

UNIT 1: Introduction to Digital marketing

- The New Digital world
- Trends that are driving the Shifts from traditional marketing practices to digital marketing practices
- The modern digital consumer and new consumer digital Journey
- Marketing Strategies for the digital world Latest Practices

Digital Marketing

What is digital marketing?

Digital marketing can be described as actively promoting **products** and **services** using digital distribution channels as an alternative to the more traditional mediums such as television, print and radio

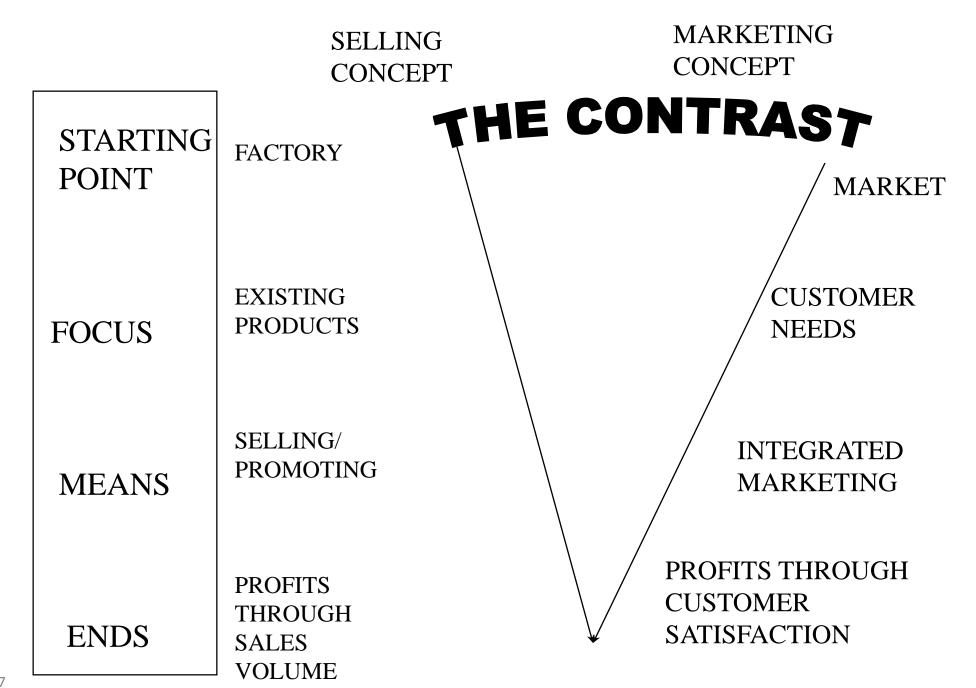
Digital Marketing

Some Facts

Today's consumer is more cognizant of the marketing messages all around them, leaving them more likely to tune out advertisements or other forms of marketing communication

In the "golden age" of television, an ad on one of the big three networks could reach 70 percent of the viewing audience

According to Seth Godin (author of *Permission Marketing*) today's consumer receives roughly one million marketing messages a year on average



History

- The term *Digital marketing* was first used in the 1990s, but digital marketing has roots in the mid-1980s,
- when the SoftAd Group, now <u>ChannelNet</u>, developed advertising campaigns for automobile companies: People sent in reader reply cards found in magazines and received in return floppy disks that contained multimedia content promoting various cars and free test drives
- In yr 2000 a survey in the United Kingdom found that most retailers had not registered their own domain address.
- Digital marketing became more sophisticated in the 2000s and the 2010s, when the proliferation of devices' capability to access digital media at almost any given time led to great growth.
- Statistics produced in 2012 and 2013 showed that digital marketing was still a growing field.

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- Digital marketing is often referred to as 'online marketing', 'internet marketing' or 'web marketing'.
- The term digital marketing has grown in popularity over time, particularly in certain countries.
- In the USA *online marketing* is still prevalent. In Italy, digital marketing is referred to as *web marketing*.
- In the UK and worldwide, however, digital marketing has become the most common term, especially after the year 2013.

New Digital world

- Digital media growth is estimated at 4.5 trillion online ads served annually with digital media spend at 48% growth in 2010.
- An increasing portion of advertising stems from businesses employing Online Behavioural Advertising (OBA) to tailor advertising for internet users.
- But OBA raises concern of <u>consumer privacy</u> and data protection.

