

# How to Survive and Prosper in the New Age of Marketing



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## What Is the New Age of Marketing?

- Is it you selling customers in other states and other markets?
- Is it the internet?
- Is it ebay?
- Is it e-commerce?

## What it is not

- It is *not* you selling to customers in other states or cities, although that could happen.
- It *is* other businesses selling to your customers from other states or cities unless you react and plan now!



# What makes you special?

In an age when everyone sells almost the same products for the same price, the only thing that differentiates you from the competition is your relationship with your customer.

Multi-channel marketing and the new age of marketing is all about holding on to your customers.

It is really all about “customer touches.”

# The New Age of Marketing Means Multi-channel Marketing

- Brick and mortar retail sales
- E-commerce sales
- Telephone sales
- Catalogs and direct mail
- Ebay
- E-mail marketing

# Multi-channel Marketing

- It also means customer relationship management
- Identifying and defining your best customers
- Tailoring your marketing just for them
- Finding new ones that fit the profile

# Goals of Advertising

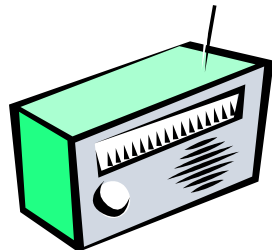
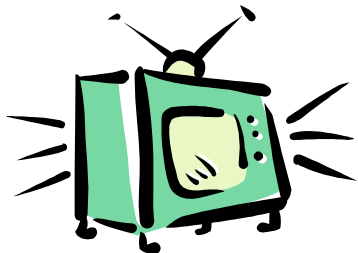
- Store differentiation
- Raise name awareness
- Increase name retention
- Aid in purchase decision
- Drive traffic to the store

# Traditional Marketing

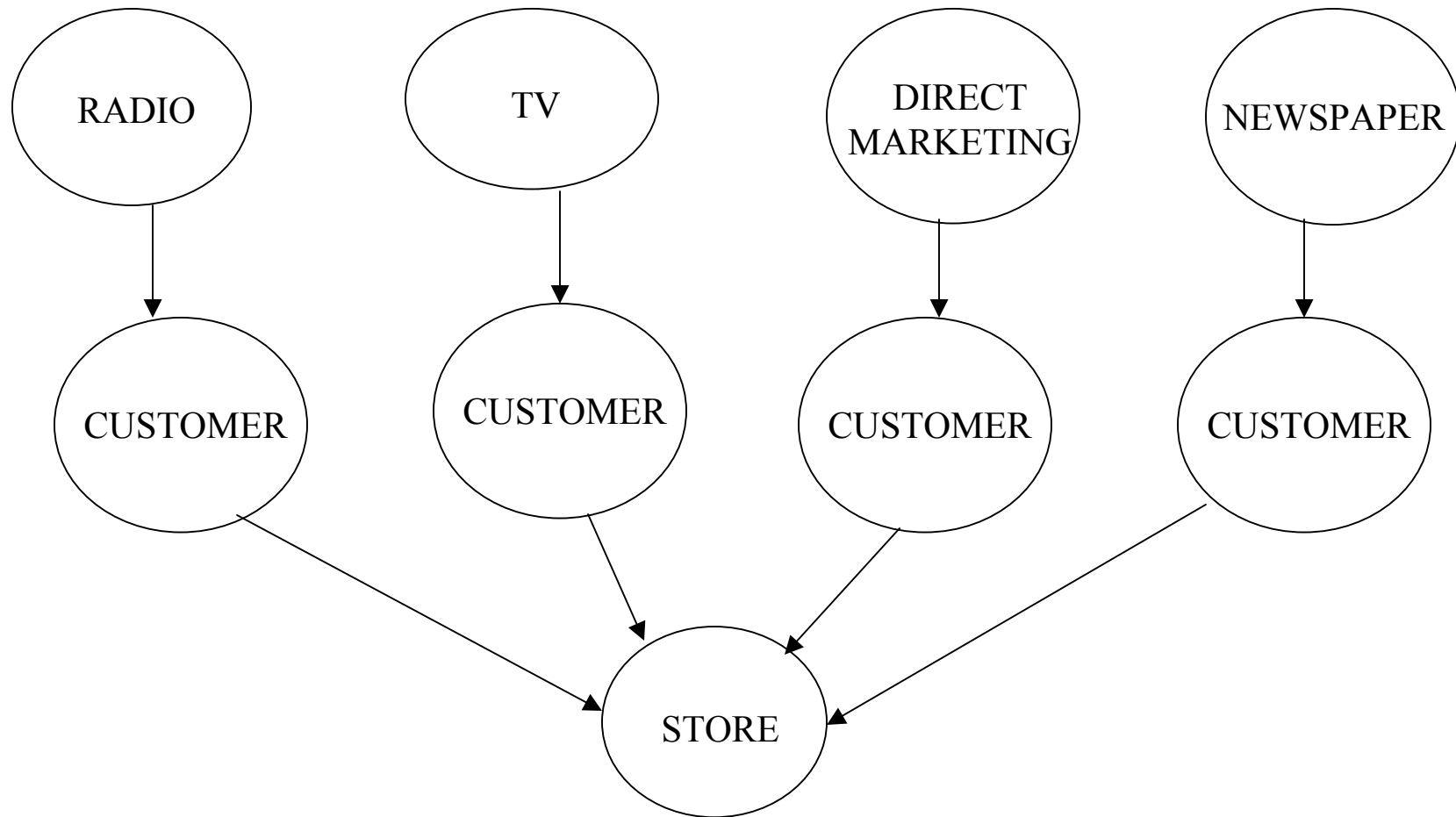
- TV
- Radio
- Newspaper = traditional marketing
- Direct marketing
- Yellow pages
- Outdoor

