

# Aussie newspaper ad revenue figures buck trend

AUSTRALIA: Despite the worldwide recession, advertising revenue in the Australian newspaper industry has held firm, unlike its UK and US counterparts, according to figures released today, Wednesday, 1 April 2009, by The Newspaper Works, Australia's newspaper body.

Advertising revenue figures have been provided to The Newspaper Works, the body representing the Australian newspaper industry, by each of its shareholders, including News Ltd, Fairfax Media, APN News & Media and West Australian Newspapers. Each publisher completed a template for 2007 and 2008 ad revenue figures.

The combined advertising revenue of all newspapers in Australia declined by just 0.6% during 2008, despite the nation's economic volatility.

## Grew strongly

Key newspaper advertising revenue categories grew strongly, including national, up by 1.3%, retail up by 2.1% and magazines up by 5.1%, a trend not repeated by newspapers in any of the key developed markets around the world.

In the classifieds ad revenue category, real estate grew by 1.5% and general rose 2.6% in difficult conditions.

Employment classifieds reflected the prevailing economic conditions, particularly as companies cut back on their hiring intentions. This category declined by 12.3%, but is expected to recover following this cyclical decline. Employment classifieds represent less than 10% of total newspaper revenue (including circulation revenue).

## Stronger than expected

"Newspapers have delivered a much stronger result in 2008 than many would have expected. This is a great vote of confidence by advertisers in the future of newspapers. All sectors have performed strongly, with national and retail advertising defying negative predictions given the economic downturn, reduced government expenditure and the impact of the Olympic Games," The Newspaper Works CEO Tony Hale said.

"Classified revenue reflects the prevailing economic conditions. Employment revenue has followed similar trends to online classifieds as the job market has dried up. This will pick up again when the economy improves. The growth in real estate classifieds in 2008 will surprise many."

## Drastic fall in UK and US

The Australian newspaper market continued to defy the trends in key international markets. While advertising revenue in Australia remained stable, contracting by just 0.6% in 2008, the UK fell by 12%, and figures just released for the US reveal a 17.7% drop.

Australia also enjoys the highest share of global ad revenues at 35%, compared to the global newspaper share of 28%.

"These figures prove yet again the robust state of the Australian newspaper sector. The US and UK could only dream of such results. The quality of our papers and penetration into our markets is unrivalled, which helps us to weather even the toughest economic climate," Hale said.

## **Solid expectations**

"This year will be tough for all media, however we expect national, retail and magazine newspaper advertising to remain solid."

Over the past five years all advertising categories, including classifieds, national and retail, have grown their ad revenue, according to CEASA.

Newspaper circulation has also held up well and readership has remained stable across all publication categories, despite declining economic conditions.

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