

THE MARKETING ASSOCIATION OF AUSTRALIA AND NEW ZEALAND



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Editorial

The word loyalty is becoming debased by many (poor) marketers who see it as a measure of how much it costs to buy a customer – Customer Loyalty Programs (sic).

If the word loyalty is becoming debased, does this mean it is worthless? On the contrary, it is becoming a more priceless quality because it is so hard to develop.

Most people think that loyalty is to a thing or to a person when actually it is really to one's own self. Some think that it is to a goal or an objective, but again it is to one's own convictions.

If loyalty has to be earned then it is deserved and is enduring; more than an emotion based on a temporary feeling. Loyalty is the character of a person

Brian Monger

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Quotations

Be careful what you pretend to be because you are what you pretend to be.
Kurt Vonnegut, Jr.

"The only way to improve on success is to experience rejection."
Alan Weiss 'Million Dollar Consulting'

A mistake is only a mistake if you don't learn from it.

"If I am to speak ten minutes, I need a week for preparation; if fifteen minutes, three days; if half an hour, two days; if an hour, I am ready now."
- *Woodrow Wilson*

"Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it."
- *Ronald Reagan*

"All things being equal, people will do business with a friend; all things being unequal, people will still do business with a friend."
- *Mark McCormack*

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an online consumer complaint site for the airline industry, and with organizations that oversee the operation of organisations in specific industries.

Contact the media. If you are really frustrated in your attempts to get a problem resolved, consider contacting your local media. Many newspapers and TV and radio stations have reporters who deal with consumer complaints and can bring your situation to the public's attention. If there's one thing no business can afford, it's bad publicity.

Use the Internet to spread the word. Send an e-mail to everyone you know, informing them of the problem you are having with the organisation and recommending that they not patronize it. You might even send a copy of that e-mail to the organisation itself.

Log off. Don't do business with a organisation that does not respond to your inquiries or complaints. With a click of your mouse, you can eliminate the offending organisation from your computer screen--and your life.

It's important to realize that no organisation is immune to mistakes. How they handle those mistakes, however, should determine whether or not you continue to patronize it. A good organisation will see your complaint as an opportunity to improve its operations or products and a chance to keep you as a customer. That's the type of organisation you want to do business with.

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Becoming a More Effective Thinker

Want to be a better thinker? You should read more books; go to lectures and concerts; take classes; expand our horizons through travel.

Etc. etc.etc Those are the standard wisdom.

However, if we really want to become a better thinker, here are three ways to do it that will get you thinking smarter more often:

#1 Interrupt yourself. The next time you find yourself talking for any period of time, or even thinking about something for more than a few minutes, simply stop. Ask yourself: "Where did this thought start?" "Have I had this thought before?" "Have I already examined this concept at length?"

We tend to reiterate not create. Most of the time we spend is on thoughts that just aren't taking us anywhere new and interesting.

Make a habit of stopping yourself to check in. Steer your thoughts or your conversation in new directions. Make room for new ideas by recognizing and interrupting repetitive thoughts, and you'll make huge strides toward becoming a better thinker.

#2 Appreciate lulls. You know when you're talking to someone, and there's a moment of silence before anyone says anything? Our tendency is to jump in, even if what we have nothing good to say. We talk for the sake of filling up that few seconds of silence to keep that pause from becoming uncomfortable.



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4. Actively solicit good and bad feedback

Try asking "what is the one thing you would change or improve about your experience with us or our product?"

5. Don't spend a lot of money doing it

Short, regular surveys deliver better response rates and allow you to react rapidly to issues raised. Solve one or two problems at a time, not everything at once. Tell your customers how their feedback directly contributed to your changes.

6. Seek real-time feedback

Call 8-10 customers every day.

7. Make it easy for customers to provide feedback

Employ multiple input points: in person, email, Web sites, point-of-purchase cards or receipts, conferences and the telephone.

8. Leverage technology to aid your efforts

Programs like SurveyMonkey.com makes it very easy to gather feedback via a Web-based survey. It (among others) is fast, efficient, and inexpensive. It automatically tabulates data and doesn't require a techie to launch. Your data is virtually complete within 48 hours of sending customers a link to the survey.

9. Share customer feedback throughout the organization

Responsibility for customer feedback extends beyond the marketing department. Ensure that everyone in the organisation knows what customers are thinking by sharing customer feedback; product and service decisions will be better informed as a result.

