

TRADING POST

THE MARKET

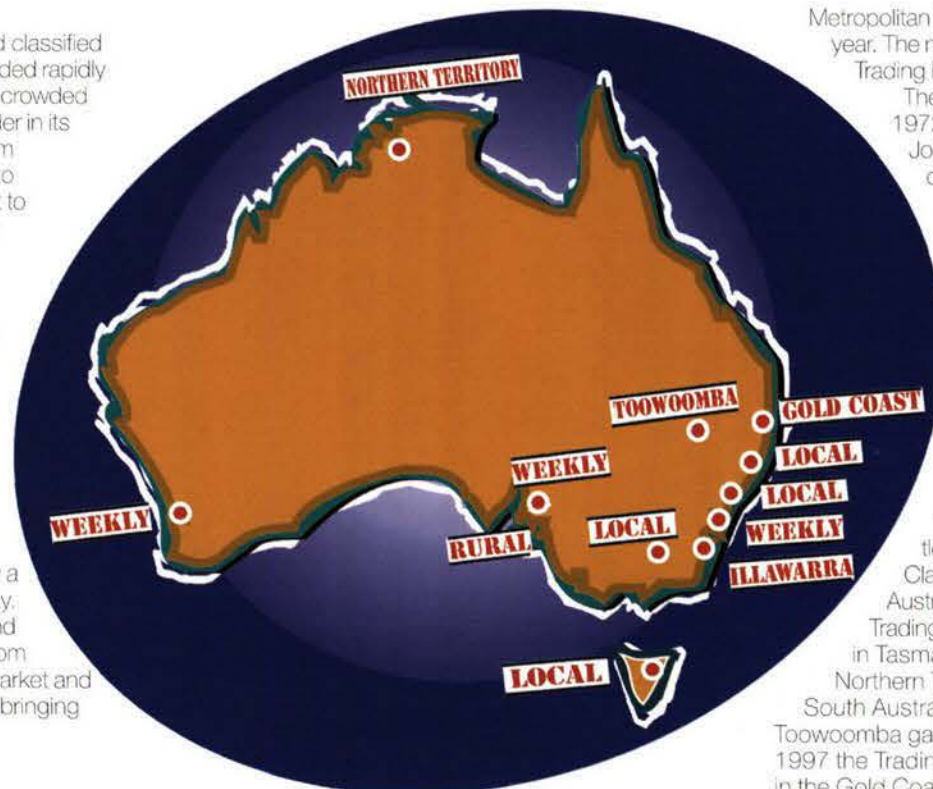
The Trading Post is a specialised classified advertising publication. It responded rapidly to a real consumer need in an uncrowded national market to emerge a leader in its field and a true Aussie icon. From Perth to the Gold Coast, Darwin to Launceston, Australians look first to The Trading Post when buying or selling.

Aided by declining readership of daily newspapers, a company policy to provide value for money, and a highly successful and innovative commercial internet website, The Trading Post enjoys a rapidly expanding share of the classified market.

Its major competitors - the daily metropolitan and regional newspapers - are weakened by a life expectancy of less than a day. The Trading Post's 12 weekly and fortnightly publications benefit from longer exposure to a targeted market and a high profile as the medium for bringing buyers and sellers together.

HISTORY

From humble beginnings in a tiny residential flat in the Sydney suburb of Clovelly to its current national headquarters in Parramatta, its office in North Sydney and offices in each of its 12 locations, the Trading Post has a proud rags-to-riches history.



In 1968, John McAllery retired from the Royal Australian Navy to sail uncharted waters. With no previous experience in publishing, but with a firm vision, the former RAN Lieutenant saw the need for a specialist classifieds publication and started the

Metropolitan Trading Post for Sydney that same year. The name changed to the Weekly Trading Post in 1971.

The first profit was recorded by June 1972 and the unremitting labour of John McAllery, his wife, two sons and daughter paid increasing dividends each year thereafter. By 1978 the business bought the Adelaide Private Trader - the first of what is currently a group of 12 Trading Posts located in regional centres and major cities, with Melbourne and Brisbane the gaps in an otherwise comprehensive coverage of the nation.

