Digital Australia: State of the Nation 2014
Research aggregation report
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Introduction

The consensus on the digital economy is that it is difficult to define, let alone understand. At EY, our aim is to explore, examine, and understand the factors that drive and define the digital economy in Australia.

As part of this ongoing effort, we have undertaken a global search for knowledge on the current state of the digital economy. The first step was to find out what we already know. This document provides a comprehensive summary of existing knowledge on the what and the how of digital behaviour.

Drawing from a diverse range of sources, we’ve captured the key metrics that explain our digital behaviour - from how many of us have internet access, to what we use our smartphones for.

We hope this information will not only expand your knowledge of the digital landscape, but also act as a reference tool when you have questions on Australia’s digital behaviour.
A guide to this report

This report has drawn from a variety of different sources. As a reference to finding these sources we have provided a number of ways to classify and locate them...

► Referencing: Figures and metrics displayed in the “Fast Fact” section are accompanied by numbered footnotes. Information sources are also provided at the bottom of each page.

► Classification badges: To easily identify the nature of the source we use the following icon badges...

- Quarterly study: A study conducted once every 3 months.
- Annual study: A study conducted once every 12 months.
- Government study: A study conducted for government purposes.
- Global study: A study conducted overseas.
- Market research: A study conducted for marketing purposes.
- Australian study: A study conducted in Australia.
Where does Australia stand?
Where does Australia stand?

Network readiness index

The World Economic Forum ranks Australia 18th in terms of overall network and digital readiness.

<table>
<thead>
<tr>
<th>Country</th>
<th>2013 rank</th>
<th>Score</th>
<th>2012 rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>1</td>
<td>5.98</td>
<td>3</td>
</tr>
<tr>
<td>Singapore</td>
<td>2</td>
<td>5.96</td>
<td>2</td>
</tr>
<tr>
<td>Sweden</td>
<td>3</td>
<td>5.91</td>
<td>1</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4</td>
<td>5.81</td>
<td>6</td>
</tr>
<tr>
<td>Norway</td>
<td>5</td>
<td>5.66</td>
<td>7</td>
</tr>
<tr>
<td>Switzerland</td>
<td>6</td>
<td>5.66</td>
<td>5</td>
</tr>
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<td>United Kingdom</td>
<td>7</td>
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<td>Denmark</td>
<td>8</td>
<td>5.58</td>
<td>4</td>
</tr>
<tr>
<td>United States</td>
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<td>5.57</td>
<td>8</td>
</tr>
<tr>
<td>Taiwan</td>
<td>10</td>
<td>5.47</td>
<td>11</td>
</tr>
<tr>
<td>Australia</td>
<td>18</td>
<td>5.40</td>
<td>18</td>
</tr>
</tbody>
</table>

Where does Australia stand?

Drivers of the network readiness index

Analysing what drives Australia’s NRI ranking, we see that the high average cost of accessing digital technology has resulted in a lower readiness ranking.

Australia’s affordability in terms of digital access was ranked 49th in the world, making it more expensive than many developed and developing countries.

Score

<table>
<thead>
<tr>
<th>Environment</th>
<th>Readiness</th>
<th>Usage</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.20</td>
<td>6.15</td>
<td>5.28</td>
<td>4.95</td>
</tr>
<tr>
<td>14th</td>
<td>9th</td>
<td>19th</td>
<td>20th</td>
</tr>
</tbody>
</table>

Types of internet access
Internet access coverage

How we access the internet could be the single biggest factor influencing our digital experience. With the arrival of the NBN, and the increasing penetration of smartphones, the ways in which Australians access the internet has changed dramatically.

- Types of internet access: fast facts
- Internet access via laptops/desktops
- Time spent on the internet via laptop/desktop
- Internet access via mobile phones
- Time spent on the internet via mobile phone
- NBN penetration
- Broadband quality
Types of internet access: fast facts

81% of Australians have internet access at home¹

On average, Australians spend approximately 4.5 hours on the internet via a computer, per day¹

Australia ranked 7th globally for internet penetration in 2014¹

46% of adult Australians accessed the internet via a mobile device in 2014³

The average time spent on the internet via a mobile device was 1 hour and 40 minutes per day¹

Australians downloaded 676,898 terrabytes worth of data in the three months preceding June 2013²

Sources:
¹ A US Census Bureau, Internet World Stats, CNNIC—January 2014
² Australia’s mobile digital economy—ACMA confirms usage, choice, mobility and intensity is on the rise
³ Regional Australia in the digital economy—ACMA/Roy Morgan—December 2013
Internet access via laptops/desktops

4 out of 5 Australian adults have access to the internet, which places us among the world’s elite, ranked 7th and not far behind the leaders.

