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Fact Sheet Pack
Digital Ad Operations

June 21, 2017

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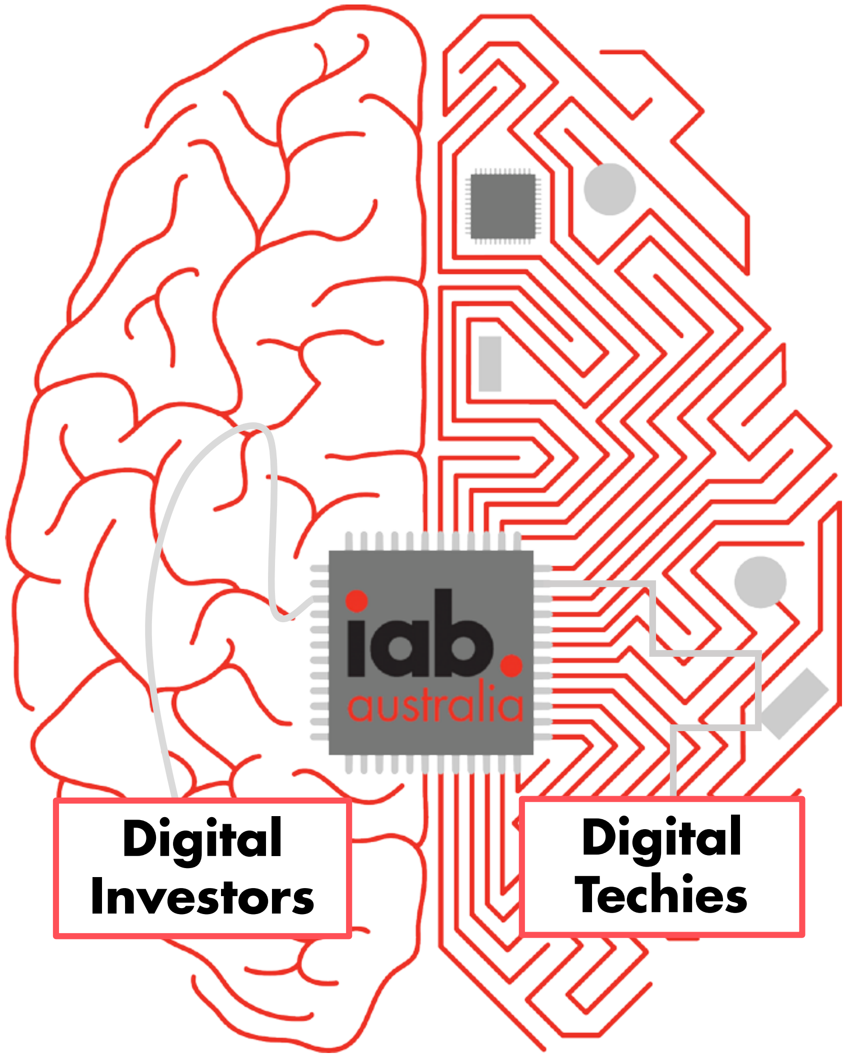
CONTENTS

MISSION

SIMPLIFY & INSPIRE



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STRATEGIC INITIATIVES

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Making Measurement Make Sense

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Building a Trustworthy Digital Value Chain

Building Brands Online

Growing Mobile Value

DIGITAL AUDIENCE

Time Online (Per Month)

70hrs
Age 2+

82hrs
Age 18+

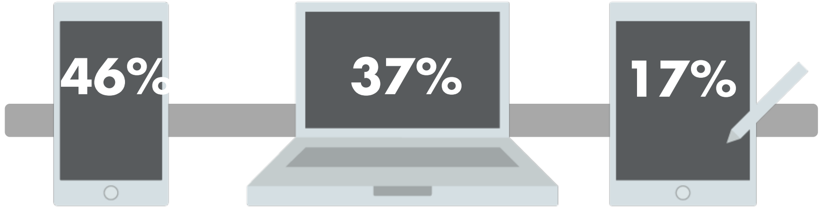
Teens & Youth

Spend double the amount of time online than linear TV

25-34 Year Old

32hrs more time online than watching TV per month

Device Share of Time



20.1m Australians online each month

14.6m Australians online on their mobile daily

84% Australians have a smartphone

Sources: Nielsen Digital Ratings Monthly Mar 17; OzTam Multiscreen Report Q4 2016

