



Online Ad Expenditure Poised to Break \$6 Billion

Australian online advertising experienced a significant surge in the final quarter of 2015, to reach \$5.9 billion for the twelve months ending December 31st, a 24 percent increase over CY2014. The growth, which was reported in the latest IAB/PWC Online Advertising Expenditure Report, is another major milestone for the industry, which has now achieved double digit year on year growth of at least 21 percent since 2010.

Each of the advertising categories measured in the Report experienced significant growth over CY2014, led by General Display which grew 46 percent to reach \$2.1 billion for CY15. Classified advertising s increased 22 percent to top \$1.1 billion; while Search and Directories recorded 14 percent growth to reach \$2.8 billion.

“This is an outstanding result for the industry,” said IAB CEO Alice Manners. “When the IAB first started recording online ad expenditure just nine years ago it was at \$1.3 billion and today we are poised to break the \$6 billion barrier. This is representative of all the hard work that has been done by both the IAB and the entire industry over nine years to establish a fair and transparent online market. We have come a long way, but there is still much room for improvement and we are already looking forward to the next major milestone being achieved.”

Mobile advertising expenditure continued its meteoric rise in 2015 growing \$695 million (81 percent) from CY2014 to reach \$1.55 billion, with 65 percent of spend on smartphones and 35 percent on tablets. Mobile advertising now accounts for 40 percent of all General Display advertising, up from 25.5 percent in CY 2014.

Video advertising also delivered a stellar growth of over 75 percent for the year, reaching \$484 million in CY2015, up from \$276.5 million in CY2014. It now accounts for 23 percent of General Display advertising.

Retail, Real Estate and Motor Vehicles continue to dominate the General Display share of advertising. Real Estate posted the largest gain of share, growing from 10 percent in CY2014 to 12.2 percent in CY2015. Motor Vehicles advertising slipped back just under one percent of its category share to hold 17.2 percent of General Display dollars, while Retail maintained its share at 10.1 percent, just ahead of Finance which decreased to an 8.7 percent share of Display advertising.

Online advertising expenditure in Q4 2015 reached \$1.7 billion, an increase of 28 percent on the same quarter in 2014, and a 9.2 percent increase over Q3 2015. This growth was driven largely by General Display which increased 47 percent in the quarter, with Search and Directories growing 18 percent and Classifieds posting a 22 percent increase.

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About the Interactive Advertising Bureau

The Interactive Advertising Bureau (IAB) Limited is the peak trade association for online advertising in Australia and was incorporated in July 2010. As one of over 43 IAB offices globally, and with a rapidly growing membership, IAB Australia's principal objective is to support and enable the media and marketing industry to ensure that they thrive in the digital economy.

The role of the IAB is to work with its members and the broader advertising and marketing industry to assist marketers to identify how best to employ online as part of their marketing strategy, to better target and engage their customers and build their brands.

By addressing the core pillars of growth of the online advertising industry - simplified and standard online audience measurement, research, and online operational standards and guidelines, and regulatory affairs, IAB Australia leverages the skills, experience and commitment of its members to advocate the benefits of online advertising by acting as an authoritative and objective source for all online advertising issues whilst promoting industry-wide best practice.

IAB Australia is a registered not-for-profit organisation; membership fees and revenue generated is invested back into the IAB's membership benefits such as resources, events, reporting, and industry representation.

For further information about IAB Australia please visit: www.iabastralia.com.au