TRADITIONAL MARKETING CONCEPT

Mass Marketing

Average customer

Customer anonymity

Standard product

Mass production

Mass Distribution

Mass Advertising

Mass promotion

One-way message

Economies of scale

Share of market

All customers

Customer attraction

One-to-One Marketing

Individual customer

Customer profile

Customized market offering

Customized production

Individualized distribution

Individualized Message

Individualized incentives

Two way message

Economies of scope

Share of Customer

Profitable customers

Customer retention

Trend change of marketing

- In an evermore complex Retail environment, <u>customer engagement</u> is essential but challenging.
- Retailers must shift from a linear marketing approach of one-way communication to a value exchange model of mutual dialogue and benefit-sharing between provider and consumer.
- Exchanges are more non-linear, free flowing, and both one-to-many or one-on-one.
- The spread of information and awareness can occur across numerous channels, such as the blogosphere, YouTube, Facebook, Instagram, Snapchat, Pinterest, and a variety of other platforms.
- Online communities and social networks allow individuals to easily create content and publicly publish their opinions, experiences, and thoughts and feelings about many topics and products, hyper-accelerating the diffusion of information.

The Nielsen Global Connected Commerce Survey -Results

- conducted interviews in 26 countries to observe how consumers are using the Internet to make shopping decisions in stores and online.
- Online shoppers are increasingly looking to purchase internationally, with over 50% in the study who purchased online in the last six months stating they bought from an overseas retailer.
- Retailers are increasingly focusing on their online presence, including online shops that operate alongside existing store-based outlets.
- The "endless aisle" within the retail space can lead consumers to purchase products online that fit their needs while retailers do not have to carry the inventory within the physical location of the store.
- Solely Internet-based retailers are also entering the market; some are establishing corresponding store-based outlets to provide personal services, professional help, and tangible experiences with their products.

- Using an **Omni-channel** strategy is becoming increasingly important for enterprises who must adapt to the changing expectations of consumers who want even-more sophisticated offerings throughout the purchasing journey.
- An **Omni-channel** approach not only benefits consumers but also benefits business bottom line as Research suggests that customers spend more than double when purchasing through an omni-channel retailer as opposed to a single-channel retailer, and are often more loyal. This could be due to the ease of purchase and the wider availability of products.
- Customers are often **researching online** and then buying in stores and also **browsing in stores** and then searching for other options online.
- Online customer research into products is particularly popular for higher-priced.
- Consumable goods like groceries and makeup eg: grofers and grocersmax
- Consumers are increasingly using the Internet to look up product information, compare prices, and search for deals and promotions.

- Word of mouth communications and peer-to-peer dialogue often have a greater effect on customers, since they are not sent directly from the company and are therefore not planned.
- Customers are more likely to trust other customers' experiences.
- It is increasingly advantageous for companies to utilise social media platforms to connect with their customers and create these dialogues and discussions.
- The potential reach of social media is indicated by the fact that in 2015, each month the Facebook app had more than 126 million average unique users and YouTube had over 97 million average unique users.

Trend change in marketing

Traditional
Marketing- Door
to Door

Mass Marketing-All Customer One to One Marketing-Value Proposition

Digital
Marketing-All
valued Customer

Digital Marketing-All valued Customer

MARKETING AUTOMATION

NATIVE ADVERTISING

SOCIAL MEDIA "BUY" BUTTONS

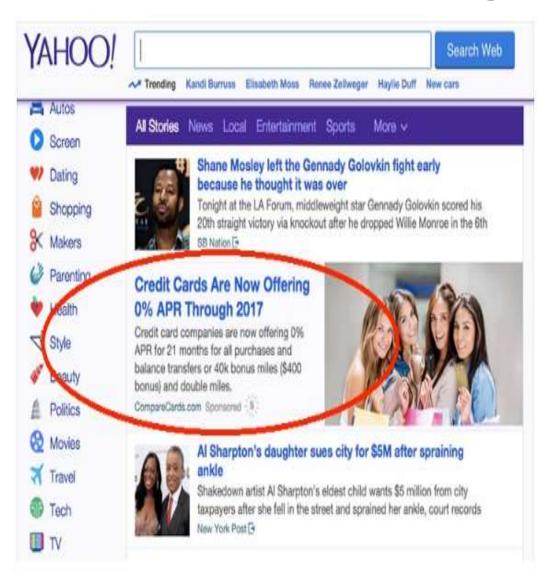
VIDEO AND VISUAL STORYTELLING

DEDICATED Sites and E COMM / M COMM

Marketing Automation



Native advertising







The Top 10 Trends Driving Marketing In



Grads of LifeVoice: Saving Lives, Changing Lives: Training A New Generation Of First Responders



