

CONSUMER BUYING THROUGH
MAIL ORDER MARKETING

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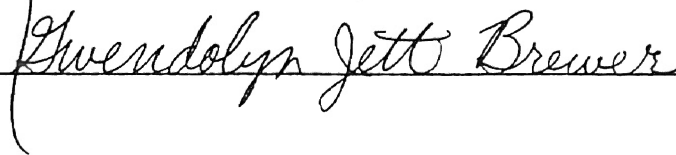
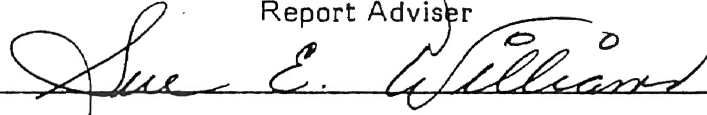
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Introduction

Ever since the snake was able to dupe Eve into sampling an apple in the Garden of Eden, advertisers and marketers have been trying to discover why consumers buy what they do. Perhaps Eve was our first uninformed consumer. Since then consumers have continued to be deceived. Today we are a nation of some 220 million consumers making millions of buying decisions daily (Kotler, 1986). Direct mail order selling represents a large segment of the present day consumers' market (Rice, 1988). Bencin (1984) estimates that the total of direct sales in 1982 was over \$90 billion.

Starting in the early 1900s, such mail order giants as Sears, Roebuck and Company; Montgomery Ward; and J. C. Penney began to emerge. They set the pace and format for mail order, catalog sales companies. At the same time, there also appeared to be a shift in business philosophy that fraud and deceit in selling were bad for business. Today there appears to be an almost explosive growth of new catalog, direct mail companies. These newly created and rapidly expanding companies harbor some companies that are interested in only one thing--the short-term quick dollar.

A survey by Touche Ross and Company, a national accounting firm, recently showed that many people believe a major threat to American business ethics today is the intense concentration on short-term earnings, or the quick and easy sell (Nickell, 1988). It is with this kind of thinking that certain mail order companies are covering an ever increasing larger segment of the population with their constantly expanding list of products. In fact, 74% of all U.S. households made catalog purchases in 1985 (Smallwood, 1986). These companies are using marketing strategies and techniques that, at times, leave much to be desired from the consumer's point of view (Better Business Bureau, 1980). This direct

marketing of products through the mail and purchasing in the home, by the consumer outside of normal retail trade outlets, is the basis for this report.

In everyday business usage, common terms such as catalog sales or direct selling have different meanings depending on whether or not one is in the advertising industry or the wholesaling business (Baumback, 1973). For the purposes of this report, the terms listed have the following meanings: (1) "direct mail" is the controlled distribution of a written or pictured sales catalog mailed to a selected audience of consumers (Baumback, 1973); (2) "direct mail marketing" is personal contact selling translated into a direct mail format to reach more consumers at lower cost per sale (Martin, 1983); and (3) "direct selling" is a form of selling without retail outlets, distributors, wholesalers, or any type of middleman (Baker, 1984).

This report endeavors to show that direct mail marketing is gaining an increasing segment of the American marketplace. This growing volume of direct sales to consumers, if it represents choices unwisely made, could influence and control an individual consumer's overall financial welfare. This direct selling is not all "bad" nor is it all "good." By briefly examining the sales catalog of a well-established mail order company, a few proven and reputable sales techniques will be demonstrated. The catalogs of some newly emerging mail order companies will be similarly reviewed to illustrate some of the newer, perhaps unorthodox, mail order techniques. Other current sales catalogs will be briefly surveyed for comparison purposes. Some current mail order advertising techniques will be considered to portray their possible influence on uninformed consumers. The result of this review will demonstrate the need to begin a consumer awareness program on mail order marketing.

Nature of the Problem

The prominence of catalog sales as a share of the market has increased greatly from the 1970s. Recent advances in zip code target mailing, specialized mailing lists compiled from magazine subscriptions, the use of credit, and toll-free telephone ordering procedures clearly indicate a strong continuation of this trend (Lumpkin & Hawes, 1985). When these selling methods are superimposed on the changing lifestyles implied by shifting trends in family organization and structure, increases in the divorce rate, a growing number of one-parent headed families, and an expanding number of married women in the work force, it is apparent that a re-examination of the catalog shopper is needed (Nicosia & Mayer, 1976).