10. Use the feedback to make changes - quickly

You may not be able to move a mountain in a day, but you can make it easier to climb by making a path.

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Your Brand

Every organisation has a reputation. Everyone you meet will form an opinion about your organisation, even if they have not done business with you yet. The challenge is to manage your reputation so that the opinion that people have of you is positive. This is what creates a good brand. And yes there are indeed bad brands – A lot of them

Brands have a number of strategic functions, enabling you to:

- Differentiate yourself from your competition

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- Position your focused message in the hearts and minds of your target segments
- Be consistent in your marketing efforts
- Customize your services to reflect your brand
- Deliver your message clearly and quickly
- Project credibility
- Create strong user loyalty

Branding is not all about slick advertisements. Branding is essentially about getting your target segment to see you as the preferred choice. Building a famous brand is not just about what you do; it's about what you do differently from everyone else.

Building Your Brand

A brand is a promise of the value your clients will receive. In an amazingly complex and competing world--where it is increasingly hard to know what is real and what is not--having your customers not only acknowledge but support the promise of your brand is the key to building a thriving business.

Good Marketing is about adding value – as opposed to apparently good accounting which seems focused on lowering costs. To build a brand, you've got to become focused on what you do that adds value for customers. Do you deliver on the promise of your value offer - on time, every time? Do your clients get value by investing in you?

Branding integrates quality, customer service, marketing communication and value to present a unified message about the organisation, its products.

Your brand will integrate all your marketing around a core idea and vision. As a result, you will find it easier to sell yourself, because your message will be uniform and powerful. Every business needs to evaluate its brand identity against the following criteria:

Relevance to the Market

A brand must stand for something that is meaningful to members of a target market. Your brand encompasses the total experience of doing business with you.

Consistency of Behaviour

Customers must be able to depend on the brand to deliver the same experience every time. Because your market experiences your values through your brand, the only way they will truly become loyal to your brand is through your dedication and consistency.

Relationship-Building

A brand is not a logo or an advertising strategy. "The strength of any brand is in the relationship it has between a organisation and its customers. The stronger the relationship, the more business they will do, and the more likely it is that customers will refer them to their friends and business associates.

Loyalty to the Customer Is Returned

The test of a brand is, in fact, the strength of loyalty it generates. If you have a strong relationship with your target audience, then you have a strong brand and a strong business.

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Lack of Business is Not Always the Problem

When you're just starting out in business, it's a safe bet that you need more clients. But what if you have been up and running for a while, and you're still not making as much money as you would like? You may be in the habit of thinking that attracting new clients is the answer, but this isn't always the case.

There are many reasons why a business might not be earning enough, but they typically fall into four categories: not enough revenue, not enough profit, not enough customers, or not enough time.

Start by looking at your gross revenue -- the total amount your customers pay you over the course of a year. How does it compare to others in the same line of business? Ask some trusted colleagues or check with your professional association for any statistics they may have.

What percentage of your gross revenue remains after you cover cost of sales? This is your gross profit. As a service business, you may have no cost of sales. If, however, you are selling books, tapes or software, or accepting credit cards, your inventory cost and credit card fees need to be deducted from your earnings before making other calculations.

Now deduct your business expenses from your gross profit. What percentage of gross profit remains? Is this a typical percentage for your industry? Compare your profit margin (net income divided by gross profit) to a desired goal of 70%.

If your gross revenue seems low for your industry, your profit margin is at least 70%, and you have about as many customers as you can comfortably serve, concentrate on increasing your revenue, rather than trying to improve your profit margin or bring in new customers.

Consider raising your rates, which may mean finding a market that is willing to pay more. Look for customers who will give you higher dollar volume contracts or place larger orders. Think about hiring more administrative help, which would free up more of your time to charge out at professional rates. You should also work to increase your passive income by selling products created by you or others, reselling some of your existing work, or licensing a process you have developed.

If you are spending more than 30% of your gross profit on overhead and marketing, work on improving your profits. Look for ways to cut expenses by reducing your overhead, or focusing on your most profitable line of business.

In addition, if more than 15% of your gross profit is spent on marketing alone (assuming you are not a start-up business), consider cutting back on advertising or mailings, and using more referral-based marketing strategies. Seek out customers who will give you repeat business or long-term contracts.

Low revenue combined with not enough billable work to keep you busy means you really don't have enough customers. If you don't have a marketing plan, it's time to create one. Focus your plan on the most attractive service you have to offer and the most lucrative market, rather than diffusing your energy by marketing several different service lines to more than one type of customer.

