

MARKET RESEARCH SERVICES AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) MON 5 JUNE 2000

C O N T E N T S

	<i>page</i>
Notes	2
Summary of findings	3

T A B L E S

1 Key figures	4
2 Sources of income	6
3 Income from market research by sphere of work	6
4 Income from market research by type of client	7
5 Items of expenditure	9
6 Characteristics of employment	10
7 Main occupations of persons employed	11
8 Seasonal patterns of employment	11
9 Business size	12
10 States and Territories	13
11 Selected performance ratio	14

A D D I T I O N A L I N F O R M A T I O N

Explanatory notes	15
Glossary	17

■ For further information about these and related statistics, contact the National Information Service on 1300 135 070 or Paul Taylor on Melbourne 03 9615 7431.

INTRODUCTION

This publication presents results, in respect of the 1998–99 financial year, from an Australian Bureau of Statistics (ABS) survey of businesses in the Market Research Services industry. The survey covered businesses whose main activity was the provision of market research services, including public opinion research services.

This publication is one of a series to be issued in respect of 1998–99 for a range of property and business services industries. Other publications in this series, which are expected to be released in the next few months, are:

Cleaning Services Industry, Australia, 1998–99 (Cat. no. 8672.0)

Computing Services Industry, Australia, 1998–99 (Cat. no. 8669.0)

Employment Services, Australia, 1998–99 (Cat. no. 8558.0)

Legal Services Industry, Australia, 1998–99 (Cat. no. 8667.0)

Real Estate Services Industry, Australia, 1998–99 (Cat. no. 8663.0)—issued 24 May 2000

Security Services, Australia, 1998–99 (Cat. no. 8557.0)

COMMENTS ON THIS PUBLICATION

The ABS welcomes comments and suggestions from users recommending industries and data items for inclusion in future surveys. These comments should be addressed to the Director, Service Industries Surveys, Australian Bureau of Statistics, PO Box 10 Belconnen, ACT, 2616.

ROUNDING

Where figures have been rounded discrepancies may occur between the sum of component items and the total.

.....

ABBREVIATIONS

ABS Australian Bureau of Statistics

ANZSIC Australian and New Zealand Standard Industrial Classification

W. McLennan
Australian Statistician

SUMMARY OF FINDINGS

INTRODUCTION

This publication presents results, in respect of the 1998–99 financial year, from an Australian Bureau of Statistics (ABS) survey of businesses in the market research services industry. For the purposes of this survey, market research services are defined to include the investigation and compilation of data on market potential, acceptance and familiarity of products, and buying habits of consumers. It also involves the investigation of public opinion about political, economic and social issues. Businesses mainly conducting these activities are classified to Class 7853 (Market Research Services) of the Australian and New Zealand Standard Industrial Classification (ANZSIC). Businesses mainly providing business consultancy services and/or business marketing services were excluded from the survey.

SIZE OF INDUSTRY

At the end of June 1999, there were 272 businesses in the market research services industry, of which 224 businesses mainly provided market research consultancy services and 48 mainly provided field work services supporting other businesses in the industry. Of the 272 businesses, 202 (74%) carried out qualitative research such as in depth interviews and focus group discussions and 221 (81%) provided quantitative research services.

There were 24 market research businesses which employed 100 persons or more. These businesses, which represented only 9% of all businesses, contributed 74% of total industry employment and 59% of total industry income.

SOURCES OF INCOME

During 1998–99, the total income of the market research industry was \$456 million. Quantitative research services income (\$307 million) and qualitative research services income (\$104 million) represented 67% and 23% respectively of total income.

In terms of the different spheres of market research work, Fast moving retail consumer goods (\$98 million), Other retail (\$62 million) and Finance and insurance services (\$56 million), were the main spheres of work. In total, these three spheres of work accounted for 49% of total market research income. (The glossary provides definitions of these spheres of work.)

EXPENDITURE

Total expenses for the market research services industry during 1998–99 were \$384 million. Labour costs were the highest single expense (\$203 million), representing 53% of total expenses.

In 1998–99, the operating profit before tax for the industry was \$72 million, which represented an operating profit margin of 15.9%.

EMPLOYMENT

At the end of June 1999, there were 10,744 persons working in the market research services industry. Employment in the industry was dominated by casual staff which accounted for 75% of total employment. Casual staff were mainly data collection and processing staff.

