



DAILY NEWSLETTER, ISSUE #2
THURSDAY 18.09.2014

AUTO+ MOBILITY WEEK

KEYNOTE SPEECH

POINTING TO SUCCESS BY THE NUMBERS

Demographics expert
Bernard Salt on the
value of 'high-altitude'
data analysis



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KEYNOTE SPEECH

Reading the narrative behind big numbers

Bernard Salt's presentation revealed how learning to decipher demographics can help clubs to stay successful

Exploiting shifts in the demographic profile of populations can provide new business opportunities for mobility clubs, according to yesterday's keynote speaker Bernard Salt.

The Melbourne-based partner with global advisory firm KPMG and the founder of its specialist business, KPMG Demographics, guided delegates through

an entertaining and informative look at changing population trends. Taking what he called a "long-term, high-altitude view" of the data he demonstrated that by learning to interpret the driving forces behind change, clubs can develop strategies to ensure future success.

"The numbers themselves are of no interest to me," he said. "What is important is to know the story behind those numbers. You have to read the narrative of the numbers."

Salt gave the example of the changing ethnicity of Australia's population as a potential new business area for clubs, with the Australian Bureau for Statistics reporting that in 2013 the Chinese and Indian communities in Australia represented the third and fourth largest segments of population. This change, which he added is reflected in other countries such as the US where the Latino community is growing at three times the rate of the white population, could offer clubs the possibility to target sectors or tailor-make services to different segments.

He further pointed to an ageing population demographic as an area of opportunity for clubs, with, in Australia,

people leaving the workforce at an average age of 58 and living until the age of 82. "There are big opportunities in this burgeoning sector," he said. "They want to reinvent the new space they are in."

He illustrated the example by revealing that healthcare and social assistance services had been the major growth industry in Australia from 2005 until 2009, a direct result of the increasing wealth of the 'baby boomer' generation now in their mid-60s and older. This industry sector could present a chance for clubs to diversify, he said.

Salt concluded by saying that while clubs face many issues, including competition from non-traditional rivals such as supermarket chains and a drop-off in roadside assistance needs, the biggest challenge they face lies in convincing 'Generation Y' consumers, those aged between 20 and 30, of the long-terms value of their services. This, he said, might be achieved through bespoke offerings. "You need to sell individuality and provide individual services," he concluded. "That can include insurance, lifestyle services or holidays, but the way forward may be in tailored membership."





THE ART OF DEBATING

Drawing conclusions

There's a lot of hard work being put in here in Melbourne, both on-stage and off, but one of the busiest people at every session has been local artist Jessamy Gee. At each presentation Jessamy creates a real-time graphic representation of the session, incorporating all the major elements of the discussion. Below is the first of her illustrations, distilling US journalist and author Tom Vanderbilt's fascinating look into the mind of motorist into a single image. We'll feature more of Jessamy's work in AUTO+ Mobility Week across the coming days.

CONNECTED vehicle, CONNECTED members...
-TOM VANDERBILT-

it WILL **IMPACT** OUR future...
We still get AROUND USING 19c technology! (AND "DRIVER" USED to BE a JOB)

HOW DO WE INTERACT with OUR TRANSPORT?
NOW WE HAVE TRAFFIC LIGHT REVIEWS!!

WHY IS IT ALWAYS BETTER IN THE OTHER LANE?
WE TRY HARD to COMMUNICATE in TRAFFIC... but WE LARGELY RELY ON **STEREOTYPES** FOR OUR DECISION MAKING.

OUR BRAINS ARE SET UP TO REGISTER LOSS OVER WIN.

- GENDER
- CAR TYPE
- AGE
- ETHNICITY

THESE ALSO INFORM LEVELS OF HAZARD PERCEPTION...
→ How CAN WE IMPROVE THIS FOR EVERYONE? → QUESTION EMPHASIS ON **SKILLS** IN DRIVER EDUCATION

TRAFFIC PLANNING IS **COMPLEX!**
FORMAL CONTROL informal BEHAVIOUR...

... CHAIN REACTIONS
WHAT'S THAT? WHAT'S THAT? WHAT'S THAT?

