

"You talkin' to me?"

MARKETING COMMUNICATIONS IN THE AGE OF CONSENT



1 TOOLS OF MASS COMMUNICATION

Message fatigue

The modern consumer is under siege. From the moment we wake up to the moment our heads hit the pillow, we are bombarded with unsolicited marketing messages.

Breakfast is served with on-pack promotions, and a barrage of radio and TV ads. The postman comes with unwanted junk mail. The once unpartisan taxi or bus to work is branded with a sponsor's livery. At home or the office, email inboxes bulge with unasked for, and often unsavoury, spam. Even our mobile telephones brandish branded text messages. The result: information overload; marketing which fails to connect.

Consider this:

- The average consumer is exposed to around 1,500 advertising messages every day¹
- A third of all direct mail is thrown away without being opened, and nearly 60% is thrown away without being read²
- In America, experts believe the spam epidemic is now interfering with the country's productivity, as workers waste their employers' time deleting unsolicited emails
- Microsoft blocks around 2.4 billion junk emails a day, some 80% of the messages that hit MSN servers. BT Openworld estimates that of the 25 million emails that it monitors 41% is spam³

So how did we reach a situation in which marketing communication is a pointless deluge rather than a targeted stream?

The most obvious cause is media proliferation. For both the consumer and the marketer the choice of satellite, cable or terrestrial channels is overwhelming. New media have added to the noise. The Internet and mobile phones, for example, began purely as communication tools, but have been hijacked by lazy, rogue marketers. Banner ads, pop-up ads, unsolicited emails and SMS text advertising are now the norm.

Media proliferation has been accompanied by audience fragmentation. As media choice expands and usage patterns evolve, marketers have to work harder and harder for a share of consumer attention. What worked in the past no longer presses the right consumer buttons – witness the declining impact of TV advertising. In the quest for attention, advertisers have to become ever more inventive, finding new ways to reach their audience – adverts on petrol pumps, talking posters in pub toilets, tattoos on students' foreheads and so on.⁴

Yet none of this alters the fundamental fact: Interruption has become intrusion. Customers increasingly resent the intrusion and ignore the marketing messages. Even worse, many customers are being put off brands by inappropriate and unwanted communications.

In the United States some 54 million people have already signed up to a national 'do not call' register. In one survey, 25% of people said they were using email less because there was so much junk.⁵

Technology is increasingly being used by consumers as a shield to protect their privacy from unwanted incursions. An arms race is developing as consumers discover new ways of blocking the noise out. Already, PVRs (Personal Video Recorders, such as TiVO), enable consumers to cut out TV adverts.

And governments are now putting their weight behind customer privacy with new legislation. As of 11 December 2003, the Privacy and Electronic Communications Regulations Act (PECR) means that UK marketers require consumer opt-in to send unsolicited electronic messages. In the US a similar trend is emerging. In November 2003, for example, AT&T was fined \$780,000 for bothering householders on the company's own 'do not call' register.⁶ AT&T is the first company to fall foul of a ban on calling Americans who've specifically asked to be left in peace.

All this has massive implications for marketing. Indeed, marketing as traditionally practised is becoming increasingly illegal.

For un-reconstituted (or unrepentant) marketers, a communications crisis looms. By 2006, it is predicted that more than 20 billion spam messages will be sent daily worldwide – leading to communications gridlock.⁷ Smart marketers will recognise that everyone loses in the current war. They will set about winning the peace. They will robustly recognise that a crisis can mean an opportunity.

And, if marketers do not regulate themselves, governments will legislate instead – as they are already beginning to do. Marketing has always flirted with the boundaries between legal and illegal, and up to now governments have not pursued cases that flout data protection or privacy laws. That situation is changing – successful marketers will be those who test the boundaries without breaking them.

Only Connect

"Human beings... are finally rebelling!" says Cathy Ace, a consultant on marketing communications at the University of British Columbia. "We are used to perceiving and filtering millions of pieces of information each day. But we have never before been bombarded in the way we are now. How do we get our messages to the right audiences in a timely manner that cuts through the clutter? That's the challenge."⁸

We predict that by 2010, companies will be able to communicate with far fewer people and collect much less information on individuals than they currently can. Data protection laws will become more onerous. We are moving from a communications free-for-all to an age of consent.

