

The 2012 Digital Marketing

Big Australia Report

Foreword

The world of marketing has shifted dramatically with customer engagement now sitting front-and-centre of organisations' marketing efforts. Australian companies have recognised the need for 'customer centric' marketing — timely, relevant, valuable communications that aim to engage rather than sell.

Australian businesses have responded to this shift — with three in four organisations prioritising tailoring their campaigns over increasing the volume — demonstrating that marketers are moving away from 'batch and blast' techniques in favour of more relevant, successful forms of communication.

However, more needs to be done. As consumer expectation continues to grow and organisations are required to deliver customer-centric experiences, organisations will need to gain a deeper understanding of their customers through data analytics and insights.

With so much focus on data, channels and technologies, the role of creativity is being underestimated. Although two-thirds of marketers rely on creativity to optimise campaign success, only a quarter of marketers view their marketing as creative. This highlights the need to recalibrate the essential role that creativity plays in effective, customer-centric marketing.

In summary, marketing continues to develop at break-neck speed. I'm looking forward to what the next year will bring!

Jodie Sangster
CEO / ADMA

ADMA



Welcome

Welcome to our newest edition of the Big Australia Report where we report on and benchmark the practices of digital marketing in Australia. As we have done in the past, Responsys combines both our survey results from Australia's marketing industry with our own internal data from over a billion marketing emails annually.

As you start to turn the pages you will immediately find an interesting set of results from our survey on marketers' skill set. Controversially, marketers don't seem to rate their bosses or organisations highly right now (see key findings)!

To no one's surprise, and even with the absolute explosion of mobile, email remains the 'go to channel' in Australia for power marketing. No less significant is the adoption of cross-channel marketing and we anticipate this trend to continue.

When you look back on the 2011 Big Australian Report and see what it says to expect in 2012 it is little surprise that social is a top growth channel. With the level of social engagement and social data present now for marketers to use, and platforms like Facebook, Twitter and Pinterest in the forefront of marketers' minds, the topic of the social channel is prominent. From our research, spending will continue strongly in this area. The challenge as shown in our survey results is that marketers are concerned about how this data will be managed.

And finally, the trend I am most excited about is that marketers are focusing more and more on using the technology at hand to target, segment and automate their customer marketing. It has been a big year for digital marketing in Australia! We trust you find this report insightful and wish you all the best with your digital marketing.

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Key findings

Australian digital marketers are becoming more proficient.

Australian marketers are becoming increasingly sophisticated in the way they execute campaigns and engage with their audience.

Over the next twelve months, the biggest focus for digital marketers will be improving the targeting and segmentation of their campaigns.

Encouragingly three in four (74%) are prioritising targeting their campaigns over increasing the volume of messages sent (28%), suggesting that digital marketers are turning their backs on increasing frequency through 'batch and blast' techniques, in favour of more successful uses of digital communication.

Marketers are burdened by a lack of digital knowledge.

More than half of digital marketers (57%) feel there is a digital knowledge gap in their organisation, indicating that digital marketers are ill-equipped to execute successful campaigns.

Interestingly we found 70% of digital marketers believe they have equal or more experience than their manager.

Digital marketers are also struggling to analyse the amount of data they have access to with half (52%) reporting that they are not equipped to analyse their customers' data.

To further advance digital marketing in Australia it will become increasingly important for organisations to employ data specialists and invest in time and resources to upskill their staff continuously.

Who is the Australian consumer?

Australian consumers rely on social, mobile and the web more than ever.

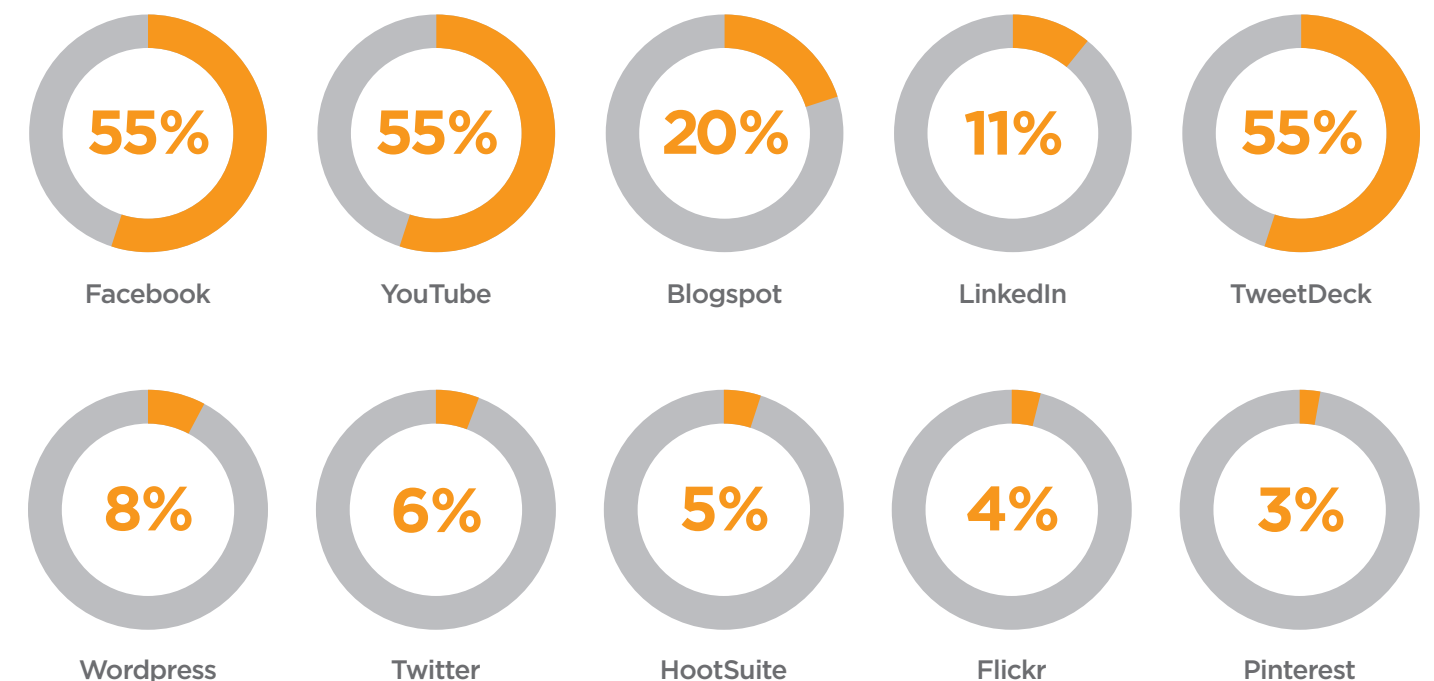
Facebook is the social media platform of choice with over 11 million user accounts in Australia (55% of the population) followed by YouTube, Blogspot, LinkedIn and Twitter.