AD REVENUE CY16

$7.4B Digital Ad Market

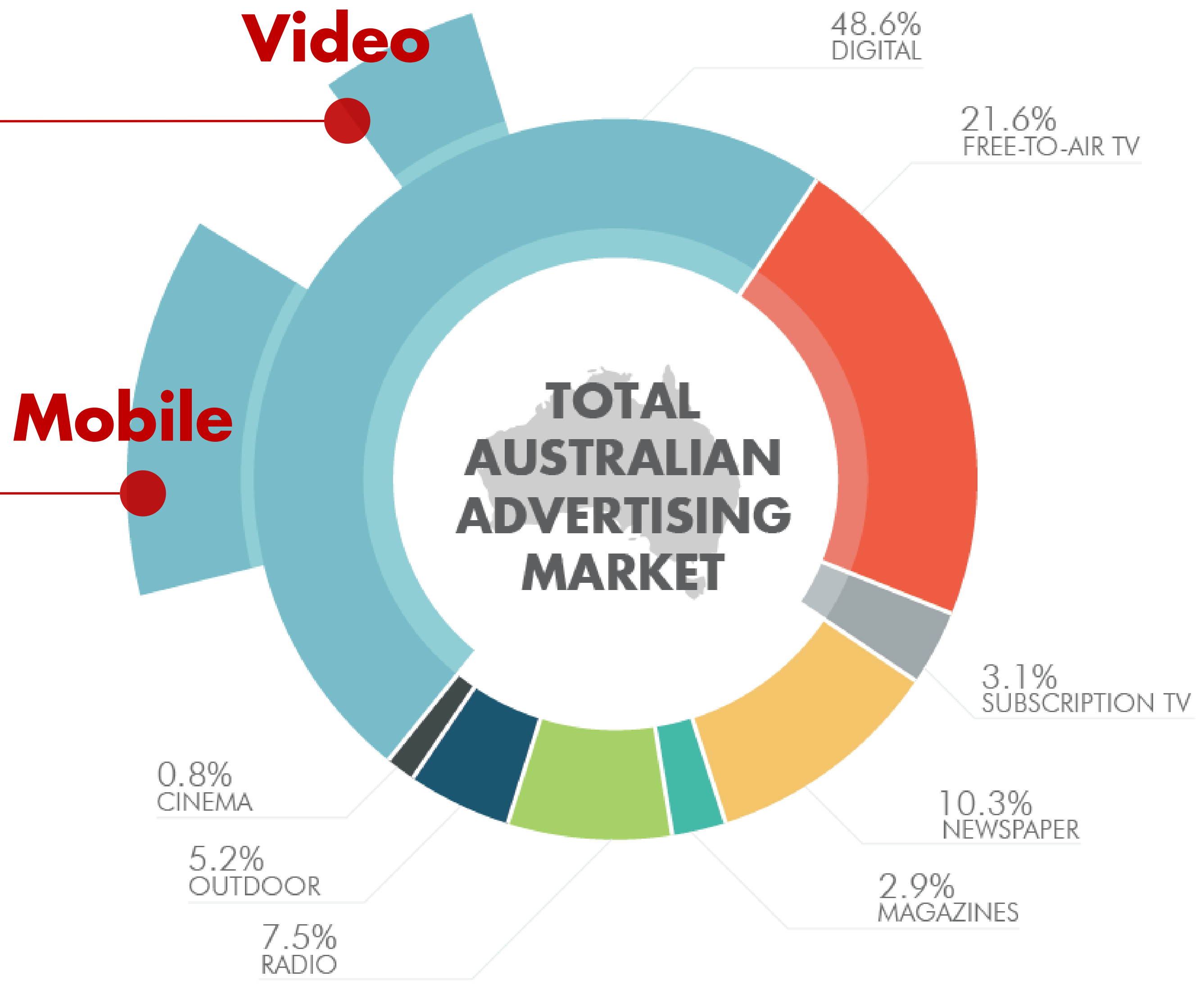
CY16 - 48.6% of Total Paid Ad Market

Video

Fastest Growing – up 58% yoy – now 5% of total ad market

Mobile

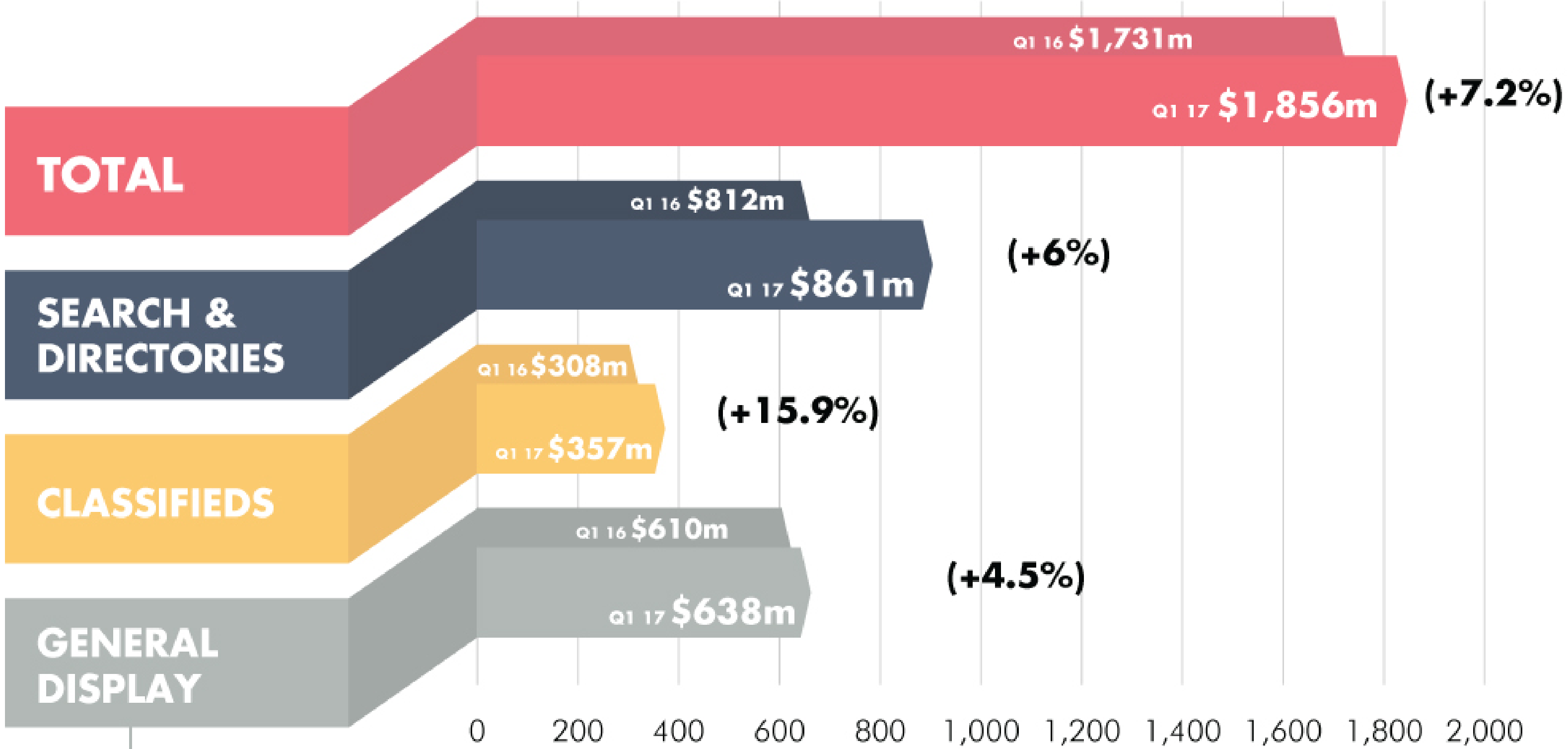
Up 48% yoy - now 15% of total ad market



Source: IAB Australia/PwC Online Ad Expenditure Report; CEASA

