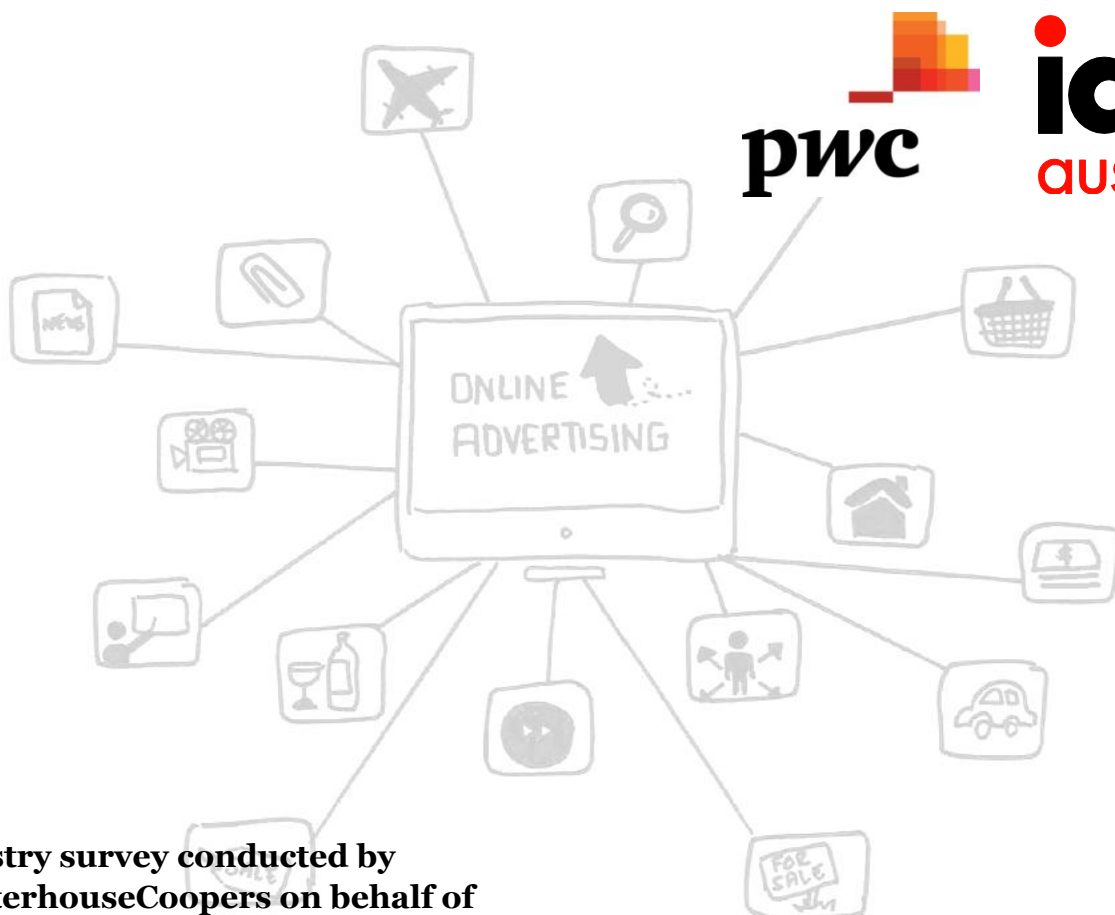


# PricewaterhouseCoopers

## *IAB Online Advertising Expenditure Report EXECUTIVE SUMMARY*

Quarter ended 31 March 2013

Report released: 17 May 2013



An industry survey conducted by  
PricewaterhouseCoopers on behalf of  
the Interactive Advertising Bureau  
Australia

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PricewaterhouseCoopers has received a fee for the preparation of this report and takes responsibility for the independence of the research and independence of the analysis contained in this report.

Please notify PricewaterhouseCoopers of any errors or omissions identified in this report.

# ***Background***

Welcome to the IAB Online Advertising Expenditure Report (OAER or Report). This March 2013 Quarter report of online advertising expenditure in the Australian marketplace has been prepared by PricewaterhouseCoopers (PwC) on behalf of the Interactive Advertising Bureau Australia (IAB).

This Report has been prepared under the “New Approach” introduced in the June 2012 OAER.

