



Chapter 25

Digital media

The development of digital-based technologies and web-enabled communications has had a profound effect on marketing communications. However, the full potential of these new technologies has yet to be realised as customer behaviour adapts and learns new ways of incorporating these facilities. Interactivity and rapid two-way communications enabled by technology require the development of new communication strategies and a fresh understanding of how best to communicate with target audiences.

Aims and learning objectives

The aim of this chapter is to consider the nature and characteristics of digital media. The intention is to examine the many aspects and features of digital media and to consider its potential to assist marketing communications. It is recommended that this chapter be read prior to Chapter 26 where the application of these tools and devices is considered in greater detail.

The learning objectives of this chapter are to:

1. explain the key forms of digital media;
2. understand what digital media enables users to do;
3. examine some of the issues arising from the design and use of web sites;
4. explain the key differences between traditional and digital media;
5. consider future technologies and their impact on marketing communications;
6. explain what convergence means and how it influences marketing communications.

For an applied interpretation see Matt King's MiniCase entitled *Integrating traditional and digital media* at the end of this chapter.

Introduction

The dramatic impact that digital technologies have had on people does not need amplification here. However, digitisation has provided marketers with the opportunity to develop new ways of communicating with a variety of audiences. This chapter starts by setting out the main types of digital media. It then proceeds to explain what they are and examines the generic benefits that each of these types of digital media can bring, that is, what it enables users to do. Part of this enabling concerns the creation of web sites, and this chapter explores their design and marketing functionality, before comparing some of the key characteristics of traditional and digital media. The chapter concludes with a consideration of the future of digital media, the associated convergence issues that are evolving and how these might impact on marketing communications in the future.

Chapter 26 then explores the various ways in which marketers have used digital media to communicate effectively with their various audiences.

Key forms of digital media

As suggested above, the range of digital media is vast and is growing rapidly. However, the following section considers some of the key types or forms of digital media and should not be considered comprehensive.

The Internet

The Internet provides a wide variety of activities, including electronic mail, global information access and retrieval systems, discussion groups, multiplayer games and file transfer facilities, all of which not only help to transform the way we think about marketing communications, but also impact on business strategy, marketing channel structures, interorganisational relationships and the configuration of the marketing communications mix.

The Internet impacts upon marketing in two main ways: distribution and communication. The first concerns distribution and marketing channels. The Internet provides a new, more direct route to customers, which can either replace or supplement current distribution/channel arrangements. The second element concerns the Internet as a communication medium. It provides a means of reaching huge new audiences and enabling the provision of vast amounts of information. These two elements, distribution and communication, combine as ebusiness and ecommerce to provide benefits for both buyers and sellers.

The Internet is an important way of providing product and service information and can enable organisations to provide frequent and intensive levels of customer support. With it come doubts about its ability to deliver competitive advantage and whether it could offer suitable levels of privacy, security and measures of advertising effectiveness.

The Internet is not a panacea for a manager's marketing communications problems. It is a relatively new and different means of communication, one that should be integrated into the marketing communications mix. Offline communications are used to raise site awareness and interest among a wide audience and to provide them with the site address. Once at the web site, in-depth product information can be exchanged for customer-specific details to refresh the database and fuel future communication activities. It is this holistic perspective of the new media that should be developed.

Traditional marketing communications strategies employ a mix of tools and normally involve an emphasis on one type of communication device, depending on the context. Broadly speaking, it has been the norm to weight advertising over the other tools when dealing with consumer markets, and to weight personal selling when operating in the b2b sector. This

reflects advertising's ability to raise awareness and develop brands and personal selling's prime skill at provoking behavioural action and closing orders. These general approaches have begun to be relaxed as audience and media fragmentation gathers speed and new ways of doing business (e.g. ecommerce) are developed.

The Internet is the fastest growing advertising medium.

Adverting online takes one of two main forms.

The Internet is the fastest growing advertising medium, attracting revenues from a range of sources, some of which are investments previously devoted to television. Online advertising now equates to 10.6 per cent of total adspend and grew at 47.5 per cent in 2006 (Advertising Association, 2008). To demonstrate this extraordinary growth, online advertising attracted £153 million in 2000. By 2006 this figure had reached £2,016 million.

Adverting online takes one of two main forms, display advertising, which includes, banners, interruptive, sponsorships, tenancies and display on email. Classified advertising is principally concerned with paid for search (see later in this chapter), but also includes recruitment and classifieds (including b2b).

The development of Web 2.0 or social media has added a new and critical dimension to the Internet. Web 2.0 represents a step change in the development and use of the Internet and even at the time of writing, Web 3.0 looms. Constantinides and Fountain (2008) argue that there are three main principles associated with Web 2.0:

- there is a focus on service-based, simple, open source solutions as online applications;
- it represents continual and incremental application development which requires users to participate and interact in new ways. So, from a position of consuming media, users are now contributors, reviewers and content editors;
- Web 2.0 also represents a new service business model that has created new opportunities to reach small, individual business customers with low-volume products.

Many of the applications associated with Web 2.0 (social networks, RSS (really sample syndication), Viral marketing etc.) are explored in Chapter 26.

The prime benefit of the Internet, as a hybrid medium, is that it is good at all of these activities, but it is not as good for any one task as a single communication tool might be. Interestingly, it excels as a part of the communication and decision-making process that the

The Internet provides a complementary facility to the marketing communication tools and as such should be used with the established means of marketing communication.

established communication tools fail to properly address, namely the search for, and retrieval of, information pertinent to purchase behaviour. It might be said, therefore, that the Internet provides a complementary facility to the marketing communication tools and as such should be used with, and not instead of, the established means of marketing communication. Above all else, the Internet is a medium, not a tool.

Database technologies

A marketing database is a collection of records that can be related to one another in multiple ways and from which information, usually customer-related, can be obtained in a variety of formats. This can be analysed to determine appropriate segments and target markets and used to stimulate and record individual responses to marketing communications. It therefore plays a role as a storage, sorting and administrative device to assist direct, personalised communications.

When customer-related transactional and response data are combined with additional information from external sources, such as a list broker, the database can become a potent source for marketing communication activities. Indeed, the increasing sophistication of information retrieval from databases enables much more effective targeting and communications.

Databases provide a means of monitoring changes in customer behaviour, identifying new target markets, and cross-selling products and services. The purpose of cross-selling is to reduce customer churn and increase switching costs (Kamakura *et al.*, 2003). While increasing

a customer's potential switching costs may not be compatible with relationship marketing principles, the result of successful implementation may be improved levels of customer retention and satisfaction where relationships are more discrete and transactional rather than collaborative in nature.

There are many potential operational problems associated with interrogating and processing information within live databases. Ryals and Payne (2001) point out that the transaction processing performance may be slowed down when interrogating customer information and the structure of the database itself is constantly changing in response to the large volume of transactions. Many organisations use data warehouses (and smaller data marts). These are integrated stores of data collected from a variety of sources (e.g. customer contact centres, the sales force and market research) and are updated at intervals, making it non-volatile and easier for interrogating customer information.

Multimedia

The term multimedia has not achieved universal agreement. Strictly speaking, the term refers to any presentation of information or material that uses two or more media. However, the term multimedia has only gained prominence since the advent of digital technologies. So, multimedia is generally assumed to refer to the integration of text, audio and images in order to enhance the user interface with computer-based applications. As a result 'streaming' of video and 'audio over the Internet' typify multimedia applications. As hardware and communications technology evolve, so new systems and applications develop to provide delivery of personalised email and marketing communication messages.

Multimedia is generally assumed to refer to the integration of text, audio and images in order to enhance the user interface.

Mobile technologies

Mobile phone technologies have advanced considerably and have enjoyed huge commercial success. Wireless application protocol, or WAP, phones possess the usual email and text information services, but they also have an Internet browser facility. As a result, messages can be not only location- but also time-specific. For example, a message can be sent when someone is in a town centre at lunch time, promoting a cafe, restaurant or shop. However, market growth in WAP technologies has been far less than originally expected, partly because of the text input facilities and the need for improved information displays.

New and faster technologies, such as general packet radio service (GPRS) and third-generation (3G) services enabling sound and image transfers, are expected to herald a successful relaunch of m-commerce. For example, in September 2007, Mazda used mobile advertising to drive awareness of their new Mazda2 model and to position the car as a stylish, bold new car. Video ads over 3 and T-Mobile networks were used to reach their core market, 25–34-year-old adults (Utalkb, 2007).

A further important development has been Bluetooth, the name given to a short-range radio technology that enables any kind of electronic equipment to be connected. Bluetooth's founding members include Ericsson, IBM, Intel, Nokia and Toshiba and their goal is to let Bluetooth's radio communications take the place of wires for connecting peripherals, telephones and computers.

Mobile marketing communications (to give it its full title) involves the delivery of direct marketing messages to mobile devices using wireless technologies. The prevailing usage is built around short message services (SMS), multimedia messaging services (MMS – which combines text with simple graphics and sound), wireless application protocol (WAP) mobile Internet and WAP push services and full multimedia third-generation (3G) services for both product promotion and entertainment purposes (MMA, 2007).

The more common title for this activity is mobile marketing, while some in the industry refer to it as proximity marketing. These titles are misleading because marketing is more than

just communications, if only because this is primarily a communications medium, nothing more. In view of this discrepancy and to avoid misunderstanding, the phrase mobile communications is used here.

Apart from the sheer volume of users, 150 million in the European Union alone (www.bbc.co.uk) there are several reasons why the use of mobile communications has grown in recent years:

- *Interactivity*: the use of SMS provides recipients with the opportunity to respond directly to incoming requests. Simple yes/no answers are quick and easy to execute while opportunities to encourage interaction with brands exist 24/7, whether that be in- or out-of-home.
- *Personalisation*: mobile communications can enable messages that are customised to the personal needs of users. This means information can be highly targeted and contain relevant information.
- *Ubiquity*: the portability of mobiles means that it is possible to reach users at virtually any location, at any time and send them location-specific information.
- *Integration*: the effectiveness of mobile communications is optimised when it is used as a part of an integrated communications campaign.
- *Accountability*: the volume and nature of SMS responses can be measured, which is important from an investment perspective. In addition, it is possible to measure the contribution that different media make to drive responses. This in turn helps organisations to optimise their offline media spend and pursue integrated communications.
- *Cultural expectations*: as the number of mobile phones in circulation reaches saturation point, and as technology develops enabling more efficient communication, so peer group pressure and the entertainment industry encourage use of mobile phones. For example, presenters of television and radio programmes encourage their audiences to engage with them through text and mobile facilities in response to news items, quizzes and general topics of current interest. For many this form of communication and involvement has become a normal element of their leisure and entertainment expectations.

