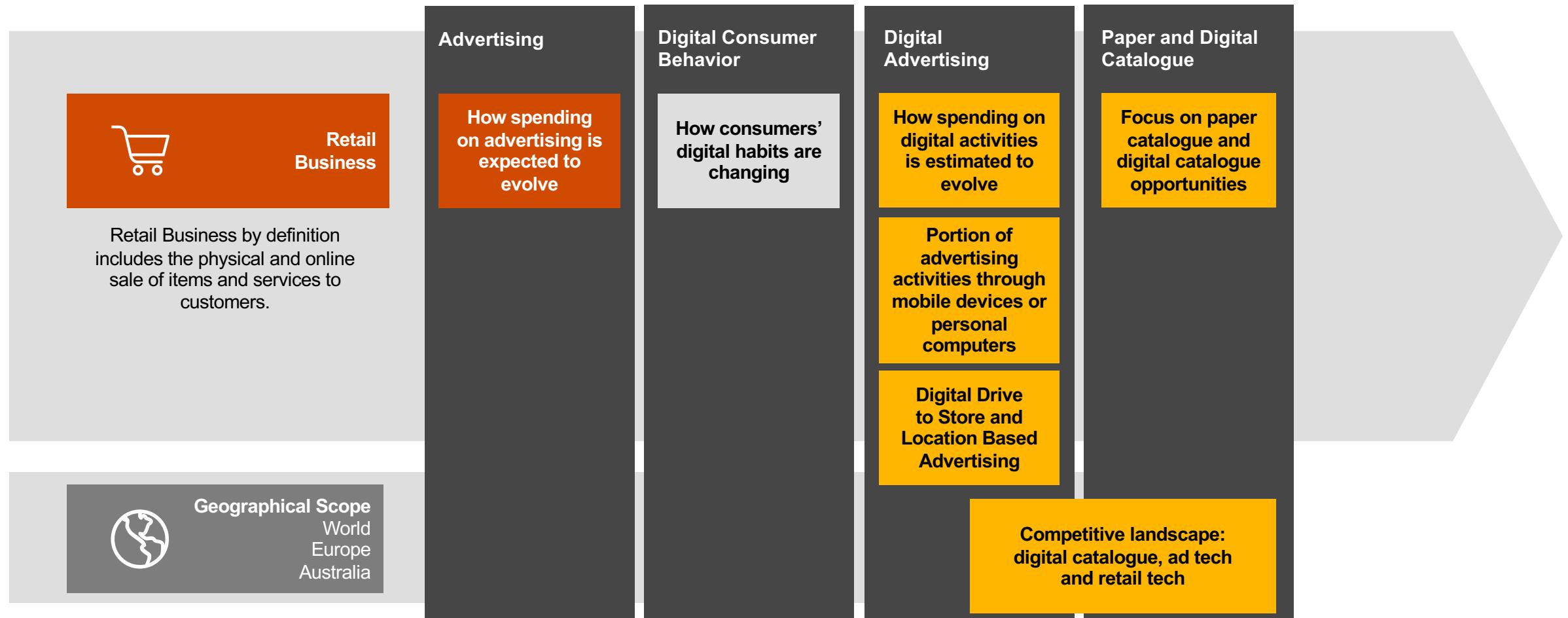
Digital advertising evolution
within retail business



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Retail business and digital advertising at a glance (1/3)



Retail business and digital advertising at a glance (2/3)

Retail

- At a **global** level, the **retail market** was worth **16.3 €TLN in 2020** and it is expected to **exceed 20 €TLN in 2025** (CAGR '21 -'25 **+4.2%**). Retail is going digital but consumer still prefer to shop offline (more than 80% of global sales happen in physical stores).
- The **Italian retail market** is expected to reach almost **400 €BN in 2025** in value (CAGR '21 -'25 **+1.9%**) and despite the rise of online channels (CAGR '21 -'25 **+13.4%**), it will be characterized by the preponderance of traditional channels (88% in 2025).

Advertising Spending

- After a decrease in 2020, the **global advertising spending** is expected to grow and reach **709.3 €BN in 2025** (CAGR '21 -'25 **+5.8%**).
- Food & Beverage and Retailer are the biggest industries in terms of advertising spending. Internet and TV represent the main advertising media.
- In the main European countries after a decrease in 2020 (YoY 19-20 -17.9%), the advertising spending trend is expected to grow and reach pre-covid levels in 2022. The advertising spending **in Italy is around 8.3 €BN** with a positive expected growth (CAGR '21 -'25 **+5.3%**).

Digital Consumer Behavior

- A continuous **growth in mobile subscribers** is observed worldwide (CAGR 18-23 **+2%**). Internet is now used by the 60% of the Global population of which 93% accessing it via mobile as demonstrated by the time spent on internet via mobile (CAGR 2011-2021 **+17.1%**).
- The consumer is increasingly digital and makes more use of mobile devices. **The Internet is a focal point for purchasing decisions** (82% of consumers searched online a product to buy), especially due to the use of shopping apps (69% of consumers used a shopping app), **75% consumers using internet for shopping decisions**.
- Despite the increase in e-commerce, **the majority of retail sales still happens in physical stores** (81% in 2021) and they are expected to remain the main shopping destination even in the future (77% in 2025) growing more than ecommerce in absolute terms over the next forecasted years (2022-2025).

Retail business and digital advertising at a glance (3/3)

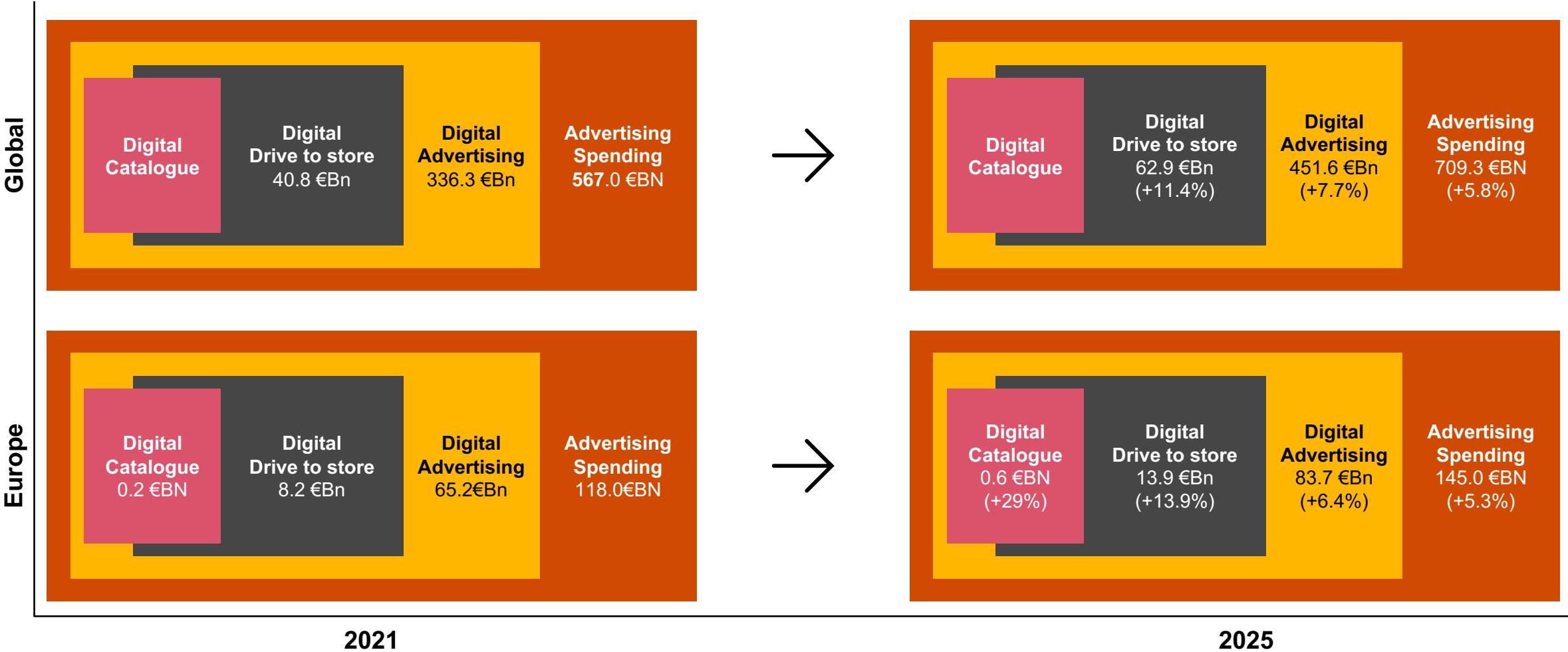
Digital Advertising

- The global market of digital advertising is increasing (CAGR '21 -'25 **+7.7%**) with a preponderance of the Mobile channel (61.9%) compared to the Desktop channel (38.1%).
- The estimates relating to worldwide spending on digital advertising foresee a considerable growth in the coming years, with an upward trend of spending in Mobile digital advertising.
- In Europe, the digital advertising market has historically experienced considerable growth, slowed down in 2020. It is expected to grow again at a faster pace in the forecast period (CAGR '21 -'25 **+6.4%**).
- Historically, the Italian digital advertising market has experienced considerable growth, interrupted by a decline in 2020 (-2.5%). It should recover as early as 2021, growing in the forecast period (CAGR '21 -'25 **+7.2%**).
- At a global level, the expected growth of **Drive to Store Advertising** shows a growth rate of **+8.1%** (CAGR '21 -'25) with **Digital Drive to Store Advertising** showing even higher CAGR '21-'25 at both **Global and European** level (respectively **+11.4%** and **+13.9%**) and expected to exceed 70% of global Drive to Store spending in 2025.

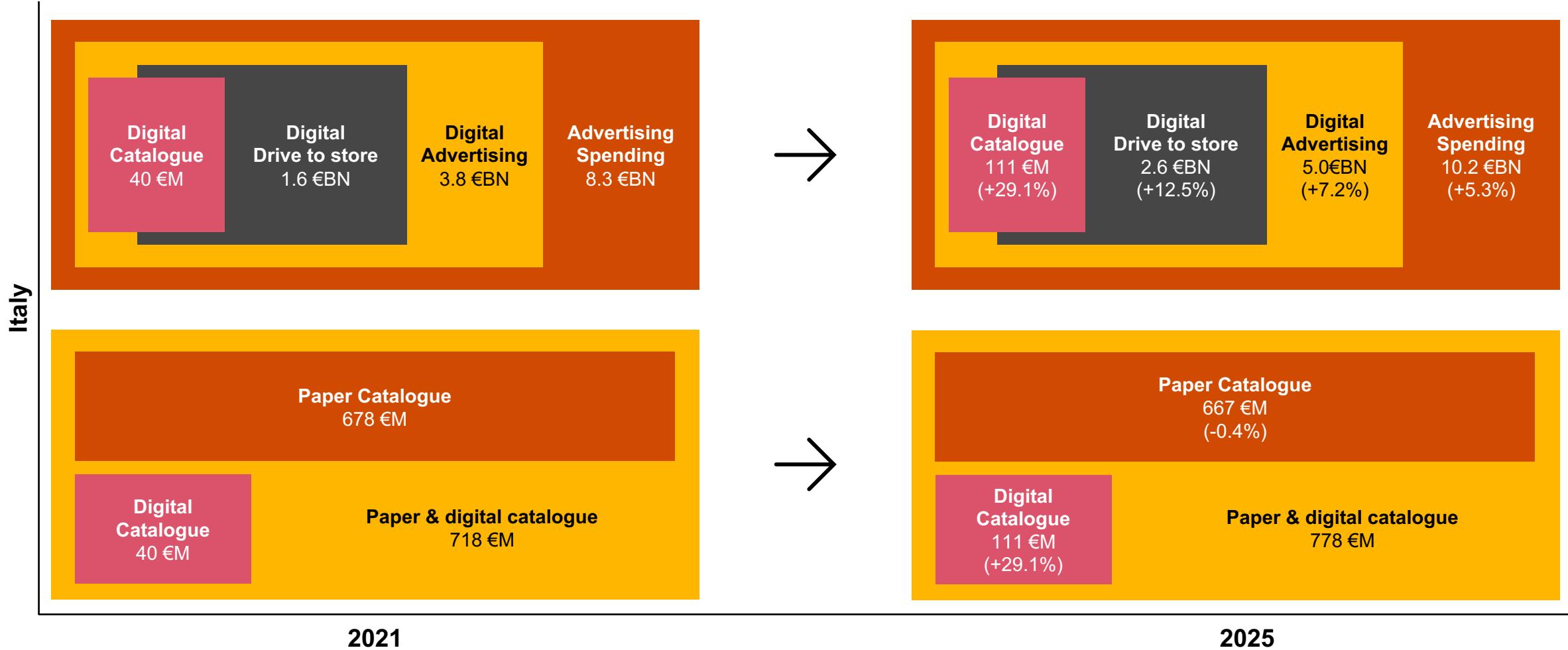
Paper and Digital catalogue

- At the European level, the **paper catalogue** market was worth **12.6 €BN** in **2020** and it is expected to **reach 12.8 €BN in 2025 with an overall CAGR of +0.4%**. In the main European countries, the growth rates of paper catalogues have a negative overall '21 -'25 CAGR of -0.2%. In 2021, in **Italy, Paper catalogue market is estimated in about 680 €M, with a slightly negative forecasted growth in the next years (-0.4%)**.
- Consumers' behaviours are increasingly driven by sustainability. This represents a significant opportunity for the digital advertising industry and, more in general, for brands with positive environmental impact. This is a great opportunity to switch from paper to digital catalogue.
- In Europe, **digital catalogue market is estimated in about 200 €M**, with a forecasted high growth rate ('21 -'25 CAGR of **+29.0%**). In main European countries, digital catalogue growth rates are even slightly higher than in Europe in general (CAGR '21 -'25 +29.9%). In **Italy, digital catalogue market is estimated in about 40€M, with a growth rate of +29.1% ('21 -'25 CAGR)**.

Retailers are embracing digital transformation: significant digital advertising growth rates expected in the next years



Italian digital catalogue growth driven by paper to digital switch



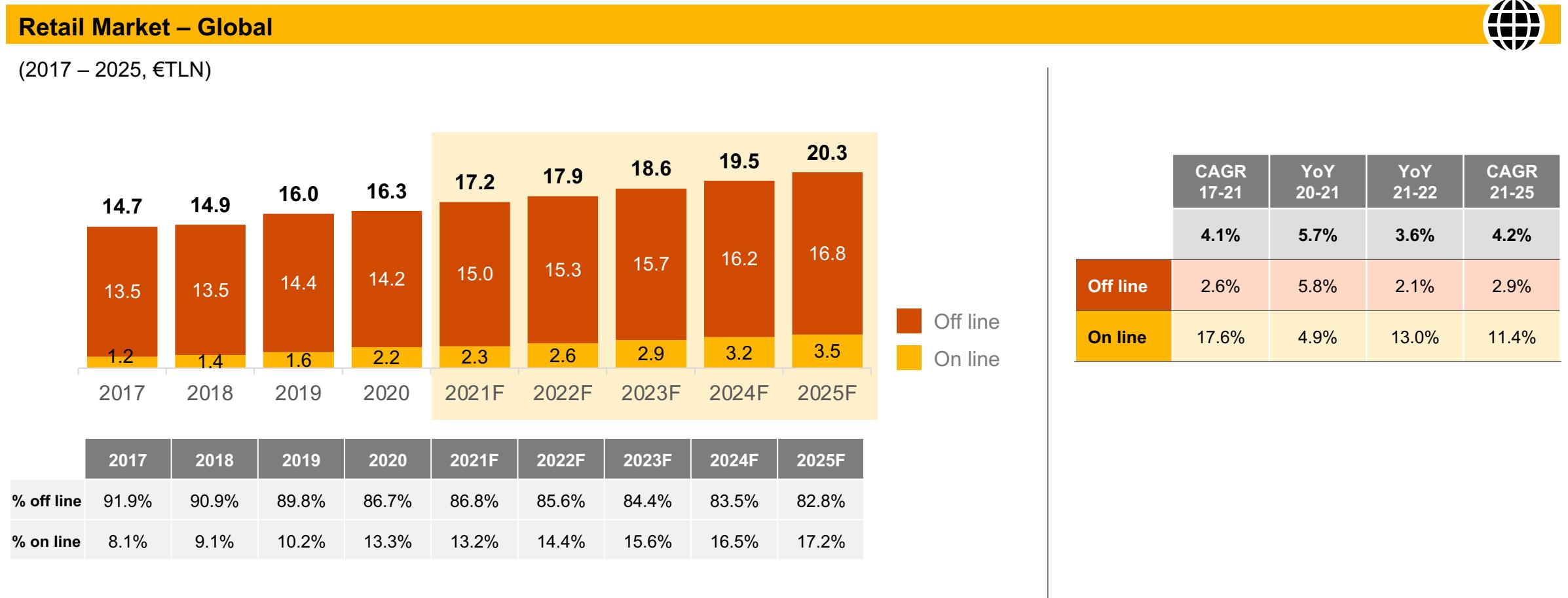


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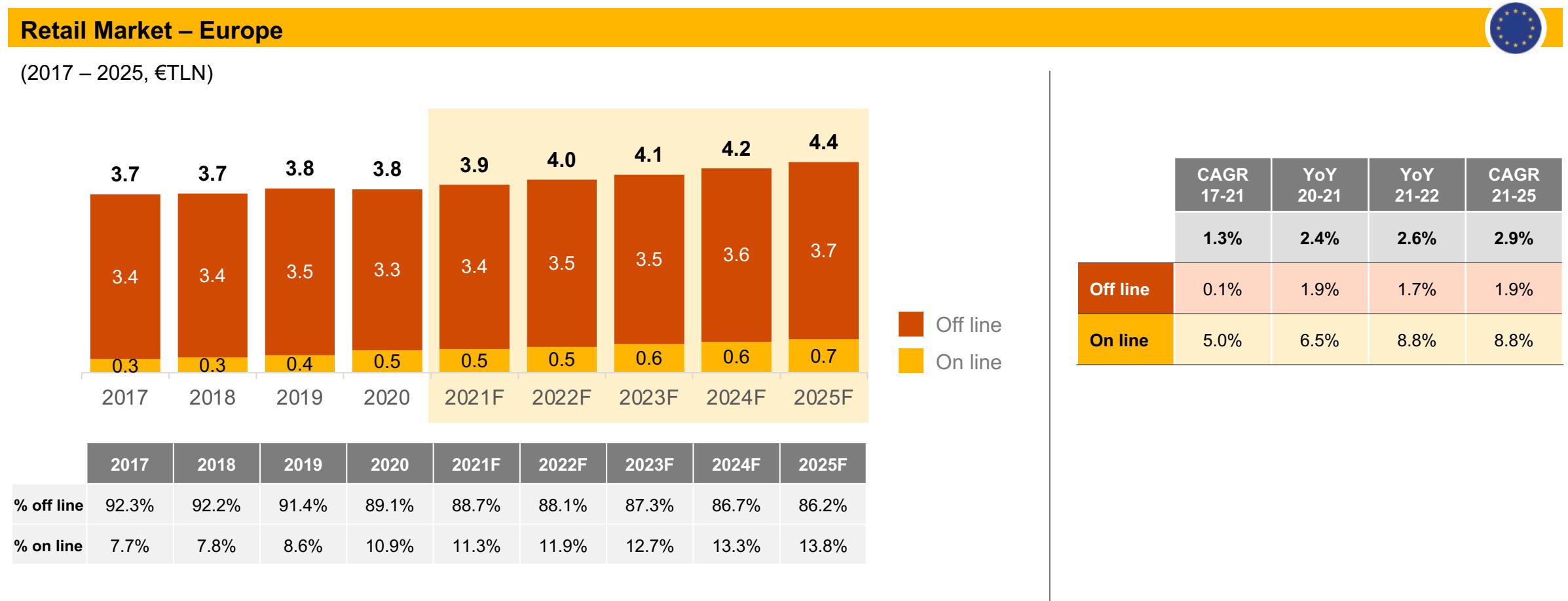
Retail Business



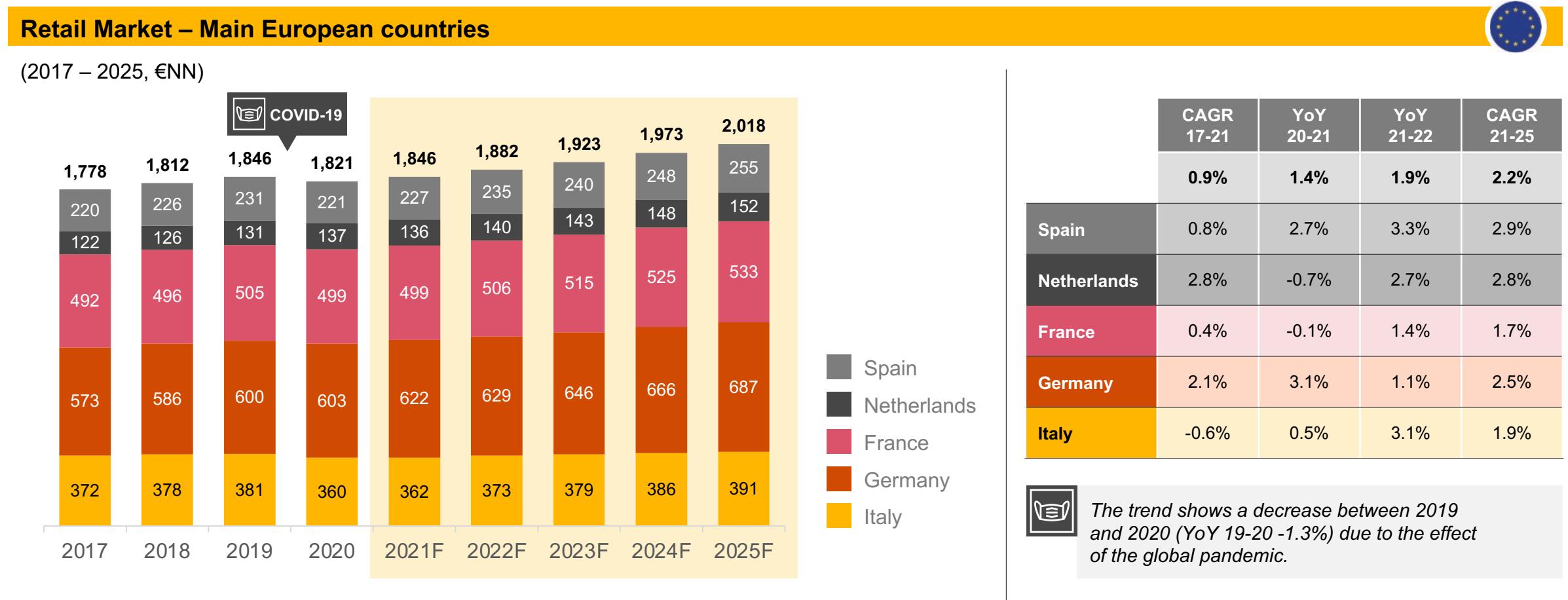
At a global level, the retail market is expected to exceed 20 €TLN in 2025 (CAGR '21 - '25 +4.2%). Offline channel is still above 80%



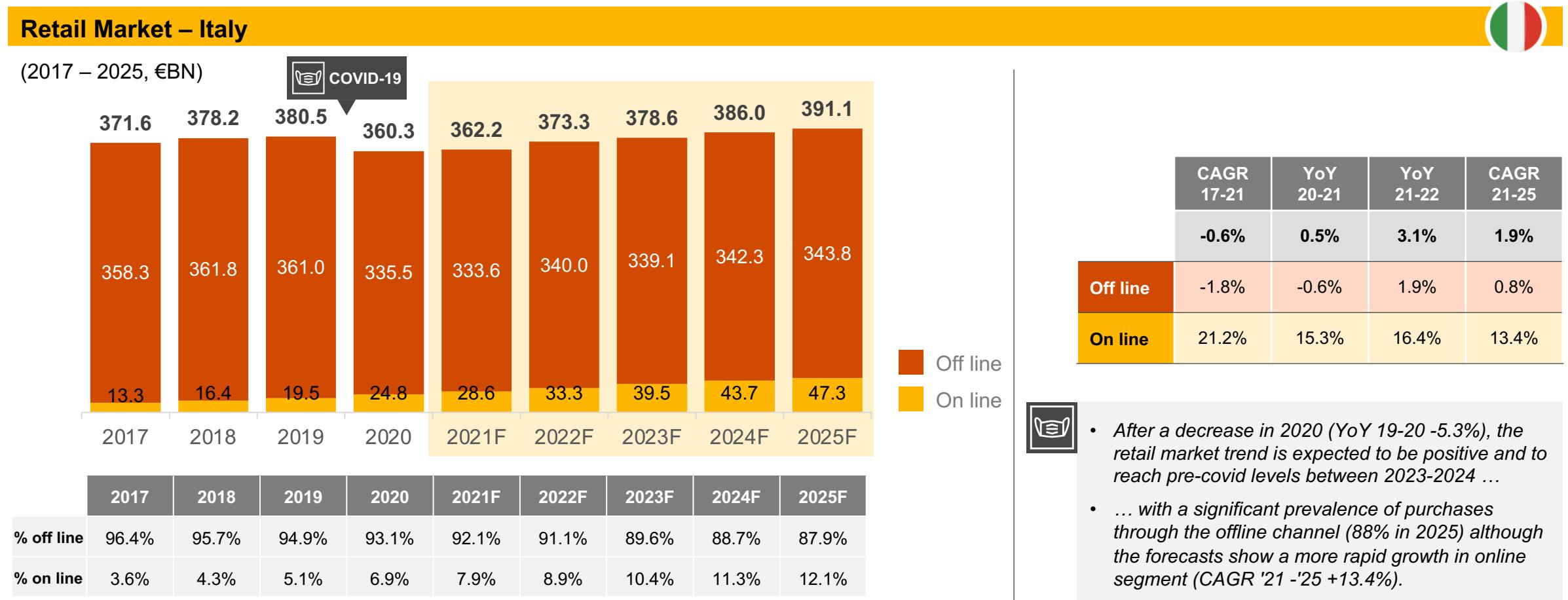
In Europe too, the retail channel is characterized by a significant prevalence of purchases through the offline channel (over 85%) and presents forecasts with future trends that highlight a slightly lower growth in online (CAGR '21 - '25 +8.8%)



In the main European countries, the estimates relating to the retail market foresee moderate growth in the coming years (CAGR '21 - '25 +2.2%); Germany, the Netherlands and Spain foresee higher growth

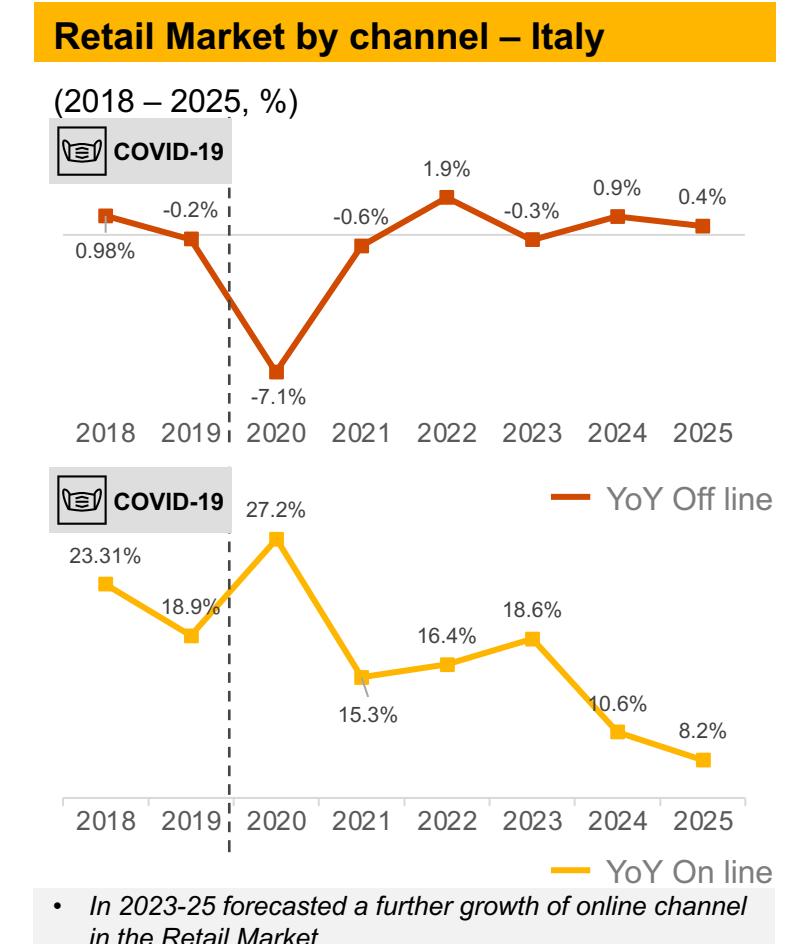
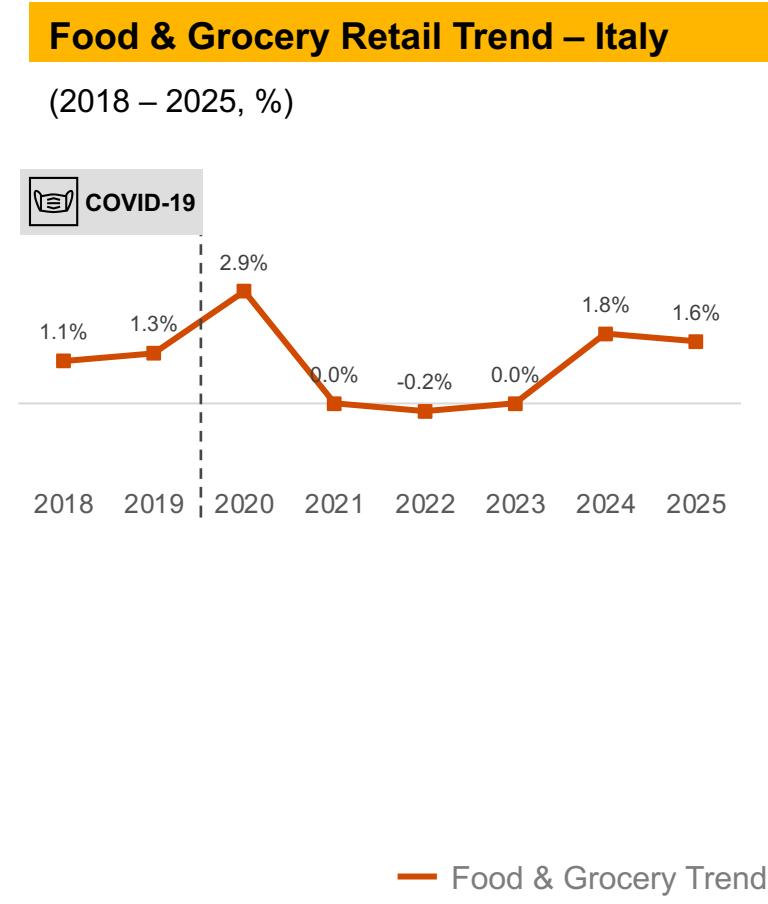
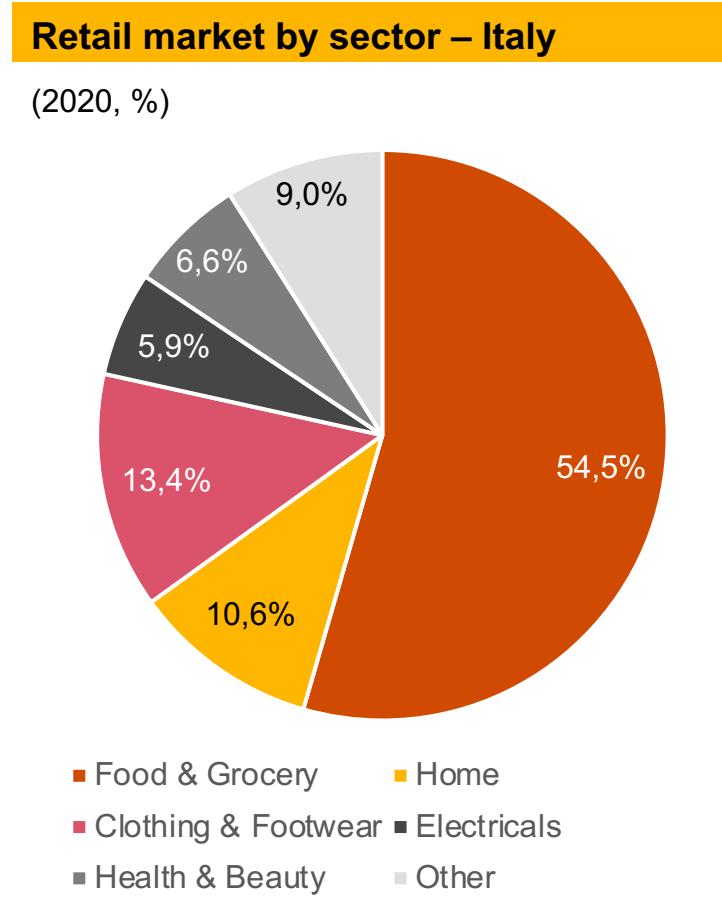


