

# Future Prospects of Online vs Traditional Media in Marketing Communication

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## Abstract

*The purpose of this paper is to point out the future prospects of online media in marketing. The paper examines the role of the Internet in marketing research and its implications on the business decision-making processes. Although companies conduct a variety of research methods in an offline environment, the paper aims to stress the importance of Web opportunities in conducting the Web segmentation and collecting customer data. Due to the existence of different perceptions concerning the role of the Internet, this paper tries to emphasize its effort of an interactive channel that serves the function of not only an informational nature, but as a powerful research tool as well.*

## Introduction

**Online advertising**, also called **Online Marketing**, **Digital Marketing** or **Internet advertising**, is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies who help generate and place the ad copy, an ad server who technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser.

Online advertising is a large business and is growing rapidly. In 2011, Internet advertising revenues in the United States surpassed those of cable television and nearly exceeded those of broadcast television. In 2012, Internet advertising revenues in the United States totaled \$36.57 billion, a 15.2% increase over the \$31.74 billion in revenues in 2011. U.S. internet ad revenue hit a historic high of \$20.1 billion for the first half of 2013, up 18% over the same period in 2012.

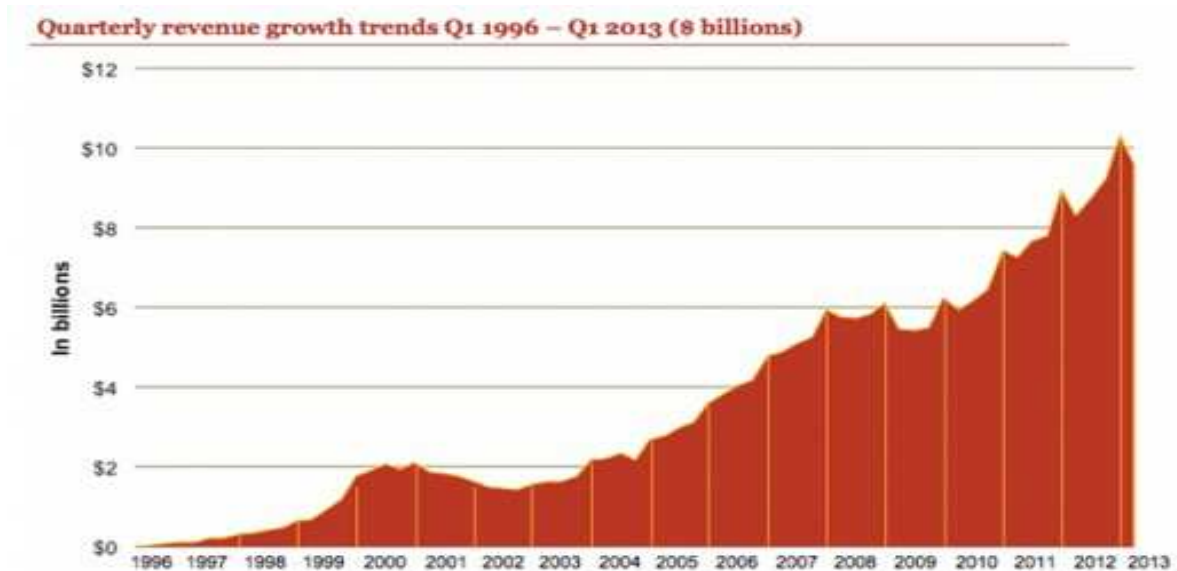
## ONLINE AD CATEGORY

Online Ad Category	Spending Share
E-mail Marketing	17.4%
Search Engine Marketing/Key Word Purchase	15.1%
<b>Social Media Marketing</b>	<b>13.7%</b>
Business Directory Listings	12.0%
Banner/Display Ads - Targeted Display	8.5%
Streaming Video Ads	8.0%
Banner/Display Ads - Run of Site (ROS)	7.2%
Mobile Advertising	5.5%
Sponsorships	5.1%
Audio Ads	3.1%
Other Online Advertising and Marketing	4.4%

