

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS

SUPERANNUATION SECTOR

QSuper

QS12QW	Details of costs for advertising campaigns for the past five years, including: <ul style="list-style-type: none">a. The companies invited to tender for all or parts of any advertising campaign.b. The companies awarded campaigns.c. The total cost of each campaign.d. The cost of the campaign’s development.e. Broadcasting (television, radio and internet) and publishing costs.f. Assessment reports of the efficacy of campaigns in either retaining or gaining new members.
Answer	Details of costs for advertising campaigns for the past five years, including: <ul style="list-style-type: none">a. The companies invited to tender for all or parts of any advertising campaign.<p>QSuper’s philosophy is to establish a long term and multi-purpose relationship with external parties for the development and creation advertising campaigns.</p><p>A competitive tendering process which involved inviting three companies was completed in 2017. The three companies invited to tender were:</p><ul style="list-style-type: none">1. George Patterson Y&R Pty Ltd2. Leo Burnett3. Brother & Cob. The companies awarded campaigns.<p>Media agency – QSuper uses Optimum Media Direction Pty Ltd (OMD) for the provision of media services. OMD is a worldwide communication agency, part of the Omnicom Group and has been providing services on an ad hoc basis for more than 5 years.</p><p>Creative agency - On completion of the competitive tender process George Patterson Y&R Pty Limited was selected as the preferred vendor.</p>

c. The total cost of each campaign.

For the purpose of answering this question we have defined an Advertising Campaign as a large-scale campaign that promotes the QSuper brand across multiple media including billboards, radio, and digital. QSuper has run four Advertising Campaigns over the past five years with the details outlined in the below answers.

	Total Cost
Super without Surprises (October 2018 - December 2019)*	\$ 2,149,957
Hello World (July 2018 - December 2018)	\$ 1,899,002
Ups and Downs (January 2018 - September 2018)	\$ 1,864,630
Power of Conversations (March 2015 - December 2017)	\$ 1,446,218

*This campaign is in market to December 2019. Total costs are based on October 2018 - June 2019 period.

d. The cost of the campaign's development.

	Total Cost
Super without Surprises (October 2018 - December 2019)	\$ 124,456
Hello World (July 2018 - December 2018)	\$ 757,086
Ups and Downs (January 2018 - September 2018)	\$ 181,617
Power of Conversations (March 2015 - December 2017)	\$ 241,036

*Power of Conversation campaign development costs have been estimated using an accepted industry average of 20% of the total broadcasting and publishing costs.

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

	Total Cost
Super without Surprises (October 2018 - December 2019)	\$ 2,025,501
Hello World (July 2018 - December 2018)	\$ 1,141,917
Ups and Downs (January 2018 - September 2018)	\$ 1,683,013
Power of Conversations (March 2015 - December 2017)	\$ 1,205,182

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

QSuper monitors a range of different factors and undertakes internal and external benchmarking in relation to its advertising, sponsorship and marketing activities.

Campaigns are designed to promote long term awareness for retention and acquisition of new members. The campaigns are used and applied in an integrated and complementary manner driven in part by events impacting our members.

QSuper monitors and benchmarks its marketing, sponsorship and promotional activities in a holistic manner including the following:

1. Brand Health survey run by research company Ipsos who undertake surveys on brand awareness.
2. Reviewing industry benchmarking including Roy Morgan Research Ltd reports on superannuation fund member satisfaction.
3. Research undertaken using global provider of customer experience management NICE Satmetrix on net promoter scores.
4. Monitoring of traffic on the QSuper website.
5. Monitoring of inflows and outflows of both members and funds under management.
6. Reports prepared by media agencies.

Submissions are prepared for Committees and Boards on a quarterly basis as well as an annual summary providing results of the data from the range of sources mentioned above. These submissions look at member and non-member sentiment and activity at a point in time rather than assessing the efficacy of individual campaigns.

Advertising, sponsorship and direct marketing activity has helped to drive the following high-level results:

1. More people are aware of QSuper. Unprompted non-member awareness has increased by over 40% since QSuper became an open fund in July 2017.
2. Over 60% increase in likelihood to recall advertising campaigns since Open Fund.
3. Over 15% increase in non-members likely to consider QSuper since Open Fund.
4. A 15% increase in traffic to the QSuper website from FY2017 to FY2019.
5. Greater responsiveness to Direct Marketing which aims to provide members with information on services such as access to education seminars and financial advice, and which complements advertising messages. Conversion rates have improved from June 2016: 0.2% to June 2019 8.8%.
6. New joiners to the Fund with the total member base growing from FY2017: 566,000 to FY2019: 585,000.
7. Members have retained a strong sentiment towards QSuper. Independent research by Roy Morgan shows QSuper has the highest

member satisfaction among Australia's largest funds. We also have one of the industry's highest net promoter scores.

8. Awareness and engagement with the Fund has not only improved members' financial wellbeing but also contributed to greater funds under administration with QSuper. Total funds under administration have increased year on year (FY2015 \$79bn, FY2016 \$88bn, FY2017 \$94bn, FY2018 \$102bn, FY2019 \$113bn) allowing the Fund to support further development and provision of leading products and services to members.

Campaign positioning:

"Super Without Surprises" – capitalised on high levels of brand trust for QSuper in the post Financial Services Royal Commission environment.

"Hello World" - announced QSuper as a fund open to all Australians.

"Ups and Downs" – explained QSuper's unique risk-adjusted investment philosophy.

"Power of Conversations" – encouraged members to talk to QSuper about their financial wellbeing and plans for retirement.