



THE IAB AUSTRALIA MOBILE ADVERTISING COUNCIL
**MOBILE ADVERTISING REVENUE &
USAGE MARKET UPDATE**

APRIL 2018



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INTRODUCTION

In this report the IAB Mobile Advertising Council has pulled together different pieces of IAB driven research, looking at mobile advertising and media consumption in Australia to give an overview of the state of the industry in 2018. Back in 2012 when the IAB & PwC started tracking mobile ad revenue it was only 6% of all digital dollars. This has now risen to 52%, in line with the US at 54% and ahead of the UK at 45%. Mobile ad revenue in Australia has almost doubled in the last two years and in CY2017 one in five dollars spent on all advertising (digital and traditional) was spent on mobile advertising.

Revenue has migrated from desktop to mobile devices as a result of changing media consumption habits and while there has historically been a lag between change in behaviour and ad investment this gap is closing. Nearly three quarters of digital device time is now on a smartphone or tablet (73% combined in March 2018) and the remaining 27% on desktop. People aged 18+ are spending nearly 56 hours online on their phones each month compared to 33 hours in mid-2015.

As media environments and ad products evolve for a mobile dominated digital media landscape the line between what is and isn't classed as mobile is blurring however the benefits of mobility, convenience, location, data and personalisation will continue to provide marketers with increasingly rich advertising options.



GAI LE ROY
DIRECTOR OF RESEARCH
IAB AUSTRALIA

Australia is among the countries with the highest penetration on mobile globally – with around 87% of the total population regularly accessing the internet on their mobile devices and with 14million consuming social media on their mobiles. Mobile advertising saw an exponential growth in revenue of up to \$3.1bn in 2017, a 35% increase compared to 2016 and up from \$350m a mere four years ago.

Triggered in part by the introduction of GDPR in Europe there is currently extra industry scrutiny on data usage, privacy and consent. Some of the changes will have major consequences for organisations involved in the digital and mobile advertising space as well as marketers using consumer data. The strength of mobile advertising is underpinned by the effective use of data and a balance needs to be struck between data usage for marketing purposes and **responsible collection & use of personal data**. Further guidance on this issue from the IAB can be read [here](#).

The IAB Mobile Advertising Council will continue to look at initiatives, guidelines and best practice that will help support the digital ad community throughout 2018. Please get in touch if there are any topics you would like to see us tackle