PODCAST: Ditch Your Insecurities And Be Heard, Here's How

CMO Network / #GettingBuzz



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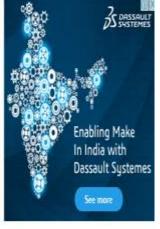
12 Stocks to Buy Nov

The Top 10 Trends Driving Marketing In 2017



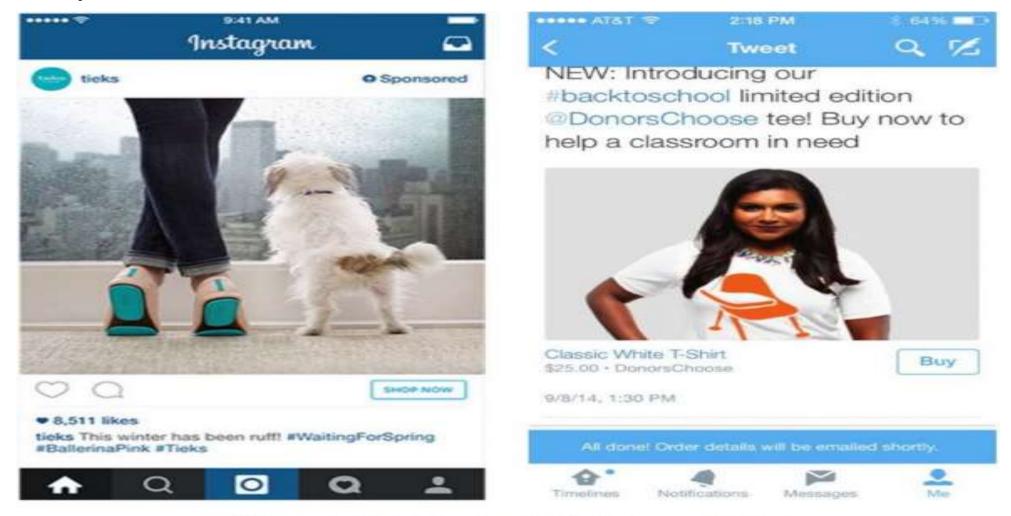






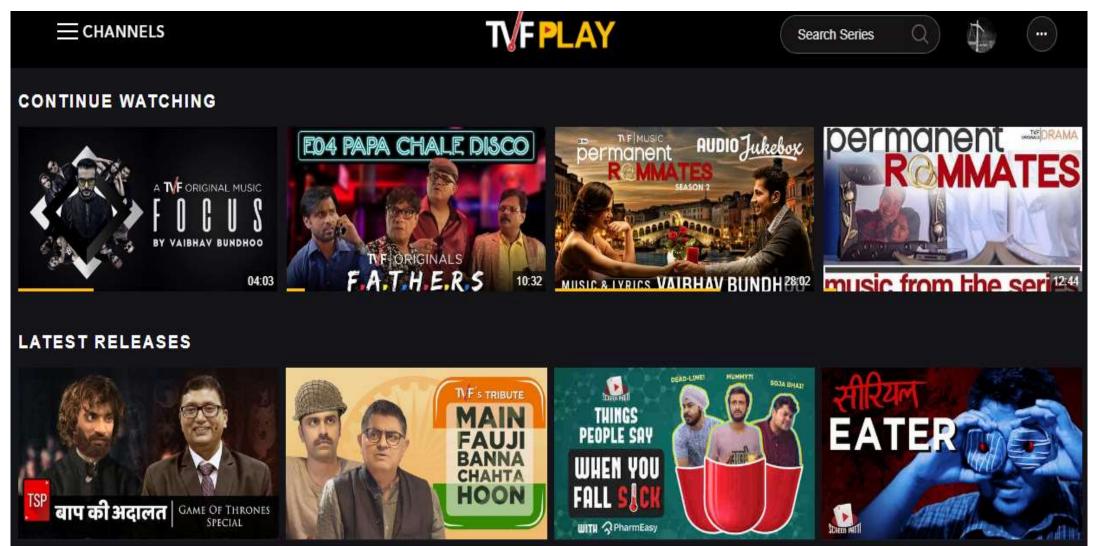
Native Advertising: This Ad by CompareCards.com appears like a standard news article on Yahoo. 27-10-2017

Buy buttons



'Shop now' and 'buy' buttons introduced to Instagram and Twitter.

