Your road to success

LEVEL 6
DIGITAL MARKETING
STRATEGY

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Contents

Using your study guide

Welcome to the study guide for **Level 6 Digital Marketing Strategy**, designed to support those completing their ABE Level 6 Diploma.

Below is an overview of the elements of learning and related key capabilities (taken from the published syllabus).

Element of learning	Key capabilities
Element 1: Trends and changes in digital marketing	• Ability to assess the digital marketing environment and identify opportunities for driving innovation *Analytical skills, analysis of models, critical reflection, ethical appreciation*
Element 2 – Digital consumer buying behaviour	• Ability to recognise the changing behaviour of digital customer buying behaviour and identify the stages of customer digital adoption • Ability to gather data for customer insights *Synthesis, planning, reflection, evaluation, analysis of models, critical reflection, evaluation*
Element 3 – Planning the digital marketing strategy	• Ability to identify and evaluate opportunities for digital innovation in relation to a marketing strategy and gaining competitive advantage • Ability to monitor, manage and measure the effectiveness of the digital marketing strategy *Critical thinking, problem solving, analytical skills, synthesis, planning, analysis of models, information retrieval*
Element 4 – The use of data in developing digital marketing strategies	• Awareness of the impact of data on digital marketing strategy and the ability to identify how innovation can be driven by new developments • Knowledge of how big data can be used to increase the effectiveness of a digital marketing strategy *Analytical, problem solving, planning, evaluation, reporting skills, mapping, analysis of models, numeracy*
Element 5 – New methods of planning digital marketing strategy	• Ability to justify the use of different tools and techniques for the successful implementation of a digital marketing strategy *Critical thinking, analytical, problem solving, problem posing, evaluation, decision-making, planning and implementing, reporting skills*

This study guide follows the order of the syllabus, which is the basis for your studies. Each chapter starts by listing the syllabus learning outcomes covered and the assessment criteria.

L6 descriptor

Knowledge descriptor (the holder...)	Skills descriptor (the holder can...)
• Has advanced practical, conceptual or technological knowledge and understanding of a subject or field of work to create ways forward in contexts where there are many interacting factors	• Determine, refine, adapt and use appropriate methods and advanced cognitive and practical skills to address problems that have limited definition and involve many interacting factors.
• Understands different perspectives, approaches or schools of thought and the theories that underpin them.	• Use and, where appropriate, design relevant research and development to inform actions.
• Can critically analyse, interpret and evaluate complex information, concepts and ideas.	• Evaluate actions, methods and results and their implications

The study guide includes a number of features to enhance your studies:

'Over to you': activities for you to complete, using the space provided.

Case studies: realistic business scenarios to reinforce and test your understanding of what you have read.

'Revision on the go': use your phone camera to capture these key pieces of learning, then save them on your phone to use as revision notes.

'Need to know': key pieces of information that are highlighted in the text.

Examples: illustrating points made in the text to show how it works in practice.

Tables, graphs and charts: to bring data to life.

Reading list: identifying resources for further study, including Emerald articles (which will be available in your online student resources).

Source/quotation information to cast further light on the subject from industry sources.

Highlighted words throughout denoting **glossary terms** located at the end of the study guide.

Note

Website addresses current as at November 2017.

Chapter 1

The Significance of Digital Marketing and Innovation

Introduction

The **marketing** environment continues to develop at a meteoric pace, largely driven by customers who demand always-on, superfast, intuitive and more exciting brand experiences. Clearly, the rate and type of development varies by country but changes can be seen almost everywhere.

In this chapter, you will explore the principles of strategic digital marketing set in the context of the changing behaviours of the contemporary customer.

You will assess how organisations of all types and in all markets need to adopt an entrepreneurial mindset and understand the imperative of digital transformation, and how organisations need to become digital by default.

Learning outcome

On completing the chapter, you will be able to:

1 **Critically assess the significance of digital marketing and innovation for an organisation**

Assessment criteria

1 **Critically assess the significance of digital marketing and innovation for an organisation**

    1.1   Critically evaluate the digital environment and the opportunities it provides in driving innovation

    1.2   Assess how digital has changed marketing thinking

Background

Traditionally, marketing is:

> " *the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential.* "
>
> Kotler (2012)[1]

Market disruption is becoming the new normal, with the likes of M-Pesa, 4Afrika and the Nomanini enterprise platform changing the shape of many markets to make customers' lives simpler, easier and cheaper.

New mobile app technologies are enabling customers to experience reality without leaving their screens. Pokémon Go, Google Cardboard and Samsung Gear have brought new and exciting capabilities in **virtual reality**.

1.1 The digital environment and the opportunities it provides in driving innovation

The "**internet of things**" is fast becoming the mainstream method of managing the home, with built-in smart technology so that people no longer need to worry about stocking the fridge with their favourite products or finding the TV remote control to programme Netflix.

The implication of this technology **sea change** for brands is that they now need to accelerate digital innovation and seek dramatically new marketing strategies capable of keeping pace with the competition, whilst creating authentic customer value. They must understand the new digital media landscape and how audiences like to consume content so that they can harness the power of new channels, platforms and technologies.

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1 Kotler, P. (2012), *Kotler on Marketing*. Simon & Schuster

🖋 OVER TO YOU

Activity 1: A more interconnected world

Think about how businesses and customers have changed the way they interact with each other since the beginning of the millennium. Describe the ways that you connect with different organisations and other consumers.

📄 CASE STUDY: THE TRUMP CAMPAIGN ADVERTISING

Running multiple iterations to hit the right note

Trump's 2016 presidential campaign had a digital operations division and a digital strategy aimed at fundraising, which generated US$275 million and expanded Trump's base of supporters.

At the beginning of the campaign Trump's team bought US$2 million dollars' worth of Facebook advertising. They used Facebook's "Custom Audiences from Customer Lists" feature to find the profile pages of known Trump supporters, and then used Facebook's "Lookalike Audiences" feature to find users who had expressed similar opinions and interests on their profiles to the known supporters. Ads were then targeted at these users based upon location, age, gender and their Facebook activity, targeting people based not just on demographics, but also on what they do on Facebook.

Over the course of the campaign, Trump's database (which he still controls) held data on 220 million people in America.

Facebook's "Brand Lift" survey was utilised to measure the results from the advertisements in terms of click-through activity. These advertisements were micro-targeted at different segments of voters and led to different webpages that the Trump team created with over 100,000 distinct pieces of content.

More traditional marketing methods were also used. However, when the Trump campaign sent out its first email marketing push, using data from the Republican Party, 60% of emails sent were blocked by spam filters.

Source: https://medium.com/startup-grind/how-the-trump-campaign-built-an-identity-database-and-used-facebook-ads-to-win-the-election-4ff7d24269ac

Outbound marketing vs inbound marketing

Until the late 1990s, marketing consisted predominately of **outbound marketing**, where marketing messages were broadcast to customers interrupting them by way of intrusive email, post and TV advertising. These marketing messages were easy to ignore. However, the launch of new search engines such as Google and MSN led to an evolution towards permission-based marketing that is focused on creating value for customers. **Inbound marketing** uses content that is of interest to customers in order to get their attention, and it has a lower **cost per lead**. This development is further supported by a push back from consumers against outbound marketing techniques and government regulation to allow people to get themselves removed from marketing lists.

> *Inbound marketing focuses on creating quality content that pulls people toward your company and product, where they naturally want to be. By aligning the content you publish with your customer's interests, you naturally attract inbound traffic that you can then convert, close and delight over time.*

HubSpot[2]

Search engine optimisation vs tracking

Search engine optimisation and the digital distribution of marketing content has meant that it is easy to analyse the results being delivered by digital marketing through real-time analytic dashboards, allowing successful marketing campaigns to be ramped up and unsuccessful campaigns to be pulled quickly. Traditional marketing relied on tracking, e.g. phone or email tracking that would attribute the response medium to a particular advertising piece. Understanding how successful a strategy was required a 30–90-day cycle of "track, test, tweak, repeat" to gauge success.

Social media vs traditional media

Since 2003 and the launch of social networks like LinkedIn and Myspace, social media has transformed the landscape of communication between business and potential customers. Social media offers businesses the opportunity to connect with real customers who are genuinely interested in the organisation's products or services. The expansive network of web users provides an opportunity to connect with customers on a personal level and communicate with customers directly.

E-commerce vs high street shopping

The introduction of the secure sockets layer (SSL) protocol in 1994 provided additional security that reduced users' concerns about shopping online on trusted websites. By the middle of the 2000s, **e-commerce** had advanced, with online e-commerce megastores demonstrating an "anything from anywhere" product and service offering that bricks-and-mortar businesses could not compete with. Better internet connections meant that people were able to browse and research products before making purchases, and the rise of online auction sites such as eBay meant that consumer-to-consumer marketing became significantly easier, with many online entrepreneurs beginning to threaten the dominance of traditional retailers.

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2 HubSpot (n.d.), *What is Inbound Marketing?* [online]. Retrieved from: www.hubspot.com/inbound-marketing [Accessed on: 16 October 2017]

Mobile vs desktop

The advent of the smartphone, better internet speeds, the growing availability of 3G and 4G, investment in mobile network coverage and Wi-Fi hotspots and the explosion of apps means that more than 94% of smartphone users are mobile internet users. Smartphone users not only search the internet using their devices, but they also buy products online, book tickets to events, stream videos and music and interact using their social media accounts. From a marketing perspective, having a successful app allows the company behind the app to engage with customers 24/7 and reach them directly in their inbox.

Personalised vs customised

As digital marketing and technology continue to develop, there is no doubt that **interactivity**, community development and a network of communication will be utilised to engage customers in a personalised experience. The use of algorithms means that it is possible to direct content to a customer that is tailored for them. This is more than an online version of a **mail merge**; the content, product and service can be marketed to the customer in a way that is unique to them. Technology has opened up new markets and radically disrupted existing ones. There is no doubt that as technology continues to evolve it will continue to disrupt the field of marketing.

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>
> **Activity 2: Digital trends for 2018**
>
> **Watch YouTube video "Digital Marketing Trends for 2018" at:**
> **www.youtube.com/watch?v=738KL13bAbg**
> **Write down your thoughts about what these trends suggest is happening in terms of changes in digital marketing and technology developments. Discuss your ideas with a study partner, if possible.**

Key digital developments available to an organisation

For organisations, the digital developments enable them to cultivate new channels online, establish their brand and communicate with their customer base across a number of digital and traditional channels. Mobile technology and social media have increased the opportunity for the organisation to engage with their customers in real time and develop meaningful interactions. The challenge for organisations is to respond to customers who will research options before making a purchase that suits their needs, and to be "found" and heard amidst the noise made by a myriad of competitors. In developing an integrated **multichannel** marketing strategy the organisation must consider new channels of retail and communication.

Retail

Online shopping is no longer a simple linear trip to the retailer's website. Today customers develop a loyalty to a variety of large retailers and online marketplaces such as Amazon or Alibaba. The complexity brought by digital developments, however, provides relief in the form of segmenting and targeting identified customer profiles via Facebook. The social media giant provides organisations with the means to sell products directly to customers who can purchase them with one click without ever having to leave their newsfeed. Using technology and data available on the web allows organisations to find customers and sell their products to the masses. Operationally, inventory and order management should stay the same to avoid customers getting confused or giving up if the purchase process is too complex.

Communication

Communication has always been important in marketing, but dialogue is becoming essential. Creating a great customer experience means that organisations must manage communication via email marketing campaigns, the e-commerce platform and social media engagement so that a customer conversation can flow seamlessly from one platform to another without losing the thread. Instead of focussing on communicating with customers at the point of sale, the focus should be on **touchpoints** and how these can be enhanced to interact with each other. **Big data** allows organisations to improve **personalisation** of messages to enhance the customer's experience.

However, the line between engaging with customers and interrupting their online experience is a thin one. Google recently announced that websites using **pop-ups** and **overlays**, which prevent people from reading content, will be penalised with lower **search rankings**. Users are also taking control of intrusive marketing by using ad blockers and disabling AutoPlay videos.

The development of **360° video**, **augmented reality** and immersive experiences provide organisations with an opportunity to communicate with their customers in interesting and innovative ways.

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Activity 3: Interesting and innovative communications

Review the following digital marketing campaigns:

- **Unbelievable Bus Shelter – Pepsi Max at:**
  www.youtube.com/watch?v=Go9rf9GmYpM

- **Snapchat – Mission Impossible Rogue Nation at:**
  www.youtube.com/watch?v=rPxfwd1qpJs&feature=youtu.be

- **Van Gogh BNB – Art Institute of Chicago at:**
  www.youtube.com/watch?v=oyJQNuAppE8

How do digital marketing developments like the examples above enhance communication in a way that first-generation digital marketing techniques such as banner advertising and email marketing do not? Discuss with a study partner, if possible.
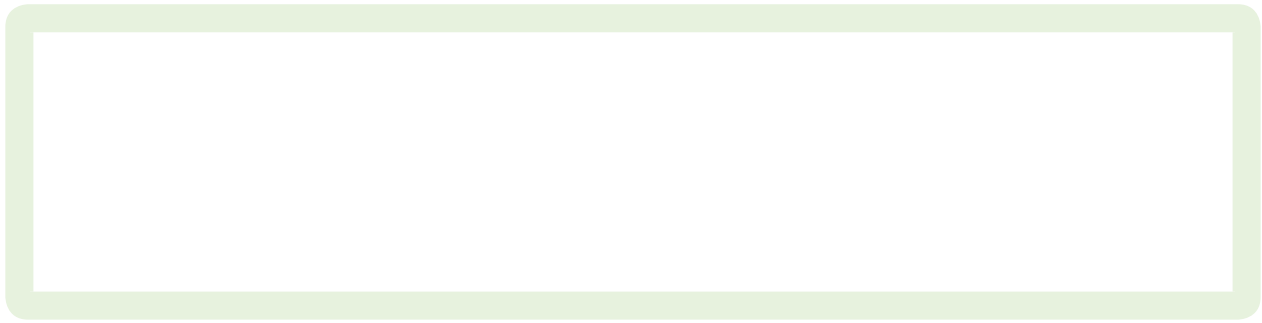
Media

Media in marketing refers to the medium through which marketing messages are transmitted. In terms of mass communication this collectively refers to broadcasting, publishing and the internet. Each of these media channels are experiencing digital developments.

Broadcasting

A new generation of immersive technology such as virtual reality (VR), augmented reality (AR) and 360° video are key trends that emerged in 2016. Developments such as Oculus Rift, HTC's Vive and Microsoft's HoloLens enable virtual reality to become more affordable to a wider demographic. However, whether these technologies will suffer the same fate as 3D television will depend on whether momentum continues and more content is developed. Film and TV content is transitioning from being delivered on physical hardware such as DVDs to being available to download digitally or to stream online from **over-the-top** providers, such as Netflix and Amazon Video. Better-quality television screens, cloud-based services and high-bitrate media are contributing to the evolution of deployment flexibility. The challenge is to leverage these developments to deliver better organisational outcomes and customer experiences.

Publishing

For years, organisations have rushed to develop content to the point where it could be argued that customers are now being overwhelmed by the amount of information available. The assumption that people have time to find and to pay attention to the abundance of available marketing content is naïve.

> " *The current breakneck rate of media means that we're saturated and our attention is limited. Grabbing meaningful attention is the greatest challenge.* "
>
> *Tom Goodwin (2017)[3]*

Perhaps the biggest challenge for publishing media is what sits within this category. Defining a publication as a book, newspaper or magazine is no longer about print or digital formats. People now access published media in the same way they access television and the internet. One shift that has occurred is that as newspaper circulation has dwindled the news agencies have replaced free content with subscriber services. Most major newspapers now require individuals to subscribe to gain access to their content, but the customer expects a multimedia experience, with video, interactivity and personalisation all playing a part. The immediacy of information is also driving a fast news cycle, which puts pressure on publishers to update content in real time and provide live feeds on big events.

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3 Thorpe, E. K. (2017), "*10 media trends for 2017 and beyond*" [online]. Retrieved from: https://www.themediabriefing.com/article/10-media-trends-for-2017-and-beyond [Accessed on: 13 October 2017].

In book publishing, the e-book market has flattened. Despite doomsday predictions, print books still remain the most popular format, although the convenience of mobile devices has made reading digital content more accessible. Independent bookstores and self-publishing are beginning to reclaim and improve their market share, although the quantity-over-quality issue with low-cost e-books continues to be pervasive.

Internet

Internet usage and online advertising is being driven by growth in mobile platforms. A key trend is the improvement in big data and **dashboard tools** to help marketers personalise online adverts to target specific demographics. This data is also exposing ineffective advertising, helping to ensure that digital marketing can place the right advertisement in the right place at the right time. The focus is continuing to shift towards inbound marketing, driving positive interactions with customers. Marketing activity is focusing on incentive-based and in-app video advertising in response to the use of ad-blockers. Search functionality is also changing, with a switch to focusing on technology that allows users to search using pictures and their voice instead of keywords.

The internet of things is, however, the biggest digital development, connecting previously unconnected everyday objects to the internet. For example, supermarket fridges connected to the internet can automatically order new stock when they are running low, and it is possible for home-owners to control their central heating remotely using their mobile phones. Whether it is buildings, transport or physical objects, embedding network connectivity expands the internet beyond devices into a cyber-physical mix of automated hardware, software and data products and services.

✏️ OVER TO YOU

Activity 4: The internet of things

Driverless cars are the subject of a number of debates about putting human safety into the care of artificial intelligence. This raises ethical questions about how digital devices will be programmed to respond to moral dilemmas, e.g. sacrificing the few for the sake of the many.

- **What are the ethical issues that you can identify with the internet of things?**
- **How do you think these ethical issues can be resolved?**

Key consumer trends

Consumers are becoming more demanding, and if organisations do not engage with customers in the right way, at the right time, in the right context, then they will quickly move to a competitor. The focus, therefore, is switching from customer acquisition to customer retention and loyalty.

Social-Local-Mobile – SoLoMo

SoLoMo is a marketing term which refers to the combination of social media, location-based and mobile "on-the-go" technologies, and it brings together the key consumer trends that are influencing digital marketing strategies and innovation. It relates to how consumers gather information about products and services through social networks and use their smartphones or other mobile devices to search locally or to call local businesses while on the move. For example, an individual may be in a city centre and decide they can be eating out for dinner. They can search for local restaurants, check reviews and make a booking for a table all from their smartphone.

> " *Consumers can be regarded as a social community to quickly and efficiently promote a product through their social interaction only if marketers take good care of the structural, relational, and cognitive dimensions of social capital.* "

Ya-Ching (2016)[4]

The implications of the SoLoMo consumer trend, where consumers have access to information about an organisation's products or services in the palm of their hand, coupled with the growth of local-based services, is that the consumer is empowered to collaborate and co-create their customer experience in real time.

The developments in digital technology have evolved the way that consumers use technology. It is no longer about separating online activity from real life. Digital technology means that online is integrated into every part of an individual's personal, work and social everyday life. Sharing technology is the centre of our day-to-day interaction and activity. For example:

- collaborating on a project;
- buying the weekly groceries;
- writing a blog;
- sharing knowledge with study partners;
- watching a film;
- streaming music;
- learning via an online course;
- using Skype to speak to family and friends;
- sharing an experience using live video.

> " *Consumers are becoming better informed, better connected, more communicative, and more in control than ever* "

Julian Smith (2017)[5]

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4 Ya-Ching, Lee (2016), "Determinants of effective SoLoMo advertising from the perspective of social capital", *Aslib Journal of Information Management*, Vol. 68, Issue: 3, pp. 326–346

5 Ryan, D. (2017), *Understanding Digital Marketing: Marketing strategies for engaging the digital generation*. Kogan Page

Mobile

The results of this trend mean that the digital marketer needs to ensure that the organisation's online presence is mobile friendly, offers easy navigation to key content which grabs the attention of consumers instantly and is easy to scroll through. It also means that the organisation cannot ignore social media and must use social media platforms to connect with current and future customers.

Personalisation

Smartphone technology has collated accurate information about what individuals are doing with their time on a variety of social media apps, with GPS technology to help browser-based searches deliver location and personalisation-based results. The result is that the technology can be used to increase knowledge about who the consumer is and what they want. This improves the effectiveness of digital marketing. Identity data provides the digital marketer with the necessary information to engage with consumers in the moment through a variety of communication channels.

Consumer demand for better customer experience means that digital marketers are looking for new ways to develop customer relationships and improve customer experience. Delivering a personalised experience and content is a customer-centric approach focused on keeping customers and using **customer insights** to foster loyalty and ensure messaging is relevant. For example, an airline might send a text message to a customer apologising for a flight delay as soon as it is announced.

✏️ OVER TO YOU

Activity 5: Rewarding experience

Consider your interaction with various brands and organisations as a consumer. What loyalty programmes and personalised offers have you taken advantage of? List them below. Review how each programme and offer has impacted your loyalty to the organisation.

1.2 How digital has changed marketing thinking

Digital marketing and big data provides organisations with a wealth of information about their customers and their buying habits, which has not been available before. Digital technology allows marketers to create and manage a database, which enables them to segment and target customers with a greater level of precision than at any other point in marketing history. As a result, marketers have a wide range of communication channels available to reach out to customers based upon the customers' preferences and needs. The ability to bridge the gap between digital and traditional marketing channels and develop a richer customer experience and interactive brand experience requires an understanding of how digital technology has changed marketing thinking.

Opportunities for competitive advantage

Competitive advantage relates to the advantage that an organisation can gain by delivering greater added value to the consumer than its competitors can give. Porter suggested that there were four generic business strategies that an organisation could adopt to achieve competitive advantage.

1 **Cost leadership** – the organisation achieves competitive advantage by becoming the lowest-cost producer in the marketplace.

2 **Cost focus** – lower-cost advantage is pursued in specific market segments, often providing a cheap version of a brand leader.

3 **Differentiation focus** – the organisation differentiates its product or service in a targeted market segment that better meets the needs and wants of the consumer. Niche market segmentation is often focused on specialist or expertise products, which add value for customers.

4 **Differentiation leadership** – this positions the organisation as an industry leader offering branded products and services that are perceived as high quality, that support brand loyalty and are widely available, with consistent promotional support.

Source: Adapted from Porter (1980)

Figure 1: Porter's generic strategies
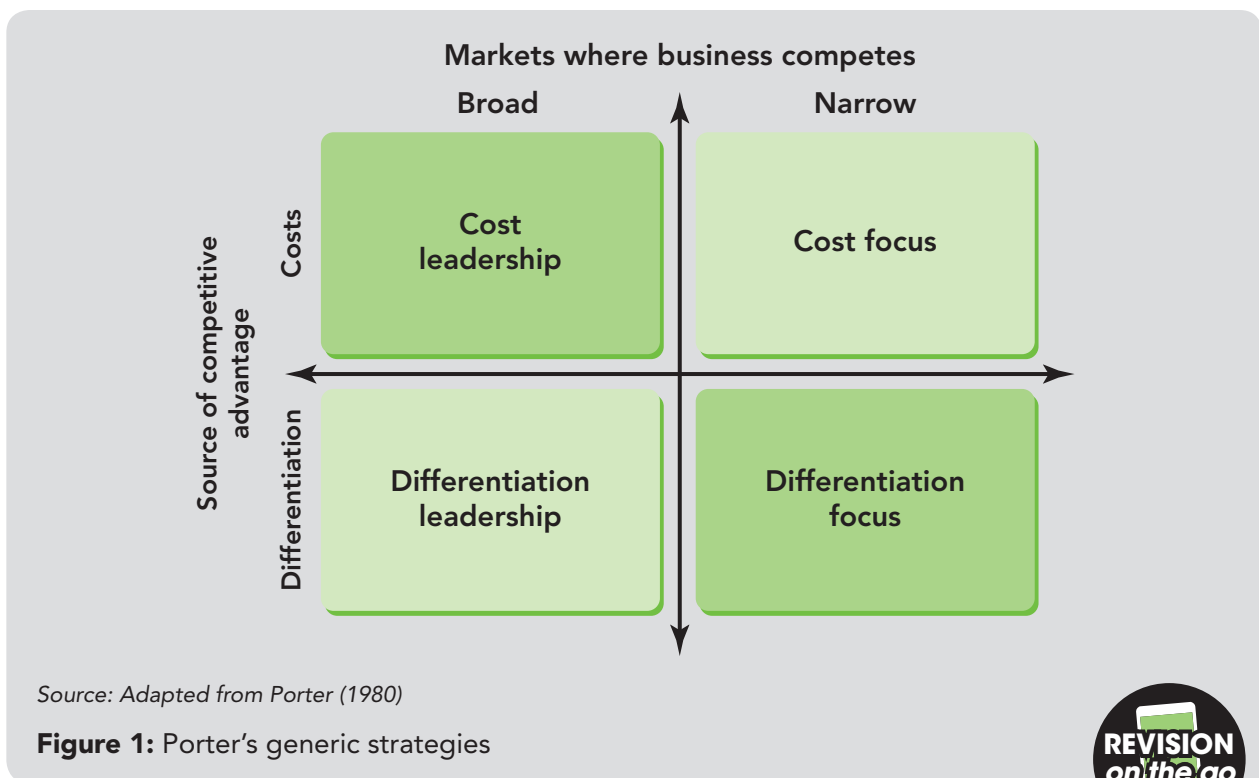
Competitive advantage requires the organisation to create a difference between itself and its competitors in order to achieve a favourable market position. Just because an organisation has competitive advantage does not mean that it will be maintained, since competitors will respond in order to advance their position, and a continual cycle of advance and transformation will occur.

