



PROMO PULSE
2024 EDITION 01
THE REPORT

THE PROMO PULSE SURVEY IS A PROPRIETARY STUDY CONDUCTED BY IGODIRECT GROUP



Who is iGoDirect?

iGoDirect Group is Australia's longest-established, rewards and promotional technology (promo-tech) company. We work with our clients to deliver revenue growth and employee recognition programs. Our solutions range from digital and physical gift cards, promotional websites and microsites, loyalty programs to best-in-class data-driven promotional strategies that engage audiences.

ABOUT PROMO PULSE

The Promo Pulse Benchmarking survey is a proprietary iGoDirect Group annual market research study into the current landscape and future trends of consumer promotions in Australia from the perspective of promotional professionals.

Designed to inform and empower marketers, our report aims to advance industry knowledge and best practices within the consumer promotions industry. As such, we have gathered insights from key industry players with significant representation from marketing, sales, executive leadership, and data science professionals.



CONTENTS

01 | CEO Message

02 | Executive Summary

03 | Respondent Profile

04 | ROI Perception

05 | Promotion Mechanics

06 | Agencies

07 | Challenges

08 | Data

09 | Budgets

10 | Summary
& Recommendations



CEO MESSAGE

Thank you for taking the time to review Promo Pulse - Edition 1, our inaugural research study across the Australian promotions industry.

iGoDirect has been at the forefront of the promotions industry for 25 years and are fortunate enough to work with many leading brands across Australia and New Zealand as well as the creative/shopper Agencies that support them.

We aim to bring our clients the unique offering of a complete in-house rewards stack, promotional and loyalty-based technology solutions along with additional data, digital marketing and customer service support in the pursuit of greater promotional ROI outcomes.

Having recently been awarded a Principle Membership of Visa along with an Australian Financial Securities License (AFSL), iGoDirect can work with you on delivering the innovative and secure rewards products that will positively disrupt your industry and drive your business growth.

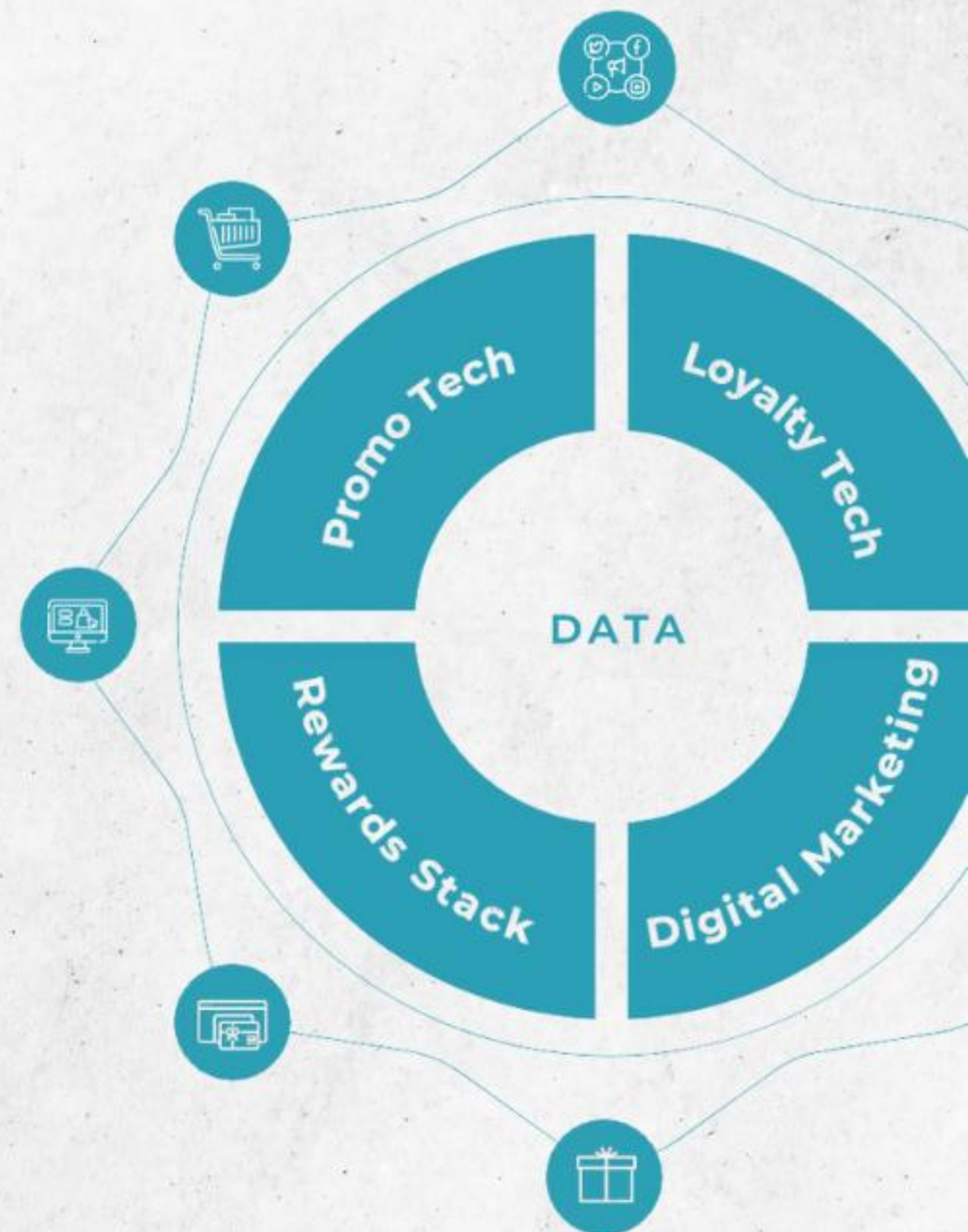
We're excited to bring you valuable insights that will define and inform your go-to-market promotional strategies in the future and invite you to delve into the pages of our report.

With warm regards,

STEVEN EMANOUEL - CEO IGODIRECT GROUP



The Promo Pulse Survey is a proprietary study conducted by iGoDirect Group.



EXECUTIVE SUMMARY

This report consolidates insights from key stakeholders in the Australia consumer promotions industry, with a significant representation from marketing, sales, executive leadership, and data science professionals. Our survey targeted those with extensive experience, notably 44% of respondents having over five years in consumer promotions.

The goal was to assess satisfaction levels with Return on Investment (ROI) in consumer promotions, track the usage of Key Performance Indicators (KPIs), and understand prevalent challenges and strategies in the industry. We employed a comprehensive survey, analyzing responses from various role-holders within the sector.

Based on industry standards and our own performance benchmarks, we aim for a level of "very satisfied" with ROI as the target. Findings reveal a lukewarm response towards ROI satisfaction, with only 9% indicating they are very satisfied, while 60% report satisfaction. Surprisingly, less than 10% express a high level of satisfaction. Notably, almost 80% of businesses track promotion-related KPIs, yet 20% do not, indicating a potential gap in performance perception versus actual outcomes.

Key challenges identified include customer engagement and budget constraints, accounting for 60% of the issues faced. Additionally, about half of the businesses utilize external agencies, with a dominant preference for digital channels like social media and email marketing for promotions. Agency usage significantly improve ROI outcomes based on research participants.