In the online space, Google remains the most visited website by Australians closely followed by Facebook, YouTube and Yahoo!.

83% of the Australian population has made a purchase online in the last twelve months along with 18% of consumers who visit shopping centres to check prices and sizes before buying through online retailers. Despite this, online sales only account for 4.9% of retail spending in Australia.

Australian consumers are also becoming more mobile with an estimated 29 million mobile phone subscriptions in Australia, of which 52% are smartphones.

Australian social media users.



Data sourced from: AMTA, ABS, socialmedianews.com.au, Alexa, IAB, The Australian.

Who is the Australian digital marketer?



46% Male / 54% Female

70% **57%** **52%**

Feel they have equal or more digital marketing experience than their manager.

Believe there is a digital marketing gap in their organisations.

Do not believe their marketing team is sufficiently equipped to deal with and analyse data.

88% **74%** **72%** **55%**

View Australian creativity in the digital space as average to good.

Have a university degree or higher.

Manage the majority of their organisation's digital marketing execution.

Market to the Australian marketplace only.

49% **43%** **36%** **31%**

Take ownership for email client rendering internally.

Do not understand the proposed direct marketing privacy legislation.

Work at enterprise organisations with 500+ colleagues.

Have less than 50 colleagues.

29% **27%** **22%** **21%**

Have 5-10 years experience.

Marketing is managed by a dedicated digital team.

Understand the impact of the proposed direct marketing privacy legislation.

Market to a global audience.

Data sourced from: Responsys*

Approach to digital marketing

Australian marketers are embracing segmentation and sending more targeted messages. However, only 5% are pushing the envelope by automating and orchestrating their marketing programs across interactive channels.

The amount of time occupied by each channel.

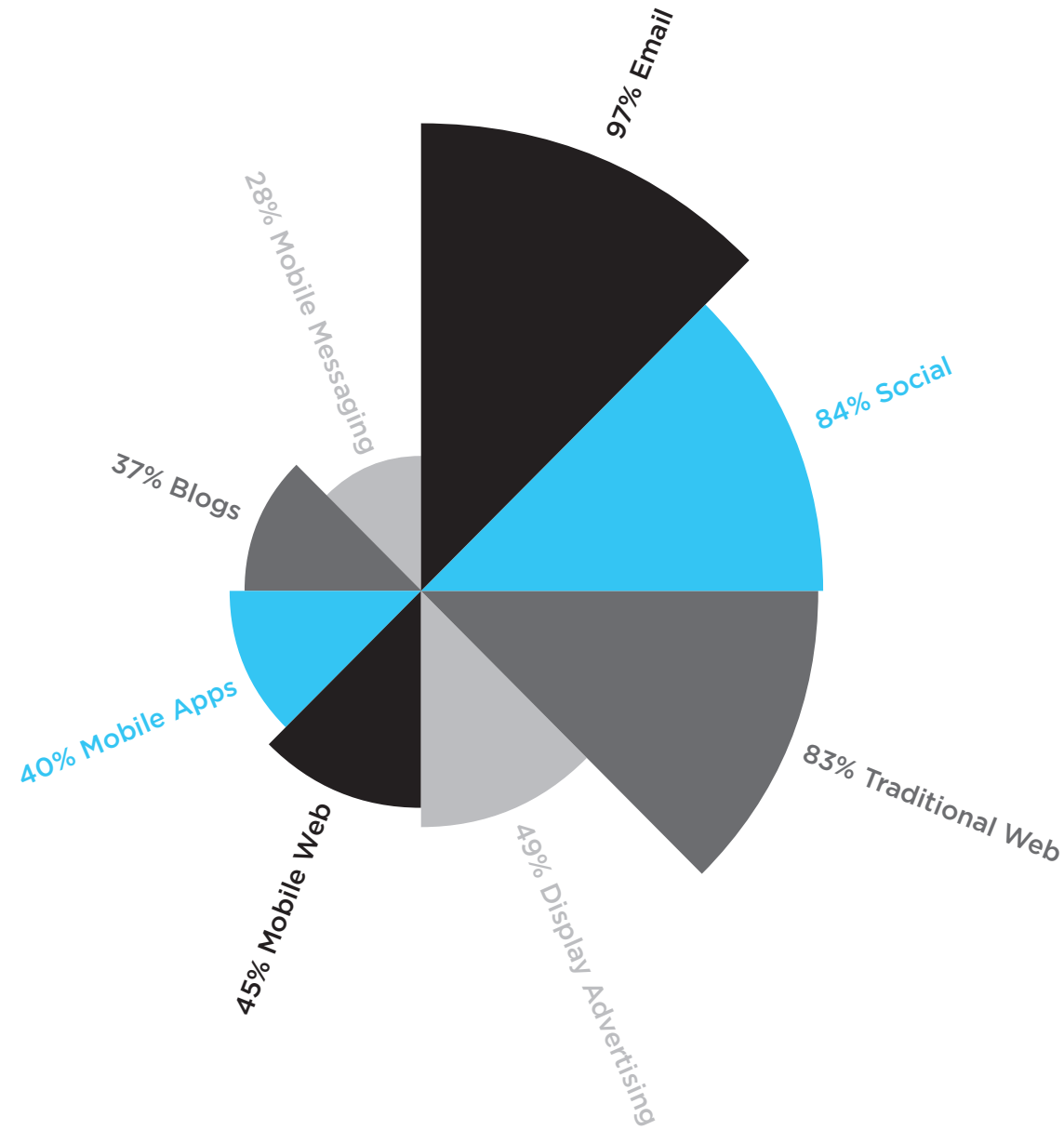
Email occupies the majority of digital marketers' time followed by web then social.

