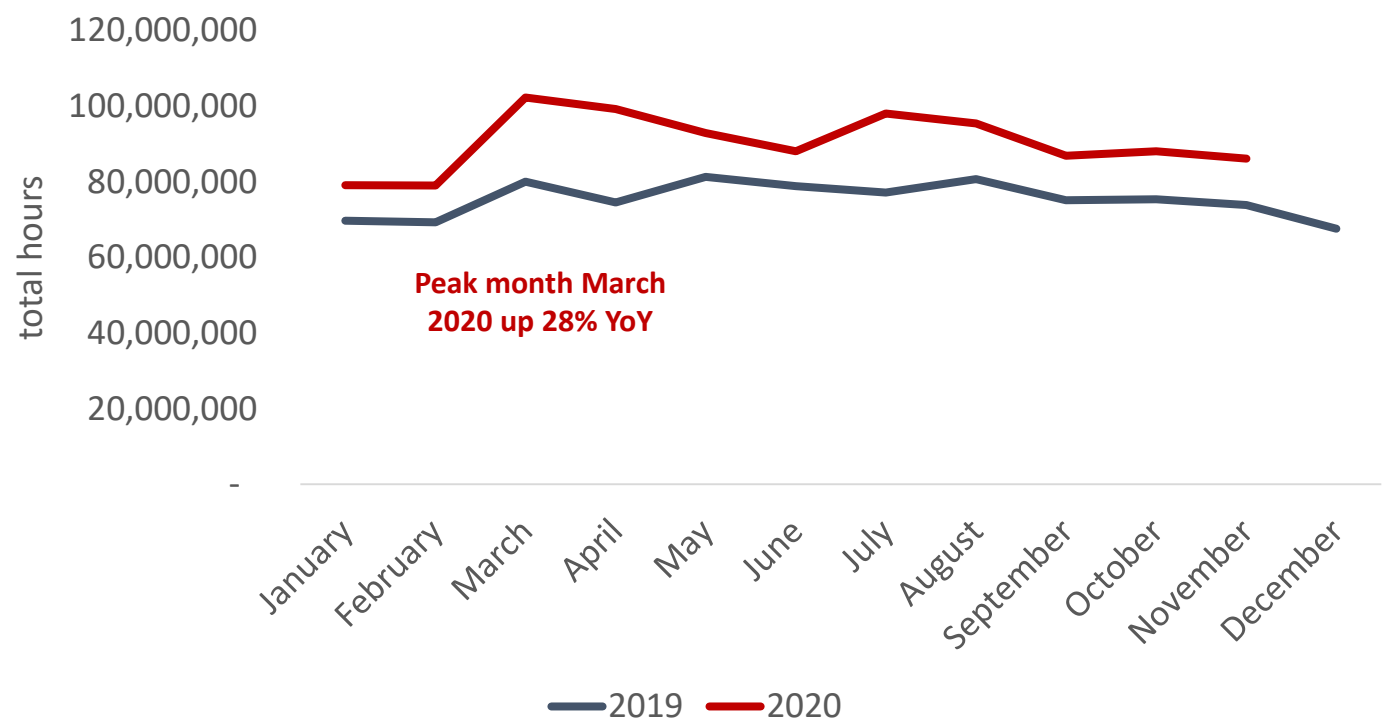December 2020

NICKABLE SLIDES

It's been a boom year for digital content consumption
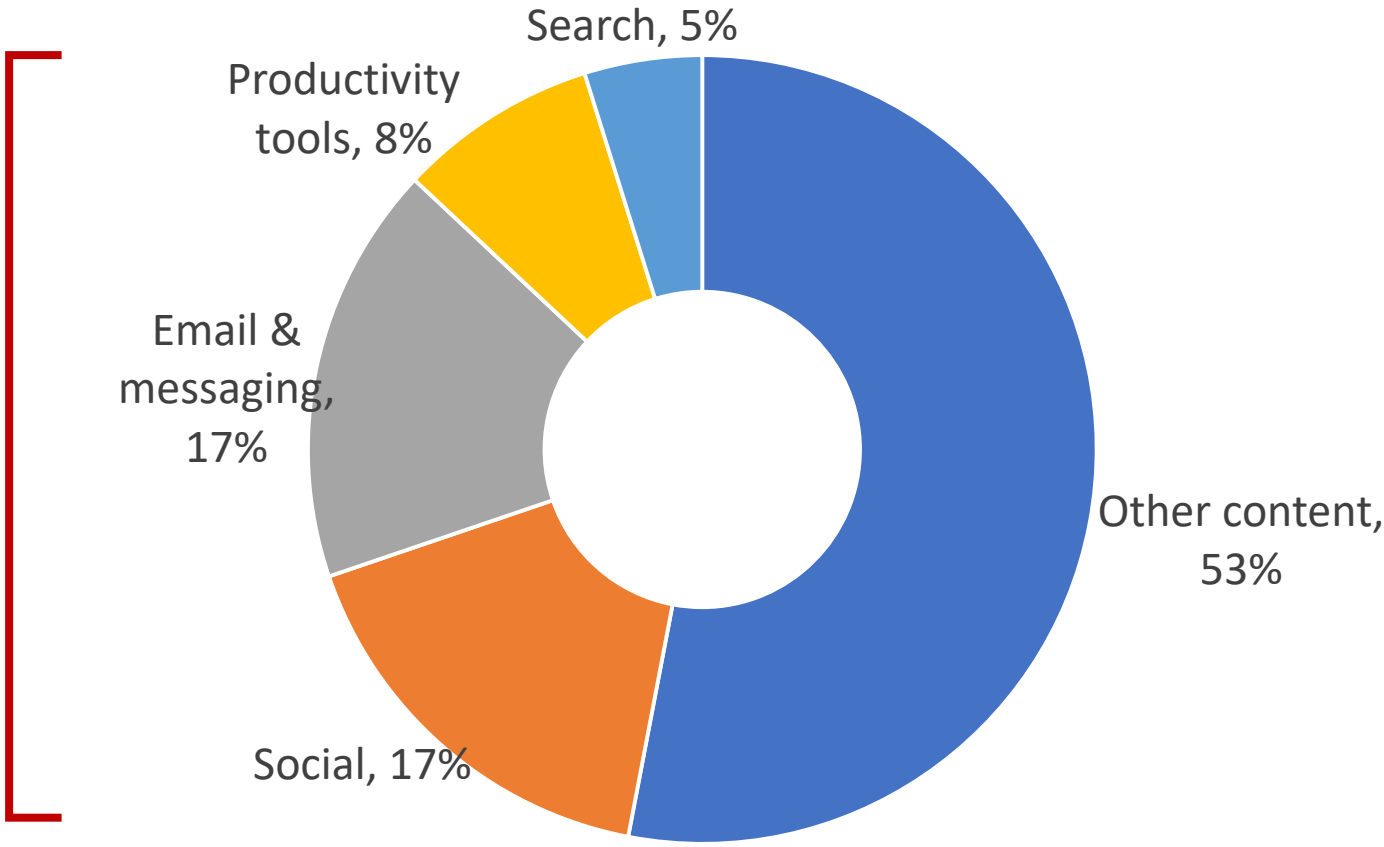

TOTAL TIME FOR TOTAL AUDIENCE OF
TOP 150 TAGGED DIGITAL CONTENT BRANDS

Peak month March 2020 up 28% YoY

2019   2020

Total time spent on top 150 digital content brands up 19% YoY to date.