Managing consent is the new marketing imperative. The concept of permission marketing is well known and passively accepted, but inertia and habit mean that *interruption marketing* is still the norm. It's easy to design a pop-up advert; it's cheap to send unsolicited emails. Direct mail and cold calling are still done by companies because they've always done it. We need to enter the age of consent across the media spectrum. This will involve a shift from a model of intrusion to one of communicating and building relationships through collaboration.

MOVING FROM INTRUSION TO COLLABORATION

2

High Impact Collaboration

The new collaborative model has a number of characteristics. It is:

- Customer initiated
- Based on consensual relationships (trust-driven and permissive)
- Maintained through appropriate dialogue (two-way and ongoing)
- Built on mutual value
- Neutral across media
- Cost effective (aimed at improving efficiency).

In traditional marketing communications, marketers intrude on the time and consciousness of their target audience. In the new model, enlightened marketers collaborate with customers to build a dialogue that creates value for both parties.

The key to this is consent – doing things on customers' terms, **when they want it, where they want it and how they want it.**

The new model also has profound implications for media planning. It requires a neutral approach to the media mix which eschews formulaic ways to use media to create a campaign. Instead, the new model takes an objective view on the most effective media to deliver marketing messages that are relevant, timely and welcome. This requires new ways of working among marketers and the creative agencies. Here, too, collaboration will be critical.

The idea that firms will collaborate with customers – and vice versa – is already gaining currency both theoretically and practically.

"We are moving to a new form of value creation, when value is not created by the firm and exchanged with the customer, but when value is co-created by the consumers and the company. So the first question is: how do you go from a unilateral view of value creation by the company, to co-creation of value by consumers?" says CK Prahalad, co-author of *Competing for the Future*. "Co-creation of value is a very different thing from being consumer oriented. This is not the firm targeting consumers and being more sensitive to them. It is about enabling consumers to be an equal problem solver, so that collectively they create value, and collectively they extract value. So that the consumer is helping the company to create value and also taking value away by extracting value through either explicit or implicit bargains."⁹

At a practical level, according to Graham Lancaster of the Communications Agencies Federation (CAF), if a brand can engage with its customers, "then the customer may collude with the brand, be receptive and even seek out its messages and conspicuously wear/display its brands". Consumer collaboration can thereby leverage a brand to a level that is intangibly higher than competitors'.

INTRUSION MODEL

Scattergun
 Seller benefits
 Media constrained
 Invasion of privacy
 Poor innovation
 Impact unknown

COLLABORATIVE MODEL

Consent-based dialogue
 Mutual benefits
 Media transparent
 Respect for privacy
 Radical innovation
 Return on communications known

And because consumers do not view active collaboration as advertising – they see it as news or current affairs – they do not screen it out or reject it; the message gets through.

Making the Move

How do you turn this into reality? We have identified five key ways to move from intrusion to collaboration:

- 1 Self-segmentation**
- 2 Open planning**
- 3 Creating messages that matter**
- 4 Managing legal boundaries**
- 5 Measuring return on communications**

1. SELF-SEGMENTATION

Professor Malcolm McDonald, from the UK's Cranfield School of Management, believes that the biggest problem facing marketers "is the same as it always has been – pointless, wasted, profligate communications"¹⁰. McDonald asserts that CRM (Customer Relationship Management) views the communication challenge the wrong way round. "It should be CMR (Customer Managed Relationships) encouraging the customers in a particular segment to communicate with us using the channels preferred by them."

This is the heart of the issue. Putting customers in charge offers a route to *self-segmentation*. Customers will identify the segments they belong to, providing a far richer supply of personal data than could ever be possible using traditional segmentation techniques.

Engaging the customer's consent and respecting privacy leads to successful communications with a high rate of return – the diagram overleaf shows why this is the case.

Rings of Consent

Each ring represents a level of customer intimacy or consent. Like personal space, each level can only be accessed if the consumer gives his or her consent.

