British Population Survey

accessible topical comprehensive

The British Marketing Survey
Report on

MARKETING CHANNEL TRENDS
JULY 2010

Detailed Trends in

Response, Acceptance,
Receipt and Future Response

for the 16 main Marketing Channels

Period :- March 2008 / July 2010

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Information Levels and Availability

This is the Level 2 report for July 2010 trends in consumers' relationships with marketing communications, provided by The British Marketing Survey.
Three levels of information are available:

1) 'Head;lines' provides trended data for the overall response, receipt, future intention to respond and acceptance of any marketing channel. FREE from www.thebps.co.uk

2) This detailed Report containing the level 1 detail, PLUS setting out the trends for each one of the 16 individual marketing channels in both indexed and straight formats, PLUS additional sections on Sectors and Financial Prospects.

3) Fully analysable data. Both the Level 1 and Level 2 Reports, described above, are extracts from The British Marketing Survey. The complete database is available in a fully analysable format complete with:

   - Individual level data on Response, Receipt, Acceptance and Intention to Respond to 16 individual marketing channels (plus any recent additions).
   - Individual level data on receipt and acceptance of marketing communications from 21 different industry sectors.
   - Individual level data on intention to purchase from 19 individual industry sectors.
   - Individual level data on likelihood of improvement or worsening of personal financial circumstances.
   - Comprehensive demographic information – 69 questions and over 370 response categories including information on internet access and use, durables owned, newspapers read, main supermarkets used etc.
   - Geodemographic Profiles, OAC, ACORN (3) CENSATION and MOSAIC (3).

   The data is provided within our own software which allows analysis by any variable and the building of complex filters to drill down to target segments. Charts and tables can be easily exported to PowerPoint, Excel, Word etc.
   Full details and a free download of the entire 2008 data can be found at www.thebps.co.uk. The up to date data (complete with all back data) can be downloaded at a price of £250 plus VAT

ALL CHARTS SHOWN IN THIS REPORT ARE BASED ON THE DATA IN THE BRITISH MARKETING SURVEY.

ALL TREND CHARTS AND ALL INDEX CHARTS ARE CALCULATED AS THREE MONTH ROLLING AVERAGES.

ALL 'LEAGUE TABLES' ARE THE PRODUCT OF THE LAST THREE MONTHS OF DATA COMBINED.

This Detailed Trends Report comprises four sections:

1) The Benchmark Trends – trend charts showing the movement in

a) the number of people who
- **i)** Responded to one or more marketing channel 'during the last few weeks'
- **ii)** Received marketing from one or more channels 'during the last few weeks'
- **iii)** Willing to respond to one or more of the channels in the future
- **iv)** Find one or more of the channels acceptable for receiving marketing information

b) the average number of channels per head of population
- **i)** Responded to 'during the last few weeks'
- **ii)** Received marketing from 'during the last few weeks'
- **iii)** Willing to respond to in the future
- **iv)** Found acceptable for receiving marketing information

The INDICES

c) a simple pair of charts showing all 4 trends from 1) a), and all 4 trends from 1) b) indexed to May 2008 when we started collecting this data. These are for ease of comparison of the relative movements of the various trends.

2) Individual Communication Channel Trends

a) Core data charts for all four measurements per channel

PLUS

b) Indexed trend charts showing all four measurements per channel indexed to May 2008 for ease of comparison

3) individual Channel League Tables

A set of four charts showing the percentages of the population who -

- **a)** Have responded to each channel 'during the last few weeks'
- **b)** Have received marketing from each channel 'during the last few weeks'
- **c)** Are willing to respond to each channel in the future
- **d)** Find each channel acceptable for receiving marketing information

each ranked in order of market penetration in the category, based on the last 3 months.

4) Industry Sector League Tables and the Financial Prospects Index

A set of three charts showing the percentage of the population in each case, ranked in order of market penetration. Received and Acceptable cover 21 Industry Sectors, but we exclude 'Supermarkets' and 'Local and National Government' from the third chart.

- a) Industry Sectors Received
- b) industry Sectors Acceptability
- c) Likelihood to purchase 'in the next few weeks'

PLUS the trend in financial expectations, expressed as our

d) Financial Prospects Index

AFTERTHOUGHTS

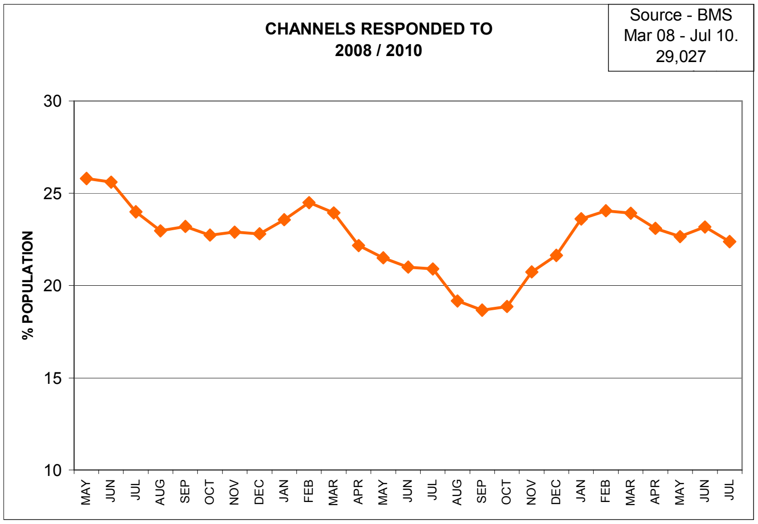
We always take the view that our clients' best interests are served by the conclusions from the data that they will draw themselves in the context of their own businesses. However we can usually not resist sharing a small number of our own 'Afterthoughts'…….

Section 1 – The Benchmark Trends

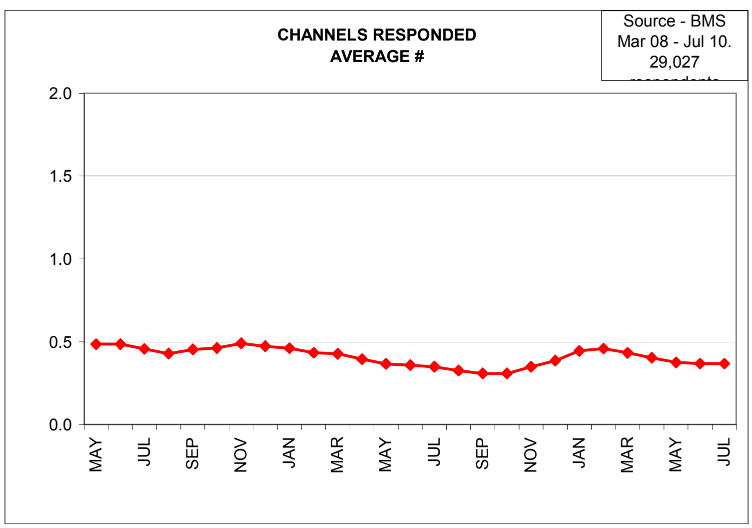
Marketing Responsivity

The total percentage of respondents who answer "Yes, I have" to any of the 17 communication channels listed with the question :-
"Have you responded to, requested information from, or made purchases as a result of, any of these in the last few weeks?"

The July 2010 figure is 22.4% against 25.8% in May 2008



The July Average is 0.37 against 0.49 in May 2008



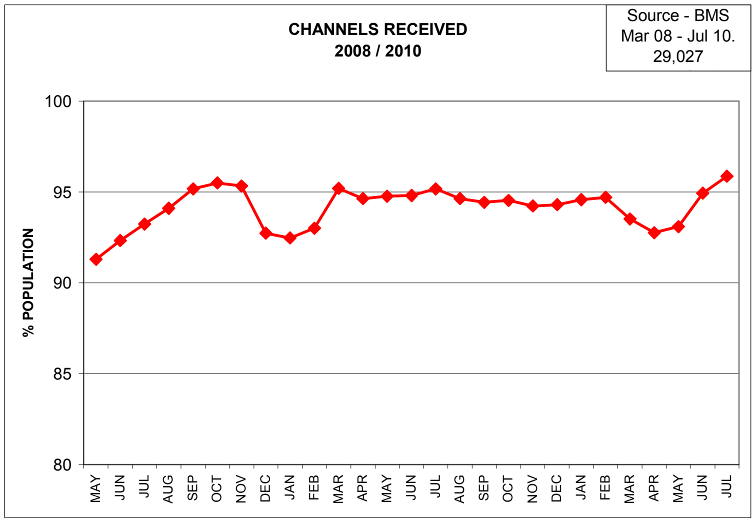
The apparently encouraging move seen in June has fallen back by 0.8% to 22.4% in July, the lowest figure since December 09. Comparing this to the 2009 experience raises again the potential for the longer downward phase seen then to be repeated this year.
On a more positive note, the average number of channels responded to has remained stable. Therefore, as the total number of responders has fallen while the national average number of channels responded to has remained level, this means that less people are responding but each of them to more channels.

Whilst looking at the overall response to marketing is useful in uncovering the general context of the market, the real value lies in understanding the trends for each individual channel, as set out in Section 2.

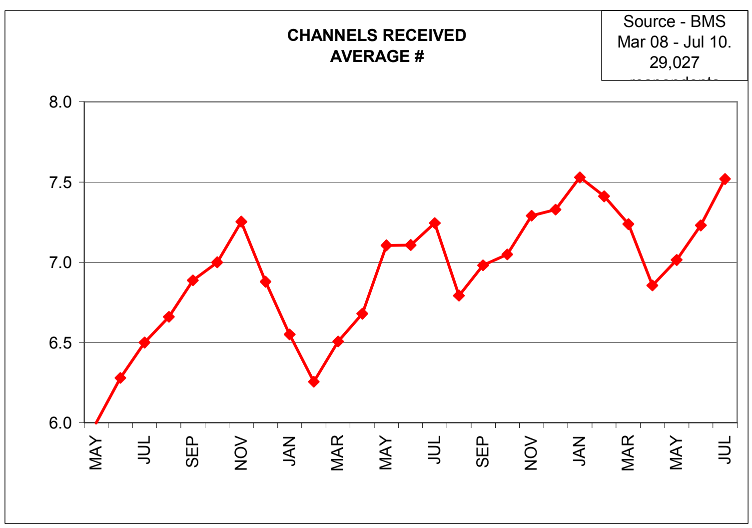
Marketing Receipt

The total percentage of respondents who answer "Yes, I have" to any of the 17 communication channels listed with the question :-
"Which of the following types of marketing have you seen, or received, during the last few weeks?"

The July 2010 figure is 95.9% against 91.3% in May 2008



The July Average is 7.52 against 6.0 in May 2008



This does not measure the volume of marketing received but the number of people who recall having received it. In this way it is not necessarily a measure of marketing activity but more a measure of the effect or impact that this activity has had.

Marketing is now recalled by almost 96% of the population, the highest figure since we started to measure it in March 2008. Not only has the number of people recalling receiving one or more channels risen but the average number of channels recalled now stands at 7.52, up for the third month running.

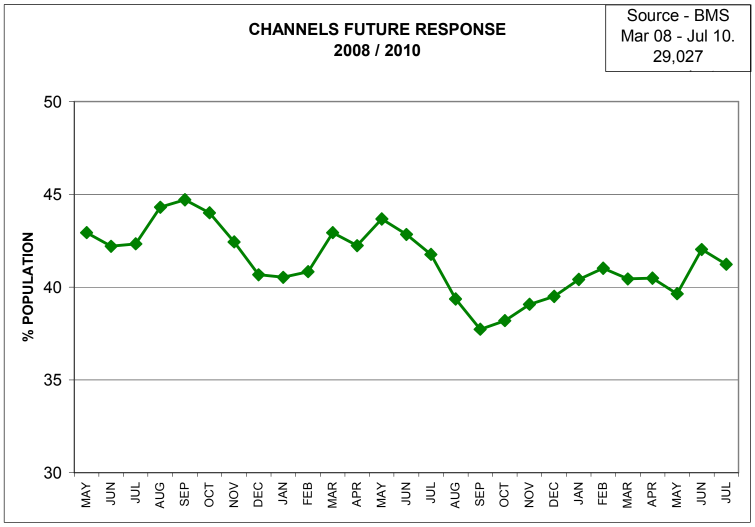
So, more messages are being received and recognised overall, but, from the Responsivity figures before, fewer people are responding overall. It may be worth considering whether there is a tipping point or limit at which an inverse relationship is created?

Section 2 provides trends for each individual channel so that the change in the make up of channel receipt and recognition can be understood. For those who wish to understand who is receiving and recognising receipt of each channel and how they are changing, the full data provides a complete demographic picture.

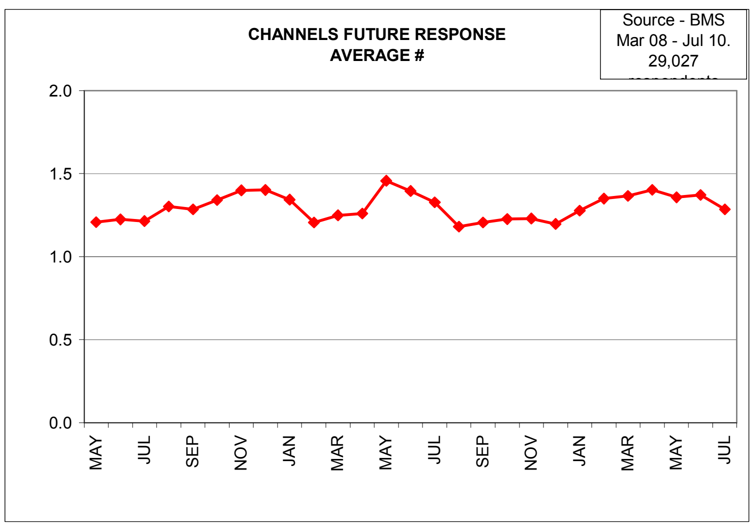
Marketing Future Responsivity

The total percentage of respondents who answer "Yes, I have" to any of the 17 communication channels listed with the question :-
"Looking again at the list, would you be prepared to respond to, request information from, or make purchases from, any of these in the future?"

The July 2010 figure is 41.2% against 42.9% in May 2008



The July Average is 1.29 against 1.21 in May 2008



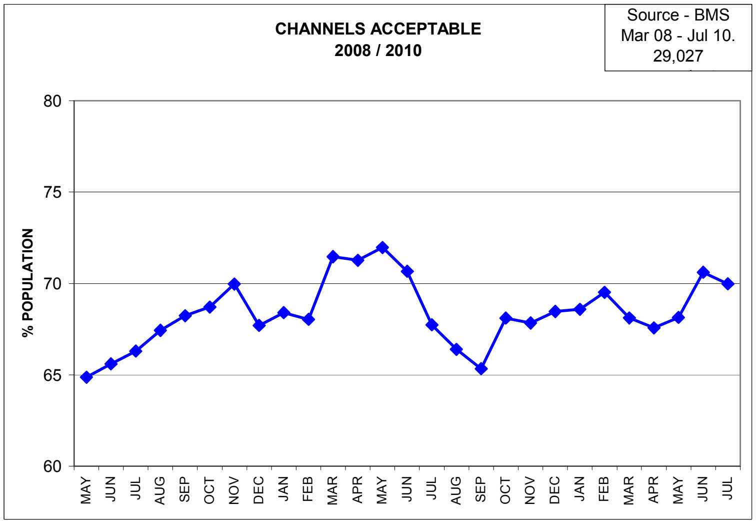
Whilst the % of Population (top chart) has shown a net rise over the last three plots, the national average number of channels (bottom chart) has shown a net decline. This is once again a clear indication that people are becoming more discriminatory about the channels they will respond to.

Cross referencing this data with both the 'backward pointing' Receipt and Responsivity, and the 'forward pointing' Acceptability, in the next sub-section, will provide a wealth of data to inform all levels of that planning process.

