

TODAY B&T

MARKETING/ ADVERTISING/ MEDIA/PR

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NEWS

Search drives online ad market growth

The Australian online ad market notched double digit growth reaching \$2.66bn for 2011, driven by growth in search and directories.

The results, which were announced today by IAB Australia in its report compiled by PricewaterhouseCoopers (PwC), reveal overall market growth of 17%, almost \$400m, year on year. Total spend for the final quarter of 2011 was \$716m.

According to Paul Fisher, CEO of IAB Australia, the results place Australia well on track to surpass the \$3bn mark in 2012 as forecast by IAB and PwC and to 20% of the

total market.

Overall market growth was powered by the search and directories category which now comprises 53% of the total spend, valued at over \$1.4bn for the last year. General display accounted for 23.8% of total spend at \$632m, while classifieds made 23.1% at a total of \$615m.

The general display category grew strongly for the second half of the year, reaching 17% year on year growth, however it grew just 4% for the full year. Within the category, video performed well and outpaced the display category with 31% year on year growth.



The FMCG and retail sectors finally started to show signs of adopting online advertising but the motor vehicle category continues to show the most growth year on year at 13%. Government spend for the year online is still embarrassingly low though according to

Paul Fisher (pictured).

"The continued and much publicised consumption of media content and services online which is driving this double digit growth is in turn driving a change in the advertising expenditure habits of media buyers and importantly, advertisers. With the current challenging financial climate predicted to continue, we believe advertisers and their agencies will increasingly turn their attention and budgets to the branding and direct response opportunities that can only be found online," Fisher said.

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