The global average for internet penetration is 35%, i.e. across the globe, around 1 in every 3 people have access to the internet. Poorer countries have the lowest penetration with relatively low penetration in Asian countries, such as India (12%), Indonesia (15%), and Thailand (26%). Signposting China’s growth and government policy on their digital economy, 41% of their citizens enjoy internet access.

Source: A US Census Bureau, Internet World Stats, CNNIC—January 2014
Internet access

Time spent on the internet via laptop/desktop

Australians spend, on average, 4.5 hours per day on the internet using their laptop or desktop computer.

- Although poorer countries such as Brazil, Indonesia, and Mexico have lower than average internet penetration, they rank amongst the top countries for average time spent on the internet via a laptop or desktop computer. This suggests that the small number of people who do have access to the internet, are spending a considerable amount of time using it. In contrast, more developed nations are likely to have a more diverse group of people online.

The average amount of time reported globally was 4.8 hours. In other words, globally people on average spend 20% of their day online.

Source: A US Census Bureau, Internet World Stats, CNNIC—January 2014
Internet access via mobile phones

While internet access via mobiles currently trails access via fixed connections, with just under half of adult Australians accessing the internet via their mobile phone in 2013 and growing everyday.

Access in major capital cities and associated urban areas was slightly higher. With the increasing penetration of smartphones and the development of infrastructure, we would anticipate that this divide will further increase.
Internet access

**Time spent on the internet via mobile**

On average, Australians spend 1.7 hours online via a mobile device which is below the world average of 2.1.

The chart opposite reflects a correlation between time spent via a mobile and time spent via a laptop or desktop computer. In other words, socio-demography drives internet usage, not device type.

Once again, even though the poorer nations have lower penetration, they spend more time online via mobile devices.

Source: A US Census Bureau, Internet World Stats, CNNIC—January 2014
Internet access

NBN access and penetration

Australia’s access to fibre optic internet, the National Broadband Network (NBN), remains a key public issue, but growth in the areas NBN is available is increasing rapidly.

After a slow start, growth of NBN penetration has been high. The number of homes that had activated NBN tripled from 2013 to 2014.

Source: NBNCo Rollout Metrics—16th October 2014
Internet access

Broadband quality

Australia's digital infrastructure is expanding, however a recent study on broadband quality and access indicates that many Australians can't access high quality internet.

► The chart opposite shows that over 7 million premises do not have access to the highest broadband quality available. This is primarily made up of residents in major cities and inner regional areas.

The roll out of the NBN in Melbourne, Sydney, Brisbane and Canberra has resulted in eastern states having significantly higher broadband quality.

Source: Broadband Availability and Quality Report - December 2013, Department of Communications
Device and media consumption coverage
Device and media consumption coverage

Having access to a range of digital devices is one thing, but understanding what people do on those devices is critical. Undoubtedly, media consumption is rising: meaning there are more opportunities to be heard.

- Media consumption: fast facts
- Time spent on all devices
- Device co-consumption: Australia vs. the world
- Social media penetration
- Top broadcast media sites in Australia
- Most popular Facebook news publishers
Device and media consumption coverage: fast facts

On average, Australians spend almost 109 hours on digital devices per month\(^1\)

39% of advertising campaigns included tablet executions, up from 15% in 2012\(^4\)

74% of Australians simultaneously consumed television and internet in 2013\(^2\)

Australia ranks 17th in the world for total minutes spent on devices per day\(^3\)

73% of Australians accessed social media in 2013, ranked 7th globally\(^5\)

The ABC is Australia’s most popular digital news with 3,000+ visitors monthly\(^6\)

However, Buzzfeed and Huffington are the most popular on social networks\(^3\)

Sources:
1. Australian Multi-screen Report Q2 2014, OZTAM, Regional TAM, Nielsen
2. Fairfax Mobile Network, Oct 2013 (Telsyte)
3. Internet Trends 2014–Code Conference
4. Fairfax Mobile Network, Oct 2013 (Telsyte)
5. US Census Bureau, GlobalWebIndex Wave 11
6. The Australian Online Landscape Review, Nielsen 2014
Despite the growing popularity of smartphones and tablets, television still dominates consumption behaviour in Australia as a channel for consuming video.

