



## Marketers continue to reinvest strongly in digital advertising

Latest data shows 45% increase in video spend year on year

Australian marketers support for digital advertising has continued to strengthen, with the latest data from PwC showing that overall digital advertising revenues have increased 11% year on year, while video has increased 45% year on year. The research has been supported by key marketers including Westpac, who have affirmed their support for digital advertising describing video advertising as both accountable and effective. Total digital advertising for the financial year ending June 2018 reached \$8.5bn, an increase of 11 percent year on year according to the latest IAB / PwC Online Advertising Expenditure Report. The report highlighted a continued shift in advertising spend from the desktop to mobile devices, with mobile revenue growing 39% year on year. This shift is in line with recent data from Nielsen[i] that reported that in July 2018 more than 1 million more Australians consumed content online via their smartphone compared with one year earlier. The Report also notes that while Classifieds has continued its steady and stable growth to reach \$1.6bn, the general display advertising category is now worth \$3.1bn, of which \$1.3bn was attributed to video advertising. This strong growth in video expenditure from 33% to 41% of all display advertising has been attributed to marketers investing more brand dollars into rich media as they pursue consumers who have increased the total time they spend watching video on digital devices by 14% from 2017 to 2018[ii]. According to Toby Dewar, Head of Media, Digital and Social, Westpac, the role of storytelling through video plays a key role in building the brands across the Westpac Portfolio. "Over the last 12 months we have seen a marked increase in the role for video across our product plans, enabling us to now reach a number of audiences at scale, and on their terms. This ability to leverage brand safe environments, connected to our own Westpac data provides a highly accountable and effective platform to drive consideration and customer growth across our media plans," said Dewar. Gai Le Roy, Interim CEO of IAB Australia noted that marketer's use of digital advertising tightly reflects the consumer migration to digital across smart phones, CTV, desktop and tablets. "Marketers are open about their thorough and continued assessment of their digital advertising programs to ensure effectiveness and ROI, so it's very pleasing to see them reinvest their marketing budgets in digital advertising across a broad range of platforms and channels," said Le Roy. Additional data points: General Display advertising showed the strongest growth, increasing 15.2% in the twelve months ended 30 June 2018, whilst growth for Classifieds and Search and Directories slowed compared to prior year with 12.1% and 7.2% annual growth respectively. Growth in General Display and Classified advertising took share from Search and Directories, resulting in General Display making up 37.1% of total advertising, while Classifieds made up 18.7% and Search 44.2%. According to the Report, the Australian market is maturing and diversifying with marketers across a broader range of verticals now embracing digital video. According to the report, the top three categories for expenditure on digital video in 2017 represented 45% of spend, whereas in 2018, the top three now represent just 31%. Now in its 11th year of revenue reporting for the digital industry, the IAB / PwC Online Advertising Expenditure Report is recognised as the industry standard for independent market level industry intelligence in Australia. The full report is available for IAB Australia members. /Ends About the Interactive Advertising Bureau The Interactive Advertising Bureau (IAB) Limited [www.iabaustralia.com.au](http://www.iabaustralia.com.au) is the peak trade association for online advertising in Australia and was incorporated in July 2010. Its Charter is to grow sustainable and diverse investment across all platforms in digital advertising across Australia, by helping marketers and advertisers understand how digital advertising delivers on their business objectives. IAB Australia leverages the skills, experience and commitment of its members to develop solutions, standards and guidelines that drive trust and transparency; reduce friction associated with the digital ad supply chain' and improve the ad experience for consumers, advertising and publishers. For further information about IAB Australia please contact: Gai Le Roy Acting CEO - IAB Australia T: 0408 431 455 E: [gai@iabaustralia.com.au](mailto:gai@iabaustralia.com.au) Pru Quinlan Einsteinz Communications T: (02) 8905 0995 E: [pru@einsteinz.com.au](mailto:pru@einsteinz.com.au) [i] Nielsen Digital Panel July 2018 [ii] Nielsen Digital Panel July 2018

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