



# Views on media channels – marketers and consumers views on effectiveness

## Executive Summary

How do Australian consumers want to hear from brands and how well do marketers know their audience? Two surveys were undertaken to find out.

In July 2013, Australia Post surveyed more than 9,000 people to find out how they view advertising, what they feel are the most effective channels for promotional messages and which channels they find useful when interacting with businesses.

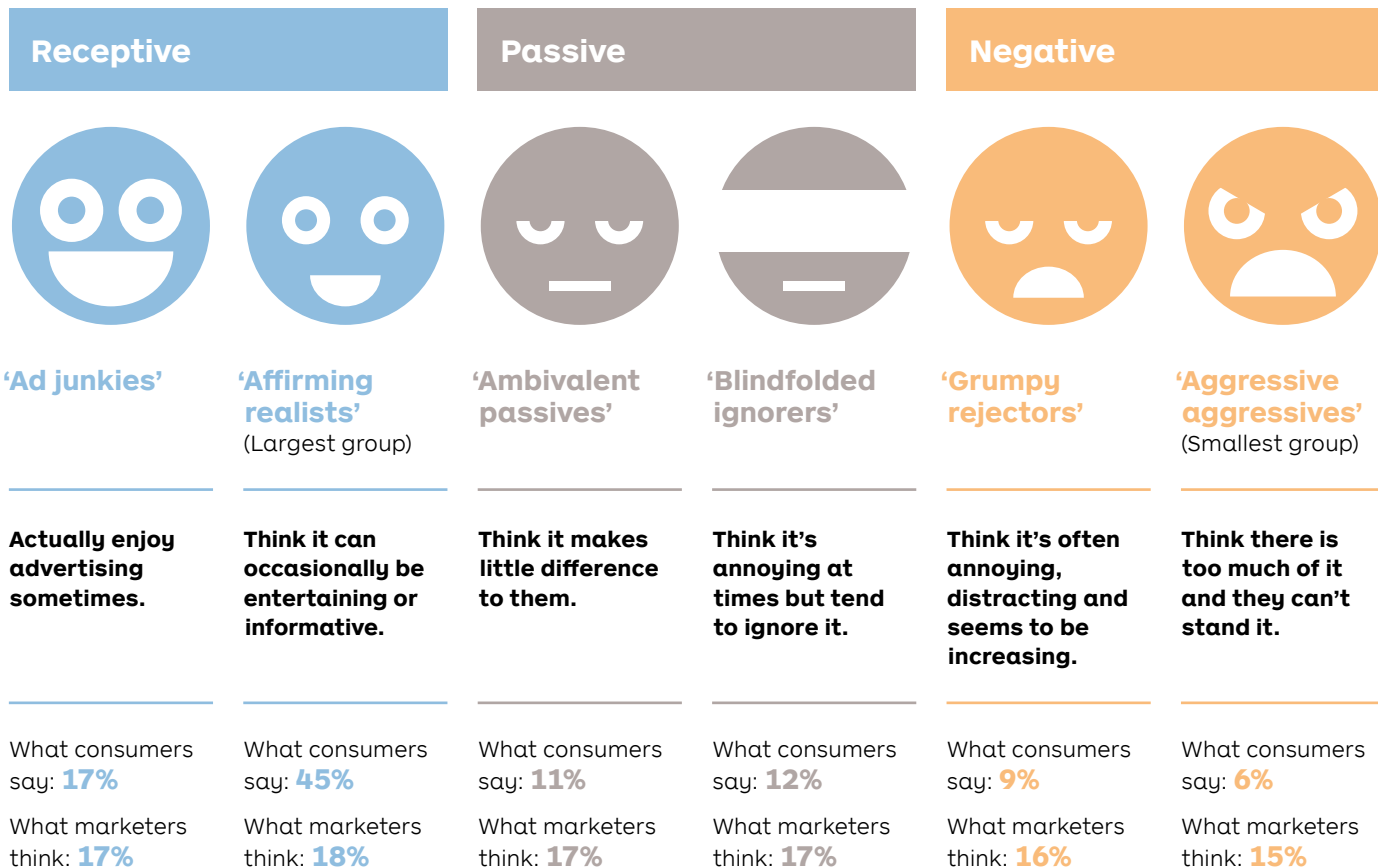
The results raised the question as to whether marketers shared a similar view to consumers. Australia Post teamed up with *Marketing* magazine to investigate further.

The Marketer Views on Advertising survey was conducted by *Marketing* in November and December 2013 and set out to canvass the beliefs held by more than 300 Australian marketers into which communications channels are preferred by consumers. The results have been compared and contrasted with the views of consumers, and are detailed in the report '*Creating connections that matter: How Australians want to hear from brands.*'

<http://auspost.com.au/business-solutions/research-oct13-brands.html>

## How do Australians feel about advertising?

Firstly we look at where people fit on the receptive-negative scale, and where marketers think they fit.



**MARKETING's take:** People are nowhere near as negative about advertising as marketers think they are. Or perhaps given the even distribution, marketers are unclear on this one.

