



4th February, 2019

MEDIA RELEASE

UNDER EMBARGO UNTIL 12.01AM MONDAY 4th FEBRUARY, 2019

METRO NEWSPAPERS CONTINUE TO LEAD AD REVENUE MOMENTUM: NEWS MEDIA INDEX

- Digital revenues outpace the overall market –

The news media sector has continued to report improvements in advertising expenditure, with the latest News Media Index (NMI) for the December 2018 quarter showing Metropolitan Press reporting a slight decline and the total sector remaining stable.

The NMI, with data collated by Standard Media Index (SMI)¹, showed that total news media advertising expenditure declined by just -6.2% to \$487.2 million in the final quarter of 2018. Metro press, which accounts for almost one third (31.9%) of ad spend, reported -3.2% in the December quarter to \$155.36 million.

For the 2018 calendar year, the NMI shows ad spend to be back by -6% to \$1.89 billion, while for the December quarter the total was back -6.2%, largely as a result of the difficult ad market conditions experienced by the overall media sector in October and November from the year prior when the Same Sex Marriage plebiscite drove ad spend. Australia's news media sector remains the third largest media sector by ad revenue.

According to SMI's media agency-only data for the month of December, total news media ad spend was back -4.7%, a larger decline than the NMI figures, which also include spend from direct advertisers. The NMI showed that Metro Press, however, grew ad spend +1.2% in December.

NewsMediaWorks CEO, Peter Miller, said: "The News Media Index figures are good news for our industry. The continued strengthening of the sector shows that an improvement in the fortunes of authentic news media has become a trend! A total of 17.5 million Australians read news media, the latest emma data² shows.

"Once again we have seen low single digit negative growth in news media advertising expenditure of -6.2%, built on the strong performance of the big metropolitan titles, the core of the sector's business, which were back only -3.2%.

"Digital news media grew by +6% as advertisers seek to support their brands by advertising in trusted, authentic, reliable news environments rather than throwing hard won budgets at the ropery long tail of the web and the even ropier social channels. I think what are seeing here is the result of a reappraisal by advertisers and their agencies, and a return flight to quality."

SMI AU/NZ Managing Director, Jane Ractliffe, said: "Australia's news media industry is arguably the new growth engine within digital media, with ad spend to news media's digital assets outpacing that of the broader agency market.

“When comparing the agency-only SMI data to the NMI data we can see that advertisers are growing their digital investment to news media websites at a far faster pace than that of the broader digital market.

“For example, digital ad spend in the NMI grew 21.4% in December but SMI’s agency data for the same period shows digital spending back 4.6%. In Q4 NMI digital ad spend was up 6% while in the SMI agency data total digital spend was back 0.8%. For the full calendar year, NMI digital ad spend has grown 8.7% while in the SMI data it’s up a lesser 5.8%.”

Direct ad spend now accounts for 56% of all news media advertising, again highlighting the difference between agency and direct ad revenue, although the media agency sector continues to improve.

Unlike the monthly SMI data which reports agency only revenue, the quarterly News Media Index reports all print and digital ad revenue to Australia’s largest news media publishers from both agencies and direct advertisers and is independently verified by SMI.

Sources:

1. *The revenue data is taken from NewsMediaWorks’ members, News Corp Australia, Nine Entertainment Co, West Australian Newspapers and Community Newspaper Group, WA, who represent around 90 per cent of the news media sector.*
2. *emma™, 12 months to October 2018. Readership based on last four weeks. Trends compared with 12 months to October 2017. Survey conducted by Ipsos Connect, people 14+, Nielsen Digital Panel, October 2018, People 14+ calibrated to Nielsen Digital Content Ratings data for the equivalent period.*

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About NewsMediaWorks - NewsMediaWorks is the peak organisation representing Australia’s leading news media publishers. Established in 2006, it focuses on promoting the unique power and value of print and digital news brands as trusted and effective advertising partners that engage more than 90% of Australians every month. NewsMediaWorks also supports the regulatory interests of the sector including advertising codes and environmental sustainability. Its stakeholders are Nine Entertainment Co, News Corp Australia and Seven West Media’s West Australian Newspapers.

About Standard Media Index - Standard Media Index (SMI) is the global industry standard for actual ad spend data. It offers real-time, decision-grade data sourced directly from the booking systems of the world’s largest media agencies. Headquartered in New York City, USA, SMI provides the only clear picture of how media Agency ad dollars are moving across the market to help the media industry’s stakeholders fuel growth and drive better decisions.

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