

The Communications Council and Media Federation of Australia

Marketing Communications Industry Reputation

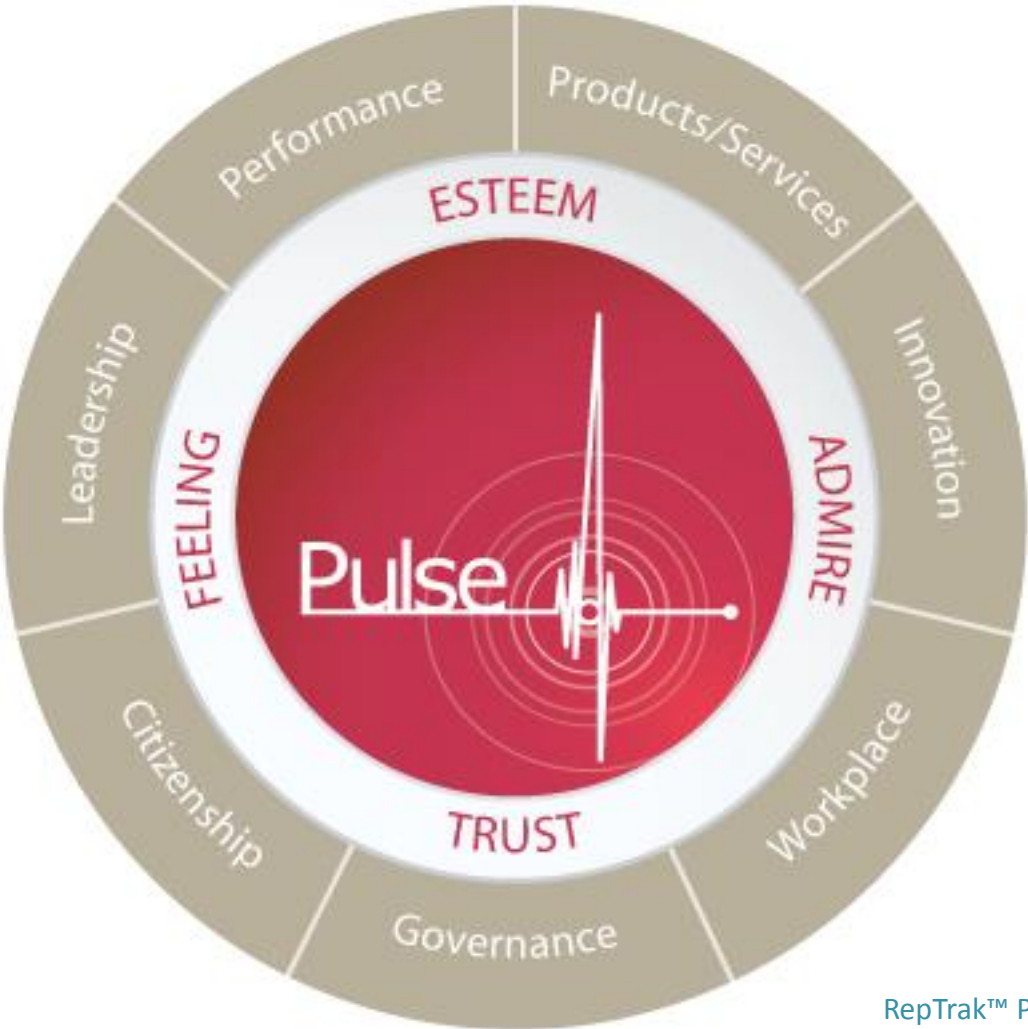


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RepTrak™ Pulse Model

Among consumers, reputation is strongly linked to product advocacy, attracting employees and the ease of expanding into a new community



Product Advocacy	27%	34%	46%	57%
Would work for the company	28%	33%	40%	44%
Welcome into community	31%	36%	46%	57%

Overall Results March 2012: Top 60



Rank	Company
1	Apple Australia
2	Australia Post
3	JB HI-FI
4	Toyota Motor Corporation
5	Nestle Australia
6	Virgin Australia
7	GM Holden
8	ING Direct
9	Myer
10	Mazda Australia
11	Air New Zealand
12	The Good Guys
13	Woolworths/Safeway
14	David Jones
15	Nissan Australia

Rank	Company
16	Hewlett-Packard
17	ALDI Australia
18	BlueScope Steel
19	IBM Australia
20	Bendigo and Adelaide Bank
21	Coca-Cola Amatil
22	Medibank Private
23	Suncorp-Metway
24	Wesfarmers
25	Qantas Airways
26	Lion Nathan National Foods
27	BHP Billiton
28	Harvey Norman
29	Foxtel
30	Westfield Group

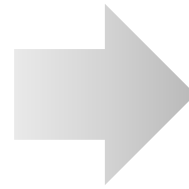
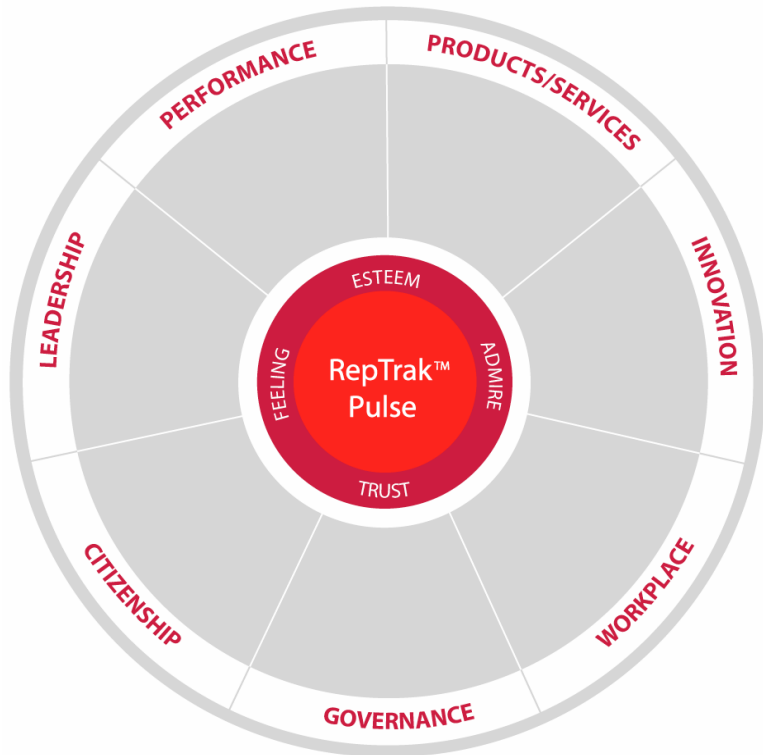
Rank	Company
31	QBE Insurance Group
32	Ford Australia
33	RioTinto
34	IAG
35	Optus
36	AMP
37	Allianz Australia
38	Caltex Australia
39	Macquarie Group
40	Zurich Financial Services
41	7-Eleven
42	Visy Industries
43	AGL Energy
44	Tatts Group
45	Telstra

Rank	Company
46	Westpac
47	Australian Taxation Office
48	Commonwealth Bank
49	ANZ
50	TRUenergy
51	Shell Australia
52	BP Australasia
53	Origin Energy
54	National Australia Bank
55	Citigroup
56	Fairfax Media
57	Centrelink
58	Tabcorp
59	News Limited
60	Vodafone Hutchison Australia

Who did we speak to?