The key attributes of mobile communications are that it is a personal channel, one which enables direct, targeted and interactive communications and which can occur at any time and any place. SMS communications have underpinned its growth and are used not just for brand awareness-based advertising, but also as an effective way of delivering sales promotions, such

It is also important to consider the potential privacy concerns of customers.

as announcing special offers and 'text and win' events. This again reflects the contemporary role of mobile communications. However, as with email, it is also important to consider the potential privacy concerns of customers, especially as the receipt of unwanted messages (i.e. spam) may well increase.

One of the difficulties facing the mobile communications industry has been how to provide a direct link between the offline and online environments. One possible solution is to use quick response or QR codes. These are two dimensional barcodes as represented at Exhibit 25.1.

By taking a picture of a QR code with a camera phone with a built in QR code reader, consumers can access further brand-related material that is linked to the code. Used with great success in Japan, some believe the use of QR codes will transform mobile marketing in Europe. Murphy (2008) reports that others are not so positive, citing differences in the Japanese technology infrastructure, which serves to facilitate this type of use and Britain's less than favourable disposition towards the use of Java software.

The potential to develop mobile communications is enormous, simply because the channel can deliver direct marketing messages related to advertising, sales promotion and public relations to individuals regardless of location. These messages can be used to develop brand awareness, support product launches, incentivise customers through competitions and promotions and promote trade and distributor involvement, as well as provide branded entertainment.

The potential to develop mobile communications is enormous.

ViewPoint 25.1

Mobile health

A large number of Health and Fitness Clubs, such as LA Fitness, Bannatynes, Greens, Village, Aquaterra and Esporta use mobile communications regularly. For example, Cannons Health Clubs, who manage 67 sites across the United Kingdom serving 165,000 members, have used mobile and email communications for customer acquisition and retention. In particular, they have found it very effective as part of their CRM programme by providing an effective delivery channel for time-sensitive issues, such as appointment reminders.

The effectiveness of mobile communications is demonstrated by Cannon's use of it for customer acquisition and their response rate is said to be 10 per cent. Text campaigns cost approximately £2 per response and they have found that text-only-generated new members regularly drive revenues exceeding £500 per member.

Mobile communications are used to reduce the number of no-shows and so increase conversion rates. Health Clubs can send SMS reminders to advise prospective members of gym tours, remind new joiners of induction training and members of classes and events. The gym manager, personal trainer or receptionist will book a text message reminder for the time required at the point of initial contact. This also gives the customer the opportunity to cancel in advance, thereby allowing the Club to fill the space.

SMS campaigns can be used to convert prospects once they have been informed by local offline media. By sending them a message using the keywords 'Offer' or 'Join' it is possible to track which offline media they might have been exposed to and from this data set switch their advertising between local press, radio and poster media according to which generates the highest response levels.

Source: Thurner (2007).

Question

Why have organisations been slow to develop mobile communication opportunities?

Task

Think about those organisations that contact you through SMS. How do you react and why?



Exhibit 25.1

A QR code

Source: Murphy (2008). Reproduced from *Marketing* magazine with the permission of the copyright owner, Haymarket Business Publications Limited.

Business applications

The phrase ‘information systems and technology’ (IST) is used to embrace the wide variety of new technologies that have been developed to improve the quality of life for the people who use IST and for those who benefit from their deployment. Ryssel *et al.* (2004: 197) refer to information technology as a term that embraces ‘all forms of technology utilized to create, capture, manipulate, communicate, exchange, present and use information in its various forms (business data, voice conversations, still images, motion pictures, multimedia presentations and other forms, including those not yet conceived)’. They conceptualise the range of IST in terms of where the IST are used (internal or external) and across which broad functions (information, communication and decision support) (see Figure 25.1).

However, it is not the intention to provide a detailed examination of each of these systems or of the various technologies, as that is beyond the scope of this book. Readers interested in this aspect of technology are referred to Chaffey *et al.* (2006) or Rayport and Jaworski (2004).

A raft of increasingly sophisticated application programmes have evolved to meet the needs of the market. Initially electronic data interchange (EDI) via public networks, and now the Internet, managed the direct transmission between different companies’ computer systems of data relating to business transactions. The applications tended to focus on systems designed by suppliers to assist customers in their purchasing procedures, processes and overall decision-making. The level of sophistication and scope of these applications now embrace a network of transactions and flow of information between a number of organisations. Radjou (2003: 25) refers to ‘supply network processes’, which encompass the following categories:

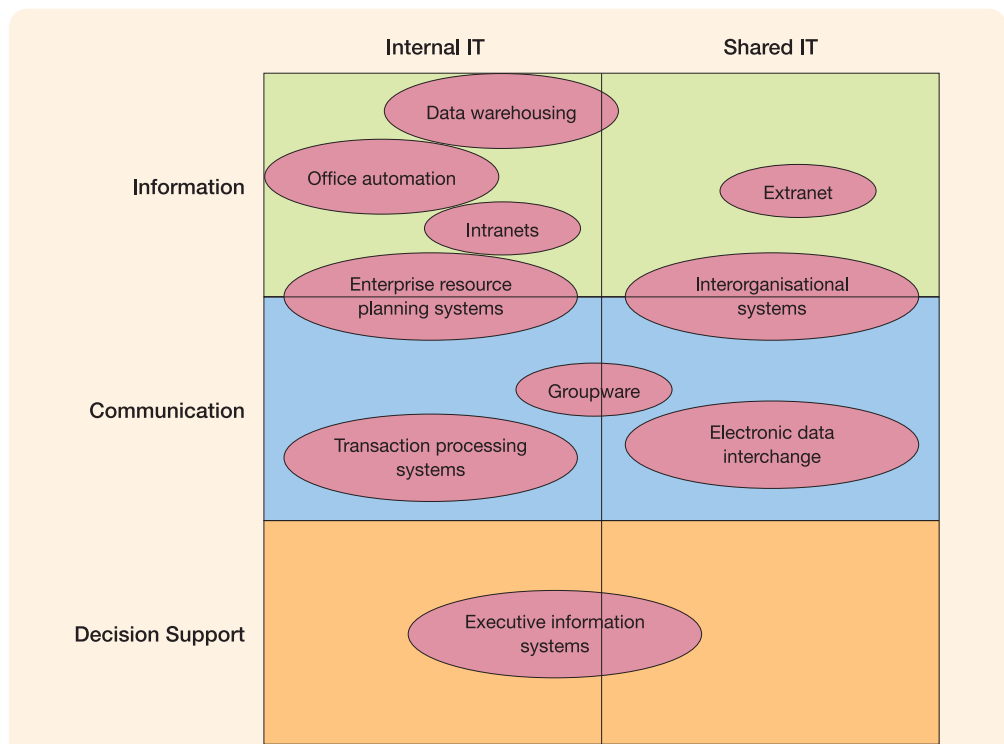


Figure 25.1

Types of information systems and their classification

Source: Ryssel *et al.* (2004). © Emerald Group Publishing Limited. All rights reserved.

- product lifecycle management;
- supply chain management;
- enterprise asset management;
- production network management;
- continuous demand management;
- order fulfilment and distribution management;
- aftermarket service management.

These applications serve to reduce costs, speed up processes, improve accuracy and provide added value for end-user customers. In terms of the relationships between organisations and their customers, these applications can serve to improve collaboration, both internally and externally. For example, enterprise-wide solutions such as complete enterprise resource planning (ERP) systems attempt to integrate all business processes across an organisation's accounting, manufacturing, sales and human resource departments. Further downstream, electronic point of sale (EPOS), which involves computerised tills linked back to a company's central computer(s), enables the data of every retail sale to be transmitted back to the organisation to facilitate sales and inventory management and, in a marketing context, can be used to better understand customer demand and buying behaviour. As networks, including the Internet, have extended to connect multiple businesses in the supply chain, sophisticated point-of-sale data have enabled collaborative marketing. For example, the leading supermarkets have systems that enable selected suppliers to 'find out information such as the repeat purchase rate of individual products, profiles of customers purchasing particular products and the most appropriate tools to attract customers' (Thomas, 2003).

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Interorganisational use of network technologies to share business information and coordinate supply chain activities has been termed 'ecollaboration' and represents a major area of development, particularly for high-technology-based companies.

Interactive television

Another important technological development is digital broadcasting and the opportunities for interactive television. Digital television and interactive services are two related but different facilities. Digital television is well established, but full interactivity has yet to be delivered to the majority of the population. Potential advantages are consumer familiarity, the full-screen, high-quality sound and picture format, fast channel and picture/text 'hopping', combining entertainment and shopping. The disadvantages include the current high cost of the sets to consumers and of broadcasting for companies. Also, it cannot deal with individual customers until TV-based email is widely established. Penetration rates will rise as analogue services in the United Kingdom are phased out.

Digital services provide many benefits for consumers, one of which will be the opportunity to screen out current intrusive advertising. Interactive, or red button advertising has to be driven by consumers who decide which advertisements they want to watch, when, and how long they will stay involved. The creative possibilities are far ranging, but in order to retain audiences it will become increasingly important to develop creative ideas based on a sound understanding of the target audience and their interactive and buying patterns. In January 2008, Andy Duncan, Channel 4's CEO, is reported to have claimed that red button technology is 'slow', 'basic' and 'clunky' (Jones, 2008). Their exit was followed in April 2008 by Channel 5. They announced it was abandoning its interactive red button advertising facility, citing that it was too costly (the return was poor) and that it did not fit the organisation's strategy.

Digital services provide many benefits for consumers.

Currently on UK teletext there are pages about holiday bargains that direct potential users to the Internet (www.teletext.co.uk/holidays) where they will find a searchable database,

plus weather reports, resort reviews and advice. This service claims a choice of preferred operators, competitive pricing, confidence – full financial protection, up-to-date offers and human interaction at the point of sale. It states that, in the future, customers will be able to access the full functionality of the web site via digital television and/or mobile phone.

Digital television and interactive marketing communications are unlikely to thrive in isolation from other methods of communication.

