HEAVY-LIGHT USER PERCEPTION OF SELECTED DIRECT MARKETING CHANNELS

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Abstract

Presented here are the results of a study of consumer perception of four direct marketing channels: direct mail, television, door-to-door, and telephone. Overall, perception of these channels was found predominantly negative. Direct mail was the only channel that received modestly favorable reviews. Heavy users of all channels were found to have the more positive images of those channels. The industry appears to have an underside, part truth and part hearsay, which appears to need industry attention.

Introduction

In spite of strong overall growth, the direct marketing industry appears to suffer from a negative image. This came through clearly when a sample of Midwestern consumers was asked to choose terms (both positive and negative) which best describe their feelings about direct response sales solicitations which come to them via television, telephone, direct mail, and door-to-door. Indeed, the results of this study indicate that strong, industry wide action to alter consumer perception of these channels may be warranted.

Background

Direct marketing has been defined (Baier 1983) as: "An interactive system of marketing which uses one or more media to effect a measurable response and/or transaction at any location." Unlike general marketing and image-oriented advertising, direct marketing seeks to involve the buyer and to stimulate an immediate, measurable customer action. Direct marketing success depends on highly personal, two-way interaction with prospects and customers and on long-term company-customer relationships.

The long run health of the direct marketing industry depends to a significant extent on its image in the marketplace. However, there is surprisingly little published research on this issue. The literature on the consumer's relationship with direct sales and direct marketing deals for the most part with catalog or in-home shopper characteristics (Sackmary 1987). Published research on direct marketing advertising copy testing is likewise limited, (Block, Brezen, Schultz 1985) and is typically focused on what does and doesn't work, rather than on why particular techniques work, or on consumer perception of the techniques used.

A study by Brezen, Block, and Schultz (1987) that did address how consumers perceive direct marketing channels and techniques concluded that: (1) All solicitation techniques are not considered the same to consumers; (2) People differentiate solicitation techniques both on intrusiveness and the degree of personal confrontation between message sender and consumer; (3) There is a preference for solicitation techniques that permit flexible access to messages and allow privacy to react or not react; (4) Personal sales solicitation, whether at the door or on the phone, is generally disliked the most; (5) Message content helps determine which technique is most preferred; (6) Catalog shopping is viewed negatively as a slow, relatively inconvenient, lower quality alternative to in-store shopping.

Other studies have shown that consumers tend to believe that mail order firms are as reliable as retail stores in standing behind the products they sell, but nonetheless still prefer to be familiar with the company before they buy by catalog (Ballanger 1985). Still other studies have shown that consumer perception of risk tends to vary by product type, and willingness to shop by phone varies greatly by type of merchandise (Korgaonkar 1982). At least one study found that consumers had the greatest confidence in store-based catalog operations, somewhat less confidence in mail-order organizations, and the least confidence in door-to-door selling (Korgaonkar 1984).

The study reported here adds to the knowledge of consumer perceptions of direct response marketing channels by asking consumers to select word descriptions of the direct mail, television, direct (door-to-door) sales, and out-bound telephone marketing channels.

Methodology

Personal interviews were held with a cross-sectional sample of 231 respondents who answered questions concerning each of the direct marketing channels that was studied. In each interview, respondents were first asked to identify whether or not they (as opposed to members of their household) used each of these channels. If use of a particular channel was indicated, frequency of use data were also collected. This was done to permit classification of each respondent as a heavy, medium, light, or non-user of the channel being studied.

Respondents were then presented a list of 16 words and phrases and asked to make an unranked selection of the three words or phrases they most associated with each channel. Some of those descriptors were positive and complimentary; others were negative and critical. (See Figure 1) Respondents were directed to:

"Choose any three of the words or phrases ... which best describe how you feel about":

-1."Products sold directly through television advertisements which ask you to call a toll-free number or order by mail"
-2. "Products sold by a telephone solicitation"
-3. "Products sold by an offer made by mail"
-4. "Products sold by a salesperson who makes a personal visit to your home"

Responses (adjective selections) were analyzed controlling for the demographic variables of age, sex, education, household income and frequency of channel use. Chi-Square analysis and the .05 significance level were used in tests of statistical significance.