## Top 10 most effective advertising channels

The views of Australians and marketers as to which channels are ranked 1-10 below for effectiveness:

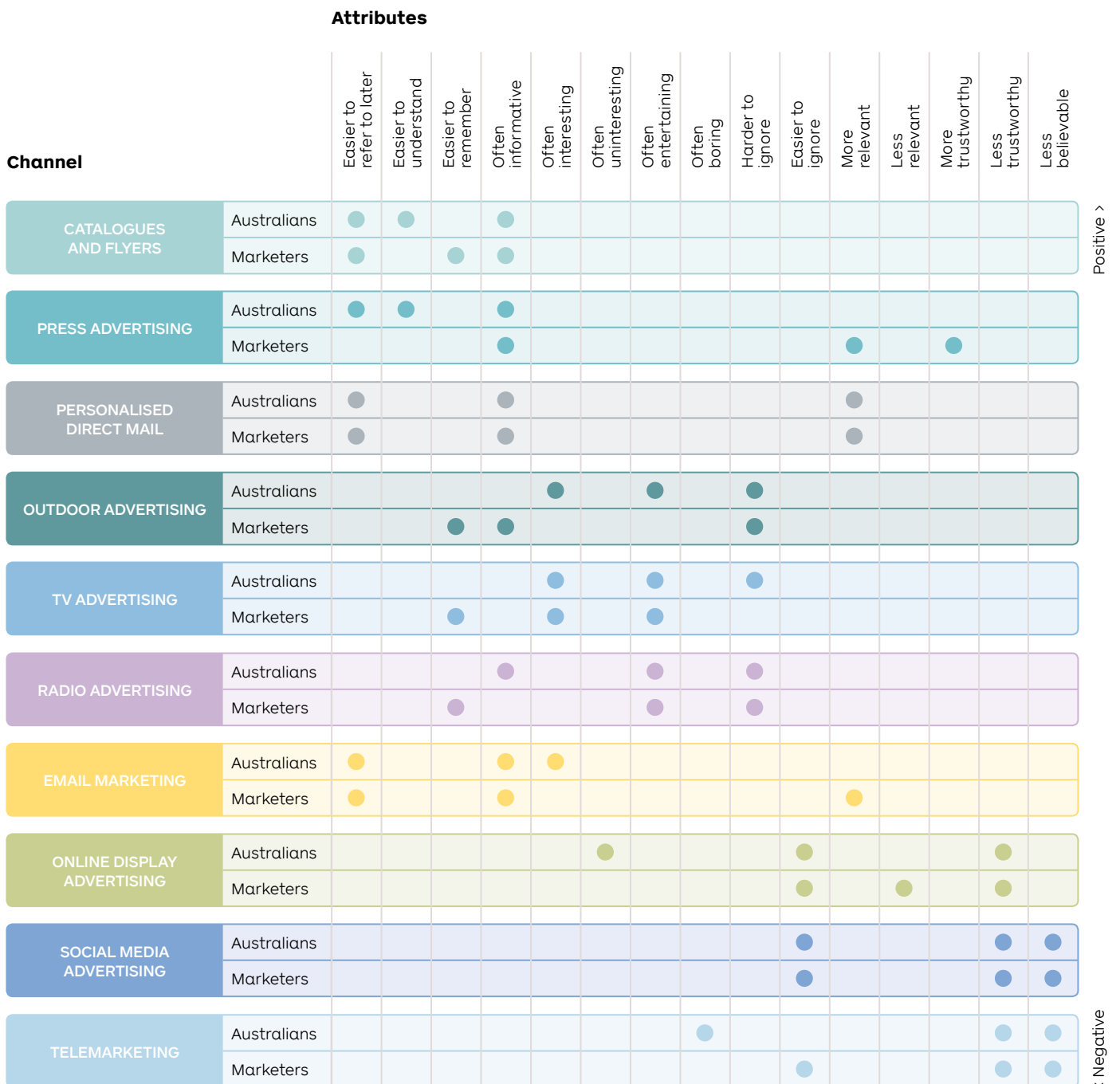
Rank	What Australians say	
1	CATALOGUES AND FLYERS	62%
2	TV ADVERTISING	52%
3	PRESS ADVERTISING	40%
4	RADIO ADVERTISING	32%
5	PERSONALISED DIRECT MAIL	29%
6	EMAIL MARKETING	25%
7	OUTDOOR ADVERTISING	23%
8	SOCIAL MEDIA ADVERTISING	17%
9	ONLINE DISPLAY ADVERTISING	12%
10	TELEMARKETING	4%

Rank	What marketers think		
1	EMAIL MARKETING	69%	▲
2	TV ADVERTISING	56%	=
3	PERSONALISED DIRECT MAIL	54%	▲
4	CATALOGUES AND FLYERS	53%	▼
5	SOCIAL MEDIA ADVERTISING	49%	▲
6	RADIO ADVERTISING	47%	▼
7	ONLINE DISPLAY ADVERTISING	44%	▲
8	OUTDOOR ADVERTISING	40%	▼
9	PRESS ADVERTISING	37%	▼
10	TELEMARKETING	17%	=

## Top 3 attributes of each channel

Why consumers and marketers think each channel is effective (or not).

Based on the top three attributes identified by respondents who reported each channel as useful.