The point is that digital television and interactive marketing communications are unlikely to thrive in isolation from other methods of communication. Just as online facilities need offline drivers, and just as bricks and clicks appear to be a more profitable format than clicks only, so an integrated perspective is required if digital television and interactive advertising are to be successful.

The BBC iPlayer and 4Odemand are hybrid applications (databases, television content, interactivity and broadband) that have quickly become popular forms of access to entertainment content material. These facilities enable people to watch recently transmitted television programmes (usually a week old) on their computers.

Video conferencing

There are currently two main types of video conferencing systems: PC-based and room-based. PC-based, or desktop, systems are suitable for a small number of people, for short time periods. The cameras are usually fixed focus, with small field capability, and viewing screens are also small. Transmission speeds are limited by modem and telephone line capabilities. An advantage is that software applications and files can be shared and viewed jointly.

Room-based systems use large, sophisticated (pan-tilt-zoom) cameras and wide television screens, which means that more people can participate. Transmission via ISDN (integrated services digital network), including satellite links, facilitates better picture/sound quality. Video conferencing can be used in marketing communications for research (audience polling), product promotion/launch, training, employee and/or channel member briefings and sales negotiations. The advantages of video conferencing include speed and convenience as travel costs, carbon footprints and time away from core tasks are minimised; there is potential to reduce message ambiguity as there is joint and simultaneous viewing of materials and instant feedback; and relationships with customers and stakeholders can be improved through increased more personal communication.

One of the disadvantages is that all participants have to be available at the same time, which can be difficult across time zones. The connections are not always reliable and room time-slots often cannot be extended beyond the original booking. Some people are uneasy in front of cameras, which may impair effectiveness.

The use of video conferencing has increased because the cost of the equipment has plummeted and there have been major technical advances, which have improved the clarity and reliability of many commercial systems. In addition, there have been periods of major global crisis, and an increasing number of messages about global warming, all of which have led some organisations to reduce their volume of air travel, and spurred the use of video conferencing.

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Kiosks

Electronic kiosks are terminals that can be accessed by the public for information and services. Very often, kiosks are operated via touch-screens and video displays and incorporate card readers, coupon printers and other devices specific to their application. Increasingly, electronic kiosks provide not only multimedia facilities but also enable access to the Internet (www.scala.com).

ViewPoint 25.2

REI in kiosks

The outdoor climbing, hiking and mountain biking clothes made by REI require a high degree of touch and trial as well as significant information prior to purchase. REI has exploited these characteristics by building in-store climbing walls as well as hiking boot and mountain bike test areas. Due to limited retail floor space, REI installed web kiosks through which customers research 68,000 items as well as 45,000 web pages of product information.

By exploiting the fundamental nature of its products and through the instalment of kiosks in its stores, REI has effectively engaged its customers in a multi-channel experience. Kiosk implementation has allowed it to dedicate floor space to test areas while simultaneously attending to its breadth of inventory. Customers can utilise the strength of each channel and have consequently increased their spending. According to Jupiter Communications, existing REI customers who shopped online for the first time increased their store spending by 22 per cent and customers shopping on more than one channel spent overall more than in the previous year.

Question

If kiosks free up floor space for customer experience should not all shops move in this direction?

Task

Think of a product category that you are interested in, and make notes about how kiosks might enhance customers' experiences.

What digital media enables users to do

The various technologically-driven facilities referred to above can influence an organisation's marketing communications in many different ways. The implementation and benefits derived from technology will vary across organisations. This is because the level of strategic significance afforded to these investments, the culture, managerial skills, resources and degree to which the organisation has a true customer orientation differ widely. This section considers some of the generic ways in which digital media can influence marketing communications, but readers should be aware that the intensity of the influence is variable and far from uniform.

Interactivity

Digital technology allows for true interactively based communications, where messages can be responded to more or less instantly. Although there has been considerable media attention given to the development and potential of interactive services, the reality is that only a relatively small proportion of the public has become immersed in interactive environments, measured in terms of advertising space sold, usage and attitude research, and the number of transactions undertaken interactively. The development of interactive services may well be best served by the identification of those most likely to adopt such services and who will encourage others in their social orbits to follow their actions. This strategy would require communication with innovators and early adopters to speed the process of adoption (Rogers, 1983). This is quite crucial, as the infrastructure and associated heavy costs require an early stream of cash flows (Kangis and Rankin, 1996). The cost of equipment and time taken to learn and utilise interactive services does represent a barrier to adoption. These barriers might be substantial, depending on the background characteristics, education, personality, propensity to take risks and willingness to develop new skills and patterns of behaviour. This reinvention process can take individuals varying amounts of time to accomplish and hence impact on the speed of adoption.

Digital technology allows for true interactively based communications.

Technological advances have enabled a range of other interactive communication opportunities. So far, emphasis has been placed on the Internet, but there have been many other imaginative and exciting developments and applications. One area where interactivity has been subject to experimentation is television, and some organisations have experimented with interactive messages, most notably the very first interactive advertisement for Chicken Tonight, plus Dove, Mazda and Tango.

One of the biggest factors accelerating the consumer use of digital television will be the variety of entertainment possibilities that the Internet can provide. The development of the BBC iPlayer facility has helped stimulate computer-based viewing of television programmes, which in turn may change consumer behaviour with regard to the consumption of this form of entertainment. This in turn may assist online shopping behaviour.

Home shopping represents a significant change in buyer behaviour.

Home shopping represents a significant change in buyer behaviour that may affect a range of ancillary activities. Several UK supermarket operators have invested heavily in shopping channels and they have had to learn new fulfilment operations and new processes and procedures to meet customer expectations. Although Tesco appears to have been particularly successful, there is little evidence to suggest that retailers will give up their high street presence, as predicted in the later 1990s. The physical shopping experience provides many consumers with significant entertainment and social interaction satisfactions and these are unlikely to be discarded for total virtual shopping.

The financial services sector can be expected to undergo further change as home banking in particular becomes a secure and more convenient transaction context. Entertainment possibilities will be even more attractive, as interactive games and interactive viewing through pay-per-view, video on demand and time shifting (which is, as Rosen pointed out as long ago as 1997, the option to view yesterday's programmes today) become easily accessible.

The new technology and the new communication infrastructure offer increasing numbers of people the opportunity to experience interactive marketing communications. This may impact on their expectations and bring changes to the way in which people lead their lives.

Intuitive software is used to monitor a visitor's movement around a site, store it and then adjust the site to meet the preferred pattern each time that visitor enters the site. The implications for targeting advertising are enormous. However, despite all these developments, it appears that Cohen (1995) was quite prophetic when he commented that there was 'great uncertainty as to the level of consumer demand' (p. 8). In 1995, technology and demand were uncertain, but even at the beginning of the twenty-first century online profitability remains elusive to many virtual traders. The reality must be that technological advances and changes in buyer behaviour are more severely lagged than originally realised. While some consumers are ready and eager to take advantage of the new opportunities, many are not, and the process of diffusion needs to move forward in order that an increasing proportion of customers has the means and motivation to participate in the interactive environments.

Multichannel marketing

Although not entirely responsible, new technology has enabled organisations to reach new markets and different segments using more than a single marketing channel. Database-generated telemarketing, direct mail, email and Internet channels now complement field sales, retail and catalogue selling and have allowed organisations to determine which customers prefer which

A multichannel strategy should accommodate customers' account channel preferences, their usage patterns, needs and price sensitivities.

channels, and which are the most profitable. This in turn enables organisations to allocate resources far more effectively and to spread the customer base upon which profits are developed. A multichannel strategy should accommodate customers' account channel preferences, their usage patterns, needs, price sensitivities and preferred point of product and service access. So, as Stone

and Shan (2002) put it, the goal is to manage each channel profitably while optimising the attributes of each channel so that they deliver value for each type of customer.

Multichannel strategies have added new marketing opportunities, and enabled audiences to access products and services in ways that best meet their own lifestyle and behavioural needs. For organisations this has reduced message wastage, used media more efficiently and, in doing so, reduced costs and improved communication effectiveness.

ViewPoint 25.3

Multichannel NME

NME is a long-term music brand launched in magazine format in 1953 (as *New Music Express*). Among its claims are that it helped develop the careers of many bands and artists, including the Stones, Beatles, Bowie and the Sex Pistols. However, as the magazine market as whole continues to slide so NME was not immune especially as many of the readership are digital natives and generally averse to magazines.

Part of the remedy was to launch new media channels. The first of these was NME.com which now draws 1.8 million unique users. The web site is used to complement the magazine, although it provides increased depth and covers content not always suitable for the print version and enables blogging from music events.

A further channel, NMETV, was launched in 2007. Available to 9 million homes, the programme content includes video and interviews, and can be used to enhance material in the magazine channel.

NME Radio was launched in the summer of 2008 and is available on a number of national digital broadcast platforms.

Each of the media channels offers different opportunities, but NME have been able to integrate them so that each one reinforces the other. The television channel draws a different audience to the magazine, the former claiming 25–34-year-olds and the latter 15–24-year-olds. The obvious remaining question is, which of these channels is the most profitable?

The answer is magazines, even though circulation fell 12 per cent in the second half of 2007.

Source: Turner (2008).

Question

Is there an optimum number of channels that brands should use?

Task

Choose a grocery brand and find out how many channels are used to reach you.

Retailers are faced with particular problems that concern the amount of property/freehold they possess and the as yet unknown pattern of consumer shopping behaviour in the light of multichannel opportunities. The Arcadia Group (which owns Dorothy Perkins, Miss Selfridge, Wallis, Topshop, etc.) made a significant attempt to make its own name synonymous with online shopping through the development of Zoom, an online shopping mall. Some people might think that retailers should dispose of their fixed assets and move into the Internet or perhaps reconfigure their store layouts. In most cases, the optimum solution is to develop a multichannel solution whereby a range of media and experiences is offered to consumers. So, some prefer the Internet, some traditional shopping, some will use interactive television and some will prefer catalogue shopping. Many prefer a mix of these. This approach puts customers' needs first by determining their preferred marketing channels and also enables organisations to reconfigure their cost structures.

