The role of New and Traditional Media in the Rapidly Changing Marketing Communications Environment

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Abstract: Marketing communications is undergoing what might be considered unprecedented change. As the growth in social and digital media continues, marketers have begun to shift more of their marketing communication budgets to these media at the expense of traditional media. We look at the rapidly changing media environment and discuss the role of digital and social media and how they are impacting the consumer decision process. We also provide evidence that traditional media are not dead and still play an important role in the integrated marketing communications programs of many companies.

Keywords: Digital Media, Social media, Integrated Marketing Communications, Traditional Media

1. Introduction

The worldwide media environment is undergoing unprecedented change. The rapid growth of the Internet, social media and mobile media now offer marketers a variety of options that just a few decades ago did not exist. Moreover, younger consumers in particular are reducing their use of traditional media such as newspapers, magazines and even television as they become more reliant on digital media. As a result, marketers have been forced to re-evaluate their media strategies and reconsider the process by consumers make decisions and the media that influence these decisions in order to more effectively communicate with consumers in the new digital age. At the same time, marketers must be careful not to over react in their adoption of the new media while ignoring traditional options. While the use of traditional media is clearly on the decline, they are not yet irrelevant, and may continue to offer value that cannot be gained from the exclusive use of the newer media options. In this paper we first re-examine the changing consumer decision process and how it is changing as a result of consumers increasing reliance on digital and social media. After doing so, we then consider if there is still a value offered by the use of traditional media. Suggestions for research that considers the impact of both forms of media and how they might work synergistically are also offered.
2. Rethinking the Consumer Decision Process

The rapid growth of digital and social media is impacting the way consumers make purchase decisions as well as the way marketers communicate with them. The traditional approach of developing IMC campaigns that rely heavily on advertising for mass media channels with the digital component as an add-on, and playing more of a supportive role, is changing. The consumer decision process is becoming an increasingly digital experience which requires marketers to rethink the consumer purchase journey. Hierarchical response models have dominated much of the theorizing, research and planning regarding how consumers respond to advertising and other IMC tools. For example, the hierarchy of effects and various purchase funnel models have dominated media planning and measurement tracking of advertising effectiveness for many years [1][2][3][4]. However, over the past decade the environment in which consumers evaluate brands and make purchase decisions has changed dramatically as digital content, particularly from social media and mobile, has become pervasive in our daily lives and is exerting a strong influence on consumer behaviour. With the advent of social networking tools and the availability of digital devices, such as smartphones and tablets, consumers are more empowered than ever before as they can access and retrieve information, connect with one another to share it, discuss products/services and brands, and interact with marketers more quickly and easily.

The digital revolution has impacted the accessibility of information for consumers as they have access to information 24/7 and have a myriad of options available for researching products/services and brands before making a purchase. Marketers are recognizing that the decision making process of consumers is now part of a continuous cycle rather than a discrete act that starts and stops and follows a traditional decision stage or response hierarchy model. Digital channels are profoundly changing the way consumers acquire information and interact with marketers with much of the control shifting away from marketers and into the fingertips of consumers.

A major study commissioned by the Advertising Research Foundation (ARF) examined how digital and social media are used in the purchase-decision process along with how and when consumers turn to them to help manage this process. One of the major findings of this study is “that consumers, in effect, are always on as they are constantly considering potential purchases and evaluating the various providers of products and services” and that they can be in both an active and passive shopping mode [5]. When they are in a “passive” shopping mode, the information and advice consumer need to make a purchase comes to them unsolicited, such as a comment from on a social media site; an ad seen on a TV show, in a magazine or on a web site; or by observing someone using a product or service. At other times consumers are in an “active” shopping mode whereby they are purposefully seeking information and/or assistance so they can make informed purchase decisions with confidence. Consumers in an active shopping mode may visit the web site of a company or brand, go to a search engine such as Google, visit a retail store, or have a conversation with a friend or associate (either online or in person).

