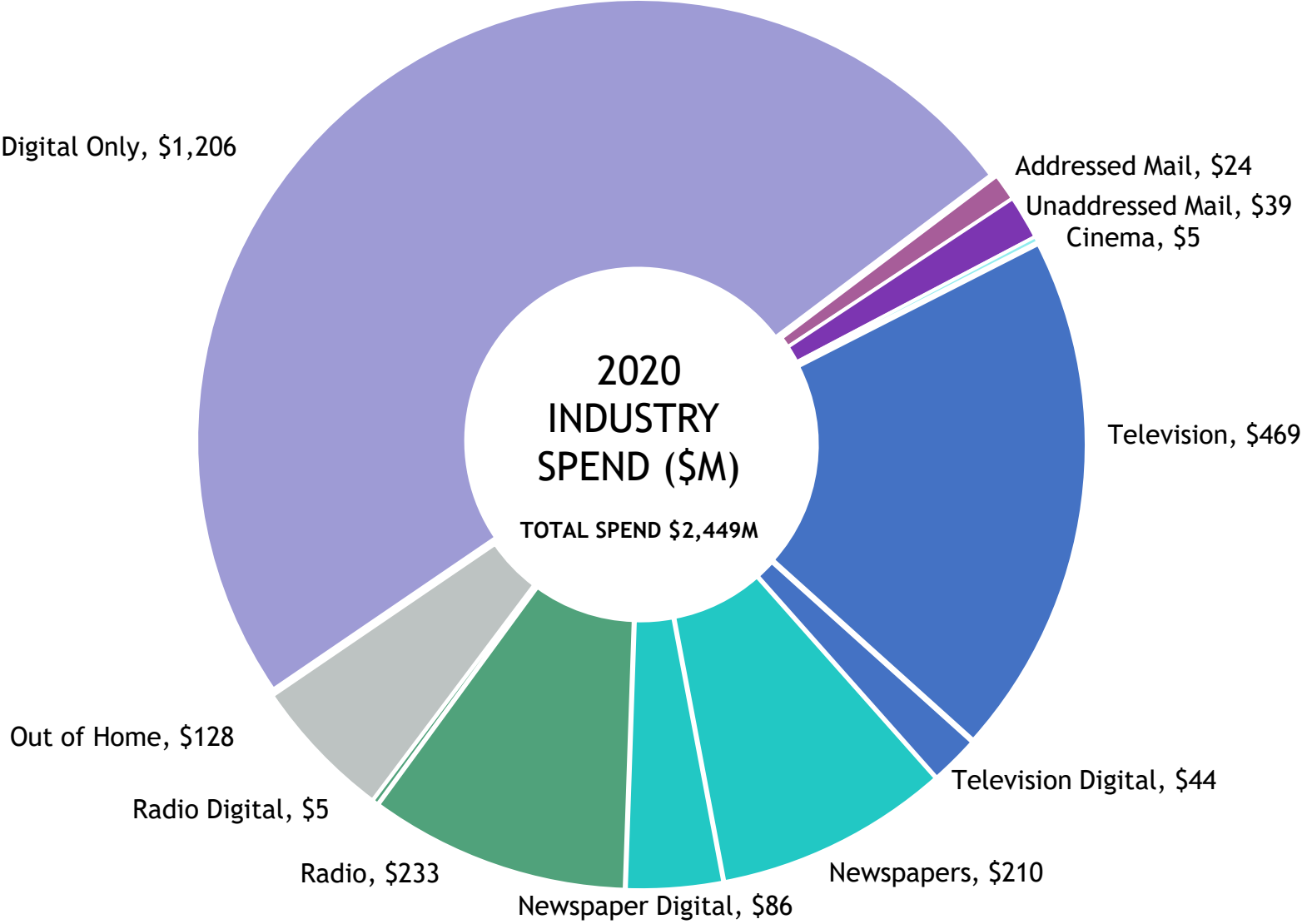


NEW ZEALAND ADVERTISING INDUSTRY

REVENUE REPORT 2020



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Addressed Mail

Definition: This figure is an estimate based on the cost of delivery only. It does not include production or associated costs.

Methodology: Using New Zealand Post's own volume, entered into Lodgement Manager by customers, and weighted average unit rate to produce the final market revenue estimation. The figure is sourced solely from New Zealand Post and includes lodged mail only into NZ Posts Network.

Cinema

Definition: Cash revenue, including agency commission, from the two major companies involved in cinema advertising in New Zealand.

Methodology: Data collected and supplied by companies involved in New Zealand cinema advertising.

Digital Only

Definition: Interactive advertising is advertising viewed on any screen via an internet connection, 3G, 4G or wifi. The expenditure figure is based on gross amounts charged to advertisers and inclusive of any applicable agency commissions. The figures include Display Advertising which includes banners, skyscrapers, rich-media, streaming advertising, email, online video and other forms of interactive Display advertising; Classifieds, which includes revenue from ads placed to buy or sell an item or service and Search and Directories advertising which includes revenues from online Directories and search engine listings and Mobile.

