Technical Article

Tug of love: How technology is changing the relationship between consumers and brands – and what marketers can do about it

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ABSTRACT The digital age is accelerating the opportunity for brands to truly engage with consumers across all channels. Equally, the risk of getting contact strategies wrong and wasting budget is increasing. From smartphones and tablets to dynamic content on billboards and interactive TV ads, consumers and marketers are getting to grips with a seemingly endless supply of new technology. This is leading to constant shifts in the way people buy and interact with brands, changes that will only accelerate as media fragmentation continues. Intrigued to understand how consumers are finding their way around this multichannel landscape, and tasked by marketers who want to know how technology is changing people's attitudes towards brands, global marketing services and technology provider Acxiom commissioned a study focusing on the relationships between organisations and individuals across several industries. The result is some vital findings for marketers who want to stay ahead of the curve by understanding how comfortable people are with new technology, and whether it makes them feel more in control of their interactions with brands. In other words, is new media quickening the shift from push to pull marketing?

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EXECUTIVE SUMMARY

There is evidence that some long-held marketing beliefs may no longer be true. This article highlights some huge discrepancies between what marketers think consumers are using new media for and what people's experience and

behaviour really amount to. Also examined is the effect technology is having on consumers' relationships with organisations that attempt to communicate with them:

- Consumers feel far more in control of their relationship with brands than

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marketers realised. The era of mass, or push, marketing seems to have ended, as the age of pull marketing is advanced by personal media, with consumers choosing what information they want to know, when it suits them.

- Despite this feeling of control, one in four consumers still feel they receive 'inappropriate' marketing communications; marketers generally have a much higher opinion of their industry's work.
- Marketers are unsure about the penetration of technology among consumers and have overestimated people's preference for multiple touchpoints compared with more traditional, and personal, contact strategies.
- Direct mail is reported by both customers and prospects as being in their top two preferences for receiving brand communications, with email the other choice. In counterpoint, marketers overestimated adoption of new technology channels, and in particular marketing via mobile phones.

METHODOLOGY

In response to the ever-changing media landscape, Acxiom commissioned independent research through London-based consultancy fast.MAP. The robust approach of a dual survey allowed us to build a clear picture of consumers' channel preferences, while at the same time getting marketers' views on how they think consumers are using technology to interact with brands.

The research was carried out in July 2011 among two pre-qualified online panels. A nationally representative sample of 1014 consumers was asked 10 questions in a self-completion format. A second panel of 222 professional marketers was then posed similar questions to determine how they thought consumers would respond to the original set of questions.

In this way, we were able to determine how much marketers' perceptions of

consumer attitudes differed to consumers' actual experiences and behaviour. It should be noted that questions about industry sectors in the business-to-business survey were not restricted solely to marketers working in the specific sectors cited; all the questions were open to responses from marketers generally (for example, questions relating to financial services were asked to the wider marketing panel – not just financial services marketers).

FINDINGS

Pulling in the same direction?

The theory that 'in spite of the new technology at their disposal, consumers do not feel as in control of brand relationships as the marketing industry assumes they do' was overwhelmingly disproved.

The question relating specifically to this statement made clear that by feeling 'in control', customers of companies in a range of sectors receive relevant communications, when they want them and through their preferred media channels. On average, across all industries, 82 per cent of customers said they felt in control. This is a massive 52 percentage points more than the figure suggested by all marketers, who thought just 30 per cent of individuals would be comfortable with their brand relationships.

The breakdown of responses by age reveals an unexpected peak among older groups. The proportion of consumers feeling in control actually started quite low in the youngest age group – 28 per cent among 18- to 24-year-olds – and was also less than half (48 per cent) in the 25–34 sample. However, the sense of control climbed steadily from 61 per cent among 35- to 44-year-olds, to 68 per cent among those aged 65 or above, which was the highest proportion of any age group.