Source: Borrell Inc. 2011 SMB Survey, as of August, 2011 N=4271

### GROWTH OF INVESTMENT IN INTERNET AD-

*Have a look at the below spend growth in internet advertising*



IAB Internet Advertising Growth Rate

***Benefits of online advertising over traditional advertising are:***

- **Cost implications:** The electronic medium is a powerful mile ahead of other means when it comes to cost. Covering a huge audience is possible with a limited spend online, resulting in a much better return on investment percentage. And, this is one of the biggest reasons why SMB's are now considering online marketing to their marketing strategy and who really can't bear the cost of outdoor banner advertising, trade shows or magazine ads.
- **Easier targeting means:** Due to the nature of the internet, it is possible to taper down the target audience so that only the segment that does view the ad consists of potentially strong buyers. In fact, there is a lot of geographical targeting to make the ads relevant to users. Similarly, users' web browsing history can be made a base for zeroing in on preferences and avoiding useless repetitions.
- **Measurable:** This is one of the most important factors in deciding the impact of online advertising. On the internet, it is possible to collect accurate data of hits, pages visited, number of times the ad was viewed by the same user, how the user reached to the ad or the website, and whether the activity resulted in a sale.
- **Versatility:** Unlike offline media, online advertising can be highly interactive. From incorporating videos and games to audio messages and sections for query input, there are many methods to keep the consumer keenly and constantly engaged.
- **Speed:** Once an ad copy is ready, the distance between the advertiser and its consumers can be rapidly covered. Deployment can be immediate as most of the time the delivery of ad schedules is not dependent upon the publisher's schedule. Even modifications and replacements in the ad are faster on the internet.

There are certainly some downsides to internet advertising. "Click-fraud", privacy infringement regulations, and "banner-blindness", or the lack of ad impact due to viewer annoyance are just some of them. However, the merits far outweigh the shortcomings.

Online advertising is here to stay.

Television Advertising Will Increase,

*But Become Less Prominent in Years to Come*

*According to eMarketer.com, expenditures on television advertising are projected to increase 4.1% from 2013 to 2014, resulting in an increase of almost \$7 billion dollars. While this is encouraging, eMarketer takes care to note that between 2013 and 2017, digital ad spending will grow and surpass that of television, causing the prominence of television ads to drop from 38.7% to 37.9% by 2017.*

The internet, which has literally eliminated boundaries for communication has also given birth to a host of businesses. Online advertising is one such example, which makes use of internet to market and promote products and services to consumers. The objective of the ad remains the same: branding and/or direct selling, but the difference is that the audience reach is practically spread throughout the globe. Online advertising includes email marketing, social media marketing, mobile marketing and an array of display marketing such as banner ads, pop-ups, etc. As with traditional media, internet advertising involves a publisher, an advertiser and often an agency that facilitates the process, generates the ad content and places the ad copy.

This is a business that has steadily grown in popularity since the late 90's. The year on year growth in digital advertising is averaging 18%, with companies spent over \$37 billion on it in 2012 up 15% from 2011. And, Interactive Advertising Bureau says online ad spending hit \$9.3 billion in the first quarter of 2013, which is up from \$8.3 billion during the same period in 2012. With consumers increasingly spending more time on the internet and marketers rightly believe in stabilizing ad spend too with this trend. Youth-oriented products and services especially find social media platforms and blogs more effective to grab eyeballs. Through interactive and engaging messages, the consumer is actually becoming more involved in the actual advertising process. As a result, the efficacy of internet ads is more measurable, with each impression and hit being monitored. It is easier to work out hits versus purchase, or conversion ratios.

### **DIFFERENCE BETWEEN ONLINE VS TRADITIONAL MEDIA**

The differences between digital marketing and traditional marketing are obvious: one focuses on the web and the other focuses on media like print, television, radio, and direct mail.

Both share similar goals. Digital marketing and traditional marketing are used to attract qualified customers and build brand awareness in your market, and they work together to power successful marketing results.

The right mix of digital and traditional marketing is better than the sum of its parts. Suppose your goal is to sell a certain number of products this month. You could start with a strategically placed television ad during a program watched by the demographic that prefers the specific type of product you have in stock.