Digital technology is driving transformation at a faster rate, resulting in a more dynamic competitive environment. Shifting business designs, which transcend the digital and physical worlds, are causing market disruption. Innovation from new entrants transforms not just how organisations operate, but also the foundation of the industry.

Digital technology provides the opportunity for innovation in products and services such as the development of electronic versions of physical products; for example, reading e-books compared to reading physical books, or e-commerce, buying your groceries online to be delivered rather than grocery shopping in a physical store. But the transformation goes beyond that. Innovation can completely disrupt markets because the way in which products and services are delivered innovates the products or services into a completely new paradigm – for example, the impact that Uber has had on taxi services across the world.

Therefore, competitive advantage can be won not just by advancing product or service design to be better than what competitors are doing, but also by transforming how the customer accesses and uses a product or service. For example, on-demand television services have been around for years, and the quality of television programmes has been improving as new entrants such as Amazon and Netflix have begun to take market share from traditional broadcasters. However, the biggest change is that customers are no longer restricted to accessing TV services in their living room at home – they are now able to watch TV from any location on any device.

📄 CASE STUDY: HOW THE INTERNET CHANGED THE MUSIC INDUSTRY

From vinyl to digital

The internet has made it possible for artists and music producers to offer their customers music in a more convenient and affordable format.

1980 – At the beginning of the decade, the music market was dominated by the vinyl LP, and there was a growing interest in cassettes with the introduction of the Sony Walkman in 1985.

1983 – Optical digital recording and playback processes were available as early as 1965, but it was only in 1983 that CD players and discs became available. By the end of the decade, CDs dominated the music market and the LP had all but disappeared. At its peak in 1999, 90–95% of music was sold on CDs.

1998 – MP3 technology was developed, and the first portable solid state digital audio player was developed.

1999 – The first peer-to-peer (p2p) file-sharing network, Napster, allowed people to share music for free. This led to a huge decline in music sales, with internet users consuming an estimated US$20 billion of digitally pirated music annually. The music industry responded by suing Napster and this led to Napster's demise.

2000 – Online music stores and subscription streaming services began in earnest. Pandora (2000), iTunes (2001), Spotify (2006), Slacker (2007) and SoundCloud (2007) were all established in the first decade of the millennium. Within a decade they had hundreds of millions of users and billions in revenue.
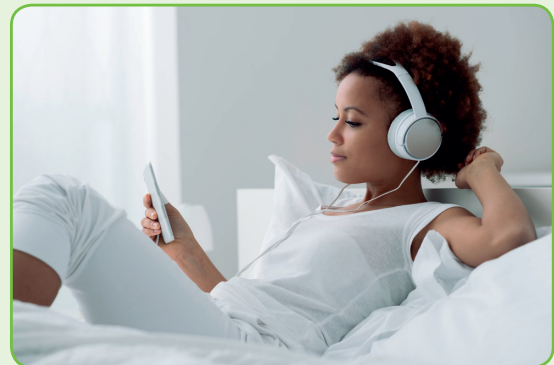
2004 – The first download album and single was introduced.

2006 – Mobile music downloads began.

2014 – Revenue from digital channels equalled that of physical-format sales.

2017 – Access to music became more important to customers than owning it. Download sales were declining faster than physical sales, although vinyl sales remained resilient and CDs were still important. However, limitless music libraries, mobile technology, easy-to-use apps and good access to the internet meant that streaming accounted for around one-third of sales. The problem for the music industry was that revenue continued to decline as streaming earned companies a fraction of what it earned from CD sales.

Source: Adapted from Prentice (2014)
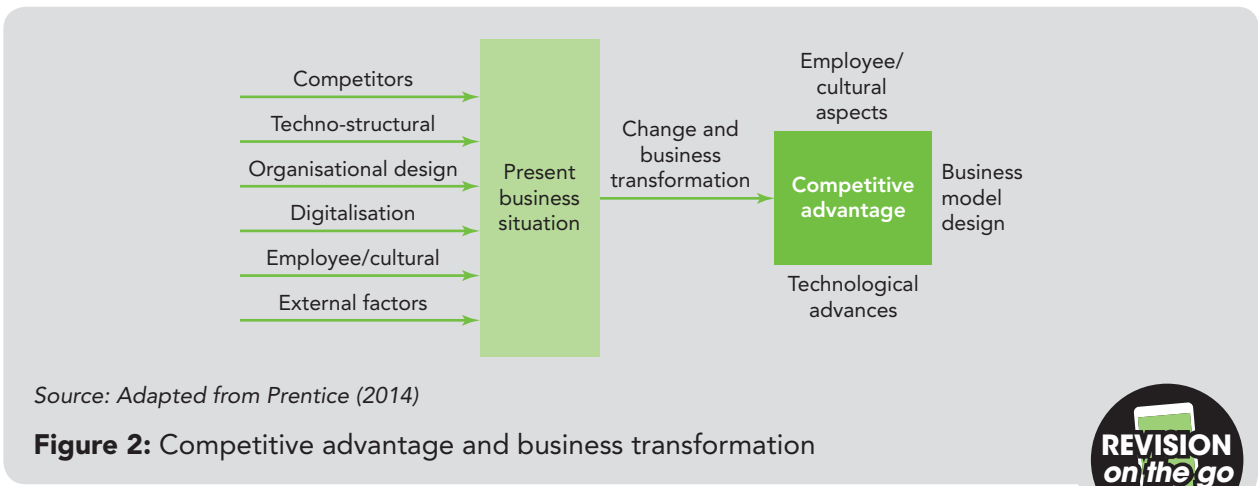
Figure 2: Competitive advantage and business transformation

OVER TO YOU

Activity 6: Achieving competitive advantage

Review an industry with which you are familiar. What are the digital transformations that are providing organisations with the opportunity for competitive advantage through innovation?

The way that brands interact and engage

Brands are important to organisations because they represent the trust that customers have in a product or service, and held within that is the reputation of the organisation. From a customer decision-making perspective, brands provide a shortcut to purchasing decisions.

But what worked in brand marketing before digital technology became so pervasive rarely holds true today, as technology impacts on the way that brands interact and engage with customers on an individual level. Previously, branding was based upon concepts of brand positioning, but as organisations have discovered, it is customers who now drive markets, changing the context and role of brands within them.

There are four trends that are impacting upon brand interaction.

- **"Right now" timing** – customers expect immediacy in their interactions. Real-time response from customers can kill a brand campaign before it has even started.

- **The story of the brand has become redundant** – the focus is on what is happening now rather than the story behind it.

- **No escape from mistakes** – increased interactivity means that if brands are not delivering and products and services are not performing then the organisation cannot hide customer complaints in the complaints department. Customers will provide feedback where their review will be seen.

- **Big data** – data enables marketing platforms to actively interact with their customers. This goes beyond giving a brand a personality and demands that brands are personable.

✎ OVER TO YOU

Activity 7: Learning from brand faux pas

Identify any digital marketing campaigns that have gone wrong for brands with which you are familiar.

What went wrong and why? Give reasons for your answer.

What impact did the digital marketing failure have on the organisation?

Consumer media consumptions

The rapid dissemination of content on the internet had catastrophic effects on print media, and as a result advertisement revenue dropped dramatically as organisations realised that their marketing efforts would not effectively reach their target audience. The traditional approach of buying advertising space in relevant magazines or sections of the newspaper has declined on a large scale.

As advertising spend migrated to the internet, **click-bait** websites developed. The content of the websites was dubious, but playing the system to target keywords and phrases became more important than hosting valuable content. Advertising was bought using automated buying programmes which decoupled the advertiser from the content, meaning an organisation's advertising could support websites that they may not wish to have an association with.

Paid streaming services like Netflix are disrupting TV advertising space, making it difficult for advertisers to reach their audience. Unlike commercial TV channels, subscriber-based streaming services do not need advertising to support the development of content. Radio advertising space is also being impacted as listeners have begun streaming music on their mobile devices rather than listening to radio stations.

The net effect of these changes is that consumers are increasingly paying for content and are becoming selective about what source they receive it from. In turn, advertisers, particular large companies, are running out of advertising platforms that can support scalable traditional advertising campaigns for a broad audience. Advertisers are therefore developing campaigns that are more targeted, with multiple iterations on social media, to broadcast their product and service messaging. This move benefits smaller organisations and new entrants who are disrupting traditional markets.

Media buying

When advertisers buy media, the focus is on what results the advertising will deliver for the organisation and ensuring that the organisation achieves the best deal it can for the marketing spend on advertising. However, budgets have not increased in line with the number of additional, almost unlimited, media channels and the new mediums with which to engage with customers.

> **"** *The real stars are the ones who can balance a passion for technology, data, fashion and creativity at the same time.* **"**
>
> *Lisa Bridgett (2014)[6]*

A balance therefore needs to be struck between investing in new digital marketing channels and maintaining traditional channels. Recent trends appear to indicate that many organisations are moving media-buying in-house as they take advantage of programmatic real-time advertising buying, where online advertising buying is automated and responds to the need for speed and relevancy.

READING LIST

- Taken Smith, K. (2012), "Longitudinal study of digital marketing strategies targeting Millennials", *Journal of Consumer Marketing*, Vol. 29, Issue 2, pp. 86–92. (This article will be available in your online student resources.)

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6 Benady, D. (2014) "*How technology is changing marketing*" [online]. Retrieved from: https://www.theguardian.com/media-network/media-network-blog/2014/sep/29/technology-changing-marketing-digital-media [Accessed on: 13 October 2017]

Summary

Digital marketing seeks to create demand using the internet. Advances and innovations in interactive digital tools is making it easier to conduct commercial activities and satisfy the desire by customers for connection, interaction and value. The role that interactivity plays in supporting a two-way exchange beyond a transaction is an important element of digital marketing, the digital environment and the opportunities it provides in driving innovation.

The marketing environment continues to develop at a meteoric pace, largely driven by customers who demand always-on, superfast, intuitive and more exciting brand experiences. In this chapter we assessed how organisations of all types and in all markets need to adopt an entrepreneurial mindset and understand the imperative of digital transformation, and how organisations need to become digital by default.

Marketers have a wide range of communication channels available to reach out to customers based upon the customers' preferences and needs. Organisations must bridge the gap between digital and traditional marketing channels to develop a rich customer experience and interactive brand experience.

Chapter 2

The Changing Nature of the Digital Customer

Introduction

In any marketing activity, the customer is the single most important factor. This is just as true when trying to understand the changing nature of the digital customer. The digital marketer must try to understand why people behave the way they do, and how they can be influenced to purchase the products and services offered by the organisation. In this chapter we will examine how consumer behaviour is changing, the adoption and decision journey that digital customers follow and a methodology for gathering customer insights.

Learning outcome

On completing the chapter, you will be able to:

2   Analyse the changing nature of the digital customer

Assessment criteria

2   Analyse the changing nature of the digital customer

2.1   Determine the characteristics of digital customer buying behaviour in different markets, sectors and cultures

2.2   Analyse the different stages of customer digital adoption

2.3   Apply the principles of the digital customer decision journey modelling

2.4   Justify an appropriate methodology for gathering customer insights to inform the digital marketing strategy

Background

Successful digital marketing will help to attract and keep customers in order to connect and build long-term relationships with them. However, in order to create customer demand to stimulate sales in the future using the internet, the marketer must understand more than a transaction of product for currency. Instead, they must develop a proposition that stimulates customer buying behaviour. Attracting and keeping digital customer attention is made more complex because of the globalised nature of the internet, which means that different markets, sectors and cultures are marketed to at the same time.

Despite significant shifts in the marketing environment caused by advances in digital technology, digital marketing enables marketers to segment and target customers like never before. However, the advantages afforded by personalising and tailoring marketing messages means that organisations also need to understand how customer buying behaviour has been transformed by the adoption of digital platforms.

> *The majority of today's consumers are actively personalizing their digital experiences and sampling niche content and video with increasing frequency*
>
> *Dave Friedman (2017)[7]*

The broadcasting of generic advertising messages is being replaced by **narrowcasting** to a marketplace that is increasing in its diversity and complexity. This transformed marketing space is also changing from operating with a one-way communication process to using a **dialogic** process between organisations and customers and also peer-to-peer communication among customers. It is therefore essential that marketers listen as much as they speak.

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Activity 1: The digital customer

Much is said about "the digital customer" in digital marketing research. How would you define the digital customer?

How does the digital customer differ from the offline customer? Discuss your ideas with a study partner, if possible.

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7 Ryan, D. (2017), *Understanding Digital Marketing: Marketing strategies for engaging the digital generation*. Kogan Page
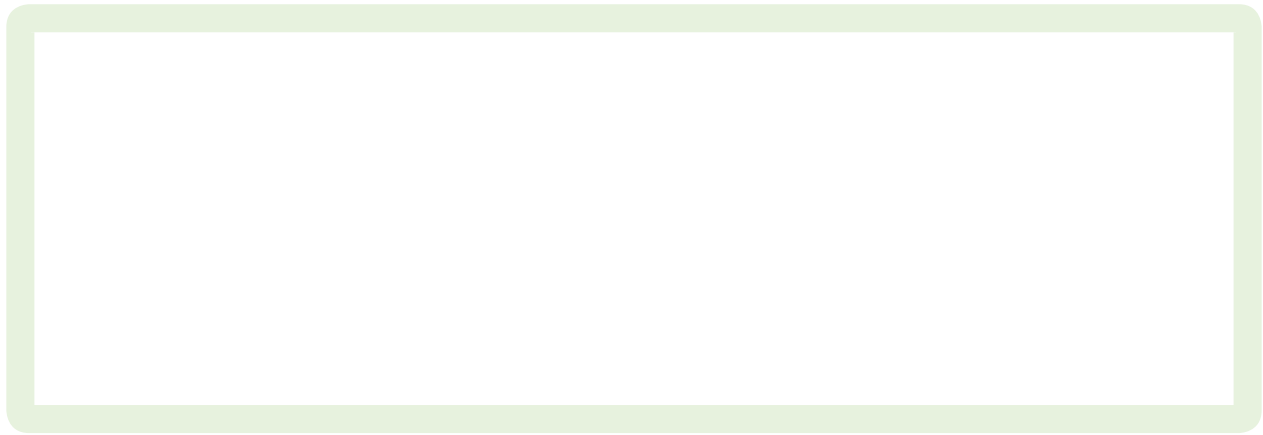
2.1 The characteristics of digital customer buying behaviour

In order for digital marketing activity to be successful, it is essential that marketers avoid making assumptions about why customers like and purchase their product or service. Ongoing research will help determine the characteristics of digital customer buying behaviour in different markets, sectors and cultures so that digital marketing strategies can capitalise on this understanding.

Differences between online and offline customers

As both digital technology and communication media has transformed, so too has the customer buying behaviour and, with it, the implications for marketing strategies. Unified **customer segments** have become fragmented. The number of channels available to communicate with customers has meant that customer attention has also become fragmented as they are engaging with multiple channels at the same time. Some of the ways that online customers behave differently from offline customers are outlined in Table 1.

Location	Online customers face few geographic restrictions in relation to their buying decisions. They can buy the products they want from wherever offers them the best price and customer service. This means that even if an organisation is a local company, it is still competing in a global marketplace.
Time poverty	One of the reasons why consumers have embraced e-commerce and online services is because they do not have time to visit physical locations to find what they are looking for. The internet can quickly provide them with what they are looking for, and they can complete many transactions on the go, perhaps in "dead time" such as while waiting for a bus or on a train.
Savvy consumers	Online customers are smart and they are looking for the best deal. Whether it is price, free delivery or added extras, they are comparing different products to get the most for their money.
Choosing who they listen too	Online customers are becoming more selective about what marketing messages they consume. They are exercising both technological functionality and consumer rights to avoid being interrupted by intrusive marketing messages.

Demand for quality	If you want to capture the attention of consumers online, then your marketing message must be remarkable and your message personalised to their interest. In return, online customers may reward you by spreading your message to their network. Capture the attention of those who are listening and they can influence the access you get to a broader market. The online consumer is also more demanding of excellence in customer service. They expect a great customer experience every time.
Their own media channels	Online customers are not just consumers – they also create their own media channels. Blogs, online reviews, social media posts, forums – the online consumer is a conduit for information and an influencer.

Table 1: Ways that online customers behave differently from offline customers

REVISION
on the go

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Activity 2: Your buying behaviour

Compare your behaviour as a customer when shopping online and offline. What differences do you notice about your buying behaviour when purchasing a product from an online store vs in a bricks-and-mortar store?

Digital natives

A **digital native** is someone who has never known life without the internet, social media or computers, whereas **digital immigrants** are those who were born prior to digital technology development.

> " *A really big discontinuity has taken place. One might even call it a 'singularity' – an event which changes things so fundamentally that there is no going back. This so-called 'singularity' is the arrival and rapid dissemination of digital technology in the last decades of the 20th century.* "

Marc Prensky (2001)[8]

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8 Prensky, M. (2001), "Digital Natives, Digital Immigrants", *On the Horizon*, Vol. 9, Issue 5. MCB University Press

Prensky (2001) argued that digital natives were native speakers of the language of digital technology and could be distinguished from digital immigrants by the way they process information and think. Not only have patterns of thinking changed, there is some speculation that digital interaction is causing the structure of human brains to physically change. What is clear is that digital natives communicate differently; they prefer to use graphics and multi-task.

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Activity 3: Spot the digital immigrant

One of Prensky's arguments was that digital immigrants could be identified through their language. What language can you identify that is "pre-digital"?

For example: "Dial a number"

📄 CASE STUDY: TEACHING DIGITAL NATIVES

A classroom experience

When I first started teaching in universities, the use of devices during lectures was viewed as disrespectful. Certainly, mobile phones had to be turned off, and they were often confiscated if students were seen as being distracted.

The interactive classroom

Fast-forward many years: my classroom has completely changed. My students now use smartphones, laptops or tablets during the lecture. Rather than merely being tolerated, or assuming that students are distracted, these devices are essential tools for the students to interact with the content. The tutor signposts information and students engage in searching and finding relevant additional information to share with the rest of the class. A screen on the wall includes the Twitter feed for the classroom, with students sharing their ideas and thoughts, interacting in dialogue and on the Twitter feed. In addition to the class interactions, connections are made with those outside the class, perhaps experts in the field who happen to be online at the time, or even, if we are lucky, the author of a paper or book we are discussing. The tutor and students become joint explorers of the subject, and collaborative learning occurs both in the classroom and in the digital realm.

Different digital buying behaviours

Traditional marketing activity focused on transactions between either business-to-business (**B2B**) or business-to-consumer (**B2C**) customers. There are a number of different buying behaviours between customers in B2B and those in B2C markets, as shown in Table 2.

Business to business	Business to consumer
Individuals acting on behalf of an organisation targeting other individuals acting on behalf of another organisation	Organisations targeting groups of similar individuals
Buying decisions are task orientated	Buying decisions are emotion led
Long and complex sales cycles based on numerous meetings	Shorter sales cycles based on advertising, promotion and/or transaction
Deals are usually presented in private and details are kept between the two parties	Details of the deal are public
Strong seller–buyer relationships	Relationships built on brand loyalty
Direct marketing channels such as trade magazines to target audiences	Personalised marketing
Uses principles of the **marketing mix**	Uses principles of the marketing mix

Table 2: Buying behaviours in B2B and B2C markets compared

REVISION on the go

B2B marketing has changed dramatically with the advent of digital marketing. The target audience is predominately found online, and buyers use the internet for research purposes. The millennial generation (people in the 18–35 age range) make up 70% of B2B researchers and affect purchase decisions. As with consumer trends, mobile devices are being used through the B2B purchase process (Sharif, 2017)[9].

From a B2C perspective the biggest shift is the "always on" nature of customer service, with consumers expecting their needs to be addressed at all times. Digital marketing channels are egalitarian; being a big company with big marketing budgets no longer guarantees marketing success.

Impact of cultural background

The success of any digital marketing campaign will rely on the advertising or messaging connecting with its intended audience. In order for the communication to have an impact it must resonate with the consumer's perspective. The perspective of a consumer and their reaction to content, messages or brands will differ according to their cultural background.

> *Culture is the collective programming of the mind that distinguishes the members of one group or category of people from others.*

Hofstede (2011)[10]

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9 Sharif, S. (2017), *"How B2B Marketing Has Changed in Recent Years"* [online]. Retrieved from https://www.digitaldoughnut. com/articles/2017/june/how-b2b-marketing-has-changed-in-recent-years. [Accessed on: 21 September 2017]
10 Hofstede, G. (2011), "Dimensionalizing Cultures: The Hofstede Model in Context", *Readings in Psychology and Culture*, Vol. 2, Issue 1, pp. 1–26

The cultural background of customers impacts their buying decisions and behaviour. Cultural factors are based upon the common values shared among a network of individuals or an online community.

> *Culture is the complex of beliefs of human societies, their roles, their behavior, their values, traditions, customs and traditions.*

Yakup, Mucahit and Reyhan (2011)[11]

When developing digital communication strategies, it is important to understand the cultural codes of the consumer that the messaging is aimed at. Brand awareness and engagement requires that the digital marketer is able to convey meaning and emotion that can be understood by the target customer. This includes factors such as the terminology that is used, what images are acceptable, the values conveyed by the words used and the context of the marketing message.

Cultural factors impact buying behaviour, not just in relation to the types of products and services and subsequent subcategories that a consumer will buy based on their nationality, religion, age, gender, social class, etc. These feed into buying habits, and beliefs about desires, needs and individual factors expressed by the consumer in responding to marketing.

> *Creating spreadable content first requires a deep understanding of target audience and their cultures.*

Tenderich (2014)[12]

One perspective is that globalisation will lead to a growing homogeneity amongst consumers who will increasingly make similar choices about what they eat, wear and choose to watch on TV. However, habits and customs do need to be understood in order to avoid offence and ensure that market segmentation, target marketing and product positioning are relevant to the **culture** that is being marketed to.

Awareness of subcultures (i.e. groups within groups) is also important because this will have implications in relation to choices made about digital marketing strategies and activity.

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Activity 4: Examining cultural factors

Consider your culture, including nationality, religion, age, gender and social class. In what way do these cultural factors affect your decision-making as a consumer?

For example: Someone of the Muslim faith would not purchase pork products or alcoholic drinks.

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11 Yakup, D. Mücahit, C. and Reyhan, O. (2011), "The impact of cultural factors on the consumer buying behaviors examined through an impirical study", *International Journal of Business and Social Science*, Vol. 2, No. 5.
12 Tenderich, B. (2014), *Transmedia Branding*. Frankfurt: Europäisches Institut für Medienoptimierung. p. 26
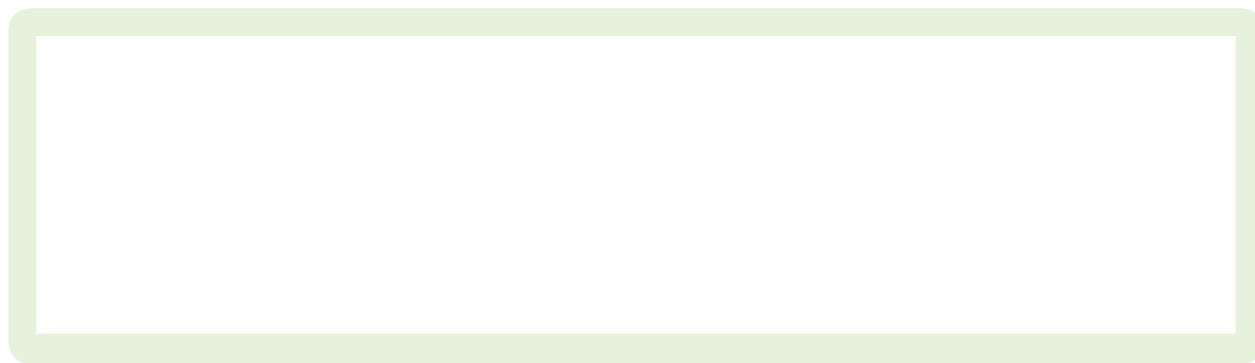
Key trends and changes in customer buying behaviour

Benson-Armer et al. (2015)[13] identified a number of dominant forces that would change the consumer landscape by 2030. Five trends highlighted included:

- **Changing face of the consumer** – as the baby boomer generation retire from the workforce and the millennials join it, there will be significant shifts in income distribution. The average consumer will be older and will be middle class. Global middle-class spending will triple by 2030.

- **Geopolitical dynamics** – the continued economic interconnectedness and power shifts have led to the expectation that China's GDP could exceed that of America by 2025.

- **New patterns of personal consumption** – the size of the **sharing economy** is predicted to exceed US$300 billion by 2025. From a customer buying-behaviour perspective, this will lead to increased demands for convenience and personalisation. However, despite this, financial pressures on organisations will lead them to seek to simplify choice whilst the consumer focuses on the shopping experience, buying local and their health and wellbeing.

- **Mobile world** – by 2030, three out of four people will own a connected mobile device. Internet availability everywhere will continue to advance consumption of social media, and there will be further developments in the internet of things, wearable technology and the importance of digital profiles. The development of robotics, AI and virtual reality technology will open up new spheres of digital transformation.