53% of online time is spent consuming content and 47% using internet tools
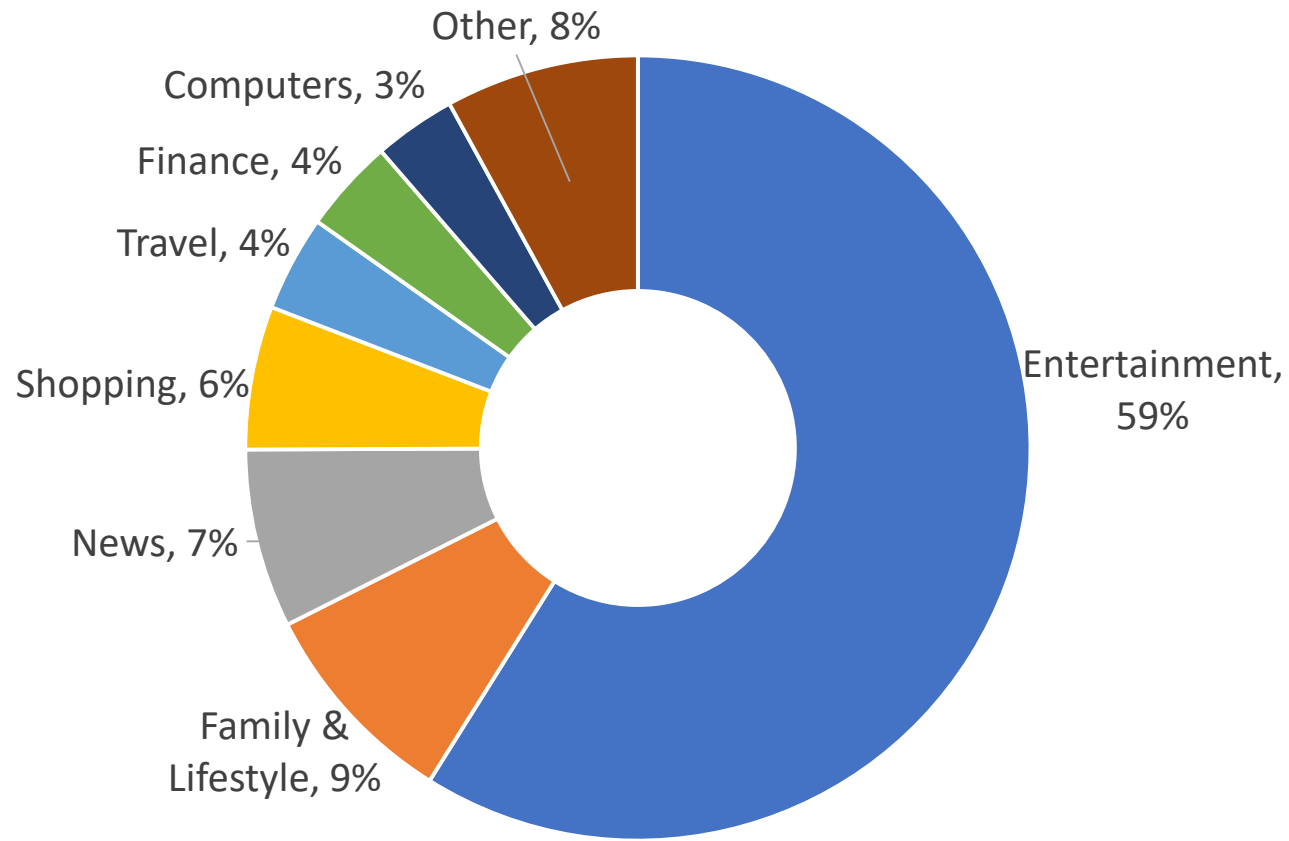

SHARE OF INTERNET TIME BY ACTIVITY

GROWTH IN TIME SPENT USING INTERNET TOOLS:
- Email
- Instant Messaging

Search, 5%
Productivity tools, 8%
Email & messaging, 17%
Other content, 53%
Social, 17%

59% of online time spent consuming content is spent on entertainment

SHARE OF ONLINE CONTENT TIME SPENT
(BREAKDOWN OF 53% OF TOTAL ONLINE TIME SPENT ON CONTENT)

Other, 8%

Computers, 3%

Finance, 4%

Travel, 4%

Shopping, 6%

News, 7%

Family & Lifestyle, 9%

Entertainment, 59%

GROWTH IN TIME SPENT CONSUMING CONTENT:
- News
- Financial news, insurance, online trading
- Health, Fitness, Nutrition
- Music
- Major retailers
- Food & cooking
- Home and garden
- Educational resources
- Kids, games, toys
- Pets and animal care

Australians continue to access online content daily across multiple screens
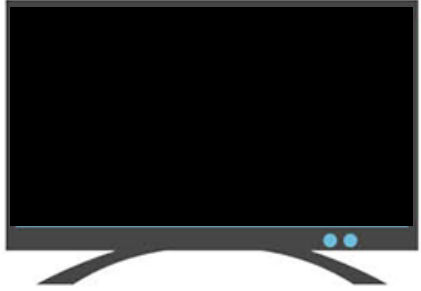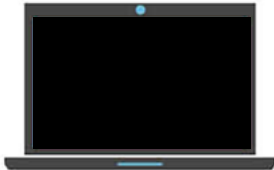
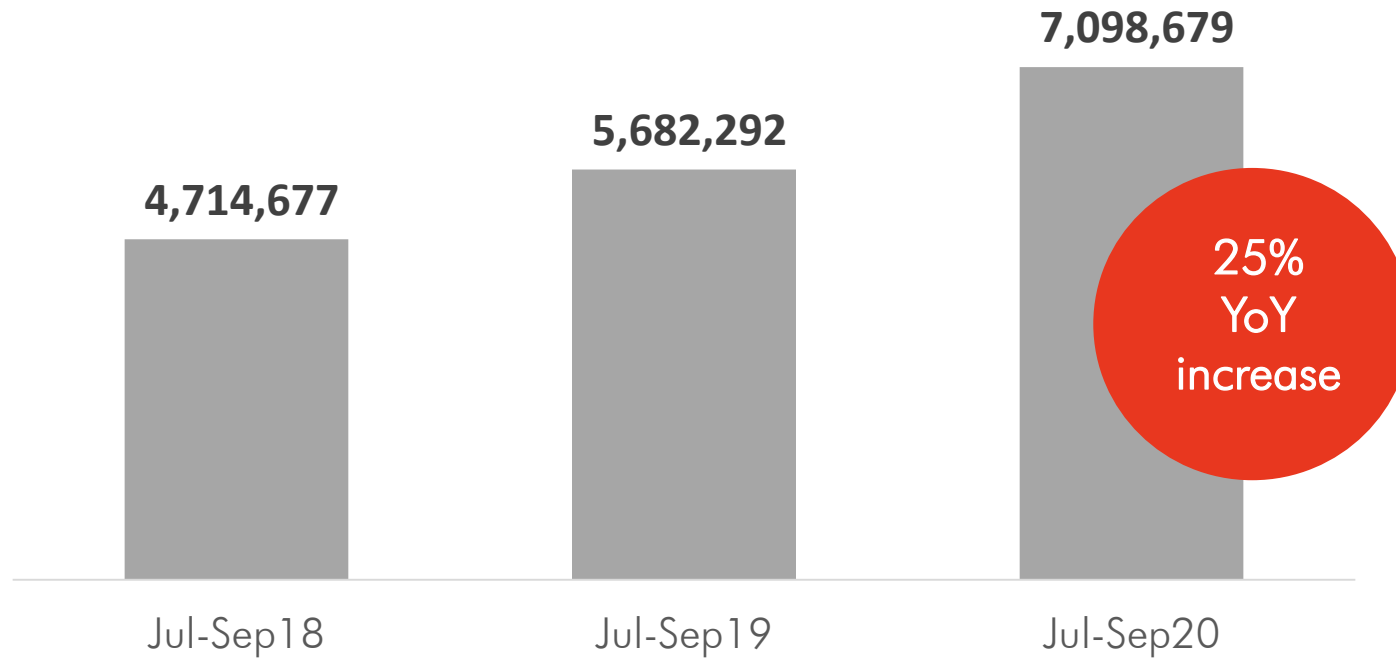| MOBILE	DESKTOP	CONNECTED TV	TABLET
17.0 million	8.6 million PC 3.0 million MAC	7.1 million	4.3 million iPad 1.4 million Android

Average 6.7 video capable screens per household

Audience for Connected TV is growing strongly

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VIEW INTERNET CONTENT ON A
CONNECTED TV DAILY

4,714,677

5,682,292

7,098,679

25%
YoY
increase

10.6 million
Australians have
ever viewed
Internet content on
a TV screen,
7 million daily.