What may happen is that shopping activities become divided into categories that reflect particular channel options. So routine, unexciting purchases may be consigned to online and interactive channels, and the more explorative, stimulating and perhaps socially important purchases are prioritised for shopping expeditions. Many stores have recognised the

Unexciting purchases may be consigned to online and interactive channels, and the more explorative, stimulating and perhaps socially important purchases are prioritised for shopping expeditions.

need to adapt themselves to provide more value (than a current product focus). Related benefits and enhanced services are important as they help differentiation and attract customers. For example, the bookstore Waterstones provides coffee bars and comfortable seating, an environment in which customers are encouraged to relax and consider their possible purchases. Larger stores and mainstream brands may need to establish themselves as ‘destination’ stores where the attraction for consumers is bound by excitement, entertainment and a brand experience. In some destination stores it is possible to test products in simulated but related environments. For example, attending cookery classes in supermarkets or test driving a range of cars in the countryside.

In the United States these types of store are now relatively common, and experience shows that High Street shopping is not about to die, but take a revised shape, form and role. Mercedes has a cafe on the Champs-Élysées in Paris but its role is to remind, differentiate and bring the brand into people’s consciousness away from the traditional frame of reference. There is no persuasion as cars cannot be bought (or sold), but the brand is reinforced. See Chapter 21 for more on multichannel strategies.

Personalisation

For the first time, digital technology has empowered organisations to personalise messages and communicate with stakeholders on a one-to-one basis, on a scale that is commercially viable. This has driven the dramatic development of direct marketing, reshaped the basis on which organisations target and segment markets, stimulated dialogue, brought about a raft of new strategies and challenged the conventional approach to mass marketing and branding techniques.

The use of email communications is now extensive and viral marketing campaigns are gaining increasing acceptance. As with all forms of communication, the successful use of email requires an understanding of the recipient’s behaviour. Email communication enables a high degree of personalisation, and in order to personalise messages it is necessary to understand the attitudinal and behavioural characteristics of each email audience (Chaffey, 2003). He suggests that the following need to be considered:

The successful use of email requires an understanding of the recipient’s behaviour.

- How many recipients read their emails from home and at work?
- Which times of the day and days of the week do they read their email?
- How soon after receipt is email read?
- How do recipients configure their email readers?

Understanding the email behaviour of different audiences can influence the degree of personalisation that is given to email communications and web site welcome messages. However, email communication that is based on an understanding of the audience’s email behaviour should influence the message content, the time when it should be sent and, most importantly, the keys to encouraging recipients to open the email and not delete it. These keys are the ‘header’ of the email, which contains the subject matter, and the ‘from’ address, which signifies whether the sender is known and hence strongly determines whether the email is perceived positively at the outset. If it is, then there is a stronger chance that the email will be opened and hence a greater opportunity for response and interactivity. A deeper consideration of email communication can be found in Chapter 26.

However, many people now expect a high level of personalisation and virtual recognition as opportunities arising through ‘personalisation’ reach beyond email communication.

Personalisation is a sensitive area, often twinned with privacy issues.

Personalisation is a sensitive area, often twinned with privacy issues. Indeed there appears to be little agreement about what constitutes personalisation and to that end Vesanen (2007) identifies five types of personalisation. These are shown at Table 25.1.

Table 25.1 Types of personalisation

Type of personalisation	Segment marketing	Adaptive personalisation	Cosmetic personalisation	Transparent personalisation	Collaborative customisation
Typical actor	Reader's Digest	Yahoo.com	Google.com	Amazon.com	Hairdresser
Basic idea	To match customer preferences better than with mass-marketing	To let customers choose from different options	The organisation changes the package of standard good	The organisation changes the content of a good with a standard look	The organisation and customer are together building the product
When to use	Little customer knowledge, cheap	A lot of choices to choose from	Customer sacrifice is due to presentation	Customer contacts are repetitive	Determining either-or choices
Customer information	Purchase-/ demographic information	Direct choice by customer	Purchase-/ demographic-/ behavioural information	Purchase-/ demographic-/ behavioural information	Direct interaction
Learning opportunity	Low	Medium	Medium	Medium	High
Customer interaction	None	High	Low	Low	High
Change in presentation	Possibly	No	Yes	No	Likely
Variation of product	Possibly	No	No	Yes	Likely

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Personalisation should be an integral aspect of relationship marketing, especially in b2b markets. The degree of personalisation will inevitably vary over the customer lifecycle and become more intimate as a relationship matures.

Personalisation should be an integral aspect of relationship marketing.

Mobility

Digital technologies now support a range of devices and applications that enable mobile communications. Mobile commerce (or mcommerce) refers to the use of wireless devices such as mobile phones for transactional activities; and because the wireless facility enables transactions to be undertaken in real time and at any location, a feature referred to as 'ubiquity', the impact on marketing communications could be huge. Because of the reachability, the opportunity to keep in touch, increased convenience, localisation and personalisation opportunities offered by this new technology, theoretically it will soon be possible to track people to particular locations. Then the delivery of personalised and pertinent information plus inducements and promotional offers in order to encourage specific purchase behaviour can have greater impact.

SMS communications are used increasingly not just for brand awareness-based advertising but also as an effective way of delivering sales promotions, such as announcing special offers. This again reflects the increasing ubiquity of contemporary mobile communications. However, as with email, it is also important to consider the potential privacy concerns of customers, especially as the receipt of unwanted messages (i.e. spam) may well increase.

Speed

IST has enabled aspects of marketing communications to be conducted at much faster, indeed electronic speeds. This impact is manifest in direct communications with end-users and in the production

IST has enabled aspects of marketing communications to be conducted at much faster, indeed electronic speeds.

process itself. Draft documents, film and video clips, contracts, address lists and research and feedback reports, to name but a few, can all now be transmitted electronically, saving processing time and reducing the elapsed production time necessary to create and implement marketing communication activities and events.

Efficiency

Efficiency is a broad term used to encompass a wide array of issues. New technology helps organisations to target their messages accurately to discrete groups or audiences. Indeed, one-to-one marketing is possible, and when compared with mass communications and broad audiences it is clear that IST offers huge opportunities for narrow casting and reduced communication waste. Rather than shower audiences with messages that some of them do not wish to receive, direct marketing should, theoretically, enable each message to be received by all who are favourably disposed to the communication.

This principle of narrow casting applies equally well to communication costs. Moving away from mass media to direct marketing and one-to-one communications reduces the absolute costs associated with campaigns. The relative costs may be higher but these richer communications facilitate interactive opportunities with a greater percentage of the target audience than previously experienced in the mass broadcast era.

A further type of efficiency can be seen in terms of the accuracy and precision of the messages that are delivered. Marketing communications delivers product information, specifications and service details, contracts, designs, drawings and development briefs when customising to meet customer needs. The use of IST can help organisations provide customers with precise information and reduce opportunities for information deviance.

A further type of efficiency can be seen in terms of the accuracy and precision of the messages that are delivered.

Enhanced relationships

As mentioned previously, new technology is now used by organisations to gather and use information about customers in order to better meet their needs. Through the use of the database, organisations now seek to develop longer-term relationships with customers, with programmes and strategies that are dubiously termed as customer loyalty schemes. While there may be doubt about the term loyalty, there can be no doubt that IST has helped develop new forms of sales promotion and influenced customer relationships. What should also be clear is that the existence of IST in an organisation or relationship is no guarantee that additional value will be created (Ryssel *et al.*, 2004).

Some customer service interface functions have been replaced with technology in the name of greater efficiency, cost savings and improved service. Financial services organisations are able to inform customers of their bank balances automatically without human intervention. Meyronin (2004: 222) refers to this as an 'infomediation' strategy and suggests that this neglect of the human interaction in the creation of joint value in service environments may be detrimental.

Relationships with intermediaries have also been affected by new technology. The development of ecommerce has given rise to channel strategies that either result in channel functions and hence members being discarded, or give rise to opportunities for new functions and members. These processes, disintermediation and reintermediation respectively, are both dynamic and potentially destabilising for organisations and their channel partners.

Strategic implications

Organisations have had to adapt to new technologies as a means of delivering value to their stakeholders. The strategic implications are very significant although it should be noted that not all organisations have recognised or responded adequately to the strategic challenge,

witnessed by the problems associated with customer relationship management (CRM) systems. IST has not changed the value propositions or the assumptions of the value chain itself (Porter, 1985). Apart from enabling organisations to adopt a customer focus, what IST has done is change the way in which the primary and support activities work in order that value be generated. New technology has enabled organisations to reach new markets, work with different channel partners and provide value and satisfaction for a range of new audiences.

Web sites

Web sites are the cornerstone of Internet activity for organisations, regardless of whether they are operating in the b2b, b2c or not-for-profit sectors and whether the purpose is merely to offer information or provide fully developed embedded ecommerce (transactional) facilities. The design characteristics of a web site can be crucial in determining the length of stay, activities undertaken and the propensity for a visitor to return to the site at a later time. When the experience is satisfactory, then both the visitor and the web site owner might begin to take on some of the characteristics associated with relationship marketing.

To understand the characteristics associated with web site interaction, consideration will first be given to their strengths and weaknesses, then the issues associated with the development of a web site will be identified and finally the processes involved in attracting and managing web site activity will be examined.

Web sites can be used for a variety of purposes but essentially they are either product-oriented or corporate-oriented. Product-oriented web sites aim to provide product-based information such as brochureware, sales-based enquiries, demonstrations and endorsements through to online transactions and ongoing technical support as the main activities.

Corporate-oriented web sites aim to provide information about the performance, size, prospects, financial data and job opportunities relating to the organisation. They also need to relate to issues concerning the ethical expectations and degree of social responsibility accepted by the company, if only to meet the needs of prospective investors and employees. The demarcation is not necessarily as clear cut as this might suggest, but the essence of a site's orientation is largely derived from the organisation's approach to branding.

The strengths and weaknesses of web site facilities are set out in Table 25.2; however, it should be remembered that these are generalised comments and that some organisations have attended to these issues and have been able to develop the strengths and negate some of the weaknesses such that their web sites are particularly attractive, user friendly and encourage repeat visits.

Strengths

Any www user can create a web site, consisting of a home page and a number of linked pages. Business pages can carry advertising, product catalogues, descriptions, pricing, special offers, press releases – all forms of promotional material. They can link to online order pages, so that potential customers can order directly, or to email facilities for requesting further information or providing feedback. Consumer interest and activity can be monitored easily, allowing for timely market research, rapid feedback and strategy adaptation.

Barriers to entry are low, it is relatively inexpensive to create/maintain a site and share of voice is theoretically equal for all participants, although in practice this is clearly not the case. Large organisations can buy banner ads and have a better chance of appearing in the first few results presented by search engines (see Chapter 26 for more detail on Search). Good design can add to brand appeal and recognition.