- The research was conducted with three audiences:
 - Client CMOs & CEOs (4 qualitative depth interviews to help create the new model; and 35 online respondents).
 - Agency CEOs (41 online respondents).
 - General Population (2603 online respondents).
- Online surveys conducted between November 2012 and January 2013.

Usual RepTrak Model



New model for this study



Presentation Structure

- What is the **overall Marketing Communications** industry's reputation amongst **Clients**?
- What is the **overall Marketing Communications** industry's reputation amongst **Agencies**?
- What is the **Creative Communications** and **Media Communications** industry's reputation?
- What is the **overall Marketing Communications** industry's reputation amongst the **General Population**?
- In summary...

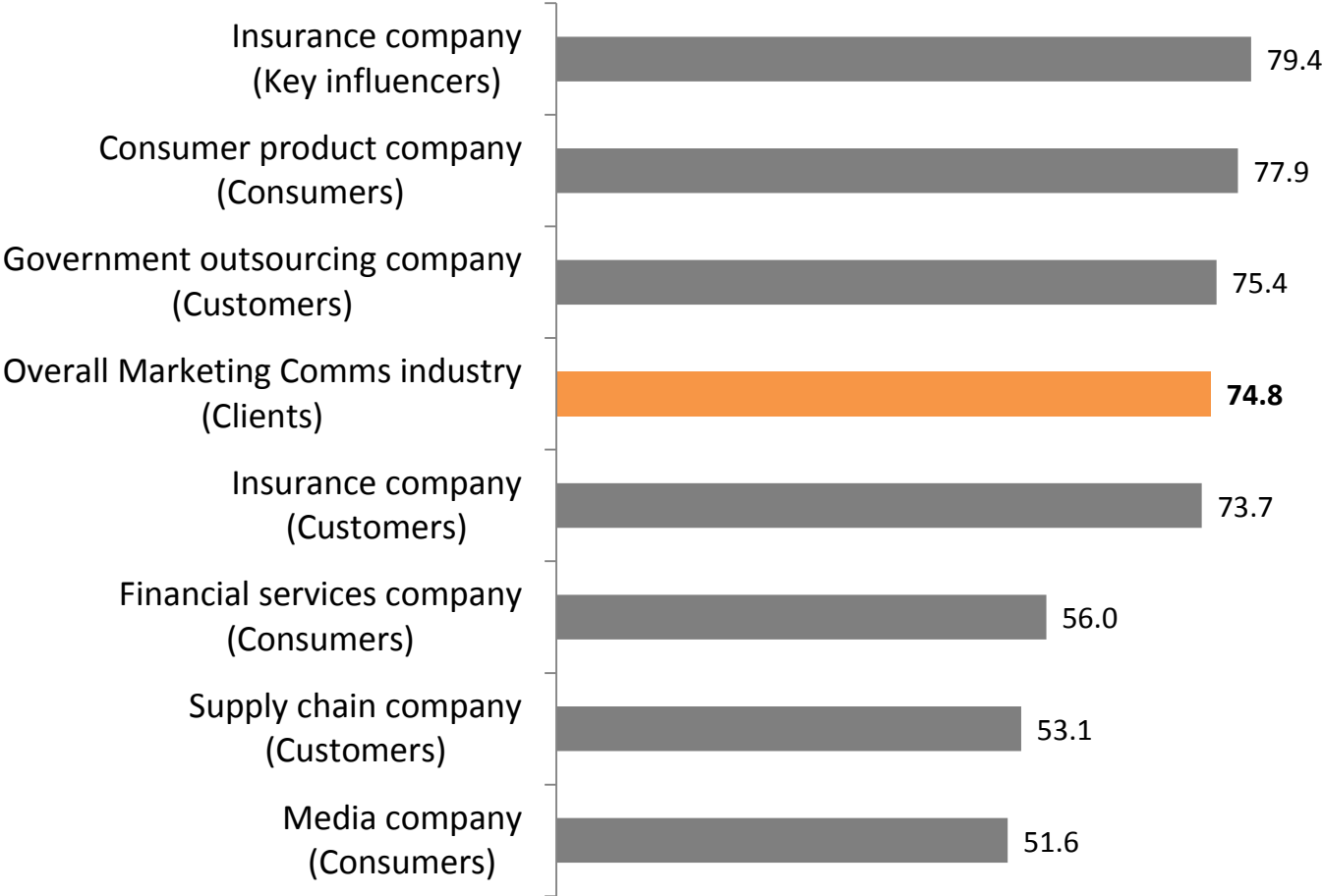
***What is the overall Marketing
Communications industry's
reputation amongst Clients?***

Who are some of the clients we spoke to?

Air New Zealand	Parmalat
Aussie Home Loans	Pepsico
Avis Budget	QLD Urban Utilities
Bankwest	RACV
CCIQ	Samsung
Challenger	Sanofi Consumer Healthcare
Dept of Education, Training and Employment	Stockland
DPC	Suncorp
Fujitsu General	Telstra
General Mills	The Age
GSK	Tourism WA
IAG	Triple 8 Racing
Lion	Visa
Motor Accidents Commission	Woolworths