Jul-Sep18   Jul-Sep19   Jul-Sep20

Smart speaker ownership is emerging, with 19% of Australians owning this device

% WITH A SMART SPEAKER AT HOME

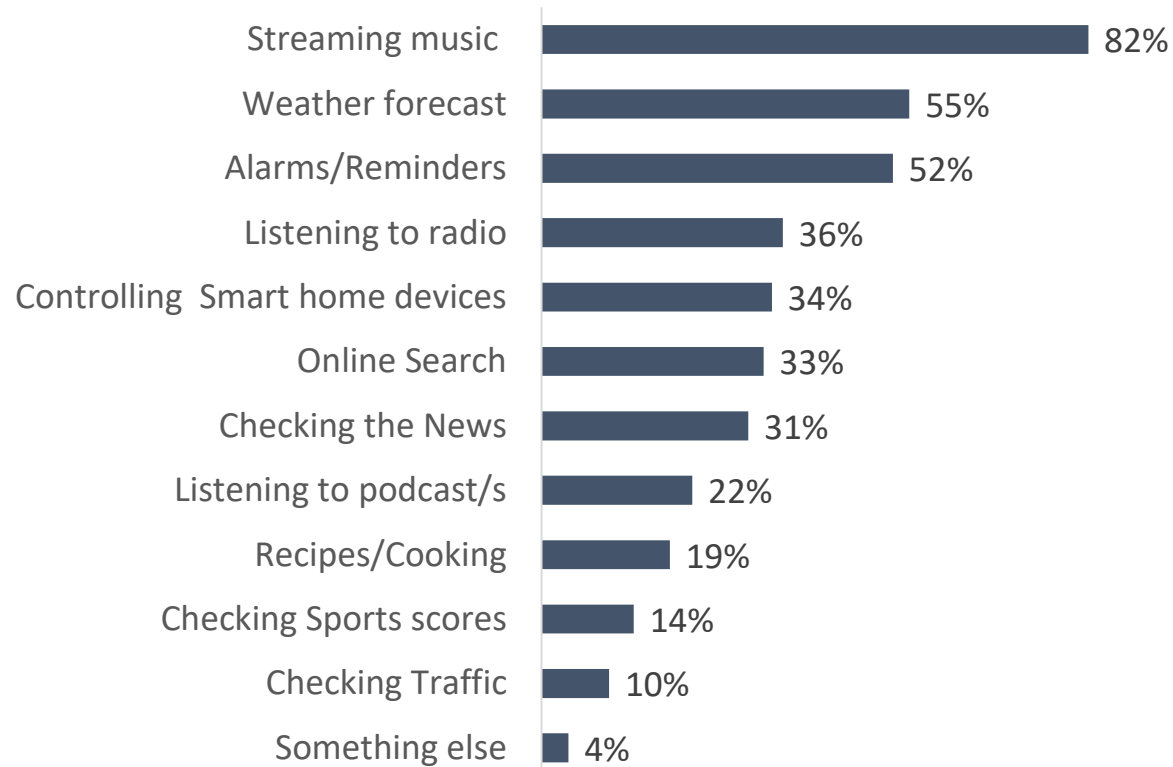| 14+	14-17	18-24	25-34	35-44	45-54	55-64	65+
19%	23%	22%	21%	24%	21%	17%	9%
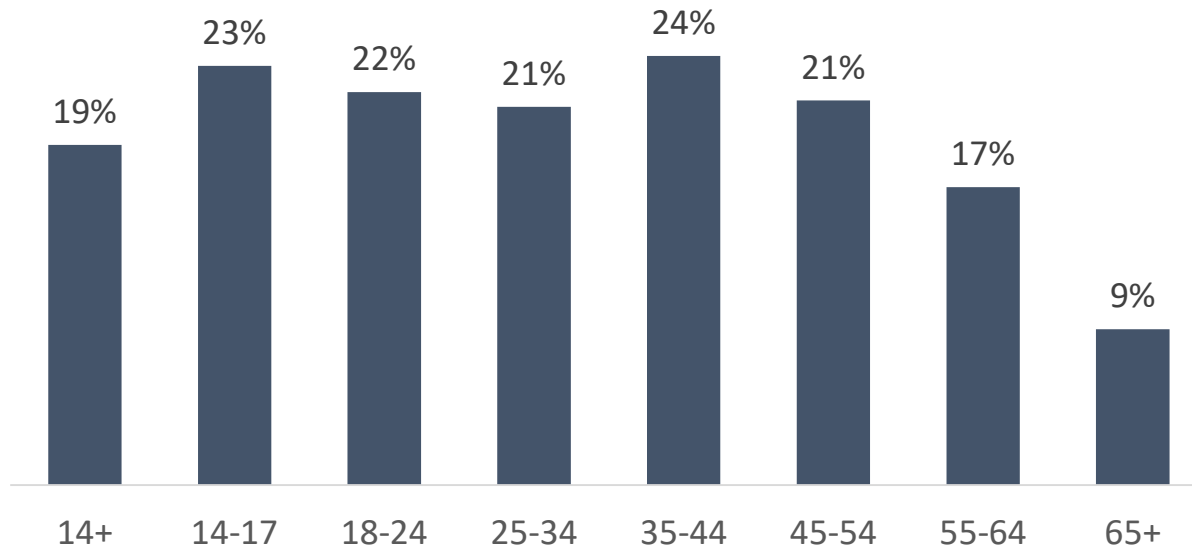
4 million Australians own a Smart Speaker. Of these, 32% use it daily and 58% at least weekly.

Usage of Smart Speaker is growing

USES OF SMART SPEAKER
(AMONGST THOSE USED A SMART SPEAKER IN LAST MONTH)

| Use	%
Streaming music	82%
Weather forecast	55%
Alarms/Reminders	52%
Listening to radio	36%
Controlling Smart home devices	34%
Online Search	33%
Checking the News	31%
Listening to podcast/s	22%
Recipes/Cooking	19%
Checking Sports scores	14%
Checking Traffic	10%
Something else	4%

2.7 million Australians used Smart speaker in last month, **38% growth in usage** year on year.

Increased usage driven by –
Listening to podcasts +71%
Controlling devices +61%
Listening to radio +52%
Streaming music +46%

# Digital news content engagement heightened this year from bushfires to COVID-19 to US politics

TOTAL TIME SPENT FOR TOTAL AUDIENCE IN NEWS CATEGORY (TAGGED CONTENT)

Peak month March 2020 up 77% YoY
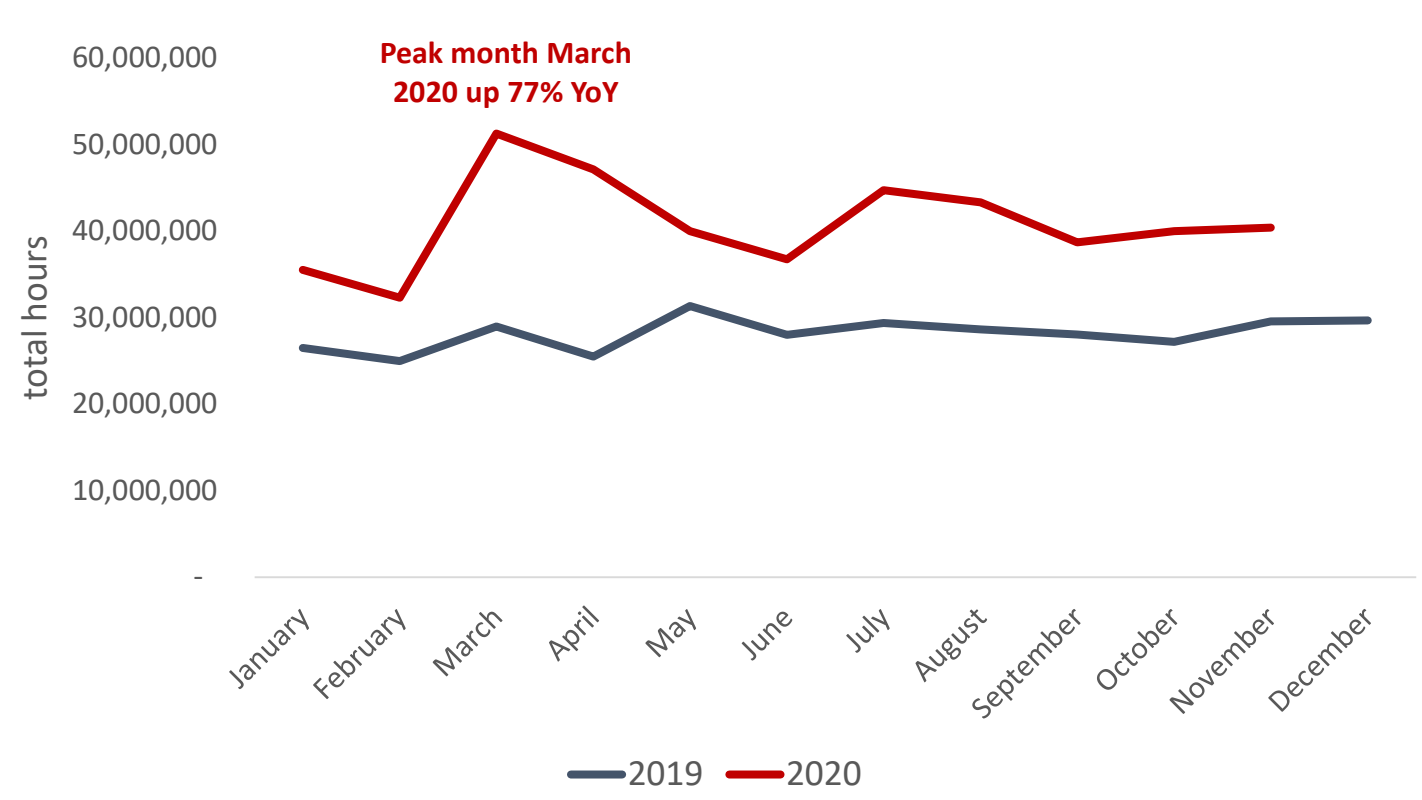
Total time spent on digital news content up 46% YoY to date.

