Yankelovich MONITOR®

DIRECT

Vocal and Valuable- DIRECT from the Consumer

Methodology

Yankelovich MONITOR

- **In-depth interview conducted in respondents' homes among a nationally representative sample of 2,500 Americans age 16 and older.**

Yankelovich MONITOR OmniPlus

- **15-minute telephone recontact interview series done five times a year among Yankelovich MONITOR study respondents.**
- **Random sample of 999 MONITOR respondents were re-contacted and interviewed in a 15-minute telephone survey.**
- **The interviewing took place from June 3-11, 2002. Margin of error at the 95% confidence level is +/-3.5%.**

Flow of Analysis

Today's Consumer

DM Non-Responders

DM Purchasers

- Channel Preference
  - *Shop/ Research*
  - *Purchase*
- Internet Channel

The Key Findings

- Most *vocal* are most *valuable*
- Consumers have *clear channel preferences*
- *Online* important for DMers

Vocal and Valuable

What's On Your Mind?

85% Too much unsolicited mail

88% Sale of telemarketing lists

87% Sale of email lists

- *Dissatisfaction among every demographic*

#1 Thing *Do Not* Want to Take Into the New Millennium

73%
Telemarketers

73%
Jerry Springer

But DM works...

54% Responded to DM offer in last 6 months

40% Of Total Population (74% of responders)

purchased through DM in last six months

What Are They Buying?

Books, videos, DVDs, CDs	50%
Clothing	45
A subscription	27
Consumer electronics	25
Financial offer, e.g., a credit card	19
Health care product or service	17
Telecom product or service	17
Automotive product or service	17
Consumer packaged good	15

How To Tell Them Apart?

DM Non-Responders *vs.* **DM Purchasers**

Not much difference

Same feelings toward sale of telephone, e-mail lists without permission

Perceive themselves as rarely shopping through DM (although purchasers do)

Demographically – no difference on age, gender, household comp, home ownership, occupational status, parental status, dual income

How To Tell Them Apart?

Differences

45% Purchasers more likely to ask for names to be removed

More likely to be college grads

Slightly higher on income

There must be more…

Attitudinal Findings

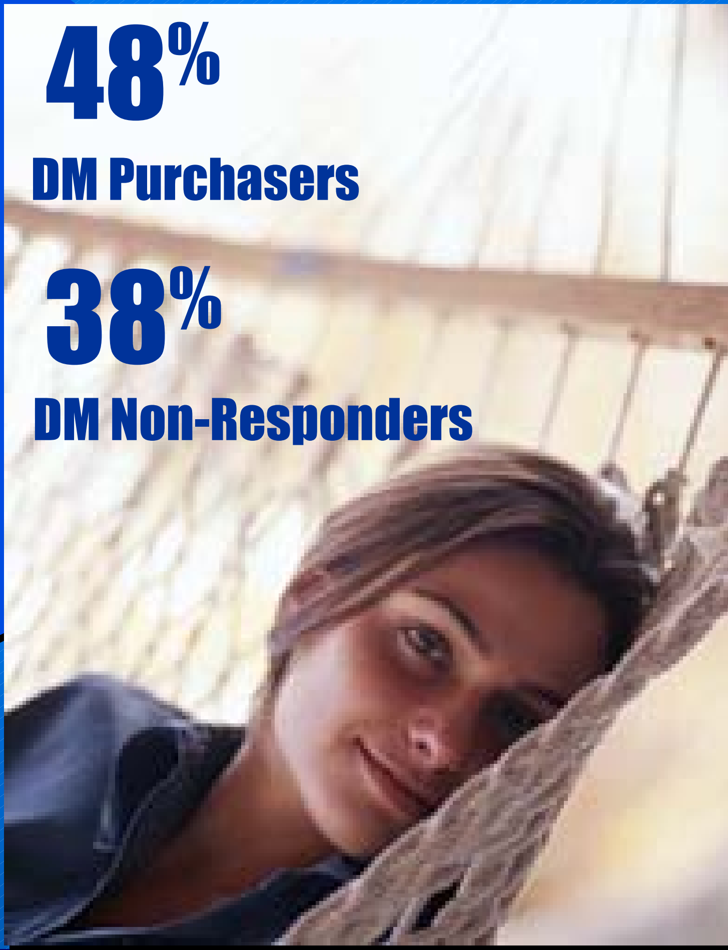
	DM Non-Responders	DM Purchasers
Having a personal computer has changed my life for the better (among those with PC)	62%	75%
Going online has made my life more efficient (among Internet users)	57%	75%
Always looking for new ways of getting information	64%	78%