Barriers to entry are low, it is relatively inexpensive to create/maintain a site and share of voice is theoretically equal for all participants.

Table 25.2 Strengths and weaknesses of web site-based communications

Strengths	Weaknesses
Quick to set up and easy to maintain	Slow access and page downloading speeds, but increasing broadband access has reduced this type of problem
Flexibility	Huge variability in web site design and user friendliness
Variety of information	Attract large amounts of unsolicited email
High level of user involvement	Security and transaction privacy issues
Potentially high level of user convenience (and satisfaction)	Variable levels of Internet penetration across UK households
Range of service facilities	Inconsistent fulfilment standards (online transactions only)
Global reach and equal access opportunities	Variability and speed of technology provision
Open all hours – reduced employment costs	Lack of regulation concerning content and distribution
Very low relative costs (per person reached)	Online search time costs prohibitive for many users
Can provide cost efficiencies in terms of marketing research	

Potential customers actively seek products and services, which is both time- and cost-effective from a company's point of view, and indicative of positive attitudes, perception and involvement. Channel communications can also be swift and supportive. Coverage is global, without the need for huge investment or expensive staff to be employed around the clock. Savings can be made in advertising budgets, travel, postage and telephone costs. Different time zones no longer matter in the virtual environment, and language barriers are less of an issue.

Weaknesses

For some the disadvantages are that the speed of access, page location and loading are still too slow for many users, especially from home PCs. However, as broadband penetration increases, so these problems disappear. Perversely however, even broadband and the extra bandwidth brings other difficulties. The launch of the BBC iPlayer in 2008 resulted in over 17 million users in the first seven weeks (BBC Radio) and people are downloading greater and greater volumes of material such that the infrastructure was, even then, starting to creak.

Potential customers are easily put off by slow or unreliable connections and this frustration can result in negative images of the company or product. Poorly designed web sites, which confuse rather than clarify, also create a poor impression, one that can deter a return visit.

Unsolicited email is extremely annoying to many users and may be counterproductive. Worries over the security of financial details and transactions online, while not discouraging people from seeking information, may still be a barrier to full ecommerce. Fulfilment issues, principally delivery problems (such as long delays), wrong items, incorrect billing, plus the associated inconvenience of returning products or otherwise seeking resolution, may deter repeat purchase.

Some regard ecommerce as transactional web sites or extended enterprises, but it is more to do with information/communication management and the impact on relationships.

eCommerce should be aimed at building new relationships with established customers and providing potential customers with a reason to change. The idea that eCommerce provides process efficiencies is correct but these features need to be transformed into benefits for customers.

Web site design

The design and functionality of a web site is now recognised as an important integral aspect of an organisation's communication strategy. Indeed many organisations now update their sites on a regular basis. What constitutes a suitable web site has also been the subject of much debate and speculation, marked by a lack of substantial empirical work to determine a common framework. Of the many ideas available two are featured here, if only because of their currency at the time of writing and the background of the researchers involved.

The design and functionality of a web site is now recognised as an important integral aspect of an organisation's communication strategy.

Karayanni and Baltas (2003) suggest that web sites have four main characteristics. These are set out in Table 25.3 and were presented in the context of b2b markets.

This breakdown is useful because it indicates the main facilities that a successful site should provide. However, what it does not provide is a depth of insight and balance that would help organisations design their sites more appropriately. Rayport and Jaworski (2004) offer a 7Cs framework, which they subsequently develop into a map that can be used to analyse sites and to design sites more effectively.

The 7Cs of the customer interface design are intended to cover the range of elements necessary for good web site design.

The 7Cs of the customer interface design are intended to cover the range of elements necessary for good web site design. These are set out in Table 25.4.

Table 25.3 Four aspects of web site design

Web site characteristic	Explanation
Interactivity	The provision of solutions in response to the provision of personal information and the ability of users to customise preferences. This can be delivered through memory storage/organisation and response to individual needs.
Navigability	The structure and organisation of the site combined with the ease with which information can be retrieved.
Multimedia design	The Internet offers all the facilities that each of the other media provide individually. This provides opportunities for stimulation as well as flexibility and visitor involvement with a site.
Content	Company content Information relating to the organisation, its markets, culture and values are important to establish credibility and reduce risk.
	Customer content This concerns both the provision of information, for example a <i>frequently asked questions</i> facility, and the collection of information about customers and the market.

Table 25.4 The 7Cs of the customer interface

Type of community	Explanation
Context	Layout and design of web site
Content	Text, sound, pictures and video material
Community	Site-enabled, user-to-user communication
Customisation	Site facilities to tailor itself to user needs
Communication	The ways in which two-way communication is enabled
Commerce	Ability to enable commercial transactions
Connection	The number of other linked sites

Source: Rayport and Jaworski (2004).

Context

The context of a site is concerned with the balance between the functional and aesthetic look and feel. Some sites will be designed such that their functionality dominates the aesthetic and will try to provide text-based information rather than emphasising the visual elements of the site. Conversely other sites attempt to provide warm feelings for visitors and use multimedia facilities to create an emotional engagement with the site, often at the expense of long loading times. The balance between the functional and emotional can be termed balanced (although Rayport and Jaworski call it integrated). In this approach, visitors experience a site that provides a suitable level of information, is easy to navigate and yet is interesting and stimulating in terms of the emotional satisfaction derived from using the site. This need not be the optimal site design for all organisations, as the context should reflect the values and purpose of the organisation itself. At one extreme, high fashion and luxury brands will focus on aesthetic styled sites while the Driving Vehicle Licensing Agency would be expected to be predominately functional.

Content

This refers to what is presented on the site in terms of audio, text, graphics, images and video. The content can be considered in terms of the following:

- *offering mix* – the balance between information, products and services;
- *appeal mix* – the balance between functional (attribute and benefits) and the emotional (feelings and brand engagement) appeals;
- *multimedia mix* – the selected combination of audio, text, graphics, images and video;
- *timeliness mix* – the time sensitivity of the information determines how often a site needs to be updated. For example, www.BBC.co.uk/news has to be updated on a frequent and regular basis, whereas a site dealing with largely historical or archive data (e.g. family trees) needs less regular attention.

Community

The increasing role and significance of online communities indicates that site design should reflect the needs and significance of these communities to organisations. Online communities are about the interaction between the users of a site, not between the site and users. These interactions may be one-to-one (email) or among many (chat rooms) but are significant to organisations as they can be a source of information about customer feelings and attitudes that may be strong or weak. A deeper consideration of these communities can be found at the end of this chapter.

ViewPoint 25.4

Gorilla games

When ZSL London Zoo developed their campaign to launch Gorilla Kingdom in 2007 they used a variety of media to reach their target audience. These included outdoor, especially the London Underground sites, radio, using sponsorship of the Travel and Transport element of Magic FM, and digital in the form of both web and email.

Gorilla Kingdom was a major investment project and so it was important to attract visitors to the 'new green oasis within London'. In addition to strong branding, work with the travel trade and several important joint promotions and partnerships plus heavy public relations activities and events, the ZSL web site had an important role to play as the fulcrum for the launch.

The web site carried a microsite for Gorilla Kingdom. This held information about gorillas, pictures and visuals about the development of the new exhibit through the various phases of construction and video interviews with the keepers. Email banners were developed and all staff were encouraged to incorporate them in their electronic signatures.

However, one particular development attracted considerable attention. Radio presenter and celebrity Chris Evans apparently spent seven minutes on his Radio 2 programme discussing the merits of their 'gorilla game'. This required players to download a virtual gorilla and then look after it for three weeks. The three people who looked after their gorilla best won the opportunity to meet the real gorilla behind the scenes.

Source: Winner of the Best Marketing Project at the BIAZA awards 2007.

Question

To what extent did the emotional element of the gorilla game complement the more informative aspects of the ZSL web site?

Task

Make a list of some of the other ways a web site can be used to attract, retain and encourage visitors to return.

Customisation

This is concerned with the extent to which a site is capable of being adapted to the individual needs of visitors. When customisation is initiated by customers it is referred to as personalisation, but when driven and managed by the organisation it is called tailoring. Obviously, different sites will provide varying levels of customisation, from low through medium to high levels, and this will be reflected in the users' site experience.

Communication

The type of communication provided by a site is to some extent a reflection of the type of relationship offered by the organisation. The communication may be broadcast (content update reminders or mass mailings), in which case one-way communication prevents user response and with it opportunities for dialogue. Alternatively, interactive communication (user ratings or feedback) enables user response that can lead to dialogue.

The type of communication provided is to some extent a reflection of the type of relationship offered by the organisation.

Connection

Connection is concerned with the degree to which a site is linked or connected to other sites. These links may be located on other web pages and, when clicked, take the user to another site. If a transaction then occurs a commission is payable to the affiliate site. Outside links make it

Table 25.5 7Cs framework map

Context	Aesthetically dominant	Functionally dominant	Integrated
Content	Product-dominant	Information-dominant	Service-dominant
Community	Nonexistent	Limited	Strong
Customisation	Generic	Moderately customised	Highly customised
Communication	One-to-many, nonresponding user	One-to-many, responding user	One-to-one, nonresponding user
Connection	Destination	Hub	Portal
Commerce	Low	Medium	High

Source: Rayport and Jaworski (2004).

difficult for the user to return to the original page and are therefore not used a great deal. Framed links attempt to overcome this problem. Pop-up windows present a new site within the original site but can be annoying to users.

Commerce

The ability of a site to support financial transactions is an important feature of product-dominated web sites. Apart from the need to provide a secure and risk-free trading environment, the key activities associated with these sites are: registration, shopping carts, credit card approval, one-click shopping, orders through affiliate sites, configuration facilities (different combinations of products and services), order tracking and delivery options. All of the 7Cs can be mapped and a site analysed against this criteria (see Table 25.5). Use of this mapping approach, that is the identification of which element applies to a web site, can enable web site designers to better understand how their site appears to visitors and enables sites to be developed according to the planned needs of organisations.

There is little empirical research that shows how different web site design features impact on visitor responsiveness.