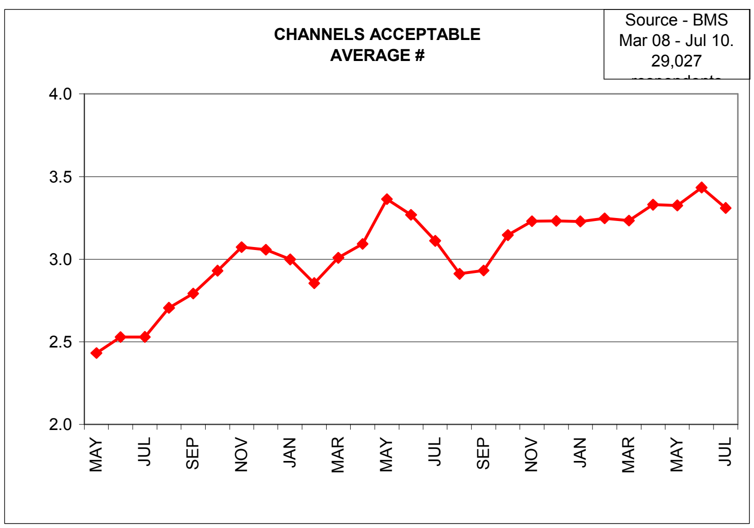
Marketing Acceptability

The total percentage of respondents who answer “Yes, I have” to any of the 17 communication channels listed with the question :-
“Which of the following types of marketing do you regard as ‘acceptable to receive’?”

The July 2010 figure is 70.0% against 64.9% in May 2008



The July Average is 3.31 against 2.43 in May 2008



Arguably, Acceptability is the most interesting measure of a consumer’s relationship with a communication channel, and with little doubt should be a primary indicator of a channel’s suitability for a ‘target segment’ driven campaign.

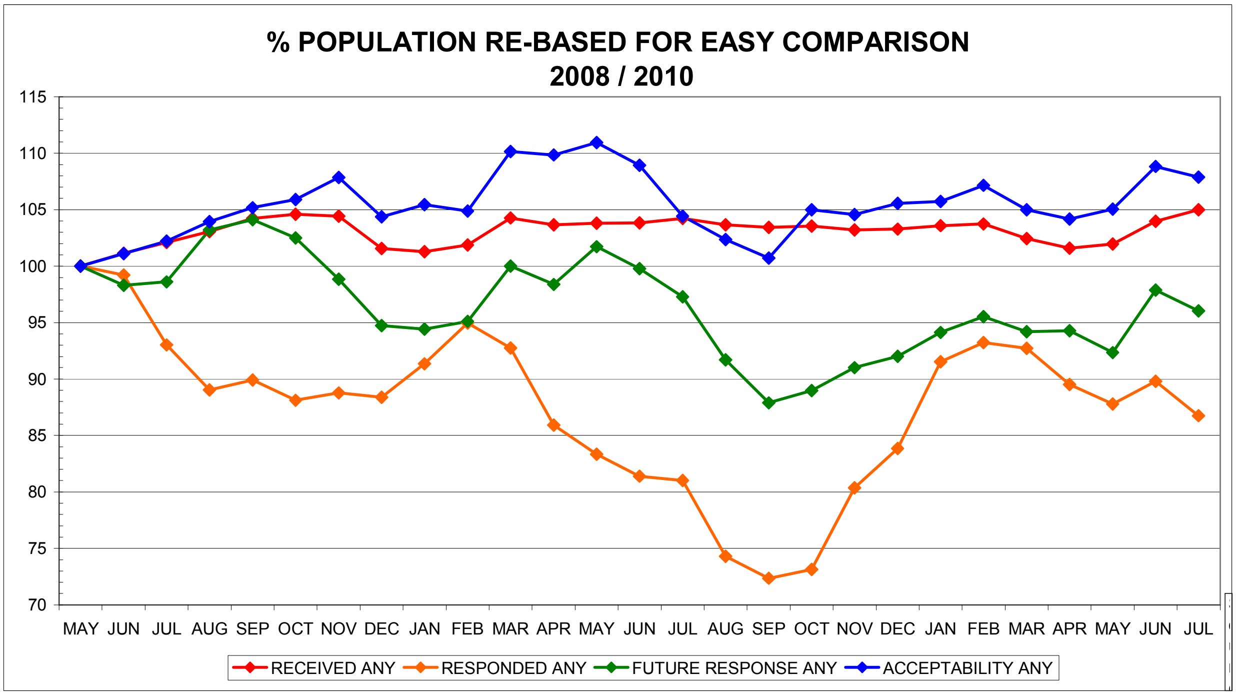
The overall trend in acceptability has reversed this month after two encouraging months. The average number of acceptable channels has also fallen from its record high last month. It should be particularly noted that this completes the picture where the Receipt percentage and average has increased, but all measures of Responsivity, Future Responsivity and Acceptability have fallen.

It therefore becomes extremely difficult to escape the conclusion that, maybe just at this particular moment in time, the public are indicating that they are now receiving a higher degree of less discriminatory marketing communications that is impacting negatively on their attitude to it.

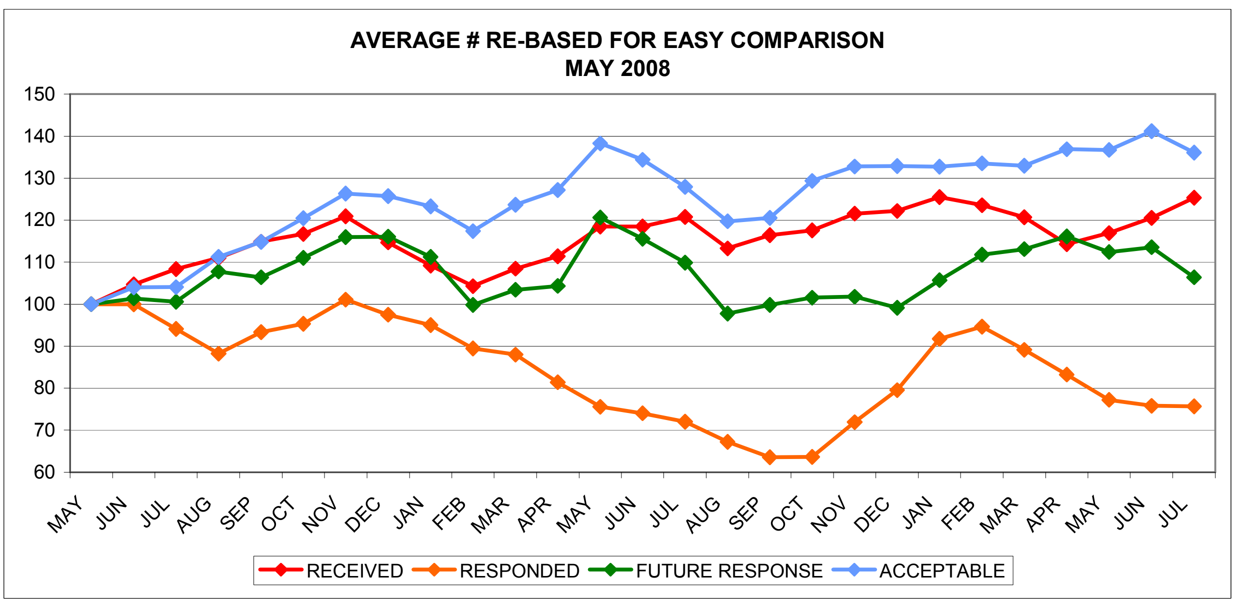
Put into harsher terms, maybe, it is not only a waste of marketing spend increasing activity communicating to ‘unresponsive’ targets, but is positively harmful to potential future business from those targets.

The INDICES

These two charts are designed to give an easy recognition of the way that the trends in each case over the period have moved in relation to each other. They show the trends expressed as simple indices based on the level as at May 2008 when we started to collect this particular set of data.



In terms of the Percentage of Population, we can easily recognise that while Receipt of Marketing Communication Channels and their Acceptability have both shown an upward trend over the period, Response and Future Response have both shown downward trends.



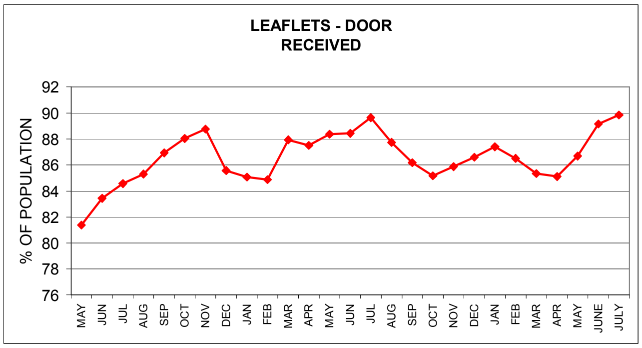
Looked at together, we can see that the 'PASSIVE' indicators (requiring no action from the consumer) - Receipt and Acceptance, are both rising. However the two 'ACTIVE' indicators – Responded and Future Response, are both flat or falling. The increase in Receipt is not translating into a lowering of Acceptability, but IS concurrent with (a driver of?) a drop in Response and Future response. Again, this is the overall picture; different patterns are emerging in different segments. These can be uncovered by more detailed analysis of the data particularly looking at it by the various Geodemographic profiling tools such as ACORN, Mosaic, Censation and OAC which are included in the data.

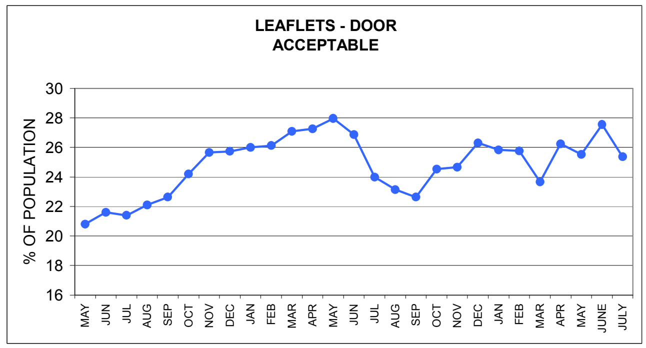
The big question must be – Is this Consumer Psychology or is it simply Topical Economics?

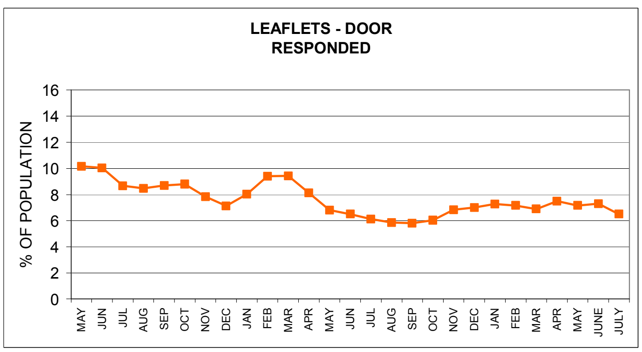
SECTION 2 – Individual Communications Channel Trends

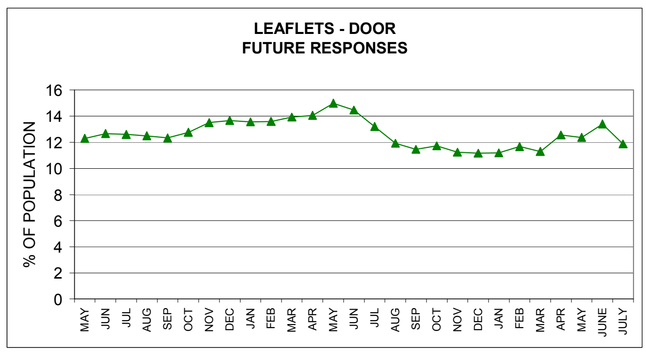
This section provides details of both the straight percentage of the population trends for the 4 measures, together with a combination 'INDEXED' Chart for an alternative comparison. By looking at the individual channels against the benchmark of the indices in section 1, and against each other, the reader can gain an understanding of the changing shape of the channel landscape. We purposefully do not provide our interpretation of the charts; our view is that this interpretation is best done by the reader in the context of their own business situation.

