

Advertising in the Digital Age - Part One



What do
women
want?
*More from
you online!*

by Doug Knorr with Phil Callighan



Turn It Around

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Research shows that 44 percent of adult U.S. consumers have purchased home furnishings online.

The Internet has profoundly changed the way we live, the way we shop and the entire media landscape. We are firmly entrenched in a Digital Age where the consumer is empowered by the Internet to:

- Gain information at her convenience 24/7.
- Carry on communication and enter into transactions with other consumers, your store, other stores, your salespeople, your customer service staff and your delivery crew 24/7.

The Internet is global and a far faster communications tool than any you've used

before, but it's still essentially a distribution avenue for your brand message and promotions, like other communications media you already use. So, your company's main goal must be your brand promise. You must be able to differentiate yourself from others and offer value or you will fail.

In this first of a series on Advertising in the Digital Age, we'll take a look at why a click-and-brick strategy is important and what changes advertisers should consider. Future articles will address communication strategies retailers should employ outside of their own website (with

recommendations on the use of social media) and email strategies that can increase relevant communications with customers — while simultaneously reducing advertising costs.

The "Is It Home Yet?" advertising campaign, recently launched by leading furniture industry organizations (including The World Market Center and National Home Furnishings Association) to "unite and energize" the \$133-billion home furnishings industry, certainly acknowledged the impact of the Digital Age.

A news release said, "...The campaign is targeted toward the household's core furnishings decision maker — the 'Everywoman' — *who turns to the Internet as her number-one source for information about the home*, according to Market Research Insight data..." The release went on to explain that "...*The core of the national media campaign is an innovative digital program anchored by owning and designing the "Room Design" section of MSN's Lifestyle network, which will run from August 24 to September 30. A robust display and search program will run on MSN and several display advertising networks, and through Google AdWords platform.*"

Clearly, advertising in the Digital Age is different. The "Is It Home Yet?" campaign included very little print and no broadcast!

It's a fact. Today, nearly everyone in America has incorporated digital technology of some form into their life, whether you look at it by gender, age or race. Here are some stats if you're not convinced already:

According to the comScore World Metrix audience measurement service,

digital switches

The Microsoft Advertising, Ogilvy and MindShare report also listed some "digital switches" women were making. Among them:

Out with the Old:

Print Yellow Pages
Mailing Birthday Cards
Reading Newspaper
Gossip/nosy neighbor

In with the New:

Online Search
(Google, Yahoo, MSN)
Sending E-cards they can personalize
Subscribing to RSS feeds from Digg
Twitter, Facebook status, Zillow
(Real Estate site)

the Internet had more than one billion visitors in December 2008. Of those, 185.1 million were in North America.

The U.S. Hispanic Internet population is growing — in numbers, broadband

connections and time spent online. eMarketer estimates that this year there will be nearly 23 million Hispanics online — more than 50 percent of the U.S. Hispanic population. eMarketer also estimates that nearly half of



Affordable Furniture Manufacturing

Affordable Furniture's #1000 motion upholstery collection is designed on a grand scale with pub back, over-stuffed arms and pad-over chaise seating to deliver plush, sink-into comfort. All-steel mechanism with auto activator combines the ultimate in strength and durability with easy-open full reclining relaxation. Luxurious suede fabric is accentuated with extensive saddle stitching detail.

Affordable Furniture Manufacturing

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Affordable Furniture's motion #1000 upholstery collection was erroneously priced in the October issue of *Home Furnishings Retailer*. We regret the error and are glad to set the record straight

the African/American population — more than 19 million people — uses the Internet at least once a month, and in four years, 56 percent will be online.

Research has estimated that between 70 and 80 percent of U.S. adults have purchased online, and according to *Furniture/Today* and HGTV's 2009 Consumer Views Survey, 44 percent of adult U.S. consumers have purchased home furnishings online. Occasional tables, entertainment furniture and youth furniture are the leading furniture categories purchased online, followed by desks and master bedroom. Home accents, such as wall décor and area rugs, have higher purchase rates online.

Data shows that Generation X, currently aged 34 to 44 and numbering 44.5 million (16 percent of the U.S. population), is the number-one generation purchasing furniture online. Higher-income households, those with incomes of \$100,000 or more, are more likely than lower-income groups to purchase furniture online.

Women with children under age 18 at home make up nearly 16 percent of the total U.S. Internet user population, but they make up 40.6 percent of the adult U.S. female Internet user population. eMarketer estimates there are 34.3 million U.S. moms online in 2009, and that figure is

projected to rise to 36.1 million in 2013. These women are the key decision-makers for many family purchases, including furniture.

A report released in June, co-authored by Microsoft Advertising, Ogilvy and MindShare, said "Women are living in a very wired world, leading very wired lives — 75 percent of all women have TVs, digital cameras, DVD players, desktop computers, high-speed computers and mobile phones. "Increasingly, lines between work, family and treasured 'Me time' (for women) are blurred due to the digital world's 24/7 accessibility.

"Technology is fully integrated into almost every aspect of a woman's life —



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Jeff Child

2010 president of
National Home Furnishings Association

while she's at work, in her home and even when she's on the go racing from one activity to the next. She makes full use of TVs, HDTV, DVD players, DVRs/PVRs, digital cable, Wi-Fi, satellite radio, HD radio, MP3 players, portable game systems, handheld wireless devices, Web cameras, GPS devices and more."