In summary, the data collected from industry participants has been supplemented by:

- Estimates for Google display, video, and mobile advertising as well as estimates for Facebook display and mobile advertising
- Refinement of prior methodology used for estimating Google search; and
- Historical mobile advertising data collected from industry participants from March 2011 and combined with estimated Google mobile advertising, to provide a picture of the aggregated Mobile advertising market and the growth trends.

Comparative data for the period from September 2010 has been restated to be consistent with the above methodology changes.

## ***About the IAB Online Advertising Expenditure Report***

The OAER provides an opportunity for stakeholders interested in the size of the online advertising market to access independently collated data about the state of online advertising expenditure in Australia. The online advertising markets reported in the OAER comprise the expenditure on General Display advertising, Classifieds advertising, Search and Directories advertising and Mobile advertising.

Data and information reported directly to PwC by online advertisement selling companies representing over 1,000 web sites has been aggregated in this Report and is the only online industry sponsored and supported measurement of online advertising expenditure in Australia.

The survey is conducted and this report is prepared independently by PwC on behalf of the IAB; only aggregate results are published. PwC does not audit the information and provides no opinion or other form of assurance with respect to the information. Certain checks of submitted data are made – refer to the Report Scope, Methodology and Format section of the Appendix for more information. Individual company information is held in strict confidence with PricewaterhouseCoopers. Further details regarding scope and methodology are provided in the Report Scope, Methodology and Format section of the appendix to this Report.

The list of contributors is disclosed in the Appendix.



Megan Brownlow  
Executive Director

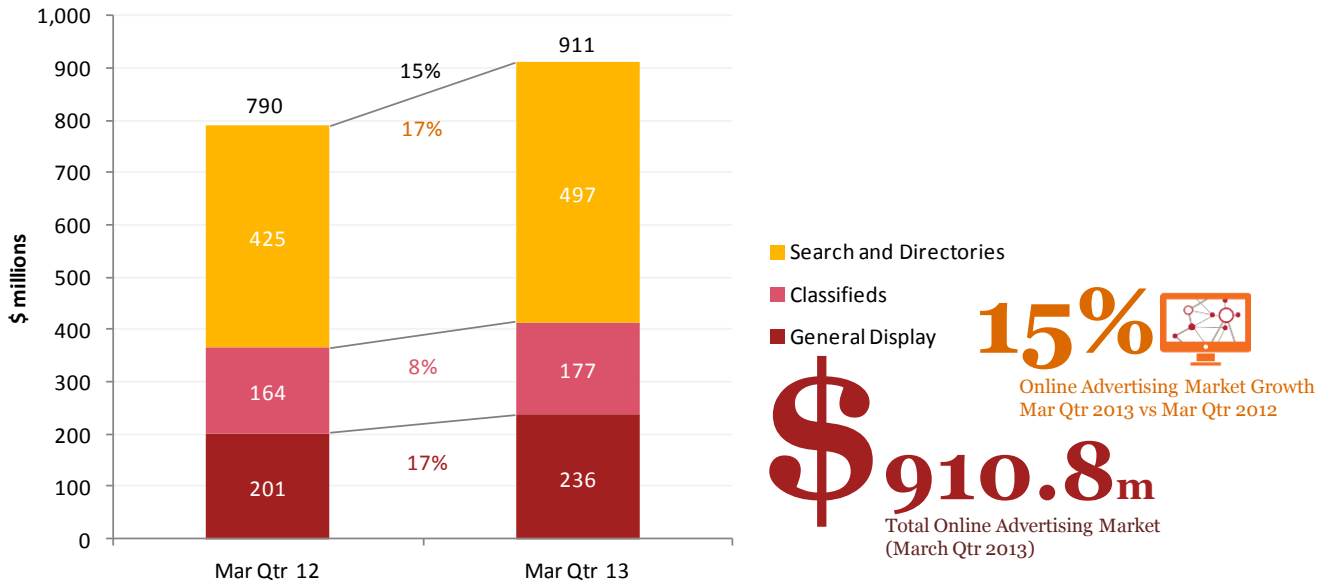
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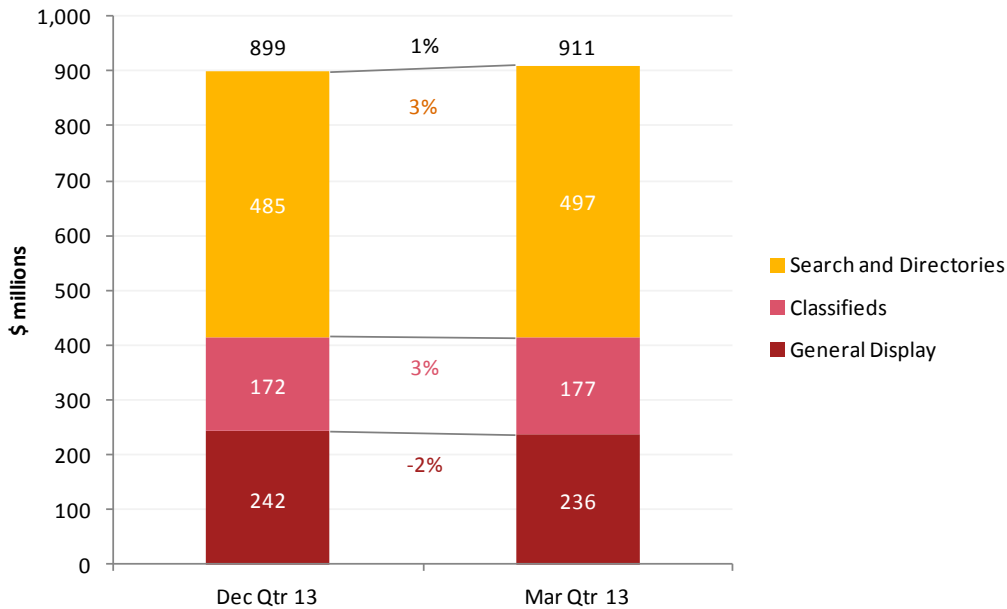
# The Quarter at a Glance

