



Nielsen Online

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News Release

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AUSSIE INTERNET USAGE OVERTAKES TV VIEWING FOR THE FIRST TIME

- **Australian consumers approaching point of media 'saturation'**
- **Aussies clocking up over 84 hours per week in media usage**

Sydney, 18 March 2008 — The amount of time Australians are spending online has, for the first time ever, surpassed the amount of time spent watching television, according to a report released today by Internet measurement company, Nielsen Online. The study found that Australians were spending around 13.7 hours per week surfing the 'net, while average television viewing was around 13.3 hours per week. (See chart 1).

These and other results were released today as part of Nielsen Online's 10th Australian Internet and Technology Report which looks at the profile of Internet users, online behaviours, ownership of technologies and media consumption habits.

The report revealed an increase in cross media consumption, with more than half (58%) of Australians Internet users saying they have watched TV while online and 48 percent have used the Internet while listening to the radio.

Overall, males were larger consumers of various forms of media than women with the exception of books and online radio – males spent 2.5 hours per week more online and 1.5 hours more per week watching television than women, while women spent around an hour more per week reading and 1.6 hours more listening to the radio online.



“Traditionally, increases in the amount of time Aussies spend online has not been at the expense of other media usage,” observes Tony Marlow, Associate Research Director, Asia Pacific, Nielsen Online. “This means that in recent years Australians have been increasingly consuming more than one medium at a time, commonly resulting in a fragmented span of attention. While use of the Internet continued to grow this year, for the first time ever this was not accompanied by an increase for TV consumption – a possible early warning sign that we are approaching the feared media saturation point.”

Marlow notes that, at saturation, it becomes difficult for consumers to take on any extra media activity without sacrificing something else – posing new challenges for marketing professionals who will need to very closely monitor the performance of their advertising investments across the range of media, making sure they are getting the best return for their spend.

“On average, Australians are spending 84.4 hours per week across a range of media and leisure activities, up from 71.4 hours in the previous 12 months,” states Marlow. “This is a significant portion of our spare time considering that the average Australian is only awake for around 112 hours per week.”

In terms of access to technology, Australian Internet participation has reached maturity with only a one percent increase of uptake in the past 12 months to 80 percent. This is well above the global Internet participation rate of just 20 percent.¹ Of those Australians who have yet to trial the Internet, 17 percent expect that they will use the Internet within the next 12 months, with the largest current barriers to Internet uptake being lack of interest and a lack of computer.

The majority of Australian Internet users access the Internet from home (92%), while only around one third (34%) said they accessed the Internet from work. The most popular online activities undertaken regularly were email (98%), banking (72%) and accessing news, sport and weather updates (72%). Growth areas in online activities in the year ahead are expected to be accommodation bookings and instant messaging, both of which are predicted to growth by around 20 percent. (See chart 2).

The Nielsen Online report found that broadband uptake in Australia is now reaching maturity, with broadband connections now found in 84 percent of Australian Internet users' homes (up 10 points in 12 months and up 30 points in two years). Based on expected uptake, Nielsen Online predicts penetration of this technology should grow to 90 percent by the end of 2008.

¹ *World Internet Usage Statistics News and Population stats*, www.internetworldstats.com – March 2008

Mobile phone ownership is also reaching saturation levels, with 92% of Australian Internet users now owning a mobile phone. The range of reported mobile handset capabilities has shown strong increases since last year, however, actual use of these functions still trails, with lower proportions actually using such capabilities (the main exception is camera functionality which is widely used by 84% of those that have it). For example, just under half (45%) of those with a mobile Internet capable phone have used the device to go online. Based on anticipated uptake of mobile Internet activities, the biggest area of mobile content access growth is expected to be in mapping/directions information, expecting a 144 percent rate of growth to reach 39 percent by the end of 2008.

“Of the relatively few users who are currently accessing mobile Internet services, buying ringtones, wallpapers and screensavers is the most popular activity for now,” states Marlow. “This will change, however, as mobile users become more savvy to the activities available, and as mobile providers make more activities available to their customers.”