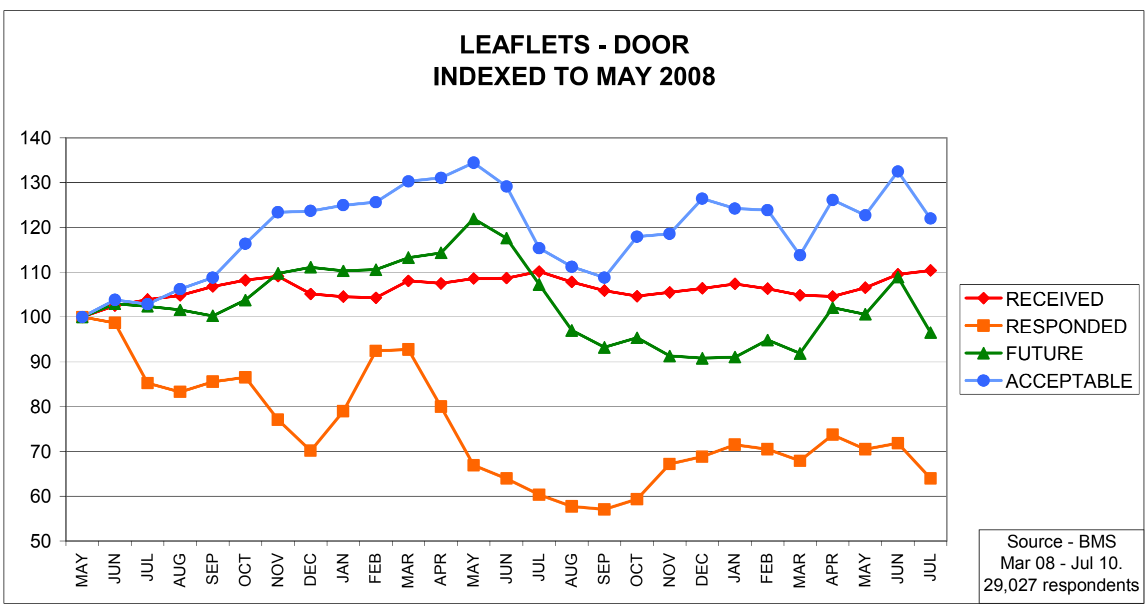
LEAFLETS THROUGH YOUR DOOR



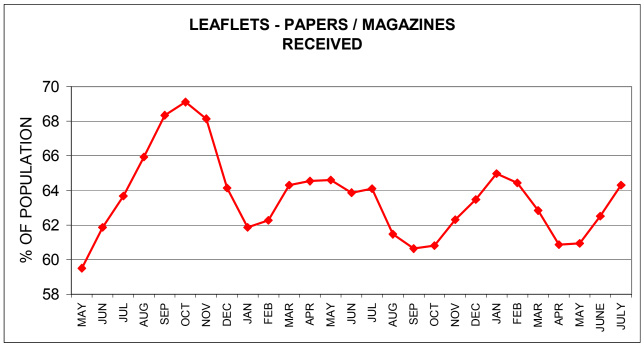


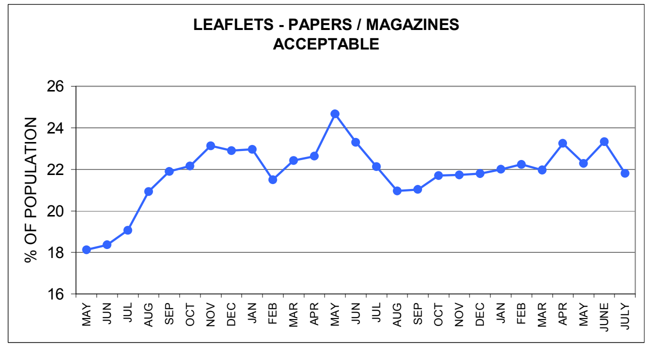


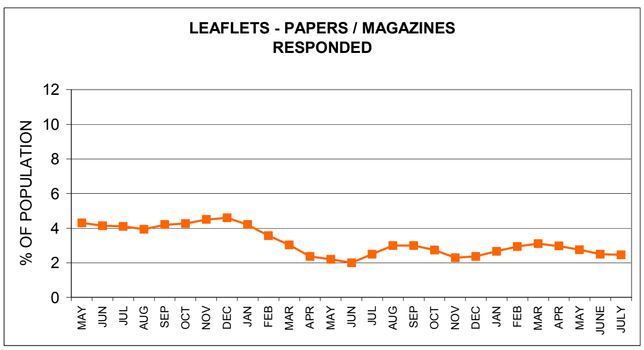


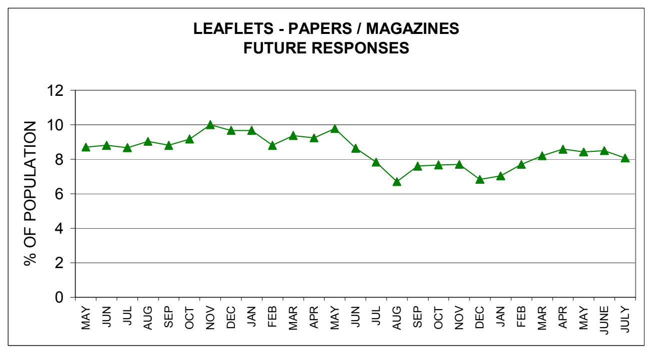


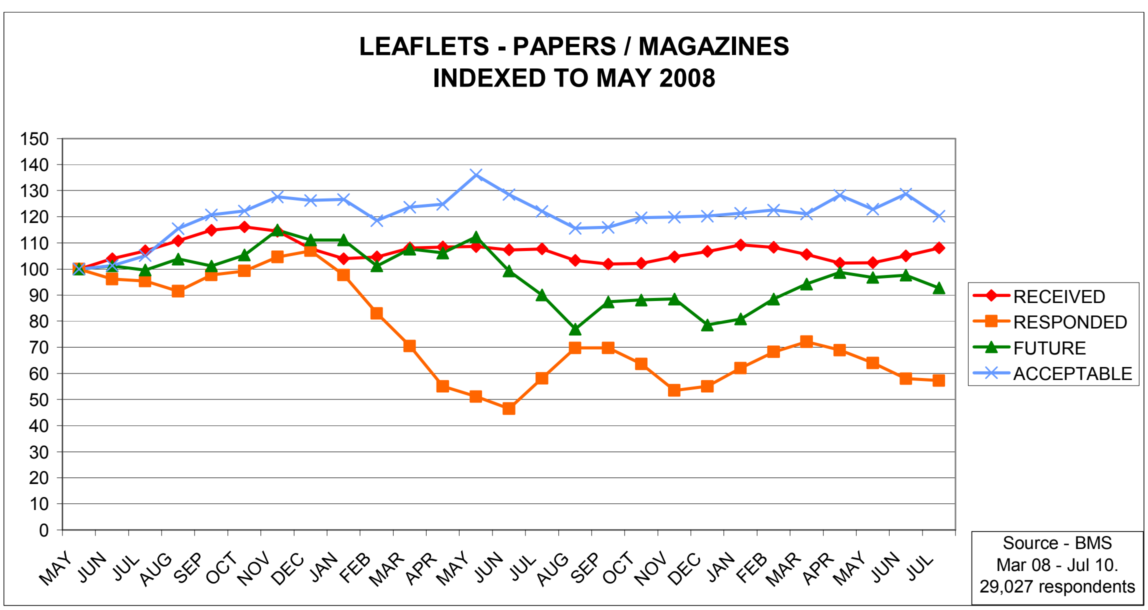
LEAFLETS IN YOUR NEWSPAPERS / MAGAZINES



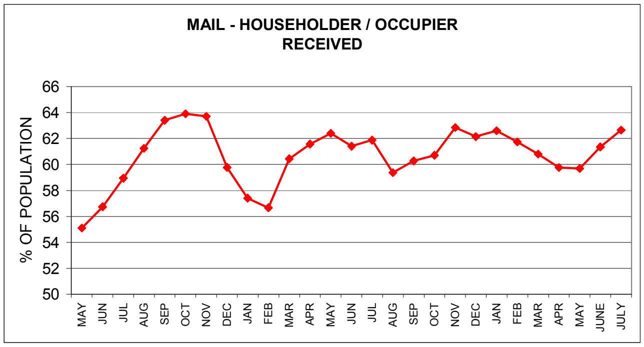


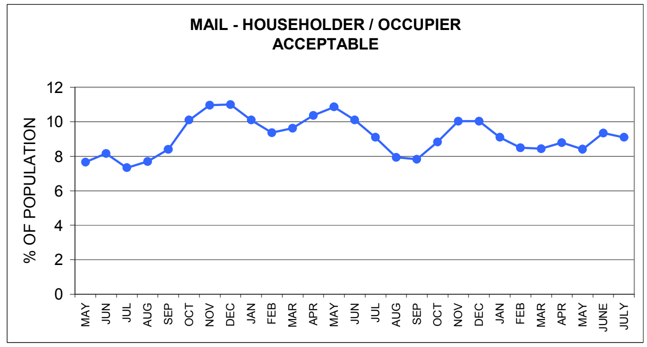


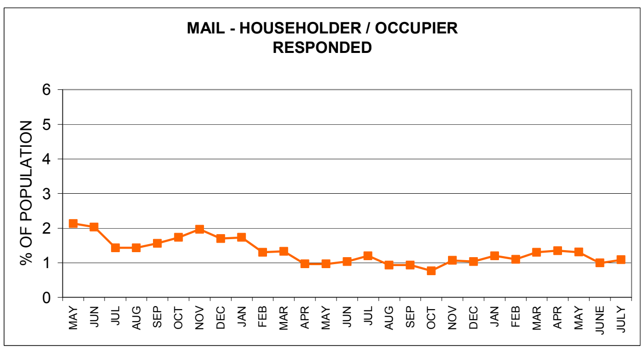


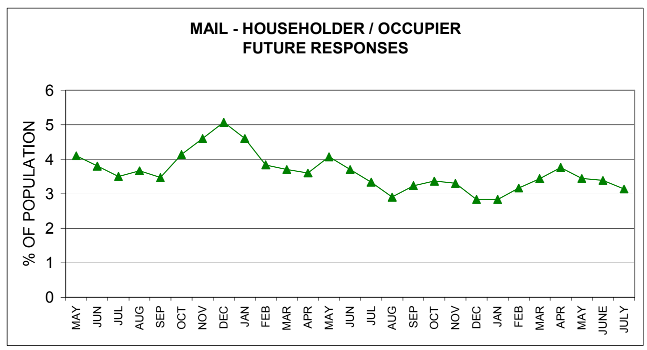


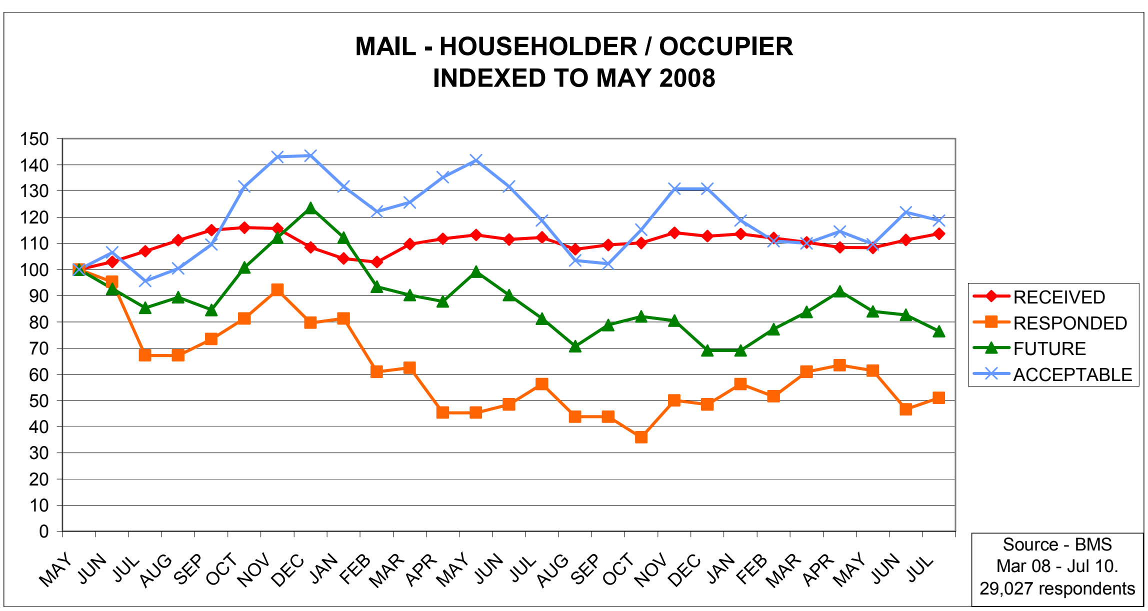
MAIL ADDRESSED TO 'THE HOUSEHOLDER' OR 'THE OCCUPIER' OR SIMILAR



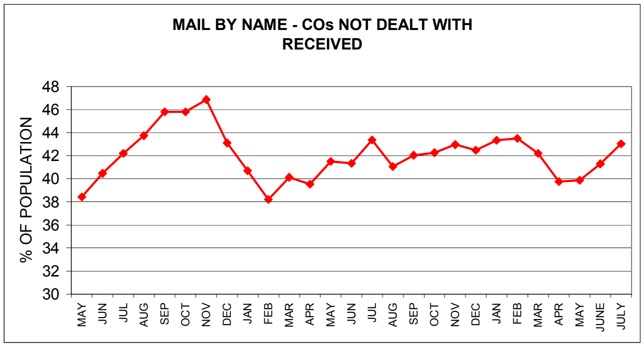


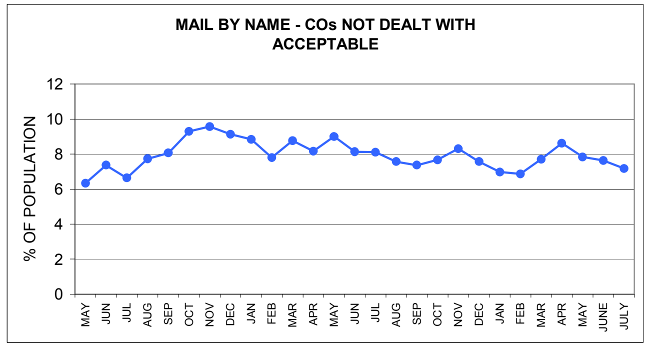


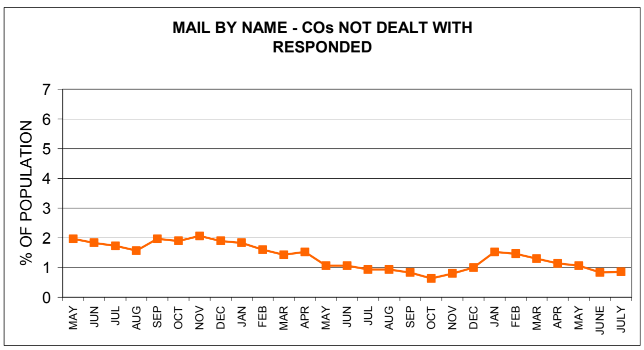


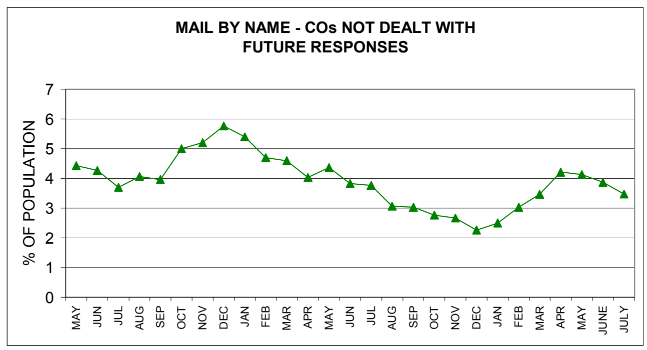


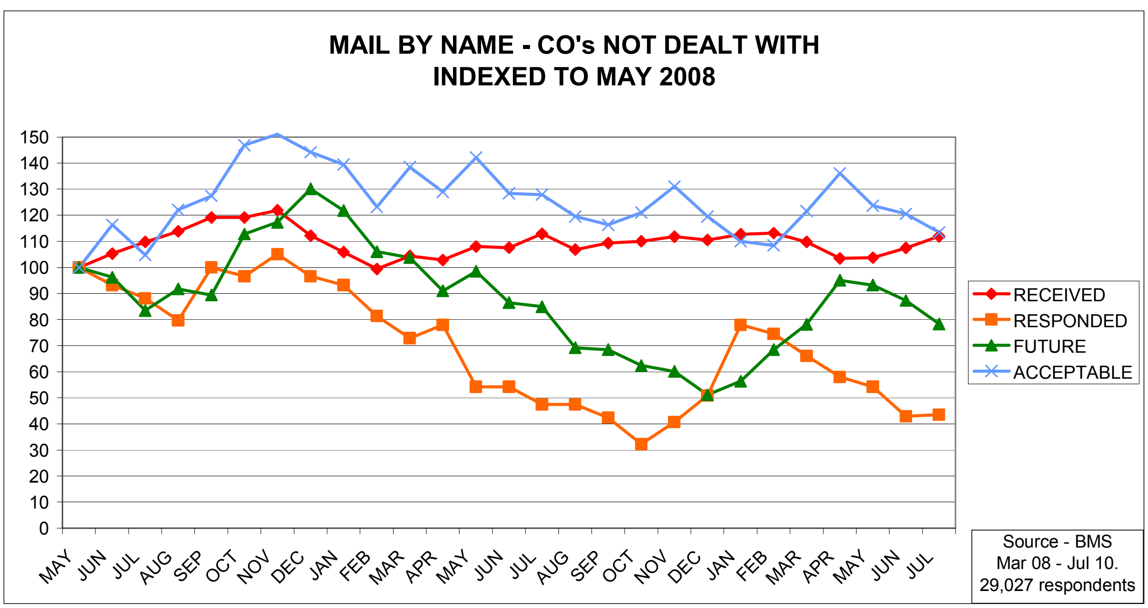
MAIL ADDRESSED TO YOU BY NAME FROM COMPANIES YOU HAVE NOT DEALT WITH IN THE PAST



