

Interactive brands: future opportunity

Gray Sycamore, The Marketing Store, argues that, to succeed, direct marketing needs to forget print-based models and focus on digital user behaviour

MOST TYPES of direct marketing have an element of interaction to them, so it is probably safe to say that interactivity is at the heart of direct marketing at a conceptual level. So the rise of new interactive channels and formats, electronic or otherwise, that are grounded in creating interaction between brands and consumers is clearly big news to the direct marketing industry.

While there are a lot more formats and channels around than there used to be, and many of them are based around the idea of creating opportunities to engage and interact with customers, very little of any debate focuses on the customers themselves who use these channels.

The question that springs to mind is why? The direct marketing industry has prided itself in the past on being in tune with consumers.

Keeping control - or losing it?

Brands are driven by an instinctive desire to be in control of their own destiny. This is sometimes at odds with what is going on in the modern world of human behaviour, technology and economics.

The level of power consumers currently have to set the agenda in interacting with brands is staggering, yet very little debate or effort is deployed into understanding what this really means.

The problem arrives when you list what interactive channels are now available. It looks very likely that this is just the beginning of a long period of interactive technology development, across a number of technical platforms, most of them using internet protocol as a base standard, and focusing specifically on users.

In the world of systems and software development when the problem at hand is one of dealing with diversity (apples versus pears versus bananas), the solution is usually found by discovering what the commonality between them all is. (Maybe it's that they are all fruit - or that they all have an 'a' in their name.)

The commonality that marketers need to find in this fast-moving world of interactivity lies not so much in the channels

or formats; the ultimate commonality is by definition the users themselves. It is, after all, consumers that create interaction, as opposed to simply passively absorbing communication.

Viewed from this perspective, the user being in control of the interaction seems to be one overriding commonality of successful interactive direct marketing.

Natural justice?

It would be easy to draw the conclusion that this was some form of natural justice in the world of advertising and marketing, a world where oppressed consumers throw off the shackles of the 30-second TV spot, the credit card mail piece or the charity mugger, and stand up for their rights and make their voices heard.

The answer is in fact even simpler.

The fundamental architecture of the internet is overwhelmingly user-focused at a technical level. The power of the internet is its gigantic ability to scale, but to control this feature users have to be able to control the flow of data that they require. This is the key difference between the old broadcast, analogue-based

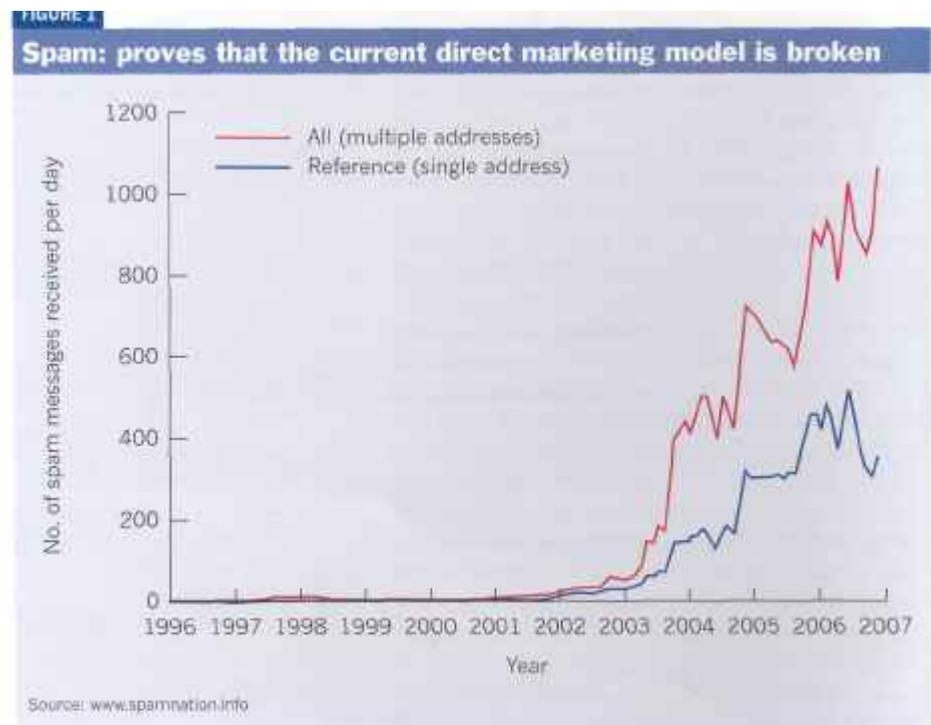
communication platforms and the newer digital ones.