In Italy, a positive retail market growth is expected by 2025 (CAGR '21 - '25 +1.9%) which, despite the consistent growth of the online channel (CAGR '21 - '25 +13.4%), will be characterized by the preponderance of sales made through traditional channels



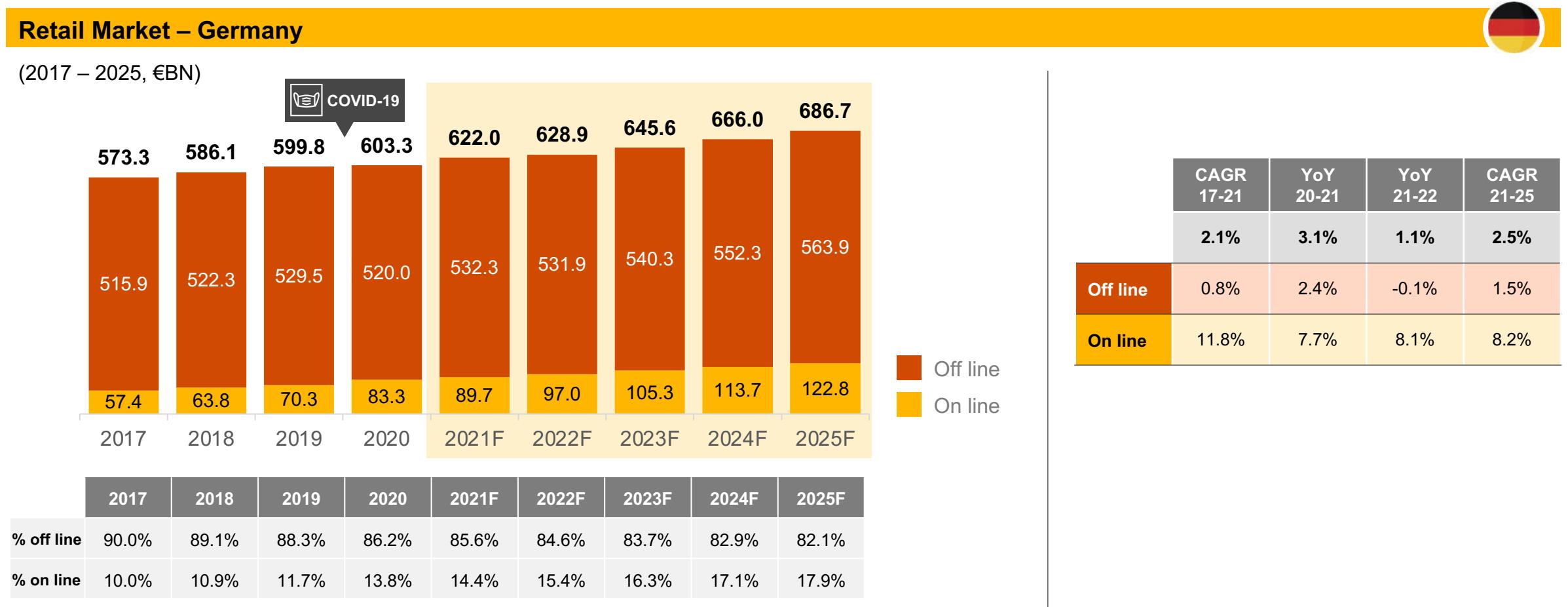
Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

Food & Grocery, which corresponds to more than half of the sector, recorded a significant increase in 2020, post COVID. Growth 2021-25 substantially stable



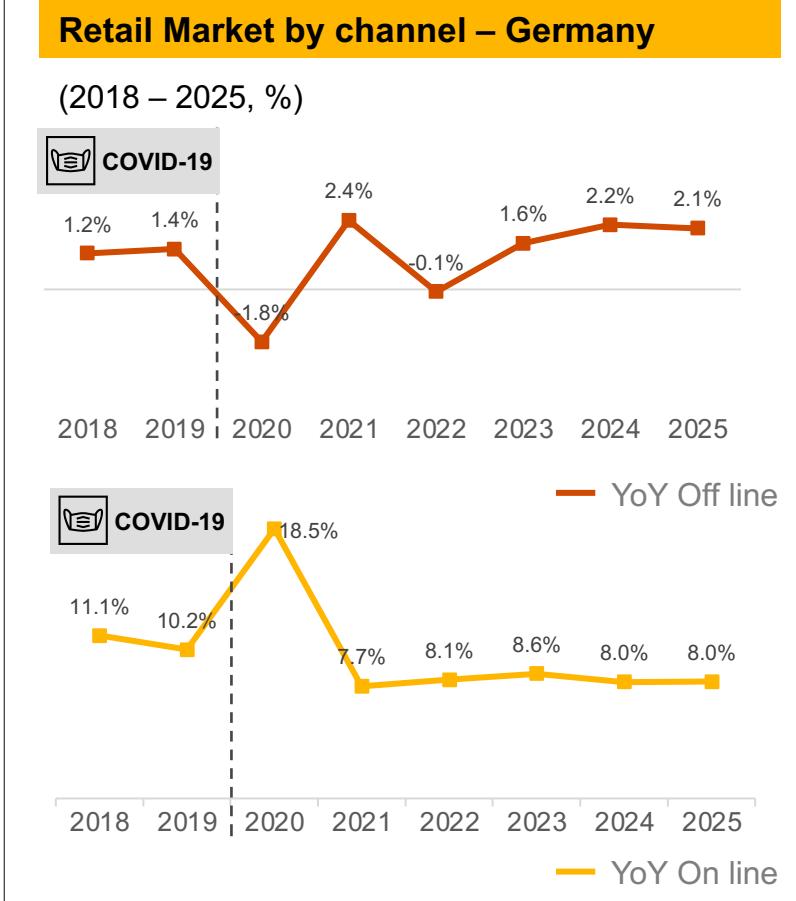
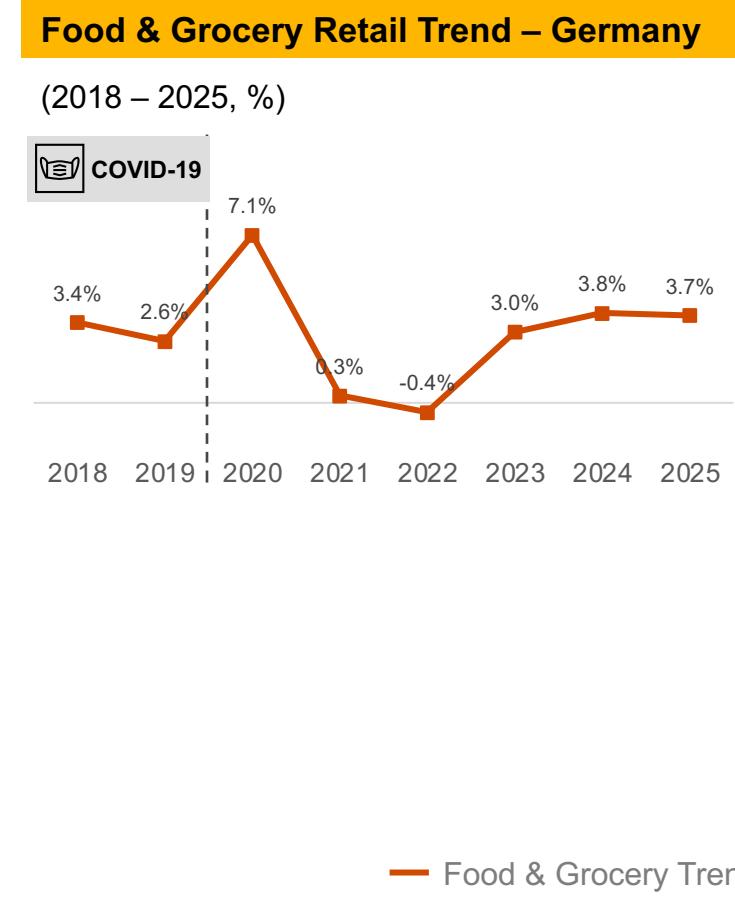
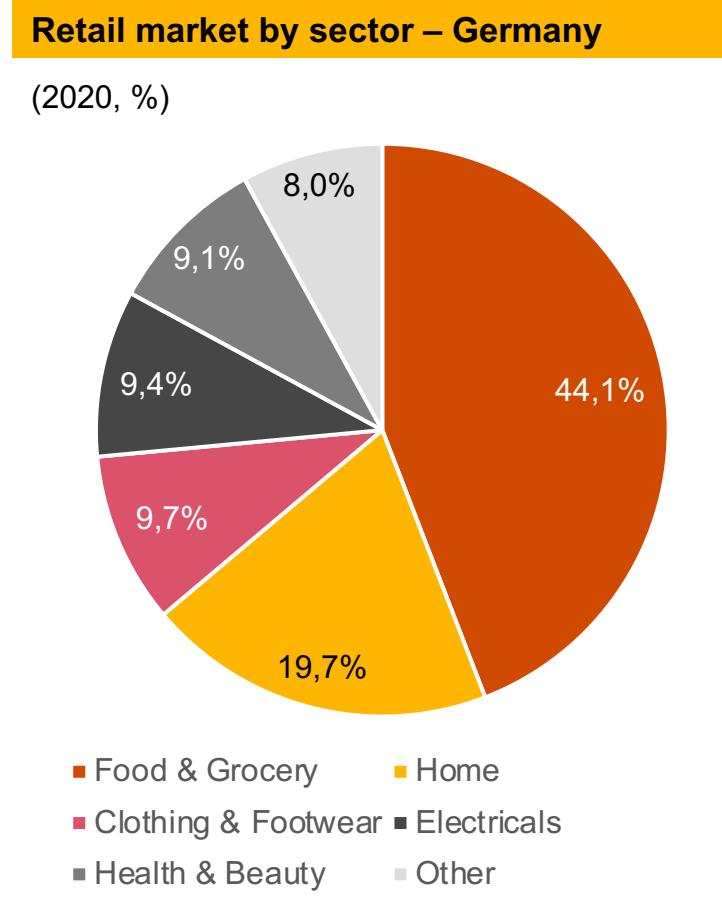
Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

Estimates for Germany foresee a growing and positive retail growth trend for the near future (CAGR '21 -'25 +2.5%) with sustained growth in online (CAGR '21 -'25 +8.2%), although the traditional channel remains the one mainly used (over 80%)



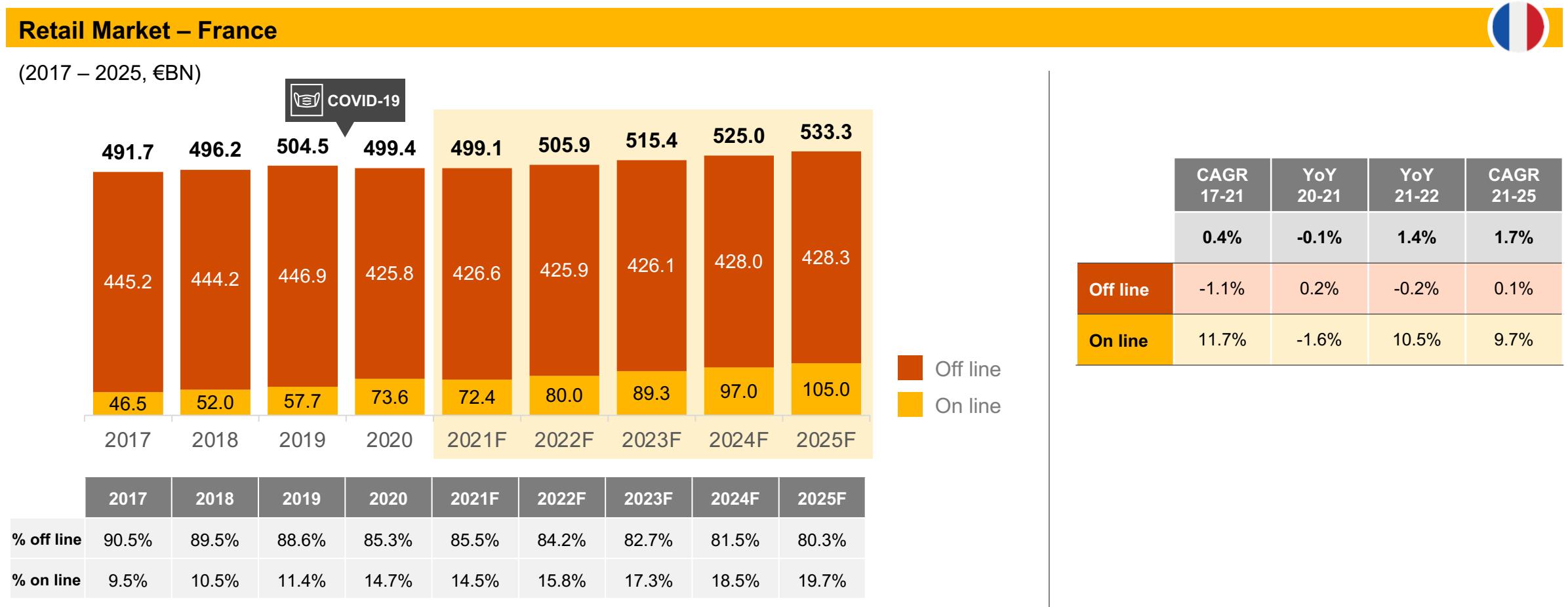
Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile, Dojo "Tech-savvy cities: Which locations have advanced the quickest?

Food & Grocery, which recorded a +7.1% in 2020, and Home are the two most relevant segments of the sector



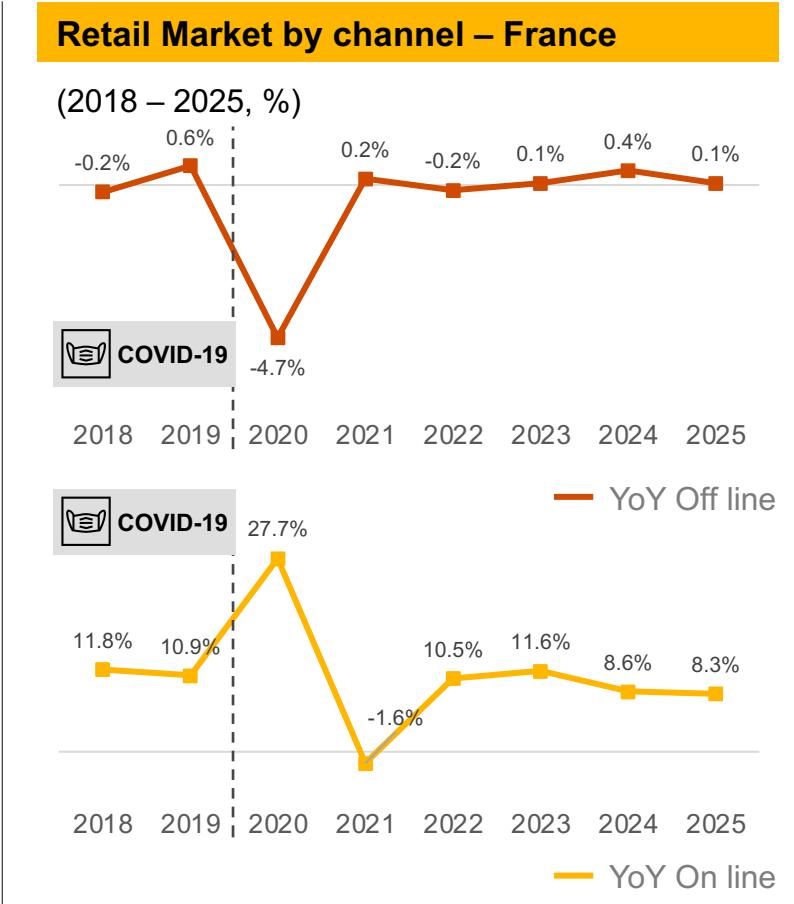
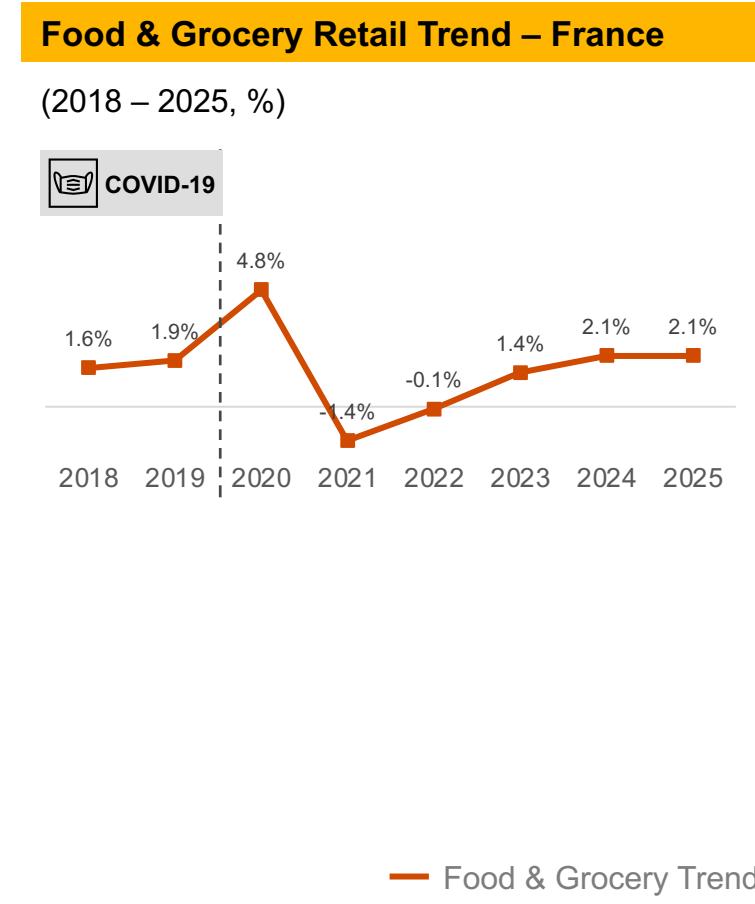
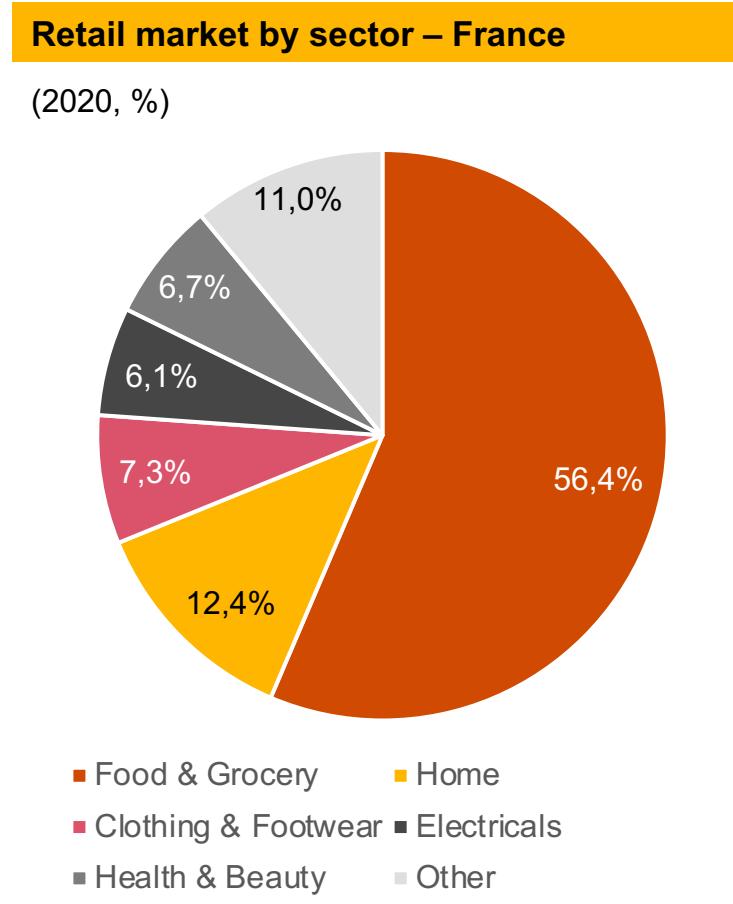
Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

In France, a slight growth of the retail market is expected (CAGR '21 - '25 +1.7%) after a few years of stalemate; despite the considerable growth of the online channel (CAGR '21 - '25 +9.7%), traditional channels will continue to be the most used ones (over 80%)



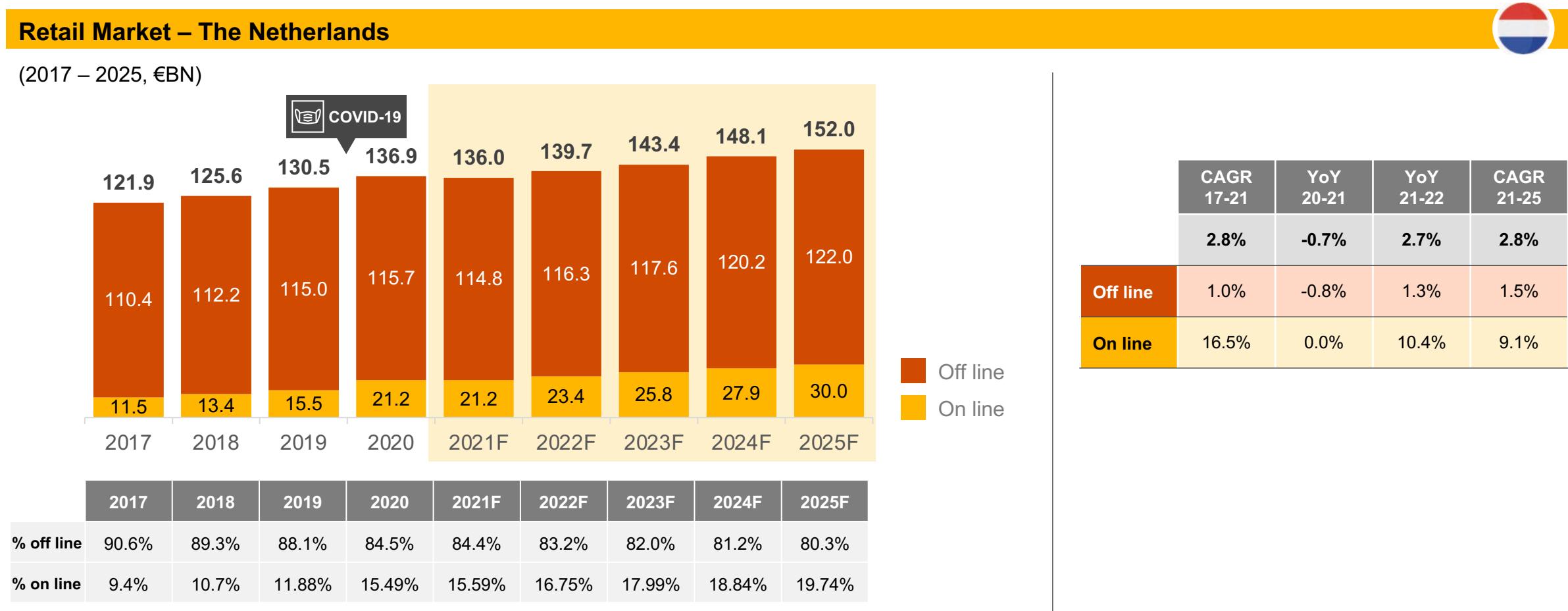
Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

Food & Grocery, which saw an increase in 2020 (+4.8%), makes up more than an half of the sector

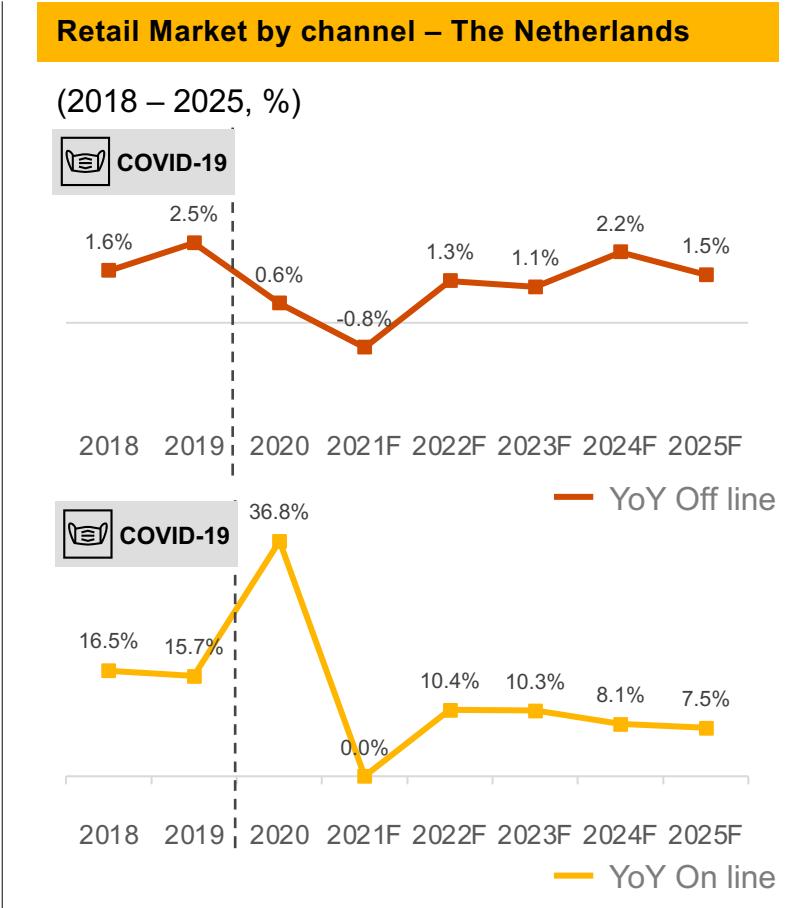
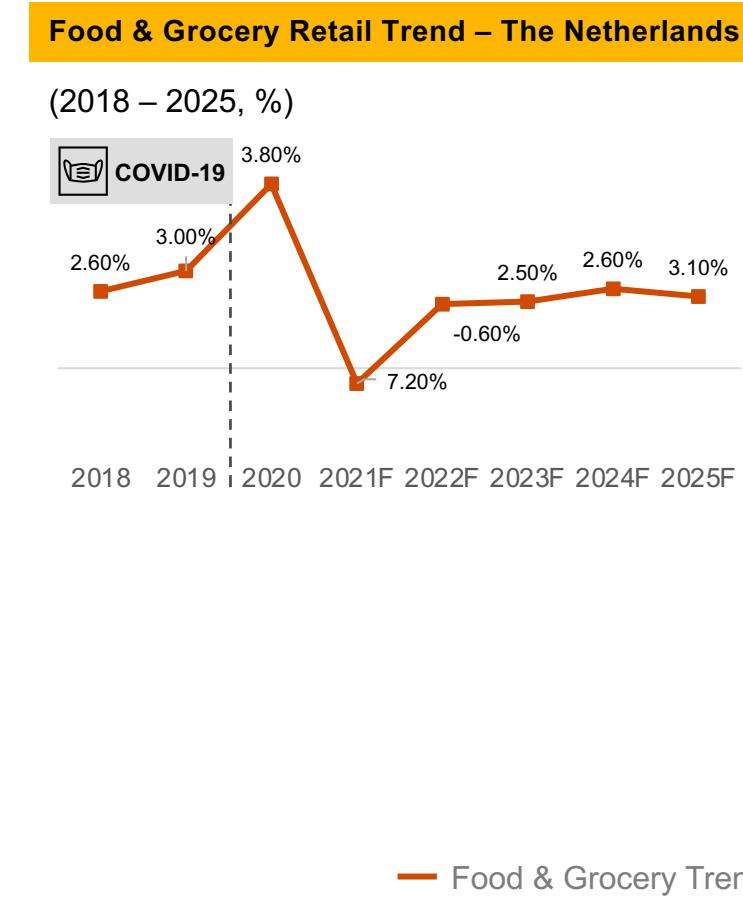
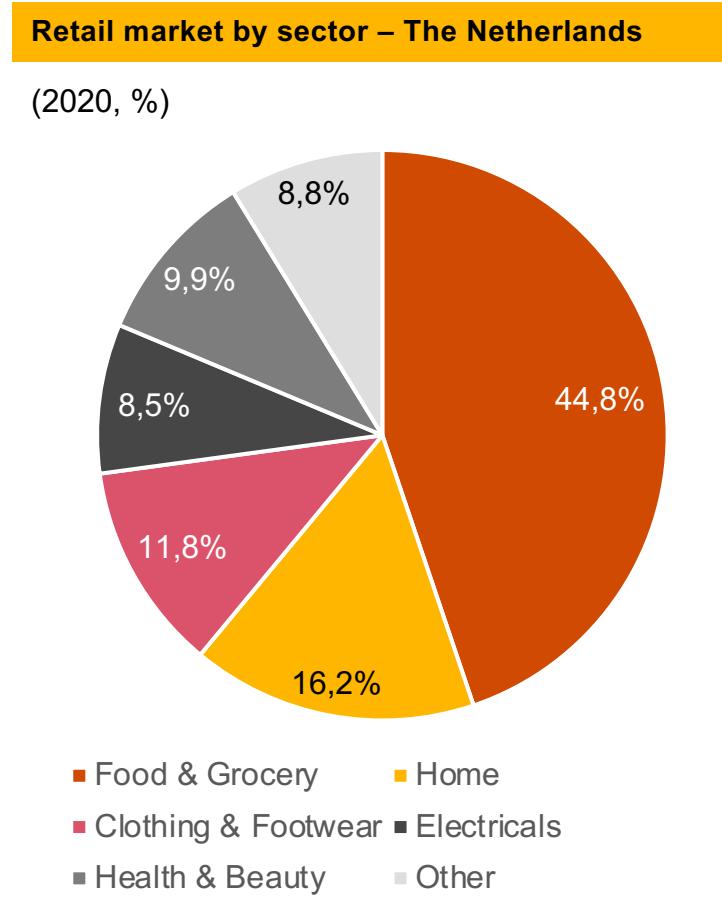


Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

Estimates for the Netherlands foresee a slight growth in the retail market (CAGR '21 -'25 +2.8%); despite the growth of the online channel (CAGR '21 -'25 +9.1%), traditional channels will continue to be the ones toward which consumers will turn more