Our research confirms the consistent use of pre-promotional data analysis to ensure the strategic structure of the program is set correctly, coupled with a focus on deploying promotions during seasonal moments delivers a great ROI outcome. Leveraging a specialist creative/shopper agency further improves these outcomes. Injecting more surprise and delight elements within the promotion's execution ensures your audience maintains familiarity with the core ongoing promo, whilst enabling them to enjoy new features each year. A "less is more" approach provides additional budget focus and empowers marketers and agencies alike to tackle customer engagement with far greater effectiveness.



RESPONDANT PROFILE



The Promo Pulse Survey is a proprietary study conducted by iGoDirect Group.

RESPONDANT PROFILE

Methodology and Participant Demographics:

The Promo Pulse survey, aimed at exploring the dynamics of consumer promotions in Australia, employed an online survey method. This approach focused on reaching marketing and sales executives through channels like LinkedIn and other industry-specific networks over a two-month period. The response rate ensured a statistically significant and robust sample for this inaugural analysis.

Industry Representation and Experience:

The survey drew responses from a diverse array of industries, most notably from the Food & Beverage, Electronics, and White Goods sectors as well as the agencies that service them. This cross-industry participation is integral for a holistic analysis of promotional strategies across various market contexts. The dataset is notably rich, with a significant number of participants bringing more than five years of industry experience to the table. This level of expertise is vital for an in-depth understanding of promotional dynamics. Moreover, the survey saw a substantial representation from various professional roles, including marketing managers, directors, executive leaders, data analysts, data scientists, promotion specialists, and business owners, which accounted for 80% of the responses.

80%

of responses came from marketing managers and directors, executive leaders, analysts, promotion specialists and business owners.

44%

of responses came from marketers and salespeople with more than 5 years of experience in the industry.

RESPONDANT PROFILE

Depth of Experience in Marketing and Sales:

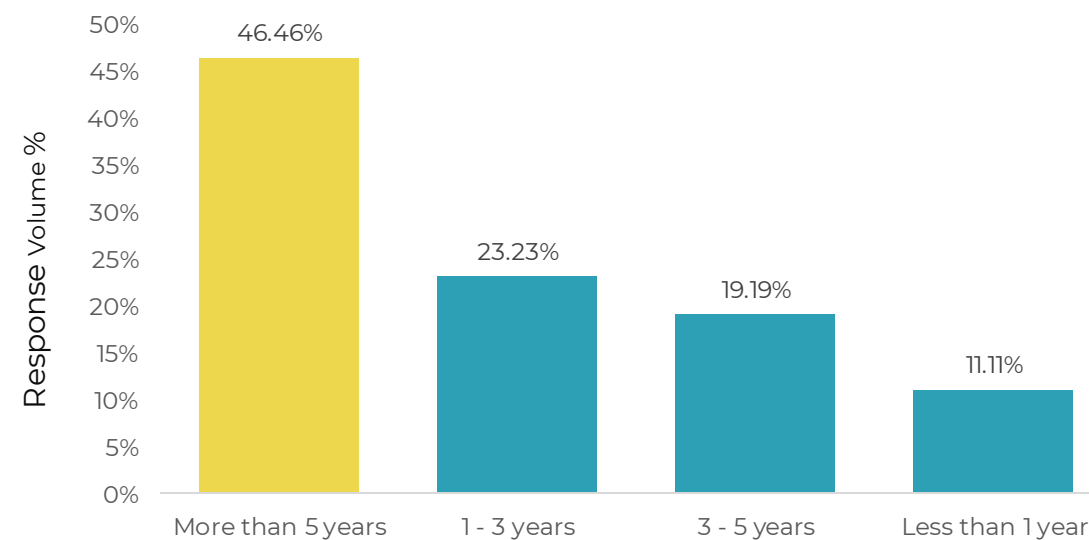
The survey underscores the depth of experience in the marketing and sales fields. A noteworthy proportion of respondents, who are specifically marketers and sales professionals, have been working in the industry for over five years. This detail is critical as it emphasizes the level of seasoned expertise and nuanced understanding these professionals bring, enhancing the overall quality and relevance of the survey's findings.

Statistical Breakdown of Professional Roles:

The participant demographic was heavily weighted towards senior management: 40% of respondents were in directorial roles and 20% in executive leadership. This high level of upper management participation is crucial for gaining insights into strategic decision-making in consumer promotions.

Geographically, a notable concentration of respondents was from Melbourne and Sydney, mirroring the primary business and population hubs in Australia, thus offering a diverse professional viewpoint.

How many years have you been in the consumer promotions industry?



PERCEPTION OF ROI BY ROLE



The Promo Pulse Survey is a proprietary study conducted by iGoDirect Group.

COMPARATIVE ANALYSIS OF RESPONSES BY ROLE

Overview:

This section delves into the varied perceptions of promotional success and ROI across different professional roles: Marketing, Sales, Executive Management, and Analytics. By analyzing the responses from these distinct groups, we gain insights into how each role's focus and responsibilities influence their evaluation of promotional strategies. For the purposes of this document the ROI is defined as the objectives sought after for example Managers may be interested in sales grown and budget manager while brand marketers may also be interested in positive brand outcomes.