Consumers have become used to this feature of technology, because they have grown used to the internet. They now expect to have more control in other areas, be it direct mail, promotions or advertising.

Data have to live somewhere. Data can be moved around, but cannot all be broadcast simultaneously because there is so much of it. If this were to happen the internet would grind to a halt, clogged with massive data-transfer and storage issues.

There are of course many examples of where this has been the case, where attempts to use the internet as a broadcast medium demonstrate this critical weakness. The obvious one is email. Spam is currently one of the key threats to the internet's growth as a global communication platform. Some sources think this problem has increased 100% in just the last six months (see Figure 1).

Emails are small amounts of data, normally just a few kilobytes. But as we get faster connections to the internet, now





Gray Sycamore is director of digital, Europe, at The Marketing Store. gray.sycamore@tmsw.com

also on mobile devices, the opportunity to send ever-larger chunks of data, and more often, now exists.

The response to all this spam has created even more issues. Spam filters, junk boxes, phishing detection and anti-malware programs all create the potential for legitimate communication being blocked.

Email was never a guaranteed delivery format; now it is even less so. Brands, as a result, are hesitant to use the medium. And quite rightly: the immense flaws of insensitive email and SMS marketing have annoyed consumers, made brands lose credibility and cost millions in downtime, bandwidth and storage. All this because unscrupulous marketers want to use the internet as a low-cost, low-value direct marketing tool, something for which it was never designed.

Increasing user control

Interactive technologies are becoming more user-controlled because technically they have to be.

The fact that this expresses itself in a kind of democratic, feel-good, user centric way is an indirect consequence. It perhaps might explain why the internet has grown so fast and why people like it so much. It is probably the first one-to-many communication technology that actually allows the user not only to control what happens but also to influence and create the context of the interaction itself.

The levels of user control of interactive marketing will only increase. Under the hype of 'Web 2.0' lies the reality of where direct marketing is going. Even a cursory look at the software and hardware strategies of leading technology players like Microsoft, Intel and Google indicates that the level of user control is about to increase dramatically, even in the next 12 months.

To ensure your brand message or experience gets to your target audience consistently without their specific approval will become close to impossible.

Take time to play around with Microsoft's live.com, dabble with YouTube's social networking features, subscribe to a

video podcast or see how technologies like AJAX allow you to define elements of an interactive experience. The commonality, over and over again, is that user control and specific user action are at the heart of the idea.

Such remarkable change in user behaviour, and on such a grand scale, defies comparison with the previous media distribution and consumption model that most marketing is built on.

Speed of change

However, looking at some of the changes occurring in marketing as technical and economic fact and not as some improbable political movement is not something the advertising industry feels generally comfortable with. Most of this comes down to the speed of change.

New media, formats and channels used to come out in nice, once-in-a-career increments. People got famous mastering one format and brands built marketing platforms around stable viewing figures and low-risk content.

The marketing industry is now facing new formats and channels coming out on a weekly basis. Most of these innovations have an interactive, user-centric and decentralised proposition driving them, and they rarely conform to the rules of the previous analogue generation of marketing communications.

It is an irreversible trend that is now gaining so much traction that there are not really any measurement criteria from the old analogue world that quantify what is going on in a marketing context.

This speed is unprecedented, the scale is yet to be realised and the implications cannot really be imagined.

So what to do?

Strategy? What strategy?

How can you build a strategy in a world where you exert ever-decreasing influence and control?

There is a train of thought in the advertising industry that goes something like this:

1. the internet is all about data (correct)
2. more and more people use the internet to consume a variety of communications,

formats and mediums, which all create user data (correct)

3. direct marketers can take all this data, analyse it, and create relevant and timely messaging that makes people buy into brands and products (yep, correct).

