

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Hostplus

HP12QW: Details of costs for advertising campaigns for the past five years.

Answer:

(a) The companies invited to tender for all or parts of any advertising campaign

In February 2017, the following four agencies were invited to tender for the Hostplus creative account:

- CHE
- HARDWIRE (Incumbent)
- Ogilvy
- The Shannon Company

HARDWIRE was the incumbent agency prior to the FY17 tender process. No other tenders for Hostplus' creative or media accounts were undertaken in the past five years.

(b) The companies awarded campaigns

In 2017, Ogilvy was awarded the entire Hostplus creative business, which resulted in the development of Hostplus' current brand campaign, '*We go with you*'.

Prior to this, Hostplus ran the '*You+*' brand campaign platform. This campaign was launched in 2011 and was managed by HARDWIRE.

(c) The total cost of each campaign

The Hostplus '*We go with you*' campaign was developed in FY17. This campaign has since been employed for a further two years, with only minor evolutions and iterative updates.

The costs set out in the table below for FY15 and FY16 relate to minor evolutions and iterative updates in connection with the "*You+*" campaign.

Timeframe	Total Spend (net of any GST credits (RITC'S))
FY15 – evolution / updates	████████
FY16 – evolution / updates	████████
FY17 – development	████████
FY18 – evolution / updates	████████
FY19 – evolution / updates	████████

(d) The cost of the campaign's development

The costs relating to the '*We go with you*' campaign equalled \$2.1m (being, initial development costs).

The campaign development costs for the You+ brand campaign was incurred prior to FY15.

(e) Broadcasting (television, radio and internet) and publishing costs

Hostplus partners with Initiative for all media expenditure, including broadcast and digital channels. Hostplus' total media spend as reported by Initiative over the past 5 years is as follows:

Timeframe	Total Spend (Inc GST)
01/07/2014 – 30/06/2015	██████████
01/07/2015 – 30/06/2016	██████████
01/07/2016 – 30/06/2017	██████████
01/07/2017 – 30/06/2018	██████████
01/07/2018 – 30/06/2019	██████████

(f) Assessment reports of the efficacy of campaigns in either retaining or gaining new members

Hostplus partners with Forethought for independent market research intelligence. Hostplus has commissioned Forethought to undertake regular assessment of its brand since 2014. There have been 8 separate brand research reports conducted since this date.

The objective of the brand research is to:

- track Hostplus performance relative to competitors on:
 - rational and emotional drivers of brand choice; and
 - key brand awareness metrics;
- capture market and member intentions regarding key business outcomes;
- determine the effectiveness of Hostplus campaign messages via awareness, linkage and comprehension (takeout); and
- determine how the Hostplus brand is positioned relative to key competitors.

In addition to this brand research, Hostplus also regularly commissions Forethought to provide independent assessment of member experience. Since 2014 Hostplus and Forethought have conducted six waves of Member Experience research to understand what drives member satisfaction. This research has enabled Hostplus to prioritise its investment on initiatives that drive improvements in satisfaction.

The objective of the member research is to:

- understand the differences in the drivers of satisfaction and retention for members that have recently joined, taken Hostplus with them at job change or consolidation or are active members who have not had a recent experience; and
- better understand the drivers of member trust.