



THE NEW ZEALAND

LANDSCAPE

**CONSUMER AND MEDIA UPDATE
2013**

WE THINK POPULAR.



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**WHAT KEY
CONSUMER
TRENDS ARE
SHAPING THE
LANDSCAPE
TODAY?**

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'FEMALE FEVER'

Women control more than two thirds of global spending

In the New Zealand market we have 73,000 more females than males.

These females are working more, earning more and increasingly influential - +21% working full time with PI \$80k+ YOY

“The top 100 marketers are all wanting to speak to women – they understand that women influence 80-85% of all decision making”

TONY KENDALL, BAUER MEDIA, AUSTRALIA

**The implication?
THESE WOMEN
ARE BUSIER
THAN EVER
BEFORE**



SOURCE: STATISTICS NEW ZEALAND. NIELSEN CMI (APRIL 12-MARCH 13)



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'WELLTHY'

Good health is now as important to consumers as having the biggest, newest or shiniest status symbols.

55% of New Zealanders agree that a healthy diet and plenty of exercise are essential, up from 47% in 2010

As a result, growing numbers of consumers expect food and beverage products to improve their quality of life, while still remaining tasty, desirable and attractive

Authenticity is a key factor for 'wellthy' consumers, with claimed scientific benefits often being less important than 'natural' or 'organic' foods

The ultimate is accessible, affordable good health products

SOURCE: TRENDWATCHING.COM. NIELSEN CMI (APRIL 12 – MARCH 13)



‘TRADING UP TRADING DOWN’

“Consumers who selectively trade up to better products and trade down to pay for other premium purchases”

FISKE & SILVERSTEIN. BOSTON CONSULTING GROUP

Underpins the emotional need to ‘take care of me’
and the concept of ‘Wellthy’

Consumers are looking at each purchase and asking three questions:

1. Is it worth the price premium?
2. Does it deliver authenticity and value?
3. When I use this product or service, does it make a statement to my peers about my taste and lifestyle?

**FOOD RANKS #1
FOR FEMALES
‘WILLING TO PAY AS
MUCH AS I CAN TO
GET THE VERY BEST’**

SOURCE: BCG ‘WOMAN WANT MORE’



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THE RISE OF THE 'FOODISTA'

'Food is the new fashion'

The food obsessive approaches her supermarket shop in much the same way as an A-list 'fashionista' approaches a catwalk show.

She has a gimlet eye for **pretty packaging** and **quality** and picks her groceries at least in part because of **what they say about her...** buying a can of tomatoes with an 'authentic Italian'-style label projects an image of not only caring about food, but also **impeccably good taste.**

Deeming groceries to be **status symbols**

SOURCE: RED MAGAZINE, SEPTEMBER 2012





‘CURATED CONSUMPTION’

Choice-rich, time-starved consumers are embracing anything that helps them discover what they want.

Consumers seek out brands that use trustworthy curators to simplify and expedite product discovery and decision-making

SOURCE: TRENDWATCHING.COM

‘CONVENIENCE’

Consumers will never stop embracing time-saving products that simplify their lives.

SOURCE: TRENDWATCHING.COM

RETAIL *SNAPSHOT*

- **NZ shoppers still out in force** with core sales in the March 13 quarter up 2.5% from March 12. The quarterly retail increases follow a long term upward trend in retail sales from 2009

59%

OF GROCERIES WERE PURCHASED ON PROMOTION IN 2012

- **Supermarket supplier budgets forced into price promotions with falling returns.**

Driving category strategy and creating new consumer behaviour, whereby shoppers now simply wait for one of their repertoire of brands to be on promotion

