



# **MARKET RESEARCH SERVICES AUSTRALIA**

EMBARGO: 11.30AM (CANBERRA TIME) TUES 1 JUL 2003

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Dean Bloom on Brisbane 07 3222 6404.

# NOTES

## INTRODUCTION

This publication presents results in respect of the 2001–02 financial year, from an Australian Bureau of Statistics (ABS) survey of market research businesses. This is the third time the ABS has conducted this survey, previous statistics were released for 1992–93 and 1998–99.

The scope of the survey was all employing businesses classified to class 7853 (Market Research Services) of the *Australian and New Zealand Standard Industrial Classification* (ANZSIC). This class comprises businesses predominantly engaged in the provision of market research services.

## COMPARISONS WITH PREVIOUS SURVEY RESULTS

This survey has been designed primarily to provide a measure of the financial and business structure of market research businesses operating in Australia. While comparisons are made between 2001–02 survey results and earlier iterations of the Market Research Services Survey, the survey has not been designed to provide highly accurate estimates of change, so any comparisons made to previous surveys should be used with caution. For further information, see paragraphs 15–17 of the Explanatory Notes.

## 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 directed to The Director, Service Industries Business Statistics Centre, Australian Bureau of Statistics, GPO Box 2796Y, Melbourne, Vic. 3001.

## ROUNDING

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



## ABBREVIATIONS

ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ATO	Australian Taxation Office
GDP	gross domestic product
GE	group employer
OPBT	operating profit before tax
PAYGW	pay-as-you-go withholding
RSE	relative standard error
SE	standard error
TAU	type of activity unit

R.W. Edwards  
Acting Australian Statistician



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CHAPTER **1**

**SUMMARY OF OPERATIONS** .....

SUMMARY OF  
OPERATIONS

At the end of June 2002, there were 334 businesses mainly providing market research services. Of the 334 businesses, 211 (63%) carried out qualitative research such as in depth interviews and focus group discussions and 222 (66%) provided quantitative research services.

There were 12,311 persons working in market research services businesses and employment was mainly made up of data collection/processing employees with 9,447 persons (77%). There were 1,811 (15%) people whose main activity was client services, research, design and analysis.

During 2001–02, the total income of market research businesses was \$587 million. Qualitative research services income (\$176 million) and quantitative research services income (\$310 million) represented 30% and 53% respectively of total income.

Total expenses for market research businesses during 2001–02 were \$529 million. Labour costs were the highest single expense (\$279 million), representing 53% of total expenses.

The operating profit before tax for market research businesses was \$58 million (down from \$72 million in 1998–99). The operating profit margin fell from 15.9% in 1998–99 to 10.1% in 2001–02.

**1.1**

## SUMMARY OF OPERATIONS

		1998-99	2001-02
Businesses at end June	no.	272	^ 334
Employment at end June			
Client services, research			
design and analysis	persons	na	1 811
Administrative support	persons	na	^ 714
Data collection/processing	persons	na	9 447
Other	persons	na	^ 339
<i>Total</i>	persons	10 744	12 311
Income			
Income from market research services			
Qualitative research	\$m	104.2	*175.7
Quantitative research	\$m	306.5	309.8
Other (including desk research)	\$m	28.1	78.1
<i>Total market research income</i>	\$m	438.8	^ 563.5
Other income	\$m	16.9	23.3
<i>Total</i>	\$m	455.8	586.8
Expenses			
Labour costs	\$m	203.4	279.2
Other expenses	\$m	180.5	^ 250.0
<i>Total</i>	\$m	383.9	^ 529.2
Operating profit before tax	\$m	71.9	*58.1
Operating profit margin	%	15.9	^ 10.1

^ estimate has a relative standard error of between 10% and 25% and should be used with caution

na not available

\* estimate has a relative standard error of between 25% and 50% and should be used with caution

**INCOME**

During 2001–02, the total income generated by market research businesses was \$587 million. Quantitative research generated 53% (\$310 million) of this income and was carried out by 222 businesses (66% of all businesses). The main types of quantitative research work were telephone interviewing (\$135 million) and personal interviewing (\$72 million). In comparison, \$176 million of industry income was generated by qualitative research. While panel quantitative research was performed by only 15 businesses, it generated 11% (\$64 million) of total income.