Attitudinal Findings

	DM Non-Responders	DM Purchasers
✓ Competent	47%	67%
✓ Creative	41	52
✓ Intelligent	57	68
✓ Optimistic	31	56
✓ Self-confident	43	61
✓ Talented	25	41
✓ Well-educated	31	42
✓ Bargain hunter	46	54
✓ Smart shopper	40	53

Lifestyle

Interested in ***slowing down*** the pace of my life



Attitudes and Action

Similar attitudes...

	DM Non-Responders	DM Purchasers
Receive too much unsolicited mail	84%	85%
Sales of telephone lists	87	92
Sales of email lists	87	88
Waste of time to complain	51	39
Worth researching a product	55	71

Attitudes and Action

Purchasers act on them…

Actions taken during past year:	DM Non-Responders	DM Purchasers
Asked to have name removed	31%	45%
Phone number removed	27	36
Written or called a business to complain	32	44
Refused to buy	20	31

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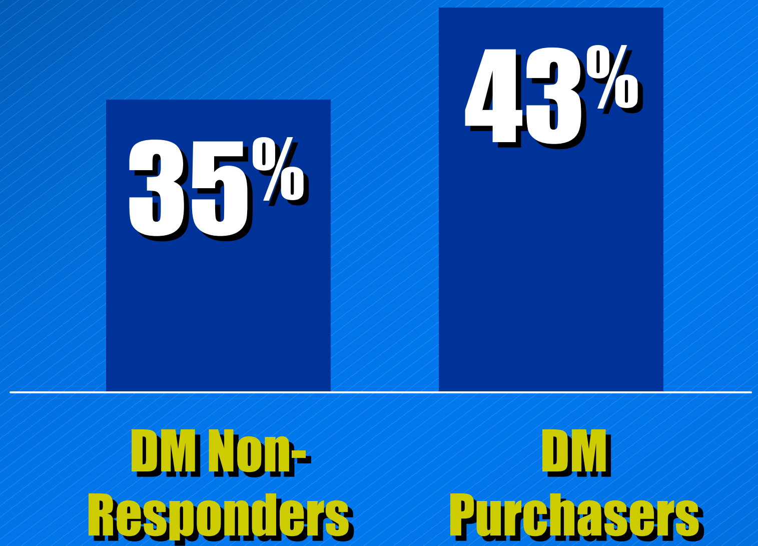
Lifestyle



Willing to provide personalized information to marketers in exchange for a customized shopping experience