The findings suggest several factors:

- Consumers are using the technology available to filter out, or switch off, messages they do not feel are appropriate or interesting to them personally.
- Older consumers may feel more in control because they have long-standing relationships with brands, do not feel as bombarded by messages because they do not necessarily experience the non-stop media stimulation of younger generations and have worked out which channels they prefer over many years.
- We can also infer that some marketers are still working in silos and do not enjoy a 360-degree view of their organisation's marketing activity; there may be no mechanism by which they can clearly see how joined up communications are where they work.¹
- An extension of this is the belief that consumers are suffering from similar 'channel anxiety'; but according to their responses, that idea is unfounded.

While marketers underestimated consumer control in all sectors included in the survey, some gaps were particularly wide. The underscoring was highest in the charity sector with marketers thinking only 15 per cent of customers (or donors) were in control; but actually 77 per cent of people said they felt in charge.

At the other end of the scale, marketers were closer to the truth in their assumptions about automotive and supermarket customers, where the gaps were smallest at 32 per cent and 30 per cent, respectively. They thought 55 per cent of car brand customers would be in control, against 87 per cent of people who said they were in the driving seat. Meanwhile, marketers assumed the same figure, 55 per cent, for supermarkets, whereas 85 per cent of shoppers reported being in control.

Charity and satellite broadcasting were areas where people feel least in control –

77 per cent in each sector saying they did – closely followed by telecoms, which scored 78 per cent. The responses suggest that these industries may need to look at their contact strategies to see if they are communicating appropriately. In the case of charities, a recent report concluded that poor data leads to a sixth of all complaints against them, and many need to overhaul their databases to cut waste and make communications more effective.²

In financial services, however, the situation is better than most marketers thought. They estimated that in each of the insurance, credit card and high-street banking sectors, only 25 per cent of customers would feel in control. However, in actual fact, at least four out of five customers in all three of those areas gave positive responses (80 per cent for insurance, 84 per cent credit cards and 85 per cent for banks), resulting in some of the biggest perception gaps. Despite (or maybe because of) financial services companies taking a pounding in the media ever since the collapse of Northern Rock in 2007, customers seem at one with their providers. This could be due to the popularity of aggregators, which have promoted engagement between consumers and financial companies, and left individuals feeling more in control not only of the 'hiring process', but also the marketing lifecycle overall. While aggregators have put pressure on pricing strategies, in general they have been a positive force for the industry.

So consumers generally feel in control of the relationships they have with brands; marketers are much less certain about the level of control customers hold over their relationships. This suggests the era of push or mass campaigns dominating marketing strategy is well and truly over.

Financial services aggregators are a good example of how technology has changed the rules of marketing. Marketers must now reach the consumer at the moment they are doing something – in this industry's case,

Table 1: Percentage of consumers feeling in control of marketing relationship by sector, and marketers' estimates

	Consumer (%)	Marketer (%)	Difference (%)
Charity	77	15	-62
High-street bank	85	25	-60
Credit card	84	25	-59
Insurance	80	25	-55
Telecoms	78	25	-53
Satellite TV provider	77	25	-52
Travel	83	45	-38
Car	87	55	-32
Supermarket	85	55	-30
Average	82	30	-52

Consumer question: Please indicate whether you feel in control of your relationship with the following types of companies that you are a customer of. By in control we mean receiving relevant communications only when you want them and through the media channels that are right for you.

Marketer question: What proportion of consumers feel in control of their relationship with the following types of companies that they are a customer of?

choosing a provider. The customer controls the conversation: the requirement for marketers is to understand how to influence or join these conversations in the right way, with consistent branding, offers and messaging at every touchpoint.

This shift may be as many observers have suspected for a while. However, the extent to which pull marketing is now the paradigm has evidently been underestimated (Table 1).

If you think you know me, speak to me like you do

Even though consumers feel in control of their relationships with brands, large numbers still do not feel brands understand them, or tell them what they want to hear. As an average taken across all sectors, only around one in four (27 per cent) people think brands communicate with them appropriately. As we have seen, many people feel in control in the knowledge they can switch brands on or off at will – and yet a large proportion still consider themselves the victims of being targeted with meaningless marketing messages.

Marketers overestimated the level of positive sentiment from consumers –

scoring it at 48 per cent as an average across all sectors, a difference of 21 percentage points. The biggest differences were a 48 percentage point perception gap in travel (65 per cent estimate by marketers versus just 17 per cent of consumers saying 'travel marketing is appropriate') and satellite TV providers (a 42 percentage point gap).

