

Monday, 19 December 2016

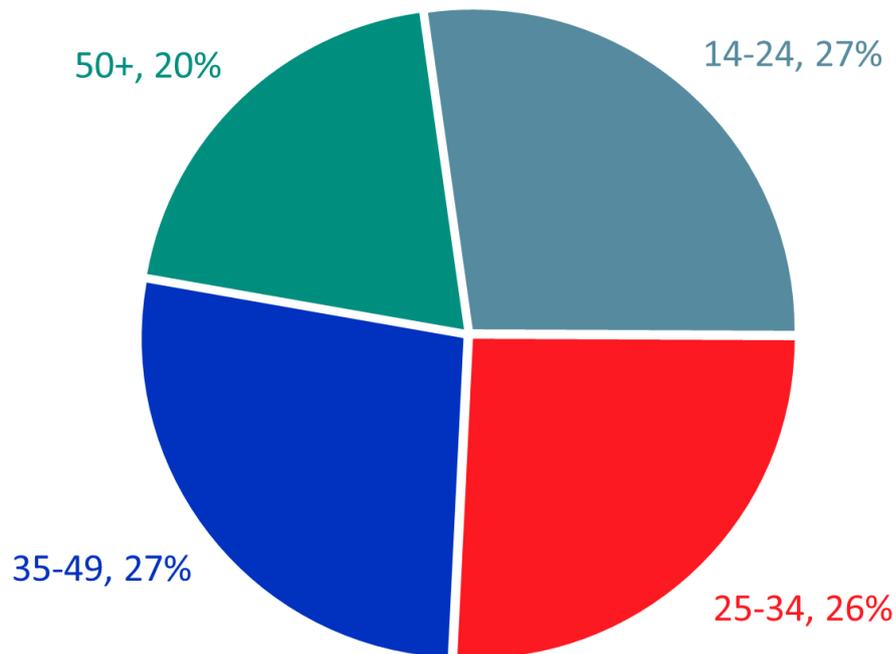
How Optus Xtra could become an advertiser's dream

It's the next frontier of advertising: direct to the consumer's mobile phone (in exchange for some bonus credit or data, of course). With the recent launch of Xtra, Optus has become the first major telco to offer this quid pro quo to customers—and those most likely to sign up will get many advertisers salivating, Roy Morgan Research shows.

5.9 million Australian smartphone owners aged 14+ (37 percent) agree they'd be interested in receiving ads on their mobile phone if it reduced their bill. As [Roy Morgan reported back in February](#), Optus customers are slightly more likely than average to be interested (now 39 percent).

For now, this is all a *potential* audience – but while the full size is yet to be determined, its profile could be highly sought after by particular advertisers: 27% are aged 14 to 24 and 26% are 25 to 34 – often the hardest audiences to reach (and engage) via traditional media advertising.

