



## Marketing Media in Australia



## Executive Summary

### Introduction

Welcome to Marketing Media in Australia 2001, a ResponseAbility Report, one of the most comprehensive examinations of marketing media ever conducted in Australia. The production of this report was sponsored by Australia Post.

The objective of this research is to examine Consumer and Business People's attitudes towards various marketing media in Australia. The marketing media examined includes marketing communications received via Direct Mail Advertising, TV Advertising, Newspaper and Magazine Advertising, Radio Advertising, Email Advertising and Unaddressed Advertising Mail.

Both qualitative and quantitative investigation was conducted in order to obtain a thorough understanding of how various marketing media are perceived. Specific focus was placed on understanding what attributes Consumers and Business People (both Business Consumers and Marketers) attach to each media, what are viewed as strengths and weaknesses and how receptive they are to marketing messages brought to them by each media.

The executive summary that follows presents the findings firstly in terms of a comparison between each marketing media followed by an examination of the responses to each media individually, finishing with an overview of findings from the business market.

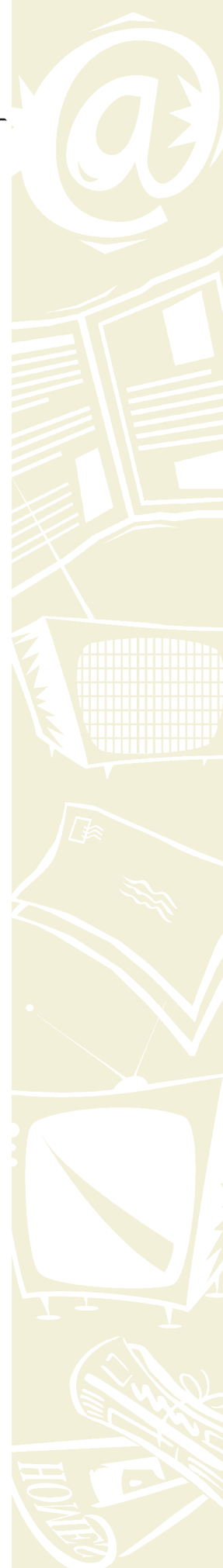
This report is the first in a tracking study that will form an important benchmark for looking at shifts and trends in the relative strengths of marketing media in Australia over time.

### Methodology Overview

The research process began with qualitative research in the form of focus groups combined with in-depth interviews. The information gathered during this qualitative process was then used to write the quantitative telephone questionnaires.

In summary, the following was undertaken:

- Five Business focus groups
- Five Consumer focus groups
- 50 face-to-face in-depth interviews with Senders and Receivers of Marketing Media
- 1,100 telephone surveys with Consumers
- 400 telephone surveys with Senders and Receivers of Marketing Media
- 100 telephone surveys with Gatekeepers and Personal Assistants



## Marketing Media in Australia

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# Executive Summary

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## Contents

### Consumer Attitudes to Marketing Media

#### A Comparative View of Various Media

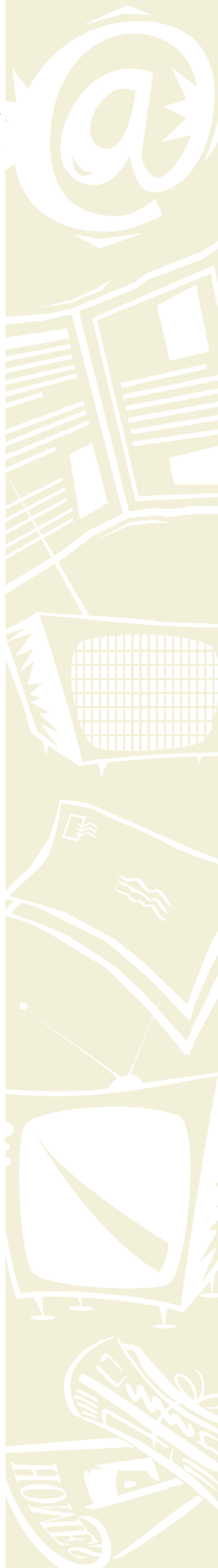
- The enjoyment factor
- Influence over purchasing decision
- Preferences for receipt of information

#### Perceptions of Individual Marketing Media

- Direct Mail
- Unaddressed Advertising Mail
- Email
- TV
- Radio
- Newspaper and Magazines

### Business Attitudes to Marketing Media

- Effectiveness
- Preferences and perceptions
- Insights for Direct Mail
- Predictions for the future
- Gatekeepers and Personal Assistants (Filterers)



## Marketing Media in Australia

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### A Comparative View of Various Media