The Marketing Communications Industry has a strong reputation amongst clients

Overall Reputation Scores



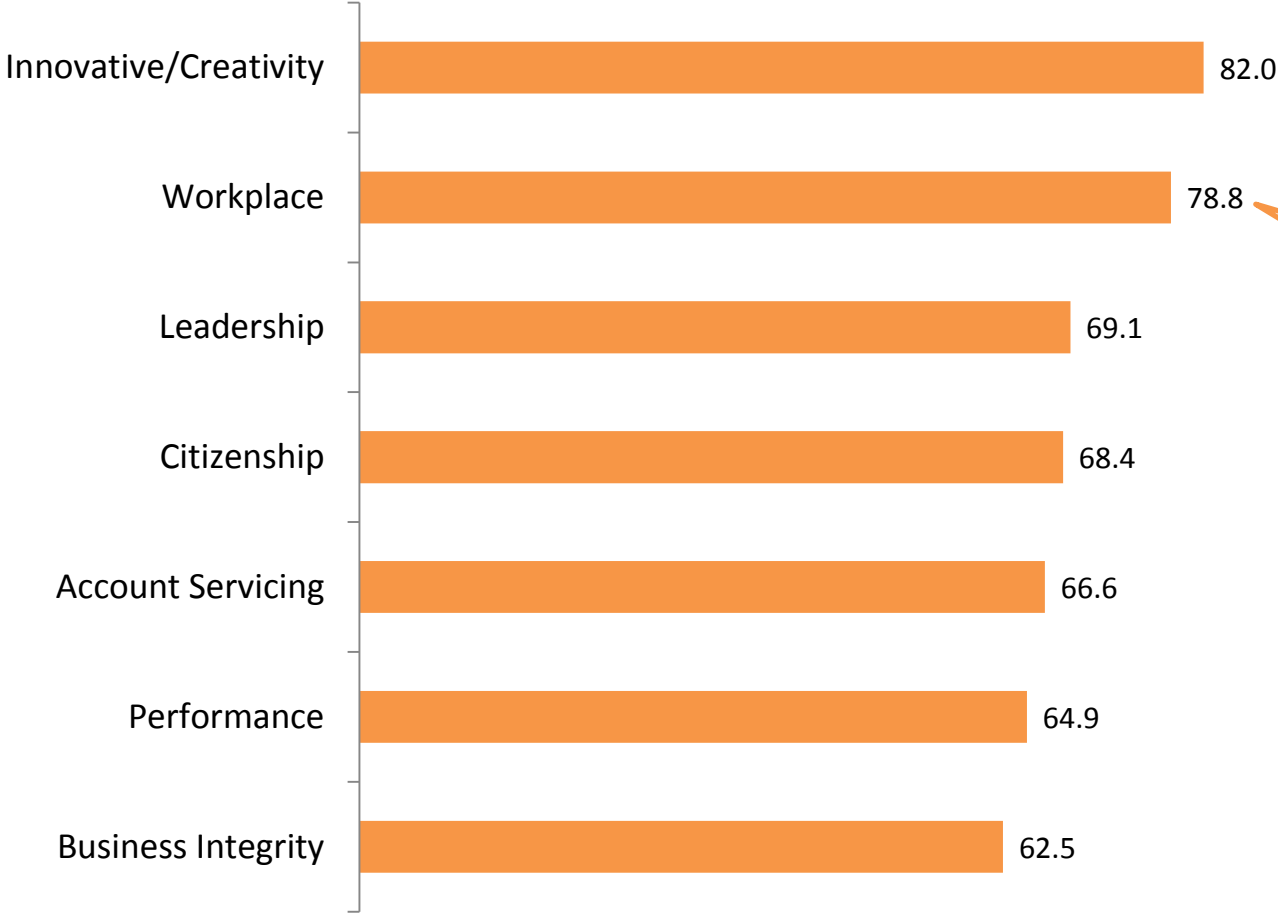
Base: Clients: Reputation (n=35).

Q1. Please consider the following statements and select a number from "1" to "7" where "1" means "I strongly disagree" and "7" means "I strongly agree".

The Marketing Communications Industry has a strong reputation amongst clients

- Clients consider the strongest areas of the Overall Marketing Communications industry to be in the areas of Innovation/Creativity and Workplace.

Overall Marketing Communications industry – Clients



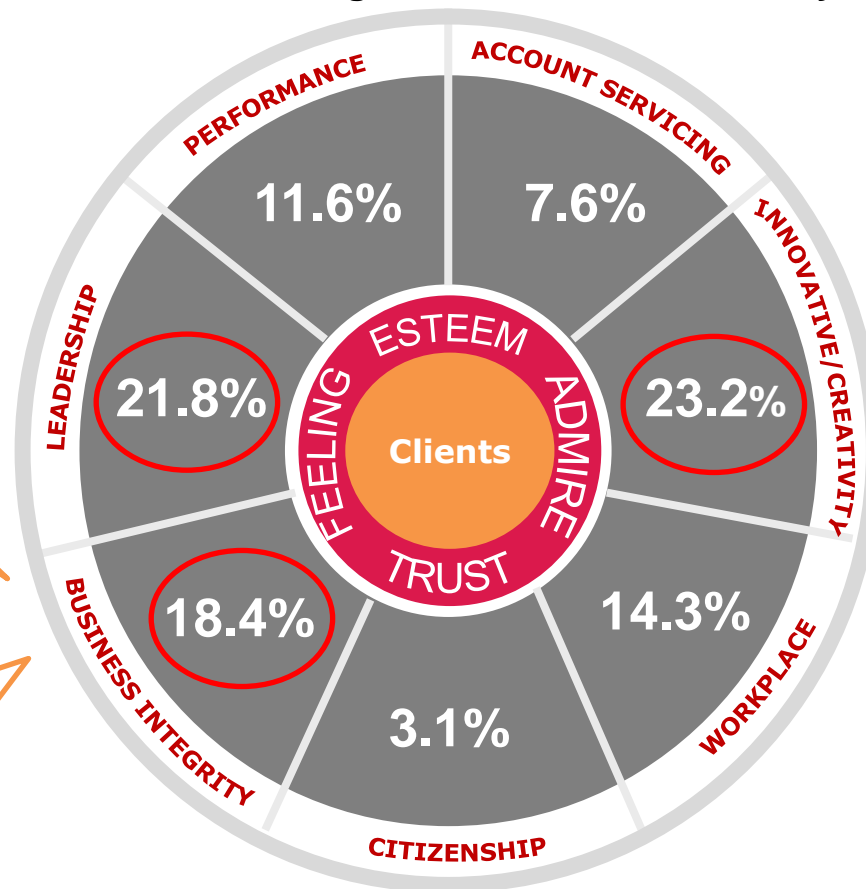
*“Exciting industry, great opportunities to do some great work.”
(Client, rated 6/7 for Workplace)*

10 Base: Clients: Dimensions (n=31).
Q3. Please consider the following statements and select a number from “1” to “7” where “1” means “I strongly disagree” and “7” means “I strongly agree”.

Innovation, Leadership and Business Integrity are the strongest drivers of the industry's reputation

- Clients rate the industry highest on Innovation/Creativity but lowest on Business Integrity resulting in Business Integrity as a high priority for improvement.