In your spot, you would include a call to action that motivates viewers to visit your website, where they could schedule a demo, get a coupon, etc. By combining digital and traditional marketing, you put the right ad in front of the right people and give them a reason to visit both your website and your physical store.

Some businesses think of digital and traditional marketing as being at odds with each other, when in fact they complement each other to meet your unique goals. If you're skeptical of digital marketing, here are some reasons to learn more about it and let it work with your traditional marketing to get the best possible results.

- ***Digital Marketing Is Cost-Effective***

Digital marketing is more cost-effective than advertising in traditional media like television, radio, print media and the Yellow Pages. A well-executed digital marketing strategy, for a reasonable monthly investment, gives your business the power to advertise effectively against larger competitors, reach a wider audience of qualified customers, generate new revenue, and get the data you need to accurately measure your return on investment (ROI).

- ***Online is Measurable***

It's not easy to know how many people heard your radio spots or read your newspaper ad. But you can find out exactly how many times your digital marketing messages were displayed to local customers actively researching a purchase, how many times they were clicked, which web pages they visited after clicking, how long they looked around, and more.

This online marketing data makes it easy to measure your progress against your business goals, and quickly adapt your entire marketing strategy to take advantage of what's working best.

With digital marketing, you can also learn things like peak days and times for visits to your website, and see how many conversions occurred (a visitor took an action you specified) signaling an intent to purchase from your business.

- ***Digital Is Terrific for Brand Development***

A well-designed, regularly updated website with high quality content is one of the best local brand-building investments you can make. Today's reality: even if you don't sell online your business must be found online when a qualified local customer is researching a purchase.

When your website adds value by giving your target audience the information and answers they seek through a blog or other posted information, you can generate more leads and build a sense of trust with your local website visitors.

You'll get maximum results when you couple a great website with a consistent monthly online marketing investment, strengthening your visibility with potential customers so they swing your doors and buy from you over the competition.

- ***With Digital the Potential for Exposure Is Tremendous***

Your online marketing campaign has the power to drive hand-crafted marketing messages on to the digital devices your local customers use everyday, including laptops, desktops, tablets and smartphones.

Face it: when was the last time you heard of a printed sales flyer going viral - spreading around your target market like wildfire? Digital marketing has the potential for reaching exponentially more customers than your traditional marketing.

When your website content and digital ads appear on Google, Bing and Yahoo, plus social networks like Facebook, Twitter, Pinterest, etc. your message and brand can be seen by many more potential customers, stretching the effectiveness of your total marketing investment.

- ***Digital Lets You Reach Qualified Consumers***

With the widespread exposure digital marketing produces, and the many ways you have to target digital marketing campaigns, you're more likely to reach people who are interested in your products, and less likely to annoy those who aren't interested.

Online you can target your marketing campaign to show marketing messages only to prospective customers who are ready to buy today, which is much harder to do with traditional marketing.

- ***Digital Marketing Sets the Stage for Customer Engagement***

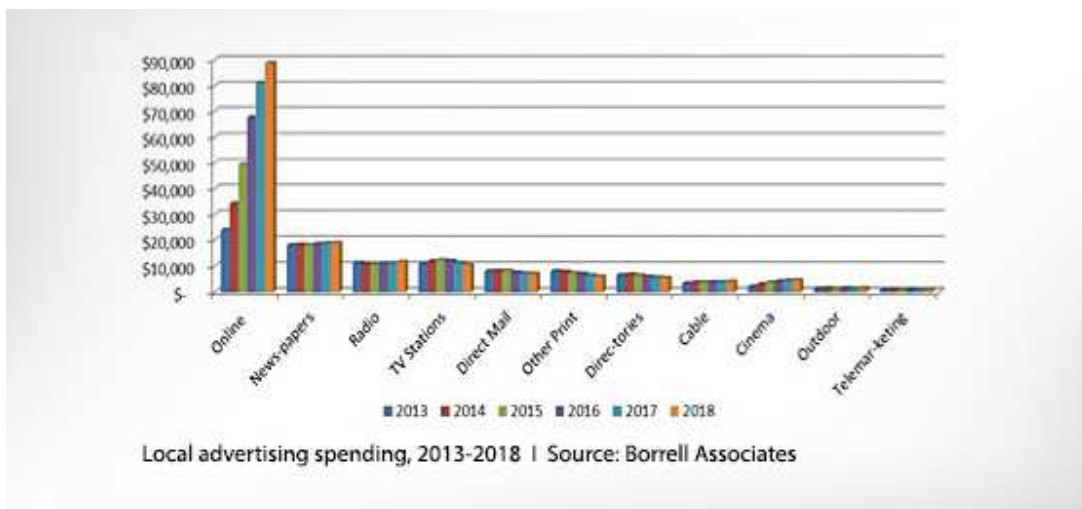
With a great website and comprehensive marketing program up and running, you'll develop multiple opportunities to engage with your target audience. Traditional marketing works to build your brand and local market awareness, driving consumers to your website to continue the research process, ultimately leading to more sales every month.