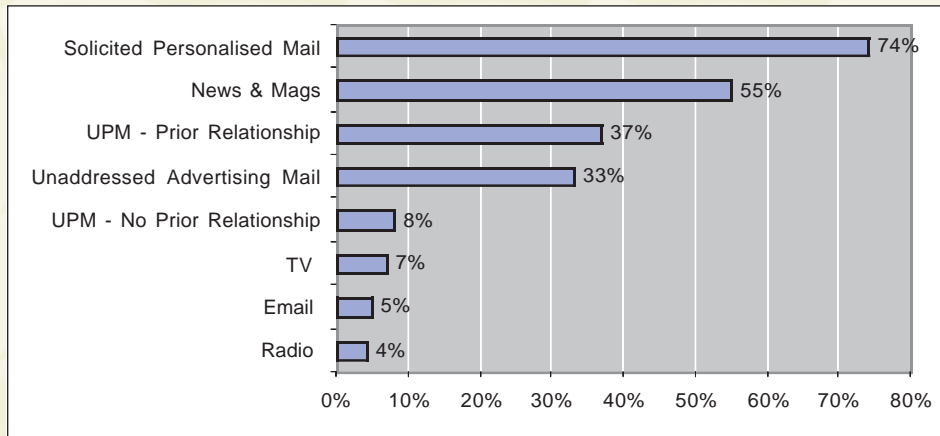
#### The Enjoyment Factor

Solicited Personalised Mail is the media most enjoyed by Consumers (74%), followed by Newspaper and Magazine Advertising (55%), with Email Advertising and Radio Advertising being the least enjoyed.

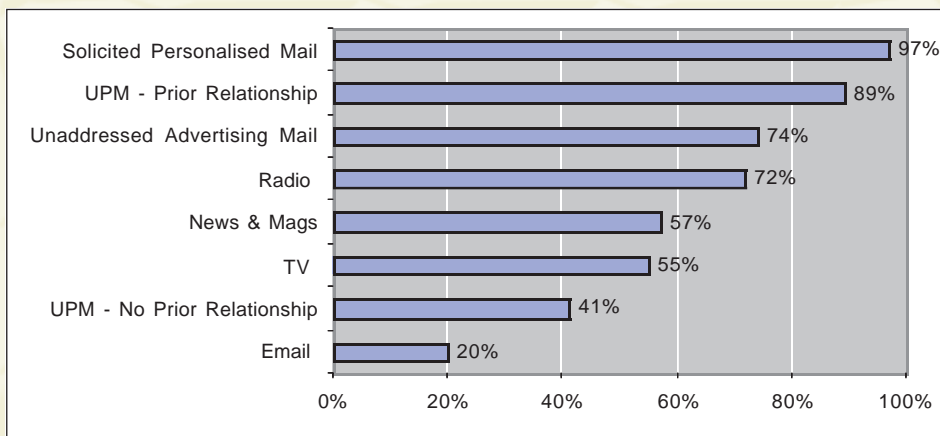
Solicited Personalised Mail is the media Consumers either most enjoy or are indifferent to (97%), followed by Unsolicited Personalised Mail - Prior Relationship (89%).

## Executive Summary

### Percentage of Consumers Who Enjoy Receiving Various Media



### Percentage of Consumers Who Enjoy or are Indifferent to Receiving Media



Base: Sample = 1,100.

Source: ResponseAbility Consumer Research 2001.



## Marketing Media in Australia

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### Influence of Various Media over Purchasing Decisions

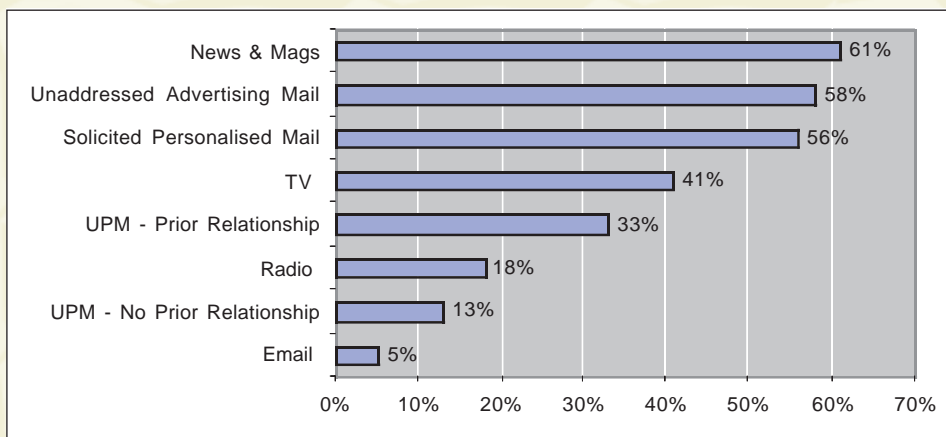
Newspaper and Magazine Advertising has greatest influence upon Consumers' purchasing decisions (61%), followed by Unaddressed Mail Advertising (58%).

