



## Media release

The Nielsen Company

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### **NIELSEN'S STATE OF THE ONLINE MARKET: EVOLUTION OR REVOLUTION?**

**Mobile internet penetration reaches 50% as Smartphones penetration reaches 35% of online Australians**

**Tablets ownership already at 8% and expected to triple this year  
70% accessed audio or video content online in the past 12 months**

**Sydney, 9 March 2011:** While use of the internet amongst the Australian population has reached maturity, the online landscape is at a turning point, as another dimension is gaining significant momentum. That of the internet-connected mobile device – whether this be smartphones, tablet computers, eReader, connected games devices or some other hybrid forms likely to emerge, according to the Nielsen Australian Online Consumer Report, released today.

The Nielsen Online Consumer report shows that Mobile internet, for the first time, reached 50% penetration amongst online Australians in 2010, and while consumption is currently modest, based on intended uptake there will be surge of activity taking place in 2011. From social networking to simultaneous media consumption, the report shows that Smartphones are becoming an important stimulant to driving overall online activity. Penetration has already surpassed a third of online Australians, and with ownership intentions high over the next twelve months, smartphones are expected to have a big impact on the evolving behaviours of consumers (See Chart: 1).

“Following in the footprint of the smartphones evolution, tablets are another device to watch as a potential game changer. The screen size is already attracting a slightly different pattern of behaviour to that of a smartphone, with a far greater proportion of tablet owners watching online video on their device. Ownership is already at 8% of online Australians; however purchase intentions are expected to more than triple tablet ownership by the end of 2011, with some of the strongest intention to purchase coming from households with children” notes Lillian Zrim, Senior Research Manager for Nielsen Online.

“Online Australians continue to increase their consumption of rich media content online, with 71% accessing audio or video content online in 2010 and 35% doing so on a weekly basis. The proportion of those consuming video content online increased from 41% in 2009 to 60% in 2010 (see Chart: 2).

Commenting on the continued rise of the social internet, Melanie Ingrey, Director, Market Research, Nielsen Online added “There are new sub categories like location-based services and social commerce and Australian consumers are continuing to increase their engagement with the category and with this decade’s favourite site – Facebook.

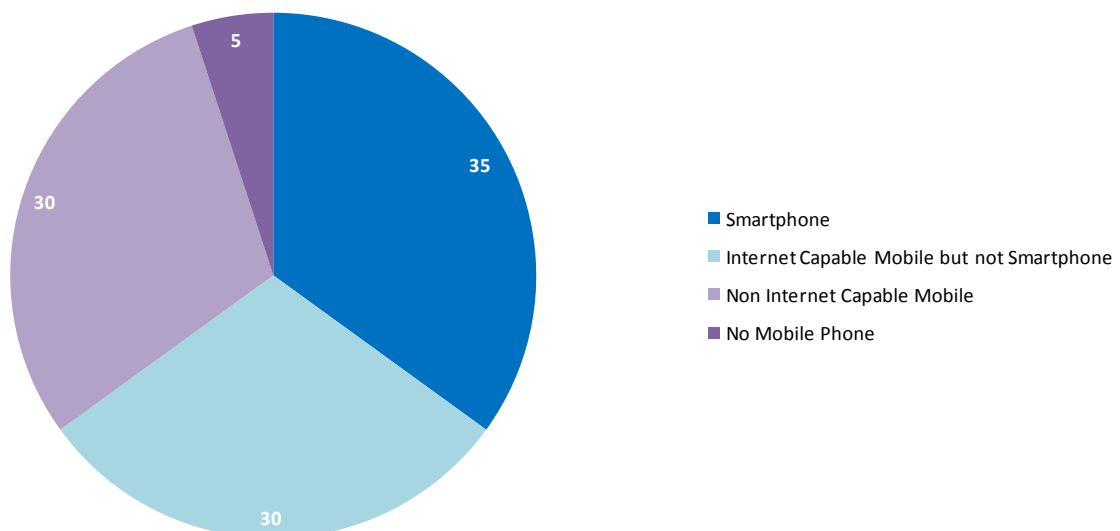
Social media has truly been a revolution for online Australians with the most common activity, (done by 73% of online Australians) being tapping into other consumers’ opinions found on social media. It has been a revolution in the methods by which consumers can connect with brands, connect with other consumers to discuss brands, and source other consumers’ opinions about brands.

To keep pace with this revolution marketers have had to evolve. Social media has provided them with more customer touch points, more methods of content and communication distribution, and more information about customers and their preferences” (see Chart: 3)

While it has not yet revolutionised marketing, social media has certainly forced a revolution in the behaviours of consumers, and an evolution of the way marketers and providers interact with those consumers and distribute content” Ingrey summarised.

