

1.1 Introduction

Today, no marketing strategy is complete if it does not incorporate digital strategy and expression. Understanding digital requires thinking beyond any one tool or channel, and towards an exchange of value: an economic system trading with attention as currency.

What is digital? Bud Caddell defines 'digital' as "a participatory layer of all media that allows users to self-select their own experiences, and affords marketers the ability to bridge media, gain feedback, iterate their message, and collect relationships" (Caddell, 2013). In other words, digital is a new way of exploring content (for users) and connecting with customers (for marketers).

Digital is not just a set of marketing channels – it's a different way of thinking about how people engage with media, each other and the world around them. Digital enables you to segment your audience and customise messages in a valuable and measurable way. The availability of information, our inherent desire to contribute, and user-friendly technology have rewritten the rules of engagement. People are not passive consumers; they are empowered as publishers, editors and commentators. The conversation is multi-directional and usually not started or controlled by brands.

In this chapter, you will gain:

- An understanding of the role digital can play in a marketing plan
- An approach to reaching people in a world of digital tools
- Insight into how to get the most out of this textbook

1.2 Understanding marketing

Before we can delve into digital marketing, it's important to understand the fundamentals that underpin marketing itself. After all, digital marketing has the same purpose, intentions and objectives.

Dr Philip Kotler defines marketing as follows, "Marketing is that function of the organisation that can keep in constant touch with the organisation's consumers, read their needs, develop products that meet these needs, and build a programme of communications to express the organisation's purposes".

(Kotler and Levy, 1969: p 15).

1.3 Understanding digital marketing

How does digital marketing fit into this definition? There is, in fact, no basic difference between 'traditional' marketing and digital marketing. They are one and the same.

Ultimately, the aim of any type of marketing is to keep customers and stimulate sales in the future. Digital communication tools make it possible to connect and build long-term relationships with customers.

Digital marketing helps to create consumer demand by using the power of the interconnected, interactive web. It enables the exchange of currency but, more than that, it enables the exchange of attention for value. This is referred to as the attention economy.

Digital marketing is powerful in two fundamental ways. First, the audience can be segmented very precisely – even down to factors like current location and recent brand interactions – which means that messages can (and must) be personalised and tailored specially for them.

Second, the digital sphere is almost completely measurable – every minute and every click by a customer can be accounted for. In digital you can see exactly how various campaigns are performing, which channels bring the most benefit, and where your efforts are best focused.

1.3.1 Crowdsourcing

Crowdsourcing is a powerful example of the way digital tools have enabled certain ways of thinking. In simple terms, crowdsourcing is a distributed problem-solving and production model that relies on an active community to find solutions to problems. Crowdsourcing relies heavily on the tools and communication forms made possible by the Internet.

Given that the Internet connects people all over the world through different publishing tools and technologies, the information and ideas on these channels have become commodities in themselves. In the past, we had to gather physically to create crowds. Now, with technology, crowds can be closely connected while being geographically distant.

By listening to the crowd and asking for their contributions, organisations can gain first-hand insight into their customers' needs and desires, and build products and services that meet those needs and desires. With an earned sense of ownership, communities may feel a brand-building kinship with the community through collaboration and contribution.

Using the Internet, a savvy organisation can tap a wider range of talent and knowledge than is contained in its own resources. Tapping into this resource can be done in one of three ways:

1. **Crowdsourcing**, which involves asking and enabling people to share their ideas or creations in exchange for an emotional or monetary reward. This is the most common type used for marketing and idea generation. Websites such as Threadless (www.threadless.com), Idea Bounty (www.ideabounty.com) and Wikipedia (en.wikipedia.org) are prime examples of crowdsourcing.
2. **Crowdfunding**, which involves asking many people in a large crowd each to donate a small amount of money in order to gather a large sum to fund a specific project or venture. Kickstarter (www.kickstarter.com) is a well-known platform where people who want to start projects can ask for backers to fund them. The higher the contribution, the more the backer will receive once the project is complete.
3. **Microtasking**, which involves breaking a big task or project down into tiny components and asking many people to each complete a few of these components, usually for payment. One company that uses microtasking is BrandsEye (www.brandseye.com), which pays members of its crowd to evaluate the sentiment behind mentions in social media.