DOM GAMBINO
HEAD OF CUSTOMER SUCCESS **NEAR ANZ**
MOBILE ADVERTISING COUNCIL CO-CHAIR **IAB AUSTRALIA**

MOBILE ADVERTISING REVENUE TRENDS

CY17 MOBILE AD GROWTH RATE 35%

Total Digital Ad Market CY17

7%

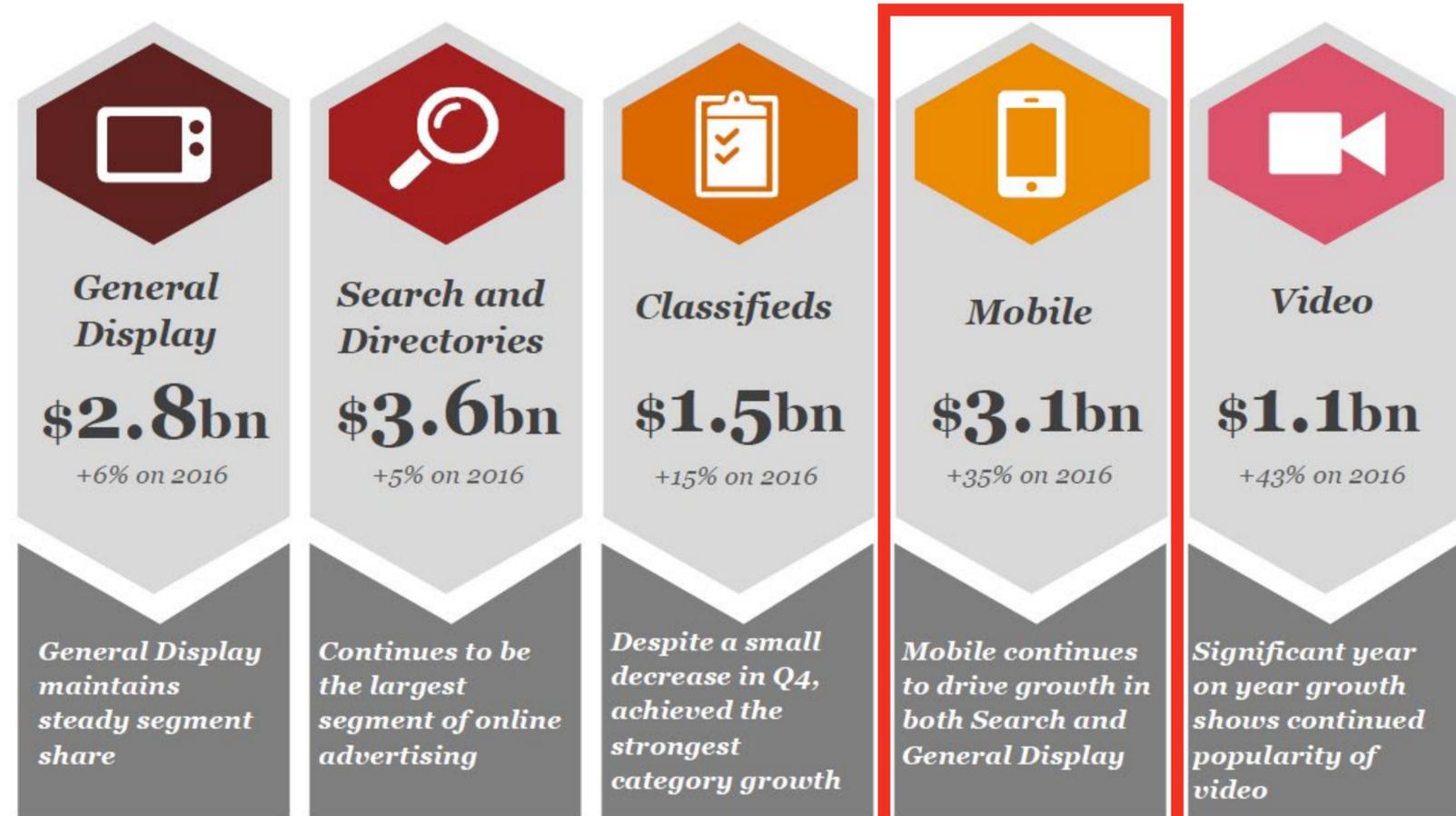


Total Online Advertising Market Growth
December Qtr CY17 vs December Qtr CY16



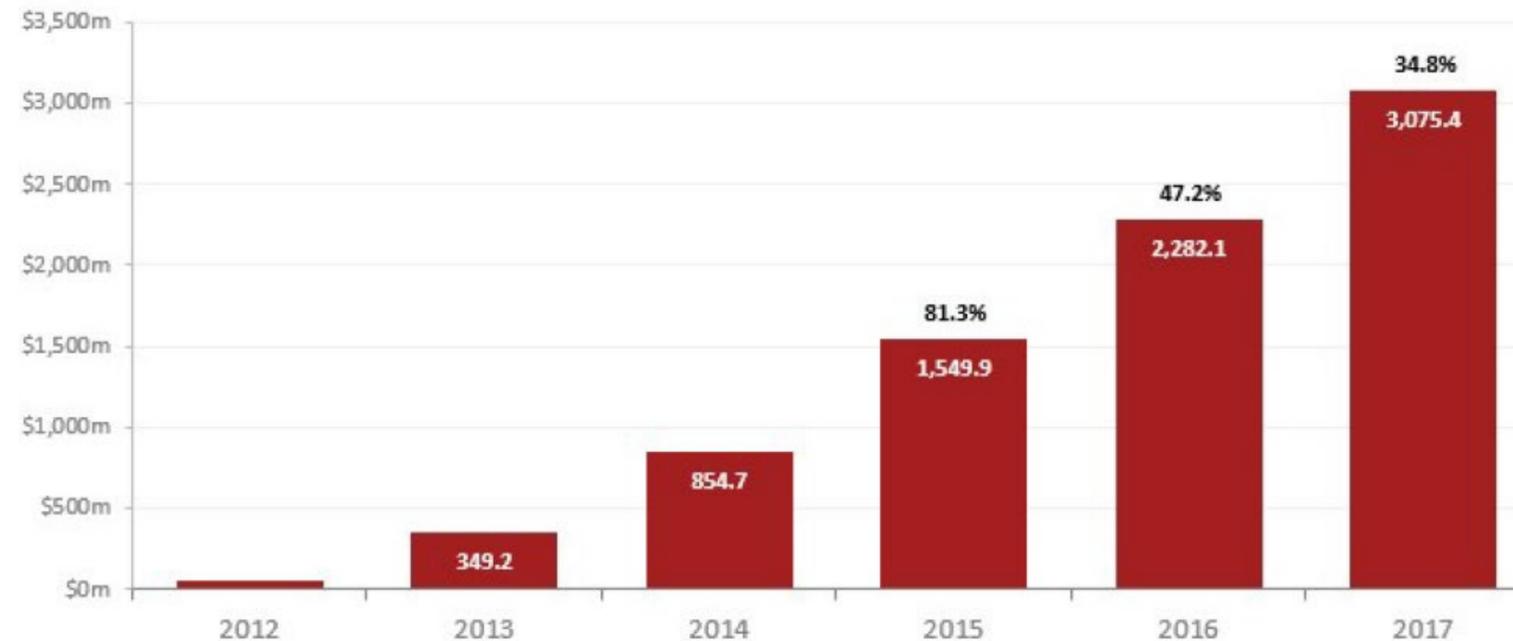
7.9 billion

Total Online Advertising Market, CY17