To facilitate analysis, four usage categories were developed. These were defined as follows:

1. Heavy user of the direct marketing activity - those who claimed to purchase from "x" channel at least once every three months.
2. Moderate user - those who claimed to purchase from "x" channel less than once every three months but at least once a year.
3. Light user - those who claimed to purchase from "x" channel less than once a year.
4. Non-users - those who claimed zero patronage from "x" channel.

Results

Channel Usage Rates

Direct mail was the sample's most heavily utilized direct response channel among those studied. Nearly nine of ten sample members

FIGURE 1

MARKETING CHANNEL DESCRIPTORS:

Risky	Deceptive	Low quality products
Annoying	A rip-off	High-quality products
Fair prices	Insulting	Time-saving
Poor selection	High prices	Threatening
Good selection	Good value	
Safe and secure	Convenient	

TABLE 1

BREAKDOWN OF SAMPLE BY USAGE LEVEL

DESCRIPTORS:	HEAVY USER%	MODERATE USER%	LIGHT USER%	NON-USER%	TOTAL USER%	N
Direct Mail	14.3	22.0	49.4	14.3	85.7	231
Television	7.3	6.5	25.4	60.8	39.2	231
Direct Sales	5.0	8.9	35.8	50.4	49.6	231
Out-Bound Phone	1.5	5.4	30.4	62.7	37.3	231

TABLE 2

DEMOGRAPHIC PROFILE OF HEAVY USERS
OF SELECTED DIRECT RESPONSE CHANNELS

	TELE-VISION	PHONE	DOOR-TO DOOR	MAIL
SAMPLE HEAVY USING %	7.3%*	1.5%	5.0%	14.3
AGE				
Teens	7.4**	-	-	14.8
20-29	5.4	1.1	6.5	14.1
30-39	9.1	-	4.6	15.9
40-49	8.8	2.9	2.9	14.7
50-59	2.9	5.7	11.4	14.7
60&above	14.3	-	-	10.7
SEX				
Male	8.8	2.0	7.8	11.6
Female	6.4	1.3	3.2	16.0
EDUCATIONAL LEVELS				
High School or Less	9.8	1.2	3.7	12.2
Some College	5.2	1.8	7.8	12.9
College Graduate or More	8.1	1.6	1.6	19.7
HOUSEHOLD INCOME				
Less than $10,000	2.9	-	2.9	5.7
$10,001-20,000	9.6	3.9	7.7	11.5
$20,001-30,000	7.3	1.8	5.5	14.8
$30,000-40,000	8.7	-	2.2	15.2
$40,001-50,000	13.0	4.4	8.7	21.7
More than $50,000	5.0	-	-	5.0

*Should be read: 7.3% of the sample members were heavy users of this channel, etc.
**Should be read: 7.4% of the teens interviewed in the study were heavy users of this channel, etc.

(85.7%) were patrons of the direct mail channel, with 14.3% claiming to buy by mail at least once every three months, 22% at least once a year, and 49.4% less than once a year. (See Table 1) Direct sales, or door-to-door, was the next most used channel with 5% using it at least once every three months, 8.9% using it at least once a year, and 35.8% using it less than once a year, for an overall usage rate of nearly 50%. The television channel, with 39.2%, and outbound telephone with 37.3%, came in third and fourth respectively in terms of overall usage by the sample. The direct mail channel also had the highest percentage of heavy users, 14.3% of the sample. This was well above the 7.3%, 5%, and 1.5% of heavy users found in the sample, respectively, for television, direct sales, and outbound telephone.

Table 2 contains a demographic profile of the heavy user segment of the sample of 231 consumers interviewed in the study. None of the demographic variables shown there was found to have a statistically significant relationship with heavy channel usage.