Social media advertising revenue does not include advertisements booked directly with social networking websites by advertising brands. Social media advertising revenue is largely comprised of Facebook (which includes Facebook, Instagram and WhatsApp), Twitter, LinkedIn, Snapchat, Spotify and TikTok. IAB New Zealand does not report on Twitter, LinkedIn, Snapchat, Spotify and TikTok advertising revenue, however both Twitter and TikTok are considered to be relatively small players in the New Zealand market currently.

Effective Q3 2019, in order to provide more effective reporting on Social media data, the IAB New Zealand changed the way it reported Social media in its Quarterly Digital Advertising Revenue Report, and retrospectively incorporated the revised methodology for data back to Q1 2018 (the earliest period which Nielsen MAU data is historically available). IAB New Zealand no longer sources Social media revenue from SMI and is now deriving this using worldwide Facebook ARPU (Average Revenue per user) and Facebook MAU's sourced from Nielsen Online Rating Monthly Unique Audience (does not include exclusive app usage). Given that the Nielsen Online Rating Monthly Unique Audience does not include exclusive app usage, Facebook revenue reported by the IAB New Zealand in its Digital Advertising Revenue Report is estimated to be under-reported by approximately a fifth.

Source: Nielsen NZ Connected Consumer Report in 2017 indicated that about one fifth of New Zealand Facebook users exclusively visit Facebook via a mobile app each month (i.e. not using a browser).

Methodology: The figures are supplied via Staples Rodway, an independent auditor on behalf of the Interactive Advertising Bureau (IAB New Zealand). For further information visit www.iab.org.nz.

Magazines

The Magazine Publishers Association have not supplied advertising turnover data for magazines this year. Jan - Dec 2020 was an exceptional time for magazines: a Covid-19 lockdown publishing ban meant many titles missed one or more issues; and there was a complete restructuring of the industry with the closure of Bauer Media and the emergence of a host of new independent publishers and publications. This degree of change makes meaningful data collection impossible. It is anticipated that magazine data will be supplied for the 2021 year.

Newspapers

Newspapers definition: This figure includes all advertising revenue, including agency commission, excluding GST from all daily, Sunday and community newspaper titles in New Zealand

Methodology: The revenue includes display, retail, native, classified and insert advertising. The figures are sourced from the member newspapers of the News Publishers' Association of New Zealand and the Community Newspapers Association of New Zealand and include estimates for non-member newspapers.

Newspapers digital definition: This figure includes all advertising revenue, including agency commission, excluding GST from digital newspaper brands (apps and websites) in New Zealand

Methodology: The figures are sourced from the member newspapers of the News Publishers' Association of New Zealand and the Community Newspapers Association of New Zealand and include estimates for non-member newspapers.

Out of Home

Definition: Cash revenue, including agency commission, excluding production, installation and GST from members of the Out-of-Home Media Association of Aotearoa (OOHMAA) and Adzup, Go Media, Lumo, Phantom Billstickers and Shout.

Methodology: The revenue data is independently collected for OOHMAA and actual returns are supplied to the ASA from the listed companies involved in outdoor or ambient advertising.

Radio

Definition: All cash revenue including digital, with agency commission, from members of the Radio Broadcasters Association (RBA), plus an estimate for non-RBA members based on direct industry knowledge and projections based on market share.

Methodology: Data collected and supplied by the Radio Broadcasters Association.

Television

Definition: Cash revenue (including agency commission) from on-air and online television video advertising.

Methodology: Actual free-to-air and pay television returns are collected by PwC on behalf of ThinkTV. Online television video returns are collected by ThinkTV.

Unaddressed Mail

Definition: All cash revenue drawn from the cost of delivery. This total represents 95 % of the unaddressed mail advertising revenue in New Zealand.

Methodology: Data collected and supplied by Reach Media and Ovato.

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| | \$m | % of total |
|-------------------------|----------------|--------------|
| Television | \$469 | 19.2% |
| Television Digital | \$44 | 1.8% |
| TOTAL TELEVISION | \$513 | 20.9% |
| Newspapers | \$210 | 8.6% |
| Newspaper Digital | \$86 | 3.6% |
| TOTAL NEWSPAPERS | \$296 | 12.1% |
| Radio | \$233 | 9.5% |
| Radio Digital | \$5 | 0.2% |
| TOTAL RADIO | \$238 | 9.7% |
| Magazines | | |
| Magazine Digital | | |
| TOTAL MAGAZINES* | | |
| OUTDOOR | \$128 | 5.2% |
| Digital Only | \$1,206 | 49.2% |
| Digital Other** | \$135 | 5.5% |
| TOTAL DIGITAL | \$1,341 | 54.8% |
| ADDRESSED MAIL | \$24 | 1% |
| UNADDRESSED MAIL | \$39 | 1.6% |
| CINEMA | \$5 | 0.2% |
| TOTAL | \$2,449 | 100% |

*Magazines have not reported in 2020, see methodology notes. **Note Digital Revenue for Newspapers, Radio and Television is recorded twice in this table – in each sector and in Digital Other. It is recorded once in the Total Revenue.