Whether it's lots of phone calls from local customers seeing your online ads, to email opt-ins for a monthly newsletter, comments on a blog, or social media discussions, digital makes it easy to communicate with current and prospective customers alike.

Netsertive knows how to use digital marketing to attract local consumers to your business. Our unique cloud-based Digital Marketing Engine automates localized online advertising and channel marketing programs, encompassing search, display, social, mobile, video and other platforms.

## FUTURE ADVERTISING SPENDING: TRADITIONAL VS ONLINE

It's 'projected' to grow about 450% over the next five years ... which I highly doubt.



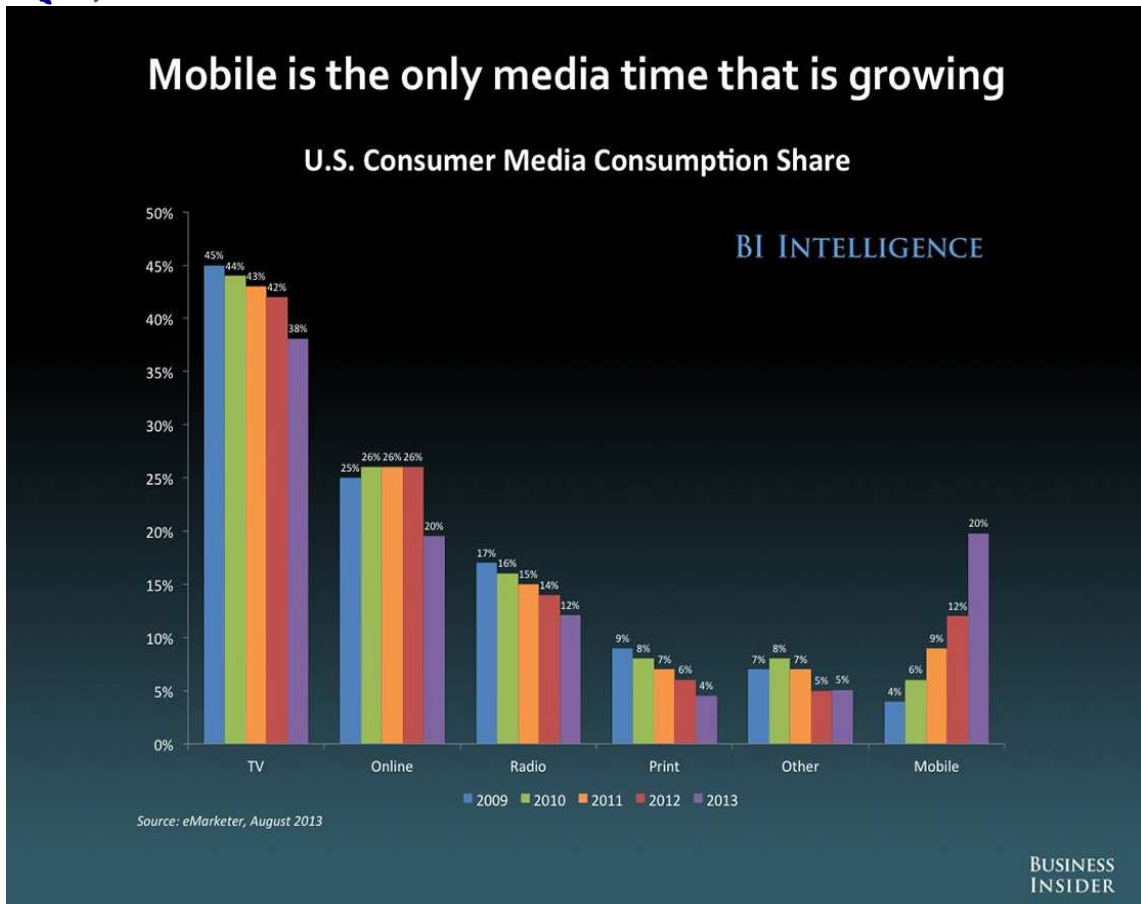
Yes, over the past five to ten years, online advertising has experienced a tremendous boost as more and more brands shifted their budgets to digital. But, that was also all they did... they shifted it.