Market research businesses received work from a wide range of client types. The main type was Manufacturing with 135 businesses receiving \$105 million for market research from this type of client. The other main types of client were Retail and Wholesale (\$88 million) and Financial Services (\$70 million). In total, these three types of client accounted for 47% of total market research income (the Glossary provides definitions of these types of client). Significant industry income was also generated by market research from clients in Media (\$44 million), Other public sector (\$46 million) and Other market research businesses (\$54 million).

Only 60 businesses received market research income sourced from Internet/email activities in 2001–02. The value of this income was \$7.9 million, which is 1.3% of total income.

**EXPENDITURE**

Total expenses of market research businesses during 2001–02 were \$529 million.

Labour costs (\$279.2 million) were the largest expenditure item, accounting for 52.8% of total expenses. Labour costs averaged \$22,700 per employee, with averages of \$43,600 for businesses with less than five employees and \$19,700 for businesses with 100 or more employees.

Wages paid to employees in client services were \$128.4 million which represents 46% of labour costs.

Other major expenses were market research services provided by other businesses (\$45.0 million) and Recruitment services (\$22.3 million).

**CHARACTERISTICS OF  
EMPLOYMENT**

At the end of June 2002, there were 12,311 persons working in market research businesses, a 15% increase since June 1999.

Employment was dominated by casual staff. At the end of June 2002 there were 9,115 casuals (74% of total employees) and 3,173 permanent employees (26% of total employees). The number of hours worked by casual employees during 2001–02 was 5.6 million hours. The high proportion of casual employees is reflected in the relatively low labour cost per employee of \$22,700 for the industry.

CHARACTERISTICS OF  
EMPLOYMENT *continued*

The percentage of females employed by market research businesses has risen slightly from 67% at the end of June 1999 to 70% at the end of June 2002. The 6,802 casual female employees represented 75% of all casual employees with the 1,812 permanent female employees representing 57% of all permanent employees.

**2.1**

## SOURCES OF INCOME

	<i>Businesses at end June(a)</i>	<i>Income</i>	<i>Proportion of total income</i>
	no.	\$m	%
Sales of goods and services			
Income from market research services			
Qualitative research services	^ 211	*175.7	29.9
Quantitative			
Personal	^ 155	72.4	12.3
Telephone	^ 166	135.1	23.0
Panel	^ 15	63.5	10.8
Other	59	38.8	6.6
Total	^ 222	309.8	52.8
Desk research services	^ 80	*3.4	0.6
Other income from market research	^ 149	74.7	12.7
Total	^ 334	^ 563.5	96.0
Other sources of income	^ 175	23.3	4.0
<b>Total Income</b>	<b>^ 334</b>	<b>586.8</b>	<b>100.0</b>

^ estimate has a relative standard error of between 10% and 25% and should be used with caution

\* estimate has a relative standard error of between 25% and 50% and should be used with caution

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



**2.2**

## INCOME FROM MARKET RESEARCH BY TYPE OF CLIENT .....

	<i>Businesses at end June(a)</i>	<i>Income</i>	<i>Proportion of total income</i>
	no.	\$m	%
Manufacturing	^ 135	^ 105.0	^ 18.6
Automotive	*69	20.3	3.6
Industrial	^ 71	16.3	2.9
Retail and wholesale	^ 145	87.6	15.5
Financial services	^ 124	^ 70.2	^ 12.5
Utilities	^ 72	9.8	1.7
Telecommunications and postal services	^ 77	30.8	5.5
Other public sector	^ 137	^ 45.9	^ 8.1
Media	^ 75	43.7	7.8
Advertising agencies	^ 85	21.9	3.9
Leisure travel and tourism	^ 101	34.1	6.0
Other market research businesses	^ 130	53.7	9.5
Other	^ 113	24.2	4.3
<b>Total</b>	<b>^ 334</b>	<b>^ 563.5</b>	<b>^ 100.0</b>