There were 1,580 consultants, researchers and data analysts working in the industry at the end of June 1999. The average salary of these persons was \$60,900.

SUMMARY OF FINDINGS *continued*

STATE AND TERRITORY COMPARISONS

At the end of June, there were 160 market research businesses operating in New South Wales. These businesses dominated the industry contributing 50% of total industry employment and 53% of total industry income. The only other State with substantial market research services activity was Victoria, which accounted for 31% of total industry employment and 31% of total industry income.

1 KEY FIGURES

	1998-99
Businesses at end June	
Market research consultancy businesses (no.)	224
Field work for market research businesses (no.)	48
Total (no.)	272
Employment at end June	
Consultants, researchers and data analysts (no.)	1 580
Other (no.)	9 164
Total (no.)	10 744
Income	
Income from market research services	
Qualitative research (\$m)	104.2
Quantitative research (\$m)	306.5
Other (including desk research) (\$m)	28.1
Total (\$m)	438.8
Other income (\$m)	16.9
Total (\$m)	455.8
Expenses	
Labour costs (\$m)	203.4
Other expenses (\$m)	180.5
Total (\$m)	383.9
Operating profit before tax (\$m)	71.9
Operating profit margin (%)	15.9

SOURCES OF INCOME

SOURCES OF INCOME

During 1998–99, the total income of the market research services industry was \$456 million.

Quantitative research work generated 67% (\$307 million) of this income and was carried out by 221 businesses in the industry. The main types of quantitative research work were telephone interviewing (\$164 million) and personal interviewing (\$119 million) activities. In comparison, \$104 million (23%) of industry income was generated by qualitative research.

While 67% of industry income was generated from quantitative research work, the percentage was even higher (75%) for large businesses with 100 persons or more.

Market research businesses received income from diverse spheres of work. The main sphere of work was Fast moving consumer goods with 144 businesses receiving \$98 million for market research in this area. The other main spheres of work were Other retail with 126 businesses receiving \$62 million, and Finance and insurance services with 132 businesses receiving \$56 million. Significant industry income was also generated by market research into Health and pharmaceuticals (\$43 million), Media (\$41 million), and Communication and information technology (\$31 million).

The great majority (81%) of market research industry income was generated from Australian private sector clients (\$355 million) of which \$52 million was received from other market research businesses. Other clients were the government sector (\$68 million) and overseas clients (\$16 million).

SOURCES OF INCOME *continued*

SOURCES OF INCOME *continued*

2 SOURCES OF INCOME

	<i>Businesses at end June(a)</i>	<i>Value</i>	<i>Proportion of total income</i>
	no.	\$m	%
Sales of goods and services			
Income from market research services			
Qualitative research services	202	104.2	22.9
Quantitative research services			
Personal	166	118.8	26.1
Telephone	179	163.7	35.9
Other	69	24.0	5.3
<i>Total quantitative research services</i>	221	306.5	67.2
Desk research services	89	15.9	3.5
Other market research services	60	12.3	2.7
<i>Total</i>	272	438.8	96.3
Income from business consultancy services	42	1.8	0.4
Income from marketing services	23	0.7	0.2
Rent, leasing and hiring income	30	0.7	0.2
Other operating income	57	11.2	2.5
<i>Total</i>	272	453.3	99.5
Other sources of income			
Interest income	139	2.0	0.4
Other non-operating income	42	0.5	0.1
<i>Total</i>	156	2.4	0.5
Total	272	455.8	100.0

(a) Businesses may have more than one source of income. Hence, the counts of businesses for each income source do not sum to the total.

3 INCOME FROM MARKET RESEARCH BY SPHERE OF WORK

	<i>Businesses at end June(a)</i>	<i>Value</i>	<i>Proportion of total income</i>
	no.	\$m	%
Fast moving consumer goods	144	97.5	22.2
Retail (excluding fast moving consumer goods)	126	62.2	14.2
Tourism and hospitality	83	22.0	5.0
Communication and information technology	122	31.4	7.2
Automotive	66	18.1	4.1
Utilities	73	17.6	4.0
Finance and insurance services	132	56.1	12.8
Health and pharmaceutical	118	43.1	9.8
Media	61	40.6	9.3
Other	127	50.1	11.4
Total	272	438.8	100.0

(a) Businesses may have more than one sphere of work. Hence, the counts of businesses for each sphere of work do not sum to the total.

