

Going Against The Old Ways

With the current economic climate placing the marketing spotlight on cost-cutting demands, more businesses are leaning towards the digital trend. Is it time for business owners to start innovating by “clicking” out of the box?



Let's face it, the internet has taken over the world. And even more so if you are a business owner. In the world of marketing, every new search for the new customer has always started optimistic, but this has proven to be futile and nothing more than an elusive courtship, not to mention even trying to retain the existing ones.

The current economic climate is not helping either. Businesses now face a greater demand for a cost-cutting necessity more than ever. However, with proven secret recipes like customer relationship management (CRM) presenting a greater good for the organization, business owners still recognize the need to spend. As tradition has shown, justifying the advertising dollar spent on the usual suspects – television, radio and print – is always an uphill task due to its unquantifiable nature. With ROI justification being limited to sales figures, which is often inaccurate particularly in branding campaigns, this has led to a paradox in this budgeting department – “with every department calling for cash relief, why should this money be spent on marketing, especially if it does not guarantee results?”

THE DIGITAL AWAKENING

Enter interactive marketing. With the emergence of new media that has taken the marketing world by storm, business owners have begun to appreciate the value of the Facebooks, Skypes, Twitters or the countless other social networking platform equivalents. Especially so in the business-to-business (B2B) context, the use of social media to nurture relationships with current customers and to educate the potential ones have led them to explore every opportunistic facet of social media. Meanwhile, although global economic turmoil will not kill optimism or innovation in business marketing, it has increased the focus on measurement and return on investment (ROI). The motivation to stretch every marketing dollar in a bid to gain the best possible outcome has driven business owners to innovate and run their marketing campaigns at a minimal cost level with a clear bottom line in mind – activities that don't have a clear business purpose will not survive the rocky roads ahead.

Like Singapore telco giants Singtel, more businesses are segregating marketing channels separately. When Singtel called for a media pitch to run its mainstream marketing campaigns, a separate pitch was simultaneously called solely to head its digital business.¹

¹ Singtel Digital In Play, Rayana Pandey (Singapore), 18 Sep 2009 <http://www.marketing-interactive.com/news/15255>

TRADITIONAL VERSUS NEW MEDIA



With interactive marketing presenting one of the most measurable forms of reliable and efficient marketing in “search”, more businesses will continue to shift their budgets toward digital. In a recent research study by Forrester presenting overall marketing business budgets and growth forecasts for the channel, it was found that overall advertising expenditure declined, but interactive marketing spending approached a whopping \$55 billion.² Out of these, the top five forms of digital marketing

involved respectively ranked: mobile marketing, social media, email marketing, display advertising and search marketing. Six in ten marketers will increase their interactive marketing budgets by shifting funds from traditional media. Marketing budgets for direct mail was cited by more marketers – 40% greater than any other channel as being the one to cut, outranking newspapers (35%), magazines (28%) and television (12%).

IT ALL STARTS WITH A CLICK

For Singapore supermarket chain NTUC Fairprice, it has successfully launched a milestone online campaign with the use of the Facebook platform to enhance relationship with their customers.³ It paid off – “That’s My Fairprice” campaign garnered a total of 3,500 new fans.

Even the virtual giants are doing it. For Yahoo, it has scheduled the official launch of a global brand push in Asia during the first quarter of 2010.⁴ Yahoo is refreshing its front page, mail and messaging services, as well as its mobile front page. Yahoo will incorporate platforms such as Facebook and Twitter into its new front page offering, so that its users can use these services while staying on the Yahoo site.

THE “BLOG” REVOLUTION

In Malaysia, the launch of Project Alpha – an online reality TV show based on “bloggers”, has reinforced marketer confidence in “blogs” (web logs) being a reliable and effective advertising medium.⁵ This move might be seen as a marketing risk for branding champions, but Sam Wong, brand manager for Adidas, one of the event’s main sponsors, announced his conviction, “Why not? I believe in my products so I don’t think we will hear any negative feedback. Besides, we want real opinions anyway.”

In an expert report that defined the top priorities in businesses, three main themes ruled the way how interactive marketing was handled: with cautious optimism, careful experimentation and ROI.⁶ Specifically, marketers will carefully test the emerging technologies that have the lowest cost, highest reach, or greatest impact on sales: social media, mobile, and digital point-of-sale.