Mail order marketing companies not only recognize these changes in traditional concepts and situations, but they understand society's buying habits as well. Thus they can directly identify with the lifestyles of their potential consumers (Lumpkin, Hawes, & Darden, 1986). Marketing researchers today are making in-depth studies of patterns of thought that persuade the individual consumer to make purchases. This is happening without consumers' conscious awareness. As a result, market researchers can target a client's product to a more specific segment of the population. By using marketing research, mail order marketers are able to determine what you think, what you feel, what you believe, the way you live, and, most of all, the products and services that you will use (Settle & Alreck, 1986).

Market researchers have developed, from lengthy surveys, various ways to classify consumers according to their beliefs, motivations, and attitudes (Rice, 1988). With the above target marketing research in mind, it is interesting to note that a recent issue of Newsweek (1988, April 25) magazine contains a 12-page

mail order catalog insert, presented by Benson & Hedges Cigarettes. The catalog specifically targets the Newsweek typical reader with the implied appeal that the consumer will enjoy the advertised items more if they are used while smoking Benson & Hedges Cigarettes (Newsweek, 1988, April 25).

Presently, working women comprise more than one-half of the labor force. More than two-thirds of new households are described as two-income households (Settle & Alreck, 1986). These situations influence a large segment of our society; therefore, households have less time for family shopping, in the traditional sense, in retail stores. Transportation costs, traffic congestion, and the lack of or cost of parking have contributed to a decline in the utilization of urban retail shopping areas (De Bruicker & Summe, 1985). The increasing frustrations of the shopping experience itself, poorly trained sales personnel, inadequate numbers of sales personnel, waste of time waiting for service or waiting to pay, and lack of convenient hours to shop at retail stores tend to encourage mail order buying (Lumpkin, Hawes, & Darden, 1986).

The 1970s was a decade characterized by extensive changes in consumer buying behavior. While all markets are dynamic, many markets during the 1970s could accurately be described as volatile. There were periods of unprecedented levels of inflation coupled with persistent high unemployment rates (Lumpkin & Hawes, 1985). These conditions affect the traditional occupation and purchasing habits of household members (Pearce & Wisley, 1983).

A discerning thought in this changing marketing environment described above is that possibly two percent of the businesses in the United States are dishonest or shoddy at best. This would add up to approximately 260,000 companies (Garman & Eckert, 1979). The Maxwell Sroge in Publishing, Inc., estimated that about 100,000 mail order companies sent from 20 to 25 billion catalogs to consumers last year (Profitable Craft Merchandising, PCM, 1988). It would be

extremely difficult to determine what percentage of those billions of catalogs entering consumers' homes last year were actually deceitful or dishonest. It can be assumed that there is some deceitful or dishonest advertising. The uninformed and trusting American consumer can easily fall prey to fraudulent and deceptive practices of dishonest businesses (Ulanoff, 1985).

In these changing market situations, the mail order marketing concept has had substantial growth. It is estimated that mail order sales exceeded \$40 billion in the United States during 1980 (Lumpkin & Hawes, 1985). Bencin (1984) estimates that the total of direct sales in 1982 totaled \$90.3 billion, an incredible figure considering the country was in the middle of a recession.

The U.S. Postal Service is very concerned about the expanding mail order business. They are directly involved in handling the additional mail created by mail order selling. In 1974, the Survey Research Center of the University of Michigan conducted a study for the U.S. Postal Service (Martin, 1983). The Survey Research Center found that the average number of advertising and promotional pieces of mail received per week per household was well over two and a half pieces of mail. This does not seem threatening, but multiply this by the number of households receiving mail, times the mail each household receives a year, and the resulting volume of mail could critically overburden the postal system. The Survey Research Center projected that direct mail selling would continue to increase (Martin, 1983).

Furthermore, Lumpkin and Hawes (1985) estimated that mail order marketing has a projected annual growth rate of 15%. It should be pointed out that the 15% growth rate is twice the rate of growth of retail sales in stores during the same period of time. They have predicted that by 1990, nonstore sales to consumers will account for one-half of all general sales made in America. The Direct Marketing Association, established in 1917 as an advocate for the industry,

however, estimates the figure more conservatively at 20% (Maxwell, 1984). Regardless of the difference, the trend is one of growth.

Why Study Mail Order Marketing?