Reputation Drivers*
Overall Marketing Communications Industry

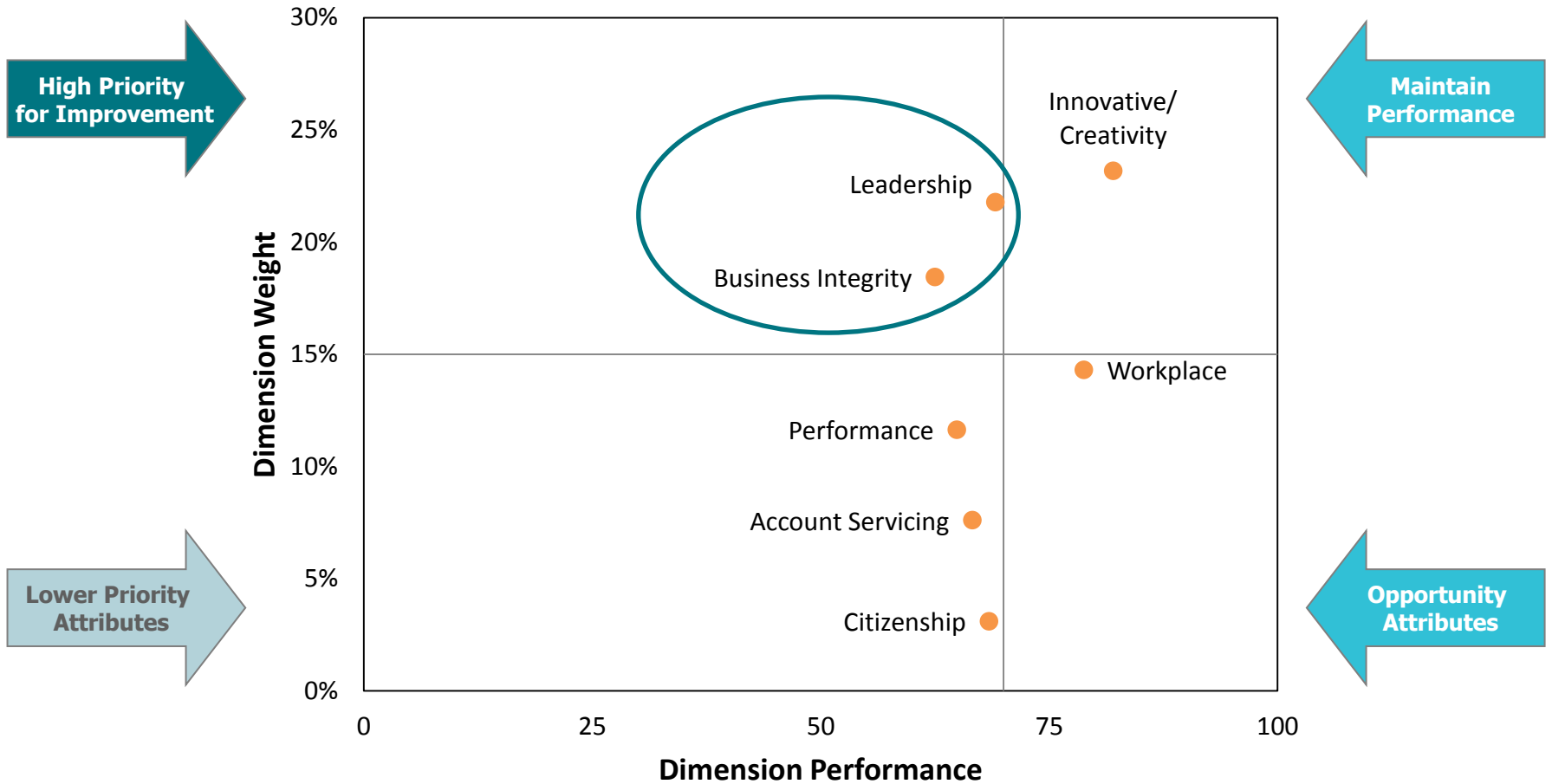


*"I don't see the industry being transparent - it is largely hype."
 (Client, rated 5 for Business Integrity)*

*"I think the industry has had to become so focussed on how to make money due to client cost saving pressure, and how to adapt to new technologies it has lost some focus on ethics, transparency."
 (Client, rated 4 for Business Integrity)*

Key challenges for the industry are enhance perceptions of its leadership and business integrity

Overall Marketing Communications industry – Clients



Base: Clients (n=31)

12 Q3/Q5. Please consider the following statements and select a number from "1" to "7" where "1" means "I strongly disagree" and "7" means "I strongly agree".

***What is the overall Marketing
Communications industry's reputation
amongst Agencies?***

Who are some of the agencies we spoke to?

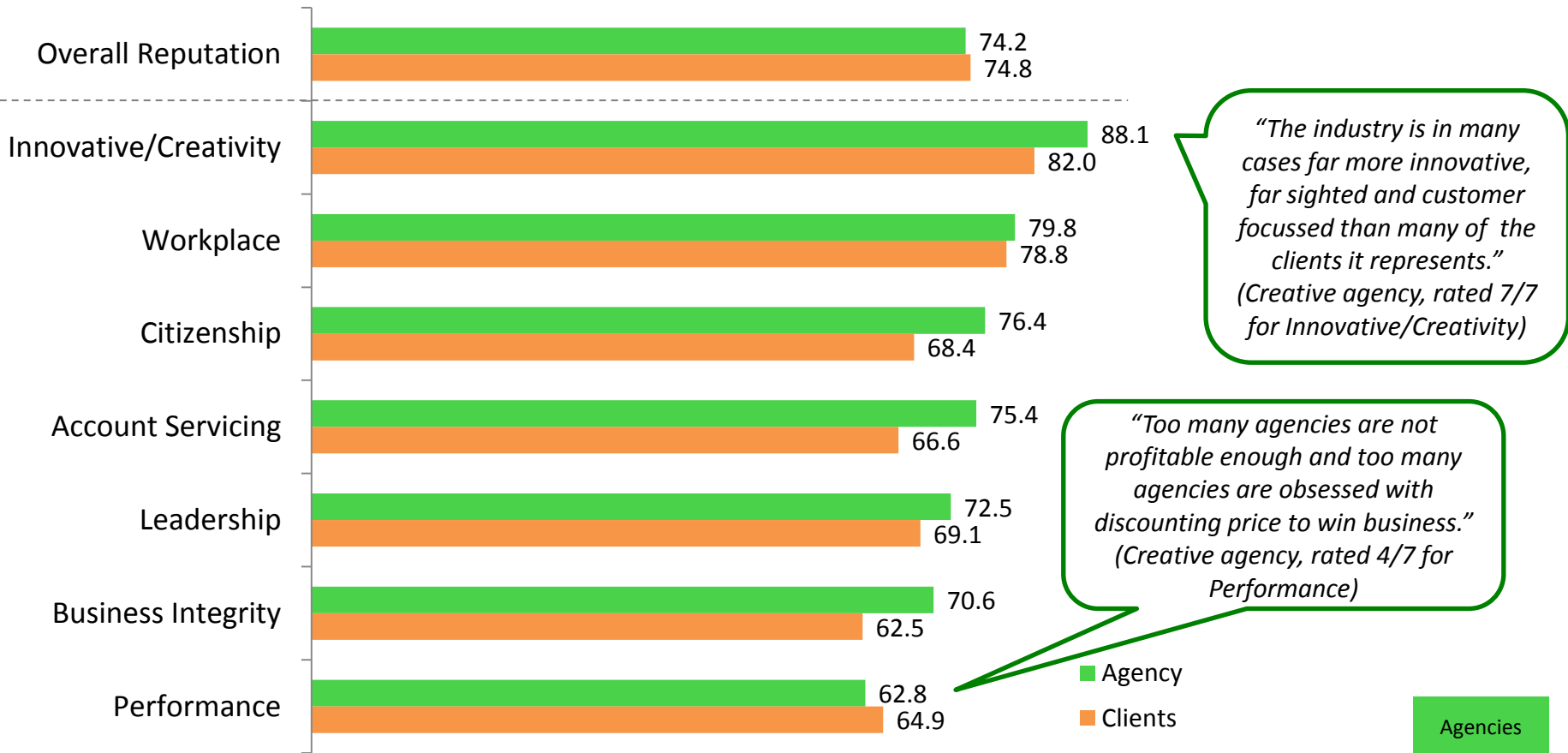
Creative Agencies	
Apollo Marketing	kwp! Advertising
Bashful	Lifblood
Blaze Advertising	Marmalade Melbourne
Block Branding	MECCA Campaigns
Catalyst International	Meerkats
CHE Proximity	Naked Communications
Clemenger BBDO Melbourne	OBM Advertising
Convenience Advertising	Ogilvy sydney
DDB Melbourne	Photoplay Films
Droga5	Res Publica
DTDigital	Revolver
Freeform	Spinach Advertising
George Patterson Y&R QLD	The Holla Agency
Innocean Worldwide Australia	The Jam Communications Agency
Iris Sydney	The Monkeys
Junior	Undertow Media
Khemistry	UNO Marcomms

