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New Study Signals Rough Times Ahead for Traditional Media

In its July 25 edition, *Newsweek* made a bold statement by actually proclaiming on its cover: "The Recession is Over!" Call me a skeptic but when the national unemployment rate is closing in on 10 percent, that kind of statement offers cold comfort—especially to marketers who participated in a recent Forrester study.

According to the research firm, 60 percent of marketers say they will decrease their traditional media budgets and allocate that revenue toward interactive marketing. Among the marketing channel casualties are direct mail, which 40 percent of marketers say they will cut from their budgets—followed by newspapers at 35 percent and magazines at 28 percent. Today, marketers are shifting their direct-mail dollars to a paperless method: e-mail marketing. In fact, e-mail marketing accounts for $1.25 billion in spending and it's predicted to rise by 11 percent.

Forrester Research finds that marketers plan to step up their spending with such interactive marketing channels as social media and mobile marketing over the next five years. Looking at the numbers this year, social media marketing expenditures have already reached the $716 million mark in 2009 and are expected to hit $3.11 billion by 2014.

For those of you who still think mobile is in its infancy stage, marketing expenditures began the year at $319 million and are forecast to increase to $1.27 billion over the next five years. Those numbers are quite sobering...don't you think?

Further, chief marketing officers say that 2009 spending on branding and advertising has been cut by two-thirds compared to their 2008 budgets. Why? According to Forrester, 19 percent say that they can't track its results, while 26 percent cite the same reason for chopping their TV, print, radio and magazine expenditures.

Doesn't this support the argument for trying DRTV or DR radio? I'm not saying that interactive marketing should be a last resort—on the contrary. I just think that rather than completely walking away from television, radio and print, marketers should look at ways to still utilize these mediums and be able to track their results. You would think that in 2009, this would be a no-brainer—especially when you continue to see Fortune 500 companies sing DR's praises.

Of course, when budgets are tightening each year, it's difficult to continually stress the virtues of multichannel marketing. But perhaps it's not so much that we're saying that your marketing dollars should go toward every channel, but it's important to understand that there is a place for both traditional and interactive marketing.

DRTV continues to be a viable medium. When paired with a sound social media strategy, it merits great potential. KitchenAid is a great example of that type of integration and innovation. DR radio, when combined with mobile marketing, can also be effective given the right product and marketing message.

Whether you believe that the recession has reached a turning point for the better or if you fear the worse is yet to come, one thing is for certain: as marketers, now is not the time to completely abandon traditional marketing in favor of interactive. There's certainly room for both. You just need to think carefully how you're going to weave the two together in order to get the most bang for your buck and get the results that are most desirable. eR

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