



New Zealand Online Advertising Spend Keeps Growing

Marketer's move their budgets into online as ad spend continues to grow 10.06¹% in 2009

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The Interactive Advertising Bureau of New Zealand (IABNZ) and PricewaterhouseCoopers have released their latest IAB Insight Report. The report surveys the online advertising expenditure for the fourth quarter (Q4) and the full 2009 year.

Total spend for 2009 was \$213.89m, which represented a 10.06% growth over 2008 (\$193.15m).

While this could be viewed as modest growth when compared to previous years, Michael Gregg, IABNZ Chairman, believes the year has demonstrated "marketers' confidence in online as a medium that delivers results when budgets were being cut on other media. This clear structural shift to prudent, results-based, online advertising is anticipated to accelerate in 2010 with IAB and its members striving to provide ROI driven campaigns no matter what the channel."

PricewaterhouseCoopers Partner Chris Perree said: "The growth in spend is consistent with organisations focusing and recognising online advertising as a medium of choice. It also supports expectations of continued strong growth as businesses have generally been more cautiously optimistic about the future. This market trend is not only limited to New Zealand, but also to more mature markets, such as the United States and United Kingdom, where online advertising continues to command a greater portion of the advertising market."

Search and Directories led the way with year on year growth of 31.64% in 2009. Display advertising grew 7.67% to \$64.30m from \$58.12m and accounted for 30% of all interactive spend in 2009. Classifieds decreased from \$75.32m to \$71.43m.

Alisa Higgins, IABNZ Marketing Manager, says: "This category really feels the effects of the economy especially around employment and jobs advertised online. It's great to see online job sites like Seek reporting an increase in the number of jobs being posted in 2010."

¹ Normalised percentages

Internationally, ZenithOptimedia² reports that the Internet will continue to outgrow other ad media, increasing “its share of expenditure from 12.4% in 2009 to 16.2% in 2012.” A reassuring thought when elsewhere they have called the 10.2% global drop in 2009 “the worst decline in ad expenditures in modern times.” However they have added that:

- The world’s ad market has now stabilised and will grow 0.9% in 2010.
- The market will improve steadily and will reach normal 5% growth in 2012.

ENDS >>>

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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) 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 ZenithOptimedia December 2009 Press Release:
<http://www.zenithoptimedia.com/gff/pdf/Adspend%20forecasts%20December%202009.pdf>