- **Television**: 97.03 hours per month
- **Laptop**: 8.08 hours per month
- **Smartphone**: 1.56 hours per month
- **Tablet**: 1.47 hours per month

Source: Australian Multi-screen Report Q2 2014, OZTAM, Regional TAM, Nielsen

Quarterly study Market research Australian study
Device co-consumption: Australia vs. the world

Although television rates highest when considering isolated device usage, co-consumption and screen sharing means that Australians spend as much time on their phones as their television sets.

Australia 6.6 hours per day

China 8 hours per day

USA 7.4 hours per day

UK 6.9 hours per day

Indonesia and the Philippines lead the world in average daily minutes spent on devices with 9 and 8.9 hours per day respectively.

Source: Internet Trends 2014–Code Conference
Almost three quarters of Australians have accessed social media in 2013, almost twice the world average.

Source: US Census Bureau, GlobalWebIndex Wave 11
Device and media consumption coverage

Top broadcast media sites in Australia

ABC dominates broadcast media from a digital perspective, with its TV, Radio, and online news sources all in the top 10 broadcast media sites.

Not only does ABC Online receive more unique visitors than any other news site, those users spend more time there: on average 53 minutes per day.

ABC Online 3,335
Yahoo7 1,710
SBS 1,052
ABC TV websites 1,048
ABC Radio 989
ninmsn Jump In 928
TenPlay 791
CBS Entertainment websites 607
Foxtel 600

Catch up services from the major broadcast networks all feature here. They have all experienced significant growth in unique visitors this year.

Source: The Australian Online Landscape Review, Nielsen 2014
Device and media consumption coverage

**Most popular Facebook news publishers**

BuzzFeed and Huffington Post—two publishers that gear more towards infotainment than traditional news reporting, lead the way on social media.

Facebook has fast become a popular news site referral service. The majority of interactions, regardless of the news publisher, are Facebook “likes”, rather than “shares” or comments. This reinforces the predominantly passive nature of social media behaviour.

Source: Internet Trends 2014–Code Conference

Note: Interactions includes Facebook shares, likes, and comments
Device and media consumption coverage

Top activities by device

Although email is a popular activity across all devices, time consuming activities such as bill paying and product researching are more likely to be conducted via computer.

Source: Australian Multi-screen Report Q2 2014, OZTAM, Regional TAM, Nielsen
Note: Interactions includes Facebook shares, likes, and comments
Communication topic coverage

No matter what devices we use, the digital age has helped us communicate more than we ever have before. The question isn’t just how much more, but how, and to what extent are the old channels still used...

► Communication: fast facts
► Most common communication mode
► Number of communication services used
► Communication via mobile phones
► Landline penetration by age
► VoIP penetration
Communication: fast facts

- There are over 10 million fixed line services in operation in Australia\(^1\)
- 29% of Australian adults identified mobile voice calls as their main form of communication\(^1\)
- 90% of mobile phone users sent an SMS message on their mobile device in 2013\(^2\)
- Almost 3.7 million Australians are “mobile phone dependent” in that they do not have private fixed line access\(^1\)
- 78% of mobile phone users made national calls on their mobile device in 2013\(^2\)
- 1 in 6 Australians have a VoIP subscription\(^2\)

Sources:
1. ACMA Communications Report 2012-2013
2. ACMA Reconnecting the Customer April 2014
Communication

Most common communication mode

Whether by calling or texting, the mobile phone is the most common source of communication in Australia.

- The proportion of mobile only users has increased in recent years, driving the increased use of mobile phones for voice communications.

Source: ACMA Communications Report 2012-2013
Base: 18 years and over
Communication

Number of communication services used

Although the mobile phone is the most common device, Australians are increasingly diversifying their communication channels.

- 4 in 10 Australians used no less than 6 communication services, such as fixed line telephone, mobile, and other digital channels.

Perhaps unsurprisingly, younger Australians use more communication services than older Australians. 2 out of 3 Australians aged between 18 and 24 used 6 or more services.

Source: ACMA Communications Report 2012-2013
Base: 18 years and over, have both fixed line telephone and mobile phone
Communication via mobile phones

Texting is well and truly established in the Australian communication repertoire with 90% of mobile owners using SMS to communicate.

