

# NEW ZEALAND ADVERTISING INDUSTRY TURNOVER REPORT

## YEAR ENDING 31 DECEMBER 2014

### Background and Purpose

1. This report is intended to provide a snapshot of New Zealand's advertising industry.
2. Data is collected and reported by the media members of the ASA. The ASA's role is simply to collate and publish the data provided in a format agreed by those members. Questions regarding the data should be directed to the relevant media sector.
3. Whilst there are similarities, there is no standard definition of 'turnover' or a standard methodology for collecting this data. The methodology and definitions used by each sector are detailed in the explanatory notes. Please take extra care when making comparisons between sectors.

	2014		2013		2012	
	\$M	Share	\$M	Share	\$M	Share
<b>INDUSTRY TOTAL (NZD Millions, Excluding GST)</b>	<b>2,386</b>	<b>100%</b>	<b>2,289</b>	<b>100%</b>	<b>2,177</b>	<b>100%</b>
ADDRESSED MAIL	61	2.6%	60	2.6%	58	2.7%
<b>Definition:</b> This figure is an estimate based on the cost of delivery only. It does not include production or associated cost. <b>Methodology:</b> Compiled using volume and expenditure estimations from Nielsen Media Research's MailPix system. The Nielsen estimations (at standard postage rates) are validated and adjusted using New Zealand Post's own volume and expenditure data taking discounting into account to produce the final market revenue estimation. The figure is sourced from New Zealand Post and includes a rate card increase.						
CINEMA	9	0.4%	8	0.3%	7	0.3%
<b>Definition:</b> Cash revenue, including agency commission, from the two major companies involved in cinema advertising in New Zealand. <b>Methodology:</b> Data collected and supplied by companies involved in New Zealand cinema advertising.						
INTERACTIVE	589	24.7%	471	20.6%	366	16.8%
<b>Definition:</b> The online advertising expenditure figure is based on gross amounts charged to advertisers and inclusive of any applicable agency commissions. The 2014 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 revenues from ads placed to buy or sell an item or service and Search & Directories Advertising which includes revenues from online Directories and search engine listings; Mobile and Social Media Advertising. <b>Methodology:</b> The figures are supplied via PwC, an independent auditor on behalf of the Interactive Advertising Bureau (IAB NZ). For further info visit <a href="http://www.iab.org.nz">www.iab.org.nz</a>						
MAGAZINES	212	8.9%	211	9.2%	210	9.6%
<b>Definition:</b> Cash revenue, including agency commission, from the majority of members of the Magazine Publishers Association (MPA). For some MPA member and non-member publications, an estimate has been made. The figure does not include revenue from classified advertising nor does it include revenue from NIM's – Newspaper Inserted Magazines. <b>Methodology:</b> Data collected and supplied by the MPA.						
NEWSPAPERS	484	20.3%	509	22.2%	553	25.4%
<b>Definition:</b> This figure includes all cash revenue, including agency commission, excluding GST from all daily, Sunday and community newspaper titles in New Zealand. NOTE: Newspapers advise the figure reported is not a comparative measure with other main media which derive the majority of their revenue from National and Retail advertising sources. <b>Methodology:</b> The revenue includes display, retail, classified and insert advertising. The figures are sourced from the member newspapers of the Newspaper Publishers' Association of New Zealand and the Community Newspapers Association of New Zealand. <b>Change in Methodology:</b> Total newspaper revenue in 2012 and 2013 was under-reported as a result of the use of estimates from independent community newspaper titles and the change in ownership of the Christchurch Star. The revised totals are based on actual returns and for 2013 corrected from 494m to 509m and for 2012 from 540m to 553m.						
OUTDOOR	83	3.5%	76	3.3%	67	3.1%
<b>Definition:</b> Cash revenue, including agency commission, excluding production, installation and GST from members of the Outdoor Media Association of NZ (OMANZ). <b>Methodology:</b> The revenue data is independently collected for OMANZ. The total also includes actual returns from three other companies involved in outdoor or ambient advertising.						
RADIO	280	11.7%	267	11.7%	248	11.4%
<b>Definition:</b> All cash revenue including digital, with agency commission, from members of the Radio Broadcasters Association (RBA) plus an estimate for non-RBA members, iwi and student radio based on direct industry knowledge and projections based on market share. Actual returns comprised 99% of the total radio revenue for 2014. <b>Methodology:</b> Data collected and supplied by the Radio Broadcasters Association.						
TELEVISION	614	25.7%	634	27.7%	614	28.2%
<b>Definition:</b> Cash revenue, including agency commission, from free-to-air and pay television stations. The figure excludes revenue from online television which is reported within the Interactive category under video. <b>Methodology:</b> Actual returns for TVNZ, MediaWorks and SKY Television Network are collected by PwC on behalf of ThinkTV. An estimate of \$7.1m is included in the 2014 figure for other free-to-air broadcasters who do not file returns with PwC. The 2013 and 2012 figures do not include an estimate for other broadcasters.						
UNADDRESSED MAIL	54	2.3%	53	2.3%	54	2.5%
<b>Definition:</b> All cash revenue drawn from the cost of delivery. This total represents 95 % of the unaddressed mail advertising revenue in New Zealand. <b>Methodology:</b> Data collected and supplied by Reach Media and PMP Distribution.						