Another important conclusion from this study, as well as research conducted by the McKinsey & Company’s Global Digital Marketing Strategy practice group, is that consumers do not make purchase decisions in the linear manner depicted by the traditional hierarchy of effects and purchase funnel models whereby they start at the wide of the funnel with many brands in mind and narrow them down to a final choice [6]. The research conducted by McKinsey, as well as the ARF study shows that consumers go through a much more iterative and less reductive process and that they can enter a purchase path at various points, depending on whether they
first engage with a brand, research a product or service, or hear about a product through their social networks.

Research conducted by Global media agency MEC, as part of its proprietary approach for understanding how consumers make purchase decisions to brand communications called Momentum, also views the purchase decision journey as a continuous cycle with four distinct stages: passive, trigger, active and purchase. They note how many marketers focus on the active stage when consumers are actually in the market for a product or service. However, their research shows that over half of consumers who purchased a product or service had a strong idea of which brand they would purchase before starting the buying process. These purchase predispositions or intentions were acquired during a passive stage when consumers are acquiring information from various online sources available through digital media as well as through traditional media. MEC refers to this as “Passive Stage Bias” and notes that when it is high, a brand is more likely to be in the evoked set and on the shopping list of the consumer when s/he moves into the active stage and the decision consumer decision journey is likely to be shorter. However, when Passive Stage Bias is low, information coming from social media platforms, blogs, word of mouth/mouse and other earned media will be more important as consumers may be looking for information to confirm or support purchase decisions made during the active stage.

It is also important to consider the triggers or factors that move a consumer from the passive to active stage. Brands with a high Passive Stage Bias want to be able to convert this bias when consumers move into the active stage and are ready to make a purchase. This conversion is easier to achieve when brands have a unique positioning and high amount of brand equity that associates them with a particular trigger and results in consumers following through on their purchase intentions. However, in the new digital world it is very possible that consumers can be exposed to more brands as the number of potential touch points increase through information received via social media.

David Edelman proposed a “consumer decision journey” framework for understanding how consumers interact with companies and brands during the purchase decision process which has four basic stages: consider, evaluate, buy, and enjoy-advocate-bond. This framework views the consumer decision making process as a winding journey with multiple feedback loops rather than a linear, single uniform path to purchase based on active shopping and influenced by marketer dominated and controlled touch points such as media advertising.

2.1. The Social Decision Journey

Recognizing the increasing importance and influence of social media on consumer behaviour, Edelman and his colleagues expanded the consumer decision journey framework to include social media. The Social Consumer Decision Journey framework recognizes that consumers connect with large number of brands through digital and social media channels that are often beyond the marketer’s or retailers control, evaluate a shifting array of them, and often expand the pool of brands under consideration before narrowing it. After a purchase, consumers may remain very engaged and publicly promote or disparage the products or services they have purchased, often through digital and social media. The McKinsey group notes that “social media is a unique component of the consumer decision journey: it’s the only form of marketing that can touch consumers at each and every stage, from when they’re pondering brands and products right through the period after a purchase, as their experience influences the brands they prefer and their potential advocacy influences others’.” Various digital and social media tools such as
YouTube, Pinterest, Twitter, Facebook, Instagram, Yelp and others can influence consumers at various stages of the decision journey.

The consumer decision journey framework has a number of implications for marketers as they develop their IMC programs. Edelman notes that instead of determining how to allocate spending across the various IMC tools such as various forms of media advertising, marketers should target stages in the decision journey. Marketers often spend a large percentage of their IMC budgets on advertising and sales promotion which are designed to influence consumers at the consider and buy stages. However, consumers may often be influenced more during the evaluate and enjoy-advocate-bond stages. For many consumers the most important incentive to buy may be another person’s advocacy or recommendation. He notes that it is also important for marketers to focus on the portion of their budget allocated to paid media and consider owned media that a brand controls (such as websites and Facebook and/or Twitter pages) as well as earned media (customer created content on blogs, forums, and social media platforms).