MOBILE REVENUE 50% DISPLAY / 50% SEARCH IN CY2017

Figure 4: Total mobile advertising expenditure, by calendar year

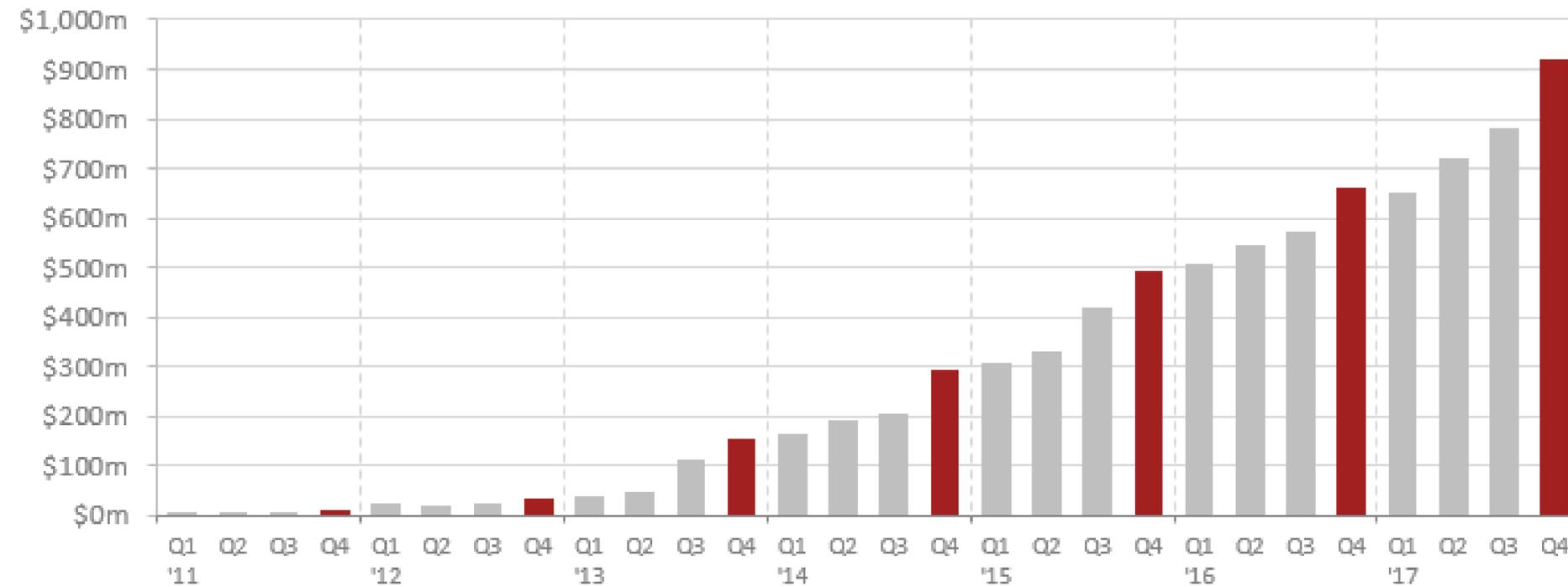


- Mobile display represented 54% of all display \$ in CY17
- Mobile ad revenue has almost doubled in the last 2 years

Note: Series breaks occurred between 2013 and 2014

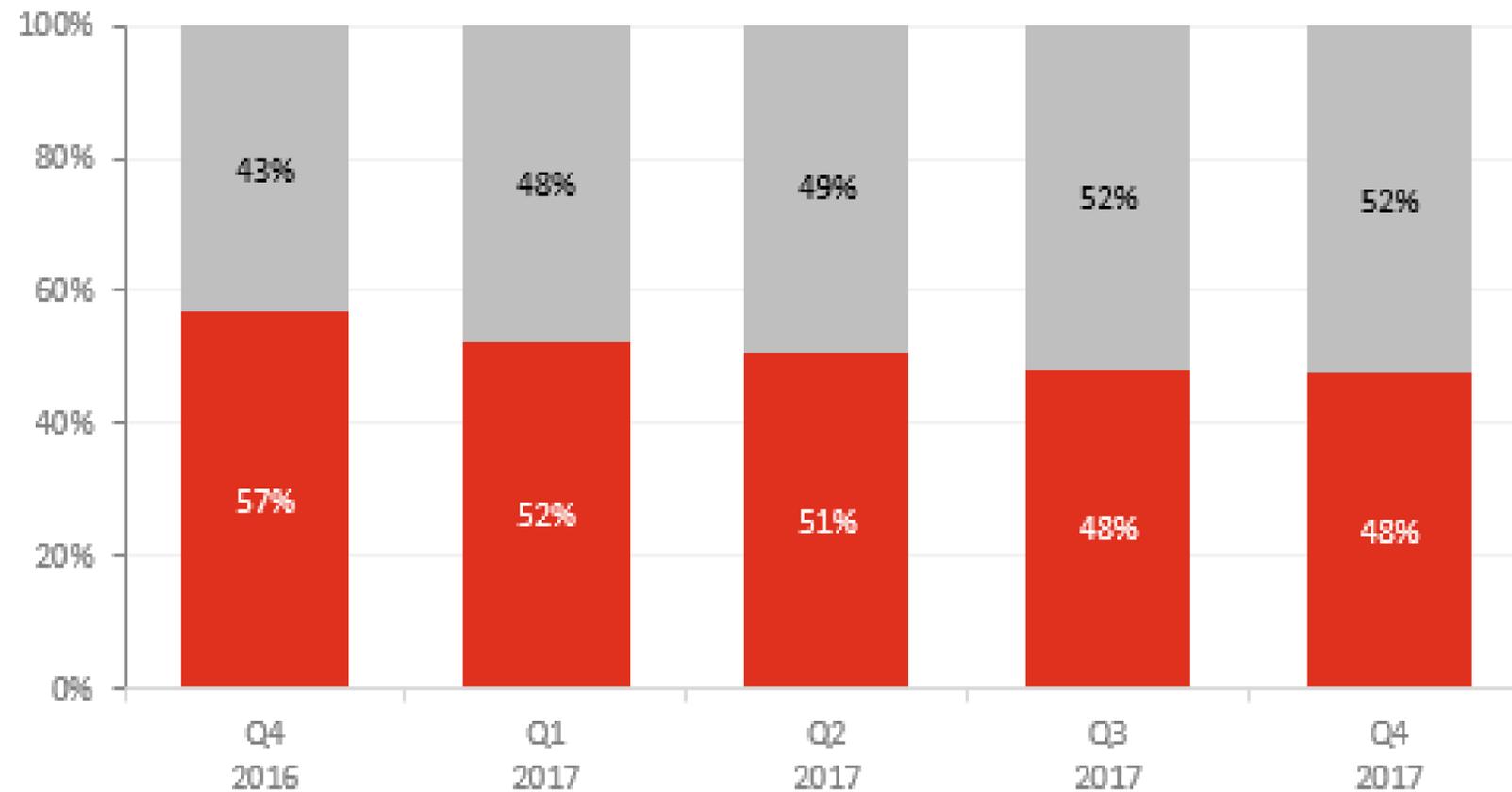
| Period | Mobile search (\$m) | Mobile display (\$m) | Total mobile advertising (\$m) | Mobile advertising growth year/year |
|--------|---------------------|----------------------|--------------------------------|-------------------------------------|
| 2017 | 1,554.3 | 1,521.1 | 3,075.4 | 34.8% |
| 2016 | 964.7 | 1,317.4 | 2,282.1 | 47.2% |
| 2015 | 700.1 | 849.9 | 1,549.9 | 81.3% |
| 2014 | 486.4 | 368.4 | 854.7 | * |
| 2013 | 194.3 | 154.9 | 349.2 | ** |