The outer rings represent unsolicited messages – billboards, radio advertising, etc. They equate to public places – channels unlikely to be affected by privacy legislation or technology filters. Their effectiveness is also limited. The consumer is aware of them, but does not act on them and is not consciously aware of them having any effect.

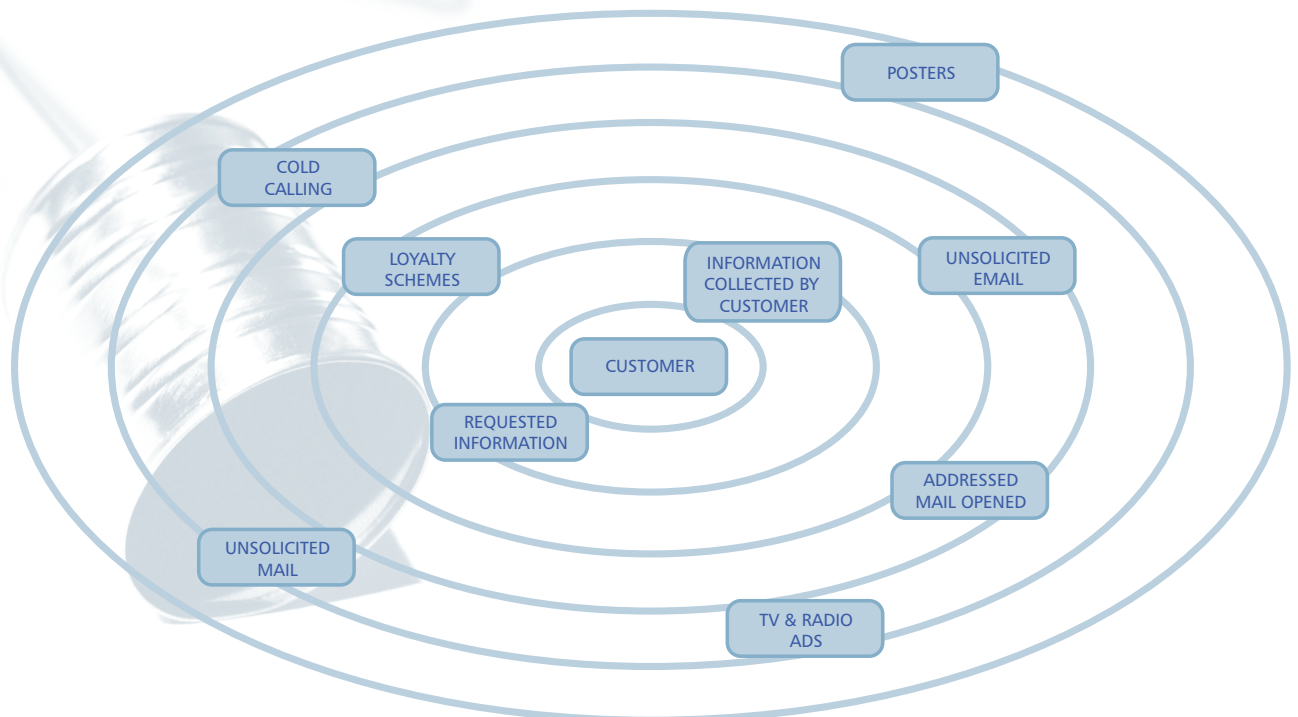
The middle rings represent marketing that the customer has acted on – direct mail they've responded to, loyalty schemes or store cards they have signed up to, for example.

The inner layer represents messages, or information, *requested* by the customer. The customer embraces this information and does not consciously regard it to be marketing; it is part of a collaborative, consensual relationship. This is the layer that the marketer of the future will aim for.

Our model emphasises the customer at the *centre* of communications – not as a target at the *end* of a process. By considering the customer as the pivot, he or she can be encouraged to trust, embrace and welcome the messages being received. If such trust cannot be created, the cost of any communications will outweigh the benefits, as the customer refuses to listen to any more fragmented pieces of information.