Chart 1: Media consumption Internet vs TV (hours per person per activity)

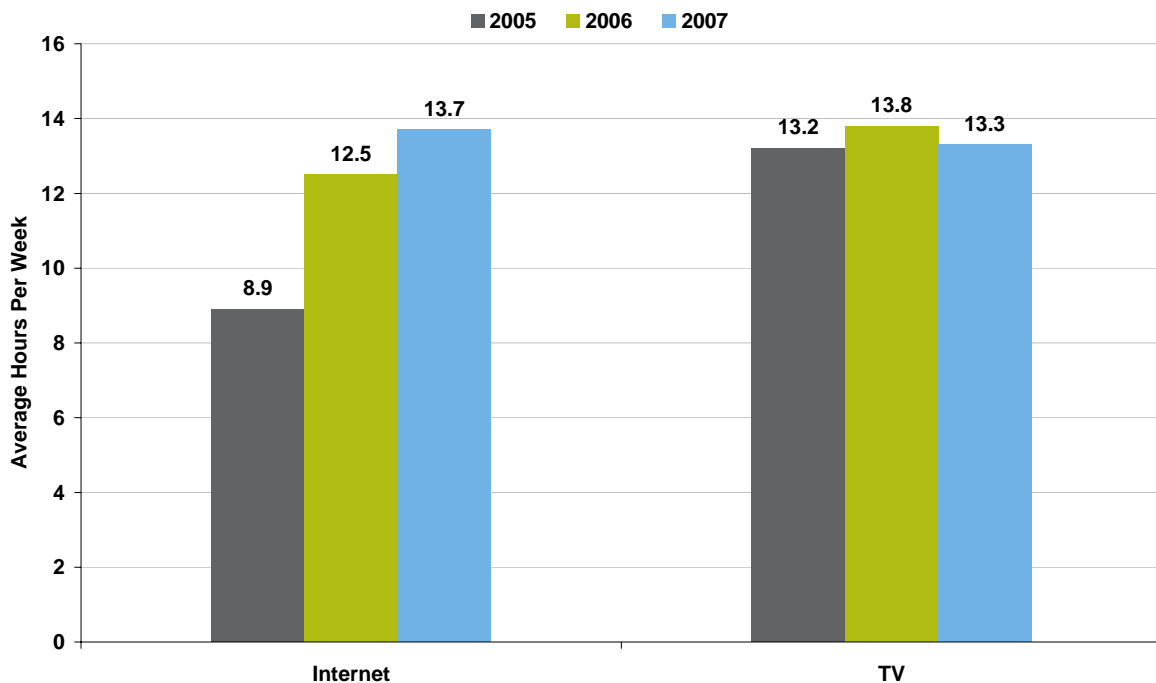




Chart 2: Anticipated growth in online activities

Activity	Regularly use	Expected growth in next 12 months
Email	98%	0.4%
Banking	72%	6%
News, sport or weather updates	72%	5%
Bill payment	66%	9%
Maps / directions	62%	5%
Directories (Yellow/White pages)	59%	5%
Airline ticket purchase	44%	10%
Instant Messaging	38%	12%
Accommodation bookings	37%	14%
Auctions	37%	6%

About Nielsen Online’s Internet and Technology Report

The 2007 Australian Internet and Technology Report is now in its tenth edition, tracking trends in Australians’ attitudes and behaviours around the online medium and other technology. The Report provides insight into the profile of Internet users, their behaviours, ownership of technologies and media consumption habits.

About Nielsen Online

Nielsen Online, a service of The Nielsen Company, delivers comprehensive, independent measurement and analysis of online audiences, advertising, video, consumer-generated media, word of mouth, commerce and consumer behavior, and includes products previously marketed under the Nielsen//NetRatings and Nielsen BuzzMetrics brands. With high quality, technology-driven products and services, Nielsen Online enables clients to make informed business decisions regarding their Internet, digital and marketing strategies. For more information, please visit www.nielsen-online.com.

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