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## Yes, Even Madonna Uses Outsourcing

By [Sameer Bhatia, Octane Technologies](#)

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Globally outsourcing pieces of your campaigns can be beneficial.

Let's skip the obvious. We all know that "outsourcing" is a powerful term with multiple meanings. It's no different in marketing than in other industries. Brands outsource marketing to agencies. Agencies outsource pieces of projects to freelancers, smaller agencies and new media companies. New media companies outsource their IT development, which lets them keep their new media "new."

These are all outsourcing practices that are very familiar. But what about the more recent phenomenon of offshore outsourcing? What does it mean for interactive marketers?

Regardless of where you sit in the marketing value chain, offshore outsourcing will fuel innovation and efficiency in interactive marketing in 2005 like never before. The following four cases provide examples of companies leveraging low-cost, offshore talent to deliver a successful marketing campaign.

**Mobile marketing.** We're all familiar with companies using SMS as a marketing tool. Whether it's to introduce a new album or to get voters to the polls, mobile marketing is a tool every company needs in its arsenal. Pushing a text message to a cell phone seems simple enough. But what happens when a human can help facilitate the customer response? That's when mobile marketers turn to live assistance. That's right, real human beings answering the phone!

Madonna promoted her most recent album to fans via an SMS blast to their cell phones. Consumers got the option of preordering her album by pushing "1" on their phones to connect to a live customer service representative who processed the order. In the past, such live assistance was cost-prohibitive. But by using an offshore call center, companies can add live operators to their mobile marketing campaign for less than half of what it cost before.

**Web marketing.** Outsourcing Web development to a reputable offshore team lets many more companies add an online component to their marketing strategy, something that previously was expensive and time consuming.

AT&T Wireless built its AT&T Wireless Photo Zone site to display consumer photos taken by street teams demonstrating the Sony Ericsson T68i Camera Phone. Reps roamed AT&T-sponsored events (sports, concerts and festivals) snapping pictures. Consumers got a code to download their photos. The campaign succeeded because of the rapid deployment of a

cost-effective, innovative Web-based application that managed the photos and codes.

**Celebrity marketing.** Branded entertainment is a rapidly evolving marketing sub-segment. Take the new clothing lines by Jennifer Lopez and Gwen Stefani, or the new perfume by Britney Spears. Celebrity-branded clothing lines are nothing new, but what happens when you infuse hot celebrity brands into the fast-moving wireless world? With a cost-effective offshore call center and software development facility at your fingertips, a lot can be done in a short timeframe and with a tight budget.

When "American Idol" and rap artist Jay-Z each decided to launch branded cell phones in Sam Goody stores nationwide, Musicland (which operates the Sam Goody retail chain) wanted a fully integrated wireless operation. When consumers walked into a store, employees called a Bangalore, India-based call center, whose specialists processed credit checks and navigated a detailed process to activate the phones on AT&T Wireless' network.

Jay-Z and "American Idol" call center agents were trained in American pop and hip-hop culture to serve callers appropriately. Agents even dressed the part for work. These college-educated, English-speaking employees answered all customer inquiries about the phones, explained benefits available to "American Idol" and Jay-Z fans and helped troubleshoot issues for existing customers. To serve callers, specialists used an intricate software system that interfaced seamlessly with AT&T Wireless' IT infrastructure. With a call center in Bangalore, software development facilities in Calcutta and a shipping facility in South Dakota, the project went truly global to deliver a successful celebrity marketing campaign.

**Advertising technology development.** All online marketing and ad campaigns use evolving ad serving, database and reporting tools. For marketers to ensure effectiveness and maximize ROI from their ad spend, these tools need to keep up with the latest interactive marketing techniques. Online advertising models have morphed from CPM-driven in the late 1990s to cost-per-action — or even cost-per-call — today. It is no surprise that most major U.S. companies leverage offshore talent to develop and maintain their interactive marketing tools.

Also, two myths involving offshoring must be understood. They are:

- Cultural differences with an offshore team will lessen a project's "creative" quality. This is false. Agencies typically dictate "creative" to their IT group, and the group follows orders. This process flow is no different when one with some U.S.-based senior management. Given India's huge entertainment industry, you can be sure that ad-savvy technology teams in India understand the power of mobile marketing, new media and celebrity-driven brands.
- Time differences will hinder productivity. This is also false. Hybrid onshore/offshore firms serve clients with senior executives and account managers residing and working in the United States. For "American Idol," all client communications were handled by a San Francisco-based product management team. This allowed for product development meetings during U.S. business hours, with most of the actual development being done while U.S. executives were sleeping, yet ready by the next morning. How's that for productivity?

*Sameer Bhatia is CEO of Octane Technologies, San Francisco. Reach him at [sameer@octanetech.com](mailto:sameer@octanetech.com).*

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