The corollary of this is that companies need to find new, more accurate and more collaborative ways of gathering data. In the future, companies will increasingly buy personal data from customers, either in exchange for benefits or for money. Such transactions will be one way to persuade customers to self segment. However, they will be no more than an opening move in a long courtship – akin to buying a potential partner a drink, with a view to getting to know them better.

Long-term success will be built on mutual interests and values rather than bribes. In Sweden, for example, a mobile phone company offers customers free call time if they listen



to an advertisement. This is only effective if the message is meaningful to the customer. Similar incentives could be offered to consumers willing to share their personal data. Alternatively, the first move could be initiated by the customer. Where a customer has a strong affinity for a brand they may welcome the opportunity to self-segment. Companies which create effective channels to allow customers to inform them of their preferences will benefit from this process. So, for example, a customer might register interest in receiving information on all new product launches.

Data could also be sold for cash. In 2002, for instance, British entrepreneur Chris Downs gathered all his personal data and auctioned it on eBay, the electronic auction service. The data amounted to 800 pages of personal information, including lists of everything he had bought from the supermarket Sainsbury's for three years; mobile phone account details; and bank statements. In all, there were 422 interested buyers at the auction. The information was eventually sold for £150. Needless to say, data gathered in this way is more accurate, detailed and can help marketers a great deal more than current methods of data collation.

What Chris Downs and other consumer activists recognise is that access (to customer information) is an increasingly valuable commodity. Companies that are prepared to pay (with cash or other benefits) will have much more information about customers without invading their privacy. They can then target them with products or services they know the consumer is interested in, instead of having to guess from broad customer demographics.

Such *self-segmentation* is one of the keys to communicating in the age of consent. While consent is passive, self-segmentation is active. Self-segmenting customers actively listen, and want to be involved. They can also co-create value.

Take organic food, for example. Supermarkets are currently unclear about whether customers want it, how much they want it – and how much of a premium they're prepared to pay for it. It remains largely guesswork. Self-segmenting customers could clarify the situation for supermarkets. In recognising the customer as the owner of his or her data, a significant step has been made towards the customer *allowing* the marketer to engage. This is fundamental to creating a consensual relationship. The self-segmenting customer controls the flow of information and increasingly will be protected by legislation.

How marketers can best build effective systems – and offers – to encourage customers to self-segment is one of the issues on which this Agenda paper aims to promote debate. (This and techniques to identify and build communities will be vital tools in the future.)

British Gas (BG), for example, has managed to persuade 100,000 of its customers to sign up to receive e-bills. The incentive for the consumer to go digital was the promise of an annual £10 reduction in their gas bills. BG claims that by 2005 a million customers will have opted for e-billing. This is a modest target with only a 6% customer conversion rate. Not only will this move BG's costs, but it also gives the company a self-segmented group of customers, who are stating that they are e-literate, and willing to change their behaviour.

2. OPEN PLANNING

Collaborative marketing communication requires marketers to use media in new ways to achieve their objectives. This requires them to start with an open mind. The aim must be to utilise the most effective and appropriate mix of media to transmit the message.

In late 2002, CIM invited a group of senior marketers, including representatives from IBM, Masterfoods,

Ford, Vauxhall, Land Rover, Lloyds TSB, NSPCC, as well as senior agency representatives from across the discipline landscape, to develop best practice in the thorny and complex issue of Media Neutral planning (MNP). Supported by Professor Angus Jenkinson and the Centre for Integrated Marketing, their important findings are being published by CIM as part of this Agenda and promise not only to make a significant contribution to the issue of consensual communication, but also to make a major contribution to the future of marketing communications generally.

Their approach to MNP, developed as a result of the substantial research project, is based on *Open Planning*. It provides a raft of key tools and ideas, including 18 recommended executive actions and a toolkit to make this practical. Research estimates by Professor Jenkinson indicate that the potential payoff for UK industry is in the region of £4 billion to £10 billion.

