

# Trading Post



## THE MARKET

The Trading Post is a specialised classified advertising publication with a national market. This superbrand is a leader in its field and a true Aussie icon. From Adelaide to the Gold Coast, Darwin to Hobart, Australians look first to the Trading Post when buying or selling.

Aided by declining readership of daily newspapers, a company policy to provide value for money, and a highly successful and innovative Internet site, the Trading Post continues to enjoy a rapidly expanding share of the classified market, and more recently the display advertising market.

The Trading Post's major competitors - the daily metropolitan and regional newspapers - are weakened by a life expectancy of less than a day. The Trading Post's 16 weekly publications, plus the web site, benefit from longer exposure to a targeted market and a high profile as the medium for bringing buyers and sellers together.

## ACHIEVEMENTS

The Trading Post has seen excellent growth in recent years. In 2002, the business grew by 39.9 per cent, of which 12.9 per cent was strong organic growth. Display sales showed an impressive 16.2 per cent growth while call centre operations grew 34 per cent over the previous year.

Print production has been streamlined to an outstanding extent. Placement for display advertisements in Sydney, for instance, closes at 12 noon on Tuesday, but the call centres (which accept the classified advertisements) do not close until 8 pm. The first file is delivered to the printer at 8.30 pm, and the complete publication, which runs to an average of more than 200 pages,

is with the printers by 11 pm. By early Thursday morning it is on sale in newsagents all over the city.

Integration is highly developed. Classified advertisements are keyed in only once. Along with pictures

they are stored in the database and are called down as they are needed - for print or for the Internet.

## HISTORY

The first Trading Post was launched in Melbourne in 1966 when a group of friends recognised an

opening in the classified market for low-cost private advertising.

By 1968, growth had been so strong that the initiators decided to divide the company into three and assign separate territories.

As a result, individual Trading Posts were established in three States as The Melbourne Trading Post, The Personal Trading Post in Brisbane and The Trading Post in Sydney. This last one would eventually cover New South Wales, the Australian Capital Territory and South Australia.

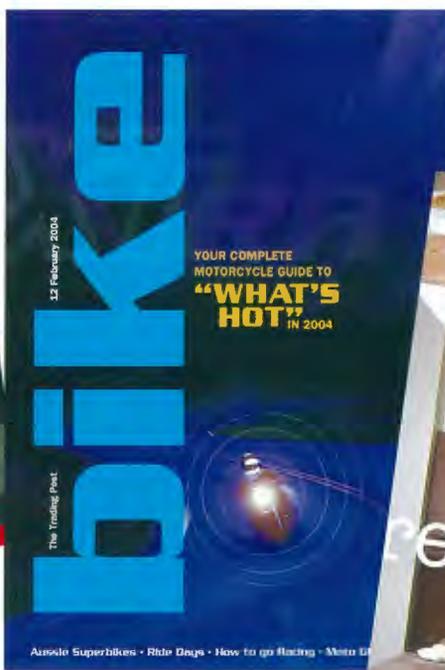
It would be more than 30 years before these three separate organisations would be reunited. That happened on the 31<sup>st</sup> of May 2001, when the

Trading Post Group acquired all three and combined them into a truly national network.

## THE PRODUCT

The highly recognisable tabloid-size Trading Post publications were developed with customer satisfaction and value for money as priorities.

Over the years market research conducted for the Trading Post dictated changes to reflect customer preferences.



This resulted in category specification directed by the market to enhance accessibility. Full process colour printing was introduced to follow the trend in metropolitan newspaper printing. Display advertising, automotive and lifestyle editorial and promotional features were added to further increase service to customers.

The various publications of the group now carry a range of colour magazines as inserts, themed on the one hand as car or motorcycle publications and on the other with a wider brief addressing 'Digital Living' or 'Renovation'. They were initially introduced as magazine-sized inserts, but The Trading Post has found that readers actually prefer the tabloid format, not just for the publication itself but also for the inserts.

As well as enabling refinement of the product, market research was used to refine the core values of the product, develop communication and growth strategies and assist in promotion, particularly in new geographical areas. The addition of web site services has augmented the effectiveness of the printed publications. Internet content can be accessed through the main [www.tradingpost.com.au](http://www.tradingpost.com.au) portal which gives access to the local markets and specialist sites. In 2002, these listed more than 150,000 items each week in 150 categories, taken from the print publications.

Outbound call initiatives have seen Trading Post call centres contacting clients and prospects with up-selling offers, options to repeat ads and a range of special pricing offers. This program is based on sophisticated database technology to support sales personnel with customer information.