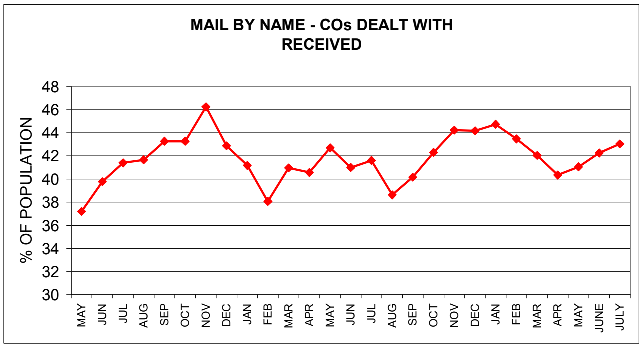


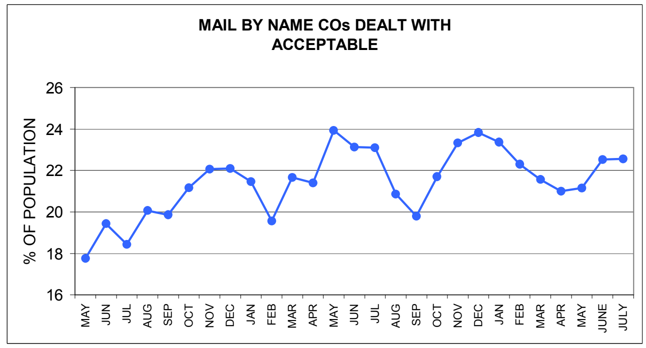


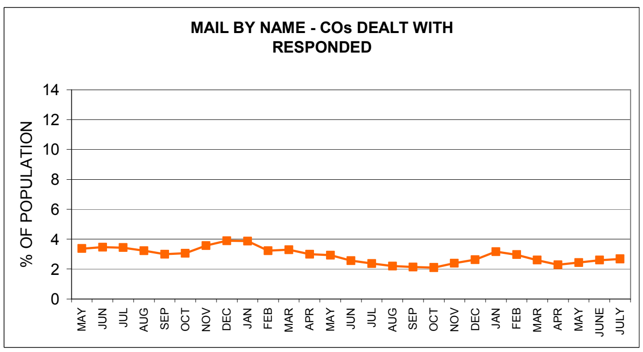


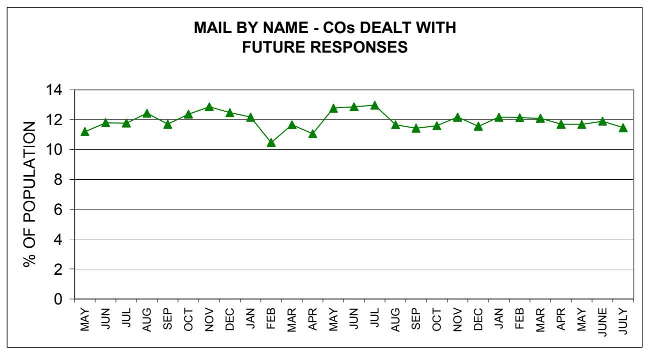


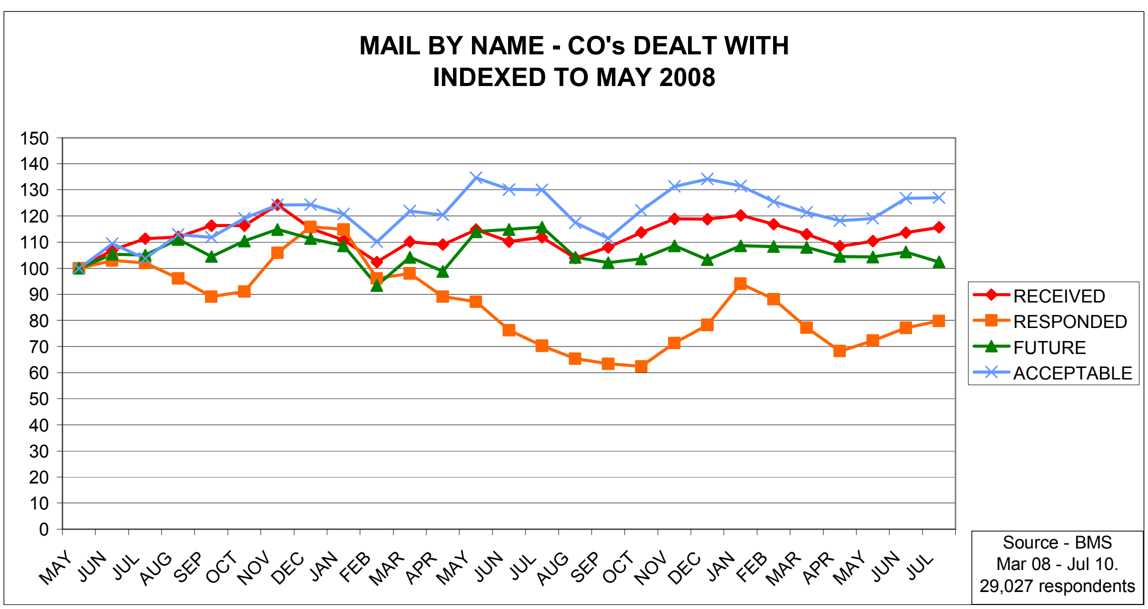
MAIL ADDRESSED TO YOU BY NAME FROM COMPANIES YOU HAVE DEALT WITH IN THE PAST



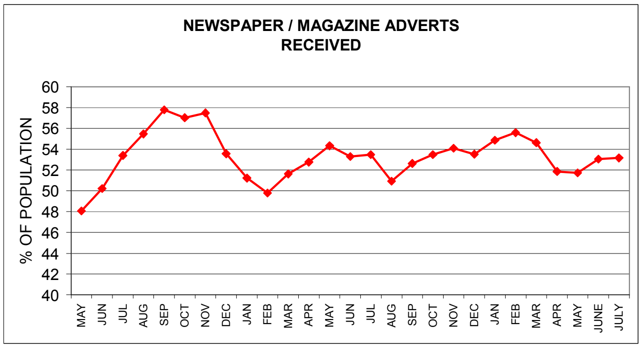


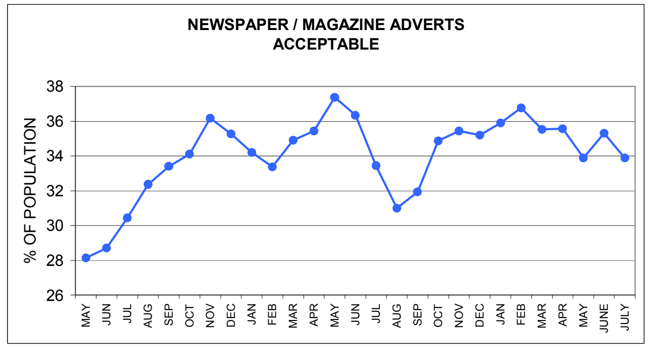


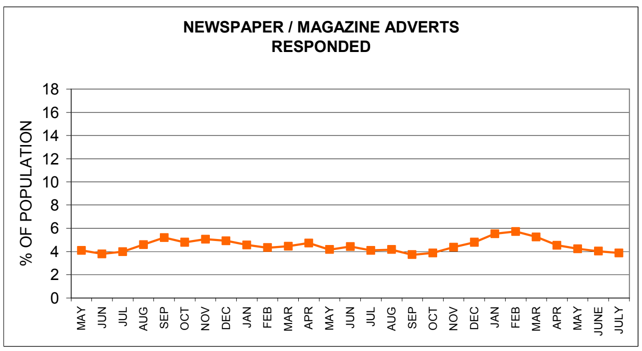


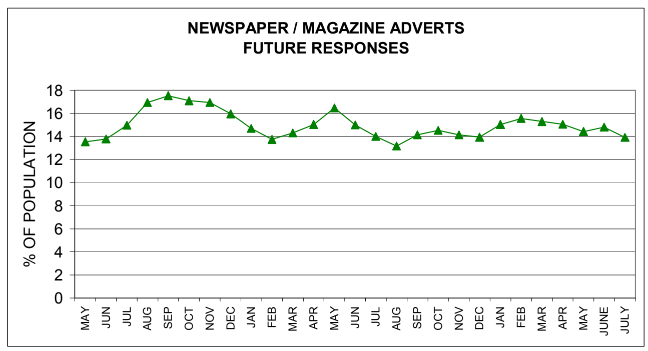


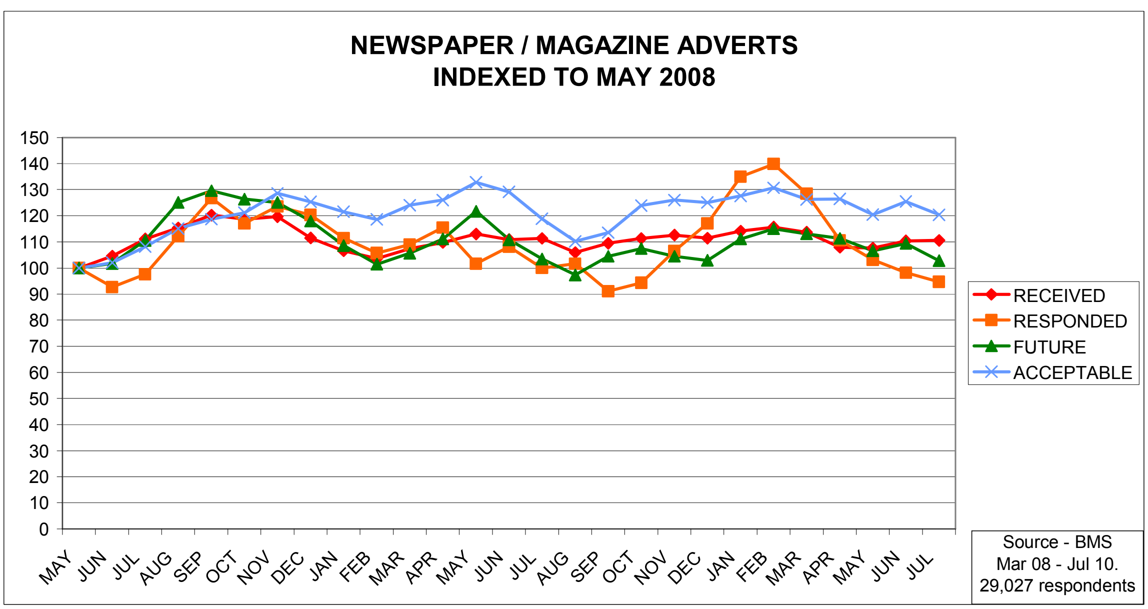
NEWSPAPER / MAGAZINE ADVERTS



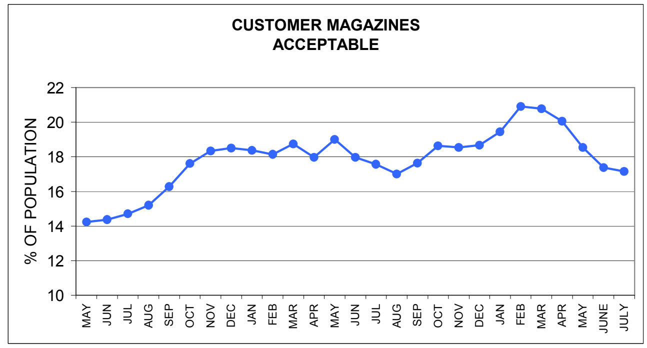









CUSTOMER MAGAZINES
RECEIVED
% OF POPULATION
MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUNE JULY


CUSTOMER MAGAZINES
ACCEPTABLE
% OF POPULATION
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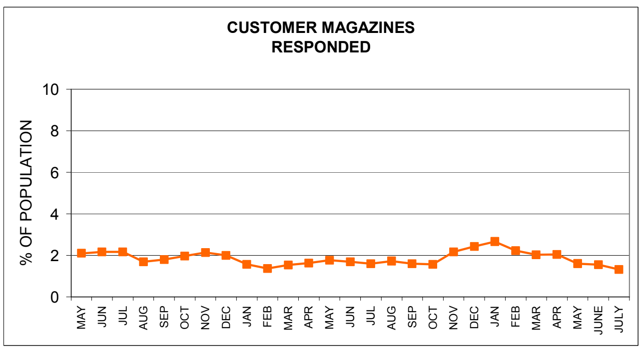
CUSTOMER MAGAZINES
RESPONDED
% OF POPULATION
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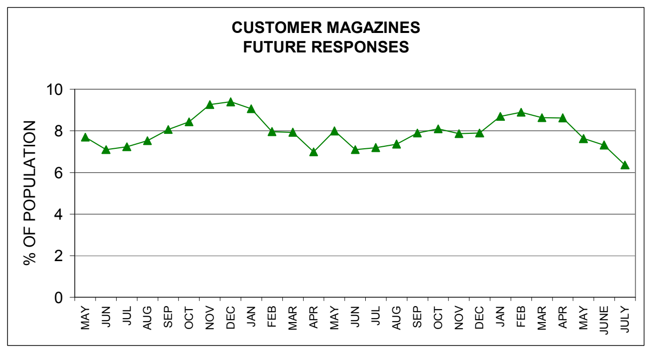
CUSTOMER MAGAZINES
FUTURE RESPONSES
% OF POPULATION
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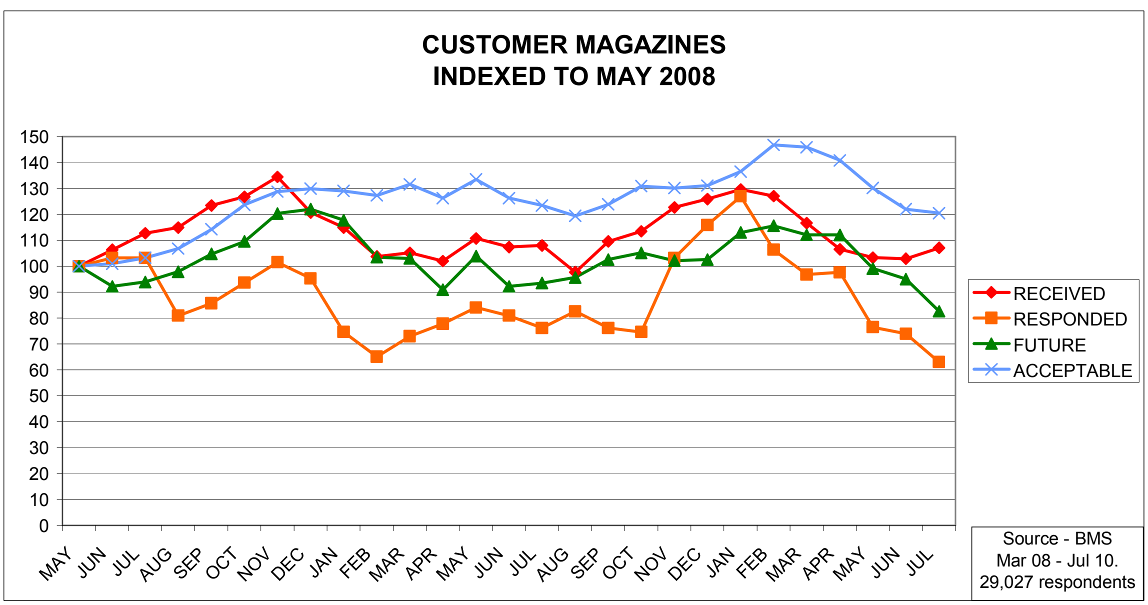
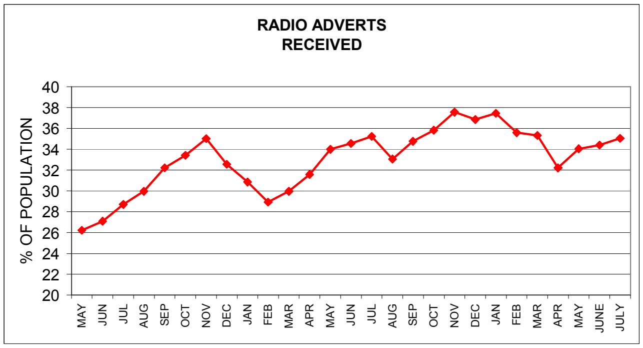
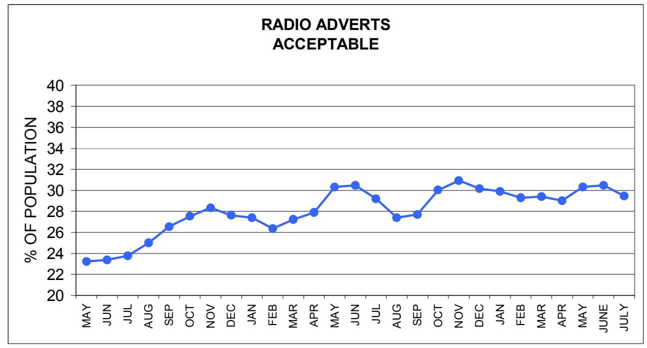
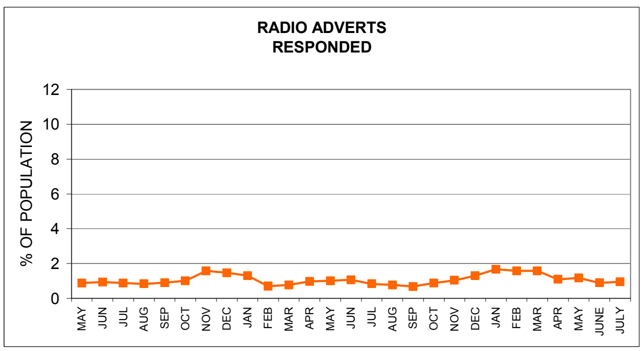
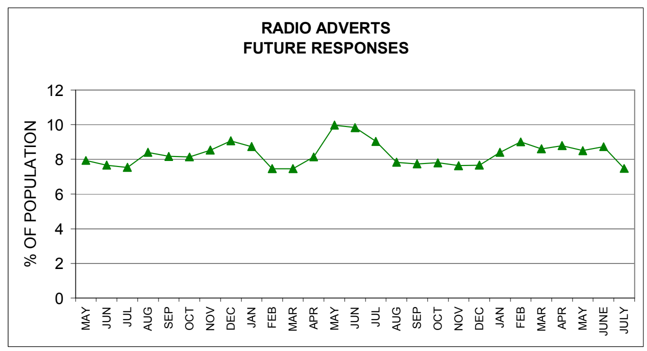