# New Age of Marketing

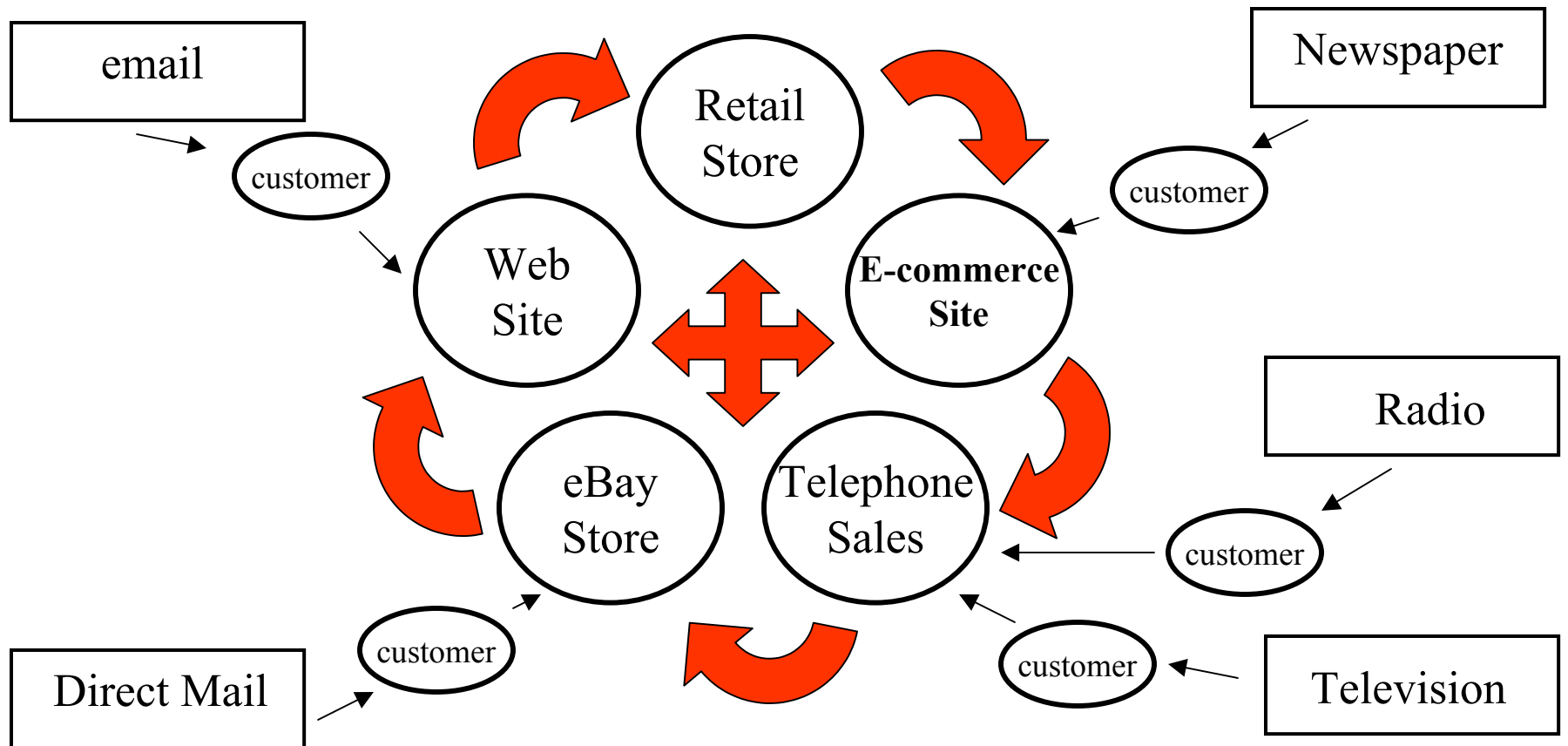
- TV
  - Radio
  - Newspaper
  - Direct marketing
  - Yellow pages
  - Outdoor
  - Web Site
  - E-Mail
- = New Age of Marketing