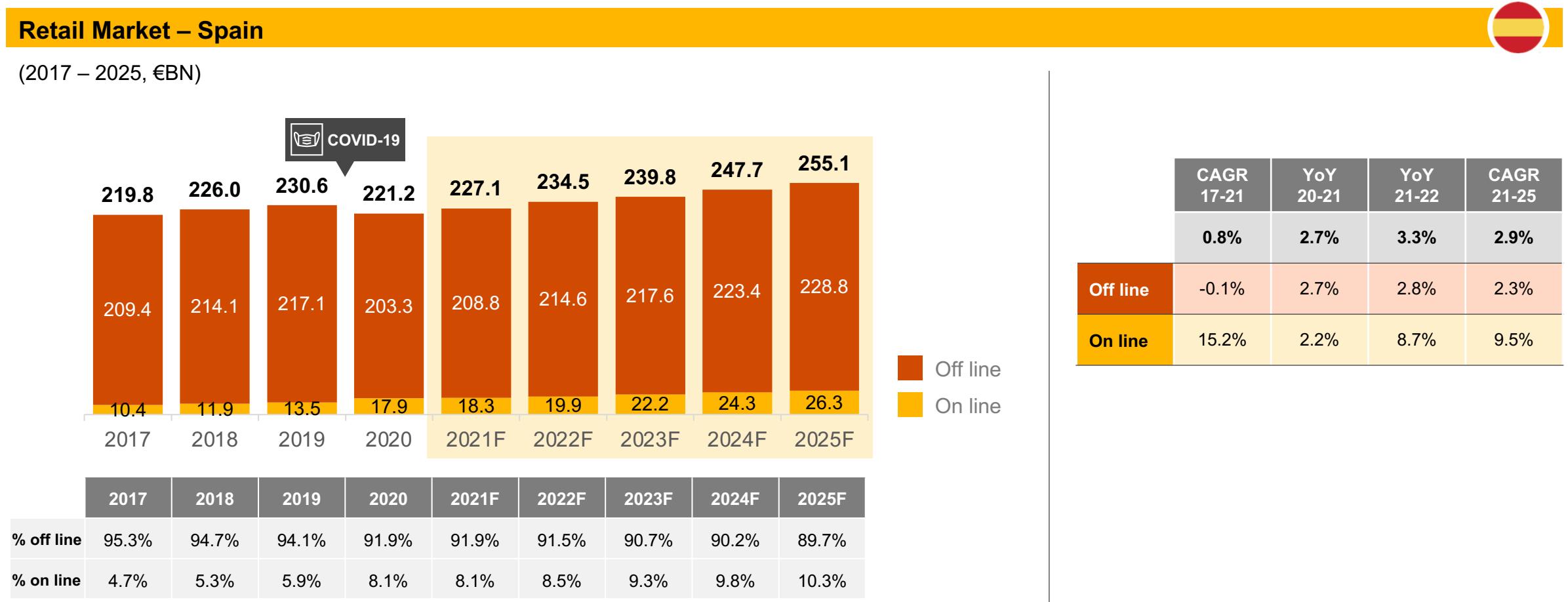


Food & Grocery is the most relevant segment of the sector, followed by Home. In the following years there will be a slight growth



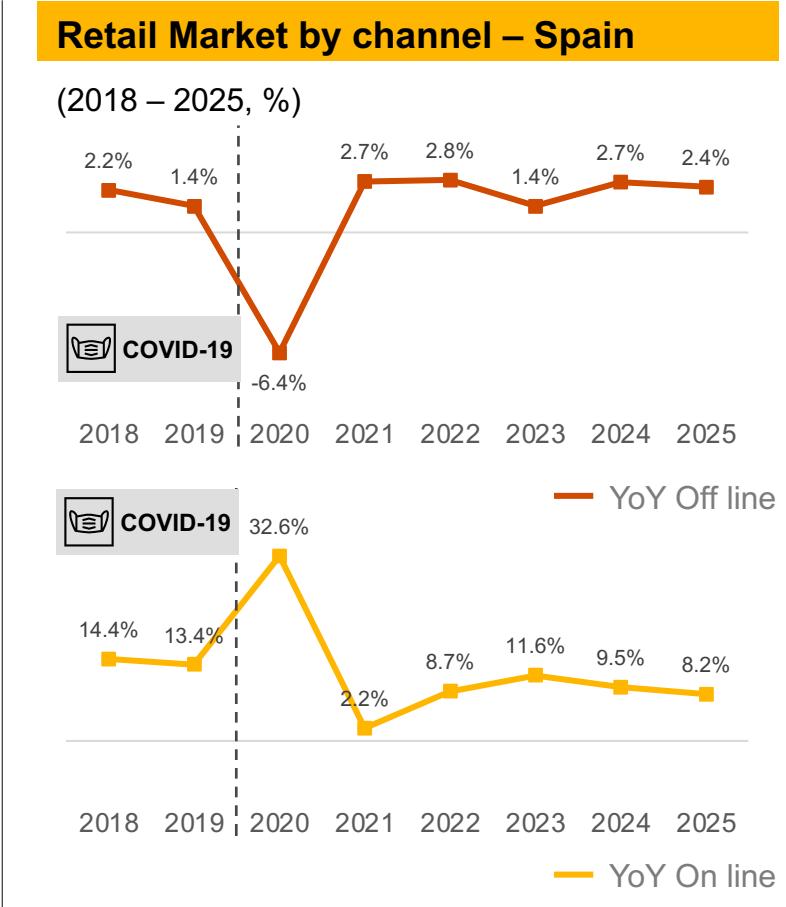
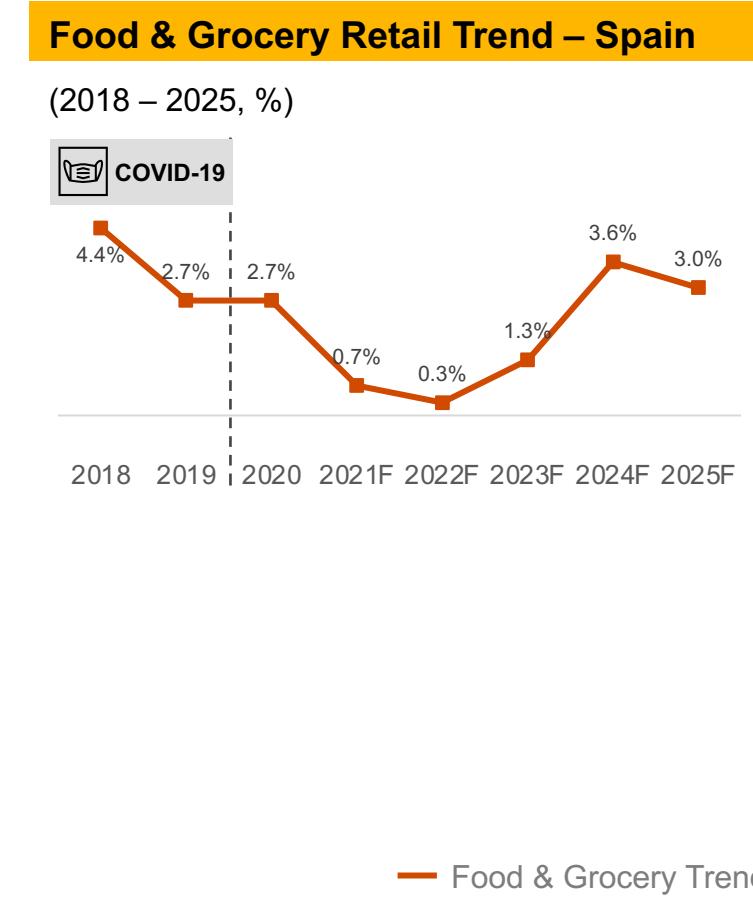
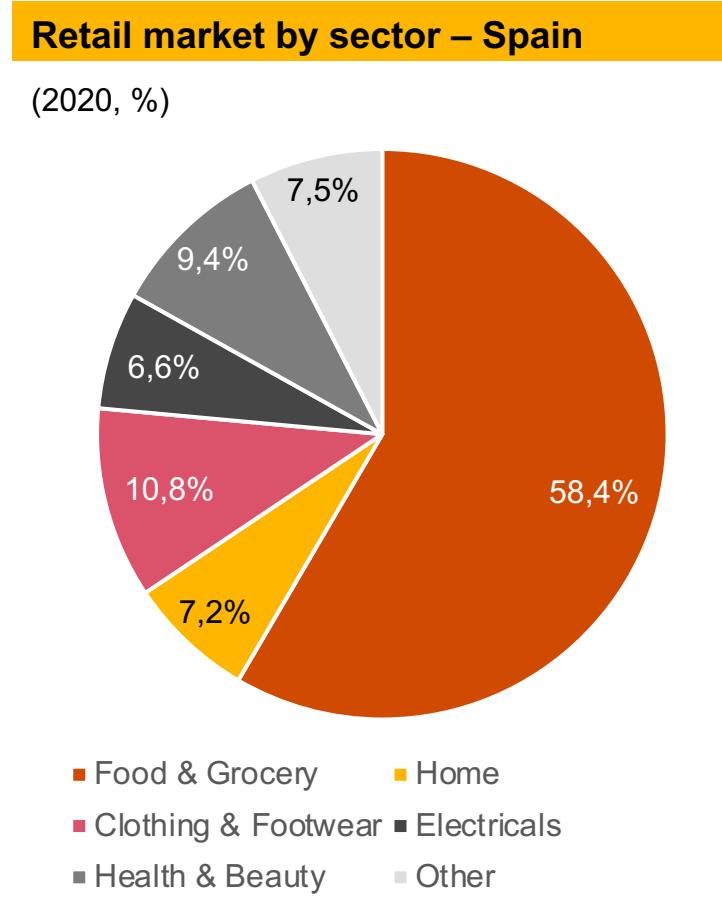
Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

In Spain, after a post covid reduction in the retail market, a good growth is expected (CAGR '21 - '25 +2.9%), as regards the online channel, growth will be sustained by 2025 (CAGR '21 - '25 +9.5%) and gaining share with respect to the offline channel



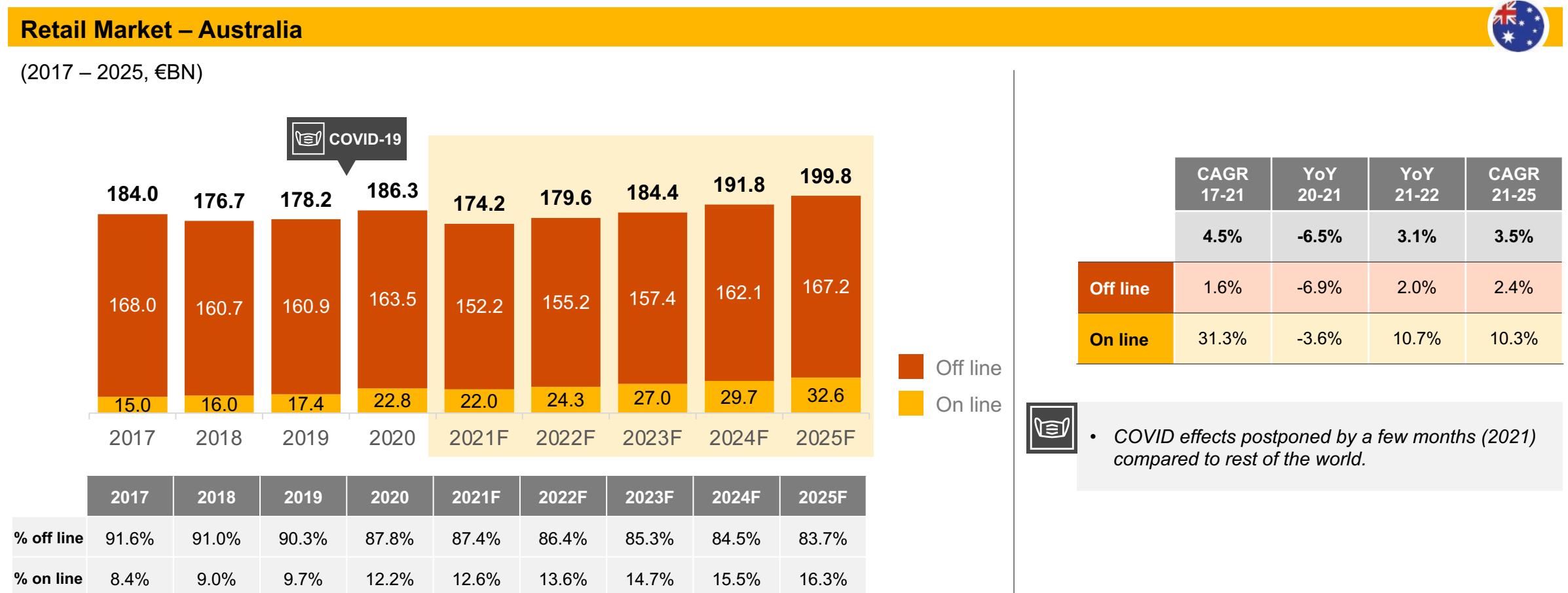
Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

Food & Grocery is the most relevant segment of the sector, followed by Home. In the following years there will be a slight growth



Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

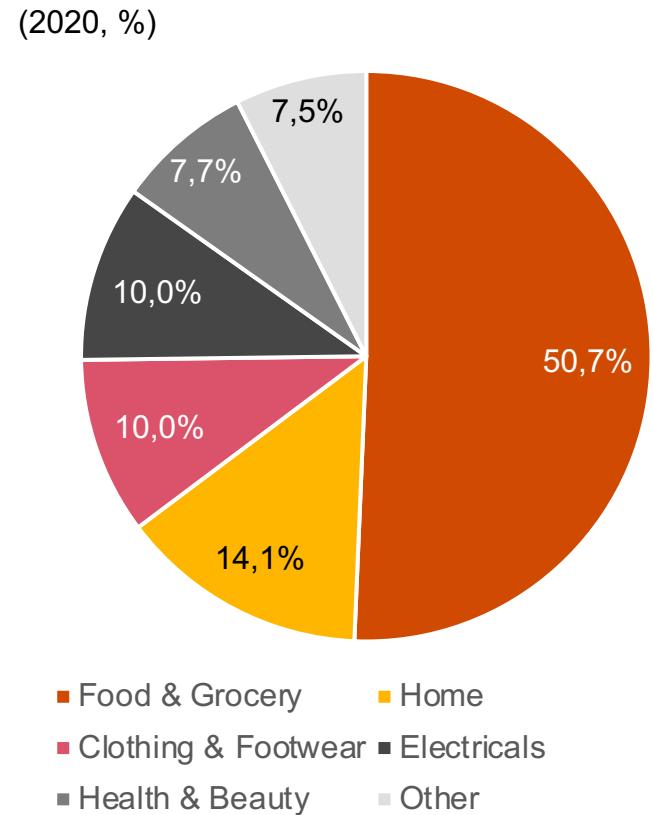
In Australia, a positive retail growth trend is expected for the near future (CAGR '21 -'25 +3.5%), with accelerated online growth (CAGR '21 -'25 +10.3%), although the traditional channel remains the predominant one (over 80%)



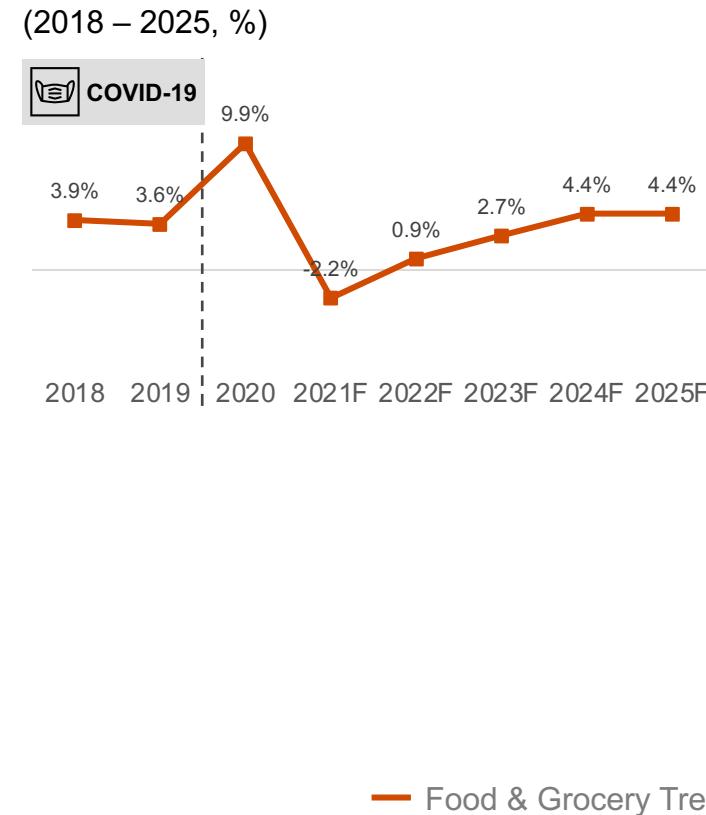
Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

Food & Grocery, which reported an outstanding +9.9% growth in 2020, represents over an half of the sector

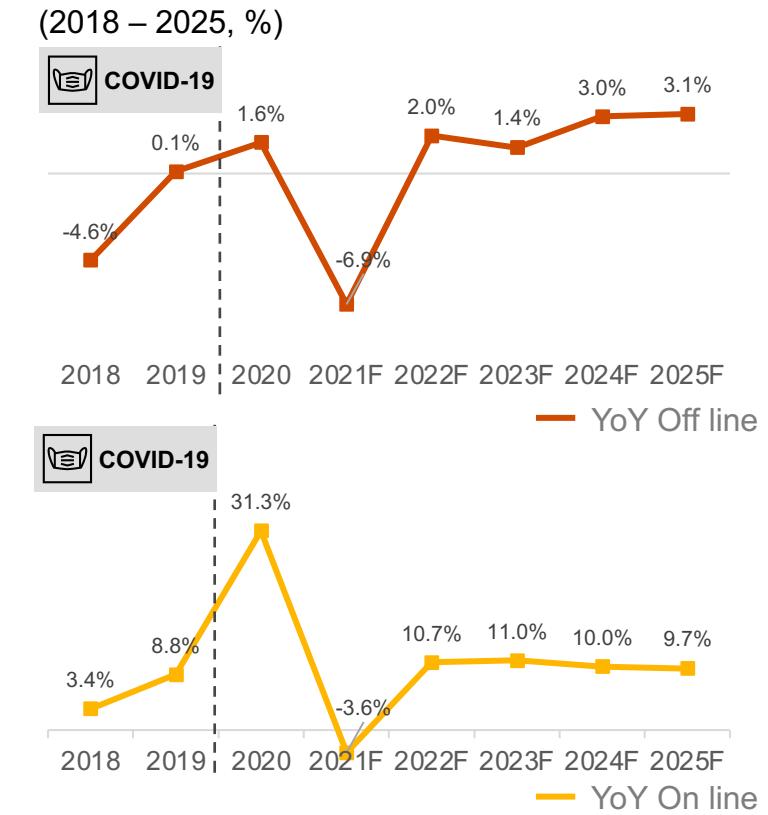
Retail market by sector – Australia



Food & Grocery Retail Trend – Australia



Retail Market by channel – Australia



Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile



02

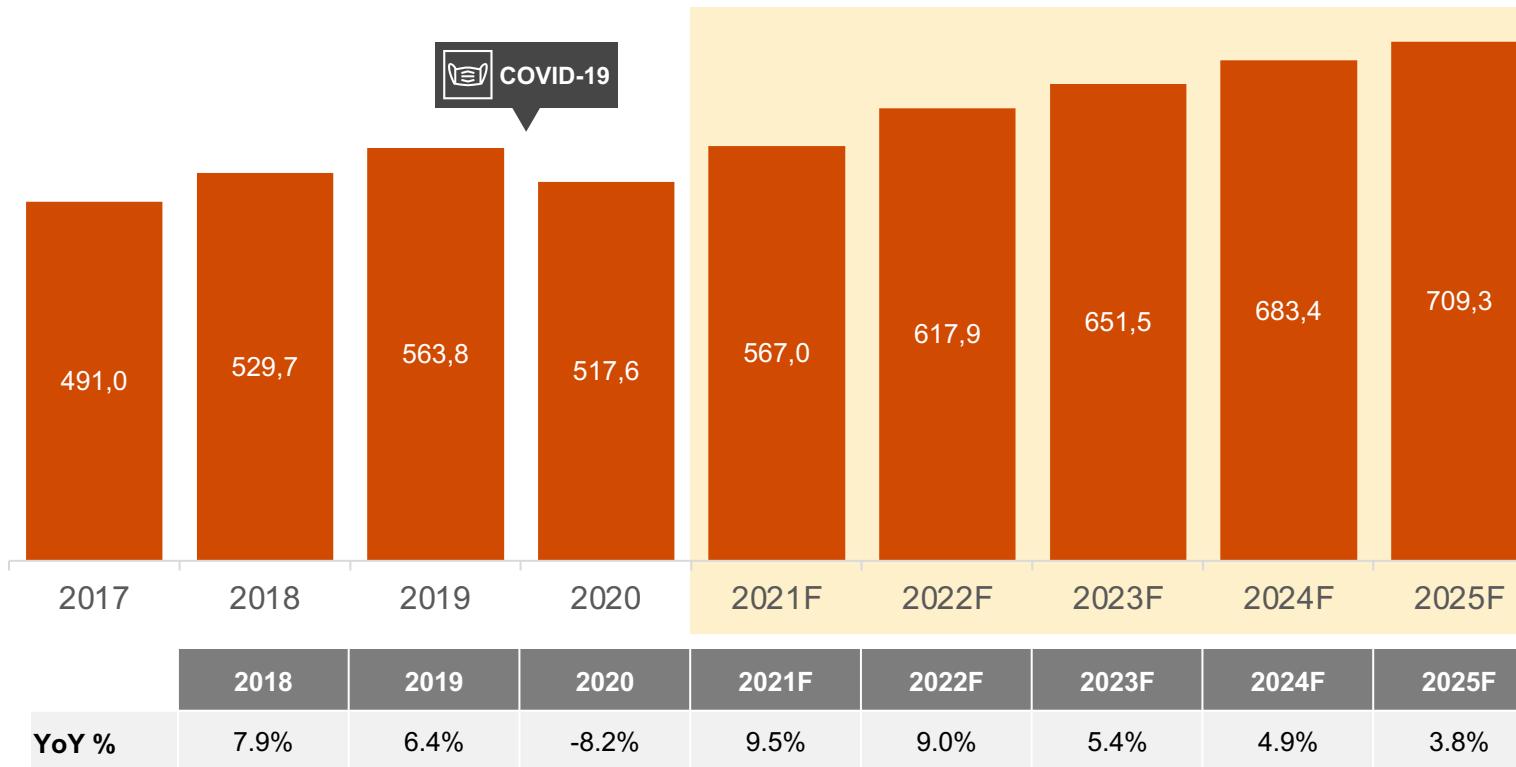
Advertising Spending

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Globally, advertising spending shows a positive trend (CAGR '21 -'25 +5.8%), even if slowed down in 2020

Advertising spending – Global

(2017 – 2025, €BN)



CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
3.7%	9.5%	9.0%	5.8%

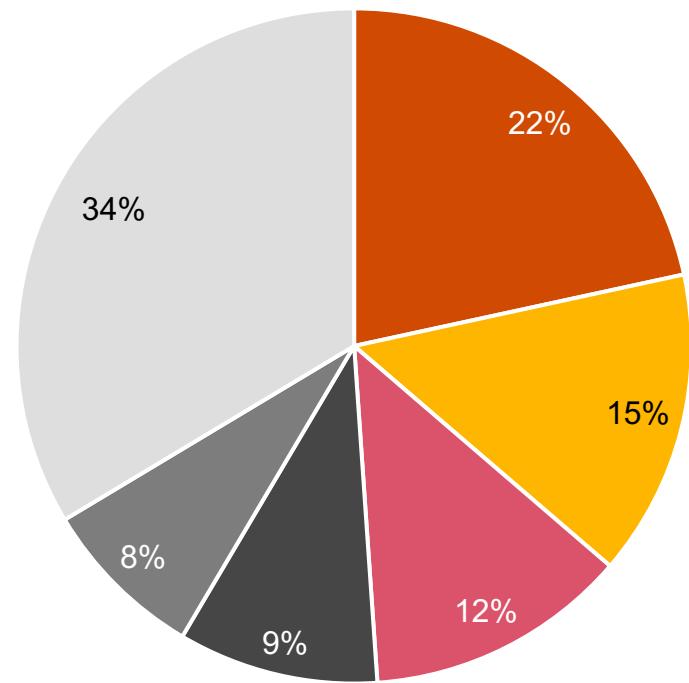
Spending in Advertising means the revenues generated by any advertising activity or agency that provides advertising services, including display advertising services

Source: PwC Global Entertainment & Media Outlook 2021–2025

Almost half of the sector is divided into the F&B, PC, Retailer and Media & Telco sectors. Internet and TV represent the main advertising media

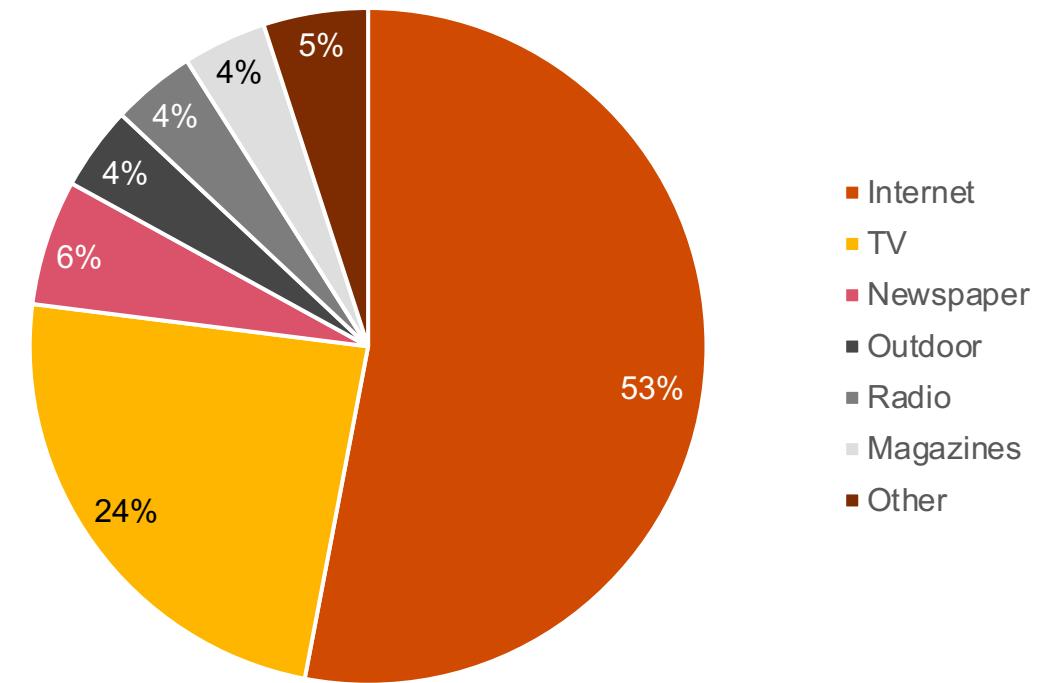
Advertising spending by industry – Global

(2020, %)



Advertising spending by media – Global

(2020, %)



Source: PwC Global Entertainment & Media Outlook 2021–2025 ; PwC analysis and elaboration on Global Data, MarketLine Industry Profile

In Europe, the post-2020 recovery is slightly slower than the global one (CAGR '21 - '25 +5.3%). The market is quite consolidated and dominated by the so-called BigFour agencies (including WPP)



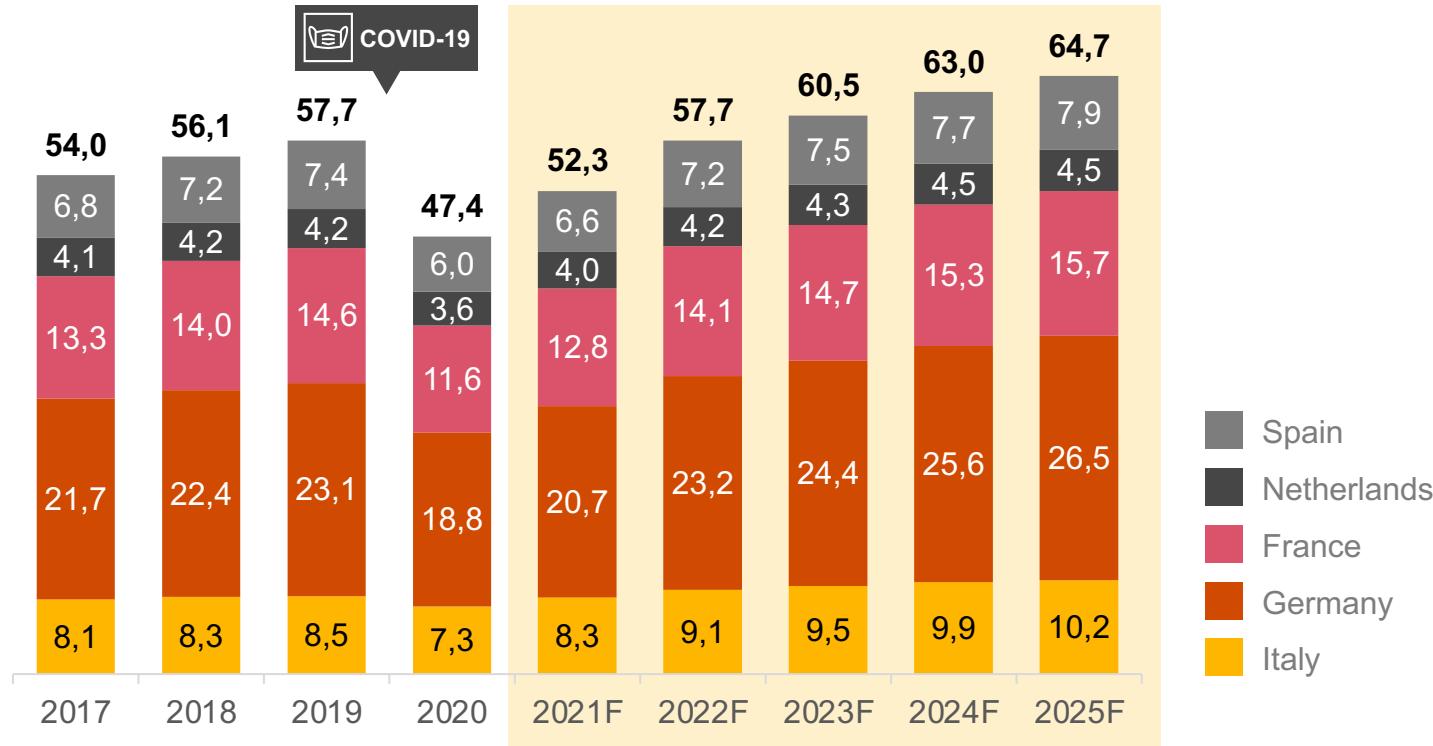
Source: PwC Global Entertainment & Media Outlook 2021–2025

In the main European countries, the estimates relating to advertising spending foresee a growth trend in the coming years (CAGR '21 - '25 +5.5%)

Advertising spending – Main European countries



(2017 – 2025, €BN)

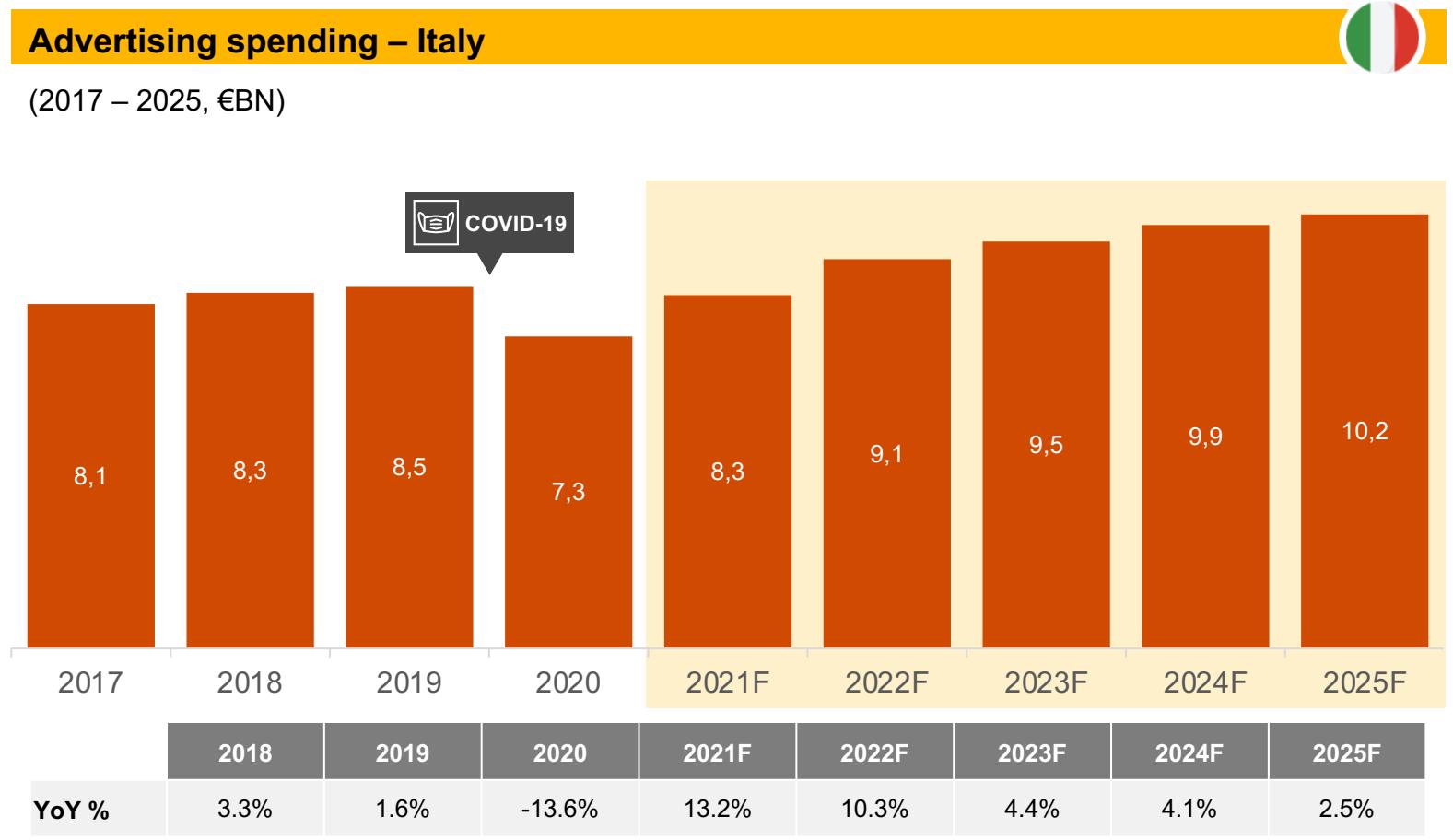


	CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
Spain	-0.8%	10.4%	10.4%	5.5%
Netherlands	-1.0%	8.4%	6.7%	3.5%
France	-0.9%	10.4%	10.0%	5.2%
Germany	-1.2%	9.9%	11.7%	6.3%
Italy	0.6%	13.2%	10.3%	5.3%

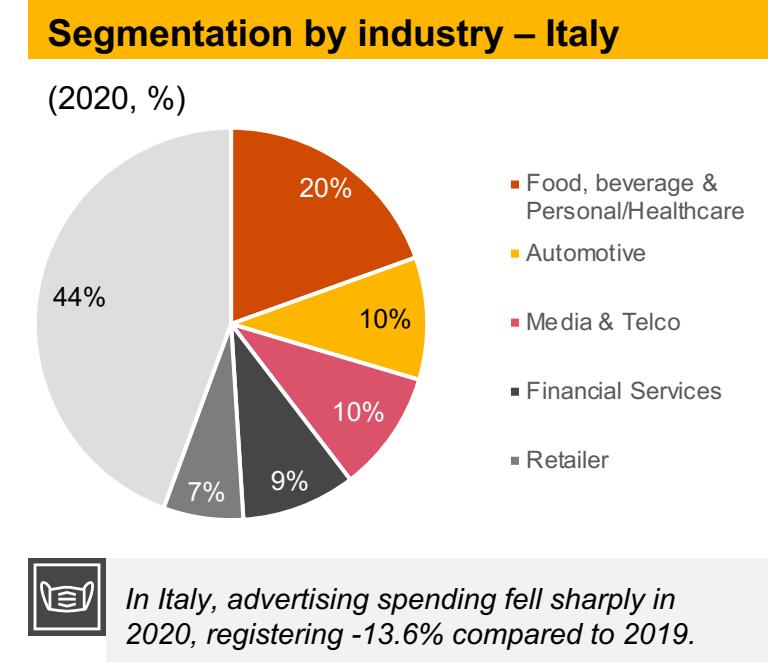


After a decrease in 2020 (YoY 19-20 -17.9%), the advertising spending trend is expected to grow and reach pre-covid levels in 2024.