To conclude this section it should be noted that there is little empirical research that shows how different web site design features impact on visitor responsiveness. Indeed Kent *et al.* (2003) make the point that there is a gulf between what many organisations expect of a web site capability to foster relationships and the actual web sites that are designed to facilitate these relationships. They argue that there

is an inconsistency in what is thought to be possible through a web site and practice, that it is generally recognised that web sites are all too often poorly used dialogic tools, and that the actual design of a web site can have a strong impact on the way in which visitors perceive the organisation and hence influence its relationship-building potential.

Web sites – visitor behaviour

It is possible to deconstruct users' web site behaviour into a number of discrete activities, but the resultant list would be far too complex to be of any practical assistance. However, several authors have tried to discriminate among Internet users and segment the market accordingly. For example, Lewis and Lewis (1997) were one of the first and they segmented the Internet on the basis of people who use the Internet. Later Forsyth *et al.* (2000) grouped users on the basis

of those who are active online consumers, a behavioural approach to segmentation.

The design of web sites should account for the needs of different types of users.

The design of web sites should account for the needs of these different types of users and also the different stages each has reached in terms of their experience in using the Internet, their stage in the adoption

Table 25.6 Online segments

	Group of Internet users	Explanation
Lewis and Lewis (1997)	Directed information seekers	Experienced users who know what information they require and where to find it.
	Undirected information seekers	Inexperienced users (generally) who surf looking for information or who browse for leisure and pleasure.
	Directed buyers	Experienced users who are online with the express intention of purchasing specific goods/services.
	Bargain hunters	Users in search of free offers and sizeable discounts.
	Entertainment seekers	Users whose intentions are primarily to exploit sales promotions and competition opportunities and use chat rooms.
Forsyth <i>et al.</i> (2000)	Simplifiers	Simplifiers like readily available product information, reliable customer service and easy returns, and they respond positively to any evidence conveyed through advertising or on-site messages.
	Surfers	Surfers move quickly among sites, continually seeking new online experiences. Sites must offer a strong online brand, cutting-edge design and features, constant updates, and a rich variety of products and services.
	Bargainers	Bargainers care mainly about getting a good deal and enjoy the search for a good price, control over transactions, and the sense of community that sites such as eBay offer.
	Connectors	Connectors tend to be novices who use the Internet mainly to relate to other people through chat services.
	Routiners	Routiners use the Internet for news and financial information and spend more than 80 per cent of their online time surfing through their 10 favourite sites.
	Sportsters	Sportsters behave like Routiners but gravitate to sports and entertainment sites. They view content as entertainment, so sites must be fresh, colourful and interactive to attract them.

process (see Chapter 2) and different stages users have reached in the buying process. For the purposes of the rest of this text, reference is made to two broad categories, active (goal-directed) and passive (experiential) information seekers.

The initial goal is to generate awareness of the web site and this needs to be understood in the knowledge that there are many web users who have no interest in a particular (your) web site and those who do are said to have a potential interest. The task is therefore to drive awareness levels among those who might find the site useful.

The second phase is to encourage the potential segment to actually visit the site. The problem is that there are two types of information seeker, passive and active. Passive seekers have no intention of hitting any particular site, whereas active seekers do have the express intention of visiting a particular site. Part of the communication strategy must therefore be geared to facilitating active seekers and attracting passive information seekers.

The next phase is to ensure that active seekers, once on the web site, are able to find the information they need quickly and efficiently so that they are inclined to revisit. This entails

good site access and, once found, good site design so that navigation is easy, simple and fast. This normally means that the design of the site is simple and is user-, rather than technology-oriented. Passive information seekers, on the other hand, need to be made curious and stimulated to want to know more about the site and the products and services available. Here the objective is to convert hitters into visitors. A site registration book, supported perhaps with sales promotion devices, or a site design that is sufficiently intriguing, may allow these goals to be met. Research suggests that there are three main elements that strongly influence the perceived quality of a web site visit (Oxley and Miller, 2000):

- all are content-oriented and refer to whether the site material is relevant to the needs of the visitor;
- the degree to which the content (and design) encourages curiosity to explore the site;
- whether the content is presented in an interesting way.

These three points correlate strongly with the idea of ‘likeability’, that advertising effectiveness improves when an individual assigns significant value (represented by relevance, curiosity and interest) to any particular form of marketing communication discipline, but advertising in particular in this case (Chapters 8 and 16). Therefore, the main factors that might influence the way an individual perceives a web site may be similar to the way they process and evaluate other marketing communications and, in particular, advertising messages. Goldsmith and Lafferty (2002) have made similar observations and consider theories concerning attitudes towards the ad as developed by Lutz *et al.* (1983) and Bruner and Kumar (2000). Attitudes developed towards advertisements can also impact on attitudes towards the brand and hence are better indicators of purchase intentions (see Chapter 5). Goldsmith and Lafferty also refer

Attitudes developed towards advertisements can impact on attitudes towards the brand.

to ad brand recall and the fact that those consumers who have strong emotional feelings towards a brand (a positive attitude) are more likely to be able to recall it. Therefore, investment in marketing communications that seeks to establish top-of-mind awareness of a brand and also creates positive attitudes are more likely to be successful.

Key differences between traditional and digital media

Having considered the characteristics of traditional media in the previous chapter, this appears to be the right point at which to bring traditional and digital media together. In comparison with traditional media, the Internet and digital media facilities provide an interesting contrast (see Table 25.7). Space (or time) within traditional media is limited and costs rise as demand for the limited space/time increases. On the Internet, space is unlimited so absolute costs remain very low and static, while relative costs plummet as more visitors are recorded as having been to a site. Another aspect concerns the focus of the advertising message. Traditionally,

Digital media allow focus on the provision of information and so the emotional aspect of advertising messages tends to have a lower significance.

advertisers tend to emphasise the emotional rather than information aspect, particularly within low-involvement categories. Digital media allow focus on the provision of information and so the emotional aspect of advertising messages tends to have a lower significance. As branding becomes a more important aspect of Internet activity, it is probable that there will be a greater use of emotions, especially when the goal is to keep people at a web site, rather than driving them to it.

Apart from the obvious factor that digital media, and the Internet in particular, provide interactive opportunities that traditional media cannot provide, it is important to remember

Table 25.7 Comparison of new and traditional media

Traditional media	New media
One-to-many	One-to-one and many-to-many
Greater monologue	Greater dialogue
Active provision	Passive provision
Mass marketing	Individualised marketing
General need	Personalised
Branding	Information
Segmentation	Communities

that opportunities-to-see are generally driven by customers rather than by the advertiser that interrupts viewing or reading activities. People drive the interaction at a speed that is convenient to them; they are not driven by others.

Management control over internet-based marketing communications is relatively high, as not only are there greater opportunities to control the position and placement of advertisements, promotions and press releases, but it is also possible to change the content of these activities much more quickly than is possible with traditional media. The goals outlined above indicate the framework within which advertising needs to be managed.

In addition to considering the attributes of the two different forms of media, it is also worth considering the content of the information that each is capable of delivering. These are set out in Table 25.8.

As mentioned earlier, digital media are superior at providing rational, product-based information whereas traditional media are much better at conveying emotional brand values. The former have a dominant cognition orientation and the latter an emotional one. There are other differences, but the predominant message is that these types of media are, to a large

Table 25.8 Comparison of information content

Web sites/Internet	Traditional media
Good at providing rational, product-based information	Better at conveying emotional brand values
More efficient as costs do not increase in proportion to the size of the target audience	Costs are related to usage
Better at prompting customer action	Less effective for calling to action except point-of-purchase and telemarketing
Effective for short-term, product-oriented brand action goals and long-term corporate identity objectives	Normally associated with building long-term values
Poor at generating awareness and attention	Strong builders of awareness
Poor at managing attitudes	Capable of changing and monitoring attitudes
Measures of effectiveness weak and/or in the process of development	Established methodologies, if misleading or superficial (mass media); direct marketing techniques are superior
Dominant orientation – cognition	Dominant orientation – emotion

extent, complementary, suggesting that they should be used together, not one independently of the other.

Future technologies and marketing communications

The Internet lies at the heart of current and future marketing applications of new technology but Karnell (2004) suggests that future developments will be based around three main themes: wireless networking, smart devices and intelligent communications services.

Wireless networking refers to communication between computers and related devices that does not require the use of cables and wires. It works through the use of low-powered radio frequency and infrared waves. Protocols such as Wi-Fi (wireless fidelity) means that wireless-enabled computers or personal digital assistants (PDAs) can connect to the Internet if they are within 15 metres of an access point.

Radio frequency identification (RFID) tags contain chips and work on the basis that a radio signal, received by an antenna, activates the chip, which in turn transmits a unique code identifying the object to which the tag is attached (Blau, 2003). In addition to security applications, retail staff are able to use handheld devices to check stock and to assemble orders in the established way, but these tags are also used to trigger screens within changing rooms, enabling customers to view video clips of the merchandise. Using video cameras and plasma screens, in place of mirrors, customers are able to see themselves from behind (Dean, 2003).

RFID tags do not need line-of-sight reading, as with barcodes, which means that hundreds of tags can be read in a second, saving considerable amounts of time. In addition, these radio tags are capable of providing not only the universal product codes as used in barcodes, but also a unique identifying code. This means that promotions can be based on particular groups of items purchased and changed very quickly in response to changing market or competitive conditions. Consumers can use this technology to sample games and music CDs.

ViewPoint 25.5

Store into the future

The building used by the Metro Future Store in Germany is completely covered by a wireless network. Through this network, various mobile devices such as personal shopping assistants (PSAs) and personal digital assistants (PDAs) and static devices such as electronic shelf labels (ESLs), check-out points and flat-screen displays for product promotion are all interlinked.

PSAs are for the use of shoppers whose shopping trolleys have a touch screen mini-computer linked to the network and an integrated scanner. This is referred to as a PSA and allows shoppers to scan their own purchases, and the data to be transmitted to the checkout in advance of the shopper.

The PDAs are also linked to the network and are used by store employees to check stock by directly accessing Metro's merchandise management system at any time and at any point in the store. Using VoIP (Voice over Internet Protocol) technology, it is planned for the PDAs to receive 'soft phone' functionality, enabling staff to make calls in addition to sending messages or downloading information.

Source: Adapted from Fill (2005).

Question

Is this use of technology of real value to customers?

Task

Find one piece of new technology that has a retail application.

Barcode technology is a mature technology and will gradually be replaced by radio tags as the cost of the embedded chips decreases. RFID technology is being used to develop electronic labelling systems and smart shelves. Connected to the store network, smart shelves have readers embedded in them that will enable the main system to be informed when merchandise is removed, and will then automatically trigger a request for shelf replenishment.

