



## Less is more

Highly targeted, low-cost marketing tools can be a boon for retailers whose ad spend is under severe pressure in the downturn. Ben Cooper explores how these alternatives can replace costly traditional campaigns

**T**he recession and resultant budget restrictions pose a dilemma for retail marketing teams. The first problem they face is that the cash simply isn't there to deliver the big-splash campaigns of previous years.

Last week a survey of 300 marketing professionals by the Institute of Practitioners in Advertising revealed that only 10 per cent said they were increasing marketing spend and 38 per cent said they would be making cuts. But at the same time, the need to be noticed and to grab that all-important market share is more important than ever.

So what should be done? Well, it is not necessarily the quandary that people might assume. There are ways of getting around this particular problem. A new breed of marketing tech-

niques has been quietly evolving over the past few years, which has now reached a level of sophistication that makes them genuine mainstream alternatives. The even better news is that they will generally cost a retailer's marketing teams less than the more traditional methods.

The main driving force behind several of these low-cost alternatives is technology – marketing teams are gradually realising the value in using innovations such as Bluetooth, social media and the iPhone that have flooded the market and caught consumers' imaginations in the past few years.

As Oasis managing director Sharon O'Connor says: "In the current economic climate, working smarter through the use of new technology is key. We're now

**"THE USE OF NEW TECHNOLOGY IS KEY. WE'RE NOW ABLE TO COMMUNICATE DIRECTLY AND IN A PROACTIVE MANNER WITH OUR CUSTOMERS"**

Sharon O'Connor, Oasis

able to communicate directly and in a proactive manner with our customers."

Before budgets became so badly squeezed, many such techniques were generally treated as an adjunct to the more traditional methods such as ad campaigns. But all that has now changed, says Al Scott, creative director of electronic media marketing company The Bright Place, which works with HMV.

"When spend wasn't a big deal and marketing like Bluetooth or social networking was quite new, it was seen as being the icing on the cake. Now businesses are being much more careful with their budgets. Internet spend is increasing to the detriment of traditional marketing spend."

And yet the apparent paradox of

many of these newer marketing techniques is that retailers are often using them to target fewer shoppers, rather than trying to reach as wide an audience as possible. And for the better, says My-wardrobe.com co-founder Andrew Curran.

"It's all about targeting fewer people, but the right people," he says. "We spend our time creating a lot of marketing campaigns that go to very select groups." The specific messages that the retailer creates are sent to as few as 200 or 300 people who My-wardrobe.com knows will respond positively to, for instance, new products that are now in stock.

**Talk's cheap, yet valuable**

One common trend with several of these low-cost marketing techniques is that they rely on word of mouth. However, one of the biggest mistakes retailers can make when it comes to the application of such techniques is thinking that they can get big results without investing much effort into a campaign, and that they can rely on the recipients to do the work for them.

Molly Flatt of word-of-mouth marketing agency 1000 Heads says: "The really good thing about word of mouth is the value, not the cheapness." She advises concentrating on key recipients and investing time in thinking who you can bring in to be true brand advocates.

Each of the low-cost strategies outlined here has both advantages and drawbacks, and retailers must think very carefully about who they are trying to target and what types of habits these shoppers have.

For instance, when using messaging via social media, John Scott Cothill, managing director of media marketing agency We Lead Marketing says: "It's no good diving in straight away. You have to sit back, watch and learn. Once the demographic of your consumer is understood and you know where they hang out online, now look at how they interact within the social network."

And while such techniques do not require the financial commitment of major, above-the-line marketing campaigns, they do require a time commitment because success is dependent on maintaining a close relationship with recipients.

The essence of this new generation of marketing techniques is that less is more. The more retailers can get to know their customers, the more they get into their mindset and, crucially, the bigger the rewards will be.