- **Structural industry shifts** – investors will continue to become more activist, disrupting old models of working. There will be continued consolidation of organisations, and direct-to-consumer models will develop.

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Activity 5: Smarter smartphones – research developments in mobile technology.

What impact do you think these advances will have on consumer buying behaviour? Give reasons for your answer.

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13 Benson-Armer, R., Noble, S. and Thiel, A. (2015), *"The consumer sector in 2030: Trends and questions to consider"* [online]. Retrieved from: http://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/the-consumer-sector-in-2030-trends-and-questions-to-consider. [Accessed on: 7 September 2017]

2.2 Different stages of customer digital adoption

It is possible that digital marketing practices provide the perfect product solution or service provision, delivering significant customer benefits. There are different stages of customer digital adoption.

Rogers' diffusion of innovation theory

The process of diffusion, through which new innovations are adopted, enables organisations to utilise effective marketing activity to achieve competitive advantage. The **diffusion of innovation** theory (Rogers, 2003)[14] explores the reasons why and the speed with which innovations spread through a group.

An innovation is a new behaviour, idea or object. Normally associated with technology, the diffusion of innovation theory can be used to explain the readiness of a customer or organisation for change that would lead them to accept or reject a new product or service innovation.

> *Consequences can be classified as desirable versus undesirable (functional or dysfunctional), direct versus indirect (immediate result or result of the immediate result), and anticipated versus unanticipated (recognized and intended or not).*
>
> *Rogers (2003)*

Rogers (2003) also focused on the importance of communication channels. He highlighted the importance of interpersonal communication and relationship channels in achieving mutual understanding and successfully navigating the decision-making process to persuade individuals to adopt an innovation or change. There are five stages to the adoption process (shown in Table 3).

Knowledge	In this stage, the individual finds out that the innovation exists and begins the process of discovery. The purpose is to develop an awareness of the innovation in order to explain the advantages of the change in terms of economic advantage, convenience or improved conditions. In regard to digital marketing, the essential part of this phase is to provide customers with information to demonstrate that the innovation will deliver a relative advantage vs remaining the same.

14 Rogers, E. M. (2003), *Diffusion of Innovations*, 5th edition. Free Press: A Division of Simon & Schuster

Persuasion	The persuasion stage occurs when the individual begins to shape either a positive or negative attitude towards the innovation. The attitude adopted at this stage does not determine whether the individual will ever adopt the innovation. This stage is focused on how the individual feels about the innovation and whether it is consistent with existing values and practices. From a digital marketing perspective, offering an opportunity for a trial or opportunity to experiment with the new innovation will reduce risk. The outcome of the process will depend on levels of uncertainty and the influence of others.
Decision	It is at the decision stage that the individual will make a choice about whether to adopt or reject the innovation. From a digital marketing perspective it is important to note that group influence can make this a collective decision rather than a personal one.
Implementation	In this stage, the innovation is put into practice, although this may be affected if uncertainty levels are high. Once implemented the innovation-decision process is complete. At the implementation stage it is usual for reinvention to occur. From a digital marketing perspective, simplicity and ease of use will help the innovation to adopt changes more quickly.
Confirmation	The final stage of the innovation process involves the individual seeking confirmation that the decision they have made is supported. Conflicting messages at this stage could lead to decisions being reversed. It is at this stage that individuals will be seeking visibility of results to support the new innovation, and the attitude of the individual may change if others are not also adopting the change.

Table 3: Five stages of the adoption process

Knowledge → Persuasion → Decision → Implementation → Confirmation
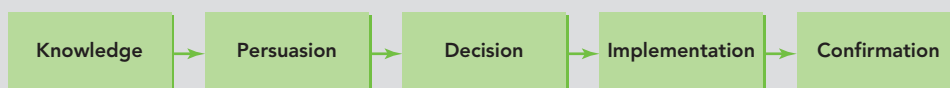
Figure 1: Five stages of organisational readiness for change

Targeting marketing communications

Rogers (2003)[15] categorised members of the social system as adopters of innovations based upon their innovativeness. He introduced five customer types (shown in Table 4), and his adoption curve model (Figure 2) helps marketers understand how these customers adopt innovations in products and services over a period of time.

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15 Rogers, E. M. (2003), *Diffusion of Innovations*, 5th edition. Free Press: A Division of Simon & Schuster

Innovators	Individuals who are open to new ideas and the uncertainty that comes with new ideas. Often gatekeepers with complex technical knowledge, innovators bring innovation from outside the system so may be regarded with suspicion by others.
Early adopters	Early adopters are likely to hold an influencer role, and work within the boundaries of the system. They are role models and their attitude towards an innovation is important. Their adoption of change will reduce uncertainty for the rest of the population.
Early majority	Although lacking the influencer role of early adopters, the early majority still have interpersonal networks and connections which are important in the change-diffusion process.
Late majority	The late majority wait until the majority of their peers have adopted change before peer pressure and economic necessity compel them to adopt change.
Laggards	Lacking awareness of innovations, these traditionalists are sceptical about change. Laggards tend to occupy a small cohesive group within the system. The lack of the economic resources and influencer role within the group means they take a long time to make a decision about innovation.

Table 4: Five customer types
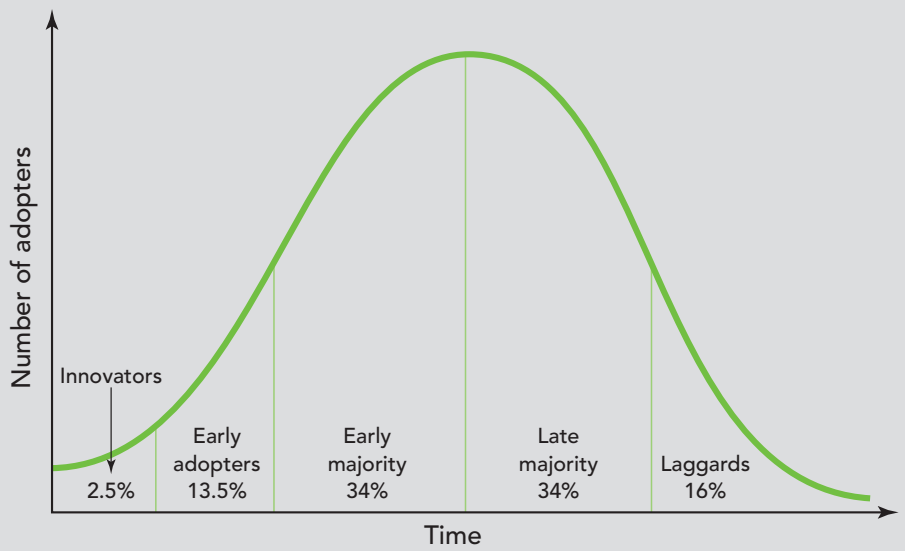
Source: Adapted from Rogers (2003)

Figure 2: The adoption curve

📄 CASE STUDY: NEW TECHNOLOGY ADOPTION

Late majority – I want a phone that is a phone

Nokia 3310

When I started out in my sales career I used to have to keep coins in my car to call my voicemail from a public phone box. Not long into my tenure I received a mobile phone. Going mobile was a huge benefit to me as a sales person, and I was delighted to have joined the mobile revolution. My favourite phone was a Nokia 3310. You might not know what this phone was like – but by today's standards it is a technological dinosaur. It could not do a lot. Some key features were:

- the battery would last about 3–4 days before it needed to be charged;
- text messages were limited to 459 characters;
- there was a limit of 250 contacts;
- no camera, no internet, no apps.

The Blackberry

In 2007, a year before Apple launched its iconic smartphone, I was given a Blackberry 9000. I could view documents sent to me, check my emails, send text messages and take pictures. I hated it, and remember moaning to my husband that I just wanted a phone to be a phone, without all this fancy stuff on it.

Today

Fast forward 10 years and I would not be without my smartphone. I have an iPhone 7, mainly because I prefer using Mac products and it integrates easily with my laptop, and I use iTunes for music downloads. That itself should demonstrate that when it comes to technology adoption I am in the late majority category. I have arrived at smartphone usage eventually, and today I would be completely lost without my phone as it pretty much runs my life. Not only do I use it for email, texting and on rare occasions phone calls, I also use it for making purchases (ApplePay), banking, social media, music, controlling my Sky box, accessing newspapers, mobile tickets (trains and planes) and organising my life. Alerts keep me on track with what I am supposed to be doing. But I am no innovator or early adopter!

Influence of opinion leaders and change agents

A challenge for digital marketers is to identify opinion leaders who can cost-effectively influence word-of-mouth marketing campaigns. Opinion leaders exert a disproportionate amount of influence on a peer-to-peer basis, acting as change agents in persuading other consumers to make purchase decisions.

Word-of-mouth communication is an important digital marketing tool. Product recommendations and positive reviews can help to spread marketing messages and product or service recommendations amongst a broad customer base.

Katz and Lazarsfeld (1995)[16] first identified opinion leadership using a two-step flow framework where, having formed an opinion on the basis of mass media, opinion leaders will then pass on that opinion to their followers. Opinion leaders are generally early adopters rather than innovators, but within their well-connected network their opinion is esteemed. They also develop relationships that bridge the gap to those people who do not belong to the network and help to bring them into the

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16 Katz, E. and Lazarsfeld, P.F. (1995), "Between media and mass/the part played by people/the two-step flow of communication", in: O. Boyd-Barrett and C. Newbold (eds.), *Approaches to Media*. Arnold, pp. 124–134

network. Their influence is based on their pivotal position at the centre of their network, and others' respect in relation to their involvement and knowledge of the particular category of product or service for which they are sharing their opinion. As a change agent, the opinion leader will spread new ideas and help to facilitate knowledge sharing and support about a new innovation in order to make the case for change.

✏ OVER TO YOU

Activity 6: The influence of influencers on digital adoption

Watch YouTube video "Diffusion of Innovation Theory: The Adoption Curve" at:
https://www.youtube.com/watch?v=9QnfWhtujPA

How can influencers be used to support customer digital adoption? Give reasons for your answer.

2.3 Digital customer decision journey modelling

As the convergence between physical and digital environment continues, organisations must respond rapidly to the need to meet customer requirements anytime and anywhere. There are a number of models that seek to explain how the customer decision journey is changing. Many organisations are struggling to take advantage of the opportunities that digital transformation is providing. Instead they are floundering as they try to understand how to create excellent customer experience across multiple channels. Understanding the principles of the digital customer decision journey models will enable organisations to develop digital marketing strategies to respond appropriately.

New models of the customer decision journey

The decision-making journey that a customer takes has changed the field of marketing. Digital technology has expanded to incorporate mobile phones, computers and tablets, which consumers utilise as part of their decision-making process. The wealth of information on the web enables the customer to search not just for features of the product or service being offered, but also to access knowledge regarding what other customers think about the product and service and advice on what other options are available.

> ❝ *When consumers hear about a product today, their first reaction is 'Let me search online for it.' And so they go on a journey of discovery: about a product, a service, an issue, an opportunity. Today you are not behind your competition. You are not behind the technology. You are behind your consumer.* ❞

Rishad Tobaccowala (2011)[17]

The shift in consumer response to marketing messages has led to a number of new models of the customer decision journey being developed.

Google's "moments of truth"

Lecinski (2011)[18] defined the **zero moment of truth** (ZMOT) as "that moment when you grab your laptop, mobile phone or some other wired device and start learning about a product or service… you're thinking about trying or buying", asserting that consumers make decisions via a process of learning. In light of this new paradigm, Lecinski offers a new mental model which has four steps.

- **Stimulus** – sources of stimulation are numerous channels where an individual is exposed to information, which begins a process of consideration with regard to purchasing a product or service. This may include TV advertising, mailing, magazine reviews, online advertising banners, billboards, etc. It is a convergence of awareness and need.

- **Zero moment of truth** – Google's research showed that in order to make a purchasing decision the average consumer will use 10.4 sources of information (Lecinski, 2011). These sources will include word-of-mouth recommendations from friends and family, online search, comparison websites, product reviews and recommendations as well as the organisation's own website. Easy access to this type of information means that rather than the exception, reading what is essentially a digital consumer guide is now the rule.

- **First moment truth** – the consumer purchases the product or service. This is not simply, "I have made a decision to purchase the product"; it is also an evaluation of how easy the buying process is. Online, this process includes reviewing the description and images of the product, adding the purchase to the online "basket" and checking out. Make that difficult and consumers have little patience. Shopping basket abandonment currently sits at around 70%, although a large proportion of this is because users are window-shopping. In physical environments, consumers would examine the packaging and the product to ensure it is in line with expectations. In both physical and online environments, the first moment of truth will also include the engagement with sales staff. The decision to buy may be partly based on the level of staff knowledge, how responsive the organisation is to questions and the purchase experience.

- **Second moment of truth** – this is all about the post-sales experience, which in turn becomes part of the next customer's zero moment of truth. It includes how the product or service performs against expectations and whether the customer believes they are satisfied with their purchasing decision.

The key to successful digital marketing is the ability of the organisation to find a way to attract the attention of consumers who are overwhelmed with information. Lecinski (2011)[19] identified that there were five elements that make up a zero moment of truth:

- it is online;

- it happens in real time – 24/7/365;

- the consumer is in control of what information is extracted from them;

- there is an emotional investment in finding a solution;

- the conversation is multiway so the organisation will need to compete for attention.

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17 Tobaccowala, R. (2011), "Changing the Rulebook", in Lecinski, J. (eds.), *Winning the Zero Moment of Truth*: ZMOT. Vook
18 Lecinski, J. (2011), *Winning the Zero Moment of Truth: ZMOT*. Vook
19 Ibid.

Therefore, digital marketers must ensure that they are aware of what questions are being asked and are answering these questions. The zero moment of truth requires the organisation to make sure they show up when their potential customers are looking for a product or service.

✏️ OVER TO YOU

Activity 7: Making buying decisions

Keep a week-long log of your own buying decisions and the research that you do to make purchasing choices. How often do you find yourself at a zero moment of truth?

How do you think prospective customers of an organisation with which you are familiar will be looking for the organisation's products and services during their zero moment of truth?

How could the organisation improve its chances of being found?

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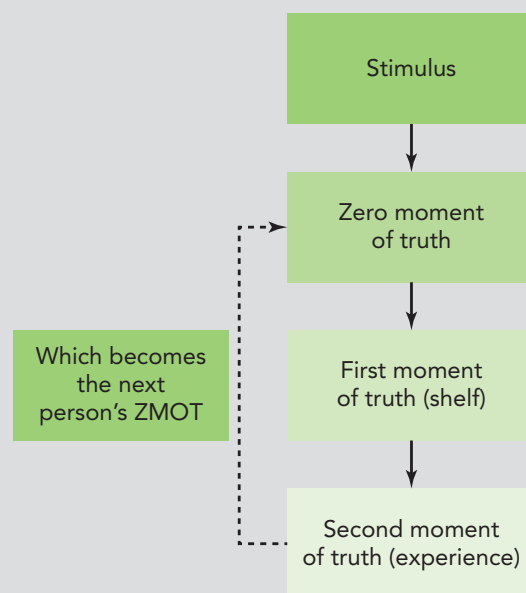
Source: Adapted from Lecinski (2011)

Figure 3: Moments of truth

The dynamic consumer journey

Court et al. (2009)[20] argue that the way in which consumers research and buy products and services is changing to become more interactive. The methodical decision funnels that have traditionally been used by marketers to raise brand awareness, increase familiarity, be considered as a potential option before purchase, make a sale and then develop post-purchase loyalty are being impacted by the huge variety of product choices and media channels that customers are subjected to.

Touchpoints such as advertising, news reports, recommendations from family and friends and personal experience create a brand impression long before any purchase decision is even being considered. The research done by Court et al. (2009)[21] suggests that the decision-making process is a circular journey with four phases.

1 **Initial consideration** – the consumer reviews an initial set of brands based upon perception and exposure from touchpoints.

2 **Active evaluation** – brands are removed or added into the evaluation process based upon what the consumer is seeking and their process of research.

3 **Closure** – a brand is selected and purchased.

4 **Post-purchase experience** – following the purchase, the consumer will judge the experience of this purchase decision against their expectations, and this will feed into the next decision journey.

This model recognises that marketing is consumer driven and that customers will actively pull information that is helpful to them and enables them to control the decision-making process. Creating additional brand exposure by adding consumer touchpoints is essential to ensure that the brand is given consideration in the decision-making process. Marketing activities must be consumer driven, including the use of internet reviews and recommendations and also reminding customers of their past purchasing experiences.

After-sales experience is not a new phenomenon, but what this model recognises is the difference between active and passive loyalists. Some consumers will claim loyalty but are not committed to the brand, leaving them open to receiving overtures from competitors that provide a compelling reason for them to switch. Active consumers go beyond simply sticking with a brand; they actively recommend the brand to others. Customer satisfaction among this group coupled with mechanisms for consumers to provide word-of-mouth recommendations will increase the brand's influence in the decision-making model.

✎ OVER TO YOU

Activity 8: Reviewing the post-purchase experience

Considering an organisation with which you are familiar, what avenues are available for customers to review and recommend their purchase and customer experience? Provide recommendations as to how these can be improved, giving reasons for your answer.

For example: TripAdvisor

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20 Court, D., Elzinga, D., Mulder, S. and Vetvik, O. J. (2009), "The Consumer Decision Journey", *McKinsey Quarterly*, Vol. 3, pp. 96–107
21 Ibid.

Active evaluation
Information gathering, shopping

Loyalty loop

Initial-consideration set

Trigger

Moment of purchase

Post-purchase experience
Ongoing exposure

Source: Adapted from Court et al. (2009)
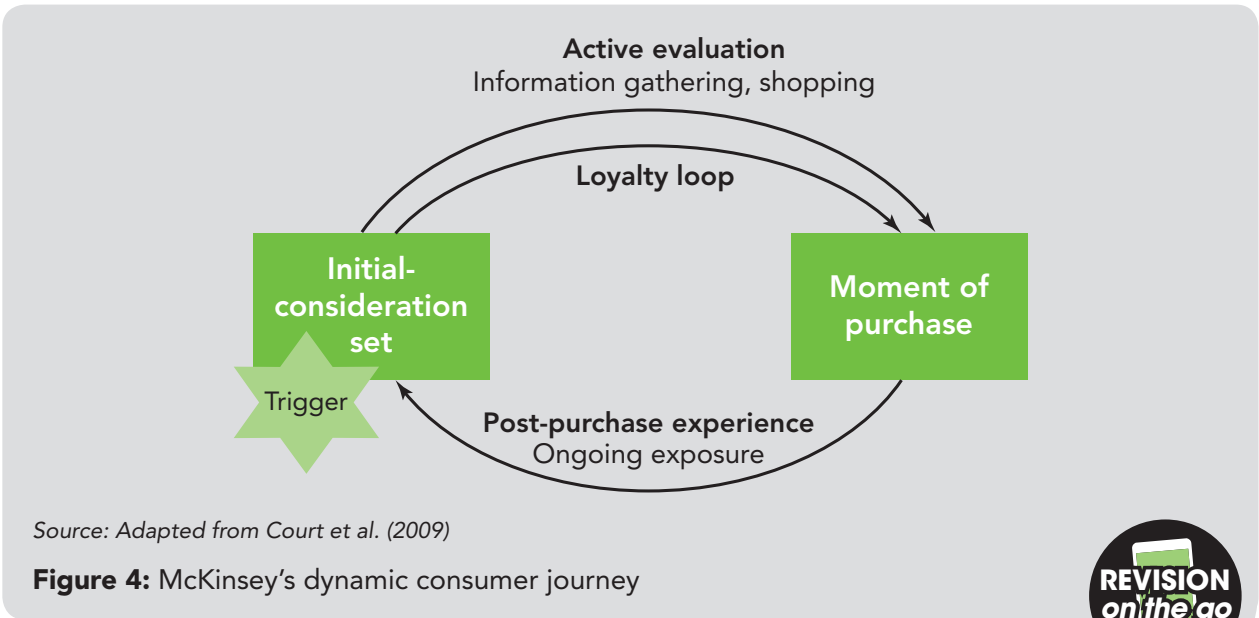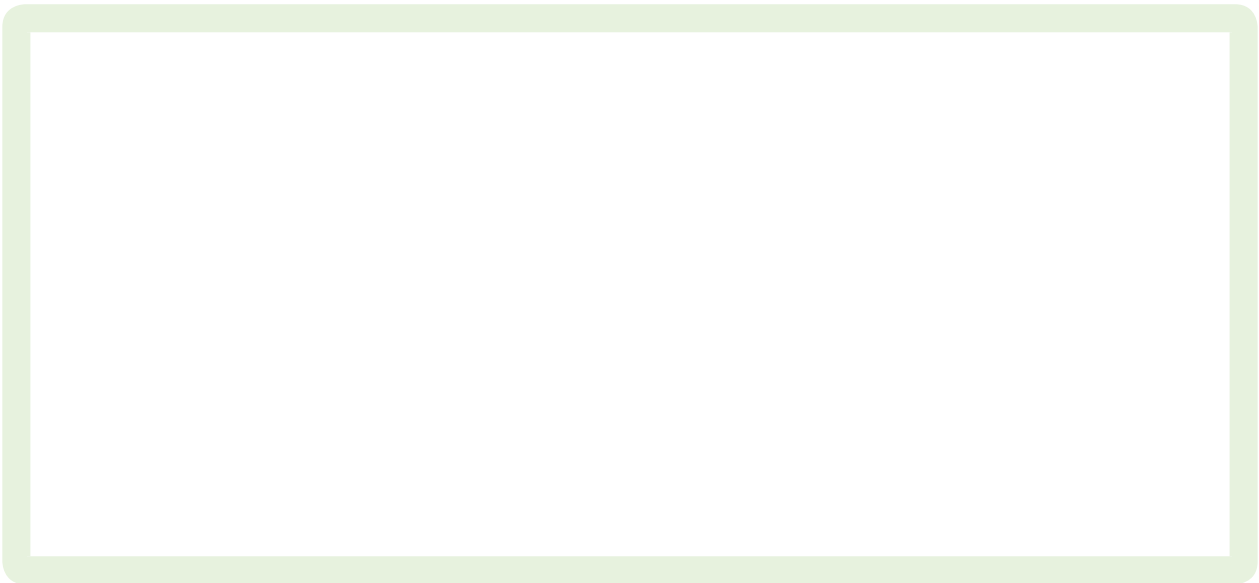
Figure 4: McKinsey's dynamic consumer journey

📄 CASE STUDY: POST-PURCHASE EXPERIENCE

Reviews and recommendations

Look up any organisation and you are likely to find a review of their products and services; good reviews, bad reviews and customers sharing their ire. There has been a significant shift in how important online reviews are in the customer's purchasing process, mainly because if the customer is using the internet for research they will see online reviews.

Google now shows customer review ratings on the search engine results page, but there are many reasons why customers will leave a review.

A trip to York

Over the summer holidays my family and I travelled to the historic UK city of York for a short city break. During the three-day break I left reviews for the following businesses:

- a youth hostel
- a Brazilian restaurant
- the castle museum
- a Chinese restaurant
- York Minster
- a coffee shop
- the railway museum

It was easy to leave the reviews, taking less than ten minutes on my smartphone to rate the experience and type in a review of my experience. My motivation for doing so was twofold. Firstly to help other people who might choose to visit the places we did and also for the organisation itself – to highlight those things that were great about our customer experience and those that were not, in the hope that the organisation will make improvements.

There were other places we visited but I did not get around to reviewing them because we were busy.

Kaushik's "See, Think, Do" framework

Kaushik (2013)[22] aimed to create a simple framework that put customers first, helped organisations to evaluate their marketing programmes and ensure that success metrics where currently aligned. The framework is based on understanding the consideration and the audience at each stage.

- **See** – the "See" stage would include everyone who is interested in the product or service that the organisation is offering. It excludes anyone who is not part of that unifying view. For example, if the organisation sells clothes it will exclude anyone who does not wear clothes!

- **Think** – this part of the consideration stage covers the intent of a subset of the audience identified in the "See" stage, i.e. anyone who thinks they might need the product that the organisation is selling; for example, "all people who wear clothes who think they might need more".

- **Do** – the "Do" stage covers those people who are currently actively seeking to purchase the product or service. This is a subset of the "Think" audience and is the prospective customers who are seeking to make a purchase decision now; for example, the people who wear clothes, who think they need more, and want to buy some now.

Kaushik argues that an organisation must target its marketing activities to all stages of the framework. They must create content and engagement points to be seen by the widest possible audience, acquire people at the "Think" stage through relationship building and conversion activity, and finally engage with the customer when they are ready to buy the product or service.