The trend is expected to grow (CAGR '21 -'25 +5.3%), with a rebound expected in 2021. Automotive is the second sector

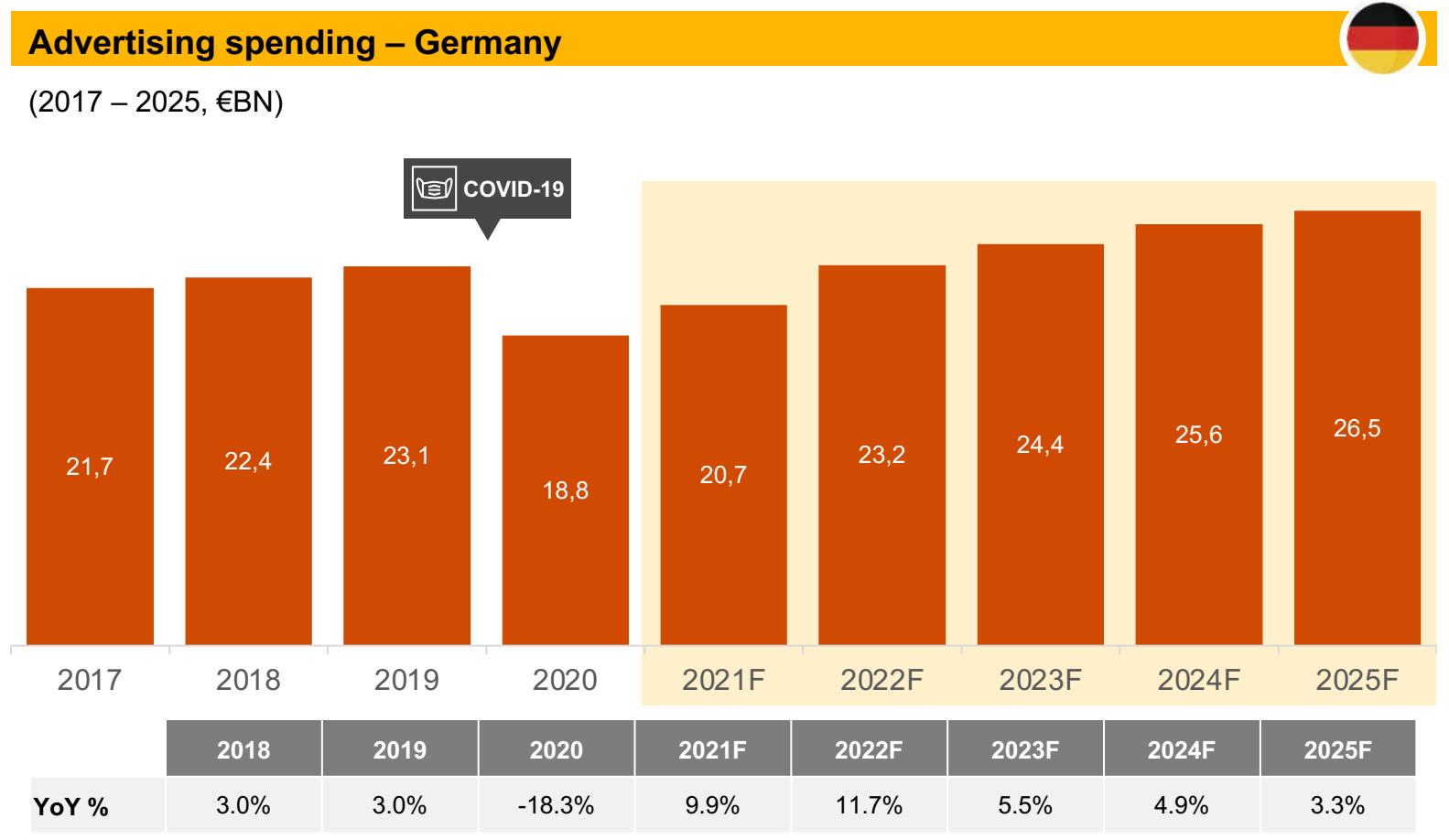


CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
0.6%	13.2%	10.3%	5.3%



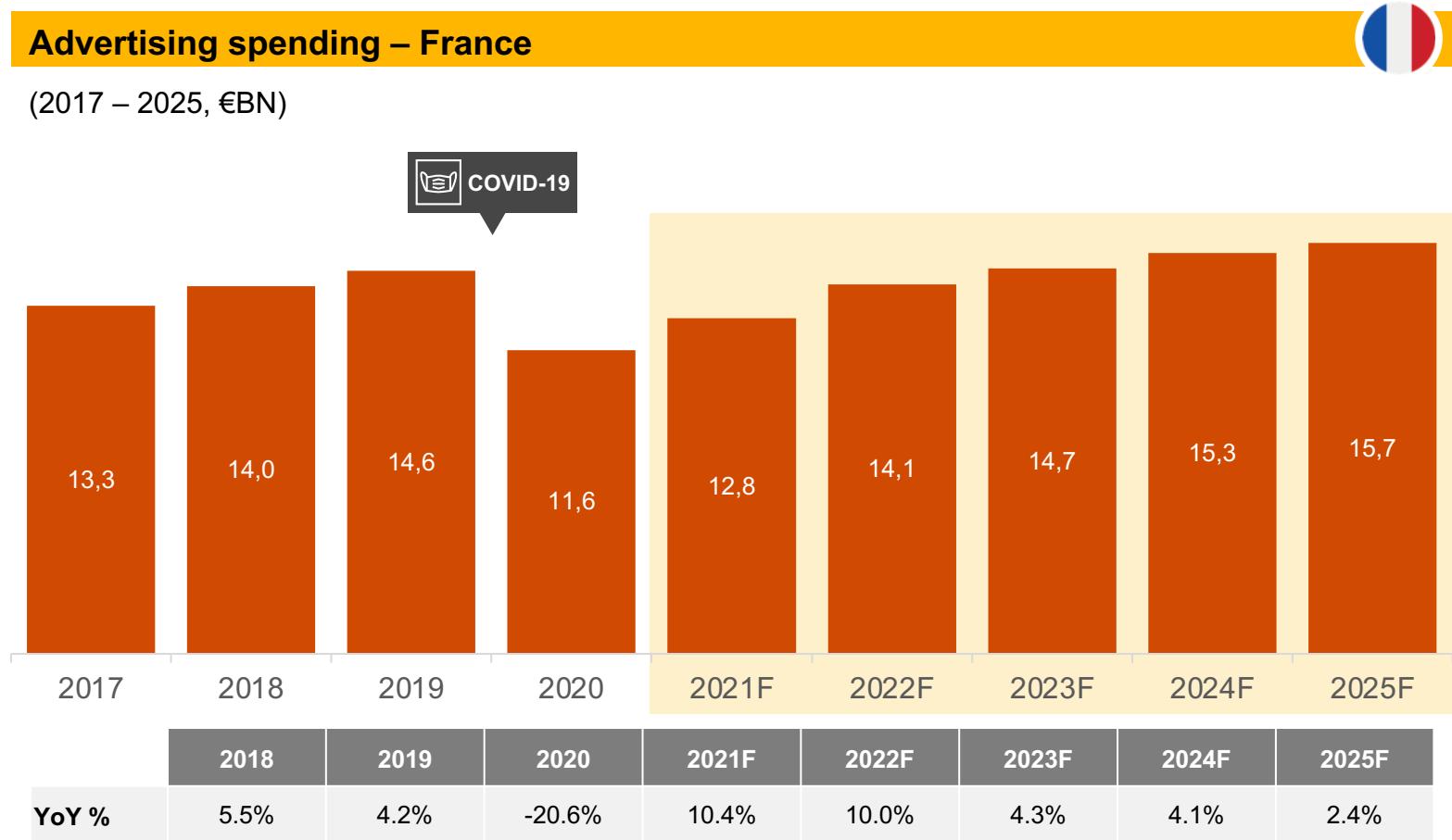
Source: PwC Entertainment & Media Outlook in Italy 2021–2025 ; PwC analysis and elaboration on Global Data, MarketLine Industry Profile

In Germany there was a severe drop in advertising spending in 2020 equal to -18.3% compared to the previous year, however an increasing trend is estimated (CAGR '21 -'25 +6.3%) with a return to pre-pandemic values estimated in 2022

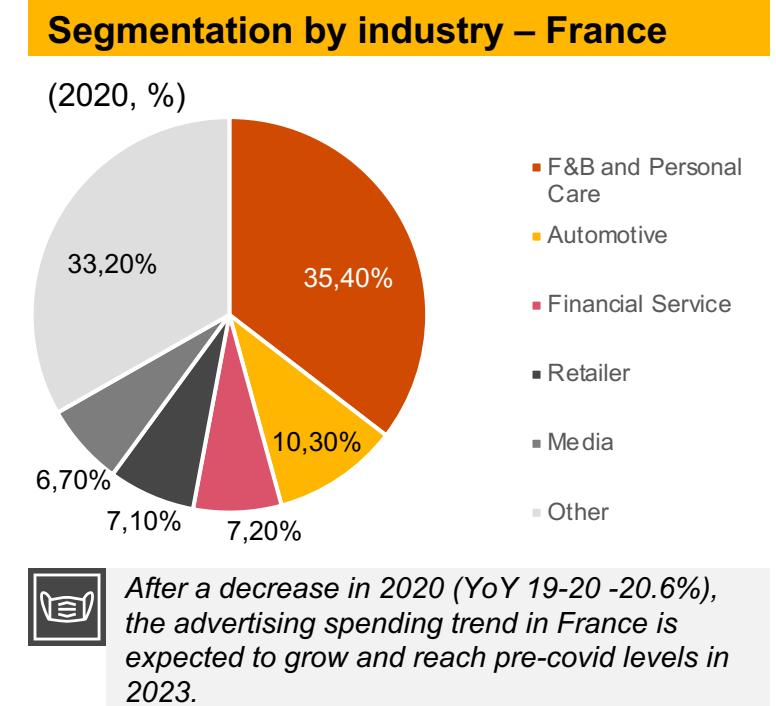


Source: PwC Global Entertainment & Media Outlook 2021–2025 ; PwC analysis and elaboration on Global Data, MarketLine Industry Profile

In France, advertising spending in 2020 suffered a sharp decline recording a variation of -20.6%, there is a growth (CAGR '21 -'25 +5.2%) with a return to pre-pandemic values in 2023



CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
-0.9%	10.4%	10.0%	5.2%



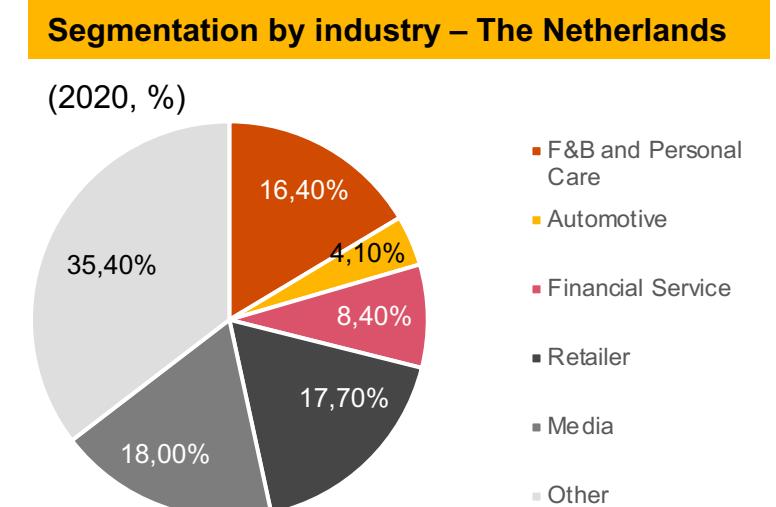
Source: PwC Global Entertainment & Media Outlook 2021–2025 ; PwC analysis and elaboration on Global Data, MarketLine Industry Profile

In the Netherlands, advertising spending recorded a sharp decline in 2020 (-13.7%), growth is estimated in the coming years (CAGR '21 - '25 +3.5%) with a return to pre-pandemics expected in 2023



Segmentation by industry – The Netherlands

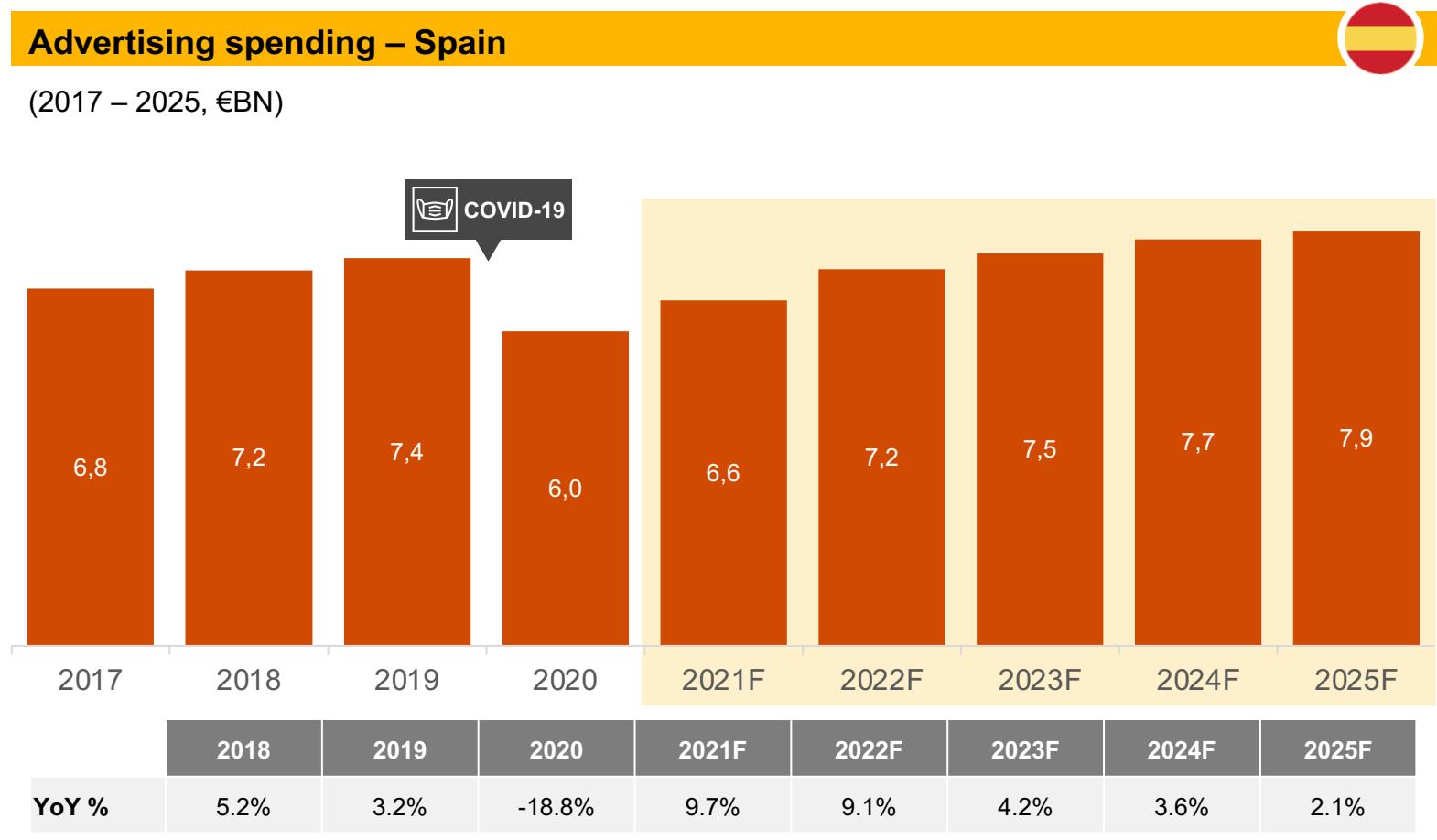
(2020, %)
35,40%
18,00%
17,70%
8,40%
4,10%
16,40%



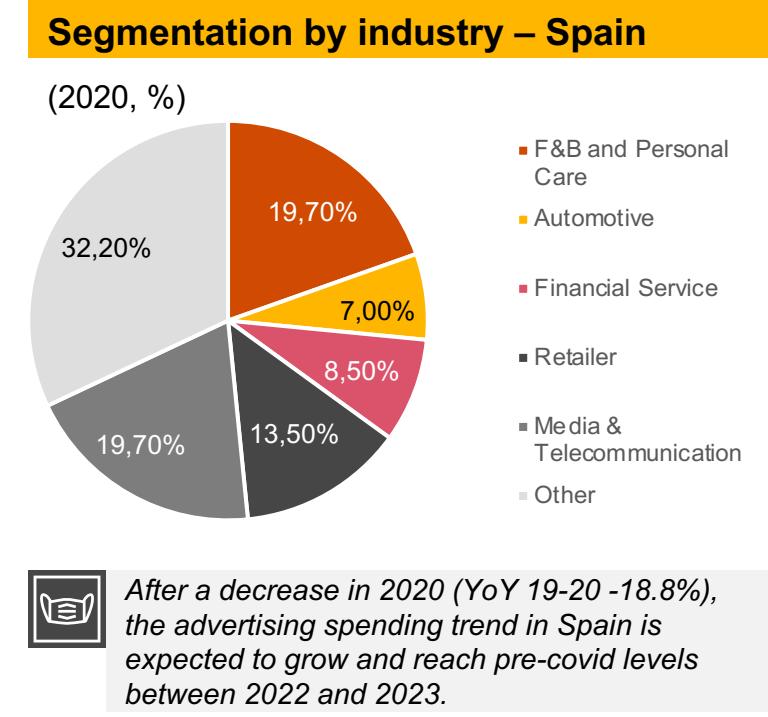
After a decrease in 2020 (YoY 19-20 -13.7%), the advertising spending trend in the Netherlands is expected to grow and reach pre-covid levels in 2023.

Source: PwC Global Entertainment & Media Outlook 2021–2025 ; PwC analysis and elaboration on Global Data, MarketLine Industry Profile

In Spain, despite the sharp decline in 2020 which recorded a reduction in advertising spending of -18.8%, an increasing trend is estimated (CAGR '21 - '25 +4.7%) with a return to pre-pandemic levels estimated around 2023

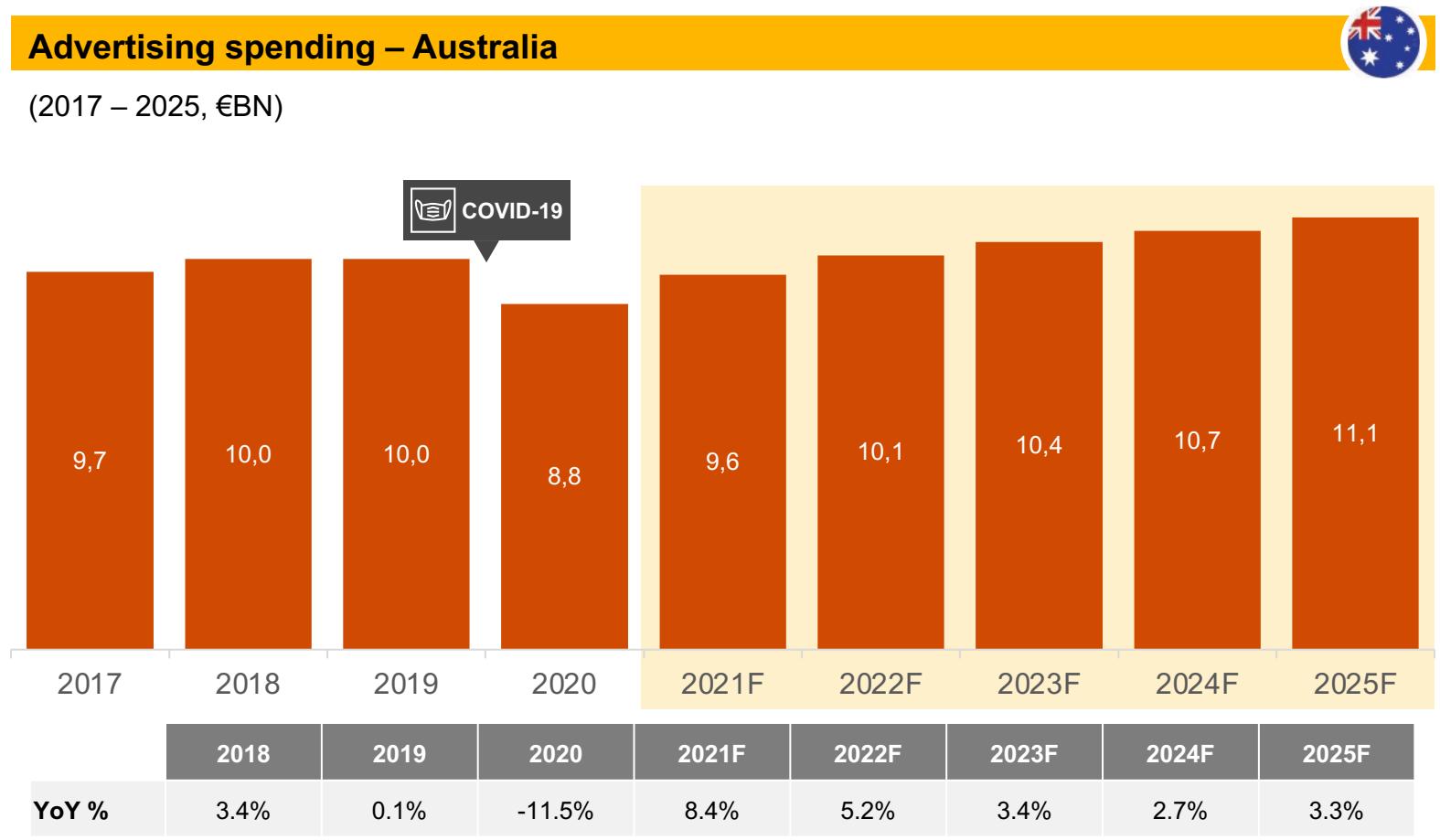


CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
-0.8%	9.7%	9.1%	4.7%



Source: PwC Global Entertainment & Media Outlook 2021–2025 ; PwC analysis and elaboration on Global Data, MarketLine Industry Profile

In Australia, despite having suffered from the decrease in 2020 with -11.5% compared to the previous year, the trend shows a rapid recovery (CAGR '21 -'25 +3.6%) in 2022 which exceeds the pre-pandemic



Source: PwC Global Entertainment & Media Outlook 2021–2025 ; PwC analysis and elaboration on Global Data, MarketLine Industry Profile



03

Digital consumer
behavior

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A continuous growth in internet users is observed everywhere.
 Mobile Phone connection slightly increased at a Global level (1/2)

Global		Europe		Italy		Germany		
2021	2021 vs. 2020	2020	2020 vs. 2019	2021	2021 vs. 2020	2021	2021 vs. 2020	
Total Population	7.83 BN	+1.0%	850 M	+0.2%	60 M	-0.4%	84 M	+0.2%
Mobile Phone Connections	6.26 BN	+1.8%	1.09 BN	+0.2%	77 M	+0.7%	113 M	+1.6%
Internet Users	4.66 BN	+7.3%	711 M	+1.6%	50 M	+2.2%	79 M	+1.3%
Active Social Media Users	4.20 BN	+13.2%	471 M	+4.4%	41 M	+5.7%	66 M	+13.2%

Europe is the 2nd most popular region worldwide by internet users

Source: PwC analysis and elaboration on Datareportal Digital 2021, Datareportal Digital 2020

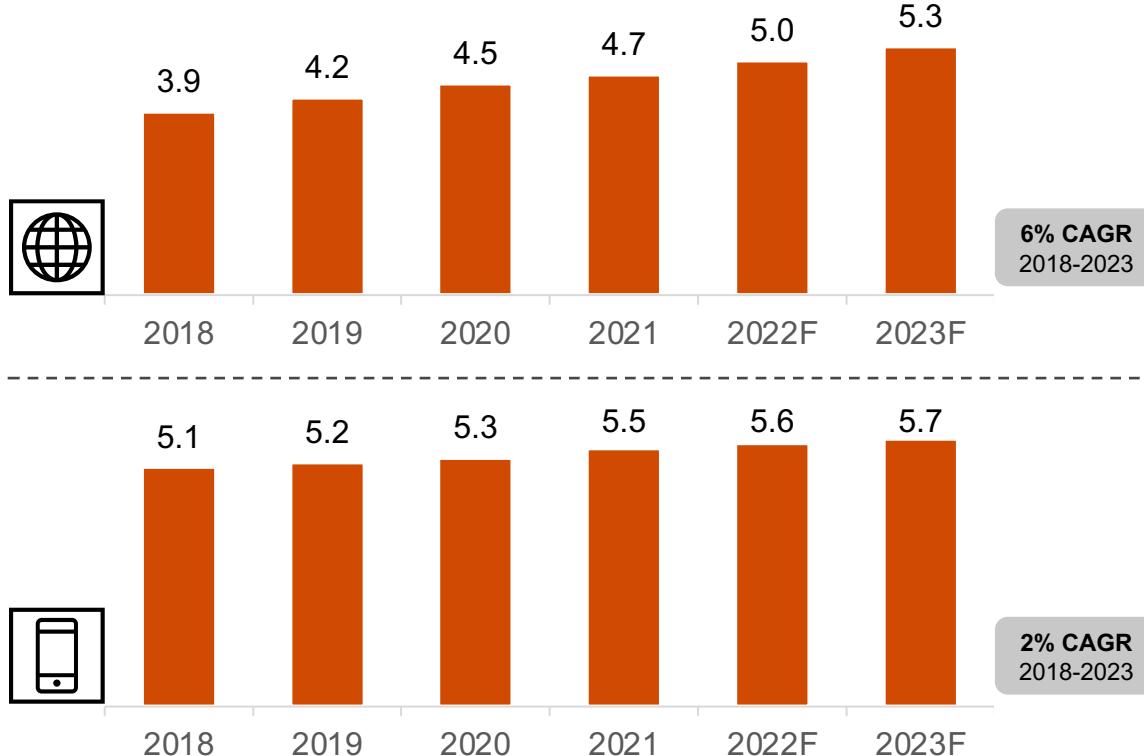
A continuous growth in internet users is observed everywhere.
 Mobile Phone connection slightly increased at a Global level (2/2)

France		Netherlands		Spain		Australia		
2021	2021 vs. 2020	2021	2021 vs. 2020	2021	2021 vs. 2020	2021	2021 vs. 2020	
Total Population	65 M	+0.2%	17 M	+0.0%	47 M	+0.009%	25 M	+1.2%
Mobile Phone Connections	67 M	+0.2%	17 M	+0.3%	54 M	+0.6%	32 M	+1.7%
Internet Users	60 M	+2.5%	17 M	+1.3%	43 M	+0.3%	22 M	+2.3%
Active Social Media Users	50 M	+12.8%	15 M	+0.1%	37 M	+27.6%	20 M	+0.1%

Source: PwC analysis and elaboration on Datareportal Digital 2021

Globally, estimates predict an increase in the number of internet users from 3.9 billion in 2018 to 5.3 billion in 2023 (CAGR '18 -'23 +6%), while for mobile subscribers growth is estimated from 5.1 billion to 5.7 billion in 2023 (CAGR '18 -'23 +2%)

Number of internet users and mobile subscribers forecast
(2018-2023, BN)



Internet users and mobile subscribers as a percentage of the population by geographical area

Region	Internet users		Mobile subscribers	
	2018	2023F	2018	2023F
Global	51%	66%	66%	71%
Asia Pacific	52%	72%	65%	72%
Central and Eastern Europe	65%	78%	79%	81%
Western Europe	82%	87%	84%	85%

Source: PwC analysis and elaboration on Cisco Annual Internet Report 2018-2023

The consumer is increasingly digital and makes more use of mobile devices. The Internet is a focal point for purchasing decisions (82% of consumers searched online a product to buy), especially due to the use of shopping apps (69% of consumers used a shopping app)

Buying behaviours of the digital consumer

(2021)