Open Planning begins with developing *Open Customers*. Open Customers are those 'self-segmenting' customers willing to receive communication, with communication then aiming to create open customers with open wallets. MNP puts the customer at the centre of the process, providing a consumer – brand – discipline – media dynamic to create guidelines for the creative output, not the other way round.¹¹

Open Customers matter to media neutral planning not just for ethical and good citizenship reasons, but also because only the communication that has any value to the recipient benefits the brand. The value may be entertainment, a good idea, helpful information, or social equity, but without being appreciated or winning approval it won't build brand or customer equity; indeed it may even destroy it. MNP begins with the person to whom communication is going to develop appropriate content, style and media; including how and when communication is delivered.

Open Customers also includes asking who the 'customers' are. Open Planning applies to all stakeholder groups, including for example employees, journalists and influencers, with the same truth operating: unwelcome means not working.

Open Planning then requires *Open Thinking* and develops through eight action areas.

OPEN THINKING	OPEN PLANNING	<ul style="list-style-type: none"> Open Disciplines Open Media Open Channels Open Process Open Structure Open Relationships Open Results Open Tools 	OPEN CUSTOMERS WITH OPEN WALLETS
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Open Thinking may seem an obvious requirement but it turns out to be neither obvious nor easy. Most senior marketers on both brand and agency sides believe in integrated or media neutral communication. Huge effort is being put into achieving this, yet large problems remain – for example in optimising and evaluating the communications mix.

This is because most attempts to solve the problem operate at the same level as the problem itself. Many popular assumptions about marketing communications on closer examination are dubious or constraining, yet these are redeployed in many attempted solutions. Solving the problem requires thinking at a different level to the problem itself, and this requires an open mind.

For example, Open Disciplines and Open Media reflect findings about the marketing communication disciplines, including advertising, direct marketing, PR, design, selling and so on. Closer examination shows that many of the heuristics or rules of thumb used in selecting disciplines and media for a communication project are self-improving theories that don't stand up scientifically. Each of the beliefs leads to marketing communications

being designed to perform a particular task, which, when achieved, serves to prove that the belief is correct. However, a different design would have led to a different result. Demonstrating this may be one of those cases where science is the handmaiden of creativity, because the effect is to liberate creative thinking while enabling new rigour.

Examples of this include: 'advertising is for awareness'; 'above the line' and 'below the line'; 'mail closes the sale'; 'rational and emotional media'; and 'each discipline needs its own objectives'.

Open Disciplines proposes the ability of any discipline using any medium to achieve any business objective. For example, Boots found, when launching a new product, that it could achieve 27% more awareness by direct mail than by TV, at 64% of the cost. Marmite created more PR from its TV ads than its press releases. So have Benetton and Budweiser. Supermarkets are proving to be a powerful new advertising medium. *Open Disciplines* therefore upsets the current assumptions about what does what. Rules of thumb are designed to reduce choice in a complex world, and this is incredibly useful. But the point of getting creative people involved is to innovate. If you ask creative people what they can do, the answer is: they can do almost anything.

Furthermore, current concepts of the disciplines that tie them to particular media, for example the rule of advertising belonging to paid-for media, are clearly nonsense, yet they are taught in most business schools around the world. Advertising, like all of the other disciplines, is a media-independent way of approaching communication that can be translated into almost any medium. An analogy to the current situation would be telling a painter that she is only painting when using canvas or paper and not when using wood or glass.

Similarly, media turn out to be much more flexible than previously assumed. Most of the textbook descriptions of what media do as opposed to what they are represent biased thinking. For example, mail media have physical characteristics while TV ads use animated vision with sound. However, within these fixed frames there is an extraordinary and proven range of potential.

Open Media proposes that any medium can be used by all disciplines, in almost any mix. That means you can advertise in the mail, the Internet and product packaging as well as on radio and TV. You can even use salespeople to advertise. Furthermore, one of the most surprising discoveries was the recognition that true creatives have a tendency to mix elements of different disciplines in a particular communication. They borrow from the traditions of advertising, direct, PR, product design and so on in creating a press ad, a mail pack, a web page, or a TV spot.

