



2014/15
AUSTRALASIAN
CATALOGUE
ASSOCIATION
INDUSTRY
REPORT

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EXECUTIVE SUMMARY

Welcome to our third Annual Industry Report 2014/15. This report provides metrics, research and insights into a vibrant, dynamic and performing media channel.

A strong performing year for catalogues and letterbox marketing with increased Audience Reach (19.7M), the industry has consolidated throughout the year to develop stronger targeting and datasets to allow retailers to market to specific consumer groups. With a 19c unit price, the entry level buying of our powerful media channel has never been as strong when delivering increased returns on marketing investment.

With 77% of the Australian population engaged in catalogues within a four (4) week period, Readership up by 8% over the previous twelve (12) months and print coming up trumps over digital, 70% preferring printed catalogues over 10% digital, the future is strong for the well-performing media.

Favored amongst 'Trusted Advisors' big brands such as Ikea, Toys 'R' Us, Vodaphone, JB Hi-Fi, Shiels, Radio Rentals and Domayne are the biggest winners. Their catalogues are twenty-five (25) to twenty-seven (27) times more likely to be read over other catalogues. These brands are realising great cut-through and brand presence with their combination of letterbox and newspaper insert distribution.

In Home Media is a strong positioner for catalogues as we understand more and more consumer actions when reading catalogues. Research has found 83% of Australians take catalogues into the home with their addressed mail and 77% report when they receive catalogues they read them. Readership windows flow throughout the day, with peak readership between 9am and 12noon.

Catalogues are pushing Australians online, creating incoming product queries and/or sales – ING DIRECT realized a 72% increase in likelihood to consider the bank while PFG Australia report a 50% increase in call centre and web traffic from a catalogue release.

Hardware, Discount Department Stores and Liquor do not disappoint, enjoying strong readership and engagement. 1.13 readers per copy for a major Hardware brand, 4.5M readers are reading a major discount department store catalogue each delivery window and 42% of Australians rank Liquor catalogues as the media most useful when making a purchasing decision.

Results continue to strengthen the media channel across all market segments, traditional and non-traditional. The technology and advancement in targeting and data intelligence is delivering improved return on investment results and we continue to watch the catalogue and letterbox marketing industries out perform in the years ahead.

Kellie Northwood
Chief Executive Officer
Australasian Catalogue Association



INTRODUCTION

The Australian Catalogue Association was formed in 1992 and in 2014, with the inclusion of New Zealand, rebranded to Australasian Catalogue Association (ACA).

It represents the producers and distributors of catalogues. The ACA also provides a forum for the promotion of catalogues as an effective advertising medium on its own merits or part of an effective multi-channel communication marketing mix.

To support and promote the effectiveness of catalogues as a communication medium, the ACA measures and builds metrics across Audience Reach, Distribution Volume, Market Segmentation, Value, Effectiveness and ROI. This report forms the third of the ACA's annual industry update and will be supported by regular industry snapshots updating the market.

The ACA further endeavours to enhance public knowledge and awareness of catalogues as a valuable and sustainable advertising channel across both Australia and New Zealand. The metrics presented within this report have been compiled over the past five (5) years from a collection of sources including independent research, research commissioned by the ACA, the ACA research team and affiliated bodies.

All research and reference material is made available on the ACA website:

www.catalogue.asn.au/report.

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INDUSTRY METRICS

Industry metrics provide a quantitative analysis of the catalogue industry to assist media buyers in understanding the measurements, comparisons and general performance of the catalogue channel. Tracking performance across market segments, volumes, reach, size, value and comparative channel analysis as well as international trends allows marketers to understand the strengths of the catalogue industry.

AUDIENCE REACH

In FY2015 catalogue Audience Reach was 19.7 million¹ Australians.

No other media compares with the reach of letterbox marketing. Increased housing, population and strong letterbox distribution networks have been key contributing factors in ensuring catalogue readership performs well.

Whilst each channel has its strengths, when compared with other channels, Letterbox (19.7M)¹ holds a dominant position:

- Television (Free-to-air) (13.6M)²
- Television (Subscription TV) (8M)³
- Magazines (13.8M)⁴
- Commercial Radio (10.1M)⁵
- Newspapers (16.4M)⁶

¹ Delivery point data (Letterbox and Post Office Box) for those accepting advertising material has been supplied by Australia Post in 2014. The ABS Household and Family Projections 2001–2026 report 2.5 people per household. Post Office Boxes Business Addresses and Other have been extracted and entered as single units. All data has been quantified against PMP Limited and Salmat distribution delivery points across Australian distribution networks.

² As sourced by Free-To-Air, OzTAM and RegionalTAM, 5 cap cities, 6 aggregated regional markets, 01 January – 31 December 2014, all people, all day, metro and regional daily reach figures are combined to form a national estimate, excludes spill, total commercial free-to-air only (Free TV), consolidated data.

³ ASTRA Subscription Media, 2014 and ABS Population Clock – 8 September 2014 at 03:18:53 PM (Canberra time), the resident population of Australia is projected to be: 23,591,448. Approximately one third is considered the audience reach of PayTV.

⁴ Magazine Publishers Australia, Roy Morgan December 2012, FIPP World Trends.

⁵ Commercial Radio Australia, 2014.

⁶ The Newspaperworks, emma™, 2014.

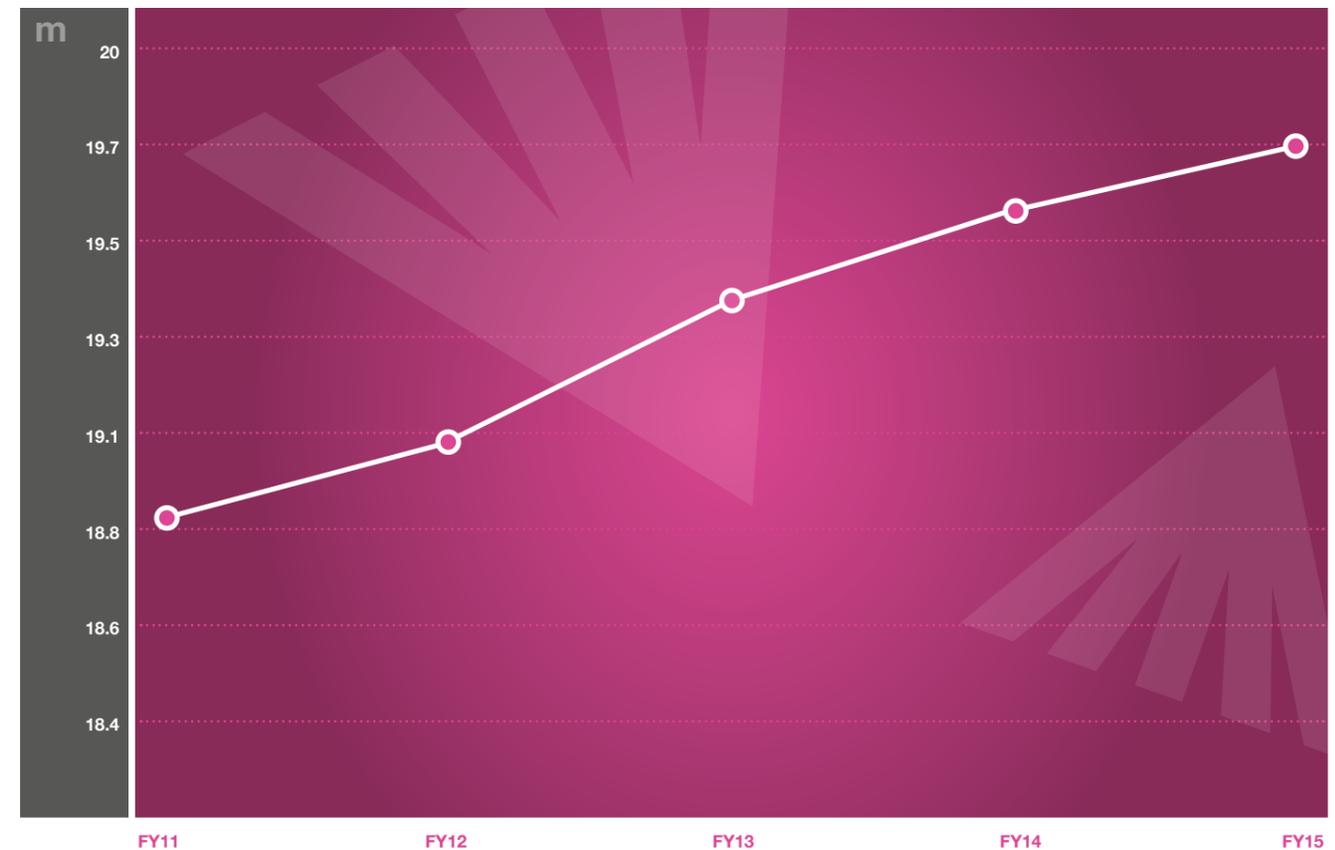
AUSTRALASIAN CATALOGUE ASSOCIATION (ACA)

The ACA is the industry association for the raw materials, paper, print and distribution companies. Each quarter the ACA Board companies input production, distribution and order volumes which are collated, de-identified, analysed and assessed against Retail Index figures, Seasonal Trends, the Australian Dollar, Market Segmentation and more. The data reported above outlines the collective volume of the market excluding catalogues distributed through publication inserts such as newspapers and magazines.

www.catalogue.asn.au



AUDIENCE REACH ACROSS AUSTRALIA



CIRCULATION

Industry volumes remain resilient, and catalogue marketing has again proven to be the most dominant print media channel in FY15.

With steady industry volumes, the emerging trends within the volume data are interesting to review.

Twelve (12) month trends include:

1. National retailers, the strongest users of catalogue, are increasing pagination and continue to dominate the letterbox presence.
2. Mid-tier retailers continue to place more emphasis on targeting, which has resulted in improved ROI and a reduction in wastage volumes YOY.
3. An increase in the number of small and local businesses starting to use letterbox media as the industry providers make it a more accessible media for all business sizes.
4. Media Agency spend in letterbox and catalogue advertising have rapidly increased in recent years as the data and tools that support the scientific nature of letterbox targeting improve.
5. Retailers are adopting a catalogue-everywhere (off and online) approach to maximise the catalogue investment across all channels and devices.

Big data is a trend driving industries and the catalogue industry is no exception. ROI transparency is improving in line with better econometric modelling. This, combined with the ability to utilise any combination of owned or bought data sets to index the audience found at any deliverable area in the country, is driving a more scientific and targeted approach to catalogue than ever before. The net effect is as you'd expect; less catalogues driving better results. This is great for the users of the media and great for industry suppliers that are realising the commercial opportunities surrounding data and targeting.