If you already have a marketing plan, but it's not paying off, you may need to break into a new market, look for a more appealing way to package your services, or form an alliance with someone who can send a steady stream of business your way.

It's possible that you simply don't have enough time to earn more money. When you are consistently



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spending over 25 hours per week serving clients, with more potential customers in the pipeline than you can realistically serve, it's time to hire an employee or bring in a junior partner. If you're not ready to take that step, think about subcontracting work to a trusted associate, and keeping a percentage of their billings.

In reading the suggestions above, you may have discovered that you don't have enough information to diagnose your earnings problem. There are six statistics every service business owner should know: revenue, expenses, profit margin, number of customers, average sale amount, and billable time. If you don't have the answers, start tracking these measurements today.

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Home Work Expands For All Ages

After years of forecasting that working from home would - or would never - make an impact on the Australian workplace, it seems that virtual workforces are growing. IT market analyst IDC estimates that 2.8 million Australians are mobile workers; by 2008 it will be up to 3.4 million.

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Web Users Searching For Identity

Australians are a narcissistic bunch of internet users who are more interested in themselves than their American counterparts. Even scandal-studded celebrity Paris Hilton comes in second when it comes to tapping names into search engines, according to an internet survey.

The on-line survey of 1500 Australian internet users over 24 hours last October by ninemsn found the number-one name typed into search engines by Australian users was their own, with 47 per cent of people indicating they searched for themselves, compared with 39 per cent of Americans. Also rating highly were the names of family, friends and colleagues - and former lovers and partners. More than 10 million Australians actively use the internet from home or work according to internet research firm Nielsen/NetRatings.

Of the 10 million internet users in the country, about 7 million used search engines.

Entertainment is one of the most popular search categories, with 84 per cent of respondents pursuing it.

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The Big Squeeze – Compressing Data

Compressing files is the only way to download and email photos and data effectively.

Being able to uncompress files you download from the internet or receive as attachments to emails is becoming an essential skill. There are many tools to help you do this but some function better in some

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circumstances than others.

To Compress or Not to Compress? That is the Question

Why would anyone to compress files? You could attach them one at a time to an email message, but it's easier to gather them into a single file and attach this. When you gather the files together, it is also possible to compress them so that the size of the compressed file is less than the sum of the sizes of the original files. When uploading, downloading and emailing files, a reduction in size means it takes less time to move the files between computers.

The most popular format for compressing files is the "zip" format - these files have the extension .zip. If you're using a Mac, you'll probably encounter files with extensions such as .sit, .bin and .hqx, which are types of compressed Mac files.

To compress files or to uncompress files that are already compressed you will need some software. In Windows XP, this comes built-in, but there are other programs you can download and use that have more power than the simple Windows XP tool.

Unzipping files

To use a file that is compressed into a zip file you must extract it. If you're using Windows XP, zip files are displayed as compressed folders and you can click on the zip file in Windows Explorer or My Computer to open it and view its contents. However, you can't do anything with the files inside the zip file until you extract them - which you do by choosing the Extract option in the task panel on the left of the dialog. Once extracted, you can use the extracted files that appear in the folder you selected to extract them into.

If you're using Windows 95/98/Me/NT or 2000 you will need special software to zip and unzip files. A good program that can be found at www.winzip.com is WinZip. It is packed with features, including many that Windows XP cannot duplicate. For example, it lets you split a zip file into smaller files. This may seem like a backward step, but it's useful for sending large zip files in emails - you send it in pieces that can be reassembled at the other end. WinZip can also create self-extracting zip files by creating an .exe file that runs when double clicked and that automatically uncompresses itself.

To create a zip file in Windows XP, select the file or files to compress in Windows Explorer or My Computer and right click. Choose Send To and then Compressed (zipped) Folder and wait as the files are compressed. When complete, you will see a zip file with the .zip extension and a name that corresponds to the last selected file. You can control the name of the file to some extent by selecting the file whose name you'd like to use last, or simply rename the zip file leaving the .zip extension in place. In programs such as WinZip, you can set the zip filename to any name you choose before creating it.

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More Phone Users Prefer Cells to Landlines

A Growing number of people are cancelling their home phones, opting to rely solely on their mobiles in an attempt to avoid expensive account-keeping fees.

About 100,000 home phone accounts were cancelled last year, new figures from Telstra show, representing a 1 per cent drop in landline customers.