Past research of catalog shopping behavior has made an important contribution to the development of current mail order selling. Much has been learned from hindsight with the passage of time and the gaining of new selling experiences. However, the state of the art of mail order selling is now surpassing consumer's awareness of the various selling techniques used (Rice, 1988). Nicosia and Mayer (1976) are concerned that a re-examination of the catalog shopper is needed. Much market research has been developed since then as to targeting select areas of the population (Rice, 1988). Marketing researchers are creating specific lifestyles to lure the consumer into using their products or services (Lumpkin, Hawes, & Darden, 1986). The mail order market is increasing at a rapid rate. It will, in time, influence many facets of the consumer's daily life (Bencin, 1984). The consumer needs to be made aware of the unconscious buyer appeals being made on the family budget (Nicosia & Mayer, 1976).

An individual consumer cannot become an effective consumer without becoming more fully aware of factual information about business practices in selling. The consumer must make a commitment to help make positive changes in the American marketplace. Informed consumers can make wise decisions by voting with their dollars. This can effectively raise the consumer's individual standards of living while contributing to improvement of morality in the marketplace (Garman & Eckert, 1979). Information gleaned from this report should provide the reader with information to identify and handle questionable marketing techniques through the identification of certain existing trade practices of some

newly emerging mail order companies. It should also stimulate thought that consumer awareness of mail order selling techniques should begin now.

Review of the Literature

After a review of journal literature, the writer could only find a limited amount of material treating direct mail marketing. The foremost conclusion arrived at by the writer was the need for, but apparent lack of, immediately available scholarly information on direct mail marketing as it influences the consumer. As a result of the above lack of findings, the writer began a review of business and marketing publications. It was determined that a brief historical approach to the situation would be the most informative and logical way to approach the problem.

Mail order selling originated by offering a limited number of products to a few sellers. In 1492, one of the first mail order sellers was Josiah Wedgwood, the founder of Wedgwood China. He sold throughout England and was one of the first international mail order companies. Records exist from pre-revolutionary Boston, indicating that mail order selling in the United States had already begun (Nash, 1982). During the Civil War, the Union obtained financial aid through direct mail marketing and buying (Nash, 1982). In the 19th Century, the railroads were the greatest users of direct mail selling. The railroads, having received one-tenth of the land in the United States from the federal government, sold this land through advertisements by using tremendous volumes of direct mail in the United States and in Europe. The successful building of the U.S. railroads is partially attributed to this direct selling method to gain funds (Nash, 1982).

Sears' Development

The development and growth of the railroads was followed by a shrewd

speculator, Richard W. Sears. (Note: The following is a review of Sears catalog selling methods only because it was the first of the three major direct sellers, those being Sears & Roebuck, Montgomery Ward, and J C Penney.) In addition to selling watches and kitchen tables and chairs, Sears would buy merchandise from bankrupt firms and offer it, one batch at a time, through mail advertisements. His success pushed his company far beyond the limit of his managerial capacity (De Bruicker & Summe, 1985). His company was about to go under when he sold it to a total outsider, the Chicago clothing merchant, Julius Rosenwald. Rosenwald made a business enterprise out of Sears. He realized that the American farm family represented a separate and distant market. Their purchasing power was individually low, but it was almost untapped and represented a substantial buying potential in the aggregate (Drucker, 1973).

Rosenwald recognized that to reach farm families, goods had to be brought to them at low prices and with a guarantee of regular supply. These families had to be assured of the company's reliability and honesty, since their physical isolation made it impossible for them to inspect merchandise before delivery or to obtain redress if cheated. The Sears Catalog had to become a regular publication, rather than an announcement of spectacular bargains at irregular intervals. It had to break with the old tradition of selling by mail, not to coerce farmers into purchasing by exaggerated claims, but to offer factual descriptions of the goods offered.

At the time, goods were advertised in a freewheeling P. T. Barnum style, without code or standards. The con men of the day advertised "Complete Sewing Machines for 25 Cents," and mailed out 12 needles in cambric packages to the innocent consumer who rose to the bait. A "bonafide" offer of a genuine, steel-engraved portrait of General Grant for 25 cents turned out to be a one-cent stamp (Better Business Bureau, 1980). Rosenwald's aim was to create a perma-

ment customer by convincing the buyer of the reliability of the Catalog and the company behind it. The Sears Catalog had to become the wish book of every farm family. The age-old concept of caveat emptor had to be changed to the Sears policy of your money back and no questions asked (Drucker, 1973). Around 1900, store owners believed that to promise "satisfaction guaranteed or your money back" could only bring financial disaster to a retailer (Drucker, 1973).