^ estimate has a relative standard error of between 10% and 25% and should be used with caution

\* estimate has a relative standard error of between 25% and 50% and should be used with caution

(a) Businesses may have more than once source of income. Therefore, the counts of businesses by each type of client do not sum to the total.

## 2.3 ITEMS OF EXPENDITURE

	<i>Proportion of total expenditure</i>	
	<i>Expenditure</i>	<i>of total expenses</i>
	\$m	%
<b>Labour costs</b>		
Wages and salaries		
Permanent employees	173.3	32.8
Casual employees	67.9	12.8
<i>Total</i>	241.2	45.6
Employer contributions to superannuation(a)	21.4	4.1
Workers compensation	1.4	0.3
Fringe benefits tax	^ 2.8	0.5
Payroll tax	12.4	2.3
<i>Total</i>	279.2	52.8
<b>Other expenses</b>		
Recruitment services provided by other businesses	*22.3	4.2
Payments to employment agencies for staff	4.0	0.8
Market research services provided by other businesses	45.0	8.5
Paper, printing and stationery	9.1	1.7
Telecommunications services	16.9	3.2
Travelling, accommodation and entertainment	^ 15.5	2.9
Computer software expensed	^ 3.9	0.7
Other operating expenses	^ 133.2	25.2
<i>Total</i>	^ 250.0	47.2
<b>Total</b>	<b>529.2</b>	<b>100.0</b>

^ estimate has a relative standard error of between 10% and 25% and should be used with caution

\* estimate has a relative standard error of between 25% and 50% and should be used with caution

(a) Employer contributions to superannuation funds include salary sacrifice that is paid as employer contributions to superannuation funds. Other salary sacrifice is included with the relevant expense item.

**2.4**

## CHARACTERISTICS OF EMPLOYMENT

		PERSONS		
		<i>Males</i>	<i>Females</i>	<i>Total</i>
Working proprietors and partners	persons	*9	**15	*23
Employees				
Permanent full-time	persons	1 284	1 517	2 802
Permanent part-time	persons	75	^295	^371
Casuals	persons	2 313	6 802	9 115
<i>Total employees</i>	persons	3 673	8 615	12 287
<b>Total employment at end June 2002</b>	persons	<b>3 681</b>	<b>8 629</b>	<b>12 311</b>
Hours worked by casuals	hours	na	na	5 638 086

\* estimate has a relative standard error of between 25% and 50% and should be used with caution

\*\* estimate has a relative standard error greater than 50% and is considered too unreliable for general use

^ estimate has a relative standard error of between 10% and 25% and should be used with caution

na not available

## CHAPTER 3

### STATES AND TERRITORIES, BUSINESS SIZE AND SELECTED RATIOS .....

#### STATE AND TERRITORY ESTIMATES

At the end of June 2002, there were 180 market research businesses operating in New South Wales, contributing 64% of total employment and 63% of total income. The only other state with substantial market research services activity was Victoria, which accounted for 22% of total employment and 27% of total income.

On average, each market research business employed 37 persons at the end of June 2002. Employment per business in New South Wales was highest among the states and territories at 44 persons.

Businesses in New South Wales recorded the highest total income per business at \$2.1 million, above the Australian average of \$1.8 million.

#### CHARACTERISTICS OF BUSINESS BY SIZE

Small businesses employing less than 20 persons made up 82% of all market research businesses, up from 77% in June 1999. These businesses accounted for 10% of total employment and 30% of total income. Large businesses (those with employment of 100 or more persons) accounted for 7% of businesses, yet accounted for 76% of total employment and 54% of total income.