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The cancellations come as householders realise they no longer use their home phones as much as they once did.

It is also a reaction against soaring account-keeping fees. Landline rental costs now average about \$30 a month, a rise from an average of \$11.65 in January 2000.

"The latest figures show that [landline subscribers] are down from 10.45 million to 10.34 million,"

Australians make only about 20 per cent of their calls from mobiles compared with between 50 and 70 per cent in Europe and the US. Mobile rates are relatively inexpensive in Europe and the US, where between 10 and 15 per cent of households had opted to lose their landlines.

Dissatisfaction with fixed-line costs is set to push the figure for calls from mobiles higher in coming years, experts say.

A survey by the Australian Communications Authority in August last year found that 67 per cent of householders believed fixed-line rentals were too high. Independent research group, PhoneChoice, released a report that said at least one in five Australian households would be better off if they disconnected their landlines and switched to mobiles.

As phone organisations endeavour to retain the loyalty of their fixed-line subscribers, creative solutions are now offered including discounted packages, or "bundles", for those who subscribe to a home phone, pay-TV and internet services. Some home-line account packages offer a set amount of free or heavily discounted calls.

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SMS Takes Over

Don't expect cards next birthday, Valentines day or Christmas, don't expect a crowded mantelpiece. Instead, check your mobile's message inbox for evidence that people still love you.

If the record number of text messages sent by Australians over the Christmas period is anything to go by, traditional means of spreading festive cheer, such as greeting cards, may become a thing of the past.

Vodafone reported a 90 per cent increase from last year in the number of text messages sent on the network between Christmas and New Year's Day, with 42 million SMS messages sent. Optus recorded a 37 per cent rise in the number of SMS messages sent this year between New Year's Eve and New Year's Day, with 16 million messages sent. Telstra and Virgin Mobile also indicated large numbers but had not collated exact figures.

One of the hazards of increased SMS, say use at Christmas is network traffic causing delays in message sending of up to a few days. Phone organisations say it's not always their fault. (When is it ever??) When there is a lot of traffic on the network, a message may have to wait in a queue before it is sent, although this is estimated as being a matter of minutes. If it is being sent overseas, the message may have to wait in another queue when it reaches the international carrier. No phone organisations The Sun-Herald spoke to said they had had reports of abnormally long delays.

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The Safe Options

Malicious internet programs – viruses, worms, hijackers etc. Are the bane of our existence. The threats have grown worse but the fundamentals of combating them have changed little.

But computer users need not be paralysed with fear of a future attack. They can better manage their risk by employing a variety of tactics to counter malicious hackers - and get back up and running quickly if the worst happens. No matter what precautions you take, you are always going to be at the risk of attack.

You need a recovery solution in place to get systems up and running as soon as possible such as back-ups or tools that can roll the system back to a known good state. Desktop operating systems such as Windows XP already have functions for roll-back, and there are tools for most others that do the same thing.

The advantage of a roll-back is that all your data remains intact, while the application that caused the harm is usually neutralised.

The next generation of worms will spread by hijacking instant messaging and filesharing applications, the long-term danger lies in the vulnerability of mobile devices. Threats to mobile devices, PDAs, mobile phones and wireless technologies are in their infancy, but the danger will grow as the uptake of these devices expands.

The same policies for notebooks should be applied to hand-held devices. As it becomes available, they should have anti-virus, a firewall and intrusion detection, updating signatures every 24 hours. They should be blocked from connecting to the network if these applications aren't turned on and updated."

Anti-virus updates and operating system patches are published for a reason and it is vital to keep them up to date.

"Don't just put your resources into guarding mail servers, because the number of possible ways things can get into your system is going to increase. Many of the recent worms used four or five mechanisms but specifically avoided spreading by mail.

Desktop security is also under threat from free instant messaging applications, and the cure may be to restrict access to non-essential modes of communication. If staff must use instant messaging, anti-virus products can monitor the session, but it is also a good idea to block them from sending and receiving files as well as receiving messages from people who aren't on their contact lists.

Vendors offering to solve online security concerns with technology alone should be avoided,

As mobile phones and portable organisers have merged into hand-held computers, they have also gained the potential to carry infectious code. The first US sighting of a mobile-phone virus capable of spreading between devices via Bluetooth was made in California last month, when two store-display Nokia phones were found to be infected.