— 2019 — 2020

Consumers sought financial information and kept a close eye on the share market

TOTAL TIME SPENT FOR TOTAL AUDIENCE IN FINANCE AND BUSINESS NEWS CATEGORY (TAGGED CONTENT)

Peak month March 2020 up 69% YoY

— 2019 — 2020
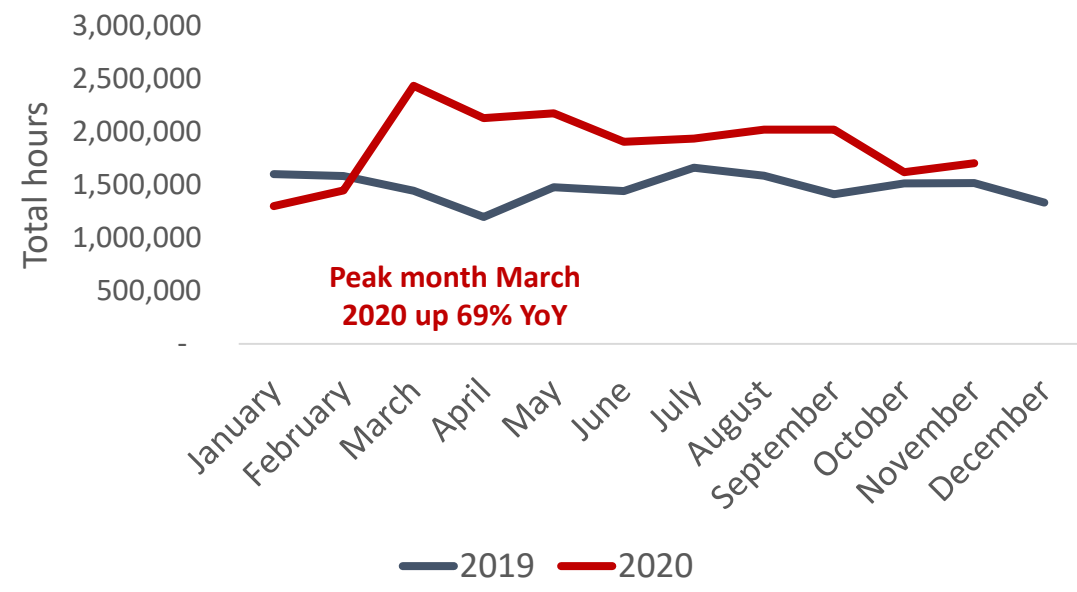
TOTAL TIME SPENT FOR TOTAL AUDIENCE IN ONLINE TRADING CATEGORY

Peak month June 2020 up 29% YoY

— 2019 — 2020
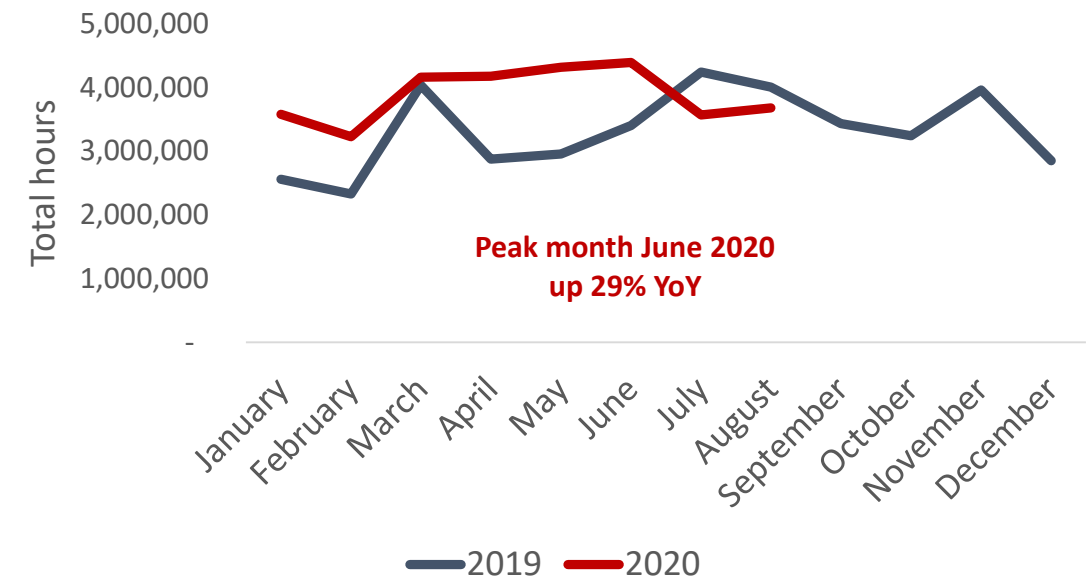
Interest in real estate rebounded in May, with October seasonal peak up 30% on last year

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TOTAL TIME SPENT FOR TOTAL AUDIENCE IN REAL ESTATE CATEGORY (TAGGED CONTENT)

Peak month October 2020 up 30% YoY

total hours

14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-

January February March April May June July August September October November December
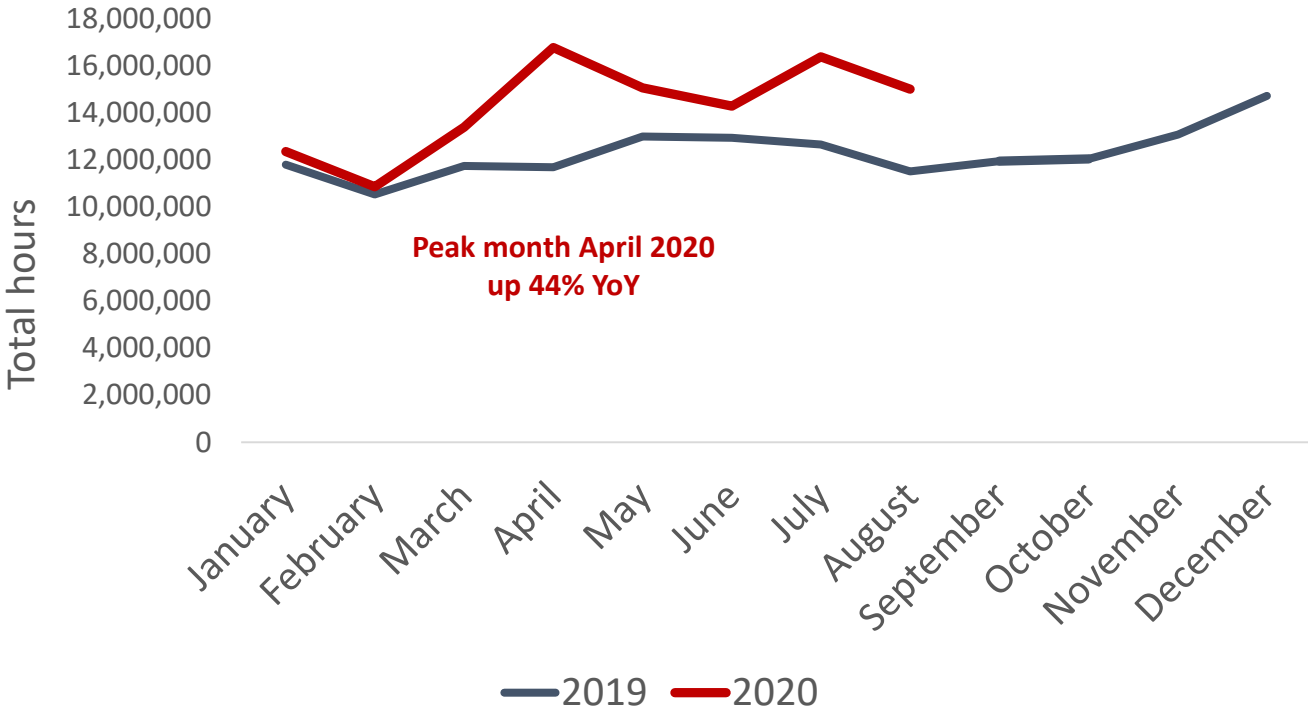
—— 2019 —— 2020
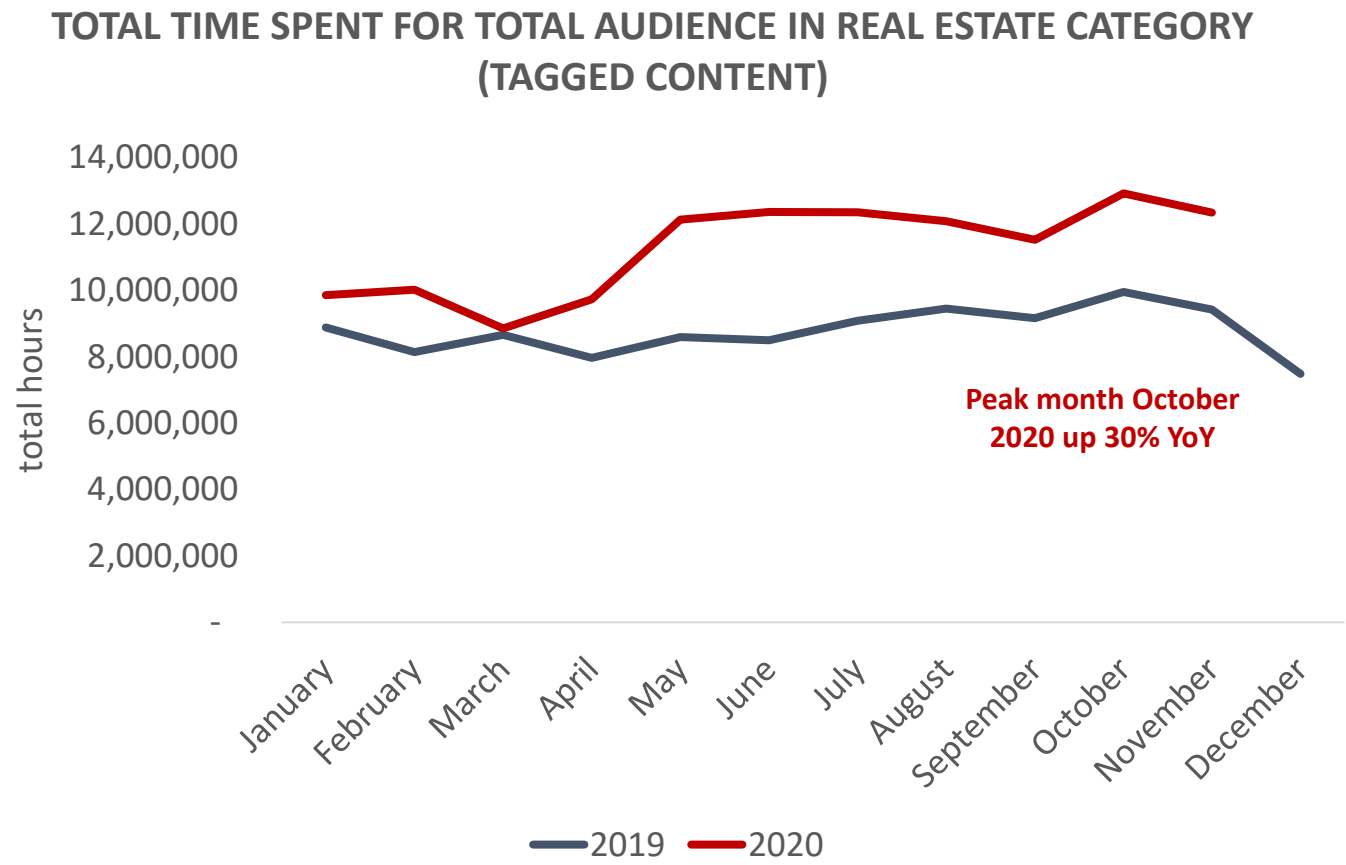
Total time spent on digital real estate up 27% YoY to date.