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22 Kaushik, A. (2013), *"See-Think-Do: A Content, Marketing, Measurement Business Framework"*, *Occam's Razor* [online]. Retrieved from: https://www.kaushik.net/avinash/see-think-do-content-marketing-measurement-business-framework/ [Accessed on: 21 September 2017]
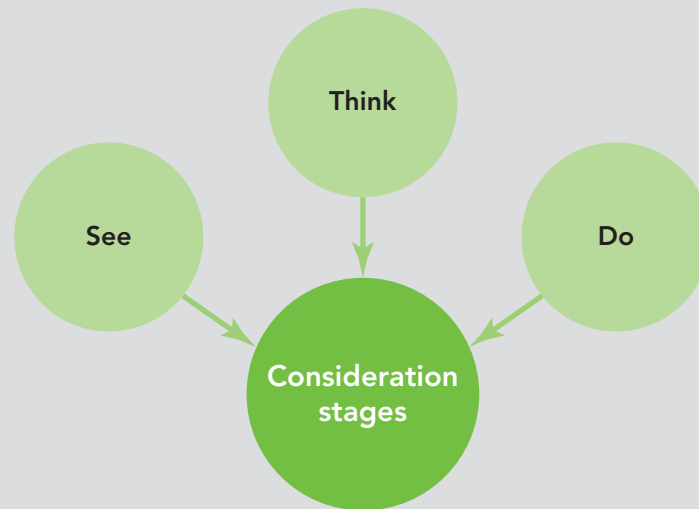
Source: Adapted from Kaushik (2016)

Figure 5: Kaushik's "See, Think, Do" framework

2.4 Informing the digital marketing strategy

The digital marketing strategy needs to be built on firm foundations. This means that the organisation must develop an appropriate methodology for gathering customer insights to inform the digital marketing strategy.

Generating qualitative and quantitative customer insights

Data can be categorised as either qualitative or quantitative. **Qualitative customer insights** explore what customers think and feel about a product or service. This enables the organisation to understand some of the emotions and attitudes that drive customer behaviour and decision-making. **Quantitative customer insights** apply numerical data to help the organisation to demonstrate statistically significant outcomes. Digital marketing benefits from the ability to gather both qualitative and quantitative data online. Decisions and actions made by individuals, the groups and communities they choose to be part of, and their choice to leave recommendations and reviews provide the digital marketer with rich primary data similar to a virtual focus group.

The development of web analytics packages provide marketers with ready-made tools to analyse the overwhelming level of data generated through customer interaction with websites, including **impressions**, **click-through rates** (CTRs) and specific demographic data, which can support quantitative research.

Google Analytics™

Google Analytics is a free web analytics tool which enables the digital marketer to review performance of the digital marketing strategy in order to make decisions about possible improvements. There are a number of different customer insights that Google Analytics can provide in addition to simply counting how many people visit the website and how many are repeat visitors. This includes understanding what customers find interesting by reviewing what website pages are most popular, and how engaged they are with a page through to monitoring the average amount of time spent on that page, the number of pages per session that a customer engages with and the bounce rate, i.e. the number of customers

that navigate away from the site after viewing one page. These customer insights, and the actionable insights reports that they result in, track visitor behaviour and provide information on brand awareness and what moves the customer from awareness through to making a purchase. If the website has high traffic but this converts into few sales, then it would suggest that the website needs to be improved so that it draws customers in to explore and buy products. Addressing issues revealed by the analytics will ensure that customer insights will deliver actionable improvements that inform and achieve the objectives of the digital marketing strategy.

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Activity 9: Google Analytics

Visit Google Analytics at https://analytics.google.com/analytics/web/provision/?authuser=0#provision/SignUp/ and review the following metrics:

- **visits**
- **e-commerce conversion rate**
- **page value**
- **bounce rate**
- **pages/visit**

Which of these metrics would help you most in directly measuring whether you were maximising sales through your website?

Focus groups

Focus groups offer an opportunity for the digital marketer to gather information about their customers' feelings and opinions regarding the organisation's brands, new products, marketing campaigns or ideas for activity which would improve brand positioning. An **online focus group** draws respondents together online to discuss a particular topic. It is argued that the anonymity of responding in an online environment rather than a real-life environment would help people to be more honest in their responses.

Online focus groups involve respondents gathering online and being asked to react to a particular topic. Respondents can be sourced from all over the world and operate in real time, arguably being freer with their responses since they can be anonymous in an electronic environment. Frank, detailed conversations can be had to understand interest in your brand and the customer experience of interacting with your brand online.

There are a range of different technologies available, including text-based messaging, online forum-based options, or more sophisticated tools allowing for voice of video conferencing such as Google Hangouts™, Skype and GoToMeeting. Screen-sharing technology also allows desktop screens to be shared in order to gauge response to illustrative concepts.

Empathy interviews

Empathy interviews are an **ethnographic** research technique that is used to understand how different customers feel about a particular topic. These interviews can be conducted over the phone or on a video call. Being able to assess reactions through body language and tone of voice is helpful in monitoring the difference between what an individual says with words and what they mean by how they say it. The key to an empathy interview is to listen and ask open questions. The outcome should be a series of valuable insights that can feed into the digital marketing strategy.

The value of customer insights

Customer insights enables digital marketers to explore who their online customers are and what their expectations, motivations, preferences, needs, wants and fears are. An understanding of what drives customer behaviour online can be utilised to attract and retain more online customers. By understanding what customers want, it is possible to develop a customer experience that delights them.

The field of social science has, for many years, researched group and individual behaviour to understand how humans, as social animals, interact with others. This research contributes to the ability to predict, with some certainty, how customers will respond in a particular context. However, social studies are only just beginning to catch up with the phenomenon of online human behaviour, and how previously-studied human behaviour corresponds to behaviours seen online. That said, the web analytics platforms are able to analyse vast amounts of data in real time, something that would have taken decades of research to collect previously. This means that marketers are able to compare different consumer behaviour, right down to the individual level.

Customer insights enable the marketer to understand why customers are online in the first place – whether they are there to socialise, to find out about products, to share knowledge and learning, etc. The real value therefore is to help the marketer provide the right customer with the right information about the right product or service proposition at the right time.

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Activity 10: What do you know?

What do you know about the customer targeted by an organisational brand with which you are familiar? What insights does the organisation use to interact with them successfully? If you have a study partner, discuss your findings.
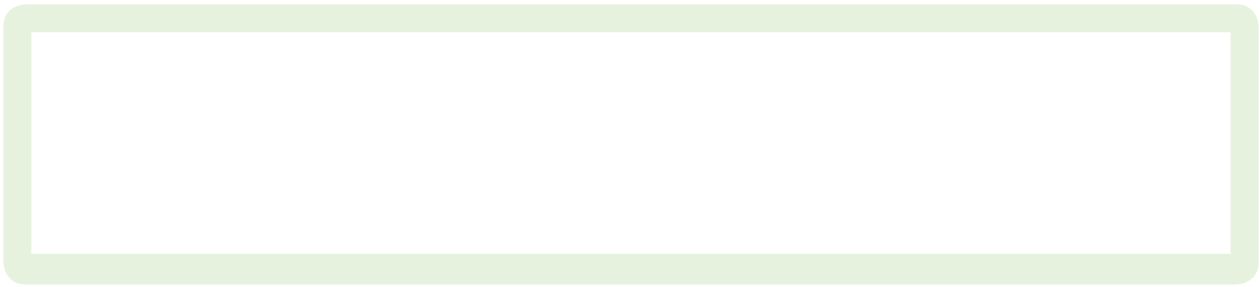
READING LIST

- Breitenbach, C. S. and Van Doren, D. C. (1998), "Value-added marketing in the digital domain: enhancing the utility of the Internet", *Journal of Consumer Marketing*, Vol. 15, Issue 6, pp. 558–575. (This article will be available in your online student resources.)
- Persaud, A. and Azhar, I. (2012), "Innovative mobile marketing via smartphones: Are consumers ready?" *Marketing Intelligence & Planning*, Vol. 30, Issue 4, pp. 418–443. (This article will be available in your online student resources.)

Summary

Becoming customer-centric is essential in the digital marketing sphere. Trying to understand the changing nature of the digital customer, why people behave the way they do, why they do what they do, and how they can be influenced to purchase products and services offered by the organisation is an essential activity for the digital marketer. Consumer behaviour is changing, as are the adoption and decision journeys that digital customers follow.

In order for digital marketing activity to be successful it is essential that marketers avoid making assumptions about why customers like and purchase a product or service. Marketers should conduct research to help determine the characteristics of digital customer buying behaviour in different markets, sectors and cultures so that digital marketing strategies can capitalise on this understanding.

Chapter 3

Opportunities for Digital Innovation

Introduction

The purpose of a marketing strategy is to address a business or brand challenge or objective that has been revealed. An effective strategy involves making a series of well-informed decisions about how the brand, product or service should be promoted. The brand that attempts to be all things to all people risks becoming unfocused or losing the clarity of its **value proposition**. By the end of this chapter you will be able to critically evaluate digital marketing strategies and understand how they can be created to drive innovation and ensure the business survives and thrives in a digital world.

Learning outcome

On completing the chapter, you will be able to:

3 **Critically evaluate opportunities for digital innovation by critically evaluating the marketing strategy for a chosen organisation**

Assessment criteria

3 **Critically evaluate opportunities for digital innovation by critically evaluating the marketing strategy for a chosen organisation**

3.1 Develop a structured approach to examining the digital marketing and innovation strategy

3.2 Assess the elements of the digital marketing mix

3.3 Evaluate the internal capabilities and resources of an organisation

3.4 Identify opportunities for a chosen organisation to innovate for competitive advantage

3.5 Discuss methods for monitoring, measuring and managing the digital marketing strategy

Level 6 Digital Marketing Strategy

Background

Digital marketing covers a wide range of activities, including internet marketing, mobile advertising, and social media, all focused on outcomes relating to driving customers to purchase products and services and promote the organisation online.

> *The search for added value (improved product experiences) is now relentless, whether through new product features, or more likely through enhanced online experiences via new features available from iPhone apps and widgets.*
>
> *Chaffey and Smith (2013)[23]*

Digital marketing develops strategies and activities that build upon and adapt traditional marketing principles, using the digital medium. Like digital technology, it is constantly evolving. The internet allows almost real-time data gathering, which allows the marketer to improve and optimise their digital marketing effort on an ongoing basis. Big data is a key strength of digital marketing because it allows the marketer to test and assess strategies for effectiveness and return on investment.

✎ OVER TO YOU

Activity 1: Added value

How would you define digital marketing from an added-value perspective? Discuss this with a study partner, if possible.

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23 Chaffey, D. and Smith, P. R. (2013), *eMarketing eXcellence: Planning and optimizing your digital marketing*. Routledge

3.1 A structured approach to examining the digital marketing and innovation strategy

Developing a structured approach to examining the digital marketing and innovation strategy enables an organisation to make informed decisions about planned digital marketing efforts and choose those elements of digital marketing that are most relevant to it. This requires the organisation to follow an iterative process of understanding the digital marketplace and choosing appropriate marketing tools to build a relationship between the organisation and its customer, evaluating the impact, and understanding the changes that have occurred in the evolving digital marketplace before beginning the process again.

Digital marketing channels are becoming more complex. Therefore, developing a defined digital marketing strategy enables the organisation to ensure that its marketing activities are focused on the right things and the right customer segments, and are aligned with what it is trying to achieve.

Smith's SOSTAC marketing planning model

The principles of Smith's SOSTAC marketing planning model

There are a number of different approaches to building a marketing plan. In this study guide we will adopt Smith's **SOSTAC** planning framework (2011)[24] which outlines key elements that are essential to a comprehensive and well-structured marketing plan. SOSTAC stands for:

- **Situation analysis** – where the organisation is now
- **Objectives** – where the organisation wants to be
- **Strategy** – how the organisation is going to meet its objectives
- **Tactics** – the tactical tools used to implement the strategy
- **Action** – developing the action plan needed to implement the strategy
- **Control** – how the organisation is going to manage the strategy process

1. Situation analysis

Online access, both from computers and mobile technology, is increasing in scale and availability through interactive digital TV and mobile technology. Improvements in access and speed of data transfer has increased access, including developments on transportation networks such as on trains and on aeroplanes. Situation analysis seeks to understand the current use of digital technology and can be achieved using a number of tools, including the following.

- **Performance analysis (KPIs, 5S framework)** – using both objective statistical data analysis and observation to determine effectiveness of decision-making and enhance performance levels.
- **Marketplace strengths, weakness, opportunities and threats** – a method of planning that evaluates the current situation in respect of internal and external factors.
- **Customer insight analysis (Who? Why? How?)** – a review and interpretation of trends in consumer behaviour which can be used to improve products and services to meet the needs of customers more effectively.
- **Competitor analysis** – a review of competitors in the marketplace to determine areas of competitive advantage and evaluate strategies to play to these advantages.

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24 Smith, P. R. (2011), *"The SOSTAC® Guide to Writing the Perfect Marketing Plan"* [online]. Retrieved from: http://prsmith.org/sostac/ [Accessed on: 13 October 2017]

- **Competencies analysis** – highlighting the organisation's core competencies, including internal capabilities, resources and brand perception that help to advance products and services.
- **Market trend analysis** – an analysis of future trends based on what is happening in the marketplace. One model that could be used is PESTLE – political, economic, social, technological, legal and environmental.

SWOT analysis

A marketplace **SWOT analysis** provides a simple tool to set digital marketing objectives and establish a tactical plan. SWOT stands for Strengths, Weakness, Opportunities and Threats, and provides a useful framework for digital marketing strategy development decision-making.

! NEED TO KNOW

STRENGTHS

What are the organisation's strengths, and the product and service features and benefits?
What does your company find easier than its competitors?
What products and services do you have that you can develop further?

WEAKNESSES

What are your weaknesses and the weaknesses of your products and services?
What do your competitors do better than you?
What product or servicing offerings do you lack?

OPPORTUNITIES

What opportunities are available to you?
What product and service development options are open to you?
What opportunities do you have to develop your competitive advantage?

THREATS

What barriers exist to you achieving your aspirations?
What will stop you developing the options you need?
What is preventing you from developing your competitive advantage?

Figure 12: Marketplace SWOT analysis model

REVISION *on the go*

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Activity 2: Marketplace SWOT analysis

Complete a marketplace SWOT analysis focusing on the Strengths, Weaknesses, Opportunities and Threats relating to the adoption of digital marketing in an organisation with which you are familiar.

Strengths	Weaknesses

Opportunities	Threats

2. Objectives

Objectives relate to the future state that the digital marketing strategy would like to achieve. This includes what the organisation wishes to achieve through multiple online channels and being cognisant of the benefits that channel choices deliver to organisational objectives, brand reputation and return on investment. This can be achieved using the 5S framework.

1   **Sell** – the whole point of digital marketing is to secure increased levels of customer acquisition and develop retention targets for selling products or services to existing customers online.

2   **Serve** – developing the internet as a customer-service tool, and setting digital marketing objectives that are focused on customer satisfaction targets for achieving high levels of customer satisfaction with customer service levels.

3   **Sizzle** – developing the brand online using the website, stickiness and visit duration. "**Sizzle**" means creating additional opportunities to strengthen the brand proposition and enhance its image.

4   **Speak** – primarily digital marketing utilises the internet as a dynamic communications channel, developing a trialogue between the organisation, the consumer, and between consumers. The purpose is to increase the number of engaged customers, shape their opinion and communicate about the product or service.

5   **Save** – quantifying efficiency gains by identifying how to use the internet for reducing costs in the marketing process.
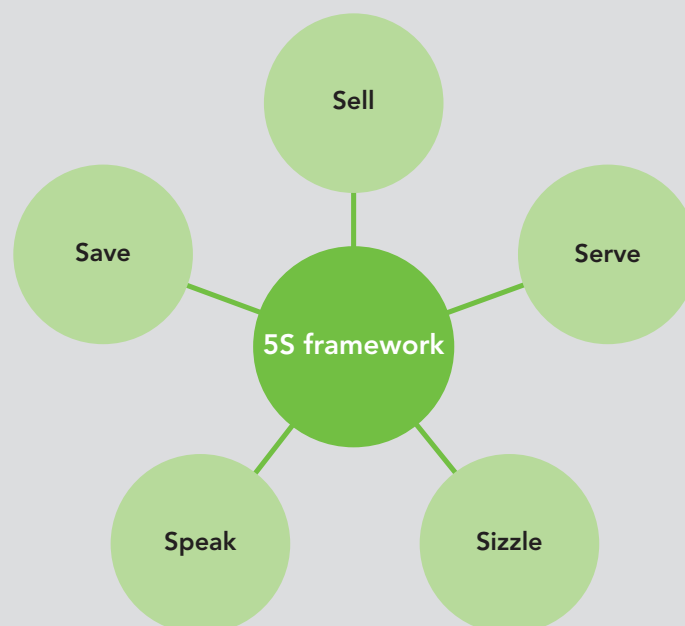
Figure 2: 5S framework

It is important that the objectives set for the 5S framework are SMART and continually focus on organisational priorities; for example, increasing brand awareness by 5% within the next 12 months. The acronym SMART provides a simple five-step framework for setting a marketing objective.

Specific	What area for improvement/development has been identified?
Measurable	How do you know when success has been achieved, and how will you measure it?
Achievable	Is what is being asked within your control and capability?
Relevant	Does the goal support your performance objectives and career aspirations?
Time bound	What is the specific time frame for improvement?

Table 1: SMART development goals

Specific → Measurable → Achievable → Relevant → Time bound
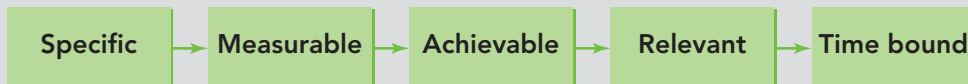
Figure 3: SMART development goals

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Activity 3: 5S analysis – sizzle

Review a brand with which you are familiar. What digital marketing activity is being used to develop "sizzle" in terms of brand stickiness? Discuss your findings with a study partner, if possible.

3. Strategy

Strategy focusses on how to bridge the gap between the current situation and the desired outcomes of the objectives outlined in the previous two steps. This includes summarising how the digital strategy will fulfil the objectives and includes a review of TOPPSITE:

- **Targeting and positioning (OVP and objectives)** – what online value propositions (OVP) need to be created, and what product or service positioning choices will drive choices relating to the marking mix.

- **OVP (online value proposition)** – the online customer value proposition that highlights the customer experience that will deliver advantage or a unique selling point, which will clearly communicate what the brand, product or service is offering. Each channel that the digital marketing strategy utilises will segment the OVP.

- **Partnerships, strategic alliances** – agreements between other parties which will help to deliver the digital marketing strategy; for example, with content writers or creative design studios. A strategic alliance is not necessarily a legal partnership, but it does define a relationship, which is important in delivering the digital marketing strategy.

- **Processes, marketing orientation** – the strategy employed to position the product or service to ensure that customer needs are met. The process will focus on evaluating how to meet both current and future needs.

- **Sequence (credibility before visibility)** – this refers to the sequence of activity and digital marketing tactics which focus first on cultivating relationships with customers so that they understand what value the product and services offer them prior to rolling out tactics to increase visibility.

- **Integration (consistent OVP) and database** – the digital marketing strategy will be supported by compiling integrated databases which help the marketer develop a consistent overview of the customer, and enable the development of long-term relationships.

- **Tactical tools** – a selection of tactical e-tools which will be used to support the digital marketing strategy, including content marketing, website development, functionality, email, banner advertising, etc.

- **Engagement ladder** – this is a framework designed to help organisations gradually deepen customer engagement, escalating the engagement actions one step at a time.

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Activity 4: Online value proposition

Identify and list the digital marketing tactical tools adopted by an organisation with which you are familiar.

Figure 4: Strategy (TOPPSITE)

4. Tactics

Tactics refer to the tools that are used in the digital marketing strategy and details the marketing mix (see Chapter 3.2), the elements of the marketing mix, scheduling and content plan to engage with customers from attraction through to post-purchase.

- **E-marketing mix** – includes the communications mix, social networking and "what happens when". The e-marketing mix is evolving to be more customer-centric and focuses on extending the online brand experience.

- **Details of contact strategy** – developing an online and offline media plan for the "right number of contacts, of the right type at the right time for specific customers" (Smith, 2011)[25]. This includes creating relevant messages, planning the sequence of messages and choosing the media that will deliver those messages throughout the customer lifecycle.

- **E-campaign initiative schedule** – a holistic schedule that combines email marketing, social media marketing, content marketing and pay-per-click advertising to integrate e-campaign efforts, gain traction in the digital space and create an amazing customer experience.

- **Tactical matrix** – once you have clarity about the objectives of the digital marketing strategy then choices need to made regarding which tools to use. This includes a review of which tactics move your customer through which part of the buying process, and segmenting your customers so that you can decide how good each tactic is. Smith (2011)[26] offered nine criteria (as shown in Table 2).

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25 Smith, P. R. (2011), *"The SOSTAC® Guide to Writing the Perfect Marketing Plan"* [online]. Retrieved from: http://prsmith.org/sostac/ [Accessed on: 13 October 2017]
26 Ibid.

Reach	The size of the audience that can be reached using the tactic
Speed	How quickly the tactic helps the message to reach the audience
Time	The time resource needed to create and deliver the tactic
Message volume	The space available to fit the message
Targeting	The targeting precision and granularity that the tactic can achieve
Personalisation	Whether the tactic provides the ability to personalise the message
Cost	The cost per thousand/million (CPT/CPM) impressions
Control	Whether the marketer is able to control the message using the tactic
Credibility	The credibility of the message delivered using the tactic

Table 2: Tactic criteria

REVISION *on the go*

- **Context plan** – ensuring there is consistency in quality of tactics chosen to ensure that the messages are accurate and present a consistent tone of message so that it resonates with the customer and is aligned with their position in their customer journey. Sensitivity to what device the customer is using to consume content will also need to be considered.

- **Content plan** – create and prepare the written, visual and downloadable content that will be the tangible output to be delivered by the media. Consideration needs to be given to the audience that the content is being created for, the problem that it is solving, formats that will be used and the channel through which it will be published.

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Activity 5: Content plan

The purpose of content marketing is to create alignment between a business and its prospective customers. Simon Sinek (2009)[27] says, "People don't buy what you do, they buy WHY you do it." Customers need to feel connected to the organisation, product or service, and stories help to create this connection, giving a reason to communicate and build relationships.

Using an organisation with which you are familiar, tell the story of why the organisation does what it does. Consider:

- the business' character;
- the problem it is trying to solve for the customer;
- the solution it offers.

27 Sinek, S. (2009), *Start with Why: How Great Leaders Inspire Everyone to Take Action.* Portfolio
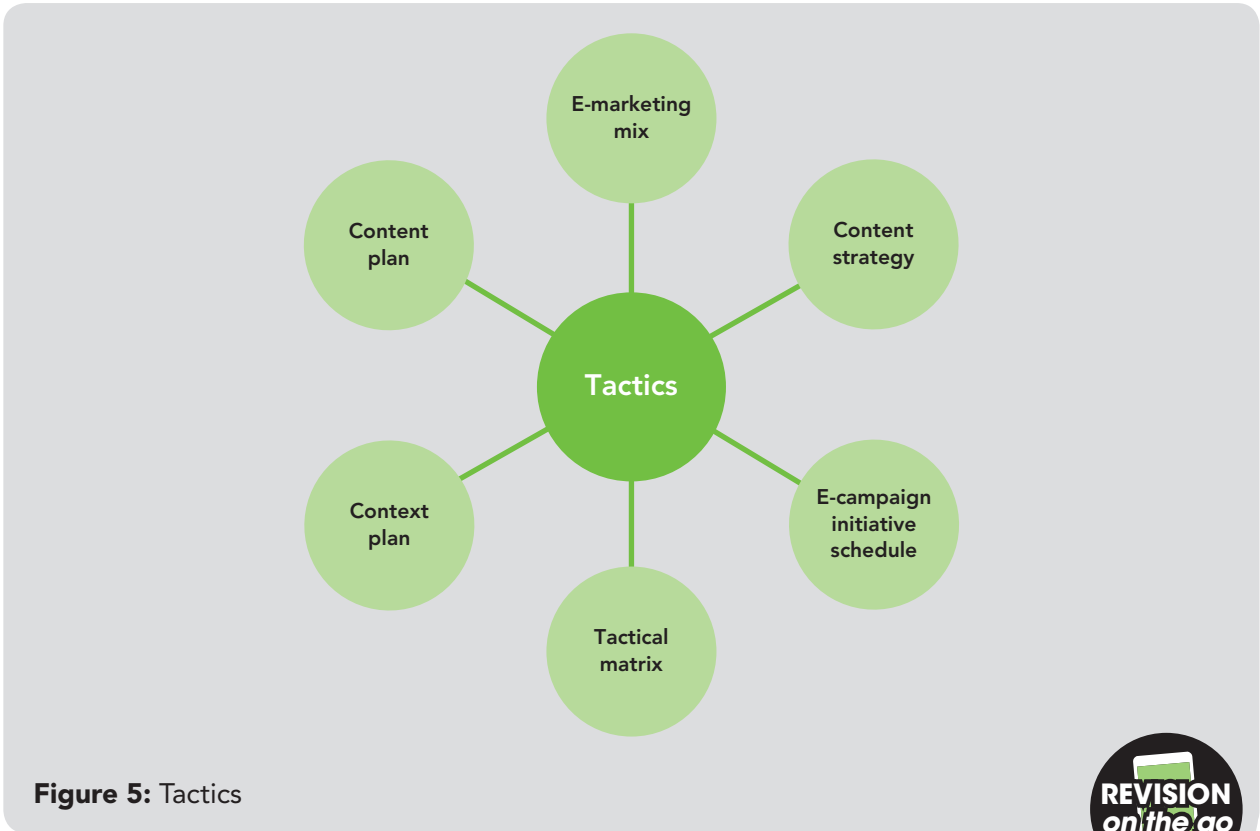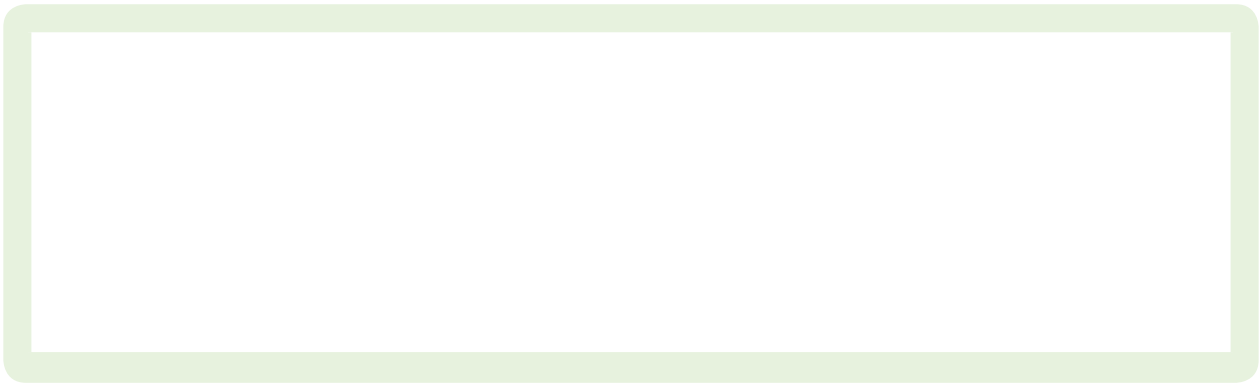
Figure 5: Tactics

5. Action

Action refers to the action plans that are developed and the project management and other essential skills needed by the digital marketer to successfully implement the digital marketing strategy.

