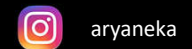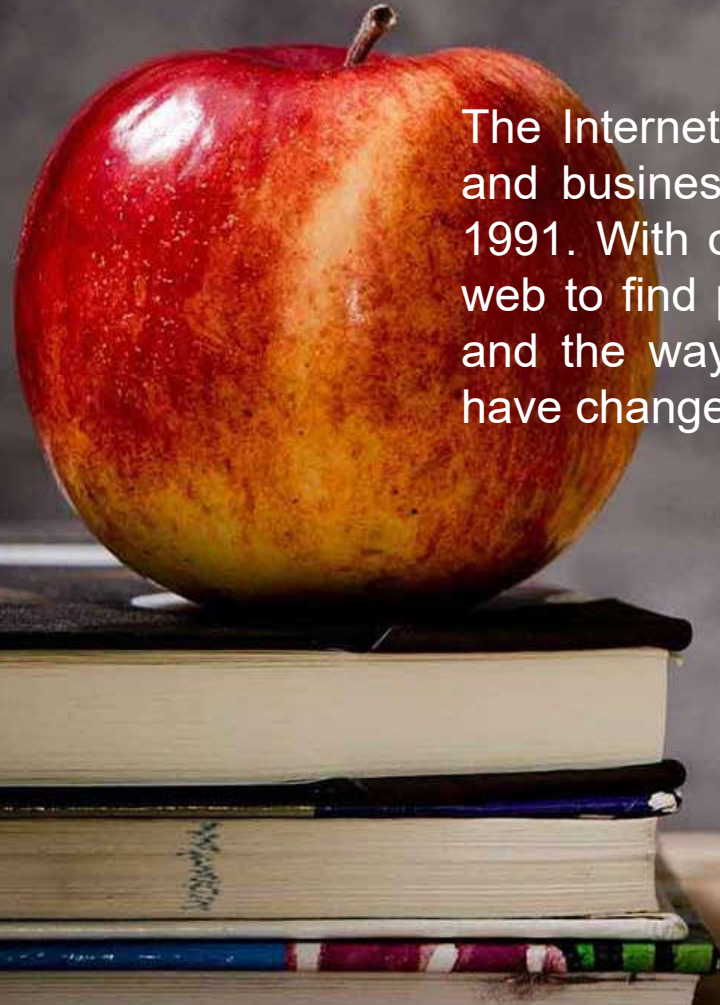# Introducing digital marketing

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2022

aryaneka

how have digital technologies transformed marketing?

The Internet, the web and digital media have transformed marketing and business since the first website (http://info.cern.ch) went live in 1991. With over 3 billion people around the world regularly using the web to find products, entertainment and friends, consumer behaviour and the way companies market to both consumers and businesses have changed dramatically.
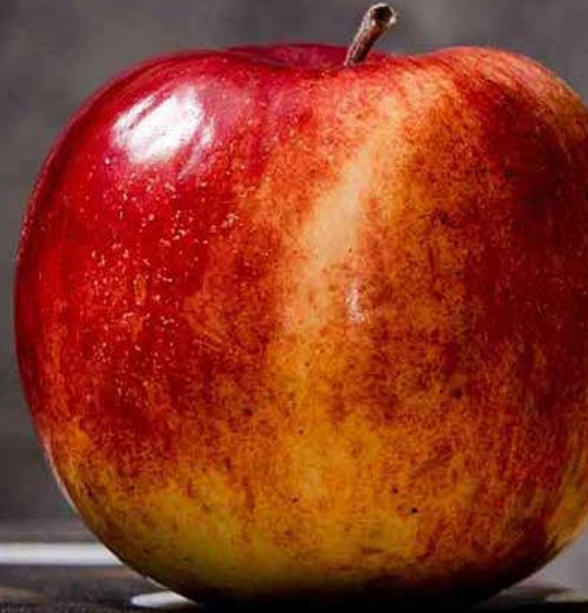
Innovation in digital marketing platforms

Purpose

To introduce some of the most important platforms used for digital marketing today and to illustrate innovation in online business models and communications approaches.

Questions

1 Think about the innovation you have witnessed during the time you have used the Internet, World Wide Web and mobile platforms. What would you say are the main sites used in your country which have changed the way you spend your time online? Table 1.1 shows the sites that we believe have had the biggest influence on online business models in the US and Europe, with more emphasis on the most recent ones.

