

From Spam to Blogs: New Technologies and Their Impact on Marketing

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Permission email and corporate blogs are proving to be an alternative to compensate for the ever-increasing abundance of advertising messages. Companies cannot continue to ignore the impact of new technologies in marketing campaigns. Their role is becoming paramount for sending messages to their customers and obtaining feedback from them, as well as in the direct communication between communities of users, customers and the general public.

Up until the end of the '80s, traditional mailing was generally reliable as an effective marketing channel. That is, the type that uses ads or is sent to the recipients' physical addresses.

That reliability is becoming more and more suspect. In the first place, this is due to the growing saturation of information within the traditional channels, media, street advertising and other platforms, which cripples the consumer's ability to react and consequently reduces the effectiveness of advertising campaigns.

Second, the appearance of new technologies, such as TiVo, which are able to eliminate the advertising inserted into television programming. The use of this type of recording devices will begin focusing on the most popular TV content, which will in turn popularize the bypassing of the commercials and spots that interrupt viewing.

New technologies give more power to viewers, who until now have had to deal with either changing the channel or getting up from the sofa. What alternatives do marketing departments have in the face of these new challenges? The Internet appears on the scene as a major ally with the condition that it be used intelligently.

For example, email campaigns have major potential—something which has been capitalized on by those sending millions of unwanted spam messages. The main investment needed goes toward purchasing the addresses, while the rest of the process—sending email to millions of recipients—has virtually no cost. It takes just one single response per every million messages sent for the campaign to be considered a success. It should therefore be no surprise that in recent years, nearly half of the email messages that travel across the Web in the United States belong to this annoying and illegal type of advertising.

But companies have an important emailing tool, which is both legal and friendly, for communicating with customers: permission marketing. With this type of emailing, the customers visit the company's website and provide information about their interests and the products which may be appealing to them. In exchange, they receive information that is potentially useful for them and the company is rewarded by high percentages of

success. Around 50% of those who use this method make at least one purchase per year, according to various studies carried out in the US.

Blogs can also be helpful for marketing directors. This new channel was created as an unadulterated expression of consumers and can thus provide companies with information about their true opinions. Companies can use search engines (such as Google or those specializing in blogs, like Tecnorati) to find groups of blogs related to their interests or business activity. This is especially important due to the increasing segmentation of both markets and consumer interests.

Companies must learn to discern where their real target is. They need to know where their customers are, what they read, what they watch and what they expect. This source of pure, unadulterated reactions is easy enough to find, but in order to capitalize on it marketing directors must be willing to hear all types of messages that they have traditionally refused to hear.

Historically, marketing departments have used focus groups which they consider representative of their target, in order to show them different options for products, presentations, packaging and campaigns. One weak point of this model is that those surveyed often reply by saying what they feel their interviewers want to hear. As in the classic story, everyone says that the queen (the brand) is the most attractive, until one day she is alarmed to discover that there is another which is more attractive.

Blogs can serve the more daring companies as a bidirectional communication channel with their customers. For this to work, though, they must have an employee or an independent expert maintaining them. If a company tries to conceal its internal information and gives priority to preserving their brand's image, the latter will end up being punished harshly by bloggers. To have credibility, or in other words to be effective, corporate blogs must follow a set of unwritten rules that exist in the blogosphere. For instance, they must speak in first person and publish truthful information. In other words, to successfully use new technologies it is necessary to also change one's mentality.

Highlights

- The costs of regular mailing can add up to \$1.25 per message, with a response rate between one and two percent, whereas in permission emailing the cost can be calculated at around \$0.25 per message. Its response rate is between 5 and 15 percent, which means a cost per response of \$2.50.
- Unfortunately, despite the legitimacy and effectiveness of this emailing system, it cannot prevent customers from continually receiving spam messages. Thus, companies should recommend to their customers that they set the proper filters with their applications to block unwanted email.

To Find Out More

News:

“Blogging Influences What We Buy,” Vnunet.com, April 18, 2006

Articles:

“Blogging Brings Rewards – and Risk,” Vnunet.com, April 20, 2006

“El fenómeno de los ‘blogs’ salta del intercambio social al negocio empresarial,” (The Blog Phenomenon Goes from Social Exchange to Corporate Business) El País, October 27, 2005