

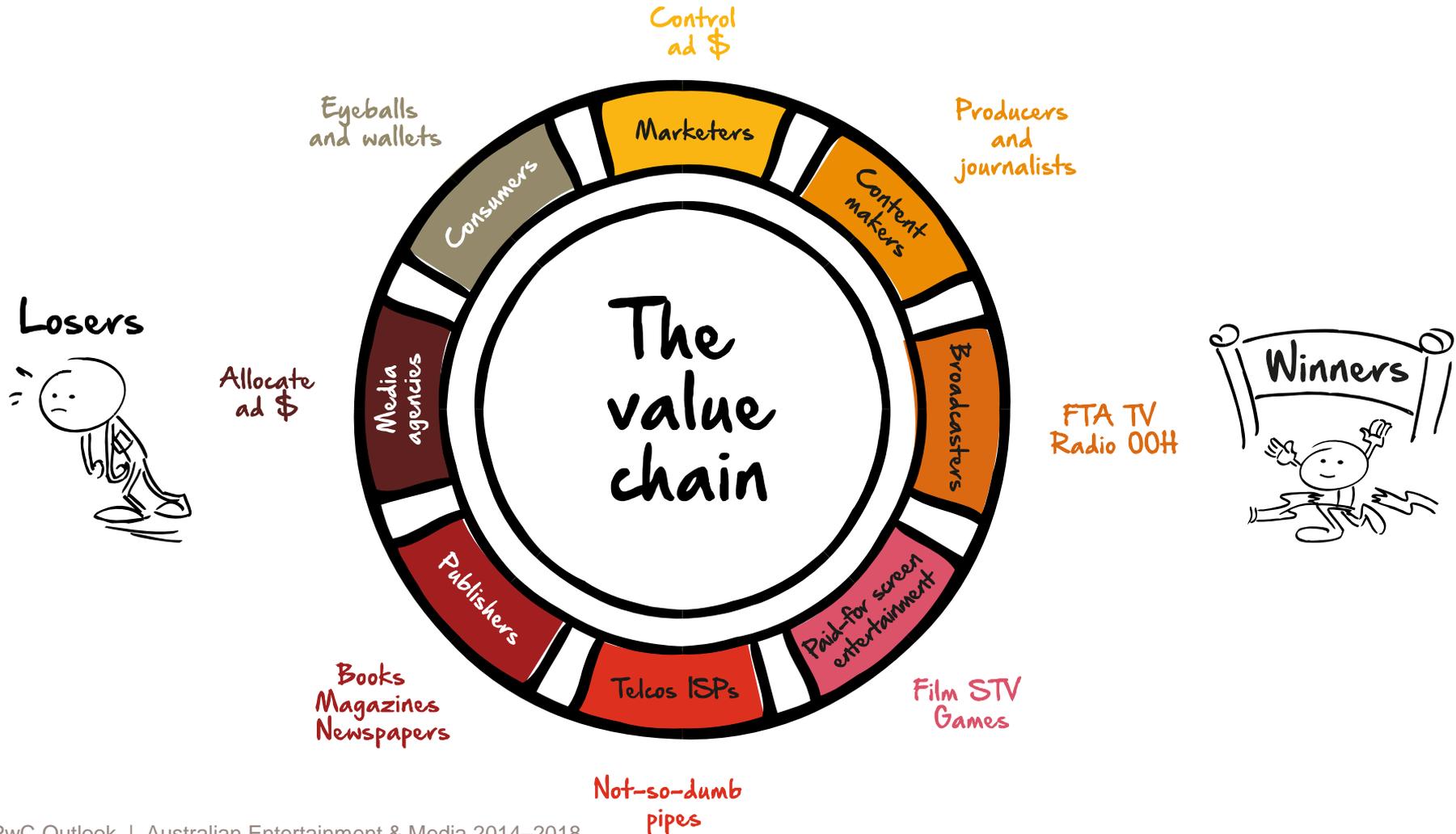
Outlook

Australian Entertainment & Media 2014–2018

*Revolution
not evolution*



Megan Brownlow

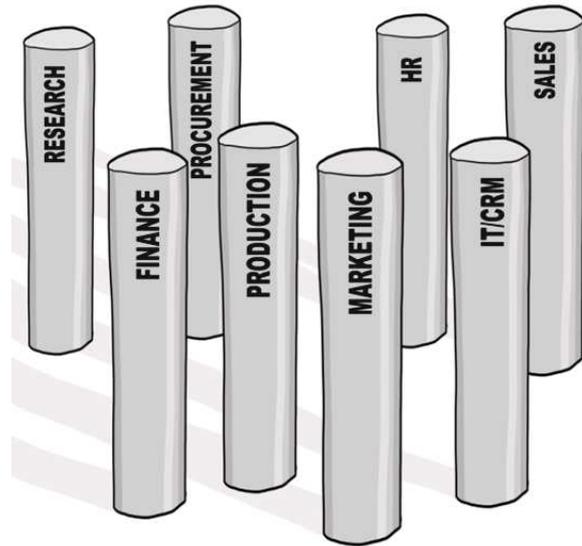


1

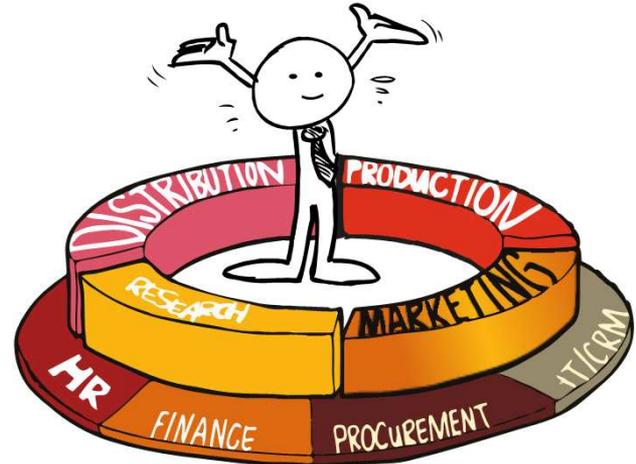
Marketers

Control
ad \$

Brands re-orient around the consumer, shifting marketing from a siloed to a whole-of-business approach