2 What do these sites have in common with the ones that you have selected and what do you think has made them successful?
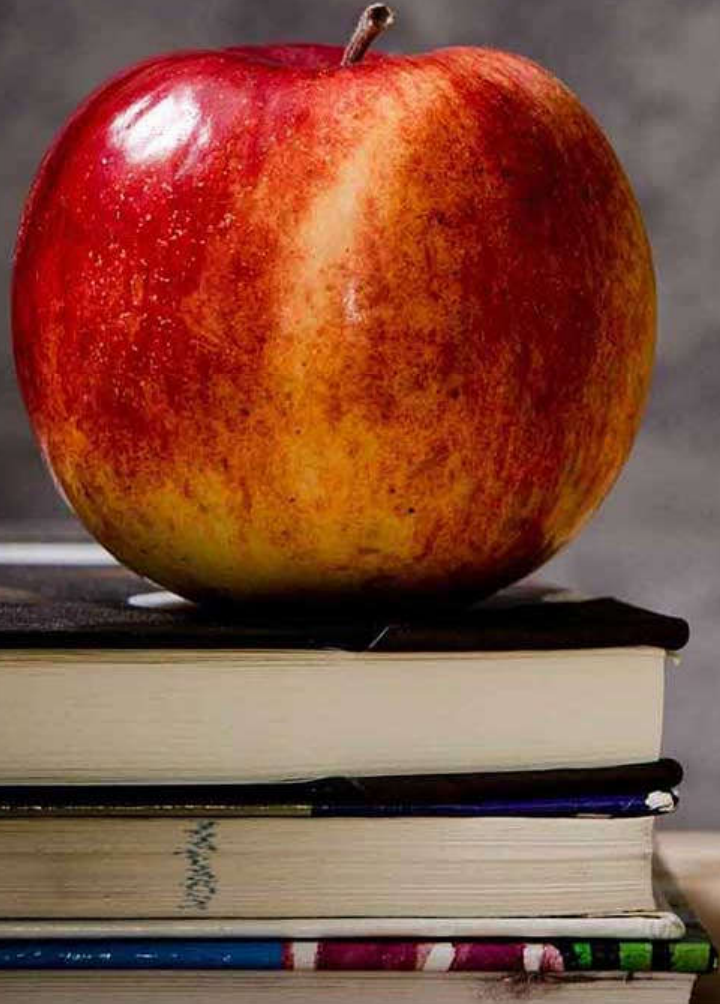
Table 1.1		Timeline of online services indicating innovation in business model or marketing communications approach