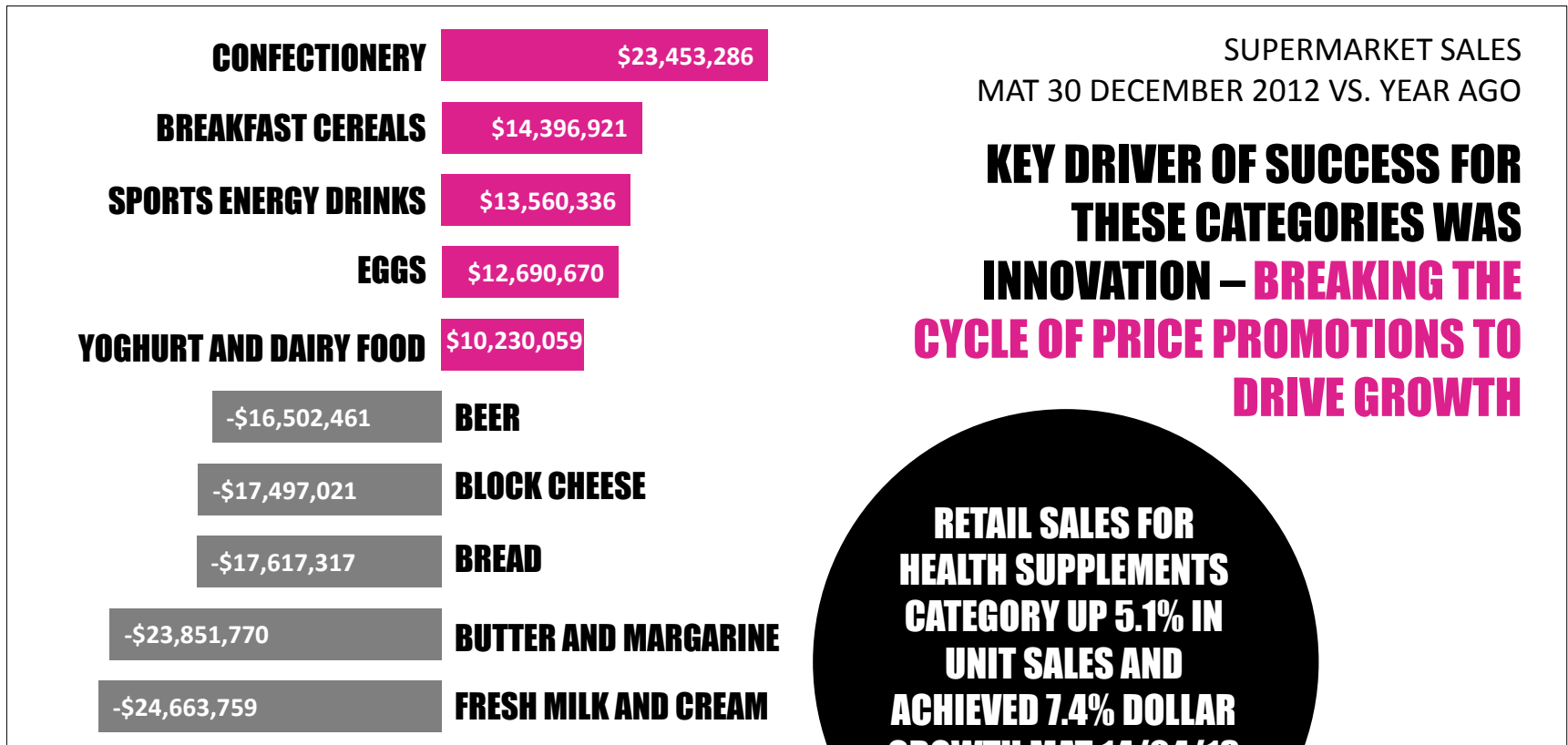


54% of Kiwis aged 18+ are now shopping online, up 38% from 5 years ago

Top purchase categories are airline tickets, clothing/shoes/accessories, books/magazines, entertainment tickets and travel-related services

RETAIL *SNAPSHOT*

- Supermarket growth was flat in 2012
- However, consumers continued their love affair with confectionary, energy drinks and liquid breakfast products.



SOURCE: NIELSEN SCANTRACK. SUPERMARKETS MAT TO 30 DECEMBER 2012 VS. YEAR AGO

SOURCE: AZTEC NZ. TOTAL KEY ACCOUNTS

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KIWIS LOVE MEDIA

**Our appetite for content is insatiable.
We are simply adding options to our
lives to view content whenever and
wherever it is most convenient and
enjoyable - wrapped around brands we
love and trust**

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JUST UNDER 3,000 MAGAZINES SOLD AT RETAIL