email 84%
mobile 67%
social 72%
web 77%

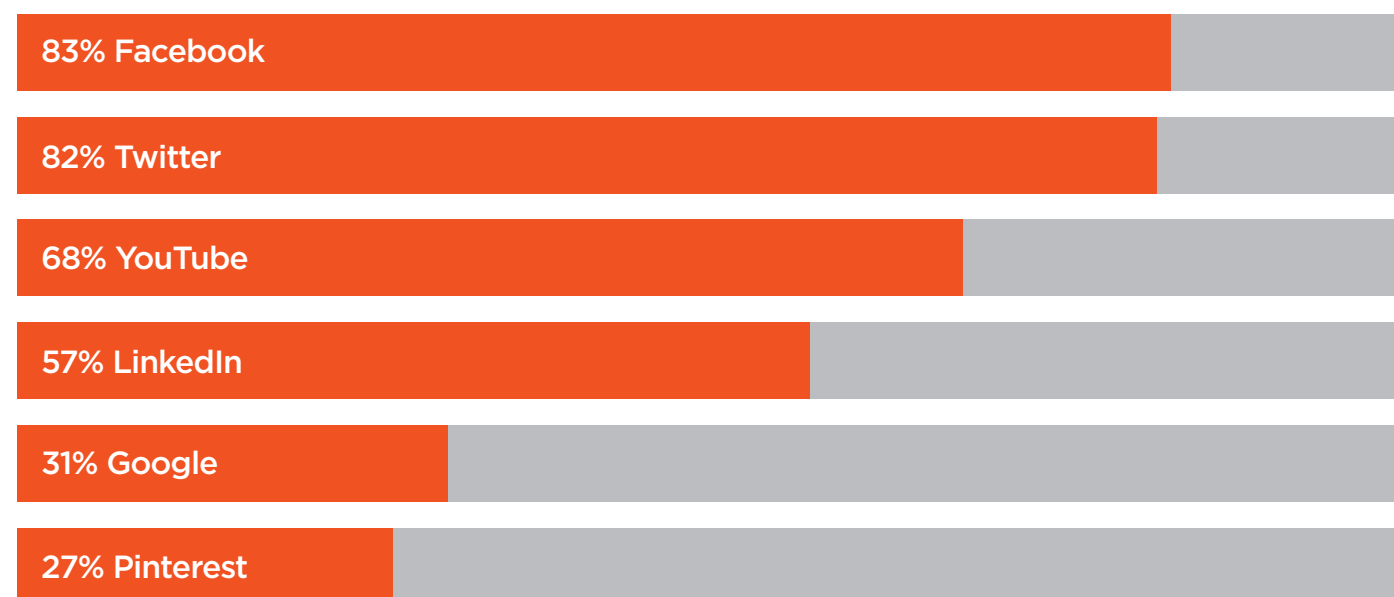
Data sourced from: Responsys*

The digital channels marketers use to communicate with customers.

While Australian marketers are increasingly incorporating a cross-channel approach into their marketing programs, email remains the power channel.



The social channels Australian marketers use today.



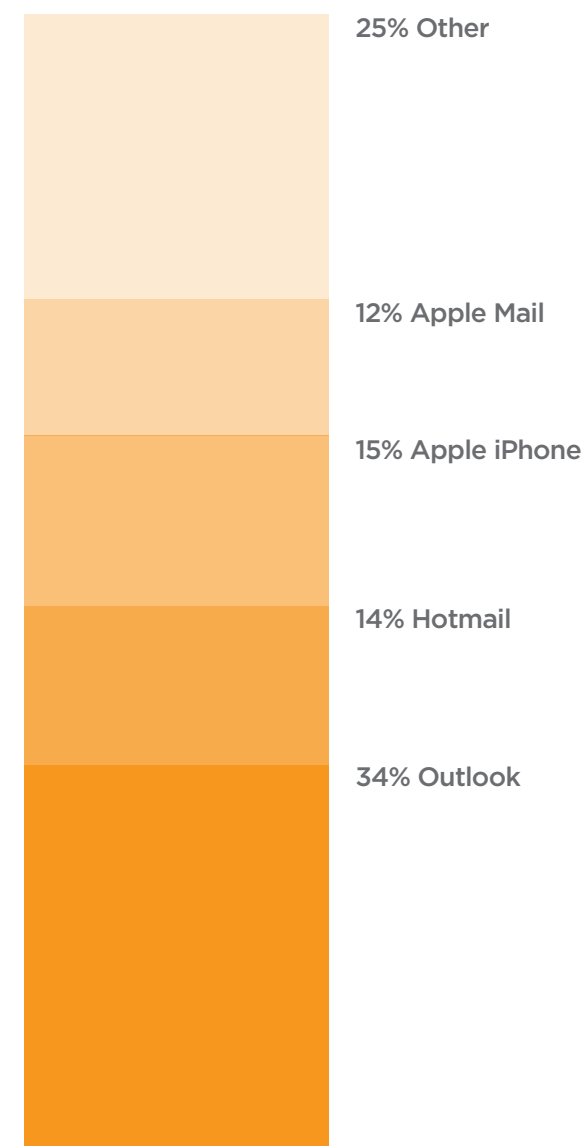
Data sourced from: Responsys*

Email performance metrics by industry.

Industry	Unique open rate	Unique click rate	Bounce rate
Financial Services	25.8%	6.3%	7.9%
Media & Entertainment	19.9%	3.5%	2.5%
Retail	22.9%	5.7%	3.2%
Telecommunications	26.1%	7.0%	10.5%
Travel	19.8%	3.5%	3.5%
Overall	22.9%	5.2%	5.5%

The email clients Australians use.