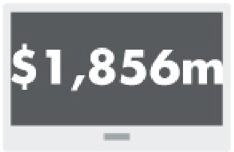
Q1 2017 ONLINE ADVERTISING EXPENDITURE REPORT

1. $653m spent on **mobile** advertising in Q1, up 29% year on year.
2. **Mobile** display advertising represented 53% of the display market
3. $232m spent on **video** advertising in Q1, up 50% year on year
4. **Video** advertising represented 36% of the display market.
5. **FMCG** followed by **retail** are the two largest advertiser categories for video advertising



#1 Advertiser Category for Display

(Of Display Ad for Qtr 2017)



TOTAL ONLINE ADVERTISING MARKET

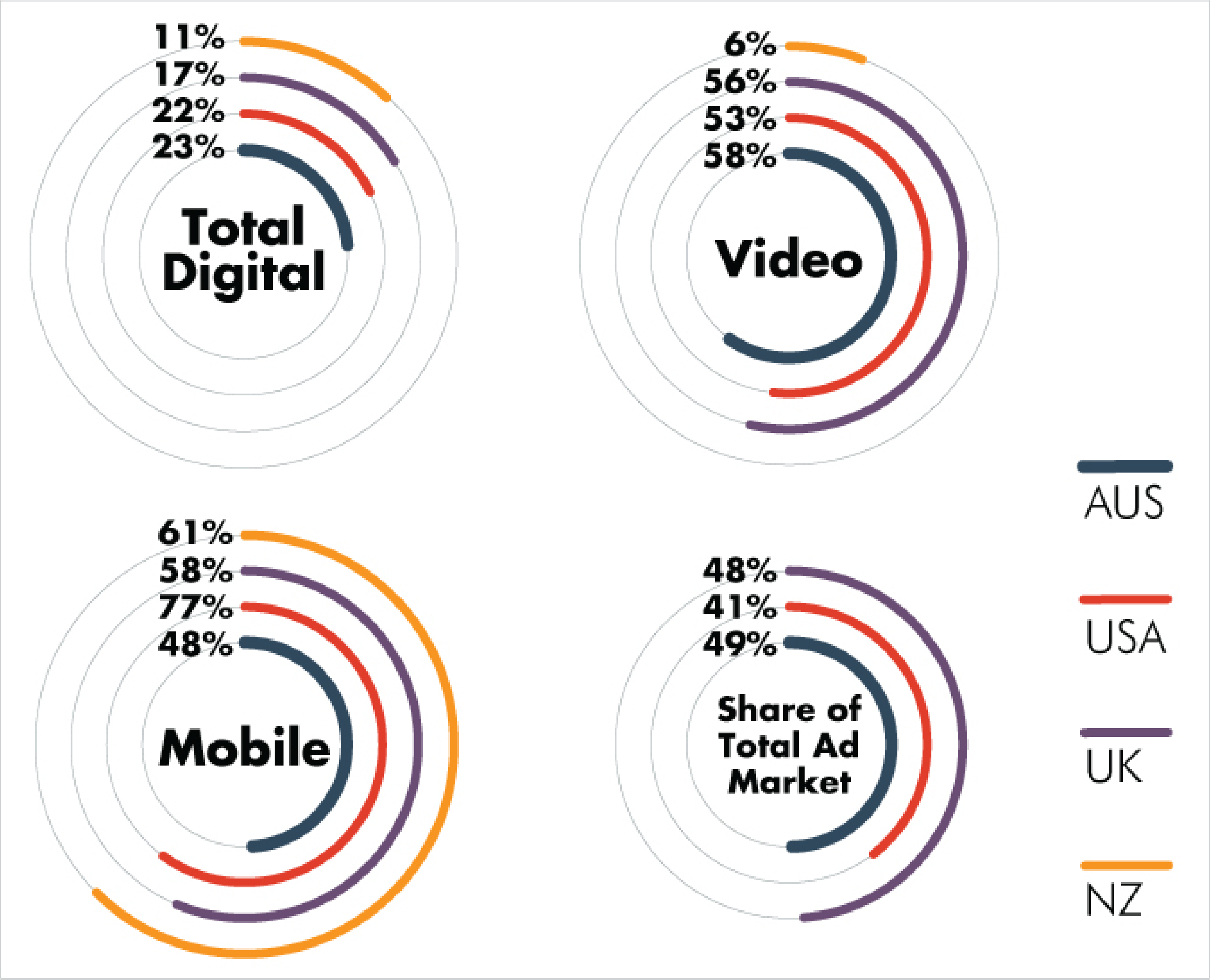
(Mar Qtr 2017)