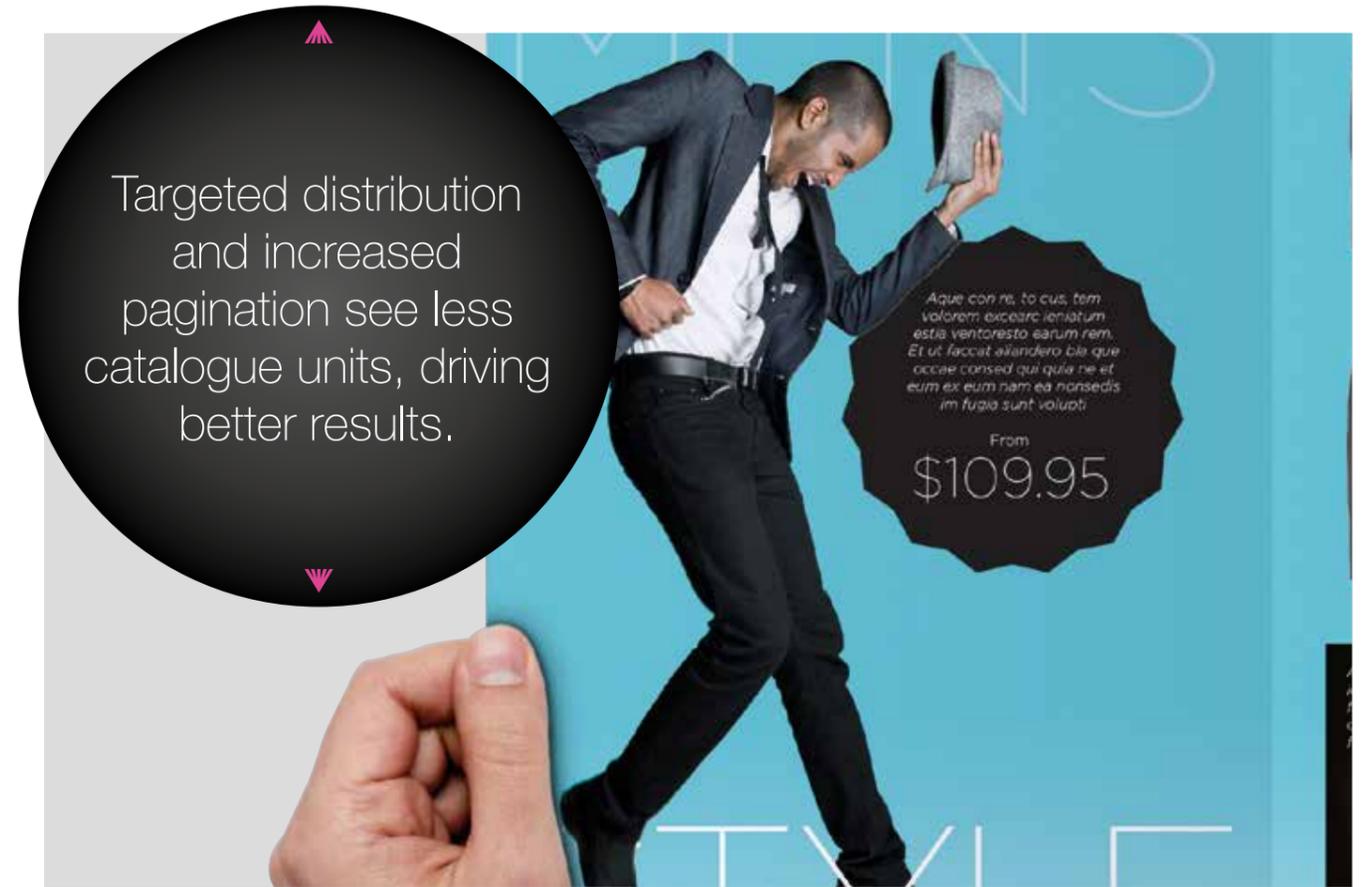
There is a great spectrum when it comes to the targeting utilised by the major users of the catalogue media. At one end of the spectrum, we have mass users like supermarkets that are extracting very significant ROI with every catalogue, regardless of the demographic, life-stage, household expenditure, location in relation to stores, or any other targeting profile that might define the recipient. At the other end of the spectrum are the strategically distributed store networks of niche retailers who need to ensure the areas receiving their catalogue meet very specific targeting criteria and over-index in their likelihood to be a customer. These more niche retailers are saving money by reducing their volumes and being more considered with where they do send their catalogues.

Source: Australasian Catalogue Association, 2015.

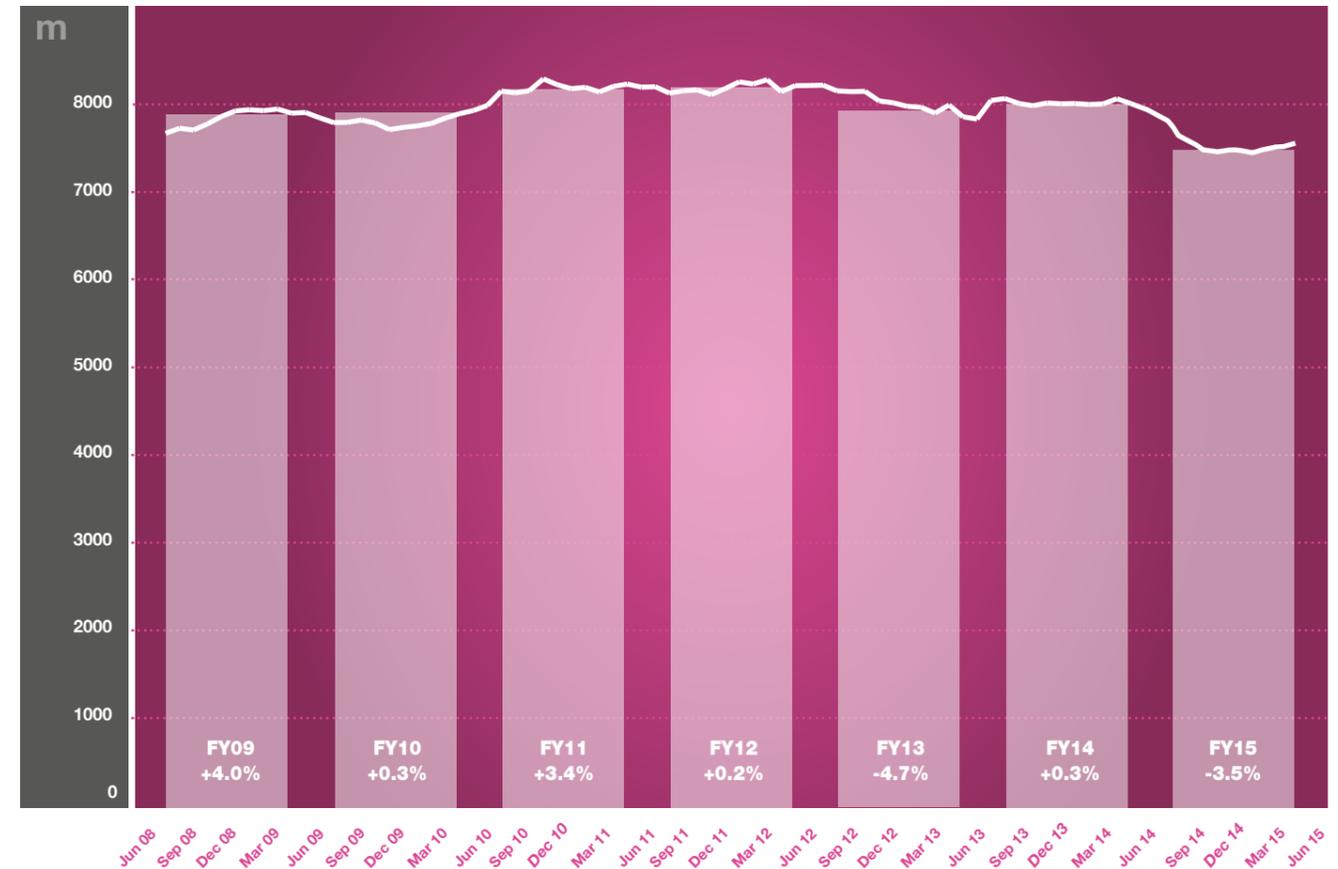
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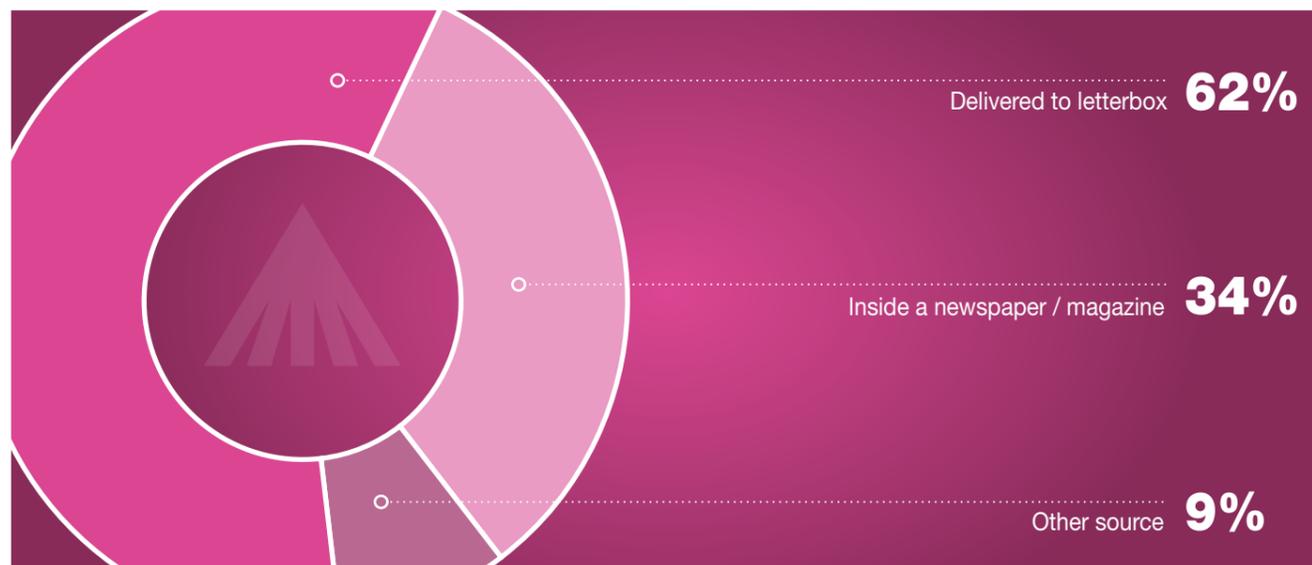


INDUSTRY VOLUMES BY DISTRIBUTION



LETTERBOX THE MOST COMMON DISTRIBUTION WINDOW

TOP 3 CATALOGUE DISTRIBUTION CHANNELS



Letterbox drops are the primary source of distribution for catalogues, leaflets and brochures with 62% being distributed via this method.

Catalogue inserts into magazines and newspapers have also trended as an increase over the past three years and are the second highest distribution platform at 34%.

'Other source' can include In-Store and Direct Mail distribution at 9%.

Source: emma™ Q1 (Jan 2014 – Mar 2014) and Q2 (Apr 2014 – Jun 2014) partial database.

