



## BANKING ON DIRECT MAIL

PETER WHELEHAN ON WHAT *LIVELINE* LISTENERS AND BANK OF IRELAND NEEDED TO HEAR – THAT DIFFERENT TYPES OF MESSAGES SUIT DIFFERENT DIRECT CHANNELS

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Trust is the foundation of all good relationships – with family, friends or in business. But people are less trusting now than they have ever been. Less trusting of politicians, institutions, governments and now brands. When trust is at a premium brands need to carefully weigh up their communication channels, based on the nature of the messages they want to communicate. While low-cost communication may seem like a good idea, some channels are cheap for a reason.

But people are suspicious of unsolicited communications. There is more scepticism about the validity of communications when their security is increasingly being compromised, as happened recently with a series of “apparent” communications from Bank of Ireland (BOI) to some of its customers. It became headline news and fodder for Joe Duffy’s *Liveline* when fraudsters hacked in to a legitimate bank text, placing fraudulent texts within the bank’s message thread.

So let us consider trust within the marketing sector, as it relates to direct communications. In today’s world anyone can send a direct email, or SMS, to any number of people, anywhere in the world, at little or no cost. It is a communications development that has opened the door wide to phishing and smishing scams which have become increasingly sophisticated. While BOI eventually agreed to reimburse customers, the upshot of the saga had a negative impact on the BOI brand.

Most of the harm was done by the bank early on. It was reported that the BOI fraud investigations team advised customers that they were liable as they had given away their personal bank details with their one-time passcode. It begs the question about how brand owners communicate with customers and demands that they plan and carefully consider the best channels for different types of direct communications, especially those that rely on an exchange of sensitive data.

### SENSITIVE

Brands need to be more strategic in tailoring their communications by channel. Simple communications containing little or no sensitive information can be executed efficiently by SMS or email. But more sensitive information might be better communicated by direct mail, where the potential for fraud is hugely reduced. The fact that there is a cost in producing direct mail can be a good thing, because fraudsters are unlikely to go to that extent in the hope of tricking people.

It is simply not worth the effort.

It is why up to 90 per cent of direct mail gets opened, compared to a mere 20 to 30 per cent for emails. SMS has a high open rate too, but it has a much higher potential for fraud, as BOI learned to its cost. Direct mail normally does not have to be dealt with as a matter of urgency either. While people hope to empty their inboxes or deal with SMS messages straight away, direct mail exists physically. So consumers deal with it when they want and on their terms.

There’s also brain imaging and eye tracking studies which suggest that direct mail connects with the parts of the brain that control how people feel and recall things. It requires less effort to understand, is seen as being more ‘real’ and generates more emotion than online communications. In fact, 82 per cent of millennials view messages in direct mail more trustworthy than digital marketing (Source: US Postal Service ‘Five myths about millennials and mail’).

Furthermore, a study by Canada Post showed that direct mail elicits much higher brand recall than digital media. It reinforces the fact that consumers trust direct mail because they can touch, feel and physically engage with it. Direct mail marketing is ripe for a renaissance. While it may be foolish to suggest it will get back to anywhere near the levels of the 1980s and 1990s, there will always be a role for it and it needs to be re-integrated in to brands’ marketing plans.

The simple fact that there is less of it happening and that direct mail is an uncluttered channel means it gets more cut-through and better results than ever before. It makes it an appealing option for brands on both the B2B and B2C fronts. As digital marketing channels become more compromised and crowded, tried and trusted channels, like direct mail, present a big opportunity for brands to tailor their messages, diversify their comms and be more creative in their targeting.



### CONSUMERS MORE SCEPTICAL THAN EVER

Consumers are suspicious of unsolicited communications. There is more scepticism about the validity of communications when people’s security is compromised, as happened recently with a series of “apparent” communications from Bank of Ireland to some of its customers. Fraudsters hacked in to a legitimate bank text, placing fraudulent texts within the bank’s message thread. Pictured is *Liveline*’s Joe Duffy.