Solicited Personalised Mail is the media that most Consumers purchase from (61%), followed by Newspaper and Magazine Advertising (55%).

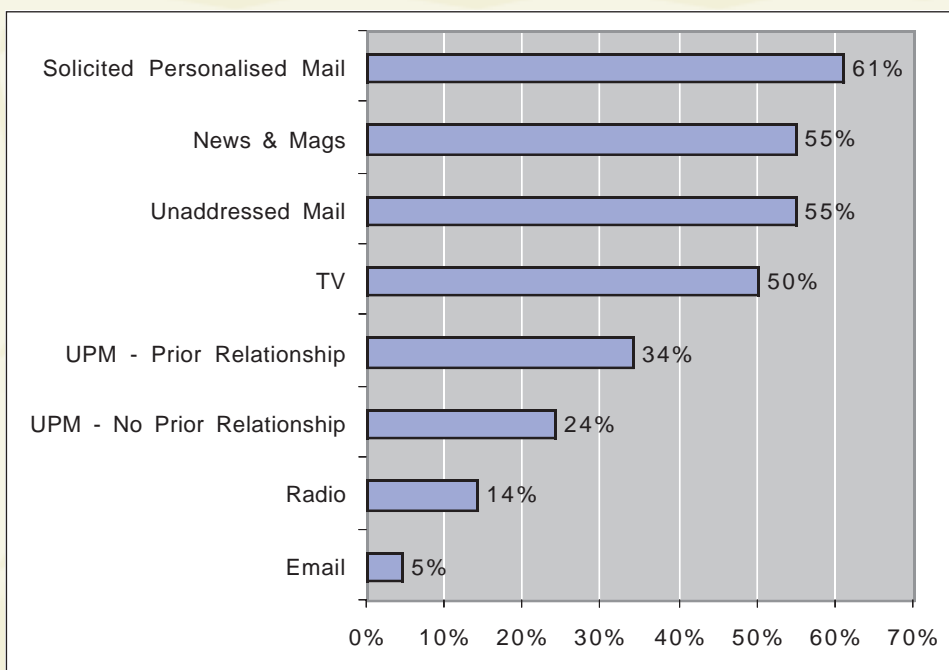


## Executive Summary

### Percentage of Consumers' Purchasing Decisions Influenced by Media



### Percentage of Consumers Who Purchase as a Result of Receiving Media



Base: Sample = 1,100.

Source: ResponseAbility Consumer Research 2001.

## Marketing Media in Australia

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## Executive Summary

### Consumers Preferences of Receipt of Information

Direct Mail (60%) is clearly the preferred media for Consumers to receive Financial Information.

TV (38%), closely followed by Direct Mail (34%), is the preferred media for receipt of New Product Announcements.

Direct Mail is clearly the preferred media (34%) for receipt of Marketing Promotional Information.

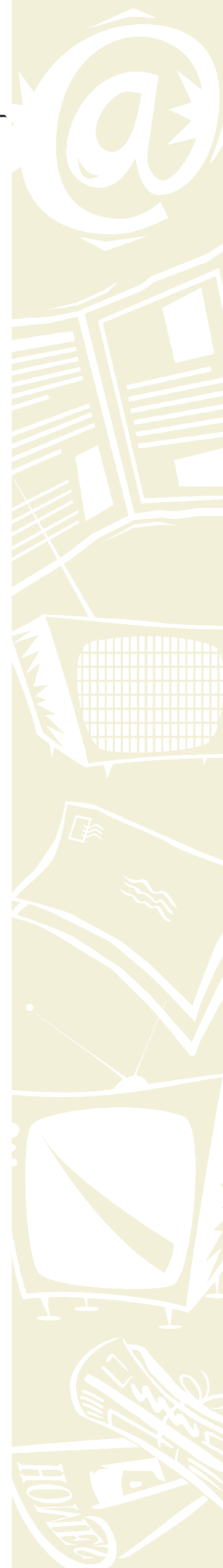
Direct Mail (36%), followed by TV and Newspapers and Magazines, is the preferred media for Consumers to receive General Information at home.

Direct Mail (33%) is the favoured media for receipt of general information at work, however, 38% of Consumers either don't need or don't want general information to be sent to them at work.

