MARKETING.COM

E-COMMERCE, SOCIAL MEDIA AND MOBILE INTERNET IN PRACTICE

ENGLISH EDITION

Wim van der Mark

Noordhoff Uitgevers

First edition

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E-commerce, social media and mobile Internet in practice

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Foreword

It was not until I started advertising on Google that I began to realize how quickly communication is changing. For as long as I can remember, advertising sales people have asked for more money for more advertising space. On Google the maximum advertising space you can get is a heading of 25 characters and two short lines, each with 35 characters. Buying more advertising space is not possible. I now understand that Google does not offer this because more text is less effective. In the meantime I have seen no end of test results showing that online in most cases short texts have more effect than long ones.

The ability to focus is an important condition for writing good texts for online media. It often emerges that not wanting to be complete and accepting that readers and web visitors make decisions based on incomplete information is a big challenge.

The consumption of communication is changing. The recipient searches, organizes, looks, clicks, reads and filters differently. Unfortunately the companies that offer marketing communication services are only adapting to these changes slowly.

This book is intended for students, marketing people, sales people, entrepreneurs and all others who want to look into the communication process in greater depth through the eyes of consumers. A practical book about looking, reading, clicking and buying behaviour, and how to respond to it. It describes trends and new information flows. It is intended to give an impetus to bringing about far more interaction with websites. And to getting websites to provide answers to what visitors to the sites are looking for.

This book also contains a practical interpretation of knowledge about and experience with direct marketing for use in online applications. Testing, analyzing, optimizing responses, asking for responses and lowering response thresholds are therefore subjects that are addressed in depth.

In this book I have employed knowledge that I accumulated while developing direct marketing courses for IDMK and Dialoogtrainers.nl. I am very grateful to the thousands of trainees who shared their practical experience and to my fellow trainers for the part they played in my compilation of this knowledge. I would particularly like to thank Marc Borgers (e-mail marketing and deliverability), Ronald Verschueren (usability) and Rob Steenbrink (landing pages). Special gratitude goes to Rob Woelinga for his input, for reading my efforts and for his critical view of the marketing profession.

For the second edition of the Dutch version I wrote completely new chapters on social media and mobile Internet, which I published online in advance. Via Twitter and LinkedIn I asked for feedback and I thank everyone who responded. Especially the contributions of Bart Schuijt, Constantijn Rijsdijk and Rosanne de Kruijff were very helpful.

Furthermore, I am much indebted to Jan Naeijé and to the teachers of NHTV (Nederlandse Hogeschool voor Toerisme) who have made an important contribution to the creation of an English version of this book.

When writing this book I have responded as much as possible to the way that people read a page on their computer. I have left out a lot of frills and added many subheadings so it is easy to screen the text. I have used short sentences in order to make the book readable.
I have also done my absolute best to put as much substantive information as achievable on the fewest possible pages.

I hope you enjoy reading this book and above all I hope that you have success. And remember, success does not depend on what you know, but what you do with what you know.

Wim van der Mark

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An explosion of communications

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1.1 The communication model is changing

1.2 Direct marketing, response and interaction

1.3 Communication explosion

1.4 Effects on information processing

According to the traditional communication model, there is communication if a sender uses a medium to send a message to a recipient. As soon as the recipient responds to the message, there is feedback. Direct marketing is a form of marketing that is specifically targeted at getting feedback.

1.1 The communication model is changing

Messages are changing

Consumers are receiving more and different messages. They are becoming shorter and more interactive.

Media are changing

More and more different media are appearing, each with its own function. There are thousands of social networks. Equipment like laptops, computers, radios, televisions, telephones, cameras and navigation systems are taking over each other's functions.

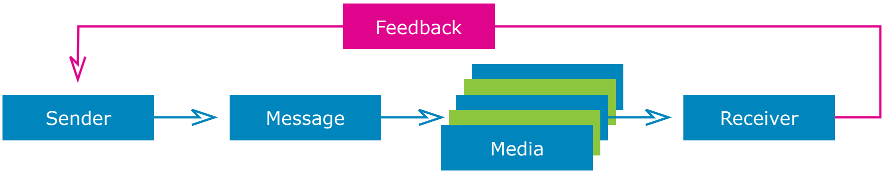
Recipients are changing and are starting to send messages themselves

Recipients are looking and reading differently and are using other media than, say, thirty year ago. Recipients have moreover become senders on a large scale. Every day consumers send tens of millions of messages and put millions of photographs and videos online.