	Global	Italy	Australia	Germany	France	Netherlands	Spain
% of Internet Users on total population	60%	84%	89%	94%	91%	96%	91%
<i>o.w. accessing the internet via mobile</i>	93%	93%	88%	87%	86%	90%	94%
Avg Daily Time spent on the Internet (hh:mm)	06:54	06:22	06:13	05:26	05:37	05:28	06:11
<i>o.w. on mobile devices (hh:mm)</i>	03:39	02:58	02:36	02:14	02:17	02:52	02:48
% of internet users who searched online for a product/service to buy	82%	87%	84%	84%	82%	83%	87%
% of internet users who used a shopping app on mobile	69%	73%	60%	68%	54%	50%	75%



75%

% consumers using internet for shopping decisions

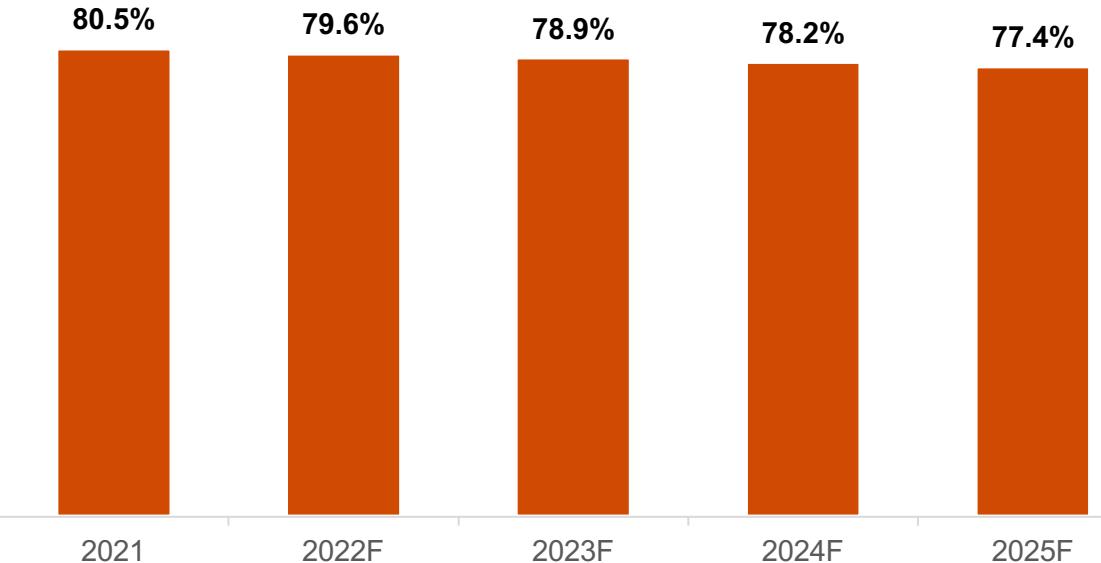


+150%

“... around me now” Google search

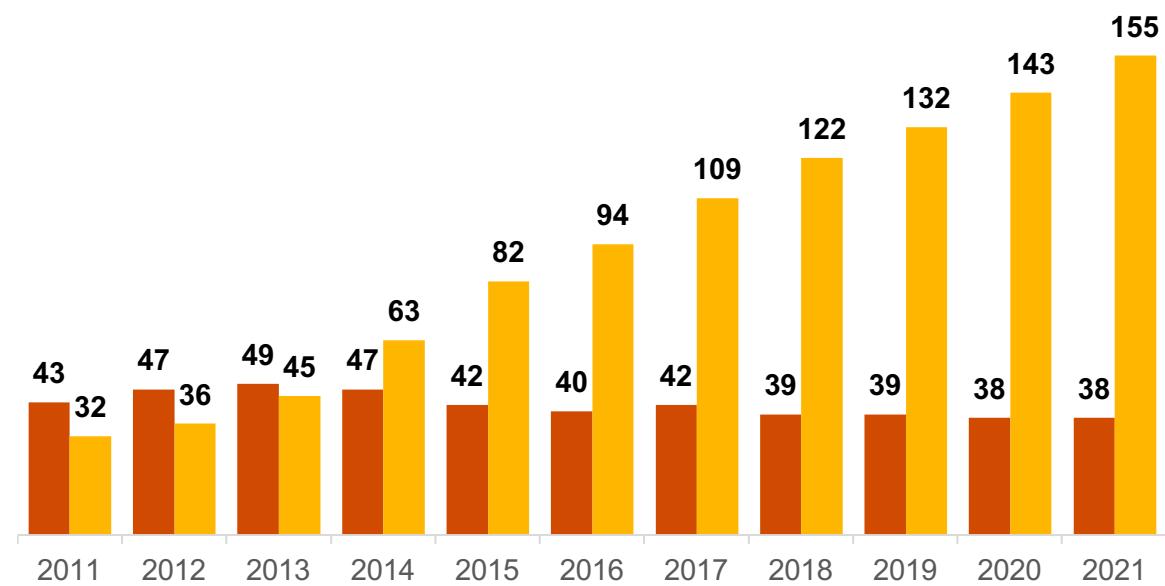
Despite the increase in e-commerce, the majority of retail sales still happens in physical stores (81% in 2021) and they are expected to remain the main shopping destination even in the future (77% in 2025)

Share of Sales still happening in store
(2021-2025, %)



(1.0%) CAGR 2021-2025

Daily time spent with the internet per capita worldwide by device
(2011-2021, minutes)

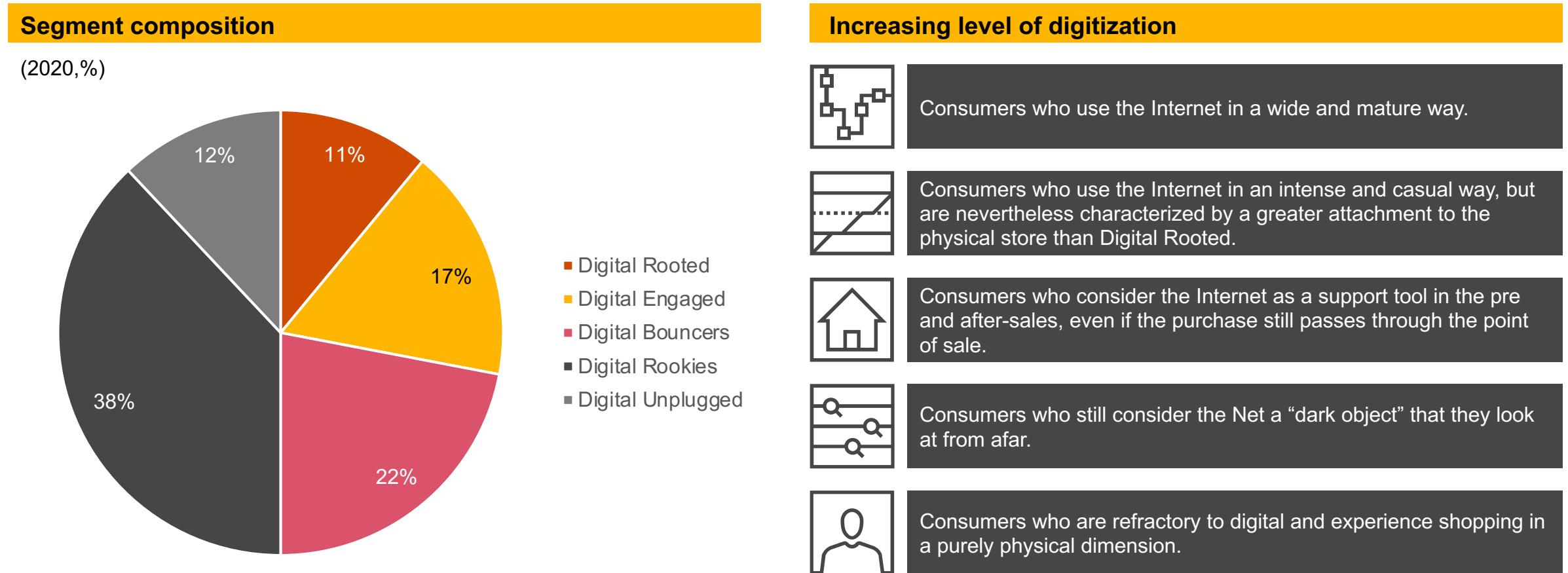


(1.2%) Desktop
CAGR 2011-2021

+17.1% Mobile
CAGR 2011-2021

Source: PwC analysis and elaboration on Statista

Consumers are segmented by how they use traditional and digital touchpoints in their path-to-purchase

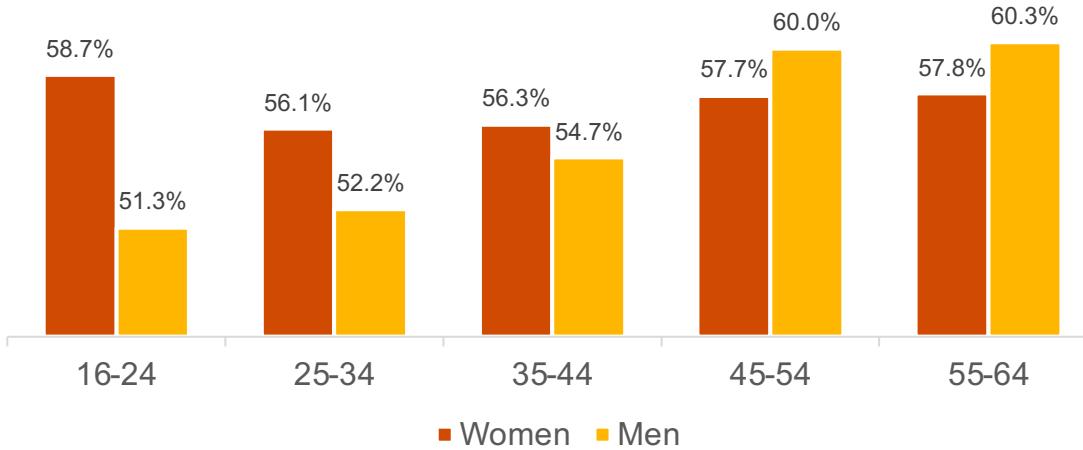


Source: PwC analysis and elaboration on Datareportal Digital 2021, Datareportal Digital 2020

Consumers who mostly search for products online before making a purchase are men over 45 and women in the 16-24 age group. Internet users up to age 44 spend more than 50% of their time on the mobile internet

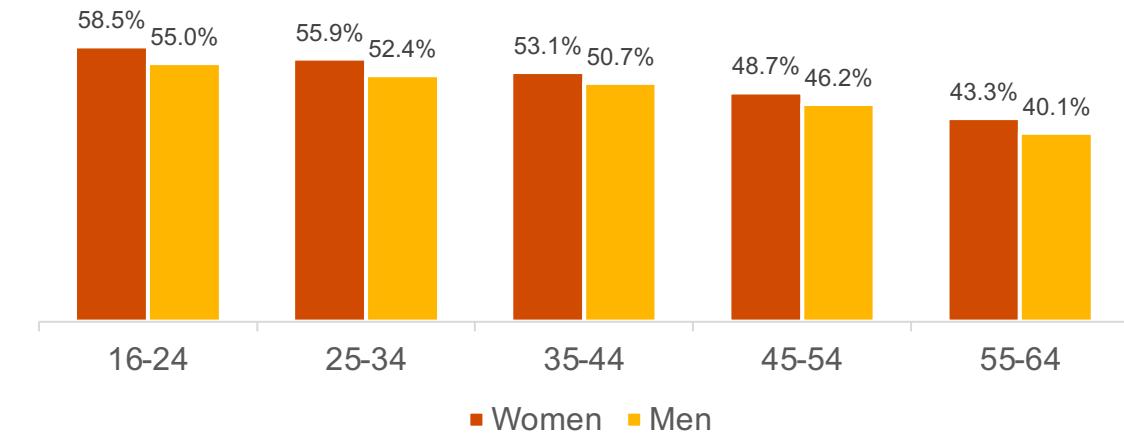
Percentage of global internet users who claim to research products online before making a purchase

(2021, %)



Mobile's share of daily internet time

(2021, %)

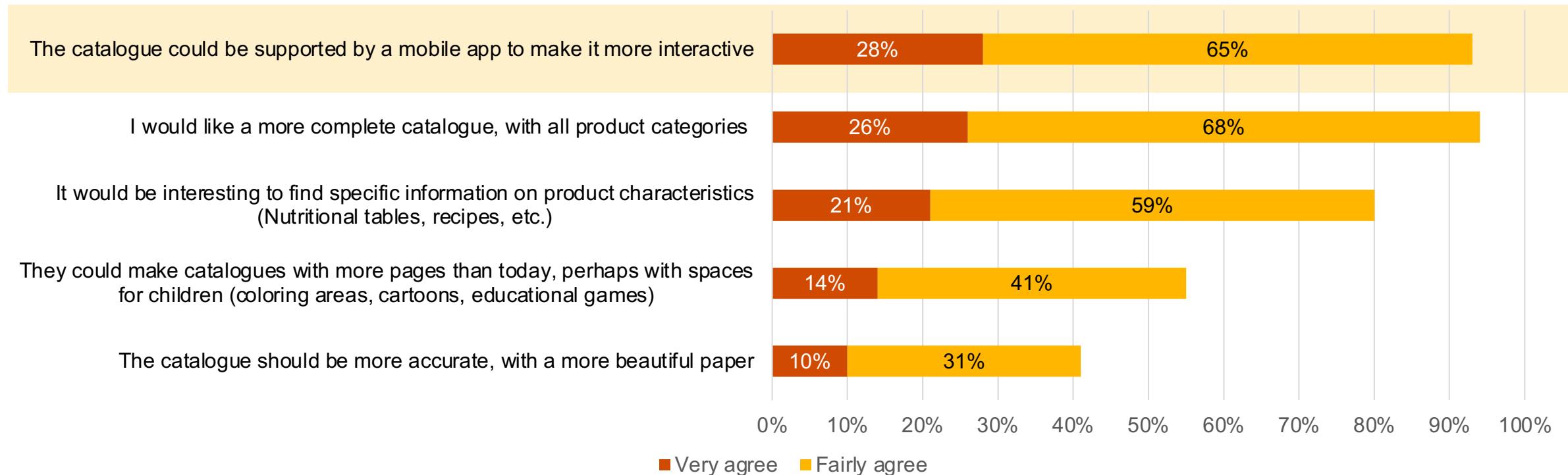


Source: PwC analysis and elaboration on Datareportal Digital 2021, Datareportal Digital 2020

A consumer survey found that 28% of consumers answered «very agree» (and 65% «fairly agree») about having an app to make the paper catalogue interactive

«What do you want to see in the catalogues?»

Other respondents previously have made suggestions for improving the paper catalogue; do you agree with these?



Source: PwC analysis and elaboration on Eumetra MR

Local retail needs to undertake a double transformation on both e-commerce and store level. The retail transformation comes with three main challenges related to users' reach, catalogue innovation and trade marketing with brands

Retail Transformation



Key Trends towards Retail Transformation

- **Adopting an Omnichannel approach**
by implementing/strengthening e-commerce operations
- **More focus on info and pre-shopping services**
Enhance retail experience before entering the store
- **Easier in Store shopping**
Smart assistance (i.e. via app), wide range of payments method
- **Integration of disruptive technologies**
Machine Learning and AI application to improve consumer journey
- **Increased emphasis on safety**
as a direct result of the COVID-19 Pandemic



Key Challenges



Coverage

Re-inventing hyperlocal coverage is key in order to reach 100% households around stores



Catalogue

Digital catalogues need to be reinvented in terms of format in order to meet the needs of digital-savvy consumers



Trade Marketing

Retailers should **re-invent trade marketing offer** for brands

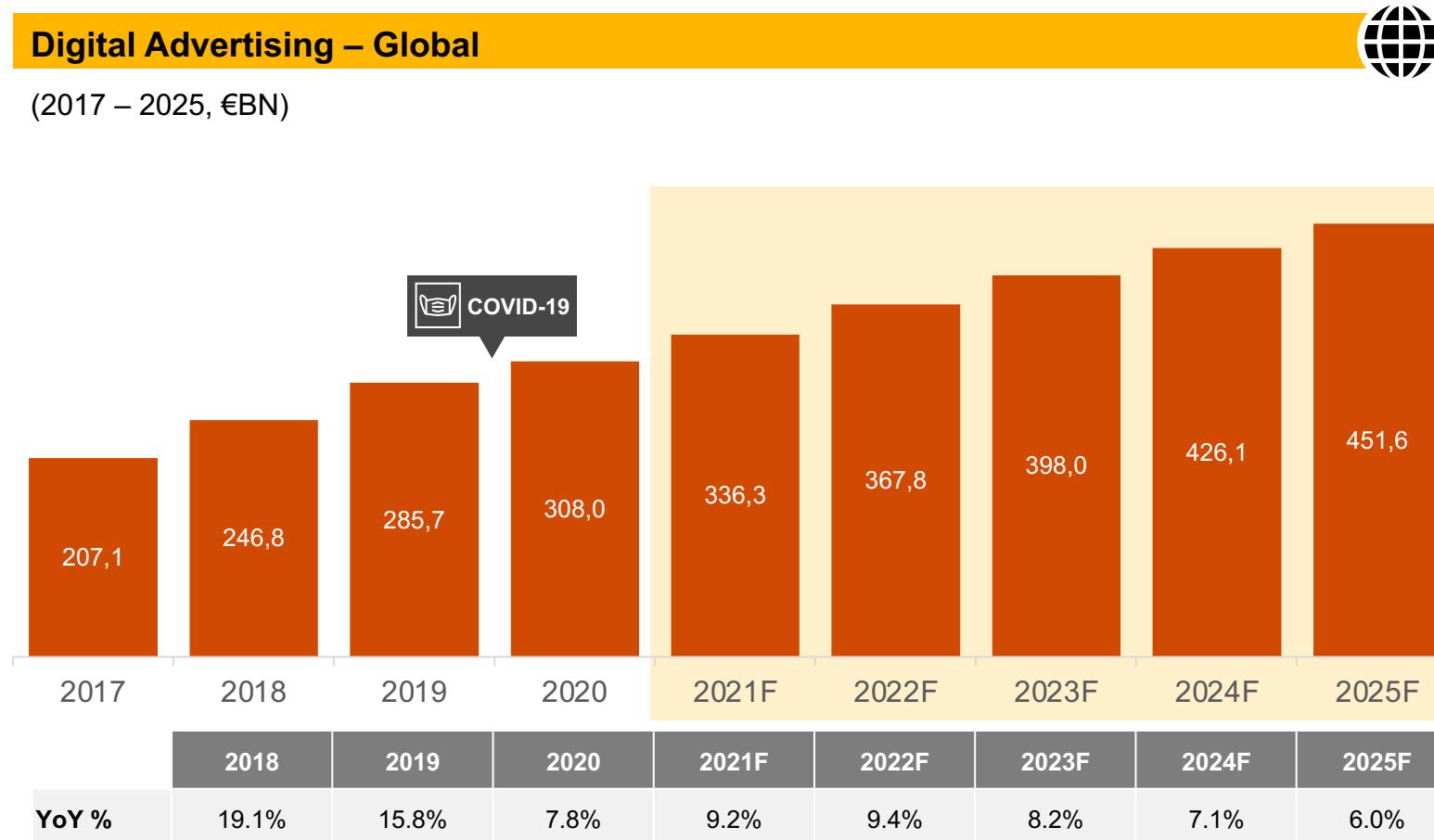


04

Digital Advertising

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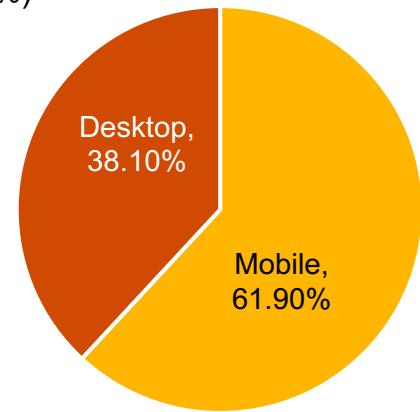
The global market of digital advertising is increasing (CAGR '21 - '25 +7.7%) with a preponderance of the Mobile channel (61.9%) compared to the Desktop channel (38.1%)



CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
12.9%	9.2%	9.4%	7.7%

Segmentation by category – Global

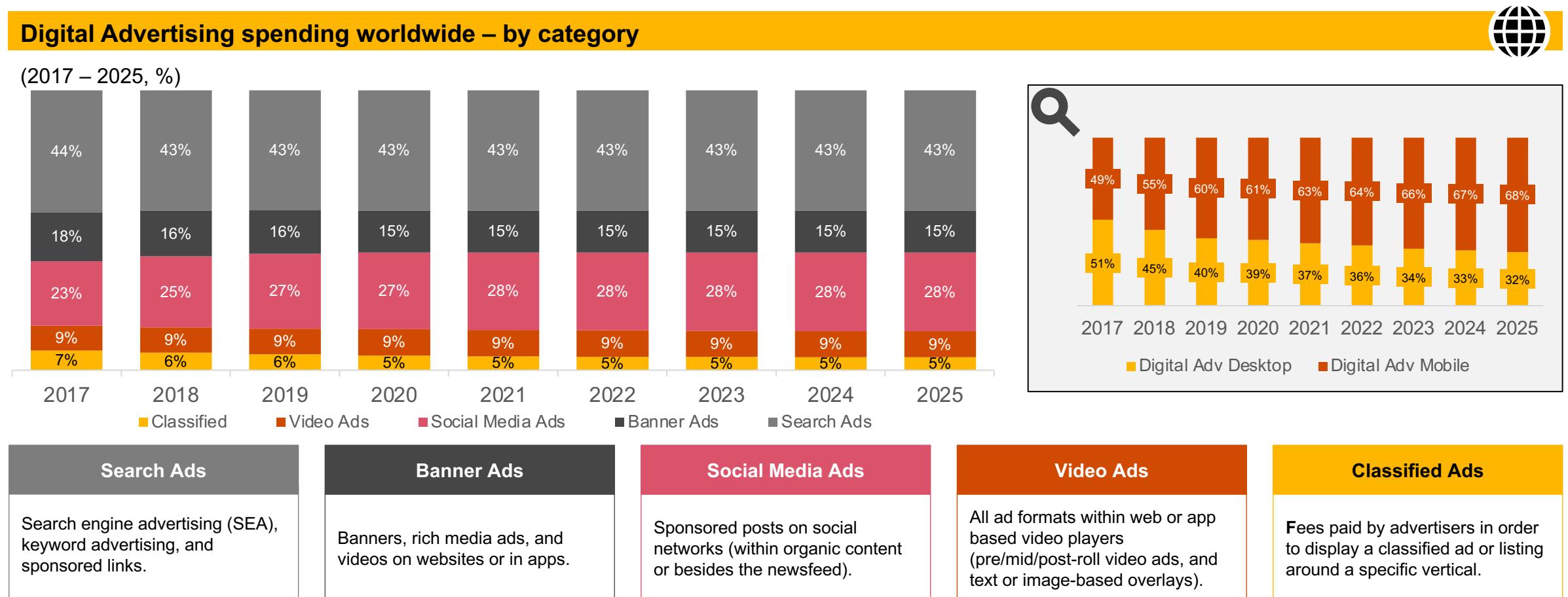
(2020, %)



The Digital Advertising market (otherwise known as Online Marketing, Internet Advertising or Web Advertising) consists of the revenues generated by advertising activities on the Internet through mobile devices or personal computers.

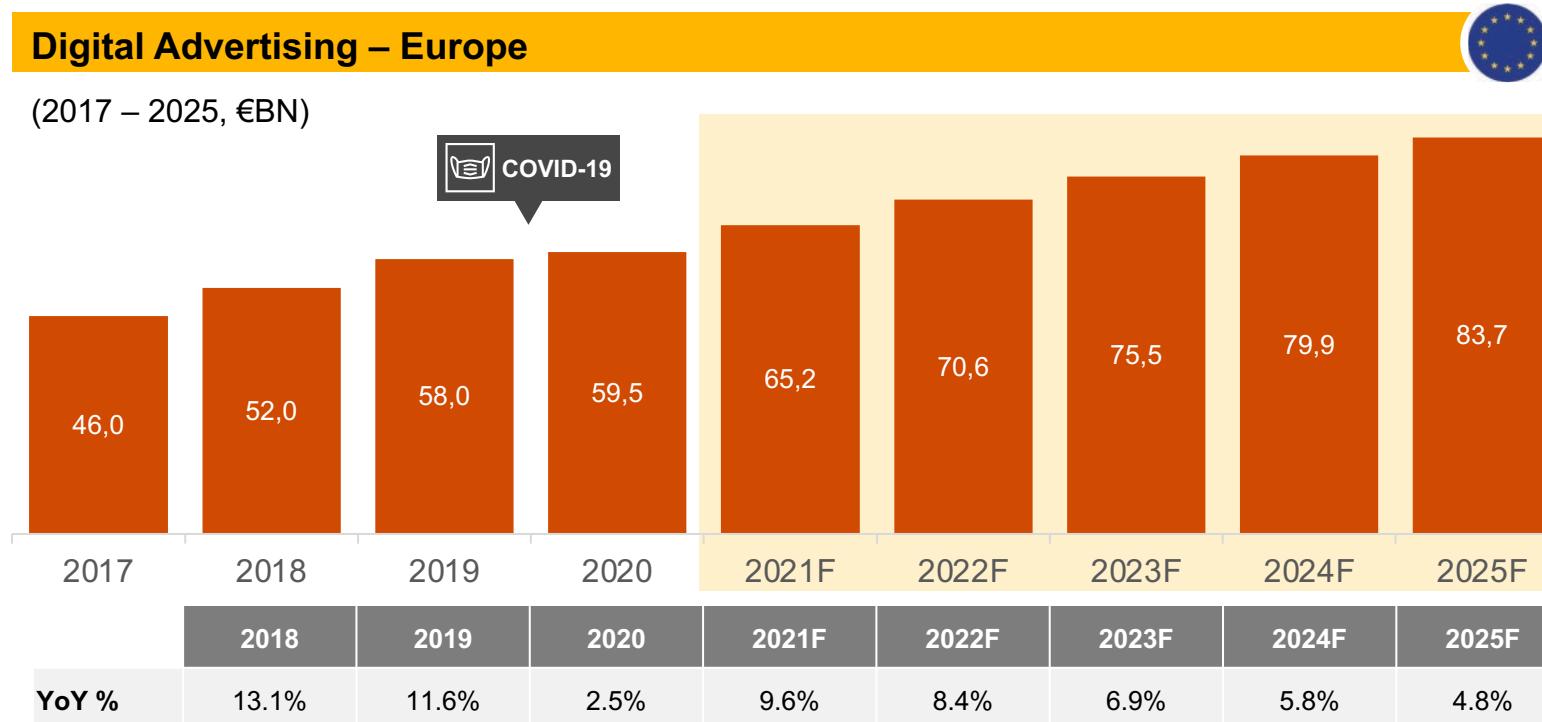
Source: PwC Global Entertainment & Media Outlook 2021–2025

The estimates relating to worldwide spending on digital advertising foresee a considerable growth in the coming years, with an upward trend of spending in Mobile digital advertising



Source: Statista Digital Market Outlook – December 2020; PwC Global Entertainment & Media Outlook 2021–2025

In Europe, the digital advertising market has historically experienced growth, slowed down during the pandemic. However, significant growth is expected in the forecast period (CAGR '21 - '25 +6.4%)

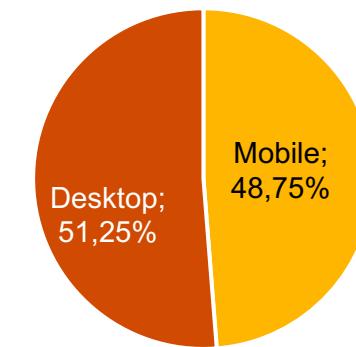


In Europe, digital advertising spending recorded a slight increase in 2020 (YoY 19-20 2.5%)

CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
9.1%	9.6%	8.4%	6.4%

Segmentation by category – Europe

(2020, %)



The internet has become increasingly accessible: in 2019 90% of European households had access to the internet, compared to 80% in 2014.

Smartphones are today the most used device for internet access.

Source: PwC Global Entertainment & Media Outlook 2021–2025

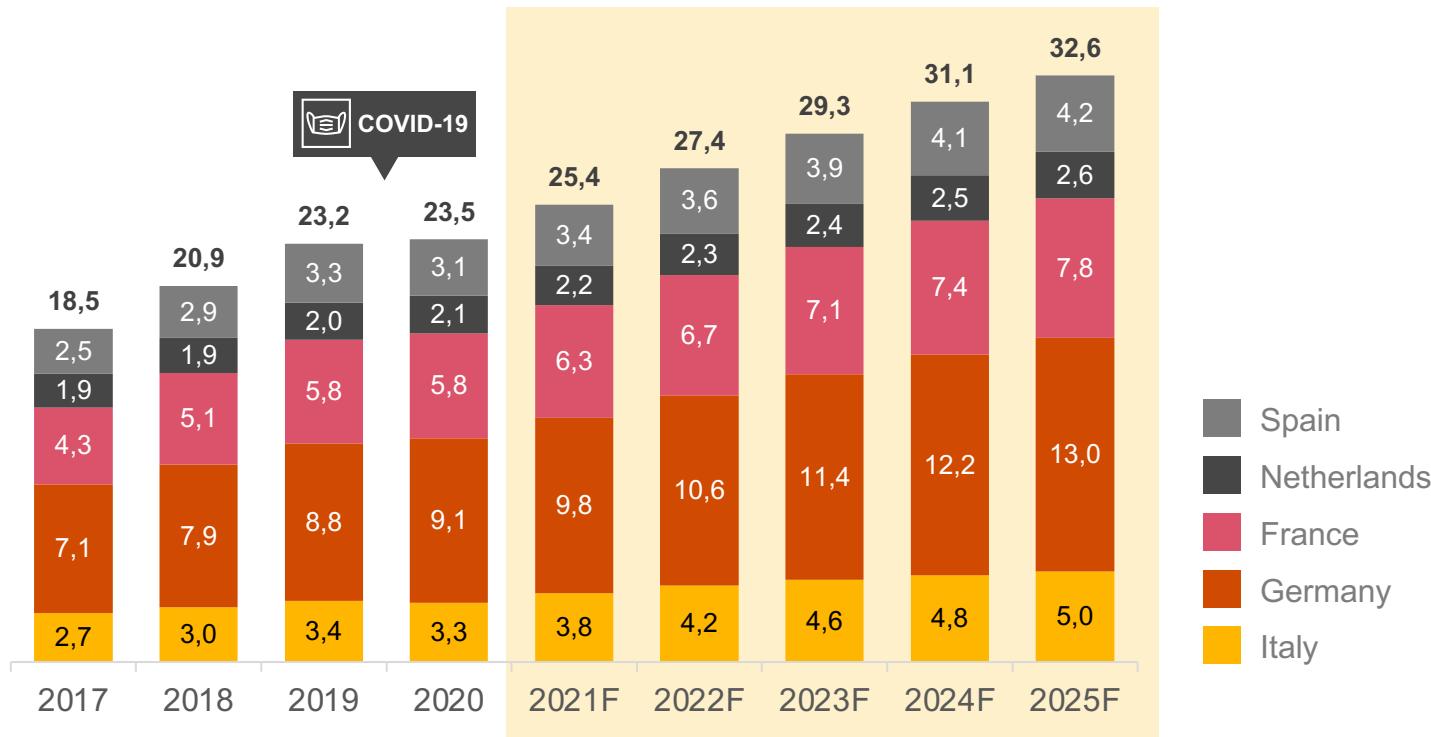
Google and Facebook together represent about 65% of the digital advertising market. Google is the market leader in search adv, programmatic display (intermediary and server technology), while Facebook holds the majority share of social displays and is a leader in the overall display sector.

