

Case Studies on
Marketing New Vistas – Vol.I

Edited by

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OVERVIEW

Marketing is a process, which includes identifying the needs of the consumer and further includes product development, delivering products to the consumer and providing after-sales service.

The principles of marketing are applied by all-from the professional marketing manager to the layman. The marketing mix elements are essential to any marketing strategy. Whenever a business undergoes transformation due to changes in the environment, there is a need to revisit the marketing mix for more effective and successful marketing. With consumers becoming less responsive to traditional marketing due to variety of developments like better awareness about products, overexposure to advertising, lot of competitive products, changes in technology, consumer lifestyle etc. Marketers are compelled to find out new alternatives to existing marketing methods. Moreover, due to increasing pressure on marketing budgets and a greater demand on marketing management, marketers have to search for a more cost-effective way to communicate with their target markets than conventional marketing like media advertising.

According to many marketing experts, the traditional, brand-oriented advertising often called Above the Line (ATL) marketing is no longer the primary driver of consumer behaviour. Advertising agencies had so much commission from booking media for clients that the creative generation and actual production costs of making TV ads was free – hence above the line. Everything else they paid for and was therefore Below the Line (BTL).

Basically, if an advertisement is submitted to a publication and a commission is paid to an advertising agency to feature the piece, this is deemed to be ATL communication. If no commission has been paid, for example, in the case of a sales promotion, a trade exhibition or a sponsored sport event, etc., it is referred as BTL activity. BTL activity is broadly identified as non-media advertising. BTL marketing includes a wide variety of marketing mechanisms such as sales promotion, direct marketing, database marketing, affinity networking, event sponsorship and guerrilla marketing. It also includes trade fairs and exhibitions, direct marketing, event sponsorship, etc. It also includes less conventional alternatives to mass advertising such as communicating directly to a targeted list of prospects to maximise the response rate.

These methods serve as alternatives to conventional methods in various contexts and product measurable marketing results. The changing marketing environment has made the use of these methods increasingly more common and popular than ever before.

According to many experts, BTL has the power of understanding and responding to customers' needs. Besides it also facilitates two-way communication with the customer. This ensures that marketing delivers on its promise.

Marketing strategies whether ATL or BTL, are concerned with directing the customer's choice toward one's product/brand. However, in BTL, the focus is more on 'presence

marketing', i.e., being present in the conscious as well as the sub-conscious mind of the customer. Customer involvement outlines the essence of BTL marketing strategies. According to the observations, the shift from ATL to BTL spending is in part the result of changing consumer attitudes; more sophisticated consumers demand relevant messaging that engages them in a dialogue and which allows them to interact with the marketer through their preferred communication channels. At the same time, technology allows marketers to better target consumers.¹

One way marketers are trying to reach consumers is with multi-channel marketing. Many marketers find multi-channel campaigns are more effective and improve the performance of all channels.

Types of BTL Marketing Strategies

Sales Promotion

Various sales promotion techniques are employed for a pre-determined limited time, to increase consumer demand and stimulate market demand. These include price deals, loyalty rewards, price pack deals, discount coupons rebates, free samples, point-of-sale display, etc.

Direct Marketing

Direct Marketing encompass involves direct mails, e-mails, telemarketing, etc., that share a common attribute. Here, the results can be readily measured. One can send messages through e-mails, direct mails directly to the selected group of customers and once someone responds, the marketer can build relationship and gain his trust even more with follow-up messages and at essentially minimal cost. Many companies are using direct mail as an effective BTL marketing tool. Its major advantage is that the response is quick, it is cheaper, does not require much design time and is highly targeted.

Database Marketing is a form of direct marketing wherein a database of customers or prospective customers is maintained. The database usually has complete customer history or profile in terms of name, address, transactions made, etc., generated internally and/or a 'list' that is bought from professional database marketing firms for further prospecting. Database marketing thus organises a company's customer and prospect data so that it can be used more effectively in a direct marketing effort. The advantage of database marketing is its ability to target one's marketing efforts, which means specific groups in the marketing database get specific messages that are relevant to them. As a result, the organisation can focus and invest on customers who are most likely to buy and thus spend less on customers who are less likely to buy. The result is an increased return on marketing investment.

Guerrilla Marketing

Guerrilla Marketing is an unconventional way of performing promotional activities on a very low budget. Various unconventional guerrilla marketing forms are word-of-mouth

¹ Newcomb Kevin, "Marketing Spend Shifting to Below-the-line", <http://www.clickz.com/3579096>, January 23rd 2006

campaign, personal canvassing, personal meeting/marketing, advertisements in yellow pages, interactive urinal communicator, T-shirts, searchlights, brochures and handouts distributed at parking lots and homes, flags and banners, etc.

Affinity Networking

Affinity Networking or Affinity Marketing is the linking of individuals into networks around a concept in which they have a strong interest. Some relevant examples are those of Orkut, Social-motto, etc., that create an affinity network among people with common interests. Marketers can then target messages to such affinity groups.

Another concept related to affinity networking is the loyalty programme. In this, a loyalty card, reward card, point card or club card is issued to members or to regular users of the company's product. The card can be used for any commercial incentive programmes. Tesco provides club cards to its frequent customers. Similarly, the Lifestyle retail chain provides a lifetime membership card to all customers who make a purchase above a specified minimum amount, which enables them to avail discounts on future purchases.

Event Sponsorship and Trade Fairs

To sponsor something is to support an event, activity, etc., through the provision of finances, product or services. Sponsorship is done for promotional purposes, to generate publicity or to gain access to a wider audience. For example, through sponsoring World cup games, Olympics, tournaments, etc., organisations earn brand recognition and popularity.

Displaying products in trade fairs and exhibitions also provides ample opportunity of exposure to an organisation as visitors notice them. These provide a platform for the products to be in the conscious minds of the visitors.

Marketers started an innovative practice called Chisel Marketing, wherein the customer or potential customer is deceived and deprived of any financial or non-financial benefits, for promoting a product of the company. For example, some coaching and educational centres use photographs of their toppers for advertising and marketing their centre or institute. To be an ethic company, the customers should therefore, be well informed about such marketing and their consent should be of utmost importance, so that they feel privileged to be associated with a brand/organisation rather than thinking that they are being misused or exploited for a marketing gimmick.

Such innovative new marketing is becoming increasingly more attractive to marketers and of course to customers too, as it has the power of understanding what the consumer wants and responding to the same accordingly. Besides this, it also facilitates two-way communication with the customer.

This casebook enlightens such marketing new vistas with elusive examples of world class companies across industries. This would help to become an effective marketing leader.