#### SELECTED RATIOS

The average labour costs per employee in market research businesses was \$22,700, which varied from \$43,600 for businesses with employment less than five persons to \$19,700 for businesses employing 100 or more persons.

For market research businesses as a whole, 53% of total expenses are devoted to labour costs. However, the proportion of labour costs to total expenses varies considerably by the size of the business. Market research businesses with less than five employees had a labour cost to total expense ratio of 32% while for businesses employing 100 persons or more the ratio was 62%.

Income from quantitative and qualitative research represented 53% and 30% respectively of total income of market research businesses. However, this average varied by size of business, with businesses employing 100 persons or more generating 64% of their income from quantitative research and 15% from qualitative research. The smaller businesses tended to carry out proportionally less quantitative research with businesses with employment less than five generating 35% of their income from quantitative research.

## 3.1 STATES AND TERRITORIES

	<i>Businesses at end June(a)</i>	<i>Employment at end June</i>		<i>Wages and salaries</i>		<i>Total income</i>	
	no.	persons	%	\$m	%	\$m	%
New South Wales	^ 180	7 849	63.8	140.9	58.4	^ 371.9	63.4
Victoria	^ 124	2 752	22.4	67.5	28.0	158.8	27.1
Queensland	22	733	6.0	16.8	6.9	20.9	3.6
South Australia	*38	^ 430	3.5	^ 5.6	2.3	*10.5	1.8
Western Australia	14	354	2.9	7.0	2.9	^ 14.8	2.5
Tasmania	5	np	np	np	np	np	np
Northern Territory	2	np	np	np	np	np	np
Australian Capital Territory	*12	95	0.8	2.6	1.1	8.1	1.4
<b>Australia</b>	<b>^ 334</b>	<b>12 311</b>	<b>100.0</b>	<b>241.2</b>	<b>100.0</b>	<b>586.8</b>	<b>100.0</b>

^ estimate has a relative standard error of between 10% and 25% and should be used with caution

\* estimate has a relative standard error of between 25% and 50% and should be used with caution

(a) Multi-state businesses are counted in each state in which they operate. Hence, the counts of businesses by states and territories do not sum to the total for Australia.

np Not for publication

## 3.2 BUSINESS SIZE

### EMPLOYMENT SIZE

		EMPLOYMENT SIZE						<i>Total</i>
		<i>0-4 persons</i>	<i>5-9 persons</i>	<i>10-19 persons</i>	<i>20-49 persons</i>	<i>50-99 persons</i>	<i>100 or more persons</i>	
Businesses at end June								
2002	no.	^ 168	*63	*44	22	14	23	^ 334
Proportion	%	50.4	18.8	13.2	6.5	4.3	6.8	100.0
Total employment	persons	^ 332	*349	*578	731	1 030	9 291	12 311
Proportion	%	2.7	2.8	4.7	5.9	8.4	75.5	100.0
Wages and salaries	\$m	^ 11.6	^ 8.7	**20.6	18.1	23.1	159.0	241.2
Proportion	%	4.8	3.6	8.6	7.5	9.6	65.9	100.0
Total income	\$m	^ 49.7	^ 35.1	**92.2	43.1	52.6	314.2	586.8
Proportion	%	8.5	6.0	15.7	7.3	9.0	53.5	100.0
Operating profit before tax	\$m	^ 4.8	*2.0	**19.0	3.4	8.0	20.9	*58.1

^ estimate has a relative standard error of between 10% and 25% and should be used with caution

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\*\* estimate has a relative standard error greater than 50% and is considered too unreliable for general use