Age Profile for (potential) Mobile Advertising Audience

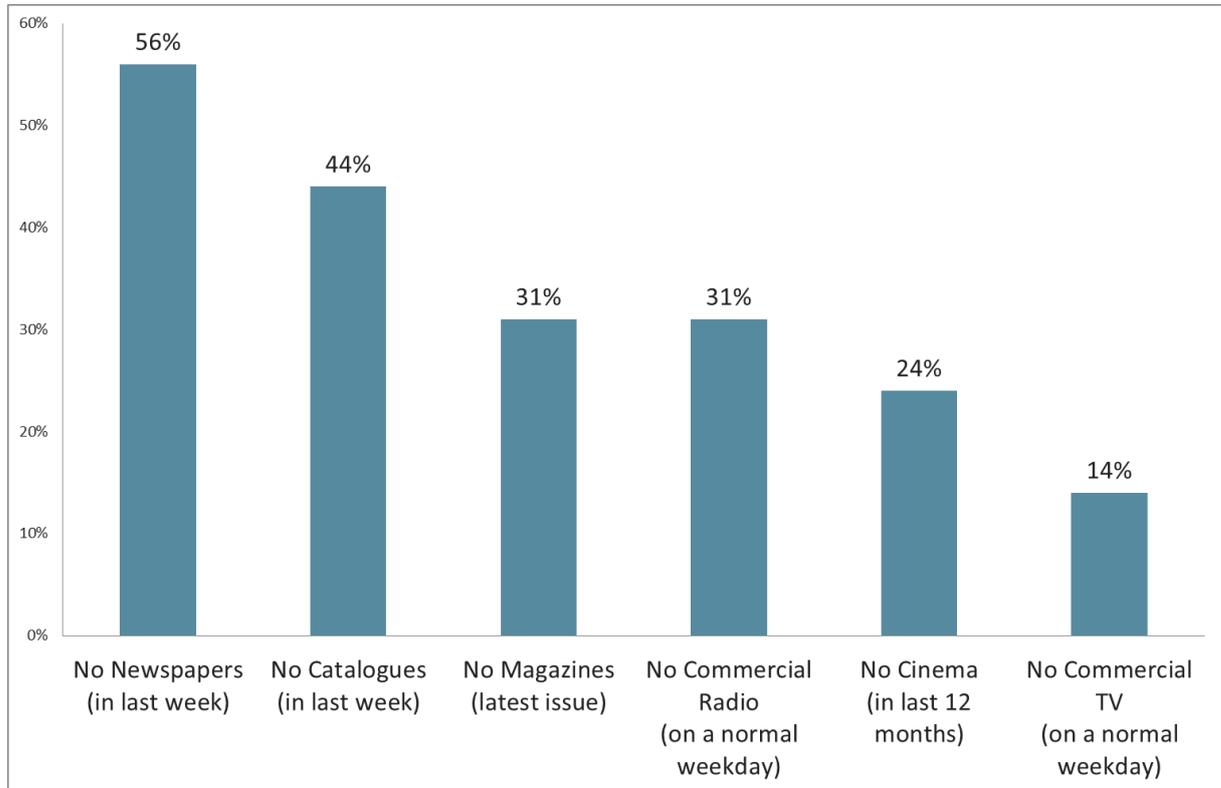


Source: Roy Morgan Single Source, October 2015 to September 2016, sample = 3,113 smartphone owners 14+ who agree, "I'd be interested in receiving ads on my mobile phone if this reduced my phone bill".

To consider the full value of direct mobile phone advertising, it's also worth looking at how much of that potential audience *can't* be reached via traditional media now.

Among smartphone owners receptive to mobile advertising, in the last week 56% haven't read a print newspaper and 44% haven't looked at a print catalogue. 31% haven't even flipped through the latest issue of any magazine, and 24% haven't made a single trip to the cinema in the last year. On a normal weekday, 31% don't listen to commercial radio and 14% don't watch commercial television.

The Non-Reach of Traditional Media among (potential) Mobile Advertising Audience



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Those interested in signing up to receive mobile advertising are also much more likely to do the sorts of activities on their phones that whet the appetites of advertisers.

In an average four weeks, they are almost twice as likely as other smartphone owners to click online ads, watch video advertising, or read an online catalogue. They are more likely to pay for purchases using a credit card or another online payment or money transfer system, or research products or services they want to buy, including reading ratings and reviews— and all on the very smartphone that could soon be set to receive mobile advertising.

Michele Levine, CEO – Roy Morgan Research, says:

“There are 5.9 million smartphone owners across Australia potentially interested in seeing advertising in exchange for a mobile usage bonus – but it’s still early days for this new model. Right now there are 126,000 Australians who immediately meet all the criteria for Xtra: they’re with Optus, on a prepaid plan, use an Android operating system and, of course, are open to the idea. The question now is whether a gigabyte of data or \$2 in credit is ‘worth it’ to have ads on the lock screen.

“Consumers today are more conscious than ever that they have a value to advertisers, and can make decisions about what advertising they see and hear based on it being a fair trade. Anticipating the trend, Roy Morgan has long measured mobile owners’ attitudes toward receiving ads on the phone in exchange for a reduced bill, as well as their shopping and product research habits on the device.

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“Mobile advertising has the potential to reach the sort of younger and more tech-savvy audience that has become more difficult to reach through traditional media channels. However advertisers will need to understand that these people are also, by definition, a very particular type of consumer that gets excited by coupons and competitions, sales and bargains.

“And just like traditional media owners, Optus will need robust audience profiling and consumer segmentations to be able to pitch its new audience to advertiser clients, and provide them the tools to identify target markets and construct messages that maximise ROI.”

To learn more about these findings and how Roy Morgan’s telecommunications and advertising research, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com

Please click on this link to the [Roy Morgan Online Store](#)

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices throughout Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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