Presently Sears is one of the largest retailers in the world with sales estimated at \$53 billion for 1988, after posting \$48.4 billion for 1987 (Stone, 1988). Few businesses in America have shown such a consistent and sustained growth pattern as Sears (Standard & Poor's, 1987). Even in today's marketplace, Sears continues its policy of satisfaction guaranteed or your money back. According to the Sears Roebuck 1988 Spring/Summer Catalog, if a customer requests a refund, Sears will refund the full purchase price including any appropriate delivery charge, finance charge, and applicable taxes. Sears' products carry either a general Sears' warranty or a specific manufacturer's warranty. If the consumer desires a specific written warranty on an item, the catalog supplies all needed information to obtain one (Spring/Summer Catalog, 1988).

Contrary to public opinion, Sears has more than one catalog. In 1988, they have an annual, home, hardware, auto, and leisure catalog, plus nine specialogs covering specialty areas. The health care specialog is a 79-page medical catalog handling everything from wheelchairs and canes to aneroid monitors and lighted otoscopes. Sight-impaired consumers are offered free braille kits to enable them to operate selected Sears appliances (Health Care Merchandise Catalog, 1988-89). In the 1988 Sears' Spring/Summer Catalog, some 13 pages of specific detailed instructions are furnished to guide the consumer to get the proper fit and correct size in ordering clothing. Further, to insure proper fit, Sears will furnish a free tape measure upon request (Spring/Summer Catalog, 1988).

Sears does not sell or rent its list of catalog customers to anyone outside of the Sears organization. However, customers' names, addresses, and phone numbers are used within the Sears organization for special offers from the Sears Financial Network and other Sears direct mail promotions (Summer Catalog, 1989).

Today's Mail Order Marketers

Mail order sales is one of the less expensive methods of getting into the merchandising business. Mail order sales can eliminate the need for wholesalers, trained sales personnel, and even the traditional retail store. Starting a business without the overhead costs of an attractive store, in a costly sales location, also eliminates the expense of a large on-the-shelf opening inventory. The mail order sales outlet negotiates to have the manufacturer carry the inventory with its risk and costs. This less expensive method of starting and operating a business has resulted in many companies going into the mail order business in recent years (Pearce & Wisley, 1983).

Where most retailing businesses face laws designed to prevent monopoly, promote competition, and encourage ethical practices, fewer laws exist on the creation of a mail order company (Hodgetts, 1979). It is relatively easy for a business to start with only a catalog and a single product line. One such company that started this way is the Banana Republic. A husband and wife team started the company in 1978 with a mail order business of selling surplus army clothes from all over the world (The Economist, 1987). The Banana Republic Clothing Chain started much like Richard Sears' original company (Drucker, 1973). The wife soon added to the business by designing a complimentary travel and safari clothing line, while the husband improved on the original primitive mail order catalog. The Banana Republic set up shop to offer "clothing intelli-

gently designed, made from natural-fabric, for dedicated world travelers and other independent souls who do not step to the march of fashion" (Banana Republic, 1987). The catalog was unique in itself also. It was done on yellow buff paper with nothing but artists' sketches of their clothing.

In 1986, this small company had grown until its total sales were more than \$100 million (The Economist, 1987). Presently the Banana Republic sales are down from its original rapid growth. It is interesting to note that Mel and Patricia Ziegler, the founders of Banana Republic, are now leaving their safari clothing chain, citing fundamental creative differences with Gap Inc., which bought the chain in 1983. The founding couple stated that it is time for them to get into something new (Horgan, 1988).

Another similar success story but involving a very unorthodox company is Patagonia, Inc., founded by Yvon Chouinard, who as a teenager became intrigued with falconry. He found that the only way to obtain birds to train for falconry was to climb up into the mountains and take them from their nests. After a while, he set up a small blacksmith's shop behind his parents' house where he started to make climbing tools, first for himself and then for friends. By 1975, this hobby had become a company (Brown, 1988). Eventually, climbing clothes were added to the line. At first Chouinard imported the climbing clothing; today all of his climbing clothing is subcontracted. Patagonia was born. With a projected \$70 million in sales for the year ending June 30, 1988, Patagonia is one of the stars of the mail order universe (Brown, 1988).

Patagonia does not follow general marketing principles and theories on making mail order sales (Brown, 1988). Consider some of these paradoxical things that Patagonia does with its catalog. One idea of mail order selling is to make it easy for consumers to take whatever action you want them to take. Since Patagonia is in the mail order sales business, it would be logical with their

sales volume to have a toll-free telephone number for placing orders. They have no toll-free line for placing direct orders. The phone number for the company is only listed several times in their 100-page catalog, and then the customer is instructed that these numbers are not for placing orders. The buyer pays the phone bill for a long distance phone order. L. L. Bean, a similar outdoor mail order company, is happy to take an order at 4:00 a.m.; Patagonia offices stop answering the phone after 6:00 p.m. on weekdays and 4:00 p.m. on Saturdays. No phones or answering services are available on Sundays (Brown, 1988).