Direct Mail Channel Perception

Overall Perception of the Direct Mail Channel: The sample's overall perception of direct mail was generally positive. (Table 3) Among the six most frequently selected direct mail descriptors, four were positive in nature. "Convenient", selected by 51.1% of the sample, and "time saving", selected by 37.2%, were number one and two. "Fair prices" (27.1%) was number four, and "good selection" (23.6%) was number six among adjectives most frequently selected by respondents to describe their feelings about the direct mail channel. On the downside, 34.1% of

TABLE 3

CONSUMER DESCRIPTIONS OF DIRECT MARKETING EFFORTS INVOLVING:
"Products sold by an offer made by mail"

		RESPONSES OF THE:			
DESCRIPTOR:	OVERALL SAMPLE	HEAVY USERS	MODERATE USERS	LIGHT USERS	NON-USERS
Convenient	51.1%*	67.6%**	61.4%	47.9%	29.7%
Time-saving	37.2	37.8	43.9	40.1	16.2
Risky	34.1	18.9	19.3	43.2	40.5
Fair prices	27.1	32.4	35.1	24.4	18.9
Deceptive	25.2	10.8	24.6	27.5	32.4
Good selection	23.6	48.7	26.3	17.3	16.2
Low quality products	17.8	8.1	10.5	18.8	35.1
Poor selection	17.0	5.4	14.0	20.4	21.6
Good value	14.0	24.3	21.1	10.2	5.4
A rip-off	10.8	5.4	7.0	11.0	21.6
High prices	10.8	5.4	12.3	11.0	13.5
Annoying	10.4	2.7	7.0	12.6	16.2
High quality products	7.0	16.2	8.8	3.2	8.1
Threatening	6.2	-	1.7	8.6	10.8
Safe and secure	4.3	10.8	7.0	1.6	2.7
Insulting	2.3	5.4	-	2.4	2.7

*Interpreted as meaning that 51.1% of all respondents selected "convenient" as one of three descriptors which they felt best described their feelings about sales solicitations made by mail.

**Interpreted as meaning that 67.6% of all heavy users of this channel selected "convenient" as one of three descriptors which they felt best described their feelings about sales solicitations made by mail, etc.

all respondents selected "risky" to describe direct mail, and 25.2% looked upon this channel as being "deceptive".

Direct Mail Channel Perception by Usage Levels: A statistically significant difference was found between adjectives selected (channel perception) and usage levels of the direct mail channel. More specifically, approximately two out of three respondents (67.6%) classified as "heavy" users of direct mail chose "convenient" as a descriptor of the direct mail channel. This proportion declined to 61.4% among those classified as "moderate" users; to 47.9% among "light" users; and to 29.7% among persons claiming never to have purchased from the direct mail channel.

The five most popular adjective selections of heavy users of direct mail were all positive. These were: "convenient" (67.6%), "good selection" (48.7%), "time-saving" (37.8%), "fair prices" (32.4%), and "good value" (24.3%).

Moderate users of the direct mail channel were also generally positive with four positive descriptors emerging among the top five selections of this group. "Convenient", with 61.4% choosing it, was the most popular direct mail adjective in the sample segment. This was followed by "time-saving" (43.9%), "fair prices" (35.1%), "good selection" (26.3%), and "deceptive" (24.6%).

The light users were only slightly less positive with three positive descriptors in this segment's top five list. These were "convenient" (47.9%), "time-saving" (40.1%), and "fair prices" (24.4%). The two negative adjectives included in the top five of this group were "risky" (43.2%) and "deceptive" (27.5%).

Approximately four in ten non-users of direct mail chose "risky" as a descriptor of this channel, making it their number one choice. This group's top five also included "low quality products", "deceptive", and "convenient". "Poor selection" and "a rip-off" were tied for the fifth spot. Only one positive descriptor, "convenient", selected by 29.7% of the light users of direct mail, was found among the non-using group's top six adjective selections.

The pattern that emerges from these results seems clear. The greater the consumer's use of direct mail, the more positive the perception of this channel becomes.

