

EMBARGOED MEDIA RELEASE

**Majority of marketers can't name all 4 Ps**

*Salmat's 2018 Marketing Report reveals 69% of Australian marketers can't name the '4 P's' and struggle to understand consumer behaviour*

**Australia, embargoed 05 March 2018:** New research from [Salmat](#) reveals many marketers lack knowledge around the marketing basics, with 69% unable to name all of the 4 P's of marketing. Further, the research uncovered a strong disconnect between the channels that marketers invest in and the channels consumers use to source information to make their purchase decisions, with only one in six of the top channels matching. These findings are from the company's second annual Salmat Marketing Report (SMR), which compares consumers' shopping habits with the perceptions and practices of marketers.

*Most marketers don't know the '4 Ps'*

The marketing mix is most commonly executed through the 4 P's of marketing: Price, Product, Promotion, and Place. However, according to the data, while half of marketers (53%) say they use the 4 P's to develop marketing strategies, over two thirds (69%) can't correctly name all four. The most commonly mistaken P was *place*, with almost half (46%) of marketers getting it wrong.

The report looks at the importance of understanding the 4 Ps in the creation of marketing strategies and how their influence on consumer behaviour, particularly around the way they research and buy, is crucial for success. The majority of consumers surveyed (83%) say Price is the number one influence on their purchase decision, and is a key driver that would convince them to switch brands. Almost two thirds (65%) of respondents say that they are willing to try new brands and products if they are on sale or discounted. On average, across different product categories, one third (38%) of consumers say they would switch brands if the price of a product they regularly buy increases.

Product is the second biggest influence on purchase decisions (67%). It is a major driver for consumers going in-store to buy, because they can see and feel the product before they purchase (58%) and discern the quality of the product (43%). The third biggest influencer is the distribution of the product, also known as Place, with consumers reporting that free shipping (56%) is important. In fact, 46% of consumers say they shop online because they can get the product delivered direct to their home or work.

"Unsurprisingly, Promotion was low on the priority list for consumers, as they generally don't want to be advertised to," Andrew Lane, Head of Sales & Marketing at Salmat said. "However, they do seek information to inform their purchase decisions so it's important your brand is visible on the channels where consumers prefer to source purchase information from."

*The gap between marketer & consumer behaviour*

Salmat's research also shows a clear gap between the channels that marketers use, and the channels that consumers use to inform their purchase decisions. Of the top six channels listed by marketers and consumers, only one matched, which was the brand website.

	Top channels marketers have used in last 12 months	Top channels consumers use to inform their purchase decisions in the last 12 months
1	Brand website (50%)	Recommendation from friends / family (72%)
2	Social media (47%)	Search engine results (48%)
3	Email marketing (46%)	TV advertising (38%)
4	Online advertising (35%)	Brand website (35%)
5	Newspaper advertising (30%)	In-store brochures / leaflets / catalogues / mags (34%)
6	Events / trade shows (29%)	Letterbox / online catalogues (33% each)

Lane continued: “There is a clear disconnect between what channels marketers think consumers are engaging with, and what consumers are actually using. Social media for instance is a powerful tool for driving awareness and interest and is also very powerful in the loyalty and advocacy space. However, it does not appear to have as much direct influence on consumer purchase decisions compared to other channels. Marketers may benefit from shifting some investment and training to channels such as letterbox advertising and sampling which are all influential purchase levers for consumers, despite the increasing use of digital channels broadly.”

The data also suggests that marketers believe consumers don’t have much thought or control over most of what they buy and tend to be impulsive, however most consumers say their purchases are thoroughly researched and intended.

When shopping in-store, how often do you think you do the following?	Percentage of marketers that believed consumers do this ‘always’ or ‘often’	Percentage of consumers who said they do this ‘always’ or ‘often’
Purchase more at the store than originally intended to	56%	31%
Make impulsive purchases	54%	24%
Go shopping just for fun	50%	25%

“In terms of investment, the research shows online and offline channels continue to be equally important, with Australian consumers taking the time to research purchases thoroughly, and moving between a mix of online and offline channels to do so. Therefore, it is crucial for marketers to mix traditional channels with digital marketing to ensure they’re reaching and converting more customers,” Lane said.

### *The brand loyalty conundrum*

The report highlights that brand advocacy is highly influential in customer purchase decision making, with recommendations from friends and family being the top source of information used to inform consumer purchasing decisions (72%). Further two in five (40%) consumers said online reviews influenced their purchase decisions. When shopping in-store, over one third (37%) of consumers say they often go online to check consumer reviews about a product before buying, and almost two thirds (61%) say it is important or very important for a brand to have positive online reviews to maintain their loyalty to a particular brand.

Lane said: “Advocacy is an important influence on consumers, yet marketers are finding it increasingly challenging to create customer loyalty. Two in five consumers (40%) do not consider brands at all when shopping, while a further 18% are loyal to just one or two brands and 23% are loyal to three to four brands. However, our research shows that consumers are still willing to advocate for brands, with respondents almost three times more likely to write a positive review than a negative one. With this in mind, it’s important for marketers to embrace reviews, especially as new players like Amazon enter our local market.

“Overall, marketers need a better understanding of the key marketing principles in order to reach potential new customers, re-engage prior customers to grow brand loyalty, and understand what channels to invest their budgets into to garner the strongest return on investment,” Lane said.

**ENDS**

### **For further information please contact:**

Louise Proctor  
Senior Account Manager, WE Buchan

Shane McClelland  
Senior Manager - Corporate Communications

M: +61 452 574 244

E: lproctor@we-buchan.com

M: +61 423 603 105

E: shane.mcclelland@salmat.com.au

#### **About the research**

All figures, unless otherwise stated, are from YouGov. Salmat commissioned YouGov to conduct an online survey between 13th October- 3rd November 2017. The sample size was 504 Australian marketing decision makers (from organisations with 25 employees or more), and 563 Australian consumers. The consumer sample figures have been weighted and are representative of all Australian adults (aged 18+).

#### **About Salmat**

Salmat is a leading Australian marketing services business. We partner with our clients to help them with the constant pressure of acquiring and servicing their customers, week-in, week-out. With media, digital and contact capabilities, we have the right solutions for our clients, enabling them to Reach, Convert and Serve more customers.

Founded in 1979, Salmat has evolved from a small letterbox distribution business to an ASX-listed company. With a talented team across four countries we work with some of Australia's most recognised and trusted brands to manage billions of customer interactions every year.

Reach: We offer the broadest reach media (online & offline), with the ability to target individuals and up to 17 million people. Convert: We deliver conversion across multiple channels, creating more opportunities for our client's customers to buy. Serve: We make every one of our client's interaction count online and offline.