37% of Consumers nominate Newspapers and Magazines as their preferred media for the receipt of Automotive Information.

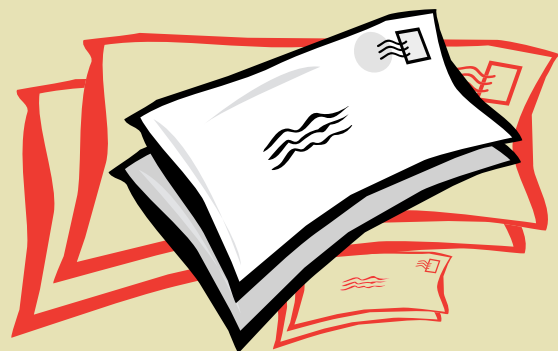
73% of Consumers prefer to receive Loyalty Program Information via Direct Mail.

29% of Consumers prefer to receive Travel/Holiday Information via Newspapers and Magazines, closely followed by other media forms.



## Marketing Media in Australia

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## Executive Summary

### Consumer Perceptions of Individual Marketing Media

#### Direct Mail

Solicited and Unsolicited (with a prior relationship) Direct Mail, rated very well in terms of Consumer enjoyment or indifference to receiving various marketing media with Solicited Direct Mail being the most enjoyed media of the eight media examined. The main reasons Consumers enjoy Solicited Direct Mail are information and relevance, the fact that it is the result of a request and that it aids the purchasing process at the Consumer's convenience.

Unsolicited Direct Mail (with no prior relationship) was less popular when compared to solicited and unsolicited (with a prior relationship) due to concerns regarding privacy, environmental impact and the relevancy of some received communications.

One of the strong trends to emerge from the research is the importance Consumers place on the difference between Unsolicited Direct Mail received from organisations with whom they have had a prior relationship and those that they have not.

37% of Consumers actually enjoy receiving unsolicited Direct Mail from organisations they have had a prior relationship with, as opposed to 8% who enjoy receiving unsolicited Direct Mail from those that they have no prior relationship with.

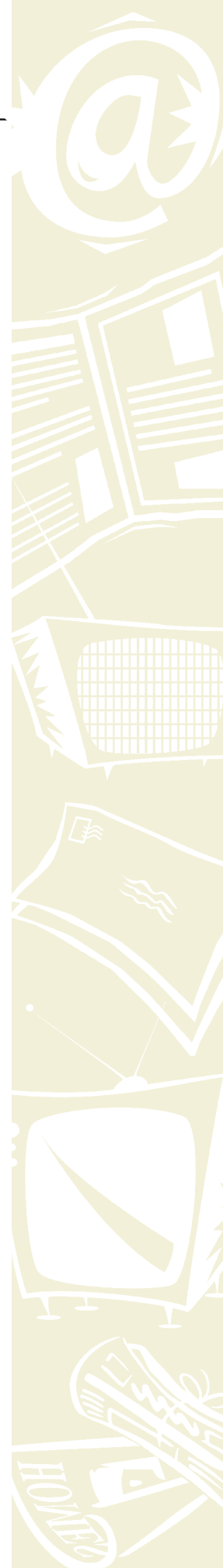
This outcome indicates that marketers should strive to maximise positive brand awareness and experience, employ strongly targeted customer acquisition techniques and should not disregard re-activating lapsed customers when looking to attract new business.

Consumers also nominated Solicited Direct Mail as the media that they most purchase from, which is not surprising given that Consumers have requested the information in the first place. This outcome indicates the importance of Solicited Direct Mail in the purchasing process.

Direct Mail is clearly the preferred method for receipt of loyalty program information with 73% of Consumers opting for mail over all other media. Similarly, Direct Mail was the preferred media for receipt of the following information:

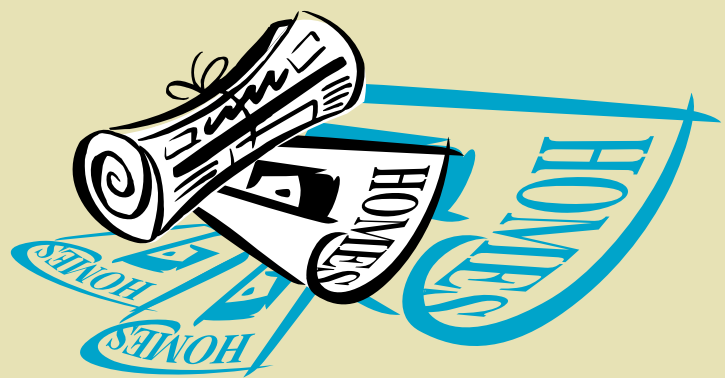
- Financial Information at 60%
- General Information at home 36%
- Marketing Promotional Information 34%
- General Information at work 33%

Direct Mail was also second choice (34%) in regard to receiving New Product Announcements behind TV Advertising (38%).