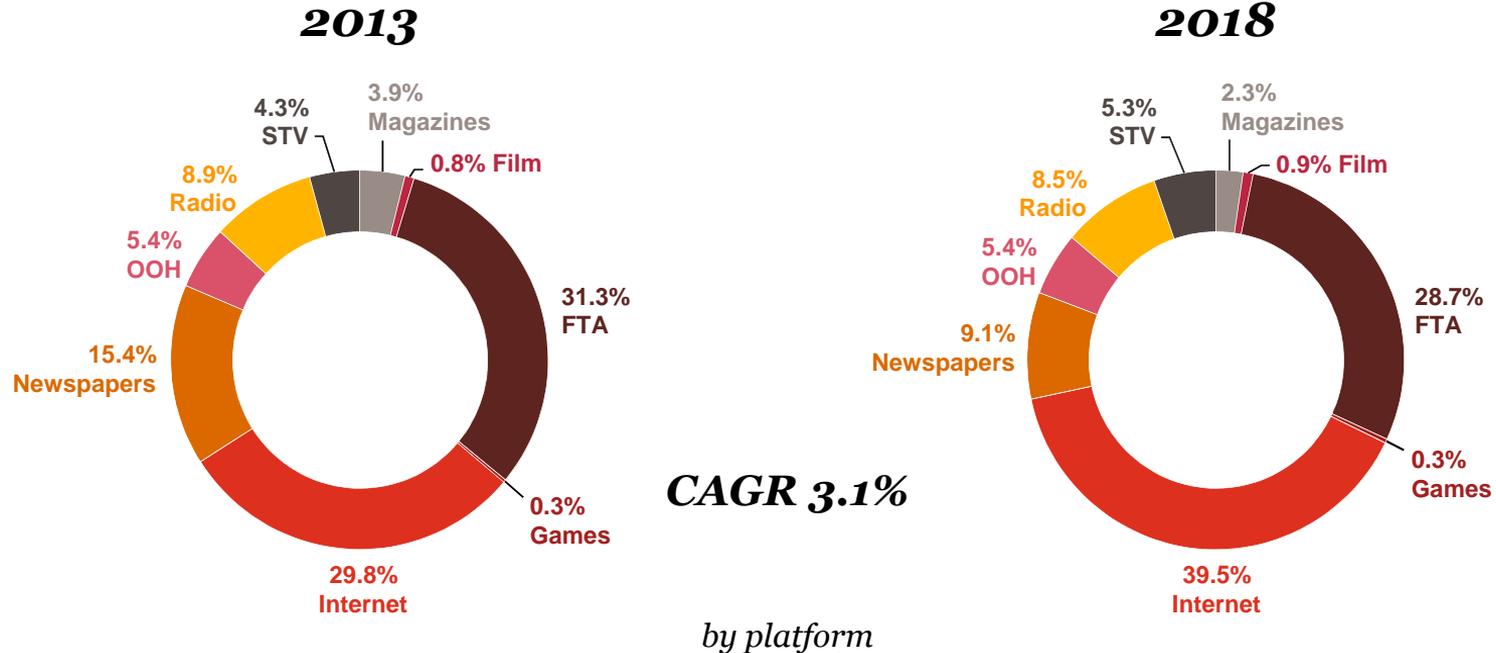


Consumer



Marketers

The growth of ad dollars remains sluggish as budgets shift from paid to owned ...



2

Content
makers

Producers
and
journalists

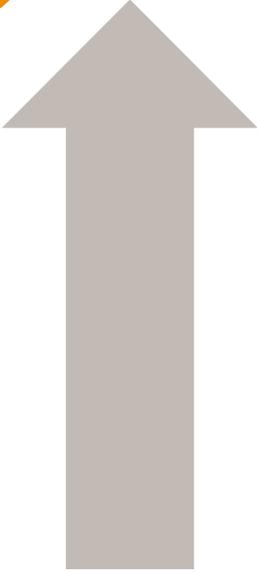
*Creative people shift out of media companies
and embed in surprising places...*

*... while the line between
professional and amateur blurs*

Content
makers

Producers
and
journalists

*Online video advertising –
growing faster than any other major segment*



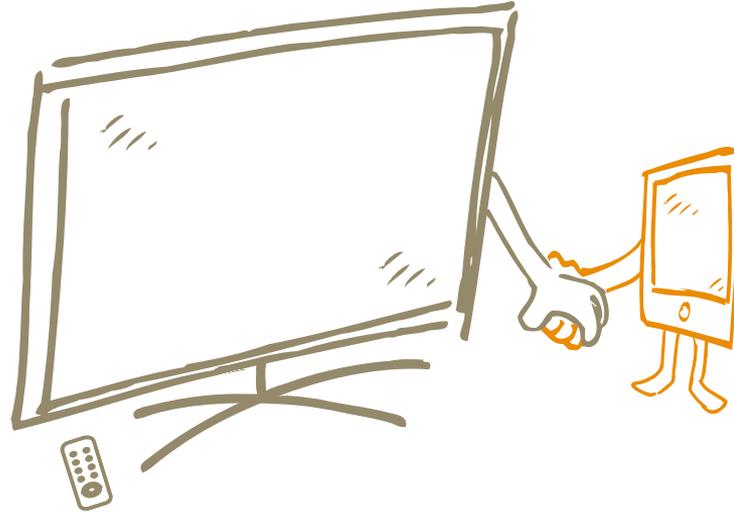
36% CAGR
to reach **\$718** million
by 2018