Behavioral shift from COVID-19 lockdown driving up time spent with major retailers online
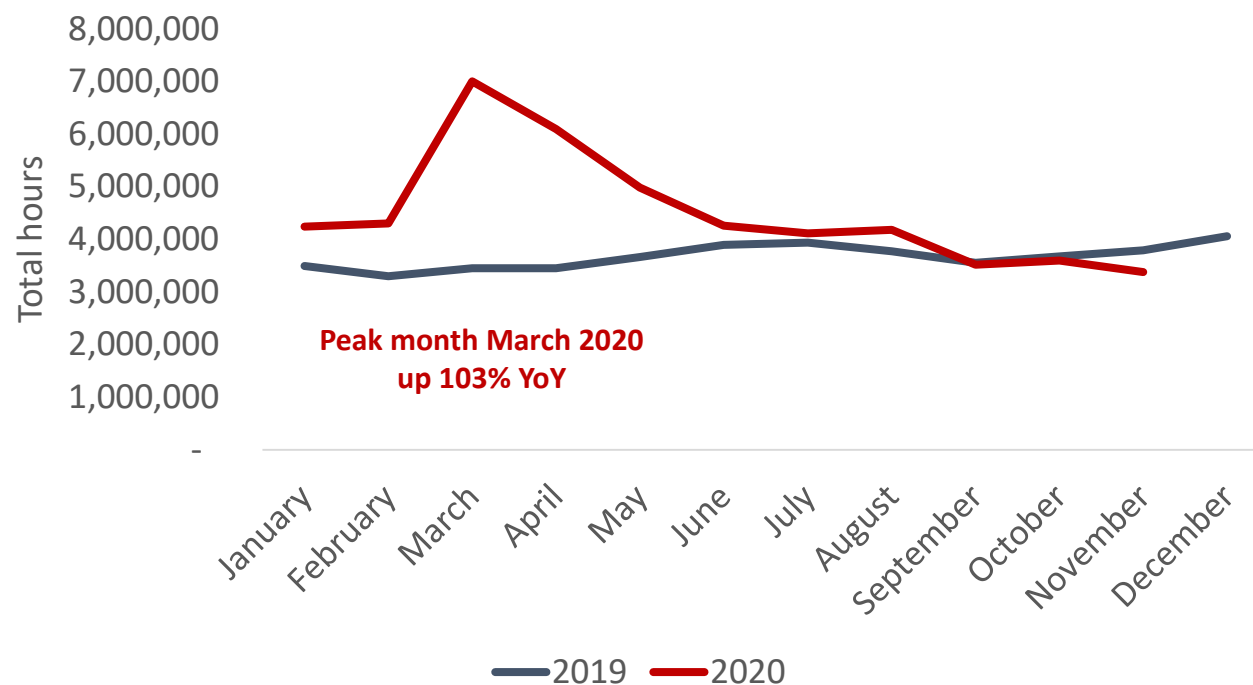
Total time spent on major retail sites and apps up 19% year on year to date.

TOTAL TIME SPENT FOR TOTAL AUDIENCE IN MAJOR RETAILERS CATEGORY

Peak month April 2020 up 44% YoY

— 2019 — 2020

Lift in consumption of lifestyle, food, home, health and family content during COVID-19 lockdown

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TOTAL TIME SPENT FOR TOTAL AUDIENCE IN LIFESTYLE CATEGORY (TAGGED CONTENT)

Total hours

8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-

January February March April May June July August September October November December

Peak month March 2020 up 103% YoY
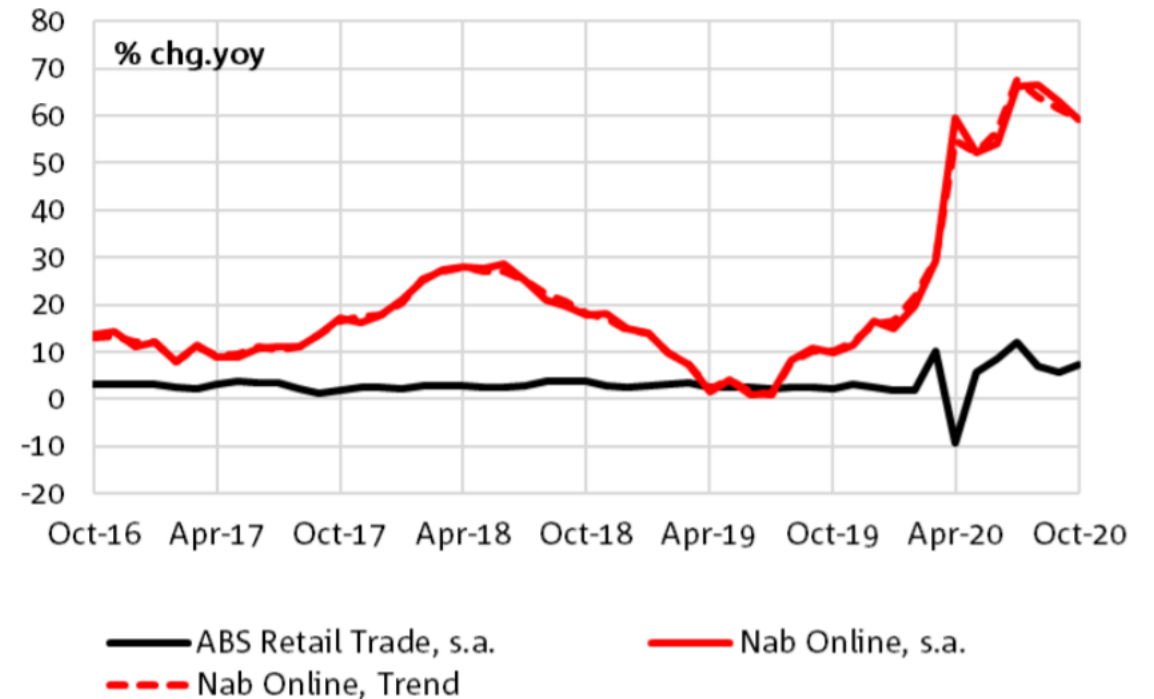
— 2019 — 2020

Total time spent on digital lifestyle content up 24% YoY to date.