- **90%** SMS
- **78%** National calls
- **57%** mms—picture or video
- **53%** Email
- **25%** International calls

Source: ACMA Reconnecting the Customer April 2014
Base: 18 years and over, includes both pre-paid and post-paid mobile owners, includes smartphones and traditional mobile phones
Communication

Landline penetration by age

While Baby Boomers are still hanging on to their landlines, penetration amongst younger Australians is much lower.

Increasingly, landlines are seen as internet-enablement devices, needed only for connecting to the internet rather than as alternative for communication.

Source: ACMA Communications Report 2012-2013
Base: 18 years and over
VoIP penetration

As internet penetration has grown, so too has the take-up of VoIP (Voice over Internet Protocol) services amongst Australian adults.

The increasing penetration of VoIP has coincided with the increasing growth of “mobile only” Australians: mobile phone owners who have abandoned a fixed line telephone service at home. The chart opposite shows that almost 4.6 million Australians now use VoIP.

Source: ACMA Communications Report 2012-2013
Base: 18 years and over
Smartphones
Smartphone topic coverage

Smartphone proliferation means that consumers are digitally connected... to each other, to product and service providers, and to the internet 24/7.

► Smartphones: fast facts
► Penetration of smartphones in Australia
► The battle of the operating systems
► Internet on the move
► Access to websites via smartphones
► Smartphone activities
Smartphone: fast facts

- 77% of Australians over 13 own a smartphone¹
- Between June 2008 and June 2013 there was a 510% increase of Australians accessing the internet via their phones⁴
- Australia ranked 9th globally for smartphone penetration in 2013²
- In 2013 Apple was the No.1 operating system, with Android biting at its heels³
- 7 in 10 smartphone owners access a website on their smartphones via a search engine³
- 78% of smartphone owners use their smartphone to browse the internet⁵
- 41% of smartphone users have made a purchase on their smartphone⁶

Sources:
¹ Sensis Consumer Index, June 2014, Sweeney Research
² Key Internet Trends 2014–Code Conference, May 2014, KPCB
³ Australian Mobile Phone Lifestyle Index, October 2013, AIMIA
⁴ ACMA Communications Report 2012-13
⁵ The State of Mobile Benchmark, Q2 2013, Adobe Digital Index
⁶ Global Digital Statistics 2014, We Are Social
Penetration of smartphones in Australia

3 in 4 Australians over the age of 13 have a smartphone

While the penetration of mobile phones in general remains consistent, Australians are still in the process of converting to smartphones.

11.19 million smartphone users in Australia in May 2013. Up 29% since May 2012. Smartphone penetration is expected to exceed 90% by 2016.

Source: Sensis Consumer Index, June 2014, Sweeney Research
Base: 14 years and over

1Source: ACMA Communications Report 2012-13
2Source: Australian Landscape Review 2014, Nielsen
Smartphones

The battle of the operating systems

Apple and android continue to leapfrog each other driving innovation and new consumer behaviours.

► Apple held 1st place for most popular smartphone operating system in 2013, however with popular brands like Samsung and HTC using Android, Google’s operating system is not far behind.

Source: Australian Mobile Phone Lifestyle Index, October 2013, AIMIA Annual study Market research Australian study

Table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Apple</th>
<th>Samsung</th>
<th>Nokia</th>
<th>HTC</th>
<th>Sony Ericsson</th>
<th>LG</th>
<th>Motorola</th>
<th>Blackberry</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>21%</td>
<td>12%</td>
<td>41%</td>
<td>9%</td>
<td>6%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>32%</td>
<td>13%</td>
<td>28%</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>40%</td>
<td>18%</td>
<td>16%</td>
<td>3%</td>
<td>4%</td>
<td>2%</td>
<td>4%</td>
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<td>2013</td>
<td>45%</td>
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<td>9%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Australian Mobile Phone Lifestyle Index, October 2013, AIMIA
Smartphones

Internet on the move

A 510% increase in internet usage via mobile phones since 2008

33% increase (10 percentage points) in Internet usage via a mobile phone in 12 months to June 2013.

Source: ACMA Communications Report 2012-13
Note: Relates to use of the internet via a mobile phone handset during the month of June.
Smartphones

Access to websites via smartphones

Search engines are now the most common means of accessing a website via a smartphone, up from 52% in 2012 and 68% in 2013.

Typing in the URL was the most popular method in 2012, however in 2013 it dropped from 75% to 67%.

