

Identifying Effective Direct Marketing Channels for Credit Providers Targeting Lower to Middle Income Groups in the South African Market

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ABSTRACT The study investigates the most effective direct marketing communication channels which could be employed by unsecured credit providers in order to attain competitive advantage in the industry. It further sought to establish the direct marketing channel approaches adopted by the unsecured credit provider under research, to target low income consumers in the South African market and their impact on the credit provider's competitive advantage. Using simple random sampling, one hundred and fifty respondents were selected from the customer database. The findings revealed that face-to-face communication and cell-phone calling were the most preferred communication channels for this consumer segment, with the short message service (SMS) option gaining popularity. The results of the study identified the most appropriate direct marketing communication channels and areas of focus that would enable the selected credit provider and other credit providers to be able to determine the most effective means of targeting potential low income customers and ensuring higher conversion and satisfaction rates.