## Marketing Media in Australia

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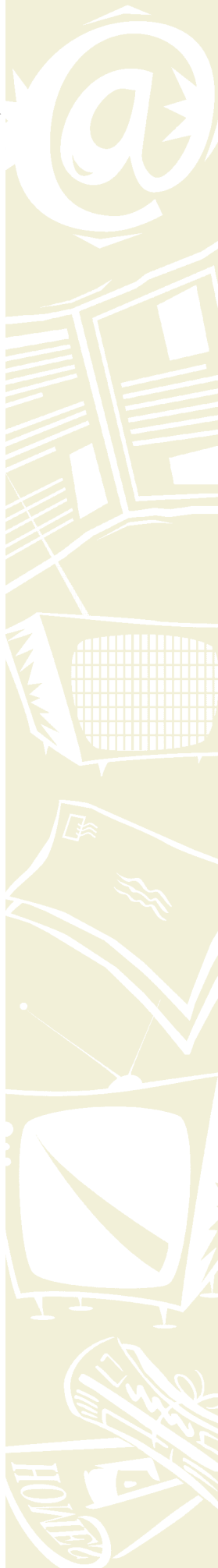
## Executive Summary

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### Unaddressed Advertising Mail

One of the more interesting findings to come out of the research is Consumer attitude to Unaddressed Advertising Mail, a medium traditionally spurned by many as 'junk'. But the fact is that 63% of Consumers open and read Unaddressed Advertising Mail and 74% of Consumers either enjoy or are indifferent to receiving it. The main reasons given are that the media provides useful local information and specials, cuts down on shopping time by allowing comparative analysis and is considered less intrusive than other media. Given these reasons, it's not surprising that 58% of Consumers say receiving Unaddressed Advertising Mail influences their buying decision and 55% say they purchase as a result of receiving it.

The concerns that some Consumers have about Unaddressed Advertising Mail tend to be environmental in nature, such as paper wastage and mess.





## Marketing Media in Australia

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## Executive Summary

### Email Advertising

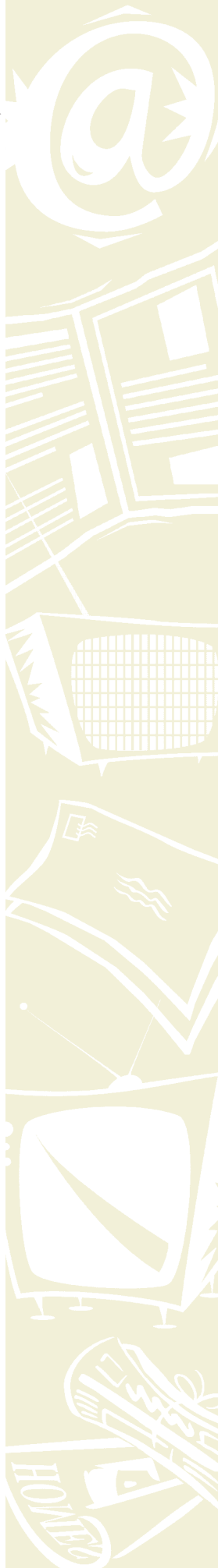
Although Email Advertising is in its relative infancy in Australia, 43% of Consumers surveyed have been subjected to it. Of this group, 54% do not enjoy receiving it, 42% are indifferent and 5% enjoy Email Advertising.

Of the Consumers who had been subjected to Email Advertising, 84% could nominate an element they don't like, such as concerns about viruses, volume and privacy invasion. E-marketers need to be aware of both Consumer and Business People's concerns regarding privacy and unsolicited email. They need to be sensitive to the size and quantity of emails they send and they need to address Receivers' concerns regarding potential viruses.

31% of Consumers subjected to Email Advertising could nominate an element of it that they like, such as the perception that it is quick and easy to receive, informative and forms a permanent record.

Email did not perform particularly well with respect to influencing Consumers' purchasing decisions with only 11% of the 43% sample (5% of overall sample) stating that it influences the buying decision.

As can be seen from the research, email penetration is still relatively low in Australia, with only 43% of Consumers having access to email. 23% of Consumers surveyed have email access at home only, 15% both home and work and 5% have access at work only. As would be expected the 18-24 age bracket has by far the greatest access and the 55+ groups have the least.



