

Online Vs. Offline Promotions

by Bill Carmody



Which is more effective: online or offline promotions? In truth, it depends. There are many factors that determine the effectiveness of online and offline promotions and the best promotion often incorporates both elements.

One of the reasons online promotions have become so popular is because they usually are cheaper to execute than traditional offline promotions. While some costs – such as legal, fulfillment and registration fees – are the same, online promotions significantly reduce the costs associated with development, the processing of entries and the creation of databases.

Factor in all the costs of a traditional promotion vs. an online promotion and the bottom line costs favor the online promotion. Even with all the development costs, database, and back-end programming requirements for a robust online promotion, the total cost tends to be much cheaper than the traditional costs associated with printing and postage of your direct mail.

But there is a big difference between cheap and effective promotions. Just because the promotion is less expensive doesn't mean it's better. If an online promotion costs one-third of what a traditional promotion would cost but does not yield the desired results, it's a waste of money.

Regardless of how compelling a promotional offer is, a marketer still needs to get the word out for a successful campaign. This requires a solid media plan.

No one disputes that the Internet currently holds the highest rate of adoption in the history of mass media. Radio and television just can't compete with

the speed at which households in the United States have adopted the Internet. And yet, television programming still beats the Web when it comes to attracting mass audiences. Just look at how many dot-com's bet all or most of their ad budgets on a 30-second spot during the Super Bowl.

A larger audience, however, doesn't necessarily mean reaching a target audience. There is a tremendous amount of waste when it comes to television ads. First, a large percentage of the television audience couldn't care less about advertised products and services. And to add insult to injury, the ads must run frequently to achieve the desired results with the target audience.

Direct mail, while more targeted than television, still can't compare to the effectiveness of true opt in e-mail. By true opt in, I'm referring to lists that your company builds via online programs – not opt-in e-mail lists that are bought from a third-party agency.

The trade off between traditional mass media and online media is simple: Traditional media still has greater reach, but online media has less waste. Effective campaigns use traditional media to achieve acquisition goals (to get the largest reach), but use online media to achieve retention goals (to get the most effective frequency).

Integrated media means using online and offline elements together to reach your goals. Integrated media works best when traditional advertising is used to create awareness of a program. If mass media such as national television can't be afforded, print ads, FSIs, spot radio, direct mail, in-store displays and billboards are used instead. In each of these vehicles, the traditional promotional elements create awareness of the brand and its unique selling points (i.e. why you should visit the Web site,

shop online, etc.). The goal of the promotion, however, should be to drive the consumer online to participate.

Once online, the consumer should receive immediate gratification. If information was promised, it should be easy to find. If a discount coupon or sale was mentioned, then it should be the first thing a consumer sees. If the direction was to enter a sweepstakes or participate in a contest, then there should be no question as to how to take the next step.

After the promise has been fulfilled, there must be additional incentives to continue. If the goal is to collect data from customers, they have to be given a reason to give that data. A high degree of interactivity online is often a compelling reason to continue. If the promotion is fun, a consumer is likely to continue. If the promotion is simply masking a long and arduous survey, then you'll see quite a big drop off between those who come online and those who answer all your questions.

If you continue to reward your customers throughout the marketing chain, then they are likely to complete the entire cycle. Of course, gathering data or making the first sale is just the beginning. Retention starts with the consumer's consent to be marketed to in the future, and as long as their consent is not abused, future marketing efforts online can be much more profitable than in the paper-based world.

The most common failure with respect to integrated media promotions is when the offline components are not in synch with their online counterparts. Underestimating online traffic is another problem that results in unhappy customers. If a radio spot is extremely compelling, the Web servers must be able to handle the peak load times.

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Other common failures include sending unsolicited e-mails to drive online traffic into retail outlets, using URLs that are difficult to remember in television or radio spots, having a bad online interface, making it difficult to participate and not having solid fulfillment partners.

Pros of Online Promotions

- Cheaper than traditional/offline promos
- Real-time reporting
- Can make creative changes on the fly
- Frequently costs are much lower
- Higher degree of control
- No additional key punching required
- Fast
- More highly targeted
- Can easily move consumers through the sales cycle (awareness, interest, desire, action)
- Easy consumers to participate
- More likely get repeat visitors/entries
- Technology allows for further innovations

Pros of Offline Promotions

- Larger reach than online promotions/media
- Less risk of technology failures
- Less need for customer service/support specifically for the promotion
- Easier to predict results (via past experience)
- More research/case histories
- May be ideal for target audience
- Capture more sensory areas
- Can allow for face-to-face contact

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