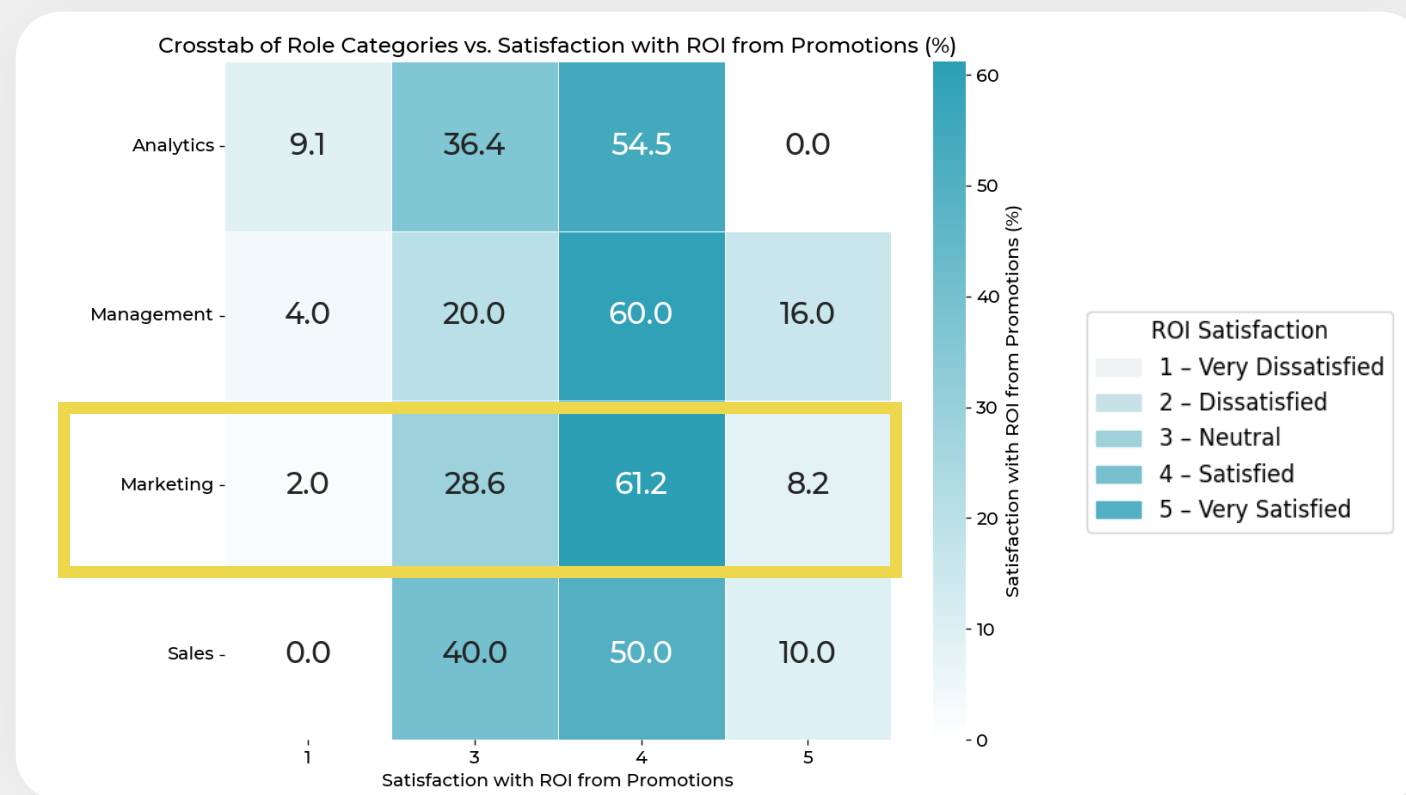
➤ Marketing Roles

Marketing roles report a high level of satisfaction, with 61.2% indicating a positive perception of promotions in terms of ROI. A significant portion, 28.6%, remain neutral, while 8.2% express being very satisfied, and only 2% report being very dissatisfied.

This data suggests an overall positive reception of promotions among marketers. However, there is a clear indication of a need for innovation and heightened customer engagement strategies.

At iGo, we've observed a rising trend in the gamification of promotions, leveraging advanced technologies such as Web3 and others to minimize customer friction and enhance campaign outcomes.

Successful marketers are those who embrace change and innovation, both realistically and by demanding it from their supplier partners.



COMPARATIVE ANALYSIS OF RESPONSES BY ROLE

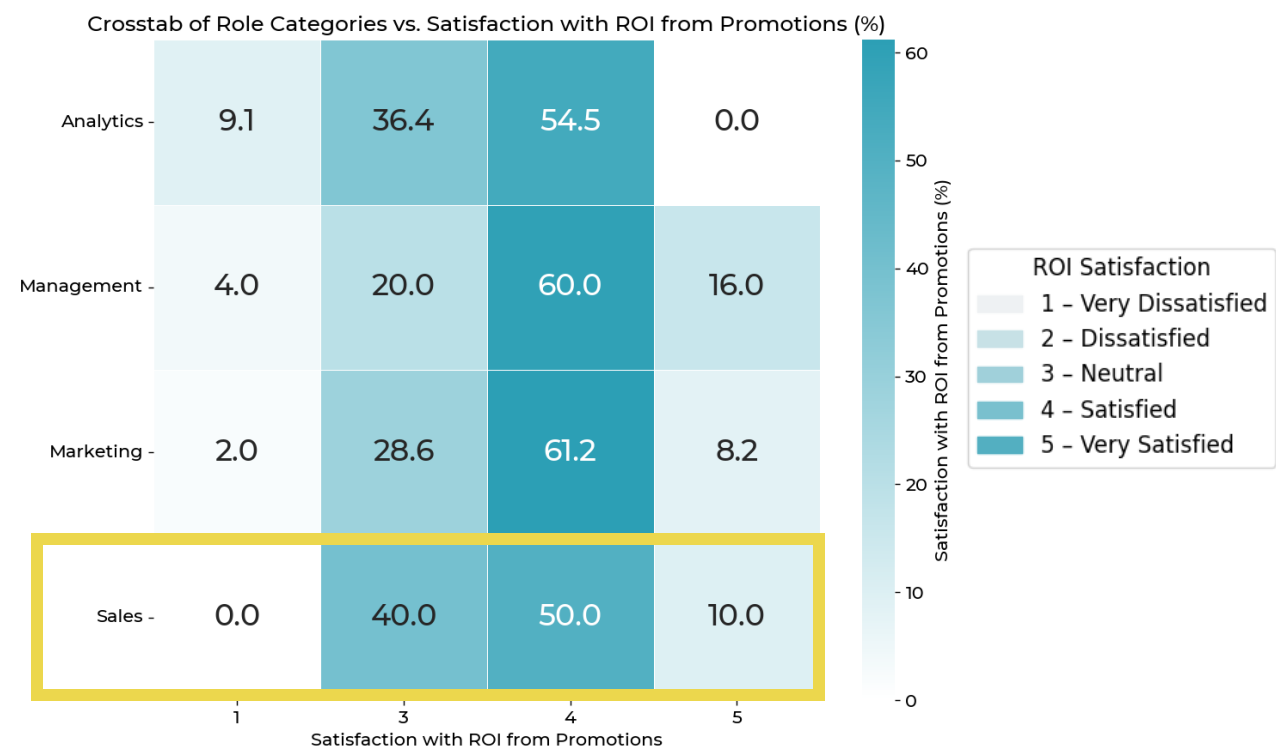
➤ Sales Roles

In the sales role category, the majority (50%) express satisfaction, indicating a favorable but not outstanding ROI from promotions. A smaller segment, comprising 10%, reports the highest level of satisfaction.

Professionals in sales demonstrate a clear preference for sweepstakes promotions. This inclination likely stems from the direct impact these promotions have on sales volume and immediate customer engagement, aligning with the sales department's focus on short-term targets and direct consumer interaction.

Despite generally high satisfaction levels, there exists a notable disparity in neutral perceptions regarding promotion outcomes. This suggests a need for continuous improvement in communication between sales and marketing teams.

The absence of responses indicating dissatisfaction may imply that promotions are perceived to provide at least some level of benefit, whether in terms of sales commissions, client portfolios, or market presence.