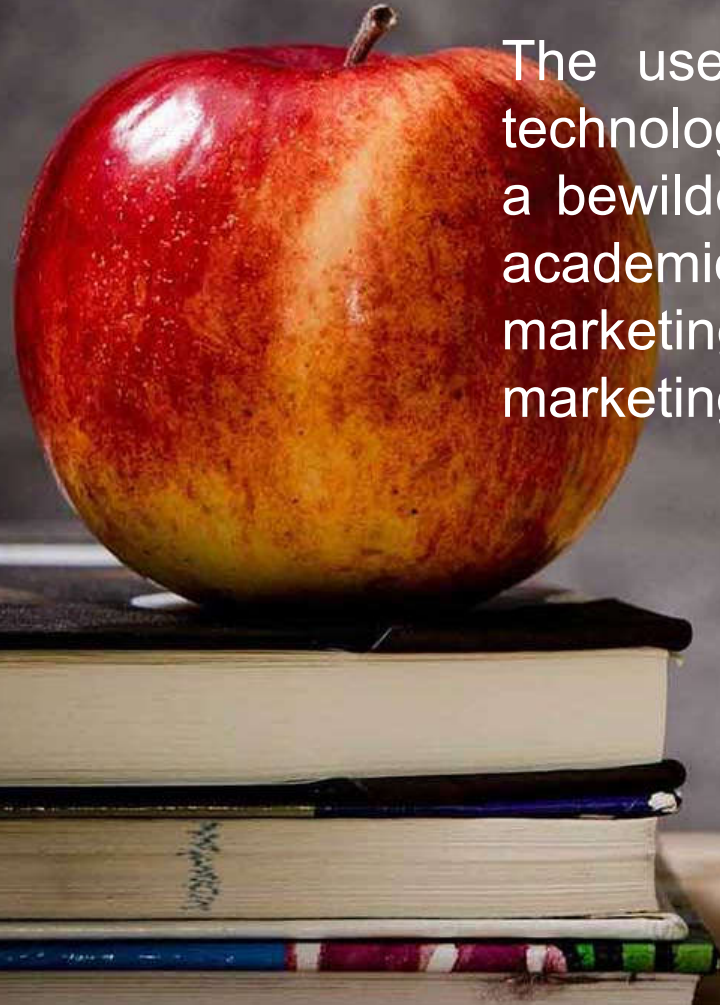| Year founded	Company/service	Category of innovation
1994	Amazon	Retailer
1995 (March)	Yahoo!	Directory and portal
1995 (September)	eBay	Online auction
1995 (December)	Altavista	Search engine
1996	Hotmail	Web-based email Viral marketing (using email signatures to promote service) Purchased by Microsoft in 1997
1998	GoTo.com Overture	First pay-per-click search marketing Purchased by Yahoo! in 2003
1998	Google	Search engine
1999	Blogger	Blog publishing platform Purchased by Google in 2003
1999	Alibaba	B2B marketplace with $1.7 billion IPO on Hong Kong stock exchange in 2007 (see case in Chapter 2, p. 94)
1999	MySpace Formerly eUniverse	Social network Purchased by News Corp in 2005
2001	Wikipedia	Open encyclopedia
2002	Last.fm	A UK-based Internet radio and music community website, founded in 2002. On 30 May 2007, CBS Interactive acquired Last.fm for £140m (US$280m)
2003	Skype	Peer-to-peer Internet telephony VOIP – Voice Over Internet Protocol Purchased by eBay in 2005
2003	Second Life	Immersive virtual world

what are digital marketing and multichannel marketing?

Digital marketing can be simply defined as:

Achieving marketing objectives through applying digital technologies and media

The use of the Internet and other digital media and technology to support 'modern marketing' has given rise to a bewildering range of labels and jargon created by both academics and professionals. It has been called digital marketing, Internet marketing, e-marketing and web marketing.
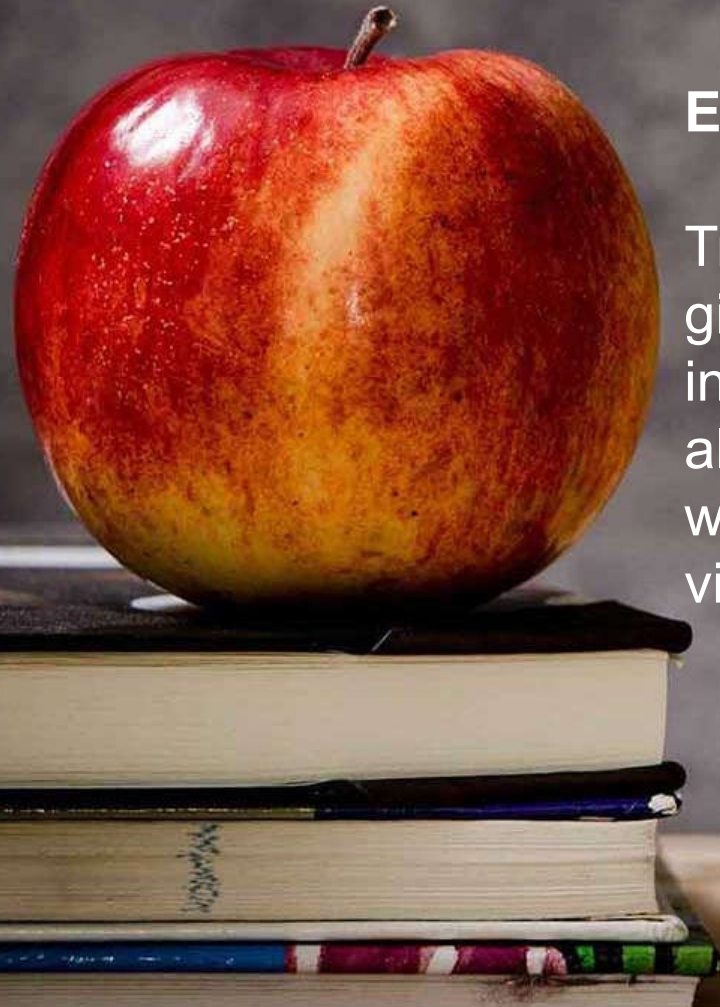
Paid, owned and earned media

Paid media.
These are bought media where there is investment to pay for visitors, reach or conversions through search, display ad networks or affiliate marketing. Offline, traditional media like print and TV advertising and direct mail remain important, accounting for the majority of paid media spend.

