



# MARKETING/ ADVERTISING/ MEDIA/PR

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## NEWS

### Qantas-Woolworths running loyalty risk

Qantas runs the risk of “disenfranchising” some of its customers by automatically signing up members of the frequent flyer program to Woolworths’ Everyday Rewards card, an expert on loyalty schemes has warned.

Last week the airline told frequent flyers not signed up to Woolworths’ Everyday Reward cards that they would be signed up automatically. The move was an extension of the deal signed between Qantas and Woolworth in June, which allows shoppers to earn frequent flyer points by using their loyalty card in Woolworths group stores.

James Atkins is founder of Vantage Marketing and has consulted with big name brands on loyalty schemes such as Shell, Diners Club, ANZ, Qantas and Virgin Blue. He warned: “I think for the vast majority it will work out to be a good thing, but a small group could well become disenfranchised. As an indicator of things to come there are reasons to be careful. Some people will form a

negative view of the brand.

“It’s one thing for companies to ask customers if they would like to join a loyalty scheme, but it’s a whole other thing to force it upon them. Pushing cards into people’s wallets certainly raises the stakes in the loyalty game, but is this really what customers want?”

He added: “I think in this instance Qantas are respecting the trust members are putting in them, but I think we are at the line.” Despite these concerns, Atkins described the Qantas-Woolworths deal as “a fantastic arrangement, there has been significant growth as a result of the tie-up”.

Atkins’ comments come shortly after a report from consumer group Choice which showed that to earn a \$50 voucher using Coles’ FlyBuys or Woolworth’s Everyday Rewards, customers must spend almost \$11,000 at Woolworths and more than \$15,700 at Coles.

Loyalty programs also come

under fire in this week’s issue of *B&T* magazine (February 19, p16). Professor Byron Sharp, director of the Ehrenburg-Bass Institute at the University of South Australia, wrote a comment piece questioning loyalty cards: “Loyalty programs attract the least desirable consumer, the ones who already are loyal and do most of their shopping in your store. When consumers choose a supermarket the dominant factors are store location, parking, product range, familiarity with lay-out, adjacent stores, and pricing. After this factors like loyalty programs have a very tiny influence.”

He added: “Marketers are fooling themselves if they think a loyalty program can drive changes in consumer behaviour – not without great expense. But then again, maybe marketers aren’t entirely silly, loyalty programs do create a lot of employment for marketers.”

To comment click [here](#).

**JAMES LIVESLEY**

### McCann Melbourne gets Progressive

McCann Worldgroup Melbourne has been awarded the Australian launch advertising duties for US-based insurer Progressive, following a competitive pitch.

McCanns won the business after teaming up with Initiative, which won the media portion of the account. The agency will handle the advertising for Progress-

sive’s launch into the Australian market, which is expected to take place within a couple of months.

Progressive, which was founded in 1937, currently insures more than 10m motor vehicles. Its expansion into Australia will be its first foray outside the US.

The company offers car insurance via an online business model.

It’s expected that the launch campaign will include a heavy focus on digital work, as well as TVC, print and outdoor executions.

James Graham, MD of McCanns, said told *B&T Today* that the work will be an “original concept” not linked to Progressive’s advertising in the US.

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**NEWS****MRN posts healthy first half financials**

Macquarie Radio Network has reported a year-on-year earnings increase of 35% in its first half results.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 35% to \$5.4 million, its best first half result since 2005. Net profit after tax increased 57% on the prior corresponding period to \$3 million.

The NPAT and EBITDA figures exclude a one-off cash payment of \$4.5 million in the prior corresponding period to secure the long term services of Alan Jones.

Revenue decreased by 1% to \$23.6 million, while core radio revenue increased by 7%.

MRN chairman Russell Tate said: "Given the general state of the economy and the media industry in particular during the period this is an outstanding result. In revenue terms we have outperformed the rest of the Sydney radio market over the six months by 13%. At the same time we have made significant

cost savings by re-focusing on our core radio businesses, with the combined effect being the best July – December half year EBITDA result since 2005."

Tate added: "2GB's continued ratings dominance underpins these results. Survey eight in 2009 was 2GB's 46th consecutive ratings win. Alan Jones recorded his 147th consecutive survey win and Ray Hadley his 48th. The success of the new programming initiatives which we began working on in mid 2009, and a major focus on broader syndication of both new and existing programming, have had a significant impact on our first half results."

On the recent announcement of a new talk station in Melbourne with joint venture company Pacific Star Network (PSN) Tate said that everything was on track to have the new station on air during the April-June quarter. "We and our Melbourne based partners believe there is room for a second station." To comment click [here](#).

**JAMES LIVESLEY**

**Austereo predicts "gradual recovery"**

Radio group Austereo has posted static half-yearly revenue and profit results, claiming that 2010 will see a "gradual recovery" in the advertising market.

