



New Zealand Online Advertising Spend Experiences Healthy Growth in Q1, 2010

Employment figures are up; consumer spending is on the rise and online ad spend continues to grow

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The Interactive Advertising Bureau of New Zealand (IABNZ) and PricewaterhouseCoopers (PwC) have today released online advertising expenditure figures for Q1, 2010.

Total spend for the first quarter was \$53.32m, up 12.31% from Q1, 2009 (\$49.26m). Michael Gregg, IABNZ Chairman, says: "The latest figures provided by IAB members show strong year-on-year growth of 12.31% across all Display, Classified and Search categories. Display and Classifieds have rebounded from the softening effect of last year's recession to record lifts of 15.27% and 16.74% respectively. The seasonal summer holiday quarter-on-quarter drop in display was 2% less than in 2009, demonstrating the structural shift of media moving online. Additionally, as calculated by the Advertising Standards Authority (ASA¹) earlier this year, online advertising is now over 10% of all domestic media spend, with all other media reporting declines in 2009."

PricewaterhouseCoopers partner Chris Perree said: "The 'buzz' around the online advertising industry continues to grow and we are noticing more knowledge sharing within the industry, and insights into what works well. It is encouraging to see how business decisions and the approach to online spend are changing. These insights translate into greater investment in the industry. The consistent growth in the total market year-on-year highlights the increased support for the industry. Breaking the 10% market share in 2009 for total advertising market spend paves a positive path for the year ahead."

Classifieds was the star of the show with year on year growth of 16.74% and up 9.50% from Q4, 2009. Search & Directories also showed a healthy increase of 10.85% from Q4, 2009. While display advertising spend experienced a traditional and expected seasonal dip from \$17.77m in Q4, 2009 to \$14.92m in Q1, 2010, it has shown a dramatic year-on-year increase of 15.27%.

Alisa Higgins, IAB Marketing Manager says: "this is a great result especially when you look across the water at Australia's latest online ad revenues which grew 17% year-on-year."

¹ www.asa.co.nz

While the U.S. hit \$5.9 billion for the first quarter of 2010, representing a 7.5 percent increase over the same period in 2009."

ZenithOptimedia² report that global ad expenditure is accelerating as confidence in the economy returns. The internet increased its share of the global ad market from 10.5% in 2008 to 12.6% in 2009, overtaking magazines for the first time, and they expect its share to increase to 17.1% in 2012.

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About IAB New Zealand:

IAB New Zealand (IABNZ – www.iab.org.nz) represents New Zealand's fast-growing, exciting and dynamic interactive advertising industry. IABNZ is an affiliate of the international network of IAB offices in 26 countries. IABNZ's mission is to drive awareness and usage of interactive media, and to play a central advocacy role in protecting and enhancing the interests of our members and their clients.

About PricewaterhouseCoopers:

PricewaterhouseCoopers (www.pwc.com/nz) provides industry-focused assurance, tax and advisory services to build public trust and enhance value for its clients and their stakeholders. More than 163,000 people in 151 countries across our network share their thinking, experience and solutions to develop fresh perspectives and practical advice. "PricewaterhouseCoopers" refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

² www.zenithoptimedia.com