TELL YOUR CUSTOMERS WHY YOU WANT THEIR DATA

There has been widespread fear in the direct marketing industry that data protection legal requirements to inform customers of the data held on them and to whom it is disclosed would ruin the industry. A successful list owner and list manager, David Roche of Wyvern Crest, finds that a policy of openness does not harm response. Since the launch of the open policy, customers' confidence in his company has increased and response rates have shown substantial improvements.

There is still an understandable concern within the direct marketing industry that if you tell your customers the truth about your DM activities, you will lose business. Yet transparency of purpose is the essence of the first data protection principle. At the time you are collecting the data you need to tell your customers what you are going to do with it. But what effect does this really have? Like everyone else we were keen to know. So we monitored results.

Approach

One of our principal activities is the marketing of business books. We are also heavily involved in list rental. We first introduced our own form of "glasnost" wording into our mailings in January 1989 and into our advertising in July 1989.

At the time, everyone was saying it couldn't be done. There is no room in an advertisement. But we discovered that there was. We positioned two or three paragraphs under the heading "The Small Print" right alongside the coupon. And we made sure that the wording actually met the Data Protection Registrar's infamous Guidance Note 19.

We told the customer what data we hold, how we hold it, what we do with it and to whom we disclose it.

It was relatively easy to produce a much fuller version in our mailings. A whole section

setting out how we operate was placed down the entire right hand-side of the offer letter. This form of words has also been repeated in every subsequent communication with customer. So it is always there.

Business to Business Results

Basically, we compared the average response rate before and after the introduction of the "glasnost" wording in our advertisements. The result was an actual increase of 80.4% in the response rate!

Were there any other factors at work? Yes. Quite a number. In particular, we had changed the actual copy and offer at the time we introduced the "Small Print." We were comparing a fresh leading book title in the offer with one which had been around for a while. So we did the comparison again with a later set of results from a leading book which had been around for a similar period. The result was an increase in response rate of 49.2%.

Clearly, results were still better with the "glasnost" wording than before. A similar picture emerged when we tested our mailings in the same way. Mailings with the new wording showed an increase in response rate of 30.5%.

Consumer Results

All very well. But this was a business-tobusiness result. We know that business people are more receptive to direct mail. What would be the result with consumer mailings? Very different surely. Since we also market equestrian books to horse-lovers we carried out the same test on what is very clearly a consumer market. We had introduced a very similar form of words from September 1989 in our equestrian advertising. Comparing results in the same way showed an increase of 55% in the response rate.

We are *not* claiming from all this that "openness" increases response rates. There are many other factors too numerous to explore here which can influence direct mail results.

But what we are now quite convinced of is the fact that transparency does not harm response. It simply no longer causes us concern. There is nothing to fear. Customers do not go away because of openness.

Instead, they are reassured by it and have confidence in the companies which practice it.

David Roche, Development Director, Wyvern Crest UK. This report has been reproduced with permission from Direct Marketing International, September 1991.

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