Video play



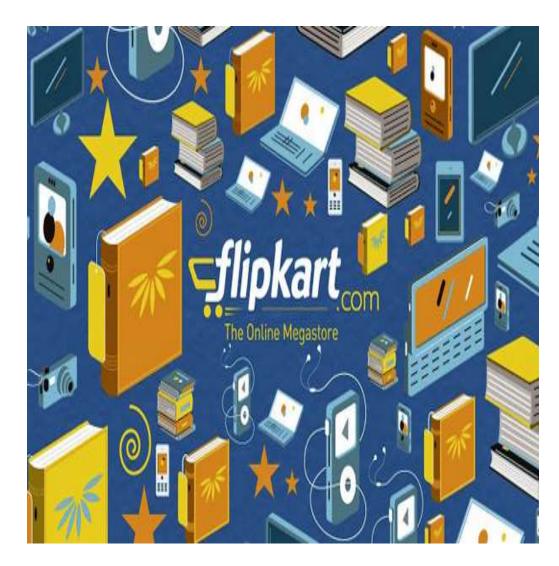
Dedicated online sites and APPs

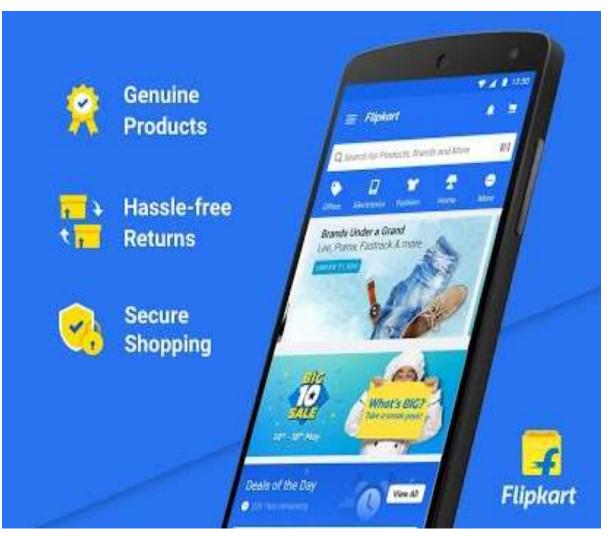




Domino's opted for a dedicated mobile site due to the heavy reliance of their customers on this platform.

E COM / M COM





Digital marketing advantage

- 1. The use of digital marketing allows for brands to market any products and services.
- 2. Allows for online **customer support through 24/7 services** to make customers feel supported and valued all the time Eg: flipkart, Shopclues, Paytm
- 3. The use of **social media interaction** allows brands to receive ratings for Product and services from their customers.
- 4. Helps in determining what media platforms work well for them Eg: Facebook , Twitter.
- 5. Digital marketing for Branding of Businesses like for (B2B- Sulekha, Justdial) and (B2C- filpkart, snapdeal, shopclues and Paytm mall)
- 6. Post feedback online through social media sources, blogs and websites on their experience with a product or brand eg Comment on Ucnews and youtube
- 7. To have direct contact with the customers and vis a vie manage the comments they receive appropriately through social media channels

UNDERSTANDING DIFFERENT 'DIGITAL CONSUMERS THE SIX TYPES OF DIGITAL CONSUMERS FROM SCOTT VALENTINE

- Almost half (48 per cent) of all purchases are heavily influenced by digital media and advertising.
- The research groups examined more than 168,000 purchases of consumer electronics, where the consumer used digital media in at least one step. The goal of this was to find where consumers go online to make their purchases, and why they go there.
- The motivation for the insights were to understand how consumers continue to incorporate digital media into their purchase process, exploring which sites and technology consumers use in the process of making both online and in-store purchases and
- Why of all the consumers who utilized digital at least once in their purchase pathway, six distinct segments emerged. The segments, as identified by GroupM Next, are said to be:
- 1. Digitally Driven Segment
- 2. Calculated Shoppers
- 3. Basic Digital Consumers
- 4. Retail Scouts
- 5. Brand Scouts
- **6.** Eternal Shoppers