41% growth in online retail sales year-on-year for the 12 months to October 2020

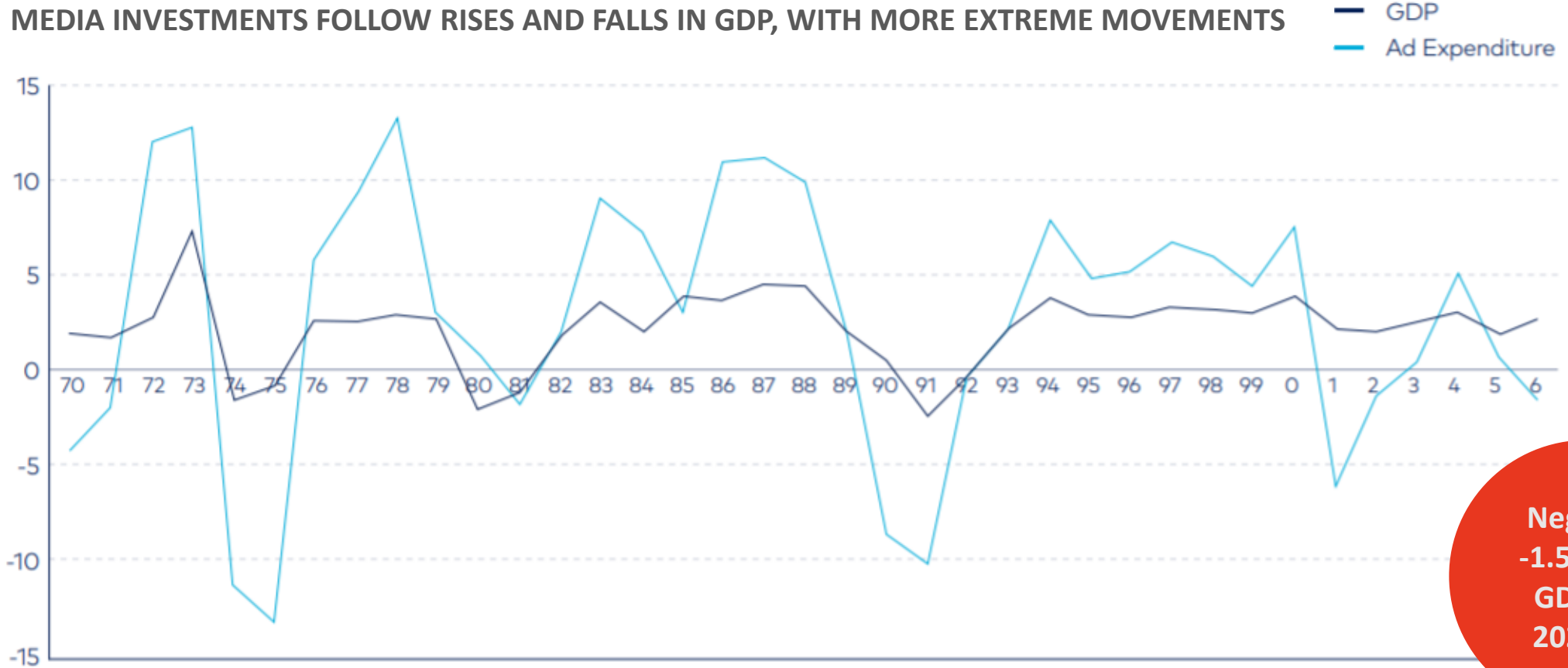## NAB ONLINE RETAIL SALES AND ABS RETAIL SALES

Peak month August 2020 up 67% YoY

Australians spent $42.2 billion on online retail in the 12 months to October 2020, around 12.3% of the total retail trade estimate.

Fortunes of the ad market are linked to GDP

MEDIA INVESTMENTS FOLLOW RISES AND FALLS IN GDP, WITH MORE EXTREME MOVEMENTS

— GDP
— Ad Expenditure

Negative -1.5% real GDP for 2020-21

Consumers are gaining confidence about their future financial outlook

Consumer confidence is gaining after collapse in mid-March.
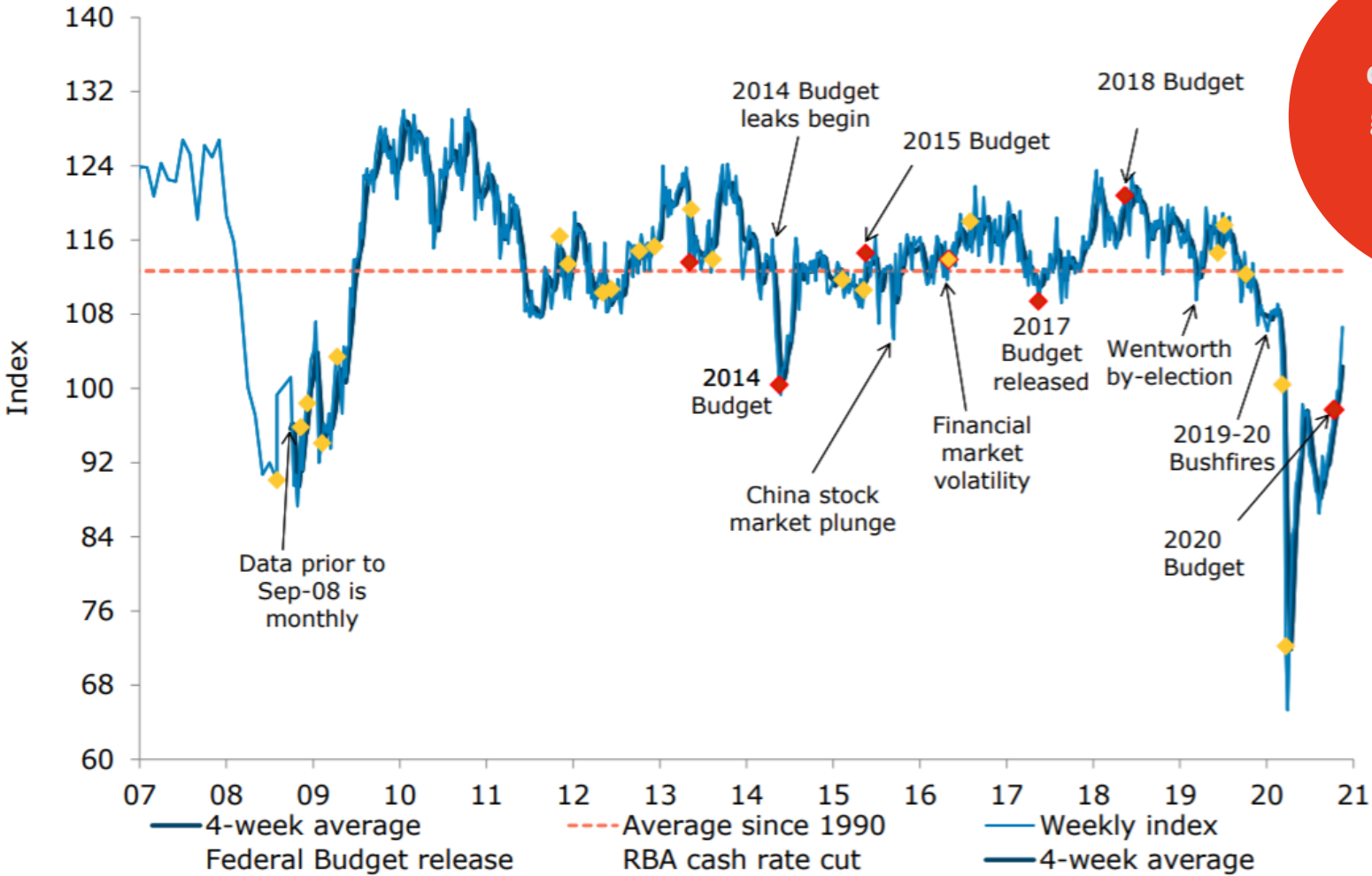
Source: ANZ-Roy Morgan, ANZ Research

Australian consumer sentiment is fairing better than other countries

IPSOS ESSENTIALS TRACKING - I FEEL LIKE THINGS IN MY COUNTRY ARE OUT OF CONTROL RIGHT NOW (TOP 2 BOX AGREEMENT)

Legend: ■ Jul 17 – Jul 19   ■ Oct 8 – Oct 13
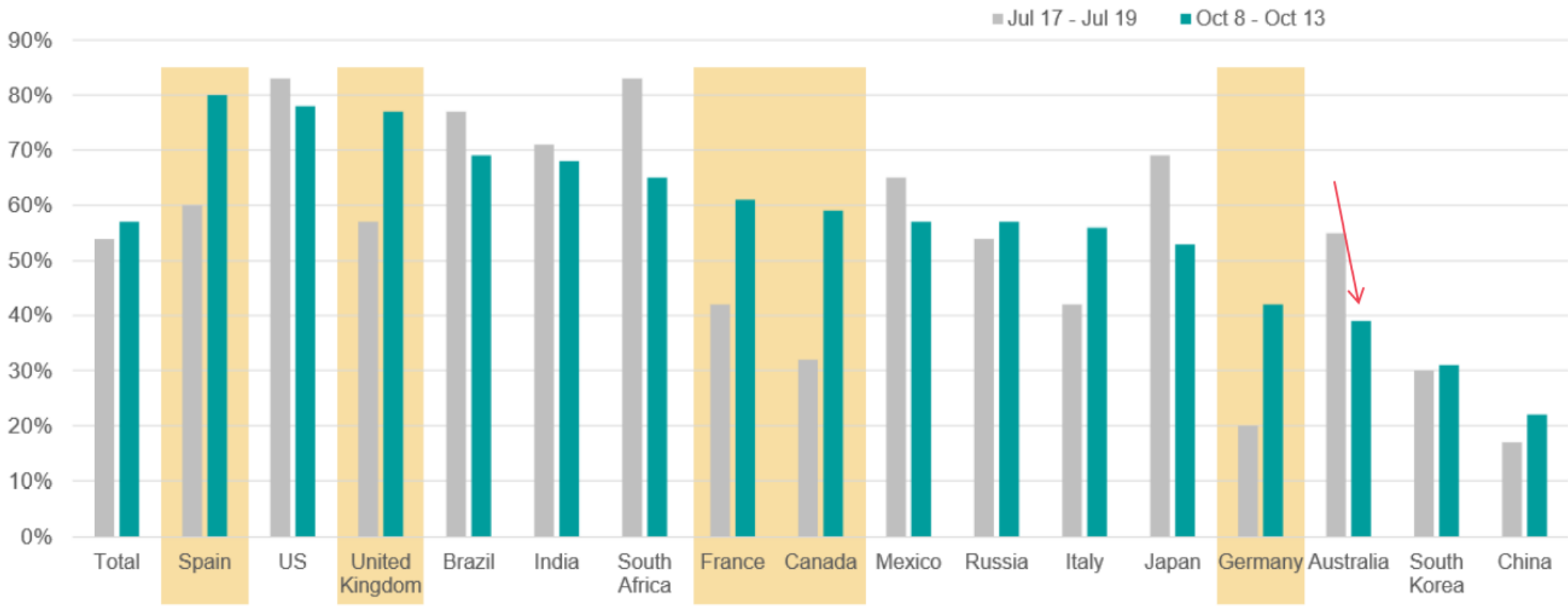
We need to resolve the tension between the support for economic recovery and personal anxiety