Summary

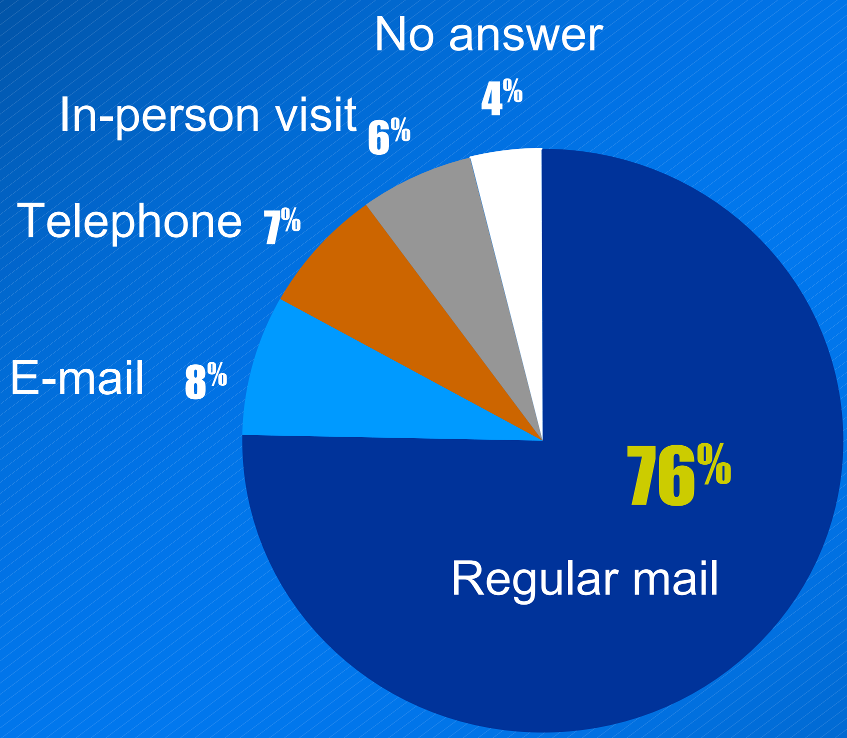
DM Purchasers are in a position of strength

- More technologically adept
  - Feel Internet made life better
- More empowered/savvy consumers
  - Research before they buy
- Offensive strategy
  - Unique attitudes – willing to act

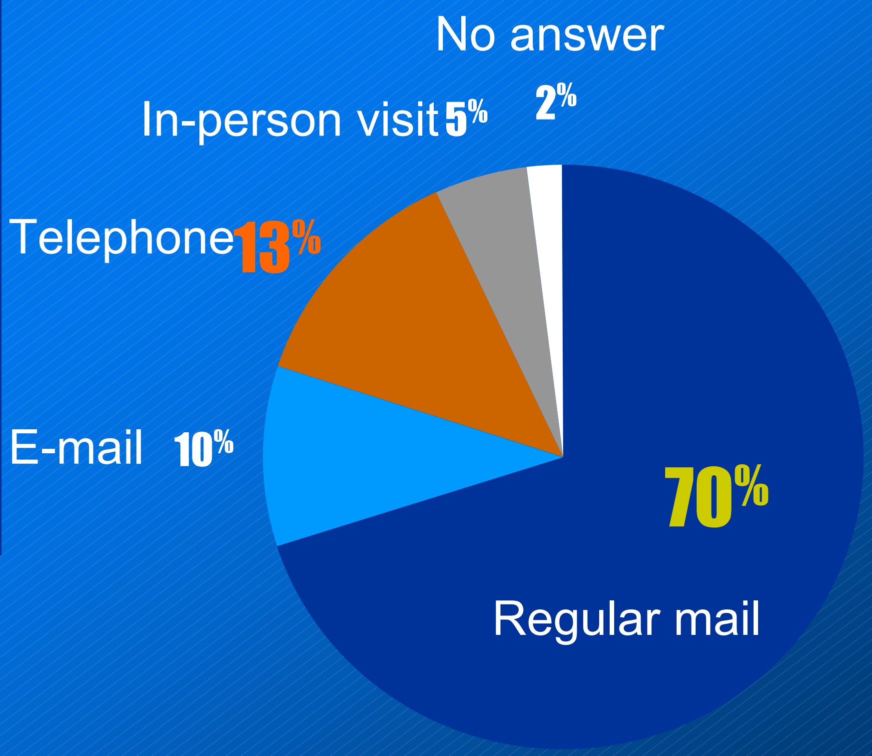
Clear Channel Preferences

Preferred Contact Method

Preferred Contact Method
(No Marketer-Consumer Relationship)