SOURCES OF INCOME *continued*

SOURCES OF INCOME *continued*

4 INCOME FROM MARKET RESEARCH BY TYPE OF CLIENT

	<i>Businesses at end June(a)</i>	<i>Value</i>	<i>Proportion of total income</i>
	no.	\$m	%
Australian private sector			
Market research			
businesses/consultants	136	52.0	11.9
Other private sector businesses	217	303.3	69.1
<i>Total</i>	269	355.3	81.0
Australian public (government)			
sector	131	67.9	15.5
Overseas sector	73	15.6	3.6
Total	272	438.8	100.0

(a) Businesses may have more than one type of client. Hence, the counts of businesses for each client type do not sum to the total.

EXPENDITURE

EXPENDITURE

Total expenses for the market research services industry during 1998–99 were \$384 million.

Labour costs of \$203 million represented 53% of total expenses for the industry. The labour cost proportion was generally higher for large businesses with labour costs representing 59% of the total expenses of the 24 businesses employing 100 or more persons compared to 38% for the 139 businesses with employment of less than five persons.

Outsourcing contributed significantly to total expenses with payments to other businesses for market research consultancy services (\$23 million), for data collection and processing services (\$22 million) and for recruitment services (\$10 million). In addition there were in excess of \$4 million of incentive payments to focus group members and interviewees, which are included as part of Other operating expenses.

Other significant expenses were rent, leasing and hiring expenses (\$19 million), telecommunication expenses (\$15 million), and depreciation and amortisation (\$14 million). Other operating expenses, which were not separately itemised, were \$40 million and included such expenses as incentive payments, computer costs, electricity and gas charges, accounting fees and royalties expenses.

EXPENDITURE *continued*

EXPENDITURE *continued*

5 ITEMS OF EXPENDITURE

	Value	Proportion of total expenses
	\$m	%
Labour costs		
Wages and salaries		
Consultants, researchers and data analysts	96.3	25.1
Other employees	82.3	21.4
<i>Total</i>	178.6	46.5
Employer contributions to superannuation funds	14.6	3.8
Workers' compensation costs	0.9	0.2
Payroll tax	9.2	2.4
<i>Total</i>	203.4	53.0
Selected expenses		
Market research services provided by other businesses	22.6	5.9
Data collection and processing services	21.9	5.7
Recruitment services provided by other businesses		
Focus groups	5.2	1.4
Other	4.2	1.1
<i>Total</i>	9.5	2.5
Postal, mailing and courier services	5.5	1.4
Telecommunication services	15.1	3.9
Motor vehicle running expenses	3.9	1.0
Rent, leasing and hiring expenses	18.7	4.9
Paper, printing and stationery expenses	7.8	2.0
Travelling, accommodation and entertainment expenses	10.3	2.7
Other operating expenses	39.9	10.4
<i>Total</i>	155.3	40.5
Other costs		
Purchases		
Purchases of data	0.7	0.2
Other purchases	3.4	0.9
<i>Total</i>	4.1	1.1
Insurance premiums	1.5	0.4
Interest expenses	4.9	1.3
Depreciation and amortisation	14.3	3.7
Bad and doubtful debts	0.5	0.1
<i>Total</i>	25.2	6.6
Total	383.9	100.0

EMPLOYMENT

EMPLOYMENT

At the end of June 1999, there were 10,744 persons working in the market research services industry. Females comprised 67% of total employment.

Employment in the industry was mainly on a casual basis with 8,036 persons (75% of total employment) working on this basis. Females accounted for 69% of casual employees.

Of the 10,744 persons in the industry, 8,414 persons (78% of total employment) were data collection/processing staff, 1,580 persons were consultants, researchers and data analysts and 651 persons were administrative support staff.

While the average labour costs per employee for the industry was \$19,000, the wage and salary component varied greatly by type of employee. The wages and salaries of \$96 million paid to the 1,580 consultants, researchers and data analysts represented an average wages and salary per consultant of \$60,900, whereas the wages and salaries of \$82 million paid to the 9,164 other employees represented an average wages and salary of \$9,000, reflecting the very high incidence (75%) of casual staff.