The growing use of platforms such as Windows, Linux and Java on mobile devices increases the risk of them spreading infections to desktop computers, says Dr Audun Josang, security expert with Australia's Distributed Systems Technology Centre. Strict policies should restrict which networks employees access outside of the office using such devices and what is downloaded, he says.

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Experts point to standardisation such as Microsoft's dominance of desktop and server technology as fertile ground in which viruses and worms thrive. In response, some people have deliberately chosen to use less-popular operating systems. In general, hackers and virus writers especially tend to direct their attacks at the largest installed base of technology to reach the broadest spread of organisations and people.

System administrators can also subscribe to Microsoft's SMS critical security updates notification service, conceived in the aftermath of the Slammer worm. The free Microsoft Baseline Security Analyzer tool is also available online to check if computers have the latest patches installed.

The Firefox browser for Windows and Apple's Safari browser for Mac OS also offer pop-up blocking and are immune from many of the vulnerabilities that plague Internet Explorer. Facing a growing threat from these alternatives, Microsoft has made anti-spyware tools for Windows available through its automatic software update website.

Spyware is a "consumer-oriented phenomenon", a corporate Microsoft anti-spyware tool is under development, offering management tools, analysis tools and group policies. The next version of Internet Explorer, due for beta release mid-year, will also offer greater protection against spyware and phishing.

As home and corporate users alike struggle to defend themselves against spyware of growing sophistication, some of the responsibility for protecting them lies with Microsoft.

When the worm turns nasty

While the first worms did their damage by tying up computer resources and bandwidth as they multiplied, by the late 1990s, they were carrying malicious payloads. Such "malware" can shut down firewalls and anti-virus applications and grant its master full control over the infected PC. Malware writers now seek riches rather than glory, designing applications to steal passwords and credit card details ("spyware") that are delivered by worms, spam and pop-up advertisements. After several years of focusing on the rising tide of spam and worms, industry giants such as Microsoft and Cisco took significant steps last month to combat malware - as did security specialists Symantec, McAfee and Sophos.

Addressing the RSA Data Security Conference, Microsoft founder Bill Gates announced free tools to clean malware from computers running Microsoft Windows. He also revealed the next version of Internet Explorer will offer enhanced security features, a move intended to stem the flow of users switching to the Mozilla Firefox browser or Apple's Mac OS computers. Building on the recent acquisition of Sybari Software, Microsoft will also sell anti-virus software by the end of the year. Anti-virus organisations Symantec, McAfee and Sophos all announced anti-spyware initiatives, while networking giant Cisco unveiled products designed to combat previously unseen attacks. With malicious code writers seeking fortune rather than fame, businesses should brace themselves for application-specific attacks targeting customer data, says Symantec vice-president of research and advanced development Steve Trilling (above left).

"Almost all of the most high-profile threats over the last few years in most cases brought no discernible benefit to their creator," Trilling says.

"This is changing and databases inside organisations hold, in many cases, the most critical assets of the organisation - whether it's customer records, patient records, credit card numbers or you're own code - and attacks on those particular systems are often highly tailored."

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Your disaster plan

Microsoft's promise of "Secure by Design, Secure by Default and Secure in Deployment" is yet to reach desktop users but there are simple steps that can be taken to minimise the risk of a security breach.

When setting up a Windows computer, set passwords for all user accounts and disable the guest account. Automatic updates should be activated but it may be preferable to ask for notification before they take effect so the process can be thoroughly monitored. Windows Firewall should only be disabled if there is a better firewall software installed.

Hardware firewalls sit between the network and the internet but a software firewall will catch unauthorised outgoing traffic such as spyware. Third-party software firewalls also block cookies, advertisements, pop-ups and malicious code. Zonelabs and Sygate offer free basic firewalls. Gibson Research Corporation offers a free service to test defences and provides tools for disabling security risks in Windows such as Universal Plug and Play and the Windows Messenger Service (not to be confused with Microsoft's instant messaging application).

ProtoWall and PeerGuardian, which should only be downloaded from the official sites, are free downloads that use a predetermined list of IP addresses to protect against unwanted scans. Anti-virus software is also essential and should automatically download updates every week. Although anti-virus software will catch some spyware, dedicated anti-spyware software is best. SpyBot is a free download offering real-time protection, which is only available in the professional version of competitor Ad-Aware. Microsoft offers free anti-spyware tools through Windows Update.

If running a wireless network, encryption reduces the chances of a hacker breaking into the system, while media access control (MAC) address filtering restricts access to nominated computers.