Consumers were also scathing of marketing in automotive (only 18 per cent rating car marketing appropriate), charity (21 per cent) and telecoms (22 per cent). However, they again felt more positive towards financial services brands – insurance scored 34 per cent, credit cards 38 per cent and high-street banks 51 per cent – with supermarket marketing (41 per cent) also held in comparatively high regard.

Key points to note here are:

- Marketers have a much higher opinion of the quality of their communications than consumers do. To provide more relevant marketing, brands need the insight to recognise people across all touchpoints and understand what stage of the customer lifecycle they have reached.
- The rules of direct marketing now apply to above-the-line as well; technology is making return on investment (ROI), as well as consumer actions, attributable in every channel.
- Consumers are most engaged by direct, relevant, one-to-one communications that make them feel they have been communicated with appropriately, and as individuals, when and where they want (Table 2).

New world disorder

A further gap in marketers' knowledge was exposed by the question posed around present-day versus past communication methods. Consumers were asked whether they preferred the modern convenience of being able to deal with an organisation through multiple channels or the traditional

approach of in-store service. Some 58 per cent of consumers chose the current way of doing things, and the remaining 42 per cent chose the 'simpler' landscape of the past.

When marketers were asked to estimate the level of consumer response to each option, the highest proportion chose 'past 30 per cent, present 70 per cent'. The marketing community clearly believed that there would be a larger preference for all-singing, all-dancing marketing than the consumer responses show. This is likely to be a reaction to inconsistent and inappropriate communications caused by the sheer level of marketing that people are now exposed to; there is no point having a wealth of data if you use it poorly.

Consumers seem sceptical about the appropriate use of new technology for marketing purposes. Marketers could boost

the share of people preferring the modern way by bringing the goodwill of the past into the present through the delivery of consistent, personalised experiences across all touchpoints, using deep consumer insight to pinpoint the communication preferences that lead people to act in some way – whether to respond to a call to action, request further information, or make a purchase (Table 3).

The consumer you are trying to reach is unavailable; please try again later

Penetration of technology in the marketplace is a further area of uncertainty for marketers, as estimations of consumer access to certain channels were wide of the mark. Marketers overestimated consumers' availability of web and email at work by 64 percentage points: marketing respondents believed 95 per cent of individuals would have access, while just 31 per cent of consumers said they did.

Marketers have a more accurate idea of the penetration of home computers, but actually underestimated the figure (89 per cent of consumers have access, but marketers thought only 75 per cent did). Marketers were also unaware that nearly half (49 per cent) of consumers have no web and email access via their mobile phones; the industry respondents thought the figure would be significantly lower, estimating 25 per cent would be without the web on their handsets.

It is crucial that marketers understand consumers' levels of access to technology as they consider where to spend their budget. Having false impressions can result in

Table 2: Percentage of consumers believing sectors communicate appropriately with them, and marketers' estimates

	Consumer (%)	Marketer (%)	Difference (%)
Travel	17	65	+48
Satellite TV provider	23	65	+42
Car	18	55	+37
Supermarket	41	75	+34
Charity	21	35	+14
High-street bank	51	55	+4
Insurance	34	35	+1
Credit card	38	35	-3
Telecoms	22	16	-6
Average	27	48	+21

Consumer question: Please indicate which industries generally understand and communicate appropriately with you.

Marketer question: What proportion of consumers think that these industries generally understand and communicate appropriately with them?

Table 3: Percentage of consumers by age group preferring past or present communication strategies

	Under 16	18–24	25–34	35–44	45–54	55–64	65+
Past	0	12	42	35	47	43	49
Present	100	88	58	65	53	57	51

Consumer question: In the past, companies generally had far fewer ways of communicating and interacting with you. Now most have website and call centres. Please indicate which of the two situations you prefer.

Table 4: Penetration of technology among consumers

	Consumer (%)	Marketer (%)	Difference (%)
Work computer with web and email	31	95	+64
Landline home phone	84	95	+11
Mobile phone with no web and email	49	25	-24
Home computer with web and email	89	75	-14

Consumer question: Please indicate which of the following you have.