² *Interactive Marketing Nears \$55 Billion; Advertising Overall Declines*, 7 July 2009
<http://blogs.forrester.com/marketing/2009/07/interactive-marketing-nears-55-billion-advertising-overall-declines.html>

³ *NTUC Fairprice Makes Social Media Debut*, Rayana Pandey (Singapore), 6 Aug 2009
<http://www.marketing-interactive.com/news/14426>

⁴ *Yahoo To Launch Global Brand Push*, John Davidson (Korea), 22 Sep 2009
<http://www.marketing-interactive.com/news/15277>

⁵ *Blog Marketing Takes Off With Project Alpha*, Marcus Chan (Malaysia) 27 Aug 2009
<http://www.marketing-interactive.com/news/14824>

⁶ *2009 Asia Pacific Interactive Marketing Predictions*, Steven Noble
<http://www.forrester.com/Research/Document/Excerpt/0,7211,47037,00.html>



As analyst Shar VanBoskirk added, “Email marketing is having a banner year as marketers: Businesses can grow their lists with the promise of ‘green marketing’; turn on more and smarter programs to boost sluggish sales; shift money to email from direct mail; and improve email effectiveness by linking it to other channels like search or user-generated ratings and reviews. Furthermore, today, consumer communications via social networks have substituted for some regular email use. But ultimately, we expect that the social inbox – both literal inboxes within social networks and other messaging forums a la Twitter that are still to come – will be another place where email marketers can reach target users.”

Although email marketing has seen increasing popularity, new anti-spam laws and user filters have initiated a shift back to traditional marketing. Albeit the costly nature of physical direct mailers, but in terms of effectiveness, the message is still brought home to target audiences. The final decision now leans on the nature and amount of information to be conveyed. And with the advent of social networking tools like YouTube, which have been lauded as cheaper and more effective alternatives, riding on the viral marketing wave, credible results can now be achieved with significantly-reduced overheads.

SOCIAL MARKETING: THE NEXT REVOLUTION?

As business owners now have greater marketing options in social networking tools, consideration factors are no longer limited to where to spend the bulk of their marketing budget, but instead, how they can alter their business structures to adapt to the evolving demands of their customers. Taking a leaf from Hard Rock Hotel Penang, the Malaysian service provider has revolutionized its marketing stance by going online.⁷ HRC Penang launched its Facebook platform recently to tremendous response – mainly due to the interactive nature of this channel. HRC Penang can now communicate two-way with its customers via blog, and this has enabled a viable feedback mechanism as HRC now uses Facebook to listen and address to the needs of its customers.

Although interactive marketing is still considered to be in the infancy of its development, it is already changing the marketplace. The very reason why interactive marketing is enjoying this explosive growth

⁷ *Hard Rock Hotel Facebook Page*
http://www.facebook.com/pages/Penang-Malaysia/Hard-Rock-Hotel-Penang/145551570265?v=feed&story_fbid=165872790265&ref=mf

is mainly due to the fact that it allows businesses a plethora of ways to contact their customers (eg., via kiosks, websites, personal computers, etc). The hallmark of success in these new media lies in “interactivity” – both the business and customer enter into dialogue in a way not previously possible. In addition, interactive marketing allows customizable information for an enhanced and most fruitful consumer experience – thereby reaffirming the impact of the marketing dollar. Also, with the threshold of creativity now stylized to an infinite extent, innovative marketing campaigns like Singapore’s Zuji recent “No More Excuses” petition ⁸ might just provide that new refreshing spark to shine out from amongst the usual “advertising talk-downs”.

As for whether the Singapore government actually decides to grant the national holiday, any outcome will pale significantly against the creative benchmark and bold precedent Zuji has already managed to establish – by propelling interactive marketing into the limelight. And if the national holiday materializes, that will mark a first in advertising history, but only the first of many to come in the future of interactive marketing.

⁸ *Will The Singapore Government Go For Zuji Day?*, Ben Burrows (Singapore), 22 July 2009
<http://www.marketing-interactive.com/news/14156>

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