The employment of 10,744 persons at the end of June 1999 represented a quarterly high for the industry. Average employment for the four quarters of the year was 10,550 persons.

6 CHARACTERISTICS OF EMPLOYMENT

	Males		Females		Total	
	no.	Percentage contribution	no.	Percentage contribution	no.	Percentage contribution
Working proprietors and partners of unincorporated businesses	19	0.5	16	0.2	35	0.3
Employees						
Permanent full-time	1 003	28.1	1 416	19.7	2 419	22.5
Permanent part-time	38	1.1	216	3.0	255	2.4
Total permanent employees	1 041	29.2	1 632	22.7	2 674	24.9
Casual	2 507	70.3	5 528	77.0	8 036	74.8
Total employees	3 549	99.5	7 161	99.8	10 710	99.7
Total employment at end June 1999	3 568	100.0	7 177	100.0	10 744	100.0

EMPLOYMENT *continued*

EMPLOYMENT *continued*

7 MAIN OCCUPATIONS OF PERSONS EMPLOYED

	Persons	Proportion of total employment
	no.	%
Consultants, researchers and data analysts	1 580	14.7
Administrative support	651	6.1
Data collection/processing	8 414	78.3
Other	98	0.9
Total	10 744	100.0

8 SEASONAL PATTERNS OF EMPLOYMENT

	Persons employed	Percentage difference from average
	no.	%
Employment at end -		
September 1998	10 475	-0.7
December 1998	10 389	-1.5
March 1999	10 590	0.4
June 1999	10 744	1.8
Average employment	10 550	. .

. . not applicable

BUSINESS SIZE

BUSINESS SIZE

At the end of June 1999, there were 24 businesses in the industry employing 100 persons or more. These 24 large businesses accounted for 9% of all businesses, 74% of employment and 59% of industry income. The operating profit before tax of these large businesses was \$40 million (55% of the industry operating profit before tax) and represented an operating profit margin of 14.9%.

In contrast, there were 139 businesses (51% of all businesses) with employment of less than 5 persons. These businesses were primarily made up of consultants, researchers and data analysts as reflected in their high average labour costs per employee (\$55,200), compared to the industry average of \$19,000. These small businesses contributed 2% and 9% to employment and industry income respectively. Overall there was not a great variation in the operating profit margin recorded by the different sized businesses. With the exception of businesses employing 50 persons or more, all business size groupings recorded an operating profit margin greater than the industry average of 15.9%. The 33 businesses with employment between 10-19 persons recorded the highest operating profit margin of 18.9%.

9 BUSINESS SIZE

	Units	0-4 persons	5-9 persons	10-19 persons	20-49 persons	50-99 persons	100 or more persons	Total
Businesses at end June	no.	139	37	33	21	17	24	272
	%	51.1	13.6	12.1	7.7	6.3	8.8	100.0
Total employment	no.	251	235	421	675	1 214	7 949	10 744
	%	2.3	2.2	3.9	6.3	11.3	74.0	100.0
Wages and salaries	\$m	11.0	7.5	9.8	13.9	17.9	118.4	178.6
	%	6.2	4.2	5.5	7.8	10.0	66.3	100.0
Total income	\$m	40.9	28.7	31.6	43.5	43.6	267.5	455.8
	%	9.0	6.3	6.9	9.5	9.6	58.7	100.0
Operating profit before tax	\$m	6.9	5.4	6.0	7.2	6.6	39.8	71.9
Operating profit margin	%	17.0	18.8	18.9	16.7	15.4	14.9	15.9

STATE AND TERRITORY DIMENSIONS

STATE AND TERRITORY DIMENSION

The market research industry was dominated by businesses in New South Wales and Victoria. There were 160 businesses in the industry which operated in New South Wales. These businesses accounted for 50% of industry employment and 53% of industry income as compared with the New South Wales proportion of the Australian population of 34%. Businesses located in New South Wales had the highest income per business of \$1,507,500.

The 95 businesses operating in Victoria accounted for 31% of industry employment and 31% of industry income. Victoria's proportion of the Australian population is 25%.