### 3.3 SELECTED RATIOS

## EMPLOYMENT 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	^ 149.7	^ 100.4	* 159.5	59.0	51.1	33.8	47.7
Total expenses per person employed	\$'000	^ 135.2	^ 94.6	* 126.7	54.3	43.3	31.6	43.0
Labour costs per employee	\$'000	^ 43.6	^ 29.3	* 44.1	28.2	25.6	19.7	22.7
Wages and salaries per consultant	\$'000	^ 72.9	^ 74.9	83.4	137.4	145.2	159.5	133.2
Wages and salaries per other employee	\$'000	* 66.8	* 37.6	* 62.4	30.3	26.5	19.2	23.0
Labour costs to total expenses	%	31.5	31.0	^ 34.1	51.7	58.9	62.3	52.8
Income from qualitative research to total income	%	^ 35.9	^ 38.6	* 82.1	20.2	27.4	14.5	^ 29.9
Income from quantitative research to total income	%	^ 34.9	^ 43.3	** 14.4	65.3	69.4	63.5	^ 52.8
Operating profit before tax	\$m	^ 4.8	* 2.0	** 19.0	3.4	8.0	20.9	* 58.1
Operating profit margin	%	^ 10.2	** 6.0	* 21.3	8.3	15.2	6.7	^ 10.1

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\* estimate has a relative standard error of between 25% and 50% and should be used with caution

\*\* estimate has a relative standard error greater than 50% and is considered too unreliable for general use

## EXPLANATORY NOTES .....

### INTRODUCTION

**1** This publication presents results of employing market research businesses, for reference year 2001–02. This is the third time the Australian Bureau of Statistics (ABS) has conducted this survey. Previous statistics were released for 1992–93 and 1998–99.

### SCOPE

**2** The scope of the survey was all employing businesses classified to 7853 (Market Research Services) of the 1993 edition of the *Australian and New Zealand Standard Industrial Classification* (ANZSIC). 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 providing business consultancy services and/or business marketing services were excluded from the survey.

### COVERAGE

**3** The frame used for market research services, like most ABS economic surveys, was taken from the ABS Business Register. The ABS Business Register is primarily based on registrations to the Australian Taxation Office's (ATO) pay-as-you-go withholding (PAYGW) scheme, and prior to 1 July 2000 the group employer (GE) scheme. The frame is updated quarterly to take account of new businesses and businesses which have ceased employing.

**4** Businesses which have ceased employing are identified when the Australian Taxation Office cancels their PAYGW registration (or previously their GE registration). In addition, from July 1999, businesses which did not remit under the GE scheme for the previous five quarters were removed from the frame. A similar process has recently been adopted to remove businesses which do not remit under the PAYGW scheme.

**5** The introduction of The New Tax System has a number of significant implications for ABS business statistics, and these are discussed in the *Information Papers: ABS Statistics and The New Tax System* (cat. no. 1358.0) and *Improvements in ABS Economic Statistics [Arising from The New Tax System]* (cat. no. 1372.0).

### IMPROVEMENTS TO COVERAGE

**6** 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 register. The majority of businesses affected, and to which the adjustments apply, are small in size.

**7** 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 ABS Business Register. Adjustments of this type will continue to be applied in future periods.

**8** 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

**9** In the market research survey, the statistical unit used to represent businesses, and for which statistics are reported, is the Australian Business Number unit (ABN), in most cases. The ABN unit is the business unit which has registered for an ABN, and thus appears on the Australian Taxation Office (ATO) administered Australian Business Register. This unit is suitable for ABS statistical needs when the business is simple in structure. For more significant and diverse businesses where the ABN unit is not suitable for ABS statistical needs, the statistical unit used is the type of activity unit (TAU). A TAU is comprised of one or more business entities, sub-entities or branches of a business entity within an Enterprise Group that can report production and employment data for similar economic activities. When a minimum set of data items is available, a TAU is created which covers all the operations within an industry subdivision (and the TAU is classified to the relevant subdivision of the *Australian and New Zealand Standard Industrial Classification (ANZSIC)*). Where a business cannot supply adequate data for each industry, a TAU is formed which contains activity in more than one industry subdivision and the TAU is classified to the predominant ANZSIC subdivision.

