



## **Jerry Seinfeld and the Art of Understanding Spam Purchasers**

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I've always been a big Seinfeld fan. And I wasn't one of those bandwagon people, who started watching after the first few seasons had passed. I was an early adopter to Seinfeld. I even remember watching his first appearance on Carson back in the day. One of Seinfeld's most quoted lines from his standup routine was, "Who are these people?" He'd ask that question in his signature, whiny tone before describing dozens of quirky and annoying habits exhibited by our fellow citizens.

I wonder what Jerry would have to say about people who purchase from spam messages. "Who ARE these people?"

Well, the Software Business Alliance (SBA) has recently commissioned Forrester Research to help us begin to find out the answer to that question. And the good folks at Forrester have come back from the research lab with some interesting numbers. One thing that jumped out at me is that there seem to be a lot more consumers opening and purchasing from spam than I'd previously thought.

For example, according to the study results, respondents claim to open and read over 20% of the unsolicited email they receive. 20% is a pretty good open rate for a spammer. I know a few permission based email marketers that don't enjoy open rates that high. Moreover, the Forrester/BSA study concluded that over 40% of U.S. respondents admit to having purchased something from a spam message. And the results from their international studies are even higher than that.

Most of the other estimates for 'spam purchasers' I've seen hover around the single digits. For example, anti-spam software company Mailshell released a study back in 2003 that indicated that 8% of the online population had purchased from a spam message. So why the discrepancy? Maybe it has something to do with the consumer definition of spam – or lack thereof. If you put 10 people in a room and asked them to define spam, you'd probably get a number of differing interpretations. Moreover, if you gave those same 10 people 100 email messages, and asked them to separate the spam messages from the legitimate messages, you'd almost certainly get 10 different combinations. Most people define spam as an email message that they don't want. Maybe they signed up for it – maybe they didn't. Perhaps they wanted to hear from that company at some point – perhaps not.

But rather than worry over the methodological issues like the definition of spam, I'd like to draw your collective attention towards what I think is an even more interesting issue. Forrester has done a great job *quantifying* 'spam-purchasers', but now I'd like to see

someone *qualify* the spam-purchaser segment. I'd like to better understand the people who are actually purchasing from spam messages.

As I noted earlier, previous estimates of "spam purchasers" peg the segment at around 8% of the online population. If extrapolated to the U.S. online population of 204.3 million (Nielsen / NetRatings), there are 12 million U.S. consumers in the spam purchaser segment. To provide you some context, let's compare that figure to other online demographic and behavioral segments:

- Hispanics – 6% of U.S. Internet Users (12.6 million) are Hispanics. (Comscore Media Metrix)
- Gays - 6% of Online Consumers (12.26 million) identified themselves as Gay, Lesbian or Bi (Harris Interactive and Witeck-Combs Communications, Inc.)
- Seniors – 4% of U.S. Internet Users (8 million) are age 65 or older (Pew Internet & American Life Project)
- Affluence – 4% of U.S. Internet Users (7.87 million) have incomes of \$150K or greater. (Nielsen//NetRatings)
- Hyper Shoppers – 11% of U.S. Internet users (23 million) who spend \$500 or more both online and offline after first seeking product/service information online. (Dieringer Research Group)
- Paid Music Downloaders - 5% of U.S. Internet Users (10 million), aged 12 and older, are paid music downloaders, having paid a fee to download music or MP3 files off of the Internet. (Ipsos/Insight).
- Content Purchasers - 8% of U.S. Internet Users (16.4 million) paid for online content in Q4 2003 (Comscore Media Metrix)

And if the actual number of spam purchasers is closer to the one offered by Forrester, then the spam purchaser segment becomes a whopping 80 million people. That's more people than voted for either candidate in the last Presidential election. It's almost as many people who watched last year's Super Bowl. Even if the U.S. spam purchaser segment is closer to 12 million, it still represents a significant number of online purchases.

The SBA/Forrester study did a great job outlining the types of products that are purchased from spam. But I'd like to know more about the spam-purchasers themselves. It's interesting to note that every major anti-spam initiative has approached the problem from the supply side. In other words, the focus is on keeping spam out of our collective inboxes by impeding the efforts of the spammers. It might be useful to pay some attention to the demand side. Why do people purchase the products and services offered in spam emails? Are 'spam-purchasers' old or young? Rich or poor? Do they enjoy deciphering the nonsense words found in many spam messages that sometimes remind me of a Burroughs novel? In other words.... Who ARE these people?

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