Television Channel Perception

Overall Television Channel Perception: Television advertising soliciting either telephone or mail orders is perceived negatively overall, with the most popular descriptors being: "risky" (59.4%), "deceptive" (47.5), "low-quality products" (31.9%), "annoying" (28.4%), and "a rip-off" (24.5%). (Table 4) The first positive term to appear in the list of most frequently chosen descriptors of the television channel was "convenient", and it was selected by only 23% of respondents.

Television Channel Perception By Usage Levels: The overall relationship between usage level of the television direct marketing channel and perception of this channel was statistically significant. "Risky" was chosen by 59.4% of the total sample as a descriptor of the television channel, while approximately one-third (31.6%) of the heavy (television channel) user segment selected this negative term. (Table 4) Heavy users selected "convenient" and "fair prices" most frequently (47.4% in both cases) with "time-saving" (36.8%) and "deceptive" (35.2%) next most frequently selected. "Good selection" and "risky" were tied for fifth and sixth among the heavy users of the television channel.

Among moderate users of the television direct response medium, the top adjective selections were "risky" (41.2%) and "convenient" (41.2%), with "deceptive" third, at 35.3%, and "a rip-off" and "poor selection" tied for fourth with 29.4%.

"Risky", with 50.8%, topped the list of adjectives selected by light users of the television direct response channel. "Convenient" (40%), "deceptive" (38.5%), "fair prices" (26.2%), and "time-saving" (24.6%) followed next in order of selection frequency.

Non-users of direct response television also went heavily for "risky" (68.6%) as a descriptor of this channel, with "deceptive" (53.9%), "low-quality" (40.4%), "annoying" (40.4%), and "a rip-off" (32.7%) completing the top five most frequently selected television channel descriptors.

TABLE 4

CONSUMER DESCRIPTIONS OF DIRECT MARKETING EFFORTS INVOLVING:
"Products sold directly through television advertisements which ask you to call a toll-free number or order by mail"

		RESPONSES OF THE:			
DESCRIPTOR:	OVERALL SAMPLE	HEAVY USERS	MODERATE USERS	LIGHT USERS	NON-USERS
Risky	59.4%	31.6%	41.2%	50.8%	68.6%
Deceptive	47.5	35.2	35.3	38.5	53.9
Low quality product	31.9	-	23.5	23.1	40.4
Annoying	28.4	10.5	-	23.1	40.4
A rip-off	24.5	-	29.4	10.8	32.7
Convenient	23.0	47.4	41.2	40.0	10.9
Fair prices	14.4	47.4	17.6	26.2	5.1
Insulting	12.5	5.3	-	15.4	13.5
Time-saving	12.5	36.8	17.6	24.6	3.8
Poor selection	11.7	5.3	29.4	12.3	10.3
High prices	8.6	-	5.9	12.3	8.3
Threatening	8.2	5.3	-	9.3	9.0
Good selection	6.2	31.6	17.6	9.2	.6
Good value	5.9	26.3	17.6	9.2	.6
High quality product	3.9	10.5	23.5	3.1	1.3
Safe and secure	1.2	5.3	-	3.1	-

TABLE 5

CONSUMER DESCRIPTIONS OF DIRECT MARKETING EFFORTS INVOLVING
"Products Sold by a Salesperson Who Makes a Personal Visit to Your Home"

		RESPONSES OF THE:			
DESCRIPTOR:	OVERALL SAMPLE	HEAVY USERS	MODERATE USERS	LIGHT USERS	NON-USERS
Annoying	59.3%	30.8%	17.4%	53.5%	73.9%
High Prices	37.3	38.5	56.5	43.5	29.5
Threatening	32.6	15.4	26.1	37.9	31.8
Convenient	25.1	46.1	39.1	30.1	17.0
Risky	22.8	23.1	13.1	12.3	31.8
Deceptive	22.4	23.1	8.7	17.9	27.9
Insulting	16.5	7.7	8.7	16.7	18.6
Poor Selection	16.5	-	21.8	20.1	14.7
A Rip-off	14.5	15.4	-	8.9	20.9
Time Saving	9.8	23.1	13.1	12.2	6.2
High Quality Products	9.8	7.7	21.8	12.3	6.2
Fair Prices	8.3	23.1	26.1	7.8	3.9
Safe & Secure	8.3	-	26.1	10.1	4.7
Low Quality Products	7.9	15.4	4.4	7.8	7.7
Good Value	5.1	23.1	13.1	5.6	1.6
Good Selection	2.8	7.8	4.5	3.4	1.6