**AV DAILY UB'S
1.910967**

INNOVATION

MEDIA

**87% READ
MAGAZINES,
NZ VS. 60%
AUSTRALIA**

**TOP 10 TEN MAGAZINES REACH MORE
ADULTS THAN TOP 10 TV PROGRAMMES**

**100+ TV CHANNELS
SKY TV PENETRATION 52%**

RESEARCH

**200+ RADIO STATIONS.
WELLINGTON HAS TWICE THE
NUMBER OF STATIONS AS SYDNEY**

CULTURE

270+ NEWSPAPERS. 67% WEEKLY READERSHIP VS. 51% AUSTRALIA

SOURCE: NIELSEN CMI (JAN-DEC 12), CMV AUSTRALIA (JAN-DEC 12). COMBINED NET UNDUPLICATED REACH, 1 INSERTION IN EACH TITLE – ALL 14+. NIELSEN CMI (APRIL 12-MAR CH 13). NIELSEN TV AUDIENCE MEASUREMENT (APRIL 12-MARCH 13) ALL PEOPLE 18+. PROGRAMME REACH ANALYSIS FOR THE TOP 10 INDIVIDUAL PROGRAMMES, ASSUMING A 2 MINUTE VIEWING THRESHOLD
SOURCE: NIELSEN MARKET INTELLIGENCE (NZ DOMAIN). SOURCE: MPA NZ. TOTAL MARKET: CONSUMER, B2B AND TRADE TITLES.

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KEY PLAYERS

HIGHLY
COMPETITIVE
AND FRAGMENTED
MEDIA MARKET



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CONSUMER MAGAZINES



TRADER GROUP
PROPERTY MAGAZINES
NETLINK DISTRIBUTION COMPANY

NZ GOVERNMENT OWNED

TVNZ



stuff.co.nz

SUNDAY STAR★TIMES

SUNDAYNEWS THE PRESS

THE DOMINION POST

Waikato
Times

News Limited

SKY



trademe
Where Kiwis Buy and Sell



The New Zealand Herald



New Zealand Magazines

OGGI

radionetwork

Buspak

ADSHIEL

canwest
mediaworksnz

mediaworks

TV | RADIO | INTERACTIVE



FOUR



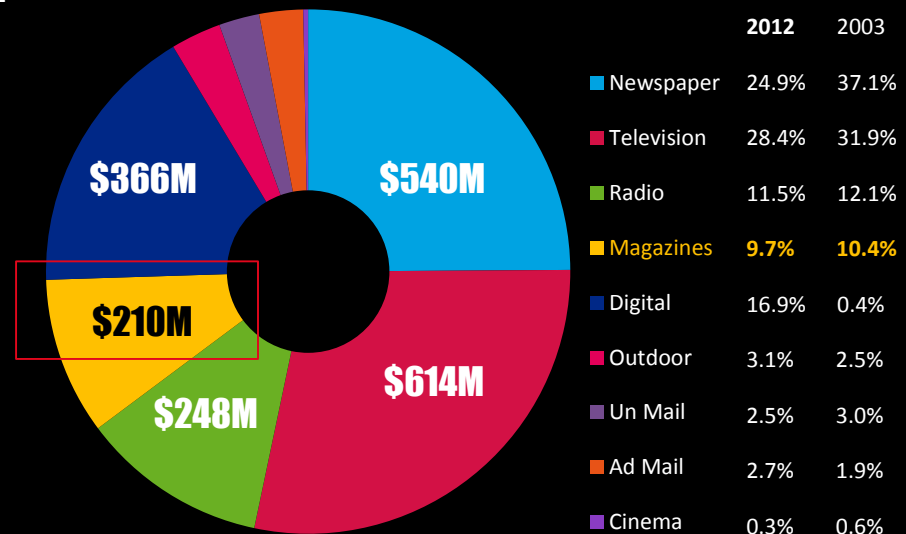
Y!
YAHOO!

A *ROBUST* MEDIA MARKET

ADVERTISING STANDARDS AUTHORITY ADVERTISING SHARE

JANUARY-DECEMBER 2012 (BASED ON ACTUAL REVENUE)