CUSTOMER MAGAZINES
INDEXED TO MAY 2008
RECEIVED
RESPONDED
FUTURE
ACCEPTABLE
MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL
Source - BMS
Mar 08 - Jul 10.
29,027 respondents

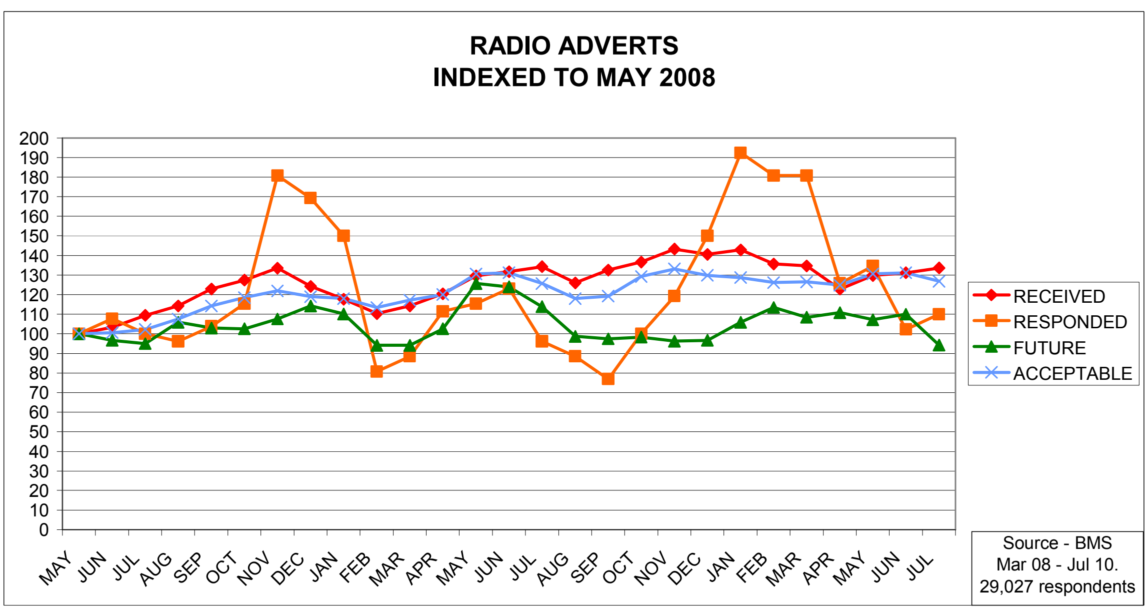
RADIO ADVERTISEMENTS



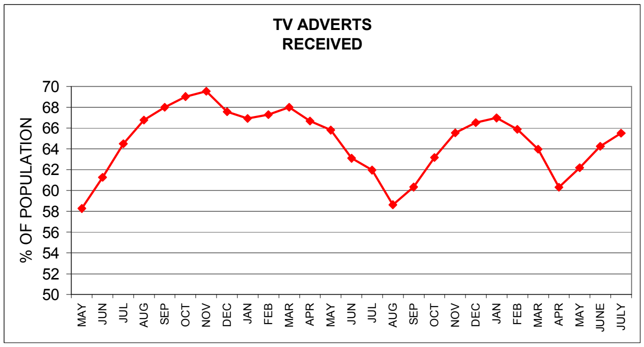


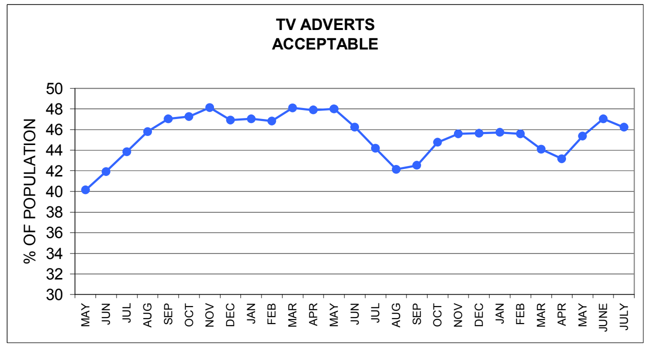


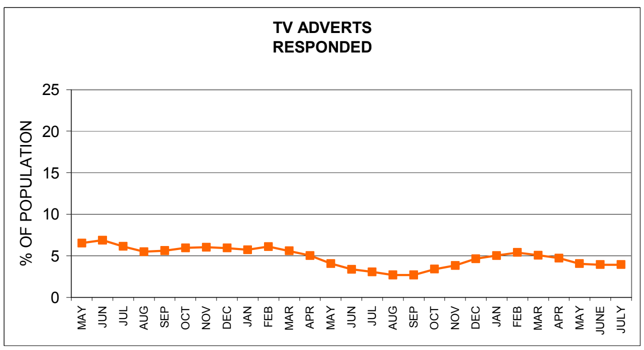


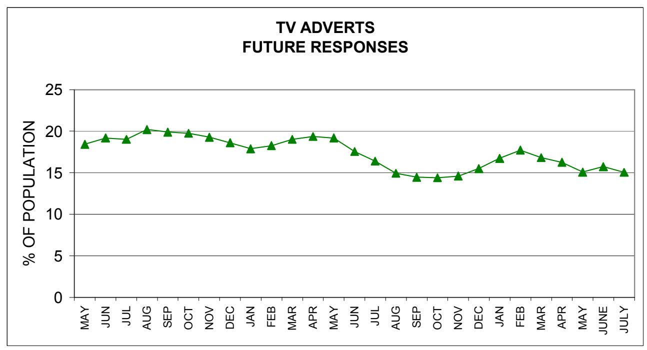


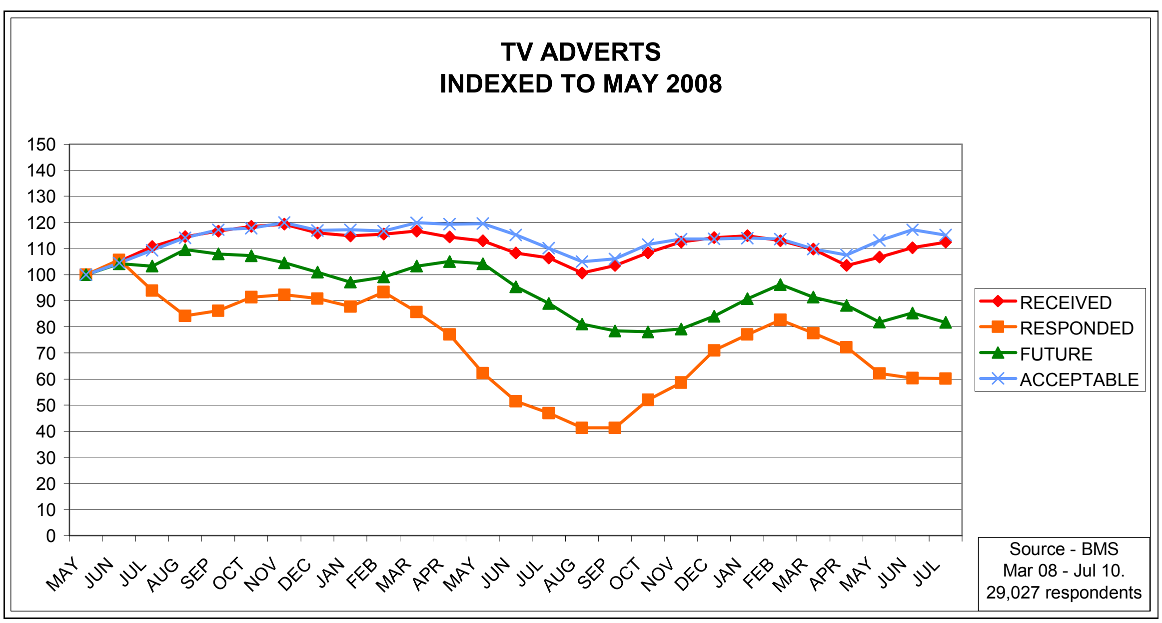
TV ADVERTISEMENTS



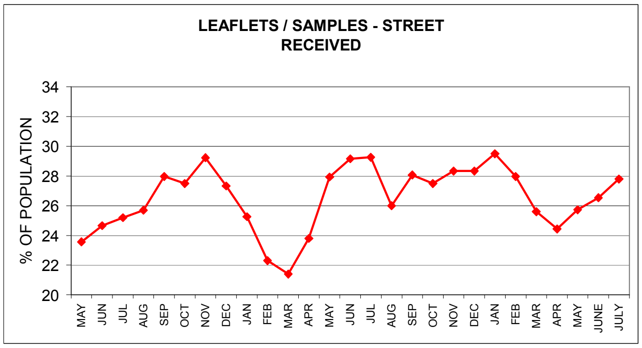


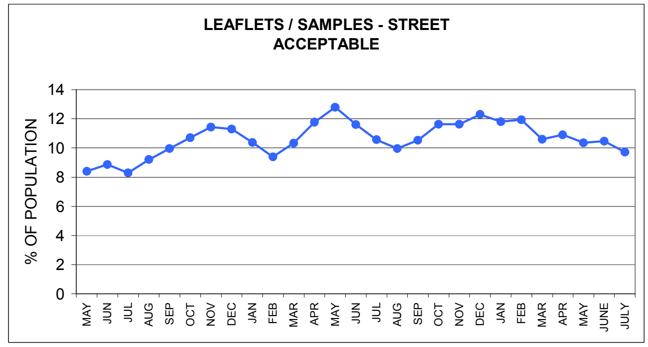


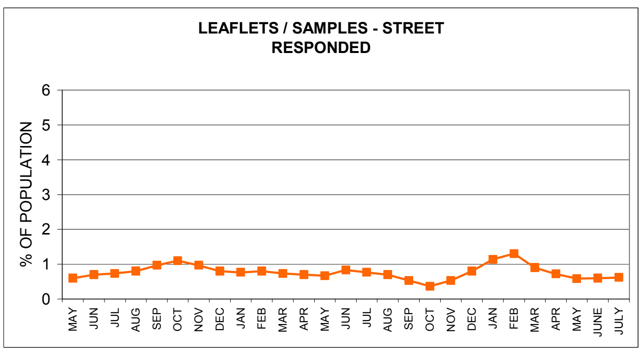


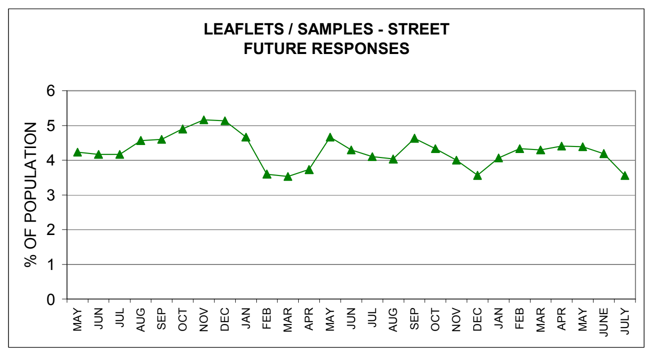


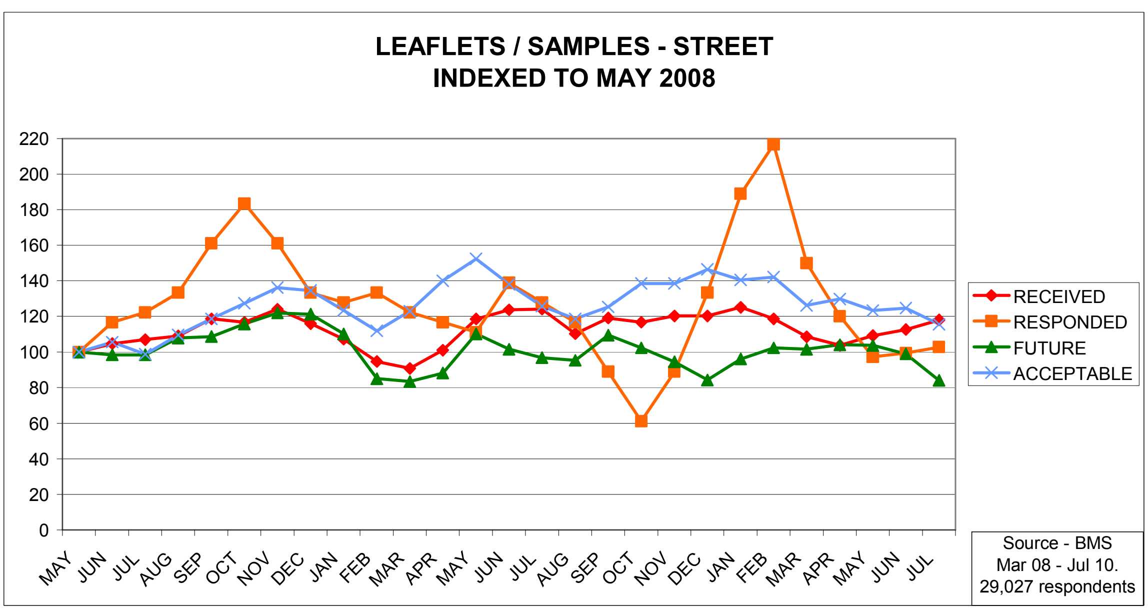
LEAFLETS / SAMPLES HANDED TO YOU IN THE STREET



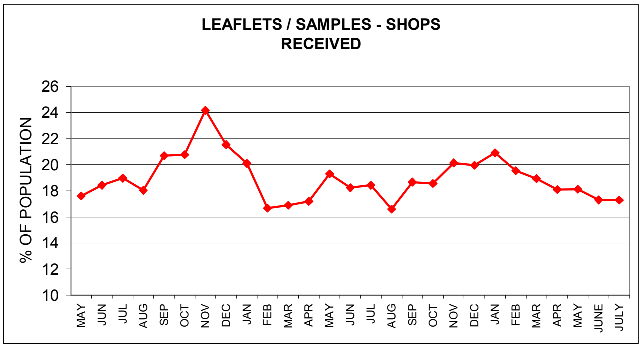


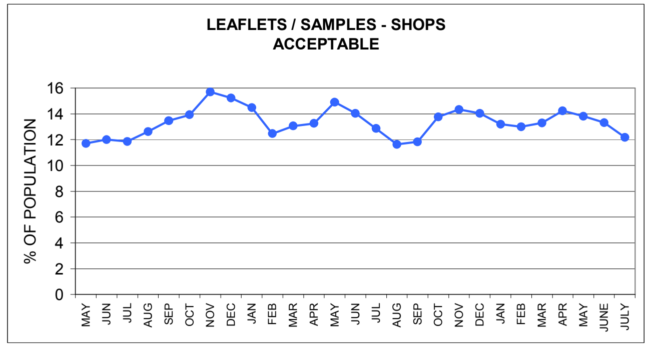