Consistent with the findings on direct mail, heavy users have the most positive perception of the television channel. Heavy users of this channel placed four positive descriptors among their top six adjective selections; the moderate user segment had just one positive descriptor among their top five; the light users' listed three positive adjectives among their five most frequently selected descriptors; and non-users included no positive descriptors in their top five.

Direct Sales Channel Perception

Overall Direct Sales Channel Perception: Across the total sample, the descriptive terms most often selected to identify respondents' feelings about door-to-door sales solicitations are "annoying" (59.3%), "high prices" (37.3%), "threatening" (32.6), "convenient" (25.1%), and "risky" (22.8%). (Table 5) "Convenient" was the only positive descriptor chosen by more than 20% of the sample to describe this channel.

Direct Sales Channel Perception By Usage Levels: Purchase frequency was found to be statistically associated with a difference in perception of the door-to-door channel at the .05 level.

Heavy users of the door-to-door channel most-frequently selected "convenient" (46.1%) to describe this channel. "High prices" (38.5%) and annoying" (30.8%) were next, with "risky", "deceptive", "time-saving", "fair prices", and "good value" falling in a tight group behind the top three.

Among moderate users, the descriptors most frequently associated with the door-to-door channel were: "high prices" (56.5%), "convenient" (39.1%), "fair prices" (26.1%), "threatening" (26.1%), and "safe and secure" (26.1%). This segment perceived television direct response channel prices as being both "high" and "fair", though the percentage choosing "high" (56.5%) was twice that choosing "fair" (26.1%). Interesting also is the finding that equal proportions (26.1%) of moderate using respondents indicated that the door-to-door channel is "risky" and "safe /secure".

Over half, 53.5%, of the light user segment found the door-to-door channel to be "annoying", 43.5% picked "high prices", and 37.9% saw the channel as "threatening". "Convenient", was chosen by 30.1% of light users. "Poor selection" was the next most popular adjective with 20.1%.

Non-users of the door-to-door marketing channel overwhelmingly described it as being "annoying" (73.9%). This group also chose "threatening" (31.8%), "risky" (31.8%), "high prices" (29.5%), and "deceptive" (27.9%) to fill-out their top five list of descriptors.

Overall, the relationship between usage of the door-to-door sales channel and perception of it is much more mixed than is the case for other direct response channels included in the study.

Telephone Channel Perception

Overall Telephone Channel Perception: Perception of the telephone channel is very negative. Approximately 80 percent of all respondents selected "annoying" as a descriptor of the telemarketing channel; more than half described this channel as "risky"; and, more than one-third viewed telephone contacts as "deceptive". (See Table 6) A positive adjective does not appear on the most frequently chosen list until all the negative options were exhausted, and none of the positive options was included in respondent selections more than 8% of the time.

Telephone Channel Perception By Usage Levels: Respondent selection of adjectives to describe their feelings about direct response telephone marketing was also found to be statistically significant when controlling for purchase frequency.