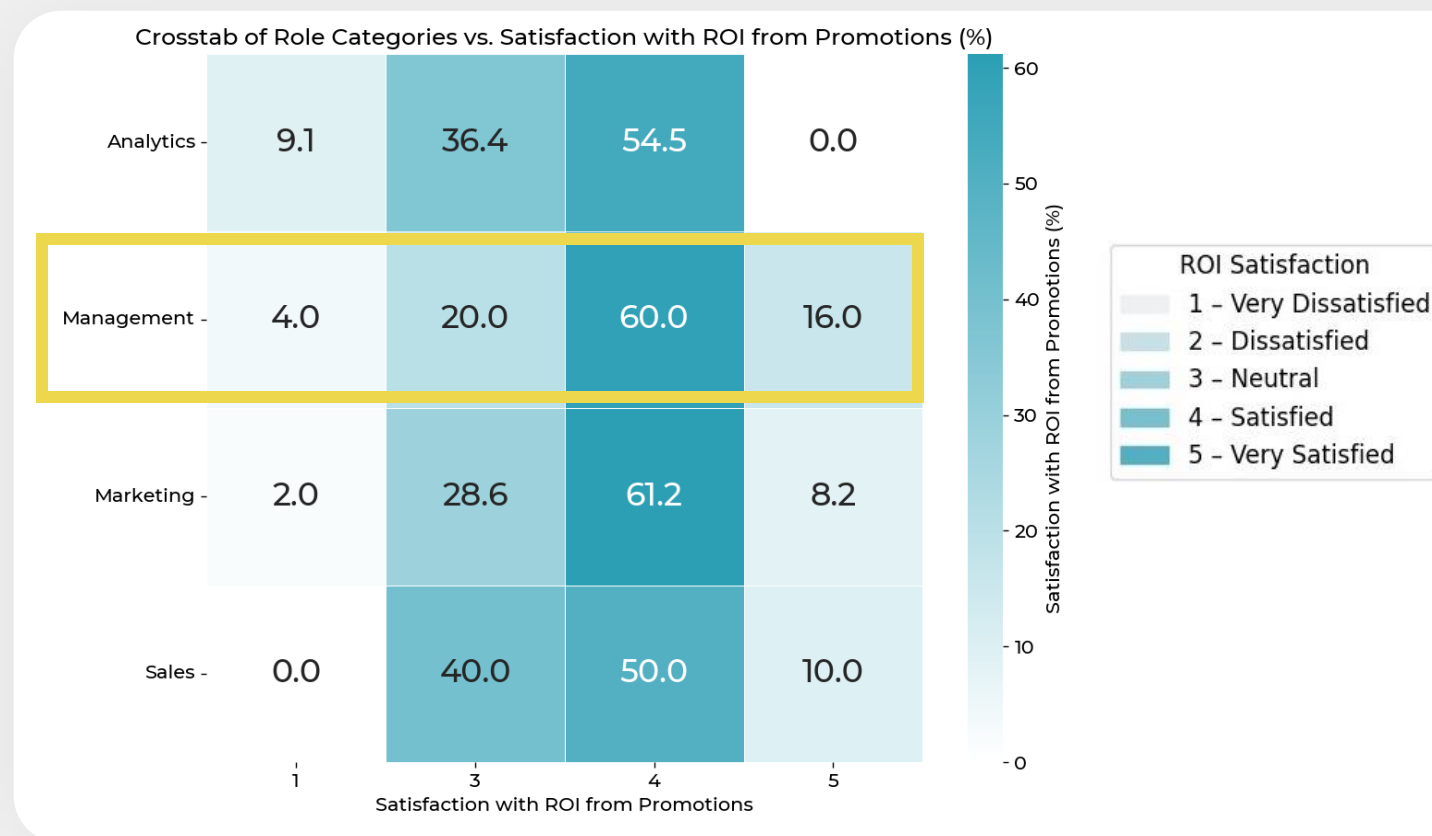
COMPARATIVE ANALYSIS OF RESPONSES BY ROLE

➤ Management Roles

In the Management category, seasonal offers emerge as the most effective promotion strategy. This preference likely arises from the capability to align these promotions with broader business objectives and strategic planning cycles. Seasonal offers also present opportunities for market differentiation and timed marketing initiatives, which resonate with management's long-term strategic perspective.

Management roles exhibit a notable concentration in high satisfaction levels, with 60% indicating they are 'satisfied' and 16% reporting being 'very satisfied'. Additionally, 20% express a neutral stance.

However, some managers may harbor concerns about the outcomes of promotions beyond sales goals. These concerns could encompass factors such as the positive impact on NPS, increased brand awareness, growth in Google ranking, and favorable online reviews.



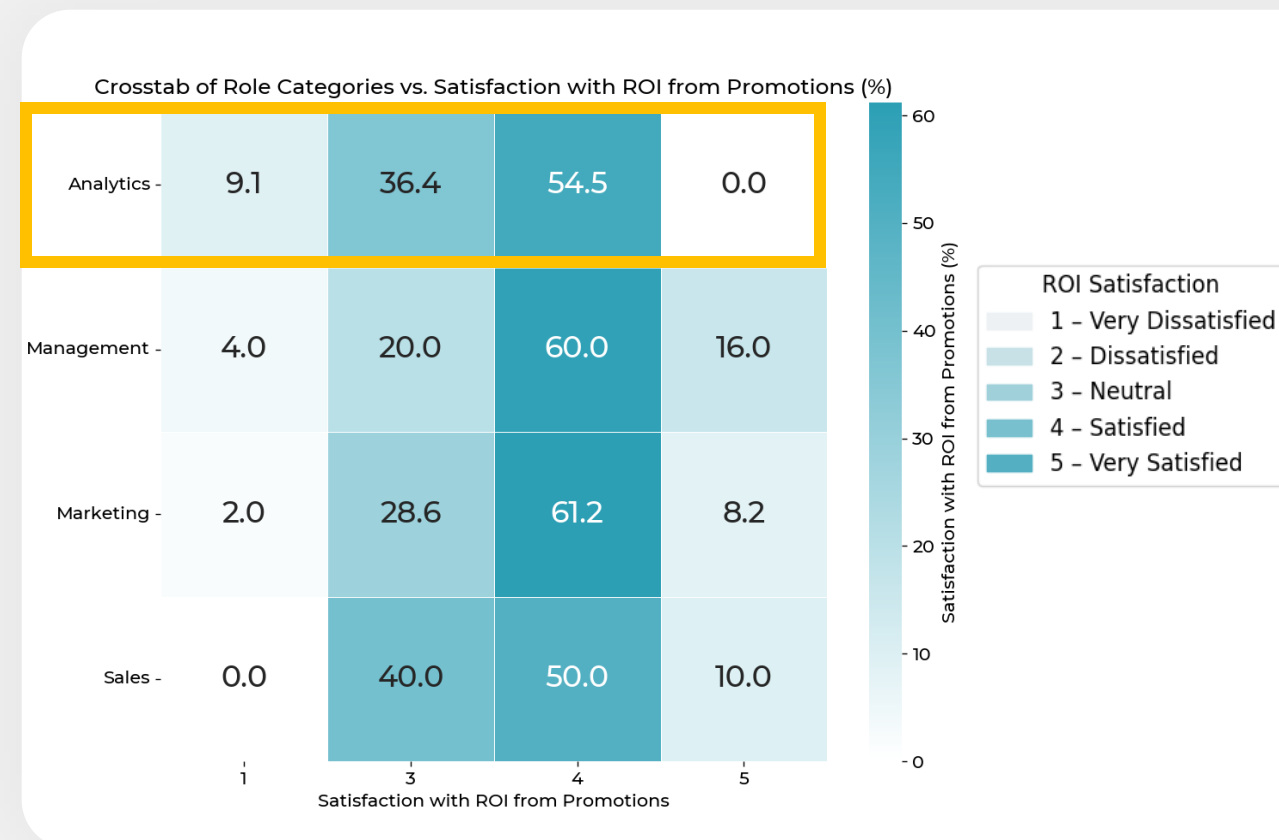
COMPARATIVE ANALYSIS OF RESPONSES BY ROLE

➤ Analytics Roles

In the Analytics roles category, instant win promotions emerge as the preferred choice, likely due to the immediate and quantifiable data they generate. This preference underscores the analytics department's commitment to data-driven decision-making, as the prompt feedback from instant win promotions facilitates rapid analysis and adjustment of marketing strategies.