In the main European countries, the estimates relating to spending on digital advertising foresee a considerable growth in the coming years (CAGR '21 - '25 +6.4%)

Digital advertising – Main European countries



(2017 – 2025, €BN)

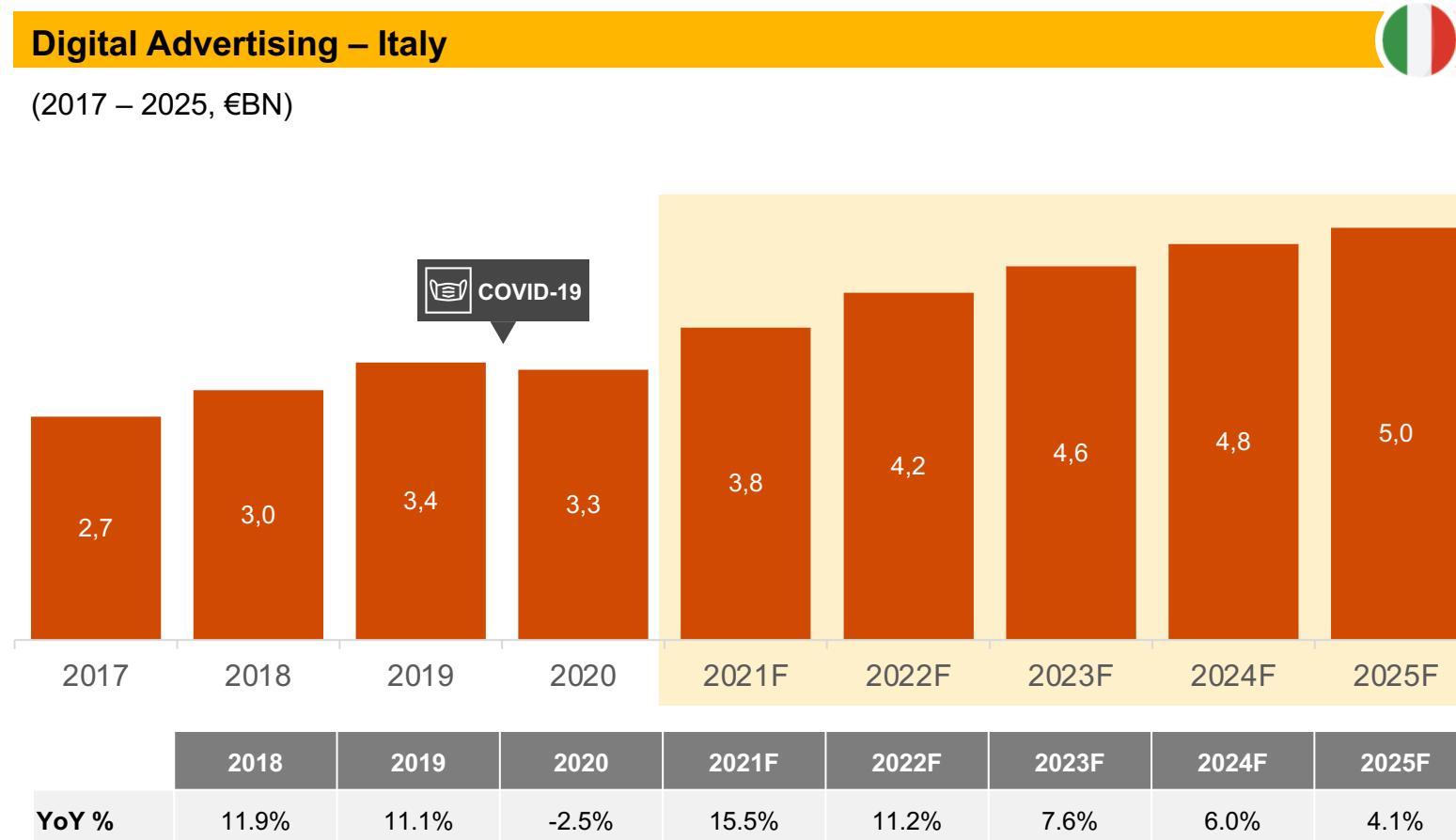


	CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
Spain	8.2%	8.3%	7.9%	6.4%
Netherlands	7.8%	7.9%	7.4%	5.7%
France	4.3%	6.3%	5.2%	4.2%
Germany	9.9%	7.3%	6.9%	5.5%
Italy	8.1%	6.8%	8.2%	7.4%
Italy	8.7%	15.5%	11.2%	7.2%



Increase in digital advertising spending from 2019 to 2020 (YoY +1.1%).

Historically, the Italian digital advertising market has experienced growth, offset by a decline in 2020 (-2.5%). It should recover as early as 2021, stabilizing in the forecast period (CAGR '21 -'25 +7.2%)

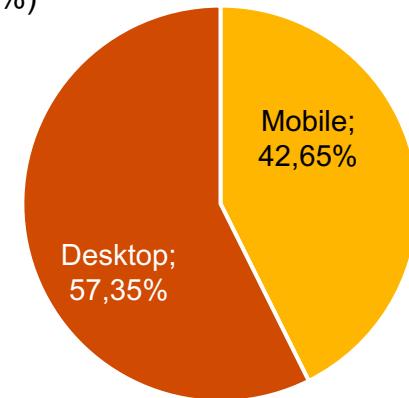


Source: PwC Entertainment & Media Outlook in Italy 2021–2025

CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
8.7%	15.5%	11.2%	7.2%

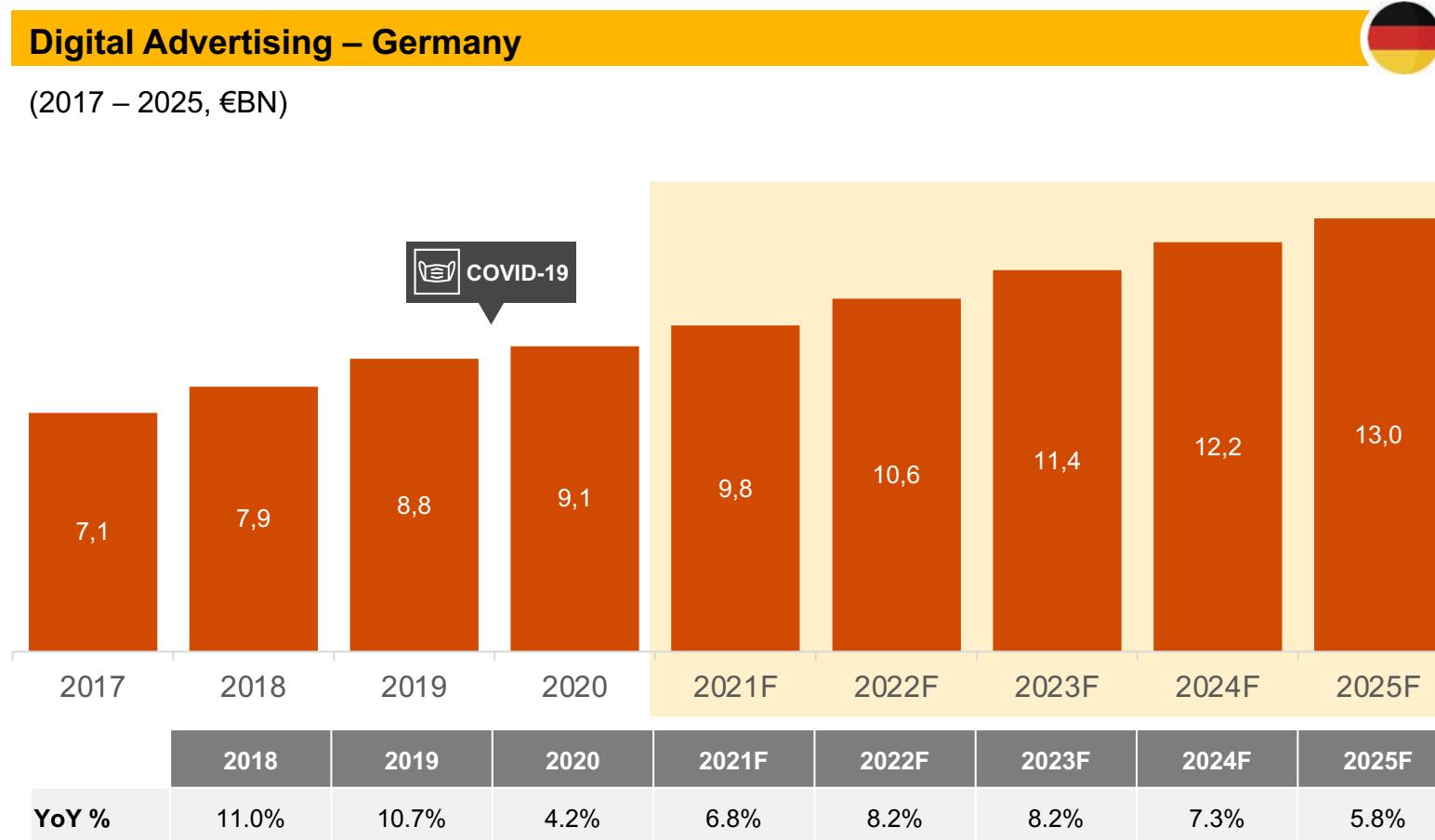
Segmentation by category – Italy

(2020, %)



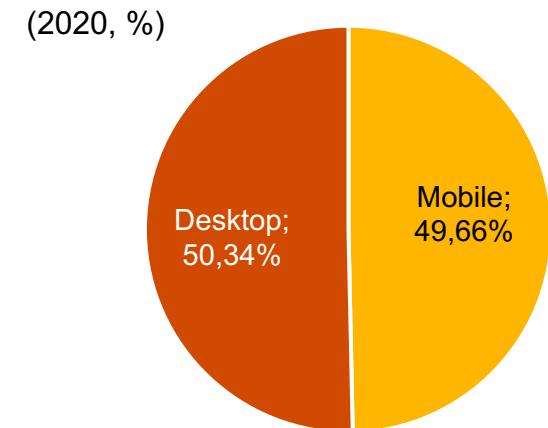
The high penetration of the smartphone market, as well as the development of the new generation of mobile networks, has increasingly enabled consumers to access the internet anywhere and at any time. This has helped to significantly increase the use of mobile data and consequently the number of mobile advertisement impressions.

In Germany, spending on digital advertising shows a positive forecast trend (CAGR '21 - '25 +7.4%) even if slowed compared to the historical



CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
8.1%	6.8%	8.2%	7.4%

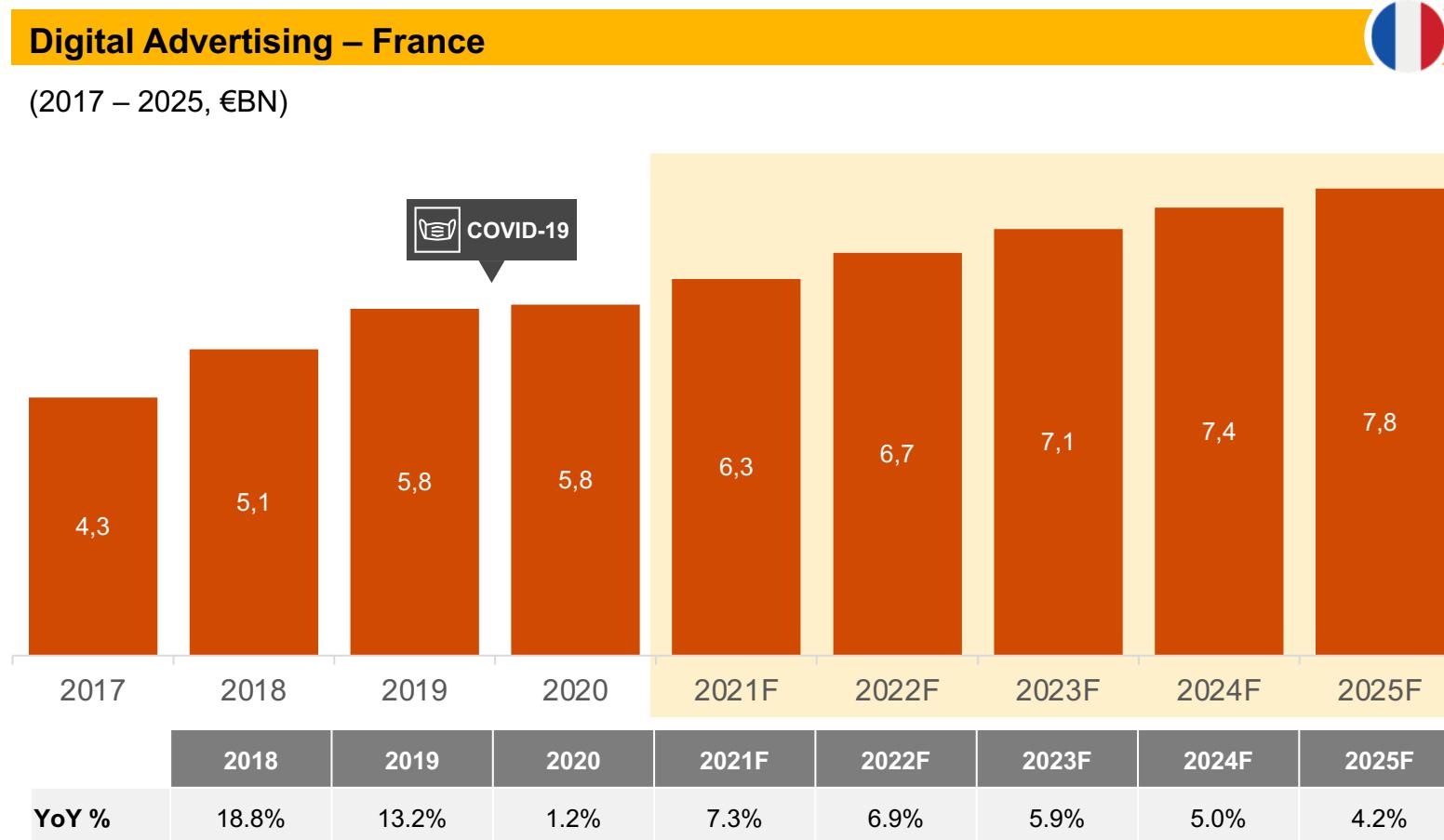
Segmentation by category – Germany



In Germany, the ownership rate of a mobile is much higher than that of a desktop. About 92% of the German population owns a mobile phone and 75% owns a smartphone, compared to 76% who own a laptop.

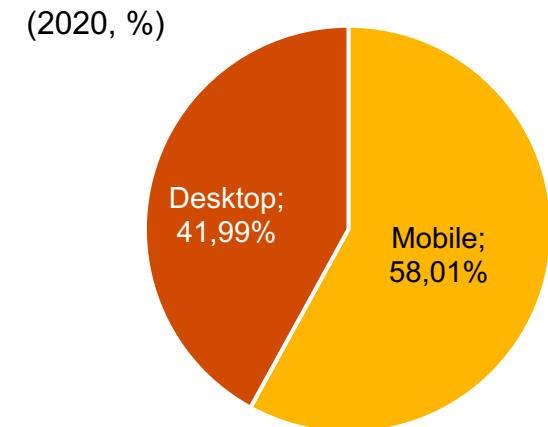
Source: PwC Global Entertainment & Media Outlook 2021–2025

In France, digital advertising spending shows an overall upward trend (CAGR '21 - '25 +5.5%) characterized by a predominance of Mobile internet advertising



CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
9.9%	7.3%	6.9%	5.5%

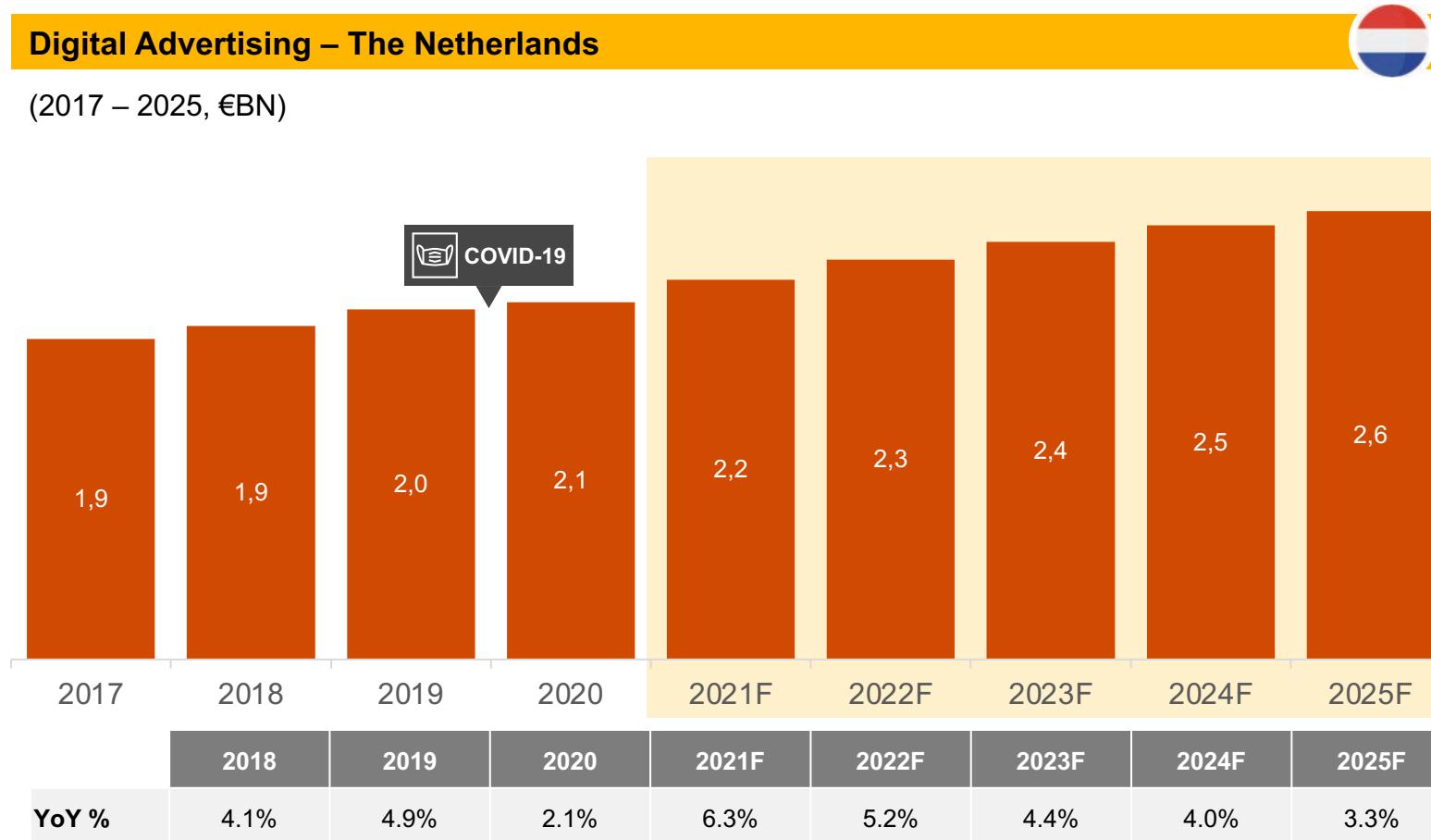
Segmentation by category – France



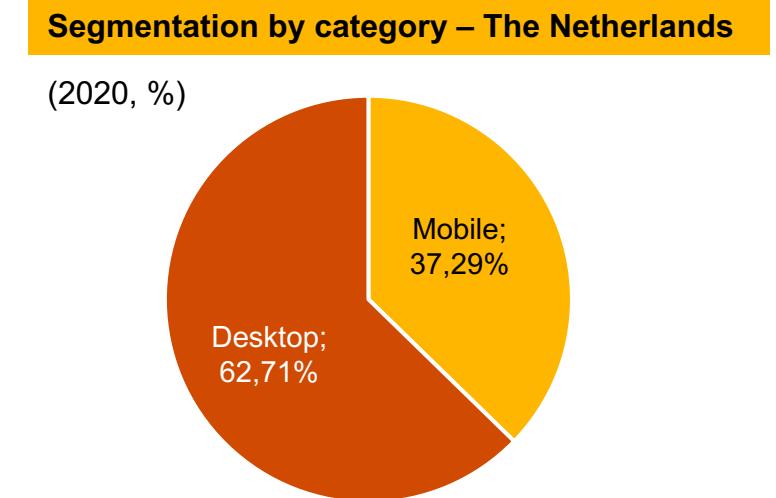
In France there is a preponderance of mobile use (58.01%) compared to desktop. Mobile phones have become the preferred method of accessing media and online financial services. Businesses have recognized that mobile ads have greater consumer exposure and engagement than other forms of advertising.

Source: PwC Global Entertainment & Media Outlook 2021–2025

In the Netherlands, digital advertising spending is constantly growing (CAGR '21 - '25 +4.2%)

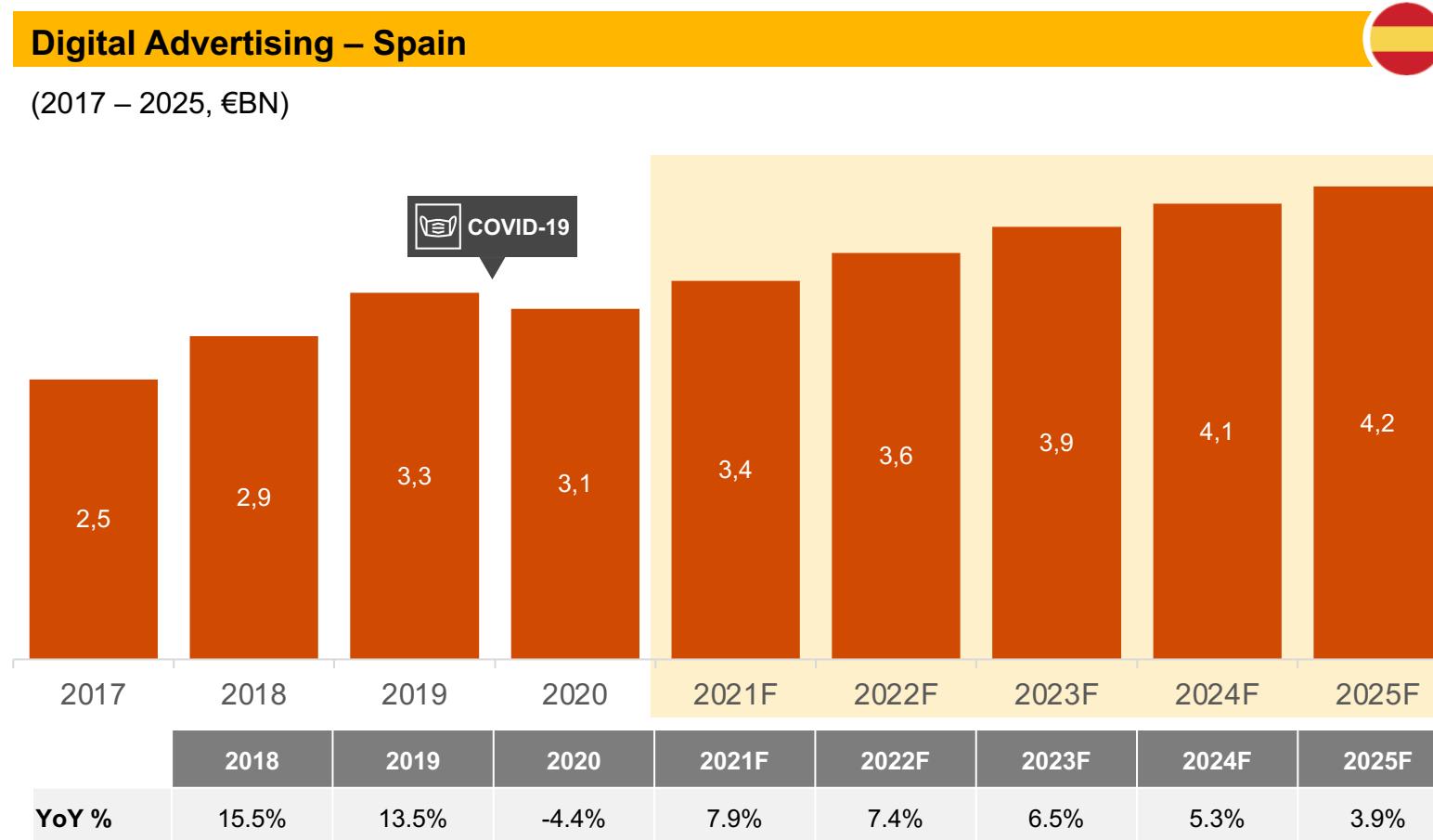


CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
4.3%	6.3%	5.2%	4.2%



As mobile devices facilitate most of the internet traffic, mobile advertising has become an increasingly popular form of advertising.

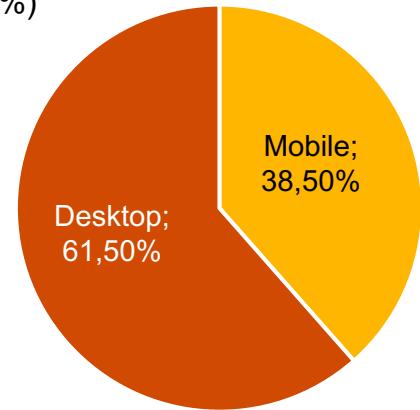
In Spain, the digital advertising market has historically experienced growth, interrupted by a decline in 2020. However, a recovery is estimated as early as 2021 with a growth trend in the forecast period (CAGR '21 - '25 +5.7%)



CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
7.8%	7.9%	7.4%	5.7%

Segmentation by category – Spain

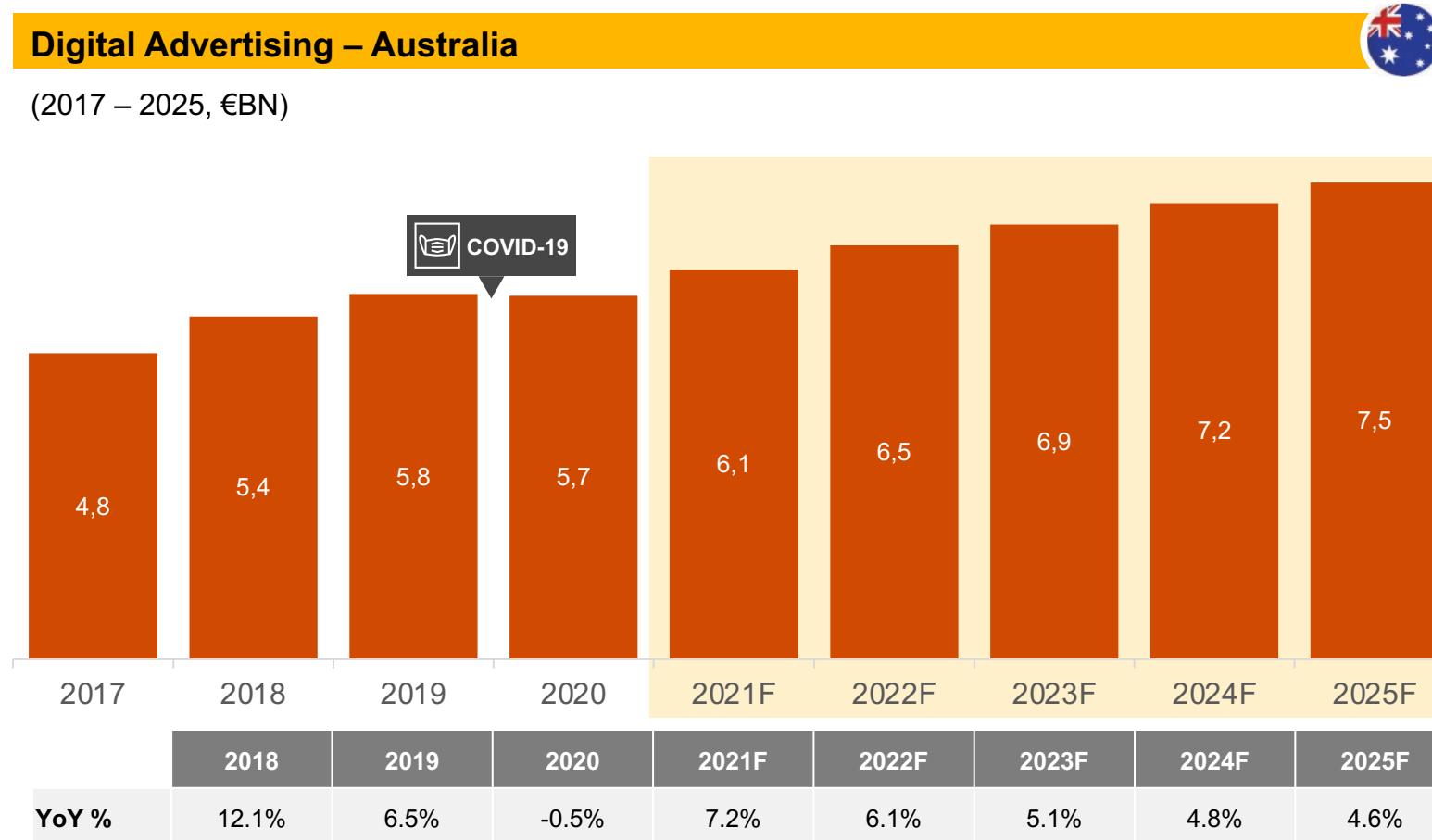
(2020, %)



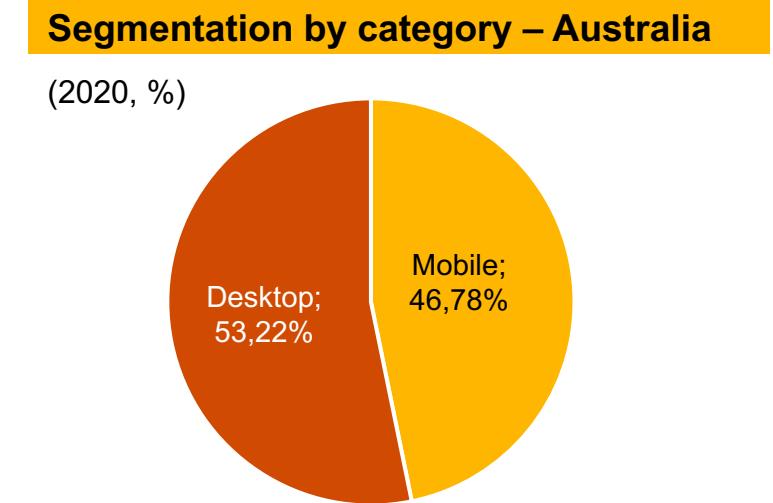
The smartphone market in Spain is almost saturated; about 86% of the population owns one. In 2020 Spain has begun the implementation of 5G technology, this will likely result in higher spending on digital advertising.

Source: PwC Global Entertainment & Media Outlook 2021–2025

The digital advertising market in Australia has experienced growth in recent years. However, it recorded a slight decline in 2020. In the forecast period the market will resume growth (CAGR '21 - '25 +5.2%)



CAGR 17-21	YoY 20-21	YoY 21-22	CAGR 21-25
6.2%	7.2%	6.1%	5.2%

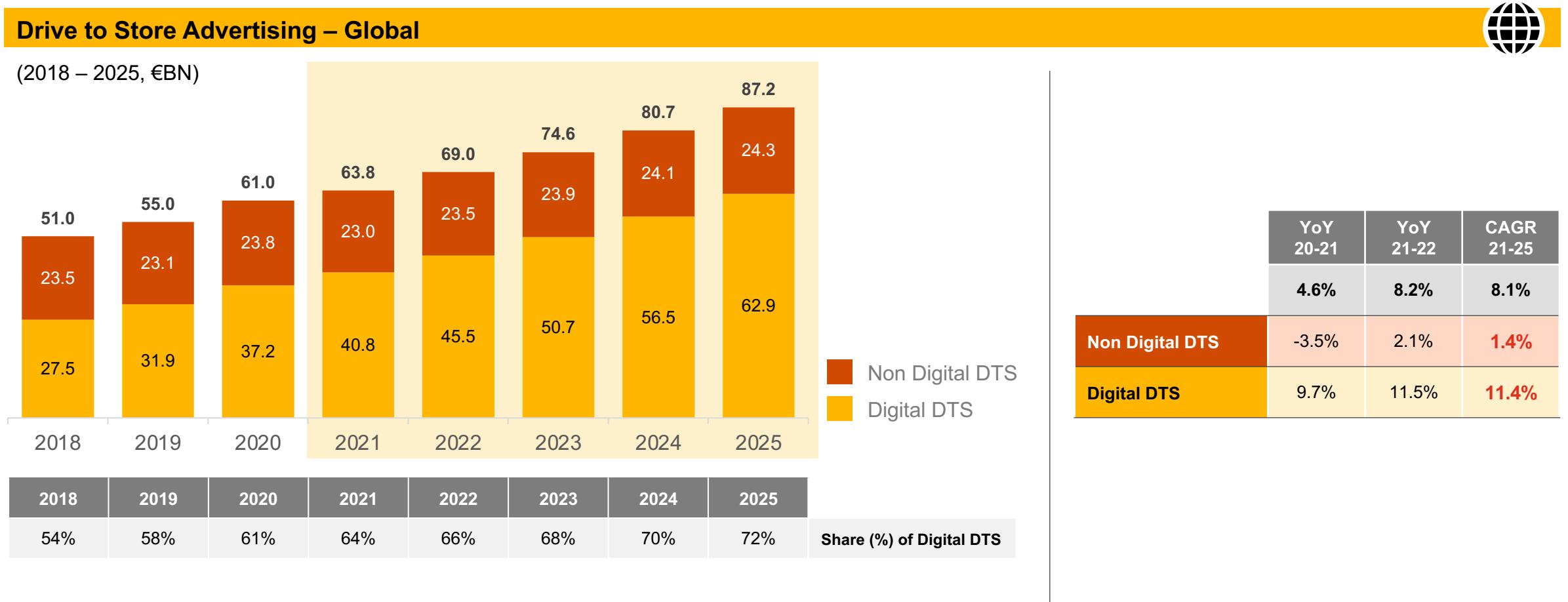


The smartphone market in Australia is almost saturated; about 84% of the population owns one. Consequently, the use of mobile data has grown significantly. Mobile is now the first device used for internet access.