IPSOS ESSENTIALS TRACKING - CONSUMER ANXIETY V RESTARTING THE ECONOMY (TOP 2 BOX AGREEMENT)

Thinking about resuming normal activities after the pandemic makes me **feel very anxious**
We should **restart the economy** and allow businesses to open or operate as they choose
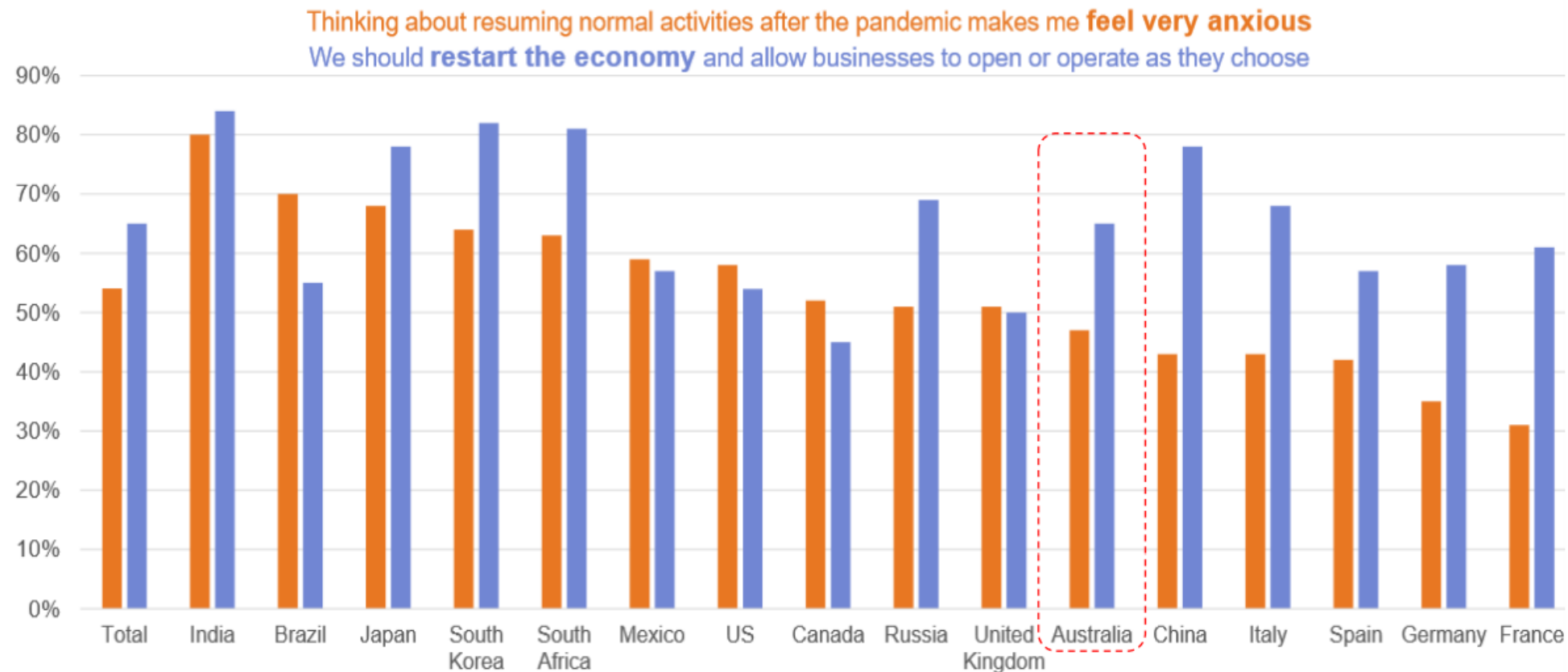
Investment in digital advertising is bouncing back, up 11% in September quarter on previous quarter

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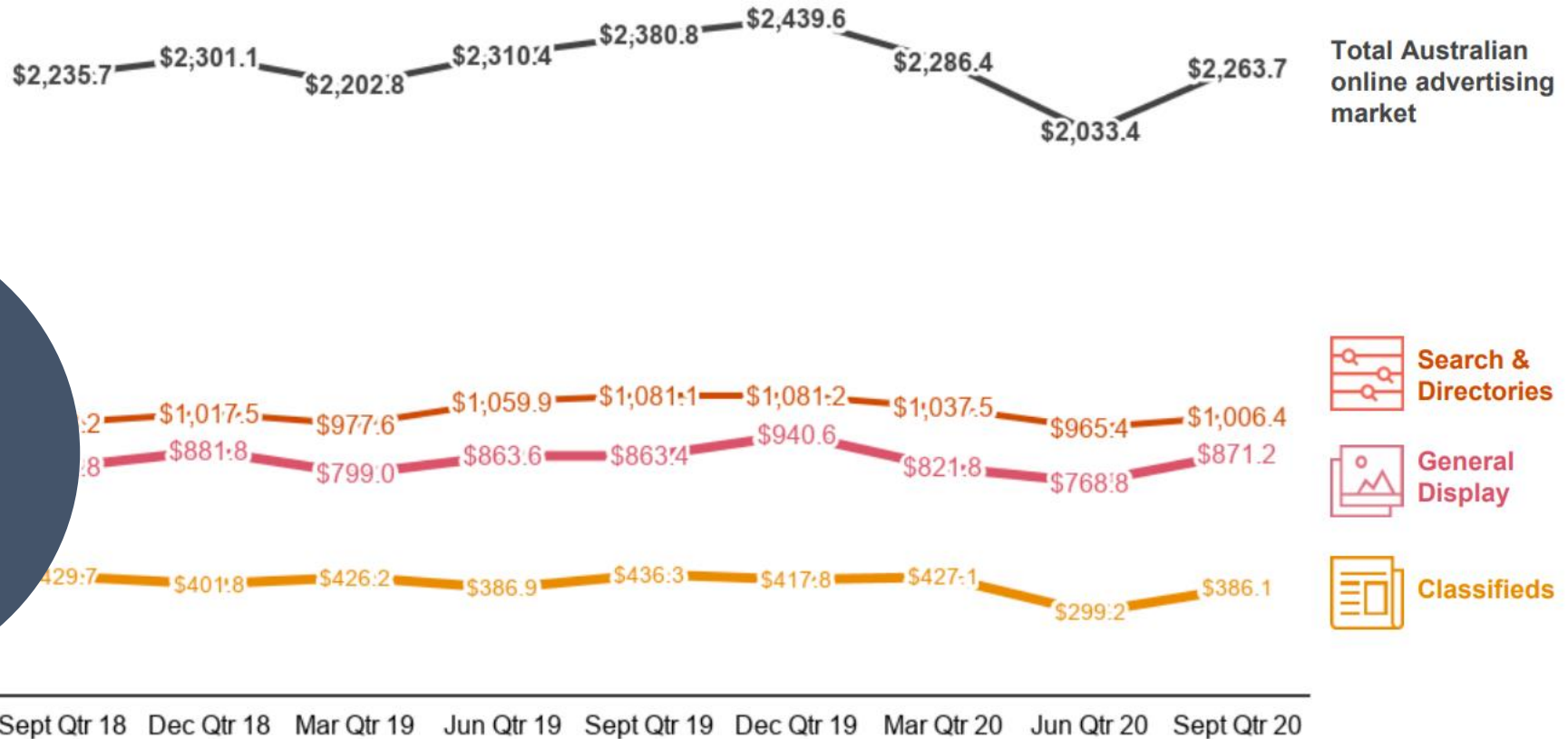**TOTAL ONLINE ADVERTISING EXPENDITURE BY QUARTER ($ MILLION)**

Total Australian online advertising market:
$2,235.7 — $2,301.1 — $2,202.8 — $2,310.4 — $2,380.8 — $2,439.6 — $2,286.4 — $2,033.4 — $2,263.7

FY20 online advertising market $9.1 billion, up 1% year on year

Search & Directories: $1,017.5 — $977.6 — $1,059.9 — $1,081.1 — $1,081.2 — $1,037.5 — $965.4 — $1,006.4

General Display: $881.8 — $799.0 — $863.6 — $863.4 — $940.6 — $821.8 — $768.8 — $871.2

Classifieds: $429.7 — $401.8 — $426.2 — $386.9 — $436.3 — $417.8 — $427.1 — $299.2 — $386.1