**MARKETING's take:** The attributes of each channel are generally uncontentious, but the degree to which certain attributes matter might be underestimated by marketers.

## Channels on the path to purchase

Australians say that certain types of messages and communication channels may be more useful at particular points in the purchase cycle.

Channel	Point of purchase					
	New customer - Considering options	New customer - Making final decision	Existing customer - Cross-sell	Existing customer - Retention	Switching customer - Options	Switching customer - Making final decision
WEBSITES	61%	65%	66%	53%	68%	68%
TV ADVERTISING	46%	43%	42%	26%	40%	40%
CATALOGUES AND FLYERS	43%	39%	41%	38%	35%	35%
PERSONALISED DIRECT MAIL	40%	43%	44%	65%	46%	48%
PRESS ADVERTISING	38%	37%	33%	23%	33%	33%
EMAIL MARKETING	22%	25%	25%	55%	29%	29%
RADIO ADVERTISING	21%	21%	21%	14%	21%	21%
SOCIAL MEDIA ADVERTISING	9%	8%	8%	10%	9%	8%
OUTDOOR ADVERTISING	8%	8%	7%	5%	7%	6%
ONLINE DISPLAY ADVERTISING	7%	7%	7%	6%	8%	8%
TELEMARKETING	4%	5%	6%	5%	5%	5%

**MARKETING's take:** Marketing goals should not only determine creative strategy, but channel selection as well.

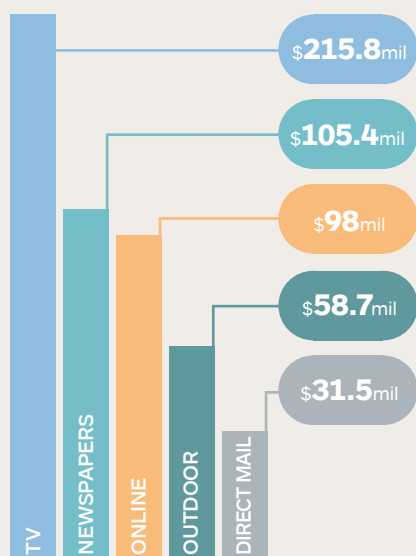
## Industry breakdowns

In this special report, we draw comparisons between the channel views of Australians and the marketers in the banking, superannuation, telecommunications, utilities, fashion retail, supermarkets, automotive and not-for-profit industries. We look at the acquisition and retention of customers and the cross-sell of products and loyalty programs where applicable.

### Banking

The hotly-contested finance sector is a marketplace of deals, offers and packages and is transforming from being primarily a relationship business to a convenience one. Pressure to increase earnings is intense and marketers are charged with differentiating their brands and encouraging cautious consumers to borrow more.

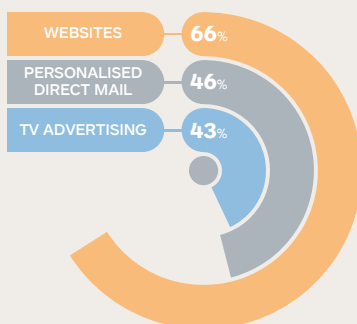
The financial services sector spent approx. \$564 million on advertising in the financial year to 30 June 2013. According to the Nielsen 'Expenditure by Media' report for that financial year, the top five advertising channels by spend for the banking sector was:



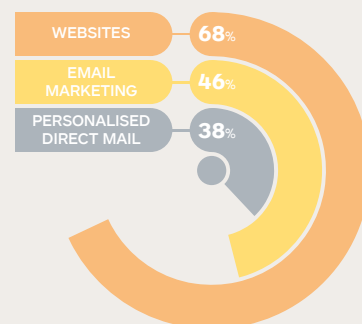
### Acquisition

When it comes to evaluating options and making purchasing decisions for a new credit card, consumers say the most useful channels are websites, direct mail and TV advertising. Marketers were in agreement with websites, but felt emails had more impact than personalized direct mail.

Consumers say:



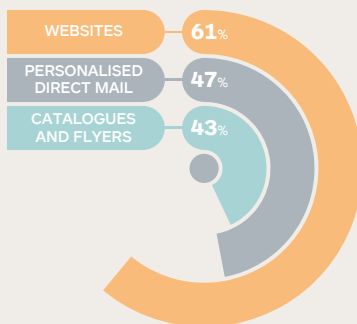
Finance marketers say:



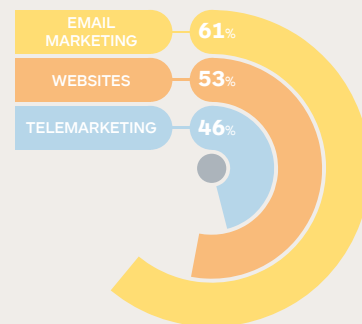
### Cross-sell

When people are considering additional services or products from a bank where they are an existing customer, they find websites, direct mail, catalogues and flyers most useful. While marketers agreed with websites as a channel they thought email and telemarketing were preferable options.