By 1991, six more Trading Posts had been established - three more in NSW at Wollongong, Lismore and Newcastle; another in South Australia at Clare; and one in Perth, Western Australia. Just four years later, four more Trading Posts had begun in Launceston in Tasmania, in Canberra, Darwin in the Northern Territory and in Mt Gambier in South Australia. In October 1996, Toowoomba gained a Trading Post and in July 1997 the Trading Post acquired the Trading Post in the Gold Coast.

This phenomenal growth is attributed to the McAllery family's pursuit of excellence in all aspects of the business, from its custom built technology to its competitive strategies. Foremost, the business is proudly built on honesty, integrity and service to its customers with a view to obtaining and retaining respect in the market. Consequently advertisements for guns, radar detection devices and those of a questionable nature are not accepted.

While offers to purchase the business have come from their main competitors, the McAllery family remains sole shareholders of the company. As John McAllery says: "How do you sell your soul?"

ACHIEVEMENTS

If achievement can be measured by suitors asking to buy the business, then certainly The Trading Post has been successful. If success is measured by profit (as surely it is) then The Trading Post is a huge success story. If success is measured by one family's ability to continually improve its business with innovation that rivals that of its large, international, multi-media competitors, then the Trading Post is the epitome of success.

Innovation in electronic publishing is the key to The Trading Post's success in gaining the competitive edge. The production process is fully automated with each advertisement handled by one person from the time the advertisement is placed until it appears in print.

The computer system categorises and lists the ads alphabetically within a customised pagination process that sees a 160-page tabloid publication



typeset in less than 60 seconds.

Trading Post technology allows the company to create, in Parramatta, over 400 pages of paginated output in less than five hours with a permanent part-time staff of four.

The paginated output is sent on the company's digital data network to be printed locally in Canberra, Perth, Darwin, Adelaide, Brisbane and Launceston.

All Trading Posts within NSW and the ACT have been transferred to direct-to-film processing which bypasses the output of traditional camera ready artwork.

The technology, developed and continually fine-tuned by the company, ensures a cost effective and thus very competitively priced product. It also ensures that the introduction of more Trading Posts - as is certainly the company's goal - is a simple process.

Internet publishing is a recent addition to The Trading Post's technological mastery. On 6 June 1996 The Trading Post's website came on-line with technology owned by the company, allowing security of information and the ability to choose the best tools for the job.

While initial investment for internet publishing was above average for a then traditional static website, planning and purchasing the right equipment has allowed successful integration as an operational part of The Trading Post's national business, contributing to the company's revenue.

High on the list of achievements is The Trading Post's relationship with its staff. Benefits provided by the company, a high standard of facilities and a strong bond between the McAllery family and their employees - rarely evident in companies of this size - ensures negligible staff turnover.

RECENT DEVELOPMENTS

The Trading Post believes that the internet will become a major vehicle by which its product is presented to the community. Extensive research has been carried out to ensure that The Trading Post is well placed to meet the challenge.

Development of the website since Trading Post On-line was established has been evolutionary. It was created to complement the existing Trading Post printed publications Australia-wide. Remote, regional and interstate sellers can reach potential buyers anywhere in Australia, with a worldwide audience a natural extension.

The utility of the website is the key. It was designed to allow buyers to find the product as quickly and simply as possible, using the same key

categories as the printed publication. All ads placed in the printed Trading Post are replicated free of charge on the website.

Users can browse by region, section or category with keyword searching. Membership is available and allows benefits of suburb search, placing ads on-line, more refined search capabilities and a unique quick view function. Membership is free and all details are strictly confidential.

Combining utility, ease of use and existing infrastructure has allowed The Trading Post to create one of Australia's top ten internet websites.

The most recent addition to the website is Trading Post Automotive (TPA). Specifically designed for car dealers, vendors and those in the motor vehicle industry, TPA is unique in that it is backed by the printed Trading Post, taking the benefit to the dealer in two media.

Dealers place their ads by telephone - there is no need for a computer, let alone their own web site. Buyers utilise TPA's impressive search mechanism, eliminating the tiresome tudge around car yards. A multi-media product, TPA allows buyers to see photographs of both cars and car yards (where supplied by dealers).

THE PRODUCT

The instantly recognisable tabloid-sized Trading Post publications, with their original woodgrain mastheads, 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 and thus enhanced accessibility. Full process colour printing has been introduced to follow the trend in newspaper technology. Display advertising and promotional advertorial features have been added to further increase service to customers.