Of the market research operations in the remaining States and Territories, 7% of industry income was generated by businesses operating in Queensland and 5% by businesses operating in Western Australia. However, the 18 businesses operating in Western Australia had an average income of \$1,194,400 compared to \$881,100 for the 37 businesses operating in Queensland.

10 STATES AND TERRITORIES

	<i>Businesses at end of June(a)</i>		<i>Employment at end June . . .</i>		<i>Wages and salaries</i>		<i>Total income</i>	
	no.		no.	%	\$m	%	\$m	%
New South Wales	160		5 400	50.3	97.8	54.7	241.2	52.9
Victoria	95		3 304	30.7	57.2	32.1	142.5	31.3
Queensland	37		865	8.0	10.7	6.0	32.6	7.2
South Australia	16		329	3.1	3.4	1.9	9.6	2.1
Western Australia	18		610	5.7	7.3	4.1	21.5	4.7
Tasmania	5	np	np	np	np	np	np	np
Northern Territory	4	np	np	np	np	np	np	np
Australian Capital Territory	11		106	1.0	1.3	0.7	5.5	1.2
Australia	272		10 744	100.0	178.6	100.0	455.8	100.0

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Multi-State organisations are counted in each State in which they operate. Hence, the counts of businesses for States and Territories do not sum to the total for Australia.

PERFORMANCE MEASURES

PERFORMANCE MEASURES

The average labour costs per employee for the industry was \$19,000, which varied from \$55,200 for businesses with employment less than 5 persons to \$16,900 for businesses employing 100 or more persons. The presence of a higher proportion of data collection and processing staff working on a casual basis in larger businesses contributed to this difference. The average wage for data collection, processing and administrative support staff was \$21,500 for businesses with employment less than 5 persons compared to \$8,600 for businesses employing 100 persons or more.

The proportion of labour costs to total expenses also varied by size of business. The industry average was 53%, with the average being 38% for businesses with employment less than ten persons compared to 59% for businesses employing 100 persons or more.

Income from quantitative research and income from qualitative research represented 67% and 23% respectively of industry income. However, this average varied by size of business, with businesses employing 100 persons or more generating 75% of their income from quantitative research and 18% from qualitative research. The smaller businesses tended to carry out proportionally less quantitative research with businesses with employment less than 10 persons generating 47% of their income from quantitative research.

11 SELECTED PERFORMANCE RATIOS

		BUSINESS SIZE						
		0-4 persons	5-9 persons	10-19 persons	20-49 persons	50-99 persons	100 or more persons	Total
Total income per person employed	\$'000	162.8	122.2	75.1	64.5	36.0	33.7	42.4
Total expenses per person employed	\$'000	135.4	99.3	60.9	53.7	30.5	28.6	35.7
Labour costs per employee	\$'000	55.2	37.4	27.4	23.4	16.8	16.9	19.0
Wages and salaries per consultant	\$'000	59.4	50.8	51.9	64.0	72.5	61.7	60.9
Wages and salaries per other employee	\$'000	21.5	12.6	11.2	10.8	8.2	8.6	9.0
Labour costs to total expenses	%	37.9	37.0	44.1	43.4	55.2	59.0	53.0
Income from qualitative market research services to total income	%	37.3	39.1	37.7	22.6	15.4	18.4	22.9
Income from quantitative market research services to total income	%	45.9	47.1	50.9	61.5	68.9	75.3	67.3
Income from desk research services to total income	%	7.3	3.0	5.3	np	np	0.4	3.5
Operating profit before tax per person employed	\$'000	27.4	22.9	14.2	10.7	5.5	5.0	6.7
Operating profit margin	%	17.0	18.8	18.9	16.7	15.4	14.9	15.9

np not available for publication but included in totals where applicable, unless otherwise indicated