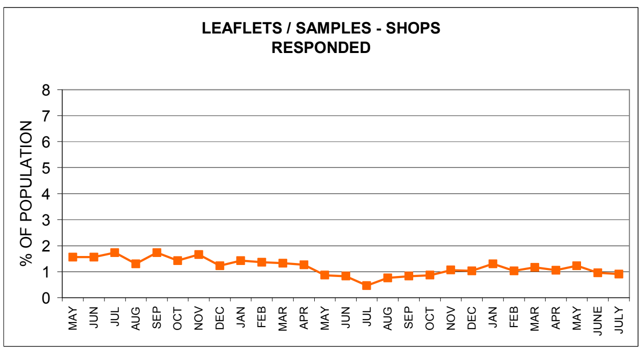


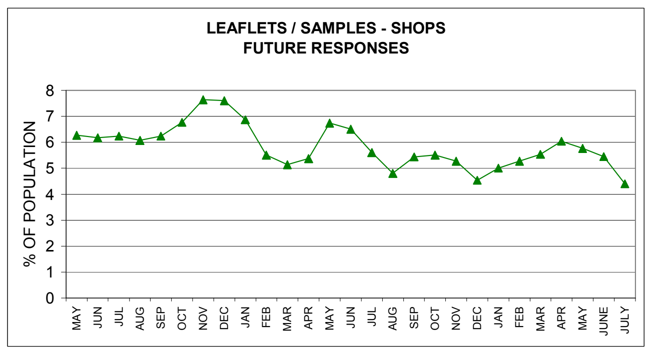


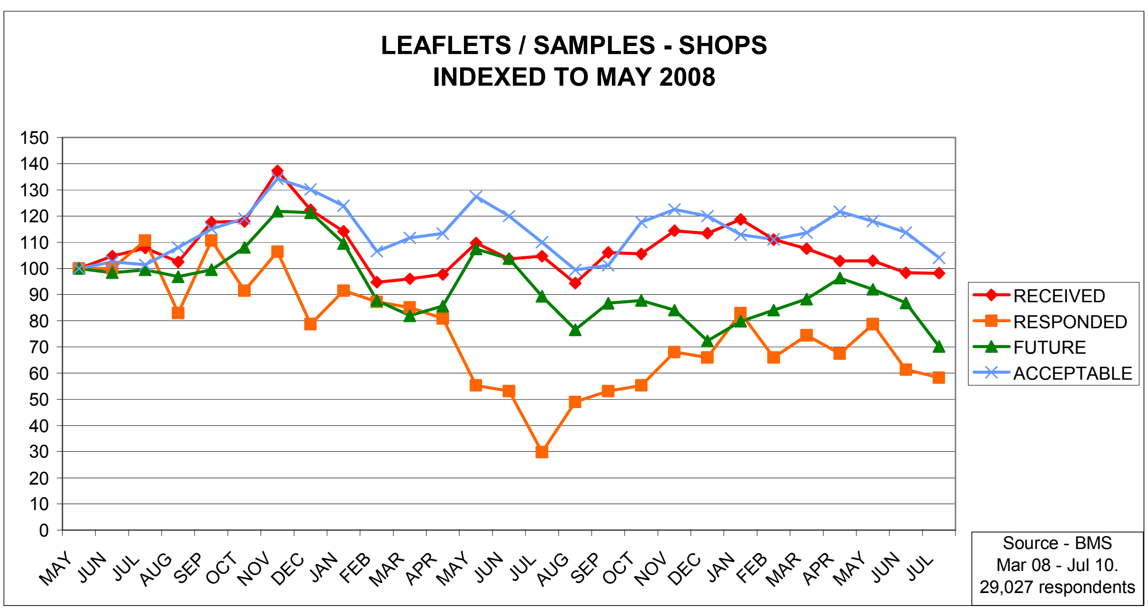
LEAFLETS / SAMPLES HANDED TO YOU OR PICKED UP INSIDE SHOPS



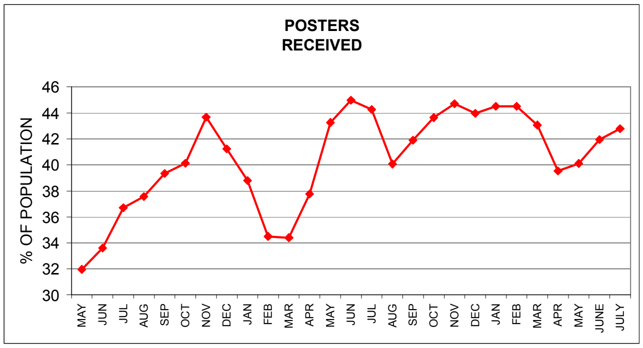


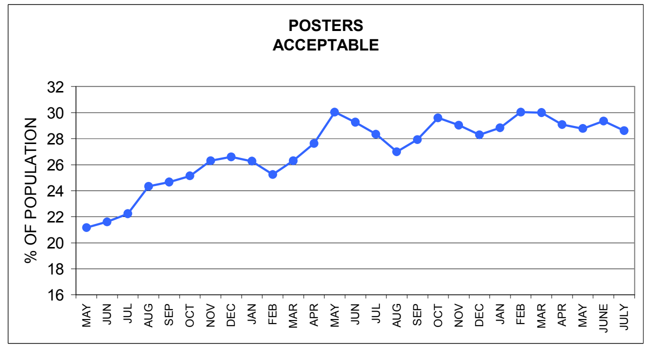


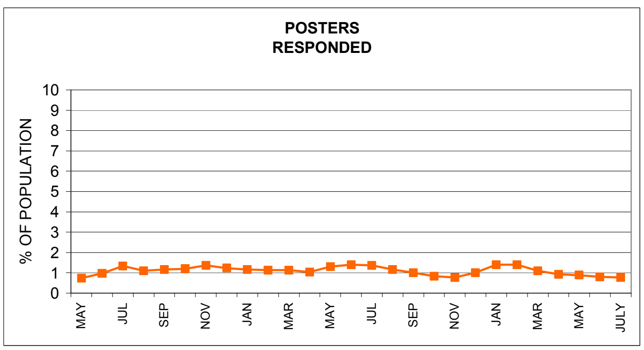


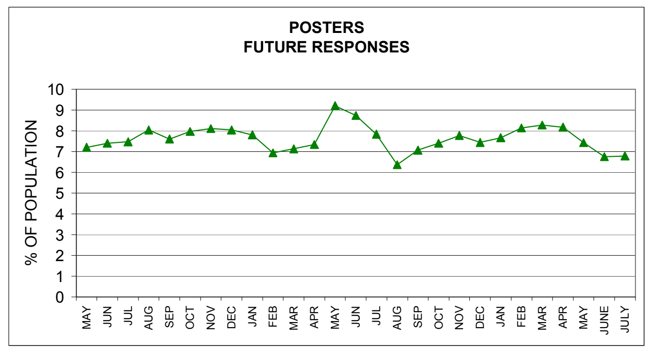


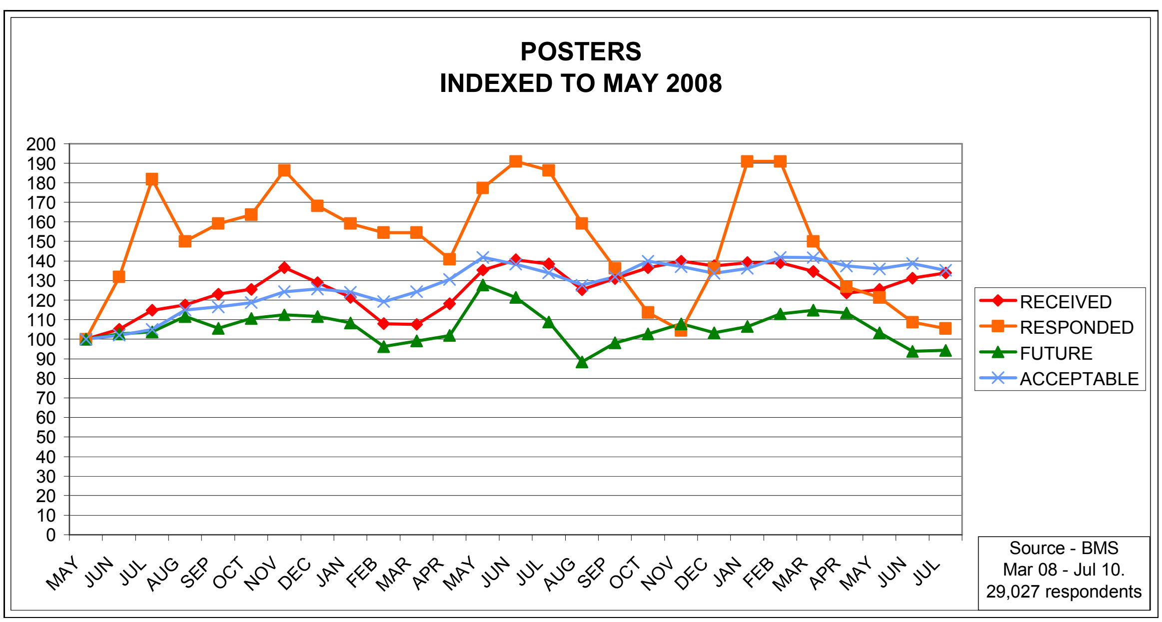
POSTER ADVERTISING

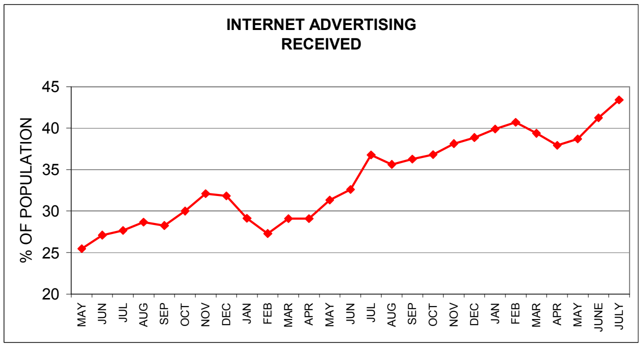




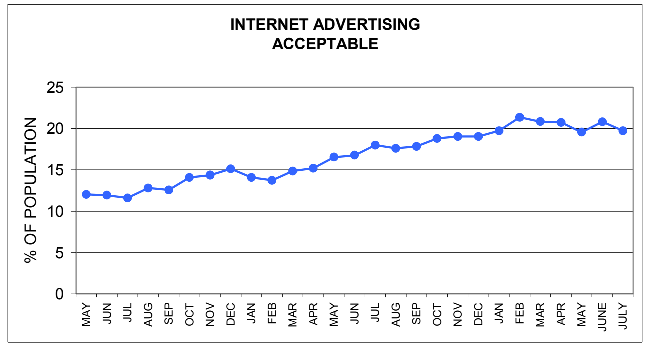




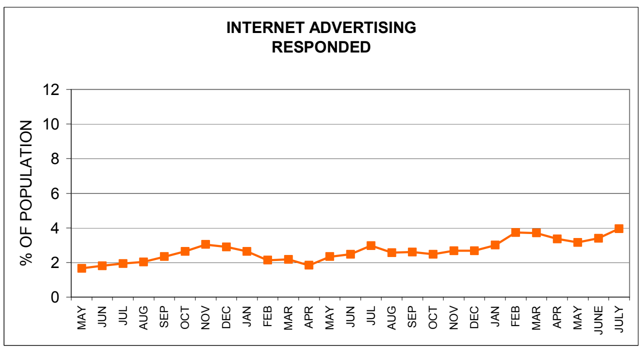




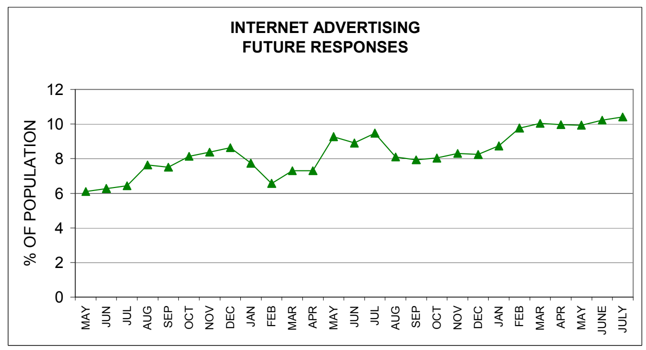
INTERNET ADVERTISING RECEIVED



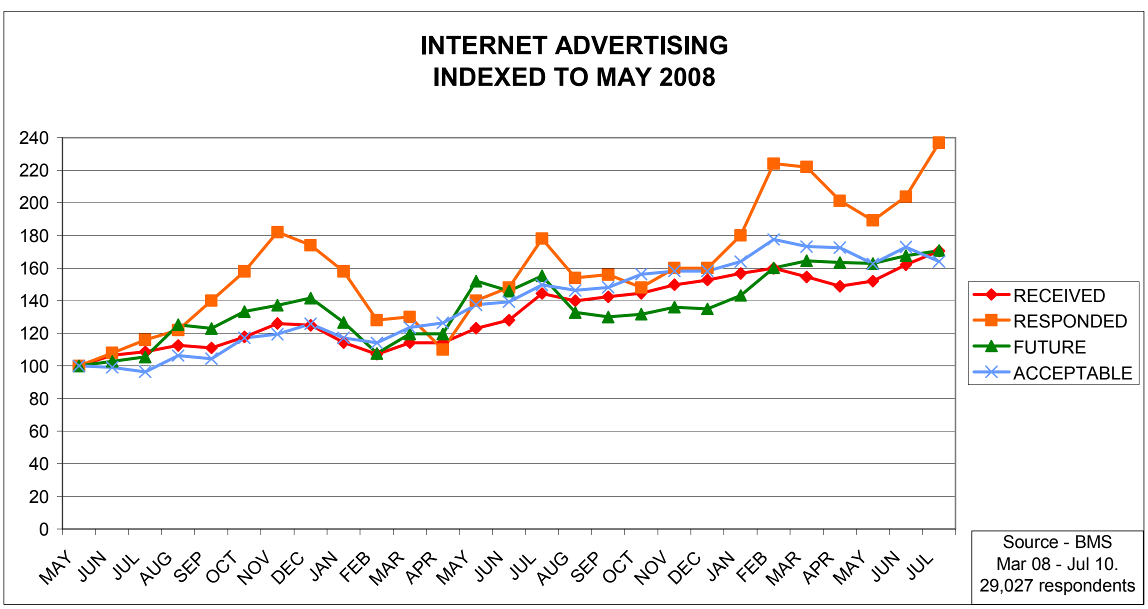
INTERNET ADVERTISING ACCEPTABLE



INTERNET ADVERTISING RESPONDED



INTERNET ADVERTISING FUTURE RESPONSES



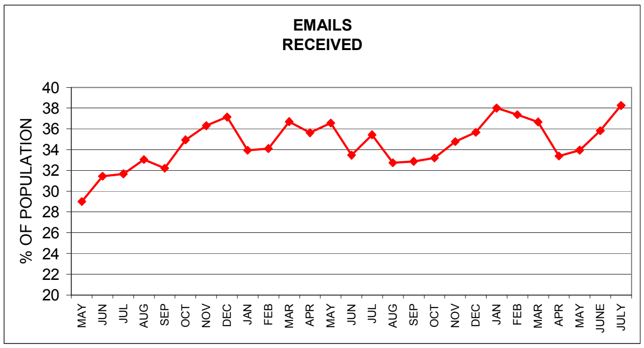
INTERNET ADVERTISING INDEXED TO MAY 2008