Types of Digital Consumers	Explanation and Percentage Allocation
'Basic digital consumers'	(29 per cent) of digitally engaged shoppers were identified as 'basic digital consumers'. This group is comfortable with internet shopping and research, but not mobile or social, doing all their search on laptops and desktops
'Retail scouts'	The second most common digital consumer (22 per cent) were the 'retail scouts' who preferred to use retail sites to brand sites, and also employed the use of mobile, though it was twice as likely to be used at home
'Brand scouts'	(20 per cent) who preferred a brand rather than a certain retailer. Around 72 per cent said they start their consumer journey with a brand in mind.
calculated shoppers	(11 per cent), who make use of a wide range of tools and are willing to take the time to secure the best deal.
External shoppers	(2 per cent) are non-mobile shoppers who use social tools and have no urgency to make a purchase.
'Digitally driven shoppers'	(16 per cent) who used every digital tool at their disposal, including search, retail and brand sites, mobile, social, local and portal.

Digital Marketing Strategies

How are marketers adjusting?

Digital marketers turn to technology to help reach target consumers

Internet marketing Mobile marketing Social marketing Viral marketing

Digital Marketing

How are marketers adjusting?

The goal for digital marketers is to focus on <u>interactive</u> <u>elements</u>, encouraging consumers to participate in the marketing process

U.S. interactive marketing spending will reach \$55 billion by 2014, making up 21% of all marketing spending, according to a report issued by Forrester Research

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Marketing process

The market sensing process: All the activities involved in gathering market intelligence, disseminating it within the organization, and acting on the information.

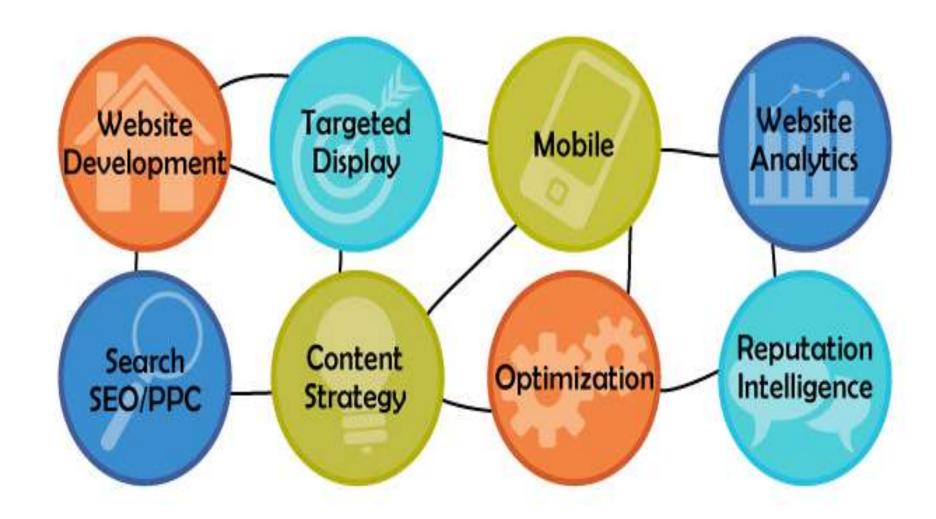
The new offering realization process: All the activities involved in researching, developing, and launching new high quality offerings quickly and within budget.

The customer acquisition process: Al, the activities involved in defining target markets and prospecting for new customers.

The customer relationship management process: All the activities involved in building deeper understanding, relationships, and offerings to individual customers.

The fulfillment management process: All the activities involved in receiving and approving orders, shipping the goods on time, and collecting payment.