ONLINE ADVERTISING MARKET GROWTH

(Mar Qtr 2017 v Mar Qtr 2016)

Digital Ad Revenue International Growth Comparisons

(Full Year Growth from CY 15 to CY 16)



Top 3 Advertiser Categories

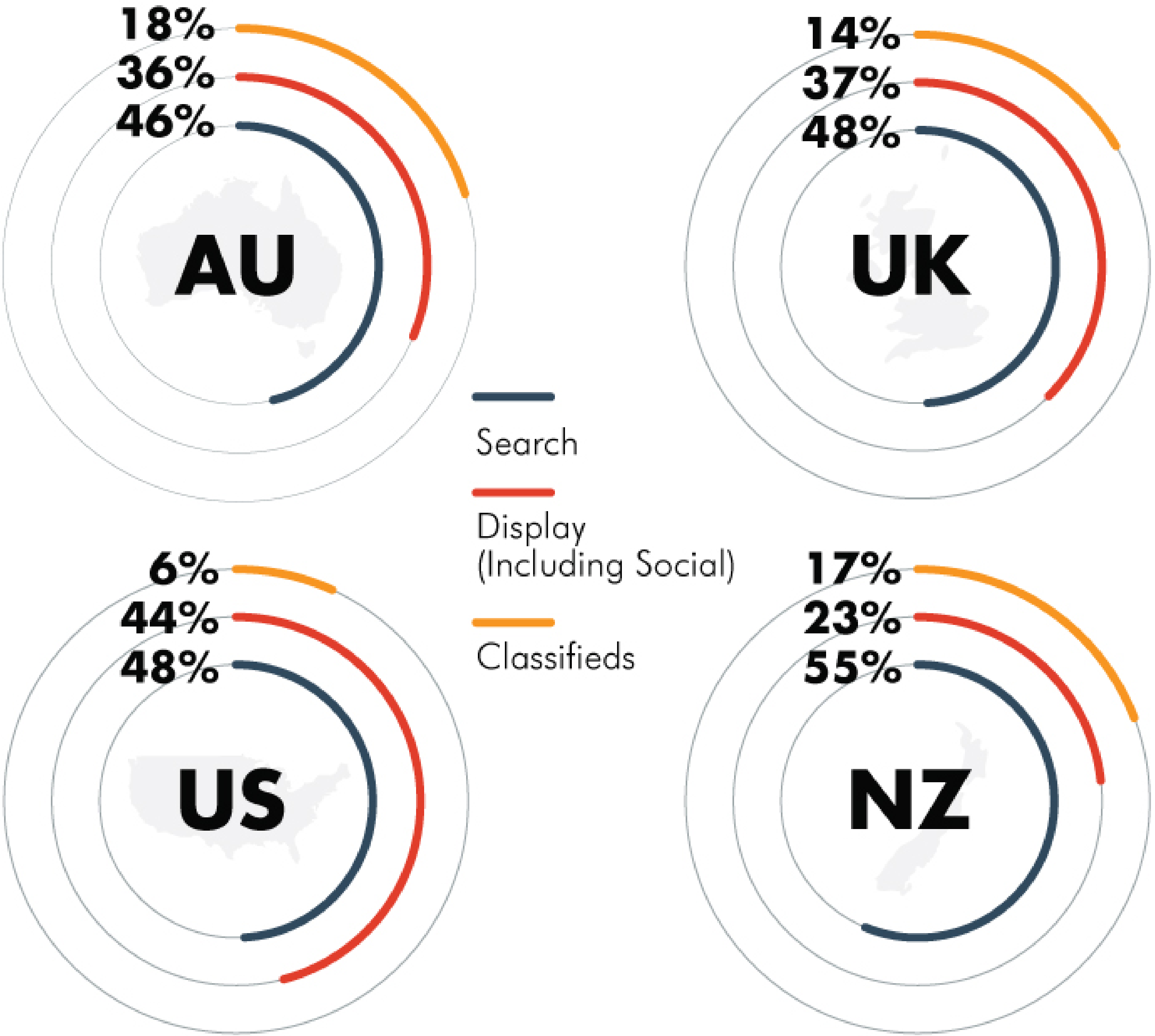
CY16

	AU	US	NZ
1	Automotive	Retail	Real Estate
2	Real Estate	Finance	Food
3	Retail	Automotive	Retail

Sources: IAB Australia; IAB US, IAB UK and IAB NZ

DISTRIBUTION OF DIGITAL MONEY CY16

1. Stronger market share for classifieds in both AU and NZ supported by successful local classified offerings
2. Search is the largest sector of the digital ad market in all key regions
3. Display market share has increased in most markets over the last 2 years due to growth in video and mobile display formats
4. NZ categorisation differs slightly from other markets with mobile sitting outside the three key revenue types, representing 5% share in 2016.



VIEWABILITY PRINCIPLES

1. The IAB viewability standard is the MRC standard
2. The IAB is committed to driving viewability
3. Non-viewable and non-measurable does not equal fraud
4. Independent measurement is an absolute necessity to measure viewability
5. The IAB will work with the vendors to publish viewability benchmarks every 6 months
6. The IAB encourages publishers, agencies & clients to work together to drive continuous improvement
7. IAB recognizes the importance of viewability but notes other variables drive business returns

VIEWABILITY

IAB Minimum recommended standard display
50% of creative for 1sec

IAB Minimum recommended standard video
50% of creative for 2sec

Mobile AU benchmark
54% of inventory meets MRC Standards

Desktop AU benchmark
55% of inventory meets MRC Standards

