



## Online advertising industry on track to surpass newspaper and TV advertising in 2013

Market grows 10 percent year on year bucking broader industry trends

26th November 2012: Online advertising has continued to grow, achieving 10 percent year on year growth recording \$813.25m for the three months ending September 2012. The results, which were announced today by IAB Australia in its Online Advertising Expenditure Report (OAER) compiled by PricewaterhouseCoopers (PwC), show that while the general advertising market is softening, online advertising is on track to surpass both newspaper and TV advertising in 2013. When compared to the Sep 2011 quarter, all three reported sectors grew, with General Display marginally up one percent, Search and Directories up 15 percent, and Classifieds advertising up by seven percent. Paul Fisher, CEO IAB Australia commented "Double digit growth in the media and economic climate of the past 12 months bucks the trend across the broader media industry. While growth has slowed in digital this past quarter the outlook for the Christmas quarter looks encouraging. "Our work as an industry to improve online behavioural advertising technology and deliver better audience and campaign measurement tools has resulted in more 'brand' focused online advertising display formats and a clear and growing confidence in the medium by marketers," said Fisher. Maria Martin, Partner at PWC, said "While the online advertising sector is settling into strong and sustained growth, it's clear that the search by marketers for new ways to engage with consumers is fuelling mobile advertising growth rates." Mobile advertising recorded \$22m for the September quarter, representing 190 percent year on year growth and a 24 percent increase on the June 2012 quarter. Video advertising increased from \$18.5m in Q3 2012 to \$20.7m in Q3 2012, while email advertising declined to \$5.8m in Q3 2012 from \$10.5m in 2012. CPM is now the dominant pricing methodology, with 62 percent of general display advertising expenditures and 38 percent being direct response based. Search and directories continues to dominate the online advertising sector overall with 53 percent share of spend. Classifieds holds 21 percent share and General Display 26 percent market share. Within General Display, the motor vehicle category grew strongly to be the highest spending in the advertising industry this quarter, with finance and real estate sectors the next largest categories. Retail share of expenditure reached 7.2 percent share, up from 6.5 percent in the previous quarter. In Classifieds, real estate, recruitment and automotive were the leading categories. This is the same order as the prior quarter. The report is the second to be prepared under the 'new approach' introduced in the June 2012 report. This new approach means data collected from industry participants has been supplemented by estimates for Google display, video and mobile advertising as well as Facebook display and mobile advertising; while the prior methodology for estimating Google search has been refined. Historical mobile advertising data collected from industry participants has been combined with estimated Google mobile advertising to provide a picture of the aggregated mobile advertising market and trends. /Ends 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 40 IAB offices globally, and with a rapidly growing membership, IAB Australia's principal objective is to increase the share of advertising and marketing dollars that interactive media captures in the marketplace. IAB Australia's board includes representatives of AIMIA, APN News & Media, Carsales.com, Fairfax Media, Google, Mi9, Network Ten, News Australia Sales, REA Group, SBS, Telstra Advertising Network, TressCox Lawyers and Yahoo!7. It has four objectives: To develop, coordinate and promote industry standards and guidelines that make interactive advertising a simpler and more attractive medium for agencies, advertisers and marketers To prove and promote the effectiveness of interactive advertising to advertisers, agencies, marketers, and the press To be the primary advocate for the interactive marketing and advertising industry To expand the breadth and depth of IAB membership while increasing direct value to members For further information about IAB Australia please visit: [www.iabastralia.com.au](http://www.iabastralia.com.au) For more editorial information please contact: Pru Quinlan or Corinne Cowlshaw Einsteinz Communications T: (02) 8905 0995 E: [pru@einsteinz.com.au](mailto:pru@einsteinz.com.au) E: [corinne@einsteinz.com.au](mailto:corinne@einsteinz.com.au)

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