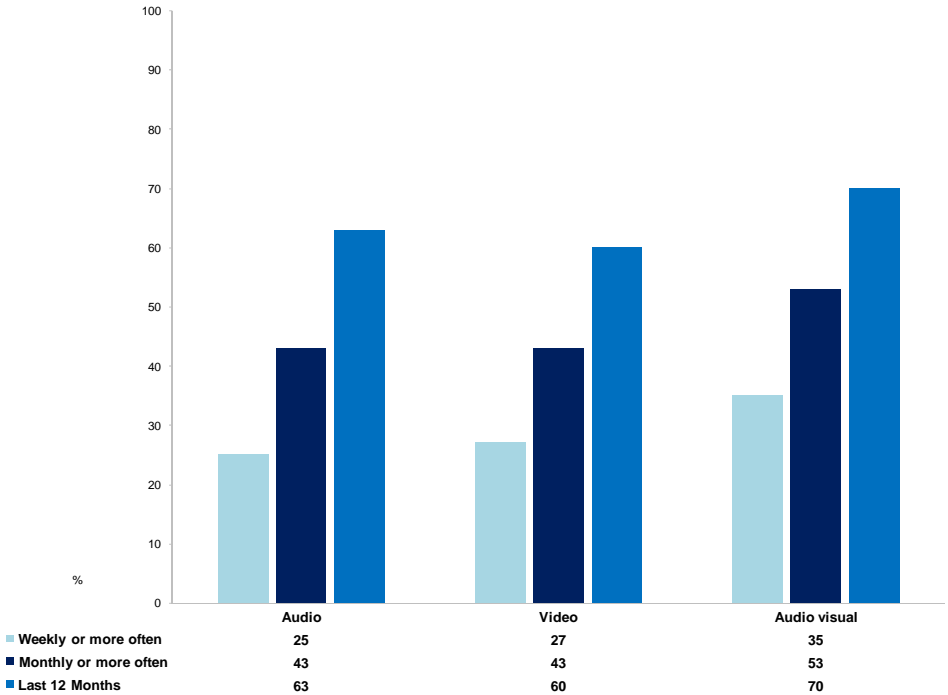
**Chart 1: Mobile phone ownership, 2010**

Base: Online Australians 16+ (n=5,886)



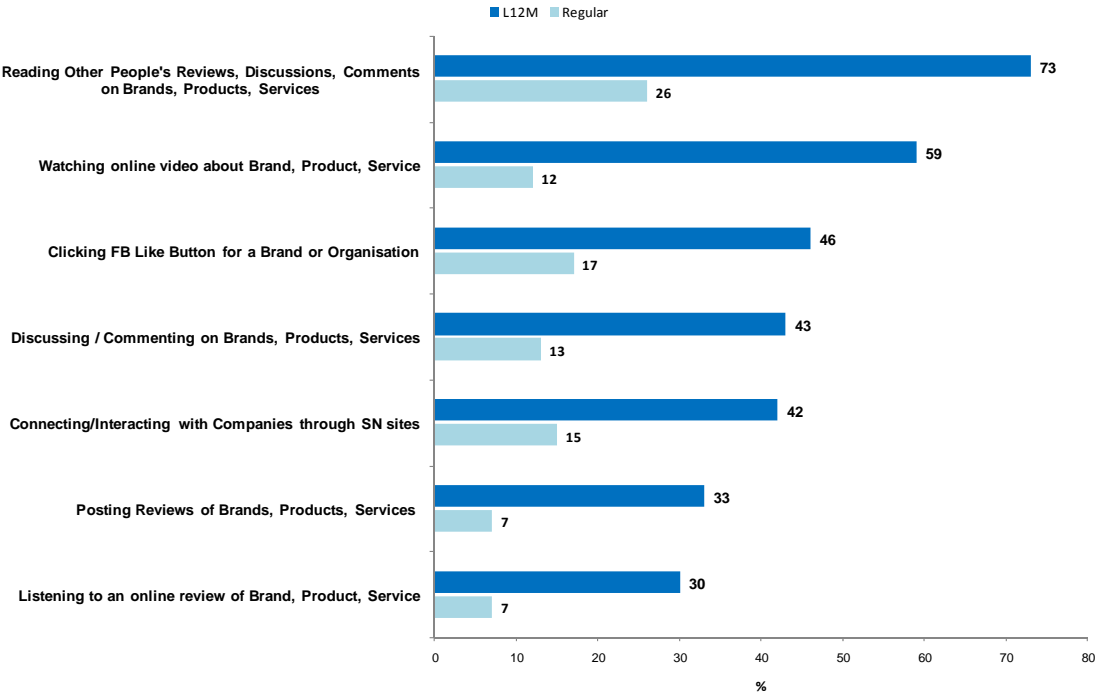
**Chart 2: Online Australians who accessed audio-visual content 2010**

Base: Online Australians 16+ (n=5,886)



**Chart 3: Brand engagement activities - last 12 months vs. regular (weekly or more often) usage**

Base: Online Australians 16+ (n=5,886)



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## About the Nielsen Australian Online Consumer Report

The Australian Online Consumer Report is a culmination of Nielsen's two annual studies of online consumers: the Australian Internet and Technology Report, published since 1997; and the Australian Social Media Report, published since 2007.