## Marketing Media in Australia

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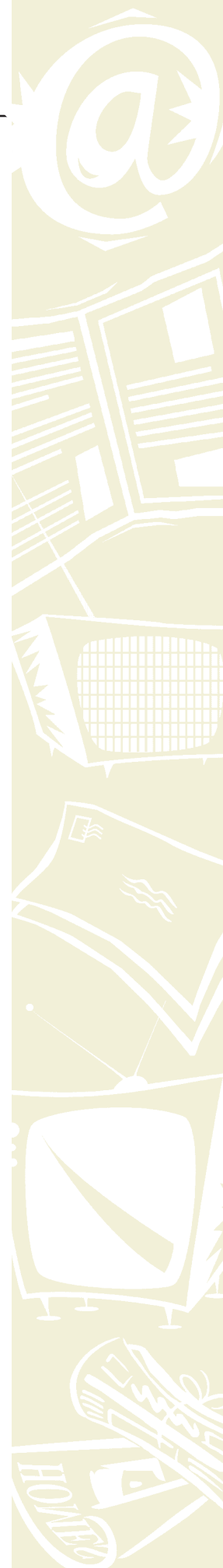


## Executive Summary

### TV Advertising

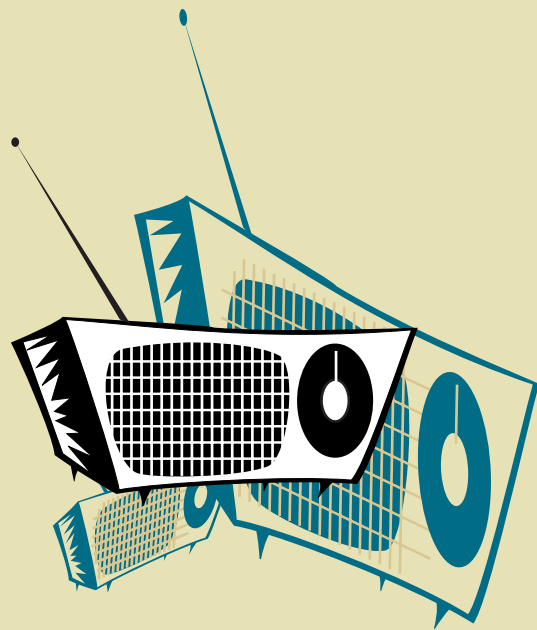
Most Consumers are either indifferent to TV Advertising (48%) or don't enjoy it (45%), with only 7% saying that they enjoy TV Advertising. 95% of Consumers could nominate an element that they don't like about TV Advertising, such as frequency, volume (they are perceived as louder than the programs being viewed), the length of breaks, and that TV Advertising can be interruptive, intrusive and repetitious. Reasons provided when Consumers could nominate an element that they like about TV Advertising (57%) are that the ads can be funny, informative, clever, catchy jingles and that they provide a break from the programming.

Most Consumers researched said that TV Advertising does not influence their buying decision (58%), while 41% said that it does. Half the Consumers surveyed say that they purchase as a result of viewing TV Advertising.



## Marketing Media in Australia

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## Executive Summary

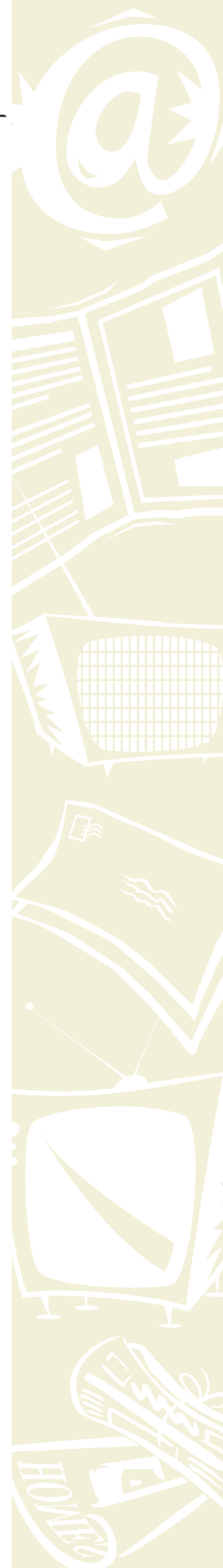
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### Radio Advertising

The majority of Consumers are indifferent to Radio Advertising (67%) and 29% don't enjoy it. Only 4% say they actually enjoy Radio Advertising.