Source: IAB Australia/PwC Viewability Benchmarks Nov 2016

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AD BLOCKING

Modification Recommendations

1. Assure users of site safety: Provide guarantees that site and ads are secure, malware- and virus-free, and won't slow down browsing.
2. Focus on ads that limit interruption of content flow and do not take an excessive amount of time to load.
3. Polite messaging to turn off their ad blocker or whitelist a site in exchange for viewing content.
4. Some sites may choose to limit content availability for users of ad blockers who do not turn off their blockers. IAB Australia members have access to an Ad Block Detection Code to help provide better communication with site visitors

1 in 4 use an adblocker on at least one device

Usage stabilising in other key markets. (UK, US)

AU usage dropped from 27% to 25% in the last 6 months

Primary reason for adblocking is to avoid viruses then followed by concern re volume of ads

Low usage (5%) on mobile where majority of time is now spent

Source: IAB Australia Ad Blocking Benchmarks Wave 2 Apr 17

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BRAND SAFETY

1. Brand Safety applies to ALL media channels
2. Brand Safety means different things to different brands and categories
3. Publisher content is more varied than ever
4. Marketers need to step up, digital techies need to simplify
5. Actual Australian data on brand safety is critical
6. Keep sight of the consumer

INVALID TRAFFIC/AD FRAUD

96.2% of Australian inventory was valid human traffic

Source: IAB Australia/PwC IVT Benchmarks Nov 2016

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