EMMA

emma (Enhanced Media Metrics Australia) is Australia's cross-platform audience insights survey. The measurement survey has been developed for The Readership Works by independent research company Ipsos MediaCT, global leaders in local audience measurement. Ipsos conducts national audience surveys and is the official measurement system in over 40 countries including the UK, Italy and France.

www.emma.com.au

MARKET VALUE – MOST COST EFFECTIVE MEDIA WHEN COMPARED TO ALL OTHER CHANNELS

CATALOGUE UNIT COST BY MARKET SIZE



With a 19c entry point for catalogue production and distribution, Letterbox Marketing is the most cost effective media buying in the country.

With an Audience Reach of 19.7M, Readership at ~70% and Unit Price of 19c, catalogues deliver the strongest results at the most affordable buying.

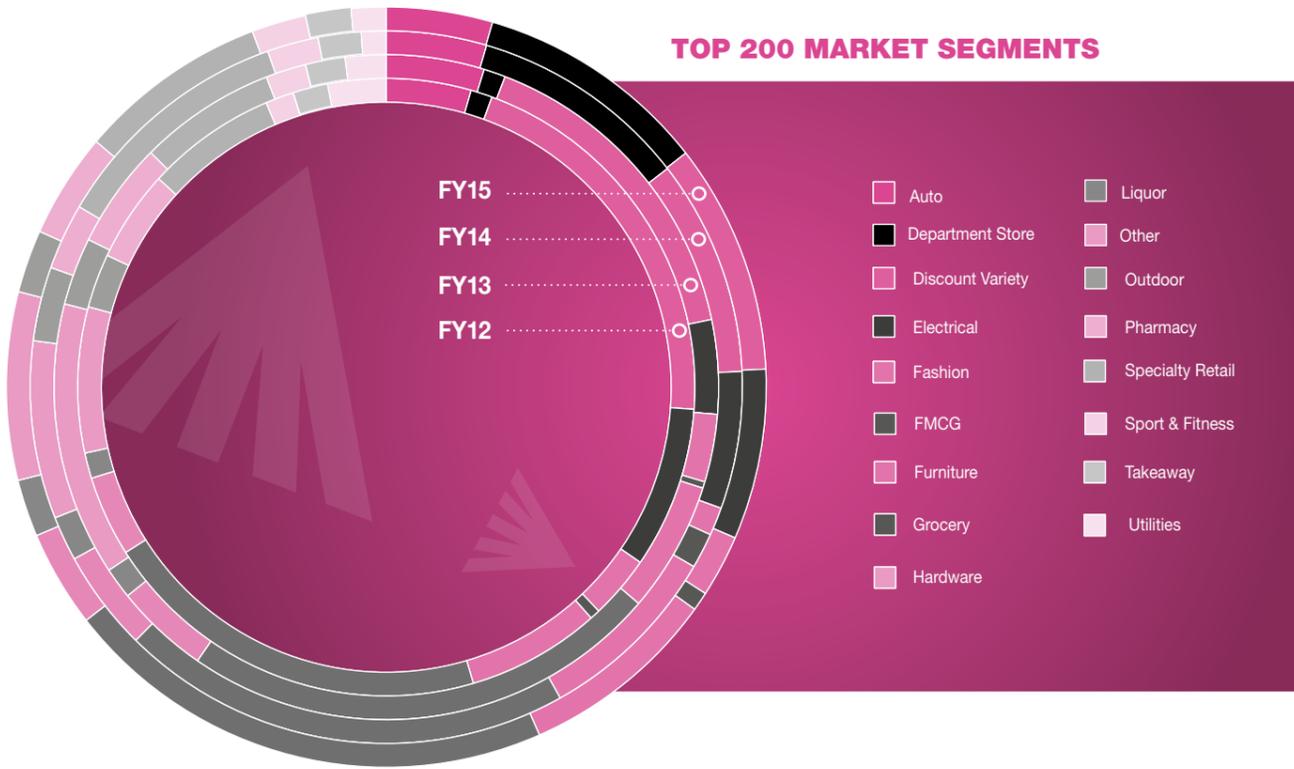
Source: Australasian Catalogue Association, 2015.

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www.catalogue.asn.au

MARKET SEGMENTATION



Market Segmentation provides a snapshot of the Top 200 customers investing in Letterbox Marketing.

Displayed above as a percentage, this chart demonstrates which segments are dominant users, trends, and shifts in volume investments. Despite shifts in formats and distribution windows, the market segmentation and investment remains stable across all segments. Some interesting trends indicate segments who moved away from letterbox marketing only to return. Increased segments include, Fashion, Grocery, Pharmacy, utilities and Other.

Note: Other includes growth areas such as Telecommunications and Government.

Source: Australasian Catalogue Association, 2015.

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www.catalogue.asn.au

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ENGAGEMENT

Engaging the consumer and holding a conversation for a period of time allows companies to develop strong relationships with potential customers. Insight into which consumer groups read catalogues and how long they spend reading them or interacting with them is important in understanding the power of the catalogue. Whether offering a comprehensive product range, brand positioning, new store or product offering, engaging your customers is critical when communicating your messages.

77% OF AUSTRALIANS HAVE ENGAGED WITH A CATALOGUE IN THE LAST MONTH.

60% of Australians aged 14+ read a catalogue within the last 7 days while 77% of the population have engaged in a printed catalogue in the last month.



Source: emma™ Q1 (Jan 2014-Mar 2014) and Q2 (Apr 2014-Jun 2014) partial database.

Across several data sets catalogue readership and engagement remains strong. From seven (7) days to four (4) weeks catalogue recall and readership is ongoing. Weekly distribution windows deliver higher recall with Australian readers.

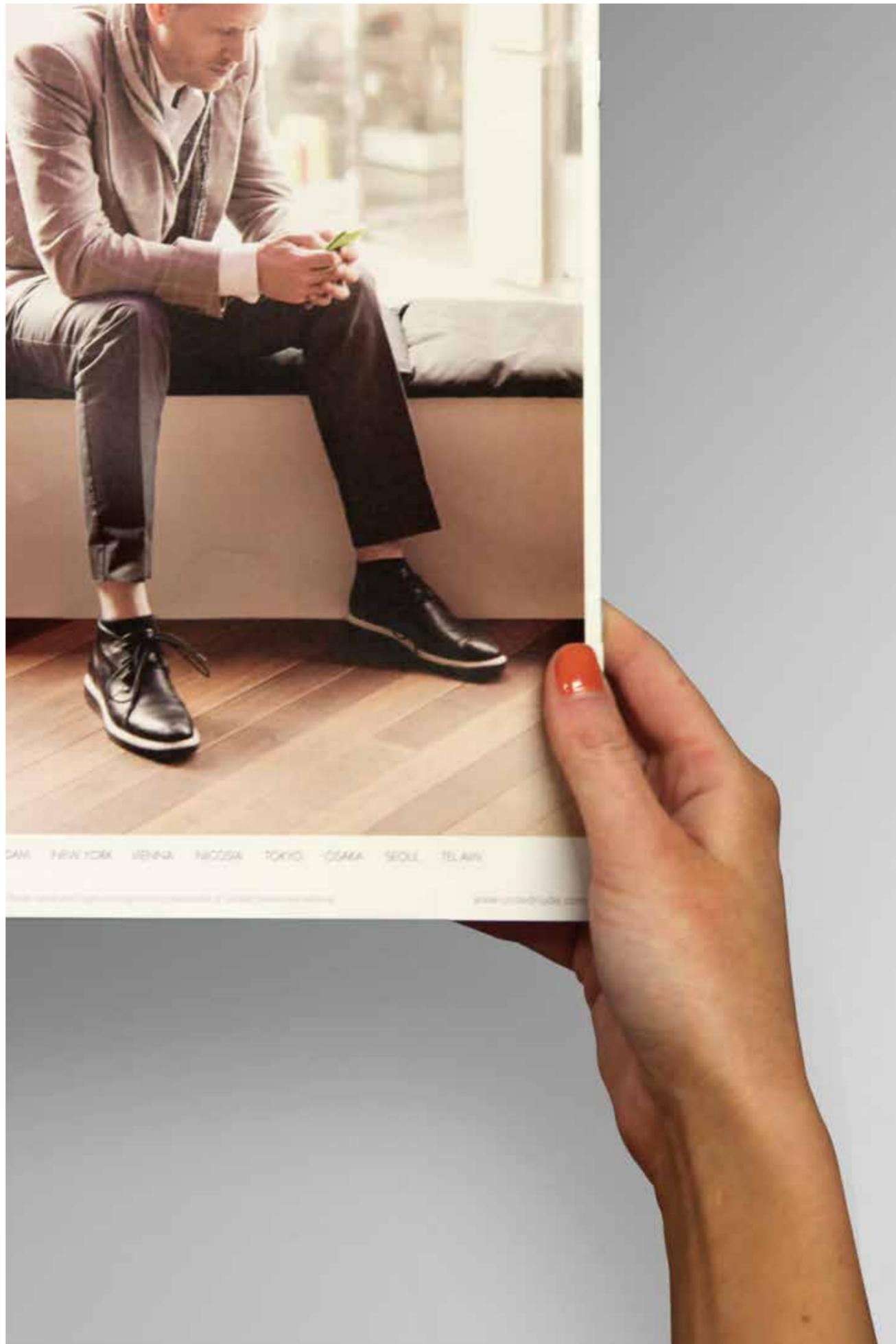
60% of Australians aged 14+ report reading a catalogue within the previous seven (7) days, while 77% of the population have engaged and read a printed catalogue, leaflet or brochure within the last four (4) weeks.

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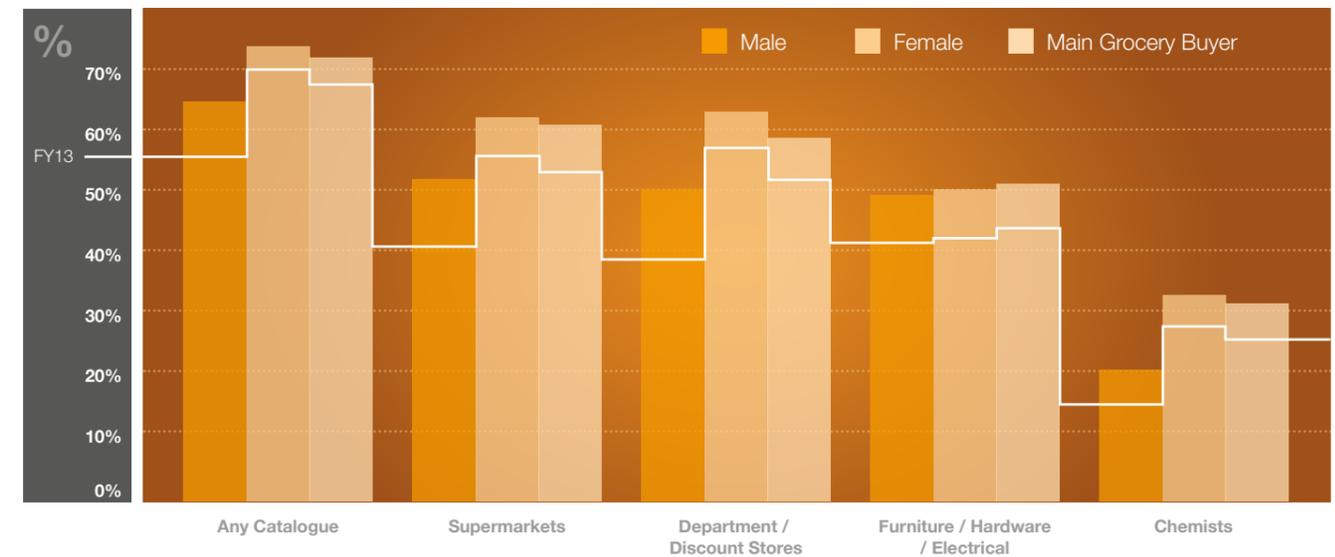
emma's methodology is world-leading, surveying 54,000 people a year, seven days a week using sophisticated survey techniques.

www.emma.com.au



CATALOGUE READERSHIP ON THE RISE

CATALOGUE READERSHIP BY SEGMENT AND GENDER



Source: Roy Morgan Single Source (Australia), April 2014 – March 2015

The most notable trend is the increase from previous year figures, across all categories, Main Grocery Buyer, Women and Men demonstrating an increase in readership percentage. In 2014 results indicated a 62% readership, however this year has jumped to over 70%.