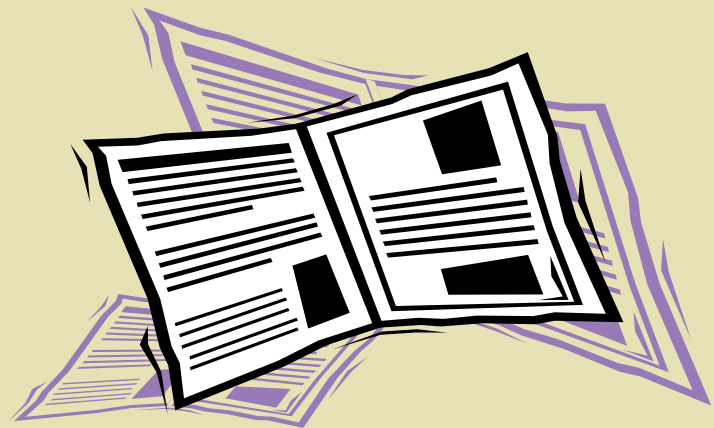
50% of Consumers could nominate an element of Radio Advertising they like, such as the fact that it is less intrusive than TV Advertising, it is informative and humorous and that they can tune out if they wish.

81% of Consumers believe that Radio Advertising does not influence their purchasing decision, 1% are unsure and 18% say that Radio Advertising does influence their purchasing decision, which reflects the 14% who say that they purchase as a result of Radio Advertising.



## Marketing Media in Australia

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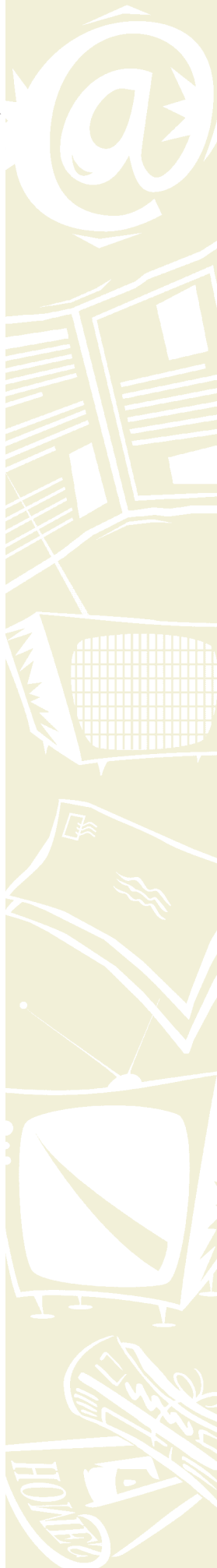
## Executive Summary

### Newspaper and Magazine Advertising

The majority of Consumers (57%) either enjoy or are indifferent to Newspaper and Magazine Advertising with 43% not enjoying it. 81% of Consumers can nominate an element of Newspaper and Magazine Advertising that they like. Key attributes cited were the fact that it is seen to provide useful information, it can be either read or ignored and it can be viewed at a time of the Consumer's choosing. It is the preferred way to receive automotive information and Travel/Holiday information.

48% of Consumers can nominate an element they don't like in Newspaper and Magazine Advertising, with the primary reason cited being that advertising takes up too much space, particularly in magazines.

55% of Consumers say they purchase as a result of Newspaper and Magazine Advertising.



## Marketing Media in Australia

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## Executive Summary

### Business Attitudes to Marketing Media

#### Effectiveness

##### Most Effective Media

Those researched in business who both receive and send media communications nominate TV Advertising ahead of Public Relations (PR) as the most effective media overall.

They also nominate TV Advertising as the most effective media for response and conversion to sales. However, when it comes to relationship building, there is a split decision, with Receivers nominating PR ahead of Direct Mail and Senders nominating the opposite with Direct Mail ahead of PR as the most effective relationship builder.

Following the initial trend however, Business Receivers and Senders nominate TV Advertising as the most effective Brand Builder, with Senders putting it just ahead of PR. When it comes to influencing behaviour, there is agreement again, with TV Advertising being nominated by both Senders and Receivers. And when it comes to attracting traffic to a web site, Business Receivers nominate TV Advertising as the most effective media.