Media Agencies	
GroupM	PHD
Ikon	Starcom MediaVest Group
OMD	

Creative agencies are more positive about the industry's innovation, citizenship, account servicing and business integrity

- Similar to clients, agencies rate the Overall Marketing Communications industry highest on Innovation/Creativity and Workplace.

Overall Marketing Communications industry



*“The industry is in many cases far more innovative, far sighted and customer focussed than many of the clients it represents.”
(Creative agency, rated 7/7 for Innovative/Creativity)*

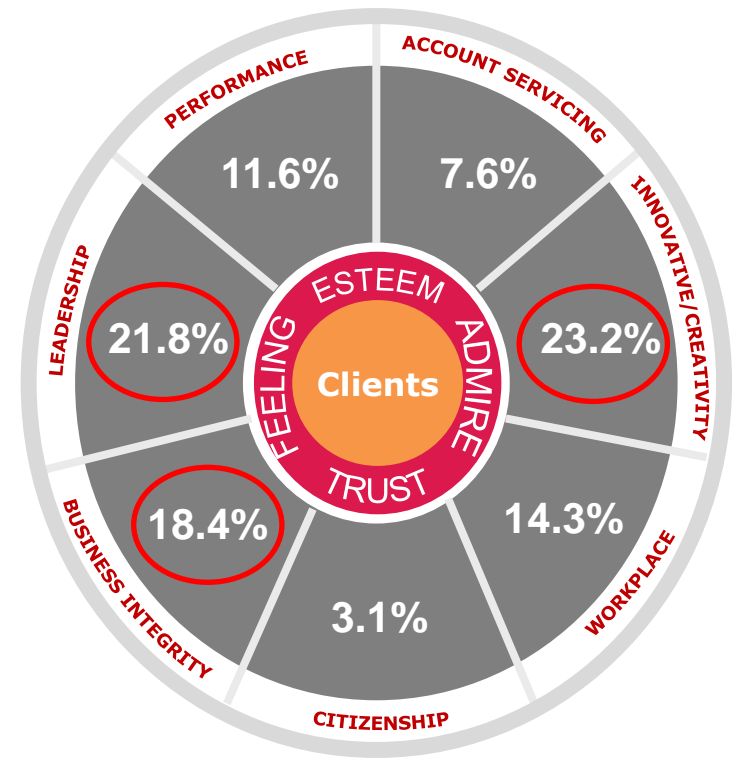
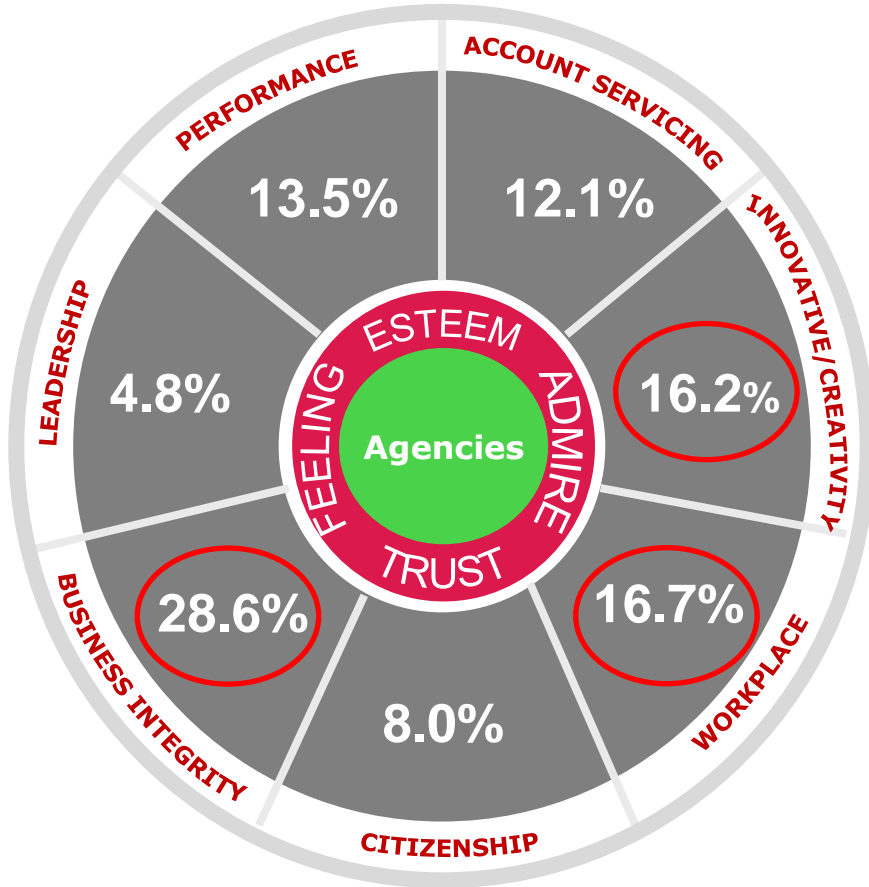
*“Too many agencies are not profitable enough and too many agencies are obsessed with discounting price to win business.”
(Creative agency, rated 4/7 for Performance)*

15 Base: Reputation: Agencies (n=41), Clients (n=35); Dimensions: Agencies (n=36), Clients (n=31).
Q1/Q3. Please consider the following statements and select a number from “1” to “7” where “1” means “I strongly disagree” and “7” means “I strongly agree”.
N.B. There are no significant differences between Agencies and Clients.