Individuals in analytics roles exhibit a varied distribution across three levels of satisfaction, with the majority reporting being 'satisfied', indicating a positive perception of the ROI from promotions overall.

Furthermore, analysts are increasingly advocating for their involvement in the formulation of promotional strategies. Embracing the test-and-learn paradigm, they recognize its potential to drive significant improvements in results over time. This level of engagement between marketers and analysts is poised to enhance ROI by leveraging data-driven insights and collaborative strategies.



PROMOTION MECHANICS



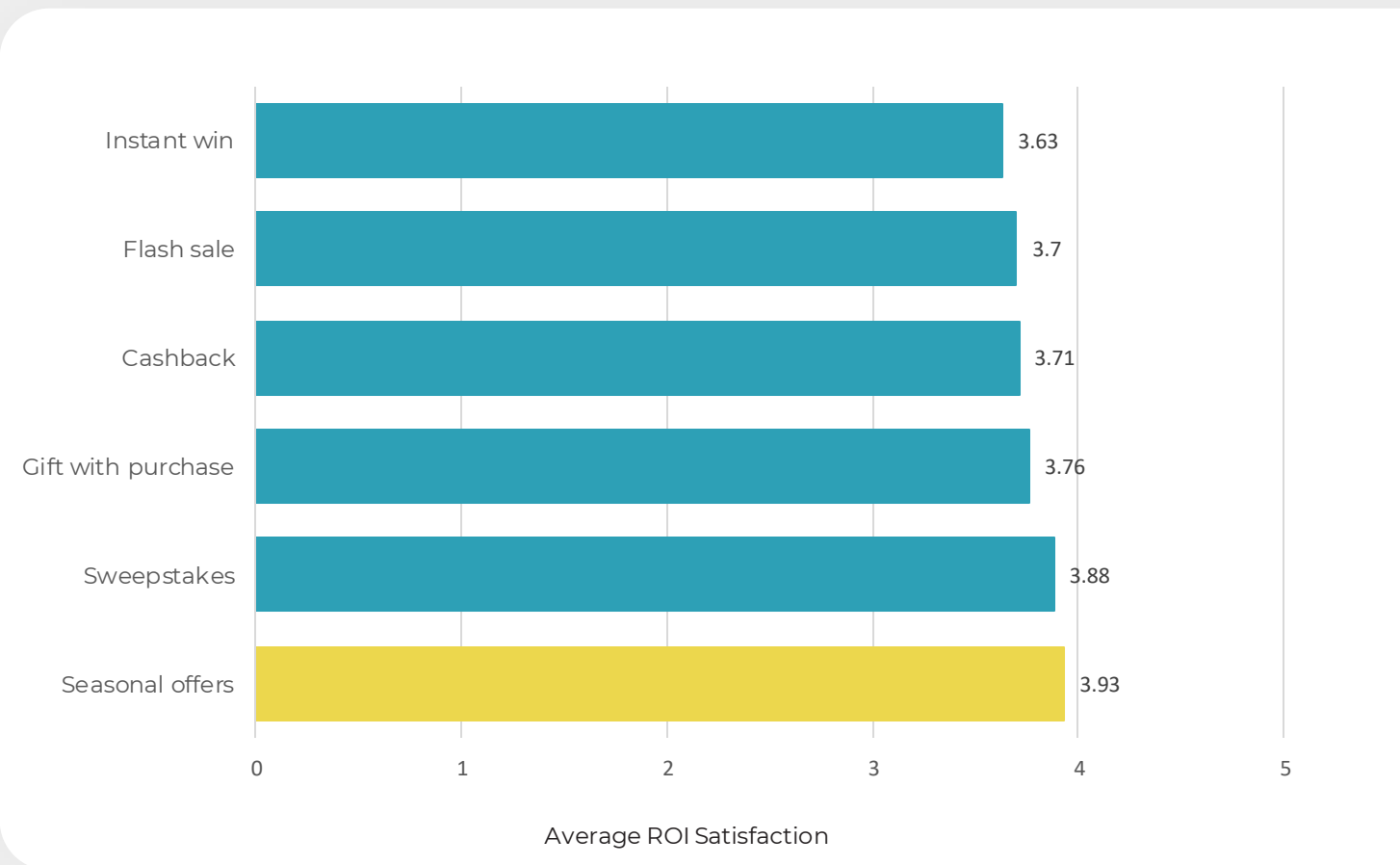
The Promo Pulse Survey is a proprietary study conducted by iGoDirect Group.

PROMOTION MECHANICS

ROI Satisfaction by Promotion Type

Seasonal Offers: These promotional strategies, while not constantly in use due to their periodic nature, are well-known for yielding positive returns on investment. By launching exclusive offers during key holidays or aligning marketing efforts with seasonal patterns, businesses can effectively tap into consumer behavior. Aligning promotions with the calendar helps drive customer engagement and increase revenue, leveraging the distinct timing of these strategies for maximum impact.

Sweepstakes: Similarly, sweepstakes, though less common in marketing efforts, have demonstrated their potential to provide substantial returns on investment. By creating exciting opportunities for consumers to participate and win prizes, companies can boost brand awareness and engagement, driving positive sales outcomes while fostering a sense of excitement and community among their audience.



PROMOTION MECHANICS

Our analysis indicates that while Seasonal Offers and Sweepstakes are used less frequently than other promotion mechanics, they are perceived to offer the best return on investment, scoring 3.93 and 3.88 out of 5, respectively. This suggests that, despite their lower frequency of use, these promotions can be highly impactful when strategically deployed. Given that seasonal offers are by their very nature limited by their availability (i.e. 1 Christmas, 1 easter etc) marketers are driving maximum ROI leveraging that moment at all time possible.

Seasonal Offers and Flash Sales:

- These mechanics are versatile and effective in serving multiple goals, especially in enhancing Brand Awareness and capturing customer data. Their adaptability makes them valuable tools in a diverse range of promotional strategies.

Flash Sales for Customer Retention:

- Flash Sales, known for their urgency and exclusivity, appear to be particularly effective for Customer Retention. This could be due to the immediate and compelling nature of these promotions, encouraging repeat business and customer loyalty.

