

Don't scrap junk mail -- research says it works

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(Phys.org) -- There's no reprieve in sight for Australian letterboxes bombarded with junk mail, with new University of Sydney research showing that junk mail is enormously effective in boosting in-store sales.

Professor Charles Areni and Dr Rohan Miller, of the University's Discipline of Marketing, found that featuring products in mail catalogue advertising significantly increased [sales](#) compared to advertising on in-store radio, which plays in stores while customers shop.

"We see the signs 'No Junk Mail' everywhere," says Professor Areni, "so it seems people don't want all that advertising material stuffed into their mailboxes.

"However, while people may say they hate junk mail, somebody out there is having long look at it and planning their purchases around what they see."

Soon to be published in the [Journal of Marketing Communications](#), the research varied the in-store [radio advertising](#) and mail circular advertising in 95 variety discount stores, measuring the sales results of products featured in the two advertising media.

"We alternated what products were advertised over the stores, varying products featured in the junk mail versus in-store radio ads," says Professor Areni.

"The junk mail caused a serious lift in sales - something was going on, people were looking at the junk mail and reacting, whereas the in-store radio didn't perform nearly as well.

"The results are surprising because the retailers would have spent millions of dollars on in-store radio, whereas junk mail doesn't seem at all sophisticated in marketing," Professor Areni says.

The sales increases from junk mail ranged in magnitude from a 67 percent increase for disposable razors to a dramatic tenfold increase for sandwich toasters. By contrast, the in-store radio advertising had little or no effect on sales.

According to Professor Areni, however, we shouldn't give up on in-store radio advertising just yet.

"Consumers are creatures of habit. In-store radio advertising is still relatively new in Australian variety discount stores, so it may simply take time for consumers to learn to listen for good deals while they shop."

"Junk mail is a very common form of advertising for this type of store, and as they arrive regularly at the beginning of the month, it could be that consumers may simply be used to looking for them," he says.

This is the first research in the world to concentrate on variety discount chains, which make up the largest retail growth category over the last 20 years.

Provided by University of Sydney

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