EXPLANATORY NOTES

- INTRODUCTION**
- 1** This publication presents results, in respect of 1998–99 financial year, from an Australian Bureau of Statistics (ABS) census of businesses mainly engaged in providing market research services.
- SCOPE**
- 2** The scope of the census was all employing businesses recorded on the ABS business register and classified to Class 7853, Market Research Services, of the Australian and New Zealand Standard Industrial Classification (ANZSIC). Class 7853 includes units mainly engaged in providing market research services, including public opinion research services. Businesses mainly providing business consultancy services and/or marketing services were not included in the survey.
- IMPROVEMENTS TO COVERAGE**
- 3** Data in this publication have been adjusted to allow for lags in processing new businesses to the ABS business register, and the omission of some businesses from the business register. The majority of businesses affected and to which the adjustments apply are small in size.
- 4** Adjustments have been made to include new businesses in the estimates in the periods in which they commenced operations, rather than when they were processed to the business register. Adjustments of this type will continue to be applied in future periods.
- 5** Further adjustments have been made for businesses which had been in existence for several years but, for various reasons, were not previously added to the ABS register. The ABS is remedying these omissions.
- 6** For more information on these adjustments, please refer to the ABS publication Information Paper: *Improvements to ABS Economic Statistics, 1997* (Cat. no. 1357.0).
- STATISTICAL UNIT**
- 7** The unit for which statistics were reported in the survey was the management unit. The management unit is the highest-level accounting unit within a business or organisation, having regard to the required level of industry homogeneity, for which accounts are maintained. In nearly all cases it coincides with the legal entity owning the business (i.e. company, partnership, trust, etc.). In the case of large diversified businesses, however, there may be more than one management unit, each coinciding with a 'division' or 'line of business'. A division or line of business is recognised where separate and comprehensive accounts are compiled for it.
- STATE AND TERRITORY DATA**
- 8** Data were collected in respect of the Australia-wide operations of each business. Where the business operates in only one State or Territory all the activities of the business are attributed to that State or Territory. Businesses which operated in more than one State or Territory were asked to provide a dissection of key data items by State and Territory to enable State and Territory statistics to be compiled.
- RELIABILITY OF THE DATA**
- 9** Because the census does not have a sample component, the data are not subject to sampling variability. However, other inaccuracies collectively referred to as non-sampling error may affect the data. These non-sampling errors may arise from a number of sources, including:
- deficiencies in the register of units from which the census was taken;
 - errors in the reporting of data by respondents;
 - errors in the capturing or processing of data;
 - estimation for missing or mis-reported data; and
 - definition and classification errors.

EXPLANATORY NOTES *continued*

RELIABILITY OF THE DATA

continued

10 Every effort has been made to reduce non-sampling error to a minimum by careful design and testing of questionnaires, efficient operating procedures and systems, and appropriate methodology.

REFERENCE PERIOD

11 Data contained in the tables in this publication relate to all market research businesses which operated in Australia at any time during the year ended 30 June 1999. Counts of businesses and organisations include only those that were operating at 30 June 1999.

BUSINESSES CEASED DURING THE YEAR

12 A very small number of organisations ceased operations during the 1998–99 reference period. As is normal ABS procedure, the contributions of these organisations were included in the survey output.

ACKNOWLEDGMENT

13 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated; without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

GLOSSARY

Administrative support staff	This item refers to staff involved in office management, accounting, information technology or clerical functions which provide administrative support to the major activities of the market research business.
Australian private sector	This item includes businesses operating in the private corporate trading sector such as incorporated and unincorporated businesses, trusts and incorporated associations.
Australian public (government) sector	This item includes income derived from Commonwealth, State and Local Government agencies such as government departments, public utilities e.g. gas, water and electricity, and government business enterprises such as public transport and communications entities for the provision of market research services.
Automotive (sphere of work)	This item refers to the motor vehicle industry and road and transport related activity including government related road transport services.
Bad and doubtful debts	Bad and doubtful debts is the amount of accounts receivable that are either written off, or estimated to be uncollectable during an accounting period, that are expensed in a period's profit calculations.
Casual employees	This item refers to employees not entitled to take paid holidays.
Communication and information technology (sphere of work)	This item refers to the business sector involved in the manufacture and/or service of computer and telecommunications hardware, electronic components, other computer and communication components, package software and/or the provision of computer and communication services.
Consultants, researchers and data analysts	This item refers to professionals employed by businesses within the industry who undertake market research consultancies, conduct qualitative, quantitative or desk research and perform data based analytical activities.
Data collection/processing staff	This item refers to persons involved in data collection (via phone, personal interview, questionnaire, focus group) and associated data processing tasks including data entry, manipulation services and services related to the transformation of data into a suitable output.
Data collection and processing services provided by other businesses (expense)	This item refers to payments made to other businesses for data collection services (via phone, personal interview, questionnaire, focus group) and associated data processing services including data entry, manipulation services and services related to the transformation of data into a suitable output.
Desk research services (income)	This item refers to income derived from the analysis of primary data as input to, or part of, a specific market research project.
Depreciation and amortisation	This item refers to the financial charges made to the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period.
Employees	This item includes working directors, and other employees working for a business during the last pay period in June. Employees absent on paid or prepaid leave are included. This item excludes working proprietors and partners of unincorporated businesses.
Employer contributions to superannuation funds	This item includes all employer contributions to superannuation schemes (including the employer productivity contribution).
Employment at end June	This item includes working proprietors and partners, working directors, and other employees working for a business during the last pay period in June. Employees absent on paid or prepaid leave are included.
Fast moving consumer goods (sphere of work)	This item refers to goods such as food and perishables that are normally consumed on a weekly or fortnightly basis and require prompt replacement.

