Now With More Coverage! New and Improved Ways to Win the CPG Consumer

By Warren Storey, VP Product - ICOM, a division of Epsilon Targeting

Here is another reason why marketers should think twice about their media basket: Turns out the new-and-improved channel for receiving household product information may not be so new after all. In fact, it is the same formula as last year.

Except for that added hint of the web.

An extensive survey of consumers in the U.S. and Canada reveals that people still prefer to hold the information they get about laundry detergents, air fresheners and other household products in the palm of their hands. U.S. respondents rank newspapers, brochures and family and friends as the top methods of receiving weekly information, according to a survey from ICOM, a division of Epsilon Targeting.

Canadians followed a similar pattern, though they are more likely to get their information from brochures – 66 percent, compared with 36 percent of US respondents.

In short, consumers still prefer those tried-and-true communications that have dominated for years, for reasons of convenience, privacy and the simple pleasure of receiving personal mail about a new product. In categories such as personal care, food and cleaning products, consumers are almost three times as likely to prefer to get their information offline.

Except, of course, when they are getting it online. That is to say that consumers are a fickle group, and while many still like to receive product promotions and updates by mail, an increasing percentage are using email and company web sites for information about household goods. Twenty-two percent of U.S. respondents and 27 percent of Canadian respondents said they use email more today than last year.

Social media, meanwhile, is attracting consumers in the single digits.

These are fertile findings for marketers. The standard methods of reaching consumers are still largely effective, and therefore can be used as leveraging tools. Underused forms of communication, including mobile, present significant upside potential for the properly targeted message. Marketers can use this information to revamp their strategies, incorporating those channels that will drive greatest returns – and surprisingly, offline can provide some of the greatest.

Faster, Private, More Trustworthy!

To better understand why consumers prefer newspapers to Twitter, and television to Facebook, it helps to know what qualities appeal to them.

Factors that drive consumers to postal mail over email include convenience, privacy and trustworthiness. Marketers should consider these factors when targeting specific market segments – for example, women are more likely than men to prefer addressed mail.

So let's look again at the preferred methods of receiving household product information. While U.S. and Canadian respondents identified newspaper inserts, mail and family and friends as their top means of gathering product knowledge, roughly two-thirds said they **"never"** use Facebook (71 percent of U.S. respondents, and 67 percent of Canadians).

Social media is an emerging medium whose preference among consumers is still too small to effectively gauge, but it should not be ignored.

Perhaps the discrepancy in how marketers and consumers view social media lies in how it is primarily used. Based on all of our information, as well as other studies, individuals engage in social networking for personal reasons – just as the name implies it is to hook up with friends, family and long-lost school mates. It is an "opt-in" place to brag about what happened on the weekend, check out trends or news, and basically have their voices heard. It really is not yet established as a territory for marketing, though there are opportunities to change that. The trick is being accepted, or invited into, the social circle.

Another channel to watch for is mobile. This fast-emerging outlet for couponing and other product offers was "never" used by 73 percent of U.S. and 76 percent of Canadian respondents. But as major retailers including Target and Starbucks increase mobile couponing, and as smart phone apps like shopkick emerge, we suspect this "never" figure to decline. Stay tuned.

In the middle is email. Those shoppers who prefer it to postal mail say they do because it is faster, can be read at their convenience and can be printed out when needed. Indeed, while 22 percent of US respondents said they use email more this year than last year, 14 percent use it less. As for postal mail, 6 percent increased their usage and 22 percent reduced it. The reason for the shift: Consumers say they are receiving less postal mail and more email.

A similar trend exists among Canadians, while 27 percent said they increased email use, 11 percent cut back. Likewise, 9 percent of Canadians use postal mail more, and 19 percent use it less.

So while there has been a bigger decrease in the use of mail, it is not being driven by consumers. Instead the decline is the result of marketers who are sending less traditional mail but more email. Forty-four percent of U.S. respondents, and 33 percent of Canadian respondents, said they were receiving far more email than a year ago, but not opening them.

More for Your Money!

Again, our survey results present a rich opportunity for marketers to examine their target audience and then customize a strategy that incorporates the channels that are most preferred, trusted and used by existing and prospective customers.

It is critical to remember that all of these channels work best in conjunction. A special offer arriving in the mail can direct consumers to a website, which can lead to a newsletter registration that translates to email offers. Social media also has a place in this mix, though the form it takes and the way in which it is executed is dramatically different. Remember, consumers engage in social media for primarily social reasons. Marketers that do not approach them in an appropriate way with the right message risk being seen as an intrusion, an unwelcome visitor. Be genuine, transparent and approachable.

By knowing where the targeted customer is, marketers can design and build a multi-channel campaign that can touch the consumer at various points in direct proportion to their channel preferences.

The result is not only a new and improved use of mediums, it could mean more market share for the same price.

For Full Report: <u>http://www.epsilon.com/channelpreference</u>