Women continue to be avid readers of catalogues with 74% reading catalogues within a four (4) week period. Further with women being the dominant decision makers for household products, retailers continue to leverage from the above findings.

Men also score highly at 66% having read a catalogue within the past four (4) week period.

ROY MORGAN

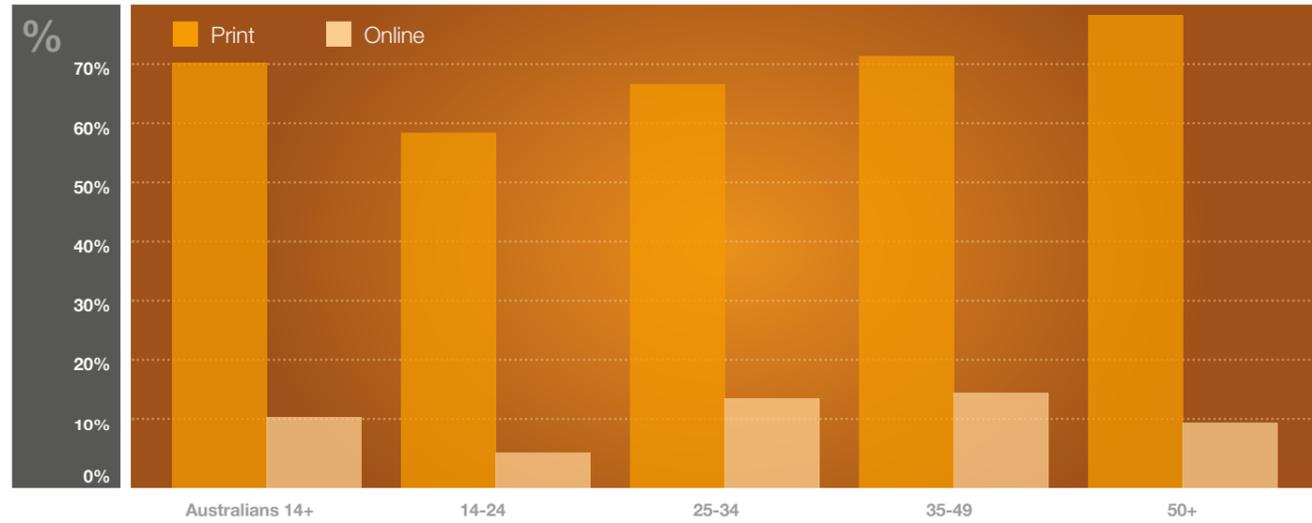
Founded in 1941, Roy Morgan Research has built a reputation for providing meaningful, insightful, actionable information to assist marketers, the media, government and institutions make better, more informed decisions. Australia's largest, independently owned market research company, Roy Morgan Research offers a suite of both quantitative and qualitative research services.

Utilizing the proven accuracy of face-to-face interviewing Roy Morgan's Single Source survey also incorporates multi-mode data capture including a self-completion media diary and consumer poll as well as web-assisted interviewing. Single Source's approximately 50,000 respondents per year are asked about a broad range of topics including their attitudes, media consumption, brand and product usage, purchase intentions, financial information and leisure activities to obtain fully rounded profiles of Australian consumers.

www.roymorgan.com.au

CATALOGUES PREFERRED OVER DIGITAL

CATALOGUE READERSHIP PRINT VS. ONLINE

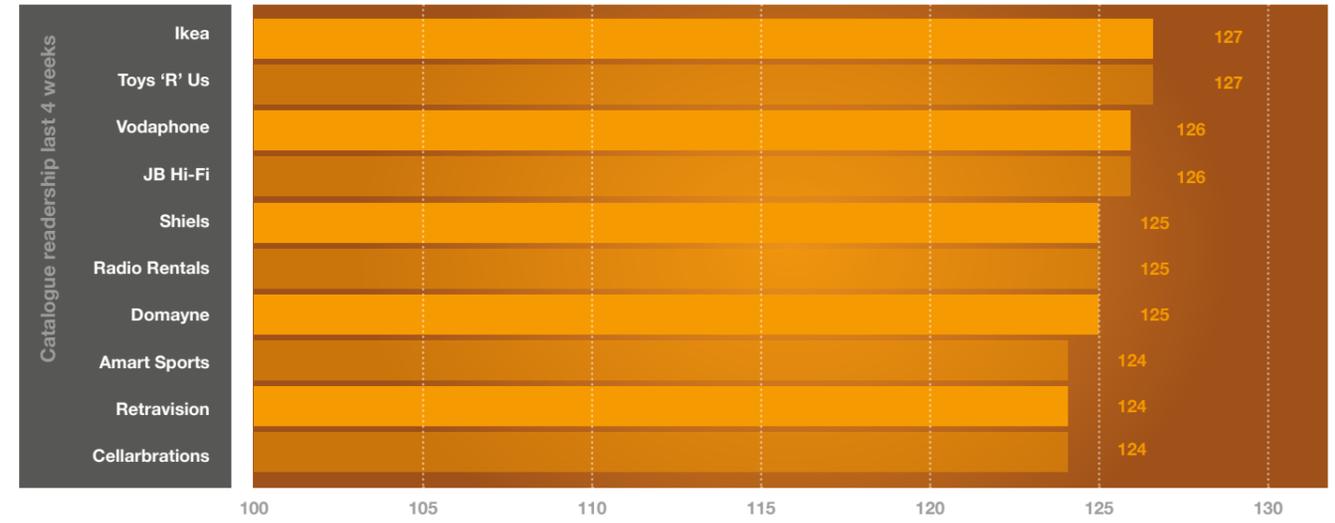


Source: Roy Morgan Single Source (Australia), April 2014 – March 2015

- 70% of Australians aged 14+ read catalogues in an average four (4) week period. An 8% increase from last year's 62%.
- 67% of 25-34 year olds, a powerful consumer market, read printed catalogues compared to 13% reading online.
- Australians aged 50+ are the strongest consumers with 77% reading printed catalogues and 9% viewing online.
- Most powerfully are the 14-24 year olds continuing to dispel the myth they prefer digital communication methods with a strong 57% reading the printed catalogue.

TRUSTED ADVISORS 20 TIMES MORE LIKELY TO READ CATALOGUES

CATALOGUE READERSHIP INDEX



Source: Roy Morgan Single Source (Australia), April 2014 – March 2015

The Index above refers to the propensity of the Trusted Advisor group to take action and read certain types of catalogues.

Any records over 100 (100 = base) is more likely than the average. Therefore Trusted Advisors across 5+ categories (listed in the table above) are 27% more likely to read the Ikea catalogue than the average Australian.

The above figures across these high performing catalogues for Trusted Advisors, show that the top catalogue categories carry little wastage in advertising to Trusted Advisors and provide Ikea, Toys 'R' Us, JB Hi-Fi, Shiels, Radio Rentals, Domayne, Amart Sports, Retravision and Cellarbrations the ability to deliver highly successful word of mouth and marketing outcomes.

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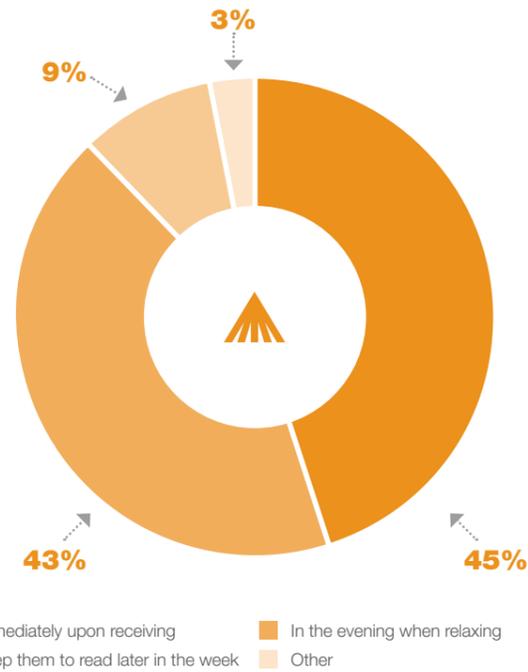
www.roymorgan.com.au

HOW PEOPLE INTERACT WITH LETTERBOX MARKETING

While some advertising channels can be viewed as intrusive, catalogues can be enjoyed by recipients at a time that suits them. Catalogues were normally read either as soon as they were received (45%), or in the evening when people were relaxing (43%).

Retirees tended to read them as soon as they were received (57% compared with 45% for the average population). Younger families and those working full time more often read catalogues in the evening (55% and 51% respectively, compared with 43% for the average population).

Print format comes up trumps. 45% of Australians preferred to receive catalogues via their mailbox. Only 24% would prefer to read them online.



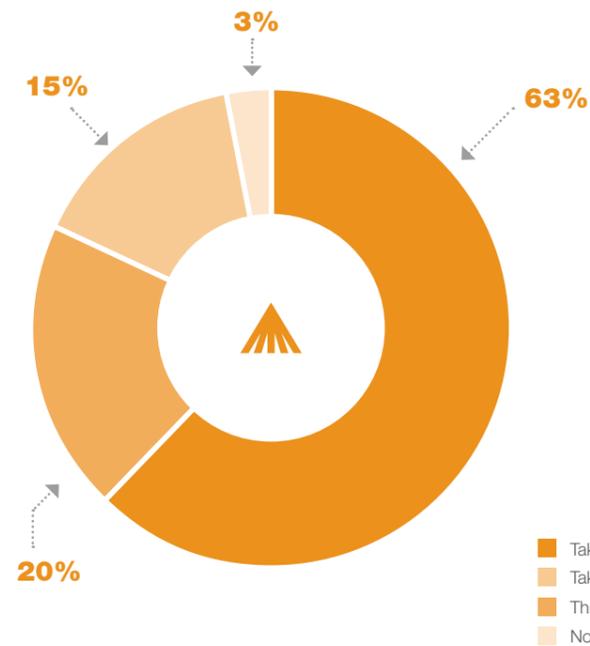
20 MINUTES



75% OF AUSTRALIANS... spent up to **20 MINUTES** per week reading the unaddressed catalogues, flyers and brochures that they received.