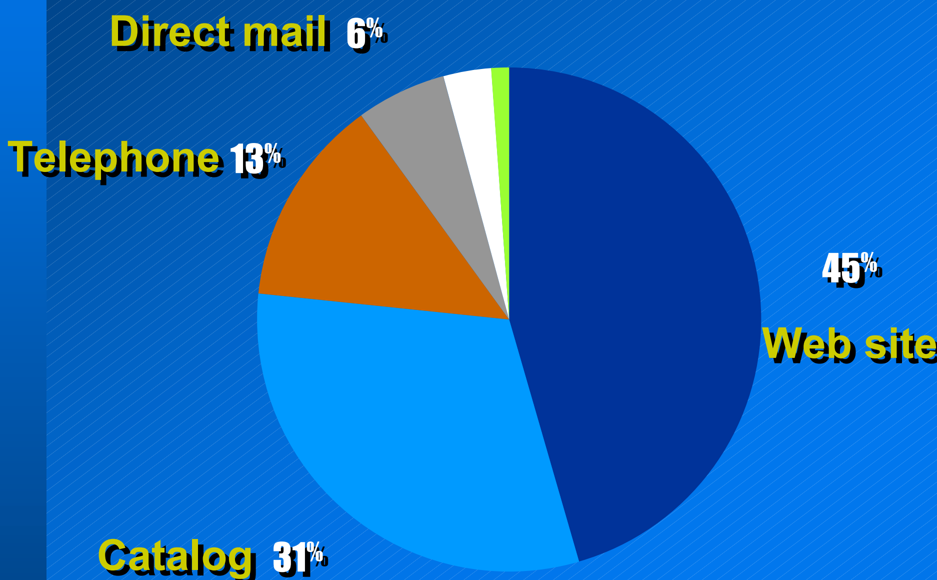
Preferred Contact Method
(Prior Marketer-Consumer Relationship)



Direct Marketing Channels

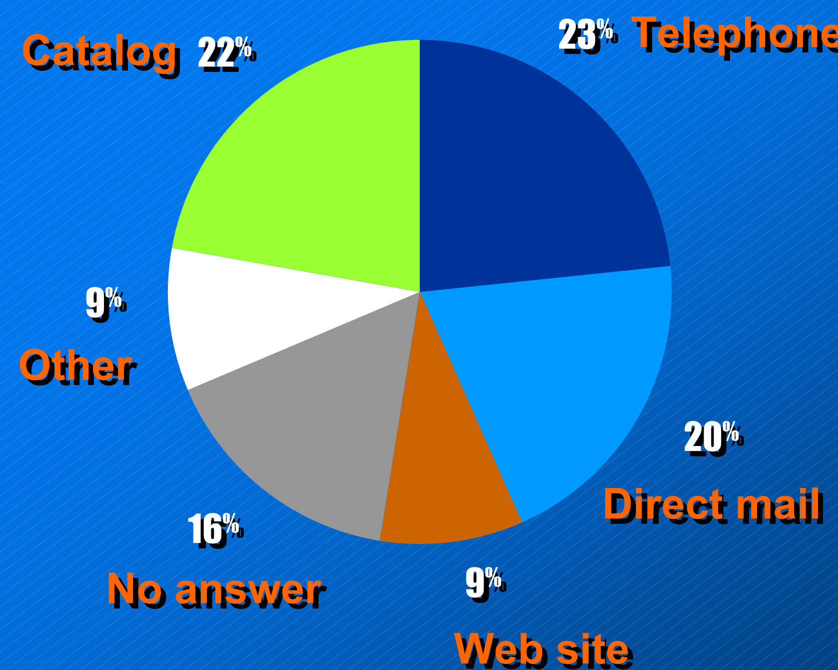
	Responded To	Purchased From
Catalogs	39%	31%
Direct Mail	21	10
Email	11	6
Online Ads/Banners	10	5
Home Shopping Network	9	5
Telemarketing Calls	5	2