**10** Further details about the ABS economic statistical units used in this survey, and in other ABS economic surveys (both sample surveys and censuses), can be found in Chapter 2 of the *Standard Economic Sector Classifications of Australia (SESCA), 2002* (cat. no. 1218.0).

COMPARISON WITH OTHER  
ABS STATISTICS

**11** Annual data for market research businesses is published in *Australian Industry* (cat. no. 8155.0). There are important differences between the statistics published in the *Australian Industry* and *Market Research Services* publications and users should use caution when making comparisons between the two sets of estimates. The estimates in the *Australian Industry* publication provide a consistent annual measure of economic activity by industry (as defined by the ANZSIC), which allows the analysis of year on year change in key data items for market research businesses.

**12** The *Australian Industry* publication presents summary statistics for detailed ANZSIC industry classes. The aims of the publication are to show the relative importance of each industry class to the Australian economy, and to allow patterns of change or growth to be analysed across detailed segments of the Australian economy. The industry estimates presented in *Australian Industry* are used in the compilation of the National Accounts, and in the derivation of economy-wide indicators such as gross domestic product (GDP).

**13** The *Market Research Services* publication complements the annual series of key data items for the industry with a detailed examination of the structure of market research businesses for the reference year of the survey.

**14** The main difference between the estimates for the two surveys was coverage of non-employed units in *Australian Industry*.

## HISTORICAL COMPARISONS

**15** While comparisons are made between 2001–02 and earlier survey results, the reader should bear in mind that the survey has not been designed to support accurate estimates of change and should exercise caution.

**16** When comparing 2001–02 results to those of 1998–99, changes have been made to the table describing income from market research by type of client. In 1998–99, businesses were asked to report by sphere of work (i.e. the topic the market research service related to), but now the table has been redesigned to collect data relating to the business the client is actually in regardless of the topic to which the market service relates. The category titles and wording of the definitions and survey questions have been updated to better describe the concepts and terms that are used. The results of this redesign and update are presented in table 2.2.



## HISTORICAL COMPARISONS

*continued*

**17** Caution should be used with comparisons to the 1992–93 results, as the 1992–93 survey used a different source for identifying the population of market research businesses.

## STATE AND TERRITORY DATA

**18** Data was collected from the Australia-wide operations of each market research business. Businesses which operated in more than one state or territory, were asked to provide a dissection of total income, employment and wages and salaries to enable state and territory statistics to be compiled and comparisons undertaken.

## RELIABILITY OF THE DATA

**19** When interpreting the results of a survey, it is important to take into account factors that may affect reliability of the estimates. Such factors can be classified as either sampling or non-sampling error. The estimates presented in this publication are subject to sampling and non-sampling error.

**20** The estimates in this publication are based on information obtained from a sample of businesses in the surveyed population. Consequently, the estimates in this publication are subject to sampling variability, that is, they may differ from the figures that would have been obtained if all units had been included in the survey. One measure of the likely difference is given by the standard error (SE), which indicated the extent to which an estimate might have varied by chance because only a sample of units was included.

**21** There are about two chances in three that a sample estimate will differ by less than one SE from the figure that would have been obtained had a census been conducted, and approximately 19 chances in 20 that the difference will be less than two SEs.

**22** Sampling variability can be measured by the relative standard error (RSE) which is obtained by expressing the SE as a percentage of the estimate to which it refers. The RSE is a useful measure in that it provides an immediate indication of the percentage errors likely to have occurred due to sampling, and this avoids the need to refer also to the size of the estimate.