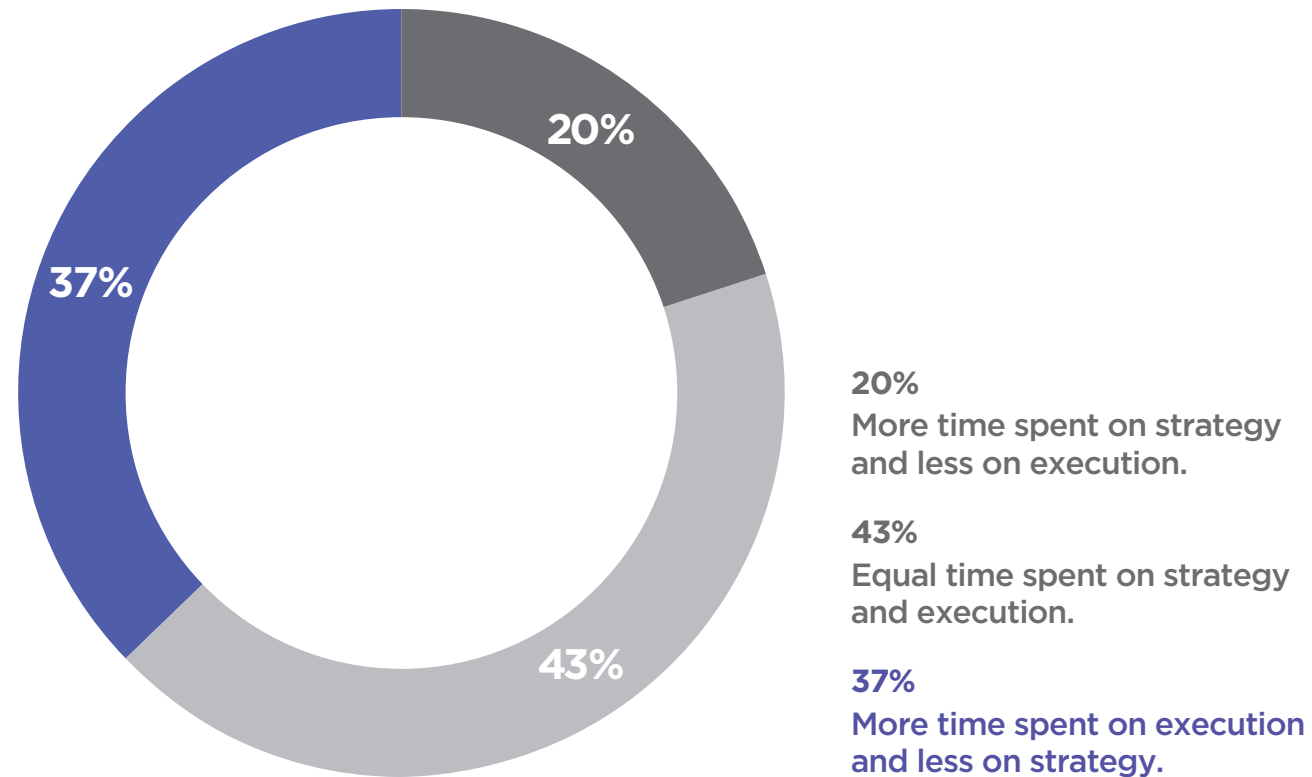
Remarkably, Apple iPhone and Apple Mail contribute towards 27% of Australians' email client usage.



Data sourced from: Responsys

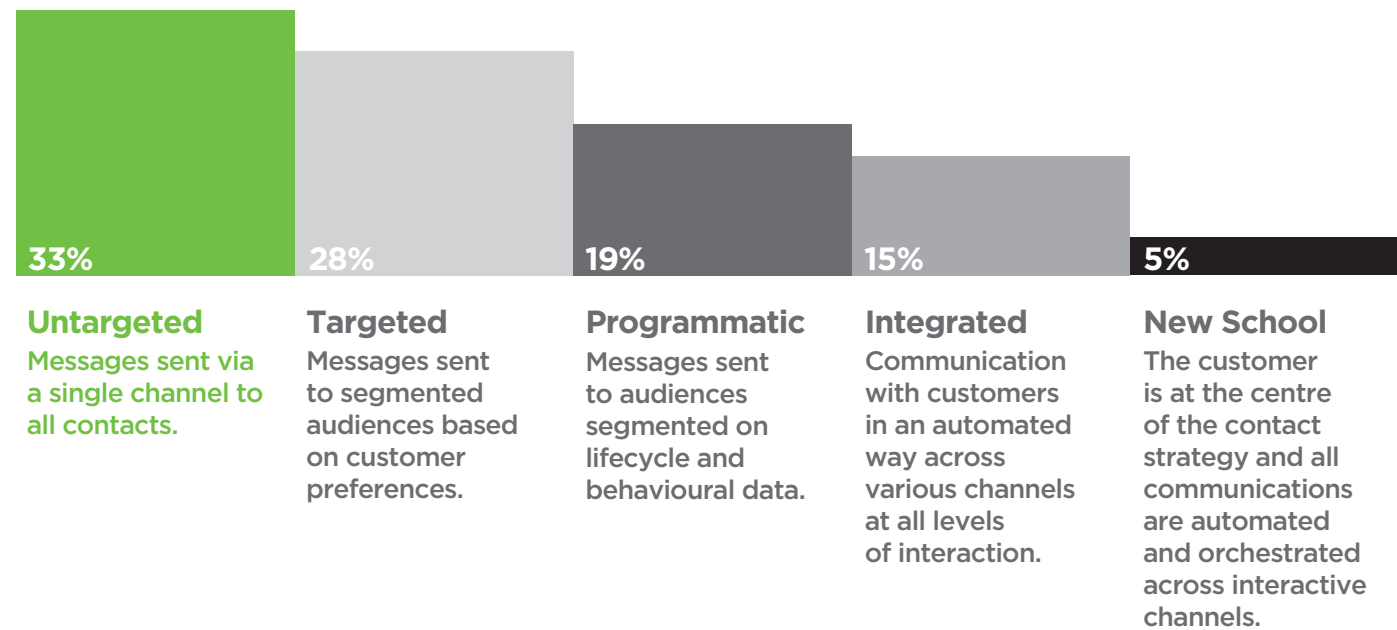
Strategy vs. Execution

Digital marketers continue to spend far greater time on execution than on strategy.



Sophistication of campaigns.

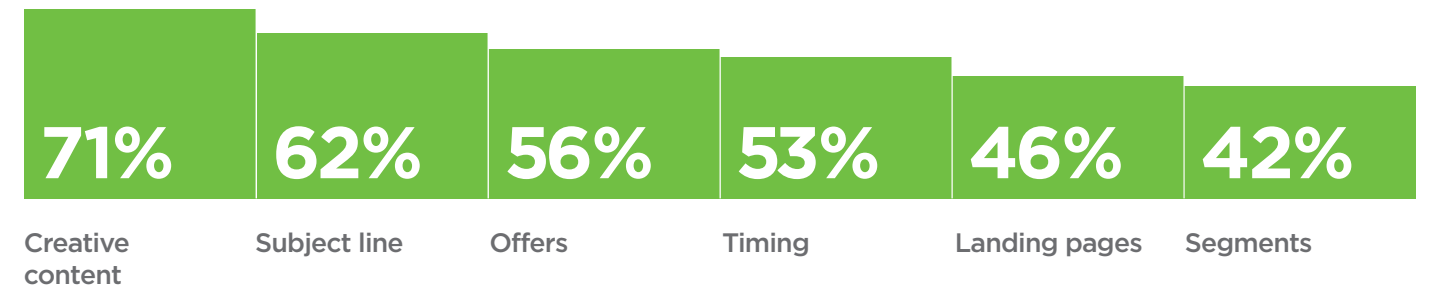
Many organisations aspire to be 'New School Marketers' where the customer is at the centre of the contact strategy and all communications are automated and orchestrated across interactive channels. Unfortunately, many are falling short and continue to send untargeted messages.