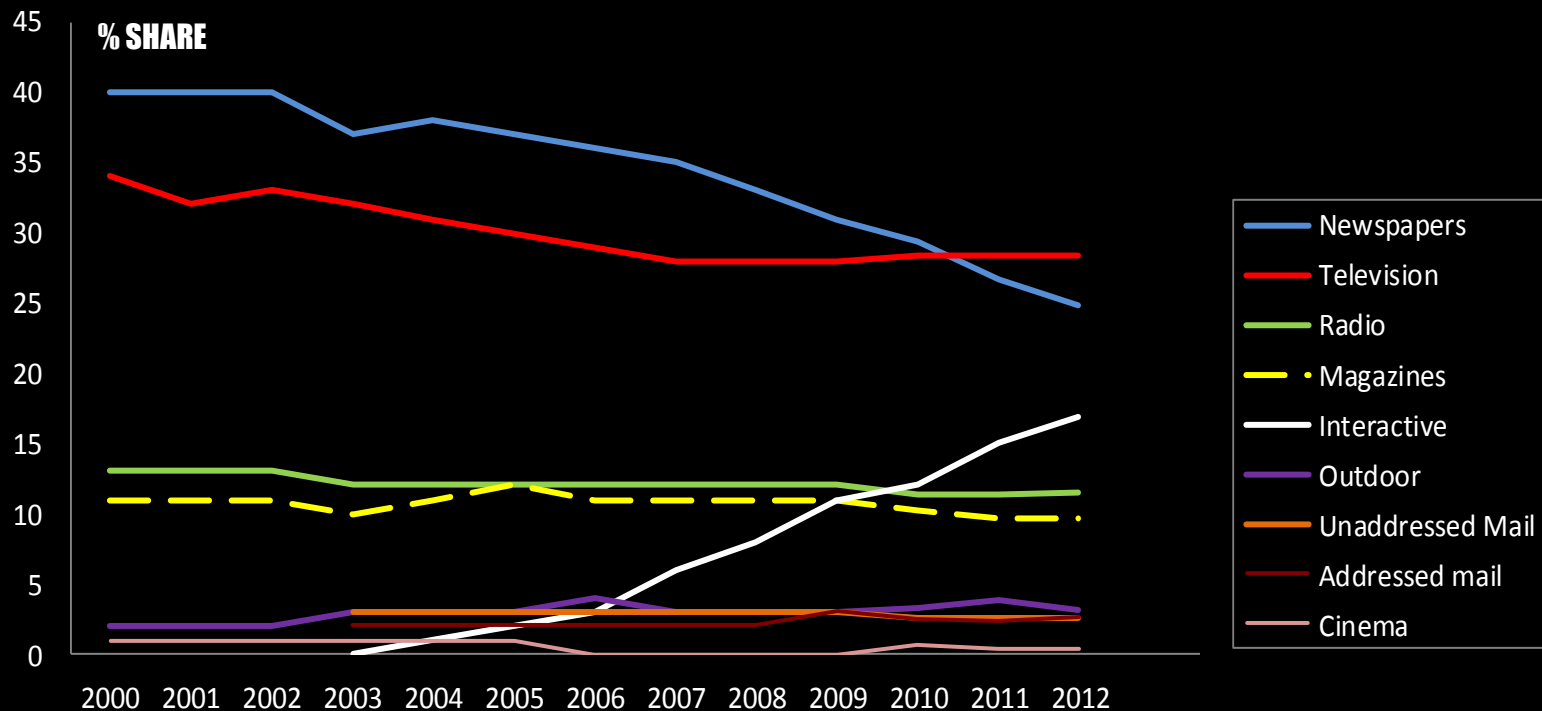
- For December 2012 year end total media advertising turnover was \$2,164m (- 0.7% YOY)
- **Magazine turnover grew 0.5% YOY, whilst TV fell -0.6% and Newspapers were down -7.2%**
- Digital has a 16.9% share, however Display only represents 30%