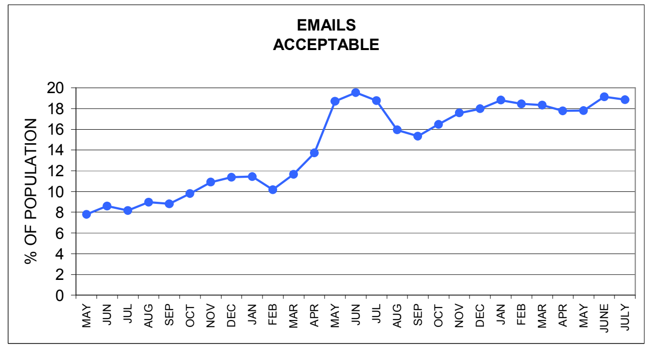
EMAILS

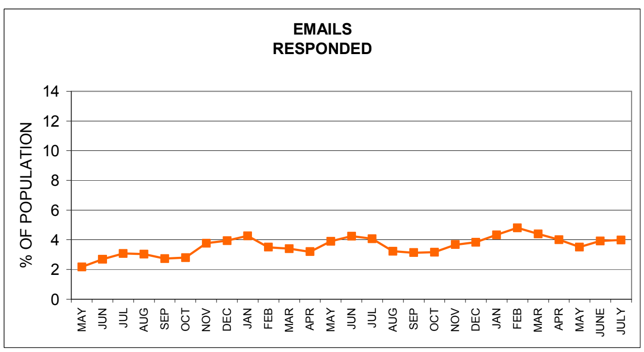
From April 2009 the British Marketing Survey split the 'Email' category into two, and commenced collecting data covering

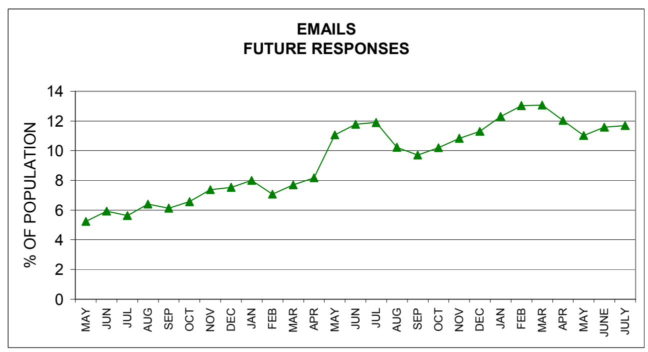
1 Email from companies you have not dealt with in the past
2 Email from companies you have dealt with in the past

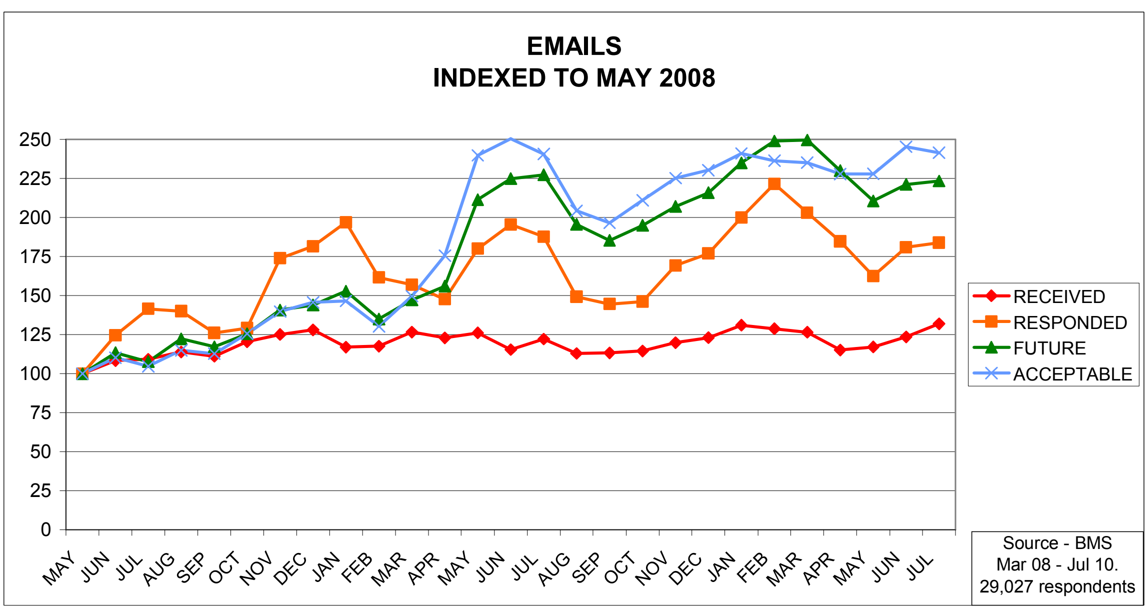
For the purpose of the long term trends, we still report here on the combined and de-duplicated totals, but the full data on both categories is available within the full database.



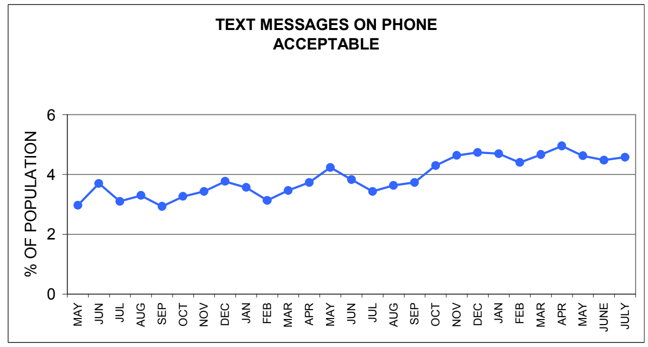


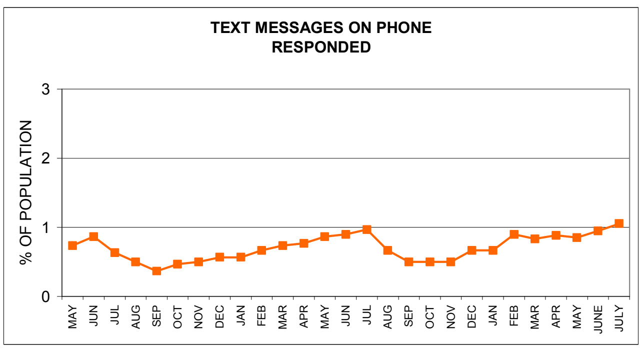


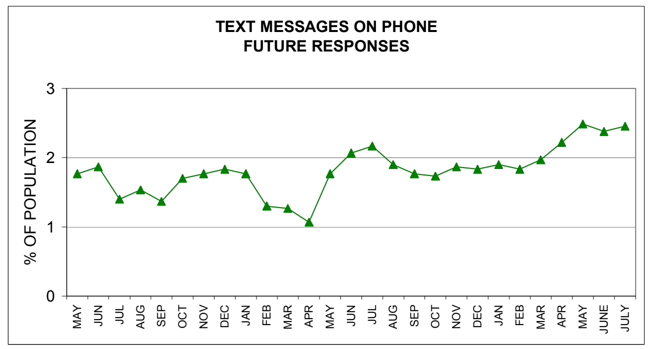


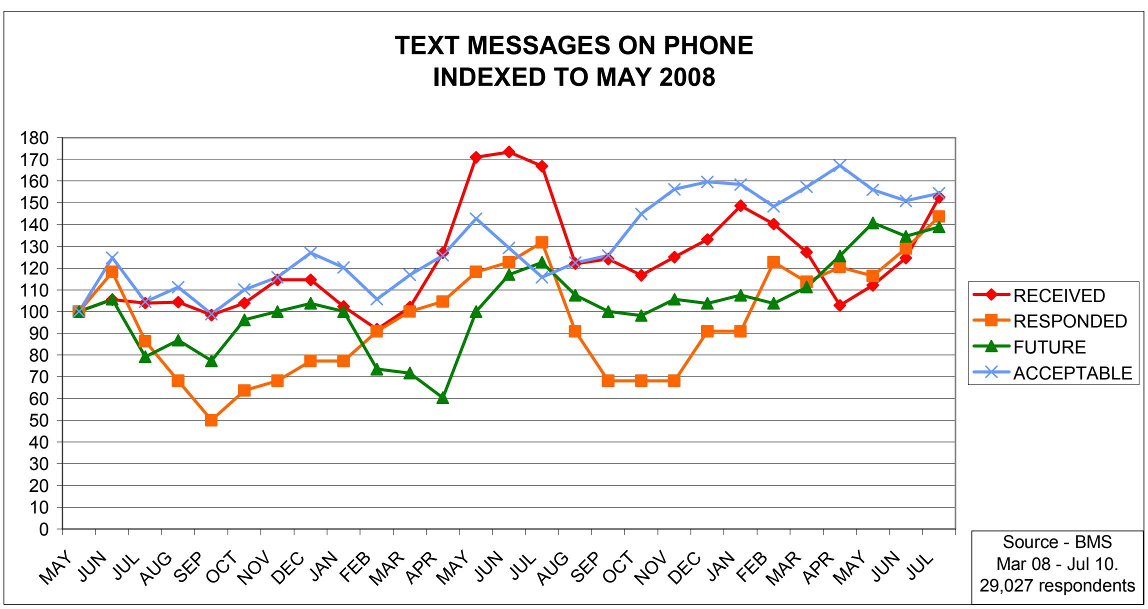


TEXT MESSAGES ON YOUR PHONE

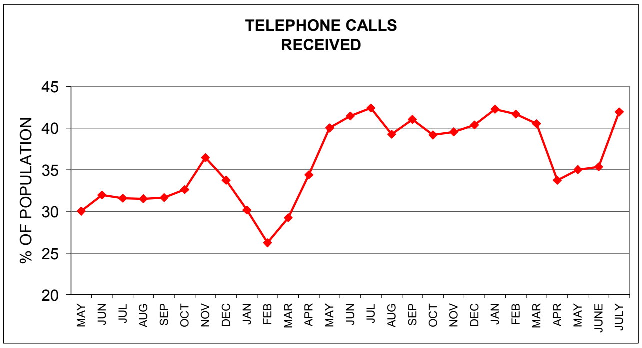


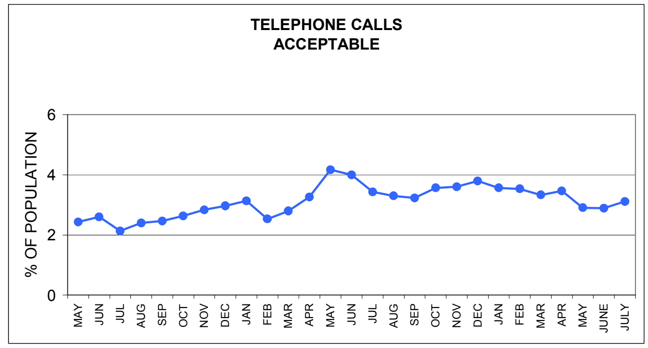


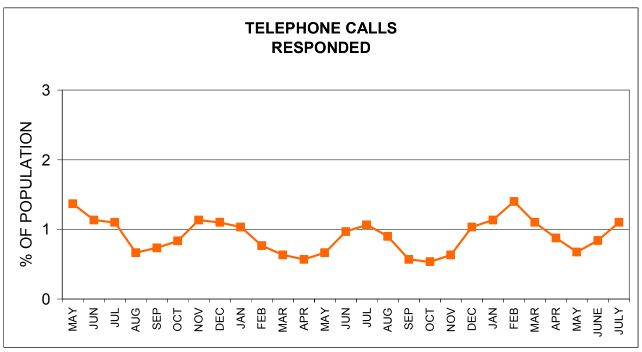


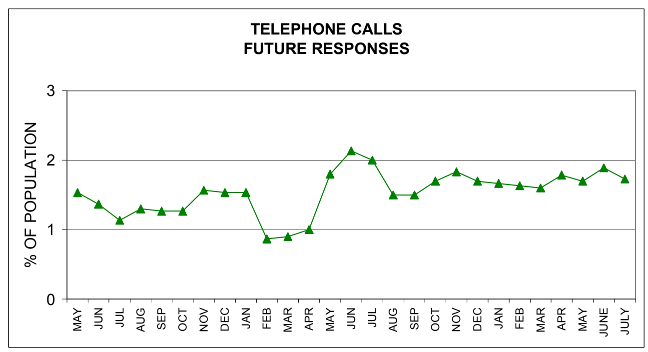


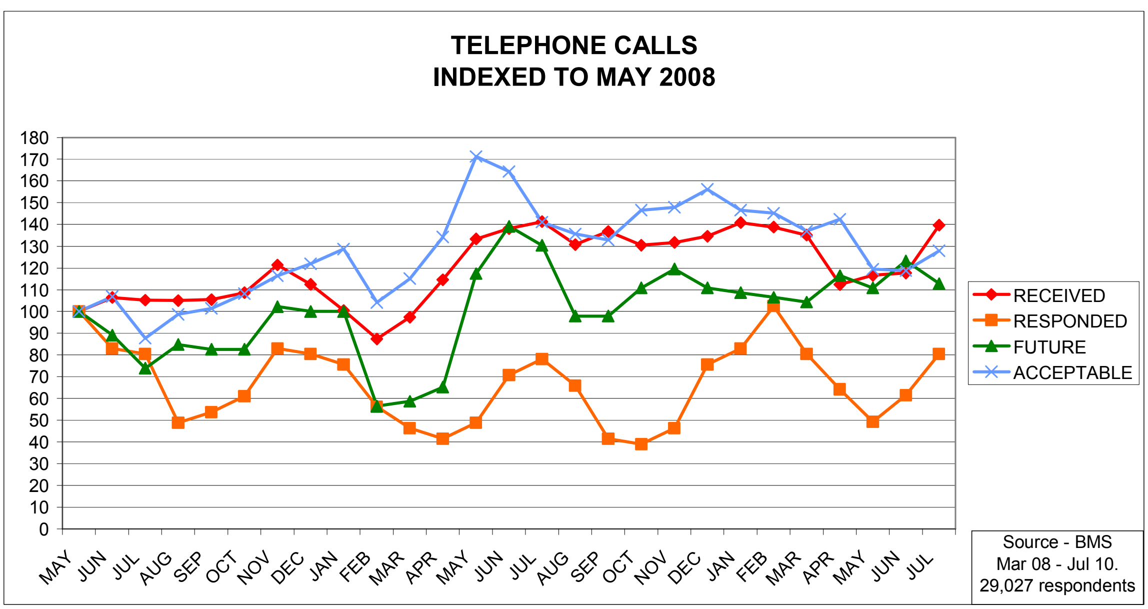
TELEPHONE CALLS







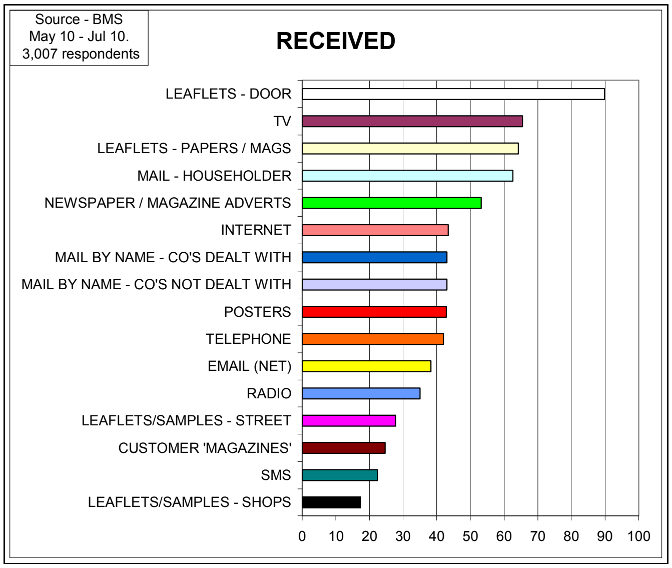


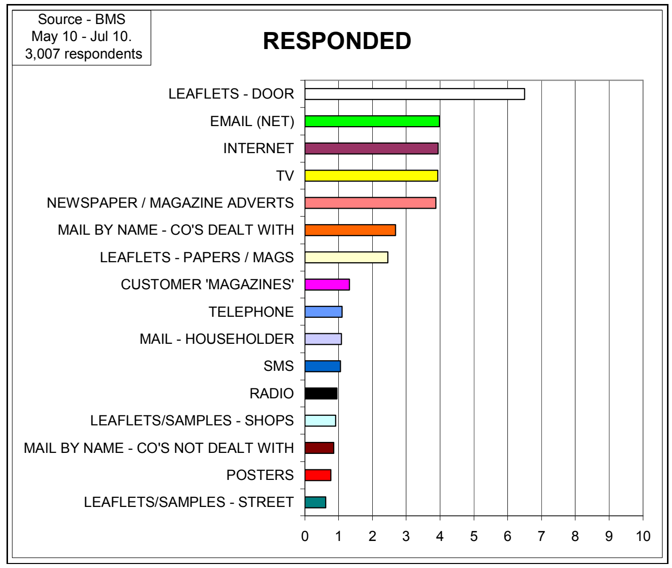


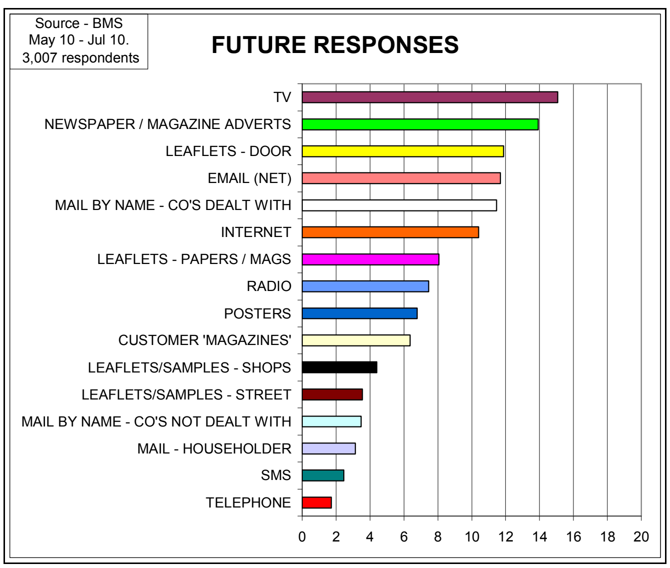
SECTION 3 – Individual Channel League Tables. JULY 2010.