Source: Australian Mobile Phone Lifestyle Index, October 2014, AIMIA

Note: *NFC stands for Near Field Communication
Smartphones

**Smartphone: activities**

- **78%** of smartphone users use their smartphone to browse the internet.¹
- **41%** of smartphone users have made a purchase on their smartphones.²

However, online shoppers around the world are 3x less likely to purchase when shopping on a smartphone compared to a tablet.¹

### Popular smartphone activities³

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Maps/directions</td>
</tr>
<tr>
<td>1</td>
<td>Weather</td>
</tr>
<tr>
<td>3</td>
<td>Email</td>
</tr>
<tr>
<td>4</td>
<td>Conducting a search (i.e. search engine)</td>
</tr>
<tr>
<td>5</td>
<td>Updating your social media profile or browsing other people's profiles, posts, photos, messages etc.</td>
</tr>
<tr>
<td>6</td>
<td>News</td>
</tr>
<tr>
<td>7</td>
<td>Travel/transport information</td>
</tr>
<tr>
<td>8</td>
<td>Banking/bill payment</td>
</tr>
<tr>
<td>9</td>
<td>Researching products/services/businesses</td>
</tr>
<tr>
<td>10</td>
<td>Sporting news/information/results</td>
</tr>
<tr>
<td>11</td>
<td>Listening to streamed/downloaded music/radio</td>
</tr>
<tr>
<td>11</td>
<td>Watching online video</td>
</tr>
</tbody>
</table>

**Sources:**

1. The State of Mobile Benchmark, Q2 2013, Adobe Digital Index
2. Global Digital Statistics 2014, We Are Social
3. Australian Multi-screen Report Quarter 1 2014, Nielsen, OzTAM, Regional TAM
Tablets
Tablets topic coverage

More than just a larger mobile phone, tablets are blurring the lines between portable computers and smartphones. They allow a range of portable computer functions while meeting the increasingly popular need for larger screens in smartphones.

► Tablets: fast facts
► Tablet ownership in Australia
► Tablet brands
► Tablet usage in Australia
► Impact of tablets on smartphone usage
Tablets: fast facts

56% of Australians over 18 own a tablet\(^1\)

Australia ranked 3rd globally for tablet usage in 2013\(^2\)

Almost 1 in 3 Australians reported that they used their smartphones less for viewing websites and entertainment after buying a tablet\(^1\)

Apple dominates the market in terms of tablets with 68% of tablet owners reporting they had a iPad in 2013\(^1\)

Sources:
\(^1\) Australian Mobile Phone Lifestyle Index, October 2013, AIMIA
\(^2\) Fairfax Media Network–Telsyte October 2013
Tablet ownership in Australia

Over half of Australians over 18 own a tablet.

- Tablet ownership amongst Australian adults has grown significantly since 2011. In three years, analysts estimate that more than 4 out of 5 Australians over 18 will own at least one tablet.

Source: Australian Mobile Phone Lifestyle Index, October 2013, AIMIA
Base: 18 years and over
Tablets

Tablet brands

Despite a significant decrease since last year, Apple is still the dominant brand in the tablet category, with 2 out of 3 tablet owners having an iPad.¹

► The battle between Android and Apple is starting to shift. Samsung’s increased popularity helped increase Android’s share of the tablet category.

Source: ¹Australian Mobile Phone Lifestyle Index, October 2013, AIMIA, ²Tablet Sales in Australia Are Down, Aug 19, 2014) Base: 18 years and over
### Tablets

#### Tablet usage in Australia

1 in 4 Australians use a tablet, ranked only behind Singapore and USA.

- The chart to the right measures the proportion of the entire population (i.e. includes those under 18) that use a tablet. Unsurprisingly, the biggest users of tablets are developed nations.

<table>
<thead>
<tr>
<th>Country</th>
<th>Tablet Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>35%</td>
</tr>
<tr>
<td>Singapore</td>
<td>27%</td>
</tr>
<tr>
<td>Australia</td>
<td>26%</td>
</tr>
<tr>
<td>UK</td>
<td>25%</td>
</tr>
<tr>
<td>Ireland</td>
<td>18%</td>
</tr>
<tr>
<td>China</td>
<td>15%</td>
</tr>
<tr>
<td>France</td>
<td>15%</td>
</tr>
<tr>
<td>Italy</td>
<td>13%</td>
</tr>
<tr>
<td>India</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: Fairfax Media Network–Telsyte October 2013
Impact of tablets on smartphone usage

Tablets aren’t completely replacing smartphones, but for some they are preferred over smartphones for information and entertainment.