Out-of-store applications of wireless technologies will grow as the Internet becomes an information utility where corporations, individuals and governments will access and interact with information anywhere, anytime and, most importantly, with any device. For marketers, this increased access means greater scope for targeted and personalised delivery of timely marketing communications messages and increased opportunities for co-branding and marketing alliances.

Out-of-store applications of wireless technologies will grow as the Internet becomes an information utility.

Smart devices, or information-powered devices, have continuous Internet access and can be incorporated within furniture and furnishings, clocks and watches, carpets, refrigerators and freezers, and lighting and security systems. These devices can process information, signals, graphics, animation, video and audio and have the ability to exchange such information with another smart device. These devices, which will be able to receive up-to-date news, traffic, weather and sports information, have the potential to radically change the way consumers interact with brands. In addition to obvious above-the-line communications, this technology opens up opportunities for sponsorship and promotional programmes.

Intelligent communication services are smart devices that are integrated with the Internet. This will enable them to detect changes in their environment and in doing so prompt users to act in particular ways. Karnell suggests that this will enable marketers to track products and consumers and deliver intelligent real-time, proximity-specific and ultra-personalised information. So, as a freezer senses that the last pizza (previously tagged) has been removed it will prompt, via text, visuals or voice that a new pizza is required. This may in time be remotely linked through to a specified store, which will automatically add the item to the consumer's standing order for home delivery.

These devices could be used in-store enabling retailers and brand owners to interact with consumers while they are shopping or they might be used to make purchasing and brand choice decisions in the home. Used as the ultimate form of personalised marketing communications, messages can be delivered, at the appropriate time in the consumption cycle, about products and services, lower prices or promotional offers (e.g. time-based electronic coupons); all driven by each customer's individual consumption patterns and transaction history, they have the potential to transform the shopping experience.

These devices could be used in-store enabling retailers and brand owners to interact with consumers while they are shopping.

Biometrics

The film *Minority Report* contains a sequence in which Tom Cruise enters a futuristic store, at which point his iris/retina is scanned, checked, cross-referenced and a stream of products and services related to his preferences are then presented to him. While this futuristic view of technology-enabled, personalised marketing communications has yet to be commercially resolved and implemented, the concept and use of biometric technology applications are currently being developed. At present a range of applications are available or are at an advanced stage of development. Das (2004) refers to hand geometry, fingerprint, voice/speech, iris/retinal and face recognition facilities with earlobe, brain mapping, odour and gait recognition at an early stage of development. For example, the WatchPad uses a fingerprint sensor to identify the owner of a watch, thus replacing the need for passwords, improving security and with it trust, and reducing perceived risk and reasons not to buy.

Many of these biometric technologies have been used within security-related environments to identify and authenticate individuals. Some voice recognition technologies have been used

successfully in back-office situations and are currently considered to be best used to gather simple information such as names, addresses and/or supporting applications such as voicemail account management through a preset menu of choices (Rockwell, 2004).

Although these voice recognition technologies have the potential to reduce customer contact centre costs there are difficulties associated with dialects and regional accents (Rockwell, 2004). In addition, it is not yet possible to induce real-time dialogue with smart devices in order to communicate personalised product offers. Although in development it should be remembered that the advent of these facilities will also prompt a series of privacy- and personal freedom-related issues.

Industry issues

New technology has led to changes in the balance of the tools used by many organisations. Most notably, those operating in the FMCG sector that spend vast sums on above-the-line media in order to develop brand values have begun to spend more below-the-line in an effort to impact on behaviour rather than just brand development. Direct marketing has also impacted on the advertising spend, and with the development of IMC and related concepts such as media-neutral planning, the balance of the communications spend has moved towards either sales promotions and/or direct marketing.

The content of many marketing communication messages has therefore swung, and with it the work of advertising agencies. Agencies have had to adapt to a new environment, one in which clients expect their agencies to present strategies that involve a much broader range of tools and media and to offer new skills and resources. This has been achieved mainly through acquisition and the development of international networks of agencies, from all disciplines, pooling their talents in order to secure domestic and international business.

Tapp and Hughes (2004) refer to the impact of IST on the company–customer interface and on the internal processes and marketing resources within client companies. They report on the major impact IST has had internally, and the struggle organisations have experienced coping with the disruption new technology has stimulated. In terms of marketing communications, this disruption is potentially enormous. With web sites becoming the focus of much internal communication activity; forces propelling ideas concerning the desire to integrate marketing communications and planning; and strategy processes having to accommodate uncertain industry, media and audience expectations, marketing communications has been severely buffeted by IST.

However, while the changes driven by new technology might bring about an unwelcome internal production focus, these changes should be seen positively, as a primary means of moving organisations forward. New technology can help organisations communicate more effectively and more efficiently, both internally and externally. By adopting a stronger customer focus, organisations can deliver improved levels of customer value and be better placed to meet their marketing goals and improve shareholder value.

New technology can help organisations communicate more effectively.

Convergence in marketing communications

Ideas concerning the nature and characteristics of the concept of integrated marketing communications, previously explored in Chapter 9, continue to be discussed. There can be little doubt that there are genuine benefits for organisations and their stakeholders by striving to achieve the principles of IMC. More recently, however, there is a growing body of thought concerning media convergence. At one level convergence refers to a technological ‘bringing

Table 25.9 Dimensions of media convergence

Convergence dimension	Explanation
Media technology	Digitalisation and a reduction in number of technological devices necessary to send and receive a variety of streams of information
Media content	Almost all media content can now be produced, edited, distributed and stored digitally. This negates any need to keep media (and devices) separate
Media economics	The increasing horizontal concentration of media ownership, typified by the mergers of different media companies across different sectors, plus the re-organisations experienced by several media organisations.

together' of digital devices. So, information in different formats such as audio, text, search, still and moving pictures, which previously required multiple devices to receive, such as an individual computer, television, radio or newspaper, is accessed through a single (converged) device. However, at another level convergence refers to what Murdock (2000), cited by Herkman (2007) sees as three different dimensions, or what Murdock refers to as levels. These are media technology, media forms (and contents) and media economics. These are explained in Table 25.9.

At one level convergence refers to a technological 'bringing together' of digital devices.

New technology has driven the IMC concept not only through the development of direct marketing opportunities but also through ecommerce. Guens argues that IMC provides the *opportunity* for organisations to integrate their communications and that ecommerce has provided the *ability* for organisations to integrate their communications (2005). The proposition is that these two streams converge at the organisation's web site. The web site has become a central point for an organisation's digital communications. It is a point at which the complexity of messages that arise from different functional areas and departments can be integrated and managed together with the array of messages emanating from a variety of external stakeholders.

It may be that centralising marketing communications in this way has not helped to draw the offline and online communications into an integrated whole. Indeed, it appears that if marketing communications is to be audience-centred then it is crucial that the apparent focus on the technology and digitisation gives way to a more considered understanding of the meaning and interpretation that audiences give to the array of branded messages they receive, whether they be channelled through offline or online media.

ViewPoint 25.6 Integrated travel?

WAYN (Where Are You Now?) is a social network for travellers around the world. The network has over 8 million unique users, many of whom are young travellers and backpackers.

WAYN introduced streamed video ads in June 2007, partly to add value and partly to supplement their existing online ad strategy, including banner ads, skyscrapers and text ads. The aim is to enable users to view each other's video clips and click-on streaming ad 'tickers' with targeted travel and lifestyle products, services, deals and competitions. It is hoped that the integrated approach to site advertising will help WAYN's advertising partners provide relevant content without disrupting the viewing experience and flow of the social network.

However, WAYN also entered into a short-term sponsorship deal with the travel company Thomas Cook, who in return received exclusive branding rights on the network in exchange for providing competitions and special discounts. At first glance, the fit between the two organisations is quite clear and makes sense. However, in reality backpackers are not interested in the niceties of organised travel and prefer to make their own arrangements, picking and choosing deals off the Internet, many of which are more advantageous than those offered by Thomas Cook. What this experience makes abundantly clear is the need to ensure there is a tight fit between the sponsor and the needs of the target audience.

Sources: Anon (2007); Crow (2007).

Question

What value does WAYN bring to the site's users?

Task

The sponsorship with Thomas Cook was not a success. Which brand might be more successful in this type of arrangement?

At a macro level, media convergence and integrated marketing communications present an interesting context. Convergence should propel integration but evidence suggests that truly integrated marketing communications is not taking place at a level or consistency that some popular commentators suggest is happening or necessary. Apart from the technological, content and economic convergence, integrated marketing communications needs to adopt an audience-centred approach, one that accounts for the meaning different audiences bestow on the messages they receive.

Summary

In order to help consolidate your understanding of digital media, here are the key points summarised against each of the learning objectives:

1. Explain the key forms of digital media.

The range of digital media is vast and is growing rapidly but consideration was given to some of the key types or forms of digital media. The Internet, databases, multimedia, mobile phone technologies, business applications (software), interactive television, video conferencing and electronic kiosks were examined.

2. Understand what digital media enables users to do.

The benefits arising from using digital media are many, but consideration has been given to interactivity, multichannel marketing, personalisation, speed, mobility, efficiency, enhanced relationships and issues relating to strategy.

3. Examine some of the issues arising from the design and use of web sites.

The web site has become the fulcrum for many organisations and their marketing communications. The design characteristics of a web site can therefore be crucial in determining the length of stay, activities undertaken and the propensity for a visitor to return to the site at a later time. The 7Cs framework by Rayport and Jaworski provides a useful design checklist.

When the experience is satisfactory, then both the visitor and the web site owner might begin to take on some of the characteristics associated with relationship marketing.

4. Explain the key differences between traditional and digital media.

Space is unlimited on the Internet, so absolute costs remain very low and static, while relative costs plummet as more visitors are recorded as having been to a site. Digital media are superior at providing rational, product-based information, whereas traditional media are much better at conveying emotional brand values. The former have a dominant cognition orientation and the latter an emotional one. There are other differences, but the predominant message is that these types of media are, to a large extent, complementary, suggesting that they should be used together, rather than independently of each other.

5. Consider future technologies and their impact on marketing communications.

The Internet lies at the heart of current and future marketing applications of new technology, but as Karnell (2004) suggests, future developments are likely to be based around three main themes: wireless networking, smart devices and intelligent communications services. In addition, biometrics and issues arising within the industry will also impact significantly on the shape of future marketing communications.