Q4 2017 STRONG QUARTER GROWTH



| Period | Mobile search (\$m) | Mobile display (\$m) | Total mobile advertising (\$m) | Mobile advertising growth | |
|-------------|---------------------|----------------------|--------------------------------|---------------------------|-------------|
| | | | | Qtr / Qtr | Year / Year |
| Dec Qtr 17 | 481.8 | 438.6 | 920.4 | 17.9% | 39.5% |
| Sept Qtr 17 | 406.0 | 374.5 | 780.5 | 8.2% | 36.8% |
| Jun Qtr 17 | 354.4 | 366.9 | 721.3 | 10.4% | 32.7% |
| Mar Qtr 17 | 312.1 | 341.1 | 653.2 | -1.1% | 28.7% |
| Dec Qtr 16 | 285.2 | 374.8 | 660.0 | 15.7% | 33.7% |
| Sept Qtr 16 | 235.3 | 335.4 | 570.7 | 5.0% | 36.2% |
| Jun Qtr 16 | 227.0 | 316.7 | 543.7 | 7.1% | 65.5% |
| Mar Qtr 16 | 217.2 | 290.5 | 507.7 | 2.8% | 64.6% |

SEARCH VS DISPLAY SEARCH SHARE STRONGER IN 2H



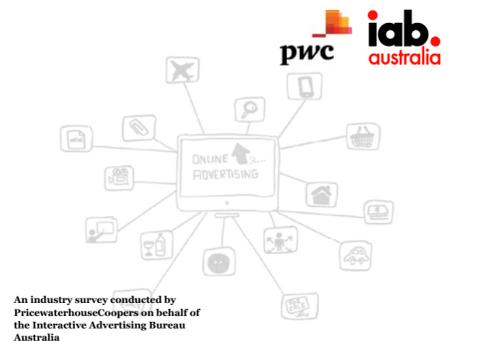
Mobile Search
\$481.8m

Mobile Display
\$438.6m

Full report and data available for download for IAB members

PricewaterhouseCoopers
IAB Online Advertising Expenditure Report

Quarter ended: 31 December 2017
Report released: 1 March 2018



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

DOWNLOAD HERE

ONE IN FIVE DOLLARS SPENT ON ADVERTISING IN AU ARE NOW SPENT ON MOBILE

\$7.9B Digital Ad Market

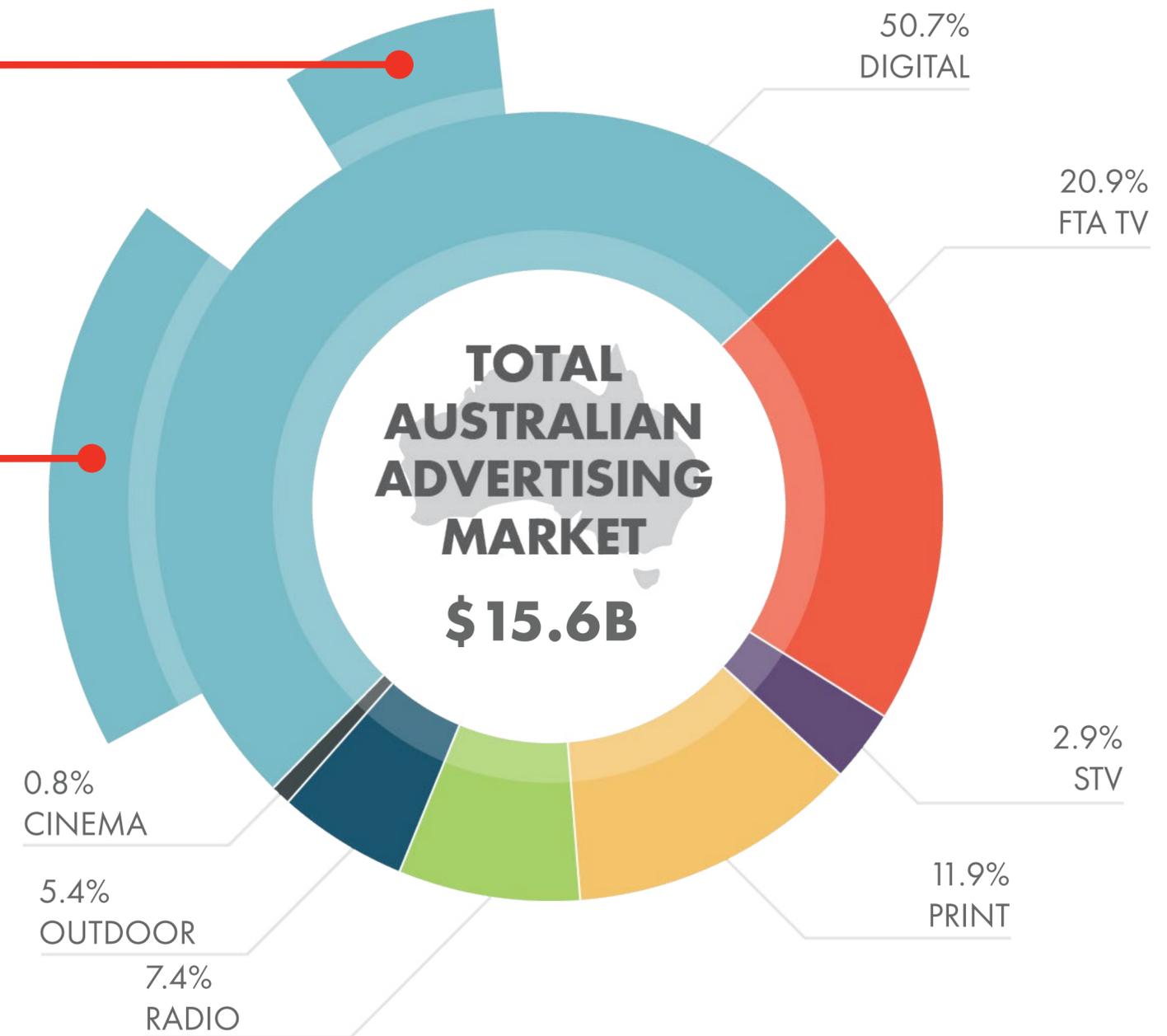
- 50.7% of Total paid Ad Market

Video

- Fastest Growing – 7% of total ad market – up 43% v CY16

Mobile

- 20% of total ad market
- Revenue up 35% vs CY16
- Mobile Search 9.9% of total ad market
- Mobile Display 9.7% of total ad market



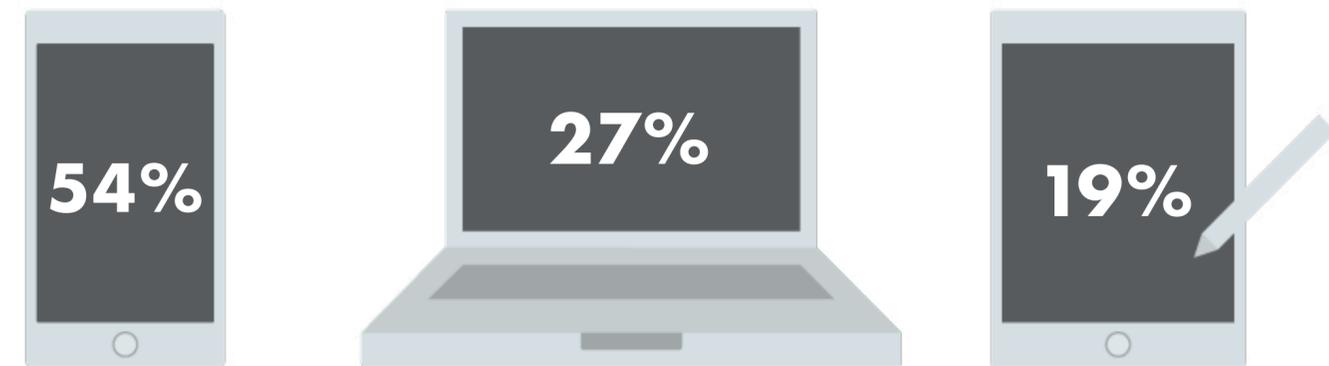
MOBILE ADVERTISING AUDIENCE TRENDS

54% OF DIGITAL DEVICE TIME IS SPENT ON A PHONE

Digital Audience Time Online Per Month

| Device | Time |
|------------|-----------|
| Total | 75hr57min |
| Desktop | 22hr54min |
| Smartphone | 55hr47min |
| Tablet | 35hr32min |