Consumers say:

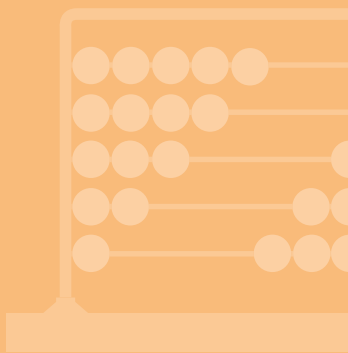


Finance marketers say:



## Superannuation

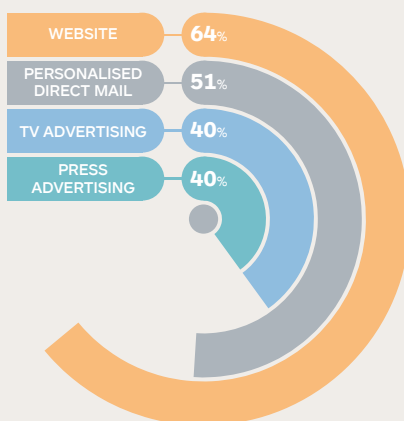
As at June 2013, the Association of Superannuation Funds of Australia (ASFA) estimates the country's total superannuation assets at a record \$1.62 trillion. Marketers in this sector face challenges communicating changes to both consumers and businesses in contribution and reporting requirements and on the performance of their funds.



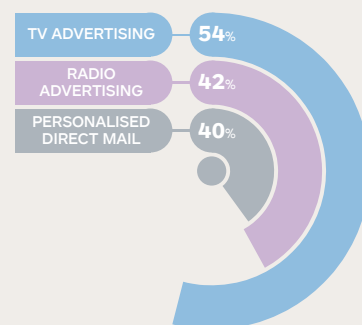
### Acquisition

When considering a new super fund, Australian consumers named websites, personalised direct mail and TV and press advertising as the most useful channels. Marketers neglected print and websites in their response to this question, instead naming radio as a channel they consider highly effective.

Consumers say:



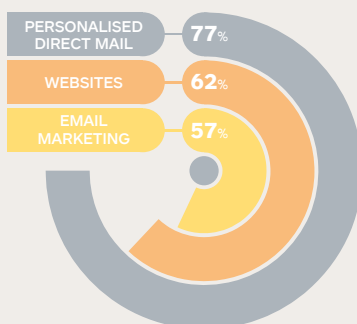
Superannuation marketers say:



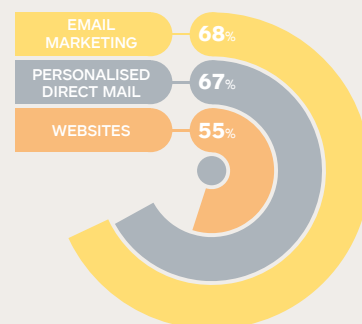
### Retention

Consumers report that direct mail, websites and email are the most useful channels for communications from their existing super fund. Responses from marketers in this field matched with the channels, albeit in a different order.

Consumers say:



Superannuation marketers say:

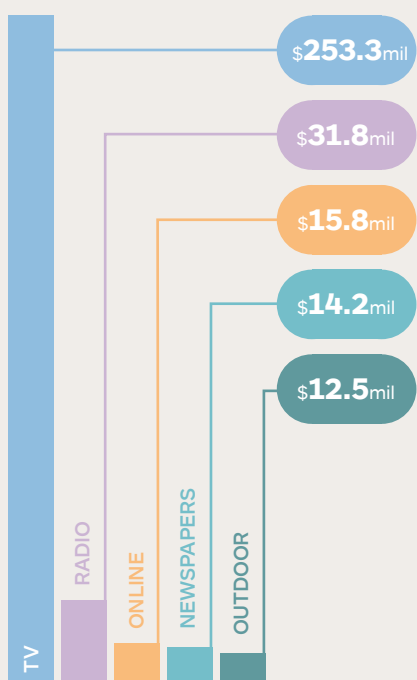


## Insurance

With more than 95% of the insurance industry's premium income derived from renewals (IBISWorld, July 2013), retention is a high-stakes game for insurance marketers. Aggregator services (price comparison platforms) have increased their presence in the Australian insurance market in recent years tilting the power into the hands of buyers. The challenge for marketers in this industry is to make insurance look like a smart, simple investment.



According to Nielsen the top five advertising channels by spend for the industry in FY12-13 was:

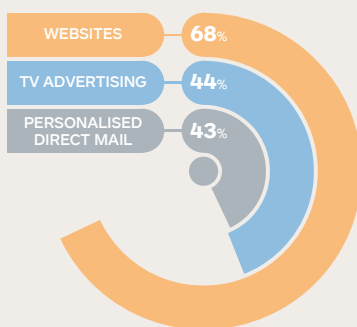


### Acquisition

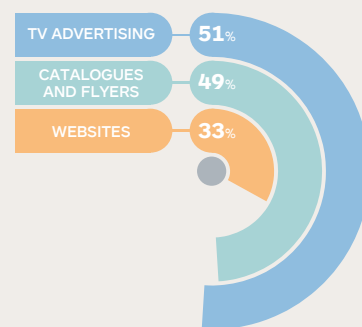
When considering new policies consumers regarded websites as the most useful channel, followed by television and personalized direct mail close behind.