DIFFERENT SOCIETAL INFLUENCES LEAD to DIFFERENT BEHAVIOURS.

SELF-DRIVING CAR.
Why ARE WE RESISTENT to THEM?
IS IT JUST SAFETY? OR SOMETHING MORE HUMAN?

AS LONG AS HUMANS ARE IN CONTROL, THERE WILL BE HUMAN BEHAVIOUR

WORKSHOPS

Communicate, innovate and keep members

The first two workshops of the week examined how leading organisations maintain loyalty through product development and member engagement

In the first of this week's workshops in Melbourne, entitled 'Innovation in the Membership Space', session chair, Tony Stuart of Australia National Roads and Motorists' Association (NRMA), opened the discussion by asserting that clubs undervalue themselves and are in fact extremely innovative when it comes to building and retaining membership.

However, while clubs have a good track record in this regard, he added that there is a constant need for the development of products and services among clubs.

Susan Allen, Executive General Manager Membership Services at the Royal Automobile Club of Victoria (RACV), said that the club adopted a clear strategy in 2005 to head off any decline in membership and that in the last nine years, membership had grown from 1.3 million to 1.9 million.

She added that part of this included a realisation that the traditional club role of roadside assistance needs to be augmented with a new range of products to keep existing members and to attract new ones. A key strategy, she said, is to allow anyone purchasing a product, such as insurance, to automatically become a club member.

She also referenced the club's successful 'Emergency Home Assist' scheme, which now has 45,000 members. But with more expected, a high profile marketing and advertising campaign continues to support the programme. She concluded by saying that a major factor in building membership is to be able to extend the message of the value of membership.

Karen Stocks of Twitter Australia said social media offers the chance to give



members access to content that only clubs could provide. She said it also gives clubs the opportunity to provide insight, to engage in a two-way conversation and to promote the brand and its message.

The final presenters, Brian Thorburn, CEO of the Professional Golfers Association of Australia, and Paul Hembery, Pirelli, stressed the importance of adapting to member needs and changing markets.

As an example, Thorburn said that in response to golfers having less time for the traditional round of golf they were planning to introduce

shorter courses and quicker games, plus the incentive of a larger hole.

In the day's second workshop the focus was on enhancing member benefits and member retention.

Scott Fitchett, Managing Director of the New Zealand AA's Smartfuel scheme, gave an update on the innovative reward programme for fuel, which sees cardholders earn fuel discounts and savings at a nationwide network over 2,000 retail outlets. So far, the programme has signed 1.6 million cardholders. With \$150 million in fuel discounts issued and new cardholders growing



at 15,000 a month, the scheme – open to both members and non-members – has been a major success for the club. Club membership growth is today at record levels with a 10.6 per cent growth in new members, retention rates up, and annual membership growth also on the rise. Forty-six per cent of members earn discounts each month, with the average annualised value earned coming to \$85 per active Member.

Glenn Toms, CEO Operations at the Royal Automobile Club of Queensland (RACQ), gave an overview of the evolution of the club's membership architecture, which has been broadened

to move beyond roadside assistance and to improve the club's offer to members through the introduction of new assistance benefits making membership connections across all stages of life.

To illustrate the philosophy, Toms gave the example of the club's successful ticketing programme for the Steve Irwin zoo, which provides savings on tickets and purchases at the park.

Marga de Jager, Director Club and Marketing at Dutch club the Algemene Nederlandse Wielrijdersbond (ANWB), spoke about the club's loyalty programme. Launched in 2013, the club modelled its efforts on the success of

those operated by Australian clubs. The scheme gives members cards of different colours according to loyalty and has been a successful way for the club to make members feel valued.

Jeff Walker of the Canadian Automobile Association (CAA) said that clubs need to provide a number of touch points by which members can get in contact with the organisation. One new project at the club is a new identity theft protection service, the basic level of which is free to members. He said the service drives touch points and also acts as an effective means of acquiring information from members.



EXCURSIONS

The grand Victorian tour

Yesterday saw delegates depart Melbourne for a tour of the RACV's tourism properties. From the Torquay Resort on the Great Ocean Road to Cape Paterson's Inverloch Resort and beyond, delegates experienced how the club has diversified its business, in spectacular style.