And are senders changing?

Many marketing message senders have barely changed at all. In many cases new knowledge and experience still need to be acquired. They think and work according to tried and trusted patterns. Making changes in organizations is slow and consequently much marketing communication is nowhere near as effective as it could be.

Figure 1.1 *The communication model is changing*



Messages, media and recipients have already changed. Now it's the sender's turn.

Many more companies than before have to deal with responses from individual customers as a result of the growing importance of digital media in marketing. These responses generate data. These data can be used in many ways to make future campaigns more successful. Over the last couple of decades direct marketers have built up a lot of experience with the successful utilization of customer data and handling huge numbers of customer responses. This know-how is very important to companies that will be confronted in the near future by feedback from and interaction with individual customers.

1.2 Direct marketing, response and interaction

Direct marketing was created as far back as the end of the 19th century. In 1886 the mail order company Sears & Roebuck offered watches to all railway employees remotely. In the Netherlands the Dutch Book Club was founded in 1937, and in 1952 Mr G. H. Wehkamp placed his first direct response advertisement in TV magazines. Direct marketing as a term appeared in the nineteen-seventies. The use of computers grew rapidly in the years thereafter, and customer data could be stored more efficiently as a result. Rapid growth resulted from the application of laser printers which made it easier to use individual customer data in communication. Direct marketing techniques were used primarily by mail order companies, insurance companies, training institutes, banks, the automotive industry, fund raisers, publishers and thousands of commercial product and service suppliers. Later on, telecoms companies and energy suppliers became direct marketers. Retailers, brand manufacturers and producers of fast moving consumer goods made more use of *mass media*, such as newspapers, door-to-door flyers, radio and television.

Direct marketing is different from mass media in that the message is directly tailored to an individually traceable customer or potential customer: the individual customer. *Direct marketing communication* therefore largely employs direct mail, the telephone, e-mail and the Internet.
A characteristic of direct marketing is that it is aimed at getting individual responses from customers. This enables the direct marketer to record the preferences of individual customers in a database. Using the contents of the database, it is possible to tailor the message as closely as possible to individual preferences and in so doing to encourage the customer to buy products or services.
It is easy for direct marketers to measure the effectiveness of their campaigns because an understanding of the costs and returns can be obtained quickly.

Meanwhile the trends you have to address as a marketer include:

- In mass communication the marketer was usually the sender. That exclusive right is disappearing. Consumers are acquiring more control over the information flows and are now also employing mass communication themselves. There is more about this in chapter 5.
- Previously feedback from consumers was relatively limited. Thanks to the use of digital media the quantity of measurable feedback is increasing tremendously in the form of traceable clicking behaviour and actual responses. Many marketers are not used to making data about individual people profitable. Until recently this was the territory of the direct marketers, where measurable feedback in the form of responses has been around for a long time.
- Over the last 35 years the quantity of communications to be processed has grown by leaps and bounds. This has an impact on the quantity of the recipients' attention and their processing method. In other words the information filters are becoming stronger.
- The well-informed 21st century consumer knows where to find information and, together with other consumers, is providing greater transparency than ever.

All in all this is challenging stuff for any marketer.

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1.3 Communication explosion

Much marketing communication has acquired the character of direct marketing communication because of the rapid rise of digital media like the Internet, e-mails and SMSs. Reading and clicking behaviour in *digital communication* can be analyzed and consequently it is a form of response. Digital media have moreover further reduced the gap between suppliers and customers. This makes it easy for consumers to ask questions and give feedback. This increase in dialogue is in fact a form of response. Responses that were always valuable to direct marketers and difficult for conventional marketers to make profitable. After all, direct marketers are used to compiling data about individual customers and to acting on the basis of them.