Data sourced from: Responsys*

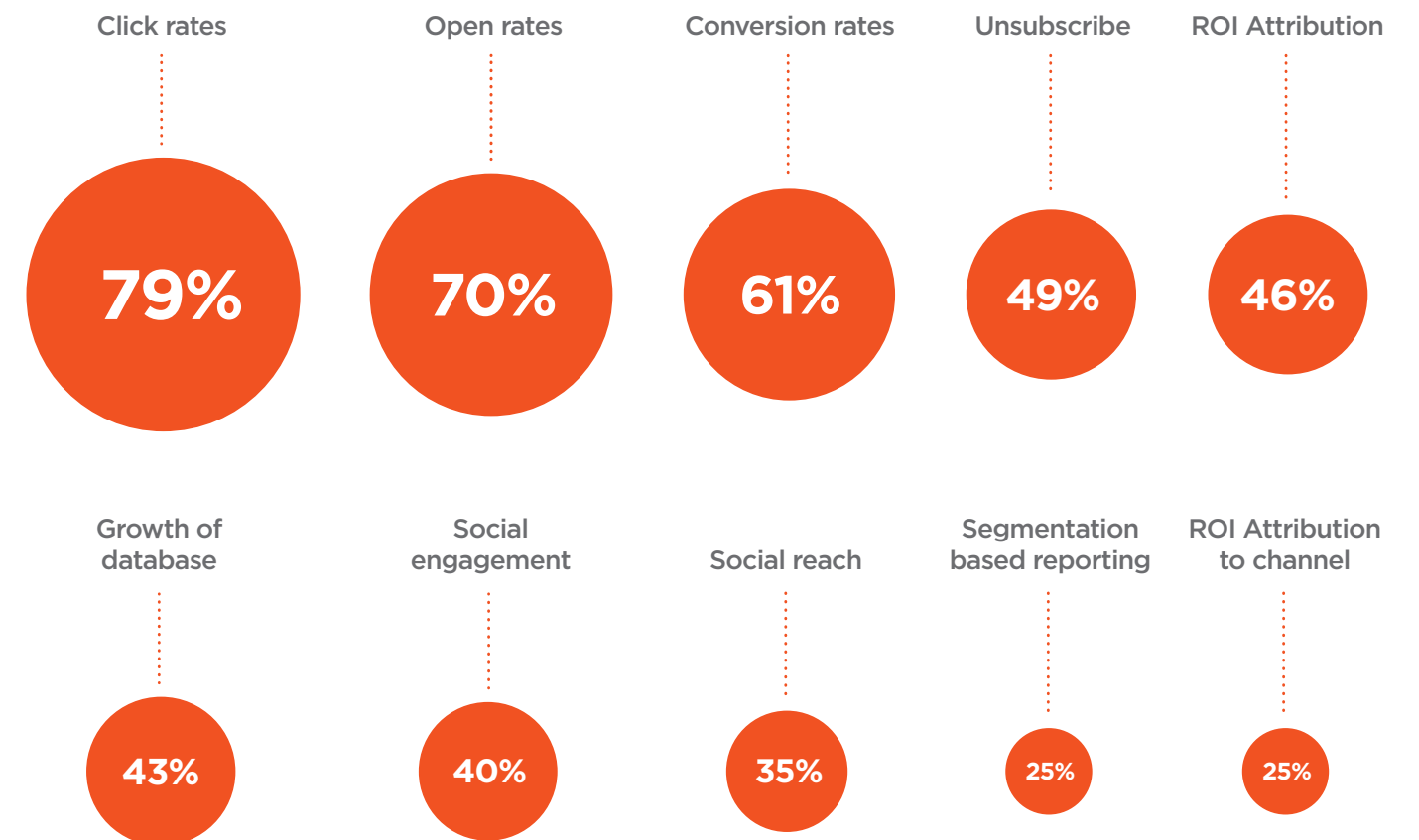
How Australian digital marketers choose to improve and optimise campaigns.

In 2012 creative content and subject line remain the top two ways marketers improve and optimise campaigns. Compared to twelve months ago, campaign offers are more important than timing.



The metrics Australian marketers use to determine the success of a digital campaign.

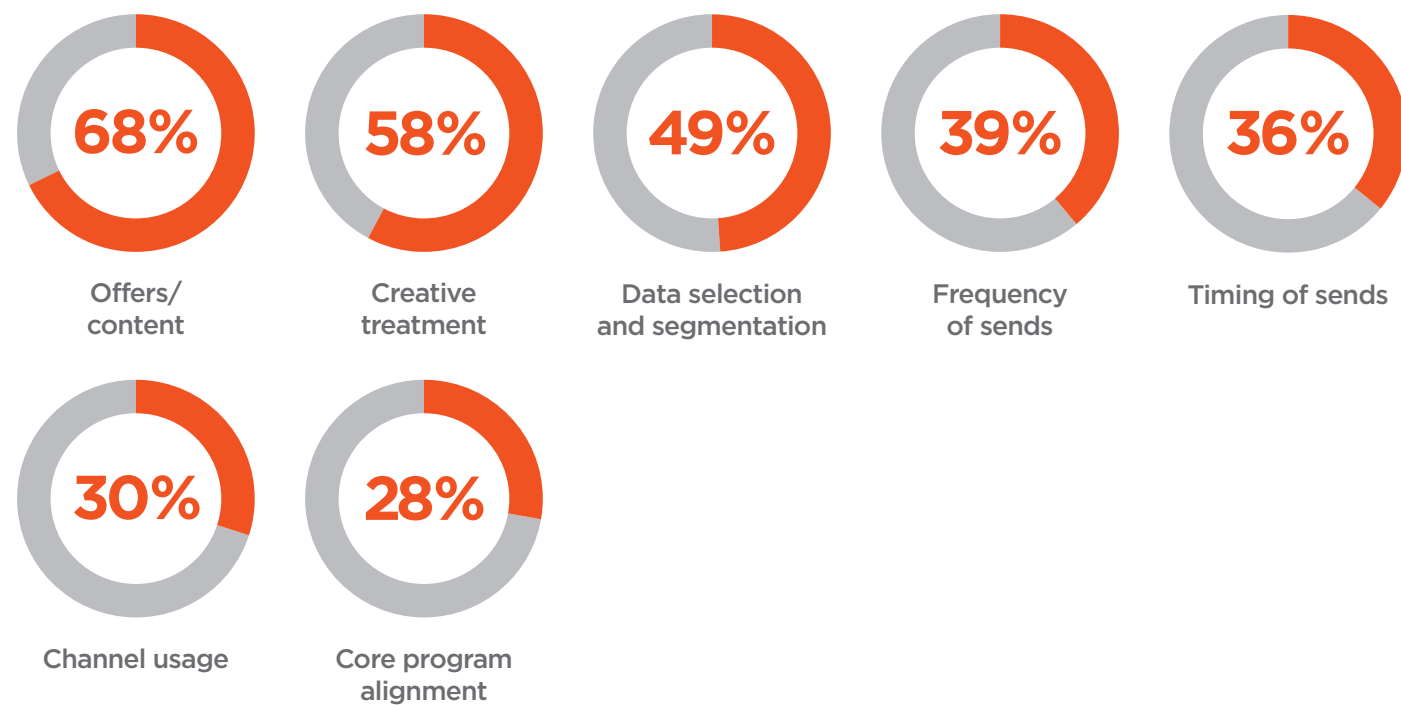
Encouragingly marketers are tracking click, open and conversion rates to determine the success of digital campaigns compared with growth of the database in 2011.