The Direct Marketing Association recommends that catalogs should be mailed a minimum of four times a year (Nash, 1982). The Patagonia company mails two catalogs a year, with nothing marked as being new. The Direct Marketing Association also suggests that layouts and graphics should be quite different in presenting expensive merchandise in comparison to lower priced items (Nash, 1982). A Patagonia catalog will show accessory items such as socks, gloves, and facemasks selling for \$6 to \$17 getting two pages of space, whereas a set of foul weather gear selling for \$400 gets the same display space. A prominent display is given to a \$12 duckbill hat, and a page and a half is devoted to a colorful photograph. The remaining one-quarter of the page rambles on about the needs and desires, "the bread and roses" of their clothing. Patagonia desires that their clothing end up as your friends (Patagonia, 1988).

The apparent informal approach of the catalog goes a step further in its photography, which resembles Sports Illustrated or National Geographic pictures more than a clothing sales catalog. Instructions to the company photographers are six pages in length and recommend that the idea is to show people having fun in Patagonia's clothing. This results in action shots: people climbing, boating, hiking, or traveling. If this produces an exciting picture, in which you cannot tell if there is a Patagonia product being used or not, this is totally acceptable and

recommended. The company solicits customers to submit spirited photographs of Patagonia clothing in use (Patagonia, 1988). Product identification becomes very subtle (Brown, 1988).

For a moment, analyze what is taking place with Patagonia's catalog. Consumers are creating their own selling environment, an environment that is low key. It is the ultimate extension of the current state-of-the-art that says get close to your customers' lifestyles. Patagonia's stress for consumers' special lifestyles has ensured its outstanding market position to date (Brown, 1988).

Perhaps the most conservative catalog obtained is the Department of Defense's Exchange Mail Order Catalog 1987-1988 edition. (Note: This catalog is only available to military families.) The layout, photographs, and concise copy are attractive, well organized, but rather sterile. There is no effort made to project lifestyle in its 300 pages. No sales pitch is perceived. It almost takes on the philosophy of "Buy it or leave it." The catalog is published for the exclusive use of authorized exchange customers from all branches of the military service. Toll-free phone numbers for ordering are readily available, but immediately obvious are disclaimers placed on products.

The publication states that due to its size, typographical or omission errors in prices, descriptive copy, or photography may occur. Such errors are subject to corrections at any time. All clothing items are shipped as manufactured. There are no instructions as to measuring or determining clothing sizes, while Sears offered a free tape measure and some 13 pages of instructions on how to obtain a proper fit. It is not possible to make an address change or item substitutions once an order has been processed. Refunds are made only within a 45-day period for defective merchandise. Repairs on catalog items covered by a manufacturer's warranty must be processed by the customer in accordance with the terms of the manufacturer's warranty (Exchange Mail Order Catalog, 1987-88).

It is interesting to note that an agency of the U.S. government involved in mail order sales adopted a degree of self-protectivism in its catalog.

The above companies are just a few examples. However, for further comparison purposes, the following additional 10 mail order catalogs are reviewed.

Mail Order Catalog Review

The writer developed the table below to compare 10 mail order catalogs. All 10 catalogs were reviewed to see if they had a toll free telephone order number, supplied an order blank and envelope for ordering, gave or stated product warranties, expressed refund or exchange policies, gave instructions for ordering, and if they had any unusual consumer appeal. Additionally, the writer reviewed such things as: dimensional size of the catalog, number of pages in the catalog, quality of the paper, a perusal of the photography, and finally product presentation with or without people or accessories.

In studying the table and examining the catalogs, it was a matter of degree regarding how each company approached the many facets of mail order sales. For example, a toll free telephone number could be listed on every page, every other page, or only on the order page. Warranties ranged from satisfaction guaranteed, you-be-the-judge guarantees, complete satisfaction for the life of the product, replace or return your money for one year (Park Seed Company). Refunds and exchanges again varied from no time length given return in new condition within 30 days to instructions for return of merchandise that is included with the product. One company, Bachrach, a men's clothing catalog, stated they would substitute items but you are never under obligation to keep it. The written advertising copy ranged from factual and technical to frivolous and worthless. The products were being sold by skilled photography and buyer appeal.