Source: Better Connections: How letterbox advertising engages and drives purchasing behaviour, Australia Post, Oct 2014.

83% of Australians took the catalogues, flyers and brochures they received with normal addressed mail into the house.



LETTERBOX MARKETING HAS EXTENDED REACH

60% of Australians reported that other members of their household read the catalogues, flyers and brochures after they had finished reading them.

In younger families, 57% reported that one other person read the letterbox advertising (compared with 45% of the average population). The youth segment more often reported that either two or three other people read the mail too (36%, compared with 15% of the average population).

Source: Better Connections: How letterbox advertising engages and drives purchasing behaviour, Australia Post, Oct 2014.

INDUSTRIES THAT SEND LETTERBOX MARKETING

TOP 5 INDUSTRIES

People who received letterbox advertising most often received communications from:



Australians were least likely to receive letterbox advertising from clubs or interest groups of which they are a member (8%), banks or financial institutions (9%), travel / holiday companies (12%) and utilities providers (13%).

Companies or groups in these industries may be predominately using addressed mail or other personalised channels to communicate with existing customers, or for customer acquisition.

Although these industries didn't use letterbox advertising as extensively, over a third of recipients of these communications read them (53% for clubs, 37% for travel / holiday companies, and 34% for both banks and utilities companies). These reading rates suggest that letterbox advertising not only earns its place in the multi-channel marketing mix, it may deserve a greater proportion of the advertising spend.

77% of people who received advertising read all or a selection of it.

Source: Better Connections: How letterbox advertising engages and drives purchasing behaviour, Australia Post, Oct 2014.

INDUSTRY MAIL RECEIVED & READ

	RECEIVED	READ
Supermarkets	77%	77%*
Real Estate Companies	60%	23%
Department Stores	55%	66%*
Hardware Outlets	53%	60%*
Local Restaurants / Takeaways	51%	50%*
Fashion Stores	38%	43%
Local Service Providers	38%	43%
Telecommunications Companies	33%	24%
Federal, State or Local Government	22%	45%
Charities	19%	23%
Utilities Companies (Electricity, Gas or Water)	13%	34%
Travel and Holiday Companies	12%	37%
Banks or Financial Institutions including credit card and insurance companies*	9%	34%
Clubs or interest groups you are a member of	8%	53%*

Base: received letterbox advertising (n+1778)

Note: Figures highlighted in Orange indicate more than half of those who received the mail read it.

Source: Better Connections: How letterbox advertising engages and drives purchasing behaviour, Australia Post, Oct 2014.

3

INDUSTRY INSIGHTS

Industry insights provides a snapshot of what is trending, delivering results as well as an opportunity to think outside the four walls of your marketing strategy workshops. Whether your goal is brand awareness or loyalty, sales and marketing targets, growth or communicating product range, a new store or even a product launch, achieving campaign goals and innovation often comes from exploring the journey of others. This is of significant importance when reaching for that extra idea or understanding the learnings of others.

SHOPFRONT – REIMAGINING THE PHYSICAL STORE

How will retailers continue to evolve and push both within their marketing communications, but also the simple debate of bricks and mortar over online? ACRS explores the challenges and the importance of getting the balance right of Traditional (or Established) vs Non-Traditional.

Retailers are operating in the greatest period of flux in the history of commerce. For the first time, innovative and agile firms such as US transport network – Uber - and US mobile payment company – Square – are taking on their larger counterparts and redefining their respective industries. Continuous and disruptive change has forced retailers to reimagine the way they do business, with the industry seeing seismic shifts to everything once held as gospel. Consumer connectivity has redefined the way that retailers think about their brand presence - both online and in store. Whilst the rhetoric of the last ten (10) years has been skewed towards ecommerce, and its potential to overtake physical retail, the ‘click-back-to-brick’ phenomenon is now in full swing. In this way, retailers that were once purely online such as US makeup and fashion subscription service – Birchbox – US eyewear retailer – Warby Parker – and US apparel company – Bonobos – are operating physical retail spaces. The re-imagined physical store is becoming an important exercise in consumer engagement, convenience and branding.

Shopping channels are undoubtedly converging. The industry is starting to see inherent weaknesses in both the pure-play and bricks-and-mortar only models. Now more than ever, technology needs to be leveraged across channels to “enhance the retail fundamentals of customer service and convenience”, according to Bill Simon, former Walmart US CEO.

Brands are returning ‘back to brick’ in an unprecedented way, with unconventional brands hosting innovative retail spaces. The Glade NYC pop up concept is a prime example. Traditionally, SC Johnson’s Glade is an FMCG player selling air fresheners and

scented items such as candles, usually through supermarkets. In November 2014 the brand opened a beautifully designed pop up in NYC’s Meatpacking District to break the mold. Shoppers could not actually make a purchase in the store - the sole purpose was to make people fall in love with the Glade brand. The store was a hit and featured five (5) concept spaces, each designed to highlight the scent of a different candle. For example, customers would start in the ‘Anticipation’ Room, that showcased the brand’s Sparkling Spruce candle, and then step into the ‘Flirty’ room where they found themselves walking into the set of a fancy haute couture shoot.

“Connectivity is shaking up the way retailers operate. The physical store is now about transacting in experiences and culture, and it’s the most powerful form of media that a brand has at its disposal”

Piers Fawkes, Founder, PSFK

Initiatives such as this suggest a fundamental change in designing and constructing retail spaces. Today, retail spaces are an effective broadcast medium, and arguably more ‘real’, personal and effective than social media and television. Brands will increasingly opt to open up a range of retail spaces - some designed to sell and others to provide an unforgettable brand experience. Indeed, the balance is different depending on the nature of the brand. Whilst some brands lean naturally to a predominantly e-commerce model, others are brick-and-mortar driven. In a world of constant flux, retailers need to blend together the strengths of physical and digital shopping to create a legion of brand fans and foster new age loyalty.

ACRS

The ACRS research unit assists retail and services organisations seeking to better understand consumers, traverse global trends, identify best-practice, or employ marketing as a source of competitive advantage.

Positioned within the Monash Business School's Department of Marketing, ACRS has a 35-year history as a globally respected source of retail, services, consumer and marketing knowledge. ACRS combines the latest academic research advances with business relevance, practicality and strategy.

www.business.monash.edu/marketing/research/acrs

“THE VALUE OF PHYSICAL STORES IN THE OVERALL ECO-SYSTEM HAS BECOME CLEAR. AS MORE AND MORE PHYSICAL RETAILERS BEGIN TO COME ON BOARD WITH THE ADAPTATION OF TECHNOLOGY INTO THE PHYSICAL PLATFORM, THE INHERENT ADVANTAGES OF PHYSICAL RETAIL WILL COME INTO PLAY. TECHNOLOGY WILL CONTINUE TO CHANGE RETAIL...IT IS MUCH MORE CHALLENGING THAN IT HAS EVER BEEN BEFORE, BUT THE UNIVERSAL TRUTH HAS NOT CHANGED IN THOUSANDS OF YEARS – A MERCHANT WITH A GOOD PRODUCT, PROVIDING A CUSTOMER WITH A GOOD SERVICE WILL SELL”

Bill Simon, Former CEO, Walmart

LIQUOR – CATALOGUES DRIVING SALES

Liquor retailing is a \$17.7 billion industry.

1.

Catalogues at 42% are the media most useful for buying liquor.

2.

Liquor store catalogues are read by over 1.7 Million Australians every week.

3.

Liquor store catalogues are mainly read by people aged 35+.

4.

1 in 3 buy liquor after seeing an ad in a catalogue.

5.

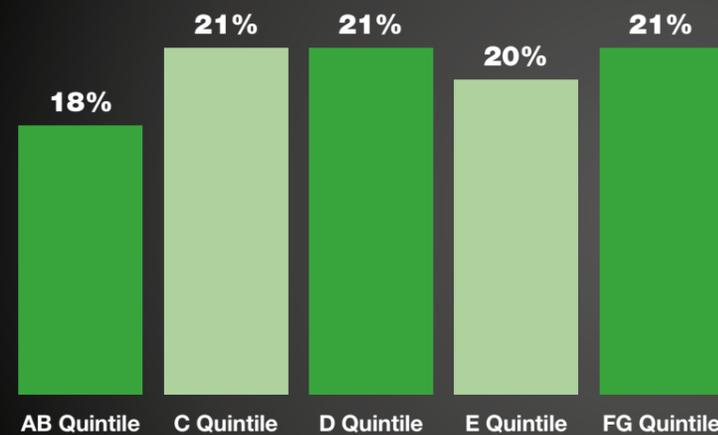
CATALOGUES REACH AUDIENCES

13% (1.7 million) have read a liquor store catalogue in the last 7 days.

22% (almost 2.7 million) have read a liquor store catalogue in the last 4 weeks.



34% of readers buy something featured in a liquor catalogue each week.



Liquor store catalogues appeal to all socio-economic groups

% OF CATALOGUE READERS BOUGHT FROM A CATALOGUE

Brand	Percentage
BWS	31%
Dan Murphy's	27%
1 st Choice Liquor	24%
Liquorland	21%

Further 7% of those who read a liquor store catalogue have also bought alcohol online

Source: Roy Morgan Single Source (Australia), April 2014 – March 2015

Source: Roy Morgan Single Source (Australia), April 2014 – March 2015

AUTOMOTIVE – BRANDZINES, MAGALOGUES & CUSTOM MAGAZINES ON-TREND

Call them what you will, the automotive industry, and others, are racing to the finish line with a new version of the humble ‘catalogue’. Automotive brands have a long and happy history with print marketing, but it’s their ‘magalogues’ that drive customer loyalty. Senior marketers across European car-makers from Audi, Mazda and Toyota explain why print really gets their engines revving.

Make no mistake about it, customer magazines – car brand magazines mailed out free to respective car brand owners – are a crucial marketing tool for the European automotive industry, helping accelerate car sales out of a recent slump. “A lot of people will still say the first time I heard about the new model was through the magazine,” says Steven Duval, Manager of Direct Marketing Toyota UK. “They hadn’t seen the TV, radio or press ad. The magazine is very important in that respect.”

For the likes of Toyota, Audi and Mazda, it’s their customer magalogues as much as their latest automotive gadgetry that’s wooing customers to buy their cars.

“The Audi Magazine plays a very important role in our overall marketing strategy and CRM programme,” agrees Sarah Cox, National CRM and Centre Marketing Manager for the German luxury car marque. “It’s a core communication within our continuous customer dialogue.”

DRIVING ACROSS EUROPE

Toyota, Audi and Mazda distribute millions of copies of each magalogue issue across Europe, updating car owners on new models, car reviews and auto-related offers, all with the style, engagement and stunning photography of an upmarket lifestyle magazine.