For the first time, these two reports have been merged into a single study to create The Australian Online Consumer Report. This new-look report provides readers with a single, comprehensive view of Australians' online behaviour, broader media consumption habits, technology adoption and an holistic view of the online market. It was appropriate to combine the two reports given that social media is now out of its infancy, emerging as a significant player in the media space. Social media is simply a component of broader online media activity, intertwined with Australians' every day online behaviour. For this reason, it provides far more value to bring the analysis and exploration of social media back against a backdrop of online media in its entirety.

The merging of the two reports also provides a rich data set of 5,886 online Australians, facilitating in-depth analysis of demographic, behavioural and ownership segments.

The methodology has changed in accordance with the merging of the two reports and changes to the online media environment. Due to the approaching saturation of internet penetration in Australia, The Australian Online Consumer Report focuses on online Australians. There is no analysis of the behaviours or profile of non users. As this report focuses solely on an online population, the method of data collection is an online survey methodology. Significant changes were made to the questionnaire to account for changes in the media landscape and online behaviour during the past 12 months. The questionnaire vehicles from the former Internet and Technology Report and Social Media Report were brought together and re-designed to provide efficiency for respondents. Items for the questionnaire were designed in accordance with the research objectives outlined and in collaboration with subscribers.

The national survey was administered among a stratified random sample of internet users aged 16 years and above who were contacted via an email invitation to participate in an online survey hosted by Nielsen. The contacts were sourced from Nielsen's YourVoice access panel, randomly stratified by age, gender and location. All responses were collected between 13th December and 20th December, 2010. Comparisons to previous years' data refer to data collected during a similar period (December 2009). \* The data has a +/- 1.3% percent or better margin of error at a 95 percent confidence interval.

**For details on how to order your copy of the  
Nielsen Australian Online Consumer Report refer to page 5**

## About The Nielsen Company

The Nielsen Company (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and related assets. The company has a presence in approximately 100 countries, with headquarters in New York, USA. For more information on The Nielsen Company, visit [www.nielsen.com](http://www.nielsen.com)



# Gain the latest insights on Australians' online behaviour

with the Australian Online Consumer Report 2010/2011\*

Australia's digital landscape is a dynamic and constantly evolving environment. As new technologies continue to emerge, Australians are consuming and participating with online media via an ever-expanding array of devices and screens, often simultaneously with other forms of media.

In response to today's rapidly changing digital landscape, Nielsen is bringing together *The Australian Internet and Technology Report* – with 13 years of trending insight about online Australians – and *The Australian Social Media Report* – Nielsen's in-depth study of social media uptake, conducted annually since 2007.

The result is a single, comprehensive view of Australia's online consumers, providing in-depth insights into who is doing what online, device usage, drivers of online behaviour and the role of online media in the lives of today's consumers.

The Australian Online Consumer Report is a vital resource for any business wanting to stay abreast of the ever-evolving online and media space, to inform decision making and planning for 2011 and beyond.

The focus of this year's report is to provide subscribers with:

- An understanding and explanation of patterns of behaviour and content consumption across the many online devices now available to Australians –including Smartphones, PCs, laptops, games consoles, e-readers and iPads

- A complete picture of online behaviour, including the important role now played by social media and rich media
- Insight into the way Australians are using online social media to inform their purchase decisions, and what motivates consumers to engage with brands online

## The Package

- Pre-subscription allows subscribers to provide input into the questionnaire and receive a face-to-face presentation of key findings by the report's authors, in addition to the written report: \$12,500 + GST
- Post-publication subscription includes provision of the written report: \$15,000 + GST
- All subscribers receive the comprehensive written report in hard copy and PDF, a detailed set of data tables delivered electronically and up to two hours of analyst time to conduct additional, customised analysis of your specific audience segments and areas of interest.



The Australian Online Consumer Report draws from a sample of 5,000 online Australians aged sixteen and above, culminating in a rich data set profiling today's online Australians. The depth and breadth of insight provided through this report makes it the leading resource of its kind in the local marketplace.

*The Australian Nielsen Internet & Technology Report is an invaluable resource for Digital Media professionals, covering a multitude of key topics such as consumer technology, mobile, cross media, internet connection/consumption & online content. A key resource to aid navigation through such a rapidly changing industry.*

—Kerrie Leary, Digital Manager, Starcom

*The digital landscape is moving so quickly, it's critical to keep up-to-date with the latest developments and data. The Nielsen Internet & Technology report is like an annual check-up at the 'digital doctor', with plenty of useful insights and trending information.*

—Jeremy Macvean, Head of Digital & New Business Development, Austereo Pty Ltd

\* formerly titled The Australian Internet and Technology Report and The Australian Social Media Report

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