- **Internal resources and skills** – the skills, practices and ability of the marketer to be able to identify, prioritise and manage the people, marketing system, marketing budget, contracts and digital space in order to deliver the digital marketing strategy.

- **External agencies** – creating agency briefs, orchestrating the pitch process and managing the creative side of the project requires the digital marketer to effectively work with external agencies, including the ability to develop a trusting relationship and motivate the agency team to drive creative output.

- **Responsibilities and structures** – designing the organisational structure of the marketing team to support the digital marketing strategy and ensure that everyone has clarity about their roles and responsibilities.

- **Systems and processes** – developing the systems and processes that will help secure the success of the marketing strategy. This includes the management of pitches and competitive tenders from external agencies through to the development of customer databases, systems to target marketing activity efficiently and effectively, and manage feedback and evaluation.

- **Checklists and guidelines** – creating tools to manage the various tasks efficiently, which need to be completed to successfully implement the digital marketing strategy. A checklist is a standardised list of steps required to complete tasks, many of which will be repetitive. Guidelines support the implementation of the digital marketing strategy to measure progress, prevent failure and provide advice on how to implement various aspects of the digital marketing plan.

- **Internal marketing** – this extends the marketing concepts to the internal functioning of the organisation to ensure that all employees are motivated to satisfy customers and are prepared for what needs to happen to support the digital marketing strategy.

- **Execution excellence** – digital marketing strategies can be incredibly complex, and if the digital marketer cannot execute the strategy then the work put into creating it is a waste of time. Execution excellence requires clear goals to be set, managing the performance of the project team, effective work processes, responsive feedback loops and execution guidance so that the implementation of the digital marketing plan is flawless.

- **Internal staff vs agencies** – there is no right answer as to whether an organisation should use internal staff to implement the digital marketing strategy or rely on expertise from an external agency. Internal teams will be completely focused on the organisation's brands, but they can be costly to set up and need investment in recruitment and ongoing development to avoid insularity. An external agency offers the advantage of access to talent, industry-leading knowledge and tools that are expensive to acquire.

✎ OVER TO YOU

Activity 6: Action plan effectiveness

ThoughtShift and Calumet Photographic won the CIM Marketing Excellence Award 2017 for Digital Marketing.

Read the case study of the campaign that won the award at:

www.thoughtshift.co.uk/our-work/calumet-photographic/

Identify the essential skills that ThoughtShift could offer Calumet which helped the digital marketing campaign to achieve its objectives.

Figure 6: Action

6. Control

Once the implementation of the digital marketing strategy is underway, it is essential that the strategy is monitored and evaluated to see whether the efforts are delivering to plan in order that adjustments can be made to improve the strategy.

- **5S and web analytics** – reviewing the results from the implementation against **key performance indicators** and the 5S objectives set at the beginning of the process. Using a web-analytics platform provides almost real-time data so that the roll-out of the digital marketing strategy can be monitored to check whether it is on track.

- **Usability testing/mystery shopping** – **usability testing** refers to the technical usability of the website or click-throughs. It ensures that the technical framework does what it is supposed to do so customers do not end up with error messages or links leading nowhere. This also tests the ease with which customers can navigate to landing pages. Mystery shopping checks the customer's experience from beginning to end to ensure that the customer has the optimum experience before the campaign goes live.

- **Customer satisfaction surveys and NPS** – post-purchase activity such as customer satisfaction surveys relating to online activity or requesting product or service reviews to get qualitative data on the customer experience directly from the customer. Net promoter scores (NPS) measure how willing your customers would be to recommend your products or services to someone else.

- **Site visitor profiling** – summarises the behaviour of individual customers who have visited the website and gives insights into why customers return to the website. This includes where they accessed the website from, keyword searches, how much time they spent on the website, what they looked at, conversion rate from the activity and shopping basket abandonment rates.

- **Frequency of reporting** – the purpose of reporting is to ensure that campaign activity is optimised. Insights help to improve effectiveness, but the amount of data available means that,

even with access to analytics platforms, it is possible to over-report or over-analyse. Reporting frequency and depth of information should therefore be aligned to the reporting requirements of the organisation and the needs of the campaign.

- **Process of reporting and actions** – the marketing reporting system consists of setting clear, relevant KPIs, reporting on the metrics which will improve results, developing a marketing dashboard and deadlines for marketing activity and targets for project delivery.

- **Who monitors what, when** – this lays out the responsibilities for monitoring within the marketing team. If an external agency is involved, they may be responsible for monitoring activity on behalf of the organisation, which will need to be reviewed and incorporated into in-house processes.

✎ OVER TO YOU

Activity 7: Digital marketing plan key performance indicators

Research digital marketing KPIs online.

What KPIs can be used to measure the performance of the digital marketing strategy as a whole?

For example: Targets for content marketing, e.g. number of blog posts.

Figure 7: Control

CASE STUDY: MOTHERCARE SOSTAC MARKETING PLAN

Lend a helping hand

A full SOSTAC Mothercare marketing plan can be found here:

http://www.ivoryresearch.com/wp-content/uploads/2013/04/alexander_jones_sample.pdf.

Below is a summary.

Situation analysis

Mothercare is an established retail brand and has the opportunity to increase sales through expansion of service offerings, but the economic environment, fierce competition and decreasing market share are significant threats.

Objectives

The mission is: "To become the world's specialist retailer in meeting the needs and aspirations of parents and their children." The objectives are:

- to open a new Mothercare gymnasium;
- to generate 50% awareness in the immediate community before opening;
- to create member gift vouchers for special marketing offers;
- to use electronic awareness methods.

Strategy

The strategy is:

- to rationalise high street chains, and open out-of-town parenting centres;
- to grow online sales;

- to launch clothing partnerships;
- to drive growth through international franchises.

Tactics

The tactics are:

- to establish a strategic alliance with health services;
- to add website promotions;
- to introduce a member-get-member scheme promotion;
- to create billboard promotions;
- to use television advertising;
- to have a press release;
- to create promotional booklets.

Action plan

The budget is £10.17 million; with this, the marketing team must schedule and time-scale planning of tactics and strategies for Mothercare, including:

- television advertising;
- billboards;
- A4 leaflets to advertise that the gym will be opening;
- a press release;
- Internet advertising (**point click system**);
- promotional booklets;
- building the gym, purchasing the equipment and paying the staff.

Control

Once the implementation of the digital marketing strategy is underway, it should be controlled and monitored based on:

- financial indicators (e.g. a 50% sales growth);
- customer indicators (e.g. 80% satisfaction level);
- internal processes (e.g. the successful launch of the Mothercare gymnasium and the completion of marketing activities);
- learning and growth indicators (e.g. a review of the content, as well as the impact of training on staff performance).

3.2 The elements of the digital marketing mix

The marketing mix framework is a well-known framework that marketers have used to develop their marketing plans. The mix "are controllable variables which, when planned and carefully mixed together in the right way, satisfy customers" (Chaffey and Smith, 2013)[28]. The decisions made in developing the marketing mix will result in resource allocation relating to time and money. The advent of digital marketing has called into question the validity of this traditional marketing concept. Although it is argued that all of the elements of the mix are affected by the internet, the e-marketing mix has evolved as marketing has moved online.

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28 Chaffey, D. and Smith, P. R. (2013), *eMarketing eXcellence: Planning and optimizing your digital marketing*. Routledge

Elements of the digital marketing mix (8P framework)

If an organisation is to succeed then it must be fit for purpose. What it is selling, whether it be a product or a service, must serve a need.

> *Stick close to customers; listen to them using social media or formalized marketing research to learn what they need; and supply it better than the competition by mixing the right mix.*
>
> *Chaffey and Smith (2013)[29]*

Chaffey and Smith (2013) reviewed the e-marketing mix and summarised a remix framework for the digital environment: the 8P framework.

Product	The product element of the 8P framework represents the value and experience of the brand, including product quality, brand image, features and benefits. From a customer-centric perspective, product also includes the customer experience.
Price	Price positioning is an essential element of the marketing mix in a global online market. The use of the internet for comparing deals requires the organisation to provide price transparency and develop new pricing models that work online, including discounting and value-added enhancements.
Place	This includes the choice of channels that will be adopted to sell the product or service and how sales will be supported cross-channel.
Promotion	Online promotions are varied and include marketing communications, promotions that are personalised to the individual customer, sales promotion, public relationship and direct marketing tools.
People	It is people who deliver the promises of the organisation, and that includes sales support, customer contact and support of marketing activity.
Physical evidence	In the virtual world, physical evidence includes the customer's experience of using the online processes to purchase a product or service, the packaging of the product when it arrives, and their experience when contacting the organisation.
Process	Customer-centric processes are a central part of the e-marketing mix. The infrastructure and design of the online experience requires research and development to ensure it balances the operational needs of the business with the needs of delivering a great customer experience.
Partnership	Forming and managing partnerships in order to deliver a great customer experience.

Table 3: Remix framework for the digital environment

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29 Ibid.

The e-marketing mix is focused on helping to build relationships, not just for one transaction but on an ongoing basis. It is also about developing strategic alliances and building strong relationships with partners. The key message is that the success of a digital marketing plan rests upon making relationships work with both customers and suppliers.

Source: Adapted from Chaffey and Smith (2013)

Figure 8: 8P e-marketing mix framework

CASE STUDY: DEVELOPING A CLUB MEMBERS APP

Mobile application for a members club programme

A global travel company created a mobile application for a members club programme, allowing their members to develop loyalty points, book travel reservations and manage travel schedules more easily. The app could be downloaded from Apple app store, Google Play for Android and the Windows Phone store. By using mobile marketing the travel company extended the marketing mix to develop the brand approach to building customer relationships.

Product – the members club was extended so that customers could access member benefits on the go.

Price – the mobile application was free to download and use.

Place – the members club app was easy to download and available from both the company's website and from mobile application stores.

Promotion – marketing campaigns were targeted at mobile-focused promotions, and campaigns were segmented on four different platforms: iPhones, Androids, BlackBerrys and on the web for computers. Email marketing was tailored to the device being used.

People – the mobile app was the person in the pocket of the members club programme, providing answers for customers regarding travel times and location services, and providing a wallet in which to keep mobile tickets.

Process – the mobile app was easy to use and available 24/7.

Physical evidence – users reviewed the app favourably, and its availability helped to increase club membership.

Partnerships – the reward points that members earned could be used on not just the travel company's services, but also those of a number of partners including taxi services and destinations, e.g. restaurants, hotels, etc.

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Activity 8: 8P review

Consider your experience as an online customer.
- **Examine a "bad" customer experience.**
- **Review the e-marketing mix and consider what elements need to be improved.**
- **Based on this review, what advice would you provide to the organisation to improve its customer experience?**

3.3 Capabilities and resources of an organisation

An internal analysis of capabilities and resources of an organisation involves looking at an organisation's strengths and weaknesses in order to determine how they contribute to competitive advantage. This will support the development of a digital marketing strategy to provide clarity as to what resources the organisation has at its disposal to sustainably achieve excellent organisational performance.

McKinsey's 7S model

Factors that influence an organisation's ability to innovate

There are a range of factors that influence the competitive advantage of an organisation. Many organisation design models highlight the central role of leadership in co-ordinating other factors which result in sustainable organisational performance. The McKinsey 7S Model (Waterman et al., 1980)[30] highlights the multiple interconnections between different elements of the organisation and describes seven key design areas (shown in Table 4).

Strategy	An aligned, articulated plan developed by the organisation to achieve competitive advantage.
Structure	How the firm is organised both in terms of structure, flows of information and reporting lines.
Systems	Decision-making processes and procedures that manage how business gets done on a day-to-day basis.
Skills	Capability and competency of employees within the organisation that enable it to achieve its strategy.
Staff	The workforce plan that will ensure that the organisation is able to recruit, train, manage and reward its employees.
Style	The management style of senior managers.
Shared values	The core of the model, representing the cultural norms that guide employee behaviour.

Table 4: McKinsey 7S model

The 7S model can be used to help the digital marketer review how effective the marketing operations are within the organisation and make decisions regarding how to realign the operations of the organisation to support the strategic direction; for example, by responding to customer demands for next-day delivery. Finally, the 7S framework can be used to understand the changes that are happening within the internal and external environment as a result of digital transformation, and how best to respond to them.

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30 Waterman, R. H., Peters, T. J. and Phillips, J. R. (1980), "Structure is not organization", *Business Horizons*, Vol. 23, Issue 3, pp. 14–26
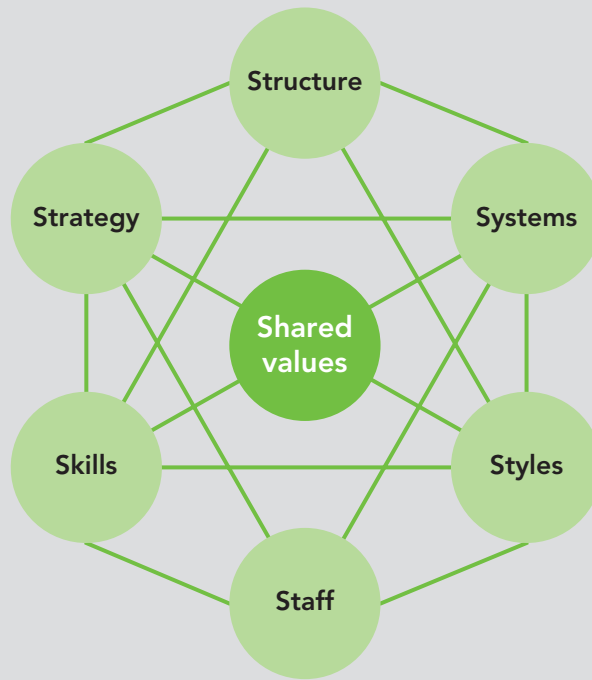
Source: Adapted from Waterman et al. (1980)

Figure 9: McKinsey 7S Model

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Activity 9: Structural review

Critically review the structure of an organisation with which you are familiar. What changes will need to be made to the organisational structure to support digital transformation?

For example: Integrated digital marketing team with the IT function.

The importance of digital transformation

Digital transformation is not simply about changing the operations of an organisation from an offline environment to an online environment supported by digital technology such as automation of logistics, software and e-commerce platforms. Delivering an excellent customer experience requires organisations to use digital transformation to drive innovation and move their traditional organisational operations forward to navigate industry disruption.

Innovation can occur in a number of different areas. It may occur through the development of new digital products (e.g. podcasts) or digitalising existing business models (e.g. online retail sites). Speed and adaptation are the keys to success in meeting changing customer needs.

Digital transformation to drive innovation is important for the following.

- **Responding to customer demands** – consumers are more demanding than ever and expect organisations to deliver a delightful experience at every stage of their interaction with the organisation. Innovative approaches to creating a great customer experience will drive customer loyalty to the organisation's brand.

- **Process improvement** – big data and digitalisation of processes support the organisation in driving efficiency and effectiveness to push performance and improve operations. Innovation in data-driven decision-making is important if the organisation is going to continuously improve and meet performance objectives.

- **Business innovation** – traditional models of business are being supplanted and transformed by the growth of the online world. Innovation in business models affects every organisation and requires innovation to meet the demands for different and new products and services and changing business needs. Failure to innovate will make the organisation irrelevant.

📄 CASE STUDY: BLACKBERRY'S HARD LESSON IN INNOVATION

From Number 1 to obsolete

In 2007 Blackberry controlled half of the world's smartphone market. Within five years the company had gone from profits of nearly US$2 billion to a deficit of around US$6 billion. It failed to respond to the launch of the Apple iPhone, and once the product flaws with Apple's iconic product were improved upon it was too late for Blackberry to respond. Today Samsung and Apple dominate the consumer hand-held phone business.

Pivoting Blackberry's business model

Blackberry has turned its attention to innovating with its business model and product range. It now focuses on enterprise security software and technology. Blackberry has innovated with its product range, developing software that is used inside automobiles. It has also developed corporate cyber security services in a trucking industry telematics product called Radar, which tracks trailers across country and helps drivers to locate vacant trailers in big car parks. By innovating both its business model and its product portfolio, and focussing on being a software company, it is restoring the company's fortunes.

Causes of barriers and resistance that can prevent change

Change within an organisation's operations and the changes in the external and internal business environment driven by digital transformation can be met with resistance if they are not managed sensitively. Change can take place in a number of areas, including the organisation's structure, its business strategy, policies, procedures, technology and culture. Causes of resistance within an organisation include corporate culture, company structure, attitude towards risk and the level of resources available.

Corporate culture

The culture of the organisation is considered to be the deciding factor in its performance, and it is a key contributing factor in determining whether change will be embraced or resisted. Culture refers to the values, assumptions and beliefs that guide action. Corporate culture affects how people work, communicate and deal with their customers, and it determines how the company operates what products it sells. Resistance to change can be entrenched in the organisation's culture.

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Activity 10: Cultural barriers to digital transformation

A senior leader in an organisation has announced that it will pursue a strategy of digital transformation.
- **What cultural barriers might the leader face?**
- **Watch YouTube video "7 strategies for overcoming resistance to change" at: www.youtube.com/watch?v=o9ulQvQdBQY**
- **What solutions can you propose that would help to support the digital transformation strategy and overcome the cultural barriers you identified?**

For example: There is an HR policy that prevents staff from using mobile phone technology or social media during working hours.

Company structure

The structure of the organisation creates its habitat. It defines roles, responsibilities and reporting lines, but more than that it distributes power to individuals and at the organisational level, it determines managerial control over employees and the process of decision-making. Furthermore, structure determines how and where resources are allocated across the business. The design of the company structure can therefore contribute to resistance as individuals attempt to maintain the status quo, and hold onto their power. Furthermore, the structure can prevent new business models from being created. Systems and processes can get in the way of doing things differently. It is worth noting that since structure is designed to create stability, it is perhaps unsurprising that structure itself resists attempts to change the status quo.

Attitude towards risk

People can resist efforts to change because of their perception of the risk involved and their attitude towards risk. If people think that the proposed change poses a threat then they will oppose it. Risk tolerance is a personality trait which can predict how resistant someone will be to stressors. The higher their resistance level, the more risk avoidant they are to any change which they see as being threatening.

Level of resources available

Change can result in resources being reallocated, which means some departments may gain new resources while others will lose some. However, transitioning to a new business model, introducing new systems and investing in research and development is expensive. The organisation will need to fund this from its profits or from investors' money. If the business is having financial problems, it may struggle to find the resources needed to make the changes required.

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Activity 11: The people resource

When it comes to digital transformation, very often the focus will be on the hard resources – financial, technological, and the systems and processes within the organisation. But people are also a resource. What are the ways in which the people resource can contribute to digital transformation?

3.4 Opportunities for a chosen organisation to innovate for competitive advantage

Creating sustainable performance in the digital age requires the organisation to identify opportunities to innovate for competitive advantage. All organisations in the marketplace have the same access to the same digital technology, but creating a road map for transformation requires them to identify the best opportunities to exploit.

Benefits to the organisation

Innovation is risky. Many organisations have invested large amounts of time and financial resources on innovation initiatives that have failed. But this does not prevent other organisations from trying to succeed where others have failed. The benefits to the organisation of being able to use digital innovation to create new value for customers are numerous.

- **Reduced investment in new things** – physical substances require physical space in which to make, pack or move them. Bricks and mortar are a significant fixed cost for an organisation, and a risky investment decision if it goes wrong. Digital innovation provides the organisation with the opportunity to create a variety of offerings, test out new ideas, and try different prototypes and product and service orientation, all in the same space.

📄 CASE STUDY: BETA-TESTING COMPUTER GAMES

Driving excitement

The computer game industry is complicated. Not only does the game need to work on many levels, but the product also needs to bring people together playing online in different countries, using different ways of getting online and even different consoles. Gaming companies use beta testing to ensure that the user experience is a good one, and that there are no technical glitches or failures which might result in bad reviews of the game.

Willing testers

Finding people willing to act as product testers to beta-test new computer games is not as hard as you might think. Gamers are willing participants who have the chance to play a title before release and provide feedback to the design house instantly.

It's all about marketing

Product testing is an essential element of beta testing, and design houses will get a lot of feedback that leads to reworking of the game and the development of patches in real time to improve the product. The central element of beta testing is starting a conversation with the gaming community about the product. Design houses will even run competitions for gamers to win the chance to beta-test popular titles. Not only do they get an opportunity to strength test their game with a focus group without paying the testers, but they also can use this as an efficient way to find out whether or not the game works.

From the consumers' perspective, beta testing becomes part of the gamers' experience, and users who test the game are likely to go on and buy the product when it is released. In essence, beta testing provides gamers with an early demo version of the game to create positivity and a buzz about the title release. It provides the gaming audience with a try-before-you-buy opportunity. The company also gets feedback and the opportunity to implement necessary changes with no negative impression if flaws are found, because that is the point of the beta test.

- **The virtual world** – digital technology enables the organisation to move between online and offline places, interacting with customers through its websites and social media via their device. By creating these virtual spaces, the organisation is able to make spaces that are physically impossible in the real world. The organisation can help to drive customer imagination, be local even if separated by physical geography, and bring products and services into the customer's own home.

- **Unlimited by time** – digital technology has increased the speed and dynamism of the business world, and customers expect speedy responses from organisations. Digital technology has the benefit of providing automation, which enables the consumer to fit their interaction around their schedule rather than "business hours". Whether it is on-demand services, e-banking, e-commerce, or booking events online, consumers can buy products and services in their own time, when it is convenient for them. This expands the hours of business to 24/7 without necessarily having to employ people to cover out-of-hours operations.

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Activity 12: Marketing contribution to organisation innovation

Read this article:

Caroline Mothe, Thuc Uyen Nguyen Thi (2010), "The link between non-technological innovations and technological innovation", *European Journal of Innovation Management*, **Vol. 13, Issue 3, pp. 313–332. (This article will be available in your online student resources.)**

Review an organisation with which you are familiar. What innovations in the organisation can you identify that have been driven by marketing? Consider:
- **product strategy**
- **price strategy**
- **promotion strategy**

For example: The introduction of new flavours of a product, which have started as a promotion.

Innovation		
Can provide access to the virtual world	Lowers investment in new things	Unlimited by time

Figure 10: Benefits of innovation to the organisation

Principles of customer value

Customer value refers to the difference between what the customer receives from a product or service and what it costs them (in terms of time and resources) to get the product or service. From a digital marketing perspective, value is at the centre of everything that marketing does. The American Marketing Association[31] defines marketing as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large."

Consumer value is therefore based on the customer's perception of whether the price they have paid and the time they invested is outweighed by the benefits received.

The value proposition canvas

The value proposition canvas (Osterwalder and Pigneur, 2004)[32] is a business tool that enables the organisation to create, design and implement consumer value propositions. It can be used to understand fit between customers and the organisation's products and service offering.

The value that products and services deliver to the customer in meeting their needs is mapped by examining two sides of the value proposition canvas:

- **the customer segment** – which examines who the organisation is seeking to create value for;
- **the value proposition** – which examines how the organisation will attract customers.

Developing the customer profile helps the organisation to understand and also describe how value will be created for the customer. This is composed of:

- **customer job** – the jobs, which can be functional, social, personal or supportive, describe what the customer is trying to complete and are responsible for creating the demand for the product or service;
- **pain** – relates to the negative aspects, obstacles and risks that a customer faces in trying to complete the job, and organisations must be aware of the severity of the pains that the customer faces;
- **gain** – reviews the positive outcomes that the customer gains by completing the job task. Gains can be viewed as being essential or required, expected, desired or unexpected. Organisations must be aware of the relevance of the gains that the customer seeks to obtain.