SOURCE: ADVERTISING STANDARDS AUTHORITY

A *ROBUST* MEDIA MARKET

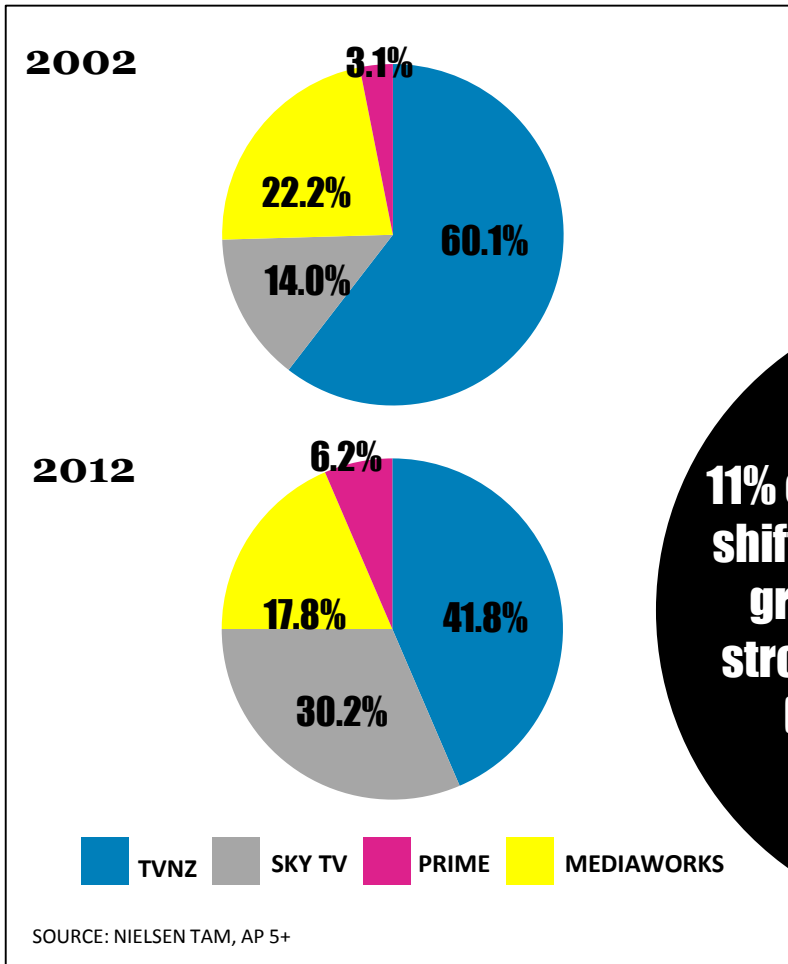
In terms of share, Magazines have been *one of the most resilient performers* over the past ten years, particularly when compared to Newspapers and TV.



SOURCE: ADVERTISING STANDARDS AUTHORITY

TV SNAPSHOT

- 115+ television channels
- Sky TV strength – 52% of homes
- 30.2% share of viewing vs. 14.0% 2002



Bauer Media has four times the number of female readers as there were female viewers of the 2012 season of My Kitchen Rules

SOURCE: NIELSEN CMI (APRIL 12-MARCH 13). BAUER MEDIA GROUP SINGLE ISSUE FEMALE REACH. NIELSEN TAM – AVERAGE FEMALE AUDIENCE 5+

11% of New Zealanders time shift their TV viewing – will grow significantly with strong MySky penetration (52% of Sky homes)


SOURCE: NIELSEN TAM, PVR HOMES, PEAK VIEWERSHIP



**Bauer Magazines
have more female
readers than all
Metropolitan
newspaper readers
combined**

NEWSPAPER *SNAPSHOT*

- **100+ newspapers**
- **The Sunday-Star Times** is New Zealand's #1 read national newspaper with 432,000 readers 15+.
- The New Zealand Herald is New Zealand's #1 metropolitan daily, however reach within the Auckland market is less than 1 in 3. Saturday is the highest read edition across the week.
- **42.1%** of New Zealanders aged 15+ read a daily newspaper on a typical day compared to **53.7%** over 10 years ago
- **824,000** (nearly 1 in 4 New Zealanders 15+) have read a NZ Electronic Newspaper in the past seven days – **up 10.2%** across the year



SOURCE: NIELSEN CMI (APRIL 2012-MARCH 2013)