Digital media have moreover caused an explosion in communication, which has been further amplified by essentially unlimited wireless availability. This explosion is not only in marketing communication, but in communication between consumers too. As regards communication about products and services, the right to send is no longer the exclusive reserve of the marketer. Some consumers have also become senders using social media like Hyves, Twitter, YouTube, comparison sites and thousands of weblogs. Interest in sharing knowledge and information is growing explosively.
This is making markets more transparent and is putting slightly more power in the hands of consumers, with the upshot that supplying poor products or services or supplying at extortionate prices, in particular, is becoming more and more difficult. This is more of an opportunity than a threat for marketers who provide good service and good value for money.

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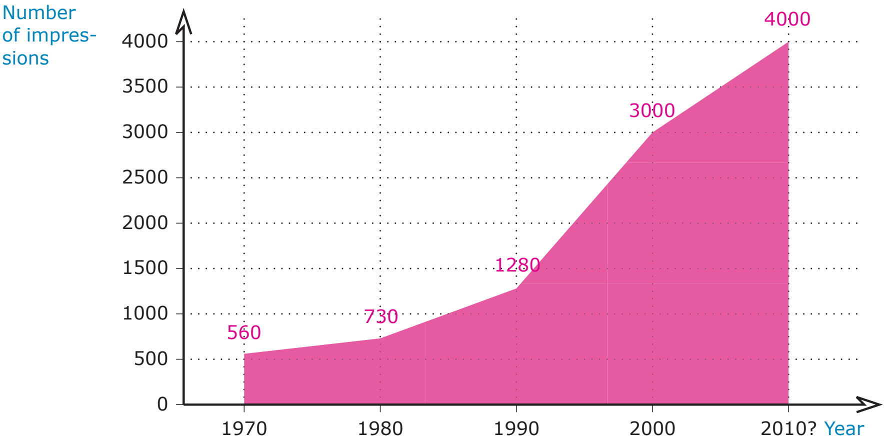
It is barely possible to express in figures how explosively communication has increased. It has been reported that the number of communications that our brains receive has increased by between 70 and 250 times during the course of a single generation. This therefore means that in a period of between three months and a year we receive as much communication as during a lifetime thirty years ago.

Figure 1.2 gives an impression of just the increase in the growth in advertisements.

Figure 1.2 *Advertisement impressions per day*



1.4 Effects on information processing

Marketers were concerned about information overkill as long ago as the nineteen-seventies. Since then, however, the amount of information provided has increased fifty-fold. This has an impact on the quantity of the recipients' attention and their processing method.

The message is filtered in the recipient's brain much more strongly than before. This means that messages can be read and understood completely differently from what the marketer had in mind, which can produce unexpected and unintended effects.

We cannot absorb all the information that is available. Information is filtered and the greater the quantity of information reaching us, the stronger the filtration. These filters give an incomplete picture. People are therefore continually taking decisions on the basis of incomplete, distorted or incorrect information. It is becoming increasingly important in marketing communication to know the minimum information that is necessary for making a decision and how this minimum information reaches the customer.

The filters that the recipient of information uses to process the information are primarily:

1 distortion
2 deletion
3 generalization.

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1 Distortion

Distortion means that we read what we think is there. We imagine what is there on the basis of 'prior information' that we already have in the form of beliefs and attitude. This is usually not the reality. We distort the information so to speak so that it matches our own convictions.

2 Deletion

In communication the recipient deletes a very great deal. If someone reads a newspaper and after 10 minutes says that he has read it, in fact he has not even read a part of one percent of it.

3 Generalization

Generalization means drawing a conclusion on the basis of one or a few observations. For example, someone reads this book and sees the heading 'generalization' above this section. He has known for ages what generalization is and therefore he thinks that he knows what is in it. That is probably also correct because generalization is a relatively simple general concept. In many cases, however, the prior information is completely at odds with the content.

Assignments

Assignment 1.1

In 2010 the number of Twitter users increased and the resulting volume of traffic increased dramatically.

Search for other examples that show that the quantity of communications is growing explosively.

Assignment 1.2

Search for examples of advertisements about borrowing money in which it is reasonable to assume that consumers distort the messages or delete parts when reading them.

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