Even the most vigilant can suffer disasters, so it is essential to back up important data and store the data off-site to guard against fire and theft. In the event of a near-total meltdown caused by installing errant software that causes conflicts or some other disaster, Windows' System Restore returns the PC to an earlier configuration. Software such as Symantec's Ghost and Acronis' True Image will save a snapshot of the operating system to another partition or to disc, which it can be restored from if the system becomes corrupted.

Back-up integrity should be checked regularly.

All these precautions and procedures should be practised regularly, like a fire drill, so there will be no nasty surprises if disaster strikes.

Links

- * Zonelabs <http://www.zonelabs.com/store/content/home.jsp>
- * Sygate <http://www.sygate.com/>
- * Gibson Research <http://www.grc.com/>
- * ProtoWall <http://www.download2me.net/boards/viewthread.php?tid=2955&page=1>
- * Peer Guardian <http://www.methlabs.org/methlabs.htm>
- * SpyBot <http://www.safer-networking.org/en/index.html>
- * Ad-Aware <http://www.lavasoftusa.com/software/adaware/>



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- * Ghost http://www.symantec.com/sabu/ghost/ghost_personal/
- * True Image <http://www.acronis.com/homecomputing/products/trueimage/>

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Protecting the Barra

Australian barramundi producers want exclusive use of the word barramundi, because they believe consumers will pay a premium for the Australian-grown variety.

Australian barramundi producers are lobbying for exclusive use of "barramundi" in the US, taking inspiration from French winegrowers' restrictive use of the word champagne. Under the proposal, barramundi from outside Australia would be sold under other names, such as "giant perch".

New US country of origin labelling requirements, and the recently concluded trade agreement with the US, should greatly assist in this process. US law requires retailers to notify consumers of the country of origin of a fish, but does not include exclusive naming rights.

The fish variety which includes the barramundi, is found in many countries, but the local name comes from the Aboriginal word meaning "large, scaly fish". Local producers want the Australian name protected because they believe consumers will pay a premium for the Australian-grown product.

Last year, in an interim decision, the World Trade Organisation ruled against the EU in a case brought by Australia and the US over the naming rights exclusivity for champagne. The final verdict is due this year. Barramundi producers could win a symbolic victory in the US, but it is doubted it would be enforceable, because fish from overseas have the same genetic code.

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Wine Glut Forces Prices To New Low

Wine exports have fallen below \$4 a litre for the first time as Australia's wine powerhouses cut prices to sell more bottles amid a global glut. Australian Bureau of Statistics figures show that the average value of Australian wine exported in January 2005 fell to \$3.96 a litre, down from \$4.12 a litre in January 2004 and \$4.21 in December 2004. The ABS started monitoring prices three years ago.

The International Wine and Vine Organisation found earlier this year that wine production in 2004 had reached 2.87 billion litres worldwide but that wine drinkers only managed to consume 2.3 billion litres. This left a gap of 570 million extra litres, the biggest gap ever.

The Australian Wine & Brandy Corporation found this week that the 2005 vintage might be 5 per cent lower than last year, providing wine organisations with some relief from the oversupply. Industry observers believe it will take two years until the amount of surplus wine is drained away and supply and demand again balance.

The ABS found that 43.8 million litres of wine valued at \$173.5 million were exported in January 2005. This was down 18.7 per cent in quantity and 23.6 per cent in value on December. However, it was still

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14 per cent up on January 2004.

Australia exported 651.1 million litres worth \$2.7 billion in the 12 months to January 2005. This was an increase of 19.9 per cent in volume and 14.5 per cent in value for the corresponding period to January 2004. Domestic sales were flat in January at 35.7 litres, down 0.1 per cent on December 2004 and up 2.4 per cent on January 2004.

The amount of Australian wine shipped overseas over the last 16 years has increased hugely. In 1988-89, 39 million litres of wine was exported. This grew to 100 million litres in 1992-93 and 200.9 litres by 1998-99. In 2003-04, Australian wine exports totalled 584.3 million litres.

[Source](#)

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Taxi ads

Taxis may be the latest frontier in the battle to capture consumers' attention, as many taxis will soon become "entertainment vehicles".

Two companies are racing to launch national fleets with TV-style monitors set in the back of headrests beaming news, weather, sport and, of course, ads to passengers. Trials are under way in Melbourne and Brisbane and both organisations plan to go to other major cities within 12 months.