3

Broadcasters

FTA TV
Radio 00H

The companion screen provides opportunities for innovation and commerce



Consumers find a social life, ‘super-fan’ food and a new remote control

Broadcasters

Total advertising market
\$14.4 billion by 2018



3.1%
CAGR

Free-to-air television

\$4.1 billion
by 2018

1.4%
CAGR



Out-of-home

\$779 million
by 2018

3.2%
CAGR



Radio

\$1.3 billion
by 2018

3.4%
CAGR



Internet radio

\$74 million
by 2018

201%
CAGR

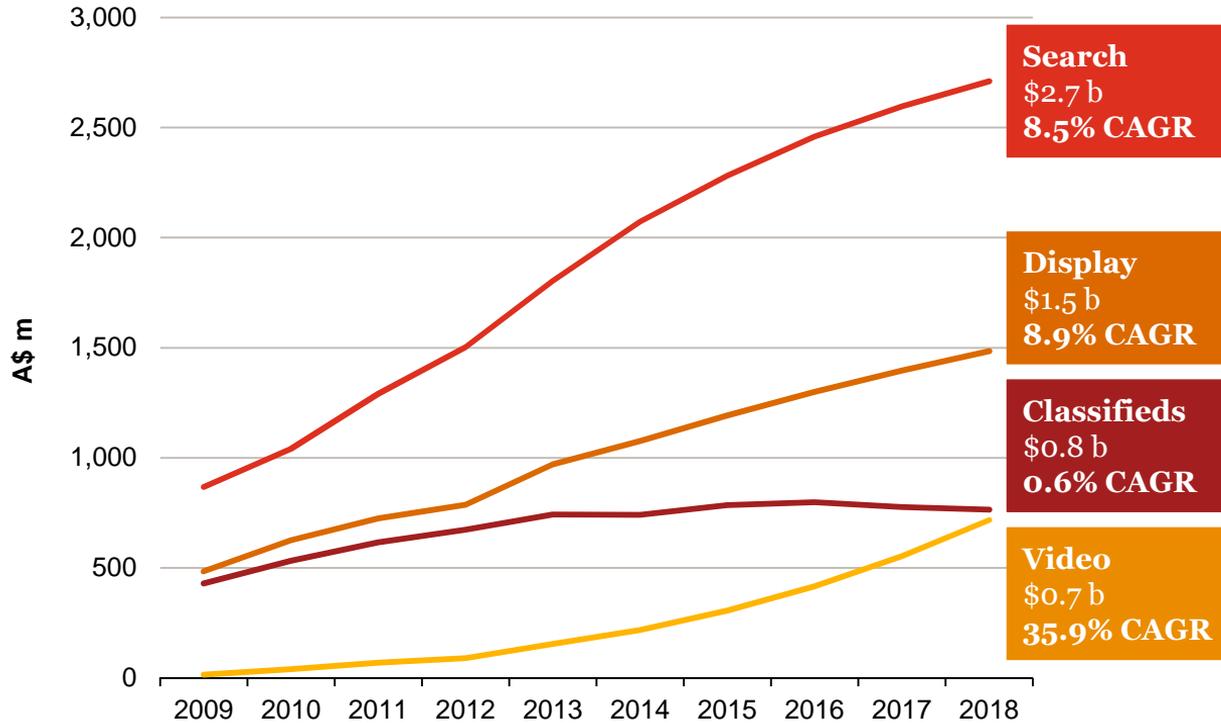


Total internet advertising
\$5.7 billion by 2018

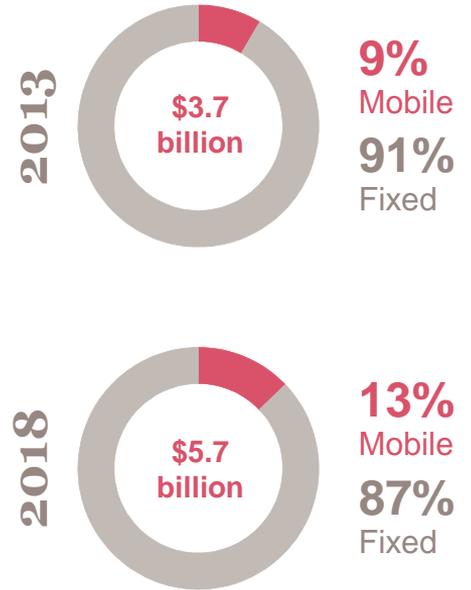


9.1%
CAGR

Internet advertising by category



Mobile vs fixed internet advertising

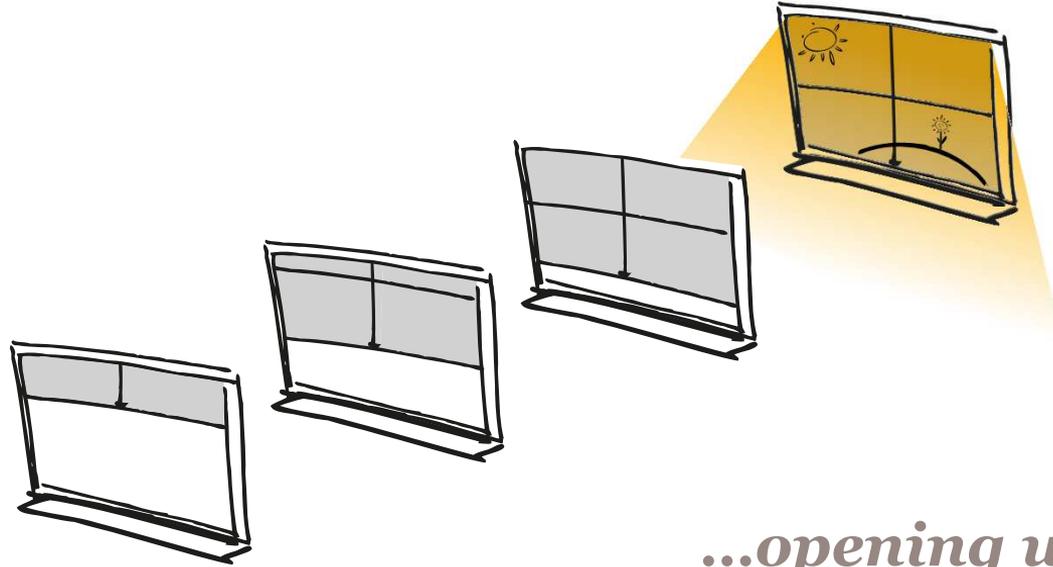


4

Paid-for screen
entertainment

Film STV
Games