MNP widens the conventional understanding of media to include anything that conveys a message to a recipient. Any brand-stakeholder interface implies a medium. That means that all contact or touch points should be included in the mix and taken into account for effectiveness and preference. Leading media agencies and consultancies already recognise this, as when Mother recommended to Costa Coffee that it spend its money on redesigning the store rather than TV ads; or when Michaelides and Bednash recommended that BHS spend money on in-store shopping assistants to keep customers buying, rather than TV to attract them there.

Nothing of what we really know is lost. Anyone who has used mail or TV or advertising or sales promotion successfully can continue to do so. But suddenly new doors are open, offering significant opportunities for competitive advantage.

Open Channels (as here defined) is a new marcoms concept which follows from the freedom of disciplines and media. You can put a discipline, any discipline, into a medium, any medium: a discipline or indeed a mix of disciplines in a medium is then what is meant by a channel. Open Channels creatively and rigorously optimise the channel mix.

This is not only liberating for creative talent and an advantage when trying to achieve cost efficiencies, it is also key to enabling consent-based communication: biased thinking precludes self-segmenting customers. Open Planning means you can truly find out what works best, or is most acceptable to the recipient, and use those techniques.

Planning in the age of consent needs these liberating and more rigorous concepts because it is clearly proven that maximising effectiveness and efficiency of communication requires optimising the mix of media and disciplines in ways that work for the recipients. Like a single malt, the optimum mix might just be a single discipline in a single medium, for example to achieve a scale effect; an example is the Buenos Aires property firm that built a pedestrian bridge to promote its new office and shopping centre. But for most practitioners most of the time, synergy effects come from great blends. In the example above, even the property firm used PR to highlight the bridge.

Open Process is a newly developed communication planning and evaluation process between the brand and its agencies. Open process is designed to ensure the best ideas are found and used. The research team has developed a recommended template, with a significantly upgraded and faster planning process. This includes for example the issuing of an open brief to every agency at once. This could possibly include the research agency and certainly PR and any important internal communication functions. It might even include key partner media owners.

At the moment, budgets are typically allocated across different media at the beginning of a communications programme – before the message and most appropriate channels for communicating it are properly understood.

MNP's open planning contends that more money should be available for the thinking time at the start of the process; the time to be spent focusing on how best to communicate, and how the different components of the campaign should match up. The additional investment at the start is more than recovered by the execution process being swifter – and better targeted.

Open Process depends on *Open Structure*. Too many marketing communication functions are divided into disciplines and operate like silos with their individual budgets, often predefined. It follows from focusing communication on recipient preferences – as outlined above – that the communication function should be organised by different audience (or dialogue) communities, for example different kinds of customers, rather than primarily by discipline, as is routinely the case today. IBM's trial of this led to not only more efficient marketing activities – better results from less work – but also increased knowledge about the customer, enhanced learning and better communication.¹²

Agencies mirror this, even in many integrated agencies or groups. The agency analogue is to ensure that the interface with the brand ensures harnessing the entire ability of the agency.

Open process also depends on *Open Relationships*. It is vitally important that the CMO takes responsibility for ensuring that relationships with internal and external agencies are fully functional, which means partners focusing on common brand goals. Research suggests that for many brands this will mean changes in how agencies

are paid, including paying for thinking separately from execution. It is also recommended that an element of agency pay is based on success of the team rather than the performance of the individual member.

Open Results means developing a common currency for marketing communications. The problem with many objectives currently in use is not only that they load the dice when it comes to planning, but also that they make it difficult to compare apples with oranges.

Furthermore, picking up on the theme of Hard-Edged Marketing last quarter, open results means developing goals that really matter, rather than just following convenient measures. Take for example the dominance of awareness as a measure and goal of much marketing communication. Some 45% of Pay-By-Results schemes currently use advertising awareness as the basis for assessing performance, despite the weakness of correlation between awareness and market share.¹³

Open Results Means:

- Defining more precise communication objectives and priorities, which;
- Also provide a level playing field for every agency, discipline and medium to contribute to their maximum ability;
- And also enable the analyst to benchmark performance in a meaningful way;
- While supporting and encouraging a culture and practice of team learning.