As well as enabling refinement of the product, market research has been used to determine the core values of the product, develop communication and growth strategies and assist in promotion, particularly in new areas. Awareness of the product, particularly in Sydney and Adelaide, is high and continues to grow strongly in all areas.

Quality control is of utmost importance. The technical disciplines of the business are clearly defined for the purpose of structure and control. Each discipline - information technology, marketing, and finance - is supported by independent, third party consultants. The end result of this

quality process is to ensure customer satisfaction. Increased circulation, increased revenue and profits and decreasing opportunities for improvement show the effectiveness of these quality procedures.

PROMOTION

From the outset, the McAllery family were astute marketers, building the business into new geographic areas after qualitative research. Market research is also used for promotion in new areas. Television and radio advertising, coupled with high profile point of sale promotion in newsagencies, is used nationwide.

The Weekly Trading Post in Sydney is



currently supported by a high level of promotion in radio advertising, which is seen as the most cost-effective method of communicating to The Trading Post's wide demographic. The Trading Post's message is simply to remind customers to place their ads. Success is reflected with increased calls - when the ads go to air, the phones ring harder.

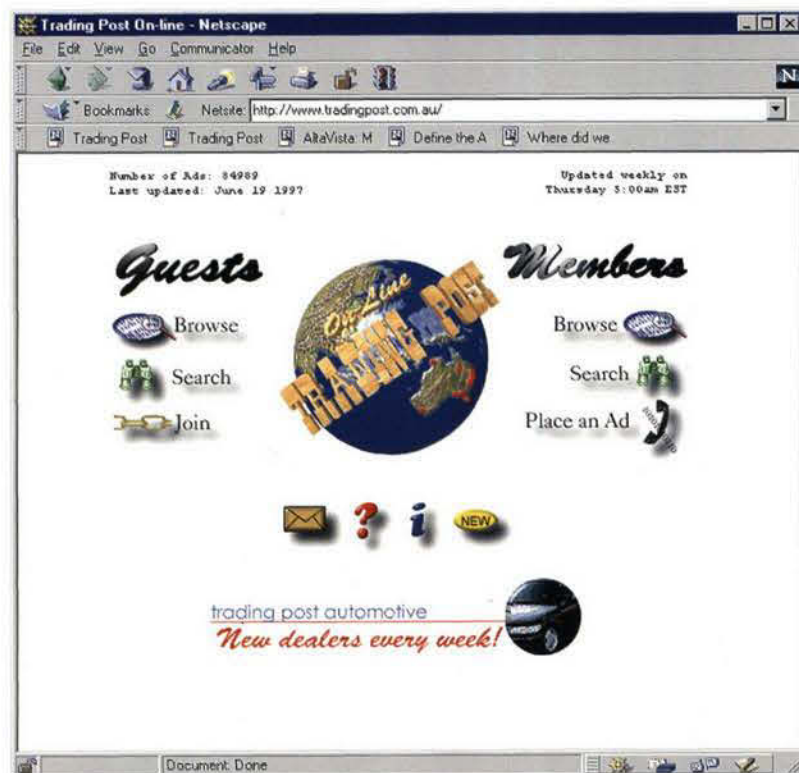
Word of mouth is perhaps The Trading Post's best promotion. This valued Aussie icon virtually sells itself.

BRAND VALUES

The Trading Post has gained wide acceptance, particularly in Sydney, as the preferred classified advertising medium for private advertisers and small business. It is strongly associated with success when selling or buying.

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

Anecdotal evidence abounds on the success of Trading Post advertising. Just about everyone in Sydney has their own Trading Post success story to tell - the paper has become part of the folklore and culture of the city.



Things you didn't know about The Trading Post

- Over 1.6 million people a year use the Trading Post to advertise.
- Since 1968 over 450 million pages of classifieds have been published.
- Trading Post On-line is one of Australia's largest advertising related web sites. External audit figures show Trading Post On-line has over 4.3 million hits each month which translates to over 96,900 users a month.
- Concerned about the environment, the company is exploring enviro-friendly practices, researching and developing sustainable land use practices and systems - suitable for urban and rural situations - on its 270 acre permaculture based South Australian property. This includes reducing energy consumption, exploring recycling technologies, breeding miniature cattle and developing varied forestry plantations for a diverse range of uses.