Source: PwC Global Entertainment & Media Outlook 2021–2025

Drive to Store Advertising

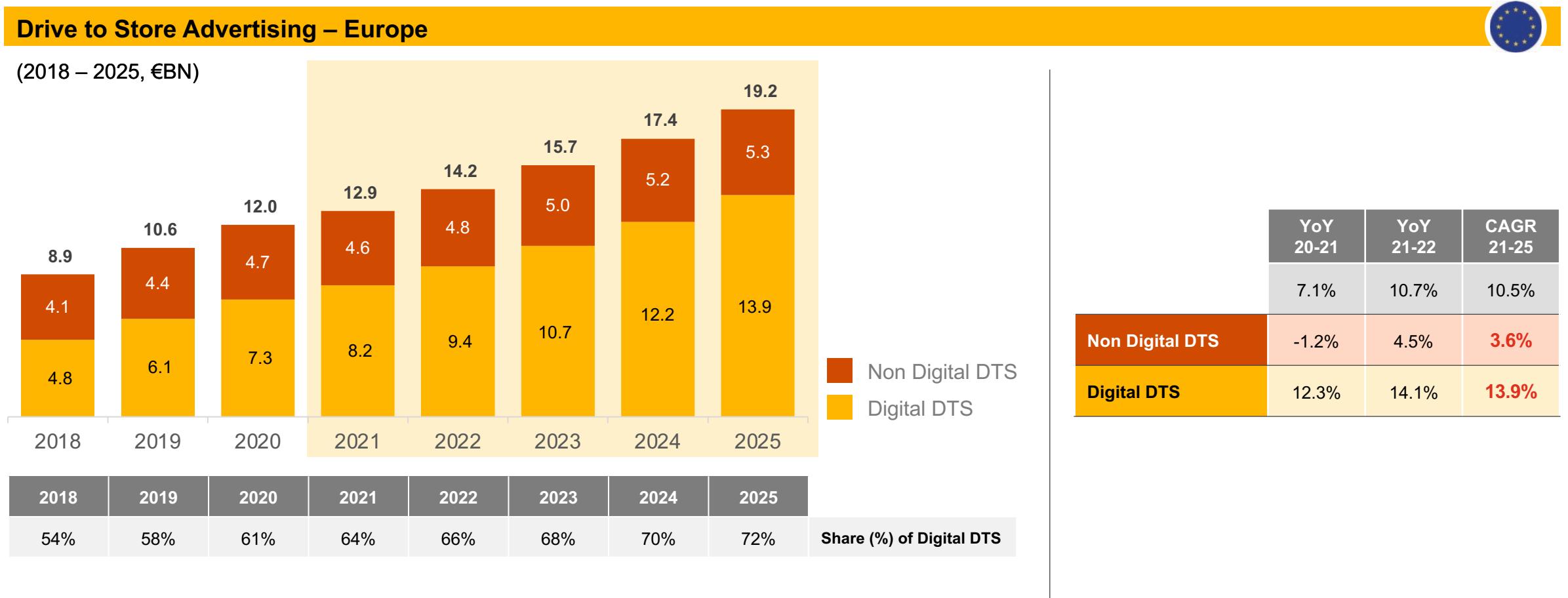
Global Digital Drive to store spending shows an upward trend over the period 2021-2025 (CAGR '21 -'25 +11.4%). The share of Digital DTS is expected to exceed 70% of total Drive to Store spending in 2025



Source: PwC analysis and elaboration on Global Data, MarketLine Industry Profile

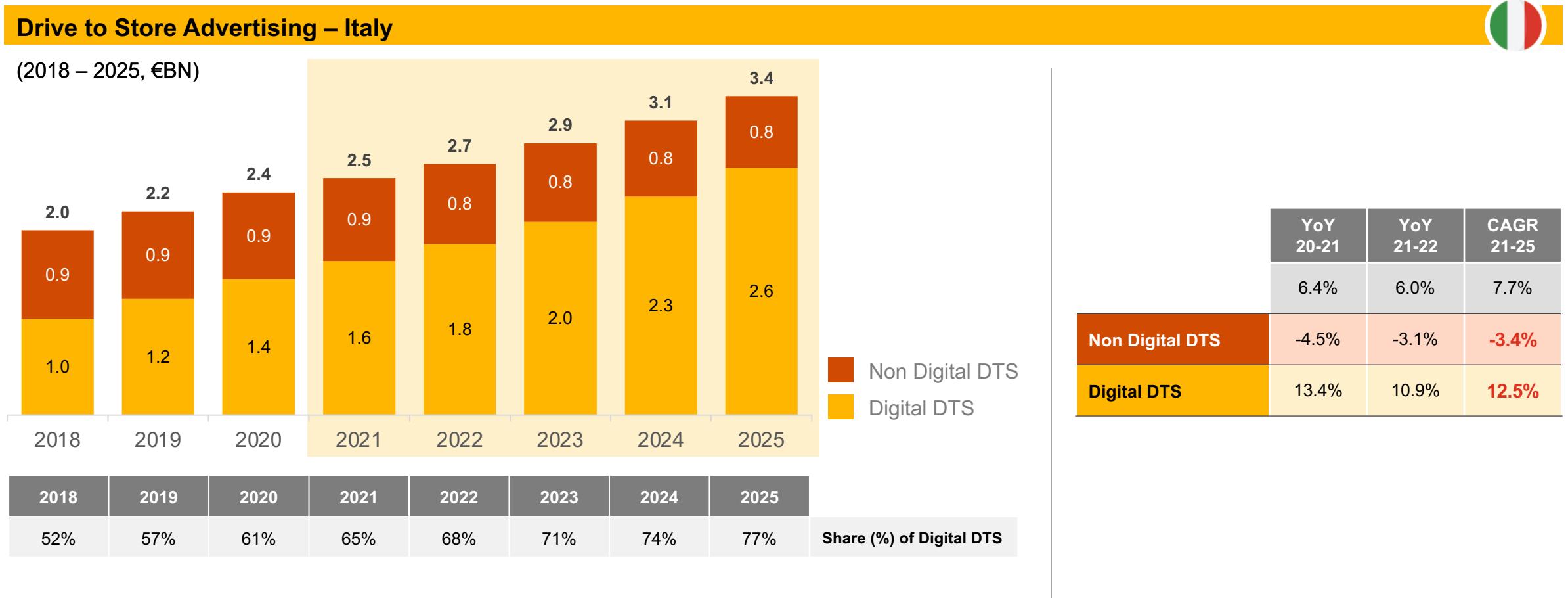
Drive to Store Advertising

In Europe, Digital Drive to store spending shows upward trend over the period 2021-2025 (CAGR '21 -'25 +13.9%). The share of Digital DTS is expected to reach 72% of total Drive to Store spending in 2025



Drive to Store Advertising

In Italy, Digital Drive to store spending shows an higher growth rate over the period 2021-2025 (CAGR '21-'25 +12.5%). The share of Digital DTS is expected to reach almost 80% of total Drive to Store spending in 2025



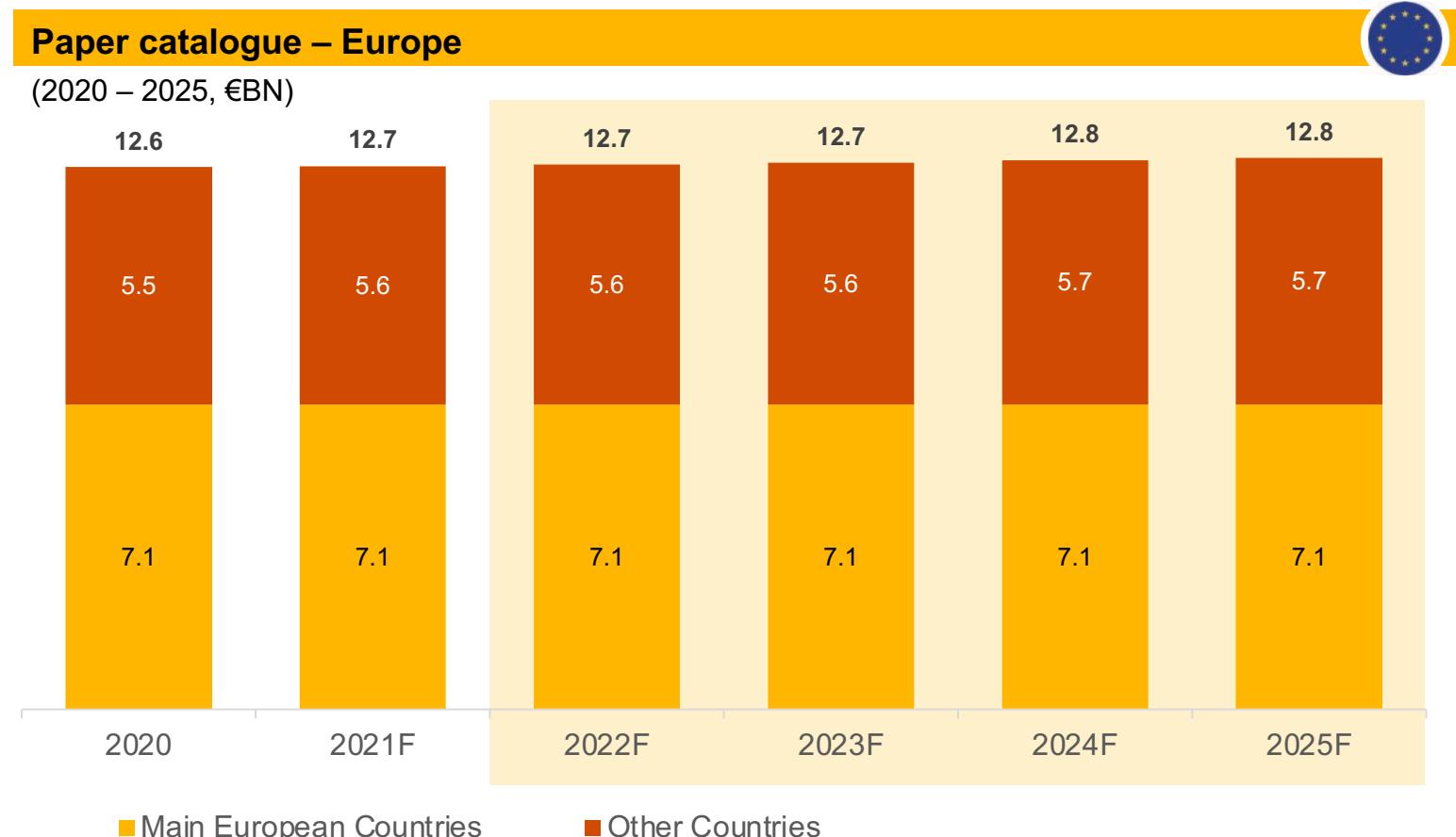


05

Paper and
Digital catalogue



In Europe, paper catalogue represents a «mature market», substantially stable, the growth rates of paper catalogues have an overall '21 - '25 CAGR of +0.4%

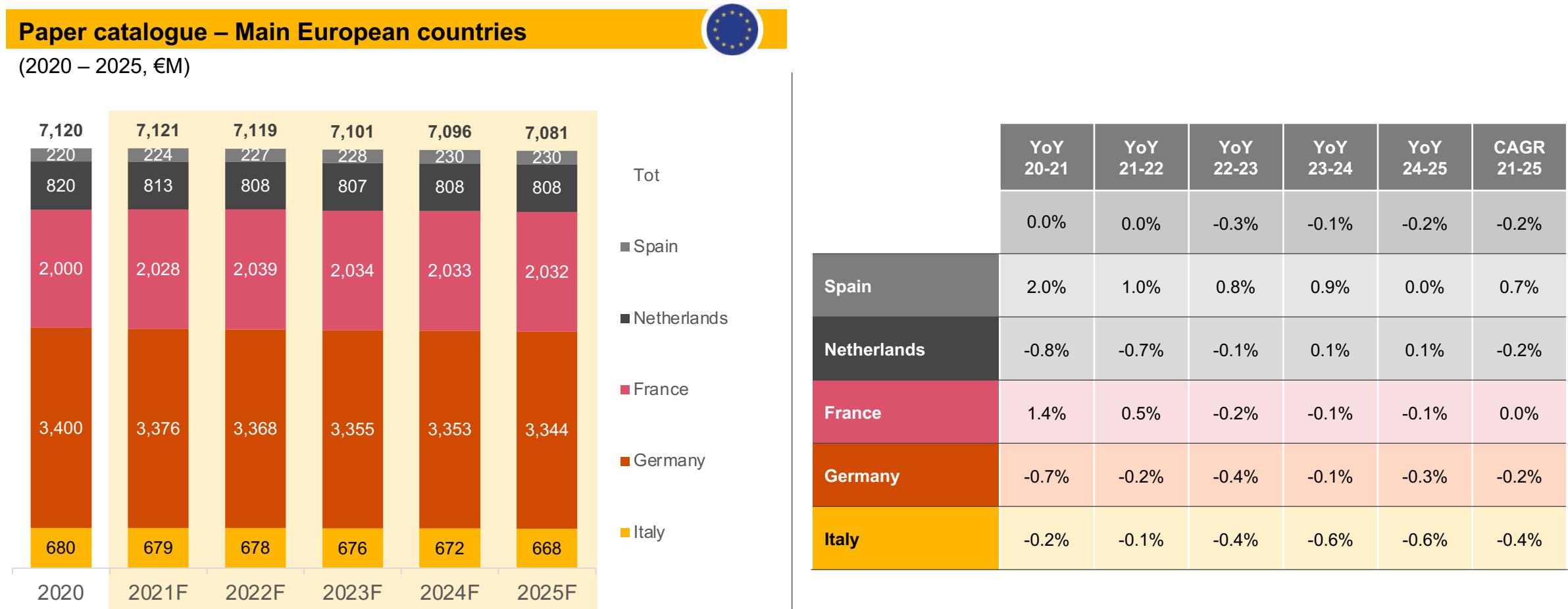


YoY 20-21	YoY 21-22	YoY 22-23	YoY 23-24	YoY 24-25	CAGR 21-25
0.1%	0.3%	0.4%	0.5%	0.4%	0.4%

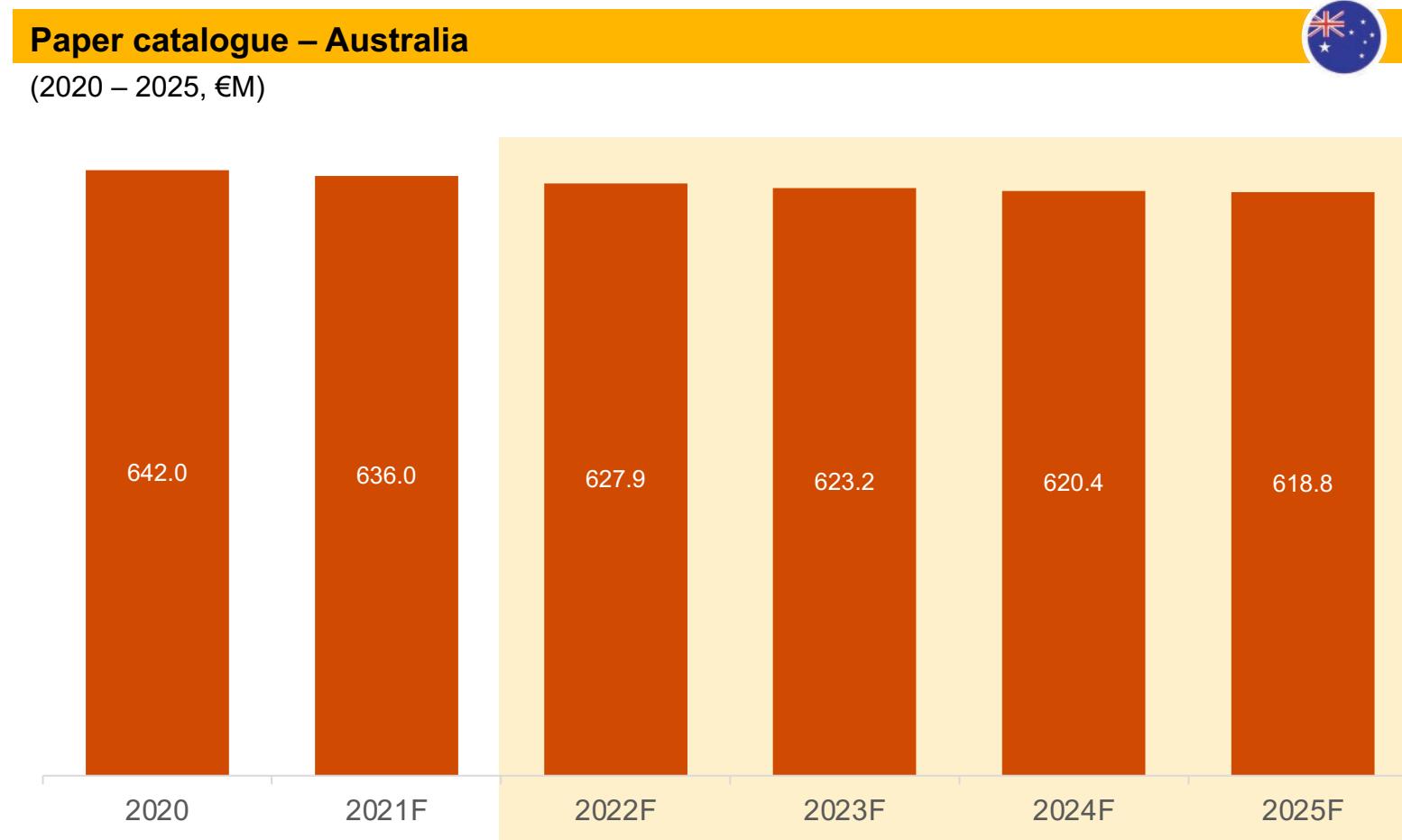


Source: PwC analysis and elaboration on Allied Market Research, Technavio, MarketLine

In the main European countries, the growth rates of paper catalogues have a negative overall '21 - '25 CAGR of -0.2%. In 2021, in Italy, Paper catalogue market is estimated in about 680 €M, with a negative forecasted growth in the next years (-0.4%)



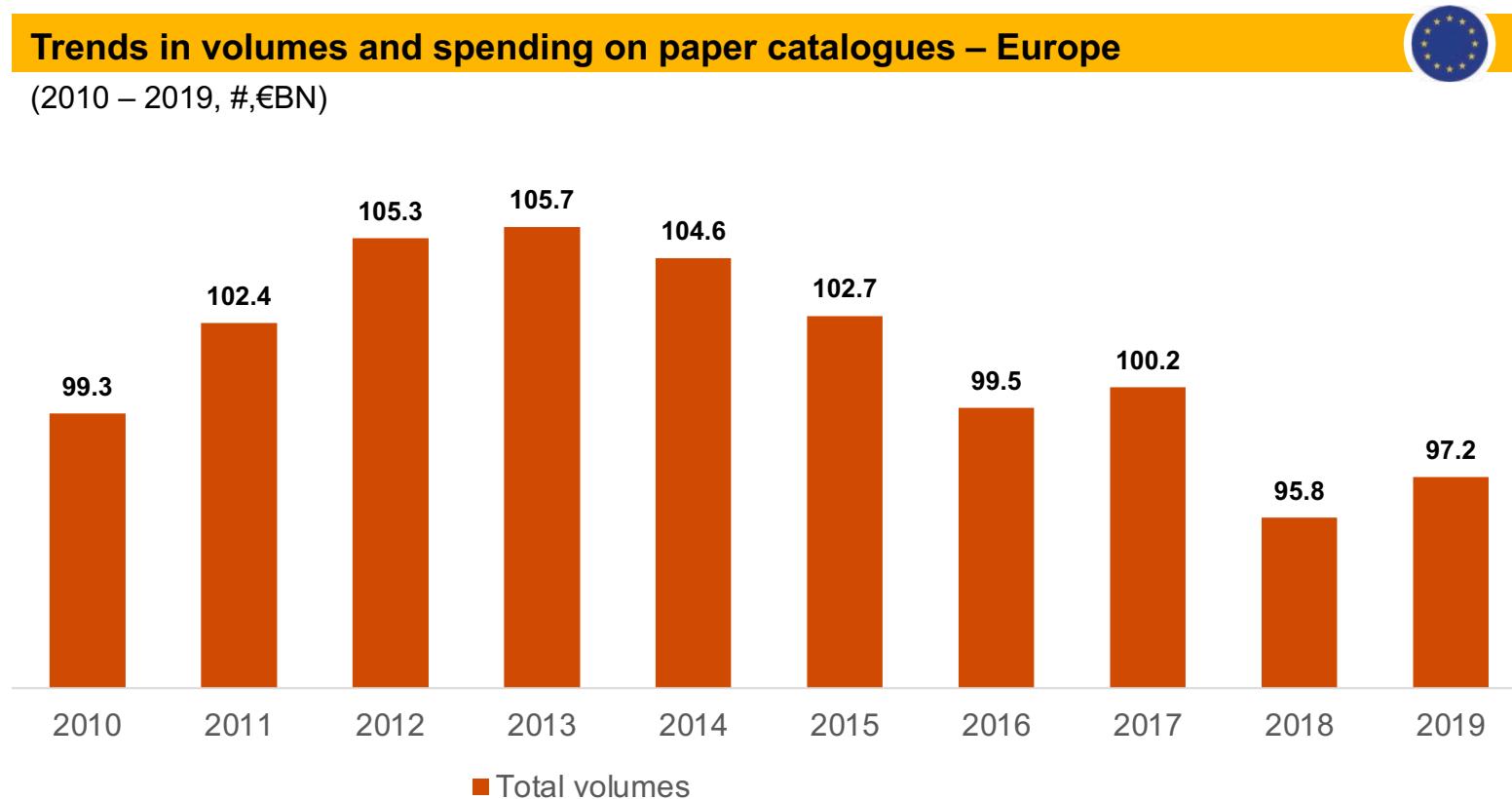
In Australia, the growth rates of paper catalogues are lower than in the main European countries (CAGR '21 - '25 -0.7%)



YoY 20-21	YoY 21-22	YoY 22-23	YoY 23-24	YoY 24-25	CAGR 21-25
0.9%	-1.3%	-0.7%	-0.5%	-0.3%	-0.7%



In Europe, in the period 2010-2019 volumes have decreased by 2.2% but spend on the channel has increased by 9%. These changes make doordrops conspicuously the most resilient print marketing channel across Europe



Note: The European countries considered are Germany, the Netherlands, France, Italy, Austria, United Kingdom, Belgium, Sweden, Spain, Finland, Switzerland, Portugal, Slovakia; Denmark, Romania and Bulgaria

Source: PwC analysis and elaboration on European Letterbox Marketing Association (ELMA)

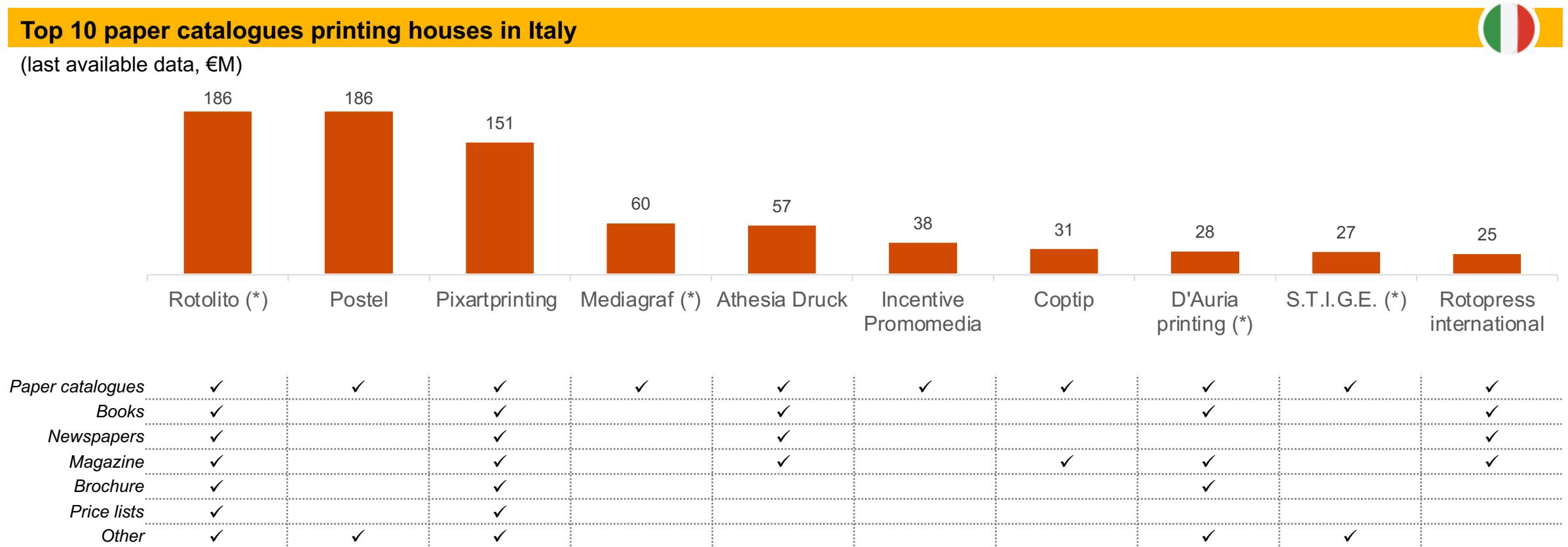


From 2010 to 2019 the **volumes** of paper flyers decreased by **-2.2%** (CAGR '10-'19 **-0.24%**).



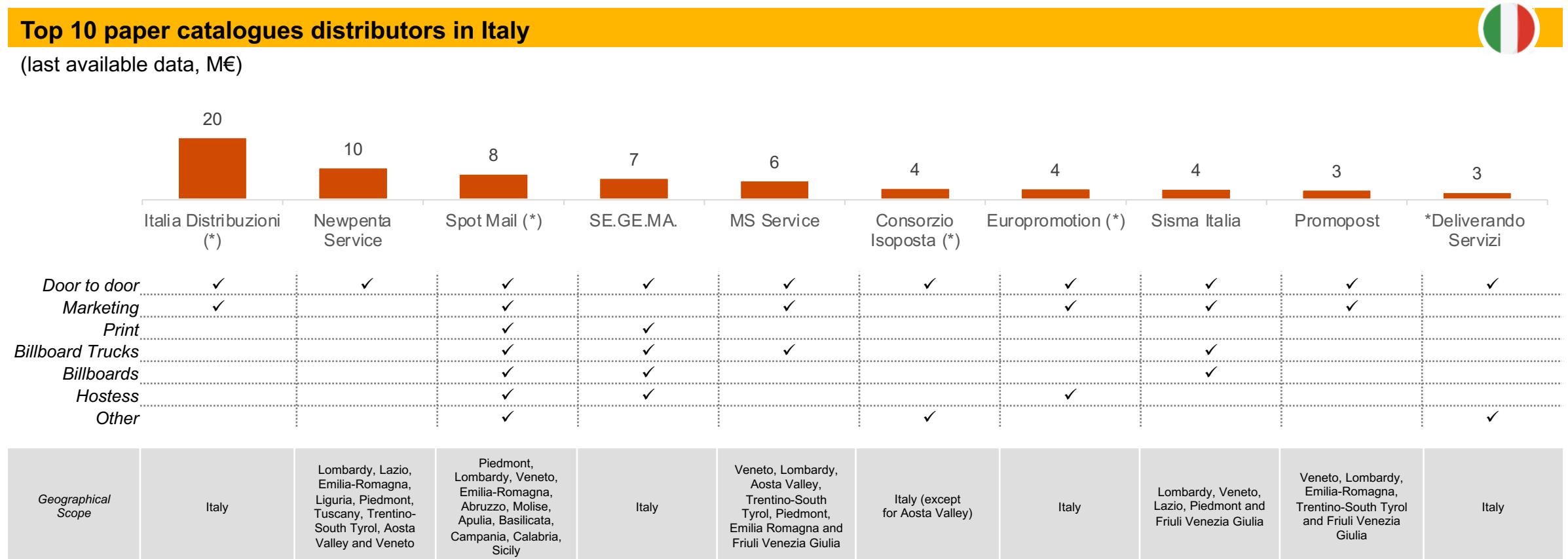
Price of pulp for the production of paper and cardboard, **rose by 60%** (Nbsk long fiber) **and 70%** (eucalyptus short fiber), reaching respectively 1,350 \$/ton and 1,150 \$/ton. Besides, being an **«energy intensive industry»** it suffers for the recent **rise in the cost of energy** in Europe as well.