Marketer question: What proportion of consumers do you think have the following types of technology?

wasted allocation as the wrong audiences are targeted through incorrect channels. For example, based on these figures, it might be worth marketers reconsidering how much money they allocate to targeting people via web-based channels during the hours when they are at work, and focusing on other areas instead (Table 4).

Mail 1.0 makes a comeback

The media, politicians and even some marketers have been sounding the Last Post for direct mail for many years. In contrast, it appears consumers still highly value this form of contact from brands.

Among existing customers of companies, 71 per cent cited post as an appropriate way of reaching them. Although this figure dropped to 57 per cent among prospects, mail was still deemed the most appropriate way of reaching potential new customers. This compares with marketers believing only 35 per cent of prospects would welcome direct mail; yet they were closer with their estimate for customers, thinking 75 per cent would be happy to be contacted by post.

Email, now an established channel, was even more popular among customers with 77 per cent acceptance. This dropped to 52 per cent among prospects, but was still far higher than many channels. In fact, both post and email fared better than newer

forms of marketing. In particular, marketers may be overestimating current contact opportunities offered by mobile phones. Only 12 per cent of customers felt mobile advertising was appropriate, while the figure for SMS marketing was 9 per cent. Marketers guessed much higher figures, assuming 45 per cent of customers would welcome mobile-based advertising and a quarter would find text messages appropriate. Both mobile and SMS contact provoked equal concern among prospects (4 per cent acceptance), although marketers seemed aware of this sentiment, predicting 5 per cent for each channel.

As for social networks, despite their burgeoning use,³ only 4 per cent of customers approve of contact through Twitter and the same proportion through other social media. Marketers were also cautious about using these channels, estimating 5 per cent of customers would like to be contacted this way. They also believed 5 per cent of prospects would be happy to receive marketing via social media; the actual figure was 6 per cent, revealing a slight preference for 'cold' messaging through the likes of Twitter and Facebook compared with contact of existing customers this way.

Learnings here include:

- Mail is not considered intrusive by a majority of consumers, perhaps because it does not feel like active engagement by the brand demanding an immediate response.
- Email is popular because many people have already opted in to receive messages.
- On the flip side, targeting people via their handset or social network account is deemed invasive and irksome.
- Understanding more about consumers' communication preferences, by gaining insight into their habits through data gathered at all touchpoints, will help businesses boost the number of people willing to accept contact through new channels.

Table 5: Channel preferences of customers, and marketers' estimates

<i>Method</i>	<i>Consumer (%)</i>	<i>Marketers (%)</i>	<i>Difference (%)</i>
Mobile	12	45	+33
SMS	9	25	+16
Phone	30	45	+15
Post	71	75	+4
Twitter	4	5	+1
Social Media	4	5	+1
Email	77	75	-2
Average	30	39	+9

Consumer question: Thinking about the companies you have had a long relationship with and you have spent a considerable amount of money with, which methods of communication do you think are appropriate?

Marketer question: Thinking about companies that have had a long relationship with a consumer, where consumers have spent a considerable amount of money with them, what proportion of those consumers think the following methods of communication are appropriate?

Table 6: Channel preferences of prospective customers, and marketers' estimates

<i>Method</i>	<i>Consumer (%)</i>	<i>Marketers (%)</i>	<i>Difference (%)</i>
Email	52	25	-27
Post	57	35	-22
Phone	9	5	-4
Twitter	6	5	-1
Social Media	6	5	-1
Mobile	4	5	+1
SMS	4	5	+1
Average	20	12	-8

Consumer question: Thinking about companies you are not a customer of, which methods of communication do you think are appropriate?

Marketer question: Thinking about companies that do not have a relationship with a consumer, what proportion of consumers think the following methods of communication are appropriate?

Customers and prospects know what they like and like what they know, and marketers are still trying to comprehend these preferences. They need to understand how to communicate with consumers across every touchpoint, old or new, and add value to their world (Tables 5 and 6).

... it is not as bad as you think

As a final thought, marketers by and large think consumers take a dimmer view of their industry than is actually the case.

When prompted with a list of negative situations they may have experienced during interaction with brands, an average of just 38 per cent of consumers said they had had a problem – compared with the 74 per cent who marketers thought would have suffered trouble at a touchpoint.

