



## Online advertising spend reaches record \$6.8 billion in 2016 financial year

Fastest year-on-year growth in online advertising in five years. Mobile advertising driving growth; accounts for \$1.96 billion of total market. Real Estate fastest growing industry category. SYDNEY, 23 August 2016: The Australian online advertising market has again delivered robust double-digit growth increasing \$1.6 billion to reach \$6.8 billion for the full financial year ending June 30th 2016, a 29.7 percent increase over the prior financial year. This represents the fastest year-on-year growth in online advertising over the last five years.

The data from the latest IAB/PWC Online Advertising Expenditure Report reveals that double digit growth was achieved by all online advertising segments during the financial year. General Display posted the largest increase at 43.3 percent – the highest year-on-year growth since the inception of the report – comprising \$2.5 billion of the \$6.8 billion market. Classifieds experienced a 21 percent year-on-year growth to reach \$1.2 billion, and Search and Directories grew 24 percent to make up \$3.1 billion of the market.

“Another year of double-digit growth, driven by the continued rise of the mobile and video category, means that online advertising heads closer to half of all advertising spend,” said Vijay Solanki, CEO of IAB Australia. “It’s brilliant to see Real Estate along with the Automotive, Retail and FMCG categories lead the way. They have built capability across all digital platforms especially in mobile and video. They know how to use content, technology and data to help achieve their marketing goals efficiently.”

Mobile grew to \$1.96 billion of the total market, continuing an impressive upward trajectory to grow 72 percent on the previous year. Mobile expenditure was split between Search and Display at 43 percent and 57 percent respectively, with 67 percent of the spend going to smartphones and 33 percent to tablets.

Video advertising (mobile video advertising is included in the mobile display category) grew 55 percent from the prior year’s \$388 million to reach \$600 million for financial year 2016. It now makes up 24.3 percent of all General Display advertising expenditure, up from 22.5 percent in financial year 2015.

Real Estate advertising saw the largest share in growth year on year, increasing its category share to 13.2 percent, compared to 10.8 percent in the previous year. Motor Vehicles remained relatively stable and accounts for the largest category share at 17 percent for the year, with Retail the third largest category at 10.4 percent, up from a 9.2 percent in the previous year.

“The uptick in the Real Estate category is illustrative of an industry that is leading the way in its use of targeted content, personalisation, optimisation in order to lead digital engagement in today’s disruptive environment,” noted Solanki.

### Quarterly Highlights

In the three months ended 30 June 2016, total online advertising was \$1.8 billion representing a year-on-year growth of 25.6 percent and a 4.9 percent increase from the prior quarter. General Display increased at the fastest pace growing 8.9 percent in the June quarter 2016 compared to the March quarter largely due to the continued strength of mobile and video. Compared to the same quarter in 2015, General Display online advertising expenditure this quarter grew 30.3 percent. Mobile display advertising contributed 47.7 percent of General Display (steady from previous quarter) with Video display contributing 26.8 percent (up 1.5 percent from prior quarter).

/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 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.iabaustralia.com.au](http://www.iabaustralia.com.au)

For further information please contact:

Vijay Solanki  
CEO - IAB Australia  
T: 0409 089 620  
E: [Vijay.Solanki@iabaustralia.com.au](mailto:Vijay.Solanki@iabaustralia.com.au)

Pru Quinlan/Sue Ralston  
Einsteinz Communications  
T: (02) 8905 0995  
E: [sue@einsteinz.com.au](mailto:sue@einsteinz.com.au)