Some of the findings from the ARF commissioned study also are relevant to the role of social and digital media on the consumer decision journey. This study found that consumers like to tout their effectiveness and prowess as shoppers to others which means that marketers can leverage this desire by providing forums for consumers to share their stories and experiences with others. The study also found that much online activity occurs after products are purchased which points to an opportunity for marketers to develop a dialogue with consumers, engage them in discussions, and deepen their loyalty and affinity for their brands. The ARF study noted that the purchase journey of consumers varies by product or service category as high risk/involvement products having longer cycles than lower-risk/involvement products. It is also important to note that the ARF research indicates that brand perceptions and offline advertising are still important in driving consideration throughout the cycle. Thus it is important for marketers to build and maintain strong brands and be visible and pervasive throughout the decision journey. As noted earlier, traditional media still may play and very important role in the IMC programs of marketers in achieving this goal. We now turn our attention to the role of traditional media and the importance of not ignoring its role in the decision process.

3. Traditional Media-Not dead yet

While both digital and social media continue to significantly out gain traditional media in growth rates as a percentage of overall media spending, traditional media, particularly television, still maintain a larger share of the budget among mass marketers. A number of studies have indicated that this is not likely to change soon [1][12], as media budgets will increase to accommodate much of this spending, as opposed to just shifting media dollars from traditional to digital and social. A survey of media buyers indicates that television continues to remain the most popular advertising tool, although magazines, radio and newspapers did not fare as well. Thus, while traditional media are on the decline, the amount still being allocated to these media is still significant.

In addition to the budgetary factors, marketers must continue to recognize the importance various media play in the attainment of communications objectives. While studies cited earlier (among others) call for the reconsideration of the use of consumer funnels as a decision making framework, the fact remains that many companies continue to use these response hierarchies as a basis for communications planning. Indeed, studies have shown that traditional media are often more effective in achieving upper funnel objectives such as awareness and interest, as well as in driving search [13]. There is research indicating that consumers often see the brands on television and/or in magazines and newspapers and then proceed down through the funnel to consideration, intentions, and then purchase. The wide reach available through traditional media impacts top of the
funnel stages such as exposure, awareness and interest that might be much more difficult to achieve through non-traditional media.

For example, research has shown that as much as 67% of online search is driven by offline (traditional) media. Magazine ads (47.2%), newspapers (42.3%) and television (42.8%) are still effective in leading the consumer’s first exposure to products and/or brands, initiating the consumer decision process [14]. A recent Harris Interactive study showed that after personal recommendations, TV ads were the most commonly cited reason why consumers initiated a search for a product, while studies by Nielsen show that advertising combining television and the Internet increases effectiveness [15]. This may help explain at least part of the reason that after not advertising on the Super Bowl, companies like Pepsi and General Motors have returned to game. Other major marketers such as Estee Lauder, Unilever and Yum Brands have been increasing their spending on television advertising [16].

4. Metrics and Measuring Effectiveness

While expenditures in new media continue to increase, this growth may not be as rapid as expected as marketers are not yet certain as to how effective they are in impacting purchasing behaviour. At the same time, media buyers may feel more comfortable with their understanding of traditional metrics. At least one study has indicated that as many as 84% of marketing managers said that they may actually reduce expenditures in social and digital media in the coming year.[17] The primary reason cited was a lack of understanding as to whether these media were effective and/or the problems with the metrics used to indicate the same. Only a small number of these managers felt that social media metrics were useful to them in making media decisions. These marketers believe the most commonly used metrics such as website traffic, number of fans, number of mentions, likes and others do not provide a useful indication of effectiveness. The deepest measure cited by these media to indicate their effectiveness is most often engagement, which takes on different meanings in different vehicles (number of followers, comments, time spent on web page), while offering little consensus as to specifically what the engagement really means. Even with this broad interpretation, engagement with ads on Facebook is estimated to be only about 1%—not an encouraging result [18]. Linking to friends, number of followers and likes are the most commonly employed metrics in digital and social media, followed by sharing, forwarding, and re-tweeting. Less than 18% of managers using these media reported the use of more traditional media like brand awareness or attitude toward the brand measures [19].