#### Preferences and Perceptions

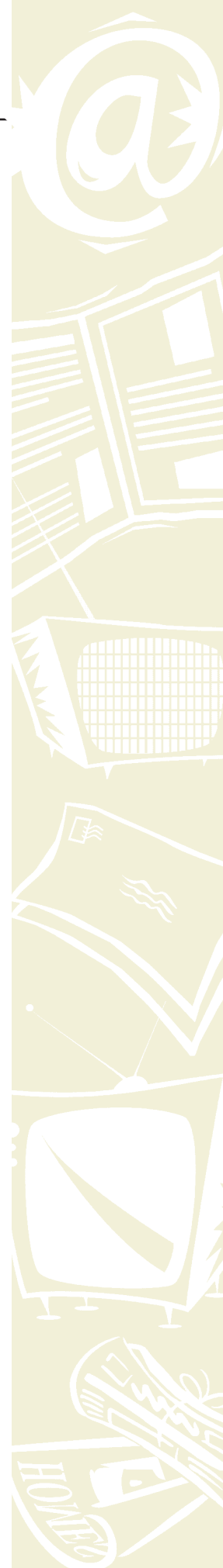
##### The Receipt of Information in the Workplace

Both Business Senders and Receivers are in agreement that the preferred way to receive information in the workplace is via Direct Mail. In fact, with a 52% positive response, it seems that Business Receivers either enjoy or are indifferent to receiving Direct Mail at work while interestingly a comparative 40% of Business Senders feel the same way.

From these respondents also comes the perception that the major strengths of Direct Mail are that it is a targeted, personal, 'in-your-face' media with good reach. And when it comes to the question of cost effectiveness, 39% of those on the receiving end of communications in business believe that Direct Mail is a cost-effective media while 42% of Business Senders share the same belief.

A question of interest in today's changing market is whether Business People prefer to receive Direct Mail or Email Advertising. The results are that 58% of Business Receivers prefer to receive Direct Mail compared to Email Advertising, while an even greater percentage of Business Senders (61%) agree.

Another point of interest is traditional catalogue versus catalogue delivery via the internet. It is of interest to note that 74% of Business Receivers prefer to receive a catalogue via Direct Mail compared to the internet with a very similar 75% of Business Senders expressing the same preference.



## Marketing Media in Australia

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## Executive Summary

### Insights for Direct Mail

#### How to Increase the Chance of B2B Direct Mail Being Opened

Business People say that the best way to increase the chances of them opening Direct Mail is for advertisers to make it clear on the envelope what's inside and to personalise the letter. They state that special offers and having their prior permission is the best way to increase the chance of response.

It is interesting to note that Business Receivers say that they open and read 90% of the DM they receive, while Business Senders open and read 84%. Most state the reason for not opening certain mail is their belief that they can tell without opening what's inside and its apparent irrelevance for them.

When it comes to response, 73% of Business Receivers say they respond to Direct Mail, while 78% of Senders claim the same thing.

The key motivator when it comes to response amongst Business People is having a need for the product or service being promoted.

### Direct Mail Predictions for the Future

#### Predictions as to the General Future of B2B Direct Mail

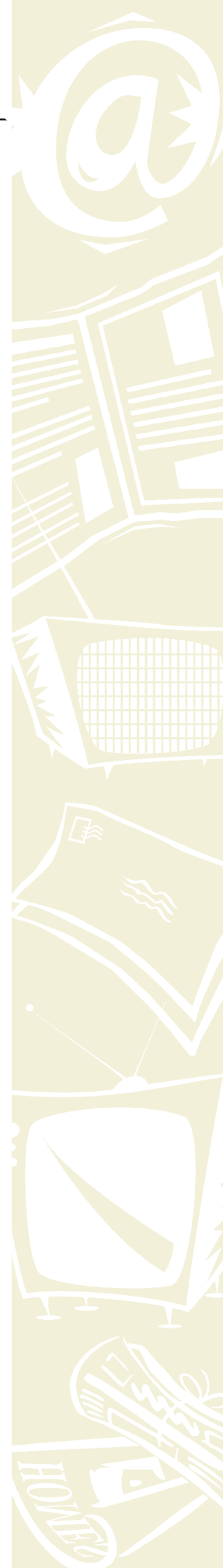
The research undertaken predicts a stable immediate future for the B2B Direct Mail business, with 69% of Business Senders expressing the belief that the use of B2B DM will increase or stay the same in the future.

67% of Business Senders believe their own use of Direct Mail will increase or stay the same in the next 12 months.

### Gatekeepers and Personal Assistants (Filterers)

Research also included the opinions of those people responsible for filtering other people's mail. Their responses mirrored much of what we learned from Business Receivers and Senders, with 77% of Filterers preferring to receive a catalogue via Direct Mail compared to Email. It is interesting to note that these influencers open and read 92% of the Direct Mail they receive, while only 33% of them pass on 100% of the Direct Mail they receive to their bosses.

Like their fellow business colleagues, Filterers nominate TV Advertising and Radio Advertising as the most effective media overall.





# Marketing Media in Australia

Volume 1

## Executive Summary

A ResponseAbility Report

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[resp@c031.aone.net.au](mailto:resp@c031.aone.net.au)  
[reponseability.com.au](http://reponseability.com.au)