The company, which owns the 2Day and Triple M brands, revealed that revenue fell by 2.8% to \$131m in the last six months of 2009 compared with the same period in 2008. Net profit was flat, with the half-yearly figure of \$27.6m fractionally down on the \$27.8m achieved in 2008.

Austereo said that the six-month period saw it grow its overall year-on-year audience by 150,000 to 4.68m, with the 2Day network exceeding expectations.

The broadcaster pointed to increases in Eddie McGuire's breakfast audience at Triple M in Melbourne, with the 'Grill Team' in the process of a "re-build" of Triple M Sydney's audiences.

Austereo predicted that its overall final year will see revenues fall by less than 1% on the previous year, with a "gradual recovery" led by strong bookings

in January and February this year.

Peter Harvie, chairman of Austereo, said: "Last year was an interesting time and I think we came through in reasonable shape.

"We still have to be cautious, but we were not profoundly affected by the multi-national (advertisers) last year, which provided us with some protection.

"The competitive media market has had some impact on advertising rates. We are seeing a return of confidence so I think we will see a return to acceptable conditions within the calendar year."

Austereo said that it took advantage of the sagging market to acquire 27.1% of the DAB+ spectrum nationally.

Guy Dobson, who was installed as Austereo's CEO in January, said that the company would look to make use of the extra digital spectrum to launch a "speech only station down the track".

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**OLIVER MILMAN**



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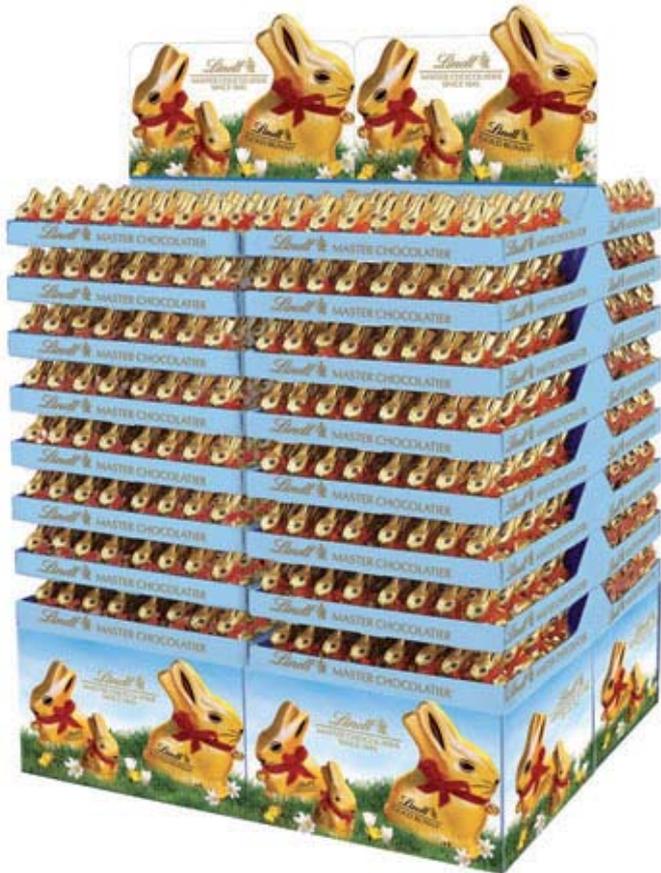
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**NEWS**

**BREAKING CAMPAIGN**



**Lindt, Draft FCB**

The good old-fashioned Easter egg hunt is at the core of a new campaign for Lindt.

Created by DraftFCB, the campaign – which aims to increase awareness of the confectioner and increase sales during the Easter period – involves consumers becoming online bunny hunters at [www.goldbunny.com.au](http://www.goldbunny.com.au) for their chance to win \$20,000. By firstly taking part in the online hunt and racking up points, the top 10 players will be invited to go on a real Easter bunny hunt to dig up the ultimate prize of a Lindt gold bunny and prize money. As well as integrating an online and offline experience, the egg hunt will be supported by a national radio campaign on Austereo’s 2DayFM, national TVC, online ads, in-store point of sale, social media and PR activity. Lindt will also donate a further \$20,000 to its charity The Children’s Hospital at Westmead.

The campaign launches on February 22 with the grand final event being held on March 25.

**Credits:** client Lindt, agency DraftFCB, CD Simon Edwards, writer Josh Aitken, planner Jonathan Samengo, account manager James Vincini, head of digital and direct Alex Roper, digital account manager Laura McDonald, senior interactive designer Taimi Soome, flash game development Zoom and Enhance, sampling company Traffik, PR agency Entwistle PR

**MercerBell bolsters digital department**

Digital and direct agency MercerBell has bolstered its digital department with the hire of Kara Jenkins in the new role of digital creative director, the latest in a spate of recent appointments for the agency.

Jenkins, who brings to the role 13 years experience in advertising, including a number of senior digital roles, follows the hire of more than 10 new staff this year, mostly in senior and digital positions, as the agency’s workload intensifies from key clients including NRMA, MasterCard and Toyota.