Sept Qtr 18 | Dec Qtr 18 | Mar Qtr 19 | Jun Qtr 19 | Sept Qtr 19 | Dec Qtr 19 | Mar Qtr 20 | Jun Qtr 20 | Sept Qtr 20

Video Now Attracts More than Half of General Display Revenue

GENERAL ONLINE ADVERTISING EXPENDITURE SEPTEMBER QUARTER ($ MILLION)
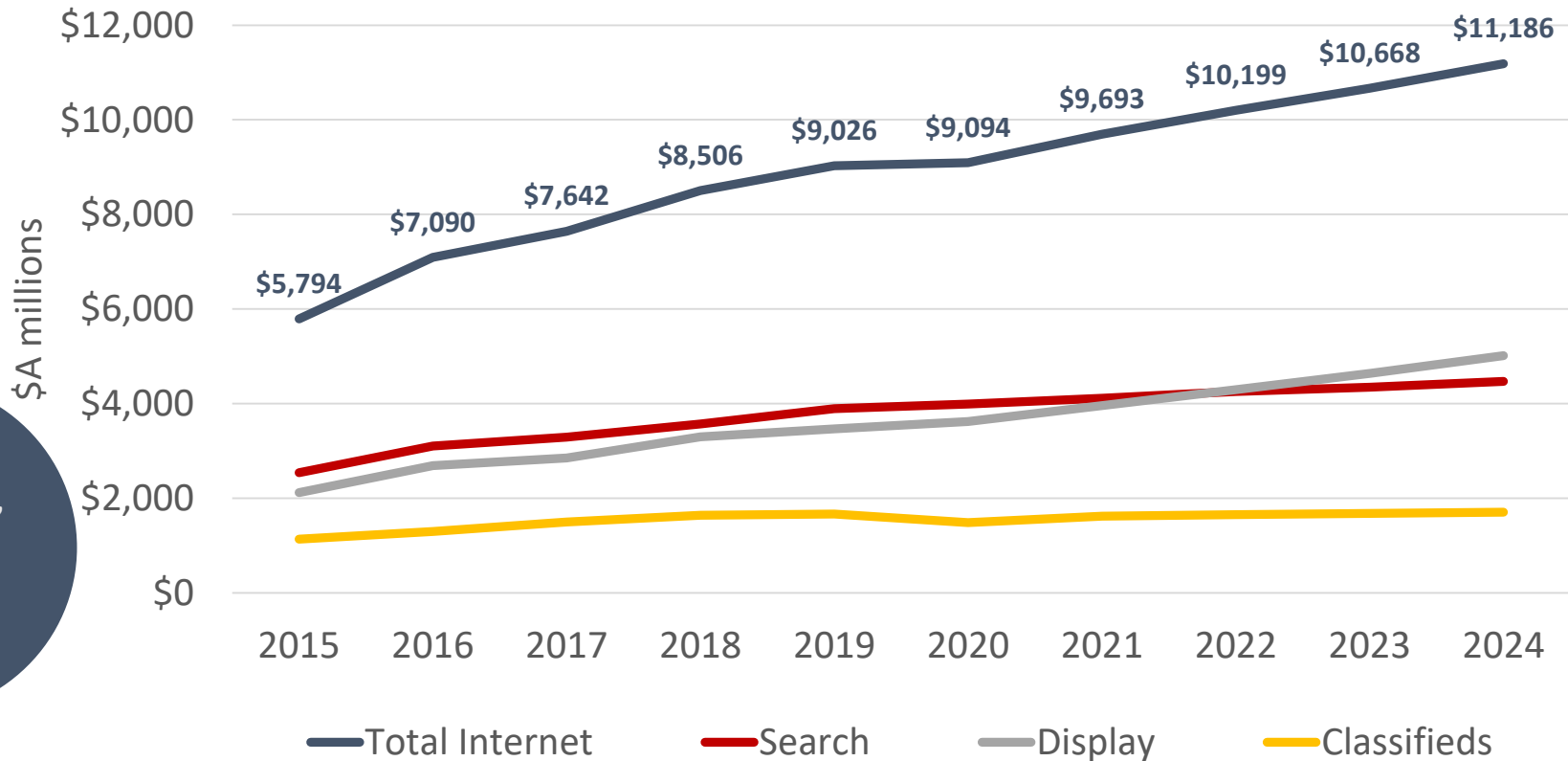
Growth ($)   ▲ 9%   ▼ 12%   ▲ 5%   ▼ 9%

	Video	Infeed/Native	Standard Display	Other
Q3 2019	48% $413.4	34% $306.7	17% $131.6	1% $11.7
Q3 2020	52% $451.6	31% $270.4	16% $138.5	1% $10.7

■ Q3 2019   ■ Q3 2020
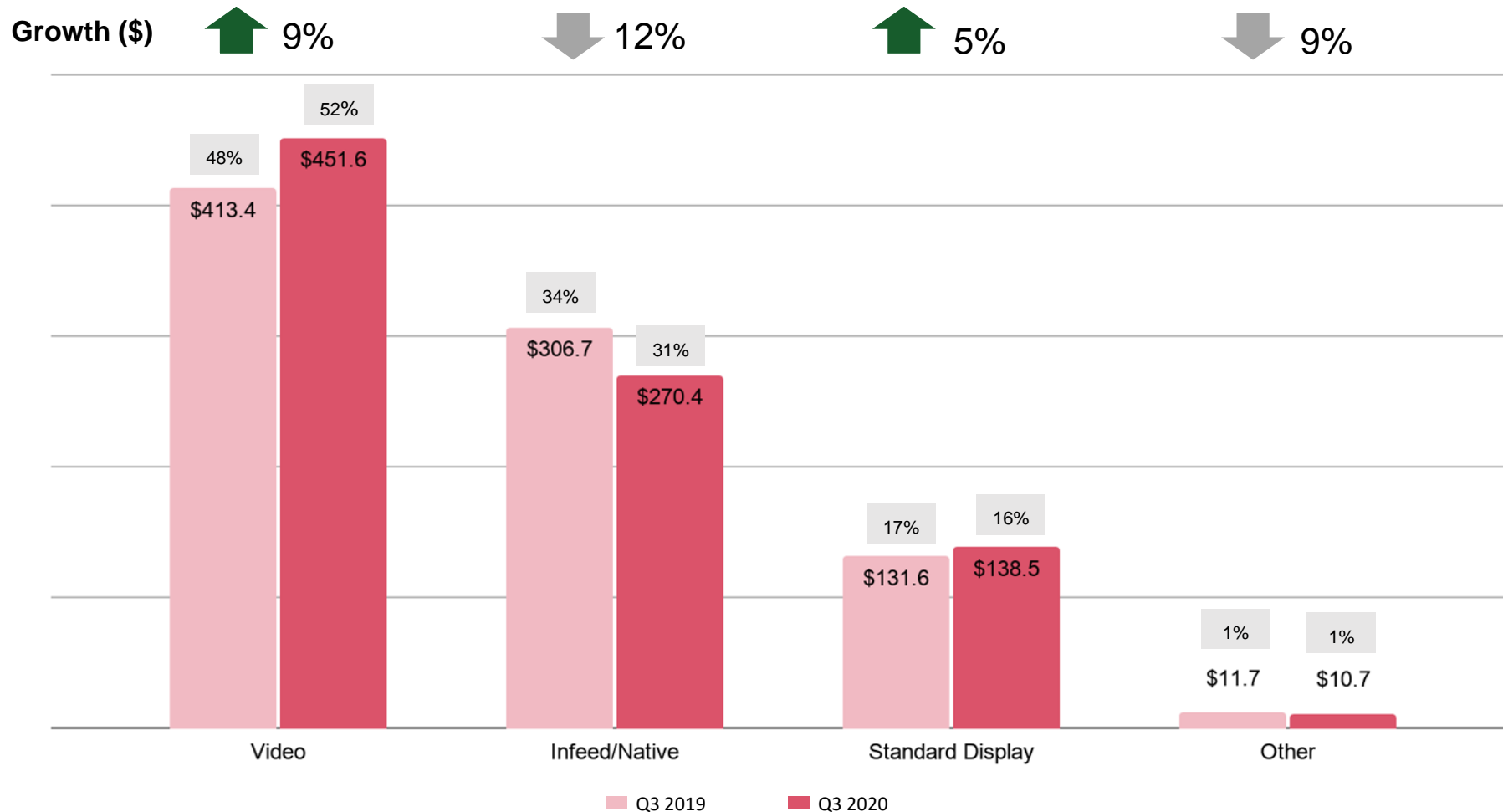
Investment in digital advertising forecast to bounce back at 6.6% year on year for 2021

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PWC ONLINE MEDIA AND ENTERTAINMENT REPORT 2020 - 2024
ONLINE ADVERTISING EXPENDITURE FORECAST ($ MILLION)

Total online advertising 2019-2024 CAGR 4.4%

Display CAGR 7.7%, driven by video at 19.6%

Total Internet values: $5,794 (2015), $7,090 (2016), $7,642 (2017), $8,506 (2018), $9,026 (2019), $9,094 (2020), $9,693 (2021), $10,199 (2022), $10,668 (2023), $11,186 (2024)

Legend: Total Internet, Search, Display, Classifieds

More research and resources can be found at iabaustralia.com.au