The top 10 paper catalogues printing houses in Italy have a turnover of around 790 million; Besides paper catalogues printing, their business includes also printing of books, newspapers, magazines, price lists and more



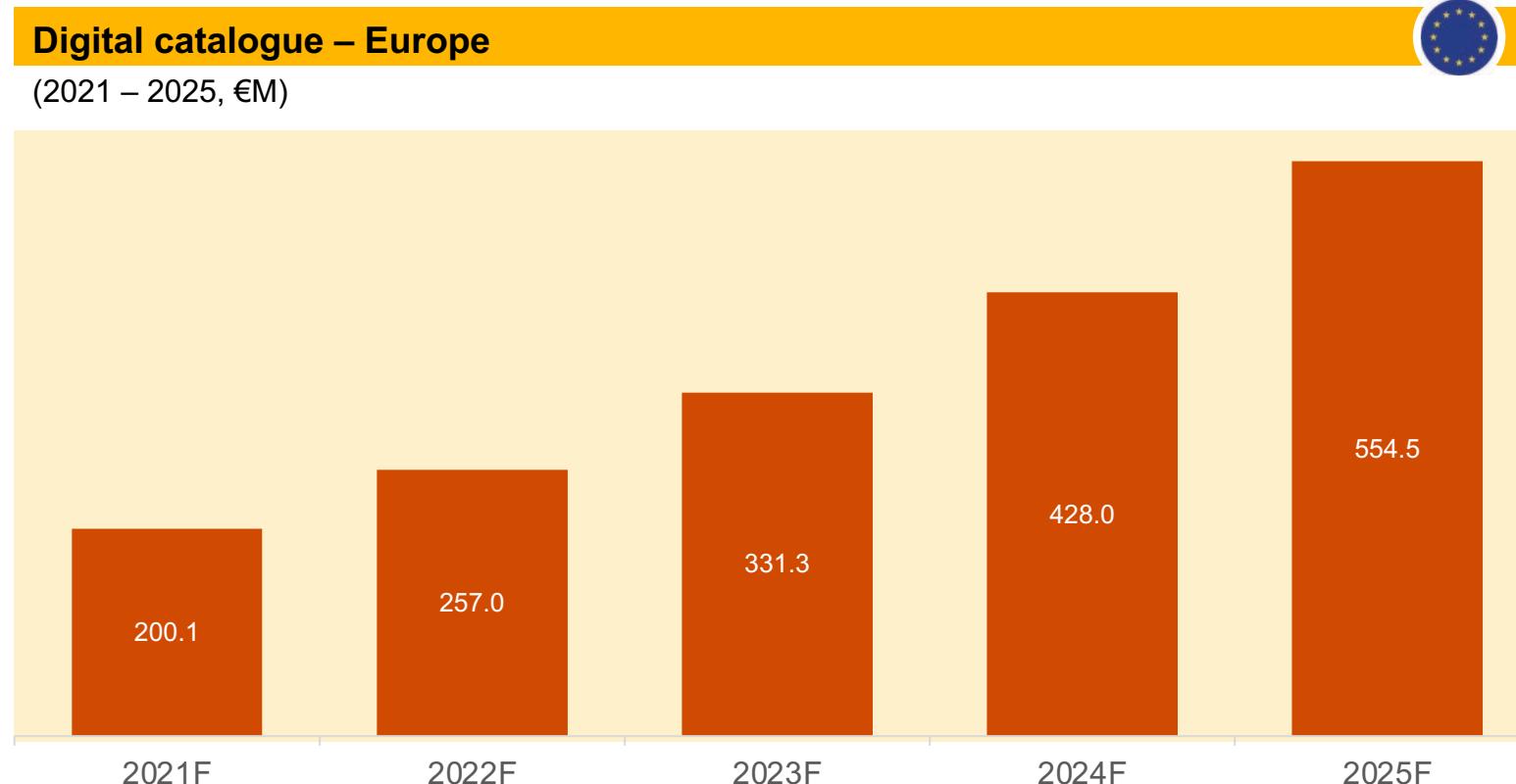
Source: PwC analysis and elaboration on Orbis and Websites Note: (*) 2019

The top 10 door-to-door paper catalogue distributors in Italy register about 67 million turnover despite also carrying out other activities such as geomarketing, billboard and billboard trucks, leafleting through hostesses and more



Source: PwC analysis and elaboration on Orbis and Websites Note: (*) 2019

In Europe, digital catalogue market is estimated in about 200€M, with a forecasted high growth rate ('21 - '25 CAGR of +29.0%)

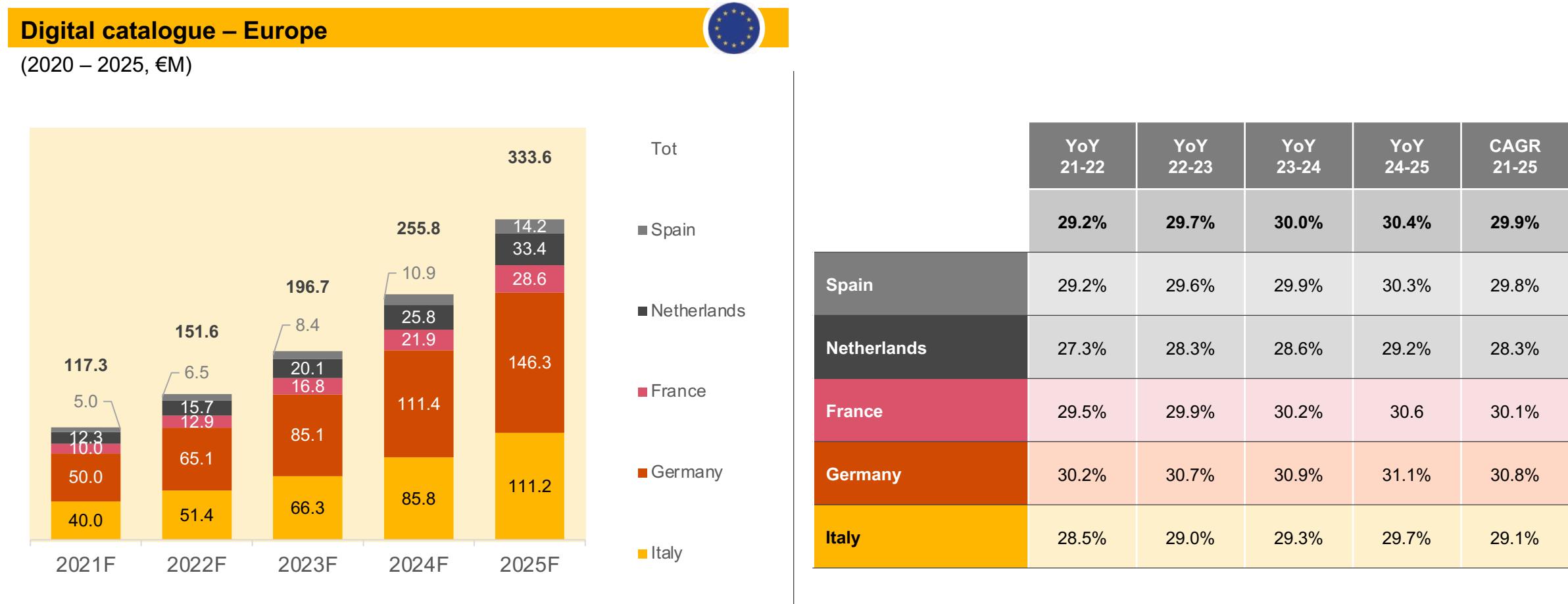


YoY 21-22	YoY 22-23	YoY 23-24	YoY 24-25	CAGR 21-25
28.5%	28.9%	29.2%	29.6%	29.0%



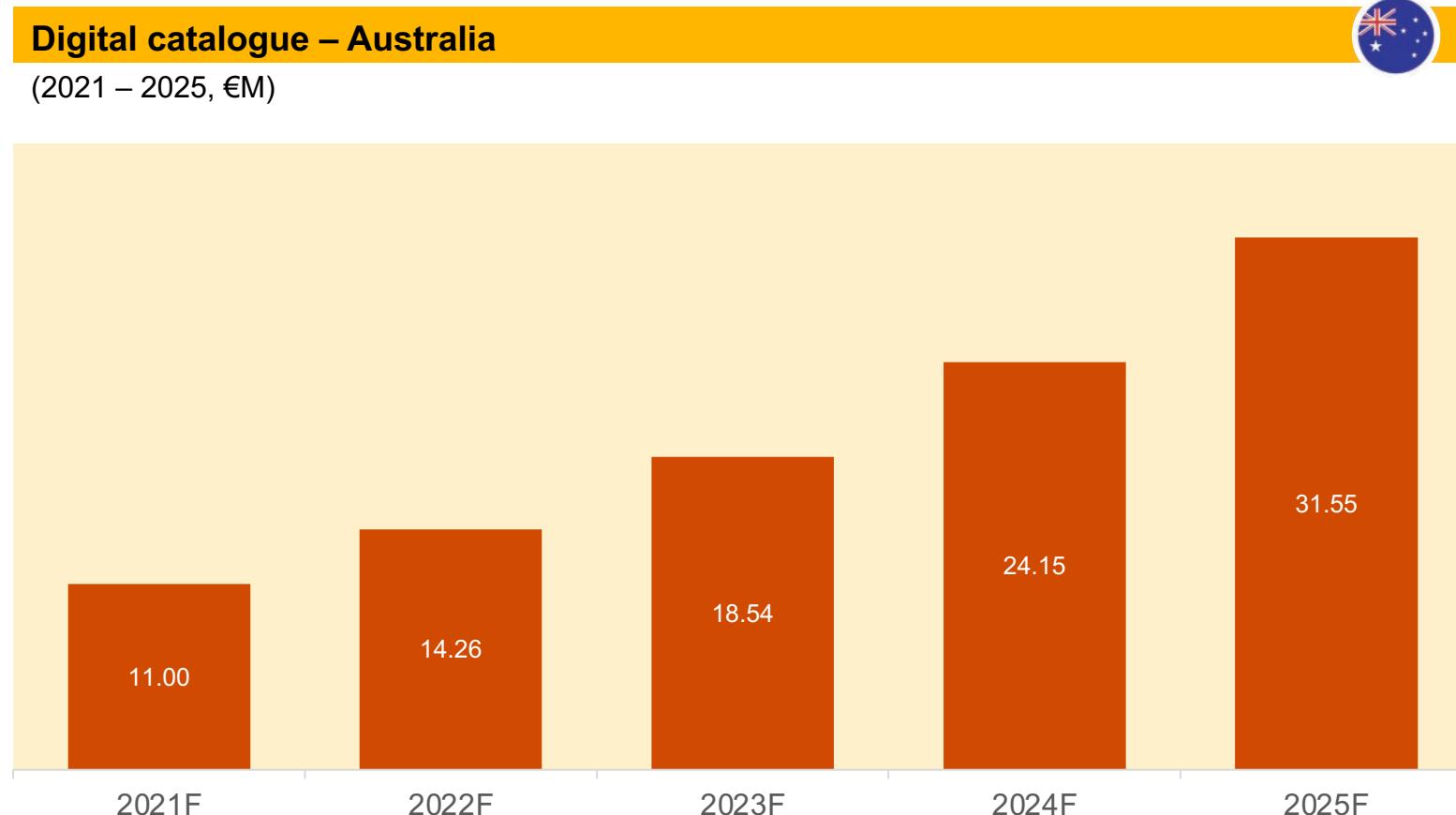
Source: PwC analysis and elaboration on Allied Market Research, Technavio, MarketLine

In main European countries, digital catalogue growth rates are even slightly higher than in Europe in general (CAGR '21 - '25 +29.9%). In Italy, digital catalogue market is estimated in about 40€M, with a growth rate of +29.1% ('21 - '25 CAGR)

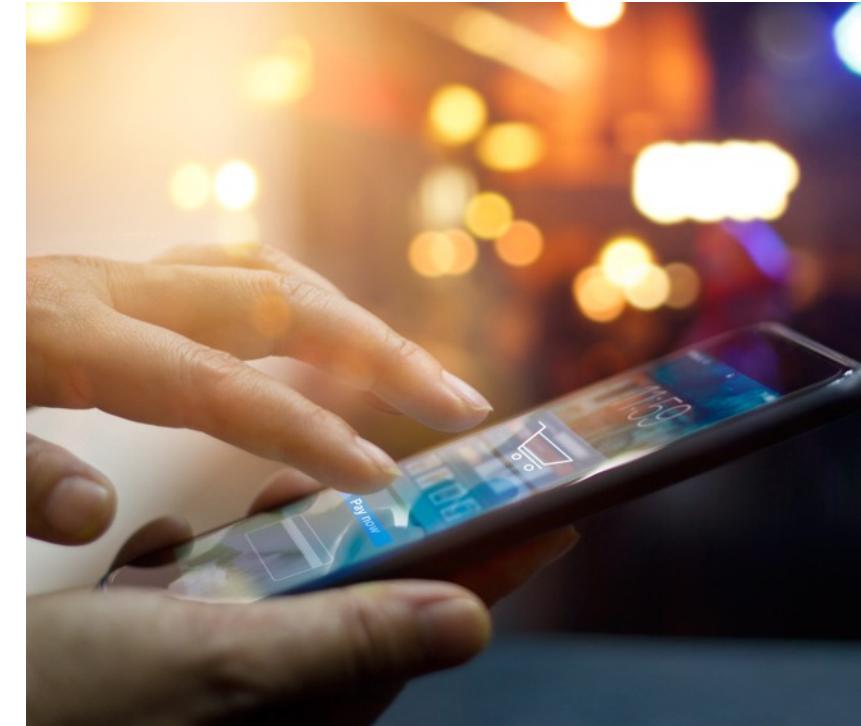


Source: PwC analysis and elaboration on Allied Market Research, Technavio, MarketLine

In Australia digital catalogue market is estimated in about 11€M with a forecasted growth rate higher than in Europe (CAGR '21 -'25 +30.1%)



YoY 21-22	YoY 22-23	YoY 23-24	YoY 24-25	CAGR 21-25
29.6%	30.0%	30.3%	30.6%	30.1%



Source: PwC analysis and elaboration on Allied Market Research, Technavio, MarketLine

Consumers' behaviours are increasingly driven by sustainability. This represents a significant opportunity for the digital advertising industry and, more in general, for brands with positive environmental impact

Paper Industry impact on environment

8,333	Sheets of paper produced with one tree
15.3b	Trees chopped down each year
7m	Hectares lost per year due to deforestation
1/6	Paper catalogues read in Italy

The positive impact of Digital Catalogues

	Prevents deforestation and paper pollution
	Reduced energy costs
	Reduced generation of Carbon Footprints
	Natural resources saving

Source: Gfk research - May 2020; 8billiontrees.com – November 2021; Unilever research – January 2017; ecollat – September 2019

The digital catalogue market presents great opportunities for growth. Sector experts showed interest mostly in customization and in drive-to-store 2.0 initiatives

Key growth opportunities for the digital catalogues market



Greater customization of the digital flyer: **personalized** offer based on customer preferences (personalized navigation, integration of personalized coupons).



Development of intelligence systems capable of intercepting consumers looking for a product (drive to store 2.0).



Addition of proprietary e-commerce (**add-to-cart** directly from the flyer) and payment.



Creation of **strategic partnerships**.



Optimization of the social experience, to be aligned with the new habits of the consumer (e.g. possibility to buy directly via social network). Social networks are a great opportunity both in terms of customer experience and data return.



Cost advantage: the cost of a paper catalogue is increasing due to the reasing cost of raw material.

Both companies and consumers are not yet ready to completely give up the paper catalogue but a switch to digital is expected

Trend analysis related to paper and digital catalogue



- The paper catalogue supply chain is an unproductive one due to a constant and high increase in the **cost of paper** and also due to the **non-addressed distribution market**.
- The paper catalogue **is unable to ensure** a business return in terms of **data** and **cost savings**.



Drivers such as the **focus on sustainability**, the **digital revolution** and the rising **cost of paper** should define a growth trend for the digital catalogue, which is already been confirmed by several market leaders.



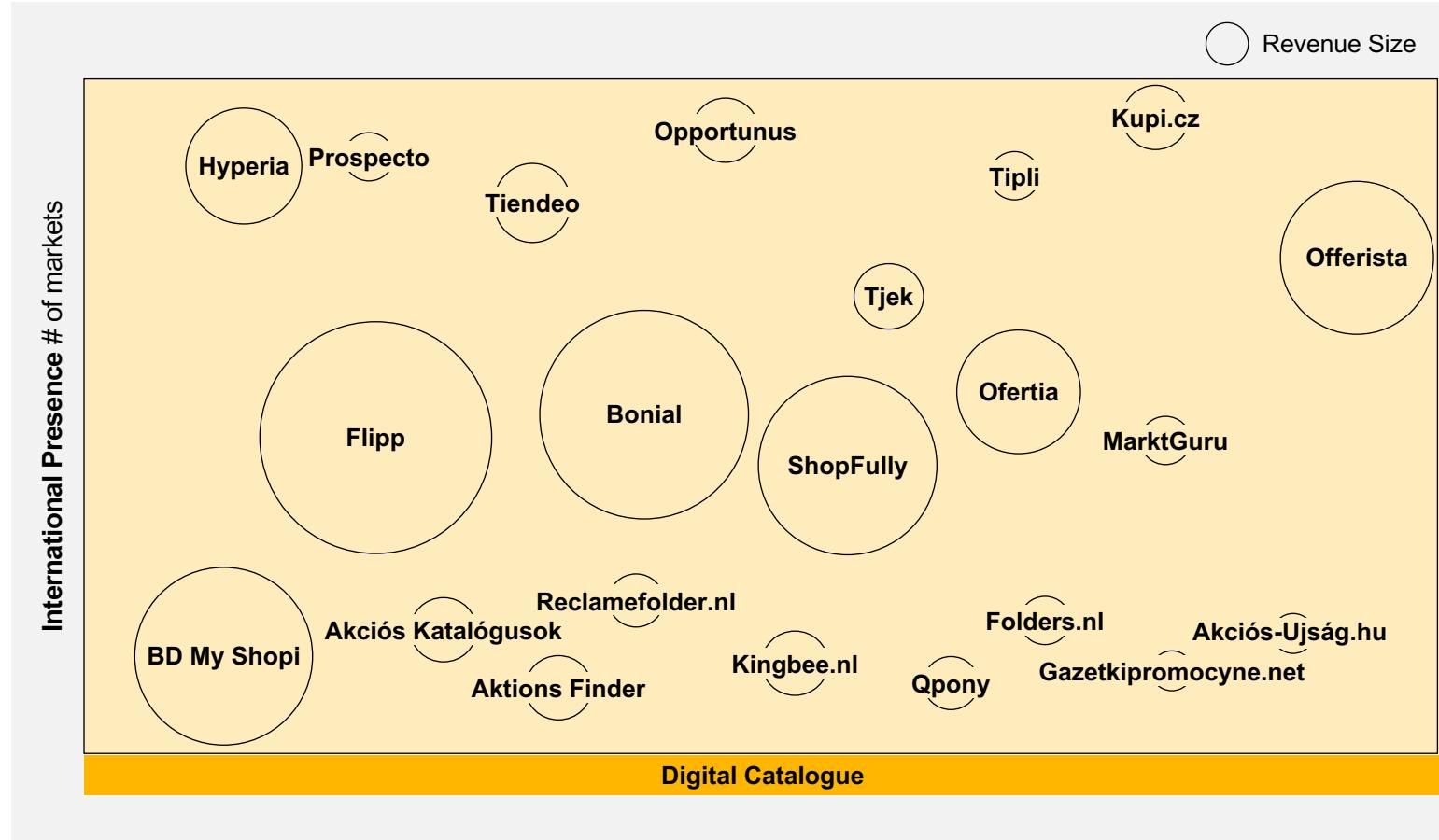
- The transition from paper to digital is a **long-term** project.
- The paper catalogue is a market that is **not going to disappear** in the short term. The consumer is not ready for the catalogue full digitization or is still used to have access to both since there is an **overlapping** theme.
- Some players have **reduced** catalogue printing activities and the switching between paper and digital is increased.



Digital catalogue represents the main competitive cluster with over than 30 players, both local and international

Digital Catalogue

- Catalogue digitization platforms.
- Revenues from digital catalogue reading, including ancillary services to the sale of the catalogue.
- Proximity marketing.



Digital catalogue competitors are mostly concentrated in Europe and active in their domestic markets



Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Digital catalogue business: main players (1/4)

Company	Description	Markets	Business Model
ShopFully	Tech Company active in the connection service between the retailer and the consumer following a user interception process (geolocation, mapping of shopping experiences and consumption habits) during the path to purchase.	 	Shopfully offers a go-to-market marketplace for proximity stores and fully integrated hyperlocal solutions to retailers and brands. Undisputed leader in the Italian market.
Flipp	Flipp is a retail tech company that is reinventing the way people shop. It's a single marketplace for savings and offers where you can browse weekly ads from retailers near you or search for the items you need.	 	Strong domination in just few countries it features a business model similar to ShopFully's one. Tech product supply activities represent the main revenue stream.
BD my Shopi	The omnichannel activation platform in Belgium with the highest coverage on offline and digital channels. Door-to-door communication, catalogues distribution, multi-channel marketing and promotion platform.		Active in the Digital Catalogue business although paper catalogue distribution represents its core business.
Bonial	Bonial is one of the main retailers' partners in the drive to store marketing sector. The main activity is to connect users with their favorite brands and stores.	 	Like Flipp, it dominates the market thanks to its limited but important international presence (Germany and France – where it Bonial is market leader – represent the biggest European markets).
Ofertia	Ofertia is one of the companies belonging to the Mediapost group, specialized in the digitization of catalogues.	 	Active in the Digital Catalogue business although paper catalogue distribution represents its core business.

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Digital catalogue business: main players (1/4)

Company	Description	Markets	Business Model
Hyperia	Hyperia is a society which offers branding consulting and e-commerce and web delivering of it.		It features a considerable margin.
Tiendeo	Tiendeo's core business consists in the connection between users and the surrounding stores through advanced user segmentation and geo-profiling technology.		SEO based business model with strong international imprinting (audience – mainly web – in 45 countries with around 40M active users) this implies a high level of commercial fragmentation (small revenues stream coming from different countries).
Tjek	Tjek is a shopping app that helps people find the right products from the right companies and at the right price based on current week's catalogs and offers from "near you" stores. The app is divided into three areas: inspiration, shopping list and research.		Mainly focused on the Nordics – where they are market leader –especially in Denmark. They boast a good product both at the B2C and B2B level.
Offerista	Top player in digital commercial marketing, Offerista allows retailers to increase store visits through digital communication services.		It owns a proprietary network through which it is able to encompass adv (on several apps and websites part of their network) for other publishers.

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Digital catalogue business: other relevant players (2/4)

Company	Description	Markets
Akciós Katalógusok	Akciós Katalogusok is a company specialized in the digitization of catalogues.	
Aktions Finder	Aktions Finder is an online leaflet distribution platform.	
Kingbee.nl	Kingbee is an internet marketing company; manages some online portals with advertising brochures and discount codes.	
Kupi.cz	Aktions Finder is an online leaflet distribution platform through which the consumer can compare 17,155 special prices from 451 current leaflets, find branches and opening hours of supermarkets, hypermarkets and other stores.	
Opportunus	Opportunus' business is shaped around embracing ongoing, collaboration to improve business performance. It deploys the combination of strategic, creative, marketing and digital expertise around the opportunities to maximise and improve the engagement of clients' audience.	
Reclamefolder.nl	ReclameFolder.nl is a company specialized in the digitization of catalogues.	

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Digital catalogue business: other relevant players (3/4)

Company	Description	Markets
Pony	Qpony is a company specialized in the digitization of catalogues.	
Folder.nl	Folders.nl is a company whose core business is the digitization of catalogues which are also accompanied by other functions such as the possibility of making a shopping list.	
Prospecto	Prospecto group develops an online platform for retailers which enables them to promote their offers and content in a cost-efficient way.	
Marktguru	Marktguru is a location-based service able to support users in the search for offers, catalogs and stores open nearby.	
Tipli	Tipli is a cashback portal which returns money and brings other benefits. It displays special offers, special leaflets and discount coupons.	
Gazetki Promocyjne	Gazetki Promocyjne is an online leaflet distribution platform.	
Akciós-Ujság.hu	Akciós-Ujság.hu is a company specialized in the digitization of catalogues.	
Centro Volantini	Centro Volantini is an online leaflet distribution platform.	

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Digital catalogue business: other relevant players (4/4)

Company	Description	Markets
Catalog AZ	Catalog az is a company specialized in the digitization of catalogues.	
Cora.ro	Cora.ro is a company specialized in the digitization of catalogues.	
Vsi Katalogi	Vsi Katalogi is a company specialized in the digitization of catalogues.	
Moja Gazetka	Moja Gazetka offers the consumer a platform where to the latest promotional leaflets of all stores, directly on phone.	
Foncy.co.uk	Foncy.co.uk a the ideal platform for UK consumers to check latest Leaflets, Offers, Deals and Discounts.	
OLCatalogue.uk	OL Catalogue collects United Kingdom Online Offers Catalogues Promos and Deals from retailer.	
AkcniCeny.cz	AkcniCeny.cz is an online leaflet distribution platform.	
Aktuální Leták	Aktualni Letak is a company specialized in the digitization of catalogues.	

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

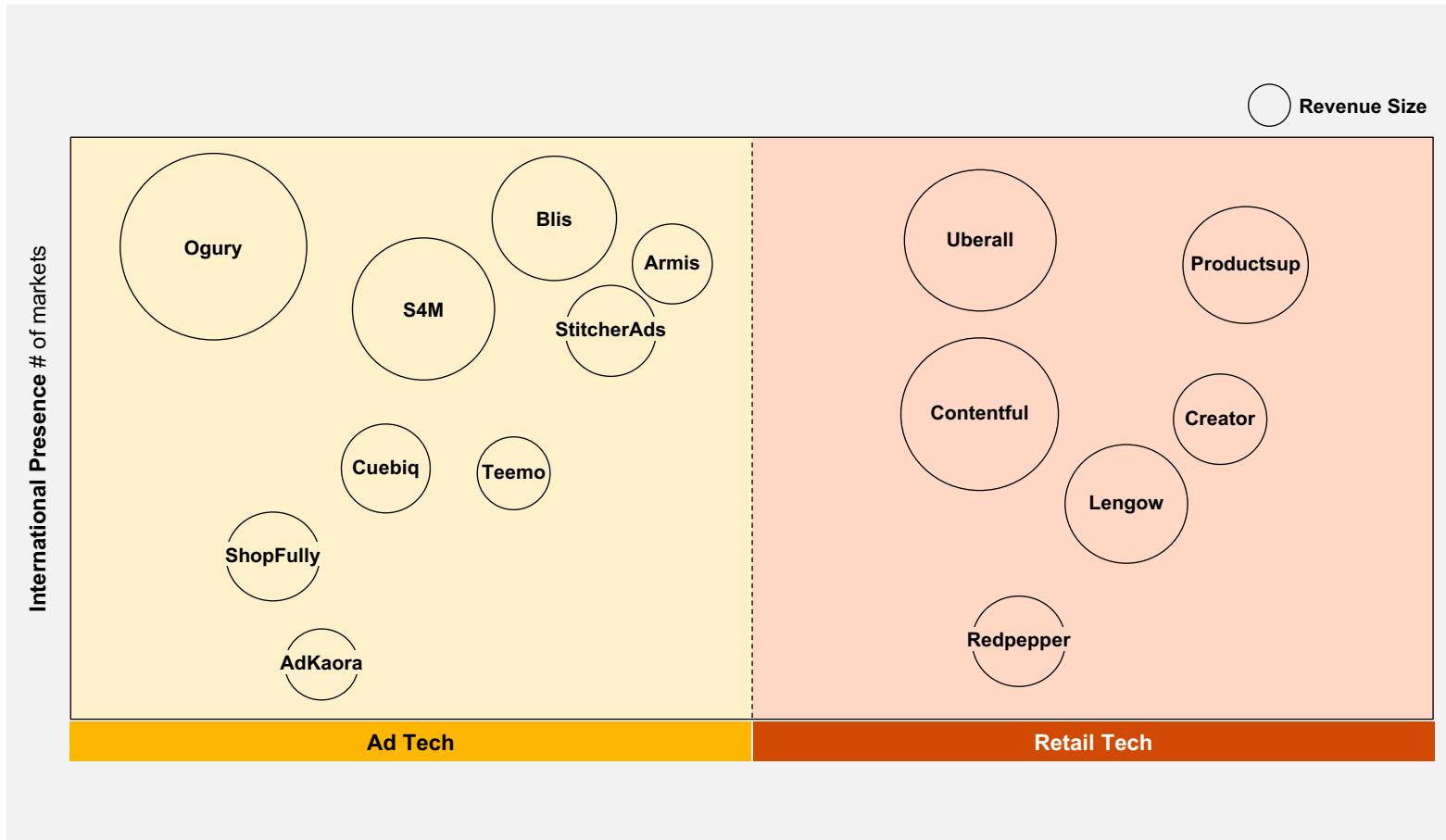
The Ad Tech and Retail Tech segments represent a notable opportunity for business expansion. The competitive arena comprises mainly international players

Ad Tech

- Local digital marketing companies, with geo-localized activities.
- Companies with proprietary technology assets.
- Dedicated to digital local media.

Retail Tech

- Support activities to retailers in the development of services.



Ad Tech: main players (1/2)

Company	Description	Markets
Ogury	Global technology leader in personalized advertising, Ogury is building a highly effective and sustainable advertising world, anchored in the protection of consumer privacy.	        
S4M	S4M provides advertising capable of directing customers to stores and restaurants. Drive to store solutions are available on smartphone displays.	    
Blis	A group engaged in providing technology and services to the digital media industry. Position data technology solutions for agencies, trading desks and enterprises.	     
Cuebiq	Business Intelligence company able to support retailers and brands to understand the behavior and purchase intentions of offline consumers.	 
StitcherAds	Stitcherads supports retailers in the creation of add-ins for Facebook and Instagram aimed at driving the results of multiple channels to increase online sales.	  
Armis	Armis allows brands and retailers to show their online offers to consumers who are near the stores.	   
Teemo	Provides a multiscreen digital advertising able to map the purchasing habits of individuals and, subsequently, makes them usable to brands in order to maximize the return on investment.	 
AdKaora	Italian advertising agency specializing in proximity marketing.	

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Ad Tech: main players (2/2)

Company	Description	Markets
AdCombi	AdCombi provides local programmatic advertising services and is able to connect multiple brands, stores and customers from a geographical point of view in order to make the customer targeting process more efficient.	
Vectuary	It offers retailers data-centric solutions, based on the information collected at each stage of the purchase journey, in order to generate visits to the store.	
Proxistore	Active in the local digital advertising sector, Proxistore collaborates with the main premium publishers in order to increase in-store traffic through a patented geolocation technology.	
AdVentori	Creative Advertising Technology company dedicated to the personalization and optimization of digital advertising in order to create data driven campaigns.	
Visiperf	Visiperf develops innovative technologies to create marketing campaigns suitable for multilocal stores/brands.	
MakeMeReach	Make Me Reach SAS operates as a social advertising and media marketing agency. The company offers technology that enables mobile application developers to efficiently and effectively scale their social media ad campaigns, with a specific focus on optimizing mobile ad campaigns.	
GotU	It offers digital advertising and local targeting solutions to retailers and, in addition, SBM services to partners.	
DeepReach	The digital technology developed allows DeepReach customers to generate more visibility and store visits in the catchment area.	

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Retail Tech: main players (1/2)

Company	Description	Markets
Uberall	Engaged in the provision of computer programming services.	    
Contentful	Engaged in the provision of computer programming services.	 
Productsup	Online Product Marketing Optimization Software-as-a-Service (SaaS) Provider.	    
Lengow	Since 2009 Lengow has been the indispensable e-commerce platform for multi-channel expansion in the European market: marketplaces, price comparison sites, affiliate marketing, displays, retargeting, social media, etc.	 
Creator by zmags	Creator by zmags is an industry leader in driving the transformation of the digital experience. Transform static and conventional digital content into inspiring end-to-end brand experiences that accelerate revenue, capture visitors, expand customer loyalty, and stand out from the competition.	 
Redpepper	Marketing and advertising agency also specialized in the creation and development of interactive apps.	
Flipsnack	Flipsnack is a unique publishing platform, people from all over the world choose Flipsnack to create online catalogs, to download, share or embed them on their websites. It offers the possibility to communicate digitally with the masses.	
Prestimedia	Company specializing in digital solutions including application development.	

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Retail Tech: main players (2/2)

Company	Description	Markets
Publitas	Publitas publishes interactive and purchasable catalogs, making the brand available on channels other than the classic online store. Enhance the shopping experience by providing extra product details and allowing comparisons to be made. The shopping cart option is also provided thanks to which customers can add products to the cart directly from the catalog.	  
Sale Finder	Main supplier in the AUS / NZ market of viewer (to integrate into the retailer's website) for catalogues.	 
Kipcast	Kipcast.com is a company specializing in the collection, transformation and delivery of marketing data, along with expertise in developing a campaign management platform.	 
ContentChef	Contentchef.io develops, using a Headless CMS technology, different platforms that allow you to distribute tailor-made experiences on all your digital platforms (website, e-commerce platform, mobile app or IoT device).	
Partoo	Partoo maximizes the visibility of companies on the Internet. To accomplish this mission, develop solutions that help users around the world better manage customer relationships and generate more in-store traffic.	  
DCatalog	dcatalog is a comprehensive digital catalogues publishing platform packed with interactive enhancements to help level up your sales.	
Volantinopiù	VolantinoPiù is a company specialized in the digitization of catalogues, as a secondary activity it also digitizes menus.	

Source: PwC analysis and elaboration on Company website, Orbis, Zoom Info

Contacts

Nicola Anzivino

Partner
+39 348 8519842
nicola.anzivino@pwc.com

Maria Teresa Capobianco

Partner
+39 348 1505287
maria.teresa.capobianco@pwc.com

Emanuela Pettenò

Partner
+39 348 8519841
emanuela.petteno@pwc.com

Massimo Ferriani

Partner
+39 347 6928088
massimo.ferriani@pwc.com

Fabio Castignetti

Partner
+39 340 9247328
fabio.castignetti@pwc.com