So where is the problem?

Normal people's lives do not revolve around marketing. Our idea as marketers of what is timely and relevant is not the same as our target audiences'.

Advances in database segmentation techniques, software and print techniques have developed dramatically in the past few years. Yet response rates haven't. The costs to deliver this level of sophistication are going up. The environmental concerns of producing and delivering print-based direct marketing are real - and will only increase these costs further.

This is not some conspiracy against the marketing industry. Like the technical reality that users control communication on the internet more than brands do, it's a simple fact that the economics of print-based direct marketing are no longer valid, with an exception perhaps for the local takeaway or minicab firm.

The sooner the marketing and advertising industry wakes up to the fact that the changes we see around us are long-term, >

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structural and irreversible, the sooner we can get back to delivering what brands really need: genuine, value-driven and user-centric communications that allow consumers to interact with brands on their own terms, safe in the knowledge that no Viagra will be offered to their eight-year-old daughter, and without wading through a mountain of irrelevant spam.

Trust or irrelevance?

Trust is explicit in any brand. Yet we take this trust for granted. We interact with customers on the basis of what we think is right, relevant and valuable, and then ignore that fact only half a per cent responded. Yet this model consumes the vast majority of marketing spend and is accepted as conventional wisdom. This conventional wisdom has become about as useful as a pricing gun in Poundland.

After the realisation that technology now allows consumers greater control, choice and flexibility in their media consumption comes the fact that the economics of direct marketing have altered radically in the last ten years. The cost of print production is increasing, as are delivery and distribution costs. Environmental legislation against printed direct marketing is now a matter of when, not if.

The real world has changed, and sadly the marketing world has not kept up.

The longer the necessary modernisation of the direct marketing industry

takes, the harder it will become to achieve what is required. The difficulty is that the many interactive formats and channels that are emerging are just a symptom of the underlying changes in user behaviour and economics. We cannot build effective strategies until we understand the root causes of the change, and being masters of email marketing, search engine optimisation or YouTube will only offer a short term fix until the next version of MySpace or the Xbox360 emerges in the not too distant future.

Most mass marketing and communication activity now has some form of technical element to its delivery. Yet marketers have always had to get on top of technical innovation to build effective brand communication around them. The first 20 years of TV advertising featured radio voiceovers written by radio copywriters, but how the picture element should be created and delivered had barely been thought about.

A mountain to climb

So marketers and brands will certainly get to a point where interactive marketing delivers what is required, where it enhances brands and brand experiences, and grows sales and loyalty. The question is when?

If the past ten years of interactive, consumer-based marketing have taught us one thing, it is that we have a mountain to climb to get to that end point.

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The current debate about the application of interactive channels needs to be focused away from the channels themselves, because that is becoming a very confusing debate, and back to the users of these channels.

How and why consumers interact with brands is a lot more relevant to understand than what interactive formats they actually use. Innovations in technology such as a wider adoption of XML and web services mean that creating cross-platform and cross-format direct and interactive marketing strategy has actually never been more straight-forward.

Possibly that is the supreme irony of the rise of interactive marketing: that it appeared to become much more complicated due to the increased volume of consumer choice of channel and format, but in fact behind the scenes it was actually becoming much simpler and cheaper. Therein lies the opportunity of interactive marketing for brands. By any benchmark, the value of a brand interaction that is positive outweighs the value of communication that is irrelevant or unwelcome. Add in the fact that it can be delivered at much lower cost, and the argument, in theory, is won.

One thing is for sure: delivering relevance and timeliness to consumers in an engaging and interactive way has never been more critical to marketing as a whole. The real question is when we actually start doing this, based on consumers' understanding of what this means.

If we do this, the realisation may come that the hard-to-measure world of single-direction, analogue and print-based communications is actually becoming a barrier to delivering effective direct marketing to consumers. •

More on interactive at WARC.com



Consumer control: the key difference between the old broadcast, analogue-based communication platforms and the newer digital ones is consumers' ability to control the flow of data that they require