**23** The following table contains estimates of RSEs for a selection of the statistics presented in this publication.

RELIABILITY OF THE DATA

*continued*

RELATIVE STANDARD ERRORS

	2001-02
	%
Businesses at end June	11.3
Employment at end June	
Client services, research, design and analysis	7.7
Administrative support	11.6
Data collection/processing	0.9
Other	24.2
Total	2.0
Income	
Income from market research services	
Qualitative research	32.3
Quantitative research	1.1
Other (including desk research)	5.8
Total market research income	10.1
Other income	7.1
Total	9.9
Expenses	
Labour costs	4.9
Other expenses	12.0
Total	8.2
Operating profit before tax	25.9
Operating profit margin	17.9

**24** As an example of the above, the estimate of total income for market research businesses is \$586.8 million (table 1.1) and the RSE for this item is 9.9, giving an SE of \$58.1 million. Therefore, there would be 2 chances in 3 that, if all units had been included in the survey, a figure in the range of \$528.7 million to \$644.9 million would have been obtained, and 19 chances in 20 (i.e. a confidence interval of 95%) that the figure would have been within the range of \$470.6 million to \$703.0 million.

**25** Errors other than those due to sampling may occur in any type of collection and are referred to as non-sampling error. From this survey, non-sampling error may result from such things as deficiencies in the register of units from which the sample was selected, non-response, and imperfections in reporting by respondents. Inaccuracies of this kind are referred to as non-sampling errors and they may occur in any collection, whether it be by census or sample. 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

**26** Data contained in the tables in this publication relate to market research businesses which operated in Australia at any time during the year ended June 2002. Counts of businesses include only those businesses that were operating at 30 June 2002.

DATA AVAILABLE ON REQUEST

**27** For information about these statistics, or the provision of unpublished data, please contact Ann Santo on 03 9615 7910.

## ACKNOWLEDGEMENT

**28** 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 .....

<b>Administrative support staff</b>	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.
<b>Advertising agencies</b>	This item refers to businesses which are involved in giving information to the public using the media.
<b>Automotive</b>	This item refers to the motor vehicle industry and road and transport related activity including government related road transport services.
<b>Bad and doubtful debts</b>	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 expenses in a period's profit calculations.
<b>Casual employees</b>	Are those persons employed by the business who are not entitled to take paid holidays.
<b>Client services, research, design and analysis</b>	This item refers to staff involved in servicing clients, undertaking market research consultancies, conduct qualitative, quantitative or desk research and perform data based analytical activities.
<b>Computer software expenses</b>	Computer software expenses is the cost of computer software that has been fully charged to profit as an expense in the current accounting period.
<b>Data collection/processing staff</b>	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.
<b>Desk research services (income)</b>	This item refers to income derived from the analysis of primary data as input to, or part of, a specific market research project.
<b>Depreciation and amortisation</b>	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. Depreciation generally refers to physical (tangible) non-current assets, and amortisation generally refers to intangible non-current assets.
<b>Employees</b>	Employees are all persons working for this business who receive remuneration in any part of the reference period, excluding working proprietors and partners, external consultants and subcontractors. This item includes working directors, and other employees working for the business during the last pay period ending in June. Employees absent on paid or prepaid leave are included.
<b>Employer contributions to superannuation funds</b>	Employer contributions to superannuation funds are the cost of the employer's superannuation contributions during the reference period made on behalf of employees including salary sacrificed amounts.
<b>Employment at end June</b>	Employment represents all employees and working proprietors and partners on the payroll for the last pay period ending in June 2002. Employees absent on paid or prepaid leave are included. Non salaried directors, subcontractors and persons solely paid by commission without a retainer are excluded.
<b>Financial services</b>	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.