The research suggests ways and tools to achieve this.

3. CREATING MESSAGES THAT MATTER

Messages aren't getting through to the consumer because there are too many messages. Better planning and self-segmentation can help. But, in addition, moving beyond imprecise, impersonal targeting requires innovative messaging. Consider iCoupon, which creates mobile marketing technology that

companies can use to text electronic coupons to customers on their database. In our media saturated world, text messaging is potentially just another irritation. But what if the way in which you use it is truly innovative?

Marc Lewis is the company's founder and CEO. "Imagine it's a hot sunny day. At 9.00 am, very hot, sweaty commuters emerge from a packed Tube. Then a little message pops up offering them a free drink or ice cream at a nearby café".

"This kind of message could work. You'll get the customer in, and you can track the information because the redeeming of the electronic 'coupon' works the same way as normal coupons – the required customer data can be tracked. You get a wider cross-section of people because the coupons approach does not just attract time-rich, penny-watching pensioners, as paper coupons tend to do."

When you target messages creatively and effectively, it isn't perceived as an invasion, because it's actually what the customer wants when he or she is hot. It is the technology that enables it. With paper coupons, you can't look at the weather forecast the night before. Here you can – and when it's going to be a heat wave, that's when you instantaneously plan and execute the marketing strategy, and the message appears on the customer's phone at exactly the right time.

The technology enables it, the creativity helps it be noticed, and careful targeting means it neither overloads nor invades.

But companies must always remember – it's only innovative at the moment. Eventually, people will ignore mobile phone messages as much as everything else – however well targeted they are. It will stop being new and start being background.

Graham Lancaster of CAF believes creativity is a key issue. "Talk to major retailers/grocers and all they

really want from great brands is product innovation. Without that, the way's open to own-label and low margin commoditisation. This means that the sole *raison d'être* of ad agencies and manufacturers is creativity and innovation. Add value or adios."

Good messages are memic; catchy and viral. The extension of permission marketing is viral marketing – turn customers into advocates, and they will do your marketing for you.

Guerrilla marketing works because it legally breaks the rules. But as Chris Clarke, creative director at digital advertising agency Abel & Baker says: "Once you've done it, you've done it – you have to move on".¹⁴ Collaborative communication can never become a matter of routine.

4. MANAGING LEGAL BOUNDARIES

If marketers don't self-legislate, governments will. Privacy and anti-junk legislation is rapidly becoming more stringent in clamping down on intrusive marketing.

In Sweden, for example, marketing to children on television has been illegal for over a decade. Greece too has legislation against targeting children. And in the US, a lawsuit has been taken out against Heineken, Bacardi and five other drinks producers by parents who claim that their advertising is targeting teenagers.¹⁵

Coca-Cola has recently announced that it will no longer advertise to children under the age of 12. In practice, this means none of its brands will be shown during the hours of children's TV broadcasts.¹⁶

The immediate marketing response is to try to think of ways of getting round the legislation; to think of other ways of invading; to enter an arms race with the legislators. Examples include spammers inserting literary words to convince the spam filters that the messages are not junk; or breaking up typical spam words to fool the filters

(e.g. "en.hance your attra.ctiveness"). But this is ultimately unsustainable and will lead to dissatisfaction on both sides. Consumers will still be unhappy with the logjam of messages and unwanted information, and marketers will be unhappy because they will find the messages are still not responded to, despite more strenuous efforts to get them through to the consumer.

So what can marketers do? Some charities, such as Cancer Research UK, ask the question "How often do you want to hear from us?" Simple – but the charity saves costs and the messages are more likely to reach their intended destination. This idea has been around for a dozen years or so – but has not yet been adopted by many firms. If the less is more principle were adopted by all companies, the pile of junk mail on the doormat each morning could be dramatically reduced.

In the age of consent, the consumer determines the model. Invading consumers' private space is no longer acceptable – or effective. Instead, companies must seek their active consent to participate in dialogue with their target audience. Let customers be in charge – let *them* sell or share what information they want to you, and ask *them* when they want to hear from you.