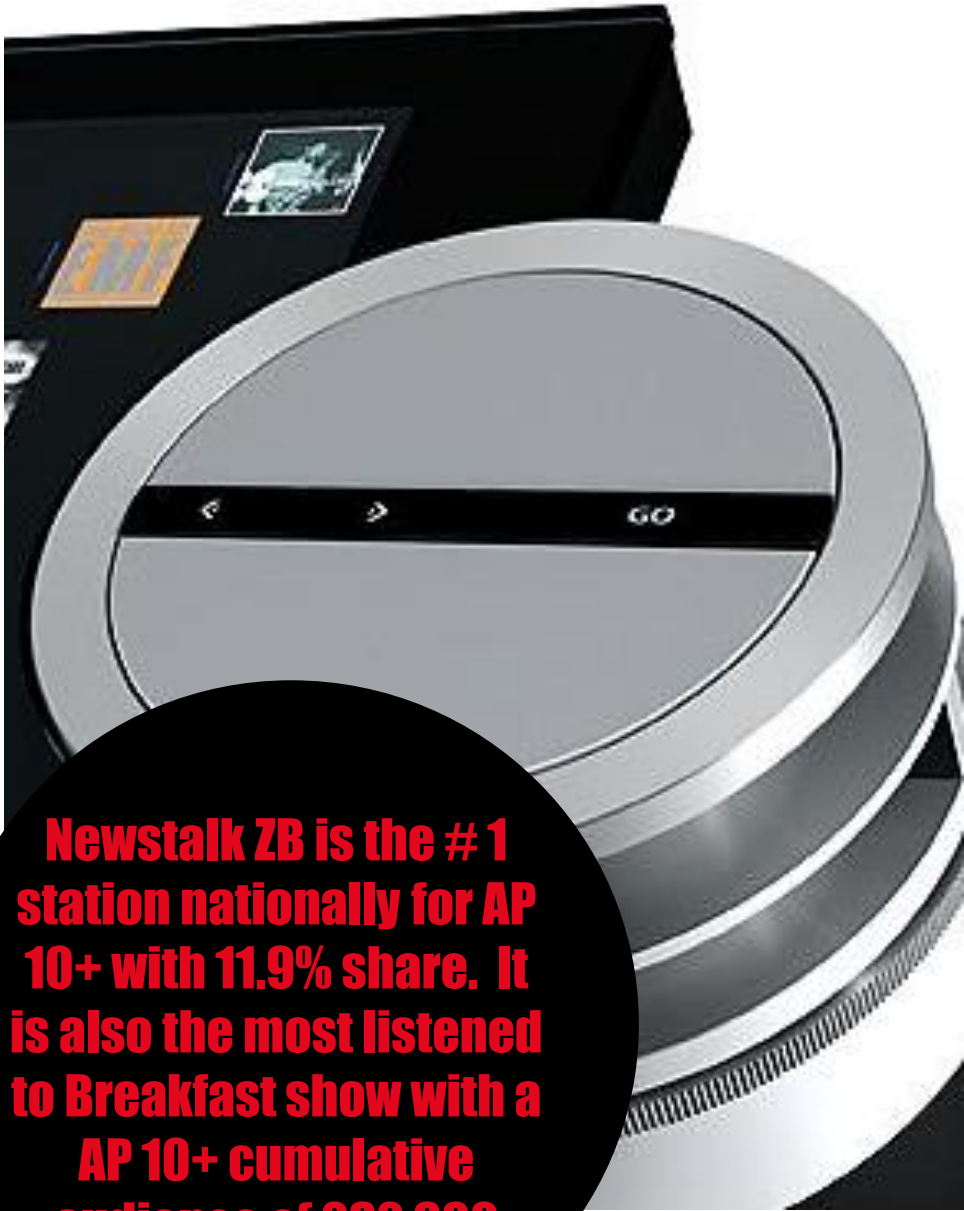
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RADIO *SNAPSHOT*

- **200+ radio stations**
- **Highly fragmented** media
- 78% of New Zealanders aged 15+ listen to live radio in an average week.
- Household shopper with kids reach dropped -4.7% T113 vs. T212
- **Digital platforms:**

Commercial sites tracked generated 8.4 million impressions (up 9% YOY)

In 2012, Radio NZ National alone had 45,000 smartphone downloads



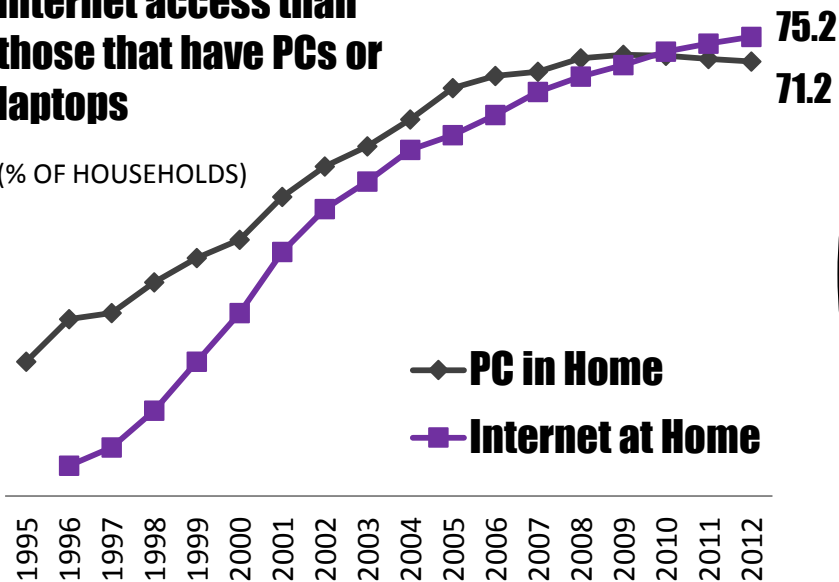
Newstalk ZB is the #1 station nationally for AP 10+ with 11.9% share. It is also the most listened to Breakfast show with a AP 10+ cumulative audience of 282,600