Insurance marketers consider television as the most useful channel, which would account for the significant spend in this channel, followed by catalogues and flyers with websites at number three.

Consumers say:



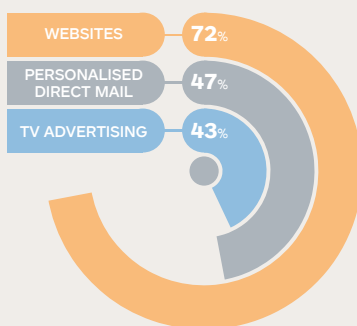
Insurance marketers say:



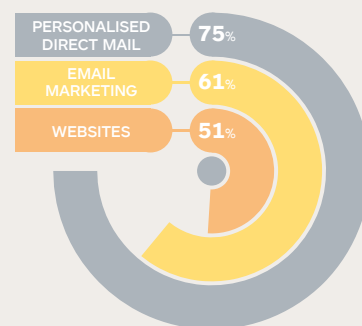
### Retention

With so much riding on retention, customer service is paramount to the insurance market. When consumers are deciding whether to renew or switch, websites again score heavily, personalised direct mail climbs up the rankings. While marketers see direct mail as the most effective channel to consumers.

Consumers say:



Insurance marketers say:



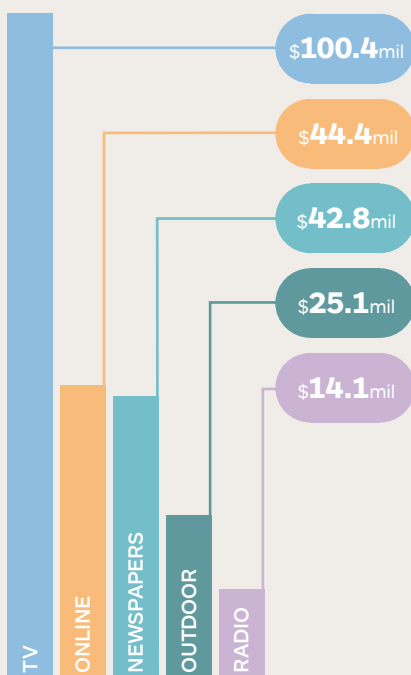


## Telcos

Exploding demand for connectivity in an industry overloaded with options makes the telecommunications marketer's job one of communicating complex information in the simplest way.



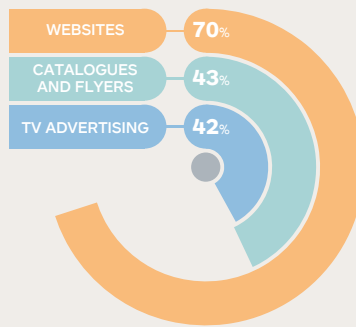
According to Nielsen, the top five advertising channels by spend for the industry in FY12-13 were:



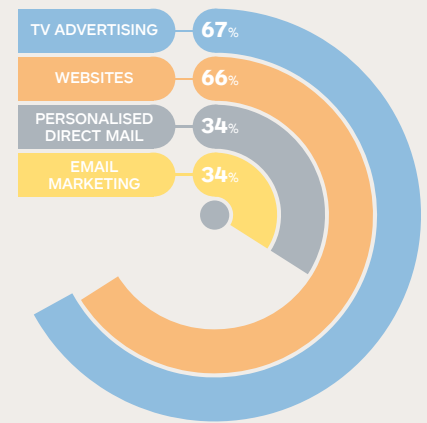
## Acquisition

When making decisions on new telecommunications products, consumers rate websites, catalogues and flyers and TV advertising as the most useful communication channels. Telco marketers felt television was the most effective channel for the industry; they missed the importance of catalogues and flyers (ranking it sixth).

Consumers say:



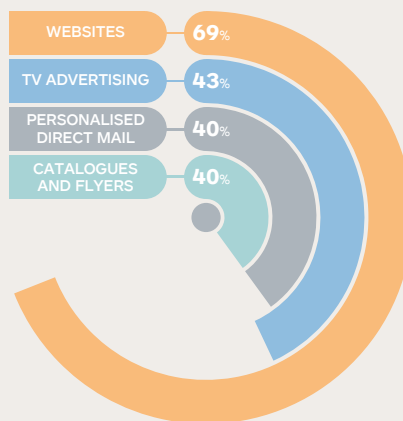
Telecommunication marketers say:



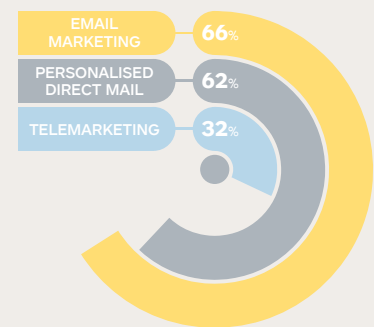
## Cross-sell

The most useful channels to consumers for cross-selling of telecommunications products and services from an existing provider was websites, personalised direct mail was in equal third place with catalogues. Meanwhile, marketers considered email slightly more effective than direct mail and identified telemarketing as the third-best channel for cross-selling.