Toyota’s This Way is distributed to 300,000 Toyota customers in the UK and Germany, and chimes its publication date with new models coming out, with the latest issue coinciding with new Toyota Aygo and Yaris models. “It makes sense to do a magazine around this time to make sure we are promoting those cars,” Duval says.

Like This Way and the Audi Magazine, Mazda’s Zoom- Zoom helps maintain the relationship between car vendor and buyer. With 1.1m copies distributed across 30 countries in Europe, Zoom- Zoom provides a vital bridge between manufacturer and consumer, keeping up the dialogue until it’s time for a new model to be purchased.

“The actual time we get face-to-face with a customer is quite low,” explains James Crouch, Senior Marketing Manager at Mazda. “We use our customer magazine to keep that conversation that we can’t do face-to-face.”

“THE ACTUAL TIME WE GET FACE-TO-FACE WITH A CUSTOMER IS QUITE LOW...WE USE OUR CUSTOMER MAGAZINE TO KEEP THE CONVERSATION THAT WE CAN’T DO FACE-TO-FACE”

James Crouch, Senior Marketing Manager for Mazda

AN INVALUABLE CAR MARKETING TOOL

According to Crouch, Zoom- Zoom is used as a tool to empower ‘advocates’ (or readers) with the latest Mazda news, which can then be shared with friends. “We don’t have the marketing budget to be able to deliver the share of voice we would like,” he says, “and so advocates are central to the strategy, doing the marketing work for us.”

Zoom-Zoom is a multiple winner of the CMA (Content Marketing Association) Best Automotive Content Marketing Solution of the Year – an impressive feat, although more important is its popularity with its readership. More than eight of ten say it’s an ‘excellent’ way of keeping up to date with the brand, while 33% say the magalogue “provokes” conversations about Mazda they would otherwise not have.

According to Duval, while print still resonates with car buyers of all ages, it’s a big hit with Toyota’s core demographic of drivers between 55 and 60.

“A lot of the magazine/brandzine is long-form content,” he says, “and it’s the kind of content that can be more easily read in a magazine, which is easy to pick up and down and show friends.”

Almost 60 years old, the quarterly Audi Magazine boasts an average circulation of 350,000 and has also won a number of awards. The title has multiple benefits, not least instilling a sense of loyalty, with its readers’ members of the ‘Audi Club’.

“It goes beyond just a medium of brand communication,” says Cox. “It has a positive impact on improving brand loyalty, consideration and advocacy. The mix of content from product updates, technology innovations and insight into how the brand continues to push itself forwards, helps customers have a feel good factor and self-satisfaction with their choice of brand.”

MARKETING GEAR CHANGE

For each of the marques, the magalogue provides a crucial marketing lever, with content from the magalogue transposed into email and other digital channels. For some, such as Toyota’s This Way, it’s used as a cheaper replacement for direct mail. Another advantage the Toyota magalogue has compared with other marketing channels is that it can shine a light on difficult subject matter. Duval points to the example of how consumers can get Japanese car brands, such as Toyota and Honda, mixed up. “The magazine allows us to tell those stories in ways that are very difficult to tell for other channels,” he explains.

While all automotive brands place a huge amount of marketing importance on their online, email and tablet offerings, there appears little doubt that car magalogues will be here for a long time to come. As Crouch says, “You spend 20 seconds with email and 25 minutes with a magazine.” One fundamental reason that they have such a rosy future is because they continue to ferment interest in customers buying cars. “It drives a lot of traffic to our dealers and to the website,” says Duval.

**WHAT SEEMS CERTAIN
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DROPPING THROUGH
THE LETTERBOX A
CONSTANT REMINDER
THAT THEY REMAIN A
VALUED CUSTOMER**



"If you look at call-centre and website traffic within a week of the magazine mailing, there are quite obvious spikes in calls or visits. There is a direct correlation." Crouch reveals that customers will "talk about the magazine when they go into dealer" while Cox is in no doubt that it prompts not only new Audi car sales, but used cars and accessories.

"Research shows that 85% of readers say that it makes them more likely to consider Audi for their next purchase," adds Cox. Audi, Mazda and Toyota are not alone in publishing customer magazines, as upmarket marques such as BMW and mass-market brands such as Honda also publish them. What seems certain is that in 10 years' time they will remain the fulcrum of marketing activity, updating readers on new models, the thud of the magalogue dropping through the letterbox a constant reminder that they remain a valued customer.

RESULTS

Land Rover Onelife

Sent to 500,000 Land Rover owners in 31 countries, Onelife reflects the adventurous spirit of the famous marque, travelling through the world's most demanding terrain to demonstrate the ability of the client's cars. In a recent magazine survey, over 60% of readers have a more positive view of Land Rover after reading the magalogue, while 1 in 10 visited a Land Rover dealership as a result of reading Onelife.

Source: www.landrover.com/gb/en/lr/owners/onelife

Das Auto. Magazine

Produced in Germany for VW, Das Auto. magalogue boasts 13 different versions, as well as an online, mobile and app version. With content that ranges from the new e-Golf to the famous Volkswagen Currywurst (currently celebrating its 40th anniversary), the title gives its loyal readership all they need to know about the global car manufacturer.

Source: www.magazine.volkswagen.co.uk

Jaguar Magazine

Produced in 11 languages, Jaguar Magazine is read by over 150,000 consumers every six months. As the magazine of one of the most luxurious car brands in the world, it should come as no surprise that it exudes glamour and sophistication. From the sleek photography to the in-depth reporting, Jaguar Magazine has won many awards for its inspirational and dynamic content.

Source: www.jaguar.com

PRINT POWER

Print Power is a pan-European organisation dedicated to promoting print media and its role in modern integrated marketing programmes and campaigns. The organisation comprises a wide range of companies representing the entire print media value chain — production, distribution, printing, content and delivery. This gives Print Power a unique level of expertise and experience in all areas of the print industry.

Journalist: John Reynolds

www.printpower.eu

AUTO RETAILER – 5% LIKE FOR LIKE SALES UPLIFT FOR SUPERCHEAP AUTO

“We had tried other methods prior to this campaign for the same stores. It didn’t appear that these worked at all. The local area marketing campaign with our distribution partner delivered obvious results and was also much more cost efficient.”

David Bauer, Marketing Manager Products & Services

INTRODUCTION

Supercheap Auto is one of Australia’s largest auto retailers with 240+ stores nationwide. When reviewing all sites they identified a small handful of underperforming stores.

Eleven (11) struggling stores were identified with like-for-like sales, Supercheap Auto recognized a new approach was needed and a campaign to target the catchment areas of these underperforming stores was considered.

While other channels were reviewed, radio ads and traffic news failed to deliver results. Supercheap Auto needed something that provided cut through in a highly competitive, price-sensitive market segment.

A print and distribution campaign with a highly targeted catalogue was developed.

OUTCOME

Working with their distribution partner, Supercheap Auto developed a highly targeted, cost-effective local area marketing campaign, which included the print and distribution of a series of geo-targeted, product specific catalogue.

A 5% like for like sales uplift for targeted stores during the promotional period occurred.

Source: Australasian Catalogue Association, 2015

FINANCE – 72% MORE LIKELY TO CONSIDER AN ING DIRECT BANK ACCOUNT



INTRODUCTION

ING DIRECT were looking at additional channels to increase new accounts of their ‘Orange Everyday’ bank account. The channel needed to effectively target their primary target audience, allow for creative flexibility, be cost effective and reach the goal of creating cut-through to their 18-39 year old target audience.

Working with their distribution partner, ING DIRECT created a highly targeted Letterbox Media campaign. Using precise targeting capabilities, ING DIRECT zeroed in on those areas indexing highly for the age group.

The campaign was distributed to 196,000 readers aged 18+ in Victoria. Working with research showed a massive 75% of readers were in the 18-39s target audience within this distribution region.

The concise yet creative letterbox flyer focused on the offer of a \$75 cash bonus when the consumer opened an everyday account, while also highlighting the free ATM access.

OUTCOME

Through the Letterbox Media channel, ING DIRECT were able to reach their sign up targets directly attributed to the letterbox campaign, meeting all Media CPA targets.

Post campaign research revealed exceptional results for the ING DIRECT letterbox campaign. Of the 18-39s who read the letterbox piece 68% felt more positive about ING DIRECT and 72% more likely to consider an ING DIRECT bank account

Source: Nielsen Consumer and Media View, 2015.

NIelsen

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries with headquarters in New York, USA and Diemen, The Netherlands.

www.nielsen.com.au

AGRICULTURE – 50% MORE ONLINE VISITORS FROM CATALOGUE RELEASE

“We found catalogues inserted within the magazines were kept and referred to later, rather than the publication which was recycled once read”

Karl Gawlik, Marketing Manager PFG Australia

INTRODUCTION

PFG Australia is a wholly owned subsidiary of Power Farming Wholesale Limited, a fully independent and privately owned New Zealand headquartered company who have a three-generation history of serving the New Zealand and Australian tractor and machinery markets. The Group enjoys approximately 20% market share in tractors and agricultural machinery in Australia and New Zealand. In tractor numbers this equates to sales of around 2500 tractors a year.

PFG Australia provides product catalogues and collateral for dealers throughout their footprint. Whilst originally focusing on an annual catalogue for a single product range they commenced their catalogue journey in 2007 with their 2007/08 Spring/Summer catalogue.

With immediate sales increase, the catalogue range was increased across other product ranges, from Tractors, to Grass Machinery, Cultivation and Seeding Machinery, Loaders, Feeding and Viticulture Equipment.

PFG Australia recognised the immediate benefit and realised they needed to develop a comprehensive catalogue program across all ranges and regions.

OUTCOME

Moving from an annual product catalogue, PFG Australia, developed product specific catalogues – a ‘10 Reasons’ to buy for one brand generated significant success when inserted within a monthly rural magazine. “We found catalogues inserted within the magazines were kept and referred to later, rather than the publication which was recycled once read,” Karl Gawlik, Marketing Manager, PFG Australia.

