

A Comparison Between Inbound and Outbound Marketing

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INTRODUCTION

Since the early 20th century, businesses have used marketing as a way to attract consumers and to persuade them to purchase their goods and services. Businesses do this by establishing product awareness among the populace by marketing in the form of advertisements. Once they have attracted their attention via advertisements, consumers may start to appear and browse for products in retail stores or websites. In terms of persuading those consumers to buy, businesses create value for their goods and services in order to satisfy the needs and wants of customers. Specifically, this is done by focusing on what consumers value the most, and then set to improve upon it, be it the lowering of prices or quality differentiation (Tanwar, 2013). Even after their products are successfully sold, businesses are keen on retaining the same customers to ensure repeat purchase. This is also known as the lifetime value of consumers, where a business is able to make a constant profit from a single consumer. All of these processes are made possible with the help of marketing, and advertising helps to make it happen.

One of the earliest forms of advertisement was in the form of newspapers being printed in England in the 19th century (Tudor, 1986). Back then, advertisements were printed on newspaper, and were mainly used to promote books, newspapers and medicines. Via this method, words regarding the arrival of a new product in the market would spread among the populace and those businesses have successfully garnered a number of new customers, leading to higher sales than before.

With the advent of technology, marketing has taken a new form. In addition to printing press, televisions and radios have begun to emerge, and advertisements on these mediums have become the norm for businesses. While expensive, these new methods have enabled businesses to reach a wider audience, and consumers are caught up by the visual effects of television and the verbal pleasantness of radio broadcasts.

However, advertising in televisions and radios are slowly becoming obsolete. Technology is one of the many aspects in society that rapidly advances and is constantly innovated. At the dawn of the 21st century, advertisements have further revolutionised into a new form, the digital media of the Internet. In fact, as time moves on, the number of Internet users are rising (Internet World Stats, 2018). The emphasis on the importance of the Internet has only grown, especially with more and more people are becoming digitally literate. Businesses who still rely on the old method of marketing have found themselves left behind.

Thus, it is the interest of this article to provide a clear outlook as to the differences between the old methods of outbound marketing and new the methods of inbound marketing. The article would also state the trends that are currently ongoing that is relevant to this change in marketing methods. It is also the purpose of this paper to argue that businesses everywhere should adopt the new methods of inbound marketing.

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BACKGROUND

Marketing as a topic has been thoroughly explored in literature throughout the decades (Houston, 1986; McNamara, 1972; Webster Jr, 1988). It is one of the many departments of any organisation that aims to promote products and services by advertisements, establish and improve public relations by reaching out to consumers, and enhance an organisation's public image. Organisations have been relying upon marketing techniques such informing on televisions and radios in order to persuade consumers to purchase their products.

As technology advances, so does the literature in marketing. More studies have begun to appear regarding a new form of marketing (Erdoğan & Cicek, 2012; Saravanakumar & SuganthaLakshmi, 2012; Stelzner, 2014; Zarrella, 2009). With the advent of programmable computers where information can be transferred quickly and freely, marketing has revolutionised into a new form, the digital form. Whereas the old methods include physical media that can be touched by hand, the new marketing techniques focus on the Internet as the new medium to advertise to the public.

The difference in public medium or media outlet in marketing has brought up a new question in literature; what are the differences between the old methods and new methods of marketing, and which method is more useful for organisations? Studies have classified the old methods as *outbound marketing* (Patruti-Baltes, 2016), while new methods are known as *inbound marketing* (Halligan & Shah, 2014). Researchers have referred outbound marketing as the informing and persuading the public to buy products by interrupting them, and by advertising on any physical medium such as televisions, radios, billboards, newspapers, direct mails, journals and magazines. Outbound marketing also involves the use of the Internet to advertise products, albeit in interruptive manners such as banner ads and website pop-ups. On the other hand, inbound marketing, refers to announcing useful and relevant content regarding organisations' products to consumers via the digital Internet. Social Media Marketing is a small portion of Inbound Marketing whereby products are advertised on Social Networks such as Facebook, Instagram and Twitter (De Vries, Gensler & Leeflang, 2012).

Because physical media have been in existence for a long time, there are many studies covering the topic surrounding outbound marketing for organisations. Before the Internet, organisations have always been relying on physical media as their main method of advertising their products (Bush, 2002; Farrelly, Hussin & Bauer, 2007). The term inbound marketing only existed after the appearance of the Internet, and due to this infancy, there are relatively few studies compared to outbound marketing. Organisations have only begun to embrace this new method of marketing.

A study to compare between the two methods of marketing had only begun to be explored (Ancin, 2018, Rancati, Codignola & Capatina, 2015). Most comparisons are being made informally on blogs and websites rather than on academic articles. Some studies argued that organisations must use the old methods of outbound marketing in order to attract consumers but these studies are decades old (Larkin, 1979). With the arrival of the Internet, outbound marketing has outlived its usefulness due to the rapid rise in the number of Internet users throughout the years. In addition, only a few studies have attempted to justify the importance of inbound marketing over outbound marketing, which brought about the inspiration for this paper.

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