According to Mindshare's MORE Annual Study of U.S. consumers, "At least 62 percent of all women multi-task while consuming any form of media (TV, radio, reading newspaper/ magazine, using the Internet and cell phone). Mothers, in particular, are gifted multi-taskers."

Kelley Murray Skoloda of the Ketchum agency wrote: "Even if today's woman appears to be relaxing in front of a late-night television show, reading a magazine in the pediatrician's office, or tackling a complicated analytical study at work, she is probably also thinking about and preparing for the other dimensions of her life. Perhaps she is weighing the benefits of her 401(k) plan, plotting out her organic vegetable garden, ticking off birthday party logistics, and longing for a neck massage."

Or planning a more grown-up room for her 'tween, a more comfortable family room, or a more pampering master bedroom?

From an advertiser's viewpoint, the Digital Age is characterized by a:

- Greater number of media choices, resulting in media fragmentation. "Mass" media does not provide the targeting available through search engine optimization, social media

Generation X, now aged 34 to 44 and numbering 44.5 million (16 percent of the U.S. population), is the number-one generation purchasing furniture online.

Higher-income households, those with incomes of \$100,000 or more, are more likely than lower-income groups to purchase furniture online.



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communities and blogs that have niche audience appeal.

- Higher incidence of multi-minding/multi-tasking women that do not devote full attention to any single medium at any given time. Greater connectivity. From cell phones and social media like Facebook and Mixx to blogs like Kirtsy and micro-blogs like Twitter, women can find and communicate with virtually anyone they choose 24/7. This applies especially to women under age 45.
- Greater sharing of information. From forwarding text messages to forwarding videos, it is easier to "share" what you like or don't like. Buzzwords like "viral advertising" or "viral marketing" are heard frequently referring to these self-replicating viral process techniques.
- A change in how advertisers use traditional "outbound" media such as newspapers and broadcast, as "inbound" audience listening/conversation media such as search engines, social media and blogs, begin to initiate stories and ideas.

Women with "little time for commercial messages" won't respond to the same old sales promotion message.

Catch her attention and provide "helpful information" she will value.

Changes advertisers must make in the digital age

- 1) You must have a robust website to connect with today's consumer. It must be rich in relevant content that will interest, help and perhaps amuse her. It must also be easy to navigate so she can find what she wants.
- 2) Multi-tasking creates creative challenges. Women with "little time for commercial messages" won't respond to the same old sales promotion message. Instead, catch her attention and provide "helpful information" that she will find interesting or useful. What exciting news, contest, entertainment or other angle can you use to attract her to your store? What problem can you solve for her?
- 3) Shift more of your advertising budget toward digital media such as search engines, social media sites and viral promotions that can attract customers. Search engines give you the ability to target online consumers searching for keywords that relate to your products with Pay-Per-Click advertising models. Social media communities and blogs are an emerging media whose advertising models are limited, but worth exploring. Viral promotions may take the form of video clips, interactive Flash games, e-books, software, images, or even text messages.
- 4) Don't abandon traditional media such as newspapers and broadcast. Use out

bound advertising to announce news, contests and yes, special offers and sales on merchandise to certain demographics.

What happens when traditional and digital media converge?

Dynamite! The film *Julie & Julia*, released to theaters in August, is a great illustration of the potential. The film is based on two true stories: Julia Child's story of her start in the cooking profession, intertwined with blogger Julie Powell's 2002 self-imposed challenge to cook all the recipes in Child's first book, *Mastering the Art of French Cooking*. Powell blogged nearly every day about her experience.

A writer in the *New York Times* read Powell's blog and wrote about her and her goal. Powell then received offers to write a book, which she did, and the book was turned into the film *Julie & Julia*.

On August 30, *Mastering the Art of French Cooking*, a nearly 48-year old cookbook, became No. 1 on the *New York Times* best-seller list in the "advice and how-to" category.

It was the infectious popularity of a blog (digital media) that attracted the attention of a newspaper writer (traditional media) who wrote about the woman and her blog.

The story in a newspaper (traditional media) so popularized the woman and her blog (digital media), that the blogger was awarded a book contract (traditional media), that was then turned into a movie (shown digitally, by the way) that led to re-popularizing an old book (traditional media).

The Internet has changed the way our American culture

communicates, how we are informed and how we are persuaded to buy things, and there's a place for traditional media as well. Harness the combined power for your store.

Your Website: new core of your advertising


The chief goal of your website is to attract consumers to visit your website and then persuade them to visit your store. To make the most of a "click and brick" strategy, you must: 1) attract visitors repeatedly, 2) capture each visitor's email address to enable connection and engagement, and 3) email promotional messages to segmented consumer groups in your database.

Implement each of these strategies effectively and you will find faster, less expensive, more powerful methods of

communicating with your customers and prospects.

Here's one more convergence. For detailed tactics you need to employ, review articles on the NHFA website (www.nhfa.org) under the "Previous Issues" of the *Home Furnishings Retailer* magazine or on our website, (www.knorrmarketing.com) by clicking on "Read Our Articles." The issues to review include:

- March 2009 – "Content is King of the Internet"
- April 2009 – "Drive Visitors to Your Website with Pay-Per-Click Strategies"
- May 2009 – "Raise Your Website Search-Engine Ranking"

Stay with us the next couple of months as we explore new, cost-effective online ways to connect with your customers and prospects and increase sales. 



34.3 million U.S. moms are online in 2009; **that figure is projected to rise to 36.1 million in 2013.**

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NHFA President 2010