So whenever I see a graph that projects that one channel is going to increase disproportional to the drop of all the other channels, I get really worried. Where is that money coming from?

Brands don't just suddenly spend 4.5 times more than they did five years ago. We don't have that kind of economy. I would accept smaller variations, but not this kind a sudden explosion of the overall marketing budgets.

It looks much more to me like the classic analyst mistake. You take the projected curve of the past, and then you just continue it into the future. That's not likely to happen.

When I look at the trends, we seem to be very close to reaching the upper limit of the online shift, in which it can't grow any further because it would mean we would have to add more money. In fact, I think we have already reached the point of which the growth of online advertising is starting to slow down and stabilize.



**Three circumstances that will make online advertising grow a little longer.**

**We are still very much in the shift.** Most brands 'still' spend only 25-35% of their marketing budgets online. It sounds small, but consider that we have 11 channels here. If each of the other channels only had 5% market share on average that would only leave 50% to online.

In other words, online will **max out in 2015-2016 at only twice of what it is today.**

**Digital allows small business owners to advertise.** With print, many small business owners couldn't afford buying that full-page ad... and the small classified ads don't work anymore (outside sites designed for that purpose).

But online, you can pay only \$15 to promote a post on Facebook. That opens up a new source of revenue for 'online', but it's all small payments.

**The graph is highly misleading by design.** It's lumping all the online channels into a single category while illustrating print/non-digital channels in separate categories. So 'online' will



grow, but it's not because it's growing. It is merely because other channels will be categorized as online too.

But this is not actually what we see in the graph. We see no change in categorization that would justify the growth in online. They are projecting that online will grow without any substantial change with the other channels. It's contradicting itself. Growth is always **the result of a change in consumer behavior**, not actual growth. We have a finite amount of money and resources. So we can't grow one thing without experiencing a decline in something else. That's why it's called change. The same is true for people. Think of social. There is no doubt that social media has experienced a tremendous and incredible growth over the past 10 years. But it's not because we suddenly have more time to spend. It's because we spend our time differently than in the past. No matter what we do, there is still only 24 hours per day. We can't grow beyond that. You can't suddenly have 28 hours of consumption per day.

Growth = a change in priorities.

This is why I don't believe the graph is right. It's projecting that online will grow 450% over the next five years, but it doesn't explain where that extra resources are coming from.

Think of it like this: If brands are already spending 25-35% online, growing 450% would mean that in five years they will spend 110-160% of their budgets on online. Of course, this is a simplistic calculation that doesn't take into account that not all of the marketing budget is spent on advertising.

### Consumers Still Trust Traditional Media Ads More Than Online Ads



## Advantages of Online Marketing vs Traditional Media

Many businesses are curious about online marketing, but don't understand how it can directly increase their business. Many of them are seeing less return from their advertisements in traditional media like The Yellow Pages, newspapers and direct mailing campaigns, and are looking to explore new ways of expanding their market share. The advantages of online marketing is often a more cost-effective solution for businesses.

