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Researching and profiling Australian consumer markets

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Some marketers believe they must purchase expensive market research in order to prepare insightful market profiles. In reality, however, high quality market profiles can be developed using readily accessible secondary sources, says **Bronwyn Higgs**.

Researching and profiling Australian consumer markets.

Australians, it is often said, are one of the most researched markets in the world. The population is not only the subject of commercial research but also the focus for academic, government and private research. A surprising amount of this research output finds its way into the public domain. What's more, the advent of the internet makes a great deal of data readily accessible.

Savvy marketers, who know what to look for and where to search, can draw on the wealth of secondary data sources to build detailed and insightful profiles of their target markets.

The process of using secondary sources is known as desk research. Fragments of data are gradually pieced together until they reveal a fuller picture of the typical consumer. Desk research is a relatively straightforward process, involving some basic steps. This article sets out the basic process and suggests some hot links that can be used to build a profile.

1. CLARIFY SEARCH TERMS

The first step in any desk research process is to clarify precisely what types of information are being sought. Market profiling typically relies on four broad classes of information: general demographic, values and lifestyles, media usage and purchasing habits.

- ❖ Demographics provide basic information on market size, its overall structure and geographic distribution.
- ❖ Values and lifestyles tell us about a consumer's motivations. They can also help to explain observed behaviours.
- ❖ Media usage is essential for developing media strategy and for selecting the optimal media vehicles to carry advertising messages. Understanding media usage can also assist with media weights and budgeting.

- ❖ Finally, purchasing habits may suggest other promotional activities that can be used to support an advertising campaign.

This initial stage of the desk research process requires some intellectual effort. Finding the right search terms is worth the time spent. For example, try plugging the terms 'media usage', 'media consumption' and 'media habits' into a Google search. Each of these phrases will yield entirely different results. This simple activity underscores the importance of using terms consistently and correctly.

2. THINK ABOUT POSSIBLE SOURCES OF INFORMATION

Once you have a clear picture of your information needs, potential sources may become evident. It is unlikely that a single source will be able to satisfy all your information needs. Be prepared to consult multiple sources before concluding your search.

Conducting an online search can be a tempting starting point in the wired world. But we should not forget traditional sources. A visit to your local, state, university or TAFE library can pay dividends. There are a number of valuable titles that should be in most library collections. Books written by Hugh Mackay, Australia's foremost social commentator, should be on every marketer's reading list. In addition, *Grey Worldwide's Eye on Australia: 10 Years of Consumer Trends* is also recommended.

A graduate thesis in your subject area, found in university libraries, may reveal high quality research and unique insights. A major advantage of the graduate thesis is that few competitors may be aware of them, giving you access to unique strands of information.

'Googling' is a new term that has entered the English language to reflect the prevalence of online searching. Yet, online searching has many limitations. First, the number of 'hits'

can be excessive and the results tend to be indiscriminate. Wading through thousands of hits can be a real time-waster. Second, much of the data is of poor strategic value.

A more focused approach to online searching can yield improved and more manageable results. Always use 'advanced searching' and where possible, target specific organisations.

3. EVALUATE DATA

Evaluating the quality of information generated is an essential part of any search process. Issues to consider in data evaluation include: accuracy, currency, relevance for Australian conditions and source credibility.

A dose of healthy scepticism is an asset when evaluating sources. For example, some publishers that post circulation and readership data on their internet sites tend to use figures that are one or two seasons out-of-date. This practice is more prevalent in times of falling circulation. Trusted and reliable sources are preferred. Some of the more reliable sources include: government departments, media associations, trade press and commercial research houses.

4. INTERPRET AND ANALYSE DATA

Interpretation and analysis is where you add value to facts and figures. Data is just that: raw data. Secondary source data, by definition, has been collected for a different purpose. It only becomes meaningful information when you interpret it and translate it for your specific application.

For example, current data suggests that young singles aged 18 to 24 years are the heaviest consumers of ready-to-drink alcoholic beverages. Faced with this observation, one marketer may jump to the conclusion that young singles represent the optimal target

QUESTIONS TO ASK WHEN PROFILING MARKETS

The following list suggests some typical questions that might be asked initially. Clearly, your list of questions will need to be tailored to the specific and unique needs of your company and its product market.

PURCHASING HABITS

How much does the target market spend on the category/brand? How often do they purchase? What or who influences the purchasing decision? What is the average purchase price? Where do they purchase? How brand loyal are they? What factors would cause purchasers to switch brands? What is their preferred day of shopping? What time of day do they shop? What are their preferred stores? Who are heavy consumers of the category?