Device Share of Time



- **20.4m** Australians online in March 2018
- **19.1m** Australians online each day
- **15.5m** Australians online on their mobile daily
- **87%** Australians have a smartphone

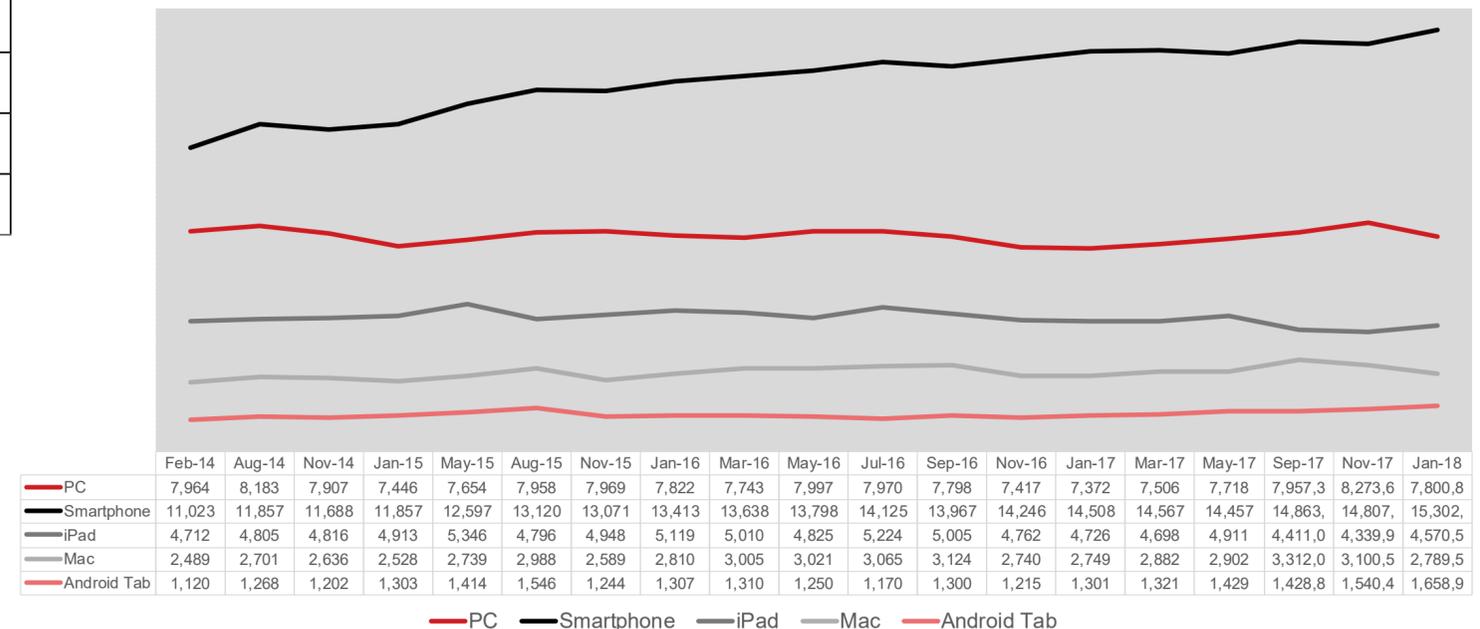
15.5M AUSTRALIANS USING THE INTERNET ON THEIR PHONE DAILY

| People +14 | ('000) | % |
|-------------------------------------|--------|-----|
| Smartphone ownership | 17,819 | 87% |
| iOS | 9,974 | 49% |
| Android | 7,400 | 36% |
| Other OS | 446 | 2% |
| Own more than 1 smartphone | 1,847 | 9% |
| Daily use of internet on smartphone | 15,503 | 75% |

| People +14 | ('000) | % |
|--------------------------|--------|-----|
| Tablet ownership | 11,925 | 58% |
| iPad | 8,185 | 40% |
| Android tablet | 3,740 | 18% |
| Use iPad daily | 4,571 | 22% |
| Use Android tablet daily | 1,659 | 8% |