# Traditional Marketing Methods



# The Multi-channel Method





## Merging Traditional With New Age Marketing

Traditional marketing solicits:

- A visit to the store
- A phone call



## Merging Traditional With New Age Marketing

New age marketing solicits:

- A visit to the store
- A phone call
- A visit to the web site
- An e-mail
- A customer touch

## Traditional Media Vs. Web Media

- Traditional media charges for space and frequency
- Web media has no charge for space or frequency

# Steps in a Buying Decision

1. Recognition of need
  2. Definition of product needed
  3. Develop specifications
  4. Search for product
  5. Analyze offers
  6. Evaluate
  7. Select
- } These steps now being done more and more on the Internet

# Internet Usage Is Growing

- There are now 156 million adults online in the US.
- 73% of all US adults.
- 44% of them have broadband connections.
- Average 8 hours of week online.
- US online retail sales will reach \$88 billion in 2005, up from an estimated \$72 billion in 2004.

*Source: Harris poll #63 internet use, September 8, 2004.*

Q: Why Would Anyone Visit a  
Retail Store's  
Web Site?

A: To get some information.



# Why Multi-channel Marketing?

- E-commerce is growing at rapid rates.
- Your online presence and how you educate customers may affect up to 50% of sales.
- E-commerce sales outpaced growth in offline channels, and will continue to do so.
- Estimates are that multi-channel customers spend up to three times as much as their single- or two-channel counterparts.

# Your Company Is the Brand

- Drive traffic to your company, rather than a channel .
- Multi-channel retailers continue to pull away from their competitors by focusing on their most profitable customers.
- You can tailor your merchandising to fit the needs of your most loyal customers.
- Multi-channel marketing offers unique merchandising opportunities. .

# The Keys to Success

- Catalogs are one of the keys to success
- E-mail marketing is a key to success
- A good database is essential for success
- Knowing your customer and his/her wants is another key to success

## Catalogs Are the Key

- Online customers who received a catalog from any given retailer were nearly twice as likely to make an online purchase at that retailer's web site.
- Those same customers made 15% more transactions, and spent 16% more dollars than those that did not receive a catalog.
- Catalog recipients accounted for 37% of a retailer's web site sales, even though they are only 22% of the visitors.

# Catalogs Are the Key

- Catalog recipients made 16% more visits.
- Catalog recipients viewed 22% more pages.
- Catalog recipients spent 15% more time at a retailer's web site.
- Catalogs play a decisive role in driving conversion (percentage of web visitors who then go on to make a purchase; Almost 260% higher than non-recipients).

## You Need the Tools

- Web site that captures e-mail information
- E-commerce site that sells
- Call center that takes orders
- A way to build a mailing list

# A Philosophy on Web Sites

Web sites should duplicate the store experience and be a resource for four things:

- Information.
  - Hours, phone number, location, etc.
- Advertising.
  - One place you have all the time and space to tell your story.
- Customer relations.
  - Best place to interact with customers, make them happy.
- I-commerce.
  - Researching, product knowledge and possible online buying.



# Now is the time to act!

“A company that neglects its web site may be committing commercial suicide. A web site is increasingly becoming the gateway to a company’s brand, products and services—even if the firm does not sell online. A useless web site suggests a useless company, and a rival is only a click away.”

*Source: The Economist, A survey of eCommerce, May 2004*

## Why It Can Work for You

- Your store is a brand to your customers
- You have an advantage others don't:
  - You have a physical location from which your customers can pick up merchandise
  - They can return items to your store
  - You have a personal relationship with them
  - They know and trust you

# The 21<sup>st</sup> Century Retailer

- Brick and mortar store
- E-commerce for convenience
- Ebay for liquidation
- Web site for advertising and information
- Customer database and acquisition
- E-mails and direct mail to generate traffic

## The eBay solution

- Over 150,000 storefronts now on eBay
- \$24 billion in sales on eBay last year
- Can be used to liquidate dead or discontinued inventory
- Can help customers upgrade by selling their old merchandise
- Can be a source of new customers

## How Do You Survive?

- More customer touches
- More channels for your customer to buy
- Products more tailored to customer needs
- More direct mail marketing
- More e-mail marketing
- Mining your data for better information
- Integrating all of your channels and data