The biggest differences in perception and reality came in response to the statement 'I get unwanted and irrelevant sales calls' (marketers thought 95 per cent of consumers would have had this bad experience; 49 per cent of individuals actually did); 'I had to provide information a second time because it was not passed on' (75 per cent compared with 30 per cent); and 'They did not respond to my email despite asking me to respond to them via email' (65 per cent against 25 per cent).

Consumers had the highest rate of negative experiences with foreign call centres (54 per cent, which the marketers predicted would be the most problematic channel, estimating 95 per cent, the joint highest with sales calls in general), while lack of consistency in communications (24 per cent) and anger at different deals being offered through different channels (19 per cent) were the least common gripes.

Marketers may take some solace from the fact that they thought the situation would be twice as bad as consumers actually reported. Maybe marketers have started to develop a siege mentality because of negative media coverage, or are over-reporting on areas they do not work in. Perhaps consumers are not as irritated because they have got better at ignoring messages that are not correctly targeted at them.

Either way, the figures were another illustration of the opposing viewpoints of consumers and marketers that run throughout the survey responses. In addition, as more than a third of people did report bad experiences, there is still significant room for improvement (Table 7).

Table 7: Negative experiences suffered by customers, and marketers' estimates

<i>Situation</i>	<i>Consumers (%)</i>	<i>Marketers (%)</i>	<i>Difference (%)</i>
I get unwanted and irrelevant sales calls	49	95	+46
I had to provide information a second time because it was not passed on	30	75	+45
They never responded to my email despite asking me to respond to them via email	25	65	+40
I had to call a foreign call centre, which was completely inappropriate. I want to talk to a knowledgeable person in this country	54	95	+41
I told them I was not interested and they kept on contacting me about the offer	39	75	+36
I get unwanted and irrelevant direct mail	49	85	+36
There is no consistency in how they communicate with me	24	55	+31
I was annoyed to find out I could have got a better deal if I had responded in a different way	19	45	+26
I get unwanted and irrelevant emails	50	75	+25
Average	38	74	+36

Consumer question: Please indicate whether you have experienced the following situations relating to companies that you are a customer of.

Marketer question: What proportion of consumers do you think have experienced the following situation relating to companies that they are a customer of?

CONCLUSION

Marketers know that the growth in personal technology is changing the way people interact with brands – but they seemingly did not realise quite how much the pendulum has swung from push to pull marketing.

In a constantly fragmenting media landscape where consumers now feel in charge and clear ROI is of paramount importance, marketers need to prioritise which channels are right to reach specific individuals. The key to campaign success lies in knowing when and where to connect with each consumer, and the foundation for making those decisions is 360-degree, accurate data.

In a way, the industry has created Frankenstein's monster. By doing such a good job of marketing technology and digital services, it has breathed life into consumers' ability to control the relationship between brand and individual. The more people enjoy interacting with the likes of Google, Amazon and Facebook, and the experience they provide, the

greater their expectation will be that they should have similar relationships with all the other brands they deal with.

It is ironic that digital channels have quickened the switch to pull marketing – and the urgent need for information which that brings – yet, consumers do not appear to want marketers to push information to them through these channels; witness the distaste among customers and prospects for contact through social media or their mobile phone at this time.

Meanwhile, contrary to much of the negative commentary in the media, consumers still value traditional direct mail. The key for marketers is to understand who prefers to receive communication by post, and have the correct data to make sure the right message reaches the right person.

Now more than ever, brands must understand when and where it is appropriate to join the conversation with consumers – and when they do, to make those communications as relevant, consistent and delightful as possible.

NOTES

- 1 Nick Varney, CEO of Acxiom client Merlin Entertainments, went further when he recently commented in *Marketing Week* that today's young marketers are so restricted in their role that they are unlikely to gain the company-wide experience of other departments needed to land the top job.
- 2 Fundraising Standards Board Annual Report, *Confident About Fundraising*, June 2011.
- 3 'Twitter handles 1 billion tweets each week' from *Twitter User Statistics Show Stunning Growth*, Huffington Post, March 2011.