LIFESTYLES/VALUES

Do consumers belong to any sub-culture or tribe? What reference groups are important? What message appeals are 'turn-ons'? What message appeals are 'turn-offs'? What are their interests/hobbies? What are their recreational activities? How do they spend their leisure time? What are their life/career aspirations? Which stage of the family life cycle are they at? What symbols and artefacts are valued?

MEDIA HABITS

How much time does the market spend with each media category? What is the capacity of media to reach the target group? How credible are different media? How involved are they with different media choices? Which media vehicles are most popular? Which media are used immediately prior to shopping or to purchasing decision?

market. A different analyst, however, might also note that the young singles demographic is already the subject of intense competitive activity and may seek an optimal target market in another demographic segment. So the data simply provides us with observations that might help to support decision-making.

A major limitation arising from over-reliance on secondary sources is that it lacks competitive advantage. Publicly available sources are equally accessible to rivals. The real insight comes not just from knowing the sources, but from how the data is utilised. Data evaluation and data interpretation are the keys to successful desk research methods.

Secondary source data, when used intelligently, provides marketers with a low cost way to profile markets and keep a finger on the pulse of social change. Some secondary researchers like to think of themselves as detectives, piecing together clues taken from disparate sources. With practice, you can become a highly skilled profiler.

TOP AUSTRALIAN LINKS FOR MARKET PROFILING.

GOVERNMENT AGENCIES.

The Australian Government and its various departments is not only one of the largest users of market research, but much of its output is freely available to the public.

Australian Bureau of Statistics
<www.abs.gov.au>

Australia Council for the Arts
<www.ozco.gov.au>

Australian Tourist Commission
<www.atc.net.au>

Australian Sports Commission
<www.ausport.gov.au>

Department of Health and Ageing (Federal)
<www.health.gov.au>

Department of Industry (Federal)
<www.industry.gov.au>

Rural Industries Research and Development Commission
<www.rirdc.gov.au>

AUSTRALIAN MARKETING NEWSLETTERS.

Regular newsletters, published by reputable research companies are designed to showcase current research findings. Although confined to topline survey results, they can help to feel the pulse of Australia.

ACNielsen, Asia-Pacific Insights
<www.acnielsen.com.au>

Roy Morgan, Update
<www.roymorgan.com.au>

Mitchell and Partners, Media Matters
<www.mitchells.com.au>

Mc Nair-Ingenuity, Newsletter
<www.mcnairingenuity.com.au>

KPMG and the Australian Centre for Retail Studies, First Buy (retail newsletter)
<www.kpmg.com.au>

KPMG and the Australian Centre for Retail Studies, First Cut (consumer markets' newsletter)
<www.kpmg.com.au>

Forseechange, Market Information
<www.foreseechange.com>

MARKET RESEARCH COMPANIES.

Media releases published by commercial research companies often provide the assiduous marketer with facts and insight about their target market. Scroll through archives of media releases.

ACNielsen
<www.acnielsen.com.au>

Roy Morgan Research
<www.roymorgan.com.au>

Sweeney Research
<www.sweeneyresearch.com.au>

Quantum Market Research
<www.qmr.com.au>

MEDIA AGENCIES/MEDIA RESEARCH.

All sites listed here provide detailed reports and downloads.

Mitchell and Partners
<www.mitchells.com.au>

Omni Media Directions
<www.ond.com.au>

Nielsen Media
<www.nielsenmedia.com.au>

OzTAM <www.oztam.com.au>

ATR Australia
<www.atraustralia.com.au>

MEDIA ASSOCIATIONS.

All media associations provide useful reports such as circulation and readership figures, TV ratings, market profiles and much more.

Magazine Publishers' Association of Australia
<www.magazines.com.au>

Commercial Radio Australia
<www.commercialradio.com.au>

Outdoor Advertising Association of Australia
<www.oaaa.com.au>

Free TV Australia
(formerly Commercial Television Australia)
<www.freetvaust.com.au>

Regional Radio Bureau
<www.rrb.com.au>

Regional Television Marketing Bureau
<www.regionaltvmarketing.com.au>

Victorian Country Press Association
<www.vcpa.com.au> **M**

Bronwyn Higgs is a lecturer in marketing and advertising at Victoria University in Melbourne. She has developed an online media directory, the Asia Pacific Media Directory, where readers can locate more hot links to secondary sources.