6. Explain what convergence means and how it influences marketing communications.

At one level convergence refers to a technological ‘bringing together’ of digital devices. This means that information, in different formats such as audio, text, search, still and moving pictures, which previously required multiple devices, such as an individual computer, television, radio or newspaper are accessed through a single (converged) device. At another level convergence refers to media technology, media forms (and content) and media economics.

It is also argued that IMC provides the *opportunity* for organisations to integrate their communications and that digital media, albeit in the form of ecommerce or emarketing, provides the *ability* for organisations to integrate their communications, and in doing so converge systems, processes, structures and messages.

Review questions

1. Prepare brief notes explaining how the database has influenced marketing communications.
2. Discuss ways in which use of the Internet has assisted organisations to develop their marketing communications.
3. Identify different ways in which multimedia applications might be configured.
4. Why has the use of mobile communications been slow but is now about to increase rapidly?
5. Why is interactivity so important in contemporary marketing communications?
6. How would you advise a web site be designed from a marketing perspective?
7. To what extent does multichannel marketing assist marketing?
8. Prepare notes identifying how digital media have affected the structure of the marketing communications industry.
9. Explain the meaning of biometrics and consider how biometrics and wireless technologies might affect marketing communications in the future.
10. What is convergence and how might this affect marketing communications?

MiniCase

Integrating traditional and digital media

Matt King: Co-founder and Director of Media Safari

Introduction

The days when a marketing campaign ran a set number of times a year, in a pre-agreed format and through a pre-determined channel are long gone. Customers have moved on, and now prefer interactive communications and an ongoing dialogue that contains a sequence of personalised messages delivered in a way that is convenient to them. This process usually involves a combination of offline and online media, otherwise referred to as 'traditional' and 'digital' media, to engage and educate consumers and ultimately influence their purchase decisions.

The volume of competition, the limited shelf space retailers have to maximise their revenues and the short attention spans of many consumers, mean that bringing a product to market successfully does not happen by chance. It requires a meticulously planned and well-executed campaign, which involves close working relationships with all parties in the channel, to ensure that every aspect is brought together at exactly the right time.

Two cases are considered. Media Safari works with Avanquest Software (www.avanquest.com), a leading developer and publisher of personal and professional software for the global PC market. Avanquest markets a product called 'Radiotracker', a software title that legally downloads music from Internet radio stations to MP3 players, for free.

Ascaron Entertainment (www.ascaron.com) is one of the leading European 'boutique' developers and publishers of games. Ascaron launched a new game for PCs called 'Hard to be a God' and Media Safari managed the launch campaign.

The brief – setting objectives

Having established the product's target 'street date', i.e. launched to UK consumers in retail, e.g. PC World or Game, and online e.g. www.Amazon.co.uk or www.Play.com, the key task was to develop a marketing communications strategy and plan, incorporating a variety of tools, tactics and media. This included advertising, (full-colour, half-page ads) public relations (news releases) and direct marketing (e-shots), all delivered in a selection of target print and online magazines.

Achieving the right balance and mix of tools, tactics and media generally depends on the target audience and available budget, but will include both 'push' and 'pull' activity to satisfy trade and end-user needs. It is also at this stage that particular communications objectives are set, for example, the number of news releases and e-shots in the campaign, the levels of expected coverage in certain magazines or the anticipated number of downloads of a trial version or 'demo' directly from the company's web site.

Campaign commencement – creating awareness

Activity for the 'Hard to be a God' campaign began 17 weeks from its target street date. This gave Media Safari sufficient time to build the hype within the gaming industry, educate buyers within key retailers and to distribute the game's 'assets'. The 'assets' are the elements of the game, like the box shot, screen shots or trailers that are drip-fed to the Press to create excitement and anticipation for the launch of the game.

At this early stage, PR and 'media relations' play a crucial element in most launches, with advertising in key trade titles providing support. Particular magazines such as PC Gamer and www.gamespot.com (online) were targeted, offering them a 'preview' of the product. Preview coverage serves several important purposes. First, it assists the sales team to sell the game into the channel. The size of the pre-order gives the publisher an early indication of how many copies it is likely to sell. Second, it acts as a tool to sell into other media including the national newspapers and consumer lifestyles. Finally, it begins to populate gaming web sites and seeds consumer demand.

The third element is an essential part of any campaign and confirms the interdependence of traditional and online media. As consumers move to an increasing reliance on search engines as 'fact finding' tools, it is necessary to feed relevant web sites with 'optimised' news releases. 'Optimised' refers to the way a news release is written in order to enhance its chances of being picked up by the leading search engines.

The advantage of this in the context of 'Hard to be a God' is that when a consumer heard or read about the game and wanted to find out more, they searched



Exhibit 25.2 'Hard to be a God'

for the game and were presented with a selection of links that connect with sites carrying the previews and reviews. Online coverage of this kind also found its way into online gaming forums that helped stimulate word-of-mouth communication and viral marketing.

At this stage, consumers would also be likely to supplement their understanding by buying a gaming magazine. So the PR coverage and advertising in 'traditional' gaming magazines is used to support the 'digital' online coverage. Working with the editorial teams within the magazines to secure a review, Media Safari also provided them with a relevant and specific web address. Consumers were then guided to a web page containing additional information, opportunities to download screen savers and trailers etc., plus links to where it could be pre-ordered and purchased.

Engaging the consumer

Initial interest was therefore generated with the use of PR and advertising in both traditional and online media, the focus being to generate awareness and drive consumer traffic to a specific web site. At that stage, the balance of activity moved towards educating end-users to ensure that the resellers and retailers actually sold the product that they committed to stocking and promoting in-store or online.

In the case of 'Radiotracker', the PR and advertising coverage aimed to drive consumers to a particular space on the web. Once there, the emphasis shifted to engaging the consumer, capturing their information for use in future campaigns and to maintain the current dialogue. This was achieved by offering the customer

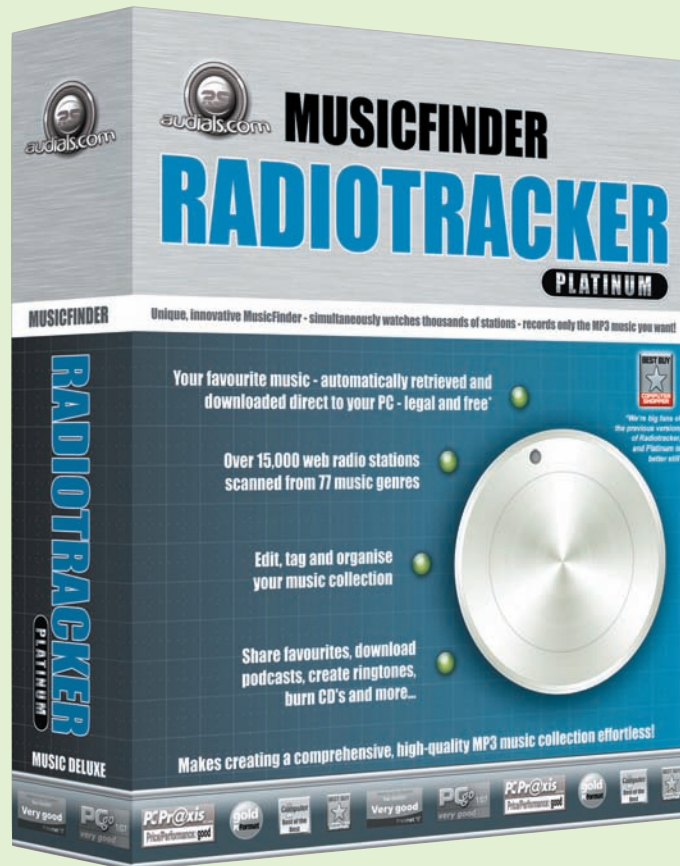


Exhibit 25.3 'Radiotracker'

access to similar or related products for free, a trial download lasting a set period of time and discounts on future purchases, all in return for registering and opting into the Avanquest database. This process of capturing customer data is continuous and serves to convert 'prospects' into 'customers'. It is the ability to segment the database and target specific groups with particular offers via email, a cost-effective and highly targeted method of direct marketing, that demonstrates the power of the digital environment.

Having registered and opted in, Avanquest then used these data to email the prospective customers regular updates on 'Radiotracker' containing specific offers to purchase the product. Avanquest continues to send regular e-newsletters containing information about other related products. The use of sales promotion here is used to drive the sale, as well as cross-sell or up-sell other products within the Avanquest range.

All correspondence includes reference codes to trace the sale and links to a support page, in case the transaction online becomes problematic or the consumer has any last minute questions.

Evaluation

With an ever-increasing need for consultancies to demonstrate a return on investment, evaluation of the communications activity and its relationship with sales is essential. Historically, traditional media would have to carry response codes, but this relied on the individual remembering where they saw the information and customer services asking for that code. This was invariably inconclusive, meaning that it was difficult to relate the sale to any meaningful marketing activity.

The Internet has changed all this. Now both traditional print PR and advertising activity carry specifically

created URLs that drive traffic to particular pages on the web. So a news piece or promotion for 'Radiotracker' organised in a music magazine might use www.avanquest.co.uk/Mojo or www.radiotracker.co.uk/Mojo. This allows hit rates to be monitored, customer registrations to be counted, downloads to be assessed and click-through rates to ecommerce sites to be tracked. These are critical data and are used to demonstrate the effectiveness of the communications activity.

Last words

The interdependence of offline and online activity has become increasingly pronounced, with the digital environment being central to what Media Safari now does. By using PR and advertising to increase awareness and capture customer data, we can drive sales using direct marketing and sales promotion. Traditional and digital media can obviously operate in isolation, but by integrating the two environments, and allowing them to work off each other rather than in competition with each other, the potential for greater penetration and more effective evaluation will be greatly enhanced.



Media Safari is a marketing communications consultancy specialising in the technology sector. It provides the communications plans and activities for a number of global software developers and games publishers in the United Kingdom.

Source: www.mediasafari.co.uk.

MiniCase questions

1. What benefits do Avanquest achieve from building a customer database?
2. In the case of 'Radiotracker', what areas of media would you suggest targeting?
3. What methods can be used to evaluate the success of marketing communications activity and what new ways of evaluation could you look to introduce using digital media?

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