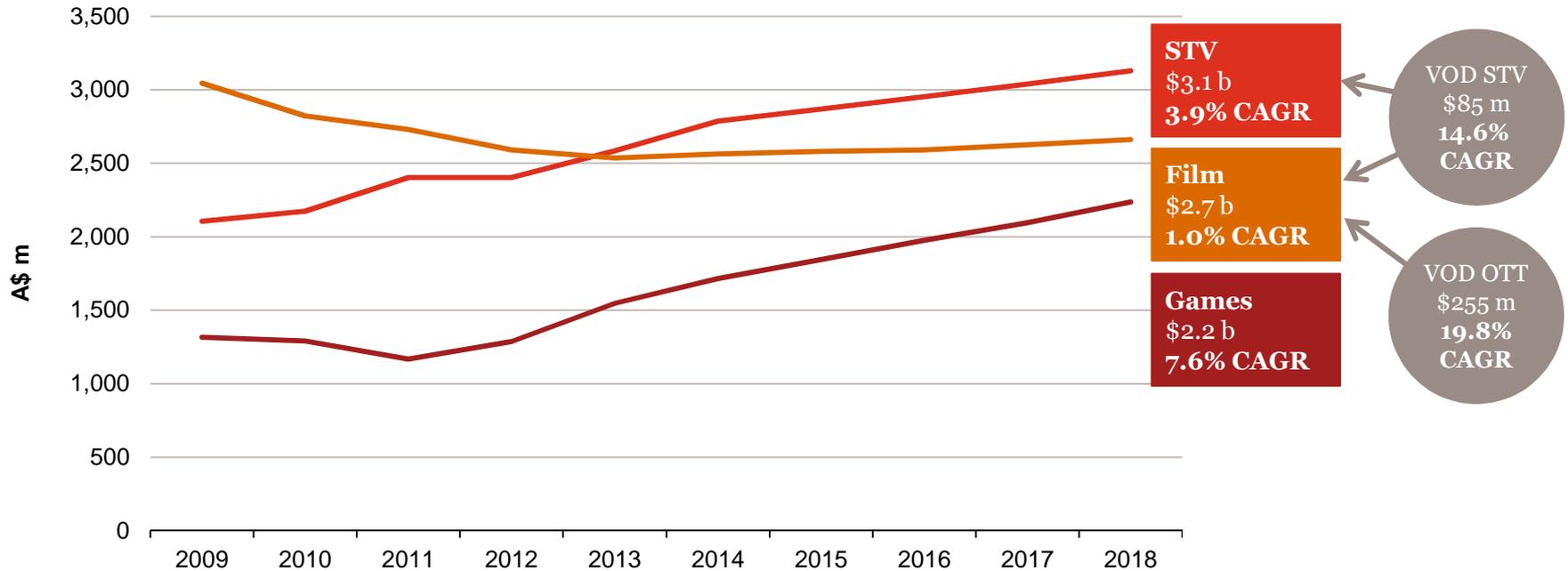
*Expect a dramatic compression of release
windows...*



*...opening up new
pricing possibilities*

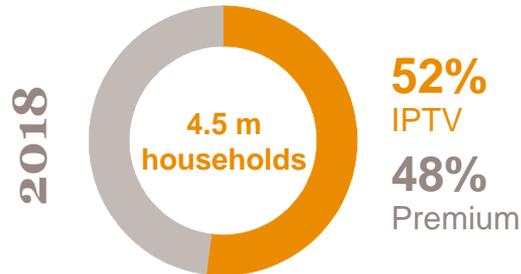
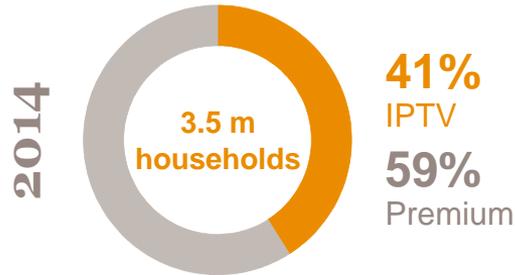
Paid-for screen
entertainment

Games and STV outperform, while film is a mixed story...

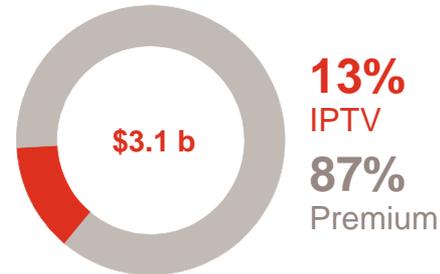
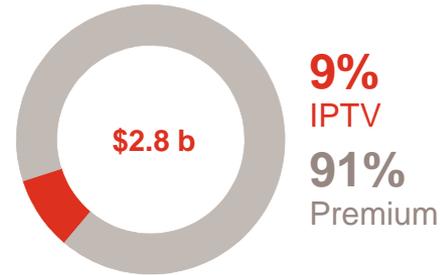