Owned media.

This is media owned by the brand. Online this includes a company's own websites, blogs, email list, mobile apps or their social presence on Facebook, LinkedIn or Twitter. Offline owned media may include brochures or retail stores. It's useful to think of a company's own presence as media in the sense that they are an alternative investment to other media and they offer opportunities to promote products using similar ad or editorial formats to other media.

Earned media.

Traditionally, earned media has been the name given to publicity generated through PR invested in targeting influencers to increase awareness about a brand. Now earned media also includes word-of-mouth that can be stimulated through viral and s
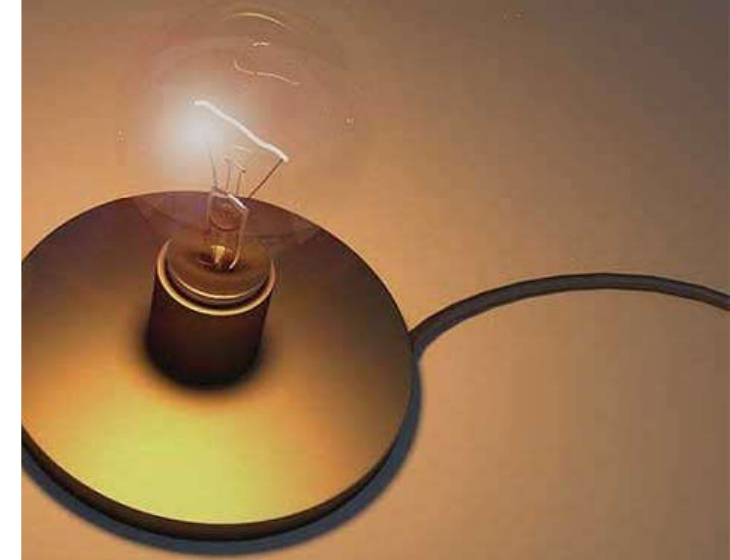
The growing range of digital marketing platforms

Desktop, laptop and notebook platforms

1 **Desktop browser-based platform**. This is traditional web access through the consumer's browser of choice, whether Internet Explorer, Google Chrome or Safari.

2 **Desktop apps**. We don't hear this platform talked about much; increasingly users are accessing paid and free apps from their desktop via the Apple App Store or the Microsoft equivalent, like Gadgets. This gives opportunities for brands to engage via these platforms.

3 **Email platforms**. While email isn't traditionally considered a platform, it does offer an opportunity separate from browser and app-based options to communicate with prospects or clients, whether through editorial or advertising, and email is still widely used for marketing.

4 **Feed-based and API data exchange platforms**. Many users still consume data through RSS feeds, and Twitter and Facebook status updates can be considered a form of feed or stream where ads can be inserted.

5 **Video-marketing platforms**. Streamed video is often delivered through the other platforms mentioned above, particularly through browsers and plug-ins, but it represents a separate platform. Television channels delivered through streaming over the Internet (known as IPTV) are related to this platform.

Mobile phone and tablet platforms

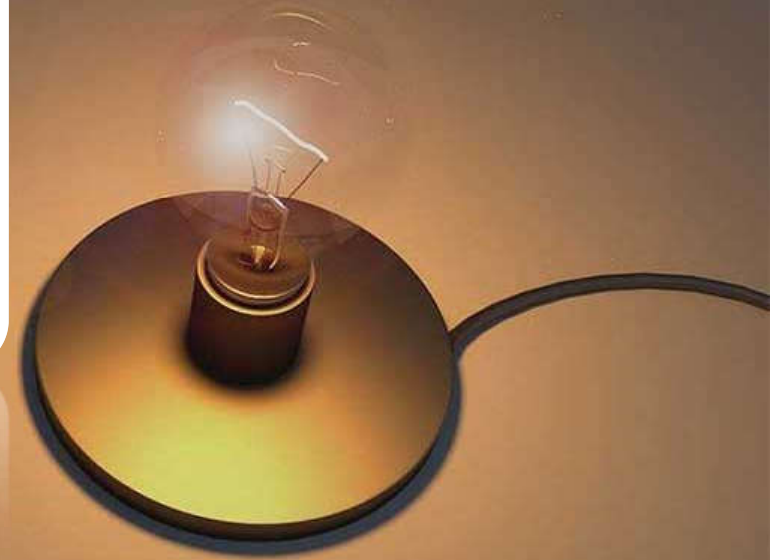The options on mobile hardware platforms are similar in many ways to the desktop. Since they can be used in different locations there are many new opportunities to engage consumers through **mobile marketing** and **location-based marketing**. The main platforms are:

1 **Mobile operating system and browser.** There are mobile browsers which are closely integrated with the operating system.

2 **Mobile-based apps.** Apps are proprietary to the mobile operating system, whether Apple iOS, Google Android, RIM or Windows. A big decision is whether to deliver content and experience through a browser and/or a specific app which provides an improved experience. If you check the latest research you will see that the majority of mobile media time is app-based.
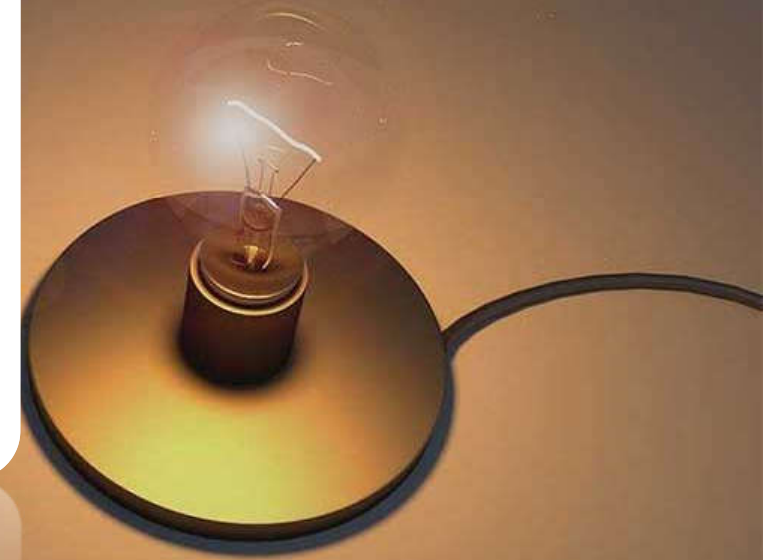
Other hardware platforms

Apart from desktop and mobile access, there are a host of other and growing platforms through which to communicate with customers. For example:

1 *Gaming platforms.* Whether it's a PlayStation, Nintendo or Xbox, there are increasing options to reach gamers through ads or placements within games, for example in-game ads.
2 *Indoor and outdoor kiosk-type apps.* For example, interactive kiosks and augmented reality options to communicate with consumers.
3 *Interactive signage.* The modern version of signage is closely related to kiosk apps and may incorporate different methods such as touchscreen, Bluetooth or QR codes to encourage interactive. Mini Case Study 1.1 gives a futuristic example.
4 *Wearables.* Smart watches such as the Apple Watch and smart glasses such as Google Glass.

The 5Ss of Internet marketing

Benefit of e-marketing	How benefit is delivered	Examples of typical objectives
Sell – Grow sales	Includes direct online sales and sales from offline channels influenced online. Achieved through wider distribution to customers you cannot readily service offline or perhaps through a wider product range than in-store, or lower prices compared to other channels	• Achieve 10 per cent of sales online in market • Increase online sales for product by 20 per cent in year
Serve – Add value	Achieved through giving customers extra benefits online or inform product development through online dialogue and feedback	• Increase interaction with different content on site • Increase dwell-time duration on site by 10 per cent (sometimes known as 'stickiness') • Increasing number of customers actively using online services (at least once per month) to 30 per cent
Speak – Get closer to customers	Creating a two-way dialogue through web interactions like forums and surveys and conducting online market research through formal surveys and informally monitoring conversations to learn about them	• Grow email coverage to 50 per cent of current customer database • Survey 1000 customers online each month • Increase visitors to community site section by 5 per cent