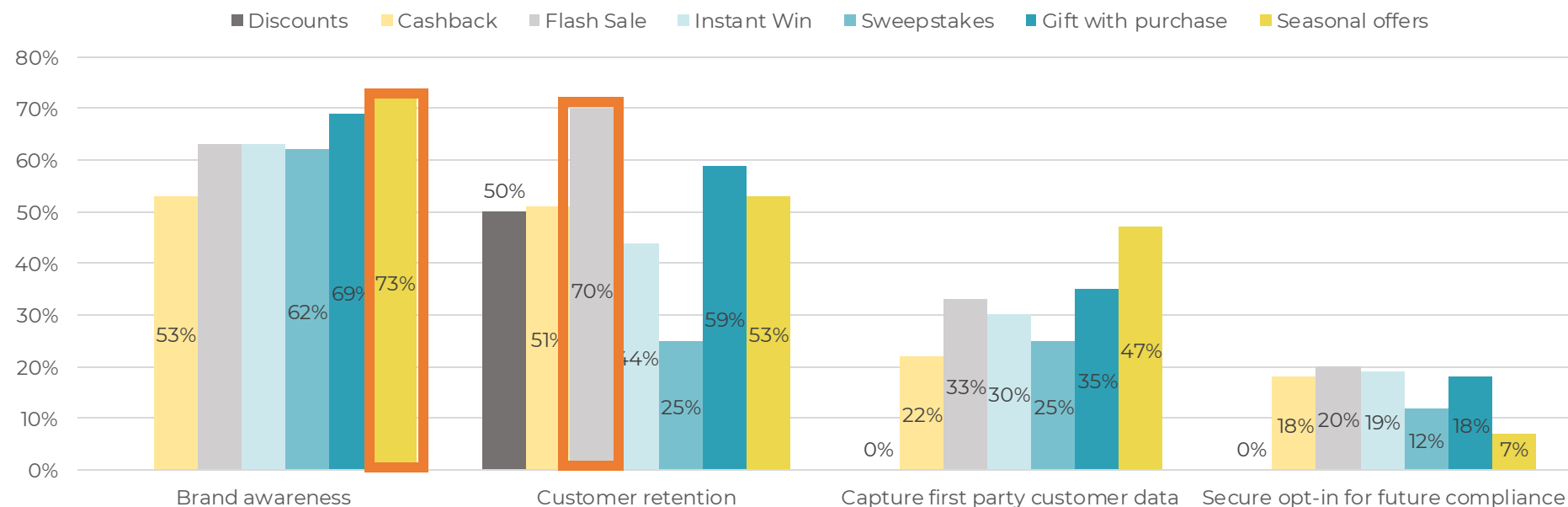
Compliance-related Goals:

- The low frequency of goals related to Secure Opt-in for Future Compliance indicates that promotions may not be the primary method for achieving compliance-related objectives, or that these goals are not prioritized in promotional strategies.

PROMOTION MECHANICS

- "Flash Sales" are characterized by their limited-time availability and exclusive discounts, creating a sense of urgency and excitement among customers. This promotional tactic not only drives immediate sales but also encourages repeat purchases and fosters a sense of loyalty among customers who eagerly anticipate these time-sensitive offers.
- Similarly, "Seasonal Offers" capitalize on the natural ebb and flow of consumer behavior throughout the year. By aligning promotions with holidays, events, or changing seasons, businesses can tap into heightened consumer spending and capitalize on the festive spirit. These promotions not only attract new customers but also reinforce brand loyalty by associating your business with memorable experiences and moments throughout the year.

Distribution of Promotion Goals (ex. Increase Sales) by Promotion Type



PROMOTION MECHANICS

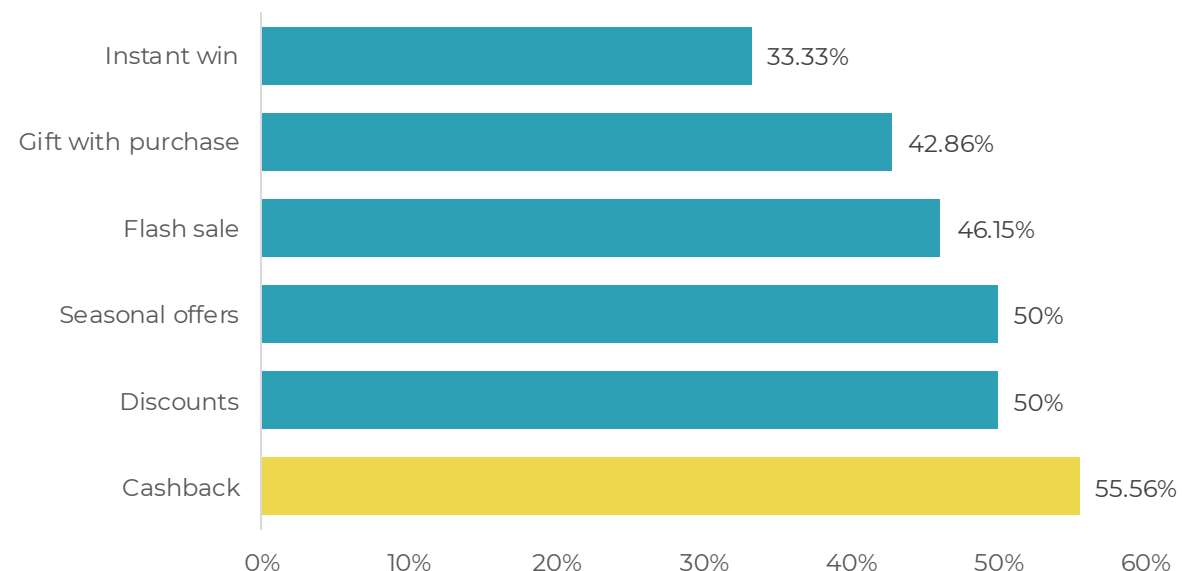
➤ Cashback is King

At 56%, cashback promotions are leading the charge with more than half utilizing the strategic prowess of agencies! Cashback deals are not just customer magnets but also a strong strategy when crafted innovatively

➤ Discounts & Seasonal Offers – The Dynamic Duo

Both securing an even 50%, discounts and seasonal offers are the twins of sales uplift. Season by season, agencies are partnering with brands to turn the ordinary into extraordinary..

Percentage of promotion types used with agencies



AGENCIES

IMPACT OF AGENCIES

The data indicates that the choice between external agency involvement and in-house promotional strategies is not clear-cut but depends on the specific goals, resources, and capabilities of each organization. This analysis provides valuable insights for organizations contemplating the optimal approach to maximize ROI in their promotional endeavors.

The Role of External Agencies in Promotional Strategies:

This section explores the impact of employing external agencies on ROI satisfaction in promotional activities. The data suggests a nuanced relationship between the use of agencies and the perceived success of promotions, highlighting the strategic decisions organizations make regarding in-house versus external expertise.

Top-Level ROI Satisfaction with Agencies:

Organizations utilizing external agencies report a significantly higher proportion of top-level satisfaction (score of 5). This indicates that external agencies, with their specialized expertise and resources, are often instrumental in driving promotional strategies that yield very high ROI satisfaction. Agencies bring a breadth of market knowledge, creative solutions, and specialized skills that can be pivotal in achieving outstanding promotional outcomes.

High Satisfaction with In-House Strategies:

Conversely, a substantial percentage of organizations relying solely on in-house resources report high satisfaction. This suggests that internal strategies and resources are often robust enough to attain high levels of ROI satisfaction. The success of in-house strategies could be attributed to better alignment with the company's overall vision, greater control over promotional activities, and potentially lower costs compared to outsourcing.

Comparative Analysis:

The comparison between external agency use and in-house strategies reveals a strategic divergence in achieving promotional success. While external agencies appear to be more frequently associated with the highest satisfaction levels, in-house resources are not far behind, demonstrating effectiveness in achieving high ROI satisfaction.