31 American Marketing Association (n.d.), *Definition of Marketing* [online]. Retrieved from: https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx [Accessed on: 17 November 2017]
32 Osterwalder, A. and Pigneur, Y. (2004), "An ontology for e-business models", *Value Creation from E-Business Models*. Butterworth-Heinemann, pp. 65–97

Fit is achieved if the features of the value proposition map match the characteristics of the organisation's customer profile.

Figure 11: Value proposition canvas

Creating competitive advantage

The key question for digital marketing to consider is how digital marketing methods, innovation and digital transformation can help the organisation to strengthen its position in the marketplace. Regardless of the industry, digital innovation is impacting upon the business models of organisations. As new entrants join the market, traditional businesses are experiencing unprecedented levels of market share loss. Digital transformation means that integrated technology platforms and technological developments are providing better customer solutions than traditional businesses can provide.

Digital marketing methods are providing organisations with the opportunity to engage with customers and develop customer loyalty through enhanced agility and responsiveness. The development of data analytics has enabled digital marketing to utilise social media, thought leadership through content marketing, 360° video, sharing by digital influencers and customer recommendations to develop the organisation's competitive advantage.

Digital transformation is leading to new revenue models, process efficiency and increased precision in segmentation and personalisation, which leverage digital technology to provide new customer solutions. Many changes have been incremental, and for a lot of organisations the focus has been on driving cost efficiency through process improvements. However, some digital solutions have been transformational, with organisations taking strategic gambles to pilot different solutions and invest in integrated digital solutions that are reinventing industries and delivering opportunities for growth.

The creative execution of digital marketing campaigns

The digital environment provides the opportunity for innovative thinking and a different approach to the creative execution of digital marketing campaigns via the digital marketing function, including **experiential marketing**, virtual/augmented reality, interactive techniques and personalisation at scale.

Experiential marketing

Experiential marketing is inclusive of the customer, and places an individual customer or a group of customers in an immersive branded experience.

> *The premise of experiential marketing is to create a closer bond between the consumer and the brand by immersing them in a fun and memorable experience.*
>
> *David Moth (2014)*[33]

The brand event should itself be aimed at creating positive emotions in prospective customers with a view to those emotions being associated with the brand, encouraging brand loyalty and increasing the likelihood of a sale in the future.

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Activity 14: Experiential marketing

Identify an experiential marketing campaign to analyse the following.
- **What were the objectives of the campaign?**
- **Who was the audience that the campaign was looking to impact?**
- **In your opinion did the campaign deliver this experience to the right audience, at the right time, in the right manner? Give reasons for your answer.**

For example: Virgin Atlantic – no ordinary park bench campaign – https://youtu.be/UpCsp1u1i88

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33 Ratcliff, C. (2014), *"What is experiential marketing and why do you need it"* [online]. Retrieved from: https://econsultancy.com/blog/65395-what-is-experiential-marketing-and-why-do-you-need-it [Accessed on: 13 October 2017]
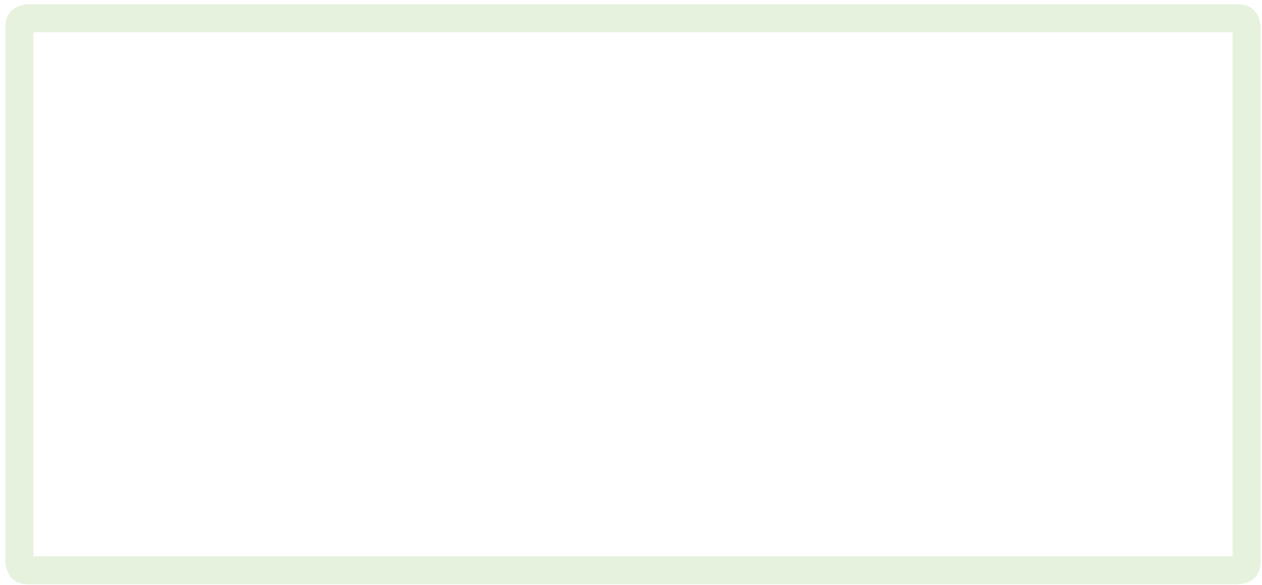
Virtual/augmented reality

Virtual reality (VR) and augmented reality (AR) are cutting-edge technologies that are providing new approaches to both inbound and outbound marketing.

- **Virtual reality** is an immersive experience where the user is presented with an artificial environment that feels like and appears to be a real environment. VR apps provide organisations with opportunities that previously were not available to organisations, e.g. creating a VR test-drive experience without driving the car.

- **Augmented reality** overlays 3D information over the current world as it is seen in real life.

Customers are more likely to remember VR and AR marketing campaigns because of the novelty factor. They have the advantage of providing customers with a vivid feel for a product or service that text- or video-based campaigns cannot hope to match.

Interactive techniques

Interactive marketing techniques enable the organisation to engage customers in two conversations, gathering feedback on products and services, monitoring customer behaviours and tailoring marketing to be aligned to what the customer wants. Interactive marketing techniques rely on a process of getting customers to express a preference and the organisation producing a relevant marketing message in response. Various techniques are used to get customers to provide information. That could be feedback via review and recommendations, opportunities to share their personal preferences, providing demographic information or information that can used to shape marketing efforts.

Search engine optimisation is one of the most common ways in which marketers can gather information about what customers want. This relies on keyword search, and advertising is shown based upon the search terms that the customer types into the search engine. The organisation's own website can be used to engage with potential customers, offering an opportunity for the customer to browse product offerings, learn about the company, access deals and even participate in forums. A customer's online activities leave behind a huge **digital footprint**. This can be mined for information about the customer to help determine future marketing efforts. Table 5 shows the different forms of interactive marketing.

Search engine marketing	Optimising the organisation's website to improve ranking and placing targeted banner ads on results pages.
Email marketing	Emailing customers adverts, discount information and notifications of deals.
Sponsorships	Sponsoring companies with an established online brand in order to connect with new customers.
Blogging	Developing content to inform customers of new products, deals and brand information.
Social networking	Connecting with customers through Facebook, Twitter, etc.

Table 5: Forms of interactive marketing

Personalisation at scale

Described as marketing's holy grail, personalisation (tailoring messages to an individual based on their behaviour) helps to create relevance for the marketing message. It enhances customers' lives and increases engagement with the marketing message.

> *Personalization can reduce acquisition costs by as much as 50%, lift revenues by 5–15%, and increase the efficiency of marketing spend by 10–30%.*
>
> *Gregg et al. (2016)[34]*

Personalisation requires the digital marketer to segment customers into groups based on similar behaviours and for each segment understand the customer journey to create micro-segments. Using activities like customer purchases, online browsing activity and social media posts it is possible to send relevant and timely marketing messages that are delivered to the individual customer to match the situation.

✎ OVER TO YOU

Activity 15: Personalised to you

Review marketing messages that have been targeted at you over the past week; for example social media, banner advertising and email marketing.

In what ways have marketing messages been personalised to you? Critically analyse how noticeable this personalisation has been to you as a consumer.

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34 Gregg, B., Kalaoui, H., Maynes, J. and Schuler, G. (2016), *"Marketing's Holy Grail: Digital personalization at scale"* [online]. http://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/marketings-holy-grail-digital-personalization-at-scale. [Accessed on: 10 September 2017]
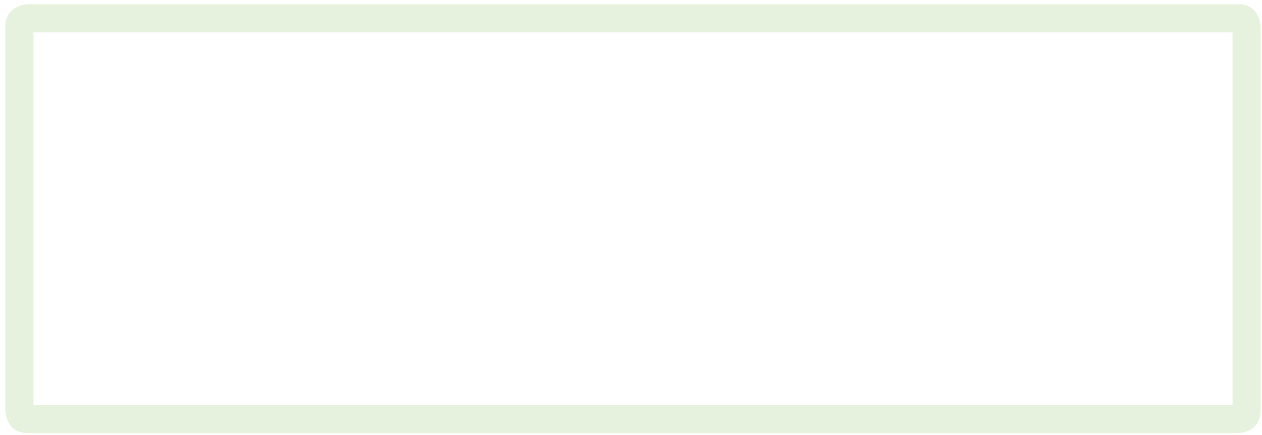
3.5 The digital marketing strategy

There is not just one right way of approaching digital marketing, because for each customer segment, medium, product, service and brand there are numerous variables that need to be taken into account in the development of a digital marketing strategy. Just because a marketing campaign has been wildly successful for a competitor or an organisation in a different industry, that does not mean that another organisation adopting the same tactics will replicate that success with a different product or service. So the digital marketer must develop methods for monitoring, measuring and managing the digital marketing strategy in order to gain insight into what exactly is working and what is not as the digital marketing strategy is implemented. It is an iterative process of plan, act and review, focused on learning what delivers results.

Setting meaningful key performance indicators (KPIs)

Key performance indicators (KPIs) are key because they are the indicators that are a quantifiable measure of an area of performance which, if delivered, will enable the organisation to hit its strategy objectives. They are like a sign on the motorway which allows the driver to check whether they are heading in the right direction and making progress towards their destination.

In developing meaningful KPIs the digital marketer must determine what measures are important to the organisation and what will help to determine whether the marketing strategy is on track. From a digital marketing perspective, KPIs help to filter the wealth of data available to extract meaning and gather a snapshot of progress towards the desired goal. This does not mean that other metrics are not valid, rather KPI measures are the ones that indicate whether something is going well. If there is underperformance in a KPI it provides a flag to the digital marketer to look deeper in that area of data to find why the performance is not where it is expected. Therefore, KPIs are the most critical indicators of progress. A good KPI has the following characteristics:

- It is aligned with the strategic goals of the business.
- It is defined and owned by decision-makers.
- The metric chosen drives value for the business and is a barometer of success.
- It is valid and quantifiable.
- It can be influenced by digital marketing actions.

The number of metrics available to measure the performance of a digital marketing strategy is extensive, and the ability to track a variety of indicators is enabled by web analytics technology. Examples of generic indicators include those shown in Table 6.

Conversion rate	Number of website visitors who perform a desired action, e.g. purchase, subscription, enquiry or registration
Page views	Number of pages viewed by visitors to the website in a specified period
Unique visitors	Number of visitors to the website in a specified period
New vs returning visitors	Number of visitors who have never been to the website before vs returning visitors
Abandonment rate	Number of website visitors who exited the process partway through performing a desired action
Cost per conversion (CPC)	Cost of advertising divided by number of conversions

Table 6: Examples of generic indicators

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However, just because something can be measured, that does not mean it should be reported on or chosen as a KPI. Too many KPIs leads to confusion and information overload, and that is not productive or helpful in enabling clarity of action. When it comes to key performance indicators, less is definitely more.

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Activity 16: KPIs aligned to organisational objectives

Review the strategic objectives of your organisation (or one with which you are familiar). Choose five KPIs that would provide a meaningful measure of whether a digital marketing strategy was contributing to the organisation's strategic aim. Give reasons for your choices.

Tracking and measuring marketing strategy effectiveness

Tracking and measuring marketing strategy effectiveness requires that the marketing campaign is assessed against the objectives set using both quantitative measures drawn from web analytics systems and qualitative measures based on customer feedback responses.
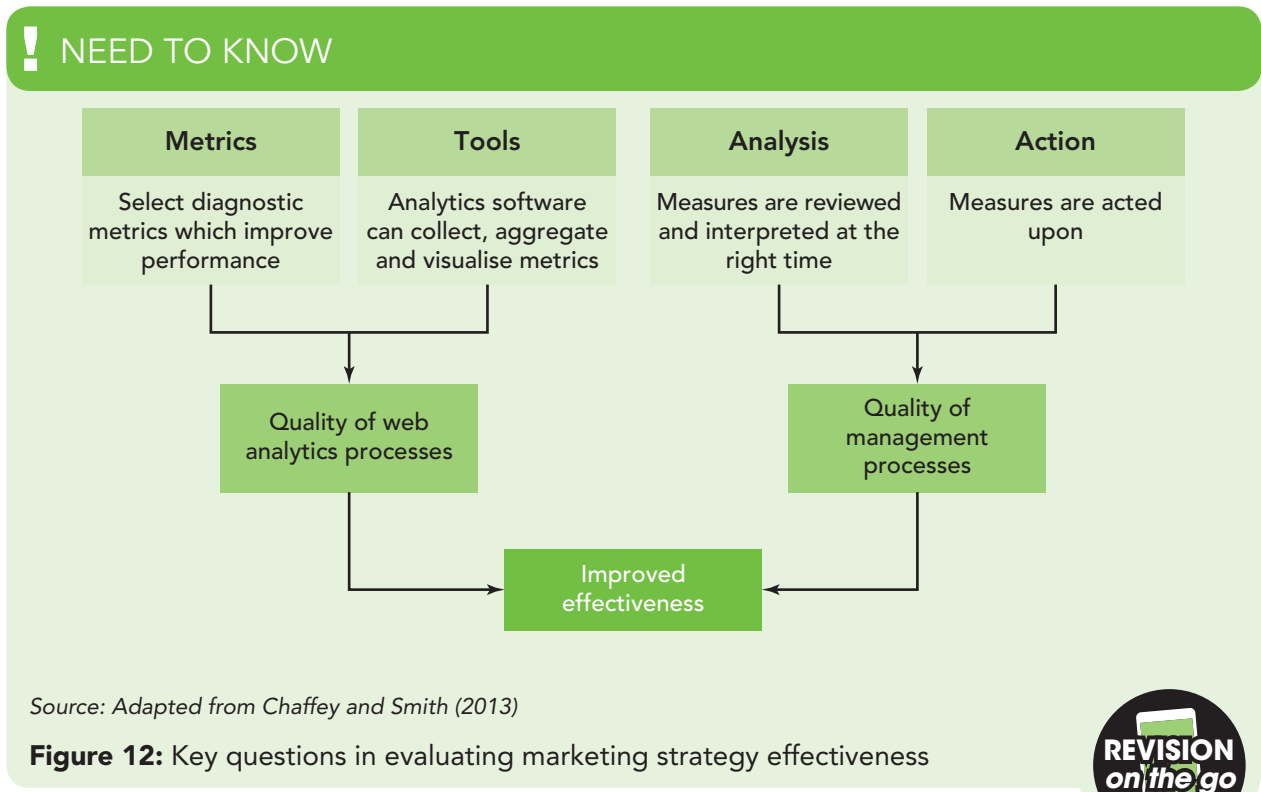
❗ NEED TO KNOW

Metrics	Tools	Analysis	Action
Select diagnostic metrics which improve performance	Analytics software can collect, aggregate and visualise metrics	Measures are reviewed and interpreted at the right time	Measures are acted upon

Quality of web analytics processes

Quality of management processes

Improved effectiveness

Source: Adapted from Chaffey and Smith (2013)

Figure 12: Key questions in evaluating marketing strategy effectiveness

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Data analytics provides the digital marketing function with the opportunity to ensure that digital marketing activity delivers value. Selecting appropriate measures and tools can improve the ability of the organisation to respond to issues and increase effectiveness.

Collecting and reporting on the data is just the beginning of the process of improvement. Ensuring that there are mechanisms in place with which to respond to the data collected is also essential. Reporting, reviewing and revisiting the digital marketing strategy is a continuous process.

✎ OVER TO YOU

Activity 17: A review of quality

Develop your own explanation of quality from the perspective of tracking and measuring the digital marketing strategy. Include both quality of management processes and quality of web analytics processes in your explanation.

Contemporary contingency planning

In an ideal world, digital marketing strategies would require little more than the occasional tweak, and improvements would be limited to refining what has already been determined as the best course of action. In reality, Plan A can sometimes be completely ineffective, and despite the best efforts of the team the organisation needs to develop a Plan B. When something does go wrong, it is important that there is a contingency plan that covers the context of the digital environment. Examples of where a contingency plan is required include:

- unexpected increases in purchases of a particular product ahead of forecast predictions;
- in response to server failure and the website going down;
- to identify and fix e-tools that are not working;
- organisational response to customer data being hacked;
- negative response to a marketing campaign.

📄 CASE STUDY: MALAYSIA AIRLINES

Distasteful marketing campaign

When constructing a digital marketing campaign, being aware of possible cultural clashes when choosing language or imagery is Marketing 101, but it seems someone in the marketing department at Malaysia Airlines missed the memo.

The context

In 2014 Malaysia Airlines suffered two tragic catastrophic aeroplane losses. One disappeared when traveling to Beijing from Kuala Lumpur. The other was hit by a Russian missile when it was flying over a military conflict zone on the Ukraine–Russia border whilst en route from Amsterdam to Kuala Lumpur.

A bucket list competition

The digital marketing campaign launched in 2014 asked the New Zealand and Australia audience: "What and where would you like to tick off your bucket list, and explain why?" The campaign was insensitive in that it clearly missed the connection of a bucket list to death.

Quick to change tack

People were quick to criticise Malaysia Airlines for their lack of sensitivity. The links to the bucket list competition were hastily cancelled and a new activity focusing on a to-do list was launched in its place.

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Activity 18: Controlling social media campaigns

Read about the #McDStories campaign case study at:
https://diazglaura.wordpress.com/2013/12/06/case-study-mcdstories/

What recommendations would you make to the McDonald's digital marketing team about how they could respond to the PR crisis caused by the social media hashtag hijack?

What contingency plan would you develop for a social media crisis?

READING LIST

- Karjaluoto, H., Mustonen, N. and Ulkuniemi, P. (2015) "The role of digital channels in industrial marketing communications", *Journal of Business & Industrial Marketing*, Vol. 30, Issue 6, pp. 703–710. (This article will be available in your online student resources.)

- Mothe, C. and Nguyen-Thi, T. U. (2010), "The link between non-technological innovations and technological innovation", *European Journal of Innovation Management*, Vol. 13, Issue 3, pp. 313–319. (This article will be in your online student resources.)

Summary

The purpose of a marketing strategy is to address a business or brand challenge or objective that has been revealed. An effective strategy involves making a series of well-informed decisions about how the brand, product or service should be promoted. Developing a clear brand message and being precise about who that brand message is being targeted at provides clarity about the brand's value proposition. Digital marketing develops strategies and activities that build upon and adapt traditional marketing principles, using the digital medium.

The marketing mix framework is a well-known framework that marketers have used to develop their marketing plans. The decisions made in developing the marketing mix will result in resource allocation in regard to both time and money.

An internal analysis of capabilities and resources of an organisation will support the development of a digital marketing strategy to provide clarity about what resources the organisation has at its disposal to sustainably achieve organisational performance.

Creating sustainable performance in the digital age requires the organisation to identify opportunities for the organisation to innovate for competitive advantage. Developing methods for monitoring, measuring and managing the digital marketing strategy provides insight into exactly what is working and what is not. It is an iterative process of plan, act and review, focused on learning what delivers results.

Big Data and Contemporary Developments

Introduction

Big data can be applied to developing a commercially successful digital marketing strategy. Feeding big data into the planning, research and strategy development process is essential to ensuring that the digital marketing strategy is responding to real-time customer insights that are meaningful. Using big data enables the digital marketer to create digital assets to target customers, incorporate relevant media channels to drive traffic to those assets, and successfully build customer relationships. Data helps the organisation to know whether the marketing strategy is actually working, and provide information on how it might work better.

Learning outcome

On completing the chapter, you will be able to:

4. **Critically assess how big data and contemporary developments can be used to drive digital marketing strategy**

Assessment criteria

4 **Critically assess how big data and contemporary developments can be used to drive digital marketing strategy**

4.1 Critically evaluate the emergence of big data, its scope and power to inform marketing strategies

4.2 Critically assess how big data is used to centralise and synthesise consumer insights, forecast outcomes and evaluate the effectiveness of the marketing strategy

4.3 Critically analyse the methods by which different organisations capture and use data to justify the marketing strategy decisions

Background

Customer activity on the internet is recorded and tracked. The record of activity can provide rich, data-driven information about how the digital assets created as part of the digital marketing activity are performing and how online campaigns are performing against objectives. This data can be used to refine and adjust digital marketing efforts to develop new and better-crafted campaigns quickly.

> " *The Internet will transform advertising because of its trackability, not its beauty.* "
>
> *Eric Schmidt (2002)*[35]

The ability to track and monitor customer activity has been coupled with real-time analytics. These provide user-friendly reporting platforms and powerful tools that integrate different sources of information to build a fuller picture of what is happening online. However, as well as being able to find out what is happening, the digital marketer must also explore why something is happening. They must use customer insights to make decisions about what to do next in order to make the digital marketing strategy perform better.

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Activity 1: Advantages and disadvantages

What are the advantages and disadvantages of "big data" in developing a coherent digital marketing strategy? Give reasons for your answers.

For example: Too much data makes it difficult to determine which data is important and which can be ignored.

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35 Lieb, R. (2002), *"Immersive Advertising (Three Days' Worth)"* [online]. Retrieved from: https://www.clickz.com/immersive-advertising-three-days-worth/77698/ [Accessed on: 13 October 2017]

4.1 The emergence of big data

Prior to the development of the internet, marketers struggled to get access to quality data in a time frame that enables them to take action to correct the course of a marketing campaign. Even getting data regarding the impact of a marketing campaign was difficult and broadly relied on response rates. Trying to get data about why customers responded to a campaign relied on expensive forms of market research. But even then the reasons why, and whether the whole marketing campaign failed/succeeded or just part of it, was difficult to ascertain.

Digital transformation means that data is everywhere. The opposite problem now exists – how to manage the wealth of data available at the click of a button and make sense of it. The expectation today is that decisions behind a digital marketing strategy will be driven by data, backed up with facts and analysis. This new paradigm moves marketing from an art to a science formed of experimentation, testing of hypothesis and informing marketing strategies based on tangible results.

The terminology and the language of big data

Big data is collected from a variety of digital sources and is captured, formatted and stored in huge databases across the world. An array of language is used in discussing big data, which can appear confusing. Table 1 shows some of the terminology associated with big data.

Big data	A large volume and organised collection of datasets that require specialised software and digital systems to process them
Software	Electronic programs used to operate the computer systems that record and analyse big data
Processes	A series of operations performed on a dataset
Hadoop	An open source software framework that stores data files. Its large processing power enables it to run a large number of analytics tasks simultaneously, which makes it cost effective and time efficient
MapReduce	A programming model for processing and generating large datasets, which can break down the dataset into useable information
Parallel processing	Being able to process multiple tasks at the same time

Table 1: Terminology associated with big data

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Activity 2: The language of big data

Research big data terminology online. Select five more terms and write your own definitions for each term below. Discuss your findings with a study partner if you have one.

For example: http://bigdata-madesimple.com/big-data-a-to-zz-a-glossary-of-big-data-terminology/

Principles of big data

Big data provides the digital marketer with the opportunity to improve both its digital marketing strategy and the operations of the business by making fast, intelligent decisions based on data. Understanding the principles of big data and the scope of its value will enable marketers to shape digital marketing strategies by providing insights into consumer behaviour, attitudes, opinions and habits. There are five key principles that the digital marketer needs to understand.

1   **Big data provides competitive advantage** – big data and the application of data science will enable the organisation to outperform its competitors by precisely identifying and targeting products and services at particular customer segments and predict customer behaviour.