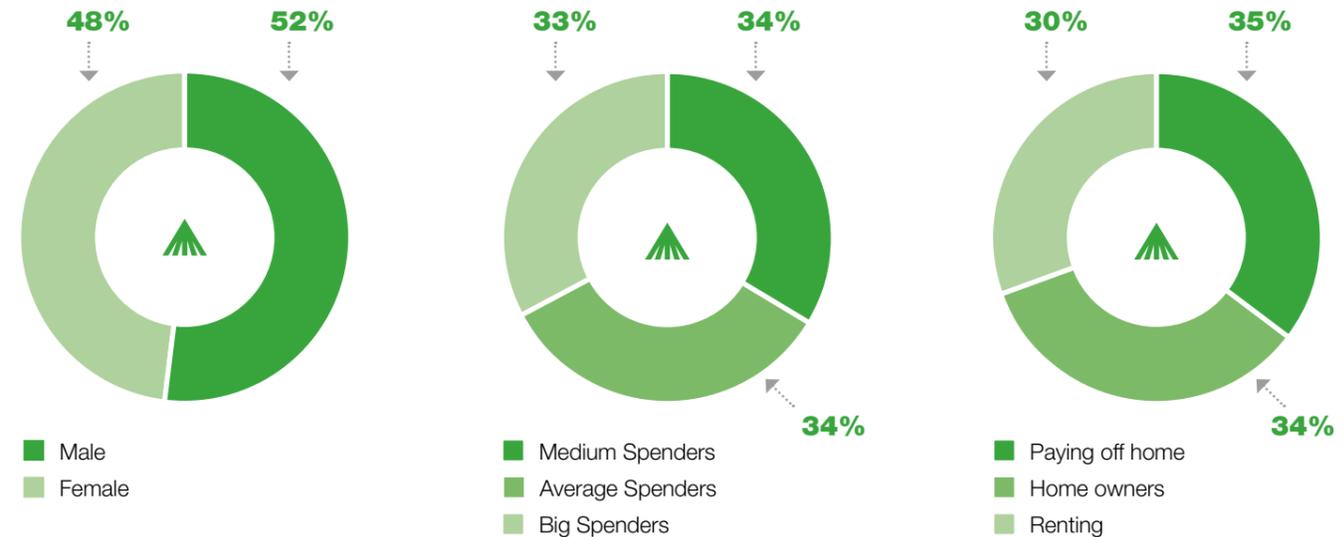
Reduced pagination and an increase in distribution windows also developed a calendar year campaign approach. PFG Australia introduced three (3) x four (4) page product catalogues in the 2014/15 period with great success.

When comparing the new catalogue style with the three (3) months in the year prior the new three (3) month period from catalogue release saw a jump in customer activity by 20%.

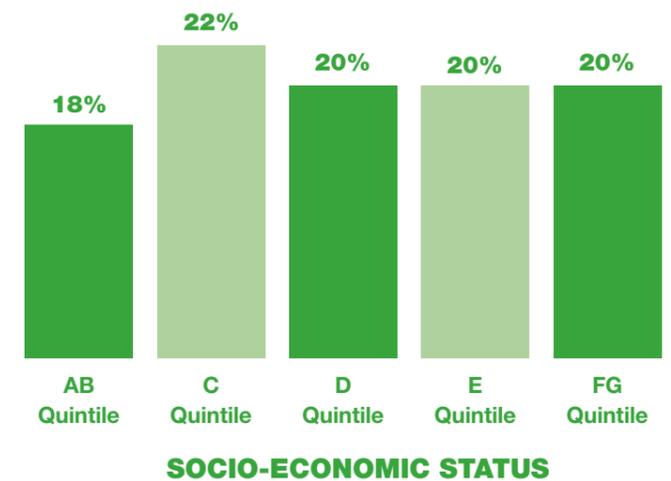
In 2013/14 PFG Australia saw a 30% spike in online and internal telephone queries and in 2014/15, with the revised pagination style, they realised a 50% increase in visitor contacts.

Source: www.pfgaustralia.com.au, 2015

HARDWARE – 1.13 READERS PER CATALOGUE



READERS BY AGE	
14-17	5%
18-24	8%
25-34	17%
35-49	27%
50-64	24%
65+	19%

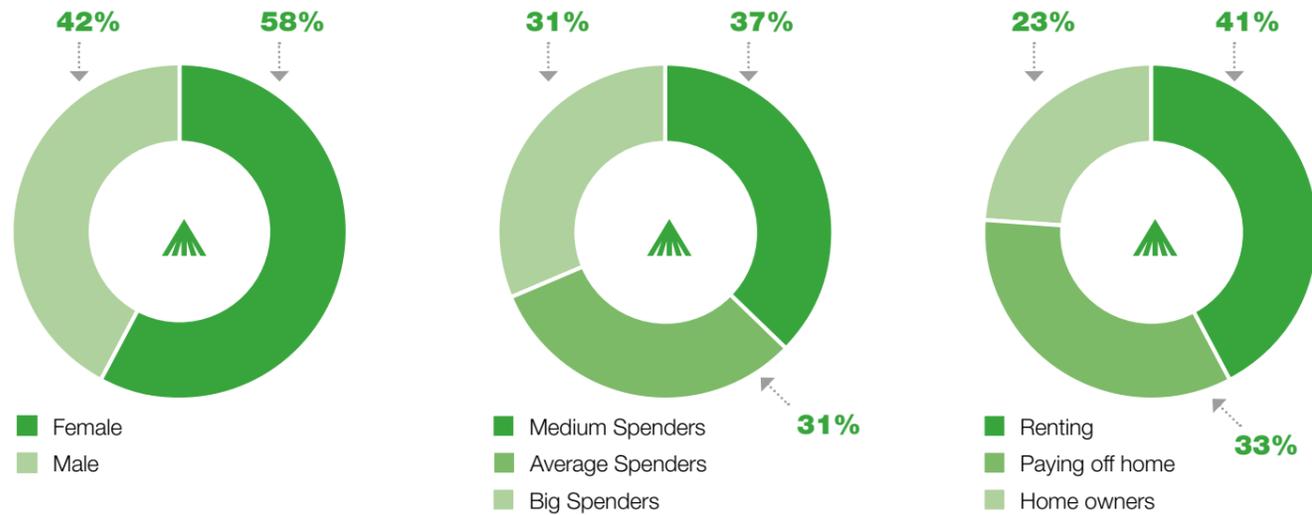


KEY STATISTICS

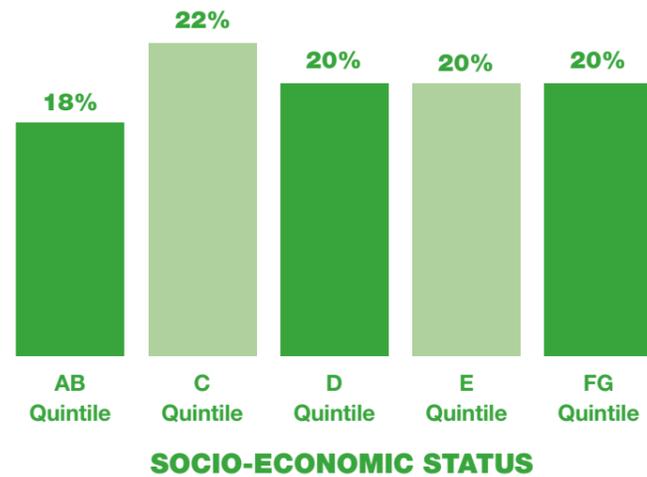
1. Total readers per copy 1.13
2. 41% have a diploma
3. 40% have children under 18 years in the household
4. 15% are Professionals / Managers
5. 35% earn \$50,000 or more

Source: Roy Morgan Single Source (Australia), April 2014 – March 2015

DISCOUNT DEPARTMENT STORE^{R1} – 62% TARGET AUDIENCE READ CATALOGUES



READERS BY AGE	
14-17	7%
18-24	12%
25-34	21%
35-49	29%
50-64	18%
65+	14%



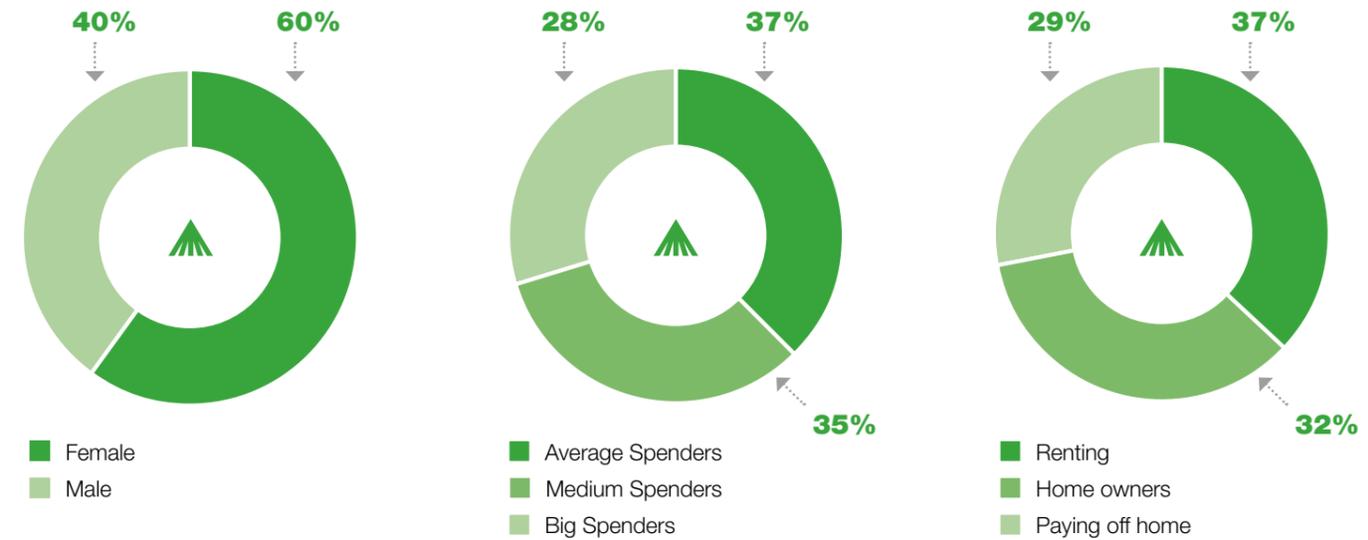
KEY STATISTICS

1. Total in-area readership: 4,243,000
2. Total readers per copy 0.82
3. 38% have a Diploma or Degree
4. 55% have children under 18 years in the household
5. 12% are Professionals / Managers
6. 29% earn \$50,000 or more

Source: Roy Morgan Single Source (Australia), April 2014 – March 2015

RETAILER ONE

DISCOUNT DEPARTMENT STORE^{R2} – 4.5M IN-AREA READERSHIP



READERS BY AGE	
14-17	5%
18-24	9%
25-34	22%
35-49	24%
50-64	23%
65+	18%



KEY STATISTICS

1. Total in-area readership: 4,502,000
2. Total readers per copy 0.89
3. 40% have a Diploma or Degree
4. 46% have children under 18 years in the household
5. 13% are Professionals/Managers
6. 28% earn \$50,000 or more