**Total online advertising achieved double digit growth year on year in the March Quarter 2013**

**Figure 1: Online advertising expenditure compared to prior comparative quarter (Mar Qtr 2012)**



**Figure 2: Online advertising expenditure compared to immediate prior quarter (Dec Qtr 2012)**



# Executive Summary

## Key trends underlying March Qtr 2013 results

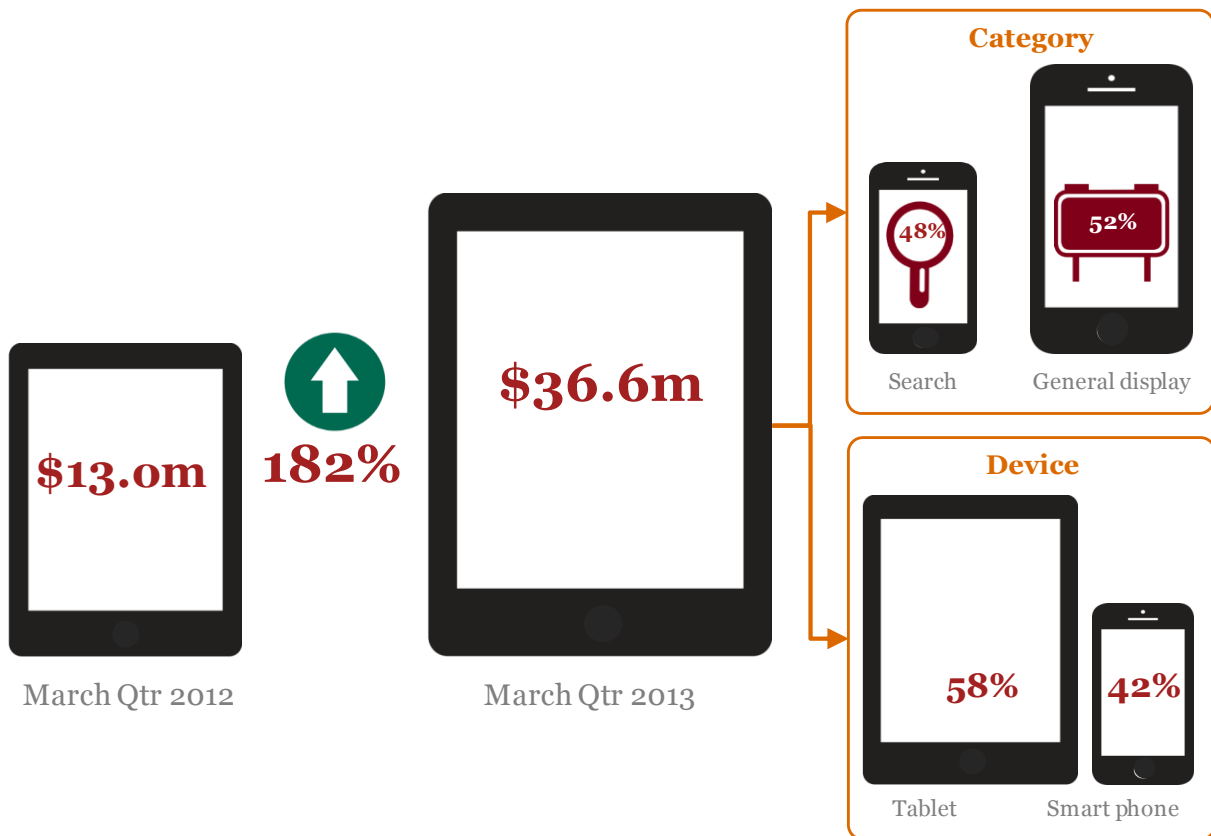
*Revenues increased 15% year on year in the March Qtr 2013.*