Consumers say:

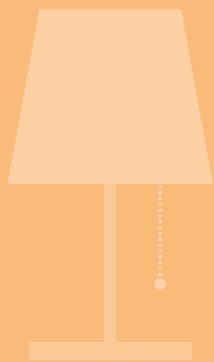


Telecommunication marketers say:



## Utilities

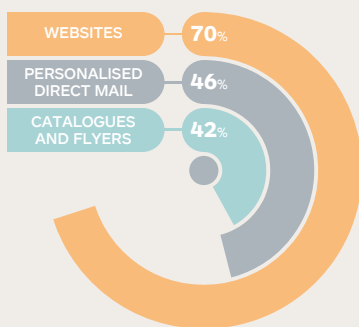
Utilities marketers are tasked with persuading consumers of their brand's differences, as well as environmental credentials. Electricity price increases caused by heavy investment in intelligent infrastructure have added to the existing switching challenge.



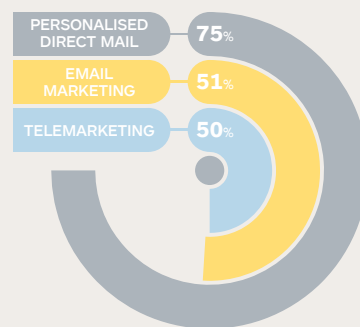
### Acquisition

The three most useful channels nominated by consumers, when they're signing up for new utility services are websites, direct mail and catalogues and flyers. The survey results indicate utility marketers missed the importance of websites and flyers, instead placing telemarketing in their top three.

#### Consumers say:



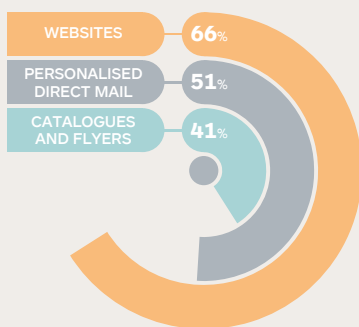
#### Utilities marketers say:



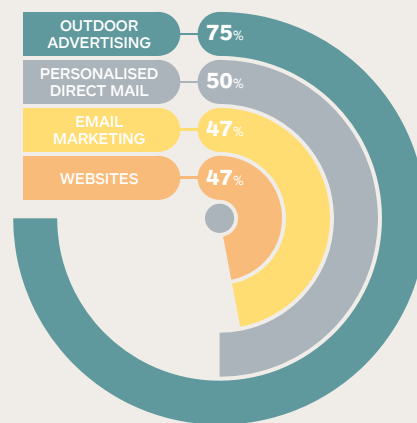
### Retention

When considering their options and receiving information from their current provider, consumers looked to the same channels as for acquisition. While the marketers considered outdoor advertising as the most important channel.

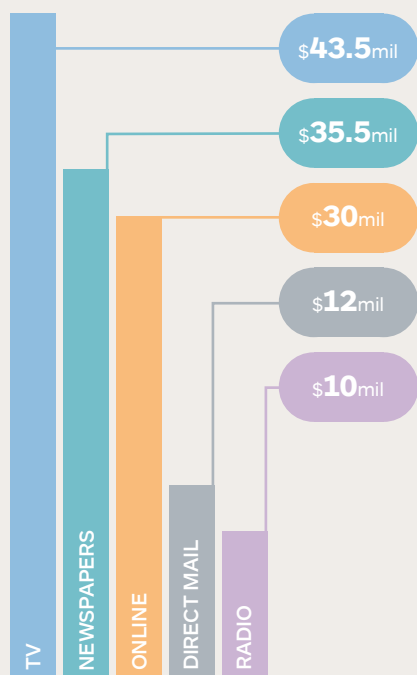
#### Consumers say:



#### Utilities marketers say:



According to Nielsen, the top five advertising channels by spend are:

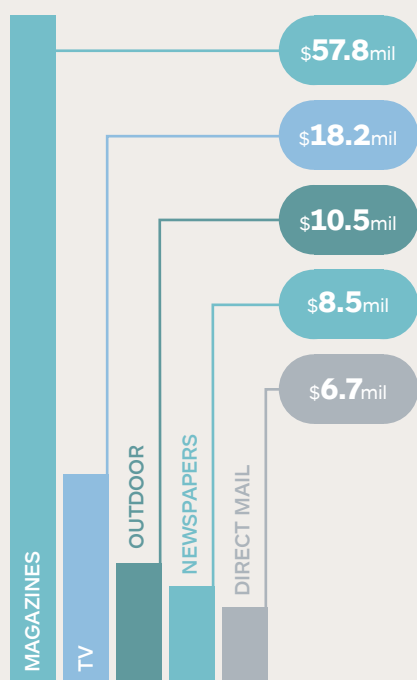


## Fashion Retail

High competition from international and online retailers, coupled with more cautious consumer spending, has made life hard for retail marketers. Seasonality and the latest looks create a sense of urgency for retail fashion; marketers must create brand awareness and positioning while achieving short-term goals.