DIGITAL *SNAPSHOT*

- **3.4 million** New Zealanders (**78%**) use the web in a typical month. **95%** have a broadband connection.
- In April alone we each visited the web **49 times**, spent **37 hours** online and viewed **1,923** web pages.

More homes in New Zealand now have internet access than those that have PCs or laptops

(% OF HOUSEHOLDS)



Growth in mobilisation of online behaviour

76% of broadband access now via a **wireless connection** (up from 65% in 2011).

1.7 million New Zealanders now have a **smartphone** (+11% YOY)

Tablet ownership has more than doubled to reach 395,000 – penetration expected to grow a further 60% in the next year

DIGITAL *SNAPSHOT*

TOP FIVE WEBSITES VISITED BY NEW ZEALANDERS PAST FOUR WEEKS:

TOP TEN LOCAL WEBSITES, AV. DAILY UB RANKING:

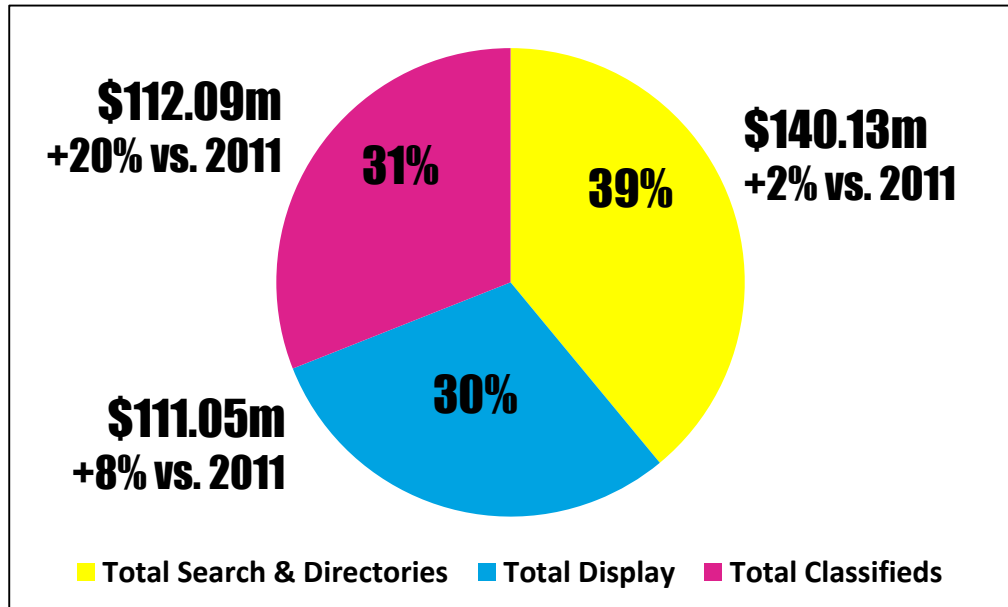
RANK	ONLINE BRAND	RANK	ONLINE BRAND	AV. DAILY UB
1	GOOGLE	1	TRADEME	718,105
		2	STUFF	494,256
2	FACEBOOK	3	YAHOO	419,623
		4	NZHERALD	346,146
3	TRADEME	5	MSN	221,973
		6	METSERVICE	167,053
4	YOUTUBE	7	TVNZ	160,309
		8	3 NEWS	93,246
5	STUFF	9	SEEK	65,890
		10	YELLOW	55,346

**Trademe is
showing signs of
saturation with
Average Daily UB's
-1.1% and Page
Impressions -6.8%**

(April 13 vs. 12)

DIGITAL *SNAPSHOT*

- New Zealand's total 2012 online advertising spend was \$363 million up 9% from 2011 (\$328 million) and up 12% from Q4, 2011.