Business Integrity, Innovation and Workplace are most important for Creative Agencies

- Leadership is a significantly more important driver of the industry's reputation for Clients compared to Creative Agencies

Reputation Drivers*
Overall Marketing Communications Industry



Agencies

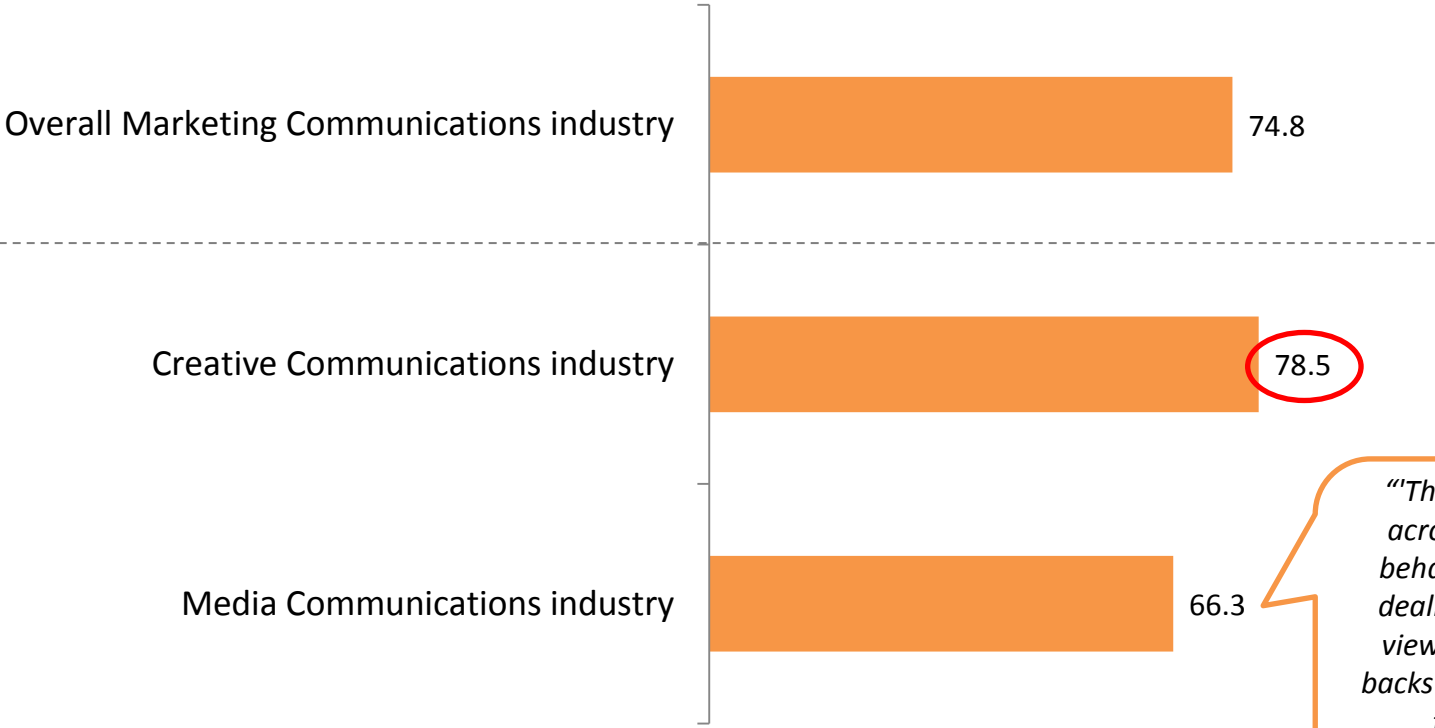
Clients

16 Base: Agencies (n=37), Clients (n=34).
Q3/Q5. Please consider the following statements and select a number from "1" to "7" where "1" means "I strongly disagree" and "7" means "I strongly agree".
* The Reputation Drivers evaluate the degree to which each of the dimensions affects the overall Reputation score. It shows the relative importance of each dimension, measured out of 100%, in driving reputation.

***What is the Creative Communications
and Media Communications
reputation?***

Clients regard the Creative Communications industry more highly than the Media Communications industry

Overall Reputation Scores – Clients



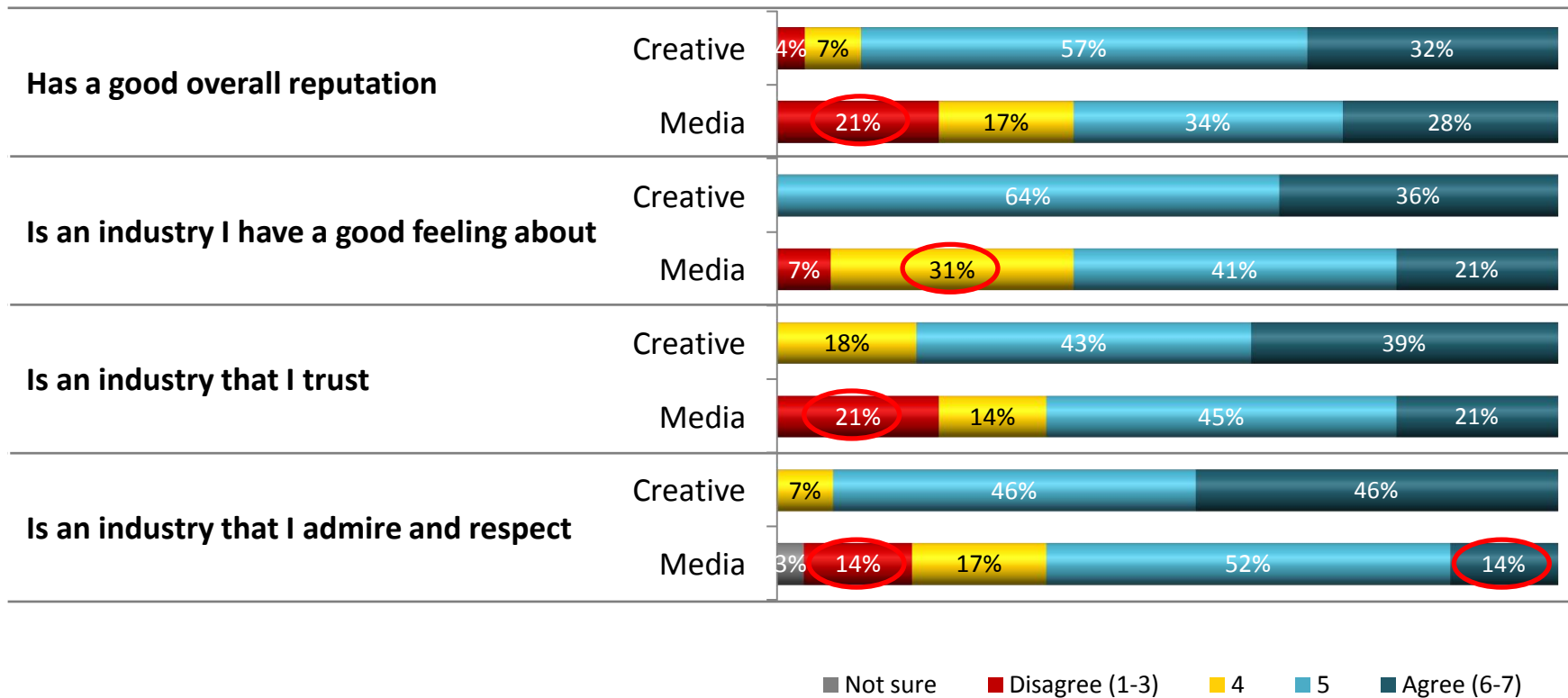
“There is a lack of consistency across the agencies on ethical behaviour and transparency in dealings. There is a widespread view that agencies receive kick backs from the media, influencing their decision making.”
(Client)