Digital Marketing Strategy



Strategy for

- Website development that could be Static, Dynamic , Informative , Ecommerce Web portal
- Use of Superior technology like PHP , Asp.net , Ruby etc
- Making a SEO friendly site for Targeted Display (Audience in form of Digital customers)
- Adding Search Key words
- Website development followed by the SEO/PPC/SMO.
- Content Writing including the key words used for the SEO process
- Going for the Mobile friendly sites or preferably A
- Optimizing the Keywords and matching with the generic search
- Adding analytical tools for understating the various consumer behavior and making the suitable product evolution.
- Adding intelligent analytics to establish reputation over the web portal in order to win customer loyalty; Trust; Safe and Secure Practice.

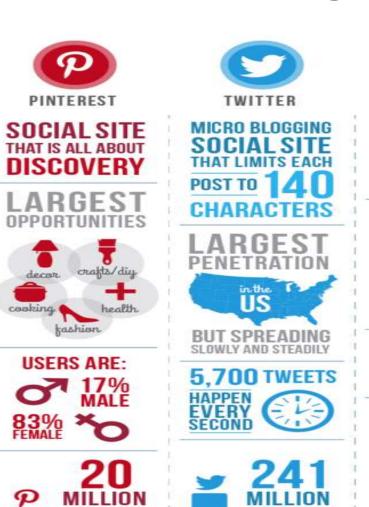
Definitions

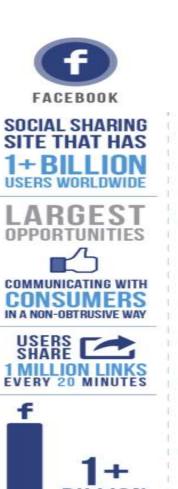
SEO stands for **Search engine optimization** about trying to rank higher in search engines. To rank higher you make changes to your website content that make it easier for search engines to understand your content. Also, it can mean getting links from other websites.

Social media optimization (SMO) is the process of increasing the awareness of a product, brand or event by using a number of **social media outlets** and communities to generate viral publicity.

viral marketing: is a direct marketing technique in which a company persuades internet users to forward its publicity material in emails (usually by including jokes, games, video clips, etc) or a marketing strategy in which conventional media are eschewed in favour of various techniques designed to generate word-of-mouth publicity, in the hope of creating a fad or craze