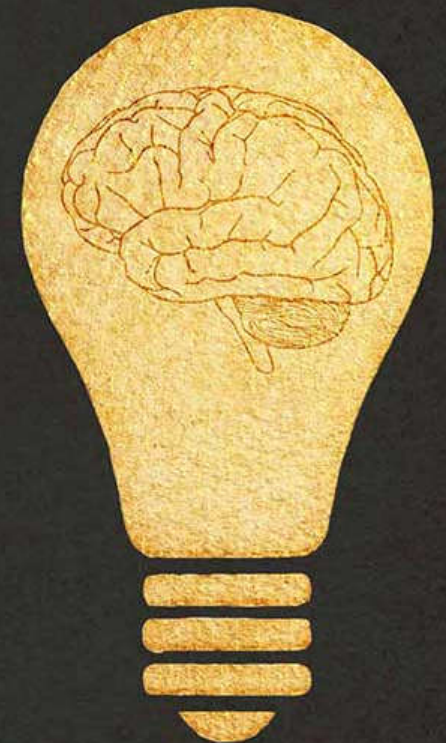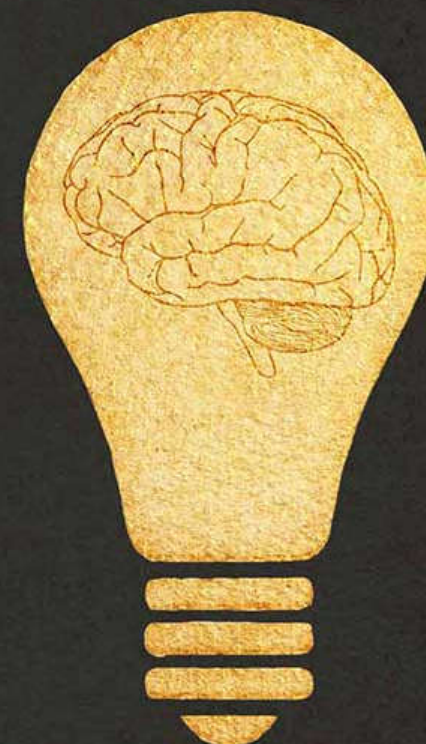|		
Save – Save costs	Achieved through online email communications, sales and service transactions to reduce staff, print and postage costs. Savings also accrue through 'web self-service' where customers answer queries through online content	• Generate 10 per cent more sales for same communications budget • Reduce cost of direct marketing by 15 per cent through email • Increase web self-service to 40 per cent of all service enquiries and reduce overall cost-to-serve by 10 per cent
Sizzle – Extend the brand online	Achieved through providing new propositions, new offers and new experiences online including building communities	• Improve branding metrics such as brand awareness, reach, brand favourability and purchase intent

Source: Chaffey and Smith (2012)

From: Supplier of content/service

	Consumer or citizen	Business (organisation)	Government
To: Consumer of content/service **Consumer or citizen**	**Consumer-to-consumer (C2C)** • eBay • Peer-to-peer (Skype) • Blogs and communities • Product recommendations • Social network (Bebo, Facebook Google+)	**Business-to-consumer (B2C)** • Transactional: Amazon • Relationship-building: BP • Brand-building: Unilever • Media owner – News Corp • Comparison intermediary: Kelkoo, Pricerunner	**Government-to-consumer (G2C)** • National government transactional: Tax – HM Revenue & Customs • National government information • Local government information • Local government services
Business (organisation)	**Consumer-to-business (C2B)** • Priceline • Consumer-feedback, communities or campaigns	**Business-to-business (B2B)** • Transactional: Euroffice • Relationship-building: BP • Media owned: Emap business productions • B2B marketplaces: EC21 • Social network (Linked-In, Plaxo)	**Government-to-business (B2B)** • Government services and transactions: tax • Legal regulations
Government	**Consumer-to-government (C2G)** • Feedback to government through pressure group or individual sites	**Business-to-government (B2G)** • Feedback to government businesses and non-governmental organisations	**Government-to-government (G2G)** • Inter-government services • Exchange of information