18 Base: Clients: Overall Marketing Communications (n=35); Creative Communications (n=28); Media Communications (n=29).
Q1/Q2. Please consider the following statements and select a number from “1” to “7” where “1” means “I strongly disagree” and “7” means “I strongly agree”.
○ = Significantly higher than Media Communications industry.

Reputation Distributions – Creative vs. Media Communications Industry – Clients

- Overall, clients are very positive about the Creative Communications industry with very few neutral or negative responses. The Media Communications industry does not fare so well, particularly in the areas of esteem and trust.

Reputation Distributions – Clients



Clients are generally more favourable towards the Creative Communications industry especially in the area of innovation.

Clients	Creative Communications	Media Communications	Gap
Overall Reputation	78.5	66.3	12.2
Innovative/Creativity	80.4	67.2	13.2
Citizenship	67.4	61.4	6.0
Leadership	73.7	70.4	3.3
Workplace	74.5	71.6	2.9
Business Integrity	65.6	65.9	-0.3
Account Servicing	65.0	71.1	-6.1
Performance	66.3	73.7	-7.4

20 Base: Clients: Creative: Reputation (n=28), Dimensions: (n=26); Media: Reputation (n=29), Dimensions: (n=27).
 Q2/Q5. Please consider the following statements and select a number from "1" to "7" where "1" means "I strongly disagree" and "7" means "I strongly agree".
 ○ = Significant difference.

***What is the overall Marketing
Communications industry's
reputation amongst the General
Population?***

Among the General Population, the advertising/marketing industry has a similar reputation to the insurance industry

- The top ranking industries are Health & Fitness, Consumer Products and Pharmaceutical.

Rank	2012 Industry Ranking among General Population	Reputation Score
1	Health & Fitness	67.0
2	Consumer products	64.0
3	Pharmaceutical	63.4
4	Airline	62.5
5	Automotive	61.1
6	Mining	58.8
7	Market Research	58.7
8	Health Insurance	54.8
9	Advertising/Marketing Communications	53.7
10	Motor & Home Insurance	53.2
11	Telecommunications	51.8
12	Media	50.3
13	Banking	48.0
14	Energy/Utilities	42.9
15	Tobacco	27.4

*“There is still a significant problem with the external perception of the industry, many people do not like or trust the industry.”
(Media agency)*

*“The public have a mistaken belief we are spin merchants, liars and a tool of corporate power.”
(Creative agency)*

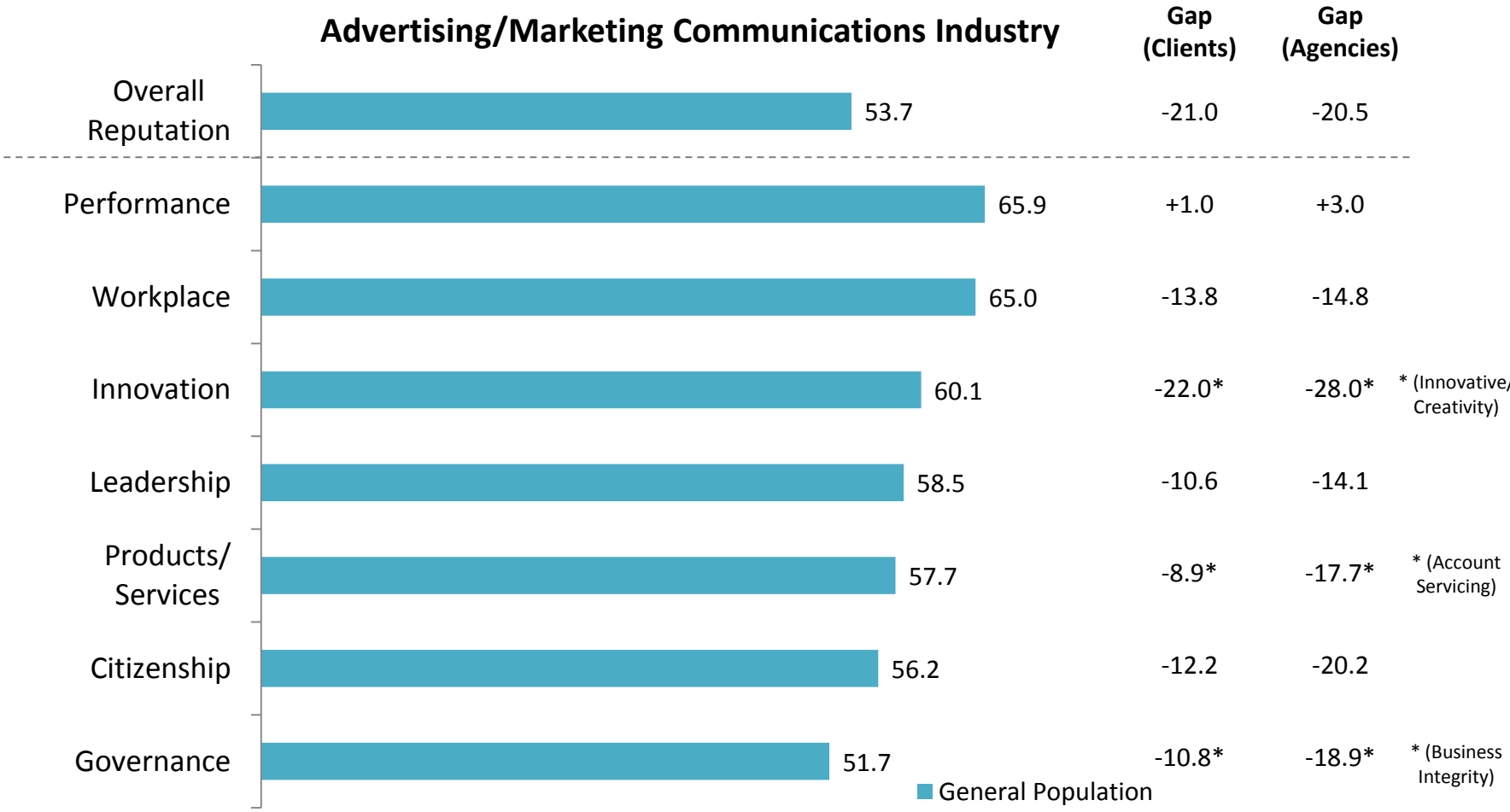
22 Base: General Population (n=2603).