As a result of the challenges of understanding how effective digital and social media are in driving consumers toward purchase, and the lack of agreed upon metrics for making this determination, many marketers are reluctant to move monies away from traditional media. In addition, many marketers believe that traditional media are still effective in assisting them in achieving their communications goals.

5. Implications for Research

The rapid growth of digital and social media and the changing environment in which consumers are making purchase decisions has a number of implications for consumer and integrated marketing communications research. More research is needed to understand how consumers consider and evaluate brands in this new information environment. Consideration needs to be given to the extent to which the myriad of information sources are being used and how they impact the consumer decision making process. Attention should also be given to MEC’s notion of passive stage bias, what determines whether it is high or low, and how it might be impacted by traditional versus social media. It would also be helpful to examine what happens during the active stage of the purchase process and whether the number of brands
under consideration expands as the number of digital and social media touch points increases. The idea that consumers are “always on” suggests that those who are very active and engaged with a product/service or brands through social media should have larger consideration sets than those who are less engaged.

An additional area deserving research attention is how consumer purchase journeys might vary by product or service category. Factors such as the level of consumer involvement, type and level of perceived risk (functional, psychosocial, physical, and financial) and product or service category should be considered as moderating variables that might impact the nature of the decision journey. Attention might also be given to how consumers update their mental models for a product or service category based on the various types and sources of information they receive. For example, do consumers make a distinction among various media in terms of the purpose they serve, the confidence they have in them and how they weigh information gathered from them while in the decision making process?

Attention also needs to be given to how consumers interact with brands after purchase and become advocates for them. The ARF study found that most online discussion and activity occurs after products were purchased, which suggests that research is needed regarding how consumers share their online experiences and their motivations for doing so. Many companies actively monitor online conversations about their company and/or brands on social media. This information might be analysed to determine how it reflects various contacts a customer has with a company or brand and to identify opportunities marketers might have to engage more effectively with consumers across the various stages of the decision journey.

Finally, attention must be given to rethinking how consumers move through the purchase process and whether it is necessary to develop alternatives to the linear manner depicted by the traditional hierarchy of effects and purchase funnel models. This research might focus on the points at which consumers enter the purchase process, the paths they pursue and how this is influenced by information received through traditional as well as digital and social media.

6. Conclusion

There is little doubt that the media environment has changed and will continue to do so and that marketers must embrace digital and social media. However, it is important that marketers still employ integrated marketing communications programs that include both digital as well as traditional media. For many companies, digital and social media have already become a major part of their media programs. However, marketers must be careful not to become too enamored with digital media at the expense of traditional media vehicles. Companies have already discovered that abandoning mass media can have detrimental effects on their communications program and some have even shifted media monies back to these traditional media such as television. Given the relatively short time period that we have had to analyse the effects of these new media, there are still many issues to be resolved. We are just beginning to understand the impact these new media have on the consumer decision making process and, as with traditional media, over time these studies will provide valuable insights that can be used to develop more effective media strategies.

As more insights are gained into the impact of digital and social media on the consumer decision process, it is critical that market practitioners and academics develop and utilize appropriate metrics and measures of effectiveness. Almost since the inception of the Internet, advocates of new media have ignored, minimized and even denigrated traditional media measures. Their attitude has been one of “it is a new game, and we will play by our rules”. Clearly, this has not worked in the past, and is not likely to work in the future, as astute marketing managers are skeptical of existing metrics and measures, and are hesitant to use them in developing their communications plans. It is time for academics to lead the path through research that examines both traditional and new measures of effectiveness. As has been the
case with traditional media, research is needed to develop valid and reliable effectiveness measures of how both forms of media impact the consumer. Until that time, we recommend proceeding with caution.

References