Heavy users of the telephone channel were found to hold views of the telephone channel that have a negative tone highly similar to the population in general and to non-users. "Annoying" (75%), "risky" (50%) and "deceptive" (25%) topped the heavy users' list, as they did for the whole sample. However, in contrast to the overall sample, heavy users completely ignored the adjectives: "threatening", "poor selection", and "low quality products". Interestingly, however, heavy users included "high prices" in their view of the telephone channel far more frequently than do non-users, light users or moderate users of the telephone channel. On the more positive side, one in four heavy users look

TABLE 6

CONSUMER DESCRIPTIONS OF DIRECT MARKETING EFFORTS INVOLVING:
"Products sold by a telephone solicitation"

DESCRIPTOR:	OVERALL SAMPLE	HEAVY USER	MODERATE USER	LIGHT USER	NON USER
Annoying	80.0%	75.0%	78.6%	70.1%	85.0
Risky	55.2	50.0	35.7	55.8	56.7
Deceptive	36.5	25.0	14.3	31.2	41.3
Insulting	24.1	25.0	7.1	33.8	20.9
A rip-off	22.5	25.0	14.3	14.3	27.1
Threatening	18.3	-	21.4	14.3	20.3
Poor selection	17.1	-	14.3	22.1	15.4
Low quality products	14.0	-	21.4	13.0	14.2
High prices	7.8	25.0	7.1	9.1	6.8
Convenient	7.0	25.0	28.6	9.1	3.7
Time-saving	6.2	25.0	21.4	7.8	3.7
Fair prices	5.0	-	14.3	10.4	1.9
Good value	3.1	-	14.3	3.9	1.9
Good selection	1.2	25.0	7.1	1.3	-
High quality product	.8	-	-	1.3	.6
Safe and secure	.8	-	-	2.6	-

upon the telephone as "convenient", "time-saving" and as offering a "good selection".

The moderate user of the telemarketing channel strongly supported the identification of the telephone channel as "annoying"(78.6%), and "risky" (35.7%). The descriptor "convenient" made its way into third place (28.6%) on the list of adjectives this group selected to describe their feeling about telephone solicitations.

Among the light users segment, the telephone marketing descriptors were solidly negative with "annoying" (70.1%), "risky" (55.8%), and "insulting" (33.8%), topping the list, followed by "deceptive" (31.2%), and "poor selection" (22.1%).

Consistent with other usage subgroups, non-users of the telephone channel leveled the charge of being "annoying," "risky," "deceptive," "a rip-off," and "insulting" at the telephone channel.

The telephone direct response channel appears to be perceived negatively even by consumers who make the most use of it, though heavier users are modestly more positive in their choice of descriptors. Its capacity for "annoying" seems to account for much of the telephone's negative image, whether the image holder uses the medium heavily, moderately, lightly, or not at all.

Conclusions and Implications for Managerial Action

Except for the direct mail channel, and then only to a slightly lesser degree, consumers responded to the present study by describing direct marketing channels in generally negative terms. This finding is most pronounced among evaluations of door-to-door and telemarketing solicitation. These findings lead to the conclusion that significant effort is needed to improve the image of these direct marketing channels.

It is important to note that in every case the segment which makes the greatest use (the "heavy user" segment) of a channel is more positive (or at least less negative) in its choice of descriptors of that channel. This result might have been expected to occur. However, the fact that it does indeed take place gives room for an optimistic conclusion. If (and as) consumers are drawn to greater frequency of use and greater familiarity with direct marketing channels, the more positive their image of these channels be-come. These findings indicate that a good portion of the industry must be doing something right, that is: offering good value for money and satisfactorily delivering on promises at least most of the time. While agreeing that there may be a real baseline level of industry "sleaze," the same is probably true of most other industries. Thus, much of the industry's image problem may be just that, an image problem.

To counter this, a deliberate, carefully-planned, industry-wide campaign to remove the objective, underlying causes of its negative image is needed. But in addition, a mass media advertising campaign selling each of the techniques in direct rebuttal to widespread negative perceptions - a repositioning effort - is needed. Such an effort could be based on the positive descriptors currently used by satisfied consumers of the various channels, e.g., "convenient", time-saving", providing a wide selection of quality products at "fair prices", etc.

This study and others that have preceded it represent only a modest beginning in the understanding of how consumers perceive direct marketing. Further research designed to isolate the causes of the negativity revealed in this study is needed to determine with greater precision what can be done, and what specifically needs to be done, to modify direct marketing's generally negative image.

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