For instance, consider the advantages and disadvantages of abandoning cold calling. At present, having got hold of a phone number, marketers ring consumers at times they are likely to be in – say between 6 and 7.30 pm. In the distant past this technique had a proven success rate – small, but throw enough mud and some sticks. However, as customers become more aware of their right to privacy, the willingness to talk to cold callers declines. While a response rate of 5% might be seen as a success in a campaign, the quantities of people for whom it creates a strong negative impression of the company can outweigh the benefits brought by the 5% who respond. Cold calling continues because the hits directly scored by the campaign –

however slim – can be measured. The number of people who are driven away from the company as a direct result of the cold calling – however great – **cannot** be measured.

Some companies are recognising the importance of a comprehensive, legally compliant policy on customer privacy. A survey carried out by CSO magazine (a US security publication) found that 12% of companies in the US currently have a Chief Privacy Officer. This is an increasing trend, and where the US leads, others will follow.¹⁷

While the legislation and the need to gain permission might seem like hard work, it actually presents a distinct opportunity for the shrewd marketer. Those who seize the initiative will create a much better relationship with the customer – one in which customers are enabled to say what they want, and when and how they want it.

The advantages are obvious. Until now, marketers have gamely battled with unwieldy concepts like CRM. Such theories essentially recognise that the customer is resistant, because customers aren't spontaneously receptive to what is on offer. Imagine how different things could be if customers became spontaneously receptive. Consensual marketing could take us there.

5. COST EFFECTIVE

It is estimated that £100bn is spent on advertising globally every year. Remarkably, much of this investment is not subjected to rigorous ROI measures. "We have really lousy ways to try and measure any type of integrated programme or activity," says Don Schultz. "Most are based on some type of outbound, communication-driven programme from the 1960s – i.e., recognition, awareness etc. Clearly, today the consumer operates in an interactive, networked, global communication-driven workplace where inbound communication is as important as outbound. Yet, we're still using the tools that attempt to measure each communication activity separately and independently."

Marketers use these measures because they've always used them. Schultz believes these measures are less and less relevant. Nike, for instance, doesn't measure *outputs* (e.g. communications awareness or response levels), but *outcomes* (e.g. how many people take up sport); this then enables the company to concentrate on innovation. If you discover that the numbers of people playing basketball are increasing, then that becomes the sport you want to look at when innovating.

What are the best communications metrics? Companies like Microsoft and Coke use % awareness. Tesco and Walmart use % customer retention.

Marketers will still say, "I get 5% returns on my direct mail and I'm happy with that." But they will lose in the long run if they continue being complacent in this way. The 5% return will be offset by the damage caused by people who used your company before, but go elsewhere because of the unwanted information you keep bombarding them with.

Measuring effectiveness is about more than the efficiency of operations execution. Intangible returns can be as important as the tangible ones.

It has been estimated, for example, that media neutral planning could reduce marketing communications spend by as much as 30%.¹⁸ Improved database software will reduce the wasted amounts spent on mailing deceased people or defunct addresses. And self-segmentation will reduce the vast amounts spent on advertising that does not reach its target and close a sale, but merely gains awareness.

3 ALL TOGETHER NOW

Privacy and consent will increasingly impact on successful communications. Legislation will increase; consumers will become more and more frustrated by unwanted messages.

The challenge is simply explained by Seth Godin: "Talk to people who want to be talked to, in a way that they want to be talked to. The idea that marketers are in charge and can demand attention whenever they want it is totally over. It's not about you. It's about me. You don't invade my privacy if I ask you to talk to me. And the only way I'm going to ask is if you offer me something of great value, or create a product that's remarkable."¹⁹

In the old days, the door was open unless the consumer said it was closed. Today, the door is closed unless the consumer says it is open. So, unless today's marketer sends messages with consent and with respect for privacy, the communication won't be received. Marketers who do this first, will have an advantage. Good communication is about being two-way and interactive.

Customer collaboration means putting the customer at the centre of the communications; making sure you have their permission before you communicate with them; ensuring all your media are fully integrated and focused; and that there is genuine creativity. Only then will customers stop asking: you talkin' to me?

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