Communities that use crowdsourcing platforms exist for different reasons. Some exist because there are people who have a keen interest in and affinity for those brands. They participate in the community because they want to improve the products and services they receive. Others want to gain a monetary reward or the prestige of devising the winning solution.

Whatever the case, crowdsourcing demonstrates the power of the Internet – it connects people, builds communities, spreads messages, and taps into a global source of ideas and inspiration.

1.3.2 Digital audiences

Both the media landscape and people's media habits have changed. There are many fragmented and highly specific niche communities at play across multiple digital media channels.

At the same time, people's attention is fragmented by the many new media channels and tools available – on top of traditional media, we now have social networks, emails, web tools, mobile devices and more splitting our attention. With so many choices and too little time, audiences have become very skilled at ignoring marketing messages.

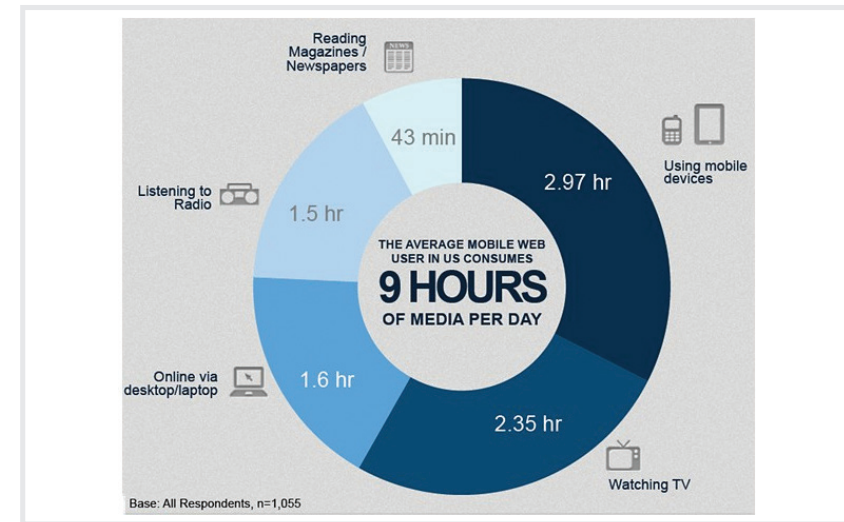


Figure 1. The ways in which people use digital media. (Source: InMobi, 2012)

The key to succeeding is two-fold: ideas must be remarkable, and you must find a niche group who are obsessed with your product and willing to devote their scant attention to it. These fans may tell their friends and, in doing so, spread the word over their interconnected digital networks. If most consumers are likely to ignore your marketing message then the goal is to speak to those who are actually listening.

This leads to another key digital consideration. These days, people themselves are media channels. After all, most of us create, share, comment on and link to content that we find interesting – or that we think will interest our friends and followers. These personalised digital broadcasts are intercepted by people who are interested in what we are saying and have chosen to listen to us. Through this, individuals have become conduits for information, ideas and news in a powerful way.

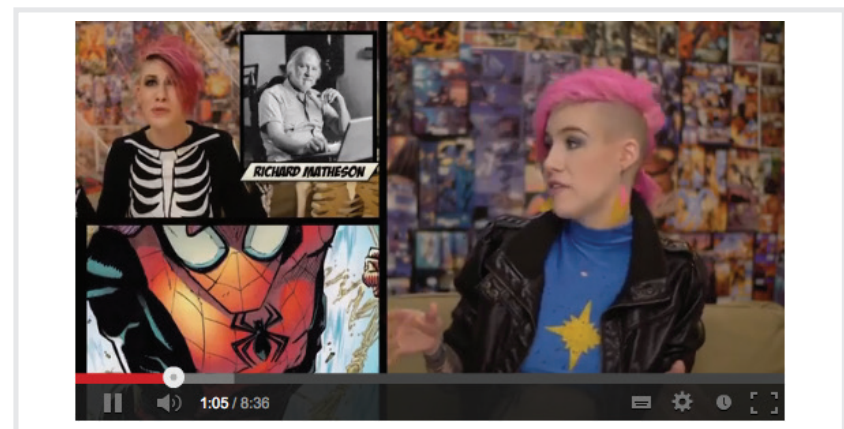


Figure 2. YouTube user ComicBookGirl19 broadcasts valuable content.