GLOSSARY *continued*

Field work for market research businesses	This item refers to the physical collection of data or observations as part of a market research project.
Finance and insurance services (sphere of work)	This item refers to the industry sector predominantly involved in provision of financial and insurance services, including banking, other financial institutions, general and specialist insurers and finance related government services.
Focus groups	This item refers to small groups of participants who come together to provide feedback or opinion on a topic, issue or product as part of a market research project. Focus groups endeavour to go beyond superficial answers and explore the deeper issues or perceptions recorded.
Full-time employees	This item refers to employees who work 35 hours per week or more.
Health and pharmaceutical (sphere of work)	This item refers to the industry sector concerned with the provision of health and pharmaceutical services including medical and general health providers, production and distribution of pharmaceutical products and health related government services.
Income from business consultancy services	This item includes separately invoiced income derived from the provision of advice in respect of the planning, control or management of a business, with a view to enhancing the efficiency of that business (e.g. strategic management consulting, economic analysis and forecasting, cost benefit analysis).
Income from marketing services	This item includes separately invoiced income derived from services aimed at making a business and its products and services more attractive to consumers, maximising consumer satisfaction and increasing business profitability (e.g. sales advisory services, advertising, promotion and publicity for a product or business, development of client focus strategies).
Insurance premiums	This item refers to expenses incurred by a business in respect of different types of insurance policies but excluding workers' compensation and compulsory third party motor vehicle insurance.
Interest expenses	This item includes interest on bank loans, loans made from related as well as unrelated businesses/organisations, and interest in respect of finance leases, interest paid to loans from partners, interest equivalents, such as hedging costs, and expenses associated with discounted bills. It excludes bank charges and capital repayments.
Interest income	This item includes interest from deposits in banks and non-bank financial institutions, loans and advances made to other businesses, interest on finance leases, and earnings on discounted bills. It excludes capital repayments received.
Market research consultancy businesses	This item refers to businesses consulting on a coordinated range of market research related services such as full-service market research, qualitative or quantitative research. Consulting services may also provide data analysis, business management and marketing advice.
Media (sphere of work)	This item refers collectively to the mass media including television, radio, print media and the Internet.
Motor vehicle running expenses	This item includes the costs incurred using "on-road" motor vehicles owned by the business for business purposes.
Operating profit before tax (OPBT)	This item refers to a measure of profit before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (e.g. dividends paid).
Operating profit margin	This item refers to the percentage of sales of goods and services available as operating profit, i.e. OPBT times 100 divided by sales of goods and services.