IPTV footprint growth outstrips revenue growth

Subscription television households



Subscription television consumer spending

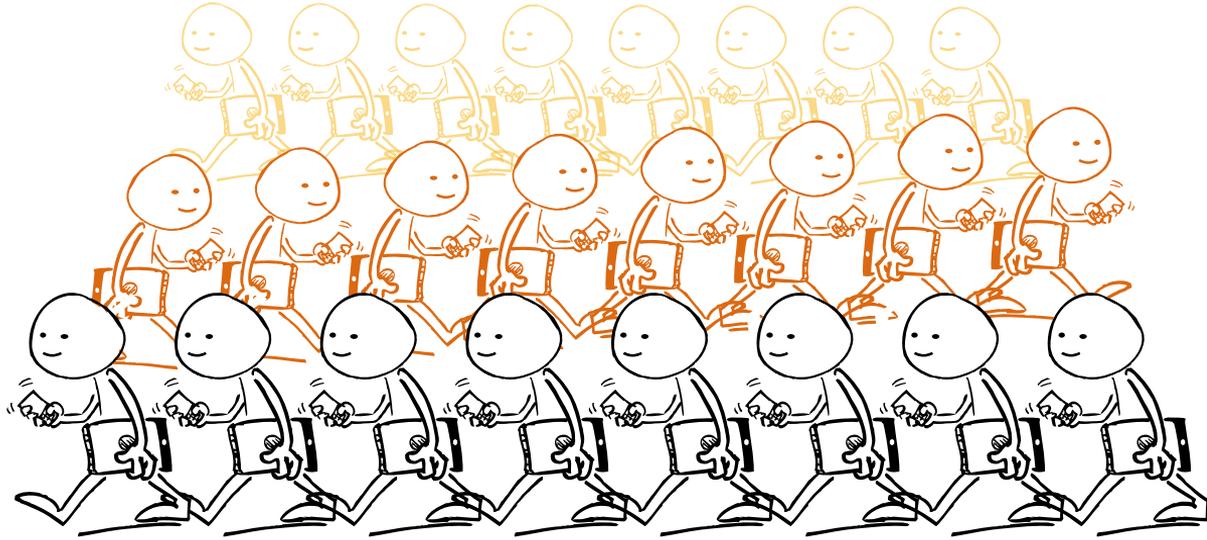


5

Telcos ISPs

Not-so-dumb
pipes

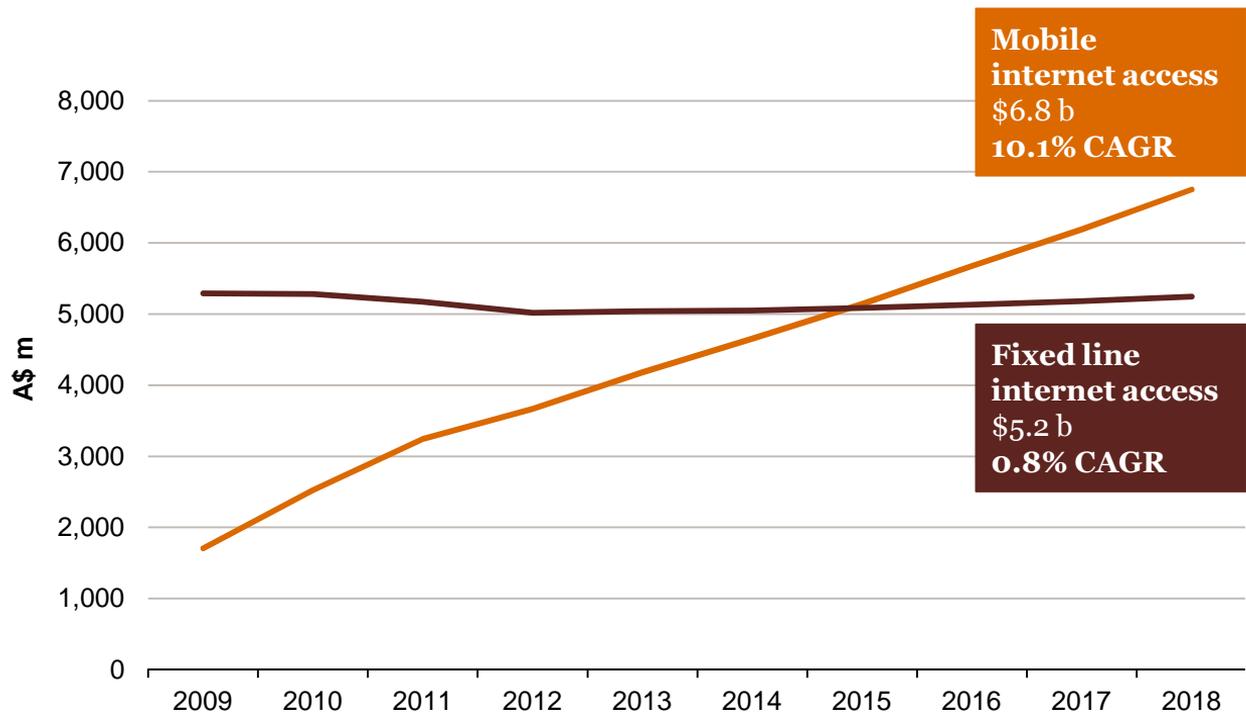
Competition heats up in mobile through improved networks, fuelling consumers' appetites for data...