If the trials are successful, taxis will join a long list of transport converted into advertising media. We've had the outside and inside of buses, taxi boots and, most recently, scooters carrying ads. It's the latest entrant to the booming outdoor media sector, which grew 10 per cent last year to \$327 million as advertisers sought new ways of reaching busy consumers. A taxi passenger is a captive audience for the average 10-minute ride; a valuable catch for any advertiser.

Using touch-screens mounted in headrests, passengers can surf news, weather and information on new films. The screen is connected wirelessly to a computer in the boot and information is updated every 10 minutes.

Global positioning satellite technology brings a surprise element to what appears to be little more than an internet browser on four wheels. For example, passengers catching taxis at the recent Australian Open could get the latest scores streamed to their cab and people travelling to airports are able to get the latest flight details. Because the satellite technology can keep tabs on the cabs, advertisers can also mount "proximity-based" guerilla marketing campaigns. As a taxi pulls up to Virgin, the screen could flash a message saying: "Wouldn't Qantas be more comfortable?"

Similar services in New York provoked a backlash by consumers who were bombarded by Fox TV. You had no choice over what programming or content you watched. It also had audio that was blasted at you." The Australian services have a volume control and mute button.

Advertisers such as American Express, McDonald's and Disney's Buena Vista International have taken part in Touch Taxi's trials. Buena Vista reports higher click-through rates for movie trailers than on the internet, says the national advertising manager for Buena Vista, Kari McCormack.

In Brisbane, more than 30 advertisers and 100 Yellow Cabs are using Interactive Taxi Vision (iTV). A Channel Ten news ticker runs at the bottom of the screen while banners at the top show community information, advertising and weather.

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The Melbourne study's findings have implications for advertising and marketing. Just as the brain is more alert when it senses physical danger, it also appears to be more attentive when hearing or speaking negative words as opposed to positive ones, according to Mental Health Research Institute neuropsychologist Susan Rossell.

Using language studies and magnetic resonance images of the brain, Dr Rossell found that words considered negative - especially those that are "sad" - are processed in a more conscious way than happier words such as "joy", "happy" or "elated".

This indicated that the brain was instinctively in a higher state of alert, she said, and that emotional language operates differently from other language. Previous studies had suggested this was the case: concrete words like "bed" are better remembered than abstract words such as "choice". In this study, "what we have shown quite nicely is that we do in actual fact process sad words very differently from happy words", Dr Rossell said.

"The prediction from this research is that different emotions are obviously going to be more problematic in different illnesses," she said. "I think what we're going to find is that there are actually different speeds at which we process different words."

She said the findings were significant for advertising, with evidence that people's minds will linger over a sad message longer than a happy one. "When it's a very emotional message, we mull over it and think about it more, and very happy things seem to just whisk in one ear and out the other," she said.

[Source](#)

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Most national TV advertisers still ignore one-third of viewers

Paul McIntyre

Telstra might be dumping advertising cash in the bush to convince voters that going private is a good thing but it couldn't help regional TV broadcasters close the revenue gap on their big city siblings last year, according to the latest TV industry revenue figures.

Although regional broadcasters supply 36 per cent of Australia's overall TV audience, they managed just 21 per cent of advertising revenues in the December half.

It's the big national advertisers that are the problem: just 16 per cent of their TV dollars went bush in



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warehouse 13 miles away?

John Roberts

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Almost 3000 Girls Respond To Clearasil Sample Offer Via SMS Washroom Campaign

Research shows girls spend around three minutes in the toilet.

These three minutes give a target audience time to respond to an advertising message, as out of home advertising company the Letter Corporation has proven.

From 1 November 2004 to 31 January 2005, Clearasil's new MicroBeads facial scrub product was promoted via striking posters in selected female cinema washrooms around Australia.

Posters were placed next to hand-dryers and on the back of toilet doors. Girls who read the posters were asked to SMS their name and address to request a free sample of Clearasil's new MicroBead cleanser.

Nearly 3000 girls did just that. And not only did they send off their own personal details, they also sent in the names and addresses of friends and boyfriends...classic viral marketing.

It clearly demonstrates that the target audience actually saw the advertising and was happy to interact with the brand.

Media M Group (previously SMS Response Australia) provided the SMS backend for the campaign.

Managing Director Kerryn Marlow said, "We knew that putting an SMS call to action on cinema washroom campaigns would work well, as you have a captive audience of teens in cinemas, a demographic of very high mobile phone users."