- **Mobile** saw annual growth of +176%
- 2013 forecasted conservative growth of 11% for the total market

SOURCE: IAB PWC ONLINE ADVERTISING EXPENDITURE REPORT Q4, 2012. NIELSEN CMI (APRIL 12-MARCH 13)

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A woman in a red dress is captured mid-air, performing a backflip. She is holding two long, flowing red ribbons that trail behind her. The background is a large, grey stone wall with horizontal steps. The ground is paved with large, light-colored stone tiles.

ALL MEDIA ARE FIGHTING IN AN ATTENTION ECONOMY

“Competition for audience and advertising has never been fiercer, which is why the trusted and enduring relationships magazine brands have with their consumers give us such an edge.”

MPA US CHIEF MARY BERNER, 28TH MARCH 2013

KIWIS LOVE MAGAZINES





LOCALLY PUBLISHED MAGAZINES IN THIS MARKET

SOURCE: MPA NZ. PUBLISHED MAGAZINES; TOTAL MARKET: CONSUMER, B2B AND TRADE TITLES.

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**MAGAZINES WERE SOLD AT RETAIL LAST YEAR –
THAT'S ONE MAGAZINE SOLD AT RETAIL EVERY SECOND**

SOURCE: MPA NZ

70,000,000

DOLLARS IN SUBSCRIBER REVENUE WAS GENERATED IN THE INDUSTRY LAST YEAR

SOURCE: MPA NZ

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210,000,000

**MAGAZINES WERE ONE OF THE FEW CATEGORIES TO SHOW
REVENUE GROWTH YEAR ON YEAR AT
\$210 MILLION IN 2012**

SOURCE: ASA, JAN-DEC 12, ACTUAL

500,000,000

IN TOTAL NEARLY A HALF A BILLION \$ INDUSTRY

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In a time-poor world
primary readers:

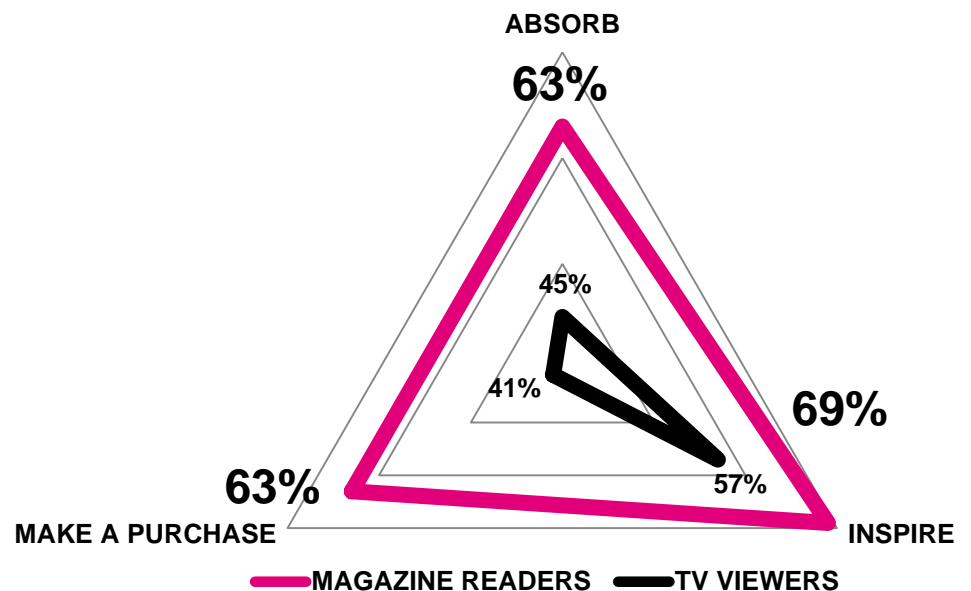
**Spend an hour and 20 minutes
reading a single issue – up
+16.9% across the year**

**Have increased average number
of times a copy is picked up to
5.7 times**

SOURCE: NIELSEN CMI (JUL 12-JUN 13)



From inspiration *to activation*



SOURCE: NIELSEN CMI (JUL 12-JUN 13)