



Nielsen Online

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## News Release

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### **ONLINE RADIO AND TV TO SURGE AS AUSSIE INTERNET CONNECTION SPEEDS INCREASE**

- **Internet radio enjoys strong growth**
- **Opportunities abound for TV to make a grab for online audiences**

**Sydney, 2 April 2009** — As high bandwidth broadband Internet packages such as ADSL and long-range wireless solutions become more affordable for Australian consumers, traditional media such as radio and television look set to benefit from Internet users turning to online streaming to supplement their consumption of traditional media according to Nielsen Online.

A report compiled by Nielsen Online, the annual Internet and Technology Report, reveals that while consumption of traditional radio by Internet users declined by 1.1 hours by December 2008, the total number of radio hours (broadcast and online combined) amongst metropolitan Internet users increased by nearly two hours (+1.7hrs) thanks to the faster connection speeds available within metropolitan areas allowing listeners to stream radio programs. Overall consumption hours for online radio increased to 4.9 hours in 2008 (up from 4.2 in 2007).

Nielsen's Internet and Technology Report found that almost one-quarter (23%) of Australian Internet users still have connection speeds slower than 1.5 mbps. However, 20 percent of Internet users intend to upgrade their connection speed by the end of 2009. With the majority opting for speeds greater than 1.5 mbps, users can reliably stream both audio and standard definition video content online (See chart 1).



“The trends we have noted in metropolitan Australia provide valuable insight into anticipated trends in regional and rural areas where Internet users’ connection speeds are yet to catch up to their city counterparts,” observes Tony Marlow, Research Director, Nielsen Online. “While metro areas are a good barometer for the ensuing online behaviours of the rest of the nation, if we look at Australia as a whole we currently lag other developed nations in what we consider to be fast Internet connectivity.”

Marlow notes, however, that “Australian connection speeds are constantly improving as more individuals move away from ‘fraudband’ connections which are slower than 1.5Mbps and tap into faster and cheaper plans. Online audio and video streaming will be one of the big growth areas for 2009, and faster connectivity just facilitates these increasingly popular activities.”

Nielsen’s report also indicates that television delivered online is beginning to make its mark. Almost half of metropolitan Internet users (47%) reported viewing television content either online or downloaded from the Internet, with 12 percent doing so frequently. (See Chart 2)

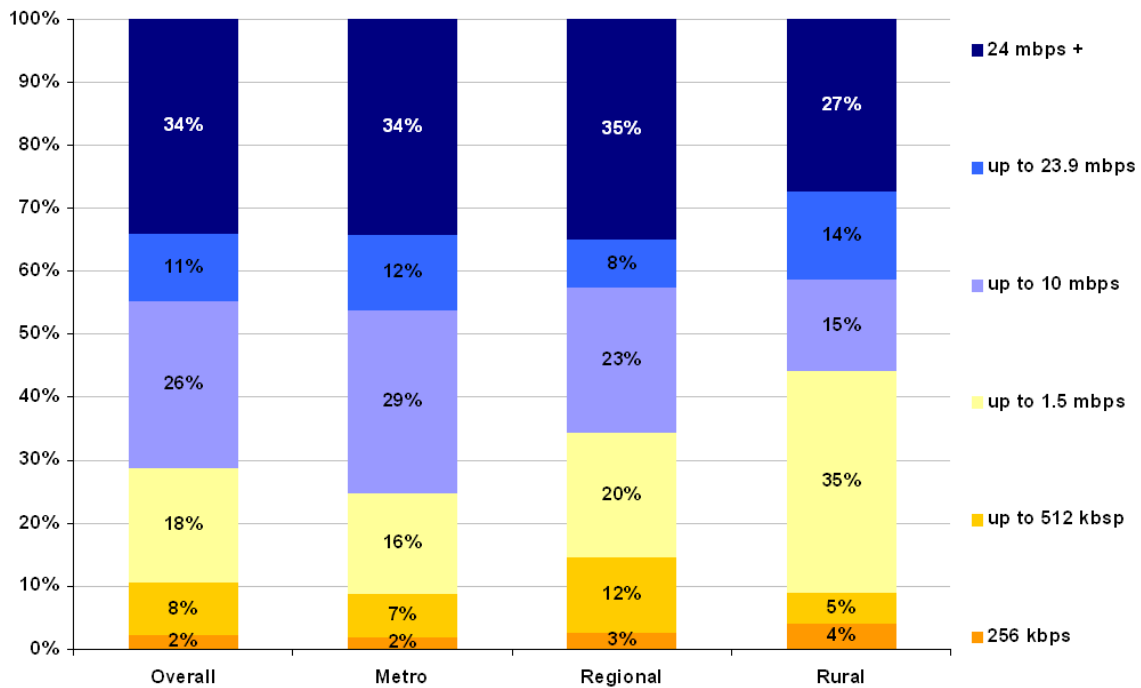
“In recent years radio has been highly successful at reinventing itself by embracing the new online delivery channel,” says Marlow. “Leveraging the Internet as a delivery mechanism for radio content is a very successful strategy and this is clearly supported by the continued increases in online radio consumption hours. Similarly, there is significant opportunity for television to take advantage of the Internet as a delivery mechanism and monetise quality video content in the online environment – we know that users widely accept advertising supported models online and taking this approach will likely be the golden ticket to success for professional video content.”

Marlow says that for several years, rapid growth has been observed in the amount of time Australian Internet users spend online, although other traditional media have not observed such growth.

“While Internet usage continues to show solid growth year on year, traditional media still account for a significantly larger portion of advertising expenditure,” observes Marlow. “Television accounts for as much as double the amount of advertising dollars dedicated to the Internet and I expect to see this gap narrow over the next 18 months.

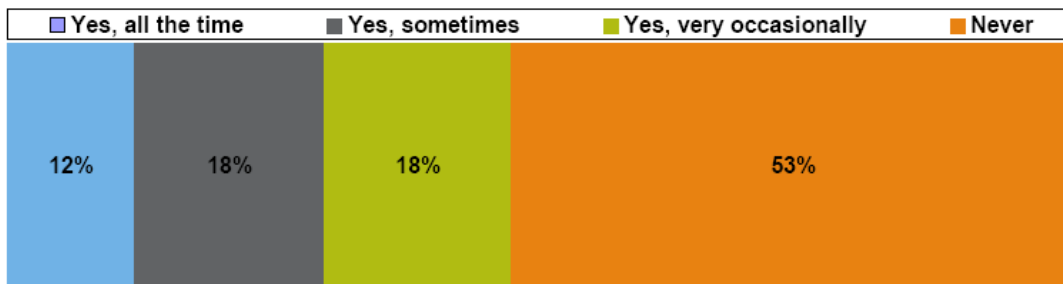
“The economic slowdown also has its role to play in the realignment of advertising expenditure, many advertising professionals are already feeling the pressure from brand owners wanting a better return from their shrinking advertising budgets,” concludes Marlow.

**Chart 1: Internet speeds intended to acquire within the next 12 months**



**Chart 2: Frequency spent watching online/downloaded television (metropolitan Australia)**

Sample: Australian metropolitan Internet users aged 16 years and over (2008: n=1,194)



**About Nielsen Online’s Internet and Technology Report**

The Australian Internet and Technology Report is now in its eleventh 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



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**About The Nielsen Company**

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