Source: Roy Morgan Single Source (Australia), April 2014 – March 2015

RETAILER TWO

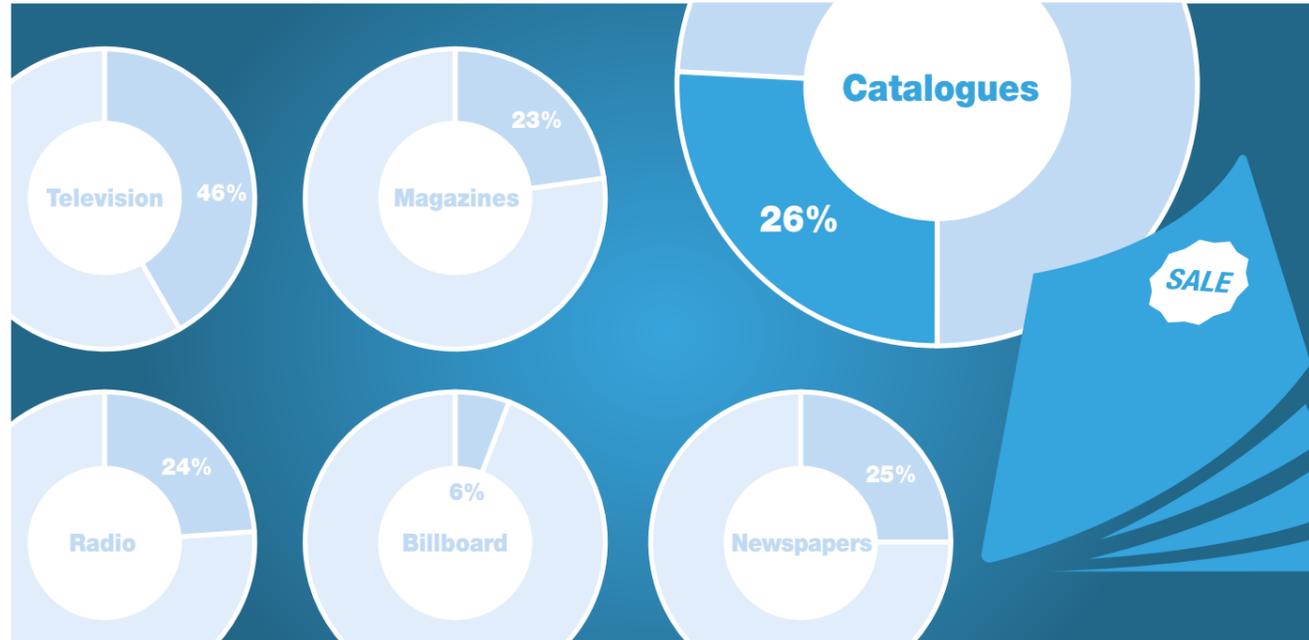
4

PATH TO PURCHASE

Understanding your customer's path to purchase allows you to refine your marketing campaigns and engagement strategies to deliver optimal results. Understanding your customer's purchasing journey allows you to create the most useful communication campaign for your customers

CATALOGUES MOST INFLUENTIAL MEDIA WHEN PUSHING TO ONLINE

LOOKED UP ONLINE SUBJECT REFERENCED IN OTHER MEDIA



Source: emma™ Q1 (Jan 2014 – Mar 2014) and Q2 (Apr 2014 – Jun 2014) partial database.

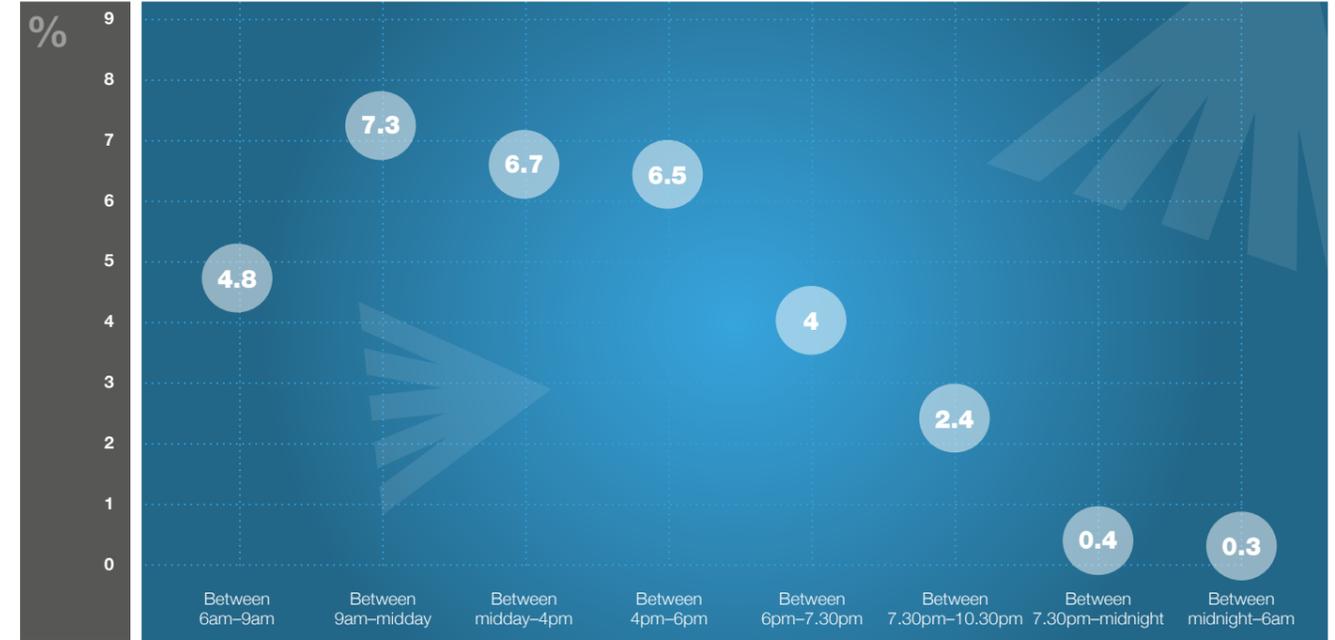
A trend continuing to rise is the influence of catalogues when working within a multi-channel campaign.

Online retailers globally are pushing consumers to their online stores via letterbox catalogue distribution, in-product parcel inserts and newspaper inserts to promote online retailer offerings and encourage consumers to take a virtual walk into their online store from the catalogue.

After TV, catalogues at 26%, are the second most influential media when sourcing online information from other media.

MEDIA USAGE BY TIME OF DAY

CATALOGUE READERSHIP BY TIME OF DAY



Source: emma™ Q1 (Jan 2014 – Mar 2014) and Q2 (Apr 2014 – Jun 2014) partial database.

Catalogue, leaflet and brochure media usage times rise during the morning, peaking between 9am and 12noon, with 7.3% reading printed catalogues during that time.

Daytime readership is the highest window from 9am to 6pm holding an engagement of 6.8% across this time.

Evening readership declines as the day concludes.

EMMA

emma (Enhanced Media Metrics Australia) is Australia's cross-platform audience insights survey. The measurement survey has been developed for The Readership Works by independent research company Ipsos MediaCT, global leaders in local audience measurement. Ipsos conducts national audience surveys and is the official measurement system in over 40 countries including the UK, Italy and France.

www.emma.com.au

MOST USEFUL MEDIA CHANNEL WHEN MAKING PURCHASING DECISIONS

	A used motor vehicle	A new motor vehicle	Car/auto parts and accessories	Real estate	Home improvements or renovations	Home interiors or furnishings	Home entertainment/electronics
Newspapers	22%	15%	6%	23%	7%	4%	4%
Magazines	2%	5%	3%	3%	15%	18%	6%
Catalogues	1%	5%	15%	4%	12%	21%	27%
Radio	1%	1%	1%	1%	1%	1%	1%
Television	2%	8%	2%	2%	6%	5%	5%
Internet	60%	53%	47%	55%	37%	33%	40%
Yellow Pages	1%	2%	7%	2%	6%	3%	2%

	Large kitchen/laundry appliances	Small electrical appliances	CDs/DVDs	Books	Toys	Cosmetics & Toiletries	Clothing & Fashion
Newspapers	3%	3%	4%	6%	2%	2%	3%
Magazines	5%	4%	4%	5%	3%	10%	12%
Catalogues	30%	35%	27%	23%	39%	36%	35%
Radio	1%	1%	3%	1%	0%	0%	0%
Television	4%	4%	4%	2%	4%	4%	4%
Internet	39%	36%	40%	43%	31%	26%	28%
Yellow Pages	2%	1%	1%	1%	1%	1%	1%

Source: Roy Morgan Research Ltd., Single Source, April 2014 – Mar 2014, 2015.

Catalogues continue to perform as the most useful media when making purchasing decisions. Ranking 1st, 2nd or 3rd across 17 market segments.

Strongest performers being Groceries (49%), Liquor (42%), Children's wear (40%), Toys (39%), Cosmetics & Toiletries (36%) and Clothing & Fashion (35%) all ranking number one (1) over all other channels as the most influential media when making purchasing decisions.

Small electrical (35%), Large kitchen/laundry appliances (30%), Home entertainment/electronics (27%), CDs/DVDs (27%), Books (23%), Home interiors or furnishing (21%), Computers/Computer supplies & Peripherals (18%) and Mobile phones/Phone providers (17%) all ranked second to Internet, demonstrating opportunity for the two channels to work hand in hand across multi-channel campaign development.

Data was collected from April 2014 to March 2015. Australians were asked what is the most useful media when making purchasing decisions. Catalogues ranked first across six (6) categories, second across nine (9) categories and third across two (2) categories.

CATALOGUES RANK TOP 3 IN 17 OF THE 28 MARKET SEGMENTS

	Alcoholic Beverages	A home loan or other loans	Finance/Investment products	Insurance	Computers/Computer supplies & Peripherals	Mobile phones/Phone providers	Services, such as plumbers or electricians
Newspapers	8%	8%	10%	6%	3%	4%	12%
Magazines	3%	2%	3%	2%	3%	3%	1%
Catalogues	42%	2%	2%	2%	18%	17%	2%
Radio	1%	2%	2%	2%	1%	1%	1%
Television	5%	9%	7%	10%	3%	6%	2%
Internet	22%	53%	51%	54%	50%	49%	34%
Yellow Pages	1%	3%	3%	4%	3%	4%	32%

	Employment/Jobs	Children's wear	Groceries	Entertainment/Movie Listings	Restaurants	Travel or Accommodation	Health, Wellbeing & Fitness
Newspapers	24%	2%	7%	24%	13%	8%	9%
Magazines	0%	7%	2%	2%	3%	5%	17%
Catalogues	1%	40%	49%	1%	2%	3%	4%
Radio	1%	0%	1%	1%	2%	1%	2%
Television	1%	4%	5%	3%	4%	5%	5%
Internet	53%	25%	20%	49%	49%	62%	44%
Yellow Pages	2%	1%	1%	1%	11%	3%	4%

Source: Roy Morgan Research Ltd., Single Source, April 2014 – Mar 2014, 2015.

1st 2nd 3rd

ROY MORGAN

Founded in 1941, Roy Morgan Research has built a reputation for providing meaningful, insightful, actionable information to assist marketers, the media, government and institutions make better, more informed decisions. Australia's largest, independently owned market research company, Roy Morgan Research offers a suite of both quantitative and qualitative research services.

Utilizing the proven accuracy of face-to-face interviewing Roy Morgan's Single Source survey also incorporates multi-mode data capture including a self-completion media diary and consumer poll as well as web-assisted interviewing. Single Source's approximately 50,000 respondents per year are asked about a broad range of topics including their attitudes, media consumption, brand and product usage, purchase intentions, financial information and leisure activities to obtain fully rounded profiles of Australian consumers.

www.roymorgan.com

REFERENCES

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