Table 1. Comparison of Mail Order Catalog Companies

	Ordering Instructions	Consumer Appeal Format	Toll Free Number Easy to Find	Order Blank Furnished In Catalog	Refunds	Warranty	Price	Type of Merchandise	Quality of Paper	Number of Pages	Size Dimensions
Banana Republic	None	-hand drawings -artist sketches	Yes, every couple pages	Yes	nothing stated	none stated plain talk on clothing why enjoy	expensive	clothing accessories	dull buff or cream	67	6½ x 9½
The Price of His Toys	None	medium to expensive toys -unusual -impress people by being different	Yes, bottom of every page	Yes	30 days	30 day refund no return of shipping charge	medium to expensive	novelty items	high grade slick white	24	12 x 9½
Ingenuties	None	no life style unique as you are	Yes, every other page	Yes	30 days	return it in new condition 30 days manufacturer's warranty	medium to expensive factual but catchy	unusual items entire family	high grade slick white	52	12 x 9½
Lillian Vernon	None	many novel items useful functional	No, do not accept collect phone calls order blank only	Yes	no time stated instructions to return comes with merchandise	satisfaction guaranteed	facts-color-size-etc.	everything for house, yard and family	slick white photos	96	9½ x 8½
Sierra Club Catalog	None	camping and outdoor	Yes, order blank every other page club membership	Yes, answering machine	exchange to refund	none, information on how to return in packing	medium	camping and outdoor	multi-color slick	44	11 x 8
Norm Thompson	four paragraphs	fashionable exclusive clothing more sell in photos	Yes, randomly throughout catalog	No, last page of book	exchange	You be the judge, guaranteed life of product, satisfaction, replace	medium	sport clothing outdoor second home cottage appeal	light-weight white	100	9½ x 10½
L. L. Bean	Yes, 1 page diagrams	outdoor sport clothing camping gear	Yes, inside front cover-random	Yes	no time limit no questions asked	100% guarantee 100% satisfaction-return	medium	outdoor and sports		136	9 x 10
Bachrach	1½ pages	Yupple men's clothing	Yes, every other page	Yes	Yes	satisfaction guaranteed will substitute on you	medium to expensive	men's clothing		48	12 x 9½
Park Seed Flower and Vegetables	1 page	seed plants fruit & veggies	Yes	Yes	Yes	you must be completely satisfied will replace/return money-1 year	inexpensive	plants & accessories	colors unbelievable	68	9½ x 11½
Mature Wisdom	None	many novel items useful functional	Yes, 3rd page and on order form	Yes	Yes	none stated	inexpensive	everything for house, yard and family	black & white news printing	82	6 x 6½

Selling Techniques

Mail order selling is an art and can be costly. The cost of printing and postage has increased with inflation in recent years (Bencin, 1984). Large as well as small mail order businesses are trying to increase their sales while trying to cut business expenses. Their very survival depends on this. As a result, these companies will use any selling technique at their disposal to appeal to the consumer (Settle & Alreck, 1986).

Some consumers are unaware that a number of these sale techniques involve psychographics. The term psychographics is used by market researchers to cover the classification of consumers by their beliefs, motivations, and attitudes. The term first began to appear in the sales community during the late 1960s. This was a step beyond sociodemographics that marketers had used previously. Sociodemographics indicated that buying was governed by a consumer's social class, age, sex, income, education, and occupation. Around 1970, psychiatrist Daniel Yankelovich, who headed his own social research firm, launched an annual survey of changing values and attitudes called the Yankelovich Monitor. This survey tracks more than 50 trends in people's attitudes toward time, money, the future, family, self, institutions, and many other aspects of their lifestyle. By measuring these shifts in attitudes, Yankelovich's researchers claim to have predicted trends such as the shift to white wine and light alcoholic beverages, and the rising sales of supermarket chain brands and generic drugs. Presently, 100 companies subscribe to the monitor survey for \$28,500 a year (Rice, 1988).

By the mid-1970s, lifestyle had become a popular buzzword in advertising and marketing circles. While this was continuing, a researcher named Arnold Mitchell wrote a series of reports analyzing the way people's basic needs and values influence their attitudes and behavior, particularly as consumers.

Mitchell divided consumers into categories based in part on the theories of the late psychologist Abraham Maslow and his hierarchy of needs (Rice, 1988).