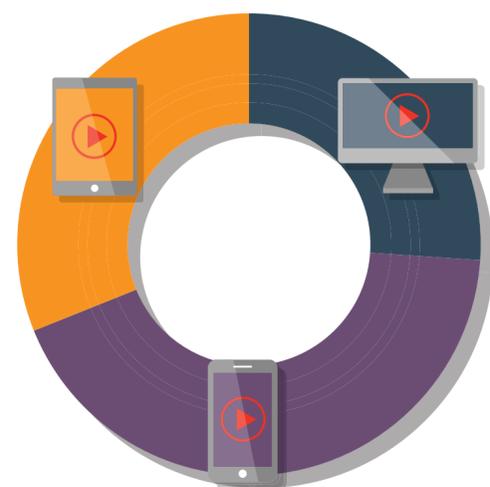
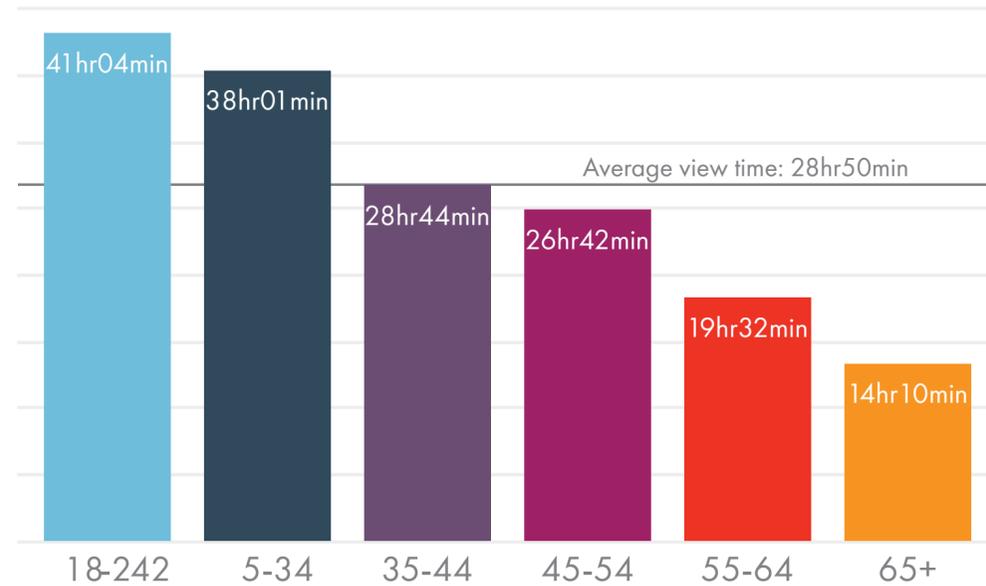
Daily Internet Usage by Device

- 3.5 million more Australians online daily on their smartphone than 3 years ago
- Nearly double the amount of people going online with a smartphone compared to a PC each day



43% OF DIGITAL VIDEO TIME IS SPENT ON A PHONE

Digital Video Time Per Person Per Month



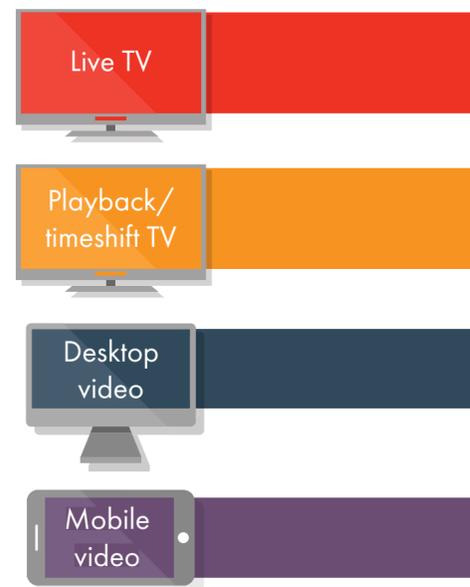
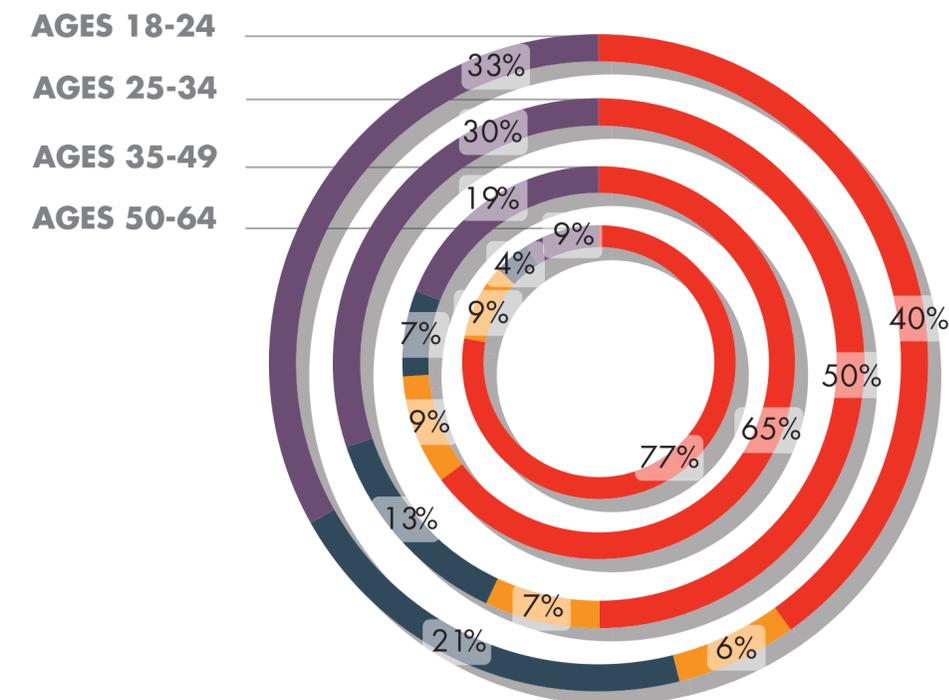
Share of Video Time

