

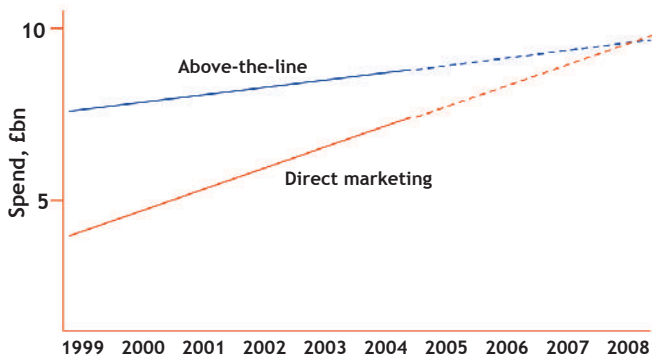
Advertising and response: fixing the link

A TXT4 briefing document

This entire document is protected by copyright. It is confidential and issued on the express condition that, without the written consent of the authors, it is not copied or used except for the purpose for which it is communicated, nor is it to be communicated to anyone outside the recipient's company.
© TXT4

The link between advertising and response is broken

With the amount of response-based advertising increasing dramatically in recent years, it has now come to dominate over purely brand-based advertising: the vast majority of advertising now carries some sort of response mechanism. Consumers are becoming more and more accustomed to responding directly to advertising, and with the ubiquitous mobile phone, they now have the means to do so, at any time, from anywhere. In the post-dotcom era, where service is often the only differentiating factor between brands within a particular sector, the accessibility of brands to consumers has become a fundamental factor in companies' profitability: if consumers can't get what they want, when they want it, they'll go elsewhere.



Direct marketing spend is expected to exceed above-the-line advertising spend by 2008 (Source: AC Nielsen and DMA, 2004)

Of course, this fundamental shift in the marketing landscape demands that the necessary mechanisms are put in place to manage responses from inquisitive consumers. However, it has become clear that the main existing methods for handling advertising response - contact centres and the Internet - are not adequate: the link between advertising and response is broken.

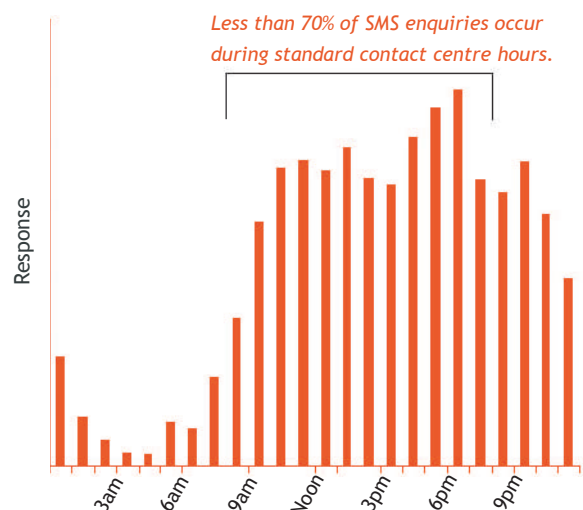
Call Centres

Whilst call centres still offer the most suitable channel for complex enquiries which require human interaction, the level of service offered for dealing with customers and prospects is widely considered to be insufficient. A number of findings clearly indicate that they are currently not providing the level of service required.

Mintel research shows that a third of consumers will abandon a call if they can't get hold of the information they require immediately¹; callers, on average, hang up after just 65 seconds of listening to canned music²; 93% of those with experience of automated systems have hung up after getting lost or going round in circles in an automated system³; and the Citizen's Advice Bureau in 2004 found that 97% of customers questioned said they found dealing with call centres stressful⁴.

Regarded by most businesses as a major cost centre, rather than an opportunity to promote the brand and generate additional revenue from customers, the call centre represents a massive ongoing investment. The result is that the vast majority of companies are forced to limit their hours of opening, typically to twelve hours a day or less. Yet advertising inviting a response is consumed around the clock, and consumers expect to be able to access information at any time.

Recent research carried out using data supplied by Thomson Intermedia revealed some worrying facts. Fifty of the top hundred financial service advertisers in the UK were investigated, and it was found that 30% of their broadcast advertising took place between 10pm and 8am, when 80% of their contact centres were closed. Yet consumers do want to contact businesses at these times: our own data, showing the hours at which consumers use SMS to respond to advertising, indicates that over 30% of all prospect enquiries occur whilst the contact centre is closed. On Sundays this rises to over 55%.



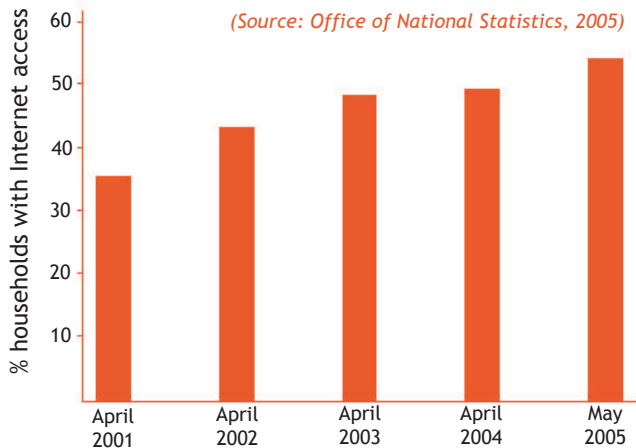
In terms of out-of-hours solutions, only one in five companies used an answer phone to allow telephone respondents to leave their details, whilst just one in ten used an IVR solution. Where details were left, only one in five of the companies followed up the enquiry.

The Internet

Unlike call centres, the Internet of course offers the option of round the clock self-service. The level of detail and interactivity possible also makes it an ideal channel for investigating products and services in detail. However, for a number of reasons, a Web address on advertising is not yet anywhere near sufficient as a response option.

Lack of access

The much debated digital divide is still very much in place in the UK. Internet penetration has risen rapidly in the past few years, but today still only stands at 51% of the population⁵, compared to over 90% for mobile⁶.



32% of UK adults have never used the Internet⁷. Of those that have, there's a massive variation with social class. While 78% of AB families have home access to the Internet, this figure drops to just 32% for DE families⁸. For organisations where accessibility is key, such as public services, this is clearly not sufficient.

Lack of mobility

With so much advertising consumed on the move - commuting to work, in airports, whilst shopping at the

weekend - it's important that a response mechanism is instantly accessible, and quick and easy to use. With PC Internet access, this is almost never the case. True mobile Internet, as opposed to WAP (which can't access a Web URL on an ad), is available on a growing number of smart phones, but it will be several years before this becomes a reality for the average consumer in the street. At present, only around 5% of consumers have browsed a mobile operator portal⁹. Furthermore, small screens and awkward input make web browsing a challenging experience on phones.

Another question that should be asked is whether consumers will be prepared to log on to the Internet to investigate a product, even when they're at home: whether eating breakfast and listening to the radio, reading the paper, or watching TV in the evening, there's a significant interruption and time investment required. We live in a fast-moving society - ask too much of a consumer and they will give nothing at all.

Text response

Text response has spread from initial use in competitions and promotions to a point where consumers can order general collateral, a callback from an agent, or carry out more advanced interactions, such as obtaining details of their nearest store by sending a text message in response to advertising. Respondents are registered together with various details such as a full address or email address for fulfilment purposes.