2   **Big data makes marketing more effective and drive sales revenue growth** – big data initiatives add value to marketing processes and activities at every level of the organisation's operations. By investing in big data it is possible to compare different customer segments, look for signals of churn, engage with the right customers and identify the right product and service offering at the right price to increase the probability of purchase.

3   **Big data is about connecting data** – this is the ability to piece together disparate pieces of data, identify patterns, predict future trends and take action. Digital applications make it possible to predict outcomes and prescribe action relating to the creation of promotions, campaign designs to build market share, the development of pricing models and lead generation.

4   **Better outcomes are delivered by taking action** – big data is a waste of resource if the digital marketer does not take action as a result of insights gained from its analysis. Analysis of marketing trends will only yield better outcomes for the organisation if they are linked to the execution of definable actions.

5   **Data science helps to deliver the outcomes from big data** – big data applications are rooted in the statistical routines and data-mining algorithms from data science that make sense of correlations and patterns in the data.

Big data offers the opportunity for the digital marketing strategy to turn insights into a compelling customer proposition that in turn will help the organisation to outperform its competitors.

Figure 1: Five principles of big data
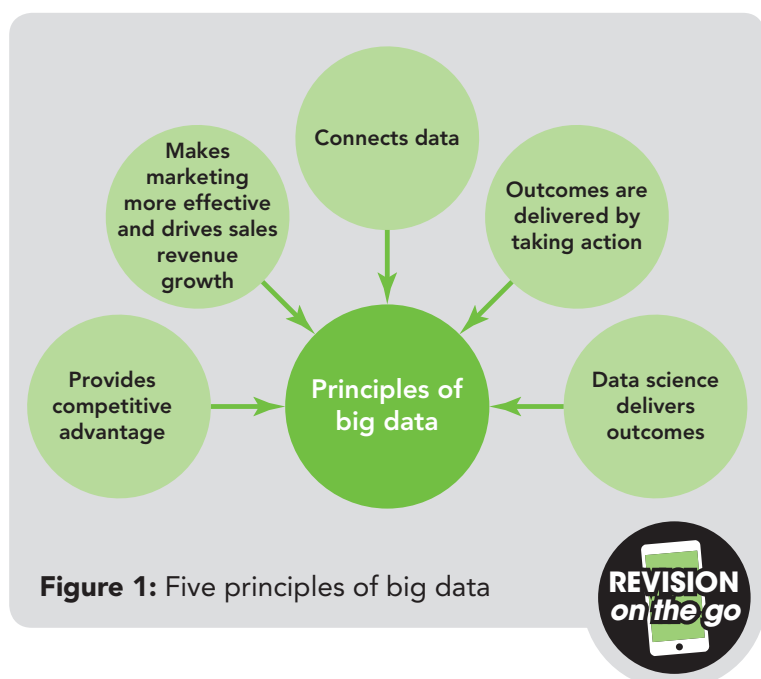
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Activity 3: The opportunities and challenges of big data

Read this article:

Charles F. Hofacker, Edward Carl Malthouse and Fareena Sultan (2016), "Big data and consumer behavior: imminent opportunities", *Journal of Consumer Marketing*, **Vol. 33, Issue 2, pp. 89–97. (This article will be available in your online student resources.)**

What are the opportunities and challenges that big data offers to digital marketers?

Big data strategies

Big data strategies can result in a number of business process improvements, but infrastructure from traditional data analysis will need to be integrated in order to benefit from massive data sources. Big data enterprise architecture will need to be developed, and those who use the processes and systems will need to be trained if a big data strategy is to be successful.

Big data combines data from a variety of sources including traditional data, machine-generated data, data from social media, website data and data from devices (the internet of things). This data is combined using a scalable data processing platform such as Hadoop to process the combined data to provide insights for the organisation.

Establishing a big data strategy may require a significant upfront investment to develop a data integration framework and complete the coding required, integrating and managing the data effectively. There are three generic big data strategies that can be adopted by the organisation.

1 **Distributed** – big data administration roles and responsibilities are distributed throughout the organisation. Data responsibility remains with the board of directors, but each business unit will make autonomous data decisions specific to their department. There are multiple levels of oversight, but the distributed structure can create barriers to the delivery of solutions.

2 **Integrated** – centralisation of decision-makers and influencers responsible for big data enterprise architecture creates a clear strategic objective and framework for support in respect of a big data strategy. Led by a senior leader, perhaps reporting to a director of the board, each function within the business will be aligned to deliver the organisation's big data strategy with integrated organisational structure, processes, systems and policies.

3 **Centralised** – the board of directors adopt a strategic approach to big data, creating an executive post for a director of big data. Big data is a function in itself and is a key component of the organisation's strategy for creating competitive advantage, operational improvement and innovation activities. Big data supports the business and feeds into the future strategic direction of the organisation.

📄 CASE STUDY: LEVERAGING INVESTMENT IN CONTENT CREATION

Entertainment goes big

A leading organisation in the entertainment industry engaged in big data when it needed to market its content effectively in order to achieve a return on investment. The client engaged a business intelligence agency, which offered big data architecture that could combine the organisation's internal marketing information with data gathered from social media, e.g. Facebook, Twitter, YouTube and Google Analytics.

Using a software framework that utilised predictive analysis software, and MapReduce to create sentiment analysis of the client's content, the agency was able to provide a daily activity report on entertainment consumers.

Outcome

Using the reports provided by the agency, the entertainment organisation was able to enhance, maintain and evaluate the effectiveness of their digital marketing strategy almost in real time. The use of an external agency reduced the time and financial cost of IT processing and of creating and managing a dataset in-house.

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Activity 4: Big data strategy

Critically analyse the big data strategy adopted by an organisation with which you are familiar. Can you identify the strategy as distributed, integrated or centralised? Give reasons for you answer.
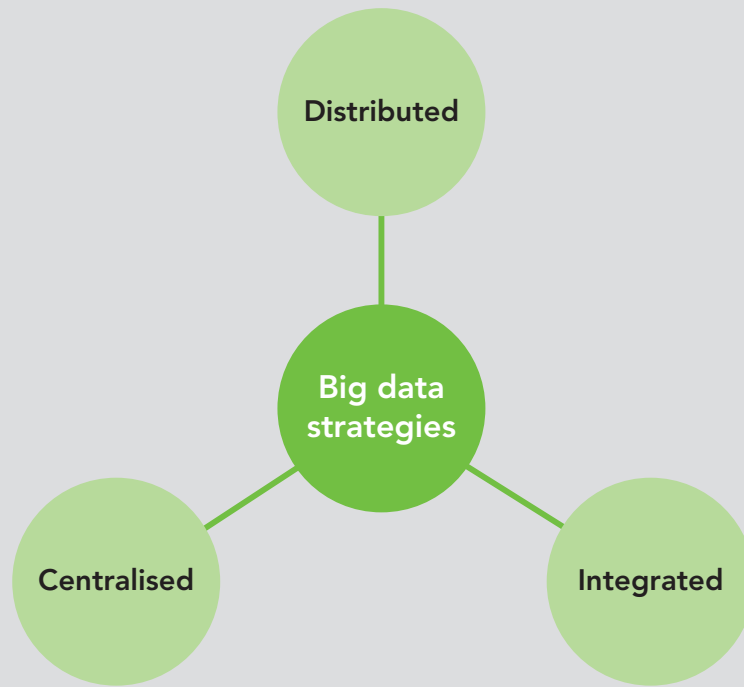
Figure 2: Big data strategies

4.2 How big data is used

Big data is fundamentally changing the way in which an organisation operates and competes in the marketplace. Investment in data provides competitive advantage enabling the organisation to use big data to centralise and synthesise consumer insights, forecast outcomes and evaluate the effectiveness of the marketing strategy

Sources of big data

Being able capture data is not a new phenomenon, but being able to capture large volumes of data and use it effectively has been advanced by digital technology which increases the generation of data, processing power which reduces the cost of handling unstructured data, and software which allows organisations to easily interrogate datasets to make synthesis insights. Sources of big data are shown in Table 2.

Employees	Organisations collect information about employees in Human Resource Information Systems (HRIS) including demographics, sickness absence, productivity, turnover, engagement and performance. Internal data can be combined with external data to provide information. This can be used to understand what problems may arise, to target recruitment campaigns or to improve retention.

Consumers	Consumer data can be generated from transactional information (online and offline), communication information, online activity, social networking datasets and customer services data. A number of data marketplaces and data brokers exist which hold repositories of datasets. Government agencies and institutions also publish a great deal of data online. External and internal data sources can help the organisation to customise and target consumer marketing across marketing channels.
Electronic point-of-sale (EPOS)	Used in retail or hospitality businesses, **EPOS** manages customer transactions and can be linked to stock control, ordering and customer relationship management (CRM) operating systems. Data generated can be linked with loyalty and satisfaction data to enable organisations to understand the buying habits of their customers.
CCTV	Data from CCTV cameras can be used to send and receive data online. The data can be used for video analytics, which allows the camera to analyse images. Data protection concerns restrict how this data can be collected and used.
Digital footprints	These are data sources which record the impact of people's digital behaviour. Every aspect of our digital activity is recorded somewhere, including the interactions with other people and the choices we make in terms of search terms, content accessed and responses to particular stimuli. Data collected from multiple consumption data inputs can provide useful information about what people might be interested in, and how they might respond to particular marketing tactics.

Table 2: Sources of big data

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Activity 5: Research a data source

Review the data sources listed on the Mosaic Data Science website at: http://www.mosaicdatascience.com/data-sources.

Choose one of the directories or data repositories listed and review it. Write a brief synopsis below about what the database could offer to an organisation with which you are familiar. Discuss your findings with a study partner if you have one.

Optimising marketing strategies

The marketing optimisation process focuses on how the organisation can improve its marketing activities to achieve the desired organisational performance outcomes. It involves collecting and analysing marketing data, refining the marketing process and where possible introducing opportunities for automation. When it comes to developing the best digital marketing strategy, the organisation has to understand how to effectively stay close to its customers. This involves talking with them, listening to their feedback and what they discuss in their online communities and social networks. Optimising marketing strategies includes a variety of activities that will help the organisation to become experts in its target markets.

Consumer engagement

This relates to the connection between the organisation and the consumer as a result of the digital marketing strategy. Since consumers are always connected via mobile and social media technologies the digital marketer needs to consider how best to optimise consumer engagement. Providing consumers with real-time personalised and experiential communication messages at a point in time when they are looking for them will provide the organisation with an opportunity to engage with the consumer in a way that was previously only dreamt of.

Using social media as a tool to provide value to customers requires the organisation to analyse social media data and gain insight into evolving consumer trends. This takes some of the guesswork out of new product developments or services that may be relevant to the target consumer group.

Simplification is also essential. People spend time on the web for many reasons, but they do not want to feel that the time they spend is being wasted. Streamlining customer experiences based on how they navigate through a transaction will help to teach the organisation how to make the customers' experience more enjoyable.

Retention and loyalty

A lot is made of the importance of customer feedback and recommendations online, but seeking feedback is just the first part of the optimisation calculation. The second element is doing something with the feedback that customers have given. Big data can use a business intelligence model to help to develop an understanding of trends and correlations in customer feedback. Retention requires constant and consistent response to feedback, and loyalty can be grown not just from getting everything right, but also from a constructive response to dissatisfied customers. Customers who complain but have their problem resolved are likely to remain loyal and become advocates for the organisation's product or services.

A key differentiator is anticipating customer needs and developing a reputation for reliability and speed. Developing systems and processes that keep the customer informed at every step of the transaction process and aligning organisational processes to respond appropriately to customer demands will give the organisation competitive advantage. Organisations must recognise that consumer power is increasing, and this means that digital marketing strategies must seek to exceed customer expectations.

Big data and customer relationship management systems can be used to help shape digital marketing strategies, which positively drive customer loyalty and retention. Data can be used to develop customised reward programmes that are easy for customers to sign up for and can be developed via mobile apps to encourage check ins. Easy-to-access customer loyalty programmes can encourage repeat visits and increase spend per visit.

📄 CASE STUDY: CREATING BRAND LOYALTY

Capitalising on social activities

A sports and fitness brand capitalised on the social aspect of sports and fitness to create a shopping experience that was different from the usual sports warehouse feel of sports shops. To stand out in the overcrowded fitness market, the sportswear company positioned itself by creating a social community supported by content, which would appeal to its targeted customer base.

Social media platform

Using its own lifestyle blog alongside mainstay social media channels Twitter, Instagram, Pinterest, Facebook and YouTube, the brand engaged and rewarded customers as members of the sports brand's own fitness community. Utilising a soft sales approach, with product promotion supported by links to the lifestyle blog or fitness content on YouTube, customers were provided with content that was genuinely of interest and useful.

The result

Building a community developed the customers' sense of connection to the brand. The brand encouraged engagement through fitness challenges, gave out advice, hosted classes and awarded prizes to those taking place. Building a relationship with customers through social media platforms has resulted in a deeper understanding of the target customer and created a loyal customer base who are a genuine community.

Marketing performance

Marketing performance is a systematic approach to gaining measurable return on investment (ROI) from marketing resources, processes and systems. This ensures that the operation of the marketing function is efficient whilst maintaining the quality of customer experience. There are six key success factors that can be used to measure marketing performance (Table 3).

Alignment	Marketing activities based on customer insights are aligned to business outcomes with a direct connection to the execution of the marketing strategy leading to business performance.
Accountability	Monitoring specific performance standards using metrics and defined targets to manage causes and effects. Regular reporting on key performance indicators leads to data-based decision-making and action.
Analytics	Marketing decisions regarding marketing channels and mix are quantified through data models that predict patterns of customer behaviour, predisposition to purchase a product or service, market trends and performance outcomes.
Automation	Reducing physical or manual intervention through automation of infrastructure, allowing personalisation, data management, business intelligence and resource management.
Alliances	Creating added value by working with distributors, agencies and other companies.
Assessment	Continuous evaluation and benchmarking to manage the performance of the marketing function.

Table 3: Key success factors that can be used to measure marketing performance

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Activity 6: Alliances

Critically review the marketing function of an organisation with which you are familiar. What marketing alliances exist to enable the delivery of the digital marketing strategy?

What contribution do these alliances make to marketing performance? Give reasons for your answer.

For example: use of business intelligence services.

Figure 3: Marketing performance

Commercial outcomes

The whole purpose of a digital marketing strategy is to impact the profitability of the organisation. The marketing department is responsible for helping the organisation to understand its customer need, build it brand values and find ways to influence the target customer's purchasing decisions. To achieve this there needs to be a balance between the cost and the effectiveness of marketing activities. Managing marketing spend whilst driving value through digital multichannel marketing activity means knowing what is working and making changes when something is not working.

Challenges that marketers face

Digital marketing and the use of big data has been through, and continues to go through, a significant period of change and adjustment. Just because the data is available, that does not mean that every company who invests in big data initiatives will have discovered the magic bullet of successful customer targeting and penetration. Big data can be incredibly confusing, since it essentially utilises every internet user making them part of the world's biggest focus group every hour of every day. However, the power of big data is only just beginning to be realised. User behaviour is constantly changing, with new technology platforms fragmenting data as customers personalise how they search for and access products and services. Digital marketers face a number of challenges in gathering and analysing big data.

Understanding the type of data to gather

Data is at the fingertips of every marketer, and there is a lot of it. That is why it is big. However, with so much data available gathering smart data, which can be applied by marketers to drive action, is difficult.

Data science and the use of programmatic buying theoretically enables digital marketers to buy data that will reach their desired customer segment and use impressions to provide an instantaneous feedback loop to improve targeting. But campaigns can fail if the database chosen is the wrong one, if the data is out of date, or the marketers have failed to ascertain who their customer is.

The analytical tools needed to turn big data into meaningful insights

Data can be sliced in a number of different ways, and it is possible to analyse why a campaign was successful or not. But the complexity of data, and the number of datasets and variables being used in digital marketing, means that the tools to understand what is going on need to be developed from analysis using excel spreadsheets.

> " *It's alarming then, that online campaign analysis is closer to handing a client the phone book than it is to providing easily digestible information.* "
>
> *IgnitionOne (2014)[36]*

Data reporting and analysis needs to be automated and dynamic. Since marketing campaigns and digital advertising can be programmed and advertising can be bought in real time, the expectation is that being able to analyse what is happening in real time is equally important. Furthermore this data should be dynamic, easy to manipulate, and accessible from any device. The digital marketer must therefore develop a simple process to manage the data available to them. Data analytics interfaces can help the digital marketer to visualise the data and act on the information.

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36 IgnitionOne (2014), *The Big Book of Digital Marketing*, Vol. 1. IgnitionOne Inc.

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Activity 7: Important analytics

Watch the YouTube video "Digital marketing analytics – why it is important to understand your metrics" at:

www.youtube.com/watch?v=PN7KfMfj__o

In the video, five metrics are identified as being essential:

- **website visitors**
- **bounce rate**
- **number of email subscribers**
- **click-through rate**
- **lifetime customer value**

Consider an organisation with which you are familiar. How relevant are these metrics to the organisation? What other metrics would you recommend to the organisation? Give reasons for your answer.

4.3 Justifying the marketing strategy decisions

Big data has afforded managers the ability to measure many different aspects of their strategy execution and as a result they can gain greater insight into their businesses. This knowledge can be used to improve decision-making and should translate into better organisation performance. Different organisations use a variety of methods to capture and use data to justify their marketing strategy decisions.

Methods of reporting marketing performance

Methods of reporting marketing performance enable organisations to capture the tangible and intangible benefits including the following.

- **Brand share tracking** – a comparative measure of the development, health and market penetration of a brand and the impact of marketing activities on brand equity with regard to customer awareness, experience, usage and image. Brand share tracking requires quantitative data collection usually via a customer survey to understand what the customer thinks about the brand.

- **Commercial returns on marketing investment (MRoI)** – monitors and measures marketing campaign yield as a percentage of profit earned minus the cost of investment in the campaign. This can be difficult to measure because of the complexities of the variables, but it is important if marketing budgets are to be justified.

- **Marketing attribution models** – determines how much credit for sales and conversion is attributed to particular touchpoints in the customer transaction conversion path, i.e. it recognises the touchpoints that lead to a sale or conversion.

- **Media channel effectiveness (reach, cost quality analysis)** – reviews the media channel touchpoints from the perspective of its component parts. Reach, cost and quality (RCQ) use both data and structured judgement to compare touchpoints using the same unit of measurement. However, touchpoint value can be difficult to calibrate across different media channels and ignores network and interaction effects.

Using big data for marketing mix modelling (MMM)

If a digital marketing strategy is to develop the right marketing mix, then it is necessary to use big data for marketing mix modelling (MMM) and apply the principles of **AB testing**.

Marketing mix modelling (MMM)

Marketing mix modelling (MMM) is an advanced analytics approach utilising big data to determine spending effective by channel. Using statistical analysis, MMM links the investment made in marketing activity to other sales drivers to determine longitudinal and interaction effects. MMM is useful for strategic or tactical planning and requires high-quality historical sales data and records of marketing spend.

Principles of AB testing

AB testing compares two versions of something in order to determine which version will be most successful. The purpose of AB testing is to make iterative improvements to websites or app design which are tested in order to find out what has worked or not. If the improvement is positively received, it will be included in the next iteration and something else will be added to the next AB test alternative.

For an AB test to be reliable and add value, it is essential that changes made are limited to one single variable. It is essential that time is taken trying to understand what it is about the website or app that needs improving in the first place. This way, when minor changes are made it is easy to ascertain whether the results from the test are moving the outcome in the desired direction.

Decisions also need to be made about how long a test will be run for in order that the marketer can feel confident that the results of the test are an accurate reflection of the targeted customer base.
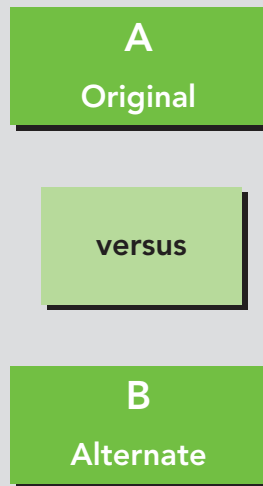
Figure 4: AB testing

Local and global legislation, codes of practice and regulations

Big data has a number of implications with regard to consumers' privacy rights, data protection and individual rights. Across the world, governments are beginning to apply stricter rules on the collection and use of personal data. This means that organisations needed to be aware of local and global legislation, codes of practice and regulations that control the way they access and use big data.

At both a local and global level governments are tackling some of the risks that big data poses in relation to violations of the right to privacy, data protection and issues relating to discrimination and stigmatisation. For example, the EU Data Protection Directive provides a list of legitimate reasons for processing personal data. However, it also highlights that data must be processed fairly and for specified, explicating and legitimate reasons. From a legislative perspective there are often tensions between processing big data and data protection. The amount of data collected is also contentious. Data minimisation and data deletion is a preference for legislators, whereas business intelligence services want to store data longer term in order to build an understanding of behavioural trends.

Governments are looking for greater controls and assurances over data protection, specifically in relation to confidentiality and security. However, the transnational nature of big data processing, which crosses several legal jurisdictions, traditions and systems, makes the task of developing legally binding frameworks difficult to establish.

New regulatory frameworks are placing an emphasis on individual rights, although since data is collected based on an individual's internet usage, many individuals may be unaware that their data has been collected. They may not know what data is being collected through their connected devices, or when.

Current legislative frameworks are based on legal regulation of rights and obligations. But as big data processing goes transnational, managing regulatory agreement across country borders and

legal jurisdictions and enforcing legislation is difficult. However, current legislation is being applied to big data projects in a number of court cases across the world. Examples of legislation include:

- UK – Data Protection Act (1998)

- South Africa – Protection of Personal Information (POPI) (2014)

- China – Cybersecurity Law (2017)

- Australia – Federal Privacy Act (2014)

- European Union - General Data Protection Regulation (GDPR) (2018)

📄 CASE STUDY: GOOGLE INC. VS VIDAL-HALL AND OTHERS (2016)

Data protection Act 1998

Users complained that Google was gathering data through Apple's Safari browser, violating the Data Protection Act 1998. The UK Court of Appeal ruled that browsing information may be personal information, and abuse of such information should be considered as a tort, which is an infringement of a right, that would lead to legal liability.

Read more here: www.burges-salmon.com/news-and-insight/legal-updates/damages-for-distressed-data-subjects-google-withdraws-its-appeal/.
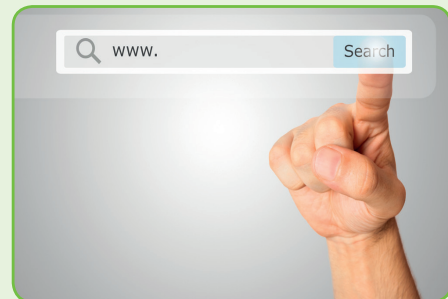
Self-regulation through the development of industry codes of conduct and ethical guidelines, for example, The Market Research Society (www.mrs.org.uk/pdf/mrs%20code%20of%20conduct%20 2014.pdf) and the Data Science Association (www.datascienceassn.org/code-of-conduct.html) has led to the development of privacy and data protection principles on specific issues, including:

- **big corporate/big state vs the little guy** – the power imbalance between those gathering data vs those whose data is being gathered;

- **algorithms bias** – algorithms reflect choices about what is included or excluded, which can reflect existing discriminatory bias;

- **behaviour of those being observed** – people change their behaviour if they know they are under surveillance, which has a limiting effect on behaviour;

- **fake news and echo chambers** – targeting is based on existing preferences and behaviour, and as such reinforces existing filter bubbles, reducing exposure to alternate viewpoints.

Whether through legislation or regulation, the purpose of such action is to ensure that individuals get a say in how and why their personal data is processed. It places legal obligations and liabilities on organisations that collect and/or process data to ensure they are accountable for their actions. This includes having adequate systems in place to protect personal data, providing details to consumers about how their data will be used, and ensuring that organisations gain explicit consent to use an individual's personal data.

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Activity 8: The dangers of big data

Big data threatens several universal human rights, such as:

- **the right to privacy**
- **the right to data protection**
- **freedom from discrimination**

Critically examine how current legislation or regulations in your country will protect the human rights of citizens from the dangers of big data.

READING LIST

- Hofacker, C. F., Malthouse, E. C. and Sultan, F. (2016), "Big data and consumer behavior: imminent opportunities", *Journal of Consumer Marketing*, Vol. 33, Issue 2, pp. 89–97. (This article will be available in your online student resources.)

- Valos, M. J., Habibi, F. H., Casidy, R., Driesener, C. B. and Maplestone, V. L. (2016), "Exploring the integration of social media within integrated marketing communication frameworks: Perspectives of services marketers", *Marketing Intelligence & Planning*, Vol. 34, Issue 1, pp. 19–40. (This article will be available in your online student resources.)

Summary

Using big data enables the digital marketer to create digital assets that effectively target their customers, to incorporate relevant media channels to drive traffic to those assets, and successfully build customer relationships. Data helps the organisation to know whether the marketing strategy is actually working, and provide information on how it might work better.

The ability to track and monitor customer activity has been coupled with real-time analytics. These provide user-friendly reporting platforms and powerful tools that integrate different sources of information to build a fuller picture of what is happening online.