While Jenkins appointment is a result of the agency looking to increase its digital creative profile among its existing clients, it aims for it to be a drawcard to entice new clients looking to engage customers through digital channels.

Prior to starting at MercerBell, Jenkins worked as associate creative director at Tequila\

TBWA and digital creative director at Clemenger Proximity. She also spent time at Hyro with clients including Canon and Spirit of Tasmania.

David Bell, co-founder and creative director of MercerBell, said: “With the focus of our work evolving to include a new digital strategy across all clients, or ‘digital infection’ as we call it, Kara’s appointment marks the most important creative hire of the last 11 years for MercerBell. We have long proven ourselves as experts in the direct marketing area, and with Kara joining the team we can continue our progression into the digital landscape.”

Other recent digital hires include David Bathur as digital strategist, Sebastian Servat as rich internet applications developer and Krystle Hann as senior producer, responsible for digital marketing.

To comment click [here](#).

**CELIA JOHNSON**

**Starcom appoints Perth executive team**

Starcom MediaaVest has appointed the executive team for its new wholly-owned office in Perth.

Starcom sold the previous joint-venture partnership it had with Alan Mathews to Mitchell Communication Group in September last year. After the official opening last week, Starcom has appointed Justine Kereama and David Schultink to the new roles of client business manager and client business executive respectively.

Kereama will manage the Perth office. Before moving to Western Australia, she was the international media manager at Adcorp in New Zealand, where her role focused on strategic planning



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and media across communication channels, as well as overseeing all the media buying for Adcorp. Schultink has worked in media planning and buying since 2007. Most recently, he worked as a media planner/buyer at Initiative.

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**NEWS**

**TV RATINGS**

**Top 15 programmes for Wednesday 17 February OzTAM data (Total people 5 city metro)**

		m'
1. Customs	Nine	1.275
2. Seven News	Seven	1.213
3. Two and a Half Men – 7:30pm	Nine	1.138
4. Criminal Minds	Seven	1.094
5. Nine News	Nine	1.092
6. A Current Affair	Nine	1.088
7. Today Tonight	Seven	1.087
8. RSPCA Animal Rescue	Seven	1.075
9. Spicks and Specks	ABC1	1.036
10. Two and a Half Men – 7:00pm	Nine	0.968
11. So You Think You Can Dance	Ten	0.955
12. ABC News	ABC1	0.944
13. ICU	Seven	0.928
14. Home and Away	Seven	0.924
15. Gangs of Oz	Seven	0.827

**Network Nightly Shares (%)**

ABC1: 14.5%	SBS1: 3.7%	GO!: 3.2%
Seven: 26.3%	ABC2: 2.2%	One: 0.6%
Nine: 26.8%	ABC3: 0.5%	SBS2: 0.4%
Ten: 18.9%	7TWO: 2.6%	

**IN BRIEF**

**B-M to handle Siemens PR**

Burson-Marsteller Australia is to handle public relations for Siemens. B-M will be rolling out strategic PR campaigns across all eight solution areas including water, energy, environment, healthcare, productivity, mobility, safety and security as well as supporting ad-hoc projects. It has already carried out some work with Siemens including for its Stormwater Harvesting initiative and its portfolio of new defence technologies at the Pacific Maritime Conference.

**IAB appoints coordinator**

IAB Australia has appointed Caroline Laux as IAB Australia marketing coordinator. In the newly created role, Laux will support the marketing activities of the IAB and will distribute IAB-commissioned marketing information to advertisers, agencies, business media and members. Previously, she was employed with Q Ltd Group.

**MasterChef staffs up**

MasterChef Magazine, published by NewsMagazines, has made a raft of editorial and advertising appointments. Sam Tomlinson has been appointed national advertising manager, and was most recently the advertising sales director for *Notebook* and *Country Style*. Belinda Cook has been made NSW ad manager, and was previously in NewsMagazines' premium food group. Victorian ad manager Katrina Verso was most recently the group agency manager in Victoria for the newspaper inserted titles for News Ltd.

**Optus opens business apps**

Optus is launching an Optus Business App Store. It will include products such as security applications for sensitive data, budget planning and expense trackers for managers, and currency and language applications for business people.

**In the next edition of B&T magazine**

**Cover story:**

Dream Teams – As the AFL and NRL seasons approach, B&T comes up with its fantasy agency line-ups in a Melbourne versus Sydney showdown. Who would make your team?

**Outdoor Moves On:**

With the biggest revolution in outdoor advertising set to launch next week, B&T takes the key players to lunch to hear how the measurement system MOVE will benefit the industry.

**Profile:**

DMG Radio CEO Cathy O'Connor talks Lachlan Murdoch, Kyle, and radio without announcers.

**Analysis:**

Why the Tween magazine market is under fire, and how 3-D cinema advertising could be the next big thing.

**Yes, No, Maybe:**

Will sponsors shy away from Kyle Sandilands on Seven's Australia's Got Talent?



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