**1. Reduced Cost** – The starting cost of online marketing is only a fraction of the thousands of £'s that Yellow Pages, television and radio ads cost. For example, you can get a free listing on Google Local that will be just as effective as a costly online Yellow Pages ad. In addition, while traditional ads may only run for a short time, a search engine optimization campaign can deliver long-term results. You can also save money with online Pay-Per-Click advertising where it is easy to experiment with small ad volumes until you perfect your strategy and then expand your marketing budget when you are assured of a positive sales return.

**2. Everything Is Measurable** – When you place an ad in the newspaper or a magazine, it can be difficult to assess the direct sales impact for your business. With online marketing, everything can be tracked & detailed in graphs that show traffic growth, leads and sales conversions. Using a free traffic analysis tool like Google Analytics, it is easy to calculate your return on investment (ROI).

**3. Brand Engagement** – In the crowded market, you need to establish and maintain positive brand awareness and client loyalty. A website is the most important marketing tool a business can have. A regularly updated website with well-written content will offer the best value to your clients.

**4. Real-Time Results** – With online marketing you don't have to wait weeks to see a significant boost in your business. With a paid search marketing campaign you can experience real-time results that enable you to fine-tune your marketing message to achieve your desired effect. If your marketing strategy isn't working effectively, real-time monitoring tools allow you to easily pin-point exactly where you are going wrong.

**5. Easily Refine Your Strategy** – Using online marketing analytics and tracking tools you can test conversion rates at a fraction of the cost of a traditional media campaign. If your marketing strategy is not bringing in the return on investment (ROI) that you desire, you can work to perfect it without having to launch an expensive new campaign as would be required with most traditional media outlets.

**6. Long-Term Exposure** – The benefit of a search marketing campaign that optimises a website for specific keywords is that you will achieve a long-term return on your investment. Once your website's visibility is well-established with search engines, it is easy to do regular low-cost maintenance of your strategy. Adopters of online marketing platforms like social media marketing will have a significant head start over their competition.

**7. Product Information** – Today’s consumers want to compare reviews and opinions of friends, trusted bloggers and industry experts before they make a decision. If you can provide quality information that people are looking for, then the next step of converting users into paying clients can be very easy. With social media networks like Facebook Twitter and LinkedIn re-enforcing the value of positive word-of-mouth exposure, trust is more important than ever in the marketing field.

**8. Less Intrusive** – Most consumers dislike intrusive traditional marketing methods like direct mailing, print ads and television advertisements. When someone buys a newspaper or magazine, they want to read interesting articles not be bombarded with irrelevant ads. With online marketing, you can target consumers precisely when they are searching for products and services that your business can provide.

**9. Holds Their Attention** – When people read the newspaper or a magazine they may scan over the advertisements but there is no way to engage their attention. With online marketing you can encourage them to take action, visit your website and read about your products and services.

## CONCLUSION

The Internet represents an efficient medium for communication with users. It serves the important role of attracting and retaining the users/customers and, in that way, managing the long-term customer relationships. It is a new marketing tool offering companies access to technological advancements and direct communication with users, as well as enabling marketing managers to quickly and continuously update the database of their customers.

In conclusion, this has clearly shown that online marketing impacts upon businesses in a number of important ways. When used effectively, online marketing campaigns and strategies have the potential to reach customers in a speedy and low-cost manner and can provide promotion for a wide range of products and services. Online marketing also offers businesses the opportunity to garner data about their consumer base to an extent that has hitherto been very difficult to achieve via traditional marketing methods. The development of online marketing and social media advertising has led to examples of businesses in recent years that appear to little more than categories and filter information relating to products and services on the Internet, taking a small cut from any transaction that may occur as a result. However, despite the global reach, speed and the extent of information that can be gained from online marketing there are a number of important disadvantages to this type of marketing that businesses must bear in mind. The technology driven approach of online marketing leaves certain businesses vulnerable and overly-dependent upon technology. It also empowers dissatisfied consumers to a far greater extent than ever before and can lead to bad reviews that have the potential to greatly destabilize certain online marketing campaigns and operations.

However, despite these problems it is reasonable to conclude that online marketing is on the whole a positive development for businesses and that despite certain dangers its impact upon businesses has been largely positive.

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