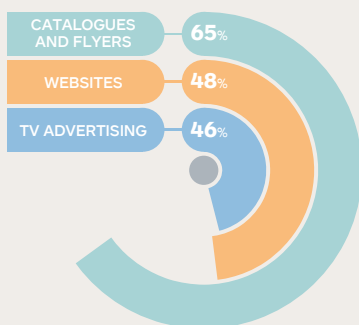
Nielsen reports the top five advertising channels by spend by fashion retail brands as:



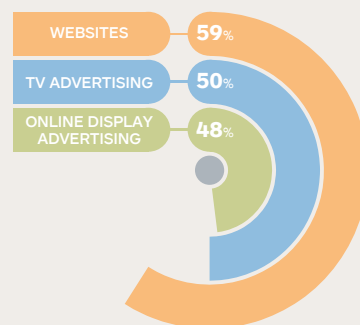
### Acquisition

The most useful channels for attracting customers to fashion retail brands according to consumers are catalogues, websites and TV advertising. Interestingly, retail marketers nominated online advertising as being more important than catalogues.

Consumers say (fashion specific):



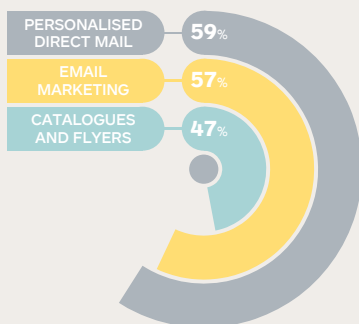
Marketers say (retail in general):



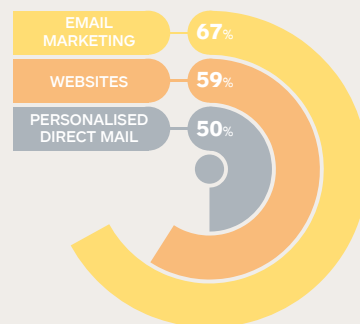
### Loyalty

To generate loyalty to a particular store or brand through a rewards program consumers say that personalized direct mail, email marketing and catalogues are the best ways for fashion retailers to communicate. Marketers generally agreed, but placed websites higher.

Consumers say (fashion specific):



Marketers say (retail in general):



## Supermarkets

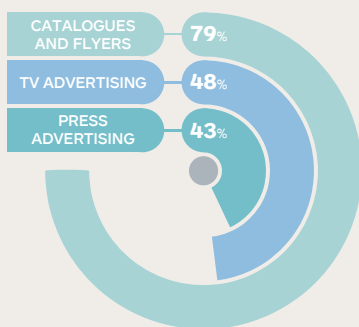
Price-conscious consumers, private label growth and battle for market share are shaping the Australian supermarket space. Marketers must communicate specials and loss-leaders to attract bargain hunters while at the same time building brand equity.



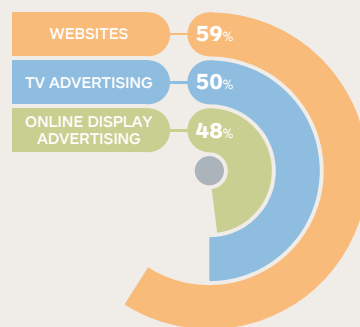
### Acquisition

For attracting customers, retail marketers say that websites, TV and online advertising are the best channels, but consumers disagree. Consumers consider catalogues and flyers as the most useful channel supermarkets can use for acquisition. For retail generally marketers considered websites and television to be the most significant channels.

Consumers say (supermarket specific):



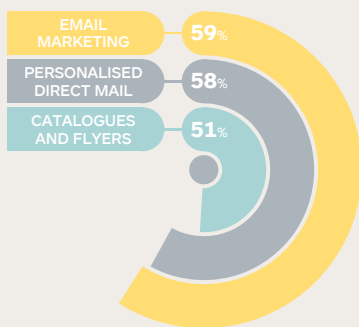
Marketers say (retail in general):



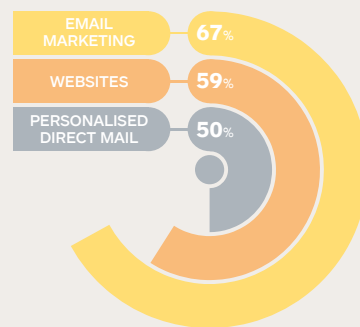
### Loyalty

Loyalty to supermarket brands is encouraged by sophisticated rewards programmes, which help to create a loyal customer base that doesn't simply chase the lowest price. Both consumers and marketers say that email and direct mail are among the top choices for communicating information about loyalty programs.

Consumers say (supermarket specific):



Marketers say (retail in general):

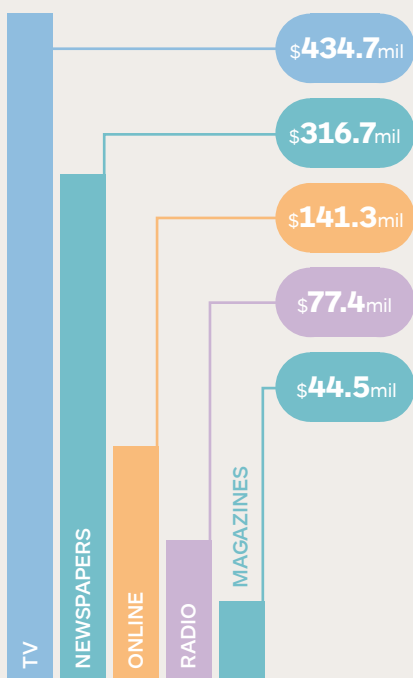


# Automotive

Automotive marketers are faced with the challenge of creating awareness of the marquee and model and influencing a complex set of purchase considerations for a very significant item in consumers' lives.