Applying the 7Ss

The 7Ss are a useful framework for reviewing an organisation's existing and future capabilities to meet the challenges posed by the new digital channels, and some of the aspects of this are shown in Table 1.3.
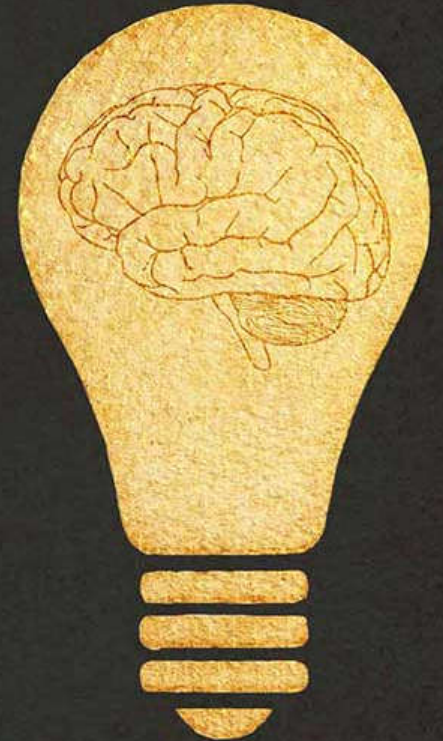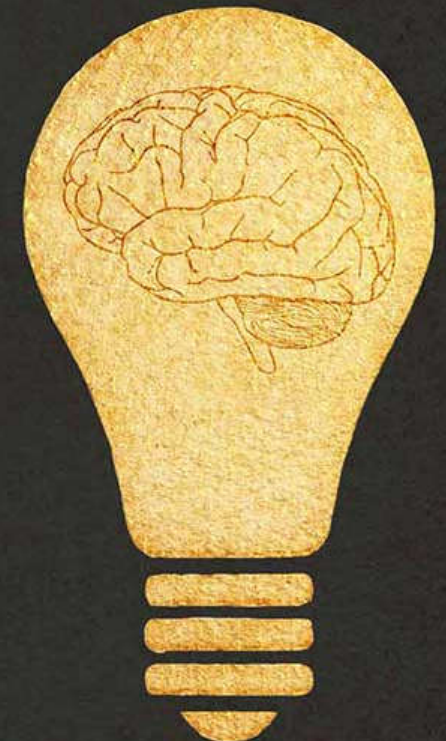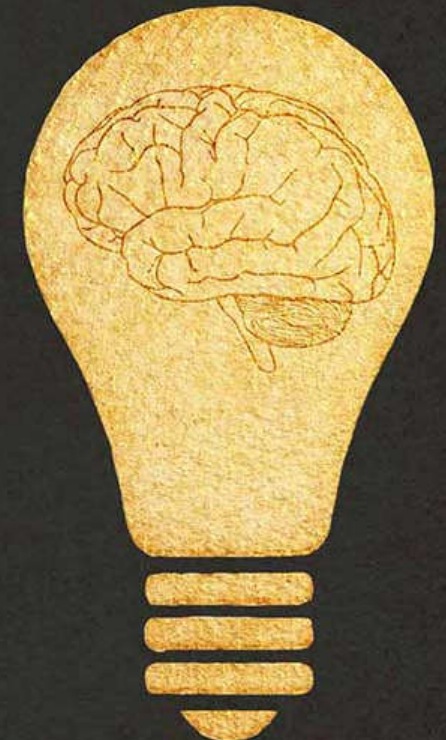
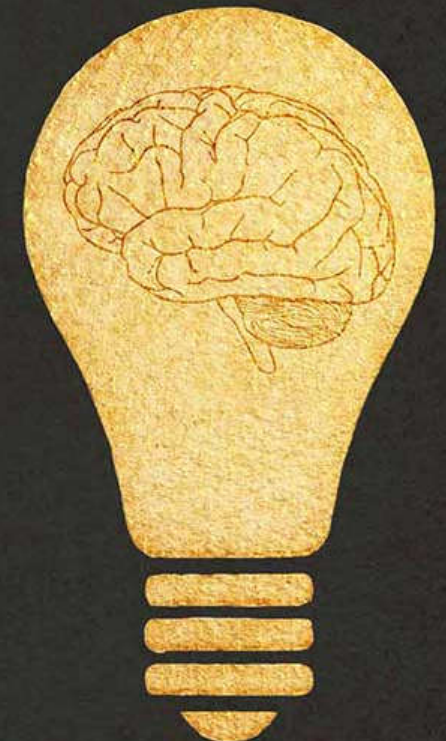| Table 1.3	Summary of some of the organisational challenges of digital marketing that need to be managed in the context of the 7S framework	
Element of 7S model	**Application to digital marketing strategy**	**Key issues from practice and literature**
Strategy	The significance of digital marketing in influencing and supporting the organisation's strategy	Gaining appropriate budgets and demonstrating/delivering value and ROI from budgets. Annual planning approach Techniques for using digital marketing to impact organisation strategy Techniques for aligning digital strategy with organisational and marketing strategy