Amongst those who acquired a tablet, around 3 in 10 indicated that they used their mobile phone less for entertainment, getting information, and browsing the internet.

Source: Australian Mobile Phone Lifestyle Index, October 2013, AIMIA
Base: 18 years and over
Television topic coverage

Television was here long before the smartphone or tablet but is now reinventing itself in order be competitive in the current environment. However, our one way relationship with television is fading out with the introduction of Smart TVs and content consumption moving beyond the screen.

► Television: fast facts
► Television ownership in Australia
► Television consumption in Australia
Television: fast facts

94% of Australian households own a digital TV or set top box¹

On average, Australians spend just over 97 hours watching broadcast television (including subscription channels) per month¹

91.8% of all in-home TV viewing in Q2 2014 was live, while 8.2% was viewed in playback (TV material recorded using a device such as a PVR or DVR)¹

Sources:
¹ Australian Multi-screen Report Quarter 2 2014, Nielsen, OzTAM, Regional TAM
² Fairfax Media Network–Telsyte October 2013
Television

Television ownership in Australia

Just over 1 in 4 Australians have an internet capable TV in their home

- With analogue televisions being switched off in late 2013, Digital and Internet-accessible TVs saw a jump in ownership in Australian households.

Source: Australian Multi-screen Report Quarter 2 2014, Nielsen, OzTAM, Regional TAM
Television consumption in Australia

Australians are spending over 97 hours each month watching television

► TV consumption is still alive and strong, with an increase in the average monthly consumption of TV compared with the same time last year (Q2 2013).

Average time spent per month (hour:minute)

97:03

Monthly consumption of broadcast television on household TV sets is up 26 minutes compared with Q2 2013

89:05 watching live TV

7:58 Watching playback TV on the TV set

Source: Australian Multi-screen Report Quarter 2 2014, Nielsen, OzTAM, Regional TAM
Branding and advertising
From a business perspective, digital communication has gone from a point of difference to a hygiene component of the marketing communications mix. Higher engagement and rapid reach make communicating via digital devices extremely effective.

- Branding and advertising: fast facts
- The road to brands via mobile phones
- Top 10 brands and their engagement
- Global digital advertising spend
Branding and advertising: fast facts

27% of all advertising in Australia in 2013 was online¹

65% of Australian SMEs use a website to promote their business²

2x When combined with Twitter, television campaigns are twice as likely to lead to purchase³

Google is the most popular website in Australia, with over 3.2 million page views in 2013⁴

Sources:
¹ Frost and Sullivan The Australian Online Advertising Market: Year End Review and Market Outlook 2014
² Sensis e-Business Report 2014
³ Internet Trends 2014–Code Conference
⁴ The Australian Online Landscape Review, Nielsen 2014
Branding and advertising

The road to brands via mobile phones

When it comes to finding brands online, convenience is crucial. Easily recalled brand names and addresses offer the best chance of attracting customers.

► Although QR Codes have been in existence for some time, these results show that it is not the most widespread form of driving online traffic.

Source: Australian Mobile Phone Lifestyle Index, October 2013, AIMIA
Top 10 brands and their engagement

While people engage with Google more than any other brand online, it is arguable that Facebook has the highest engagement. On average, those who visit Facebook spend 8 hours on the site.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brands*</th>
<th>Unique audience* (000’s)</th>
<th>Page views* (000’s)</th>
<th>Time per person*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Google</td>
<td>13,290</td>
<td>3,271,524</td>
<td>2 hours 52 mins</td>
</tr>
<tr>
<td>2</td>
<td>Mi9</td>
<td>10,241</td>
<td>1,239,042</td>
<td>2 hours 8 mins</td>
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<td>Facebook</td>
<td>10,093</td>
<td>2,859,451</td>
<td>8 hours 3 mins</td>
</tr>
<tr>
<td>4</td>
<td>YouTube</td>
<td>8,537</td>
<td>576,986</td>
<td>2 hours 43 mins</td>
</tr>
<tr>
<td>5</td>
<td>Microsoft</td>
<td>7,781</td>
<td>46,060</td>
<td>1 hour 10 mins</td>
</tr>
<tr>
<td>6</td>
<td>Yahoo!7</td>
<td>7,153</td>
<td>349,479</td>
<td>1 hour 21 mins</td>
</tr>
<tr>
<td>7</td>
<td>Wikipedia</td>
<td>6,357</td>
<td>125,389</td>
<td>26 mins</td>
</tr>
<tr>
<td>8</td>
<td>eBay</td>
<td>6,265</td>
<td>831,402</td>
<td>1 hour 51 mins</td>
</tr>
<tr>
<td>9</td>
<td>Apple</td>
<td>5,612</td>
<td>32,195</td>
<td>52 mins</td>
</tr>
<tr>
<td>10</td>
<td>Skype</td>
<td>3,855</td>
<td>18,657</td>
<td>1 hour 41 mins</td>
</tr>
</tbody>
</table>