The Letter Corporation's Managing Director Mitchell Kay says: "Our independent research demonstrates that cinema audiences are dominated by the highly sought after 18 – 34 demographic, with high mobile phone usage and strong disposable incomes. Also, over 90% will use cinema washrooms on every cinema visit. Now that this group has demonstrated a clear willingness to use SMS to interact with advertisers through washroom media, a whole new and exciting cinema media platform is opened up – we are in talks with a broad range of leading brands to run similar SMS campaigns in cinemas in 2005".

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A Softer Sell Fits Chinese Market

By Ching-Ching Ni

An NBA basketball star duking it out with a Chinese kung fu master and wins. American audiences

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probably would enjoy the flashy fight sequence in the ad and leave it at that. Not in China. Viewers offended by the Chinese defeat expressed their outrage online. Authorities yanked the Nike ad in December, saying it violated the country's dignity.

Ditto for Japanese carmaker Toyota, which aired a commercial last year showing one of its sport utility vehicles cruising past kowtowing Chinese stone lions.

Such are the pitfalls of doing business in the world's fastest-growing advertising market, in which sensitivity about cultural icons and Western dominance is acute.

Yet multinational companies eager to sell their products to more than 1 billion Chinese say that in some ways consumers here are very easy to please, as long as you know what makes them tick.

Topping the don't-go-there list is anything that resembles rebellious or anti-establishment behaviour, said Tom Doctoroff, the regional director of advertising giant J. Walter Thompson in Shanghai.

That means scenes popular in the West, such as soccer players causing traffic jams by kicking a ball around in the middle of the street, would be out of the question here.

What about that Pepsi commercial in which Michael J. Fox climbs out his window and dodges traffic in the rain to get an attractive neighbour a can of soda? No. In a Chinese version of the ad, the local pop star stops at the traffic light.

Determining what is proper behaviour, however, is not always easy. Pizza Hut didn't see a problem with showing a boy standing on a desk to tell his friends how good his pizza tastes. Censors killed the ad because standing on a table with a crowd watching was considered rebellious.

Advertisers also can forget about showing tattoos, pierced ears or women kicking and punching the air in an aerobics class.

Individualism is frowned upon. Even sheer indulgence takes a back seat to practical benefits.

"If a woman takes a bath in a beautiful, comfortable tub, that is not going to sell here," Doctoroff said. "Nothing is just about feeling good or tasting good. Everything has to have a payoff."

So it wouldn't work to show a woman enjoying a cookie in the comfort of her home. But if a commercial showed a group of people eating cookies in public, it would create the feeling that they were members of the upwardly mobile middle class and the ad would be a success.

That is why Pizza Hut is popular here and frozen pizza is not, Doctoroff said. Dining out has a showoff value that eating in does not, he said.

The same rule applies even when selling toilets. Instead of presenting a person alone in a bathroom, a Chinese ad has a woman showing a friend how nice her toilet bowl is.

Most commercials project a happy, bright and clean picture. "It's the 1950s, but in color," Doctoroff said.

That approach may bore a Western audience exposed to decades of changing advertising, but in China, it is still new and exciting. The simpler the message, the easier it is to digest.

Many marketers see this moment as China's golden age of advertising, as the 1930s and 1940s were



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for the United States.

The numbers alone tell the story. According to ACNielsen, the annual growth rate of the Chinese advertising market is close to 40%, compared with 3% to 4% in the United States, said Quinn Taw, managing director at Mindshare in Beijing. Taw said that the real growth rate might be closer to 20%, still a phenomenal figure.

"The growth is historical," he said. "Over the next few years, it will overtake Germany and Britain to become No. 3." And then it's only a matter of time, he said, until China's advertising market overtakes Japan's to rank second to the U.S.

The growth is partly driven by young Chinese businesses that are big spenders but tend to pay little attention to creativity. One health tonic company made its name by buying the most expensive slot on prime-time television and repeating the same slogan.

"In the U.S., an ad may take 24 months to go from storyboard to when it gets on the air. In China, this would happen in three or four weeks," Taw said. "You're looking at pinpoint communication. They are looking at big sledgehammer communication."

Observers say that's because most Chinese, who are neophytes in the world of marketing, are not yet experienced in creative advertising. That leaves plenty of room for practiced foreign advertising firms to take the lead in wooing Chinese consumers.

"This is the last great virgin brand-building market," Doctoroff said. "We can be successful just by doing the ABCs."