...and opening the door to paid-for prioritisation

Telcos ISPs

Mobile access overtakes fixed line as connected devices boom



Smartphone
ownership to reach **81%**
by 2018

Tablet
ownership to reach **80%**
by 2018

App
downloads to reach **4.7 b**
by 2018

6

Publishers

Books
Magazines
Newspapers

Premium advertisers and audiences will be the focus, requiring a ‘de-clutter’...



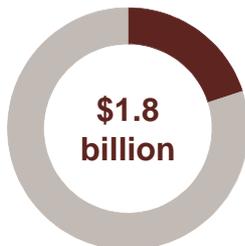
“Before you leave the house, look in the mirror and take one thing off” – Coco Chanel

...while building a bridge to digital products and establishing other services

Publishers

Consumer and educational books

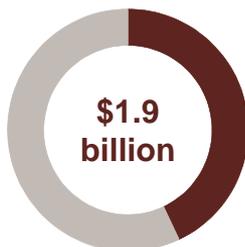
2013



20%
Digital
80%
Non-Digital

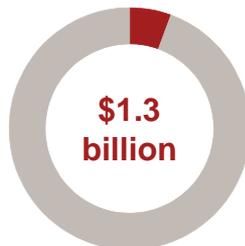
CAGR 0.9%

2018



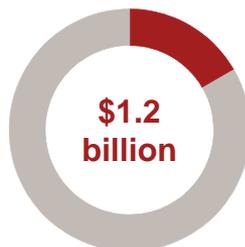
43%
Digital
57%
Non-Digital

Consumer magazines



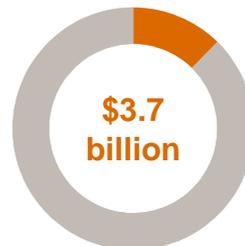
6%
Digital
94%
Non-Digital

-2.1%



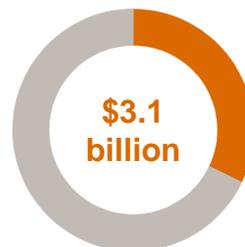
17%
Digital
83%
Non-Digital

Newspapers



12%
Digital
88%
Non-Digital

-3.2%



32%
Digital
68%
Non-Digital

7

Media agencies

Allocate ad \$

The middle disappears as tasks become more strategic at one end...



...and more programmatic at the other

8

Consumers

Eyeballs
and wallets

	Then	Now
Listening to music		
Watching films		
Chatting with friends		
Reading the news		
Playing music		



pwc

Consumers

Eyeballs
and wallets

Addiction drives
online video

Different levels
of digital skills
and preferences

Traditional
media still
have the power
to delight,
surprise
and sell

Recognise us
and understand
out preferences

Gaming
captures new
fans and a
greater share
of time

9 Losers



*Are timid, ad-hoc, forget
the lessons of history...*

*...and don't train their
stakeholders on what
real growth takes*

10



*Are disruptive, don't wait for others,
see real trends in data...*



...and hire people not like themselves

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\$39 each		

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