Source: The Australian Online Landscape Review, Nielsen February 2014
Note: *All figures were recorded across the month of February 2014 and not indicative of other time periods
Branding and advertising

Global digital advertising spend

The increasing use of digital advertising shows no signs of slowing, with a predicted spend of almost $214 billion worldwide.\(^1\)

While digital advertising expenditure is growing worldwide, some predict that expenditure in Australia will be slower: growing by only 2.8% to reach A$16 billion by 2018.

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Source: eMarketer, June 2014
Digital Australia: State of the Nation 2014

Home | Intro | Guide | Australia | Types of internet access | Device and media consumption | Communication | Smartphones | Tablets | Television | Branding / Ads | eCommerce | Refs | Info

eCommerce
eCommerce coverage

Increasingly, brands are moving from using the internet as a communication channel to a distribution channel. As customers become more comfortable with buying online, so too must businesses transform their digital footprint from information sources to sales sources.

- eCommerce: fast facts
- Online purchase penetration—selected countries
- What Australians purchase online
- Australians purchasing online
- Frequency of online purchasing in Australia
- Average Australian online purchase expenditure
- Conversion by mobile device type
**eCommerce: fast facts**

- **54%** of all SMEs took orders online in 2013, 65% of all SMEs received payments¹

- **3x** Online shoppers are 3 times more likely to purchase when shopping with a tablet instead of smartphone⁴

- **85%** of all Australians purchased a product online in 2013³

- **On average, Australians spent approximately $218 per month on online purchases³**

- **7%** of small and medium sized businesses have developed an app for their business²

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**Sources:**

¹ Frost and Sullivan The Australian Online Advertising Market: Year End Review and Market Outlook 2014

² Sensis e-Business Report 2014

³ Online Retail in Australia–CCI January 2014

⁴ The State of Mobile Benchmark–Q2 2013
eCommerce

**Online purchase penetration—selected countries**

Australia’s online purchase penetration is consistent with other developed nations. Notably, online purchase penetration in the US is 9% lower than in Australia, despite having very similar rates of internet penetration across the population.

![Graph showing online purchase penetration percentages for Australia, UK, New Zealand, Sweden, US, and Switzerland.](image-url)

Source: Online Retail in Australia—CCI January 2014

Note: *US Data was collected in 2012*
What Australians purchase online

While some categories have moved almost exclusively online, the fashion industry has managed to maintain its bricks and mortar infrastructure while also successfully catering for online shoppers.

Source: Sensis e-Business Report 2014
Base: Have made purchases online (in Australia) in past 12 months
eCommerce

Australians purchasing online

Unsurprisingly, the likelihood of buying products online is at its peak in early adulthood. Yet, over half of those aged in the early-mid teens have purchased a product or service online.

Source: Sensis e-Business Report 2014
Base: All Australians
eCommerce

Frequency of online purchasing in Australia

More and more Australians are making purchases online. In 2007, 6 in 10 Australians had never purchased online. Now that figure has decreased to around 2 in 10.

Although there are more Australians buying online than ever before, they’re still not buying overly frequently. The majority of those that have purchased online in 2013 are purchasing every month or less.

Source: Online Retail in Australia—CCI January 2014
eCommerce

Average online purchase expenditure

As internet penetration grows and consumers feel more comfortable buying online, spend behaviour is increasing.

- 2013 saw a relatively large increase in the average number of purchases without an equally large increase in the average monthly spend. In other words, Australians seem to be buying more smaller items than “big-ticket” items.

Source: Online Retail in Australia—CCI January 2014
Online shoppers are three times more likely to make a purchase on a tablet than on a smartphone.

The increasing popularity of “Fablets”—smartphones with larger screen sizes—may make purchases via smartphones more popular. Nevertheless, it seems as though larger screens are more conducive to exploring and purchasing products online.
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