Data sourced from: Responsys*

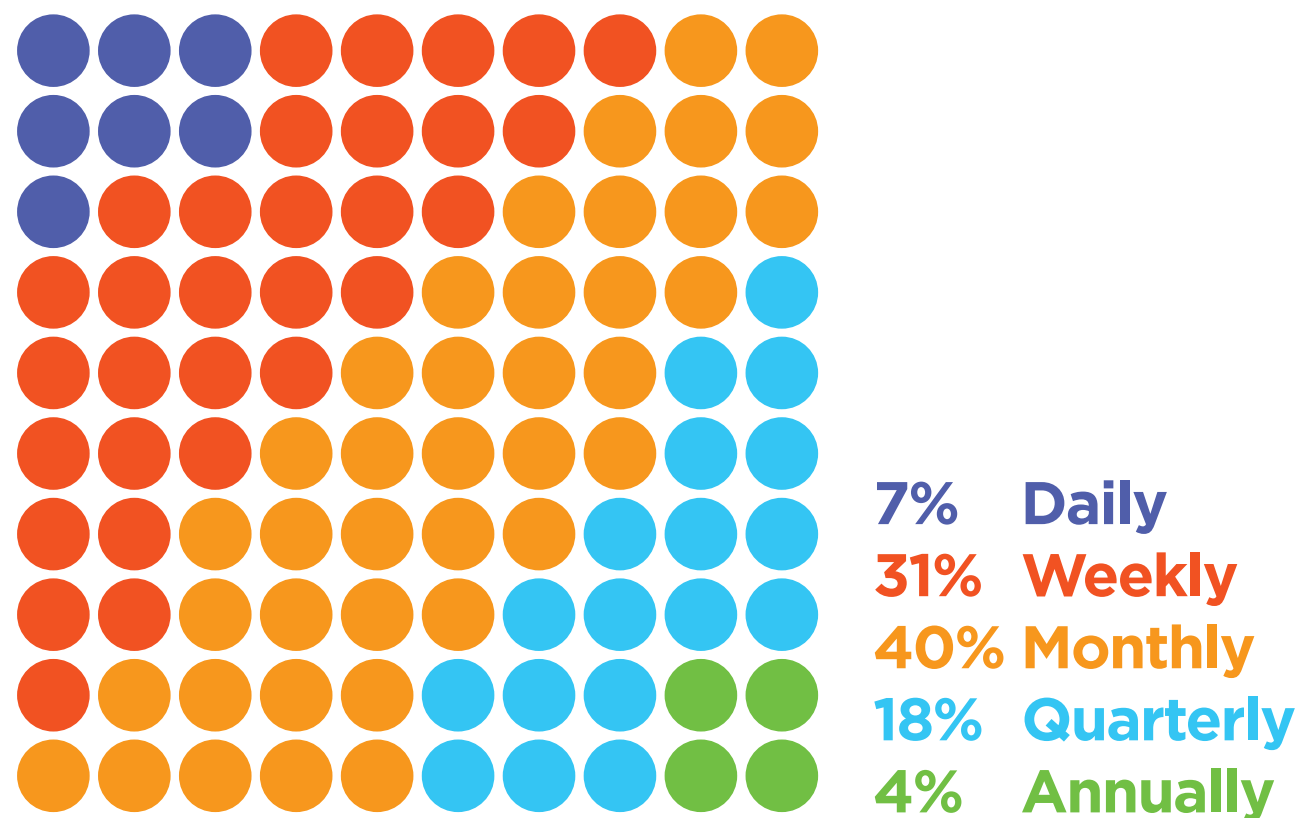
How marketers choose to modify campaigns.

Offers, content and creative treatment continue to be the most frequent modification made by marketers when reviewing campaigns. However, data selection and segmentation is becoming an increasingly important strategy to improve performance.



The frequency of marketing program evaluation.

Australian marketers are evaluating and modifying their campaigns more frequently now than twelve months ago. The most frequent review cycle has shifted from annually to monthly.