Desktop - 26%

Smartphone - 43%

Tablet - 31%

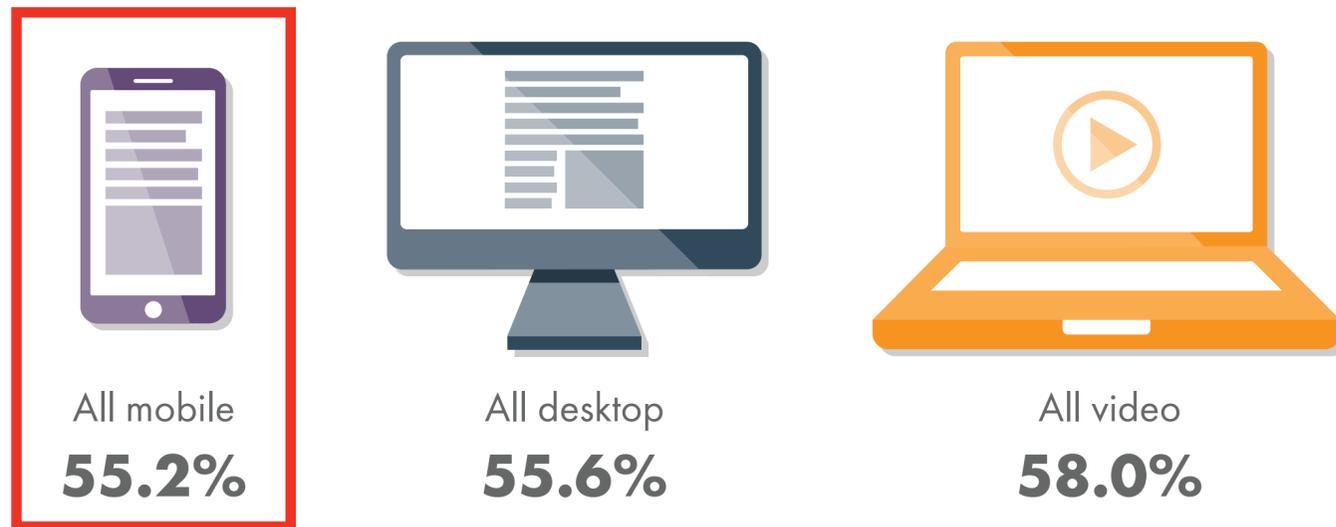
Share of All Video (Digital & TV) Time by Age



18-24 year olds spend 33% of video time (incl TV) on their smartphone

MOBILE INVENTORY QUALITY

Viewability Rates September 2017



| Platform | Apr-Sep 2016 | Apr-Sep 2017 |
|-------------|--------------|--------------|
| All desktop | 55.2% | 55.6% |
| All mobile | 54.3% | 55.2% |
| All video | n/a | 58.0% |

Ad Blocker Usage by Device



16% of online Australians have trialled and moved away from using ad blockers. Ad blocker usage in desktop devices up from 21% in April 2017, mobile up from 5% in April 2017.

Valid Human Traffic by Device



MORE RESOURCES FROM IAB AUSTRALIA

LATEST WHITEPAPER ON VIDEO

[Creativity in Video Whitepaper](#)
– April 2018



IAB Australia's Video Council worked on the Creativity in Video Whitepaper to help simplify the creative process for video, showcase best practise and appreciate video as a platform that behaves differently dependent on device.

LATEST PODCAST ON VIDEO

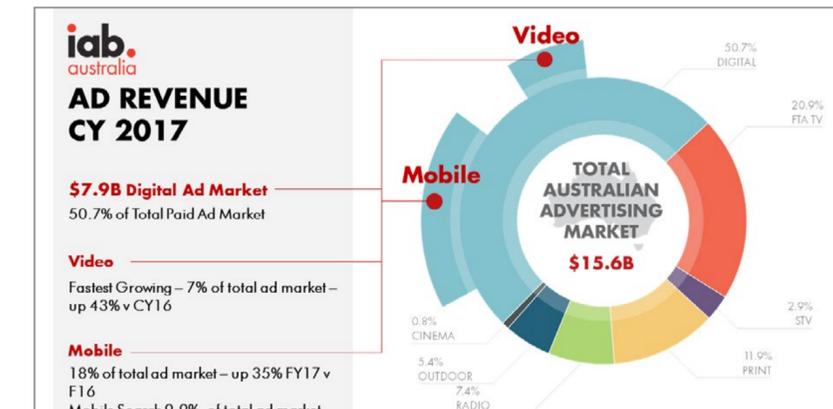
[Video Going Over The Top – with Mike Shehan of SpotX](#)



What's going on with OTT ecosystem and how is that playing into traditional broadcast with the satellite and cable operators? Mike Shehan talks about helping media owners make the most of their video inventory and the future of broadcasting.

LATEST INFOGRAPHIC ON AD REVENUE

[Total Australian Advertising Market – CY2017](#)



The Australian digital advertising market continues to grow in CY2017, reaching \$7.9 billion or 50.7% of the total paid ad market. Mobile and video grew substantially, with a combined share of 25% - more than any non-digital advertising segment.

Stay up-to-date with [IAB Australia](#) and the work we do to simplify and inspire the digital advertising industry by following us on [LinkedIn](#), [Twitter](#) and [Facebook](#), and [subscribing to our monthly newsletter](#).



The logo for iab. australia features the lowercase letters 'iab.' in white, with a red dot above the 'i' and another red dot to the right of the period. Below this, the word 'australia' is written in a red, lowercase, sans-serif font. The entire logo is centered within a circular graphic consisting of several concentric white circles on a blue background.

iab.
australia

www.iabastralia.com.au