Commercial and display advertising are also high priority areas. This market segment is being further developed with the introduction of a national sales team focusing on national advertisers and agencies. Classified advertising growth is managed with continuous market research, underpinned by strong brand promotion at the point of sale.

## RECENT DEVELOPMENTS

In 2002, Dutch-based Trader Classified Media purchased the remaining minority interests in the business and achieved 100 per cent ownership of the nationally recognised Trading Post brand. This consolidated the company's position in Australia, and it now has complete coverage in New South Wales, Victoria, Queensland, Western Australia, South Australia, the Northern Territory and Tasmania.

Since the acquisition, the company has been able to achieve a significant number of synergies among these operations. This has accelerated revenue growth; Sydney's revenue growth, for instance, was up from 5 per cent to 13 per cent.

Additional synergies are expected to flow from the purchase of the Trading Post Group in early March 2004 by Sensis Pty Ltd, the advertising subsidiary of Telstra Corporation Ltd. This brings ownership of the Trading Post back into Australian hands, where it belongs! Among other



brands Sensis manages the White Pages® and the Yellow Pages® directories.

Sensis expects to deliver significant value to Trading Post to help it to continue to grow as the market leader in Australian classified advertising, by drawing on core expertise in local advertising and sales, market and product development and IT.

The Trading Post, meanwhile, has increased Sensis' total advertising market share from 13 to 15 per cent and online advertising revenue share to approximately 26 per cent. It has also created a strong base for further extension into the classified advertising market in Australia.

The Trading Post will allow White Pages® and Yellow Pages® directory customers to access new products in print and online publications, published more frequently, providing deeper functional content to enhance Sensis' consumer offering.

Trading Post delivers its services through multiple media: print, Internet, telephone, SMS and Direct Mail. Extensive research has been carried out to ensure that the group is well placed to meet the challenges of all of these channels.

Increasing revenue while simultaneously improving the service to the client and the brand's reputation, call centres have been implementing a program of new offers for inbound callers. They are offered extra display-style options, immediate placement on the website and other chargeable services to improve the visibility of their advertisements, in order to increase the likelihood of an early sale.

## PROMOTION

Awareness of the product is extremely high and continues to grow strongly in all areas. Word of mouth is perhaps the Trading Post's best promotion. This valued Aussie icon virtually sells itself. Anecdotal evidence abounds

on the success of Trading Post advertising. People all around Australia have their own Trading Post success story to tell - the publication has become part of the folklore and culture.

The cult movie 'The Castle', featuring an iconic Aussie family who purchase virtually all their everyday needs from the Trading Post, further cemented the paper into the fabric of the Australian way of life.

Nevertheless, television and radio advertising campaigns, coupled with high profile point-of-sale promotion in newsagencies, are used nation-wide with greater emphasis in regional locations. At least one major title is supported by radio advertising to communicate a reminder to customers to place their ads before deadline day.

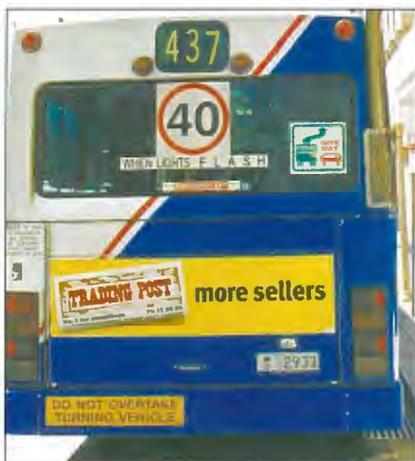
Radio is the main medium for advertising the Trading Post, but television campaigns, billboards and (in Sydney) bus backs all have their place in reminding advertisers to place their ads on Monday or Tuesday for publication on Thursday.

## BRAND VALUES

The Trading Post has gained wide acceptance as the preferred classified advertising medium for private advertisers and small business. It is strongly associated with success when selling or buying. It has a very strong customer focus and a culture of sales leadership.

With a reputation as the most successful way to buy or sell, the Trading Post enjoys a high volume of repeat business and high levels of product loyalty.

Trading Post's brand strategy is to achieve leadership in its chosen markets, driven by effective business management.



## THINGS YOU DIDN'T KNOW ABOUT TRADING POST

- Approximately 1.9 million classifieds appear in combined Trading Post publications in Australia each year.
- Keen buyers have been known to knock on the printers' doors in the early hours of Thursday morning to get hold of an advance copy – unsuccessfully, of course. They also routinely chase trucks to their destinations at newsagents.
- Trading Post Online is one of Australia's largest and most successful advertising-related web sites.