Element of 7S model	Application to digital marketing strategy	Key issues from practice and literature
Structure	The modification of organisational structure to support digital marketing	Integration of digital marketing and e-commerce teams with other management, marketing (corporate communications, brand marketing, direct marketing) and IT staff Use of cross-functional teams and steering groups Insourcing vs outsourcing
Systems	The development of specific processes, procedures or information systems to support digital marketing	Campaign planning approach–integration Managing/sharing customer information Managing content quality Unified reporting of digital marketing effectiveness In-house vs external best-of-breed vs external integrated technology solutions
Staff	The breakdown of staff in terms of their background and characteristics such as IT vs marketing, use of contractors/consultants, age and sex	Insourcing vs outsourcing Achieving senior management buy-in/involvement with digital marketing Staff recruitment and retention. Virtual working Staff development and training
Style	Includes both the way in which key managers behave in achieving the organisation's goals and the cultural style of the organisation as a whole	Relates to role of digital marketing team in influencing strategy – is it dynamic and influential or conservative and looking for a voice

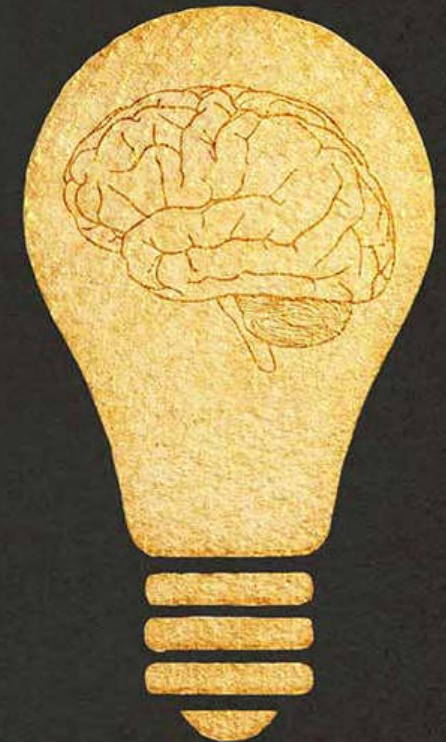|		
Style	Includes both the way in which key managers behave in achieving the organisation's goals and the cultural style of the organisation as a whole	Relates to role of digital marketing team in influencing strategy – is it dynamic and influential or conservative and looking for a voice
Skills	Distinctive capabilities of key staff, but can be interpreted as specific skill sets of team members	Staff skills in specific areas: supplier selection, project management, content management, specific e-marketing approaches (SEO, PPC, affiliate marketing, email marketing, online advertising)
Superordinate goals	The guiding concepts of the digital marketing organisation which are also part of shared values and culture. The internal and external perception of these goals may vary	Improving the perception of the importance and effectiveness of the digital marketing team among senior managers and staff it works with (marketing generalists and IT)

Source: EConsultancy (2005)

The relationship between digital and traditional communications

Table 1.4	Key marketing communications concepts	
Marketing communications term	**Definition**	**Examples from traditional and digital media**
Medium (media)	'Anything that conveys a message' The carrier of the message or method of transmission. Can be conceived as the touchpoint with the customer	Broadcast (television, radio), press, direct mail, cinema, poster, digital (web, email, mobile)
Discipline	'A body of craft technique biased towards a facet of marketing communication' These are traditionally known as 'promotion tools' or the different elements of the communications mix	Advertising, direct marketing, public relations, market research, personal selling, sales promotion, sponsorship, packaging, exhibitions and trade shows. All are also used online
Channel (tools)	The combination of a discipline with a medium	Direct mail, direct response TV, television brand advertising. Digital channels: different forms of search marketing, affiliate marketing, display advertising, email marketing, social media, blogs and feeds

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Any Question ??