

The Consumer Perspective of Direct Marketing

Contributed by Direct Marketing Assoc
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The Consumer Perspective of Direct Marketing, Written By The Direct Marketing Association

Executive summary

The study has provided an important overview of people's attitudes towards direct communications and useful comparisons between these and their actual reported behaviour from the one-day diary they completed covering the full range of direct marketing media and methods currently in use in the UK today. It is a unique and rich new source of data and information with which to better understand the reality of interaction with individual consumers.

Overall the picture is an encouraging one for the industry as a whole. We have called the report Participation Media to reflect the high levels of response and interaction reported in the research – nearly two thirds have responded to one or other medium in the past year and half of all diary respondents treated at least one communication positively on the day in question. A quarter of all communications noted and received were treated positively by purchasing or responding or filing for future use.

In terms of general attitudes to dealing directly with companies and marketing communications, responses are often paradoxical – on the one hand 65% of people feel overwhelmed by the number of commercial messages they are exposed to; whilst at the same time 66% agree that they are happy to pick and choose between the ways they get information and services from companies. Respondents fell into one of four clusters in terms of their attitudes which help to explain the variation in responses:

- o Open all hours – younger, more female, open to communications generally - most concerned about the quality of information and keen on customer magazines, but quick to unsubscribe or reject communications that are not of interest

- o Pragmatists – more likely to be in the family life stage, balanced attitudes, mid market, concerned with value for money and most responsive to direct mail

- o Time pressured butterflies - older, upmarket, more female, who value fast response and prefer newspapers and magazines as a source of information

- o Guarded privatists – more likely to be retired and male, they are generally negative about targeted communications and prefer broadcast media channels such as TV and radio

Thus, no group represents absolute rejection or total acceptance of communications – everyone is susceptible to different types of approaches and media for different reasons and at different times during the purchase cycle. Questions about interest in a range of sectors showed that for most people interest is conditional on whether they are in buying mode or not.

Overall a picture of UK consumers has emerged from the study that suggests that, despite sometimes strongly held negative views about particular media and methods, they are generally able to cope with the level and types of direct communications they are exposed to, and have a clear and unambiguous idea about what they like and what works. Popularity is not necessarily correlated with effectiveness in response terms and actual behaviour is not predicted by attitudes, confirming the long-established knowledge in the industry that there are many different components that contribute to the success of a particular communication.

Interestingly, half of all respondents underestimate the actual volume of communications they receive via different channels. The average recorded in the diaries was just under 5 per day – still a very manageable number, with only a minority of respondents claiming that they felt this volume was too high (not surprisingly most of these were in the Guarded Privatists and Time Pressured Butterflies segments described above) suggesting that the view that people are being inundated with direct marketing is not right. Direct mail was the most frequently received medium recorded, with 634 instances being an average of just over 1 per day.

A significant proportion of respondents (57%) claimed to have responded to direct communications in the past year either buying something or requesting more information. This reported high level of responsiveness is confirmed by the diary data, which showed - across all the communications received - that on average around a quarter were responded to in a positive way – either by buying, requesting information or filing for future reference. This varied by medium from nearly

50% of those receiving customer magazines, to 10% of those who noticed television or radio direct response advertising. Actual purchase levels varied between 1% and 9% - reflecting indicative rates reported across the industry and giving credence to these strongly positive findings.

On the other hand, this also means that (depending on the medium or channel) a significant proportion of communications noted in the diary do not result in this kind of positive response, but are either rejected (ignored or thrown away) or recycled.

Questions in the diary, based on actual receipt, about liking of communications also showed that the most popular are not necessarily the most effective in response terms. In the general attitude statements, 35% of respondents claim that personal contact is the most important factor when dealing with companies and this is reflected in the reactions to the many media and channels covered as these fall into a number of groups based on a range of criteria:

- o The most effective in terms of eliciting an immediate response are those with the highest degree of personal contact – telemarketing, new product demonstrations in store and charity street canvassers

- o The most liked are those that are carried by media that are thought of as providing entertainment and relaxation such as TV and magazines

- o Printed, targeted media such as direct mail and door drops are relatively effective and do not provoke strong reactions of like or dislike

- o New media channels are viewed with some uncertainty due to lack of experience, although emails are popular with around a quarter of respondents, with nearly 10% claiming to have responded

On average respondents receive 10 communications for every 1 contact they initiate towards companies. Most of these are for customer service reasons and are predominantly made by telephone (around half). This is judged to be the most effective form of inbound communication to companies and is clearly liked as a result providing a dramatic comparison to received calls which are judged the most intrusive form of communication.

The diary showed that the receipt of communications is not spread evenly through the day with an enormous ‘peak’ in the morning, between 9 and 11 am and another mini peak in the early evening at around 6 pm. However, comparison with research conducted 5 years ago indicates that the spread through the day is increasing particularly with email, telemarketing and direct response media coming into their own in the evening.

In terms of sectors, financial services hugely dominate the communications received by the diary respondents. Although the proportion varies considerably by medium, it accounts for some 30% of all recorded communications, followed by 20% from retailers and 12% from home shopping companies - formerly one of the main sectors using this approach it is now dwarfed by the new entrants.

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