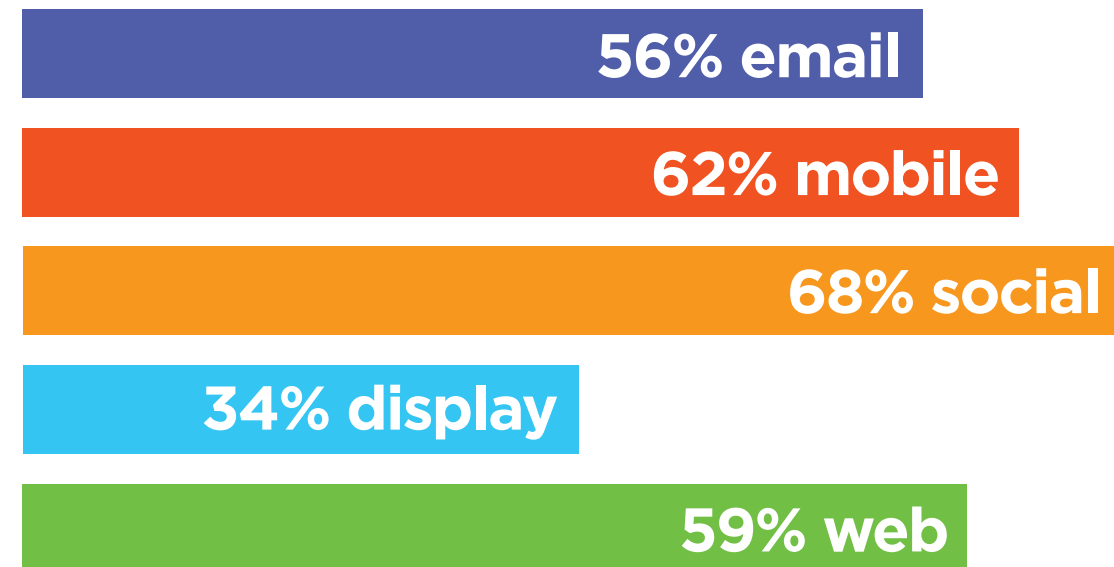


Data sourced from: Responsys*

Looking ahead

Expected increase in spend across digital channels over the next twelve months.

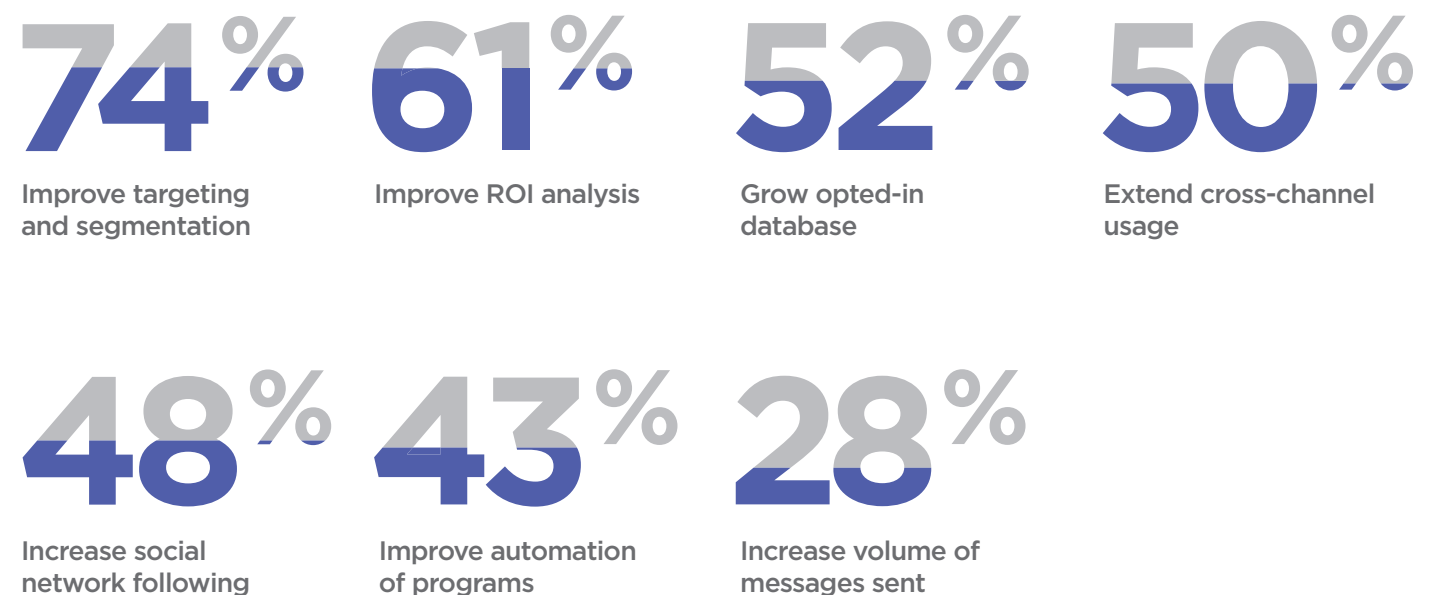
Australian marketers expect to increase their spend across all digital channels over the next twelve months with the greatest increase being allocated to social.



The biggest areas of focus over the next twelve months.

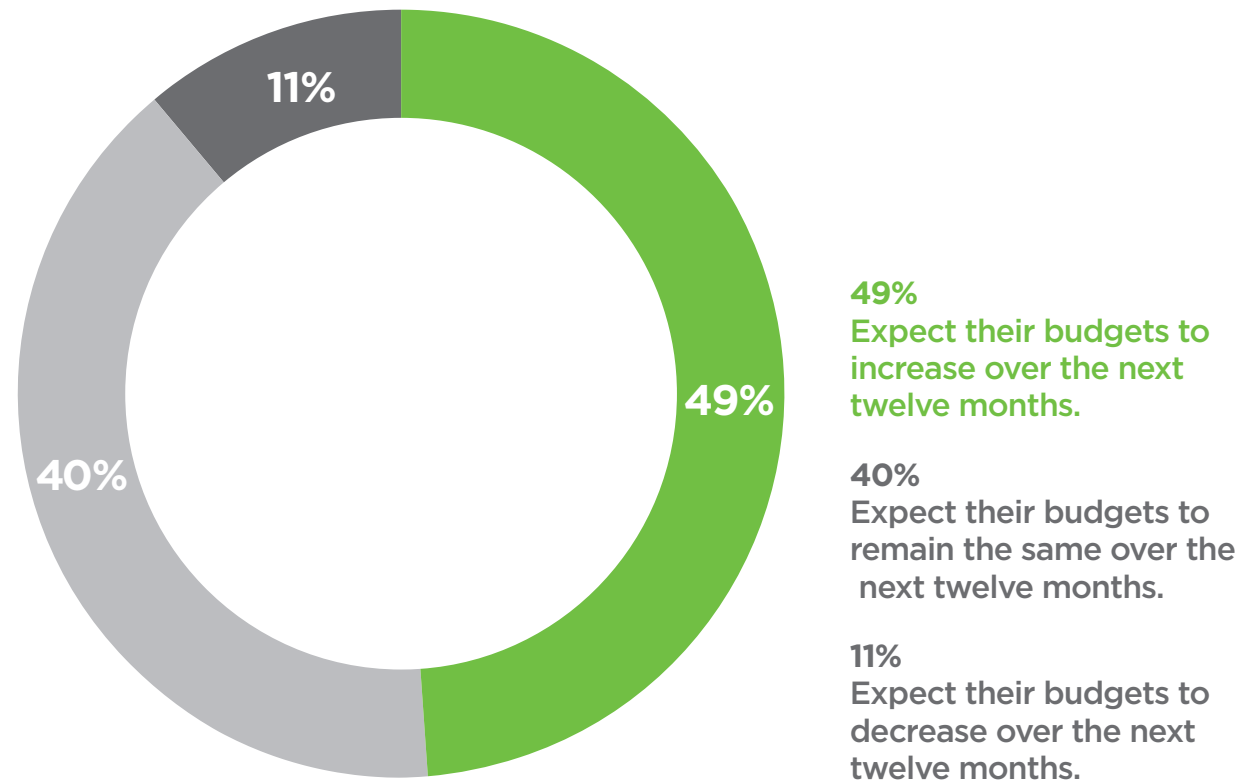
Over the next twelve months the biggest focus for digital marketers is on improving the targeting and segmentation of their campaigns.