Digital transformation means that data is everywhere. The problem that now exists is how to manage the wealth of data available at the click of a button and make sense of it. The expectation today is that decisions behind a digital marketing strategy will be driven by data, backed up by facts and analysis. This new paradigm moves marketing from an art to a science formed of experimentation, testing of hypothesis and informing marketing strategies based on tangible results.

Big data is fundamentally changing the way in which an organisation operates and competes in the marketplace. Investment in data provides competitive advantage, enabling the organisation to use big data to centralise and synthesise consumer insights, forecast outcomes and evaluate the effectiveness of the marketing strategy.

Big data has afforded managers the ability to measure many different aspects of their strategy execution, and as a result they can gain greater insight into their businesses. This knowledge can be used to improve decision-making and should translate into better organisational performance. Different organisations use a variety of methods to capture and use data to justify their marketing strategy decisions.

Chapter 5

Implementing the Digital Marketing Strategy

Introduction

Implementation of the digital marketing plan requires the digital marketer to be in a position to justify the application of tools and techniques needed. To successfully implement the digital marketing strategy, planning and awareness of the plan must be communicated to key stakeholders in the process, with clarity regarding responsibility. Measurement is part of the process of implementation to ensure that the plan is delivering what was intended, so specific objectives must be tracked regularly.

Learning outcome

On completing the chapter, you will be able to:

5   **Justify the application of tools and techniques needed to successfully implement the digital marketing strategy**

Assessment criteria

5. **Justify the application of tools and techniques needed to successfully implement the digital marketing strategy**

   5.1   Critically assess the principles of agile marketing as an approach to delivering innovative digital marketing

   5.2   Critically evaluate the benefits of setting minimum variable marketing (MVM) standards

Background

In many ways parallels can be drawn between digital marketing and software development. It is both the development of the IT infrastructure project, and adherence to entrepreneurial values in implementing initiatives, which will provide the organisation with competitive advantage.

The key to implementing a digital marketing strategy is to ensure that the plans that are in place will reach consumers and allow the organisation to observe what is happening and what time is being spent engaging with the marketing activity. The struggle is that the online environment is moving quickly. So it is essential that the digital marketing strategy is agile enough to evolve in real time, creating new tools and techniques as needed, fine-tuning the roll out of marketing elements and maintaining the integrity of the digital marketing strategy.

> *Marketing strategy is where we play and how we win the market. Tactics are how we then deliver on the strategy and execute for success.*
>
> *Mark Ritson (2016)*[37]

Therefore, the digital marketing strategy implementation can be summarised as a series of actions and tactics which build upon each other and will help the organisation to achieve its goal.

✏️ OVER TO YOU

Activity 1: Jedi mind tricks

Read this article:

Michael Beverland, Angela Dobele and Francis Farrelly (2015), "The viral marketing metaphor explored through Vegemite", *Marketing Intelligence & Planning***, Vol. 33, Issue 5, pp. 656–674. (This article will be available in your online student resources.)**

From your perspective, how much of digital marketing success is down to "Jedi marketers" and how much is under the control of a well-planned and executed digital marketing strategy. Give reasons for your answer.

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37 Goodman, C. (2016), "*Strategy before tactics… Please*" [online]. Retrieved from: http://www.targetmarketingmag.com/post/strategy-before-tactics-please/ [Accessed on: 13 October 2017]
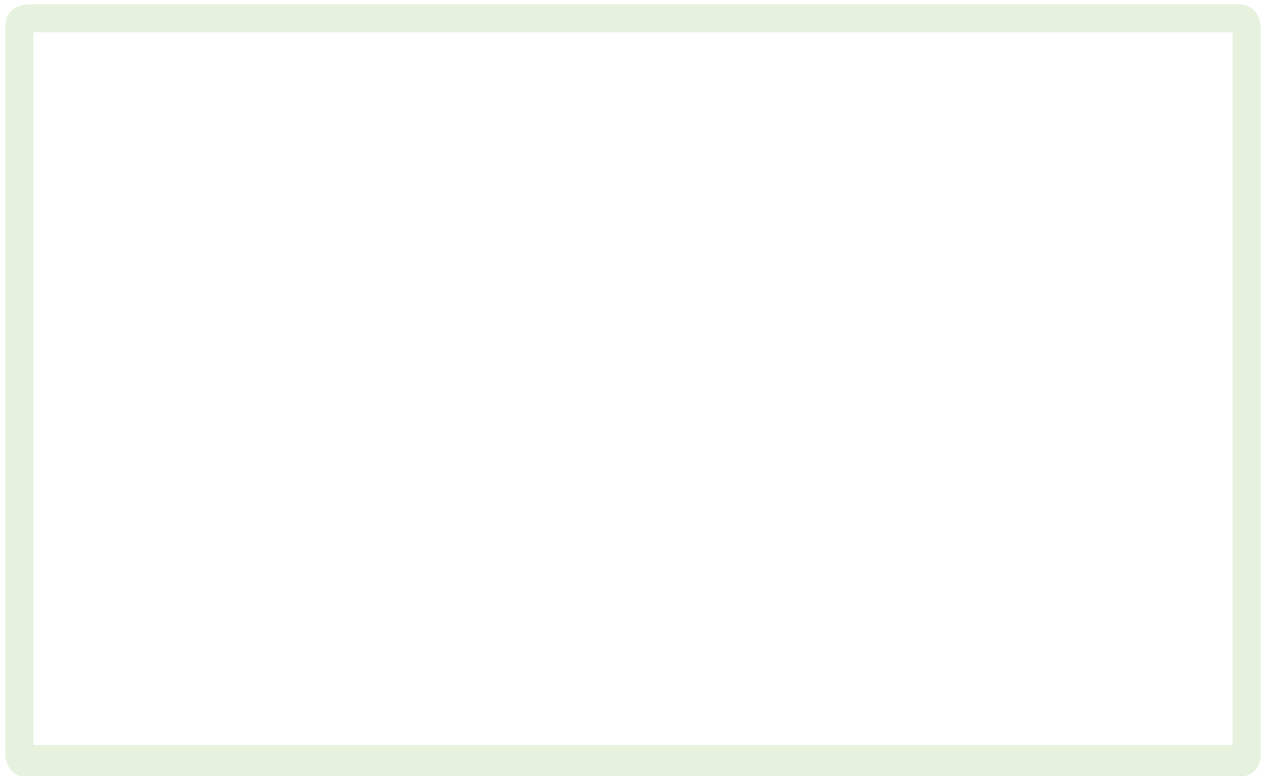
5.1 The principles of agile marketing

Agile marketing is a tactical project marketing approach which identifies high-value digital marketing projects, measures impact and seeks to continuously improve the outcomes of using a variety of marketing techniques. There are number of principles of agile marketing as an approach to delivering innovative digital marketing.

The concept of agile marketing

Agile marketing adopts a management process that is similar to those used in lean start-up methodology (Ries, 2011)[38] and agile software development. The process is made up of a series of small experiments. The data from each of these tests contributes to the knowledge about customer reaction to marketing tactics and results in the marketing plan adapting constantly in response to this information. The accelerated marketing project development requires the digital marketing plan to go through rapid iterations to develop smarter and faster ways to market supported by automation, rather than developing big-bang campaigns that take longer to design and develop and require large levels of financial and time commitment. Project timeframes are often measured in weeks and months rather than longer-term commitments. Each experiment provides the digital marketing strategy with a learning opportunity through a progressive feedback loop that builds, measures and learns. Testing and data are given precedence over opinions and marketing conventions. The test-and-learn mentality is focused on increasing the speed and responsiveness of the marketing function, and decisions made about what marketing tactics to use should be transparent and deliver predictable results.

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38 Ries, E. (2011), *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses.* Random House

The process of agile marketing

The process of agile marketing includes the principles of scrum and sprint marketing project management, which aims to increase alignment between the business strategy and the digital marketing strategy.
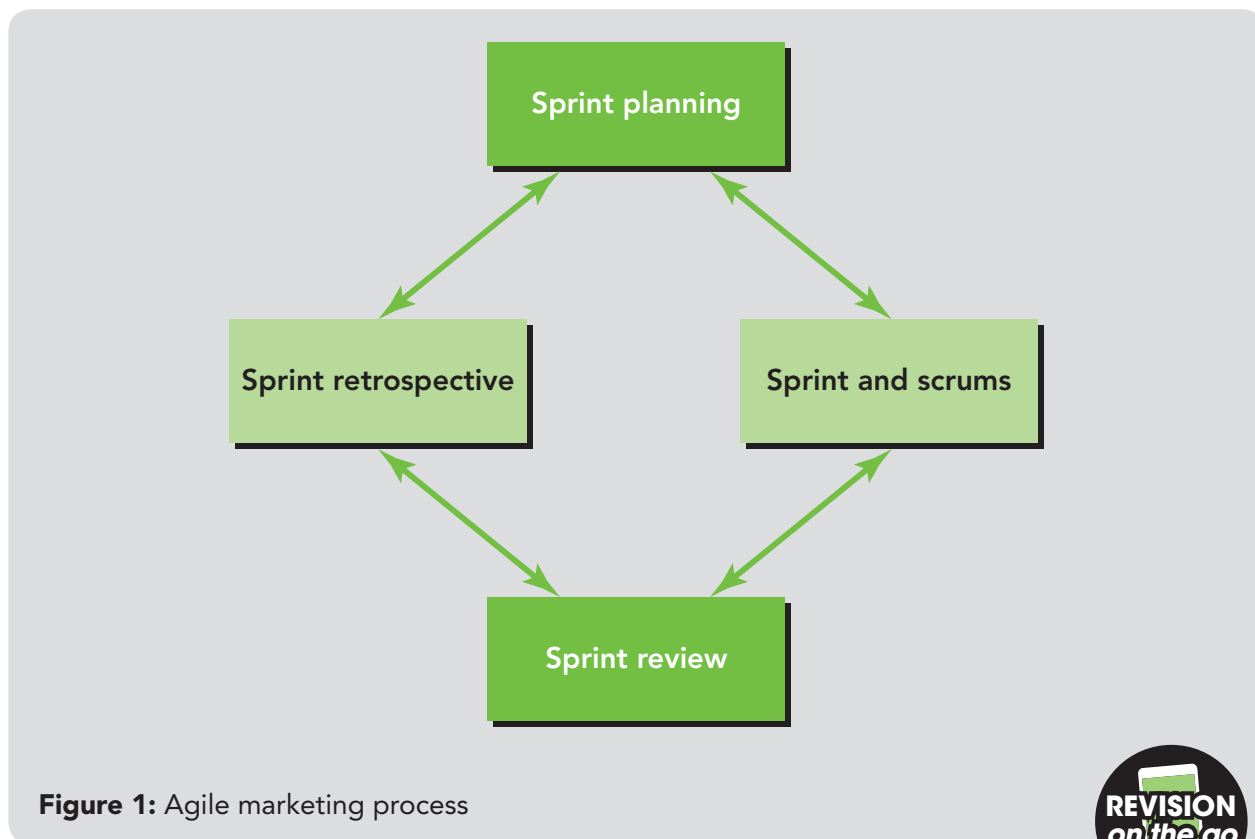

Figure 1: Agile marketing process

The process of the agile marketing is iterative, made of short marketing experiments, feedback and responding to changing marketing conditions.

- **Sprint planning** – a review of marketing tasks that have been requested by the business, called a project backlog, and the assumptions that have been made about the market. A selection of activities are made that will help to achieve the goals of the marketing strategy and will be delivered during the sprint. Each activity is given a metric of success.

- **Sprint and scrums** – sprints are short, defined periods of intensive work, which are used to complete the list of marketing activities co-operatively. Scrums are designed to increase communication and involve 15-minute daily stand-up meetings where each player reports on what they did yesterday, what they will do today and any issues that are getting in the way of their marketing activity.

- **Sprint review** – after each sprint is completed the marketing team will measure the impact of the marketing activities. They will use the test-and-learn process to develop the marketing activity to continuously and incrementally improve the results delivered by the marketing tactics over a period of time.

- **Sprint retrospective** – after each sprint review there is an opportunity for the team to set time aside in order to reflect on the process and look for areas to improve. This will focus on what the team should start doing, what they should stop doing and what they should continue doing.

📄 CASE STUDY: AGILE MARKETING IN ACTION

Examples of rapid response advertising

Find examples of brands that have established agile marketing as part of their brand messaging here:

https://econsultancy.com/blog/62100-26-superb-examples-of-agile-marketing-in-action/

The tactical nature of agile marketing

The tactical nature of agile marketing allows the digital marketer to respond to marketing campaigns developed by their competition, testing and developing counter-promotion sprints to put creative messaging ideas into practice. It also allows the organisation to respond to changing customer needs, and develop a creative response to feedback to drive commitment and loyalty. However, it is not a replacement for having a high-level digital marketing strategy and long-term goals based on data analytics.

> *I think it's important to apply agile marketing to the right situations. When you need to get up and running fast and out of the strategy airlock, agile is great. I can see where agile would be great for product launches and campaigns. But in the end Big Picture Strategy is still needed. Driving fast is great. But if you don't [know] where the hell you're going, what's the point?*

Brian Hansford (2013)[39]

Benefits and drawbacks of agile marketing

Agile marketing is grounded in data analysis and test-and-learn, giving the organisation flexibility and agility in executing marketing campaigns. But there are benefits and drawbacks to adopting an agile marketing approach, including the following.

- **Speed** – agile marketing results in rapidly produced marketing campaigns that can be tested and optimised over time. This enables the marketing function to execute campaigns fast and repeat the ones that succeed.

- **Responsiveness** – with customers expecting organisations to respond to their here-and-now requirements, agile marketing allows the organisation to respond to changes in the market and to customer demands that are important now.

- **Short-termism** – the focus on the achievement of short-term tasks means that the marketing team can be distracted from making changes that are needed in order to deliver long-term marketing campaigns. Focusing on the here and now can miss the longer-term goals of the digital marketing strategy.

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39 Heinz Marketing (2013), *"Agile marketing in practice, pros, cons & other observations"* [online]. Retrieved from: https://www.heinzmarketing.com/2013/04/agile-marketing-in-practice-pros-cons-other-observations/ [Accessed on: 13 October 2017]

- **Accountability** – the agile marketing scrums help to keep everyone accountable for the sprint tasks they are assigned, but they could lead to individuals focusing on the immediate tasks that they are struggling to complete for a sprint at the expense of deadlines and milestones for longer-term projects.

✏️ OVER TO YOU

Activity 2: Risk management

What are the risks of an agile marketing strategy?

What recommendations would you make to mitigate these risks?

What are the considerations when implementing the digital marketing strategy/plan?

5.2 The benefits of setting minimum viable marketing (MVM) standards

Traditionally products and marketing campaigns are heavily invested in, through a process of pilots, prototypes and robust product testing to ensure that when they are released to the marketplace they are the best version that can be released. Minimum viable product (MVP) is a development technique introduced by Ries (2009)[40] that delivers the fundamental features that will sufficiently satisfy the needs of early adopters. These initial users will then become part of the design process by providing feedback, which is used to develop the final features of the product.

The concept of MVM

Minimum viable marketing works on a similar basis to MVP. It focuses on small marketing campaign promotions, which will enable the digital marketer to identify issues and areas of improvement before the marketing campaign is amplified. This might be a single blog post, or a single tweet targeted at a micro segment of customers. In network terms this exposes the marketing test campaign to a single node to gauge reaction in order that changes can be made before a full launch. Assessment of the reaction of a small customer segment will provide enough information for the organisation to choose which options to roll out.

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40 Ries E. (2009), *"Minimum viable product: a guide"* [online] Retrieved from: http://www.startuplessonslearned.com/2009/08/minimum-viable-product-guide.html [Accessed on: 13 October 2017]

📄 CASE STUDY: DROPBOX

File sharing made easy

Dropbox is designed to be an easy-to-use file-sharing application. It allows the user to upload a folder into their Dropbox from where it will be synchronised across all of their devices. The folder can then be shared with other people via email links.

A technical demand

For Dropbox to work, the technical demands of integration were significant, requiring the application to work across a variety of computer platforms and operating systems. For a small start-up this created a demand for specialised technical knowledge to ensure that the customer experience would be good. Also, since Dropbox was a new innovation, it was providing a solution to file synchronisation that most people did not know they had a problem with.

The question that needed answering

Dropbox needed to test whether, if the customer experience was excellent, people would try the product. But the product had so many significant technical hurdles that it was challenging to demonstrate the software in a prototype form.

A video

Dropbox produced a three-minute video demonstrating the product which was targeted at technology early adopters. The video also included a number of **Easter eggs**, humorous references and in-jokes tailored for the audience.

The result

The beta waiting list grew from 5,000 people to 75,000, validating the assumption that customers wanted the product.

✏️ OVER TO YOU

Activity 3: Minimum viable product

Watch the video "Minimum viable product" at:

http://ecorner.stanford.edu/videos/2295/Building-the-Minimum-Viable-Product

How can the principles of "release early, release often" apply to digital marketing campaigns, and how does this link to the Rogers Adoption Curve explored in Chapter 2.2?

For example: Video game manufacturers often ask early adopters to beta test their new games.

The process of developing MVM activities and tactics

Getting noticed in a crowded noisy space like the internet has made digital marketing challenging. Fast-moving global markets and demanding customers make the situation more complex. Building on lean business practices, minimum viable marketing uses a cycle of gathering research to define the marketing plan, designing and developing a plan through continual testing, and finally execution and report using feedback methods.

- **Gathering research** – the research stage tests tactics and propositions by gathering and analysing data to optimise the marketing plan and develop the idea. The full marketing mix is used to plan the campaign, including data building and developing content. One benefit of MVM is that it allows the digital marketer to experiment with new channels, marketing tactics and radical approaches at a lower cost and reduced risk.

- **Continual testing** – testing with a small group, refining the tactics and removing elements that are not performing enables the digital marketer to find a variation which resonates with the audience and validates the planned proposition. The digital marketer will be measuring the results of each test against the campaign objectives and the wider digital marketing strategy objectives. The test phase also enables the digital marketer to learn about the budgetary impact and quantify return on investment.

- **Feedback methods** – creating easy ways for customers to submit feedback will make it easy to collect and manage. Data analytics that track the response to the test, including social media channels and website traffic, enable the digital marketer to compare outcomes of each test and understand what delivers outcomes from these media channel. Developing channels for customers to provide feedback and communicating to customers what is required from them and how to give feedback will enable the digital marketer to understand which elements are working and which are not. Feedback can be sought using surveys or task assignment or by asking participants to complete a daily journal. Continuous engagement whilst trying out new tactics will help customers to give detailed feedback on their experience. Responding to feedback, including requesting clarification or thanking participants for their feedback, will let test customers know that their feedback is valued and will encourage continued participation.
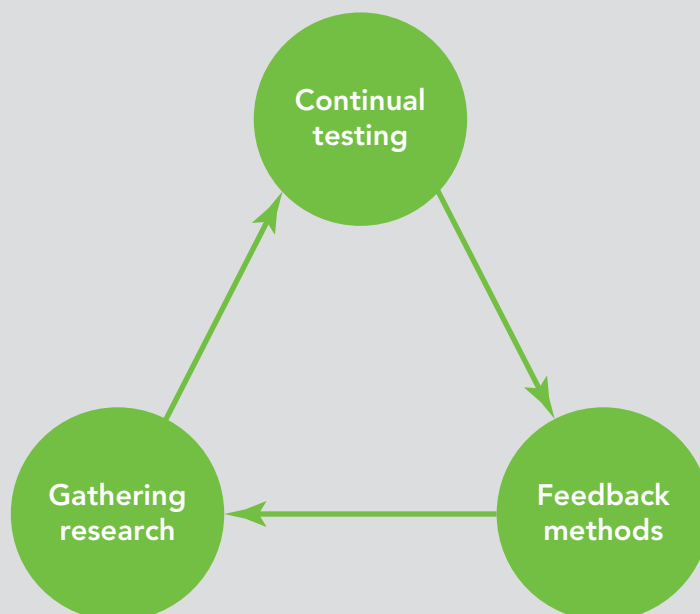

Figure 2: Minimum viable marketing

READING LIST

- Beverland, M., Dobele, A. and Farrelly, F. (2015), "The viral marketing metaphor explored through Vegemite", *Marketing Intelligence & Planning*, Vol. 33, Issue 5, pp. 656–674. (This article will be available in your online student resources.)

- Poolton, J., Ismail, H. S., Reid, I. R. and Arokiam, I. C. (2006) "Agile marketing for the manufacturing-based SME", *Marketing Intelligence & Planning*, Vol. 24, Issue 7, pp. 681–693. (This article will be available in your online student resources.

Summary

Implementation of the digital marketing plan requires the digital marketer to be in a position to justify the application of tools and techniques needed. To successfully implement the digital marketing strategy, planning and awareness of the plan must be communicated to key stakeholders in the process, with a clarity regarding responsibility.

Agile marketing is a tactical project marketing approach which identifies high-value digital marketing projects, measures impact and seeks to continuously improve the outcomes of using a variety of marketing techniques.

Minimum viable marketing focuses on small marketing campaign promotions, which will enable the digital marketer to identify issues and areas of improvement before the marketing campaign is amplified.

Glossary

360° video Video which records a view in every direction using omnidirectional camera technology that allows the viewer to control the direction of the panorama during playback.

AB testing Testing that compares two versions of something in order to determine which version will be most successful.

Agile marketing A tactical project marketing approach, which identifies high-value digital marketing projects, measures impact and seeks to continuously improve the outcomes of using a variety of marketing techniques.

Augmented reality Overlays 3D information over the current world as it is seen in real life.

B2B Business-to-business.

B2C Business-to-consumer.

Big data A large volume and organised collection of datasets that requires specialised software and digital systems to process it.

Click-bait Content that is designed to encourage website visitors to click on a link.

Click-through rates Ratio of users who click on a link compared to the number of total users.

Cost per lead Pricing model for online advertising where client pays for each lead generated.

Culture The values, assumptions and beliefs of a group of people (within the society of a nation, within a group or category of people, or within an organisation) that guide action.

Customer insights Interpreting trends in data to understand the consumer and increase product and service effectiveness.

Customer segments Who the organisation is seeking to create value for.

Dashboard tools A tool which provides visual data including metrics and key performance indicators.

Dialogic Processes focused on dialogue.

Diffusion of innovation Theory that explores the reasons why – and speed within which – innovations spread through a group.

Digital footprint A data source that record the digital behaviour of people on life.

Digital immigrants Those who were born prior to digital technology development.

Digital native Someone who has never known life without the internet, social media or computers.

Easter eggs A secret in-joke "reward" usually hidden inside game or computer program - for the user to find.

E-commerce Electronic commercial transactions.

Empathy interviews Research technique used to understand how different customers feel about a particular topic.

EPOS Acronym for "Electronic Point of Sale".

Ethnographic Scientific research method that seeks to describe people and cultures.

Experiential marketing Marketing that is inclusive of the customer and places an individual consumer or a group of customers in an immersive branded experience.

Impressions A technological process. For an impression to count, an online advert must be retrieved from its source.

Inbound marketing Marketing strategy that focuses on the customer coming to the company rather than the marketer trying to attract their attention.

Interactivity Activity that invites action from the customer and responds to that action.

Internet of things Internet enabled objects that can send and receive data.

Key performance indicators Indicators that are a quantifiable measure of an area of performance which if delivered will enable the organisation to hit its strategy objectives.

Mail merge Software that automatically adds names and addresses to mail.

Marketing The activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.

Marketing mix Controllable variables that, when planned and carefully mixed together in the right way, satisfy customers.

Minimum viable marketing Small marketing campaign promotions that will enable the digital marketer to identify issues and areas of improvement before the marketing campaign is amplified.

Multichannel Utilising more than one channel of marketing communication.

Narrowcasting Transmission to a select audience.

Online focus group Respondents gathering online and being asked to react to a particular topic.

Outbound marketing Marketing activity where the organisation sends a message to the customer.

Overlays Adverts or pop-ups that appear over the top of website content.

Over-the-top The term used for the delivery of film and TV content via the internet.

Paid streaming services Subscription cable or satellite on-demand service.

Personalisation Tailoring messages to an individual based on their behaviour, helping to create relevance for the marketing message.

Point click system Software that allows the user to move a pointer to a certain location to click and link to another location.

Pop-ups New windows that appear over the website the user has visited.

Qualitative customer insights Exploring what customers think and feel about a product or service.

Quantitative customer insights Applying numerical data to help the organisation to demonstrate statistically significant outcomes.

Sea change A significant transformation

Search engine optimisation Optimising the organisation's website to improve ranking, and placing targeted banner ads on results pages.

Search rankings Website position on a search engine results page.

Sizzle Creating additional opportunities to strengthen a brand proposition and enhance its image.

Sharing economy Collaborative economy based upon peer-to-peer exchange enabled by online community services.

SoLoMo Short for social-local-mobile.

SOSTAC A marketing planning model.

Touchpoints A point of interaction or contact with the customer.

Usability testing Testing the technical usability of the website or click-throughs. It ensures that the technical framework does what it is supposed to do, so customers do not end up with error messages or links leading nowhere.

Value proposition How the organisation will attract customers.

Virtual reality An immersive experience where the user is presented with an artificial environment that feels and appears like a real environment.

Zero moment of truth That moment when you grab your laptop, mobile phone or some other wired device and start learning about a product or service that you are thinking about trying or buying.