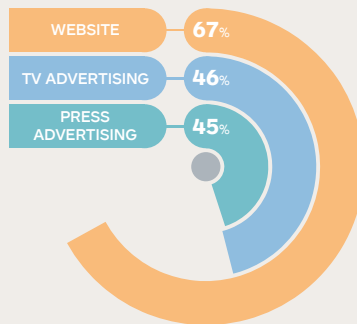
According to Nielsen, the top five advertising channels by spend in this industry was:



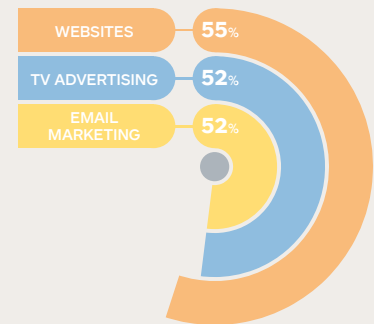
## Acquisition

Consumers say that websites, TV and press advertising are the most useful channels when they're considering the purchase of a new car. Automotive marketers agree, however, they place greater importance on the digital channels at the expense of press advertising.

Consumers say:



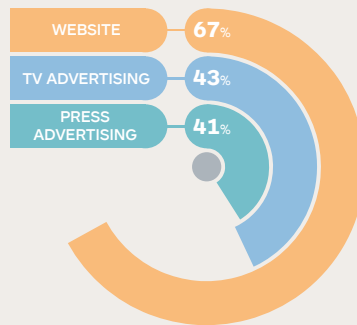
Automotive marketers say:



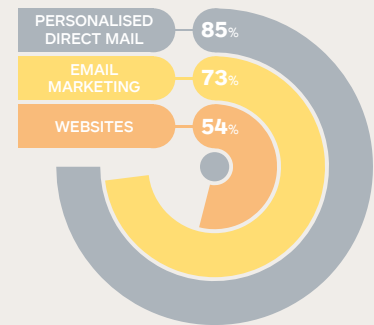
## Retention

When drivers are considering a new car or upgrading their existing model, they nominate the same channels as acquisition being the most useful, but auto marketers lean towards the direct methods.

Consumers say:



Automotive marketers say:



## Not-for-profit

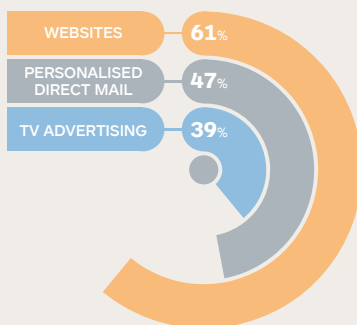
The NAB Charitable Giving Index puts the average annual donation at \$291 per Australian. Marketers for charities and not-for-profit organisations must raise awareness and raise funds in a crowded environment where consumers are increasingly aware and demanding of transparency.



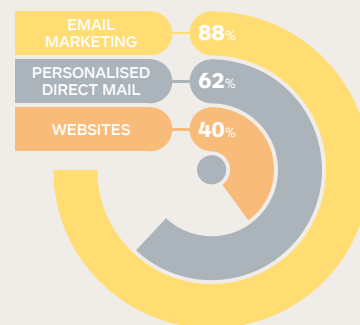
### Switching

Consumers consider websites, direct mail and TV advertising as the three most useful channels when deciding whether to switch their loyalty. Marketers, however, hold email in much higher regard.

Consumers say:



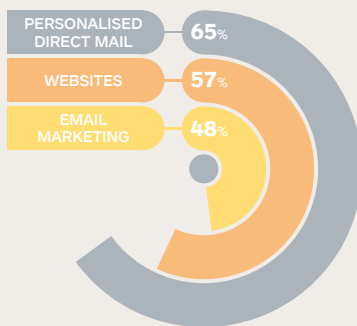
Not-for-profit marketers say:



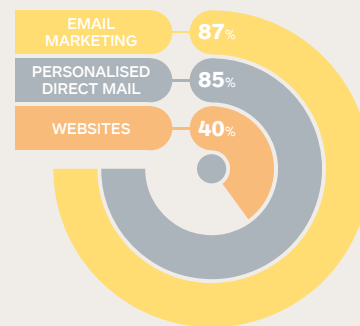
### Retention

Marketers and consumers are on the same page here, with both nominating the same top three communication channels, albeit in a different order, for retaining customers.

Consumers say:



Not-for-profit marketers say:



## The wrap

The results of the survey of marketers compared and contrasted to those of Australia Post's poll of Australian consumers. It showed that marketers in some industries are in touch with the channel preferences of their audience. In other industries marketers are backing channels their customers aren't looking to for their marketing messages.

A well executed marketing campaign can deliver market share and brand equity, a campaign that misses the advertising channel can potentially lose customers and weaken the brands they represent. How did your industry fare?

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