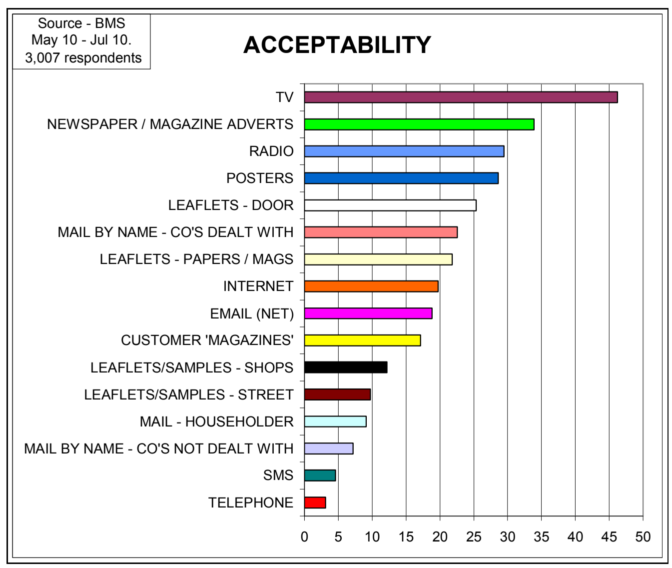
This section is based on the actual percentages of the population in each case. They are calculated on the totals for the three months to July 2010, and help to put the individual channel data into perspective.

Section 2 clearly illustrated the current trends in each channel, while the League Tables below put those trends into the context of comparative market penetration.







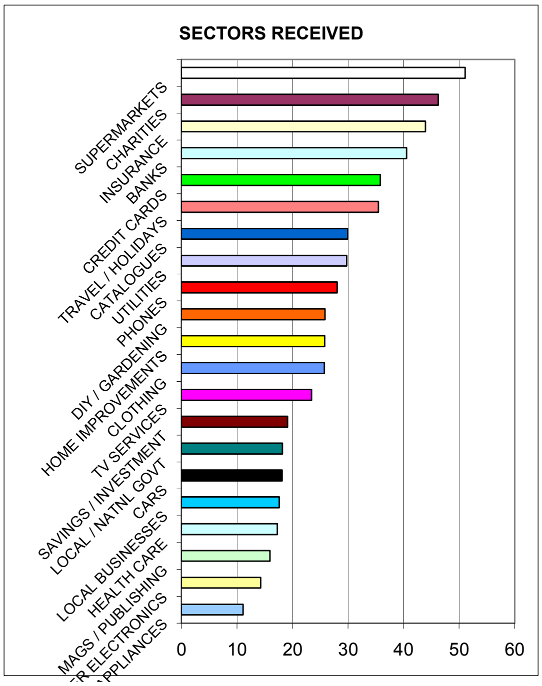


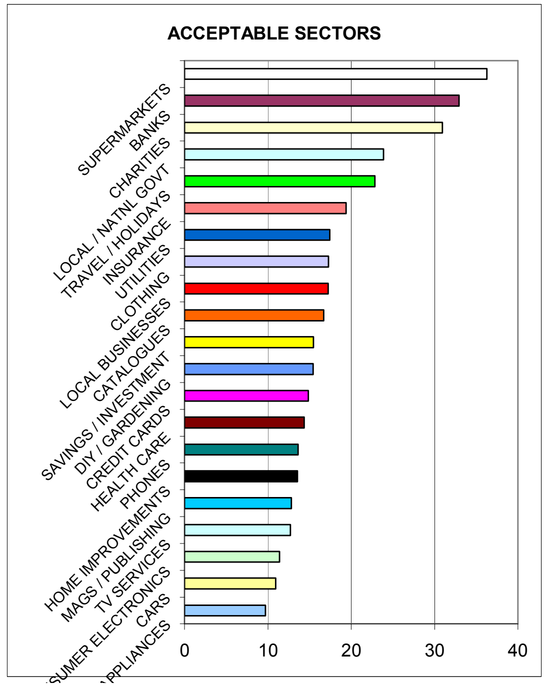
These charts show, in absolute terms, the percentage of the population (15+) who have received; responded to; are likely to respond to; and find it acceptable to receive, marketing via each individual channel.

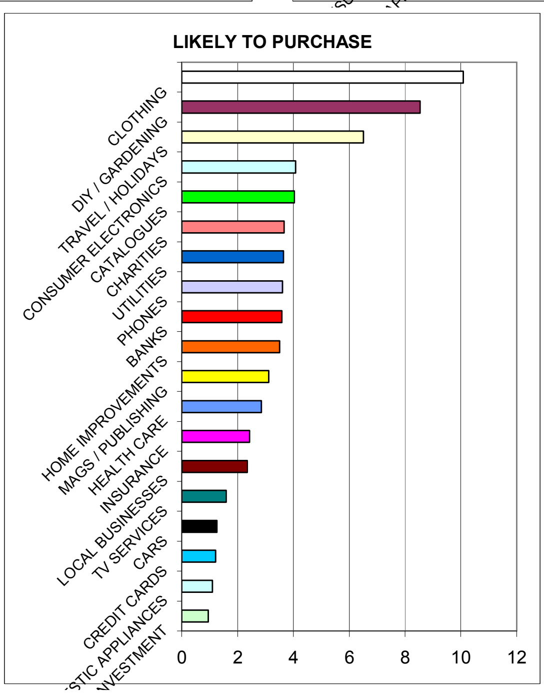
By comparing these 'hierarchies' it is possible to gain an understanding of which channels are showing signs of being over and under used. For example if a channel is higher in terms of receipt than response, future response and acceptance then it should provoke further investigation as to whether, for a given target market, that channel is appropriate, and may suggest testing a different channel mix. Again acceptability is a key element, if a target segment scores low in acceptability of a channel, low in response and low in future response then use of that channel could be causing brand damage that a brand tracking study (with it's low sample size) would never pick up.

SECTION 4 – INDUSTRY SECTOR LEAGUE TABLES - AND FINANCIAL PROSPECTS JULY 2010.

This section is based on the actual percentages of the population in each case. They are calculated on the totals for the three months to July 2010.
These tables introduce an entirely new section to the report, and hopefully one which will add significant additional information, and provoke new insights.
It is especially interesting to review the inter-relationships between the tables, which can throw new light on to some of the insights gleaned from the previous sections.
As an example, comparisons of ranking orders are particularly illuminating, especially between Received and Likely to Purchase. Here we can see that 'Consumer Electronics' languishes one from the bottom of the Received league table, even though it is in fourth place in Likely to Purchase. **Further analysis of the underlying data reveals that only 65% of those likely to purchase have received marketing from the sector. Healthcare on the other hand is only reaching 51% of those likely to purchase.**
Further, we can see from the first two Tables that the only two Sectors where Acceptability matches or exceeds Receipt are Local Businesses, and Local / National Government.







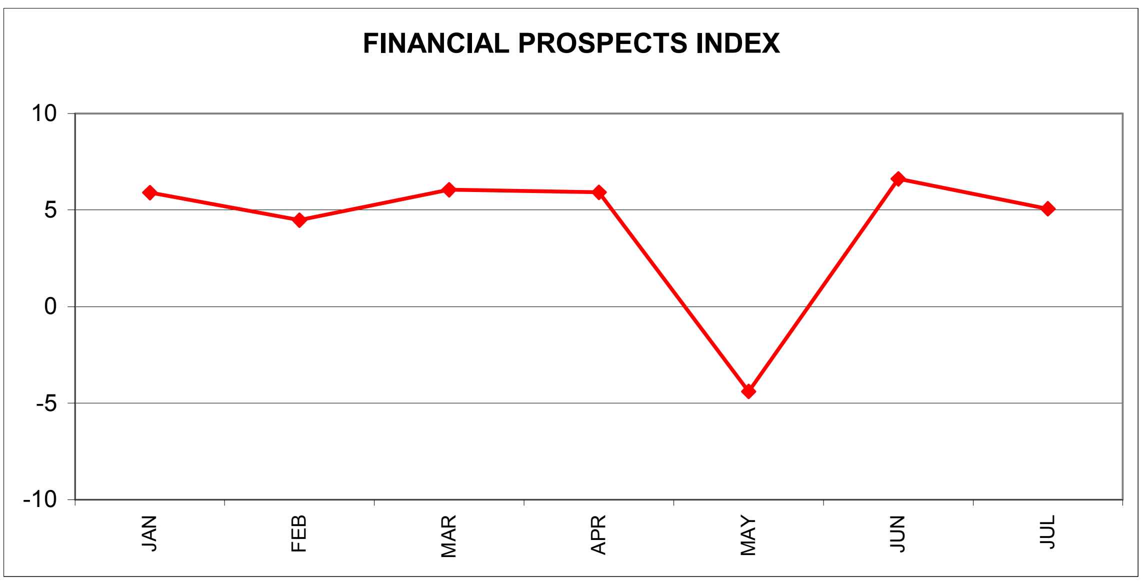
Financial Prospects

Understanding customers and potential customers' feelings about their personal financial prospects provides a useful backdrop for all marketing decisions.
The British Marketing Survey started to collect this data on a monthly basis as part of the core survey in January 2010. The Financial Prospects Index is calculated from the responses to the question
"Thinking about your overall financial situation at present, how do you think it is likely to have changed, if at all, in three months time?"
The responses are a simple five point scale around neutral, and the percentages are weighted into the Index on a scale from +2 to -2. The Index therefore represents the movement in national sentiment on a scale from +200 to -200, with zero representing 'no change'.

Timing is everything!
In all of our usual charts, we invariably select the basis of data as being three months for fixed data, and three month rolling averages for trend data. However, in this instance we believe that the responses given can be uniquely influenced by current affairs, and also give a backdrop to understanding consumer reactions to them. This Index is therefore calculated month to month with no aggregation.

As the period covered by this chart contained the General Election, it is important to know precisely when each wave of data was collected. The period between Election Day and the first few days of the resultant Coalition Government was a period of uncertainty which had a dramatic effect. The April data was collected between the 16th and 22nd in the middle of the campaign, the May data between the 14th and 20th in the early days of the new government (Gordon Brown resigned on the 11th). It would appear, therefore, that the uncertainty surrounding the new government had a major effect on confidence which has recovered now people have got used to the idea. The budget (22 June) fell between the June and July waves so may have influenced the July figure.

In terms of the effect of financial confidence on marketing the correlation between the May, June and July trend lines is clear.



Some of our earlier comments in the first few sections referred to the possible influences of 'topical economics', and we return to this theme in our 'Afterthoughts' below. This chart hopefully provides a further method of adding insight to your own conclusions.

Afterthoughts - *Consumer Psychology or Topical Economics?*

Looked at together, we can see that

- the two 'PASSIVE' indicators - Receipt and Acceptance, are both rising (Passive as in requiring no action from the consumer)
- the two 'ACTIVE' indicators – Responded and Future Response, are both flat or falling (Active as in related to positive action by consumers)

This indicates that the increase in Receipt is NOT translating into a lowering of Acceptability, but IS concurrent with a drop in Response and Future response. Therefore we have to ask whether this is coincidence, or cause and effect (or a combination of the two)?

Alternatively, is it simply the case that at this time of year people are receiving and looking, but just too busy with seasonal activities (hopefully relaxing in the sun or firing up the barbie) to be bothered to do anything about it?

Or finally do the low levels of financial confidence recently become responsible for the fall in Active Indicators. There may only have been a slight fall overall this month but on closer inspection it is social grades ABC1 which have fallen not C2DE.

Again, this is the overall picture; different patterns are emerging in different segments.
However with 400 actual geodemographic segments now included in the regular data updates, this is not the appropriate vehicle for their individual analysis. The data can be downloaded from the website – and you can then interrogate it according to your own target segments, industry sector, communication channels and likely purchasers.

We hope that this series of charts will provide a useful indicator of how consumers' relationship with marketing communications is moving.

The big question remains –

are the current trends the result of Consumer Psychology
or are they just the outcome of Topical Economics?

The British Marketing Survey
July 2010.
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The British Marketing Survey

This study conducts 1,000 face-to-face interviews per month with a nationally representative sample of the adult population, and is conducted as part of The British Population Survey.

This datasheet is based on 8 key questions from the Survey:-

- **1** Which communications channels have been received in the last few weeks
- **2** Which channels have been responded to in the last few weeks
- **3** Which channels are acceptable to receive
- **4** Which channels are interviewees prepared to respond to in future
- **5** Which sector has marketing been received from in the last few weeks
- **6** Which sectors is it acceptable to receive marketing from
- **7** Which sectors are people likely to make purchases from in the next few weeks
- **8** Do people think that their personal financial situation is going to get better, worse or stay the same

covering 17 communication channels, and 19 industry sectors. In the period March 2008 to July 2010, on which this datasheet is based, the survey conducted 29,027 face-to-face in-home interviews.

Being part of The British Population Survey, the data includes the complete demographic data on responders plus data on areas such as durables owned, supermarket, internet access, internet use, newspaper readership etc. They now also include a series of 8 of the major Geodemographic Segmentation models.

What are the Indices?

Technically – 3 month rolling average trend lines based on May 2008 = 100.

Basically, we add together the most recent three months of responses each month, and divide the result by three to give the 'moving average' each month. This technique gives a stable long term look at movements without clouding the view with very short term fluctuations from one month to another.

To assist in the comparison of the different trend lines, we then base all the moving averages to the first plot (which was in May 2008), which we adjust to 100. The resulting indices therefore not only give a simple visual representation of current trends, but also quantify the current responses in comparison to where they were at the start of the charts. This also facilitates the comparison of the indices between the different channels, as it creates a uniform base for all the indices shown.

For even deeper analysis, the full database is available for purchase at www.thebps.co.uk Price; £250 plus VAT including the full back data from March 2008, and DataTalk Explorer, our analysis software.