Maslow's hierarchy of needs is built upon the assumptions of human nature and similarities. Briefly, people have at least five sets of basic needs: physiological, safety, social, ego, and self-fulfillment. These needs exist in an order, or hierarchy, with the physiological being the most basic. The needs at each higher level emerge only when the more basic needs have been satisfied. One hundred percent satisfaction is not required for a need to be met. The egoistic and self-fulfillment needs are more complex in understanding human behavior (Massie & Douglas, 1977).

Mitchell also claimed that each stage of an individual's development is marked by a "particular pattern of priorities . . . a unique set of dominating values and needs." Mitchell has used his survey findings, based on a lengthy questionnaire to nearly 2000 people, to create nine psychologically graphic portraits of consumers, one for each pattern he identified. By 1983, when Mitchell published his book, The Nine American Lifestyles, he had attracted considerable attention in the marketing and advertising industry. Based on his work a commercial marketing/research company called VALs, an acronym for Values and Lifestyles, was developed. Before his death in 1985, Mitchell saw VALs become the country's most widely used system of psychographic research.

Presently some 250 corporate clients pay from \$20,000 to \$150,000 per year for VALs' customized service. Use of this research method enables sellers to position products or design packaging to appeal to a particular buying group. The research helps to spot trends in product use and consumer needs. As one VAL executive stated: "What we've done is really get inside the consumer's head, into what his perceived values are, and then gave them back to him." VAL makes it

possible to personalize selling and to understand the targeted consumer (Rice, 1988).

Average consumers are totally unaware that the above has occurred as they reach for what they believe to be their favorite brand. This favorite brand makes up part of their lifestyle, largely created for them by marketing research (Rice, 1988). The average consumer is also probably unaware how mail order advertising, appealing pictures, art work, and copy besiege the subconscious. The following are a few examples of these advertising appeals.

Off-Guard Buying

Most of us crave that excited feeling and emotional release that buying a dreamed about or wished for object can bring. This is one reason why the sales material consumers receive through the mail is filled to overflowing with hope and dream making (Brock, 1986). Everything in the direct mail package, letter, or catalog, every thought, word, and picture, is carefully chosen and put there for one purpose: to get the receiver's attention to open, read, and make a purchase (Nash, 1982). Is there a good reason for a sudden purchase? Not according to Brock; logical decision making is in short supply (Brock, 1986). You have been caught off guard. Suddenly your comfort, convenience, security, prestige, health, or seemingly apparent thriftiness has motivated you to buy something you did not immediately need to survive (Baumbach, Kelley, & Lawyer, 1973). This happens in the peace and quiet of your home; no sales personnel have physically called and no apparent high pressure sales techniques have been applied (Brock, 1986).

Emotional Buying

People are irrational buyers (Lumley, 1986). People do not buy for exactly

what an object will do, but for unconscious emotional reasons (Settle & Alreck, 1986). The mail order sellers are aware of this fact, and use letters and catalogs mailed to people's homes to their utmost benefit. With carefully laid out pictures and supporting words, the sales literature will give the reader a feeling of what is perceived as the good life. The consumer's wants or desires will be fulfilled by simply buying the product (Bencin, 1984).

In one catalog the pictures gave an almost overpowering feeling: toy trains were not merely boxed; they magically rose out with an aurora into the heavenly stars. Televisions never showed a dull news commentator's individual face--they were pictured with action-filled sports scenes with a backgrounded of bright blue sky and/or water, but with just a touch of red for excitement. A loving family is portrayed watching an active family enjoying themselves. In this one, small, 20-page catalog, a person can buy anything from a fur coat to an outdoor generator and, in the process, receive a genuine ruby-and-diamond, 18-carat, gold-coated necklace absolutely free, if the order exceeds \$50.00 (American Value Shopper, 1987).

Value Shopping

The free necklace mentioned above surely is not of much true intrinsic value. To the unwary, the description and picture will catch their attention, just enough that they might not want to miss this outstanding "absolutely free" offer. A once perceived wish for a particular product is now a bonafide necessity because a gold, ruby, and diamond necklace is given away free.

Mail order food sales can also be very misleading. The November, 1987, issue of Consumer Reports magazine tested some gourmet foods that people would be offered as holiday gifts through mail order catalogs. The study centered around the question, "Do higher prices buy you better quality?"

According to this magazine, average consumers thought they were getting better quality for a higher price. The people who bought the more expensive foods purchased them as gifts for someone else. Because of the considerably higher prices, the buyers assumed the food would be superior to that available in retail stores. However, the magazine stated that quality cannot always be determined by price (Consumer Reports, 1987).

