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# Why The Advent Of New Age Media Has Lead to a Transformation For Marketing Communications

Just a mere decade ago, a majority of advertisers viewed the internet as uncharted territory - a gold mine with unimaginable potential just waiting to be mobilized and deployed. The influx of awareness has caused a stir in the marketing world as now, the internet is not simply seen as an advertising vehicle to generate quick responses but rather, a powerful platform that allows marketers to build brands, finetune value propositions and engage consumers. This evolution provides opportunities for a well-integrated resource allocation process - something that will also significantly inform marketer attitudes and trends moving forward. What we can expect to gain by the close of this paper is a better understanding of the factors that sway a marketing manager's decision when allocating communication budgets between traditional and digital media.

## Communication Objectives and Goals

Perhaps the most critical decision that weighs down many a marketing manager is how much to spend on promotion efforts. Given the size of the organization, the communication budget can range anywhere between a thousand dollars to a billion. This dichotomy is evident in companies like Ford and Procter and Gamble that spend over a billion dollars annually on product promotion, whereas local companies have a budget of a few millions to work with. The solution here lies in first determining whether the organization is looking to fulfil short- or long-term communication goals. These two approaches often work in tandem with one another as, without an effective short-term strategy, the business might not be around to see long-term goals come to fruition. Conversely, placing too much focus on short-term goals doesn't bode well for the company's future growth posture.

The benefits of traditional media shine through spectacularly when dealing with goals that require a long gestation period and reap gradual results. When it comes to newspapers, radio, magazines and direct mail marketing, there is often limited interaction between the consumers and the medium used, as these exist to dispense information to the public, rather than allow for feedback or engagement.

With digital media, quick and direct responses are made possible, effectively catering to short-term goals - such as selling a certain number of units over a few months. This is ideal when targeting consumers who have the intent to purchase but haven't yet pulled the trigger. However, they have a short period of time within which to convert. The marketer is able to see real time results and position the brand exactly the way they want it, as marketing occurs through the company's digital assets itself rather than those belonging to a third party (as seen in traditional advertising). All of these variables play a key role in determining exactly how the communication budget can be lucratively allocated.

## Market Segments - Demographic, Geographic and Behavioral Patterns

At the helm of any good marketing strategy is one resounding mantra - know your audience. It

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doesn't come as a surprise that consumers, especially millennials, are moving away from traditional media and embracing its digital counterparts. This development has forced marketers to adapt with the times and reevaluate their core marketing tactics. Buyer psychology is at the heart and soul of a good marketing campaign, namely, what is the exact process by which consumers make decisions and what influences these decisions. Additionally, where does the core demographic reside and how behavioural and income variables affect their ability to interact with the company's products - this is what marketers must decipher. The ensuing knowledge will go a long way to inform exactly how marketers can communicate with their audiences in the digital age.

Of course, that in no way insinuates that there is no value offered by traditional media. While the use of the latter is experiencing a decline, it isn't obsolete. A good marketing campaign employs the strengths of a single medium, a great one creates a synergy between traditional and online media by optimally leveraging the value offered by each one. These considerations give marketers ample fodder when deciding the communication budget.

## **Product Life Cycles**

One of the primary tasks of a marketing manager is to determine how the product's life cycle shapes its marketability. Tracking this information affords an understanding of its projected performance and profit margins. This is why the life cycle is an important ingredient in the marketing strategy as it helps refine marketing tactics accordingly at each of the four stages - introduction, growth, maturity and decline. Marketing strategies can be created to target any point in the sales funnel, whether the product is at the initial or mature phase. This is what allows for immense flexibility and enables the marketer to configure campaigns that truly resonate and engage.

Here's where it's equally important for the marketing manager to decide whether the communication budget has been optimally allocated or whether it needs tweaking. Traditional media is usually best optimized during the maturity phase when sales increase marginally or level off altogether. Whereas during the growth stage with digital media, products can be aptly differentiated from the competition while the marketer is able to keep a close eye on performance indicators and make quick and timely changes as and when necessary.

## **Price Points - Luxury vs Layman Products**

Deciding the price point of a product is tricky territory to navigate as a number of different factors have to be considered. Here, the marketer examines the value proposition of the product, namely, what problems does a potential buyer have and how can the product solve those problems? Understanding this information will help the marketer arrive at a competitive pricing strategy that is congruent with the value proposition. Gauging buyer personas and psychologies to gain a better grasp on how much potential consumers are willing to shell out for the product is also paramount to the equation.

Once a concrete pricing strategy is in place, a suitable marketing channel needs to be called upon. Trends suggest that digital media outrun traditional media in terms of overall media spending, however, television in particular, continues to be one of the most popular advertising gateways and still commands a large share of the budget amongst mass marketers. When it

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comes to high-end luxury products, perceived traits of exclusivity, quality and status are strongly implied therein. For a luxury consumer, buyer motivations stem from experience with the brand and whether or not it conveys that “just-for-me” feeling, irrespective of the price tag.

Conversely, layman products symbolize long-standing items that the public already understands. Because of the staggering competition in this market, there is a bottleneck point in differentiating the product to the consumers because of scores of other products also vying for the same attention. In this regard, the marketer is tasked with deciphering the ideal budgeting strategy between traditional and digital media. Traditional media offers proven techniques and significant success rates as well as tried and trusted metrics for measuring success. On the other hand, digital media is more cost-efficient and has unprecedented consumer reach. The success of the campaign ultimately rests upon eliciting lucrative conversions, whether selecting one or the other or using them combinatorially.

To conclude, the advent of new age media has led to a titanic transformation for marketing communications, the likes of which compelled marketing managers to segment their strategies optimally between traditional media and online media. In the midst of this paradigm shift, strategies revolving around communication budgets were also affected. The rise of technology and digital marketing tools have expanded targeting capabilities, coaxing marketers to rethink their antiquated strategies to take advantage of untapped markets.

When brainstorming marketing tactics, it has become increasingly evident that online and offline media cannot be siloed, but rather complement each other when merged. There are scores of factors that ultimately affect a marketer’s decision when allocating communication budgets. Communication goals, product life cycles, price points, ability to measure results and interact with the audience, and many other variables play a key role in the process. In summation, as we gain more and more insights into the impact of digital and traditional media on the consumer decision process, communication budgets will continue to be reshaped with time.