Research Then Buy



Main Channel Used to ***Research a Purchase***

Main Channel Used to ***Complete a Purchase***



Summary

Channel

Preference

Offer

The Internet is Key

Access to Internet

70% DM Purchasers

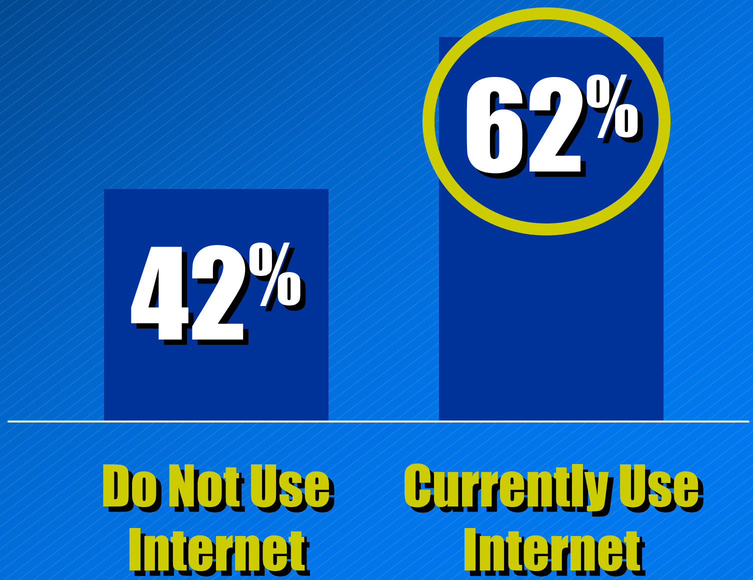
48% Non-Responders

Currently use Internet

What Are They Doing Online?

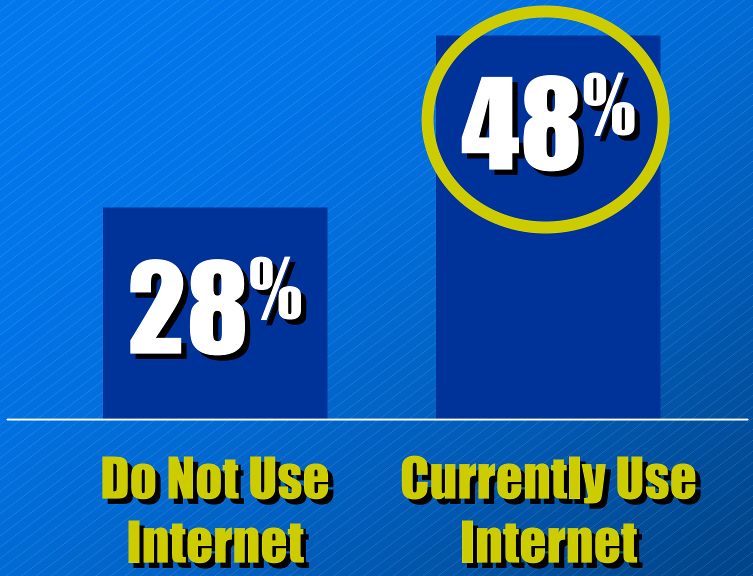
Task	Non-Responder	DM Purchaser
E-mail	78%	92%
Shopping	42	56
Purchasing	35	50
Airline Tickets	26	37
Travel Info	44	63
Research	51	70
Driving Directions	48	64
Finances	22	36
Stock Quotes	19	29

Online is Key



Responded to DM offer in last 6 months

Purchased through DM in last 6 months



Channel Used

	Do Not Use Internet		Currently Use Internet	
	Research	Buy	Research	Buy
Website	6%	5%	57%	10%
Catalog	56	17	23	24
800-Number	21	17	11	25
Direct Mail	13	40	4	15
Another DM	4	7	3	10

Summary

‘In 2010, half of the retail stores in America will be closed because half of all purchasing will occur online.’

Lester Thurow

(We're not there yet....)

Implications

- Dissatisfaction = *Marketing issue*
  - Improve *ALL channels*
- *Emotional* connections = lift

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Thank You

Thank You

Thank You

Thank You