

Marketing strategies for a digital age

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As Web 2.0 transforms the way we consume, advertisers and marketers are struggling to get to grips with the challenge of adapting corporate marketing to the digital age.

The Spanish advertising market has undergone a sea change as a result of the ongoing technological revolution and the introduction of a new regulatory framework for the audiovisual sector. Against such a backdrop, advertisers have had to change their communication strategies to reach out to consumers who have become increasingly elusive since the onset of the global economic downturn.

In "Consumers, Brands and Communication Three Years Into the Economic Recession," IESE Prof. [José Luis Nueno](#) and his coauthors propose a number of strategies for navigating the new terrain, which includes diversifying the media mix, improving communication and stimulating innovation.

Old medium, new marketing

Television remains the medium of choice for advertisers. It continues to attract the widest audience and is still the most effective channel for product placement.

Nevertheless, the medium has undergone enormous change in recent years and is facing increasingly stiff competition from the Internet and the rise of social networking, which have facilitated consumer/brand interfaces.

The recent switch over to digital terrestrial television may have dramatically increased viewer choice, but it has also led to more fragmented television audiences.

Furthermore, the elimination of advertising from national public broadcasting channels and the growing consolidation of the broadcasting sector have driven up advertising prices and reduced advertisers' reach.

As such, advertisers and marketers must draw up clear media plans that optimize the use of the latest technologies. This requires an overhaul of strategic planning processes and technologies, as well as their execution and follow-up.

The authors predict that free-to-air TV will continue to draw the majority of viewers. Television and the Internet will gradually come together to form a new and increasingly complex web of platforms, triggering further fragmentation of audiences.

Given the opportunity to develop more targeted advertising and to gauge the audience accurately, new tasks will emerge, including platform management, ad serving and data management.

Internet: Leading the way

The Internet is another key driver of change in the media sector. It has laid the foundations for the future of television, has increased its household penetration rate and has become the third most important advertising medium.

The digital revolution has transformed the marketing world for good: consumers now have greater control over brands; shopping is done online; the traditional purchase funnel is no more; advertising investment is gradually shifting to the Internet; and word of mouth is taking precedence.

Social media are playing increasingly important roles in the advertising mix. So far, their impact has been relatively muted, as marketers struggle to define the purpose behind their campaigns. To win loyalty? To capture new customers? To build a brand?

The challenge is not digital marketing per se, but rather how to manage the market in the digital era, since communication, marketing models and sales approaches have changed so radically.

While it may be true that consumer goods companies still invest a relatively low proportion of their budgets in the Internet, the Web has already become the medium of choice for the consultation and purchase of certain high-cost or high-involvement items, such as travel or mobile phones.

Getting the mix right

In light of this, brands must expand the media mix beyond television to broaden their engagement with consumers. Choosing the most effective consumer/brand interfaces depends on the purchase funnel stage, the market segment and even the brand itself.

Generally speaking, while television is a highly useful medium for informing consumers in the initial stages of the marketing process, the Internet and social media sites are much more effective during the later stages — i.e., the actual purchase.

The "perfect" starting point depends on the brand, target characteristics and the budget available. A broader media strategy offers advertisers numerous advantages:

- Potential financial savings.
- Lower frequency overload, preventing the flood of communication channels.
- Communication that is continuous and, more importantly, precise at the moment of purchase.
- An integrated approach, by leveraging the characteristics specific to each different media channel.

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