Q104. Thinking about industries in general. How would you rate the overall reputation of the following industries, where “1” means the industry has a “Very Bad” reputation and “7” means the industry has a “Very Good” reputation?

General population

The public rate the industry significantly worse than clients or creative agencies, especially in the area of innovation

- The strongest dimensions are Performance and Workplace and the weakest is Governance.

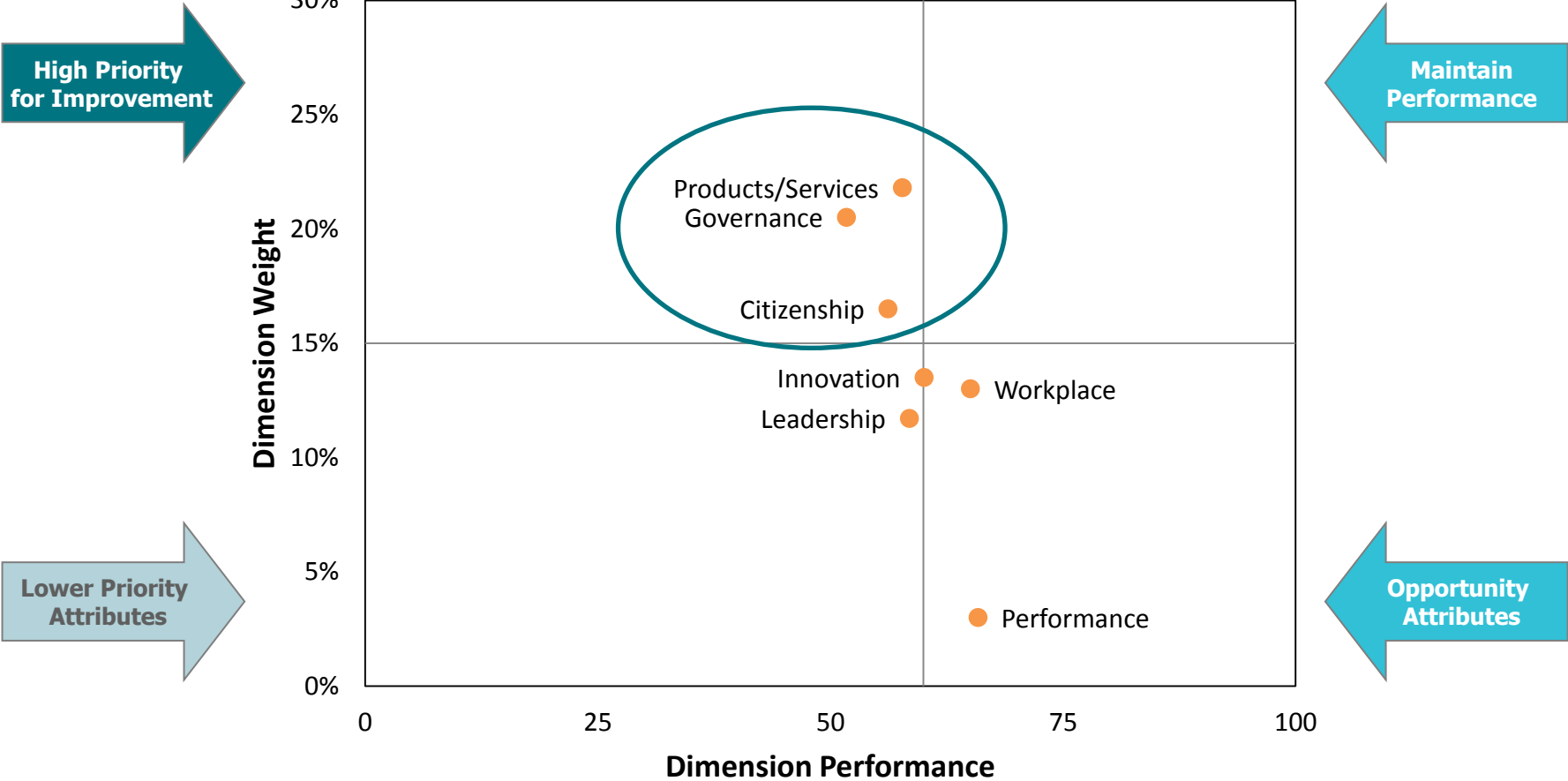


23 Base: Reputation (n=2603); Dimensions (n=367). Q1/Q3. Please consider the following statements and select a number from "1" to "7" where "1" means "I strongly disagree" and "7" means "I strongly agree".

General population

The lower reputation of the industry among the general population is linked to the services provided and the overall governance

Advertising/Marketing Communications Industry



In summary...

Summary and Recommendations

- Drivers of reputation differ across all three groups. Different strategies will therefore be needed to maintain/enhance the industry's reputation within each group
- However, business integrity/governance is the one common driver – showing the need to make that a core component of any industry reputation plan.
- Among clients, the industry is well regarded. Strong perceptions of its innovation and leadership are key and a focus on these areas will be needed to maintain the industry's reputation.
 - The opportunity to further increase the industry's reputation is likely through improved perceptions on business integrity.
- However, clients have some concerns around the Media Communications industry, especially on the key drivers of Leadership and Innovation.
 - The Media Communications industry is perceived more positively on Account Servicing than Creative Communications industry.

Summary and Recommendations (contd.)

- Work is needed amongst the general population as the industry's reputation is similar to the insurance industry and trails a number of 'reputationally challenged' industries (e.g. mining).
- The key next step is to determine the accuracy of perceptions and the opportunities for communication to enhance the industry's reputation.