<b>Fringe benefits tax</b>	Fringe benefits tax is payable by employers when certain benefits in excess of normal wages or salaries (e.g. free or discounted goods or services) are received by their employees (or associates of employees) in connection with their employment.
<b>Full-time employees</b>	This item refers to those who work 35 hours or more per week and are entitled to paid leave.
<b>Industrial</b>	This item refers to clients of market research businesses engaged in industry of productive labour. It includes agriculture but does not include automotive.
<b>Leisure travel and tourism</b>	This item refers to businesses involved with visitors (domestic and overseas) and includes cafes, restaurants, hotels and associated services that cater for the tourist or leisure market.
<b>Manufacturing</b>	This item refers to clients of market research businesses engaged in the making of goods or wares by manual labour or by machinery, especially on a large scale but excludes automotive.
<b>Media</b>	This item refers collectively to the mass media including television, radio, print media and the Internet including online businesses.
<b>Operating profit before tax (OPBT)</b>	Operating profit before tax is a measure of profitability of a business during the reference period, taken before extraordinary items are brought into account and prior to the deduction of income tax and appropriations to owners (i.e. dividends paid, drawings). It is generally derived by subtracting total expenses from total income, and adding the difference between closing inventory and opening inventory for the period.
<b>Operating profit margin</b>	This represents the percentage of a business' sales of goods and services which becomes profit after all operating expenses have been deducted. It is derived by expressing total OPBT as a percentage of total sales of goods and services.
<b>Other market research businesses</b>	This item refers to when market research businesses are engaged to perform market research activities for other market research businesses.
<b>Other operating expenses</b>	All other expenses not reported as a separate item on the Economic Activity Survey form. This item includes payments for incentives, royalties, electricity costs, accounting fees, fringe benefits costs, license fees and advertising costs.
<b>Other public sector</b>	This item refers to Commonwealth, state and local government agencies such as government departments and government business enterprises such as public transport but excludes utilities and telecommunications.
<b>Paper, printing and stationery expenses</b>	This item includes costs incurred for office supplies and printing carried out by or for the business.
<b>Payments to employment agencies for staff</b>	These are payments made to an employment agency for the supply or recruitment of staff.
<b>Payments to external consultants/other businesses for market research services</b>	This item includes payments to external consultants or subcontractors to provide market research services.
<b>Payroll tax</b>	This item is a tax levied by state and territory governments upon the amount of wages and salaries paid by a business.
<b>Permanent part-time employees</b>	This item refers to those who work less than 35 hours per week and are entitled to paid leave.
<b>Qualitative research services</b>	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.
<b>Quantitative research services</b>	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.

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<b>Retail and wholesale</b>	This item refers to clients of market research businesses engaged in the sale of commodities to household or ultimate consumers, usually in small quantities or the sale of commodities in large quantities to retailers rather than to consumers directly.
<b>Telecommunication and postal services clients</b>	This item refers to those entities associated with the supply of telecommunications and postal services whether private or publicly owned or mixed.
<b>Telecommunications services expenses</b>	This item includes all payments (of a non-capital nature) for telecommunication services which engage wire, cable or radio transmission. They included the cost of fixed and mobile telephone services, facsimile services, internet services and leased lines for computers.
<b>Travelling, accommodation and entertainment expenses</b>	Costs incurred for transportation or in providing accommodation to staff when business activities occur away from the normal place of business. Entertainment expenses are the costs incurred for the provision of entertainment activities, either for staff of the business or clients.
<b>Utilities</b>	This item refers to those entities associated with the supply of electricity, gas and water.
<b>Wages and salaries</b>	This item refers to the gross wages and salaries (including capitalised wages and salaries) of all employees of the business. The item includes severance, termination and redundancy payments, salaries and fees of directors and executives, retainers and commissions of persons who received a retainer, bonuses, and annual and other types of leave. Provision expenses for employee entitlements (e.g. provisions for annual leave and leave bonus, long service leave, sick leave, and severance, termination and redundancy payments) are also included. Payments related to consultants, subcontractors and persons paid solely by commission without a retainer are excluded.
<b>Workers' compensation costs</b>	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.
<b>Working proprietors and partners of unincorporated businesses</b>	This includes working partners and proprietors of unincorporated businesses, and working principals or directors of incorporated businesses.



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