Viral Marketing Platforms











Statistics as of 4.25.2014 Designed by: Leverage - leveragenewagemedia.com







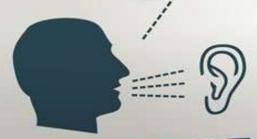
ADVERTISING

SOCIAL NETWORKING POTENTIAL



VIRAL

MARKETING VIDEO



WORD OF MOUTH



INTERACTIVE



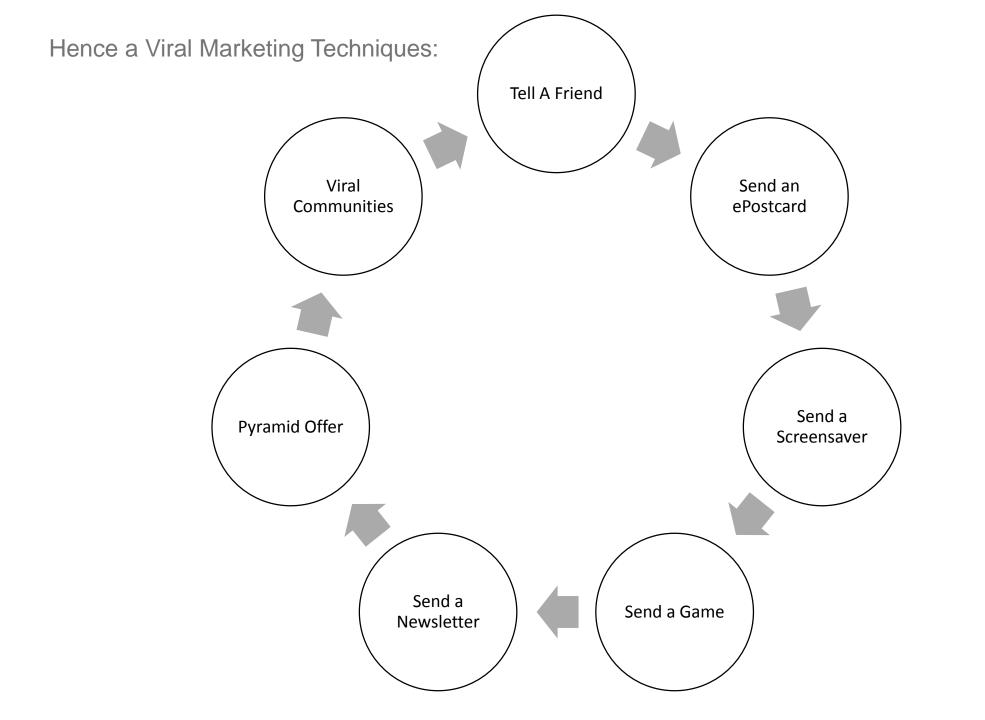
INTERNET

What is Viral Marketing?

Viral promoting, Viral advertising, or promoting buzz are buzzwords pertaining to promoting techniques that use pre-existing social networking services and alternative technologies to do to supply will increase in whole awareness or to realize alternative promoting objectives (such as product sales) through self-replicating Viral processes, analogous to the unfold of viruses or pc viruses (cf. web memes and memetics). It are often delivered by word of mouth or increased by the network effects of the net and mobile networks.

Viral advertising is personal and, whereas returning from associate degree known sponsor, it doesn't mean businesses pay money for its distribution.

Most of the well-known Viral ads current on-line ar ads paid by a sponsor company, launched either on their own platform (company webpage or social media profile) or on social media websites like YouTube.



Viral marketing accelerates word of mouth online by harnessing the network effect of the Internet. Viral marketing generates traffic via word-of-mouth i.e. encouraging visitors to tell a friend. Email can also be used – inviting recipients to pass on the message (whether text, animation or video) to a friend or colleague. Hotmail put a message at the bottom of each email: GET YOUR FREE E-MAIL AT HOTMAIL.COM. It spread to 11 million users in 18 months without any advertising.

Email a friend is great for its simplicity and effectiveness. It involves a prompt next to a small box to enter the email address of a friend or a colleague who might like to receive the same message, article, web page or offer. It works well for both parties. 'email a friend' is perhaps the safest and most effective example of viral marketing.

Although similar to email a friend, this requires a site visit to pick up the postcard. See how this technique is used by Freeserve to build traffic. Through a similar technique, BlueMountain arts was so successful in building traffic it was acquired by Excite for in excess of \$1 billion.

Games or software that can be used on site, or need to be downloaded as for the screensaver, can generate word-of-mouth and if the experience is good enough, can create massive traffic. The inventors of the ICQ chat software achieved over 32 million downloads in the first few years.

Newsletters are powerful viral marketing tools. One of the easiest in the book. Many newsletters ask readers if they want a friend or colleague to receive the newsletter by either forwarding it themselves or, better still requesting an email address for a friend or colleague.

A stalwart of viral marketing of which the Guinness 'Dancing Man' is the best known example, now followed by 'Dancing Hamsters' and 'Dancing Babies'. An interesting screensaver will be emailed to others and seen by many. Not only the preserve of B2C. Screensavers are also used in B2B, for example, screensavers of construction sites and setting concrete have been known to titillate engineers.

Another approach to viral marketing is the email pyramid offer. This is frowned upon by some who see it as a nuisance chain letter or even a pyramid selling technique. A typical example is an offer of a free mobile phone if you email the message promoting the phone to ten friends or colleagues.

Affiliate campaigns, such as that used by Amazon, are considered by some to be viral in that they use other sites to generate traffic which is referred back to Amazon.

Important Questions Unit-I

- 1. Define Marketing and explain the key terms with examples (need , wants , demand, values , utility , exchange , relationships and Transactions) (10)
- 2. Explain the Paradigm shift of Marketing to Digital Marketing? and what are the key conclusions drawn from the Nelson Survey? (10)
- 3. Define the Digital Marketing and evolution of the Digital age?
- 4. Map the difference between Mass Marketing and one to one marketing and how the concept of both managed in Digital marketing with examples? (10)
- 5. Difference between selling and marketing? Explain Digital marketing for Valued customer with examples? (10)
- 6. Explain the types of the Digital marketing consumers and Advantage of digital marketing? (10)
- 7. What is Viral Marketing? Name the different viral marketing Techniques? (10)
- 8. What are different Digital marketing strategy and explain with examples? (10)