GLOSSARY *continued*

Other employees	This item includes all employees who are not mainly involved in consulting, researching and data analysis, administrative support or data collection/processing.
Other operating expenses	This item includes payments for incentives, royalties, electricity costs, accounting fees, fringe benefits costs, licence fees and advertising costs.
Other operating income	This item includes income from separately invoiced data processing services, software sales, sponsorship and government subsidies.
Other non-operating income	This item includes income net of profit (loss) on sales of fixed tangible assets, dividend income, net profit (loss) on share trading, donations, and net profit (loss) on foreign loans as a result of variation in foreign exchange rates/transactions. This item excludes extraordinary profit (loss), i.e. not associated with the normal operations of the business and of a non-recurring nature.
Other private sector businesses	This item includes income derived from businesses (other than market research businesses/consultancies) in the Australian private sector for the provision of market research services.
Overseas sector	This item includes income derived from overseas based businesses for the provision of market research services.
Paper, printing and stationery expenses	This item includes costs incurred for office supplies and printing carried out by or for the business.
Part-time employees	This item refers to employees who work less than 35 hours per week.
Payments to market research consultants/other businesses	This item includes payments to external consultants or sub-contractors to provide market research services.
Payroll tax	This item refers to tax levied by State and Territory governments upon the amount of wages and salaries paid by a business.
Postal, mailing and courier services	This item refers to expenses incurred for the collection, transport, and delivery (domestic or international) of addressed or unaddressed mail, packages and parcels.
Purchases	This item refers to the costs of goods and services used in the production/provision of the final output of a business. For the market research industry this includes the purchase of finished or secondary data.
Qualitative research services	This item refers to exploratory techniques such as focus group discussions and in-depth interviews based on statistically small samples to produce data on a particular topic or theme.
Quantitative research services	This item refers to the collection of samples of data via telephone, personal interview or mail-out questionnaire to produce data on a particular topic or theme.
Recruitment services	This item includes payments to other businesses for recruitment of qualitative focus groups, fieldwork teams and/or the provision of general recruitment services.
Rent, leasing and hiring (income)	This item includes income derived from hiring of rooms for focus groups and operating leases on land, buildings, machinery, equipment and any other property.
Rent, leasing and hiring (expenses)	This item includes the costs for the rent, leasing (excluding finance leases) and hiring of vehicles, land, buildings, machinery, equipment and any other property from other businesses or individuals.

GLOSSARY *continued*

Retail (sphere of work)	This item refers to the sale of goods individually or in small quantities to the general public. In Australia this usually refers to those goods that are not sold wholesale.
Telecommunication services	This item includes all payments (of a non-capital nature) for telecommunication services which engage wire, cable or radio transmission.
Tourism and hospitality (sphere of work)	This item refers to business generated by visitors (domestic and overseas) and includes cafes, restaurants, hotels and associated services that cater for the tourist and domestic markets. It also includes tourism related government services.
Travelling, accommodation and entertainment expenses	This item includes costs incurred for transportation and accommodation services relating to business activities which occur away from the normal place of business. Entertainment costs are included if they are incurred in connection with business activities.
Utilities (sphere of work)	This item refers to those entities associated with the supply of electricity, gas and water.
Wages and salaries	This item refers to payments accruing to all employees during the financial year including provisions for employee entitlements, severance, termination and redundancy payments.
Workers' compensation costs	This item refers to compulsory insurance cover taken out by all employers, except for self-insured workers, according to legislative schemes to cover employees suffering injury or disease in the course of or arising out of employment.
Working proprietors and partners of unincorporated businesses	This item includes working proprietors and partners who own/operate their own business in a profession or trade (a sole proprietorship) or, along with one or more other partners, operate a partnership. Working proprietors and working partners as owners are not considered to be employees of the business.

FOR MORE INFORMATION...

- INTERNET** www.abs.gov.au the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY** A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE** For current and historical Consumer Price Index data, call 1902 981 074 (call cost 75c per minute).
- DIAL-A-STATISTIC** For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 75c per minute).

INFORMATION SERVICE

Data which have been published and can be provided within five minutes are free of charge. Our information consultants can also help you to access the full range of ABS information—ABS user pays services can be tailored to your needs, time frame and budget. Publications may be purchased. Specialists are on hand to help you with analytical or methodological advice.

- PHONE** **1300 135 070**
- EMAIL** **client.services@abs.gov.au**
- FAX** 1300 135 211
- POST** Client Services, ABS, GPO Box 796, Sydney 1041

WHY NOT SUBSCRIBE?

ABS subscription services provide regular, convenient and prompt deliveries of ABS publications and products as they are released. Email delivery of monthly and quarterly publications is available.

- PHONE** 1300 366 323
- EMAIL** subscriptions@abs.gov.au
- FAX** 03 9615 7848
- POST** Subscription Services, ABS, GPO Box 2796Y, Melbourne 3001



2855600007984

ISBN 0 642 54263 5

RRP \$17.00

© Commonwealth of Australia 2000

Produced by the Australian Bureau of Statistics