How can someone determine the best price? A prospective mail order customer can determine the best price for a product if it is possible to locate the product in the local market. This shopping around takes time. Average mail order shoppers are younger consumers with higher incomes. They have more education and a more prestigious occupation than their store-prone counterparts. They are a bit more self-confident and venturesome. They value their free time. Female shoppers who were convenience-oriented perceived it to be less costly shopping by mail or by phone than by doing a store-by-store research of price and value. It was faster and easier to shop by mail (Lumpkin & Hawes, 1985).

Most mail order purchases can be found in local stores. The writer received one catalog which advertised "hard-to-find tools." This particular catalog displayed an average manual air pump selling for \$35 plus \$5 for shipping and handling fees (Brookstone, 1987). The writer owns the same pump; it was purchased for only \$25 plus tax at a local auto store. This was one item the writer could immediately identify that was overpriced. In the comparison of the 10 catalogs reviewed, the writer found two noticeable price differences: The same Tekna Mono Lith flashlight sold for \$6 in one catalog whereas \$15 in another. A Seasonart, an air-tight plastic dispenser for 16 spices and herbs, sold for \$40 in one catalog and \$50 in another (Sierra Club Catalog, 1987; Norm Thompson, 1987). Lumpkin and Hawes (1985) indicated that there are thousands of higher

priced items in mail order catalogs than are priced in the local market. A prospective customer needs to determine what it is worth in convenience when buying through a mail order company. This must be weighed against the time spent and frustrations encountered in retail shopping.

Firsthand Observations

Consumers have experienced poor marketing techniques from mail order buying which include: excessive delays in shipment, wrong product shipped, product shipped with missing or broken parts (carton showed no exterior damage), inferior quality of merchandise shipped, and instructions for assembling products that defy logic. Yet, in many cases, the uninformed consumer ignored the mistake and did not take corrective action against the mail order company. A favorite quote often made is, "I should have known better"

According to the Office of Consumer Affairs, 96% of a company's unhappy customers will never make a complaint (PCM, 1988). Nevertheless, the Direct Marketing Association alone, in recent years, has been handling an average of 25,000 mail order complaints a year. The majority of the complaints cover such problems as damaged shipments, failure to deliver or make refunds, faulty billing, and misrepresentation in advertising (Maxwell, 1984). Thus the offending company has made a sale and will continue in business, and consumers will continue to suffer the consequences. Dishonest mail order firms have 220 million American consumers to choose from. They do not need repeat customers. The sad fact is that they often get them (Garman & Eckert, 1979).

Conclusion

It has been demonstrated that mail order marketing will probably continue to grow in scope and importance. This growth will influence an increasing larger

segment of our American society. Marketing and advertising industries, through sociodemographics, psychographics, and more advanced research, will ply their trades with all the skills of a siren (Maxwell, 1984). There are both "goods" and "bads" to this situation. The consumer has more and better buying opportunities, but the financial drain on family resources could be crippling if the purchases are unwisely made. The current situation, as presented, is not one of complete chaos and deception, nor is it of complete bliss and truthfulness. The mail order catalog review made earlier in the report on 10 mail order companies highlights this. All of the companies had refund or warranty policies expressed in their catalogs. However, it becomes very subjective as to how each company will actually honor their policies. The consumer can become totally frustrated and bogged down with lengthy letter writing as to what is wrong or requires correction. Conversely, even the most ethical advertisement can be an insufficient guide in buying. A product can look good in a photograph but may not look equally as good when it arrives. Clothing may not fit, or even if the size is correct it may not be attractive.

Extensive marketing and advertising technology has been developed in the last 20 years. Now would appear to be the time to begin a conscious, more detailed study to create more buyer awareness of the subconscious consumer appeal of mail order advertising. This study should be undertaken by the academic community as an effort to help segments of the consumer population, not as a benevolent type of movement, but as a basic need for consumer economic stability. The same approach could be taken as are truth in lending, labeling, and advertising laws. Perhaps there should be a mail order marketing code for consumers. There is still much to be learned about catalog shopping behavior and how it influences the American consumer. Anyone in business knows that a sales person cannot make a sale to a consumer who is not there. A

mail order catalog can always be with the consumer. A catalog is a store that is open 24 hours a day, 365 days a year. Yet the consumer has no salesperson to question; the only information the consumer has is what the seller chooses to give in the catalog advertisement.

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