Internet advertising revenues in Australia totalled \$911 million in the March Qtr of 2013, an increase of 15% from the \$790 million in March Qtr 2012 and a 1% increase from \$899 million in December Qtr 2012.

*Mobile advertising growth outpaces other formats*

Online advertising on smartphones and tablets has grown 182% year on year in the March Qtr 2013, almost tripling the total mobile market from \$13.0 million in March Qtr 2012 to \$36.6 million this quarter.

The category share of Mobile Advertising has gradually shifted over time from smartphones to tablets. In the March Qtr 2013, the tablet's category share has exceeded smartphones' share for the first time since the collection of mobile data, increasing to 58% from 41% in the December Qtr 2012.

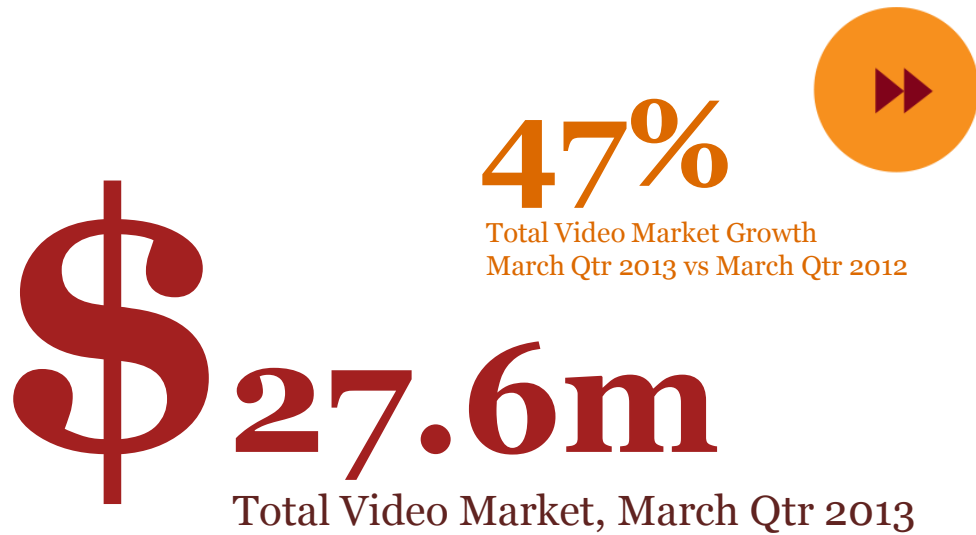


*Retail continues to embrace digital display*

Retail display advertising has grown 42.7% year on year to the March Qtr 2013, making it one of the biggest and fastest growing Advertiser Industry Categories this year.

*Video advertising exhibited strong year on year growth*

Video display advertising for the March Qtr 2013 was \$27.6m, an increase of \$8.8m (or 46.8%) on the March Qtr 2012.



## ***About the IAB***

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, Carsales.com, Fairfax Media, Google, Mi9, Network Ten, News Australia Sales, REA Group, SBS, Telstra Digital Media, 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.iabaustralia.com.au](http://www.iabaustralia.com.au) or contact:

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## ***About PricewaterhouseCoopers***

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