Nearly half of the respondents (49%) opt to engage agencies for their promotional strategies.

Within this group, an overwhelming 95% limit their agency partnerships to a maximum of three, showcasing a preference for streamlined collaboration.

CHALLENGES



The Promo Pulse Survey is a proprietary study conducted by iGoDirect Group.

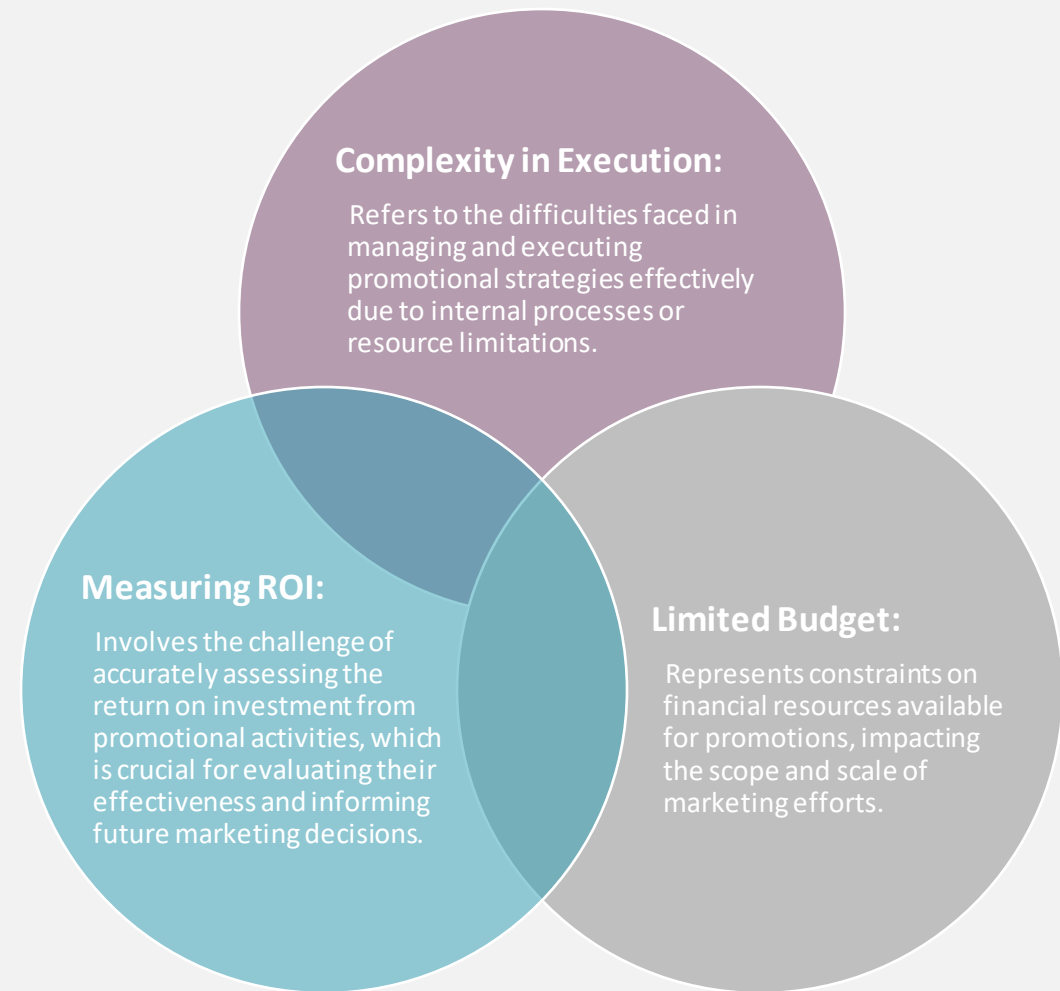
FOCUS ON CHALLENGES

Internal or external challenges in execution?

The data from the survey supports an examination of both internal and external challenges in the execution of promotional activities. Internally, organizations may identify hurdles that require process optimization, budget reallocation, or enhancements to measurement systems to enhance effectiveness. On the other hand, external challenges may prompt strategies aimed at better capturing customer interest and fostering engagement. These could involve refining messaging strategies, optimizing channel selection, or enhancing the overall customer experience to drive greater promotional success. By addressing both internal and external challenges, organizations can cultivate a more holistic approach to promotional activities, thereby maximizing their impact and return on investment.

Internal Challenges:

Internal challenges refer to obstacles that arise within an organization's control and operational scope during the execution of promotional activities. These are typically factors that an organization can directly influence and manage. The primary internal challenges accounting for 70% identified in our analysis include:



FOCUS ON CHALLENGES

External Challenges:

External challenges, originating beyond the organization's immediate sphere of influence, present formidable obstacles shaped by external stakeholders, dynamic market conditions, and evolving consumer behavior. In our analysis, one prominent external challenge emerged: customer engagement.

5 Tips for Addressing External Challenges and Improving ROI

1. **Personalization:** Tailoring promotional messages and offers to individual preferences and behaviors enhances relevance and resonance, increasing the likelihood of engagement and conversion.
2. **Omnichannel Approach:** Leveraging multiple channels and touchpoints to interact with customers ensures a seamless and cohesive experience across various platforms, maximizing reach and engagement.
3. **Interactive Content:** Incorporating interactive elements such as quizzes, polls, and contests into promotional campaigns encourages active participation and fosters deeper engagement with the brand.
4. **Social Media Engagement:** Engaging customers through social media platforms allows for direct interaction, feedback gathering, and community building, fostering a sense of belonging and loyalty.
5. **Data-driven Insights:** Utilizing data analytics to gain actionable insights into customer behavior and preferences enables organizations to tailor promotional strategies effectively, optimizing engagement and ROI.

Customer Engagement:

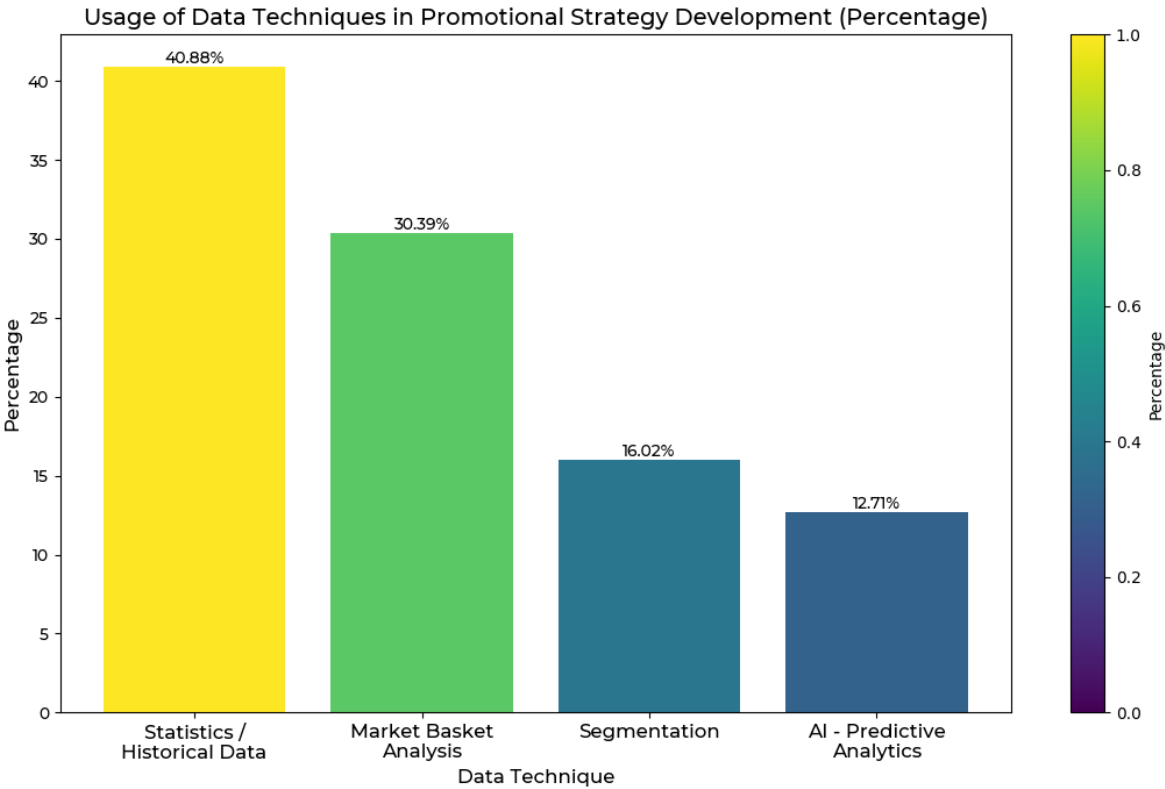
Relates to the level of interaction and interest customers have with the promotional activities.

Engaging customers effectively is critical for the success of promotions but can be influenced by external factors such as market trends, competition, and changing consumer preferences.

DATA

DATA

- **Recognition of Value:** 63% of respondents acknowledge the critical role of data-driven decision-making in achieving strategic goals, highlighting its perceived importance in the industry.
- **Underutilization of Advanced Techniques:** Despite the high valuation of data-driven approaches, there's a noticeable gap in the application of sophisticated analytics methods like segmentation and predictive analytics. This suggests a missed opportunity for optimizing decision-making processes.



DATA AND DATA SCIENCE

The Imperative of Data-Driven Decision Making:

In today's digital era, data-driven decision making has become a cornerstone in shaping promotional strategies. Our survey underscores this trend, with 63% of respondents affirming the critical importance of data-driven decision making in their campaigns. Additionally, 32% consider it somewhat important, highlighting an overwhelming consensus on the value of data in guiding promotional efforts.

Key Performance Indicators (KPIs) in Business Tracking:

The study reveals that 81% of businesses diligently track Key Performance Indicators (KPIs), a testament to the growing reliance on data analytics in measuring campaign success. The remaining 19% who do not track KPIs may miss out on crucial insights that could refine and optimize their promotional strategies. This means they miss out on opportunities to further improve ROI outcomes.

Predictive Analytics and Trend Identification:

Advanced data analytics tools, such as predictive modeling, are being increasingly utilized to forecast market trends and consumer responses. Data scientists highlight the potential of these tools in identifying upcoming trends, enabling businesses to stay ahead of the curve in their promotional endeavors.

Data-Driven Customization of Promotions:

The integration of data science in promotions has opened avenues for personalized marketing strategies. By leveraging customer data, businesses can tailor their promotions to individual preferences and behaviors, significantly enhancing customer engagement and ROI.

Challenges and Opportunities in Data Utilization:

Despite the clear advantages, the survey also points to challenges in data integration and analysis. Analysts advocate for continuous improvement in data collection and processing methodologies to overcome these challenges and fully harness the potential of data in shaping future promotional strategies.

How important is data-driven decision-making in your promotional development strategy?	%
Very Important	62.86%
Somewhat Important	31.43%
Neutral	5.71%
Total	100.00%



BUDGETS

THE FUTURE OF CONSUMER PROMOTIONS

Future Predictions and Trends:

The survey data paints a forward-looking picture where a significant portion of professionals expect promotional budgets to remain consistent 44%, suggesting a trust in the current strategies and their continued relevance. Yet, there is a noteworthy anticipation of increased investment in promotional activities by nearly a quarter of respondents, signaling a readiness to embrace more creative and immersive campaigns. This insight is reflective of a broader movement towards innovation in the consumer promotion domain, driven by the need to meet the evolving expectations of a dynamic consumer base.

Financial Implications and Budgetary Impact:

The stability and potential growth in promotional budgets speak to the pivotal role these allocations play in achieving marketing success. It's clear that investments in promotions are not merely expenses but are considered vital to sustaining and amplifying business growth. The data suggests that while some professionals expect to work with a stable budget, others are preparing for more sizable investments, likely in response to the competitive pressures and opportunities presented by emerging technologies and platforms.

Budget Perceptions and Comparative Analysis:

Perceptions of budget allocations differ across various roles within the consumer promotions industry, with some viewing them as a direct path to achieving sales targets and others to build long-term brand recognition. Sales professionals indicated they lean towards promotions with immediate returns, while marketing strategists indicate favoring campaigns that promise gradual yet lasting consumer engagement. Executive leadership, with an eye on long-term success, are likely to balance the two approaches, investing in promotions that both drive sales and enhance brand reputation in a more structured approach.

What is the average budget allocated for Promotions	%
\$10k - \$250k	58.16%
\$251k - \$500k	27.55%
\$501k - \$1m	4.08%
over \$1m	10.20%
Total	100.00%

How much of your marketing budget does sales promotion comprise?	%
less than 25%	47.06%
between 25% and 50%	44.12%
between 50% and 75%	6.86%
greater than 75%	1.96%
Total	100.00%

SUMMARY & RECOMENDATIONS



The Promo Pulse Survey is a proprietary study conducted by iGoDirect Group.

CONCLUSIONS

Summary & recommendations

- ↗ **Utilise data** extensively in your pre-promo strategy development.
- ↗ **Seasonal offers and Flash sales** bring out the best in your customers. Driven with cashback, they deliver the greatest ROI.
- ↗ **Agencies** provide a **magic touch** that brings out the best in your promos.
- ↗ **Always utilise an integrated media** mix to capture a targeted audience message.



CONCLUSIONS

Summary & recommendations

- ↗ **Less is more in promotions.** Consolidate budgets to enable innovation and more powerful engagement techniques to be deployed.
- ↗ **"Test & Learn"** is much better than "Rinse & Repeat".
- ↗ **Remove** the glass walls within your organisation: **"Lead** or get out of the way".



A LOOK AHEAD

With an eye always towards the future, iGoDirect eagerly anticipates launching Edition 2 in early 2025. Our commitment to analyzing year-on-year industry trends is only bolstered by the prospect of next year's survey expanding further with robust industry support.

We are grateful for the engagement in 2023 and look forward to continuing our collaborative journey, uncovering insights that drive us all forward. Your participation is key to this growth.

Stay connected with iGoDirect for what's next.



THE PROMO PULSE SURVEY IS A PROPRIETARY STUDY CONDUCTED BY IGODIRECT GROUP

END



The Promo Pulse Survey is a proprietary study conducted by iGoDirect Group.