Encouragingly, three in four (74%) are prioritising tailoring their campaigns over increasing the volume of messages sent (28%).

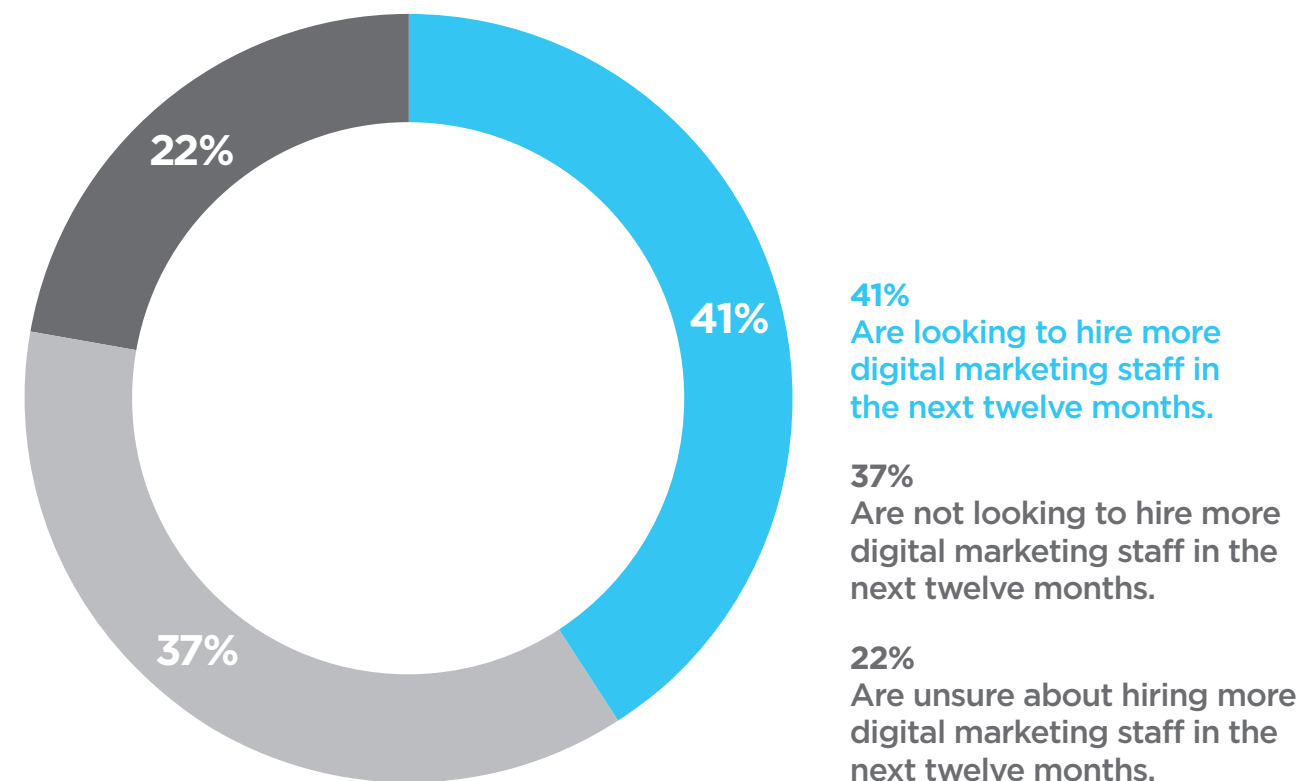


Data sourced from: Responsys*

Marketers



Organisations



Data sourced from: Responsys*

The biggest priorities

Email, social, web, and mobile are the four biggest priorities to Australian marketers. Not surprisingly, digital channels such as email and social are 6x greater in priority than print media and in-store marketing.

email

With 3.3 billion accounts worldwide, email continues to be the biggest priority for Australian digital marketers.

As smartphone ownership in Australia continues to rise, consumers' access to email also benefits marketers.

In the next twelve months, 70% of marketers expect to send a higher volume of email campaigns and 64% expect to send more individual emails.

social

Social media will be the biggest growth channel for marketers over the next twelve months with 68% planning to increase their investment in this channel. An even greater number of marketers (84%) plan to send larger volumes of social media messages.

web

Websites remain a priority for Australian digital marketers and is one of the top priorities marketers are focusing on. In the next twelve months, spend on web is expected to increase by 59%.

With mobile page views up by 130% in 12 months, mobile optimisation will be an important consideration for marketers.

mobile

Almost half (48%) of digital marketers expect the volume of mobile campaigns they send to increase over the next twelve months. In anticipation, 62% will increase their investment in mobile.

Our research found that 40% of marketers do not manage or monitor mobile rendering so this will need to change if Australian marketers are to capitalise on the benefits of mobile communications.

Data sourced from: Responsys*

*Responsys surveyed 125 digital marketers in Australia in July and August 2012.

Responsys is a leading provider of email and cross-channel marketing solutions that enable companies to engage in relationship marketing across the interactive channels customers are embracing today — email, mobile, social, the web and display. With Responsys solutions, marketers can create, execute, and automate highly dynamic campaigns and lifecycle marketing programs that are designed to grow revenue, increase marketing efficiency, and strengthen customer loyalty. Responsys' New School Marketing vision, flexible on-demand application suite, and customer success-focused services aim to deliver high ROI, increased levels of automation and fast time-to-value.

Founded in 1998, Responsys is headquartered in San Bruno, California and has offices throughout the world. The Australian headquarters is based in Melbourne. In Australia Responsys works with world-class brands including Flybuys, Qantas, Jetstar, SBS, Jeanswest, Virgin Australia and Vodafone Hutchinson Australia.

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