

How digital marketing and e-commerce benefit organizations

- Video:** Welcome to week 2
1 min
- Video:** How digital marketing and e-commerce create value
3 min
- Reading:** Advantages and challenges of digital marketing
20 min
- Video:** Jen - Diversity in digital marketing
4 min
- Reading:** Inclusive marketing
20 min
- Video:** Janice - Inclusive marketing
2 min
- Video:** Xiomara - Inclusive marketing
4 min
- Practice Quiz:** Test your knowledge: How organizations benefit from digital marketing and e-commerce
5 questions

Introduction to the marketing funnel

Attract and engage potential customers

Drive sales and build brand loyalty

Review: The customer journey and the marketing funnel

Advantages and challenges of digital marketing

Traditional marketing is marketing that isn't online. Marketers reach potential customers through printed media, television, radio, direct mail, phone calls, or billboards. Digital marketing is marketing that is exclusively online. Digital marketers focus on potential customers who engage with online content, including search engine results, email, video, blogs, or social media.

This reading describes the advantages digital marketing has over traditional marketing and some definite challenges, too.

Digital marketing advantages

Digital marketing has certain advantages over traditional marketing because it:

- Reduces wasteful spending
- Adapts to new technologies
- Reaches target audiences with more precision

Spending

Digital marketing uses content in a variety of formats that can be easily converted from one format to another, making spending more cost-effective. Digital marketing also reduces wasteful spending. For example, television or billboard ads are equally seen by those who have an interest in your company or product and those who don't. Traditional marketing always wastes some budget on people who will never buy a product or service. In contrast, digital ads can be selectively shown to people who are more likely to have an interest in that product or service. Digital marketing that is more strategically focused on the right people yields a better return on spending.

Technology

Various technologies enable organizations to engage and interact with customers more effectively, which is a big part of digital marketing. Developing a good online relationship with customers makes them more likely to find your business, become loyal customers, and even share their recommendations with others.

Digital marketing tools also enable companies to collect data and measure the results of their marketing efforts more effectively. When marketers receive data faster, they're able to change direction easily if a marketing effort isn't producing the results expected. Measuring the success of digital marketing campaigns is key to ensuring that you get the results you want.

Digital marketing adapts to new technologies. There are always new opportunities to reach customers in different ways, especially compared to traditional marketing.

Target audiences

Digital marketing tools and data enable you to expand your customer reach well beyond that of traditional marketing. Ad visibility and audience coverage can be tailored to meet your specific business needs and goals. When you reach the right audiences, you're more likely to increase sales and develop sustainable customer loyalty programs.

Digital marketing challenges

Digital marketing also has certain challenges that are associated with spending, technology, and target audiences. For each advantage previously identified, there are also associated challenges.

Spending

Advantage: Digital content is easier to create.

Challenge: Organizations engage in **omnichannel marketing**—the integration or synchronization of content on multiple channels—so customers can have a consistent brand experience. This increases the amount of content required, so even if it's easier to create digital content, much more content needs to be created overall. Furthermore, it's not just about the amount of content created, but its quality. Advertising is a crowded space. Content must be distinctive to positively impact customer awareness and change their behavior.

Advantage: Digital marketing is more cost-effective than traditional marketing.

Challenge: If an organization is working towards an omnichannel presence, the cost for marketing on all channels adds up quickly. Getting support or buy-in for extra or additional budget to cover the cost can be difficult.

Technology

Advantage: Digital marketing adapts to new technologies.

Challenge: As a marketer, learning and keeping up with new technologies and tools is a constant requirement. Marketers must also stay up-to-date with and follow all user privacy and data sharing regulations worldwide. Omnichannel marketing also makes it more difficult to track where sales come from. Marketers must rely more heavily on analytics tools to help them do that.

Target audiences

Advantage: Digital marketing tools expand customer reach using specific audiences.

Challenge: The digital space is a crowded field that's getting even more crowded. It's harder for marketers to stand out with their advertising, even when they are targeting the right audiences.

Key takeaways

Various technologies make digital marketing more cost-effective and adaptable than traditional marketing. Digital marketing tools also enable more advanced and targeted audience selection for marketing campaigns. However, these benefits come with some challenges. In a digital space that's both crowded and noisy, it's harder for a company's brand and advertising to stand out. Marketing professionals must keep up with technological advances and customer behaviors that change rapidly.

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