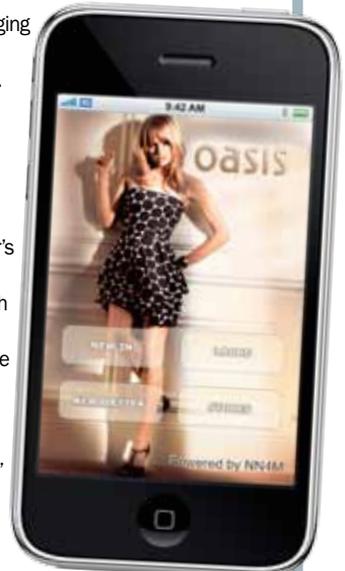
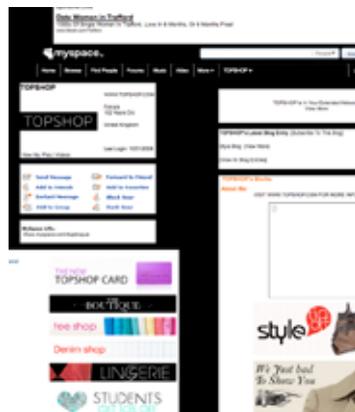
**MARKETING NEW TRICKS**

**Messaging via social networking media**

The rise of social networking has been a cultural phenomenon. Most retailers recognise the advertising opportunities that arise from the immense popularity of sites like MySpace, Facebook and Twitter, but social media is an equally valuable way of sending out specific messages regarding, for instance, new product ranges, Sales or store openings.

Retailers such as New Look and Topshop are particularly adept at this technique. However, retailers need to know their audience. Catriona Campbell, director of marketing optimisation consultancy Foviance, says: "Many retailers are aware of the benefits of the individual advertising on social media, but not on how the strategy ought to work for their brand depending on their consumer segment."

If retailers use the right type of messaging to engage with users rather than pitch to them, a genuine dialogue can be created.



**iPhone applications**

Two retailers to experiment in this space are Ocado and Oasis, and they are proving successful because such applications encourage a genuine relationship between the retailer and the user. The principle is to give shoppers easy access to your brand wherever they go. On the Oasis application, shoppers can watch clips from the retailer's latest ad campaign or find out information about their nearest store, for instance.

Ian Bates, creative director of direct marketing agency Entire, which has worked with retailers from JD Williams to Next Directory, says the secret of success is to provide maximum service. "You always have to give the customer as much as possible. People don't have limitless time and you have to earn the right to get their attention."

Oasis' application now has more than 6,000 global downloads. Oasis managing director Sharon O'Connor says: "Not only does the platform provide a new channel to market, the global appeal of the iPhone allows us to have a presence in new countries."



**Viral marketing**

Viral marketing is based around the idea of encouraging customers to use a range of media to spread the word for you. When done properly, retailers can plant a seed of an idea into a range of media, such as on their own website or on an email, and watch it spread simply because of its popularity. Friends and family emailed discounts are a commonly used example.

When My-wardrobe.com launched a menswear range in January it chose viral marketing to get the message across. The concept was a cheap as it was simple. A video was made of five men walking around London dressed only in shoes, socks, boxer shorts, bowler hats and t-shirts reading "Have you seen My-wardrobe.com?". Released on the website, co-founder Andrew Curran says the video spread rapidly, appearing on a number of other sites including You Tube, simply through user action. "The whole campaign cost £1,000 all in," says Curran.

**Bluetooth**

Sending out messages to customers via Bluetooth – a wireless method of sending data between devices – depends on the shopper already being in a retailer's store. The aim is not to bombard a customer with a sales pitch but to encourage interaction and relationship building.

HMV has conducted a trial into the use of Bluetooth over the past year. The entertainment retailer has installed touch-point Bluetooth kiosks in select stores where shoppers can browse for music videos and send them directly to their mobile phones for free. The Bright Place creative director Al Scott worked with HMV on the scheme. He says that after the initial costs it is a successful way to keep shoppers interested in your brand. "It encourages people to do repeat visits to the store and it also encourages them to spend more time there," he says.

